

**TOWN OF FLORENCE  
REGULAR MEETING  
AGENDA**

**PURSUANT TO A.R.S. § 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE FLORENCE TOWN COUNCIL AND TO THE GENERAL PUBLIC THAT THE FLORENCE TOWN COUNCIL WILL HOLD A MEETING OPEN TO THE PUBLIC ON MONDAY, JULY 7, 2014, AT 4:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.**

**1. CALL TO ORDER**

- 2. ROLL CALL: Mayor Rankin\_\_\_; Vice-Mayor Smith\_\_\_;  
Councilmembers: Tom Celaya\_\_\_; Bill Hawkins\_\_\_;  
Ruben Montaña\_\_\_; Tara Walter\_\_\_; Vallarie Woolridge\_\_\_**

**3. ADJOURN TO EXECUTIVE SESSION**

**For the purpose of discussion of the public body to evaluate the Town Manager and Town Attorney and to receive legal advice from the Town Attorney regarding their contracts of employment in accordance with A.R.S. § 38-431.03(A)(1)&(3).**

**4. ADJOURN FROM EXECUTIVE SESSION**

**5. INVOCATION**

**6. PLEDGE OF ALLEGIANCE**

**7. CALL TO THE PUBLIC**

**Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.**

**8. MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

- a. Public hearing to receive public comment on the Merrill Ranch Community Facilities District No. 1 Budget; and for Discussion/Approval/Disapproval of Resolution No. MRCFD1 127-14: A RESOLUTION OF BOARD OF DIRECTORS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.**

- b. **Public hearing to receive** public comment on Merrill Ranch Community Facilities District No. 1 Property Tax Levy; and second reading of Ordinance No. MRCFD1 111-14: AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>th</sup> DAY OF JUNE 2015. (First reading on June 16, 2014)

9. MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.

10. MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.

- a. **Public hearing to receive** public comment on the Merrill Ranch Community Facilities District No. 2 Budget; and for Discussion/Approval/Disapproval of Resolution No. MRCFD2 227-14: A RESOLUTION OF BOARD OF DIRECTORS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.

- b. **Public hearing to receive** public comment on Merrill Ranch Community Facilities District No. 2 Property Tax Levy; and second reading of Ordinance No. MRCFD2 210-14: AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>th</sup> DAY OF JUNE 2015. (First Reading on June 16, 2014)

11. MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.

12. PUBLIC HEARINGS

- a. **Public hearing to receive** citizen comments on the property tax levy; and second reading of Ordinance No. 612-14: AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF FLORENCE SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT

**ESTIMATED TO BE RECEIVED FROM FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>th</sup> DAY OF JUNE 2015.  
(First Reading June 16, 2014)**

- b. **Public hearing to receive** citizen comments on increasing water and wastewater utility rates and fees; and Discussion/Approval/Disapproval of Resolution No. 1452-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, PROVIDING INCREASES IN RATES AND FEES FOR WATER AND WASTEWATER SERVICES, EFFECTIVE SEPTEMBER 1, 2014.

**13. ADJOURN TO A SPECIAL MEETING**

- a. **Public hearing to receive** citizen comments on the Fiscal Year 2014-2015 Budget; and for Discussion/Approval/Disapproval of Resolution No. 1450-14: A RESOLUTION OF THE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR THE FISCAL YEAR 2014-2015.

**14. ADJOURN FROM A SPECIAL MEETING**

**15. CONSENT:** All items indicated by an (\*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

- a. **\*Resolution No. 1451-14:** A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ACCEPTING THE TERMS AND CONDITION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN PINAL COUNTY AND THE TOWN OF FLORENCE FOR ROADWAY IMPROVEMENTS, CONSTRUCTION AND MAINTENANCE OF COOPER ROAD, CHRISTENSEN ROAD, AND OLD FLORENCE KELVIN HIGHWAY AND AUTHORIZING EXECUTION BY THE TOWN MANAGER.
- b. **\*Approval of acceptance** of grant funds awarded for High Intensity Drug Trafficking Area (HIDTA).
- c. **\*Approval of applying** for a grant in the amount of \$125,000, to the U.S. Department of Justice Community Oriented Policing Services (COPS) program to be used to add a crime prevention/school resource police officer position.
- d. **\*Approval of accepting** the register of demands ending May 31, 2014, in the amount of \$3,126,867.86.
- e. **\*Approval of the** **May 5, May 14, May 19, June 2** and **June 16, 2014** Town Council Minutes.

- f. \*Receive and file the following board and commission minutes:
  - i. **March 20, 2014** Planning and Zoning Commission minutes
- g. \***Johnson Utilities ratification** of the following expenditures made while conducting due diligence in consideration of the Johnson Utilities acquisition:
  - i. Ratification of work completed by Water Works Engineer, LLC, in an amount not to exceed \$53,604.57.
  - ii. Ratification of work completed by Economist.com, LLC, in an amount not to exceed \$50,896.88.
  - iii. Ratification of work completed by Greenburg Traurig, LLP, in an amount not to exceed \$53,604.57.
  - iv. Ratification of work completed by Henry & Horne, PLC, in an amount not to exceed \$21,664.
  - v. Ratification of work completed by Dickinson Wright PLLC, in an amount not to exceed \$20,819.66.
  - vi. Ratification of work completed by Sims Murray, LTD, in an amount not to exceed \$7,306.80.

## 16. NEW BUSINESS

- a. **Resolution No. 1453-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH PALMS-MAGIC LAKE 80, LLC., AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “MAGIC RANCH 80” PROPERTY).
- b. **Resolution No. 1454-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH SFD MAGIC RANCH, LLC., AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “PROMONTORY AT MAGIC RANCH” PROPERTY).
- c. **Resolution No. 1458-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH GEM LAND & CATTLE, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND EMPIRE WEST TITLE AGENCY, LLC., AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “VILLAGE AT MAGIC RANCH” PROPERTY).

- d. **Resolution No. 1459-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH RMG ARIZONA PROPERTIES HOLDING XVII, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “HERITAGE AT MAGIC RANCH” PROPERTY).
- e. **Resolution No. 1460-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH RMG RESIDENTIAL 2010, LLLP, AN ARIZONA LIMITED LIABILITY LIMITED PARTNERSHIP, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “MAGIC RANCH 50” PROPERTY).

## 17. DEPARTMENT REPORT

- a. **Manager’s Report**
- b. Department Reports
  - i. **Community Development**
  - ii. **Courts**
  - iii. **Finance**
  - iv. **Fire**
  - v. **Library**
  - vi. **Parks and Recreation**
  - vii. **Police**
  - viii. **Public Works**
  - ix. **Utilities**

## 18. CALL TO THE PUBLIC

## 19. CALL TO THE COUNCIL

## 20. ADJOURNMENT

Council may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the Town’s Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).

POSTED JULY 2, 2014, BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, 1000 SOUTH WILLOW STREET, FLORENCE, ARIZONA, AND AT [WWW.FLORENCEAZ.GOV](http://WWW.FLORENCEAZ.GOV).

\*\*\*PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A

**DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.\*\*\***

**MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1  
SPECIAL MEETING  
AGENDA**

**PURSUANT TO A.R.S. § 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT BOARD AND TO THE GENERAL PUBLIC THAT THE MERRILL RANCH COMMUNITY FACILITY DISTRICT BOARD WILL HOLD A SPECIAL MEETING OPEN TO THE PUBLIC ON MONDAY, JULY 7, 2014, AT Y 4:00 P.M. (IMMEDIATELY FOLLOWING THE EXECUTIVE SESSION OF THE FLORENCE TOWN COUNCIL MEETING) IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.**

**1. CALL TO ORDER**

- 2. ROLL CALL** Chair Tom Rankin\_\_\_, Vice-Chair Tom Smith\_\_\_,  
Board Members: Vallarie Woolridge\_\_\_, Tom Celaya\_\_\_,  
Ruben Montaña\_\_\_, Bill Hawkins\_\_\_, and Tara Walter\_\_\_.

**3. NEW BUSINESS**

- a. Public hearing to receive public comment on the Merrill Ranch Community Facilities District No. 1 Budget; and for Discussion/Approval/Disapproval of Resolution No. MRCFD1 127-14: A RESOLUTION OF BOARD OF DIRECTORS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.
- b. Public hearing to receive public comment on Merrill Ranch Community Facilities District No. 1 Property Tax Levy; and second reading of Ordinance No. MRCFD1 111-14: AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>th</sup> DAY OF JUNE 2015. (First reading on June 16, 2014)

**4. ADJOURNMENT**

The Board may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the District Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).

POSTED JULY 2, 2014, BY LISA GARCIA, BOARD CLERK, AT 775 NORTH MAIN STREET, 1000 SOUTH WILLOW STREET, FLORENCE, ARIZONA, AND AT [WWW.FLORENCEAZ.GOV](http://WWW.FLORENCEAZ.GOV).

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**MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2  
SPECIAL MEETING  
AGENDA**

**PURSUANT TO A.R.S. § 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD AND TO THE GENERAL PUBLIC THAT THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD WILL HOLD A SPECIAL MEETING OPEN TO THE PUBLIC ON MONDAY, JULY 7, 2014, AT Y 4:00 P.M. (IMMEDIATELY FOLLOWING THE EXECUTIVE SESSION OF THE FLORENCE TOWN COUNCIL MEETING) IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.**

**1. CALL TO ORDER**

- 2. ROLL CALL: Chair Tom Rankin\_\_\_; Vice-Chair Tom Smith\_\_\_;  
Board Members: Tom Celaya\_\_\_; Bill Hawkins\_\_\_;  
Ruben Montaña\_\_\_; Tara Walter\_\_\_; Vallarie Woolridge\_\_\_;**

**3. NEW BUSINESS**


- a. Public hearing to receive public comment on the Merrill Ranch Community Facilities District No. 2 Budget; and for Discussion/Approval/Disapproval of Resolution No. MR CFD2 227-14: A RESOLUTION OF BOARD OF DIRECTORS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.**
- b. Public hearing to receive public comment on Merrill Ranch Community Facilities District No. 2 Property Tax Levy; and second reading of Ordinance No. MR CFD2 210-14: AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>th</sup> DAY OF JUNE 2015. (First Reading on June 16, 2014)**

**4. ADJOURNMENT**

**The Board may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the District Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).**

**POSTED JULY 2, 2014, BY LISA GARCIA, BOARD CLERK, AT 775 NORTH MAIN STREET, 1000 SOUTH WILLOW STREET, FLORENCE, ARIZONA, AND AT [WWW.FLORENCEAZ.GOV](http://WWW.FLORENCEAZ.GOV).**

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	<b>Community Facilities District No. 1 Action Form</b>	<b><u>AGENDA ITEM</u> 8a.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Finance  <b>STAFF PRESENTER:</b> Mike Farina, District Treasurer  <b>SUBJECT:</b> Public Hearing and Resolution No. MRCFD1 127-14: adoption of budget.		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <li><input type="checkbox"/> Regulatory</li> <li><input type="checkbox"/> 1<sup>st</sup> Reading</li> <li><input type="checkbox"/> 2<sup>nd</sup> Reading</li> </ul> <input type="checkbox"/> Other

**RECOMMENDED MOTION/ACTION:**

Open public hearing to receive citizen comments on the proposed budget for Fiscal Year 2014-2015. Following the public hearing, motion to adopt Resolution No. MRCFD1 127-14: A RESOLUTION OF BOARD OF DIRECTORS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.

**BACKGROUND/DISCUSSION:**

The budget has been presented to the District Board for Community Facilities District No. 1. The budget has been advertised according to requirements and no change has been made to the expenditure amounts.

**FINANCIAL IMPACT:**

The budget for Fiscal Year 2014-2015 is estimated to be \$4,873,300 in expenditure for capital improvements, debt service, and operation and maintenance costs.

**STAFF RECOMMENDATION:**

Open public hearing to receive citizen comments and adopt Resolution No. MRCFD1 127-14.

**ATTACHMENTS:**

Resolution No. MRCFD1 127-14  
Exhibit A

**RESOLUTION NO. MRCFD1 127-14**

**A RESOLUTION OF BOARD OF DIRECTORS OF MERRILL RANCH  
COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA,  
ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.**

**BE IT RESOLVED** by the District Board of the Merrill Ranch Community Facilities District No. 1, Pinal County, Arizona, as follows:

**WHEREAS**, in accordance with the provisions of Title 42, Sections 17102, 17103, 17104, and 17105, A.R.S., the District Board did, on July 7, 2014, make an estimate of the different amounts required to meet the public expenditures for the ensuing year, also an estimate of revenue from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of Merrill Ranch Community Facilities District No. 1, Pinal County, Arizona; and

**WHEREAS**, in accordance with said sections of said title, and following due public notice, the District Board met on July 7, 2014, which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures of tax levies; and

**WHEREAS**, it appears that publication has been duly made as required by law, of said estimates together with a notice that the Merrill Ranch Community Facilities District No. 1 would meet on July 7, 2014, at the office of the District Board for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

**WHEREAS**, it appears that the sum to be raised by taxation, as specified therein, does not in the aggregate amount exceed that amount as computed in Title 42 Section 17105 A.R.S.;

**NOW, THEREFORE BE IT RESOLVED** by the Merrill Ranch Community Facilities District No. 1, Pinal County, Arizona, as follows:

**Section 1. ADOPTION OF BUDGET**

That the said estimates of revenue and expenditures shown on the accompanying exhibit, marked as Exhibit A, as now increased, reduced, or changed by the District Board and the same are hereby adopted as the budget of the Merrill Ranch Community Facilities District No. 1, Pinal County, Arizona, for the Fiscal Year 2014-2015.

**PASSED AND ADOPTED** by the District Board of Merrill Ranch Community Facilities District No. 1, Pinal County, Arizona, on the 7<sup>th</sup> day of July, 2014.

\_\_\_\_\_  
Tom J. Rankin, District Chairman

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, District Clerk

\_\_\_\_\_  
James E. Mannato, District Attorney

**Exhibit A**

**OFFICIAL BUDGET FORMS**

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #1**

**Fiscal Year 2015**

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #1**

**TABLE OF CONTENTS**

**Fiscal Year 2015**

Schedule A—Summary Schedule of Estimated Revenues and Expenditures/Expenses

Schedule B—Tax Levy and Tax Rate Information

Schedule C—Revenues Other Than Property Taxes

Schedule D—Other Financing Sources/<Uses> and Interfund Transfers

Schedule E—Expenditures/Expenses by Fund

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #1**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2015**

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2014	ACTUAL EXPENDITURES/EXPENSES** 2014	FUND BALANCE/ NET POSITION*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund				Primary:							
2. Special Revenue Funds	48,303	48,400	165,700	Secondary:	1,800					214,100	47,800
3. Debt Service Funds Available	1,607,213	1,623,900	1,522,500	504,900	349,900					2,377,300	1,252,400
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	1,607,213	1,623,900	1,522,500	504,900	349,900					2,377,300	1,252,400
6. Capital Projects Funds	2,072,767	845,900	623,500		3,400	2,946,200				3,573,100	3,573,100
7. Permanent Funds											
8. Enterprise Funds Available											
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds											
11. Internal Service Funds											
12. TOTAL ALL FUNDS	\$ 3,728,283	\$ 2,518,200	\$ 2,311,700	\$ 551,500	\$ 355,100	\$ 2,946,200	\$	\$	\$	\$ 6,164,500	\$ 4,873,300

**EXPENDITURE LIMITATION COMPARISON**

1. Budgeted expenditures/expenses	2014	2015
	\$ 3,728,283	\$ 4,873,300
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	3,728,283	4,873,300
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 3,728,283	\$ 4,873,300
6. EEC or voter-approved alternative expenditure limitation	\$	\$

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

\* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts in this column represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #1**  
**Tax Levy and Tax Rate Information**  
**Fiscal Year 2015**

	2014	2015
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
B. Secondary property taxes	475,619	551,500
C. Total property tax levy amounts	\$ 475,619	\$ 551,500
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ _____	
(2) Prior years' levies	\$ _____	
(3) Total primary property taxes	\$ _____	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 480,723	
(2) Prior years' levies	1,411	
(3) Total secondary property taxes	\$ 482,134	
C. Total property taxes collected	\$ 482,134	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	_____	_____
(2) Secondary property tax rate	3.5500	3.5500
(3) Total city/town tax rate	3.5500	3.5500
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>2</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

\* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.



**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #1**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2014</b>	<b>ACTUAL REVENUES* 2014</b>	<b>ESTIMATED REVENUES 2015</b>
<b>SPECIAL REVENUE FUNDS</b>			
Investment Earnings	\$ 2,408	\$ 1,800	\$ 1,800
<b>Operations and Maintenance Fund</b>	\$ 2,408	\$ 1,800	\$ 1,800
<b>Total Special Revenue Funds</b>	\$ 2,408	\$ 1,800	\$ 1,800

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #1**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2014</b>	<b>ACTUAL REVENUES* 2014</b>	<b>ESTIMATED REVENUES 2015</b>
<b>DEBT SERVICE FUND</b>			
Investment Earnings	\$ 15,000	\$ 21,300	\$ 3,000
Special Assessment Revenue	367,247	485,200	346,900
<b>Total Debt Service Fund</b>	<b>\$ 382,247</b>	<b>\$ 506,500</b>	<b>\$ 349,900</b>
<b>Total Debt Service Funds</b>	<b>\$ 382,247</b>	<b>\$ 506,500</b>	<b>\$ 349,900</b>
<b>CAPITAL PROJECTS FUNDS</b>			
Investment Earnings	\$ 1,000	\$ 9,300	\$ 3,400
<b>Total Capital Projects Fund</b>	<b>\$ 1,000</b>	<b>\$ 9,300</b>	<b>\$ 3,400</b>
<b>Total Capital Projects Funds</b>	<b>\$ 1,000</b>	<b>\$ 9,300</b>	<b>\$ 3,400</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 385,655</b>	<b>\$ 517,600</b>	<b>\$ 355,100</b>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #1**  
**Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2015**

<b>FUND</b>	<b>OTHER FINANCING 2015</b>		<b>INTERFUND TRANSFERS 2015</b>	
	<b>SOURCES</b>	<b>&lt;USES&gt;</b>	<b>IN</b>	<b>&lt;OUT&gt;</b>
<b>SPECIAL REVENUE FUNDS</b>				
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<b>Total Special Revenue Funds</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>DEBT SERVICE FUNDS</b>				
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<b>Total Debt Service Funds</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>CAPITAL PROJECTS FUNDS</b>				
Special Assessment Lien Bonds	\$ 1,446,200	\$ _____	\$ _____	\$ _____
GO Bonds	1,500,000	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<b>Total Capital Projects Funds</b>	\$ 2,946,200	\$ _____	\$ _____	\$ _____
<b>TOTAL ALL FUNDS</b>	\$ 2,946,200	\$ _____	\$ _____	\$ _____

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #1**  
**Expenditures/Expenses by Fund**  
**Fiscal Year 2015**

<b>FUND/DEPARTMENT</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2014</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2015</b>
<b>SPECIAL REVENUE FUNDS</b>				
Operations/Maintenance Fund	\$ 48,303	\$	\$ 48,400	\$ 47,800
<b>Total Special Revenue Funds</b>	<b>\$ 48,303</b>	<b>\$</b>	<b>\$ 48,400</b>	<b>\$ 47,800</b>
<b>DEBT SERVICE FUNDS</b>				
Debt Service Fund	\$ 1,607,213	\$	\$ 1,623,900	\$ 1,252,400
<b>Total Debt Service Funds</b>	<b>\$ 1,607,213</b>	<b>\$</b>	<b>\$ 1,623,900</b>	<b>\$ 1,252,400</b>
<b>CAPITAL PROJECTS FUNDS</b>				
Capital Projects Fund	\$ 2,072,767	\$	\$ 845,900	\$ 3,573,100
<b>Total Capital Projects Funds</b>	<b>\$ 2,072,767</b>	<b>\$</b>	<b>\$ 845,900</b>	<b>\$ 3,573,100</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 3,728,283</b>	<b>\$</b>	<b>\$ 2,518,200</b>	<b>\$ 4,873,300</b>

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.



## Community Facilities District No. 1 ACTION FORM

### AGENDA ITEM 8b.

**MEETING DATE:** July 7, 2014

**DEPARTMENT:** Finance

**STAFF PRESENTER:** Mike Farina, District Treasurer

**SUBJECT:** Public hearing and second reading of Ordinance No. MRCFD1 111-14 to levy secondary property tax.

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
  - Regulatory
  - 1<sup>st</sup> Reading
  - 2<sup>nd</sup> Reading
- Other

#### RECOMMENDED MOTION/ACTION:

Open public hearing to receive citizens' comments on the Merrill Ranch Community Facilities District No. 1 secondary property tax levy; also a second reading of Ordinance No. MRCFD1 111-14, adopting a secondary property tax levy in the amount of \$3.55 per \$100 of Net Assessed Valuation for Fiscal Year 2014-2015.

#### BACKGROUND/DISCUSSION:

The District Board has authorized a secondary property tax levy for the payment of debt service, public improvements, operations and maintenance of Community Facilities District No. 1. The current property tax rate is \$3.55 per \$100 of Net Assessed Valuation ("NAV").

The estimates for Budget Year 2014-2015 have been determined. This year's budget includes anticipated revenues from assessments and secondary tax. Expenditures include those for public improvements, debt service, and operations and maintenance.

The ordinance to adopt the tax levy will be presented on July 21, 2014.

#### FINANCIAL IMPACT:

Total collections in revenues and prior year fund balance and bond proceeds are anticipated to fund all expenditures. A secondary tax will be levied on the District, which consists of \$3.25 per \$100 of NAV estimated at \$504,900 for debt service, and an operations and maintenance levy of \$0.30 per \$100 of NAV estimated at \$46,600, for a total of \$3.55 per \$100 of NAV or \$551,500.

#### STAFF RECOMMENDATION:

Open the public hearing and hold second reading of Ordinance No. MRCFD1 111-14, adopting a secondary property tax levy in the amount of \$3.55 per \$100 of NAV for Fiscal Year 2014-2015.

**ATTACHMENTS:**

Ordinance No. MRCFD1 111-14

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1**

**ORDINANCE NO. MRCFD1 111-14**

**AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015.**

**WHEREAS**, by the provision of State Law, the Ordinance levying a secondary property tax rate for the Fiscal Year 2014-2015 is required to be adopted no later than the third Monday in August; and

**WHEREAS**, the County of Pinal is now the assessing and collecting authority for the Merrill Ranch Community Facilities District No. 1, the District Clerk is hereby directed to transmit a certified copy of the Ordinance to the Assessor and Board of Supervisors of Pinal County, Arizona;

**NOW, THEREFORE, BE IT ORDAINED** by the District Board of Merrill Ranch Community Facilities District No. 1, as follows:

**Section 1:** There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Merrill Ranch Community Facilities District No. 1, except such property as may by law be exempt from taxation, a secondary property tax rate of **\$3.25** on each one hundred dollars (\$100.00) for the purpose of providing debt service and enhanced municipal services, and **\$.30** on each one hundred dollars (\$100.00) for operations and maintenance of the district, for a combined rate of **\$3.55** on each one hundred dollars (\$100.00) for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County is hereby authorized to reduce the said sum to the maximum which is allowed by law.

**Section 2:** No failure by the officials of Pinal County, Arizona, to properly return the delinquent list and no irregularity in the assessment or commission in the same, or irregularity of any kind in any proceeding will invalidate such proceeding or invalidate any title conveyed by tax deed; nor will any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within the time specified work an invalidation of any proceedings or of any such deed or sale or affect the validity of the assessment of a levy of taxes or of the judgment of sale by which the collection of the same may be enforced or in any manner affect the lien of the Town upon such property for the delinquent unpaid taxes thereon, and no overcharge as to part of the

taxes or of costs will invalidate any of the proceeding upon the lien therefore, or a sale of the property under such foreclosure; and all acts of officers de facto will be valid as if performed by officer de jure.

**Section 3:** All Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

**Section 4:** The immediate operation of the Ordinance is necessary for the preservation of the public peace, health, and safety of the Merrill Ranch Community Facilities District No. 1, and an emergency is hereby declared to exist; and this Ordinance shall be in full force and effect from its passage and approval by the District Board and publication as required by the laws of the State of Arizona, and is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

**PASSED AND ADOPTED** by the District Board of Merrill Ranch Community Facilities District No. 1, Pinal County, Arizona, the 21<sup>st</sup> day of July 2014.

\_\_\_\_\_  
Tom J. Rankin, District Board Chairperson


**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, District Clerk

\_\_\_\_\_  
James E. Mannato, District Attorney



	<b>Community Facilities District No. 2 Action Form</b>	<u><b>AGENDA ITEM</b></u> <b>10a.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Finance  <b>STAFF PRESENTER:</b> Mike Farina, District Treasurer  <b>SUBJECT:</b> Public hearing and Resolution No. MRCFD2 227-14: adoption of budget		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input checked="" type="checkbox"/> <b>Public Hearing</b> <input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Regulatory</b> <input type="checkbox"/> <b>1<sup>st</sup> Reading</b> <input type="checkbox"/> <b>2<sup>nd</sup> Reading</b> <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Open public hearing to receive citizen comments on the proposed budget for Fiscal Year 2014-2015. Following the public hearing, motion to adopt Resolution No. MRCFD2 227-14: A RESOLUTION OF BOARD OF DIRECTORS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.

**BACKGROUND/DISCUSSION:**

The budget has been presented to the District Board for Community Facilities District No. 2. The budget has been advertised according to requirements, and no change has been made to the expenditure amounts.

**FINANCIAL IMPACT:**

The budget for Fiscal Year 2014-2015 is estimated to be \$1,752,000 in expenditure for capital improvements, debt service and operation and maintenance costs.

**STAFF RECOMMENDATION:**

Open public hearing to receive citizen comments and adopt Resolution No. MRCFD2 227-14.

**ATTACHMENTS:**

Resolution No. MRCFD2 227-14  
Exhibit A

**RESOLUTION NO. MRCFD2 227-14**

**A RESOLUTION OF BOARD OF DIRECTORS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.**

**BE IT RESOLVED** by the District Board of the Merrill Ranch Community Facilities District No. 2, Pinal County, Arizona as follows:

**WHEREAS**, in accordance with the provisions of Title 42, Sections 17102, 17103, 17104, and 17105, A.R.S., the District Board did, on July 7, 2014, make an estimate of the different amounts required to meet the public expenditures for the ensuing year, also an estimate of revenue from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of Merrill Ranch Community Facilities District No. 2, Pinal County, Arizona; and

**WHEREAS**, in accordance with said sections of said title, and following due public notice, the District Board met on July 7, 2014, which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures of tax levies; and

**WHEREAS**, it appears that publication has been duly made as required by law, of said estimates together with a notice that the Merrill Ranch Community Facilities District No. 2 would meet on July 7, 2014, at the office of the District Board for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

**WHEREAS**, it appears that the sum to be raised by taxation, as specified therein, does not in the aggregate amount exceed that amount as computed in Title 42 Section 17105 A.R.S.;

**NOW, THEREFORE BE IT RESOLVED** by the Merrill Ranch Community Facilities District No. 2, Pinal County, Arizona, as follows:

**Section 1. ADOPTION OF BUDGET**

That the said estimates of revenue and expenditures shown on the accompanying exhibit, marked as Exhibit A, as now increased, reduced, or changed by the District Board and the same are hereby adopted as the budget of the Merrill Ranch Community Facilities District No. 2, Pinal County, Arizona, for the Fiscal Year 2014-2015.

**PASSED AND ADOPTED** by the District Board of Merrill Ranch Community Facilities District No. 2, Pinal County, Arizona, on the 7<sup>th</sup> day of July, 2014.

\_\_\_\_\_  
Tom J. Rankin, District Chairman

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, District Clerk

\_\_\_\_\_  
James E. Mannato, District Attorney

**EXHIBIT A**

**OFFICIAL BUDGET FORMS**

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #2**

**Fiscal Year 2015**

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #2**

**TABLE OF CONTENTS**

**Fiscal Year 2015**

Schedule A—Summary Schedule of Estimated Revenues and Expenditures/Expenses

Schedule B—Tax Levy and Tax Rate Information

Schedule C—Revenues Other Than Property Taxes

Schedule D—Other Financing Sources/<Uses> and Interfund Transfers

Schedule E—Expenditures/Expenses by Fund

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #2**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2015**

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2014	ACTUAL EXPENDITURES/EXPENSES** 2014	FUND BALANCE/ NET POSITION*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund				Primary:							
2. Special Revenue Funds	48,303	48,400	34,900	Secondary:	400					79,300	47,800
3. Debt Service Funds Available	1,051,832	1,126,000	1,213,200	476,900	357,600					2,047,700	1,138,100
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	1,051,832	1,126,000	1,213,200	476,900	357,600					2,047,700	1,138,100
6. Capital Projects Funds	2,775,725	2,324,100	6,600		3,000	556,500				566,100	566,100
7. Permanent Funds											
8. Enterprise Funds Available											
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds											
11. Internal Service Funds											
12. TOTAL ALL FUNDS	\$ 3,875,860	\$ 3,498,500	\$ 1,254,700	\$ 520,900	\$ 361,000	\$ 556,500	\$	\$	\$	\$ 2,693,100	\$ 1,752,000

**EXPENDITURE LIMITATION COMPARISON**

	2014	2015
1. Budgeted expenditures/expenses	\$ 3,875,860	\$ 1,752,000
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	3,875,860	1,752,000
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 3,875,860	\$ 1,752,000
6. EEC or voter-approved alternative expenditure limitation	\$	\$

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

\* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts in this column represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #2**  
**Tax Levy and Tax Rate Information**  
**Fiscal Year 2015**

	<b>2014</b>	<b>2015</b>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
B. Secondary property taxes	363,098	520,900
C. Total property tax levy amounts	\$ 363,098	\$ 520,900
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	\$ _____	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 427,427	
(2) Prior years' levies	5,937	
(3) Total secondary property taxes	\$ 433,364	
C. Total property taxes collected	\$ 433,364	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	_____	_____
(2) Secondary property tax rate	3.5500	3.5500
(3) Total city/town tax rate	3.5500	3.5500
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>2</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

\* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #2**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2014</b>	<b>ACTUAL REVENUES* 2014</b>	<b>ESTIMATED REVENUES 2015</b>
<b>SPECIAL REVENUE FUNDS</b>			
Investment Earnings	\$ 200	\$ 1,300	\$ 400
Miscellaneous	1,770		
<b>Operations and Maintenance Fund</b>	<b>\$ 1,970</b>	<b>\$ 1,300</b>	<b>\$ 400</b>
<b>Total Special Revenue Funds</b>	<b>\$ 1,970</b>	<b>\$ 1,300</b>	<b>\$ 400</b>

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #2**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2014</b>	<b>ACTUAL REVENUES* 2014</b>	<b>ESTIMATED REVENUES 2015</b>
<b>DEBT SERVICE FUND</b>			
Investment Earnings	\$ 1,000	\$ 17,500	\$ 5,500
Special Assessment Revenue	352,887	438,200	352,100
<b>Total Debt Service Fund</b>	<b>\$ 353,887</b>	<b>\$ 455,700</b>	<b>\$ 357,600</b>
<b>Total Debt Service Funds</b>	<b>\$ 353,887</b>	<b>\$ 455,700</b>	<b>\$ 357,600</b>
<b>CAPITAL PROJECTS FUNDS</b>			
Investment Earnings	\$	\$ 7,400	\$ 3,000
<b>Total Capital Projects Fund</b>	<b>\$</b>	<b>\$ 7,400</b>	<b>\$ 3,000</b>
<b>Total Capital Projects Funds</b>	<b>\$</b>	<b>\$ 7,400</b>	<b>\$ 3,000</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 355,857</b>	<b>\$ 464,400</b>	<b>\$ 361,000</b>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.



**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #2**  
**Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2015**

<b>FUND</b>	<b>OTHER FINANCING 2015</b>		<b>INTERFUND TRANSFERS 2015</b>	
	<b>SOURCES</b>	<b>&lt;USES&gt;</b>	<b>IN</b>	<b>&lt;OUT&gt;</b>
<b>SPECIAL REVENUE FUNDS</b>				
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<b>Total Special Revenue Funds</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>DEBT SERVICE FUNDS</b>				
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<b>Total Debt Service Funds</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>CAPITAL PROJECTS FUNDS</b>				
Special Assessment Lien Bonds	\$ 556,500	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<b>Total Capital Projects Funds</b>	\$ 556,500	\$ _____	\$ _____	\$ _____
<b>TOTAL ALL FUNDS</b>	\$ 556,500	\$ _____	\$ _____	\$ _____

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT #2**  
**Expenditures/Expenses by Fund**  
**Fiscal Year 2015**

<b>FUND/DEPARTMENT</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2014</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2015</b>
<b>SPECIAL REVENUE FUNDS</b>				
Operations/Maintenance Fund	\$ 48,303	\$	\$ 48,400	\$ 47,800
<b>Total Special Revenue Funds</b>	<b>\$ 48,303</b>	<b>\$</b>	<b>\$ 48,400</b>	<b>\$ 47,800</b>
<b>DEBT SERVICE FUNDS</b>				
Debt Service Fund	\$ 1,051,832	\$	\$ 1,126,000	\$ 1,138,100
<b>Total Debt Service Funds</b>	<b>\$ 1,051,832</b>	<b>\$</b>	<b>\$ 1,126,000</b>	<b>\$ 1,138,100</b>
<b>CAPITAL PROJECTS FUNDS</b>				
Capital Projects Fund	\$ 2,775,725	\$	\$ 2,324,100	\$ 566,100
<b>Total Capital Projects Funds</b>	<b>\$ 2,775,725</b>	<b>\$</b>	<b>\$ 2,324,100</b>	<b>\$ 566,100</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 3,875,860</b>	<b>\$</b>	<b>\$ 3,498,500</b>	<b>\$ 1,752,000</b>

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.



## Community Facilities District No. 2 ACTION FORM

### AGENDA ITEM 10b.

**MEETING DATE:** July 7, 2014

**DEPARTMENT:** Finance

**STAFF PRESENTER:** Mike Farina, District Treasurer

**SUBJECT:** Public hearing and second reading of Ordinance No. MRCFD2 210-14 to levy secondary property tax.

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
  - Regulatory
  - 1<sup>st</sup> Reading
  - 2<sup>nd</sup> Reading
- Other

#### RECOMMENDED MOTION/ACTION:

Open public hearing to receive citizens' comments on the Merrill Ranch Community Facilities District No. 2 secondary property tax levy; also a second reading of Ordinance No. MRCFD2 210-14, adopting a secondary property tax levy in the amount of \$3.55 per \$100 of Net Assessed Valuation for Fiscal Year 2014-2015.

#### BACKGROUND/DISCUSSION:

The District Board has authorized a secondary property tax levy for the payment of debt service, public improvements, operations and maintenance of Community Facilities District No. 2. The current property tax rate is \$3.55 per \$100 of Net Assessed Valuation ("NAV").

The estimates for Budget Year 2014-2015 have been determined. This year's budget includes anticipated revenues from assessments and secondary tax. Expenditures include those for public improvements, debt service, and operations and maintenance.

The ordinance to adopt the tax levy will be presented on July 21, 2014.

#### FINANCIAL IMPACT:

Total collections in revenues and prior year fund balance and bond proceeds are anticipated to fund all expenditures. A secondary tax will be levied on the District, which consists of \$3.25 per \$100 of NAV estimated at \$476,900 for debt service, and an operations and maintenance levy of \$0.30 per \$100 of NAV estimated at \$44,000, for a total of \$3.55 per \$100 of NAV or \$520,900.

#### STAFF RECOMMENDATION:

Open the public hearing and hold second reading of Ordinance No. MRCFD2 210-14, adopting a secondary property tax levy in the amount of \$3.55 per \$100 of NAV for Fiscal Year 2014-2015.

**ATTACHMENTS:**

Ordinance No. MRCFD2 210-14

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2**

**ORDINANCE NO. MR CFD2 210-14**

**AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>th</sup> DAY OF JUNE 2015.**

**WHEREAS**, by the provision of State Law, the Ordinance levying a secondary property tax rate for the Fiscal Year 2014-2015 is required to be adopted no later than the third Monday in August; and

**WHEREAS**, the County of Pinal is now the assessing and collecting authority for the Merrill Ranch Community Facilities District No. 2, the District Clerk is hereby directed to transmit a certified copy of the Ordinance to the Assessor and Board of Supervisors of Pinal County, Arizona;

**NOW, THEREFORE, BE IT ORDAINED** by the District Board of Merrill Ranch Community Facilities District No. 2, as follows:

**Section 1:** There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Merrill Ranch Community Facilities District No. 2, except such property as may by law be exempt from taxation, a secondary property tax rate of **\$3.25** on each one hundred dollars (\$100.00) for the purpose of providing debt service and enhanced municipal services, and **\$.30** on each one hundred dollars (\$100.00) for operations and maintenance of the district, for a combined rate of **\$3.55** on each one hundred dollars (\$100.00) for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County is hereby authorized to reduce the said sum to the maximum which is allowed by law.

**Section 2:** No failure by the officials of Pinal County, Arizona, to properly return the delinquent list and no irregularity in the assessment or commission in the same, or irregularity of any kind in any proceeding will invalidate such proceeding or invalidate any title conveyed by tax deed; nor will any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within the time specified work an invalidation of any proceedings or of any such deed or sale or affect the validity of the assessment of a levy of taxes or of the judgment of sale by which the collection of the same may be enforced or in any manner affect the lien of the Town upon such property for the delinquent unpaid taxes thereon, and no overcharge as to part of the

taxes or of costs will invalidate any of the proceeding upon the lien therefore, or a sale of the property under such foreclosure; and all acts of officers de facto will be valid as if performed by officer de jure.

**Section 3:** All Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

**Section 4:** The immediate operation of the Ordinance is necessary for the preservation of the public peace, health, and safety of the Merrill Ranch Community Facilities District No. 2, and an emergency is hereby declared to exist; and this Ordinance shall be in full force and effect from its passage and approval by the District Board and publication as required by the laws of the State of Arizona, and is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

**PASSED AND ADOPTED** by the District Board of Merrill Ranch Community Facilities District No. 2, Pinal County, Arizona, the 21<sup>st</sup> day of July 2014.


\_\_\_\_\_  
Tom J. Rankin, District Board Chairperson

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, District Clerk

\_\_\_\_\_  
James E. Mannato, District Attorney

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u> 12a.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Finance  <b>STAFF PRESENTER:</b> Mike Farina, Finance Director  <b>SUBJECT:</b> Truth in Taxation public hearing and second reading of Ordinance No. 612-14: Property tax levy for Fiscal Year 2014-2015.		<input type="checkbox"/> Action <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <ul style="list-style-type: none"> <li><input type="checkbox"/> Regulatory</li> <li><input type="checkbox"/> 1<sup>st</sup> Reading</li> <li><input checked="" type="checkbox"/> 2<sup>nd</sup> Reading</li> </ul> <input type="checkbox"/> Other

**RECOMMENDED MOTION/ACTION:**

Open public hearing to receive citizen comments on the Town's property tax levy, also a second reading of Ordinance No. 612-14, adopting a property tax levy in the amount of \$1.1182 per \$100 of Net Assessed Valuation for Fiscal Year 2014-2015.

**BACKGROUND/DISCUSSION:**

The Town of Florence levies a primary property tax annually. The rate that was levied last year was \$1.0963 per \$100 of Net Assessed Valuation ("NAV"). The current property tax rate is \$1.1182 per \$100 of NAV. The recommended budget does not propose an increase in the property tax rate, leaving it at \$1.1182 per \$100 of NAV.

As calculated by the Arizona Department of Revenue, the Truth-in-Taxation rate is \$1.1016, which is the maximum rate the Town can have without having to hold a Truth-in-Taxation ("TNT") hearing. Therefore, the Town must hold a TNT hearing.

With no change to the current rate, which is \$1.1182, the proposed property tax levy for the 2014-2015 Fiscal Year is \$852,740.

The Town levies an ad valorem or secondary property tax for the Merrill Ranch Streetlight Improvement Districts No. 1, No. 2 and No. 3. This year, due to adequate fund balance, there will be no property tax levy.

The ordinance to adopt the tax levy will be presented on July 21, 2014.

**FINANCIAL IMPACT:**

Primary taxes are calculated using Limited Property Value (LPV), and are used to pay for basic maintenance and operation of the Town.

A \$100,000 LPV using a rate of \$1.1182 per \$100 of NAV would be \$111.82.

The levy would add to the General Fund revenue base and is essential to funding all of the departments within the General Fund that are necessary to maintain Town services.

District Levies are as follows:

Merrill Ranch Street Lighting District No. 1 - \$0 or \$0 per \$100/FCV

Merrill Ranch Street Lighting District No. 2 - \$0 or \$0 per \$100/FCV

Merrill Ranch Street Lighting District No. 3 - \$0 or \$0 per \$100/FCV

**STAFF RECOMMENDATION:**

Open the Truth in Taxation Public Hearing and hold second reading of Ordinance No. 612-14, adopting a property tax levy in the amount of \$1.1182 per \$100 of Net Assessed Valuation for Fiscal Year 2014-2015.

**ATTACHMENTS:**

Ordinance No. 612-14

ADOR Truth-in-Taxation Levy Limit Worksheet

Truth-in-Taxation Analysis



**ORDINANCE NO. 612-14**

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF FLORENCE SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>th</sup> DAY OF JUNE 2015.**

**WHEREAS**, pursuant to A.R.S. §42-17151, the Ordinance levying a primary property tax rate for the Fiscal Year 2014-2015 is required to be adopted no later than the third Monday in August; and

**WHEREAS**, the County of Pinal is now the assessing and collecting authority for the Town of Florence. The Town Clerk is hereby directed to transmit a certified copy of the Ordinance to the Assessor and Board of Supervisors of Pinal County, Arizona.

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Council of the Town of Florence, Arizona, as follows:

**Section 1:** There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Town of Florence, except such property as may by law be exempt from taxation, a primary property tax rate sufficient to raise the sum of **\$852,740** for the purpose of providing a General Fund of the Town of Florence, for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County, is hereby authorized to reduce the said sum to the maximum which is allowed by law.

**Section 2:** There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Anthem at Merrill Ranch Street Lighting District No.1, Town of Florence, except such property as may by law be exempt from taxation, a secondary property tax rate of **\$0** per \$100 of NAV for the purpose of providing operations and maintenance for the Anthem at Merrill Ranch Street Light Improvement District No. 1 for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County, is hereby authorized to reduce the said sum to the maximum which is allowed by law.

**Section 3:** There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Anthem at Merrill Ranch Street Lighting District No. 2, Town of Florence,

except such property as may by law be exempt from taxation, a secondary property tax rate of **\$0** per \$100 of NAV for the purpose of providing operations and maintenance for the Street Light Improvement District No. 2 for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County, is hereby authorized to reduce the said sum to the maximum which is allowed by law.

**Section 4:** There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Anthem at Merrill Ranch Street Lighting District No. 3, Town of Florence, except such property as may by law be exempt from taxation, a secondary property tax rate of **\$0** per \$100 of NAV for the purpose of providing operations and maintenance for the Street Light Improvement District No. 3 for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County, is hereby authorized to reduce the said sum to the maximum which is allowed by law.

**Section 5:** No failure by the officials of Pinal County, Arizona, to properly return the delinquent list and no irregularity in the assessment or commission in the same, or irregularity of any kind in any proceeding will invalidate such proceeding or invalidate any title conveyed by tax deed; nor will any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within the time specified work an invalidation of any proceedings or of any such deed or sale or affect the validity of the assessment of a levy of taxes or of the judgment of sale by which the collection of the same may be enforced or in any manner affect the lien of the Town upon such property for the delinquent unpaid taxes; thereon, and no overcharge as to part of the taxes or of costs will invalidate any of the proceeding upon the lien, therefore, or a sale of the property under such foreclosure; and all acts of officers de facto will be valid as if performed by officer de jure.

**Section 6:** All Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

**Section 7:** The immediate operation of the Ordinance is necessary for the preservation of the public peace, health, and safety of the Town of Florence, and an emergency is hereby declared to exist; and this Ordinance shall be in full force and effect from its passage and approval by the Mayor and Council of the Town of Florence, and publication as required by the laws of the State of Arizona, and is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Florence, Arizona, the 21<sup>st</sup> day of July 2014.

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Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

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Lisa Garcia, Town Clerk

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James E. Mannato, Town Attorney

## Truth in Taxation Analysis for current year Proposed Levy

Prior Year's Primary property tax levy:(Last year's primary property tax levy)	\$814,526
Current Year Estimate of net assessed valuation:(Current year net assessed values) - C4	\$76,260,032
Current Year ESTIMATE OF VALUE OF NEW CONSTRUCTION:	\$2,319,383
Current year Net assessed value minus new construction: - B4 (Current year net assessed value subject to taxation in prior year)	\$73,940,649
MAXIMUM TAX RATE THAT CAN BE IMPOSED WITHOUT A TRUTH IN TAXATION HEARING:	\$ 1.1016
GROWTH IN PROPERTY TAX LEVY CAPACITY ASSOCIATED WITH NEW CONSTRUCTION:	\$25,550
MAXIMUM PRIMARY PROPERTY TAX LEVY FOR current year WITHOUT A TRUTH IN TAXATION HEARING:	\$840,076
Proposed current year primary property tax levy: (This year's proposed primary property tax levy)	\$852,740
PROPOSED current year INCREASE IN PRIMARY PROPERTY TAX LEVY OVER TNT LEVY, EXCLUSIVE OF NEW CONSTRUCTION:	\$12,664
PROPOSED % INCREASE IN current year PRIMARY PROPERTY TAX LEVY OVER TNT LEVY:	1.51%
PROPOSED current year PRIMARY PROPERTY TAX RATE:	\$1.1182
PROPOSED INCREASE IN PRIMARY PROPERTY TAX RATE OVER THE TNT RATE:	\$ 0.0166
PROPOSED current year PRIMARY PROPERTY TAX LEVY ON A HOME VALUED AT \$100,000:	111.82
current year PRIMARY PROPERTY TAX LEVY ON A HOME VALUED AT \$100,000 IF THE TAX LEVY WAS NOT RAISED:	110.16
	1.66

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u> 12b.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Finance  <b>STAFF PRESENTER:</b> Mike Farina, Finance Director  <b>SUBJECT:</b> Public Hearing and Resolution No. 1452-14: Increasing rates and fees for water and wastewater utilities		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input checked="" type="checkbox"/> <b>Public Hearing</b> <input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Regulatory</li> <li><input type="checkbox"/> 1<sup>st</sup> Reading</li> <li><input type="checkbox"/> 2<sup>nd</sup> Reading</li> </ul> <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Open public hearing to receive citizen comments on increasing water and wastewater utilities rates and fees; and motion to adopt Resolution No. 1452-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, TO PROVIDE INCREASES IN RATES AND FEES FOR WATER AND WASTEWATER TREATMENT.

**BACKGROUND/DISCUSSION:**

On June 2, 2014, Town Council adopted a Notice of Intention to increase water and waste water utility rates and fees and set the public hearing date as July 7, 2014.

In 2011, the Town engaged Economists.com to update a utility rate study they completed in 2009. The study recommended a rate design that determined utility rates and fees that would enable the Town to recover the costs of utility services, while ensuring equitable, just and reasonable treatment of identified customer classes. The rate increases are based upon projected operational expenses, capital outlay and debt service.

The 2011 study reinforced the rates and fees set forth in the 2009 study with an indication that the annual increases stated in the 2009 study would be sufficient through Fiscal Year 2016-2017.

A.R.S. §9-499.15 requires that written notice of the proposed rate and fee increases be posted on the Town’s website at least 60 days before the proposed new rate is approved by the Town Council. Similarly, A.R.S. §9-511.01 also requires that Council adopt a Notice of Intention to increase utility fees, which is to be done by motion. This section also requires that a date be set for a public hearing on the proposed increases not less than 30 days after the adoption of the Notice of Intention and that a written report supporting the increased rate be prepared and made available to the public at least 30 days before the public hearing. All of these requirements have or will be satisfied.

## **FINANCIAL IMPACT:**

The financial impact to customers is approximately a five percent increase on the water side and a ten percent increase on the wastewater side. Combined, the total impact for water and wastewater is approximately an eight percent increase. Several examples of the impact to the average residential in-town customer based on monthly water usage are attached. For example, a customer who uses 15,000 gallons of water in a month will see an increase of \$4.73 in their monthly utility bill, which would go from \$63.36 to \$68.09.

The financial impact to the Town is estimated to be about \$130,000 in additional revenue for water and about \$400,000 for wastewater.

## **STAFF RECOMMENDATION:**

Open the public hearing and motion to adopt Resolution No. 1452-14, a resolution adopting increases in water and wastewater utilities rates and fees, with an effective date of September 1, 2014.

## **ATTACHMENTS:**

Resolution No. 1452-14  
Rate increase impact examples  
Notice of Intention to Increase Rates and Fees

**Rate Increase Impact to Customer (residential/inside Town)**

	<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>	
<u>Water - 5/8" and 3/4" meter</u>				
Monthly Base Charge	\$ 21.28	\$ 22.34	\$ 1.06	5%
Monthly Volume Charges				
Under 10,000 gallons	1.52	1.59	0.07	5%
10,000 to 18,700 gallons	2.11	2.21	0.10	5%
Over 18,700 gallons	3.74	3.93	0.19	5%
<u>Sewer - residential</u>				
Monthly Base Charge	16.87	18.55	1.68	10%
Rate per 1,000 gallons	3.95	4.35	0.40	10%
Residential sewer usage is 75% of water usage				

**Impact Examples**

	<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>	
<b>5,000 gallons water used</b>				
<u>Water</u>				
Monthly Base Charge	\$ 21.28	\$ 22.34	\$ 1.06	
Monthly Volume Charges	7.60	7.95	0.35	
Sales Tax @ 9.7%	2.80	2.94	0.14	
Total Water	<u>31.68</u>	<u>33.23</u>	<u>1.55</u>	5%
<u>Sewer</u>				
Monthly Base Charge	16.87	18.55	1.68	
Usage (75% of 5,000 gallons = 3,750 gallons)	14.81	16.31	1.50	
Total Sewer	<u>31.68</u>	<u>34.86</u>	<u>3.18</u>	10%
Total monthly bill @ 5,000 gallons water used	<u>\$ 63.36</u>	<u>\$ 68.09</u>	<u>\$ 4.73</u>	7%
<b>15,000 gallons water used</b>				
<u>Water</u>				
Monthly Base Charge	\$ 21.28	\$ 22.34	\$ 1.06	
Monthly Volume Charges				
10,000 gallons	15.20	15.90	0.70	
10,001-18,700 gallons	10.55	11.05	0.50	
Sales Tax @ 9.7%	4.56	4.78	0.22	
Total Water	<u>51.59</u>	<u>54.07</u>	<u>2.48</u>	5%
<u>Sewer</u>				
Monthly Base Charge	16.87	18.55	1.68	
Usage (75% of 15,000 gallons = 11,250 gallons)	44.44	48.94	4.50	
Total Sewer	<u>61.31</u>	<u>67.49</u>	<u>6.18</u>	10%
Total monthly bill @ 15,000 gallons water used	<u>\$ 112.90</u>	<u>\$ 121.56</u>	<u>\$ 8.66</u>	8%
<b>22,000 gallons water used</b>				
<u>Water</u>				
Monthly Base Charge	\$ 21.28	\$ 22.34	\$ 1.06	
Monthly Volume Charges				
10,000 gallons	15.20	15.90	0.70	
10,001-18,700 gallons	18.36	19.23	0.87	
over 18,700 gallons	12.34	12.97	0.63	
Sales Tax @ 9.7%	6.52	6.83	0.32	
Total Water	<u>73.70</u>	<u>77.27</u>	<u>3.57</u>	5%
<u>Sewer</u>				
Monthly Base Charge	16.87	18.55	1.68	
Usage (75% of 22,000 gallons = 16,500 gallons)	65.18	71.78	6.60	
Total Sewer	<u>82.05</u>	<u>90.33</u>	<u>8.28</u>	10%
Total monthly bill @ 22,000 gallons water used	<u>\$ 155.74</u>	<u>\$ 167.59</u>	<u>\$ 11.85</u>	8%
<b>0 gallons water used - ex. no usage during summer</b>				
<u>Water</u>				
Monthly Base Charge	\$ 21.28	\$ 22.34	\$ 1.06	
Monthly Volume Charges	0.00	0.00	-	
Sales Tax @ 9.7%	2.06	2.17	0.10	
Total Water	<u>23.34</u>	<u>24.51</u>	<u>1.16</u>	5%
<u>Sewer</u>				
Monthly Base Charge	16.87	18.55	1.68	
Usage (75% of 5,000 gallons = 3,750 gallons)	0.00	0.00	-	
Total Sewer	<u>16.87</u>	<u>18.55</u>	<u>1.68</u>	10%
Total monthly bill @ no gallons water used	<u>\$ 40.21</u>	<u>\$ 43.06</u>	<u>\$ 2.84</u>	7%

ng Date: July 7, 2014

## RESOLUTION NO. 1452-14

### A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, PROVIDING INCREASES IN RATES AND FEES FOR WATER AND WASTEWATER SERVICES, EFFECTIVE SEPTEMBER 1, 2014

**WHEREAS**, it has been brought to the attention of the Council of the Town of Florence that the current fee structure for users of the municipal water and sanitation systems and services requires modification to provide for the equitable distribution of the cost of operating the systems; and

**WHEREAS**, the Town Council commissioned a utility rate study and the results of said study indicated that the current fees and charges are not adequate for the financial well-being of the Water and Wastewater systems.

**NOW, THEREFORE, BE IT ORDAINED** that the Fee Schedule of the Town of Florence is hereby amended to read in conformity as follows;

## WATER RATES AND FEES

### Monthly Volume Charges - Inside Municipality

Existing Rates	Effective Date					Units
	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016	
Customer Category						
Under 10,000 gallons	\$1.45	\$1.52	\$1.59	\$1.67	\$1.76	1,000 gallons
10,000 to 18,700 gallons	\$2.04	\$2.11	\$2.21	\$2.32	\$2.44	1,000 gallons
Over 18,700 gallons	\$3.56	\$3.74	\$3.93	\$4.12	\$4.33	1,000 gallons
Under 1,337 cubic feet	\$1.08	\$1.14	\$1.19	\$1.25	\$1.31	100 cubic feet
1,337 to 2,500 cubic feet	\$1.50	\$1.57	\$1.65	\$1.73	\$1.82	100 cubic feet
Over 2,500 cubic feet	\$2.67	\$2.81	\$2.95	\$3.10	\$3.25	100 cubic feet

### Monthly Volume Charges - Outside Municipality

Customer Category	Effective Date					Units
	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016	
Under 10,000 gallons	\$1.85	\$1.94	\$2.04	\$2.14	\$2.25	1,000 gallons
10,000 to 18,700 gallons	\$2.56	\$2.69	\$2.83	\$2.97	\$3.12	1,000 gallons
Over 18,700 gallons	\$4.55	\$4.77	\$5.01	\$5.26	\$5.53	1,000 gallons
Under 1,337 cubic feet	\$1.39	\$1.45	\$1.53	\$1.60	\$1.68	100 cubic feet
1,337 to 2,500 cubic feet	\$1.92	\$2.02	\$2.12	\$2.22	\$2.33	100 cubic feet
Over 2,500 cubic feet	\$3.40	\$3.57	\$3.75	\$3.94	\$4.14	100 cubic feet

### Monthly Base Charges - Inside Municipality

Meter Sizes	Effective Date				
	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
5/8" - 3/4"	\$20.26	\$21.28	\$22.34	\$23.46	\$24.63
1"	\$33.78	\$35.47	\$37.24	\$39.10	\$41.06
2"	\$135.10	\$141.86	\$148.95	\$156.40	\$164.22
3" Compound	\$216.18	\$226.99	\$238.34	\$250.25	\$262.77
3" Turbine	\$236.44	\$248.26	\$260.68	\$273.71	\$287.39
4" Compound	\$337.76	\$354.65	\$372.39	\$391.01	\$410.56
4" Turbine	\$425.59	\$446.86	\$469.21	\$492.67	\$517.30
6" Compound	\$675.54	\$709.32	\$744.78	\$782.02	\$821.13
6" Turbine	\$945.75	\$993.04	\$1,042.69	\$1,094.82	\$1,149.56
8" Turbine	\$1,621.29	\$1,702.36	\$1,787.47	\$1,876.85	\$1,970.69
10" Turbine	\$2,567.05	\$2,675.40	\$2,830.17	\$2,971.68	\$3,120.27
12" Turbine	\$3,377.70	\$3,546.58	\$3,723.91	\$3,910.11	\$4,105.61



# WATER RATES AND FEES (continued)

## Monthly Base Charges - Outside Municipality

Meter Sizes	Effective Date				
	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
5/8" - 3/4"	\$26.34	\$27.66	\$29.04	\$30.49	\$32.02
1"	\$43.90	\$46.10	\$48.40	\$50.82	\$53.37
2"	\$175.64	\$184.42	\$193.64	\$203.33	\$213.49
3" Compound	\$281.03	\$295.08	\$309.83	\$325.32	\$341.59
3" Turbine	\$301.29	\$316.35	\$332.17	\$348.78	\$366.22
4" Compound	\$439.10	\$461.06	\$484.11	\$508.32	\$533.73
4" Turbine	\$526.92	\$553.27	\$580.93	\$609.98	\$640.48
6" Compound	\$878.20	\$922.11	\$968.22	\$1,016.63	\$1,067.46
6" Turbine	\$1,148.44	\$1,205.83	\$1,266.12	\$1,329.43	\$1,395.90
8" Turbine	\$2,107.68	\$2,213.06	\$2,323.71	\$2,439.90	\$2,561.89
10" Turbine	\$3,337.16	\$3,504.02	\$3,679.22	\$3,863.18	\$4,056.34
12" Turbine	\$4,147.84	\$4,355.20	\$4,572.96	\$4,801.60	\$5,041.68

# WASTEWATER RATES AND FEES

## Monthly Variable Charges per 1,000 Gallons

Customer Category	Effective Date				
	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
Residential/Mobile Homes	\$3.59	\$3.95	\$4.35	\$4.57	\$4.79
Commercial	\$3.64	\$3.97	\$4.37	\$4.59	\$4.82
Institutional	\$5.74	\$5.97	\$6.94	\$7.36	\$7.64
Outside Municipality (Residential)	\$3.59	\$3.95	\$4.35	\$4.57	\$4.79

## Monthly Variable Charges per 100 Cubic Feet

Customer Category	Effective Date				
	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
Residential/Mobile Homes	\$2.69	\$2.96	\$3.25	\$3.42	\$3.59
Commercial	\$2.70	\$2.97	\$3.27	\$3.43	\$3.60
Institutional	\$4.29	\$4.47	\$5.19	\$5.50	\$5.71
Outside Municipality (Residential)	\$2.69	\$2.96	\$3.25	\$3.42	\$3.59

## Monthly Base Charges

Customer Category	Effective Date				
	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
Residential/Mobile Homes	\$15.33	\$16.87	\$18.55	\$19.48	\$20.45
Commercial	\$15.33	\$16.87	\$18.55	\$19.48	\$20.45
Institutional	\$15.33	\$16.87	\$18.55	\$19.48	\$20.45
Outside Municipality (Resident)	\$15.33	\$16.87	\$18.55	\$19.48	\$20.45

**Commercial:** Includes but not limited to office, multi-family, school, and government facilities.

**Institutional:** Includes but not limited to multi-bed, self-contained facilities with or without kitchen.

## PRETREATMENT PROGRAM

### Volume Charges per Excess Pound Treated

Customer Category	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
Biochemical Oxygen Demand (BOD)	\$0.80	\$0.83	\$0.97	\$1.03	\$1.06
Suspended Solids (TSS)	\$0.56	\$0.58	\$0.69	\$0.72	\$0.75

**BE IT FURTHER RESOLVED**, that the fee schedules for water rates and fees and wastewater rates and fees shall be effective September 1, 2014, and shall continue thereafter in full force and effect until further action of the Council.

**PASSED** and **ADOPTED** by the Mayor and Council of the Town of Florence, Arizona, this 7<sup>th</sup> day of July, 2014.

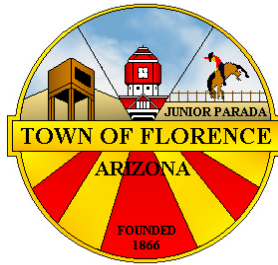
\_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James E. Mannato, Town Attorney



## Notice of Intention to Increase Rates and Fees

Pursuant to A.R.S Sections 9-499.15 and 9-511.01 PUBLIC NOTICE IS HEREBY GIVEN, that the Town of Florence, Arizona, is proposing to increase the following Utility Rates and Fees.

# WATER RATES AND FEES

### Monthly Volume Charges - Inside Municipality

Existing Rates Customer Category	Effective Date					Units
	7/1/2012	7/1/2013	9/1/2014	7/1/2015	7/1/2016	
Under 10,000 gallons	\$1.45	\$1.52	\$1.59	\$1.67	\$1.76	1,000 gallons
10,000 to 18,700 gallons	\$2.04	\$2.11	\$2.21	\$2.32	\$2.44	1,000 gallons
Over 18,700 gallons	\$3.56	\$3.74	\$3.93	\$4.12	\$4.33	1,000 gallons
Under 1,337 cubic feet	\$1.08	\$1.14	\$1.19	\$1.25	\$1.31	100 cubic feet
1,337 to 2,500 cubic feet	\$1.50	\$1.57	\$1.65	\$1.73	\$1.82	100 cubic feet
Over 2,500 cubic feet	\$2.67	\$2.84	\$2.95	\$3.10	\$3.25	100 cubic feet

### Monthly Volume Charges - Outside Municipality

Customer Category	Effective Date					Units
	7/1/2012	7/1/2013	9/1/2014	7/1/2015	7/1/2016	
Under 10,000 gallons	\$1.85	\$1.94	\$2.04	\$2.14	\$2.25	1,000 gallons
10,000 to 18,700 gallons	\$2.56	\$2.69	\$2.83	\$2.97	\$3.12	1,000 gallons
Over 18,700 gallons	\$4.55	\$4.77	\$5.01	\$5.26	\$5.53	1,000 gallons
Under 1,337 cubic feet	\$1.39	\$1.45	\$1.53	\$1.60	\$1.68	100 cubic feet
1,337 to 2,500 cubic feet	\$1.92	\$2.02	\$2.12	\$2.22	\$2.33	100 cubic feet
Over 2,500 cubic feet	\$3.40	\$3.57	\$3.75	\$3.94	\$4.14	100 cubic feet

### Monthly Base Charges - Inside Municipality

Meter Sizes	Effective Date				
	7/1/2012	7/1/2013	9/1/2014	7/1/2015	7/1/2016
5/8" - 3/4"	\$20.26	\$21.28	\$22.34	\$23.46	\$24.63
1"	\$33.78	\$35.47	\$37.24	\$39.10	\$41.06
2"	\$135.10	\$141.86	\$148.95	\$156.40	\$164.22
3" Compound	\$216.18	\$226.99	\$238.34	\$250.25	\$262.77
3" Turbine	\$236.44	\$248.26	\$260.68	\$273.71	\$287.39
4" Compound	\$337.76	\$354.65	\$372.39	\$391.01	\$410.56
4" Turbine	\$425.59	\$446.86	\$469.21	\$492.67	\$517.30
6" Compound	\$675.54	\$709.32	\$744.78	\$782.02	\$821.13
6" Turbine	\$945.75	\$993.04	\$1,042.69	\$1,094.82	\$1,149.56
8" Turbine	\$1,621.29	\$1,702.36	\$1,787.47	\$1,876.85	\$1,970.69
10" Turbine	\$2,567.05	\$2,675.40	\$2,830.17	\$2,971.68	\$3,120.27
12" Turbine	\$3,377.70	\$3,546.58	\$3,723.91	\$3,910.11	\$4,105.61

# WATER RATES AND FEES (continued)

## Monthly Base Charges - Outside Municipality

Meter Sizes	Effective Date				
	7/1/2012	7/1/2013	9/1/2014	7/1/2015	7/1/2016
5/8" - 3/4"	\$26.34	\$27.66	\$29.04	\$30.49	\$32.02
1"	\$43.90	\$46.40	\$48.40	\$50.82	\$53.37
2"	\$175.64	\$184.42	\$193.64	\$203.33	\$213.49
3" Compound	\$281.03	\$295.08	\$309.83	\$325.32	\$341.59
3" Turbine	\$301.29	\$316.35	\$332.17	\$348.78	\$366.22
4" Compound	\$439.10	\$461.06	\$484.11	\$508.32	\$533.73
4" Turbine	\$526.92	\$553.27	\$580.93	\$609.98	\$640.48
6" Compound	\$878.20	\$922.14	\$968.22	\$1,016.63	\$1,067.46
6" Turbine	\$1,148.44	\$1,205.83	\$1,266.12	\$1,329.43	\$1,395.90
8" Turbine	\$2,107.68	\$2,243.06	\$2,323.71	\$2,439.90	\$2,561.89
10" Turbine	\$3,337.16	\$3,504.02	\$3,679.22	\$3,863.18	\$4,056.34
12" Turbine	\$4,447.84	\$4,355.20	\$4,572.96	\$4,801.60	\$5,041.68

# WASTEWATER RATES AND FEES

## Monthly Variable Charges per 1,000 Gallons

Customer Category	Effective Date				
	7/1/2012	7/1/2013	9/1/2014	7/1/2015	7/1/2016
Residential/Mobile Homes	\$3.59	\$3.95	\$4.35	\$4.57	\$4.79
Commercial	\$3.64	\$3.97	\$4.37	\$4.59	\$4.82
Institutional	\$5.74	\$5.97	\$6.94	\$7.36	\$7.64
Outside Municipality (Residential)	\$3.59	\$3.95	\$4.35	\$4.57	\$4.79

## Monthly Variable Charges per 100 Cubic Feet

Customer Category	Effective Date				
	7/1/2012	7/1/2013	9/1/2014	7/1/2015	7/1/2016
Residential/Mobile Homes	\$2.69	\$2.96	\$3.25	\$3.42	\$3.59
Commercial	\$2.70	\$2.97	\$3.27	\$3.43	\$3.60
Institutional	\$4.29	\$4.47	\$5.19	\$5.50	\$5.71
Outside Municipality (Residential)	\$2.69	\$2.96	\$3.25	\$3.42	\$3.59

## Monthly Base Charges

Customer Category	Effective Date				
	7/1/2012	7/1/2013	9/1/2014	7/1/2015	7/1/2016
Residential/Mobile Homes	\$15.33	\$16.87	\$18.55	\$19.48	\$20.45
Commercial	\$15.33	\$16.87	\$18.55	\$19.48	\$20.45
Institutional	\$15.33	\$16.87	\$18.55	\$19.48	\$20.45
Outside Municipality (Resident)	\$15.33	\$16.87	\$18.55	\$19.48	\$20.45

**Commercial:** Includes but not limited to office, multi-family, school, and government facilities.

**Institutional:** Includes but not limited to multi-bed, self-contained facilities with or without kitchen.

# **WASTEWATER RATES AND FEES (continued)**

## **PRETREATMENT PROGRAM Volume Charges per Excess Pound Treated**

<b>Customer Category</b>	<b><del>7/1/2012</del></b>	<b><del>7/1/2013</del></b>	<b>9/1/2014</b>	<b>7/1/2015</b>	<b>7/1/2016</b>
Biochemical Oxygen Demand (BOD)	\$0.80	\$0.83	\$0.97	\$1.03	\$1.06
Suspended Solids (TSS)	\$0.56	\$0.58	\$0.69	\$0.72	\$0.75

**Rates as identified in the Utility Rate Study adopted by Florence Town Council with Ordinance No. 510-09.**

**A Public Hearing will be held on July 7, 2014 to accept public comment on this proposal. The hearing will be held at Town of Florence, Town Hall located at 775 N. Main Street, Florence, AZ, 85132 at 6:00 P.M. in the Town Council Chambers.**

**For more information, please contact Mike Farina, Finance Director, at [mike.farina@florenceaz.gov](mailto:mike.farina@florenceaz.gov) or 520-868-7505.**



## TOWN OF FLORENCE COUNCIL ACTION FORM

## AGENDA ITEM 13a.

**MEETING DATE:** July 7, 2014

**DEPARTMENT:** Finance

**STAFF PRESENTER:** Mike Farina, Finance Director

**SUBJECT:** Public hearing and Resolution No. 1450-14:  
adoption of final budget.

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
  - Regulatory
  - 1<sup>st</sup> Reading
  - 2<sup>nd</sup> Reading
- Other

### RECOMMENDED MOTION/ACTION:

Adjourn to a special meeting and open public hearing to receive citizens' comments on the proposed budget for Fiscal Year 2014-2015. Following the public hearing, motion to adopt Resolution No. 1450-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2014-2015.

### BACKGROUND/DISCUSSION:

State statute requires that the annual budget be prepared on forms developed by the Office of the Auditor General, Schedules A to E and G.

The Town Manager presented the budget to Town Council over the course of several work sessions: April 14, April 23 and May 14, 2014. The 2014-2015 Compensation Plan and the health insurance renewal were also discussed during these work sessions. On June 16, 2014, Town Council adopted a tentative budget and set an expenditure limitation of \$66,806,000.

There have been no changes made to the final budget since the tentative budget was adopted.

### FINANCIAL IMPACT:

The estimated expenditures for Fiscal Year 2014-2015 are \$66,806,000, which includes \$10,508,000 carried forward from the 2013-2014 budget for continuing capital projects in the following funds:

- o Capital Projects Fund - \$2,662,000
- o HURF - \$2,290,700
- o Economic Development Capital Project Fund - \$442,700
- o Water Utility Fund - \$3,449,900
- o Sewer Utility Fund - \$1,232,600
- o ADOT Main Street streetscape Grant - \$430,100

**STAFF RECOMMENDATION:**

Adjourn to a special meeting, open public hearing to receive citizen comments and adopt Resolution No. 1450-14.

**ATTACHMENTS:**

Resolution No. 1450-14  
Exhibit A

**RESOLUTION NO. 1450-14**

**A RESOLUTION OF THE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE BUDGET FOR THE FISCAL YEAR 2014-2015.**

**BE IT RESOLVED** by the Mayor and Council of the Town of Florence, Arizona, as follows:

**WHEREAS**, in accordance with the provisions of Title 42, Sections 17101, 17102, 17103, 17104, and 17105, A.R.S., the Town Council did, on July 7, 2014, make an estimate of the different amounts required to meet the public expenditures for the ensuing year, also an estimate of revenue from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the Town of Florence; and

**WHEREAS**, in accordance with said sections of said title, and following due public notice, the Council met on July 7, 2014, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures of tax levies; and

**WHEREAS**, it appears that publication has been duly made as required by law, of said estimates together with a notice that the Town Council would meet on July 7, 2014, at the office of the Council for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

**WHEREAS**, it appears that the sum to be raised by taxation, as specified therein, does not in the aggregate amount exceed that amount as computed pursuant to A.R.S. §42-17051.

**THEREFORE, BE IT RESOLVED** that the said estimates of revenue and expenditures shown on the accompanying exhibit, marked as Exhibit A, as now increased, reduced, or changed are hereby adopted as the budget of the Town of Florence, Arizona, for the Fiscal Year 2014-2015.

Passed by the Mayor and Council of the Town of Florence, Arizona, this 7<sup>th</sup> day of July 2014.

\_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James E. Mannato, Town Attorney



**EXHIBIT A**

**OFFICIAL BUDGET FORMS  
TOWN OF FLORENCE, ARIZONA  
Fiscal Year 2015**

**TOWN OF FLORENCE, ARIZONA**

**TABLE OF CONTENTS**

**Fiscal Year 2015**

Schedule A—Summary Schedule of Estimated Revenues and Expenditures/Expenses

Schedule B—Tax Levy and Tax Rate Information

Schedule C—Revenues Other Than Property Taxes

Schedule D—Other Financing Sources/<Uses> and Interfund Transfers

Schedule E—Expenditures/Expenses by Fund

Schedule G—Full-Time Employees and Personnel Compensation

**TOWN OF FLORENCE, ARIZONA**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2015**

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2014	ACTUAL EXPENDITURES/EXPENSES** 2014	FUND BALANCE/ NET POSITION*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 12,592,706	\$ 12,632,100	\$ 7,764,600	Primary: \$ 852,740	\$ 11,469,800	\$	\$	\$ 1,711,200	\$ 798,400	\$ 20,999,940	\$ 13,715,200
2. Special Revenue Funds	13,712,023	7,064,000	16,879,100	Secondary:	7,103,900			34,500	7,143,800	16,873,700	11,904,600
3. Debt Service Funds Available	444,949	445,100	213,100		69,400			449,800	9,000	723,300	534,800
4. Less: Amounts for Future Debt Retirement			213,100		60,400					273,500	
5. Total Debt Service Funds	444,949	445,100			9,000			449,800	9,000	449,800	534,800
6. Capital Projects Funds	7,532,268	2,711,500	13,595,000		1,561,400	5,000,000		6,456,100	652,000	25,960,500	22,968,300
7. Permanent Funds	10,500	14,500	322,600		30,000					352,600	14,500
8. Enterprise Funds Available	12,050,870	5,085,400	20,810,300		8,216,800	1,300,000			1,300,100	29,027,000	16,416,900
9. Less: Amounts for Future Debt Retirement			620,400							620,400	
10. Total Enterprise Funds	12,050,870	5,085,400	20,189,900		8,216,800	1,300,000			1,300,100	28,406,600	16,416,900
11. Internal Service Funds	1,106,973	1,106,900	1,100		1,000			1,251,700		1,253,800	1,251,700
12. TOTAL ALL FUNDS	\$ 47,450,289	\$ 29,059,500	\$ 58,752,300	\$ 852,740	\$ 28,391,900	\$ 6,300,000	\$	\$ 9,903,300	\$ 9,903,300	\$ 94,296,940	\$ 66,806,000

**EXPENDITURE LIMITATION COMPARISON**

	2014	2015
1. Budgeted expenditures/expenses	\$47,450,289	\$66,806,000
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	47,450,289	66,806,000
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$47,450,289	\$66,806,000
6. EEC or voter-approved alternative expenditure limitation	\$47,450,289	\$66,806,000

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

\* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts in this column represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**TOWN OF FLORENCE, ARIZONA**  
**Tax Levy and Tax Rate Information**  
**Fiscal Year 2015**

	<b>2014</b>	<b>2015</b>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 814,526	\$ 852,740
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 814,526	\$ 852,740
B. Secondary property taxes	\$	
C. Total property tax levy amounts	\$ 814,526	\$ 852,740
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ 792,217	
(2) Prior years' levies	7,100	
(3) Total primary property taxes	\$ 799,317	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$	
(2) Prior years' levies		
(3) Total secondary property taxes	\$	
C. Total property taxes collected	\$ 799,317	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	1.1182	1.1182
(2) Secondary property tax rate		
(3) Total city/town tax rate	1.1182	1.1182
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

\* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

**TOWN OF FLORENCE, ARIZONA**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
sales/use taxes	\$ 2,200,000	\$ 2,511,000	\$ 2,636,600
<b>Licenses and permits</b>			
building permits	245,000	477,000	491,300
other licenses and permits	39,000	45,500	46,800
<b>Intergovernmental</b>			
state-shared sales tax	2,206,504	2,240,000	2,352,000
state-shared income tax	2,848,922	2,845,000	3,091,100
vehicle license tax	1,119,567	1,184,000	1,243,200
salt river lieu tax		100	100
<b>Charges for services</b>			
franchise fees and taxes	420,180	536,700	563,600
civil engineering fees	160,000	38,400	39,500
community development fees	122,000	115,200	122,600
general government fees	152,988	152,900	157,400
cemetery fees	17,500	11,000	11,200
police fees	91,800	33,000	33,100
parks and recreation fees	63,150	81,900	90,400
fire fees	57,500	49,600	112,000
library fees	83,700	81,200	85,300
senior fees	16,700	19,200	19,700
<b>Fines and forfeits</b>			
finances and forfeitures	180,410	181,200	190,200
<b>Interest on investments</b>			
investment earnings	23,000	110,000	110,000
<b>In-lieu property taxes</b>			
<b>Contributions</b>			
Voluntary contributions			
<b>Miscellaneous</b>			
miscellaneous	74,315	72,800	73,700
sales of assets		73,000	
<b>Total General Fund</b>	<b>\$ 10,122,236</b>	<b>\$ 10,858,700</b>	<b>\$ 11,469,800</b>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**TOWN OF FLORENCE, ARIZONA**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
<b>SPECIAL REVENUE FUNDS</b>			
highway users gas tax	\$ 1,660,000	\$ 1,660,000	\$ 1,752,800
transportation excise tax	915,000	1,003,500	1,053,700
other HURF revenue	17,000	37,000	37,000
<b>Highway User Revenue Fund</b>	<b>\$ 2,592,000</b>	<b>\$ 2,700,500</b>	<b>\$ 2,843,500</b>
sales tax	\$ 160,000	\$ 54,100	\$ 55,200
investment earnings	30,000	18,000	18,000
<b>Construction Tax Fund</b>	<b>\$ 190,000</b>	<b>\$ 72,100</b>	<b>\$ 73,200</b>
sales tax	\$ 210,000	\$ 245,600	\$ 257,900
investment earnings	20,000	10,000	10,000
<b>Food Tax Fund</b>	<b>\$ 230,000</b>	<b>\$ 255,600</b>	<b>\$ 267,900</b>
HIDTA grant	\$	\$ 149,600	\$ 19,000
State Special Projects grant	582,560	280,900	
CDGF grant			226,300
FEMA SAFER grant		84,300	173,100
Governor's Office Highway Safety grant	104,069	55,300	
Gaming grants	145,017		
Arizona Dept. of Homeland Security grant	20,100	125,500	
US Dept. of Justice grant		2,900	
Certified Local Govt grants	5,000	5,000	
Library State-Grants-in-Aid	1,770	1,800	1,800
Arizona DOT Main Street Streetscape grant	405,495		405,500
Maricopa Association of Govts grant			188,300
Grants			2,500,000
<b>Grants Fund</b>	<b>\$ 1,264,011</b>	<b>\$ 705,300</b>	<b>\$ 3,514,000</b>
SLID #1 investment earnings	\$ 500	\$ 500	\$ 1,500
SLID #2 investment earnings	500	2,000	2,000
SLID #3 investment earnings	250	900	900
<b>Streetlight Improvement District Funds</b>	<b>\$ 1,250</b>	<b>\$ 3,400</b>	<b>\$ 4,400</b>
Sanitation Impact Fee Fund	\$	\$ 200	\$
Transportation Impact Fee Fund	269,403	96,400	96,200
General Govt Impact Fee Fund	2,000	6,400	6,400
Police Impact Fee Fund	146,898	111,200	92,900
Fire/EMS Impact Fee Fund	201,778	125,400	95,100
Parks Impact Fee Fund	229,960	64,700	12,400
Library Impact Fee Fund	21,806	21,200	34,700
Water Utility Impact Fee Fund	7,920	400	400
Sewer Utility Impact Fee Fund	9,560	1,500	1,500
North Florence Water Utility Impact Fee Fund	15	500	500
North Florence Sewer Utility Impact Fee Fund		100	100
<b>Impact Fee Funds</b>	<b>\$ 889,340</b>	<b>\$ 428,000</b>	<b>\$ 340,200</b>

**TOWN OF FLORENCE, ARIZONA**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
JCEF Fees Fund	\$ 3,200	\$ 3,100	\$ 3,100
Fill-the-Gap Fund	2,060	2,000	2,000
SW Gas Capital Expenditure Fund	45,000	45,000	47,300
Impound Fee Fund	3,025	8,300	8,300
<b>Other Special Revenue Funds</b>	<b>\$ 53,285</b>	<b>\$ 58,400</b>	<b>\$ 60,700</b>
	\$ _____	\$ _____	\$ _____
	_____	_____	_____
	_____	_____	_____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	_____	_____	_____
	_____	_____	_____
	\$ _____	\$ _____	\$ _____
<b>Total Special Revenue Funds</b>	<b>\$ 5,219,886</b>	<b>\$ 4,223,300</b>	<b>\$ 7,103,900</b>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**TOWN OF FLORENCE, ARIZONA**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2015**

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
<b>DEBT SERVICE FUNDS</b>			
Assessments	\$ 69,200	\$ 69,200	\$ 69,200
Investment Earnings	200	200	200
<hr/>			
<b>Utility Improvement District #1</b>	\$ 69,400	\$ 69,400	\$ 69,400
<hr/>			
	\$	\$	\$
<hr/>			
	\$	\$	\$
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	\$	\$	\$
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	\$	\$	\$
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	\$	\$	\$
<hr/>			
	\$	\$	\$
<hr/>			
<b>Total Debt Service Funds</b>	\$ 69,400	\$ 69,400	\$ 69,400
<hr/>			
<b>CAPITAL PROJECTS FUNDS</b>			
Sales Tax	\$ 1,100,000	\$ 1,458,000	\$ 1,509,000
Investment Earnings	50,000	50,000	50,000
<hr/>			
<b>Capital Projects Fund</b>	\$ 1,150,000	\$ 1,508,000	\$ 1,559,000
<hr/>			
Investment Earnings	\$ 5,000	\$ 2,400	\$ 2,400
<hr/>			
<b>Capital Projects Economic Development Fund</b>	\$ 5,000	\$ 2,400	\$ 2,400
<hr/>			
	\$	\$	\$
<hr/>			
	\$	\$	\$
<hr/>			
	\$	\$	\$
<hr/>			
	\$	\$	\$
<hr/>			
<b>Total Capital Projects Funds</b>	\$ 1,155,000	\$ 1,510,400	\$ 1,561,400







**TOWN OF FLORENCE, ARIZONA**  
**Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2015**

FUND	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015	
	SOURCES	<USES>	IN	<OUT>
<b>GENERAL FUND</b>				
Capital Projects Fund	\$	\$	\$ 202,200	\$
Water Utility Fund			457,300	
Sewer Utility Fund			542,700	
Sanitation Fund			49,500	
Highway User Revenue Fund			392,500	
SLID Funds			9,900	
Utility Improvement District #1			9,000	
SW Gas Capital Fund			48,100	
Fleet Services Fund				489,500
Facility Services Fund				308,900
<b>Total General Fund</b>	\$	\$	\$ 1,711,200	\$ 798,400
<b>SPECIAL REVENUE FUNDS</b>				
Highway User Revenue Fund	\$	\$	\$ 9,900	\$ 619,800
Construction Tax Fund				1,000,000
Food Tax Fund				2,100,000
Grants Fund			24,600	
SLIDS				19,800
General Govt Impact Fee Fund				1,219,700
Parks Impact Fee Fund				1,289,700
Library Impact Fee Fund				846,700
SW Gas Capital Exp Fund				48,100
<b>Total Special Revenue Funds</b>	\$	\$	\$ 34,500	\$ 7,143,800
<b>DEBT SERVICE FUNDS</b>				
Debt Service Fund	\$	\$	\$ 449,800	\$
Utility Improvement District #1 Fund				9,000
<b>Total Debt Service Funds</b>	\$	\$	\$ 449,800	\$ 9,000
<b>CAPITAL PROJECTS FUNDS</b>				
Capital Projects Fund (bond issue)	\$ 5,000,000	\$	\$ 6,456,100	\$ 652,000
<b>Total Capital Projects Funds</b>	\$ 5,000,000	\$	\$ 6,456,100	\$ 652,000
<b>PERMANENT FUNDS</b>				
<b>Total Permanent Funds</b>	\$	\$	\$	\$
<b>ENTERPRISE FUNDS</b>				

**TOWN OF FLORENCE, ARIZONA**  
**Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2015**

<b>FUND</b>	<b>OTHER FINANCING 2015</b>		<b>INTERFUND TRANSFERS 2015</b>	
	<b>SOURCES</b>	<b>&lt;USES&gt;</b>	<b>IN</b>	<b>&lt;OUT&gt;</b>
Sewer Utility Fund (bond issue)	\$ 1,300,000	\$	\$	\$ 675,300
Water Utility Fund				554,500
Sanitation Fund				70,300
<b>Total Enterprise Funds</b>	\$ 1,300,000	\$	\$	\$ 1,300,100
<b>INTERNAL SERVICE FUNDS</b>				
Fleet Services Fund	\$	\$	\$ 803,700	\$
Facility Services Fund			448,000	
<b>Total Internal Service Funds</b>	\$	\$	\$ 1,251,700	\$
<b>TOTAL ALL FUNDS</b>	\$ 6,300,000	\$	\$ 9,903,300	\$ 9,903,300


**TOWN OF FLORENCE, ARIZONA**  
**Expenditures/Expenses by Fund**  
**Fiscal Year 2015**

<b>FUND/DEPARTMENT</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2014</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2015</b>
<b>GENERAL FUND</b>				
Town Council	\$ 152,324	\$	\$ 151,700	\$ 158,200
Administration	673,404		673,400	709,800
Municipal Court	278,448		278,400	292,200
Legal	255,460		255,500	269,500
Finance	908,947		908,900	935,000
Human Resources	214,794		214,800	253,800
Community Development	561,700		561,700	668,800
Police	3,771,703		3,771,600	3,952,800
Fire	2,534,446		2,534,500	2,809,200
Information Technology	536,365		536,400	615,000
Parks and Recreation	1,345,340		1,345,400	1,602,300
Library	367,040		377,000	380,600
Engineering	176,435		176,500	192,700
Cemetery	25,550		25,500	9,000
Economic Development	167,665		167,700	182,700
General Government	623,085		653,100	683,600
<b>Total General Fund</b>	\$ 12,592,706	\$	\$ 12,632,100	\$ 13,715,200
<b>SPECIAL REVENUE FUNDS</b>				
Highway User Revenue Fund	\$ 6,477,186	\$	\$ 2,101,500	\$ 8,256,500
Grants Fund	1,412,344		902,700	3,538,600
SLID #1 Fund	20,000		20,000	21,800
SLID #2 Fund	20,000		20,000	21,000
SLID #3 Fund	10,000		10,000	10,500
Sanitation Impact Fee Fund	43,675		43,700	
Transportation Impact Fee Fund	846,747		764,400	
Police Impact Fee Fund	127,300		127,600	
Fire Impact Fee Fund	3,019,244		3,019,600	
Parks Impact Fee Fund	1,181,677		300	
Library Impact Fee Fund	500,000		300	
Judicial Collections Fund	3,750		3,800	3,800
Fill-the-Gap Fund	2,100		2,100	2,100
SW Gas Capital Exp Fund	45,000		45,000	47,300
Impound Fee Fund	3,000		3,000	3,000
<b>Total Special Revenue Funds</b>	\$ 13,712,023	\$	\$ 7,064,000	\$ 11,904,600
<b>DEBT SERVICE FUNDS</b>				
Debt Service Fund	\$ 359,663	\$	\$ 359,800	\$ 449,800
Utility Impr District #1	85,286		85,300	85,000
<b>Total Debt Service Funds</b>	\$ 444,949	\$	\$ 445,100	\$ 534,800
<b>CAPITAL PROJECTS FUNDS</b>				
Capital Projects Fund	\$ 7,087,412	\$	\$ 2,709,300	\$ 22,525,600
CP Economic Dev Fund	444,856		2,200	442,700
<b>Total Capital Projects Funds</b>	\$ 7,532,268	\$	\$ 2,711,500	\$ 22,968,300
<b>PERMANENT FUNDS</b>				
Firefighter Pension Fund	\$ 10,500	\$	\$ 14,500	\$ 14,500
<b>Total Permanent Funds</b>	\$ 10,500	\$	\$ 14,500	\$ 14,500
<b>ENTERPRISE FUNDS</b>				
Water Utility Fund	\$ 6,510,603	\$	\$ 1,832,700	\$ 9,894,800
Sewer Utility Fund	4,780,872		2,493,300	5,675,600
Sanitation Fund	759,395		759,400	846,500
<b>Total Enterprise Funds</b>	\$ 12,050,870	\$	\$ 5,085,400	\$ 16,416,900
<b>INTERNAL SERVICE FUNDS</b>				
Fleet Services Fund	\$ 671,228	\$	\$ 671,200	\$ 803,700
Facility Services Fund	435,745		435,700	448,000
<b>Total Internal Service Funds</b>	\$ 1,106,973	\$	\$ 1,106,900	\$ 1,251,700
<b>TOTAL ALL FUNDS</b>	\$ 47,450,289	\$	\$ 29,059,500	\$ 66,806,000

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**TOWN OF FLORENCE, ARIZONA**  
**Full-Time Employees and Personnel Compensation**  
**Fiscal Year 2015**

<b>FUND</b>	<b>Full-Time Equivalent (FTE) 2,015.000</b>	<b>Employee Salaries and Hourly Costs 2015</b>	<b>Retirement Costs 2015</b>	<b>Healthcare Costs 2015</b>	<b>Other Benefit Costs 2015</b>	<b>Total Estimated Personnel Compensation 2015</b>
<b>GENERAL FUND</b>	138.150	\$ 7,899,200	\$ 904,200	\$ 1,398,000	\$ 718,000	= \$ 10,919,400
<b>SPECIAL REVENUE FUNDS</b>						
Highway User Revenue Fund	19.150	\$ 778,700	\$ 91,200	\$ 199,600	\$ 109,200	= \$ 1,178,700
Grants Fund	3.000	141,900	14,100	27,900	8,200	192,100
<b>Total Special Revenue Funds</b>	<b>22.150</b>	<b>\$ 920,600</b>	<b>\$ 105,300</b>	<b>\$ 227,500</b>	<b>\$ 117,400</b>	<b>= \$ 1,370,800</b>
<b>DEBT SERVICE FUNDS</b>						
		\$	\$	\$	\$	= \$
<b>Total Debt Service Funds</b>	<b>-</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>= \$</b>
<b>CAPITAL PROJECTS FUNDS</b>						
		\$	\$	\$	\$	= \$
<b>Total Capital Projects Funds</b>	<b>-</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>= \$</b>
<b>INTERNAL SERVICE FUNDS</b>						
Fleet Services Fund	4.175	\$ 162,600	\$ 18,900	\$ 34,700	\$ 19,500	= \$ 235,700
Facility Services Fund	4.675	185,100	21,400	19,100	18,300	243,900
<b>Total Internal Service Funds</b>	<b>8.850</b>	<b>\$ 347,700</b>	<b>\$ 40,300</b>	<b>\$ 53,800</b>	<b>\$ 37,800</b>	<b>= \$ 479,600</b>
<b>ENTERPRISE FUNDS</b>						
Water Utility Fund	5.800	\$ 286,900	\$ 34,100	\$ 48,900	\$ 38,400	= \$ 408,300
Sewer Utility Fund	8.750	408,100	48,000	81,400	50,300	587,800
Sanitation Fund	1.550	61,900	7,200	200	7,700	77,000
<b>Total Enterprise Funds</b>	<b>16.100</b>	<b>\$ 756,900</b>	<b>\$ 89,300</b>	<b>\$ 130,500</b>	<b>\$ 96,400</b>	<b>= \$ 1,073,100</b>
<b>TOTAL ALL FUNDS</b>	<b>185.250</b>	<b>\$ 9,924,400</b>	<b>\$ 1,139,100</b>	<b>\$ 1,809,800</b>	<b>\$ 969,600</b>	<b>= \$ 13,842,900</b>

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u></b> <b>15a.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Public Works  <b>STAFF PRESENTER:</b> Wayne Costa, P.E. Public Works Director  <b>SUBJECT:</b> Resolution No. 1451-14: Intergovernmental Agreement between Pinal County and the Town of Florence.		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input type="checkbox"/> <b>Public Hearing</b> <input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Regulatory</b> <input type="checkbox"/> <b>1<sup>st</sup> Reading</b> <input type="checkbox"/> <b>2<sup>nd</sup> Reading</b> <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Motion to adopt Resolution No. 1451-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ACCEPTING THE TERMS AND CONDITION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN PINAL COUNTY AND THE TOWN OF FLORENCE FOR ROADWAY IMPROVEMENTS, CONSTRUCTION AND MAINTENANCE OF COOPER ROAD, CHRISTENSEN ROAD, AND OLD FLORENCE KELVIN HIGHWAY AND AUTHORIZING EXECUTION BY THE TOWN MANAGER.

**BACKGROUND/DISCUSSION:**

During the Dobson Farms and LeSueur Annexations, Cooper Road, between Arizona Farms and Judd Road, was annexed to the centerline. This resulted in the County maintaining the existing Cooper Road alignment from Arizona Farms Road to Magma Road while the Town maintained that portion between Magma Road and Judd Road.

The Town has maintained its section of unpaved Cooper Road at a frequency averaging two and half times per month; the estimated County maintained portion is approximately once each month.

In the past, we have received dust complaints from County residents located on Cooper Road south of the Magma Intersection, which is under County jurisdiction. Cooper Road, north of Magma Road, is under the Town’s jurisdiction and we typically maintain that portion from Magma Road to Judd Road every two weeks by blading and watering. It is noted that several years ago, we altered the wearing surface by adding three inches of ¼ minus aggregate that reduces dust when the proper speed limit is maintained in the area. Contrarily, the County

portion has more dust when comparing it to our portion at the same vehicular speed limit , three to four times as much dust is visible on the County portion.

A CIP for Cooper Road Chip Seal was added to the CIP Plan contingent upon the County having resolved the access/right of way issues and drainage concerns. Several past meetings with the County did not result in any resolution of the items described; however, the Town did monitor the intersection of Magma Road and Cooper Road during potential flood events.

Recently, the County proposed to chip seal the entire two miles of Cooper Road between Arizona Farms Road and Judd Road, including minor realignment and drainage improvements. An IGA is proposed to provide maintenance to Cooper Road and various portions of Christensen Road and Old Kelvin Highway adjacent to Town maintained roads to offset the capital improvements.

An IGA will allow chip seal construction of Cooper Road by the County and the Town to provide for its maintenance with having the road alignment within the Town's jurisdiction. The standard for maintenance of all roads will thus remain consistent with our existing standards, material selection and frequencies of maintenance.

The IGA proposed offers the opportunity to defer constant maintenance on Cooper Road to roads adjoining. Currently the Town maintained roads are Christensen Road and Florence Kelvin Highway. Minimal, if any, maintenance would be required on Cooper Road excepting right-of-way weed control depending on natural occurrences. Typically, Christensen Road and Florence Kelvin Highway would require maintenance bi-monthly.

**FINANCIAL IMPACT:**

There will be no cost to the Town for the roadway improvements to Cooper Road. The Town agrees to maintain Cooper Road, Christensen Road, and Old Kelvin Highway, in accordance with our standard maintenance operations. There is no additional maintenance cost for the first five to eight years since the frequency of maintenance on Cooper Road is much greater than Christensen Road and Old Kelvin Highway.

**RECOMMENDATION:**

Adopt Resolution No. 1451-14, to enter into an Intergovernmental Agreement for road maintenance with Pinal County for Cooper Road, Christensen Road and Old Florence Kelvin Highway.

**ATTACHMENTS:**

Resolution No. 1451-14  
Intergovernmental Agreement



**RESOLUTION NO. 1451-14**

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ACCEPTING THE TERMS AND CONDITION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN PINAL COUNTY AND THE TOWN OF FLORENCE FOR ROADWAY IMPROVEMENTS, CONSTRUCTION AND MAINTENANCE OF COOPER ROAD, CHRISTENSEN ROAD, AND OLD FLORENCE KELVIN HIGHWAY AND AUTHORIZING EXECUTION BY THE TOWN MANAGER.**

**WHEREAS**, the TOWN is empowered pursuant to A.R.S. Section 9-240 and Section 9-276 to layout, maintain, control and manage public roads within the Town, and to enter into this Agreement pursuant to A.R.S. Section 11-951; and

**WHEREAS**, the County is empowered pursuant to A.R.S. Section 11-251 and Section 28-6701 to lay out, maintain, control and manage roads within the County, and to enter into this Agreement pursuant to A.R.S. 11-951; and

**WHEREAS**, the County is authorized by A.R.S. Section 28-6707A to enter into cooperative agreements for the construction, improvement and maintenance of roadways within an incorporated city or town; and

**WHEREAS**, A.R.S. Section 11-951, provides that public agencies may enter into intergovernmental agreements for the provision of services or for joint or cooperative action; and

**NOW, THEREFORE, BE IT RESOLVED** by the Town of Florence, Pinal County, Arizona, as follows:

Section 1: The purpose of the Intergovernmental Agreement is to define the responsibility of Pinal County and the Town of Florence for the regular and routine maintenance of certain roadways.

Section 2: Accept the terms and conditions of an Intergovernmental Agreement with Pinal County identified as the Intergovernmental Agreement between Pinal County and the Town of Florence Defining Responsibility for Road Maintenance of Cooper Road, Christensen Road, and Old Florence Kelvin Highway.

Section 3: That the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage by the Town of Florence, Pinal County, Arizona.

Section 4: That the Mayor is authorized and empowered to execute this Resolution and the Town Manager is authorized and directed to sign the Resolution.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Florence, Pinal County, Arizona, this 7<sup>th</sup> day of July 2014.

\_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM;**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James E. Mannato, Town Attorney

When recorded, return to:  
Clerk of the Board  
Pinal County Board of Supervisors  
P. O. Box 827  
Florence, AZ 85132

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN PINAL COUNTY AND THE TOWN OF FLORENCE  
DEFINING RESPONSIBILITY FOR ROAD MAINTENANCE OF COOPER  
ROAD, CHRISTENSEN ROAD, AND OLD FLORENCE KELVIN HIGHWAY**

This Agreement is between Pinal County, a political subdivision of the State of Arizona, acting by and through its Board of Supervisors and the Department of Public Works and the Town of Florence, a municipal corporation of the State of Arizona, acting by and through its Town Council.

**STATUTORY AUTHORITY**

1. Pinal County is empowered by Arizona Revised Statutes (A.R.S.) §11-251 and § 28-6701, et seq., to lay out, maintain, control, and manage public roads within the County, and to enter into this Agreement pursuant to A.R.S. § 11-951 et seq.
2. Florence is empowered by A.R.S. § 9-240 and § 9-276 to lay out, maintain, control, and manage public roads within the Town, and to enter into this Agreement pursuant to A.R.S. § 11-951, et seq.
3. Pinal County is authorized by A.R.S. § 28-6707A to enter into cooperative agreements for the construction, improvement and maintenance of roadways within an incorporated city or town.
4. A.R.S. §11-951, et seq., provides that public agencies may enter into intergovernmental agreements for the provision of services or for joint or cooperative action.

**PURPOSE OF THE AGREEMENT**

5. For public safety and welfare of the public, the parties hereto agree to maintain portions of paved and unpaved roadways known as Cooper Road-Arizona Farms Road to Judd Road as shown in Exhibit A, Christensen Road-from the Town of Florence Town Limits continue south to the Southeast corner of the Northeast quarter of the Southeast quarter of Section 3 of Township 5 South Range 8 East of the Gila and Salt River Meridian which is on the North side of Gila River as shown in Exhibit B, and Old Florence Kelvin Highway- West of Diffin Road from the Town of Florence Town limits to Florence-Kelvin Highway as shown in Exhibit C, hereinafter called the "Project," which is located within the jurisdictions of Pinal County and the Town of Florence.
6. The purpose of this Agreement is to define the responsibilities of Pinal County and the Town of Florence for the regular and routine roadway maintenance of the Project.

## **TERMS OF THE AGREEMENT**

7. The foregoing recitals are hereby incorporated into this Agreement by reference as if more fully stated herein.
8. Pinal County agrees to provide the necessary manpower, equipment and materials associated with the application of asphaltic material, including but not limited to penetration oil/aggregate chip and seal coat/aggregate chip for the Cooper Road Project- Arizona Farms Road to Judd Road, as shown in Exhibit A both in unincorporated Pinal County and lying within the Town of Florence's jurisdiction. Associated costs of the Cooper Road Project are anticipated to be \$200,000.
9. The Town of Florence agrees to provide perpetual regular and routine roadway maintenance on portions of the roadways known as Cooper Road- Arizona Farms Road to Judd Road as shown in Exhibit A, Christensen Road-from the Town of Florence Town Limits continue south to the Southeast corner of the Northeast quarter of the Southeast quarter of Section 3 of Township 5 South Range 8 East of the Gila and Salt River Meridian which is on the North side of Gila River as shown in Exhibit B, and Old Florence Kelvin Highway- West of Diffin Road from the Town of Florence Town limits to Florence-Kelvin Highway as shown in Exhibit C, all within the Town of Florence Town limits and lying within Pinal County's jurisdiction.

## **GENERAL TERMS AND CONDITIONS**

10. Each party hereby indemnifies the other party against all liability, losses and damages of any nature for or on account of any injuries or death of persons or damages to or destruction of property arising out of or in any way connected in whole or in part with the performance or nonperformance of this Agreement, except such injury or damage as shall have been occasioned solely by the negligence of that other party. The damages which are the subject of this indemnity shall include but not be limited to the damages incurred by any party, their departments, agencies, officers, employees, elected officials or agents and in the event of an action, court costs, expenses for litigation and reasonable attorney's fees.
11. This Agreement shall be effective upon execution by the last party hereto and remain in full force and effect until completion of the Project or termination as provided within this Agreement.
12. Either party may terminate this Agreement by providing the other party thirty (30) days written notice of termination. Upon termination, the parties to this Agreement shall be responsible for the maintenance of roadways described in Exhibit A lying within their respective jurisdictions at the time of termination. If agreement is terminated in fewer than 5 years, the Town of Florence agrees to reimburse Pinal County 50% of \$200,000, the original costs associated with the Cooper Road Project.
13. Pursuant to A.R.S. § 11-952 (F), as amended, attached to this Agreement are copies of appropriate action by ordinance, resolution or otherwise authorizing the respective parties to enter into this Agreement.

14. This Agreement may be cancelled for conflict of interest without further obligation or penalty, in accordance with A.R.S. §38-511.
15. This Agreement shall not be construed to imply authority to perform any tasks, or accept any responsibility, not expressly set forth herein.
16. This Agreement shall be strictly constructed against creation of a duty or responsibility unless the intention to do so is clearly and unambiguously set forth herein.
17. This Agreement shall not be modified or extended except by written instrument adopted in accordance with the requirements for adopting a new agreement.
18. All notices or demands required under this Agreement from either party to the other shall be in writing and shall be deemed to have been given when the notice is delivered in person or deposited in a U.S. mailbox in a postage prepaid envelope addressed as follows:

County Manager  
Pinal County  
P. O. Box 827  
Florence, AZ 85132

With a copy to:  
Public Works Director  
Pinal County  
P. O. Box 727  
Florence, AZ 85132

Town Manager  
Town of Florence  
P.O. Box 2670  
Florence, AZ 85132

19. This Agreement has been arrived at by negotiation and shall not be construed against either party or against the party who prepared the last draft.
20. This Agreement shall be recorded with the Pinal County Recorder.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement.

**PINAL COUNTY**

**TOWN OF FLORENCE**

Recommended by:

Recommended by:

\_\_\_\_\_  
Louis Andersen                      Date  
Director  
Department of Public Works

\_\_\_\_\_  
Wayne Costa                      Date  
Director  
Public Works Department

Approved and Accepted:

Approved and Accepted:

By: \_\_\_\_\_  
Chairman                      Date  
Board of Supervisors

By: \_\_\_\_\_  
Mayor                      Date  
Town of Florence

Attest:

Attest:

By: \_\_\_\_\_  
Clerk of the Board                      Date

By: \_\_\_\_\_  
City Clerk                      Date

**APPROVAL OF PINAL COUNTY,  
AND TOWN OF FLORENCE COUNSELS**

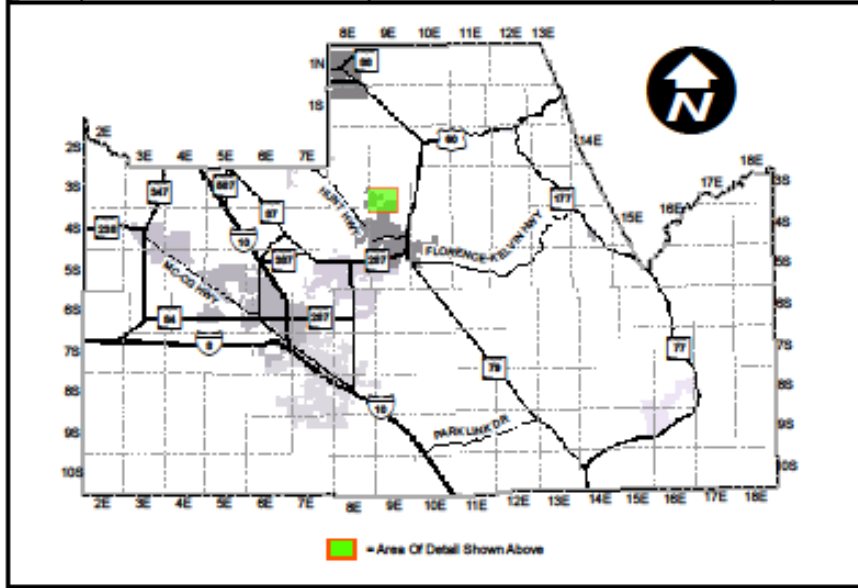
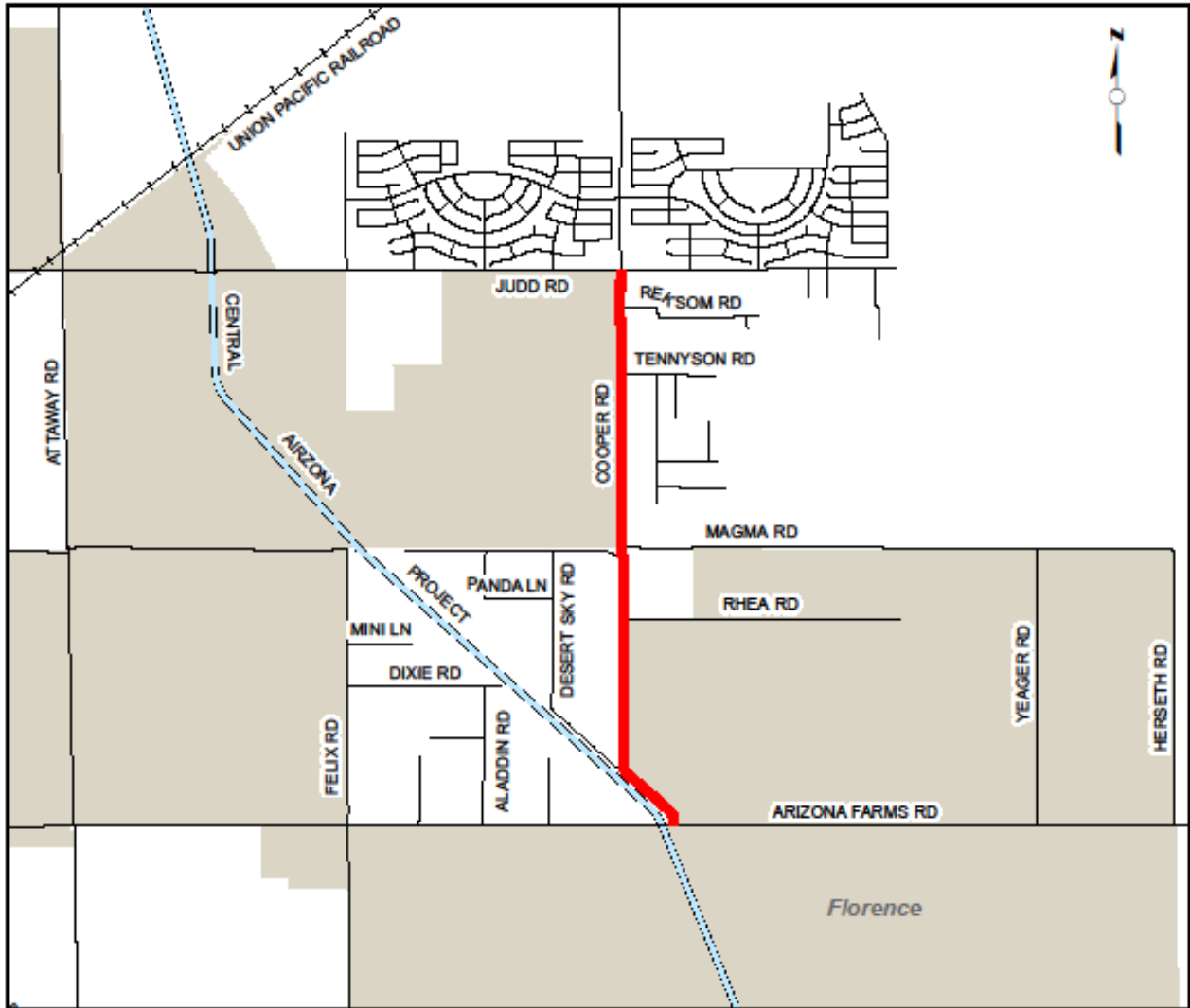
I hereby state that I have reviewed the proposed Intergovernmental Agreement, between Pinal County and the Town of Florence pursuant to A.R.S. § 11-952, and declare the Agreement to be in proper form and within the powers and authority granted to their respective governing bodies under the laws of the State of Arizona.

\_\_\_\_\_  
Pinal County Counsel

\_\_\_\_\_  
Florence Town Attorney

\_\_\_\_\_  
Date

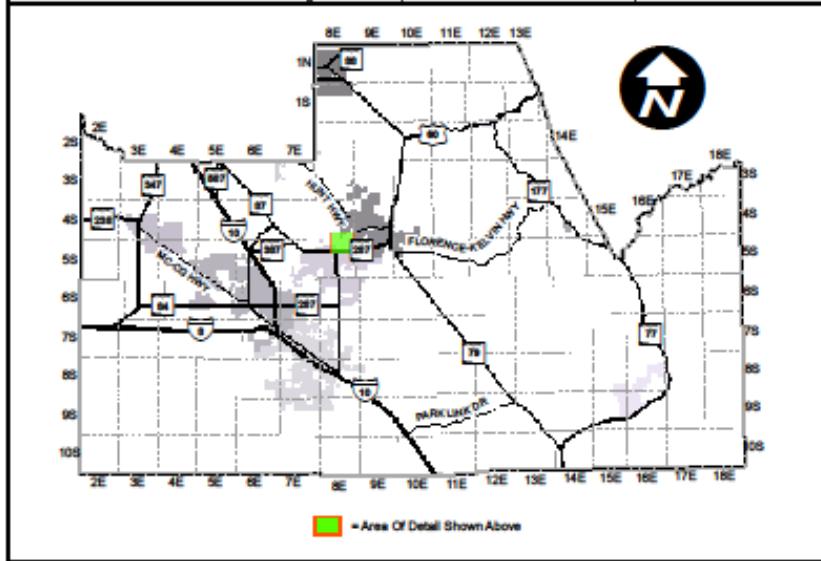
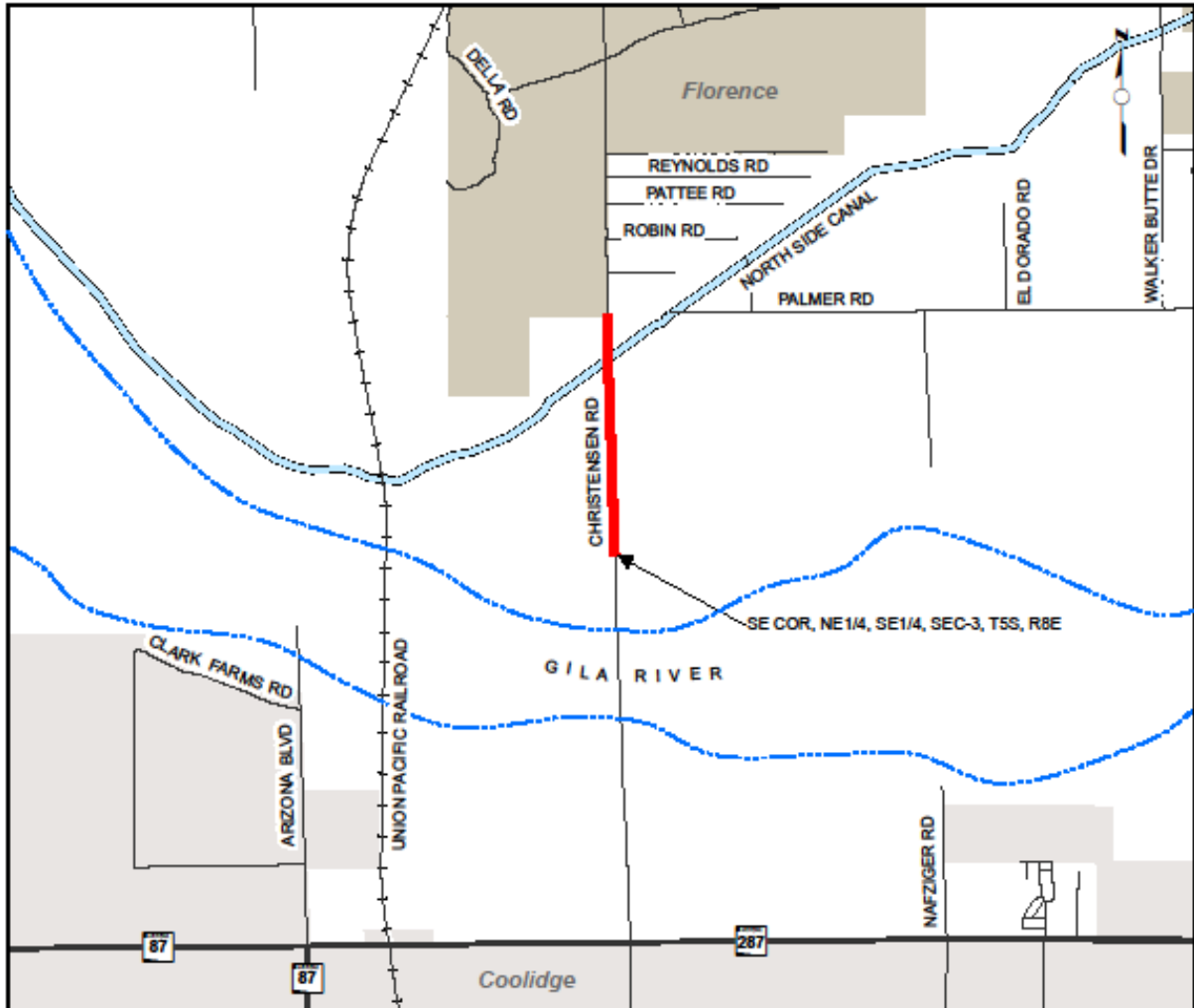
\_\_\_\_\_  
Date



**Exhibit - A**


— Cooper Road - 2.1 miles  
 From Arizona Farms Rd  
 To Judd Rd

**PINAL COUNTY**  
Arizona



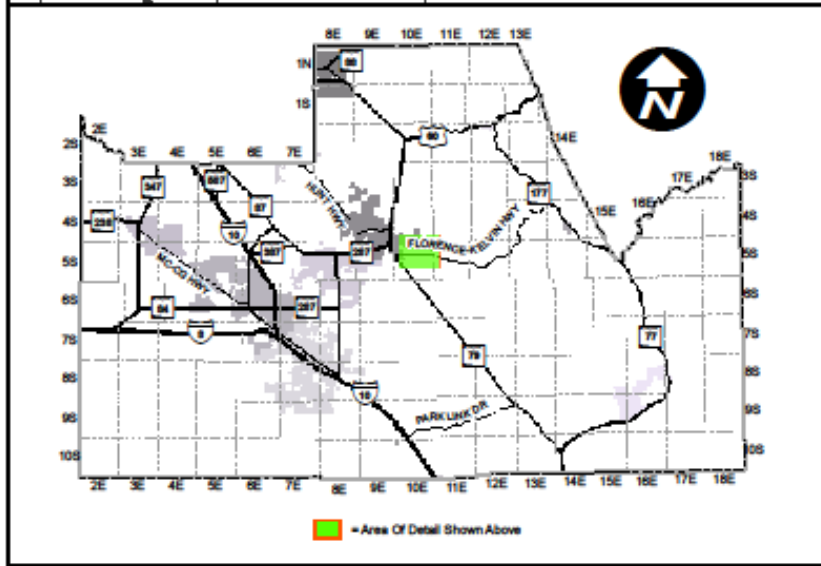
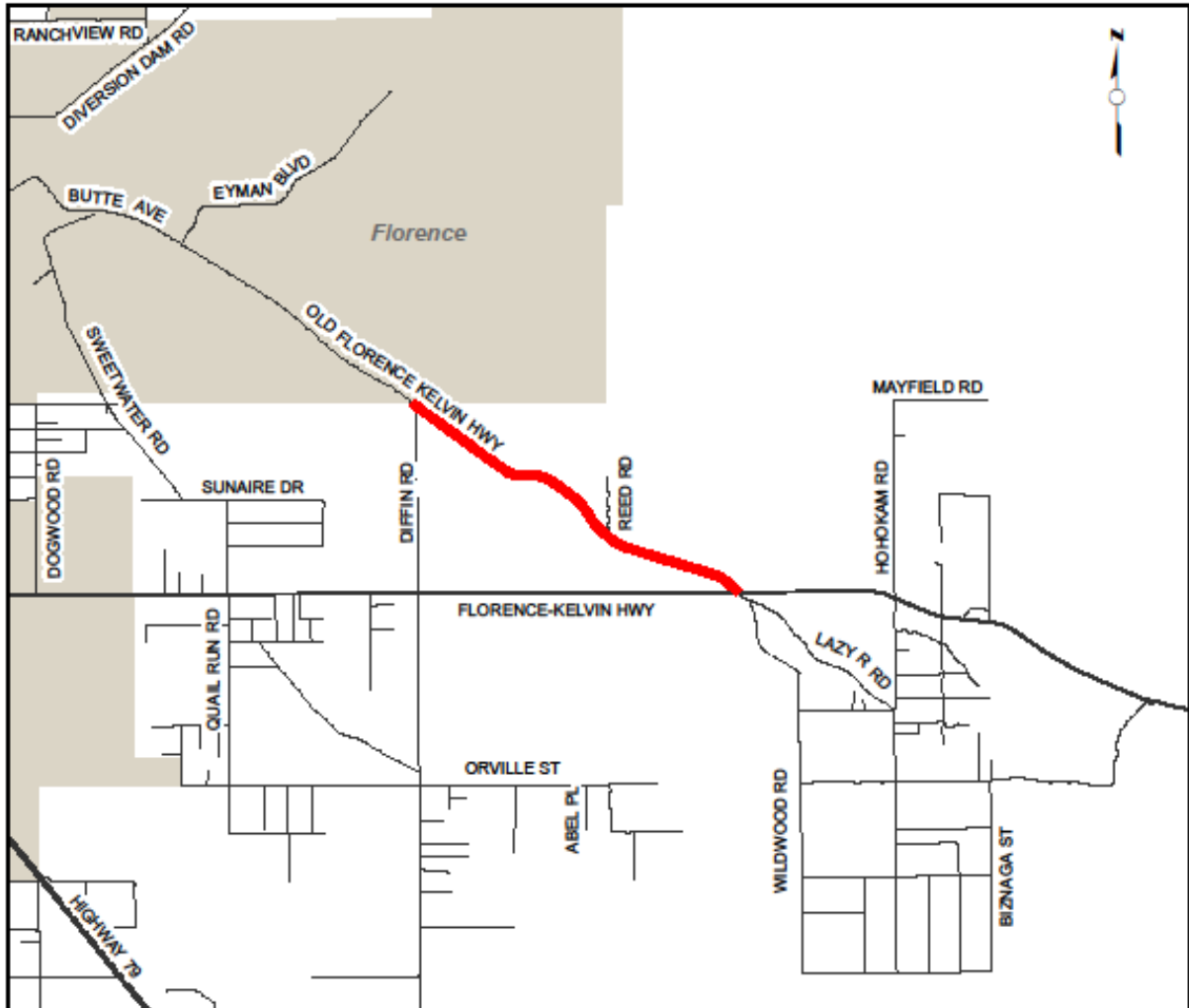
**Exhibit - B**

Christensen Road - 0.75 mile  
From north of Gila River To  
Town of Florence Limits  
(Palmer Rd Alignment)



PINAL COUNTY  
pinalcounty.gov






**Exhibit - C**

Old Florence Kelvin Hwy - 2.0 miles  
From Town of Florence Limits  
To Florence-Kelvin Hwy

PINAL COUNTY  
AZ 85000

MAP AUTHOR: FRYHOVER DATE: 5/7/2014

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u> 15b.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Finance/Grants  <b>STAFF PRESENTER:</b> Ernest Feliz Grants and Assessment Manager  <b>SUBJECT:</b> Acceptance of grant funds awarded for High Intensity Drug Trafficking Area (HIDTA).		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input type="checkbox"/> <b>Public Hearing</b> <input type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Motion to accept funds from the City of Tucson High Intensity Drug Trafficking Area (HIDTA), in the amount of \$62,050, to pay for the salary of a Florence Police Officer to participate in the program.

**BACKGROUND/DISCUSSION:**

This grant is awarded yearly to the Town of Florence and provides for an officer to participate in the City of Tucson High Intensity Drug Trafficking Area (HIDTA) program. The program provides wages and benefits for the participating officer.

**FINANCIAL IMPACT:**

HIDTA is awarding \$62,050 to pay for wages and benefits. There is no Town match for this grant.

**STAFF RECOMMENDATION:**

Staff recommends the Council accept the funds from HIDTA.

**ATTACHMENTS:**

Grant agreement



**CITY OF TUCSON  
HIGH INTENSITY DRUG TRAFFICKING AREA (HIDTA)  
GRANT AGREEMENT**

COT Grant Number *HT-14-2326*

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This Grant Agreement is made this 1<sup>ST</sup> day of January 2014 by and between the CITY OF TUCSON hereinafter called "CITY" and **TOWN OF FLORENCE**, through **Florence Police Department** hereinafter called "GRANTEE". The CITY enters into this Agreement pursuant to its authority under the provisions of A.R.S. § 11-951, et seq., and the City of Tucson's Resolution number 21460, having satisfied itself as to the qualification of GRANTEE.

NOW, THEREFORE, it is agreed between the parties as follows:

1. This Agreement will commence on January 1, 2014 and terminate on December 31, 2015. This Agreement expires at the end of the award period unless prior written approval for an extension has been obtained from the CITY. A request for extension must be received by the CITY sixty (60) days prior to the end of the award period. The CITY may approve an extension that further the goals and objectives of the program and shall determine the length of any extension within Office of National Drug Control Policy (ONDCP) guidelines.
2. The GRANTEE agrees that grant funds will be used for the **Pinal County HIDTA Task Force (PCHTF)**.
3. The CITY will monitor the performance of the GRANTEE against goals and performance standards outlined in the grant application. Sub-standard performance as determined by the CITY will constitute non-compliance with this Agreement. The GRANTEE shall operate in a manner consistent with and in compliance with the provisions and stipulations of the approved grant application and this Agreement. If the CITY finds non-compliance, the GRANTEE will receive a written notice that identifies the area of non-compliance, and the appropriate corrective action to be taken. If the GRANTEE does not respond within thirty calendar days to this notice, and does not provide sufficient information concerning the steps that are being taken to correct the problem, the CITY may suspend funding; permanently terminate this Agreement and/or revoke the grant; Any deviation or failure to comply with the purpose and/or conditions of this Agreement without prior written CITY approval may constitute sufficient reason for the CITY to terminate this Agreement; revoke the grant; require the return of all unspent funds, perform an audit of expended funds; and require the return of any previously spent funds which are deemed to have been spent in violation of the purpose or conditions of this grant.
4. This Agreement may be modified only by a written amendment signed by the parties. Any notice given pursuant to this Agreement shall be in writing and shall be considered to have been given when actually received by the following addressee or their agents or employees:

A. If to the City of Tucson:

City of Tucson Police Department  
HIDTA FIDUCIARY SECTION  
270 S. Stone  
Tucson, Arizona 85701  
Attn: HIDTA Lead Management Analyst

B. If to the GRANTEE:

**Town of Florence  
P.O. Box 2670  
775 North Main Street  
Florence, AZ 85132  
Attn: Ernest Feliz, Grants Manager**

5. The GRANTEE may make budget adjustments only after written notification with signature approval from Arizona HIDTA Director is provided to the CITY. A grant adjustment notice (GAN) will be issued to the GRANTEE notifying the GRANTEE of the approval. Adjustments or reprogramming of the grantee's budget in an initiative or any reprogramming between initiative and/or agencies; in any amount, require the approval of the Board, the AZ HIDTA Director, and/or the ONDCP in accordance with HIDTA Program Policy and Budget Guidance.

<b>APPROVED LINE ITEM PROGRAM BUDGET</b>	
Personnel:	
Salaries	<b>\$51,934.00</b>
Fringe Benefits	<b>\$8,903.00</b>
Overtime	<b>\$1,213.00</b>
Travel	<b>0.00</b>
Facilities	<b>0.00</b>
Services	<b>0.00</b>
Operating Expenses:	
Supplies	<b>0.00</b>
Other	<b>0.00</b>
Equipment (listed below)	<b>0.00</b>
<b>TOTAL</b>	<b>\$62,050.00</b>
See attached for budget detail.	

6. The GRANTEE understands that financial reports are required for reimbursement of expenditures.
7. Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the CITY. No liability shall accrue to the CITY in the event this provision is exercised, and the CITY shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
8. The GRANTEE understands that prior to the expenditure of confidential funds, an authorized official of the GRANTEE shall sign a certification indicating that he or she has read, understands, and agrees to abide by all of the conditions pertaining to confidential fund expenditures as set forth in *ONDCP Financial and Administrative Guide for Cooperative Agreements Guidelines and Exhibit B*.

9. The GRANTEE certifies that it will comply with *OMB Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* as codified in 28 CFR Part 66 and *OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments* and HIDTA Program Policy & Budget Guidance.

**Link:** *OMB Circulars* <http://www.whitehouse.gov/omb/circulars/index.html>

10. The GRANTEE agrees to account for interest earned on Federal grant funds and shall remit interest earned in excess of the allowable amount as indicated in the *ONDCP Financial and Administrative Guide for Cooperative Agreements* and all unexpended grant funds to the CITY within 30 days after receipt of a written request from the CITY. The GRANTEE agrees to expend all encumbered funds within 90 days of expiration of this award.
11. The GRANTEE agrees to retain all books, account reports, files and other records, (paper and/or electronic) relating to this Agreement and the performance of this Agreement for no less than five (5) years from the last financial report submitted to the CITY. All such documents shall be subject to inspection and audit at reasonable times.
12. For the purpose of this grant, a capital expenditure is \$1,000 or above. If the GRANTEE'S policy defines a capital expenditure as less than \$1,000, the GRANTEE will use its own policy.

The GRANTEE shall maintain a tracking system, in accordance with ONDCP HIDTA Program Policy & Budget Guidance Section 8.04(A), to account for all HIDTA purchased equipment, vehicles, and other items valued at \$ 1000 or more at the time of purchase. This also includes lower cost, high-risk items, electronic devices and software, such as but not limited to digital cameras, palm pilots, and GPS devices.

The GRANTEE agrees to abide by Section 8.06 that those using HIDTA funds to purchase equipment must maintain a current inventory of HIDTA-purchased equipment and must provide that inventory to the HIDTA Director or an ONDCP employee, and/or the CITY upon request. A 100-percent physical inventory of HIDTA-purchased equipment must be conducted at least every two years.

13. The GRANTEE agrees to follow equipment disposition policies outlined in *OMB Circular A-102 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* as codified in 28 CFR, Part 66.32 (e) (1-3) when the equipment is no longer needed for the grant program. When no longer needed for the original program, the equipment may be used in other activities supported by the Office of National Drug Control Policy.

**Link:** *OMB Circulars* <http://www.whitehouse.gov/omb/circulars/index.html>

The GRANTEE agrees that the purchasing agency shall comply with ONDCP HIDTA Program Policy & Budget Guidance Section 8.07 in determining the end of the useful life and disposition of HIDTA purchased equipment. Purchasing agencies must retain documentation of the disposition and provide to the HIDTA Director and the CITY.

14. The GRANTEE agrees to keep time and attendance sheets signed by the employee and supervisory official having first hand knowledge of the work performed by the grant funded employees. The GRANTEE agrees to track overtime expenses in accordance with ONDCP HIDTA Program Policy & Budget Guidance.
15. The GRANTEE will comply with the audit requirements of *OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations* and provide the CITY with the audit report and any findings within 90 days of receipt of such finding. If the report contains no findings, the GRANTEE must provide notification that the audit was completed.

**Link:** *OMB Circular A-133* <http://www.whitehouse.gov/omb/circulars/index.html>

16. The GRANTEE agrees that it will submit financial reports and supporting documentation to the CITY through the AZ HIDTA Finance Manager on forms/format provided by the CITY, documenting the activities supported by these grant funds. In the event reports are not received on or before the indicated date(s), funding will be suspended until such time as delinquent report(s) are received. These reports are submitted according to the following schedule:

<b>Report Period Month of:</b>	<b>Due Date:</b>	<b>Report Period Month of:</b>	<b>Due Date:</b>
January 1 - 31	February 25	July 1 - 31	August 25
February 1 - 29	March 25	August 1 - 31	September 25
March 1 - 30	April 25	September 1 - 30	October 25
October 1 - 31	November 25	April 1 - 30	May 25
November 1 - 30	December 25	May 1 - 31	June 25
December 1 - 31	January 25	June 1 - 30	July 25

More frequent reports may be required for GRANTEES who are considered high risk.

17. All goods and services purchased with grant funds must be received by the GRANTEE within 60 days of the expiration of this award.

18. The GRANTEE agrees to obtain ONDCP approval through the Arizona HIDTA Director for all sole-source procurements in excess of \$100,000, and provide written notification to the CITY, as indicated in 21 CFR Part 1403.36(d)(4).

19. The GRANTEE agrees to check the U.S. General Service Administration (GSA) Excluded Parties Listing Service as required by Executive Order 12549, as defined in 28 CFR Part 67.510 for individuals, agencies, companies and corporations debarred or suspended from doing business with recipients receiving Federal funds. The GRANTEE agrees not to do business with any individual, agency, company or corporation listed in the Excluded Parties Listing Service.

**Link:** *Excluded Parties Listing System* <http://epls.arnet.gov>

20. No funds shall be used to supplant federal, state, county or local funds that would otherwise be made available for such purposes. Supplanting means the deliberate reduction of State or local funds because of the existence of Federal funds.

21. The GRANTEE assigns to the CITY any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services applied by third parties to the GRANTEE in exchange for grant funds provided under this Agreement.

22. The parties agree to use arbitration in the event of disputes in accordance with the provisions of A.R.S. § 12-1501 et seq.

23. The laws of the State of Arizona apply to questions arising under this Agreement and any litigation regarding this Agreement must be maintained in Arizona courts, except as provided in paragraph 25 of this Agreement pertaining to disputes, which are subject to arbitration.

24. The GRANTEE understands that grant funds will not be released until all required reports and reversion of funds from the prior year grant are submitted to the CITY.

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25. The GRANTEE (as "Indemnitor") agrees to indemnify, defend and hold harmless the CITY (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses, (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. If the GRANTEE is a State agency this paragraph does not apply.
26. Unless GRANTEE is a State agency, GRANTEE shall cause its contractor(s) and subcontractors, if any to indemnify defend, save and hold harmless the City of Tucson, any jurisdictions or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims" ) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of GRANTEE'S contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Worker's Compensation Law or arising out of the failure of such contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligence or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Insurance requirements for any contractor used by GRANTEE are incorporated herein by this reference and attached to this Agreement as Exhibit "A".
27. If the GRANTEE is a governmental political subdivision, the GRANTEE will, to the extent possible and practical share criminal justice information with other authorized criminal justice agencies. The process control number (PCN) shall be used in accordance with A.R.S. § 41-1750 when sharing data with other criminal justice agencies as electronic data systems are developed or improved.
28. The GRANTEE agrees to comply with the non-discrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended; 42 USC 3789(d); Title VI of the Civil Rights Act of 1964, as amended; Section 504, Rehabilitation Act of 1973, as amended; Subtitle A, Title II of the Americans with Disabilities Act (ADA) (1990); Title IX of the Education Amendments of 1972 and the Department of Justice regulations 28 CFR Part 54; The Age Discrimination Act of 1975; Department of Justice Non-Discrimination Regulations, 28 CFR Part 42, Subparts C, D, E, G and I; Department of Justice regulations on disability discrimination 28 CFR Part 35; all applicable state laws of A.R.S. § 41-1463; and Executive Orders 1999-4 and 2000-4. These laws prohibit discrimination on the basis of race, color, religion, sex and national origin including Limited English Proficiency (LEP) in the delivery of service. In the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing against the GRANTEE, the GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the CITY.

29. The GRANTEE agrees to formulate and keep on file an Equal Employment Opportunity Plan (EEO) (if grantee is required pursuant to 28 CFR 42.302). The GRANTEE certifies that they have forwarded to the Office for Civil Rights, Office of Justice Programs the EEO, or certifications that they have prepared and have on file an EEO, or that they are exempt from EEO requirements. Failure to comply may result in suspension of the receipt of grant funds. Copies of all submissions such as certifications to or correspondence with the Office for Civil Rights, Office of Justice Programs regarding this requirement must be provided to the CITY by the GRANTEE.
30. The GRANTEE certifies to comply with the Drug-Free Workplace Act of 1988, and implemented in 28 CFR Part 67, Subpart F, for grantees, as defined in 28 CFR, Part 67 Sections 67.615 and 67.620.
31. The GRANTEE agrees to complete and keep on file, as appropriate, Immigration and Naturalization Form (I-9). This form is to be used by recipients to verify that persons are eligible to work in the United States. Additionally the GRANTEE ensures compliance with Executive Order 2005-30 federal immigration laws by state employers and contractors.
32. The GRANTEE agrees to notify the Arizona HIDTA Director and provide written notification to the CITY within ten (10) days in the event that the project official is replaced during the award period.
33. No rights or interest in this Agreement shall be assigned by GRANTEE without prior written approval of the CITY.
34. The GRANTEE agrees that no funds provided, or personnel employed under this Agreement shall be in any way or to any extent engaged in conduct of political activities in violation of U.S.C. Title 5, Part II, Chapter 15, Section 1502.
35. The GRANTEE certifies that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.
36. The Grantee certifies that no federal funds will be paid, by or on behalf of, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and for the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement. If any funds other than Federal funds are paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal award, grant loan, or cooperative agreement, the GRANTEE will complete and submit to the CITY Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions



37. This Agreement is subject to cancellation pursuant to the provision of A.R.S. § 38-511.
38. This Agreement may be cancelled at the CITY's discretion if not returned with authorized signatures to the CITY within 90 days of commencement of the award.
39. If any provision of this Agreement is held invalid the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall be in full force and effect.
40. Pursuant to resolution number 21460, adopted by Mayor and Council December 15, 2009, the Tucson Police Chief is authorized to enter into contracts and grant agreements for HIDTA operations.
41. In accordance with A.R.S. §41-4401, GRANTEE warrants compliance with E-Verify and all federal immigration laws and regulations relating to employees and warrants compliance with A.R.S. § 23-214A.

IN WITNESS WHEREOF, the parties have made and executed the Agreement the day and year first above written.

**FOR GRANTEE:**

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Town Manager

Date

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Printed Name and Title

Note: If applicable, the Agreement must be approved by the appropriate county supervisory board or municipal council and appropriate local counsel (i.e. county or city attorney). Furthermore, if applicable, resolutions and meeting minutes must be forwarded to the CITY with the signed Agreement.

**Approved as to form and authority to enter into Agreement:**

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Legal counsel for GRANTEE

Date

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Printed Name and Title

**Statutory or other legal authority to enter into Agreement:**

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Appropriate A.R.S., ordinance, or charter reference

**FOR CITY OF TUCSON:**

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Roberto A. Villaseñor, Chief of Police  
City of Tucson Police Department

Date

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Lisa Judge, Principal Assistant City Attorney  
City of Tucson Police Department  
Approved as to form

Date



CITY OF TUCSON  
GRANT AGREEMENT

**Insurance Requirements  
Exhibit "A"**

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***Insurance Requirements for Governmental Parties to a Grant Agreement:***

None.

***Insurance Requirements for Any Contractors Used by a Party to the Grant Agreement:***

*(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.)* The *insurance requirements* herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The City of Tucson in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$50,000
- Each Occurrence \$1,000,000

a. The policy shall be endorsed to include the following additional insured language: ***“The City of Tucson, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.***

*(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)*

b. Policy shall contain a waiver of subrogation against the City of Tucson, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. **Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: ***"The City of Tucson, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor"***.

*(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)*

3. **Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$500,000
Disease – Each Employee	\$500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the City of Tucson, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Tucson, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees *and the other governmental entity* shall be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by the Contract.
2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
3. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of its Contract with the other governmental entity(ies) party to the Grant Agreement.

- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice has been given the City of Tucson. Such notice shall be sent directly to the GRANTEE and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The City of Tucson in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the GRANTEE with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the GRANTEE. The City of Tucson's project/contract number and project description are to be noted on the certificate of insurance. The City of Tucson reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE CITY OF TUCSON'S RISK MANAGEMENT SECTION.**

- F. **SUBCONTRACTORS:** Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the county or local government agency responsible separate certificates for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the *insurance requirements* must have prior approval from the City of Tucson, Risk Management Section, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a City of Tucson agency, board, commission, or university then none of the above shall apply.



CITY OF TUCSON  
HIGH INTENSITY DRUG TRAFFICKING AREA (HIDTA)  
GRANT AGREEMENT

**Confidential Funds Certification  
Exhibit "B"**

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**CONFIDENTIAL FUNDS CERTIFICATION**

This is to certify that I have read, understand, and agree to abide by all of the conditions for confidential funds as set forth in the effective edition of the Office of National Drug Control Policy Financial and Administrative Guide.

Grant Number: «GrantNumber»

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Authorized Official

**PROCEDURES**

Each project agency authorized to disburse confidential funds must develop and follow internal procedures, which incorporate the following elements:

**Deviations from these elements must receive prior approval of the ONDCP.**

1. Imprest Fund. The funds authorized will be established in an imprest fund, which is controlled by a bonded cashier.
2. Advance of Funds: The supervisor of the unit to which the imprest funds is assigned must authorize all advances of funds for the P/I. Such authorization must specify the information to be received, the amount of expenditures, and assumed name of the informant.
3. Informant Files: Informant files are confidential files of the true names, assumed names, and signature of all informants to whom payments of confidential expenditures have been made. To the extent possible, pictures and/or fingerprints of the informant payee should also be maintained. Refer to Informant Files "Documentation" (2) for a list of required documents for the informant files.
4. Cash Receipts.
  - a. The cashier shall receive from the agent or officer authorized to make a confidential payment, receipt for cash advanced to him/her for such purposes.
  - b. The agent or officer shall receive from the informant payee a receipt for cash paid to him/her.

5. Receipts for Purchase of Information. An Informant Payee Receipt shall identify the exact amount paid to and received by the informant payee on the date executed. Cumulative or anticipatory receipts are not permitted. Once the receipt has been completed no alteration is allowed. The agent shall prepare an Informant Payee Receipt containing the following information:
  - a. The jurisdiction initiating the payment.
  - b. A description of the information/evidence received.
  - c. The amount of payment, both in numeral and word form.
  - d. The date on which the payment was made.
  - e. The signature of the informant payee.
  - f. The signature of the case agent or officer making payment.
  - g. The signature of at least one other officer witnessing the payment.
  - h. The signature of the first-line supervisor authorizing and certifying the payment.
  
6. Review and Certification. The signed Informant Payee Receipt with a memorandum detailing the information received shall be forwarded to the agent or officer in charge. The agent or officer in charge shall compare the signatures. He/she shall also evaluate the information received in relation to the expense incurred, and add his/her evaluation remarks to the report of the agent or officer who made the expenditure from the imprest funds. The certification will be witnessed by the agent or officer in charge on the basis of the report and Informant Payee's Receipt.
  
7. Reporting of Funds. Each project shall prepare a reconciliation report on the imprest funds on a quarterly basis. Information to be included in the reconciliation report will be the assumed name of the informant payee, the amount received, the nature of the information given, and to what extent this information contributed to the investigation. Recipients/subrecipients shall retain the reconciliation report in their files and shall be available for review unless the State agency requests that the report be submitted to them on a quarterly basis.
  
8. Record and Audit Provisions. Each project and member agency must maintain specific records of each confidential fund transaction. At a minimum, these records must consist of all documentation concerning the request for funds, processing (to include the review and approve/disapprove), modifications, closure or impact material, and receipts and/or other documentation necessary to justify and track all expenditures. Refer to Informant Files Documentation (2) for a list of documents, which should be in an informant's file. In projects where funds are used for confidential expenditures, it will be understood that all of the above records, except the true name of the informant, are subject to the record and audit provision of grantor agency legislation.

## **INFORMANT FILES**

1. Security. A separate file should be established for each informant for accounting purposes. Informant files should be kept in a separate and secure storage facility, segregated from any other files, and under the exclusive control of the supervisor or an employee designated by him/her. The facility should be locked at all times when unattended. Access to these files should be limited to those employees who have a necessary legitimate need. An informant file should not leave the immediate area except for review by a management official or the handling agent, and should be returned prior to the close of business hours. Sign-out logs should be kept indicating the date, informant number, time in and out, and the signature of the person reviewing the file.
2. Documentation. Each file should include the following information:
  - a. Informant Payment Record - kept on top of the file. This record provides a summary of informant payments.
  - b. Informant Establishment Record - including complete identifying and location data, plus any other documents connected with the informant's establishment.
  - c. Current photograph and fingerprint card (or FBI/State Criminal Identification Number).
  - d. Agreement with cooperating individual.
  - e. Receipt for P/I.
  - f. Copies of all debriefing reports (except for the Headquarters case file).
  - g. Copies of case initiation reports bearing on the utilization of the informant (except for the Headquarters case file).
  - h. Copies of statements signed by the informant (unsigned copies will be placed in appropriate investigative files).
  - i. Any administrative correspondence pertaining to the informant, including documentation of any representations made on his behalf or any other nonmonetary considerations furnished.
  - j. Any deactivation report or declaration of any unsatisfactory informant.

## **INFORMANT MANAGEMENT AND UTILIZATION**

All persons who will be utilized as informants should be established as such. The specific procedures required in establishing a person as an informant may vary from jurisdiction to jurisdiction but, at a minimum, should include the following:

1. Assignment of an informant code name to protect the informant's identity.



2. An informant code book controlled by the supervisor or his/her designee containing:
  - a. Informant's code number.
  - b. Type of information (i.e. informant, defendant/informant, restricted use/informant).
  - c. Informant's true name.
  - d. Name of establishing law enforcement officer.
  - e. Date the establishment is approved.
  - f. Date of deactivation.
3. Establish each informant file in accordance with Informant File Documentation (2).
4. For each informant in an active status, the agent should review the informant file on a quarterly basis to assure it contains all relevant and current information. Where a MATERIAL face that was earlier reported on the Establishment Record is no longer correct (e.g. a change in criminal status, means of locating him/her, etc.), a supplemental establishing report should be submitted with the correct entry.
5. All informants being established should be checked in all available criminal indices. If verified FBI number is available, request a copy of the criminal records from the FBI. Where a verified FBI number is not available, the informant should be fingerprinted with a copy sent to the FBI and appropriate State authorities for analysis. The informant may be utilized on a provisional basis while awaiting a response from the FBI.

## **PAYMENTS TO INFORMANTS**

1. Any person who is to receive payments charged against PE/PI funds should be established as an informant. This includes a person who may otherwise be categorized as sources of information or informants under the control of another agency. The amount of payment should be commensurate with the value of services and/or information provided and should be based on the following factors:
  - a. The level of the targeted individual, organization or operation.
  - b. The amount of the actual or potential seizure.
  - c. The significance of the contribution made by the informant to the desired objectives.
2. There are various circumstances in which payments to informants may be made.
  - a. Payments for Information and/or Active Participation. When an informant assists in developing an investigation, either through supplying information or actively participating in it, he/she may be paid for his/her service either in a lump sum or in staggered payments. Payments for information leading to a seizure, with no defendants, should be held to a minimum.

b. Payment for Informant Protection. When an informant needs protection, law enforcement agencies may absorb the expenses of relocation. These expenses may include travel for the informant and his/her immediate family, movement and/or storage of household goods, and living expense at the new location for a specific period of time (not to exceed 6 months). Payments should not exceed the amounts authorized by law enforcement employees for these activities.

c. Payments to Informants of Another Agency. To use or pay another agency's informant, he/she should be established as an informant. These payments should not be a duplication of a payment from another agency; however, sharing a payment is acceptable.

3. Documentation of payments to informants is critical and should be accomplished on a Informant Payee Receipt. Payment should be made and witnessed by two law enforcement officers and authorized payment amounts should be established and reviewed by at least the first line supervisory level. In unusual circumstances, a non-officer employee or an officer of another law enforcement agency may serve as witness. In all instances, the original signed receipt must be submitted to the project director for review and record keeping.

## **ACCOUNTING AND CONTROL PROCEDURES**

Special accounting and control procedures should govern the use and handling of confidential expenditures, as described below:


1. It is important that expenditures which conceptually should be charged to PE/PI/PS are so charged. It is only in this manner that these funds may be properly managed at all levels, and accurate forecasts of projected needs be made.
2. Each law enforcement entity should apportion its PE/PI/PS allowance throughout its jurisdiction and delegate authority to approve PE/PI/PS expenditures to those offices, as it deems appropriate.
3. Headquarters management should establish guidelines authorizing offices to spend up to a predetermined limit of their total allowance on any buy or investigation.
4. In exercising his/her authority to approve these expenditures, the supervisor should consider:
  - a. The significance of the investigation.
  - b. The need for this expenditure to further the investigation.
  - c. Anticipated expenditures in other investigations.

Funds for PE/PI/PS expenditures should be advanced to the officer for a specific purpose. If they are not expended for that purpose, they should be returned to the cashier. They should not be used for another purpose without first returning them and repeating the authorization and advance process based on the new purpose.

5. Funds for PE/PI/PS expenditure should be advanced to the officer on suitable receipt form. Informant Payee Receipt or a voucher for P/E should be completed to document funds used in the purchase of evidence or funds paid or advanced to an informant.
6. For security purposes there should be a 48-hour limit on the amount of time funds advanced for PE/PI/PS expenditure may be held outstanding. If it becomes apparent at any point within the 48-hour period that the expenditure will not materialize, the funds should be returned to the cashier as soon as possible. An extension of the 48-hour limit may be granted by the level of management that approved the advance. Factors to consider in granting such an extension are:
  - a. The amount of funds involved.
  - b. The degree of security under which the funds are being held.
  - c. How long an extension is required.
  - d. The significance of the expenditure.

Such extensions should be limited to 48 hours. Beyond this, the funds should be returned and readvanced, if necessary. Regardless of circumstances, within 48 hours of the advance, the cashier should be presented with either the unexpended funds, an executed Informant Payee Receipt or purchase of evidence or written notification by management that an extension has been granted.

7. P/S expenditures, when not endangering the safety of the officer or informant, need to be supported by canceled tickets, receipts, lease agreements, etc. If not available, the supervisor, or his immediate subordinate, must certify that the expenditures were necessary and justify why supporting documents were not obtained.

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u> 15c.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Finance/Grants  <b>STAFF PRESENTER:</b> Ernest Feliz Grants and Assessment Manager  <b>SUBJECT:</b> Approval to apply for Community Oriented Policing Strategy (COPS) grant.		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input type="checkbox"/> <b>Public Hearing</b> <input type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Motion to approve applying for a grant in the amount of \$125,000, to the U.S. Department of Justice Community Oriented Policing Services (COPS) program to be used to add a crime prevention/school resource police officer position.

**BACKGROUND/DISCUSSION:**

The Police Department wants to apply for COPS funding to add a crime prevention/school resource officer position. This new position would be used as a school resource officer at Florence Unified School District schools within the Town limits and community crime prevention efforts. The federal funding would pay 75% of the officer's wages and benefits for three years, up to a total of \$125,000. The Town's minimum required match is 25%. The Town would be required to continue funding the position for 12 months after federal funding has ended.

**FINANCIAL IMPACT:**

The federal funding request is \$125,000 over a three-year period. The Town's required 25% minimum match amount is \$41,667; however, the total Town share, including the match, is estimated at \$109,716.

**STAFF RECOMMENDATION:**

Staff recommends approval to apply for the COPS grant.

**ATTACHMENTS:**

Grant solicitation letter



U.S. DEPARTMENT OF JUSTICE  
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES  
145 N Street, NE, Washington, D.C. 20530

**COPS**

May 21, 2014

**RE: 2014 COPS Hiring Program (CHP) Application Period – NOW OPEN!**

Dear Colleague:

I am pleased to announce that **the application period for the 2014 COPS Hiring Program (CHP) is now open.** Applications for this year's CHP solicitation must be complete and submitted by **7:59 PM, EDT on Monday, June 23, 2014**, in order to receive consideration. CHP is a competitive grant program that provides funding directly to law enforcement agencies having primary law enforcement authority to impact their community policing capacity and problem solving efforts.

Under Fiscal Year (FY) 2014 CHP, awardees may receive up to 75 percent of the approved entry-level officer salary and fringe benefit costs, with a minimum 25 percent local cash match requirement and a **maximum federal share of \$125,000 per officer position** over a three-year grant period. Grant funds may be used to hire new, full-time sworn officer positions, to rehire officers who have been laid off, or to rehire officers who are scheduled to be laid off on a specific future date as a result of local budget cuts. As in the past, CHP requires that each position awarded be retained with local funds for a minimum of 12 months at the conclusion of 36 months of federal funding for each position. Applicants must also use awarded CHP funding to supplement (increase) state, local and or Bureau of Indian Affairs funds that otherwise would have been dedicated to sworn officer positions in the absence of the grant. FY 2014 CHP funding is limited, and all awards are subject to the availability of appropriated funds and any modifications or additional requirements that may be imposed by law. **For detailed information on CHP program requirements, application instructions, FAQs and more, please visit the CHP page on the COPS website at [www.cops.usdoj.gov/Default.asp?Item=2367](http://www.cops.usdoj.gov/Default.asp?Item=2367).**

Please note that applications for this program must be submitted in two parts. First, applicants must apply online via [www.grants.gov](http://www.grants.gov) to complete the SF-424, the government-wide standard form required for competitive grant application packages. Once the SF-424 has been submitted, you will receive an e-mail with instructions on completing the second part of the CHP application through the COPS Office Online Application System, found on the COPS Office website at [www.cops.usdoj.gov](http://www.cops.usdoj.gov) through the "Account Access" link in the upper right hand corner.

We thank you for your time and cooperation during the CHP application review process. If you have questions about completing a 2014 CHP application, please contact the COPS Office Response Center at 1.800.421.6770.

Sincerely,

Ronald L. Davis  
Director

## **Highlights of the FY2014 COPS Hiring Program**

### **School Resource Officers (SRO)**

Applicants who select “School Based Policing through School Resource Officers” as a problem area will receive additional consideration for CHP funding. Applicants requesting officer position(s) in order to deploy SROs must deploy **all** their officer positions as SROs. If your agency requests officer position(s) to deploy as SROs, you must select “School Based Policing through School Resource Officers” as your community policing problem area in Section 6B of the online application. CHP grantees who use CHP funding to deploy SROs will also be required to submit to the COPS Office the contact information for each school partner where they intend to deploy the SROs, and to provide a Memorandum of Understanding between the CHP grantee and the school partner.

Please note that the COPS Office requires that the officer(s) deployed into the SRO position(s) spend a minimum of 75 percent of their time in and around primary and/or secondary schools, working on youth-related activities. There must be an increase in the level of community policing activities performed in and around primary and/or secondary schools as a result of the grant.

### **Homicide and Gun Violence**

The COPS Office supports the Attorney General’s priority goal of reducing violent crime, especially if gun related. Applicants who choose “Homicide” or “Gun Violence” as their community policing problem area in Section 6B of their 2014 CHP application will receive additional consideration for CHP funding.

### **Homeland Security**

Applicants who select “Homeland Security” as a problem area will receive additional consideration for CHP funding. This problem area includes protecting critical infrastructures, information/intelligence problems, and other homeland security problems.

### **Trust Problems**

Applicants who select “Trust Problems” as a problem area will receive additional consideration for CHP funding. This problem area includes issues of fairness and impartiality, transparency problems, respect problems, and other trust-related problems.

**Please note: CHP grantees who choose one of the community policing problem areas listed above will not be allowed to change it post-award.**

Additional consideration may also be given for the following:

- Applicants who have experienced an unanticipated catastrophic event. Applicants indicating that they have experienced an unanticipated catastrophic event will be required to submit an attachment documenting the event or incident as part of their application.
- Applicants that have a neighborhood or other geographic area designated as a Promise Zone as part of the President’s Promise Zone Initiative.
- Applicants who commit to hire at least one military veteran. These military veterans may be in any of the three hiring categories; new hire, rehire or rehire scheduled to be laid off. The COPS Office defines a military veteran as someone “who served on active duty for a period of at least 180 days, any part of which occurred beginning on or after September 11, 2001, to the present, and who has been discharged or released from active duty in the armed forces under honorable conditions.”

Additional details about these and other FY2014 CHP requirements can be found in the program’s Application Guide (instructions), available to your agency at [http://cops.usdoj.gov/pdf/2014AwardDocs/CHP/2014\\_CHP\\_AppGuide.pdf](http://cops.usdoj.gov/pdf/2014AwardDocs/CHP/2014_CHP_AppGuide.pdf); frequently asked questions are also available and can be found at <http://cops.usdoj.gov/pdf/2014AwardDocs/CHP/2014-CHP-FAQs-meth.pdf>.

## *Preparing Your Application*

The COPS Office wants to ensure that your agency has sufficient time to complete your CHP application; we strongly recommend that your agency begin preparations for your application at this time. To minimize delays in submitting your application, please take some time now to address the following:

- It is strongly recommended that applicants register immediately on [www.grants.gov](http://www.grants.gov). For instructions on how to register with Grants.gov please visit <http://www.grants.gov/documents/19/18243/GrantsGovApplicantUserGuide.pdf/0ed6bbba-3b87-4600-8449-4bb1603b4e70>. In addition, applicants are strongly encouraged to complete the SF-424 as quickly as possible. For technical assistance with submitting the SF-424, call the Grants.gov Contact Center at 1.800.518.4726 or e-mail [support@grants.gov](mailto:support@grants.gov).
- Visit the “Account Access” portion of the COPS Office web site at [www.cops.usdoj.gov](http://www.cops.usdoj.gov) to determine if your agency currently has an active online account and/or how to create one. Please note that the COPS Agency Portal (“Account Access”) has recently been modified. Answers to frequently asked questions regarding the COPS Agency Portal can be found at: [www.cops.usdoj.gov/Default.asp?Item=2566](http://www.cops.usdoj.gov/Default.asp?Item=2566) or by contacting the COPS Office Response Center at 1.800.421.6770. Note: For best results with the COPS website, we recommend Internet Explorer versions 9, 10, or 11. When using Internet Explorer 11 users should add the COPS Office website to the Compatibility View settings in the browser by following <http://www.cops.usdoj.gov/pdf/Compatibility-IE11.pdf> or contacting the COPS Office Response Center.
- If you do not remember your password or user name and need assistance with creating an account and/or system access, or you would like to verify your agency’s correct ORI number, call 1.800.421.6770 between 9:00 AM and 5:00 PM EDT, or e-mail [askCopsRC@usdoj.gov](mailto:askCopsRC@usdoj.gov).
- Once logged into “Account Access,” your agency will be able to add additional user accounts and also update your agency contact and address information. Please ensure that your agency’s Law Enforcement Executive, Government Executive, and point of contact information are current with our office.
- A Data Universal Numbering System (DUNS) number is required to submit applications for COPS funding. A DUNS number is a unique nine or thirteen-digit sequence recognized as the universal standard for identifying and keeping track of entities receiving federal funds. Please note that obtaining a DUNS number may take one to two business days. Visit [www.dnb.com/us](http://www.dnb.com/us) to obtain or verify your number.
- In addition to the DUNS number requirement, all applicants for federal financial assistance must be registered in the System for Award Management (SAM) database **prior** to submitting an application. The SAM database is the repository for standard information about federal financial assistance applicants, recipients, and sub-recipients. Applicants must maintain an active SAM registration with current information at all times during the grant application process and, if awarded, the grant award period. If you have an active SAM registration that is set to expire before September 30, 2014, you must renew your SAM registration before completing the application. Please note that the SAM verification process may take up to two weeks to complete. To register or to verify that your SAM registration has not expired, please visit [www.sam.gov](http://www.sam.gov).
- You will be required to provide the unique Geographic Names Information System (GNIS) identification number assigned to your agency. To look up your GNIS Feature ID, please visit: <http://geonames.usgs.gov/domestic/index.html>.
- Prepare to identify one community policing problem your agency will address with the requested funding. Consider your current and planned community policing efforts and how they build community partnerships, complement other community initiatives, and lead to organizational transformation.

- Gather information devoted to the need for federal assistance, including layoff and furlough information, and unemployment rates.
- Prepare current budgetary information, such as current and projected entry-level officer salary and benefits.
- Determine if your agency can meet the local cash match and federal share requirements, or whether a waiver of the local cash match will be requested based on severe fiscal distress.
- If your agency indicates that your jurisdiction has experienced an unanticipated catastrophic event, you will be required to submit a narrative description of the catastrophic event with as much detail as possible.
- Applicants should note that all recipients of awards of \$25,000 or more under this solicitation, consistent with the Federal Funding Accountability and Transparency Act (FFATA), will be required to report award information on any first-tier subawards totaling \$25,000 or more, and, in certain cases, to report information on the names and total compensation of the five most highly compensated executives of the recipient and first-tier subrecipients. If applicable, the FFATA Subaward Reporting System (FSRS), accessible via the Internet at [www.fsrs.gov](http://www.fsrs.gov), is the reporting tool recipients under this solicitation will use to capture and report subaward information and any executive compensation data required by FFATA. The subaward information entered in FSRS will then be displayed on [www.USASpending.gov](http://www.USASpending.gov) associated with the prime award, furthering Federal spending transparency.
- All applicants should note that all recipients, as a condition of receipt of federal assistance, must acknowledge and agree that they will not (and will require any subgrantees, contractors, successors, transferees, and assignees not to), on the ground of race, color, religion, national origin, sex, disability, or age, unlawfully exclude any person from participation in, deny the benefits of or employment to any person, or subject any person to discrimination in connection with any programs or activities funded in whole or in part with federal funds. These civil rights requirements are found in the non-discrimination provisions of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d); the Omnibus Crime Control and Safe Streets Act of 1968, as amended (42 U.S.C. § 3789d); Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794); the Age Discrimination Act of 1975 (42 U.S.C. §6101, et seq.); Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681 et seq.); and the corresponding DOJ regulations implementing those statutes at 28 C.F.R. part 42 (subparts C, D, E, G, and I). It will also comply with Executive Order 13279 Equal Treatment for Faith-Based Organizations and its implementing regulations at 28 C.F.R Part 38, which requires equal treatment of religious organizations in the funding process and nondiscrimination of beneficiaries by Faith-Based Organizations on the basis of belief or non-belief.
- Each applicant entity must ensure that it has the necessary processes and systems in place to comply with the applicable reporting requirements should it receive funding.



**Town of Florence  
Summary of Warrants Paid  
As of May 2014**

Source	Amount
<b>Accounts Payable-Warrant Register</b>	<b>1,433,937.30</b>
<b>ACH/Wire Transfers</b>	
CFD #1 debt service payments - Wells Fargo	436,000.00
CFD #2 debt service payments - Wells Fargo	348,000.00
sales tax payments - ADOR	20,144.85
child support/assignment PR levys	5,105.40
credit/debit/analysis/bank fees	3,039.01
HSA payments	8,173.41
AFLAC payments	4,592.58
health insurance payments - CIGNA	167,365.67
deferred comp payments	760.00
<b>Total Transfers</b>	<b>993,180.92</b>
<b>Electronic Retirement Transfer</b>	
ppd 1 - ASRS	47,081.69
ppd 2 - ASRS	45,811.64
ppd 1 - Securian (Firefighter Pension)	228.32
ppd 2 - Securian (Firefighter Pension)	295.05
<b>Total Retirement Transfers</b>	<b>93,416.70</b>
<b>Payroll Transfer</b>	
ppd 1	216,664.14
ppd 2	228,186.87
<b>Total Payroll Transfers</b>	<b>444,851.01</b>
<b>Credit Union Transfers</b>	
ppd 1	3,922.38
ppd 2	3,922.38
<b>Total Credit Union Transfers</b>	<b>7,844.76</b>
<b>Electronic State Tax Transfers</b>	
ppd 1	8,135.25
ppd 2	8,552.44
<b>Total State Tax Deposits</b>	<b>16,687.69</b>
<b>Electronic Federal Tax Transfers</b>	
ppd 1	66,818.58
ppd 2	70,130.90
<b>Total Federal Tax Deposits</b>	<b>136,949.48</b>
<b>General Checking Account</b>	<b>\$3,126,867.86</b>
<b>Total Warrants</b>	<b>\$3,126,867.86</b>

Check Number	Check Issue Date	Name	Invoice No	Invoice Date	Description	Total Cost
68	5/23/2014	TEMPROARY VENDOR	May-14	5/1/2014	Busones	157.11
69	5/23/2014	ADOBE SYSTEMS INCORPORATED	AD012037142	5/1/2014	Office Supply: Adobe converter program	25.96
70	5/23/2014	AMAZON.COM	50614	5/6/2014	Amazon.com	92.45
70	5/23/2014	AMAZON.COM	14-May	5/1/2014	Fire Protection Hand Book 20th Edition	567.88
71	5/23/2014	AMERICAN PUBLIC WORKS ASSOC	14-May	5/1/2014	Classified Ad	295.00
72	5/23/2014	ASU CONFERENCES CONT EDU	AZU CONF EDU	5/4/2014	Clerks Institute	300.00
72	5/23/2014	ASU CONFERENCES CONT EDU	AZU CONF EDU	5/4/2014	Clerks Institute	300.00
72	5/23/2014	ASU CONFERENCES CONT EDU	AZU CONF EDU	5/4/2014	Clerks Institute	225.00
73	5/23/2014	BAUDVILLE	RETIE/AWARD	4/14/2014	Retirement Award	84.45
74	5/23/2014	DOT.GOV DOMAIN	RENEW 514	5/1/2014	Annual Renewal-florenceaz.gov Domain Name	125.00
75	5/23/2014	DOUBLETREE ATLANTA GA	DBLTREE	5/7/2014	Hotel reservations	748.20
76	5/23/2014	ENGRAVING AWARDS	317865	4/16/2014	Key to the Town-Country Thunder Promotion	361.00
77	5/23/2014	EZclean.com	14-May	5/1/2014	5 gallons of degreaser from EZclean . com for patch truck	110.00
78	5/23/2014	GOVERNMENT FINANCE	14-May	4/28/2014	Review of CAFR	435.00
79	5/23/2014	INDEED ( H.R.)	14-May	5/1/2014	Advertisement - GIS Coordinator	119.89
80	5/23/2014	KISS THE CHEF CATERING	14-May	5/1/2014	Boards Commissions/ Appreciation Dinner	1,369.62
81	5/23/2014	LORMAN EDUCATION SERVICES	677782	5/1/2014	Pitfalls for GMP Contracting CD/Manual	247.78
82	5/23/2014	OFFICE DEPOT INC	CH ACCT MGR	4/13/2014	Chair for Accounting Manager & other supplies	368.36
82	5/23/2014	OFFICE DEPOT INC	6-May	5/1/2014	Finance Office Supplies	418.06
83	5/23/2014	RACKSPACE CLOUD	14-May	5/1/2014	TOWN WEBSITE	57.76
84	5/23/2014	The Fudge Shop	14-May	4/23/2014	Meal for council meeting	125.00
85	5/23/2014	Vistaprint Netherlands B.V.	42314	4/23/2014	Business cards for Jamie White	14.99
85	5/23/2014	Vistaprint Netherlands B.V.	B/C RH BH	4/1/2014	Business cards for Bryan Hughes & Ray Hartzel	36.99
85	5/23/2014	Vistaprint Netherlands B.V.	14-May	5/1/2014	Business cards for Darryl McDaniels	39.99
86	5/23/2014	WALMART COMMUNITY # 0005 7118	2677025-196351	4/24/2014	Digital Camera for Sanitation Worker	96.49
87	5/23/2014	Wist Office Products	14-May	4/27/2014	Copy Paper for Finance	336.20
88	5/23/2014	WWW.1AND1.COM	14-May	5/1/2014	1&1 WEB HOSTING-TN WEBSITE	49.99
89	5/23/2014	www.Logmein	ANNUAL 2014	4/23/2014	Annual Online Storage	479.88

94277	5/2/2014	ARIZONA PUBLIC SERVICE	703827284 414	4/14/2014	ELECTRIC-High School House Final	26.02
94278	5/2/2014	BAXTER DESIGN GROUP LLC	238	1/31/2014	Traffic Analysis and Alignment (Main St. Ext. @ SR 79) NTE \$3000.00	2,920.00
94279	5/2/2014	CARL POWELL	426-27/14	5/1/2014	Umpire - Whole Frijole Softball Tournament	180.00
94280	5/2/2014	CHARLES HILEY	426-27/14	4/30/2014	Umpire - Whole Frijole Softball Tournament	100.00
94281	5/2/2014	CODY LINDEROTH L.	512-516/14	3/17/2014	Per diem 5/12-5/16/14 Traffic Reconstruction 2	165.00
94282	5/2/2014	COX COMMUNICATIONS	8502220252901 414	4/4/2014	Install cable for station 2	44.07
94282	5/2/2014	COX COMMUNICATIONS	8505221288801 414	4/4/2014	New phone & fax lines at Station 2	205.94
94283	5/2/2014	DEANNA AGUILERA M.	0512-15/14	4/10/2014	Lunch Reimbursement: PIO Boot Camp (May 12-15)	72.00
94284	5/2/2014	Degan Construction LLC	14108	2/3/2014	Main Street Ramps Project (Job #13-0438)	26,283.00
94284	5/2/2014	Degan Construction LLC	14114	3/25/2014	Main Street Ramps Project (Job #13-0438)	9,260.24
94285	5/2/2014	Dolores, Indorf	507-05/14	2/24/2014	Per diem training/APCO conference	99.00
94286	5/2/2014	ED SMITH	505/14	4/21/2014	Per Diem: Training 5/5/14	61.00
94287	5/2/2014	GARY EVERS	426-27/14	4/29/2014	Umpire - Whole Frijole Softball Tournament	40.00
94288	5/2/2014	GLORIA MORENO	320-430/14	4/30/2014	Daily Mail Run/Town Hall	36.39
94289	5/2/2014	JIM HEET PHOTOGRAPHY	16	4/30/2014	Lil Tykes T-Ball Pictures	342.41
94290	5/2/2014	KeyPhones Direct	225866	4/1/2014	ShoeTel Wall mount kit	73.60
94291	5/2/2014	Michael Angel Berlanga	8X24 414	4/30/2014	Karate Instructor	200.00
94292	5/2/2014	MORRIS SCOTT	505/14	4/22/2014	Per Diem 5/5/14	61.00
94293	5/2/2014	NEXTEL COMMUNICATIONS	573910311-149	4/25/2014	Data cards	683.82
94293	5/2/2014	NEXTEL COMMUNICATIONS	573910311-149	4/25/2014	Data cards	189.95
94293	5/2/2014	NEXTEL COMMUNICATIONS	573910311-149	4/25/2014	Data cards	75.98
94293	5/2/2014	NEXTEL COMMUNICATIONS	573910311-149	4/25/2014	Data cards	56.99
94293	5/2/2014	NEXTEL COMMUNICATIONS	573910311-149	4/25/2014	Data cards	56.98
94294	5/2/2014	PETTY CASH - SENIOR CENTER	409-421/14	4/24/2014	Petty Cash	50.03
94295	5/2/2014	PINAL NUTRITION PROGRAM	Mar-14	3/31/2014	Meals for March	1,365.53
94296	5/2/2014	Pro-Tec Environmental, Inc.	14040101	4/2/2014	Sewer Line cleaning on Main Street.	3,423.75
94296	5/2/2014	Pro-Tec Environmental, Inc.	14040801	4/8/2014	Sewer Line cleaning on Main Street.	1,320.00
94296	5/2/2014	Pro-Tec Environmental, Inc.	14040901	4/9/2014	Clean Post EQ Basin @ SWWTP NTE \$ 3000.00	2,096.25
94297	5/2/2014	TEMPROARY VENDOR	TR2012-0123	4/30/2014	Bond Refund	280.00
94298	5/2/2014	REGINA QUINONES	507-09/14	3/24/2014	Per diem - training/APCO conference	99.00

94299	5/2/2014	Southwest Ground-Water Consult, Inc	B2068-1	4/9/2014	U-23 New Water Well-North Florence. Misc. Professional services	3,485.00
94300	5/2/2014	TEMPORARY VENDOR	TR20110250	4/30/2014	Bond Refund	174.00
94301	5/2/2014	UNITED WAY OF PINAL COUNTY	PPE 04/18/14	4/1/2014	EMPLOYEES CONTRIBUTIONS	7.00
94302	5/6/2014	American Fire Equipment	1-30431	4/30/2014	10 - 5# ABC Fire Extinguishers for PD Vehicles	487.35
94303	5/6/2014	AQUATIC ENVIRONMENTAL	IN34202	4/14/2014	Discharge Valve and tank repair	234.03
94303	5/6/2014	AQUATIC ENVIRONMENTAL	IN34204	4/14/2014	Discharge Valve and tank repair	83.69
94304	5/6/2014	ARIZONA CORRECTIONAL INDUSTRIE	384167	4/16/2014	(1) Countertop with Base Cabinet-Main Bldg.	1,462.05
94305	5/6/2014	ARIZONA STATE PRISON-FLORENCE	030614F-115 REV	3/12/2014	INMATE LABOR/ ROW CLEANUP	41.25
94305	5/6/2014	ARIZONA STATE PRISON-FLORENCE	030614F-115 REV	3/12/2014	INMATE LABOR / CEMETERY	63.75
94305	5/6/2014	ARIZONA STATE PRISON-FLORENCE	1040314F-115	4/9/2014	INMATE LABOR/ROW CLEANUP	71.25
94306	5/6/2014	BAKER & TAYLOR BOOKS	4010849876	4/15/2014	Children's Books	20.97
94306	5/6/2014	BAKER & TAYLOR BOOKS	4010849877	4/15/2014	Audio Books	38.90
94306	5/6/2014	BAKER & TAYLOR BOOKS	4010849878	4/15/2014	Fiction	15.88
94306	5/6/2014	BAKER & TAYLOR BOOKS	4010849879	4/15/2014	Non-Fiction	18.71
94306	5/6/2014	BAKER & TAYLOR BOOKS	4010849880	4/15/2014	Children's Books	76.86
94306	5/6/2014	BAKER & TAYLOR BOOKS	T04072200	4/11/2014	DVD's	44.98
94307	5/6/2014	BAXTER DESIGN GROUP LLC	394	11/30/2013	Provide Main St. as- built information for Streetscape Project including horizontal and vertical alignment NTE\$4900.00	4,700.00
94308	5/6/2014	BC GRAPHICS	94712	4/15/2014	Flex Fit Caps for PW Staff	425.00
94308	5/6/2014	BC GRAPHICS	94712	4/15/2014	Flex Fit Caps for PW Staff	19.49
94308	5/6/2014	BC GRAPHICS	94712	4/15/2014	Flex Fit Caps for PW Staff	19.49
94308	5/6/2014	BC GRAPHICS	94712	4/15/2014	Flex Fit Caps for PW Staff	38.00
94308	5/6/2014	BC GRAPHICS	94712	4/15/2014	Flex Fit Caps for PW Staff	24.36
94309	5/6/2014	BENSON SYSTEMS	121033	4/15/2014	Alarm System Monitoring Anthem Fire Station	40.99
94309	5/6/2014	BENSON SYSTEMS	121211	4/15/2014	Alarm System Monitoring - Silver King	202.84
94310	5/6/2014	BERGKAMP INC.	15142	4/7/2014	Hydraulic pump for rear hydraulic operation on Patch Truck	2,012.05
94311	5/6/2014	BTI Communications	47589	1/29/2014	Remote support	125.00
94312	5/6/2014	Canyon State Wireless	1340266	4/15/2014	Troubleshoot/ repairs to console and light bar on G476EN PD Patrol	478.18
94312	5/6/2014	Canyon State Wireless	2112683	4/8/2014	Labor for radio repair	47.50
94313	5/6/2014	Casa Gande Pumping Svc., Inc	8216	4/2/2014	Sludge Hauling from N to S Plant NTE \$2500	2,300.00
94314	5/6/2014	Central Az Solid Waste Inc	TOF 14-03	3/31/2014	Landfill Disposal Fees TOF 14. 03	4,958.06
94315	5/6/2014	Cintas Corporation Lock 696	696700659	4/18/2014	Weekly fee for uniforms and mats for PW Dept.	34.84

94315	5/6/2014	Cintas Corporation Lock 696	696700659	4/18/2014	Weekly fee for uniforms and mats for PW Dept.	55.92
94315	5/6/2014	Cintas Corporation Lock 696	696700659	4/18/2014	Weekly fee for uniforms and mats for PW Dept.	3.91
94315	5/6/2014	Cintas Corporation Lock 696	696700659	4/18/2014	Weekly fee for uniforms and mats for PW Dept.	3.31
94315	5/6/2014	Cintas Corporation Lock 696	696700659	4/18/2014	Weekly fee for uniforms and mats for PW Dept.	0.54
94315	5/6/2014	Cintas Corporation Lock 696	696700660	4/18/2014	Weekly fee for uniforms and mats for Utility Dept.	3.17
94315	5/6/2014	Cintas Corporation Lock 696	696700660	4/18/2014	Weekly fee for uniforms and mats for Utility Dept.	18.32
94315	5/6/2014	Cintas Corporation Lock 696	696700660	4/18/2014	Weekly fee for uniforms and mats for Utility Dept.	9.81
94315	5/6/2014	Cintas Corporation Lock 696	696700660	4/18/2014	Weekly fee for uniforms and mats for Utility Dept.	9.81
94316	5/6/2014	DPC ENTERPRISES, L.P.	272000228-14	4/10/2014	1 ton CL2 and ten 150 lb. cylinders for SWWTP & NWWTP	431.34
94316	5/6/2014	DPC ENTERPRISES, L.P.	272000228-14	4/10/2014	1 ton CL2 and ten 150 lb. cylinders for SWWTP & NWWTP	655.20
94316	5/6/2014	DPC ENTERPRISES, L.P.	272000228-14	4/10/2014	1 ton CL2 and ten 150 lb. cylinders for SWWTP & NWWTP	431.34
94317	5/6/2014	HOME DEPOT CREDIT SERVICES	2971317	4/17/2014	Circular saw blade, Mag lights drill bits and various operating supplies	551.89
94318	5/6/2014	JONES AUTO CENTER	145133	4/8/2014	Accumulator for ST-4	73.69
94319	5/6/2014	LASER SPECIALISTS	LSI87485	4/4/2014	GIS Plotter Repair	732.30
94320	5/6/2014	RANKIN, TOM	508-09/14	5/5/2014	Per diem, ADOT Board Meeting May 9, 2014 Flagstaff AZ	292.84
94321	5/6/2014	RIGHT AWAY DISPOSAL	739578	5/1/2014	RAD SANIATION CONTRACT COMMERCIAL	7,019.66
94321	5/6/2014	RIGHT AWAY DISPOSAL	740166	4/22/2014	CR for Caliente Casa Del sol Adj 415-430	(582.66)
94321	5/6/2014	RIGHT AWAY DISPOSAL	740167	4/22/2014	CR for Caliente Casa Del sol Adj May	(190.00)
94322	5/6/2014	Skaggs Companies, Inc.	2268704RI	4/15/2014	Uniforms for New Hire-Defassio (2 purchases-same company)	258.83
94322	5/6/2014	Skaggs Companies, Inc.	2268711RI	4/15/2014	Uniforms for New Hire-Defassio (2 purchases-same company)	413.31
94323	5/6/2014	SMART & FINAL STORES CORP	808399	4/3/2014	Supplies	128.31
94323	5/6/2014	SMART & FINAL STORES CORP	808399	4/3/2014	Supplies	118.54
94324	5/6/2014	Tri-City Express Care, PLLC	1112904	2/14/2014	DOT physical for Miguel Valenzuela	50.00
94324	5/6/2014	Tri-City Express Care, PLLC	1149178	3/6/2014	DOT Random Drug Tests	25.00
94324	5/6/2014	Tri-City Express Care, PLLC	1149180	3/6/2014	DOT Random Drug Tests	35.00

94324	5/6/2014	Tri-City Express Care, PLLC	1149193	3/6/2014	DOT Random Drug Tests	25.00
94324	5/6/2014	Tri-City Express Care, PLLC	1178266	4/11/2014	DOT physical for Larry Garcia for CDL renewal	50.00
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	520777	3/17/2014	Uniform allowance- Kennedy	18.84
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	520779	3/17/2014	Uniform allowance- Pine	205.39
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	520834	3/18/2014	Screen set up	35.00
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	520849	3/18/2014	Uniform allowance- Kennedy	50.85
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	520889	3/18/2014	Uniform allowance- Montgomery	304.04
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	520946	3/19/2014	Turn outs for Holbrook	1,421.06
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521070	3/20/2014	Turn outs for Stapley	831.64
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521263	3/24/2014	Uniform allowance- Calise	296.47
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521266	3/24/2014	Uniform allowance-Feliz	135.21
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521278	3/24/2014	Uniform allowance- Kitchener	251.05
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521288	3/24/2014	Screen set up	35.00
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521375	3/25/2014	Uniform allowance-Feliz	13.86
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521507	3/26/2014	Uniform allowance- Trella	54.50
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521509	3/26/2014	Uniform allowance-Bruin	51.82
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521510	3/26/2014	Uniform allowance-Bruin	169.41
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521511	3/26/2014	Uniform allowance-Bruin	7.53
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521630	3/27/2014	Uniform allowance- Johnston	184.65
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521710	3/28/2014	Uniform allowance- Urena	42.35
94325	5/6/2014	UNITED FIRE EQUIPMENT CO.	521711	3/28/2014	Turn outs for Urena	1,421.06
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	1647	1/28/2014	Kitchen Supplies	87.18
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2234	4/17/2014	Supplies for the kitchen	15.83
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2234	4/17/2014	Supplies	34.33
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2234	4/17/2014	Supplies	19.69
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2235	4/17/2014	Supplies	27.94

94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2236	4/17/2014	Easter Supplies	40.98
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2256	4/17/2014	Easter Supplies	65.48
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2257	4/17/2014	Before and After Bell	5.64
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2258	4/17/2014	Iddie Biddie Kiddies Supplies	12.06
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2265	4/17/2014	Easter Supplies	6.38
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	2266	4/17/2014	Before and After Bell	13.98
94326	5/6/2014	WALMART COMMUNITY # 0005 7118	8920	2/20/2014	Supplies	65.83
94327	5/6/2014	WESTERN ENVIOMENTAL EQUIPMENT	W3789	4/17/2014	NWWTP golf course meter.	1,569.32
94328	5/8/2014	3D International LLC	5096330	4/28/2014	Apparatus cleaning supplies	526.36
94329	5/8/2014	Advanced Controls Corporation	14-1448	4/16/2014	Replacement of faulty disconnects @ Town Hall	765.38
94330	5/8/2014	Apache Junction Fire District	2602	4/16/2014	Vehicle maintenance & repairs to shop #122	588.28
94331	5/8/2014	AZ BOXES STORAGE LLC	63082	4/22/2014	Used 8x40 STD for tool and equipment storage	2,205.63
94331	5/8/2014	AZ BOXES STORAGE LLC	63082	4/22/2014	Used 8x40 STD for tool and equipment storage	2,205.62
94332	5/8/2014	Capital One Commercial	73055	4/25/2014	Restock of trash bags, plates, cups, coffee	313.41
94333	5/8/2014	CASA GRANDE NEWSPAPERS	180840	4/10/2014	Classified Ads	16.59
94333	5/8/2014	CASA GRANDE NEWSPAPERS	180885	4/17/2014	Classified Ads	24.89
94334	5/8/2014	CENTRAL ARIZONA PROJECT	63996	4/20/2014	Water Service Charge Pre- payment for June 2014 M & I contract	299,008.00
94334	5/8/2014	CENTRAL ARIZONA PROJECT	64894	4/15/2014	2012 Semi Annual M & I Water Service Capital Charge, 1st half	20,480.00
94335	5/8/2014	Ceridian Benefit Services	332688569	5/1/2014	COBRA Vision Services	26.70
94336	5/8/2014	Cintas Corporation Lock 696	696702885	4/25/2014	Weekly fee for uniforms and mats for PW Dept.	34.84
94336	5/8/2014	Cintas Corporation Lock 696	696702885	4/25/2014	Weekly fee for uniforms and mats for PW Dept.	55.92
94336	5/8/2014	Cintas Corporation Lock 696	696702885	4/25/2014	Weekly fee for uniforms and mats for PW Dept.	3.91
94336	5/8/2014	Cintas Corporation Lock 696	696702885	4/25/2014	Weekly fee for uniforms and mats for PW Dept.	3.31

94336	5/8/2014	Cintas Corporation Lock 696	696702885	4/25/2014	Weekly fee for uniforms and mats for PW Dept.	0.54
94337	5/8/2014	CNS BUSINESS FORMS	4154	4/1/2014	EMS Report Forms	1,061.49
94338	5/8/2014	COHONE TECHNOLOGIES	18AUTO	4/14/2014	Hydraulic hose assembly for return fluid ST-23	229.52
94339	5/8/2014	Cottonwood Police Department	E SMITH 50514	5/5/2014	Registrations for Multi-Housing Conference	20.00
94339	5/8/2014	Cottonwood Police Department	S MORRIS 50514	5/5/2014	Registrations for Multi-Housing Conference	20.00
94340	5/8/2014	Day Auto Supply, Inc	613437	4/7/2014	Motor oil for G922GL PD Patrol	22.76
94340	5/8/2014	Day Auto Supply, Inc	613437	4/7/2014	Air and oil filter, PL32WASH for G922GL PD Patrol	23.55
94340	5/8/2014	Day Auto Supply, Inc	613631	4/8/2014	Fittings for sink repair @ Fire Station #1	16.76
94340	5/8/2014	Day Auto Supply, Inc	613721	4/9/2014	Rear wheel seal for WW-006	13.75
94340	5/8/2014	Day Auto Supply, Inc	613721	4/9/2014	Rear wheel seal for WW-006	13.74
94340	5/8/2014	Day Auto Supply, Inc	614030	4/11/2014	Starter for G476EN PD Patrol	184.24
94340	5/8/2014	Day Auto Supply, Inc	614223	4/14/2014	Motor oil for St-10	52.13
94340	5/8/2014	Day Auto Supply, Inc	614223	4/14/2014	Oil, air and fuel filter for ST-10	135.58
94340	5/8/2014	Day Auto Supply, Inc	614267	4/14/2014	Credit for accumulator returned	(24.41)
94340	5/8/2014	Day Auto Supply, Inc	614269	4/14/2014	AC compressor and flush solvent for ST-37 (Engineering)	272.15
94340	5/8/2014	Day Auto Supply, Inc	614270	4/14/2014	30 LB of 134A ( Freon) for Shop	17.20
94340	5/8/2014	Day Auto Supply, Inc	614270	4/14/2014	30 LB of 134A ( Freon) for Shop	17.21
94340	5/8/2014	Day Auto Supply, Inc	614270	4/14/2014	30 LB of 134A (Freon) for Shop	17.21
94340	5/8/2014	Day Auto Supply, Inc	614270	4/14/2014	30 LB of 134A ( Freon) for Shop	17.21
94340	5/8/2014	Day Auto Supply, Inc	614270	4/14/2014	30 LB of 134A (Freon) for Shop	17.21
94340	5/8/2014	Day Auto Supply, Inc	614270	4/14/2014	30 LB of 134A (Freon) for Shop	17.21
94340	5/8/2014	Day Auto Supply, Inc	614300	4/14/2014	Credit	(53.81)
94340	5/8/2014	Day Auto Supply, Inc	614305	4/14/2014	Radiator for ST-29	141.88
94340	5/8/2014	Day Auto Supply, Inc	614318	4/14/2014	Lucas Red Tacky Grease for the Shop	21.72
94340	5/8/2014	Day Auto Supply, Inc	614318	4/14/2014	Lucas Red Tacky Grease for the Shop	21.70
94340	5/8/2014	Day Auto Supply, Inc	614318	4/14/2014	Lucas Red Tacky Grease for the Shop	21.70
94340	5/8/2014	Day Auto Supply, Inc	614318	4/14/2014	Lucas Red Tacky Grease for the Shop	21.70
94340	5/8/2014	Day Auto Supply, Inc	614318	4/14/2014	Lucas Red Tacky Grease for the Shop	21.70



94340	5/8/2014	Day Auto Supply, Inc	614318	4/14/2014	Lucas Red Tacky Grease for the Shop	21.70
94340	5/8/2014	Day Auto Supply, Inc	614383	4/15/2014	Antifreeze for St-29	18.47
94340	5/8/2014	Day Auto Supply, Inc	614391	4/15/2014	Motor oil for ST-14	30.36
94340	5/8/2014	Day Auto Supply, Inc	614391	4/15/2014	Air and oil filter, PL32Wash for St-14	18.28
94340	5/8/2014	Day Auto Supply, Inc	614399	4/15/2014	Motor oil for SC-5	30.41
94340	5/8/2014	Day Auto Supply, Inc	614399	4/15/2014	Air and oil filter for SC-5	22.49
94340	5/8/2014	Day Auto Supply, Inc	614552	4/16/2014	Relay to repair crack sealer	12.27
94340	5/8/2014	Day Auto Supply, Inc	614637	4/17/2014	Ten emblems for Streets	141.20
94340	5/8/2014	Day Auto Supply, Inc	614638	4/17/2014	Motor oil for ST-37 (Engineering)	26.02
94340	5/8/2014	Day Auto Supply, Inc	614638	4/17/2014	Air filter for ST-37	12.17
94340	5/8/2014	Day Auto Supply, Inc	614695	4/17/2014	Wiper blades for WW-009	9.82
94340	5/8/2014	Day Auto Supply, Inc	614695	4/17/2014	Wiper blades for WW-009	4.91
94340	5/8/2014	Day Auto Supply, Inc	614695	4/17/2014	Wiper blades for WW-009	4.90
94340	5/8/2014	Day Auto Supply, Inc	614711	4/17/2014	Fan clutch for ST-11	120.86
94340	5/8/2014	Day Auto Supply, Inc	614751	4/18/2014	Drivers side door ajar switch for ST-27	5.87
94340	5/8/2014	Day Auto Supply, Inc	614752	4/18/2014	Purchase of fuse holder for WW-5 & WW-6	3.55
94340	5/8/2014	Day Auto Supply, Inc	614752	4/18/2014	Purchase of fuse holder for WW-5 & WW-6	1.80
94340	5/8/2014	Day Auto Supply, Inc	614752	4/18/2014	Purchase of fuse holder for WW-5 & WW-6	1.80
94340	5/8/2014	Day Auto Supply, Inc	614788	4/18/2014	Trailer chain coupler for WW-7	1.52
94340	5/8/2014	Day Auto Supply, Inc	614788	4/18/2014	Trailer chain coupler for WW-7	0.76
94340	5/8/2014	Day Auto Supply, Inc	614788	4/18/2014	Trailer chain coupler for WW-7	0.75
94340	5/8/2014	Day Auto Supply, Inc	615010	4/21/2014	Wheel seal ,gear oil and lube pump for G009FM PD Patrol	47.76
94340	5/8/2014	Day Auto Supply, Inc	615018	4/21/2014	Brakleen for Shop	12.37
94340	5/8/2014	Day Auto Supply, Inc	615018	4/21/2014	Brakleen for Shop	12.37
94340	5/8/2014	Day Auto Supply, Inc	615018	4/21/2014	Brakleen for Shop	12.37
94340	5/8/2014	Day Auto Supply, Inc	615018	4/21/2014	Brakleen for Shop	12.37
94340	5/8/2014	Day Auto Supply, Inc	615018	4/21/2014	Brakleen for Shop	12.37
94340	5/8/2014	Day Auto Supply, Inc	615018	4/21/2014	Brakleen for Shop	12.37
94340	5/8/2014	Day Auto Supply, Inc	615101	4/22/2014	Three lug nuts for front wheel of ST-051	3.23
94340	5/8/2014	Day Auto Supply, Inc	615123	4/22/2014	Oil for saws	28.12
94340	5/8/2014	Day Auto Supply, Inc	615129	4/22/2014	Motor oil for G043FM PD Patrol	26.02
94340	5/8/2014	Day Auto Supply, Inc	615129	4/22/2014	Air and oil filter for G043FM PD Patrol	21.00
94340	5/8/2014	Day Auto Supply, Inc	615152	4/22/2014	Battery for G032ET PD Patrol	186.16
94340	5/8/2014	Day Auto Supply, Inc	615359	4/24/2014	Headlight lamp for G850FJ PD Patrol	9.57

94340	5/8/2014	Day Auto Supply, Inc	615360	4/24/2014	Headlight bulb for G009FM PD Patrol	10.53
94340	5/8/2014	Day Auto Supply, Inc	615388	4/24/2014	Motor oil for ST-81	22.76
94340	5/8/2014	Day Auto Supply, Inc	615388	4/24/2014	Air and oil filter for ST-81	21.60
94340	5/8/2014	Day Auto Supply, Inc	615409	4/24/2014	Motor oil for G028ET PD Patrol	26.02
94340	5/8/2014	Day Auto Supply, Inc	615409	4/24/2014	Air and oil filter, PL32WASH for G028ET PD Patrol	22.95
94341	5/8/2014	DICKINSON WRIGHT PLLC	921695	4/23/2014	Curis - Feb. & March 2014	12,316.76
94342	5/8/2014	East Valley Cardiology LTD	95422	4/11/2014	PD Employee IME	450.00
94343	5/8/2014	EAST VALLEY SPORTS	2715	4/18/2014	Softballs for \$250 for the Whole Frijole	206.38
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	2089818	4/15/2014	Hydrant Project CIP U-30 Virginia & DeSoto: Concrete, Hose.	112.92
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209659	4/8/2014	Parts for sink repair at Fire Station #1	18.24
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209699	4/9/2014	Hydrant Project CIP U-30: Full Port Ball Valve	165.12
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209705	4/9/2014	Nuts, bolts & screws for sink repair at Florence Fire Station#1	12.37
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209707	4/9/2014	Elbow for sink repair at FFD #1	7.80
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209735	4/10/2014	Picture hangers for McFarland Park	7.14
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209780	4/11/2014	Keys for Brunenkant Bldg.	13.41
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209804	4/14/2014	Hydrant Project CIP U-30 3722 Ohio: Concrete	51.92
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209825	4/15/2014	SWWTP Land Maintenance: Weeder	71.84
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209829	4/15/2014	Emergency Safety purchase: Wasp Spray.	4.88
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209857	4/16/2014	Repairs to Wheel Barrow for Water department	57.25
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209866	4/16/2014	Emergency: SWWTP repairs.	26.27
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209880	4/16/2014	CIP U-30 Hydrant Project: premix concrete Orlando & Felix	86.53
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209909	4/17/2014	CIP-U-35 Caliente Concrete	173.05
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209915	4/17/2014	Emergency Safety purchase: Bee Foggers-Kill Bees	6.84
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	209989	4/22/2014	Emergency Safety purchase: Bee foggers & Wasp Spray	11.72

94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	210009	4/22/2014	CIP U30 Hydrant replacement- Fire dept. (blades)	78.24
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	210018	4/22/2014	Land Maintenance: Weed killer 6 bottles for Water, SWWTP, NWWTP	195.40
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	210018	4/22/2014	Land Maintenance: Weed killer 6 bottles for Water, SWWTP, NWWTP	195.40
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	210018	4/22/2014	Land Maintenance: Weed killer 6 bottles for Water, SWWTP, NWWTP	195.40
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	210019	4/22/2014	Water Department> Fuel/Oil 6 at 8.89 each	57.98
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	210030	4/23/2014	Wire for installing PD radar sign	11.09
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	210129	4/28/2014	Water hose for filling sweeper NTE\$ 35.00	26.39
94344	5/8/2014	FLORENCE TRUE VALUE HARDWARE	210161	4/29/2014	Outdoor receptacle cover at Silver King	10.74
94345	5/8/2014	Global Gov't/Ed Solutions Inc.	J66556990101	2/11/2014	Monitors for PW Staff (L.G. & P.M.)	205.96
94345	5/8/2014	Global Gov't/Ed Solutions Inc.	J66556990101	2/11/2014	Monitors for PW Staff (L.G. & P.M.)	115.98
94345	5/8/2014	Global Gov't/Ed Solutions Inc.	L3322820101	4/8/2014	HP Office Jet Pro8100 Printer	187.73
94346	5/8/2014	HACH COMPANY	8779527	4/9/2014	Lab Supplies: PAO Standard, 0.00564N 1000mL (part 199953)	110.44
94347	5/8/2014	HOME DEPOT CREDIT SERVICES	5013136	4/24/2014	Light fixtures in Town Hall Clock NTE \$200.00	98.83
94348	5/8/2014	TEMPROARY VENDOR	10214314	4/30/2014	Water deposit refund	50.77
94349	5/8/2014	JONES AUTO CENTER	145341	4/21/2014	Shaft assembly and bearing assembly for G009FM PD Patrol	296.87
94349	5/8/2014	JONES AUTO CENTER	74686	4/22/2014	Tow for G032ET PD Patrol	100.00
94350	5/8/2014	KEITH'S HOME PRO HANDYMAN	1040	4/20/2014	133 N.Bailey Street house porch repair	199.57
94351	5/8/2014	L. N. CURTIS and SONS	5032824-00	4/25/2014	Draeger tech recert Class	1,305.00
94352	5/8/2014	TEMPROARY VENDOR	TR20090285 5614	5/6/2014	Bond Refund	10.00
94353	5/8/2014	MARTY'S TROPHIES & AWARDS	29283	4/24/2014	Trophies for Whole Frijole Tournament	181.54
94354	5/8/2014	MetLife - Group Benefits	KM15993410 5/14	5/1/2014	Monthly Invoice	4,391.92
94355	5/8/2014	MFASCO Health Safety	IN803193	4/22/2014	(50) disposable blankets	135.50
94356	5/8/2014	MICHAEL BACA	133043	4/11/2014	Car Wash ST-81	20.00
94357	5/8/2014	National Recreation & Park Asociation	31860428-14	4/28/2014	NRPA membership fees- Bryan Hughes	159.00
94358	5/8/2014	Newegg Business, Inc.	1200384342	4/3/2014	USB Network adapters	69.56
94358	5/8/2014	Newegg Business, Inc.	1200386674	4/5/2014	Barcode scanner	222.98
94358	5/8/2014	Newegg Business, Inc.	1200398197	4/15/2014	Replacement speakers	95.71

94359	5/8/2014	New-Tech Electric & Communication LLC	114	4/17/2014	Repair to light connection @ McFarland Park	90.91
94359	5/8/2014	New-Tech Electric & Communication LLC	116	4/28/2014	Installation of 3 exterior lights at Heritage Park Restroom	668.47
94359	5/8/2014	New-Tech Electric & Communication LLC	117	4/28/2014	Replacement of 7 ballast with bulbs in FPD conference room	882.38
94360	5/8/2014	NORTHERN SAFETY CO., INC.	900863312	4/21/2014	First Aid Kits/Eye & Face Sterile Wash Station	215.87
94361	5/8/2014	OFFICE DEPOT INC	704341062-001	4/8/2014	Paper, pens and ink	72.60
94361	5/8/2014	OFFICE DEPOT INC	704341403-001	4/8/2014	Pens, pads, ink toner	305.29
94361	5/8/2014	OFFICE DEPOT INC	704341403-001	4/8/2014	Paper, pens and ink	68.22
94361	5/8/2014	OFFICE DEPOT INC	704341405-001	4/8/2014	Paper, pens and ink	38.28
94361	5/8/2014	OFFICE DEPOT INC	704341405-001	4/8/2014	Paper, pens and ink	38.27
94361	5/8/2014	OFFICE DEPOT INC	70434404-001	4/8/2014	Paper, pens and ink	117.76
94361	5/8/2014	OFFICE DEPOT INC	70434404-001	4/8/2014	Paper, pens and ink	117.76
94361	5/8/2014	OFFICE DEPOT INC	706379635-001	4/15/2014	Two file cabinets	364.62
94361	5/8/2014	OFFICE DEPOT INC	707044567-001	4/18/2014	Office Supplies-binder clips, paper, receipt books, markers...	278.37
94361	5/8/2014	OFFICE DEPOT INC	707044619-001	4/18/2014	Office Supplies-binder clips, paper, receipt books, markers...	101.94
94361	5/8/2014	OFFICE DEPOT INC	707099152-001	4/21/2014	COPIER PAPER, FOLDERS, ENVELOPES	249.60
94361	5/8/2014	OFFICE DEPOT INC	707099152-001	4/21/2014	Office supplies	19.70
94361	5/8/2014	OFFICE DEPOT INC	707150085-001	4/21/2014	Office Chair, chair mats, air purifier, misc. supplies	630.71
94361	5/8/2014	OFFICE DEPOT INC	707150149-001	4/19/2014	Office Chair, chair mats, air purifier, misc. supplies	298.90
94361	5/8/2014	OFFICE DEPOT INC	707360635-001	4/30/2014	Office supplies	230.93
94362	5/8/2014	PINAL CO SHERIFF'S OFFICE	14-Mar	4/29/2014	INMATE HOUSING	4,343.46
94363	5/8/2014	PRANZO ENTERPRISES, INC.	EP-1403	4/29/2014	Install Security Window in Police Dept. Lobby	1,393.00
94364	5/8/2014	TEMPROARY VENDOR	303103	4/30/2014	Water deposit refund	103.52
94365	5/8/2014	RESERVE ACCOUNT	14-May	5/5/2014	Refill Postage Meter	1,500.00
94366	5/8/2014	RIGHT AWAY DISPOSAL	739094	4/1/2014	RAD SANIATION CONTRACT Residential	40,254.92
94367	5/8/2014	RSC Equipment Rental/	118962530-001	4/18/2014	Water truck rental NTE \$4000.00	544.72
94368	5/8/2014	SAFEWAY INC.	4.21201E+11	4/25/2014	Meal from senior donation account	27.17
94368	5/8/2014	SAFEWAY INC.	8.01502E+11	4/25/2014	Supplies	2.05
94368	5/8/2014	SAFEWAY INC.	807842414	4/24/2014	Meal from senior donation account	24.42
94369	5/8/2014	smartschoolsplus, inc dba	517-20	4/1/2014	John Mitchell Contract	4,099.26
94369	5/8/2014	smartschoolsplus, inc dba	517-20	4/1/2014	John Mitchell Contract	4,099.26

94370	5/8/2014	Spencers TV & Appliance	9K4461-0	4/16/2014	Replacement dishwasher	835.61
94371	5/8/2014	STEVE GIBBS	426-27/14	4/27/2014	Umpire - Whole Frijole Softball Tournament	160.00
94372	5/8/2014	STEWART - Batteris Plus	877100389-01	5/1/2014	Batteries for Radios	489.04
94373	5/8/2014	SUPERIOR SUPPLY	13885	4/22/2014	New style valve for product control on crack sealer ST-39	172.20
94374	5/8/2014	SURF & SKI ENTERPRISES	144388	4/18/2014	Staff Uniforms for Michael Groves	205.19
94374	5/8/2014	SURF & SKI ENTERPRISES	144418	4/25/2014	Shirts for the Whole Frijole Tournament	375.48
94375	5/8/2014	THE WATER SHED	4047	4/7/2014	Water & Ice	29.78
94375	5/8/2014	THE WATER SHED	4056	4/7/2014	Water & Ice	31.81
94375	5/8/2014	THE WATER SHED	4092	4/15/2014	Water & Ice	24.00
94375	5/8/2014	THE WATER SHED	4142	4/21/2014	Water & Ice	36.20
94375	5/8/2014	THE WATER SHED	4143	4/21/2014	Water & Ice for Utility department	18.10
94375	5/8/2014	THE WATER SHED	4143	4/21/2014	Water & Ice for Utility department	18.10
94375	5/8/2014	THE WATER SHED	4144	4/21/2014	Water and Ice for PD	35.65
94375	5/8/2014	THE WATER SHED	4145	4/21/2014	Water & Ice	31.81
94375	5/8/2014	THE WATER SHED	4303	4/28/2014	Water and Ice for PD	30.44
94375	5/8/2014	THE WATER SHED	4304	4/28/2014	Water & Ice	34.55
94375	5/8/2014	THE WATER SHED	4357	5/5/2014	Water & Ice	30.44
94376	5/8/2014	TEMPROARY VENDOR	514154	5/5/2014	Water deposit refund	126.34
94377	5/8/2014	VISION SERVICE PLAN	12253996 0001 514	5/1/2014	VISION INSURANCE	1,807.04
94378	5/8/2014	WALMART COMMUNITY # 0005 7118	1257	4/25/2014	Misc. supplies for Whole Frijole Tournament	26.56
94378	5/8/2014	WALMART COMMUNITY # 0005 7118	3089	4/17/2014	Water and Deff fluid	181.02
94379	5/8/2014	WATER WORKS ENGINEERS, LLC	3614	3/31/2014	#3614 Task 1.1- W/WW-ADEQ Regulatory Reporting Assistance	6,084.89
94379	5/8/2014	WATER WORKS ENGINEERS, LLC	3614	3/31/2014	#3614 Task 1.2- Regulatory Support	254.53
94379	5/8/2014	WATER WORKS ENGINEERS, LLC	3614	3/31/2014	#3614 Task 1.5-Water Modeling	292.00
94379	5/8/2014	WATER WORKS ENGINEERS, LLC	3614	3/31/2014	#3614 Task 2.1 CIP U-83 SWWTP Chlorine System/EPS	12,603.00
94379	5/8/2014	WATER WORKS ENGINEERS, LLC	3614	3/31/2014	#3614 Task 2.2 CIP U-51 SWWTP Admin Building	5,038.04
94379	5/8/2014	WATER WORKS ENGINEERS, LLC	3614	3/31/2014	#3614 Task 3.1 CIP U-34 Well 3B Construction Admin	10,489.99
94379	5/8/2014	WATER WORKS ENGINEERS, LLC	3616	3/31/2014	Johnson Utilities Evaluation	1,684.21
94380	5/8/2014	WILLDAN	214261	4/8/2014	INSPECTIONS AND PLAN REVIEW	12,885.00

94381	5/9/2014	Advanced Infosystems	11375	4/8/2014	Data processing of utility bills	1,089.07
94381	5/9/2014	Advanced Infosystems	11375	4/8/2014	Print & Fold Florence Newsletter	977.50
94382	5/9/2014	ARIZONA PARKS AND	3232	5/2/2014	Frontline FUNdamentals - Summer Staff Training	120.00
94383	5/9/2014	ARIZONA STATE TREASURER	14-Apr	5/1/2014	STATE SURCHARGES	11,659.17
94383	5/9/2014	ARIZONA STATE TREASURER	14-Apr	5/1/2014	STATE JCEF	481.00
94383	5/9/2014	ARIZONA STATE TREASURER	14-Apr	5/1/2014	STATE FINES	1,197.07
94383	5/9/2014	ARIZONA STATE TREASURER	14-Apr	5/1/2014	ZFAR 1	2,129.35
94383	5/9/2014	ARIZONA STATE TREASURER	14-Apr	5/1/2014	ZFAR 2	579.01
94384	5/9/2014	BAKER & TAYLOR BOOKS	4010859257	4/24/2014	Audio Books	65.96
94384	5/9/2014	BAKER & TAYLOR BOOKS	4010859258	4/24/2014	Children's Books	88.12
94384	5/9/2014	BAKER & TAYLOR BOOKS	4010859259	4/24/2014	Non-Fiction	530.43
94384	5/9/2014	BAKER & TAYLOR BOOKS	4010859260	4/24/2014	Fiction	200.94
94384	5/9/2014	BAKER & TAYLOR BOOKS	T04250770	4/24/2014	CD'S	8.87
94384	5/9/2014	BAKER & TAYLOR BOOKS	T04250771	4/24/2014	CD'S	11.09
94385	5/9/2014	BANKCARD CENTER	DUES FOR MG	4/15/2014	Membership Dues GFOA Marcia G.	150.00
94386	5/9/2014	BlueTarp Financial	30538185	4/30/2014	One hose reel for St-55	266.05
94386	5/9/2014	BlueTarp Financial	30538185	4/30/2014	Five hose reels for the shop	503.71
94386	5/9/2014	BlueTarp Financial	30538185	4/30/2014	Five hose reels for the shop	503.72
94386	5/9/2014	BlueTarp Financial	30538185	4/30/2014	Five hose reels for the shop	503.72
94386	5/9/2014	BlueTarp Financial	30538185	4/30/2014	Five hose reels for the shop	503.72
94386	5/9/2014	BlueTarp Financial	30538185	4/30/2014	Five hose reels for the shop	503.72
94386	5/9/2014	BlueTarp Financial	30538185	4/30/2014	Five hose reels for the shop	503.72
94387	5/9/2014	Brady Industries, LLC	4442122	4/21/2014	Furniture Polish for Custodial Maint. Workers	75.80
94388	5/9/2014	BRYAN HUGHES	REF 50614	5/6/2014	Ribbon Cutting Scissors/Ceremonial Ribbon - Main St Park	102.88
94389	5/9/2014	East Valley Office Supply, Inc	IN-1037755	4/29/2014	Supplies	87.21
94390	5/9/2014	FLORENCE CHAMBER OF COMMERCE	14-May	5/1/2014	Kiosk Signage	2,230.00
94391	5/9/2014	INTELLIPAY	951	4/30/2014	ACH/Transaction Fees	166.20
94392	5/9/2014	LogIn / IACP Net	23193	4/28/2014	IACP.net one year membership dues	800.00

94393	5/9/2014	MicroAge	600348289	3/19/2014	VMWare Licensing - Server Infrastructure	14,028.39
94394	5/9/2014	MSC Industrial Supply Co.	6316356001	4/16/2014	Restock - Nuts & Bolts	52.83
94394	5/9/2014	MSC Industrial Supply Co.	6316356001	4/16/2014	Restock - Nuts & Bolts	50.29
94394	5/9/2014	MSC Industrial Supply Co.	6316356001	4/16/2014	Restock - Nuts & Bolts	50.29
94394	5/9/2014	MSC Industrial Supply Co.	6316356001	4/16/2014	Restock - Nuts & Bolts	50.29
94394	5/9/2014	MSC Industrial Supply Co.	6316356001	4/16/2014	Restock - Nuts & Bolts	50.29
94394	5/9/2014	MSC Industrial Supply Co.	6316356001	4/16/2014	Restock - Nuts & Bolts	50.29
94395	5/9/2014	OFFICE DEPOT INC	693662588-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	426.52
94395	5/9/2014	OFFICE DEPOT INC	693662588-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	19.44
94395	5/9/2014	OFFICE DEPOT INC	693662588-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	19.44
94395	5/9/2014	OFFICE DEPOT INC	693662588-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	9.72
94395	5/9/2014	OFFICE DEPOT INC	693662588-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	144.65
94395	5/9/2014	OFFICE DEPOT INC	693662588-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	72.32
94395	5/9/2014	OFFICE DEPOT INC	693662588-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	72.32
94395	5/9/2014	OFFICE DEPOT INC	693662588-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	4.77
94395	5/9/2014	OFFICE DEPOT INC	693662750-001	2/27/2014	USB Flash drive	54.13
94395	5/9/2014	OFFICE DEPOT INC	693662751-001	2/26/2014	Restock supplies: paper, pens, whiteout, ink	78.12
94396	5/9/2014	PINAL COUNTY TREASURER	14-Apr	5/1/2014	ASSESSMENT JUSTICE COURT FEE	71.48
94397	5/9/2014	PRINT AND PACK EXPRESS	40535	4/9/2014	Florence Trolley Signs - Country Thunder	182.62
94398	5/9/2014	TEMPROARY VENDOR	10708303	4/30/2014	Overpayment 1008303	19.33
94399	5/9/2014	RSC Equipment Rental/	1193000038-001	5/1/2014	Water truck rental NTE \$4000.00	544.72
94400	5/9/2014	Skaggs Companies, Inc.	2274291R1	4/25/2014	Uniform Pants	37.91
94401	5/9/2014	SMALL ANIMAL CLINIC, P.C.	265620	4/29/2014	Euk PFP K9 Prem Perform Food (6)	310.81
94403	5/13/2014	Arizona Supreme Court	6/25-27/2014 KK	4/30/2014	Conference registration fee	250.00
94404	5/13/2014	AZ DEPT OF REVENUE COLL SVC	PPE 0502/14	5/9/2014	LEVY	200.00
94405	5/13/2014	AZ PUBLIC SAFETY RETIREMENT	PPE 502/14FIRE	5/9/2014	RETIREMENT CONTRIBUTIONS FIRE	11,545.01
94405	5/13/2014	AZ PUBLIC SAFETY RETIREMENT	PPE 502/14FIRE	5/9/2014	Fire INSURANCE PREMIUM TAX	(898.76)
94405	5/13/2014	AZ PUBLIC SAFETY RETIREMENT	PPE 50214 PD	5/9/2014	RETIREMENT CONTRIBUTIONS POLICE	15,124.59

94406	5/13/2014	BEARING-BELT & CHAIN INC.	1320120	4/23/2014	Emergency purchase: SWWTP repairs	131.86
94407	5/13/2014	BIA	May-14	5/1/2014	BIA ELECTRIC	148.36
94407	5/13/2014	BIA	May-14	5/1/2014	BIA ELECTRIC	148.36
94407	5/13/2014	BIA	May-14	5/1/2014	BIA ELECTRIC	451.55
94407	5/13/2014	BIA	May-14	5/1/2014	BIA ELECTRIC	10,222.84
94407	5/13/2014	BIA	May-14	5/1/2014	BIA ELECTRIC	3,676.60
94408	5/13/2014	CAMPBELL, DON J.	519-23/14	5/2/2014	PER DIEM - 05/19-5/23/14	330.00
94409	5/13/2014	Capital One Commercial	25497	5/10/2014	Coffee, Creamer & kitchen supplies	141.94
94410	5/13/2014	Casa Gande Pumping Svc., Inc	82169	4/23/2014	Sludge Hauling from N to S Plant NTE \$2500	2,300.00
94411	5/13/2014	CASA GRANDE NEWSPAPERS	DIST 1 MAY 14	5/1/2014	2 legal ads in newspaper for delinquent assessments	117.81
94411	5/13/2014	CASA GRANDE NEWSPAPERS	DIST 2 MAY14	5/1/2014	2 legal ads in newspaper for delinquent assessments	151.47
94411	5/13/2014	CASA GRANDE NEWSPAPERS	PN HEARING	4/17/2014	Legal ads	67.32
94411	5/13/2014	CASA GRANDE NEWSPAPERS	PN SPEC 50114	5/1/2014	Public notice of special assessment	56.10
94411	5/13/2014	CASA GRANDE NEWSPAPERS	PN SPEC 50114	5/1/2014	Public notice of special assessment	56.10
94411	5/13/2014	CASA GRANDE NEWSPAPERS	PN SPEC 50114	5/1/2014	Public notice of special assessment	56.10
94411	5/13/2014	CASA GRANDE NEWSPAPERS	PZC34-13ORD	4/17/2014	LEGAL PUBLICATION / PZC-34-13-ORD ET AL / RFP SITE GRADING SERVICES	41.13
94411	5/13/2014	CASA GRANDE NEWSPAPERS	RFB-RES PROP	3/6/2014	Request for bids residential property	394.37
94411	5/13/2014	CASA GRANDE NEWSPAPERS	RFP	5/1/2014	Request for proposal 50114	27.91
94411	5/13/2014	CASA GRANDE NEWSPAPERS	RFP PUB NOTE	4/24/2014	LEGAL PUBLICATION / PZC-34-13-ORD ET AL / RFP SITE GRADING SERVICES	27.91
94412	5/13/2014	CASELLE, INC.	57010	5/1/2014	Contract Support	1,496.00
94413	5/13/2014	CENTURYLINK	0118/0238 514	5/1/2014	0238-911 locator phone line	78.71
94413	5/13/2014	CENTURYLINK	0118/0238 514	5/1/2014	0118-Trunk Line (phone)	678.99
94414	5/13/2014	Cintas Corporation Lock 696	696702886	4/25/2014	Weekly fee for uniforms and mats for Utility Dept.	3.17
94414	5/13/2014	Cintas Corporation Lock 696	696702886	4/25/2014	Weekly fee for uniforms and mats for Utility Dept.	18.32
94414	5/13/2014	Cintas Corporation Lock 696	696702886	4/25/2014	Weekly fee for uniforms and mats for Utility Dept.	9.81
94414	5/13/2014	Cintas Corporation Lock 696	696702886	4/25/2014	Weekly fee for uniforms and mats for Utility Dept.	9.81



94414	5/13/2014	Cintas Corporation Lock 696	696705157	5/2/2014	Weekly fee for uniforms and mats for PW Dept.	34.84
94414	5/13/2014	Cintas Corporation Lock 696	696705157	5/2/2014	Weekly fee for uniforms and mats for PW Dept.	55.92
94414	5/13/2014	Cintas Corporation Lock 696	696705157	5/2/2014	Weekly fee for uniforms and mats for PW Dept.	3.91
94414	5/13/2014	Cintas Corporation Lock 696	696705157	5/2/2014	Weekly fee for uniforms and mats for PW Dept.	3.31
94414	5/13/2014	Cintas Corporation Lock 696	696705157	5/2/2014	Weekly fee for uniforms and mats for PW Dept.	0.54
94415	5/13/2014	Day Auto Supply, Inc	613812	4/9/2014	Multi-tow, connector, pri wire, loom-split for WW-005 & WW-006	34.77
94415	5/13/2014	Day Auto Supply, Inc	613812	4/9/2014	Multi-tow, connector, pri wire, loom-split for WW-005 & WW-006	71.85
94415	5/13/2014	Day Auto Supply, Inc	613812	4/9/2014	Multi-tow, connector, pri wire, loom-split for WW-005 & WW-006	71.85
94415	5/13/2014	Day Auto Supply, Inc	613863	4/10/2014	Multi-tow, connector, pri wire, loom-split for WW-005 & WW-006	8.05
94415	5/13/2014	Day Auto Supply, Inc	613863	4/10/2014	Multi-tow, connector, pri wire, loom-split for WW-005 & WW-006	4.02
94415	5/13/2014	Day Auto Supply, Inc	613863	4/10/2014	Multi-tow, connector, pri wire, loom-split for WW-005 & WW-006	4.02
94415	5/13/2014	Day Auto Supply, Inc	614250	4/14/2014	Motor oil for ST-23	115.37
94415	5/13/2014	Day Auto Supply, Inc	614250	4/14/2014	Hydraulic and air filter for ST-23	50.04
94415	5/13/2014	Day Auto Supply, Inc	614276	4/14/2014	Serpentine belt for St-23	35.10
94415	5/13/2014	Day Auto Supply, Inc	614295	4/14/2014	Oil filter for St-23	10.82
94415	5/13/2014	Day Auto Supply, Inc	614504	4/16/2014	SWWTP: Filter Regulator Emergency purchase	108.69
94415	5/13/2014	Day Auto Supply, Inc	614708	4/17/2014	Mud flaps for ST-52	53.87
94415	5/13/2014	Day Auto Supply, Inc	615485	4/25/2014	Wiper blades for Truck WW-026	11.28
94415	5/13/2014	Day Auto Supply, Inc	615485	4/25/2014	NWWTP Aeration mixer: Emergency purchase.	34.86
94415	5/13/2014	Day Auto Supply, Inc	615827	4/29/2014	Water department truck W-005	89.22
94416	5/13/2014	DESERT BORING AND EXCAVATION	7029	4/23/2014	Boring for Hydrant Replacement project CIP U-30	4,800.00
94417	5/13/2014	TEMPROARY VENDOR	10807103OP	5/9/2014	Overpayment 10807103	65.31
94418	5/13/2014	EPS GROUP	13-3301	5/20/2014	CIP U-69 Well #4 to #5 Water Transmission Line Ext.Project 13-330	1,415.14
94418	5/13/2014	EPS GROUP	13-3301	5/20/2014	CIP U-69 Well #4 to #5 Water Transmission Line Ext.Project 13-330	360.12
94419	5/13/2014	EVANS JENNIFER	517-20/14	4/24/2014	Per diem for RECON May 17-20, 2014	324.00

94420	5/13/2014	Farnsworth Wholesale Company	S2307709001	4/9/2014	Water restock: Smith-Blair repair clamps and PVC pipe	1,192.97
94420	5/13/2014	Farnsworth Wholesale Company	S2311802001	4/10/2014	5 Adjustable Handle Double Socket Wrench for Water dept.	560.59
94420	5/13/2014	Farnsworth Wholesale Company	S2314012001	4/9/2014	Misc. parts for Hydrant replacement CIP U-30 Restraints, gaskets, reducers.	1,983.05
94420	5/13/2014	Farnsworth Wholesale Company	S2314863001	4/10/2014	CIP U-30 Hydrant: Caliente Pool	1,957.44
94420	5/13/2014	Farnsworth Wholesale Company	S2314863002	4/10/2014	CIP U-30 Hydrant: Caliente Pool	25.63
94420	5/13/2014	Farnsworth Wholesale Company	S2315310001	4/10/2014	CIP U-30 Hydrant: DeSoto St	3,338.54
94420	5/13/2014	Farnsworth Wholesale Company	S2315890001	4/15/2014	CIP U-30 Hydrant at Feliz St	1,906.55
94420	5/13/2014	Farnsworth Wholesale Company	S2318738001	4/30/2014	Utility Line Maintenance: Misc. replacement parts	2,175.48
94420	5/13/2014	Farnsworth Wholesale Company	S2318953001	4/30/2014	Utility Line Maintenance: Misc. replacement parts.	4,690.77
94421	5/13/2014	FLORENCE TRUE VALUE HARDWARE	210167	4/29/2014	Emergency purchase: Fuses for NWWTP RAS Pumps	13.53
94421	5/13/2014	FLORENCE TRUE VALUE HARDWARE	210368	5/9/2014	Duct Tape	8.67
94421	5/13/2014	FLORENCE TRUE VALUE HARDWARE	290751	3/4/2014	MISC SUPPLIES FOR SIGNAGE	16.71
94422	5/13/2014	IDCSERVCO BUSINESS SERVICES	416660	4/21/2014	Ricoh print cartridge - Blk	485.09
94423	5/13/2014	KAKAR, KYLE	512-16/14	5/13/2014	Per Diem	165.00
94424	5/13/2014	VOID				
94424	5/16/2014	VOID				
94425	5/13/2014	MIDWEST TAPE	91822994	5/1/2014	Audio Books	31.49
94426	5/13/2014	Nationwide Retirement Solution	PPE 0502/14	5/9/2014	Nationwide - deferred compensation	4,728.21
94427	5/13/2014	OFFICE DEPOT INC	406509121-001	4/17/2014	Supplies	71.42
94427	5/13/2014	OFFICE DEPOT INC	705004548-001	4/14/2014	Supplies	34.44
94427	5/13/2014	OFFICE DEPOT INC	706509152-001	4/18/2014	Supplies	3.67
94427	5/13/2014	OFFICE DEPOT INC	706590398-001	4/16/2014	Supplies	35.52
94427	5/13/2014	OFFICE DEPOT INC	706596386-001	4/16/2014	Supplies	75.80
94427	5/13/2014	OFFICE DEPOT INC	710594163-001	4/24/2014	Office Supplies-Pre-Inked Stamps, pens, paper, folders	30.80
94427	5/13/2014	OFFICE DEPOT INC	710594163-001	4/24/2014	Office Supplies-expandable folders	7.09
94427	5/13/2014	OFFICE DEPOT INC	710594246-001	4/24/2014	Office Supplies-Pre-Inked Stamps, pens, paper, folders	191.55
94427	5/13/2014	OFFICE DEPOT INC	710594246-002	4/28/2014	Office Supplies-expandable folders	3.40

94427	5/13/2014	OFFICE DEPOT INC	71594247-001	4/24/2014	Office Supplies-Pre-Inked Stamps, pens, paper, folders	8.65
94428	5/13/2014	PETTY CASH - PARKS	319-502/14	5/5/2014	Petty Cash	85.97
94429	5/13/2014	PETTY CASH - SENIOR CENTER	416-507/14	5/9/2014	Petty Cash	165.19
94430	5/13/2014	POWELL FEED & SUPPLY	37806	4/9/2014	Park Maintenance work jeans	249.46
94430	5/13/2014	POWELL FEED & SUPPLY	37953	4/21/2014	Park Maintenance work jeans	282.07
94431	5/13/2014	RAY ALLEN MFG. CO	304783	4/30/2014	(2) leashes, (2) Syntek Tugs, (2) bowls, narc safe jars,(2) narc safe	885.90
94432	5/13/2014	RECORDED BOOKS, LLC	74929807	5/1/2014	Audio Book	626.09
94433	5/13/2014	SOUTHWEST GAS CORPORATION	May-14	5/9/2014	GAS	31.13
94433	5/13/2014	SOUTHWEST GAS CORPORATION	May-14	5/9/2014	GAS	60.81
94433	5/13/2014	SOUTHWEST GAS CORPORATION	May-14	5/9/2014	GAS	35.69
94434	5/13/2014	STOTZ EQUIPMENT	P28850	5/9/2014	Portable Generator for Special Events	1,149.95
94435	5/13/2014	THE WATER SHED	4299	4/28/2014	Water & Ice for Utilities department	25.09
94435	5/13/2014	THE WATER SHED	4299	4/28/2014	Water & Ice for Utilities department	25.09
94435	5/13/2014	THE WATER SHED	4300	4/28/2014	Recreation/Fitness Center Water	13.16
94435	5/13/2014	THE WATER SHED	4305	4/28/2014	Recreation/Fitness Center Water	7.95
94435	5/13/2014	THE WATER SHED	4309	4/28/2014	Drinking Water Open PO	13.16
94435	5/13/2014	THE WATER SHED	4353	5/5/2014	Water and Ice for PD	39.77
94435	5/13/2014	THE WATER SHED	4360	5/5/2014	Recreation/Fitness Center Water	13.16
94436	5/13/2014	UNITED EXTERMINATING	176451	5/1/2014	Exterminating Fees - May 2014	25.00
94436	5/13/2014	UNITED EXTERMINATING	176501	5/1/2014	Exterminating Fees - May 2014	35.00
94436	5/13/2014	UNITED EXTERMINATING	176502	5/1/2014	Exterminating Fees - May 2014	25.00
94436	5/13/2014	UNITED EXTERMINATING	176504	5/1/2014	Exterminating Fees - May 2014	25.00
94436	5/13/2014	UNITED EXTERMINATING	176505	5/1/2014	Exterminating Fees - May 2014	18.00
94436	5/13/2014	UNITED EXTERMINATING	176506	5/1/2014	Exterminating Fees - May 2014	25.00
94436	5/13/2014	UNITED EXTERMINATING	176507	5/1/2014	Exterminating fees	35.00
94436	5/13/2014	UNITED EXTERMINATING	35784	5/1/2014	MAY 2014 EXTERMINATING	25.00
94437	5/13/2014	United States Treasury	PPE 0502/14	5/9/2014	Levy	75.00
94438	5/13/2014	UNITED WAY OF PINAL COUNTY	OOE 0502/14	5/1/2014	EMPLOYEES CONTRIBUTIONS	7.00

94439	5/13/2014	UNIVERSAL POLICE SUPPLY INC	16114	3/11/2014	BUULLETPROOF VEST	865.32
94440	5/13/2014	USA Funds	PPE 0502/14	5/9/2014	Levy	182.96
94441	5/13/2014	WALMART COMMUNITY # 0005 7118	4236	5/6/2014	Home Tour supplies 2014	53.29
94441	5/13/2014	WALMART COMMUNITY # 0005 7118	4237	5/6/2014	Mother/Daughter Tiara & Tea Party Supplies/Food	200.00
94441	5/13/2014	WALMART COMMUNITY # 0005 7118	4237	5/6/2014	Mother/Daughter Tiara & Tea Party Supplies/Food	3.60
94442	5/15/2014	ARIZONA CORRECTIONAL INDUSTRIE	385065	5/5/2014	Restraining Bench, Blood Draw Chair, Chair Cushions	357.39
94442	5/15/2014	ARIZONA CORRECTIONAL INDUSTRIE	385071	5/5/2014	Restraining Bench, Blood Draw Chair, Chair Cushions	297.83
94443	5/15/2014	ARIZONA GLOVE & SAFETY	7334258	5/5/2014	Latex and Maxiflex gloves for Shop and Streets	80.74
94443	5/15/2014	ARIZONA GLOVE & SAFETY	7334258	5/5/2014	Latex and Maxiflex gloves for Shop and Streets	16.14
94443	5/15/2014	ARIZONA GLOVE & SAFETY	7334258	5/5/2014	Latex and Maxiflex gloves for Shop and Streets	16.14
94443	5/15/2014	ARIZONA GLOVE & SAFETY	7334258	5/5/2014	Latex and Maxiflex gloves for Shop and Streets	16.14
94443	5/15/2014	ARIZONA GLOVE & SAFETY	7334258	5/5/2014	Latex and Maxiflex gloves for Shop and Streets	16.14
94443	5/15/2014	ARIZONA GLOVE & SAFETY	7334258	5/5/2014	Latex and Maxiflex gloves for Shop and Streets	16.14
94443	5/15/2014	ARIZONA GLOVE & SAFETY	7334258	5/5/2014	Latex and Maxiflex gloves for Shop and Streets	16.14
94444	5/15/2014	Arizona Iron Supply, Inc.	688131	5/8/2014	Iron and steel brackets to reinforce 2nd floor guard rails at Silver King	2,075.49
94445	5/15/2014	BAKER & TAYLOR BOOKS	T04463000	4/28/2014	DVD's	142.30
94445	5/15/2014	BAKER & TAYLOR BOOKS	T04552420	4/30/2014	DVD's	39.69
94446	5/15/2014	Big Quick's Barbeque	SRS 514/14	5/14/2014	Meal for seniors from donation account	125.00
94447	5/15/2014	BORDERS TURF & TRACTOR	25350	5/16/2014	Mower yoke and snap rings	273.36
94448	5/15/2014	DREAMSEAT	0016488IN	5/2/2014	Conference chairs	1,020.66
94449	5/15/2014	ELLIOTT, DAVID	REIM 42314	4/23/2014	Reimbursement for work boots	124.95
94450	5/15/2014	FLORENCE TRUE VALUE HARDWARE	210175	4/30/2014	Air filter for Fitness Center	3.47
94451	5/15/2014	FREIGHTLINER ARIZONA LTD	X00225835501	4/28/2014	Driver's side sun visor retainer clip for ST-051	7.66
94452	5/15/2014	GCR TIRE CENTERS	827+36748	4/24/2014	Tires (4) for PD Patrol	529.15

94453	5/15/2014	HARMON, ALAN SR	REIM 43014	4/30/2014	Reimbursement for work boots	141.30
94454	5/15/2014	Harmon's Safe, Lock & Key	42768	5/8/2014	Purchase of Key Machine 044-HD-110VAC	1,183.15
94455	5/15/2014	HOME DEPOT CREDIT SERVICES	3013872	5/6/2014	New door handle for kitchen at PW	38.02
94456	5/15/2014	International Minute Press	JOB ID 35186	4/25/2014	GIS Atlas - QTY=63	2,189.22
94457	5/15/2014	Jennifer Hansen	0522/14	5/12/2014	Per diem for breakfast and lunch (Records Training in Phoenix 5/22/14)	30.00
94458	5/15/2014	JOHN PITTS C. JR.	REIM 50414	5/4/2014	Reimbursement for work boots	163.00
94459	5/15/2014	Johnson Utilities	0013808201 414	4/30/2014	Water bill for station #2	271.81
94460	5/15/2014	JONES AUTO CENTER	145552	5/1/2014	Wire assembly for G859FJ PD Patrol	48.81
94460	5/15/2014	JONES AUTO CENTER	73886	4/1/2014	Replacement of transmission mount and motor mount on G031ET PD	850.86
94461	5/15/2014	KNUDSON, JESS	517-21/14	5/13/2014	Per diem RECON May 17-21, 2014	575.00
94462	5/15/2014	LAMAS, STEPHANIE	522-23/14	5/5/2014	Per diem for Training - Prescott	50.00
94463	5/15/2014	MAHURIN, CHRIS	REIM BTS 50314	5/3/2014	Reimbursement for work boots	141.04
94463	5/15/2014	MAHURIN, CHRIS	UNI REIM 40314	5/3/2014	Reimbursement for uniform pants	86.96
94464	5/15/2014	MANNATO JAMES E.	429/14	5/13/2014	Mileage reimbursement for Johnson Utilities meeting 4/29/14	71.34
94465	5/15/2014	MURTHA, THOMAS	REIM TRAIN	5/1/2014	REIMBURSEMENT FOR CLASS AND BOOK	116.00
94466	5/15/2014	NEW YORK LIFE INSURANCE	6929080 514	5/1/2014	INSURANCE PREMIMUM	447.96
94467	5/15/2014	OFFICE DEPOT INC	69673529-001	3/14/2014	Dry erase markers for sanitation dry erase maps	15.60
94468	5/15/2014	TEMPROARY VENDOR	10117003	5/12/2014	Water deposit refund	108.71
94469	5/15/2014	THE WATER SHED	3960	5/2/2014	Water & ice	63.35
94469	5/15/2014	THE WATER SHED	4298	4/28/2014	Water & Ice	59.23
94470	5/15/2014	UNITED EXTERMINATING	176452	5/1/2014	Exterminating fees- Silver King	25.00
94470	5/15/2014	UNITED EXTERMINATING	176454	5/1/2014	Exterminating fees- Town Hall	35.00
94470	5/15/2014	UNITED EXTERMINATING	176457	5/1/2014	Exterminating fee- South plant	45.00
94471	5/15/2014	WEX BANK	36664279	4/30/2014	Online Fee	5.00
94471	5/15/2014	WEX BANK	36664279	4/30/2014	Fuel	25,547.55
94472	5/15/2014	CHARLES A. MONTOYA	517-21/2014	5/14/2014	Meals - RECON Convention	318.00
94473	5/16/2014	TEMPROARY VENDOR	REPLACE 90641	5/16/2014	Replace check not cashed	20.00

94474	5/16/2014	Five Star Carpet Cleaning	REPLACE90141	5/16/2014	Carpet Cleaning	668.50
94475	5/16/2014	MENDIVIL, ERASMO JR.	REISSUE 3CKS	5/16/2014	Misc. items replacing 3 checks	42.14
94476	5/16/2014	TEMPROARY VENDOR	REPLACE 90340	5/16/2014	Replace check not cashed	49.50
94477	5/16/2014	TEMPROARY VENDOR	REPLACE 89830	5/16/2014	Replace check not cashed	8.00
94478	5/16/2014	THE WATER SHED	RELPLACE90225	5/16/2014	Water & Ice	310.46
94479	5/20/2014	A.C. Sanitation Service, LLC	33	5/7/2014	Landfill fees for April 2014 Bio-solid Waste Removal	9,556.09
94480	5/20/2014	Above & Beyond Fitness Repair	4397	5/7/2014	Fitness Equipment Upholstery Repair	393.47
94481	5/20/2014	APD POWER CENTER, INC.	159903	5/25/2014	Carburetor for Sod Cutter	73.99
94482	5/20/2014	ARIZONA GLOVE & SAFETY	7334202	5/5/2014	Safety glasses. Dark lenses. 14 pair for Utility department	13.83
94482	5/20/2014	ARIZONA GLOVE & SAFETY	7334202	5/5/2014	Safety glasses. Dark lenses. 14 pair for Utility department	27.68
94482	5/20/2014	ARIZONA GLOVE & SAFETY	7334202	5/5/2014	Safety glasses. Dark lenses. 14 pair for Utility department	13.83
94482	5/20/2014	ARIZONA GLOVE & SAFETY	7334253	5/5/2014	Safety Equip.: Class 3 Vests, Hard Hats, H.H. shades, Neck Shades.	200.14
94482	5/20/2014	ARIZONA GLOVE & SAFETY	7334253	5/5/2014	Safety Equipment: Class 3 Vests, Hard Hats, H.H. shades, Neck Shades.	200.14
94482	5/20/2014	ARIZONA GLOVE & SAFETY	7334716	5/9/2014	Two cases of white upside down paint	97.47
94483	5/20/2014	ARIZONA STATE PRISON-FLORENCE	041714F-115	5/5/2014	INMATE LABOR / CEMETERY	33.75
94483	5/20/2014	ARIZONA STATE PRISON-FLORENCE	041714F-115	5/5/2014	INMATE LABOR/ ROW CLEANUP	22.50
94483	5/20/2014	ARIZONA STATE PRISON-FLORENCE	050114F-115	5/5/2014	INMATE LABOR / CEMETERY	37.50
94483	5/20/2014	ARIZONA STATE PRISON-FLORENCE	050114F-115	5/5/2014	INMATE LABOR ROW CLEANUP	33.75
94484	5/20/2014	ARIZONA STATE UNIVERSITY	1367681	3/31/2014	Payment for Certified Public Mgr. Course for Dee Indorf	645.00
94484	5/20/2014	ARIZONA STATE UNIVERSITY	1481487	3/31/2014	Payment for Certified Public Mgr. Course for Dee Indorf	645.00
94484	5/20/2014	ARIZONA STATE UNIVERSITY	1550942	3/31/2014	Payment for Certified Public Mgr. Course for Dee Indorf	645.00
94484	5/20/2014	ARIZONA STATE UNIVERSITY	1550950	3/31/2014	Payment for Certified Public Mgr. Course for Dee Indorf	543.00

94484	5/20/2014	ARIZONA STATE UNIVERSITY	1550950	3/31/2014	Payment for Certified Public Mgr. Course for Dee Indorf	102.00
94484	5/20/2014	ARIZONA STATE UNIVERSITY	1550957	3/31/2014	Payment for Certified Public Mgr. Course for Dee Indorf	645.00
94485	5/20/2014	BlueTarp Financial	30547954	5/2/2014	Small tools purchase for SWWTP: 27 6 drawer & 9 drawer tool boxes"	607.42
94486	5/20/2014	BRET HUGGINS	514	5/6/2014	Transcription for hearing	175.00
94487	5/20/2014	BRUTINEL PLUMBING & ELEC., INC	115186	4/23/2014	Rebuilt women's toilet, rebuilt faucets, angle stops supply lines @ Town Hall	328.01
94488	5/20/2014	CASA GRANDE COURIER, INC.	857	4/24/2014	Courier fees April 2014 Water	252.00
94488	5/20/2014	CASA GRANDE COURIER, INC.	857	4/24/2014	Courier fees April 2014 SWWTP	1,046.00
94488	5/20/2014	CASA GRANDE COURIER, INC.	857	4/24/2014	Courier fees April 2014 NWWTP	1,046.00
94489	5/20/2014	CASA GRANDE NEWSPAPERS	PN EP6	5/8/2014	Public notice for Intent to Request Release of Funds for Residential Rehab Program	79.32
94490	5/20/2014	CENTERLINE SUPPLY WEST, INC.	69929	5/5/2014	15 Min. Parking" Signage"	175.95
94491	5/20/2014	CENTURY MFR.	DC537753	4/18/2014	Dual purpose aquatic terrestrial herbicide	133.93
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	5829-CD Alarm	47.81
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	9627-Police 911	270.24
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	9176-Fire Back up line	46.65
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	7347-Fire Anthem	93.53
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	0788-Library	57.86
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	0705-Silver King Alarm	135.12
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	0246-W/WW	46.83
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	2394-N W/W Plant	47.81
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	8030-McFarland Fire Alarm	45.04
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	7500-Town Hall Main Line	83.94
94492	5/20/2014	CENTURYLINK	VARIOUS 514	4/16/2014	7500-Town Hall Fire Alarm	45.04
94493	5/20/2014	Cintas Corporation Lock 696	696025472	4/18/2014	Tile and Carpet Cleaning - PW/Utilities Building at 425 E. Ruggles	2,401.60
94493	5/20/2014	Cintas Corporation Lock 696	696705158	5/2/2014	Weekly fee for uniforms and mats for Utility Dept.	3.17
94493	5/20/2014	Cintas Corporation Lock 696	696705158	5/2/2014	Weekly fee for uniforms and mats for Utility Dept.	18.32
94493	5/20/2014	Cintas Corporation Lock 696	696705158	5/2/2014	Weekly fee for uniforms and mats for Utility Dept.	9.81

94493	5/20/2014	Cintas Corporation Lock 696	696705158	5/2/2014	Weekly fee for uniforms and mats for Utility Dept.	9.81
94493	5/20/2014	Cintas Corporation Lock 696	696707388	5/9/2014	Weekly fee for uniforms and mats for PW Dept.	34.84
94493	5/20/2014	Cintas Corporation Lock 696	696707388	5/9/2014	Weekly fee for uniforms and mats for PW Dept.	75.59
94493	5/20/2014	Cintas Corporation Lock 696	696707388	5/9/2014	Weekly fee for uniforms and mats for PW Dept.	3.91
94493	5/20/2014	Cintas Corporation Lock 696	696707388	5/9/2014	Weekly fee for uniforms and mats for PW Dept.	3.31
94493	5/20/2014	Cintas Corporation Lock 696	696707388	5/9/2014	Weekly fee for uniforms and mats for PW Dept.	0.54
94494	5/20/2014	COX COMMUNICATIONS	22128880114	5/3/2014	New phone & fax lines at Station 2	102.17
94495	5/20/2014	DANIEL HUGHES	REIM 50914	5/19/2014	Reimbursement for Business Lunch	38.06
94496	5/20/2014	TEMPROARY VENDOR	601102	5/13/2014	Water deposit refund	150.00
94497	5/20/2014	Day Auto Supply, Inc	614822	4/18/2014	Brake controller for WW-006	80.38
94497	5/20/2014	Day Auto Supply, Inc	614822	4/18/2014	Brake controller for WW-006	80.38
94497	5/20/2014	Day Auto Supply, Inc	615128	4/22/2014	Credit	(25.43)
94497	5/20/2014	Day Auto Supply, Inc	615128	4/22/2014	Brake controller for WW-006	(25.43)
94497	5/20/2014	Day Auto Supply, Inc	615254	4/23/2014	Manifold gasket set for ST-37	31.50
94497	5/20/2014	Day Auto Supply, Inc	615393	4/24/2014	Five feet of wire for trailer plug in WW-11	7.04
94497	5/20/2014	Day Auto Supply, Inc	615393	4/24/2014	Five feet of wire for trailer plug in WW-11	7.05
94497	5/20/2014	Day Auto Supply, Inc	615393	4/24/2014	Five feet of wire for trailer plug in WW-11	7.05
94497	5/20/2014	Day Auto Supply, Inc	615478	4/25/2014	Two chain coupler for WW-006	3.04
94497	5/20/2014	Day Auto Supply, Inc	615478	4/25/2014	Two chain coupler for WW-006	3.03
94497	5/20/2014	Day Auto Supply, Inc	615515	4/25/2014	Motor oil for St-27	26.02
94497	5/20/2014	Day Auto Supply, Inc	615515	4/25/2014	Air and oil filter for ST-27	23.93
94497	5/20/2014	Day Auto Supply, Inc	615683	4/28/2014	Brake pads for St-27	66.93
94497	5/20/2014	Day Auto Supply, Inc	615690	4/28/2014	Credit	(6.07)
94497	5/20/2014	Day Auto Supply, Inc	615730	4/28/2014	Brake shoes for St-27	101.13
94497	5/20/2014	Day Auto Supply, Inc	615731	4/30/2014	Brakleen for shop	12.37
94497	5/20/2014	Day Auto Supply, Inc	615731	4/30/2014	Brakleen for shop	12.37
94497	5/20/2014	Day Auto Supply, Inc	615731	4/30/2014	Brakleen for shop	12.37
94497	5/20/2014	Day Auto Supply, Inc	615731	4/30/2014	Brakleen for shop	12.37
94497	5/20/2014	Day Auto Supply, Inc	615731	4/30/2014	Brakleen for shop	12.37
94497	5/20/2014	Day Auto Supply, Inc	615731	4/30/2014	Brakleen for shop	12.37
94497	5/20/2014	Day Auto Supply, Inc	615924	4/30/2014	Motor oil for Admin -7	26.02
94497	5/20/2014	Day Auto Supply, Inc	615924	4/30/2014	Air and oil filter for Admin -7	16.74
94497	5/20/2014	Day Auto Supply, Inc	615938	4/30/2014	Hydraulic pressure gauge for ST-023 Patch Truck	30.43



94497	5/20/2014	Day Auto Supply, Inc	615977	4/30/2014	Credit	(3.63)
94497	5/20/2014	Day Auto Supply, Inc	615977	4/30/2014	Credit	(3.63)
94497	5/20/2014	Day Auto Supply, Inc	615977	4/30/2014	Brakleen for shop	(3.62)
94497	5/20/2014	Day Auto Supply, Inc	615977	4/30/2014	Credit	(3.62)
94497	5/20/2014	Day Auto Supply, Inc	615977	4/30/2014	Credit	(3.62)
94497	5/20/2014	Day Auto Supply, Inc	615977	4/30/2014	Credit	(3.62)
94497	5/20/2014	Day Auto Supply, Inc	616022	5/1/2014	Motor oil for G859FJ PD Patrol	30.36
94497	5/20/2014	Day Auto Supply, Inc	616022	5/1/2014	Air and oil filter for G859FJ PD Patrol	17.35
94497	5/20/2014	Day Auto Supply, Inc	616036	5/1/2014	Motor oil for G834CH PD Patrol	26.02
94497	5/20/2014	Day Auto Supply, Inc	616036	5/1/2014	Air and oil filter for G834CH PD Patrol	22.26
94497	5/20/2014	Day Auto Supply, Inc	616097	5/1/2014	Serpentine belt for G834CH PD Patrol	35.10
94497	5/20/2014	Day Auto Supply, Inc	616157	5/2/2014	Head light bulb for G859FJ PD Patrol	9.79
94497	5/20/2014	Day Auto Supply, Inc	616163	5/2/2014	Brake pads and rotors for G859FJ PD Patrol	209.76
94497	5/20/2014	Day Auto Supply, Inc	616173	5/2/2014	Brake rotor for G859FJ PD Patrol	53.26
94497	5/20/2014	Day Auto Supply, Inc	616185	5/2/2014	Oil filter for Town Hall generator/ PM Service	8.59
94497	5/20/2014	Day Auto Supply, Inc	616343	5/5/2014	Motor oil for G006EK PD Patrol	30.36
94497	5/20/2014	Day Auto Supply, Inc	616343	5/5/2014	Air and oil filter for G006EK PD Patrol	27.53
94497	5/20/2014	Day Auto Supply, Inc	616399	5/5/2014	One half chain link for rear broom repair on ST-025 Mobil sweeper	9.66
94497	5/20/2014	Day Auto Supply, Inc	616585	5/7/2014	Butane fuel and spray paint for Streets	140.22
94497	5/20/2014	Day Auto Supply, Inc	616585	5/7/2014	Two cutting discs for Streets	32.92
94497	5/20/2014	Day Auto Supply, Inc	616597	4/25/2014	Porta-Power 10 ton Ram kit for culvert repair	433.71
94497	5/20/2014	Day Auto Supply, Inc	616648	5/7/2014	Black silicone for Window repair at Town Hall	19.59
94497	5/20/2014	Day Auto Supply, Inc	616822	5/9/2014	Motor oil for G987GB PD Patrol	30.36
94497	5/20/2014	Day Auto Supply, Inc	616822	5/9/2014	Air and Oil filter for G987GB PD Patrol	20.58
94498	5/20/2014	TEMPROARY VENDOR	10702803	5/13/2014	Water deposit refund	75.00
94499	5/20/2014	DESERT BORING AND EXCAVATION	7026	4/21/2014	Emergency excavation at 203 Ocotillo drive-service 4- 9-14	250.00
94499	5/20/2014	DESERT BORING AND EXCAVATION	7028	4/23/2014	Excavation for water & sewer tap for 3715 Indiana Ave	1,000.00
94500	5/20/2014	EPS GROUP	13-330-2	4/25/2014	CIP U-69 Well #4 to #5 Water Transmission Line Ext.Project 13-330	18,277.22

94501	5/20/2014	FLORENCE TRUE VALUE HARDWARE	210286	5/6/2014	CIP U-30 Hydrant project: Blades and Concrete needed.	316.03
94501	5/20/2014	FLORENCE TRUE VALUE HARDWARE	210386	5/12/2014	Parts to install metal fence panel at Brunenkant	9.30
94501	5/20/2014	FLORENCE TRUE VALUE HARDWARE	210396	5/12/2014	Anchor bolts for PD to mount new seats in their Booking Room	19.04
94501	5/20/2014	FLORENCE TRUE VALUE HARDWARE	210418	5/13/2014	Open PO for Recreation purchases	9.20
94502	5/20/2014	FRED PRYOR SEMINARS	15602048	5/5/2014	Excel/Beyond the Basics: Chief, Lt., Deanna	79.00
94502	5/20/2014	FRED PRYOR SEMINARS	15602049	5/5/2014	Excel/Beyond the Basics: Chief, Lt., Deanna	79.00
94502	5/20/2014	FRED PRYOR SEMINARS	15602050	5/5/2014	Excel/Beyond the Basics: Chief, Lt., Deanna	79.00
94502	5/20/2014	FRED PRYOR SEMINARS	15602051	5/5/2014	Excel/Beyond the Basics: Chief, Lt., Deanna	49.00
94502	5/20/2014	FRED PRYOR SEMINARS	15602052	5/2/2014	Excel/Beyond the Basics: Chief, Lt., Deanna	49.00
94502	5/20/2014	FRED PRYOR SEMINARS	15602053	5/5/2014	Excel/Beyond the Basics: Chief, Lt., Deanna	49.00
94503	5/20/2014	GCR TIRE CENTERS	827*-36930	4/30/2014	Four tires for ST-81	560.89
94504	5/20/2014	International Code Council Inc	3002882	5/7/2014	Membership dues - Carroll Michael	50.00
94505	5/20/2014	TEMPROARY VENDOR	10702301	5/13/2014	Water deposit refund	150.00
94506	5/20/2014	TEMPROARY VENDOR	10307407	5/13/2014	Water deposit refund	150.00
94507	5/20/2014	JONES AUTO CENTER	145631	5/5/2014	Steering stabilizer bar for G006EK PD Patrol	122.41
94507	5/20/2014	JONES AUTO CENTER	74872	4/28/2014	Replace intake manifold gasket on ST-037	623.37
94508	5/20/2014	L. N. CURTIS and SONS	5032616-01	4/18/2014	Hydrant adaptor	279.40
94508	5/20/2014	L. N. CURTIS and SONS	5032772-00	4/30/2014	Frames for corrective lens's in SCBA masks	180.85
94509	5/20/2014	LANGUAGE LINE SERVICES	3366295	4/30/2014	Language Line Service	34.17
94510	5/20/2014	LANTIS PRODUCTIONS INC	14148 1STHALF	4/16/2014	Fireworks Display - Fourth of July Freedom Fest 2014 (1/2 Payment)	7,500.00
94511	5/20/2014	TEMPROARY VENDOR	422603	5/13/2014	Water deposit refund	150.00
94512	5/20/2014	Legend Technical Svcs., Inc.	1406316	4/30/2014	Analytical Testing - April 2014 Water	288.00
94512	5/20/2014	Legend Technical Svcs., Inc.	1406317	4/30/2014	Analytical Testing - April 2014 NWWTP	1,559.00
94512	5/20/2014	Legend Technical Svcs., Inc.	1406318	4/30/2014	Analytical Testing - April 2014 SWWTP	2,918.20
94513	5/20/2014	TEMPROARY VENDOR	10605201	5/13/2014	Water deposit refund	150.00
94514	5/20/2014	LEXIS NEXIS	1404491794	4/30/2014	Research April 2014	175.00
94515	5/20/2014	LiquiVision Technology	4675	4/21/2014	Services: Divers for Well Tanks- Annual Inspection NTE \$6000	5,250.00
94516	5/20/2014	MANNATO JAMES E.	502/14	5/13/2014	Mileage reimbursement for a Mtg 5/14 & 5/2 2014	145.00
94517	5/20/2014	TEMPROARY VENDOR	10606101	5/13/2014	Water deposit refund	150.00

94518	5/20/2014	McMaster-Carr Supply Company	82321599	4/22/2014	Misc. parts: Replacement springs for SWWTP	706.15
94519	5/20/2014	MOVIE LICENSING USA	1924232	5/1/2014	Annual Copyright Compliance Site License	217.40
94520	5/20/2014	NICHOLAS BAGNALL	REIM ADEQEXAM	5/14/2014	Reimbursement for ADEQ operator cert exam.	43.50
94520	5/20/2014	NICHOLAS BAGNALL	REIM ADEQEXAM	5/14/2014	Reimbursement for ADEQ operator cert exam.	21.75
94520	5/20/2014	NICHOLAS BAGNALL	REIM ADEQEXAM	5/14/2014	Reimbursement for ADEQ operator cert exam.	21.75
94521	5/20/2014	North Coast Imprints & Embroidery	25	1/14/2014	Bed spreads for station #2	550.00
94522	5/20/2014	Oden Construction	BILLING 2	4/15/2014	Town Hall Trash Enclosure	4,000.00
94523	5/20/2014	OFFICE DEPOT INC	707020132-001	4/18/2014	Office Supplies: Binders, paper clips, certificate frames, mouse pad, filing cabinet.	42.99
94523	5/20/2014	OFFICE DEPOT INC	707020132-001	4/18/2014	Office Supplies: Binders, paper clips, certificate frames, mouse pad, filing cabinet.	42.98
94523	5/20/2014	OFFICE DEPOT INC	707021235-001	4/18/2014	Office Supplies: Binders, paper clips, certificate frames, mouse pad, filing cabinet.	98.15
94523	5/20/2014	OFFICE DEPOT INC	707021235-001	4/18/2014	Office Supplies: Binders, paper clips, certificate frames, mouse pad, filing cabinet.	98.15
94523	5/20/2014	OFFICE DEPOT INC	707739045-001	5/2/2014	Restock of ink	78.92
94524	5/20/2014	TEMPROARY VENDOR	11400011	5/13/2014	Water deposit refund	150.00
94525	5/20/2014	Onstream Media Corporation	22936	4/14/2014	Channel 11 Streaming	121.36
94526	5/20/2014	PETTY CASH - FINANCE	14-May	5/14/2014	Misc. food snacks for 5:00 meetings	105.12
94526	5/20/2014	PETTY CASH - FINANCE	14-May	5/14/2014	Staff meetings Food/drinks	13.56
94526	5/20/2014	PETTY CASH - FINANCE	14-May	5/14/2014	Overnight postage	19.99
94526	5/20/2014	PETTY CASH - FINANCE	14-May	5/14/2014	Postage	14.80
94526	5/20/2014	PETTY CASH - FINANCE	14-May	5/14/2014	GFCC/LUNCHEON	12.00
94527	5/20/2014	Pipeline Services	15793	4/21/2014	Install Hydro valve at Well #5 CIP U-35	4,600.00
94527	5/20/2014	Pipeline Services	15793	4/21/2014	Install Hydro valve at Well #5 CIP U-35	4,600.00
94527	5/20/2014	Pipeline Services	15794	4/21/2014	Install Hydro valve at 3722 Ohio CIP U-35	3,710.00
94527	5/20/2014	Pipeline Services	15795	4/21/2014	CIP U-35 Install Hydro Insta valve at Caliente Pool	3,710.00

94528	5/20/2014	RAY'S PRINTING	20263	5/14/2014	Promotional materials for RECon/Sales Tax	98.01
94529	5/20/2014	RECORDED BOOKS, LLC	74934294	5/7/2014	Audio Book	74.25
94530	5/20/2014	Replenishment Services, LLC.	197	5/1/2014	Prof. Services: Project: Reclaimed Wastewater Rate Inventory	3,165.00
94531	5/20/2014	RESERVE ACCOUNT	May-14	5/14/2014	Postage refill meter	1,500.00
94532	5/20/2014	Ricoh USA, Inc.	5030325317	4/14/2014	Monthly billing for copier-Base charge: 4/14/14-5/13/14	60.41
94532	5/20/2014	Ricoh USA, Inc.	5030325317	4/14/2014	Monthly billing for copier-Base charge: 4/14/14-5/13/14	30.20
94532	5/20/2014	Ricoh USA, Inc.	5030325317	4/14/2014	Monthly billing for copier-Base charge: 4/14/14-5/13/14	30.20
94533	5/20/2014	ROADRUNNER OXYGEN SVC	40987	4/23/2014	Cylinder refill	67.22
94534	5/20/2014	TEMPROARY VENDOR	10221903	5/13/2014	Water deposit refund	150.00
94535	5/20/2014	TEMPROARY VENDOR	10602509	5/13/2014	Water deposit refund	150.00
94536	5/20/2014	TEMPROARY VENDOR	10115202	5/13/2014	Water deposit refund	75.00
94537	5/20/2014	SAFEWAY INC.	1405081	5/8/2014	Supplies	4.54
94538	5/20/2014	SOUTHWEST GAS CORPORATION	7982371002 514	5/16/2014	GAS	113.48
94539	5/20/2014	Southwest Upfitters	10355	5/12/2014	Computer mount in ladder truck	1,376.85
94540	5/20/2014	Sunrise Engineering	72528	4/11/2014	Prof. Services thru3/31/14 CIP U-73 Phase 0001 Bailey St. Water line	8,667.00
94541	5/20/2014	SUPERIOR SUPPLY	10758	4/18/2014	2 Gate Valve and Thermometer for Crack Sealer"	323.05
94541	5/20/2014	SUPERIOR SUPPLY	10759	4/18/2014	Primary controller, brass cylinder and HD swivel	1,123.72
94542	5/20/2014	TEMPROARY VENDOR	10603162	5/13/2014	Water deposit refund	150.00
94543	5/20/2014	THE WATER SHED	4010	3/31/2014	Ice for Senior Center	4.94
94543	5/20/2014	THE WATER SHED	4053	4/7/2014	Ice for Senior Center	4.94
94543	5/20/2014	THE WATER SHED	4088	4/15/2014	Water & Ice	35.25
94543	5/20/2014	THE WATER SHED	4089	4/15/2014	Water and Ice for Utility department	17.62
94543	5/20/2014	THE WATER SHED	4089	4/15/2014	Water and Ice for Utility department	17.63
94543	5/20/2014	THE WATER SHED	4090	4/15/2014	Ice for Senior Center	4.50
94543	5/20/2014	THE WATER SHED	4146	4/21/2014	Ice for Senior Center	4.96
94543	5/20/2014	THE WATER SHED	4301	4/28/2014	Ice for Senior Center	4.94
94543	5/20/2014	THE WATER SHED	4355	5/5/2014	Water and Ice for Utility department	12.75
94543	5/20/2014	THE WATER SHED	4355	5/5/2014	Water and Ice for Utility department	12.75
94543	5/20/2014	THE WATER SHED	4358	5/5/2014	Ice for Senior Center	4.94
94543	5/20/2014	THE WATER SHED	4401	4/15/2014	Water & Ice	41.14
94544	5/20/2014	TRYON, TERRY	REIM 50214	5/2/2014	Business Lunch Reimbursement	58.86

94545	5/20/2014	ULINE	57779394	3/31/2014	Cones for drivers training	1,039.72
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	24222	4/14/2014	Credit Memo for Murtha	(100.18)
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	24280	5/1/2014	Credit Memo for Bowsher	(10.50)
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522168	4/4/2014	Turn outs for Stapley	1,456.46
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522177	4/4/2014	Uniform allowance- Johnson	45.18
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522231	4/7/2014	Uniform allowance- Kennedy	115.77
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522316	4/8/2014	Uniform allowance- Kennedy	58.54
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522337	4/8/2014	Uniform allowance- Kennedy	44.89
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522338	4/8/2014	Uniform allowance- Kells	31.78
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522402	4/9/2014	Uniform allowance- Feliz	114.04
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522502	4/9/2014	Uniform allowance- Harrison	4.12
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522503	4/9/2014	Uniform allowance- Harrison	110.00
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522568	4/10/2014	Uniform allowance- Holbrook	44.29
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522569	4/10/2014	Uniform allowance- Holbrook	10.21
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522630	4/10/2014	Uniform allowance- Usher	100.18
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522631	4/10/2014	Uniform allowance- Usher	225.81
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522632	4/10/2014	Brush pants for members	178.70
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522635	4/10/2014	Turn outs for Stapley	44.29
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522716	4/11/2014	Uniform allowance- West	207.58
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522800	4/14/2014	Uniform allowance-Murtha	192.68
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522801	4/14/2014	Uniform allowance-Murtha	36.71
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522804	4/14/2014	Uniform allowance-Radney	100.18
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522805	4/14/2014	Uniform allowance-Walter	100.18
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522806	4/14/2014	Uniform allowance-Walter	18.36
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522807	4/14/2014	Uniform allowance- Radney	9.42
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	522977	4/16/2014	Uniform allowance-Murtha	42.14
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523143	4/10/2014	Uniform allowance- Shrem	129.80

94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523155	4/17/2014	Uniform allowance- Powers	201.44
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523183	4/17/2014	Uniform allowance- Shrem	27.00
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523240	4/18/2014	Uniform allowance- Johnson	36.06
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523267	4/18/2014	Uniform allowance- Anderson	100.18
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523268	4/18/2014	Brush pants for members	178.70
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523716	4/25/2014	Suspenders Nelson	35.40
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523739	4/25/2014	Uniform allowance- Pine	100.18
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	523740	4/25/2014	Uniform allowance- Kartchner	100.18
94546	5/20/2014	UNITED FIRE EQUIPMENT CO.	807836	8/29/2013	Unpaid balance on pd invoice for uniform allowance	4.05
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3442	12/31/2013	#3442 Task 1.1- W/WW- ADEQ Regulatory Reporting Assistance	8,074.61
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3442	12/31/2013	#3442 Task 1.1- W/WW- ADEQ Regulatory Reporting Assistance	4,037.32
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3442	12/31/2013	#3442 Task 1.1- W/WW- ADEQ Regulatory Reporting Assistance	4,037.32
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3442	12/31/2013	#3442 Task 1.2- Regulatory Support	30,725.27
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3442	12/31/2013	#3442 Task 1.2- Regulatory Support	15,362.64
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3442	12/31/2013	#3442 Task 1.2- Regulatory Support	15,362.64
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3442	12/31/2013	#3442 Task 2.1 CIP U-83 SWWTP Chlorine System/EPS	1,898.00
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 1.1- W/WW- ADEQ Regulatory Reporting Assistance	623.56
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 1.2- Regulatory Support	695.50
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 1.3 - Plan Review	680.00
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 1.4 - Minor Design & Troubleshooting	1,438.40
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 2.1 CIP U-83 SWWTP Chlorine System/EPS	4,526.00
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 3.1 CIP U-34 Well 3B Construction Admin	2,702.50

94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 1.1- W/WW-ADEQ Regulatory Reporting Assistance	311.78
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 1.1- W/WW-ADEQ Regulatory Reporting Assistance	311.78
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 1.2- Regulatory Support	329.75
94547	5/20/2014	WATER WORKS ENGINEERS, LLC	3573	2/28/2014	#3573 Task 1.2- Regulatory Support	329.75
94548	5/20/2014	WAXIE SANITARY SUPPLY	74553666	4/22/2014	Soap dispensers for new station	15.04
94549	5/22/2014	AAA Transmission Specialists	7102	5/6/2014	Repair to manual transmission on WW-005	735.61
94550	5/22/2014	Acess Arizona	3605	4/23/2014	ICSC Participation Fee	3,300.00
94551	5/22/2014	Az Department of Public Safety	JW PKS/REC	5/20/2014	Background Fingerprint Clearance Reports	22.00
94552	5/22/2014	BC GRAPHICS	95085	5/15/2014	Appreciation Items for Training & Development Luncheon	184.68
94553	5/22/2014	Benefit Intelligence, Inc. (ConsultADoc)	11	5/14/2014	Monthly Consult A Doc Services	573.75
94554	5/22/2014	CASA GRANDE NEWSPAPERS	PN ALT/EXPENLIMIT	5/1/2014	Home rule legal ad	29.38
94555	5/22/2014	Central Az Solid Waste Inc	TOF1404	4/30/2014	Landfill Disposal Fees TOF 14. 04	3,960.92
94556	5/22/2014	VOID				
94556	5/28/2014	VOID				
94557	5/22/2014	CREATIVE COMMUNICATIONS SALES	341504	4/9/2014	Modem installation in apparatus	1,125.31
94557	5/22/2014	CREATIVE COMMUNICATIONS SALES	341504	4/9/2014	Modem installation in apparatus	800.00
94558	5/22/2014	Day Auto Supply, Inc	616463	5/6/2014	Fuel line for WW-11	1.62
94558	5/22/2014	Day Auto Supply, Inc	616463	5/6/2014	Fuel line for WW-11	1.62
94558	5/22/2014	Day Auto Supply, Inc	616609	5/7/2014	Motor oil for G828FJ Fire Dept.	26.77
94558	5/22/2014	Day Auto Supply, Inc	616609	5/7/2014	Air and oil filter, PL32WASH for G828FJ Fire Dept.	28.73
94558	5/22/2014	Day Auto Supply, Inc	616846	5/9/2014	Motor oil for ST-5	78.18
94558	5/22/2014	Day Auto Supply, Inc	616846	5/9/2014	Air and oil filter for ST-5	30.65
94558	5/22/2014	Day Auto Supply, Inc	616899	5/9/2014	Motor oil for G561DS PD Volunteer	39.03
94558	5/22/2014	Day Auto Supply, Inc	616899	5/9/2014	Air and oil filter ,PL32WASH for G561DS PD Volunteer	24.09
94558	5/22/2014	Day Auto Supply, Inc	616979	5/12/2014	Motor oil for WW-4	4.88
94558	5/22/2014	Day Auto Supply, Inc	616979	5/12/2014	Motor oil for WW-4	4.87
94558	5/22/2014	Day Auto Supply, Inc	616979	5/12/2014	Air and oil filter, Automatic Trans filter kit and fluid for WW-4	18.77

94558	5/22/2014	Day Auto Supply, Inc	616979	5/12/2014	Air and oil filter, Automatic Trans filter kit and fluid for WW-4	18.76
94558	5/22/2014	Day Auto Supply, Inc	616979	5/12/2014	Motor oil for WW-4	9.76
94558	5/22/2014	Day Auto Supply, Inc	616979	5/12/2014	Air and oil filter, Automatic Trans filter kit and fluid for WW-4	37.53
94558	5/22/2014	Day Auto Supply, Inc	616980	5/12/2014	BRAKLEEN & CLEAN-R-CARB for Shop	29.07
94558	5/22/2014	Day Auto Supply, Inc	616980	5/12/2014	BRAKLEEN & CLEAN-R-CARB for Shop	29.04
94558	5/22/2014	Day Auto Supply, Inc	616980	5/12/2014	BRAKLEEN & CLEAN-R-CARB for Shop	29.04
94558	5/22/2014	Day Auto Supply, Inc	616980	5/12/2014	BRAKLEEN & CLEAN-R-CARB for Shop	29.04
94558	5/22/2014	Day Auto Supply, Inc	616980	5/12/2014	BRAKLEEN & CLEAN-R-CARB for Shop	29.04
94558	5/22/2014	Day Auto Supply, Inc	616980	5/12/2014	BRAKLEEN & CLEAN-R-CARB for Shop	29.04
94558	5/22/2014	Day Auto Supply, Inc	617019	5/12/2014	Wiper blade for G414FF PD Patrol	23.89
94558	5/22/2014	Day Auto Supply, Inc	617229	5/14/2014	Motor oil for G965GH FD Admin	35.81
94558	5/22/2014	Day Auto Supply, Inc	617229	5/14/2014	Air & oil filter for G965GH FD Admin	21.95
94559	5/22/2014	DICKINSON WRIGHT PLLC	924557	5/9/2014	Curis April 2014	17,648.56
94560	5/22/2014	Economists.com, LLC	050714W2200	5/7/2014	Johnson Utilities impact Analysis	4,290.00
94561	5/22/2014	TEMPROARY VENDOR	710481	5/19/2014	Refund garbage deposit	75.00
94562	5/22/2014	FELIX, RICARDO	REF 51314	5/13/2014	Reimbursement for Uniform jeans	118.22
94562	5/22/2014	FELIX, RICARDO	REIMCAL 51314	5/19/2014	Reimbursement for work boots	141.30
94563	5/22/2014	TEMPROARY VENDOR	416502	5/19/2014	Water deposit refund	133.18
94564	5/22/2014	JONES AUTO CENTER	74995	4/30/2014	Tow charge and replace fuel injector pump in ST-008 Brush truck NTE \$2300.00	2,188.45
94565	5/22/2014	TEMPROARY VENDOR	402611	5/19/2014	Water deposit refund	150.00
94566	5/22/2014	MICHAEL BACA	339857	5/2/2014	Car Wash- Admin Scion, G300FD & G332FD	60.00
94566	5/22/2014	MICHAEL BACA	339859	5/6/2014	Car Wash- Admin-7	20.00
94566	5/22/2014	MICHAEL BACA	339863	5/8/2014	Vehicle Washing for ST-37	20.00
94566	5/22/2014	MICHAEL BACA	339863	5/8/2014	Vehicle washing for ST-5	20.00
94567	5/22/2014	TEMPROARY VENDOR	708931	5/19/2014	Refund garbage deposit	75.00
94568	5/22/2014	NATIONAL SEMINARS	401344825 52914	5/20/2014	Training Course How to Supervise People	149.00
94568	5/22/2014	NATIONAL SEMINARS	401344825 6514	5/20/2014	Training How to handle difficult conversation w/employee's	199.00
94569	5/22/2014	PINAL CO SHERIFF'S OFFICE	14-Apr	5/15/2014	April jail fees	4,182.69
94570	5/22/2014	Pinal County Uniforms	253	5/14/2014	PD Polo Uniform Shirts	890.88



94571	5/22/2014	POSITIVE PROMOTIONS	5004078	5/9/2014	Various Promotional Items for Crime Prevention	351.73
94571	5/22/2014	POSITIVE PROMOTIONS	5004078	5/9/2014	Volunteer Training Materials	200.00
94571	5/22/2014	POSITIVE PROMOTIONS	507815	5/14/2014	Law Enforcement Appreciation Items	448.91
94572	5/22/2014	RIGHT AWAY DISPOSAL	740175	5/1/2014	RAD BILLING CREDIT FOR INDUSTRIAL	(40.00)
94572	5/22/2014	RIGHT AWAY DISPOSAL	743162	5/1/2014	RAD SANIATION CONTRACT Residential	32,842.85
94572	5/22/2014	RIGHT AWAY DISPOSAL	743320	5/1/2014	RAD BILLING CREDIT FOR INDUSTRIAL	(270.00)
94572	5/22/2014	RIGHT AWAY DISPOSAL	747473	5/1/2014	RAD SANIATION CONTRACT COMMERCIAL	6,352.29
94572	5/22/2014	RIGHT AWAY DISPOSAL	748092	5/1/2014	RAD SANIATION CONTRACT COMMERCIAL	112.81
94573	5/22/2014	RSC Equipment Rental/	119651549-001	5/15/2014	Water truck rental NTE \$4000.00	544.72
94574	5/22/2014	Spartan Promotional Group, LLC	468824	4/28/2014	Promotional items for RECON	230.63
94575	5/22/2014	SPILLMAN TECHNOLOGIES,INC	27717	5/6/2014	PassKey Devices for tablets (7)	288.00
94576	5/22/2014	SPRINT	5.05314E+12	5/8/2014	Monthly Phone Bill	880.00
94577	5/22/2014	SPRINT DATA SVCS	5.05314E+12	5/8/2014	Data services recurring charges	82.02
94578	5/22/2014	TEMPROARY VENDOR	707721	5/19/2014	Refund garbage deposit	75.00
94579	5/22/2014	TATLOCK, WILLIAM	REIM KEY REEL	5/5/2014	Key reel, mount for cell	14.65
94580	5/22/2014	TEMPROARY VENDOR	708591	5/19/2014	Refund garbage deposit	75.00
94581	5/22/2014	THE ESPLENDOR RESORT	CONF#6583660	4/18/2014	2014 AZ HISTORIC PRESERVATION CONFERENCE	139.88
94581	5/22/2014	THE ESPLENDOR RESORT	CONF#6940410	4/18/2014	2014 AZ HISTORIC PRESERVATION CONFERENCE	139.88
94581	5/22/2014	THE ESPLENDOR RESORT	CONF#6941159	4/18/2014	2014 AZ HISTORIC PRESERVATION CONFERENCE	139.88
94581	5/22/2014	THE ESPLENDOR RESORT	CONF#6950159	4/18/2014	2014 AZ HISTORIC PRESERVATION CONFERENCE	139.88
94581	5/22/2014	THE ESPLENDOR RESORT	CONF#6954909	4/18/2014	2014 AZ HISTORIC PRESERVATION CONFERENCE	139.88
94581	5/22/2014	THE ESPLENDOR RESORT	CONF#6971909	4/18/2014	2014 AZ HISTORIC PRESERVATION CONFERENCE	139.88
94581	5/22/2014	THE ESPLENDOR RESORT	CONF#6976411	4/18/2014	2014 AZ HISTORIC PRESERVATION CONFERENCE	139.88
94582	5/22/2014	THE WATER SHED	4403	5/12/2014	Water and Ice for PD	29.07
94582	5/22/2014	THE WATER SHED	4454	5/19/2014	Water and Ice for PD	29.41
94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510612-deposit refund	225.00

94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510622-deposit refund	225.00
94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510632-deposit refund	225.00
94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510642-deposit refund	225.00
94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510652-deposit refund	225.00
94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510662-deposit refund	225.00
94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510672-deposit refund	225.00
94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510682-deposit refund	225.00
94583	5/22/2014	TEMPROARY VENDOR	NINE ACCTS-510	5/13/2014	510693-deposit refund	225.00
94584	5/22/2014	UNITED EXTERMINATING	176455	5/1/2014	Pest Control Station #1	25.00
94585	5/22/2014	West Coast Arborists, Inc.	96539	5/17/2014	Tree Pruning /Butte Avenue West of Centennial Park	3,000.00
94586	5/22/2014	WEST COAST EQUIPMENT,INC	37194	5/16/2014	Four boxes of gutter brooms and one rear main broom for ST-026 Python street sweeper	1,020.42
94587	5/22/2014	WHITE CAP CONST. SUPPLY	10001700536	5/6/2014	Four squeegees for road repair	166.30
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	246.97
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	85.28
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	1,318.13
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	85.28
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	3,082.41
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	1,085.56
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	1,641.21
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	1,121.62
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	641.22
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	2,983.17
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	212.84
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	640.25
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	2,647.97
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	4,229.40
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	5,645.66
94588	5/23/2014	ARIZONA PUBLIC SERVICE	14-May	5/8/2014	ELECTRIC	30,542.61
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	382.20
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	170.35
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	17.93
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	53.45

94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	63.45
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	20.94
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	60.19
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	340.72
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	574.49
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	374.55
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	143.97
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	91.31
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	17.93
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	151.51
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	53.45
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	54.14
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	585.99
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	35.86
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	191.68
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	191.86
94589	5/23/2014	Verizon Wireless	9723915908	4/21/2014	Cell phones	87.50
94590	5/29/2014	AZ DEPT OF REVENUE COLL SVC	PPE 0516/14	5/27/2014	LEVY	200.00
94591	5/29/2014	AZ PUBLIC SAFETY RETIREMENT	PPE 0516/14FIRE	5/27/2014	RETIREMENT CONTRIBUTIONS FIRE	15,917.66
94591	5/29/2014	AZ PUBLIC SAFETY RETIREMENT	PPE 0516/14FIRE	5/27/2014	Fire INSURANCE PREMIUM TAX	(898.76)
94591	5/29/2014	AZ PUBLIC SAFETY RETIREMENT	PPE 516/14PD	5/27/2014	RETIREMENT CONTRIBUTIONS POLICE	15,256.28
94592	5/29/2014	Lippman & Reed (fka)	PPE 0516/14	5/27/2014	Levy	12.04
94593	5/29/2014	Nationwide Retirement Solution	PPE 0516/14	5/27/2014	Nationwide - deferred comp	6,055.55
94594	5/29/2014	United States Treasury	PPE 0516/14	5/27/2014	Levy	75.00
94595	5/29/2014	UNITED WAY OF PINAL COUNTY	PPE 05/16/14	5/27/2014	EMPLOYEES CONTRIBUTIONS	7.00
94596	5/29/2014	USA Funds	PPE 0516/14	5/27/2014	Levy	303.90
94597	5/29/2014	TEMPROARY VENDOR	TR20030343 RG	5/27/2014	BOND	250.00
94598	5/29/2014	Arizona Public Service Company	454526287 5/14	5/6/2014	SLID #1	1,428.19
94598	5/29/2014	Arizona Public Service Company	521526288 5/14	5/5/2014	SLID #2	1,518.57
94598	5/29/2014	Arizona Public Service Company	AR0480003914	4/22/2014	SLID #1	189.76
94598	5/29/2014	Arizona Public Service Company	AR0480003914	4/22/2014	SLID #2	49.50
94598	5/29/2014	Arizona Public Service Company	AR0480003914	4/22/2014	SLID #3	258.51
94598	5/29/2014	Arizona Public Service Company	AR0480003959	5/21/2014	SLID #1	189.76
94598	5/29/2014	Arizona Public Service Company	AR0480003959	5/21/2014	SLID #2	49.50
94598	5/29/2014	Arizona Public Service Company	AR0480003959	5/21/2014	SLID #3	258.51
94599	5/29/2014	AZ PUBLIC SERVICE COMPANY	AR0480003912	4/22/2014	Streetlight Maintenance	2,224.84
94599	5/29/2014	AZ PUBLIC SERVICE COMPANY	AR0480003958	4/22/2014	Streetlight Maintenance	2,224.84

94600	5/29/2014	BAKER & TAYLOR BOOKS	4010871178	5/6/2014	Children's Books	14.72
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010871179	5/6/2014	Fiction	42.90
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010871180	5/6/2014	Children's Books	46.93
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010871181	5/6/2014	Non-Fiction	32.85
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010871182	5/12/2014	Fiction	70.64
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010872417	5/6/2014	CHILDREN'S BOOKS	633.56
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010872418	5/6/2014	Large Print	141.78
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010877236	5/12/2014	Fiction	15.29
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010877237	5/12/2014	CHILDREN'S BOOKS	78.47
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010877238	5/12/2014	Large Print	41.98
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010877239	5/12/2014	Fiction	255.92
94600	5/29/2014	BAKER & TAYLOR BOOKS	4010877240	5/12/2014	Audio Books	73.11
94600	5/29/2014	BAKER & TAYLOR BOOKS	T04721490	5/6/2014	DVDS"	576.42
94600	5/29/2014	BAKER & TAYLOR BOOKS	T04844100	5/12/2014	CD'S	398.30
94601	5/29/2014	TEMPROARY VENDOR	10107308	5/27/2014	Water deposit refund	125.39
94602	5/29/2014	TEMPROARY VENDOR	11206705	5/20/2014	Water deposit refund	90.64
94603	5/29/2014	Core Construction	013-02-001-7	2/28/2014	CONSTRUCTION COSTS FOR NEW FIRE STATION #2	13,700.47
94603	5/29/2014	Core Construction	13-02-001-7	2/28/2014	Retainage	280,893.42
94604	5/29/2014	DICKINSON WRIGHT PLLC	923938	5/7/2014	Johnson Utilities	5,427.08
94605	5/29/2014	TEMPROARY VENDOR	202962	5/22/2014	Water deposit refund	101.27
94606	5/29/2014	inContact, Inc.	124595462	5/10/2014	Telephone	435.65
94607	5/29/2014	INTELLIPAY	939	3/31/2014	Monthly Gateway Fees	196.24
94608	5/29/2014	Ironwood Animal Hospital	4/22 507/14	5/7/2014	Examinations: Shots, Emergency Room Visit for (2) K9's	307.19
94609	5/29/2014	KeyPhones Direct	225241	2/10/2014	Phones for PW Office Staff (L.G. & P.M.)	171.60
94609	5/29/2014	KeyPhones Direct	225241	2/10/2014	Phones for PW Office Staff (L.G. & P.M.)	92.40
94610	5/29/2014	LAKESHORE LEARNING MATERIALS	2842070514	5/14/2014	Summer Reading	324.71
94611	5/29/2014	TEMPROARY VENDOR	706191	5/26/2014	Garbage deposit refund	58.00
94612	5/29/2014	OFFICE DEPOT INC	710531629-001	4/24/2014	Finance Office Supplies	452.76
94612	5/29/2014	OFFICE DEPOT INC	710633484-001	5/2/2014	Credit	(339.74)
94612	5/29/2014	OFFICE DEPOT INC	711226850-002	5/7/2014	Office supplies	34.84
94613	5/29/2014	RAY ALLEN MFG. CO	304783-2	5/15/2014	Quick release collar	21.99
94614	5/29/2014	RECORDED BOOKS, LLC	74937422	5/12/2014	Audio Book	120.90

94614	5/29/2014	RECORDED BOOKS, LLC	74938220	5/13/2014	Audio Book	55.65
94614	5/29/2014	RECORDED BOOKS, LLC	74938802	5/14/2014	Audio Book	102.30
94615	5/29/2014	SOUTHWESTERN BUSINESS FORMS	19516	4/21/2014	A/P Checks	315.15
94615	5/29/2014	SOUTHWESTERN BUSINESS FORMS	19545	5/2/2014	BUSINESS CARDS - JASON PENROD	49.82
94616	5/29/2014	TATLOCK, WILLIAM	16876361001- 10382	5/13/2014	Reimbursement for operating supplies	32.09
94616	5/29/2014	TATLOCK, WILLIAM	D06278	5/14/2014	Reimbursement for operating supplies	5.85
94616	5/29/2014	TATLOCK, WILLIAM	REIM 0212504-IN	5/12/2014	Reimbursement for operating supplies	25.00
94617	5/29/2014	Valley Collection Service	322109OP	5/20/2014	Overpayment 322109	188.05
94618	5/29/2014	TEMPROARY VENDOR	11107712	5/27/2014	Water deposit refund	106.48
94619	5/29/2014	WATER WORKS ENGINEERS, LLC	3695	4/1/2014	Johnson Utilities Evaluation	945.00
94620	5/29/2014	WILLDAN	214387	5/8/2014	PLAN REVIEW	320.00
94621	5/29/2014	VOID				
94622	5/29/2014	Wood, Patel & Associates, Inc.	78004	5/8/2014	TERRITORY SQUARE PHASE 2 - CLOMR/LOMR	117.15
94622	5/29/2014	Wood, Patel & Associates, Inc.	78005	5/8/2014	TERRITORY SQUARE PHASE 2 - CLOMR/LOMR	154.99
<b>Total Warrants</b>						<b>1,433,937.30</b>

**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, MAY 5, 2014, AT 5:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.**

**CALL TO ORDER**

Mayor Rankin called the meeting to order at 5:04 pm.

**ROLL CALL:**

Present: Rankin, Smith, Celaya, Hawkins, Walter, Woolridge  
Absent: Montañó

**ADJOURN TO EXECUTIVE SESSION**

**For the purpose of discussion and consultation of the public body in accordance with A.R.S. § 38-431.03(A)(3) and A.R.S. § 38-431.03(A)(4) to obtain legal advice from the Town Attorney and to discuss and consider the settlement of pending litigation. For the purpose of discussion and consultation of the public body in accordance with A.R.S. § 38-431.03(A)(4) and A.R.S. § 38-431.03(A)(7) to consider the purchase of water and wastewater infrastructure and discuss negotiations related thereto.**

On motion of Councilmember Hawkins, seconded by Vice-Mayor Smith, and carried to adjourn to Executive Session.

**ADJOURN FROM EXECUTIVE SESSION**

On motion of Councilmember Walter, seconded by Vice-Mayor Smith, and carried to adjourn from Executive Session.

**INVOCATION**

Councilmember Walter performed the invocation.

**PLEDGE OF ALLEGIANCE**

Mayor Rankin led the Pledge of Allegiance.

**CALL TO THE PUBLIC**

**Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.**

Ms. Samantha Shultz, Florence Resident, stated if flags are torn, ripped, or set on the ground, they need to be burned. The flags that are flying outside of the Town Hall building are ripped and torn.

Ms. Denise Kollert, Florence Resident, responded to a letter that was in the Florence Reminder which attacked the Mayor, Council, and staff by saying the Town is not ran well. She said there have been times that she has not agreed with the Council's decisions; however, she has never felt that way. The person also made comments about the Johnson Utilities purchase, the annexation, and how things are ran. She said this person is not a voting member of this community. He has a right to voice his opinion but does not have to attack everyone. She wants the public to understand that his opinions should not sway them and each person has to do their own research when casting their vote.

### **PUBLIC HEARINGS AND PRESENTATION**

**Public hearing on a zone change request by the Town of Florence to change existing zoning on multiple properties from Neighborhood Office to Downtown Commercial and first reading of ORDINANCE NO. 610-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Ordinance No. 610-14 by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE DOWNTOWN COMMERCIAL (DC) ZONE CHANGE LOCATED IN AN AREA GENERALLY BOUND BY RUGGLES STREET TO THE NORTH, BUTTE AVENUE TO THE SOUTH, BAILEY STREET TO THE WEST AND PINAL STREET TO THE EAST AND INCLUDING PROPERTY LOCATED AT THE SOUTHEAST CORNER OF PINAL STREET AND 8TH STREET (PZC-11-14-ZC).**

Mr. Mark Eckhoff, Community Development Director, stated when the changes to the DC zoning were adopted, discussions occurred on wanting to expand the utilization of the District. He said the zoning was initially applied to all of the streets on Main Street from Butte to Ruggles. The intent was to continue with blocks to the east and west because the DC Zoning District allows for the type of development patterns that were established in the downtown core area in the past. He said the reasons for the expansion are to allow and to continue to adapt the uses to be able to reuse the buildings and to allow for infill development on the properties in that area. He said some of the lots could never be developed if other zoning were applied to them.

Mr. Eckhoff stated that this is the third phase of implementing the zoning district downtown. He explained that staff has sent letters, as well as going door to door, to discuss the opportunity to change their zoning to DC zoning along with the benefits that the zoning will provide to the property owners. He explained the process that staff did to combine the applications and which properties are included. He said the Planning and Zoning Commission has forwarded a unanimous favorable recommendation.

Mayor Rankin inquired why some properties are excluded on Pinal Street.

Mr. Eckhoff stated that staff tried to obtain all the properties between Bailey and Pinal, and Ruggles and Butte. There were a few properties which were not ready to be included. He said recently, a few property owners approached staff. He said they would like to continue to expand the area.

Mayor Rankin opened the public hearing. There being no public comments, Mayor Rankin closed the public hearing.

**Public hearing on Ordinance No. 606-13:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Ordinance No. 606-13 by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA AMENDING THE TOWN OF FLORENCE CODE OF ORDINANCES, TITLE XV LAND USAGE, CHAPTER 150 DEVELOPMENT CODE, SECTION 150.047 DISTRICT USE REGULATIONS TABLES (A) AND ESTABLISHING A NEW RURAL RESIDENTIAL EQUESTRIAN SUBDIVISION (RRES) ZONING DISTRICT SECTION (PZC-34-13-ORD).**

Mr. Mark Eckhoff, Community Development Director, stated that staff was directed to return the ordinance to the Planning and Zoning Commission for reconsideration. The Commission was provided the comments that were given to the Council at the Council meeting along with the additional comments that were received after the Council meeting. The Commission has made some minor modifications to the ordinance that was returned to them, and contains the following:

- Allows two horses per lot, which is consistent with current Pinal County zoning
- Allows site built homes and manufactured homes, reflecting current zoning and existing conditions
- The proposed ordinance has a provision for FFA, 4-H or similar, which is consistent with the subdivision's CC&Rs
- The proposed zoning is no more intense than the current County Zoning

Mr. Eckhoff stated that the Planning and Zoning Commission has forwarded a unanimous favorable recommendation.

Mr. Eckhoff said the highlights include:

- It is a zoning district
- One dwelling unit per lot
- Lot size is a minimum of 42,000 square feet
- Conditional provisions are included in the ordinance regarding standards for maintaining agricultural animals that may be on the property.

Councilmember Walter inquired if the ordinance addresses burros.



Mr. Eckhoff stated discussions have been held with Pinal County regarding the definition of a horse, burro, and other animals similar in nature. Pinal County defined a horse being a horse, and the other animals being separate. The Town has followed Pinal County's definition. He said the proposed zoning is consistent with what Pinal County and the Conditions, Covenants, and Restrictions (CC&Rs) allows. He said the Town has knowledge that there are two properties that may have burros, and they would be non-conforming to Pinal County's zoning. If the property were to be incorporated, it would also be non-conforming with the Town.

Vice-Mayor Smith inquired if the Homeowners' Association still stands.

Mr. Eckhoff said the HOA is recorded, as well as having valid CC&Rs for the properties. The Town Attorney has interpreted both for the Council. He said to the Town's knowledge, the HOA was disbanded and there is no external body or HOA to maintain them. The CC&Rs can always be enforced on a private or civil basis. The CC&Rs still apply and the HOA could be re-established and follow the CC&Rs.

Mr. James E. Mannato, Town Attorney, stated that he does not believe the HOA was officially dissolved. He said the HOA ceased to function for reasons unknown. He said that having an HOA in existence and CC&Rs recorded are legal obligations that are binding on the property regardless of whether or not you have an enforcement entity at the moment. The CC&Rs are bound to the land for the duration of the CC&Rs and not to the owner. He said the enforcement situation may need to be improved within the HOA.

Mr. Mannato stated that he has read the declaration of the HOA that was filed by the person who subdivided the property and it is enforceable by any individual owner, a Board of Directors or a HOA is not required.

Mr. Mannato explained what a CC&R is and the difference between a CC&R and zoning. He said a CC&R can be more restrictive than the zoning. The Town only has a legal responsibility to enforce the Town's zoning requirements.

Mayor Rankin inquired if the CC&Rs can be changed.

Mr. Mannato explained the property owners' could change the CC&Rs.

Mayor Rankin inquired if the Town is required to apply comparable zoning on the property if it were to be annexed into the Town.

Mr. Eckhoff explained the Town's requirement regarding comparable zoning. He said the Planning and Zoning Commission feels that the ordinance before the Council is the best approach.

Mayor Rankin inquired how many properties are out of the County's compliance as of today.

Mr. Eckhoff stated that there are approximately 12 properties out of compliance. Pinal County is working to remedy all of the situations by citing the property owners that are in violation of the County ordinance.

Mayor Rankin opened the public hearing.

Ms. Kelly Nevis, Wild Horse Estates Resident, stated that she thought that she was going to be in favor of annexation when the Town Manager recommended sending the previous zoning proposal back to the Planning and Zoning Commission, based on the majority signature that they had collected. She said that they attended one of the first annexation meetings and has continually asked what will happen to their animals. She said she now knows the answer to that question and it is unacceptable. She said she has heard so many misstatements, incorrect information, and conflicting pieces of law and truth. Ms. Nevis said there is a section in the CC&Rs that does not allow block fencing. There is also a section on animals and pets.

Ms. Nevis said the Town of Florence was given a great opportunity to make some forward thinking changes for the good of the Town and future rural developments. She said Wild Horse Estates was built in 2001, and was previously zoned for animals. It was then zoned MH when 15 manufactured homes were installed. It was then sold to a developer who obtained 69 site build building permits by mistake, per the County. She said this became the residents' problem. There are currently 84 homes on minimum one acre parcels and they can only have two horses.

Ms. Nevis said the Town of Gilbert recently voted to allow for chickens on parcels that are 6,000 square feet. The majority of residents in Wild Horse Estates voted, via signature petition, for four animal units and still no one has told her how they want the signatures verified. She was told that the signatures are unverifiable, which is not true.

Ms. Nevis said that at the Planning and Zoning Commission meeting, a majority of residents attended via in person and in print, and they all expressed their preference for four animal units, Option C. Councilmember Hawkins was present at the meeting and heard what the majority wanted. She said that Councilmember Hawkins stated at that meeting that the law is the determining factor and not the majority. She said the Town attorneys could not agree on what the law states.

Ms. Nevis stated that the law is interpreted differently, depending on who you speak with. Mr. Mark Eckhoff, Community Development Director, and Mr. James E. Mannato, Town Attorney, stated that per the annexation rules and statutes, the new zoning for Wild Horse Estates cannot be more restrictive or intense than what they currently have. The Assistant Town Attorney and others have stated that it cannot be more generous than what they currently have. She said it would appear that the Town's attorneys cannot agree on the law and statute and inquired what should they rely on. She said if the Council decides that it cannot be more restrictive than the current zoning, then staff will need to rewrite the proposal again because there is nothing in the current MH zoning that states that they cannot graze their horses in their front yards. The CC&Rs do not require them to be members of 4H to keep 4H animals on their property.

Ms. Nevis said Florence has tossed this great opportunity away. The Council has the opportunity to override the recommendation and elect Option C, or 4 animal units.

Ms. Lori Beck, Wild Horse Estates Resident, read the statement provided to her by Ms. Nevis, which stated the following: "People with animals spend money and will go without food for themselves in order to provide for their animals. The feed store in Florence has closed down and another one may come to Florence; however, if Florence is anti-pets, it is unlikely that another pet store will open in Florence. I have been your biggest advocate for annexation; I will definitely be your opposition instead unless the current option is overturned for what the majority of homeowners and Wild Horse Estates requests."

Speaker did not identify himself, Wild Horse Estates Resident, stated that he is supposedly in violation of the County, as he has four horses. He has had four horses since he moved to Wild Horse Estates. There are other individuals who had four horses when he moved in and they still have four horses to date. He spoke with animal control. He said there are no limits on pets, which is defined as any domestic animal kept for pleasure and not for utility. He has spoken with his attorneys and the Town cannot modify the definition. He has four horses that he keeps for his pleasure; therefore, by law, by definition, he is allowed to have four horses. He said per his attorneys, the Town is in violation of the law by saying only two horses are allowed.

Mayor Rankin inquired if he has been cited by Pinal County.

The speaker stated that he has been cited. He presented the same argument to Pinal County and they have not responded.

Speaker did not identify herself, said she was reading a letter from Laura Roulette, Wild Horse Estates Resident, who was unable to attend the Council meeting due to her work schedule. She has lived in Wild Horse Estates for over one year and has enjoyed the rural lifestyle. She said the atmosphere is what enticed them to move to that location. She said that she didn't know the many animals, including horses, chickens, turkeys, goats, etc., were in violation of the County ordinance. She purchased animals in 2013 and received a letter from Pinal County in March 2014, notifying her that Terry Makdad filed a complaint on her chickens. This is when she first learned that Pinal County had given them the wrong zoning. She found it odd that for months this was not an issue. She said her neighbors do not have any issues with her animals, but someone who lives on the complete opposite of the area does. She inquired how can it be acceptable to have two 1800 lb. animals on your property but not acceptable for fourteen 5 lb. chickens, or two (inaudible), or three Shetlands, or five turkeys. She said the rural atmosphere, plus the size of their properties is perfect for animals. She said she could have put up a block wall like the person did so that the neighbor couldn't see, but that distracts from the atmosphere of interfacing with neighbors and it looks ugly.

The speaker said that Mr. Makdad referenced Arizona State Statute § 9-471 at the hearing and the Zoning Committee immediately disregarded what the majority wanted.

She said no one looked into the statute that was referred to. There has been case precedence to change the zoning prior to annexation. Blanchard vs. Show Low Zoning and Planning, which was upheld as legal by the Appellate Court stated that the zoning can be changed prior to annexation. The zoning needs to be changed first because they are zoned wrong and it is what the majority wants. She said they are surrounded by cracker jack homes that are crammed together on tiny lots. She said the children and grandchildren are losing out on what it means to take care of animals, gardens that grow your food, and property that has multiple daily chores. She said that are inundated with technology and people wonder why the kids nowadays are obese. Teenagers have no work ethic and cannot fathom what hard work is. She said her grandchildren love to visit and play and feed the animals and to gather eggs. To take this away would be heartbreaking to her and another blow to teaching the younger generation (inaudible). She said if they plan on keeping the zoning the same, she votes no for annexation.

The speaker stated that she found Councilmember Hawkins to be disrespectful, rude, and offensive at the zoning hearing. (Inaudible)

Ms. Sue Ann Gutchenola, Crestfield Manor Resident, stated that she feels annexation would be a positive move. She said a couple from Wild Horse Estates went to Crestfield Manor and was misinforming her neighbors and were trying to sway them from annexation. The couple was saying that they would have higher taxes and that Florence was going to move mobile homes into their subdivision. She said it would be a shame to let a few misguided people ruin their neighborhoods by trashing up their properties by having too many animals, the smells, the flies, etc. She said it is her understanding that Wild Horse Estates has CC&R guidelines when the buyers purchased their property, just as Crestfield Manor has HOA guidelines. She has lived in Crestfield Manor since 2011. She said her neighbors take pride in their home ownership. The number and types of livestock and fowl that live in Wild Horse Estates has a direct impact on the values of the Crestfield Manor homes and quality of life. She said that she is aware that Florence, as part of the proposed annexation, is developing a new zoning ordinance to be applied to Wild Horse Estates upon successful annexation. If the annexation is approved, the Town's zoning should conform to the requirement of the present Pinal County Codes. Upon successful annexation, Florence should strictly enforce all ordinances and bring any non-compliant parcels in Wild Horse Estates into compliance. The Town must do everything in its power to eliminate the adverse impact on the Crestfield Manor residents by bring those out of control property owners into compliance.

Ms. Gutchenola said that although she is in favor of annexation, she is watching and waiting to see how the Town of Florence resolves the Wild Horse Estates ordinance before submitting the annexation petition.

Mayor Rankin inquired if there were people speaking incorrectly about the annexation.

Ms. Gutchenola said last fall several neighbors came to her asking about the annexation.

They were told different information. They were told that they would have higher property taxes; mobile homes would be moved into the area; and general bullying by trying to influence a vote. She said she understands what impact the annexation will have, if approved.

Mayor Rankin stated that Florence will not be moving mobile homes into the area.

Ms. Karen Sebastiani, Crestfield Manor Resident, stated that she sent a letter to the Council. She said the zoning is very simple. There are CC&Rs in place and Pinal County has zoning in place. She said if someone doesn't know their current zoning it is because they did not do their due diligence, and it is their own fault. She said they cannot force a bunch of animals within the zoning. She said it is insane to want more than what the zoning allows for. She has no issue with the two horses per property; however, she does have an issue with hearing a (inaudible) donkey, a rooster crowing, or any other animal that is not allowed. She said any person that has any animal not allowed in the CC&Rs is breaking the law. She said the laws need to be enforced and she doesn't have a problem with adding 4H, providing the household has children.

Mr. Terry Makdad, Wild Horse Estates Resident, stated that he is glad that Ms. Nevis has heard all of the misinformation, since she is the one who has been providing the information. He said that the misinformation provided is the reason that the Town of Florence had to send out the five page notice of frequently asked questions. He said he is also the person who called in the complaint on the Kollet lot for having chickens. He said since he filed the complaint, the residents have added two goats. He said there was a person who had nine horses at one time. He said Ms. Nevis has also called him Hitler at the last Planning and Zoning Commission meeting. He said that everyone is quoting ARS § 9-741 L, which refers to comparable zoning. He said the current zoning only allows for two horses. He said he does have block walls and they are allowed by the CC&Rs. He said people need to read the CC&Rs. He said all that is required is that you must send a letter to the HOA and if they do not respond within 30 days, you are entitled to put up your block wall. He said there are 168 owners within Wild Horse Estates. He said there are 84 homes, but each home has an average of two owners; however, some have more than two owners per lot. He said he has not seen a majority of signatures being validated on any petition at this point in time. He is in favor of the annexation, if the zoning remains, allowing for two horses.

Mr. Jim Nevis, Wild Horse Estates Resident, stated that he has been attending the meetings since they have started discussing the zoning for Wild Horse Estates. He said he has heard that the Town is trying to match their MH zoning. He said at a recent meeting, Pinal County proposed correcting their zoning to rectify their mistake for giving out 69 illegal building permits for custom homes which were not allowed in manufactured home zoning. They proposed a change back to CR-1A or R43 zoning, both of which would allow a substantial amount of animals that the majority of Wild Horse Estates residents want. He said in January, Councilmember Hawkins stated that the 27 signatures that they had were not a majority, which meant to him that there were 57 that were against four horses; that is completely false. He said that Councilmember Hawkins stated that he would listen to the majority. Councilmember Hawkins was

present at the last Planning and Zoning Commission meeting and was asked if he considered the 50 signatures he had to be a majority or did not count. Councilmember Hawkins responded, yes, but the Council must follow the law. He said the Planning Department recommended Option A over Option B and Option C; however, Option C is what the majority of those who signed the petition wanted, which is four animal units. He inquired why the Council will not consider Option C. He said it is ridiculous that one person (inaudible). He said their subdivision currently is a disaster. He said 69 out of the 84 homes do not have rights. He said according to Pinal County, if one of the homes burnt to the ground they would not be able to rebuild the site built home. He said the Florence Town Council is trying to rezone by following the guidelines and not be more restrictive than the present zoning. Pinal County knows it made an error and is willing to rectify the zoning error. Their proposed zoning would allow goat, sheep, cattle, and horses. He said why would the Town Council try to change the zoning to try and get them close to manufacture home zoning as possible is beyond him. He said two wrongs do not make it right, and if the Council adopts Option A, it would be three wrongs and it still won't be right. He said to his knowledge, there are three couples in Wild Horse Estates that really do not like animals and drive around the subdivision to report people.

Councilmember Hawkins responded to the comments and stated that the signatures on the petitions were not legal and were not proper. They need to go through proper channels and have them certified. The owners, not the renters, must sign the petitions, which is why he made that statement. He will respect any lawful petition; and if the majority of the people want to go that direction, that is acceptable. He said the Council must follow the law.

Ms. Denise Kollert, Florence Resident, stated that she is speaking on behalf of Nancy and Logan (no last name provided), as they could not attend the Town Council meeting. She said they are residents of Wild Horse Estates. She said Nancy provided a letter for her to read, which stated that annexation is a very important matter, and from her perspective, will be a good thing. She said many people, like her, want the annexation because they will benefit from the Town's fire, police, water and sanitation services. She said they currently pay premium prices to private companies for those services. She appreciates the Town's government that allows its citizens to be heard. She said Wild Horse Estates is not zoned general rural and does not allow more than two horses per property, nor does it allow any other farm animals or fowl. She said if the approximate twelve non-compliant households (inaudible). Those in violation of the animal restrictions are the ones who want you to change the rules to suit them. There are seventy plus households that are adversely affected by their animals' odors, noise, and flies. She said they did not agree to live in a neighborhood that allowed all these animals and the problems that come with it. The zoning ordinance and the CC&Rs do not allow it, and they did not put down their hard earned money in an area that is noisy, smells, and is ridden with flies. She said many people have come to Wild Horse Estates to look at homes to purchase but were turned off by the animal smells and the trashiness of some of the properties.

Mayor Rankin said this will come before Council on May 19, 2014 for a vote.

Mayor Rankin closed the public hearing.

### **Presentation on Southeast Valley Transit System Study.**

Mr. Jorge Luna, Senior Service Planner, Valley Metro, and Ms. Sonia Pastor La Sota, Community and Outreach Coordinator, Valley Metro, provided a presentation on the Southeast Valley Transit System Study, which included the following:

- Study purpose: Identify efficiencies and service gaps for existing and future transit services; optimize existing services; identify current unmet needs; and address changing study area conditions, connectivity, travel demands,
- Identified study area
- Outlined proposed schedule
- Identified transit service characteristics
- Identified opportunities in the Southeast Valley
- Discussed key issues and concerns
- Performing community outreach: survey is on the website for the public to take to provide feedback
- Will continue ongoing coordination with the Project Advisory Committee

Mayor Rankin inquired if MAG is providing a portion of the funding for the study. He inquired how much input are they receiving from Arizona Department of Transportation regarding the Rapid Rail for the rural areas.

Mr. Luna stated that MAG is providing a portion of the funding. He stated that they are looking at all of the studies that have been done within the study area. Mark Pearsall, MAG, is the Co-Project Manager for this study and is very familiar with the commuter rail and the intercity rail component. He has great relations with ADOT staff and is in communication with them to keep them apprised of what is being proposed and how that best meshes into the analysis for the study area.

Mayor Rankin inquired if the study includes the North – South Corridor.

Mr. Luna stated that he will provide that information at a later time.

**CONSENT: All items indicated by an (\*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.**

**\*Approval of accepting the register of demands ending March 31, 2014, in the amount of \$1,616,075.05.**

**\*Authorization to enter into an intergovernmental agreement for provisions of services with the Pinal County Recorder for elections and voter registration services.**

**\*Resolution No. 1432-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1432-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR STATE HOUSING FUNDS (WHICH MAY INCLUDE FEDERAL FUNDING THROUGH THE HOME INVESTMENT PARTNERSHIP PROGRAM OR STATE HOUSING FUNDS), CERTIFYING THAT SAID APPLICATION MEETS THE COMMUNITY'S HOUSING AND COMMUNITY DEVELOPMENT NEEDS AND THE REQUIREMENTS OF THE STATE HOUSING PROGRAMS, AND AUTHORIZING ALL ACTIONS NECESSARY TO IMPLEMENT AND COMPLETE THE ACTIVITIES OUTLINED IN SAID APPLICATION.**

On motion of Councilmember Walter, seconded by Vice-Mayor Smith, and carried to approve the Consent Agenda, as written.

## **NEW BUSINESS**

### **Discussion on the development of a Town of Florence Art Program.**

Ms. Jennifer Evans, Management Analyst, provided a PowerPoint Presentation, in which she outlined the following for the Florence Arts Program:

- Program goals are to integrate art into public building
- Outlined the benefits
- Ways to encourage public involvement
- Possible creation of an Arts and Cultural Commission
- Funding for project through a Percent for Art Ordinance and how funding is derived
- Process to implement the Florence Public Art Program

Councilmember Celaya stated that he visited Oro Valley's art exhibit and the art adds a lot to the community. It will help diversify the Town and will enhance what Florence already has.

**Discussion/Approval/Disapproval of the FY 2014-2015 employee benefit program with Blue Cross/Blue Shield of Arizona for medical; Teladoc for 24/7 physician access benefits; Principal Financial Group for dental and life insurance; Vision Service Plan for vision insurance; EAP Preferred for Employee Assistance Program; AFLAC for supplemental insurance products; and Infinisource to administer our Section 125 flexible benefit account plan.**

Mr. Scott Barber, Human Resources Director, stated that the Town has insured its eligible employees since July 1, 2009 in a high deductible health savings account program and the Town contributed the plan as well. He said Garry L. Johnson & Associates; the Town's consultants for health related insurance, solicited bids, reviewed the bids and provided the Town with a comprehensive analysis of what was received.



Staff received several great plan alternatives with extremely competitive pricing for both Health Savings Account (HSA) and fully insured coverage.

Mr. Barber stated that staff is recommending leaving the HSA/High Deductible Plan for medical insurance coverage in favor of a fully-insured, PPO-type plan. The plan will offer co-pays for physician, urgent care and emergency room visits, and a standard 3-tier co-pay design for prescription benefits. He said there will be a savings to the Town and to the employees for coverage.

Councilmember Walter inquired what the Recommended Plan PPO S 500 90/50 ratio means.

Mr. Barber stated the 90/50 are percentages for co-payments and co-insurances. He provided an example of how the ratios are applied.

Councilmember Walter inquired how the employees who have met their deductible for the current calendar year be affected since the new insurance will start in July. She asked if they will have to meet another deductible.

Mr. Barber stated there are issues that overlay; however, employees will receive credit for the deductibles that they have paid for the in the first half of the year. He said there are differences between an HSA and PPO plan. He said there are issues that could pose additional out of pockets expenses for certain employees.

On motion of Councilmember Hawkins, seconded by Vice-Mayor Smith, and carried to approve the the FY 2014-2015 employee benefit program with Blue Cross/Blue Shield of Arizona for medical; Teladoc for 24/7 physician access benefits; Principal Financial Group for dental and life insurance; Vision Service Plan for vision insurance; EAP Preferred for Employee Assistance Program; AFLAC for supplemental insurance products; and Infinisource to administer our Section 125 flexible benefit account plan.

### **Discussion/Approval/Disapproval of setting a date to approve the Johnson Utility, LLC, Purchase Agreement and Management Agreement.**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that the staff has added the Purchase Agreement and Management Agreement to the agenda packet; it is available to the public.

Mayor Rankin stated that his preference is to accept what staff has submitted on the five year management agreement. He is aware that the majority of the Council is not in agreement with it; however, he feels it is something that needs to be done for the benefit of the Town. He said the issues brought up in executive session can be addressed by all parties concerned.

Vice-Mayor Smith stated that the motion is to set a date. He said the public will vote on this item and it is his belief if they vote prior to the public's vote, the Council is sending a

message to the public as to how the Council is voting. He said the public may choose not to vote. He is requesting that a date be set after the public vote.

Mayor Rankin said that he does not see that the public will perceive the Council's action as such. He said there is a time element concerning the Corporation Commission and it is imperative for the continuation of the program that it be set prior to the vote.

Daniel Hodges, Johnson Utilities, stated that they have been working with the Town since September 2013. They have conducted an engineering study, accounting study, and economic study. He said it was their understanding that they would enter into a purchase agreement with the Town, and the residents would know what the deal was and would know what they were voting on. They have been out in the community at numerous events, and have been asked what the purchase agreement entails. Their response is that the agreement is in the works and they are working out the legal issues. They also have a proceeding before the Arizona Corporation Commission on May 19, 2014. It has been requested by the judge at that proceeding that they have an executed purchasing agreement at that time.

Mr. James E. Mannato, Town Attorney, stated that the Evidentiary Hearing in front of the Administrative Law Judge is May 19, 2014. The open meeting before the Corporation Commission to render a final decision is on June 10, 2014.

Mr. Hodges stated with regards to the Corporation Commission, the judge and the parties involved need to see what the terms are, so they are asking to have the agreements executed as soon as possible. He said from Johnson Utilities standpoint, they have expended an extraordinary amount of money and knows there are things that the Town staff is looking at, subject to a deal this size. He said the agreements outline in the agreements themselves that it is subject to the vote of the public. He said it is important for the public to know what the terms of the agreements are. He said Johnson Utilities needs to know that there is a deal in place. He said several people have asked to purchase Johnson Utilities, but they have a first right of refusal with the Town, and in good faith, they came to work out a deal with Florence first. They feel that they have fulfilled their obligation. He asked Council to vote tonight on the agreements.

Mr. Drummond stated the agreement itself does not unconditionally commit the Town to purchase the assets any more than the agreement unconditionally requires Johnson Utilities to sell the assets. There are conditions in the contract that benefit both the seller and the buyer, which will need to be satisfied in order for the transaction to be consummated. The conditions include the positive results from the election, the approval of the Corporation Commission, and the agreement of the Phoenix Industrial Development Authority (IDA) to issue bonds. There is nothing that requires the Town to purchase the assets by executing the purchase agreement.

Vice-Mayor Smith stated that however the Council chooses to vote, it will sway the votes of the voters. He said some of the Council would prefer to wait until the voters decide before the Council votes.

Mr. Drummond said it is not their intent to persuade the voters to vote yes because they are asking the Council to adopt the agreement. There are some competing needs; they are having difficulty getting the Corporation Commission to approve the transaction without an executed agreement. They are unable to start the proceeding with the Phoenix IDA to issue bonds without having an executed agreement. They will not be able to satisfy everyone's concerns, but have spent a considerable amount of time negotiating the agreements. They weren't intending to negotiate the agreements, in earnest as they have, and then wait for the election or for the Town to review due diligence materials. They wanted to do things concurrently instead of sequentially to be more efficient and to save the Town and Johnson Utilities money. They are happy to educate the voters. He said the purchase agreement is available for review and they can see the conditions that have to be satisfied before either party is obligated to close.

Vice-Mayor Smith stated that Council received the agreements today and has not had time to review the documents.

Mr. Drummond stated that the Council is not being asked to approve the transaction. They are asking for the Council to set a date to approve of the transaction.

Discussion occurred on the possible execution of the agreement.

Councilmember Woolridge stated that their obligation is to the voters of Florence. She said a meeting should be scheduled after the vote to discuss this further.

Councilmember Celaya said he is optimistic about the transaction and there are a lot of great opportunities. There are things that need to be reviewed and possible changes that may need to be made. They received the agreements today and have not had a chance to review the documents or provide any input. He inquired if there is an opportunity to make changes once the agreements are executed.

Mr. Drummond stated that agreements are months of works by both parties and their consultants.

Councilmember Celaya stated that they have not received the input from the Council.

Mayor Rankin inquired if the Town is in receipt of all of the requested items.

Mr. Mannato responded no.

Mr. Drummond stated that Mr. Mannato may be referring to some of the due diligence materials, which they have been assembling and are available for review by the Town's consultants. In the purchase agreement, one of the conditions to closing is the review of the materials and a reasonable approval of the materials.

Mr. Mannato responded that that Mr. Drummond is referring to a provision in the agreement that came after the last meeting with them, to allow as a condition of the buyers obligation to close escrow, its review and satisfaction approval with the

requested material. He said that term is like any other term that can be put into a contract and is subject to interpretation and construction, depending on how you choose to utilize it, either to someone's advantage or disadvantage. It is incumbent to review the material prior to the Council's decision to execute the agreement or not.

Mayor Rankin asked Mr. Charles A. Montoya, Town Manager, for his recommendation.

Mr. Montoya stated that he believes it is a great deal; however, the attorneys have not received all of the documents that they need to validate some of the numbers. As Mr. Mannato stated that having some of the items not there that are listed in the appendices are causing some concern with the Town's counsel and the Town's outside counsel.

Mayor Rankin inquired if there is some reason as to why the documents have not been received.

Mr. Drummond said it has not been a refusal on behalf of Johnson Utilities. They have been working for months to develop the two agreements. It was their understanding that the agreements would be entered into and they would provide the Town with the due diligence materials. The Town would have an opportunity to review those materials prior to closing and prior to having any obligation to close.

Councilmember Woolridge stated that the scenario might work in the corporate world; however, when dealing with government entities and taxpayer dollars, they are held to a higher standard. She asked for him to consider the Council's responsibility to the tax payers.

Councilmember Celaya inquired what effects would the delay have.

Mr. Drummond stated that it puts Johnson Utilities in an awkward position because they have provided certain assurances to the Corporation Commission that the execution would occur. He said they will now have to go before them to explain that there will be a delay.

Mr. George Johnson, Johnson Utilities, explained that all of the studies that the Town has requested have been done. He asked the Council to vote one way or another.

Councilmember Walter said that a date needs to be set and the requested information needs to be provided so they can come to a mutual agreement.

Mayor Rankin inquired how long it would take to review the documents and provide a response back to Council if they were delivered tomorrow.

Mr. Mannato stated said he cannot speculate how much time it would take to review all of the documents; however, they would review the items in a reasonable amount of time. He said there are approximately 500 line extensions agreements, approximately 52 master utility agreements, and approximately 52 pieces of real property which belong to Johnson Utilities which are the subject of survey and title reports. He said it would be

incumbent on the Town to find out what is involved in getting policy of titles insurance after review of the documents. A golf course is included in the real property as well.

Mr. Drummond stated that they cannot get a time frame from the Town's consultants as to how long it will take to review the documents. He said they are not depriving the Town from the materials. They would like the Town to review the documents concurrently and not sequentially. Stipulations can be included regarding review of the documents. They have spent tens of thousands of dollars for the title reports which they are prepared to provide to the Town.

Mr. Mannato stated that they have requested the information for quite some time and the objective of their meeting on Friday, May 2, 2014, was to find out if they were going to be handed this information. They left the meeting without the requested information. He met with Mr. Johnson three weeks ago, and at that meeting he was given the impression that the information was nearly complete and would be forwarded to the Town.

Mr. Drummond stated that their understanding of the May 2, 2014 meeting was to see if the agreement was in a form to present to Council. It was not their understanding that they needed to provide the due diligence materials prior to the contract being executed. He said it takes time to pull the due diligence material together due to the size of the system.

Mr. Mannato stated that he has made no representation to Mr. Drummond or Mr. Johnson that the agreement would be executed by the Town Council. He said his point in going to their office on May 2, 2014, was to see if they had reached a state in the negotiations where each side has done all that they could do and the negotiations are over and this is what will be presented to Council.

Mr. Mannato stated that each side has done all they could do and it would be up to the Council to make a decision if they like it or not.

Councilmember Celaya asked about the possibility of having Council review the contracts and making changes.

Mr. Johnson stated since August 2013, they have worked with staff and have had issues with Mr. Mannato. Rather than looking at the global picture and putting it in context of a good and reasonable contract for the purchase of their assets, there have been last minute things thrown at them. They have tried to comply; however, there is nothing that states if they comply with each of the items and they are correct, that the Town will approve it. He said it is not fair to continue for months on end. He requested that the Council approve the contract subject to the conditions that are appropriate.

Councilmember Wooldridge stated that the Town has requested the information for quite some time. Johnson Utilities does not want to address this issue but are attempting to get the Town to fast track this item without Council having all of the information they need to do their due diligence.

Mr. Hodges stated that a meeting was held with all of the attorneys prior to the May 2, 2014 meeting to address the issue. The agreements were brought up at that time. He said they have scanned all of the line extension agreements for the Town. He said title work was also mentioned. He said there are numerous items and they have been starting the title work. He said normally title work is done after they have a purchase agreement. He said the discussion at that meeting was never an agreement, it was a subject to, and so they had no idea that the contracts would not be executed tonight because they need additional items.

Mr. Johnson stated they cannot be put in a position where Mr. Mannato does not like one thing and the entire negotiations get thrown out. He said action needs to be taken and make it subject to all conditions that are appropriate and reasonable to be complete.

Mr. Michael Cafiso, Bond Counsel, Greenburg Traurig, stated that he has worked with several municipalities when they have purchased utility systems. He said the Town is in the process of considering a \$121 million acquisition, which is approximately ten times larger than any acquisition done by any municipality. He said the larger the acquisition, the deeper the due diligence and the more time you take with up front diligence. He said when they worked with Queen Creek for their acquisition, they did all their due diligence before it went to an election. He said what Mr. Mannato is suggesting is not unreasonable. There are a lot of contingencies and several things can change the price, management, operation and how much money may need to be borrowed. He agrees with the Town Manager in that it is a fantastic deal for the Town. Mr. Mannato's responsibility is to the citizens of Florence and has been judicious on how he is approaching this. The diligence that he is requesting is not unusual. Dan Jackson, Utilities Consultant, Economists.com, has recommended the same diligence. Mr. Mannato does not deserve the criticism he has been getting for the work that he is doing.

Mr. Drummond stated that he is not at the meeting to criticize anyone, but simply at the meeting to express their views in connection with the transaction. He said the Town will have the opportunities to invoke the clauses and review the due diligence.

On motion of Vice-Mayor Smith, seconded by Councilmember Woolridge, to set a date of May 27, 2014, to approve or disapprove the Johnson Utilities, LLC, Purchase Agreement and Management Agreement.

Roll Call Vote:

Vice-Mayor Smith: Yes

Councilmember Woolridge: Yes

Councilmember Walter: Yes

Councilmember Hawkins: Yes

Councilmember Celaya: Yes

Mayor Rankin: Yes

Florence Town Council Meeting Minutes

May 5, 2014

Page **17** of **19**

Motion Carried: Yes: 6; No: 0

## **DEPARTMENT REPORT**

### **Manager's Report**

#### **Department Reports**

**Community Development**

**Courts**

**Finance**

**Fire**

**Library**

**Parks and Recreation**

**Police**

**Public Works**

**Utilities**

Mr. Montoya stated that the crosswalks on Main Street will be cleaned tomorrow evening.

Councilmember Hawkins inquired if the barricades in front of the elections building on Main Street can be moved back to the sidewalk.

Mr. Wayne Costa, Public Works Director, stated there is a structural modification that needs to take place on 6<sup>th</sup> Street, and has been approved by a Right-of-Way Permit. The permit was issued approximately four to six weeks ago. The Pinal County contractor has not started the work.

## **CALL TO THE PUBLIC**

## **CALL TO THE COUNCIL**

Councilmember Celaya stated that Pinnacle Restoration started remediation on the interior contents of the elections building today. They have added another dumpster and remediation needs to be done to the side and front of the building. They have been asked to remove the dumpster and move the fence in as close as possible, as soon as possible.

Councilmember Walter thanked Ms. Shultz for speaking to the Council and asked staff to address her concern within the week.

## **ADJOURNMENT**

On motion of Councilmember Walter, seconded by Councilmember Hawkins, and carried to adjourn the meeting at 9:21 p.m.

Tom J. Rankin, Mayor

**ATTEST:**

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Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on May 5, 2014, and that the meeting was duly called to order and that a quorum was present.

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Lisa Garcia, Town Clerk



**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON WEDNESDAY, MAY 14, 2014, AT 5:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.**

**CALL TO ORDER:**

Mayor Rankin called the meeting to order at 5:00 p.m.

**ROLL CALL:**

Present: Rankin, Smith, Celaya, Hawkins, Montaña, Walter, Woolridge

**ADJOURN TO EXECUTIVE SESSION**

**For the purpose of discussion and consultation of the public body in accordance with A.R.S. 38-431.03(A)(4) and (7) to consider the purchase of water and wastewater infrastructure and discuss negotiations related thereto.**

On motion of Vice-Mayor Smith, seconded by Councilmember Hawkins, and carried to adjourn to Executive Session.

**ADJOURN FROM EXECUTIVE SESSION**

On motion of Councilmember Hawkins, seconded by Councilmember Celaya, and carried to adjourn from Executive Session.

**WORK SESSION TO REVIEW THE 2014/2015 BUDGET**

**Roll Call:**

Present: Rankin, Smith, Celaya, Hawkins, Montaña,

Absent: Walter, Woolridge

Mr. Mike Farina, Finance Director, provided an overview on the Community Facilities Districts and grants, which have been added to the budget. He stated grants that the Town has applied for and/or that the Town will apply for in the 2014-2015 Fiscal Year have been included, which totals approximately \$2.5 million for potential grants.

Mr. Farina stated the the budgets for Merrill Ranch Community Facility District No. 1 (MRCFD No. 1) and Merrill Ranch Community Facility District No. 2 (MRCFD No. 2) are status quo. He discussed the GO Bonds for MRCFD No. 1 that will go before Council for issuance. He stated that it is projected that approximately \$1.5 million will be issued in GO Bonds to complete projects in MRCFD No. 1.

Mr. Charles A. Montoya, Town Manager, stated that the additional money that staff will go before Council is for approval for the GO Bonds issuance for maintenance projects in MRCFD No. 1. He stated it will not add to the monthly property tax for those properties in that area.

Mr. Farina stated that the levy of \$3.25 will remain the same.

Mayor Rankin inquired about the duration for the levy.

Mr. Montoya explained the process of issuance of GO Bonds for maintenance and stated that the levy can vary depending on maintenance issues.

Mr. Scott Barber, Human Resources Director, discussed the compensation classification update recommendations. He explained the terms for determining the appropriateness of compensation. He stated the positions are assigned a pay range and the ranges are reflected in the Town's compensation plan.

Mr. Barber stated that the salary study was done in-house. In doing the study, employees were sent copies of their job descriptions and were asked to review the descriptions and make recommendations for changes to create a job description that is reflective of what they do. He stated upon approval, modifications were made to the job descriptions, effective July 1<sup>st</sup>.

Mr. Barber stated that there are 11 classifications that are not currently being used in the compensation plan but will be retained. He stated changes were made to class titles, as well as for certain classifications. He stated the Police Recruit classification was added as a new classification.

Mr. Barber stated the compensation strategy is similar to that in the past. He explained how the study is done and what comparisons are used in regards to the study. He stated the benchmark positions are what are compared to the other cities and towns. He stated the pay study strategy establishes guidelines about how they will adjust classifications based on the market data from the analysis each year.

Mr. Barber stated the pay structure will remain the same and the recommendation is to apply a 1% general adjustment to the pay range, effective January 1, 2015. He stated the recommendation is also to do rate adjustments for the positions who need to be adjusted.

Mr. Montoya stated that the adjustment will allow for those employees who are out of alignment, salary wise, to be adjusted accordingly. The change will take effect January 1, 2015, minimizing the impact to the budget, and allowing the Town to minimize the use of the fund balance.

Mayor Rankin inquired about individuals who do two positions, and if they are compensated accordingly.

Mr. Barber stated that the Deputy Town Manager is not a benchmark position. The Town Clerk position is a benchmark position and the data was applied accordingly. Currently, that position is compensated as a Deputy Town Manager position, along with compensation for additional duties as the Town Clerk.

## **ADJOURNMENT**

On motion of Vice-Mayor Smith, seconded by Councilmember Hawkins, and carried to adjourn the meeting at 6:30 pm.

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Tom J. Rankin, Mayor

## **ATTEST:**

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Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on May 14, 2014, and that the meeting was duly called to order and that a quorum was present.

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Lisa Garcia, Town Clerk

**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, MAY 19, 2014, AT 5:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.**

**CALL TO ORDER**

Mayor Rankin called the meeting to order at 5:08 pm.

**ROLL CALL:**

Present: Rankin, Smith, Celaya, Hawkins, Montaña, Walter, Woolridge

**WORK SESSION REGARDING CHANGES TO THE TOWN OF FLORENCE CODE OF ORDINANCES: ADAPTIVE REUSE AND SIGN CODE.**

Mark Eckhoff, Community Development Director, stated that the Adaptive Reuse Policy would be another tool that can be utilized to help with development in the Town's core area. Staff has reached out to the International Code Council to obtain ideas as to how the building codes can be adjusted to deal with adaptive reuse issues. Staff also contacted Local First Arizona and sent out an inquiry to all the communities associated with the building officials and ICC organizations. He stated the program was created based on the feedback received and other research that was conducted. The draft program expands beyond options currently available, and would be one of the most robust, business-friendly reuse programs in the State.

Mr. Eckhoff stated that the goal would be to adopt the program as a tool under the Town Core Infill Incentive Plan. He explained the benefits of adopting the program under the purview of the Infill Incentive District because there are things in the adaptive program that would modify code, procedures, permits, development standards, etc. and would require specific statutes for those items to be done.

Mr. Eckhoff stated the Adaptive Reuse Policy would change the following:

- Building codes
- Change of occupancy
- Life safety issues
- Fire safety
- Plumbing facilities
- Special occupancies
- Accessibility requirements
- Plan review and permit fees
- Development impact
- Building across property lines
- Parking requirements
- Paving and grading requirements
- Landscaping requirements

Mr. Eckhoff stated the goal of the program is to streamline the process and make it easier to occupy older or historic buildings that have sat vacant for some time. He explained the challenges that are faced when applying the International Building Code to such properties and explained how the proposed Adaptive Reuse Policy can be applied and stated that will allow for flexibility. He explained that the change of occupancy poses its own challenges and explained how the challenges are dealt with. They also ensure that the public is protected and life safety concerns are met.

Mr. Eckhoff stated that the policy will allow for some flexibility with regards to fire and plumbing. He stated they also inserted language for water fountains. He stated this would also address issues with restrooms and provide an option for general restrooms or unisex restrooms in areas where each individual business would not be able to have their own restrooms. It would also allow for flexibility for special occupancies and accessibility. There may also be an opportunity to add additional handicap accessible spaces in the common areas along the downtown area.

Mr. Eckhoff stated that there would be certain areas that would no longer require permits, such as improvements that are not changing the structure, occupancy, or life safety items. He stated that anything that is going through the process on a historic building goes through the Historic District Advisory Board.

Mr. Eckhoff discussed the proposed plan review and permit fees. They would adjust the ratio of project valuation by 50%. There will be a fiscal impact to the Town's budget. It may have a positive impact by stimulating the activity. Projects less than \$10,000 will not be charged the fees.

Mr. Eckhoff discussed development impact fees and the benefits of adopting them under the infill program. They are proposing to not charge development impact fees with a specified area on any addition, remodel, or any lot that previously had a building on it. Council may choose not to charge impact fees in the specified area for reasons other than outlined, as approved by the State. The Town Attorney can clarify the language should the Council choose to waive fees. The waiving of fees can also be done on an interim basis or for a specified period of time.

Mr. Eckhoff discussed lot lines and stated that there are times where the lot lines are not clearly defined and it can have an impact. Provisions have been put in place to address these types of issues.

Mr. Eckhoff discussed the DC Zone and parking. He stated parking has been addressed. There will not be an onsite parking requirement because they want to encourage development to the lot lines. There are provisions for an owner who may want parking on their lot. He also discussed proposed paving, grading and landscaping requirements. He stated provisions will be in place to help ease some the restrictions, such as allowing for potted plants in areas where they have no room for landscape.

Mr. Eckhoff stated when possible for this area, the more lenient rules will apply, with the exception of the Historic District, where the rules must remain in order to preserve the status of the District and maintain the relationship with SHPO.

Mr. Eckhoff stated this item will come before Council in June as another work session with a recommendation to forward to one of the advisory boards to get a recommendation for the program. It will then come back to Council for adoption and then implementation of the program.

Councilmember Hawkins inquired about water running on to other properties and if the owner of the property would be required to install a retention pond.

Mr. Eckhoff stated that they would work with the property owners for a resolution if they received a complaint. The water should drain onto the street and into a retention basin. He stated if the property owner is doing improvements on the property that would cause drainage issues, it would be addressed at that time. Existing situations would not be applicable.

Councilmember Celaya stated that re-occupancy and change of occupancy have always been opportunities to correct the existing code and put in place codes for safety of the buildings as well as buildings that are connected to one another. Change in occupancy also relates to what is allowable for ingress and regress. The Town needs to be cautious with regards to structural changes in the buildings, electrical, fire safety, use of combustible materials in the building, exterior lighting, etc. There are opportunities for parking and community restrooms that are shared.

Discussion occurred on adjoining buildings on Main Street.

Councilmember Walter inquired if the Town has researched Smart Codes and if the Town can integrate it into the Town's current policy. She inquired if a work session will be done with business owners in the community to find out what would be helpful to them. There is a work session planned with the Planning and Zoning Commission and the Historic District Advisory Commission.

Mr. Eckhoff stated they would invite everyone to attend the second work session. He stated they are trying to find opportunities where the Town can provide some leeway while still preserving the integrity of building codes, life safety, and basic code requirements.

Mr. Eckhoff explained various scenarios of how the program can be applied. The program can be modified to ensure that the basic code requirements are enforced.

Discussion occurred on ensuring that owners do not fall under the radar by doing lots of small projects.

Mr. Eckhoff stated they will contact the owner if they have knowledge that they are working on a project that may require that it go through the process. The electrical in

the older buildings is one of the most challenging and you would want to bring the electrical up to code because fires can start. Ingress and egress is also important because of how people will move in and out of a building. He stated they will continue to refine those areas and take additional comments.

Vice-Mayor Smith inquired if the Fire Inspector can do random inspections.

Mr. Eckhoff stated that the Fire Marshall has the right to go to do inspections.

Mayor Rankin inquired which land survey the Town is using.

Wayne Costa, Public Works Director, stated that it is township and explained what a township is.

Mayor Rankin discussed boundary lines, surveying of property, and drainage issues. He stated staff needs to better educate those when applying for permits and become more user-friendly. The Community Development Department requires engineering studies which can be expensive and asked for staff to be more flexible.

Mr. Eckhoff stated sometimes issues happen because the project is done first and then they come in for a permit after the fact. The staff does offer alternatives and suggestions to better assist its customers. He explained scenarios when an engineering study would be required.

Councilmember Hawkins inquired if awnings have been addressed. In the past the awnings were required to have a snow load.

Mr. Eckhoff stated there is a snow load reference which may have come from the manufacturer; however, the Town does look at weight load and wind load. He stated manufacturers can provide the documentation which waives having an engineering study done.

Councilmember Hawkins stated that as of last year, they required that heavier metal be used to bring it up to a snow load.

Mayor Rankin inquired if a person is doing the work themselves, why does labor need to be considered when calculating the permit fee.

Mr. Eckhoff stated the fee is based on what it would cost to do the improvement to allow for a uniform fee. He explained how fees are regulated and calculated.

Vice-Mayor Smith stated they should not include labor costs if the owner is doing the work themselves, as there are no labor fees.

Mr. Eckhoff explained that the fees are adopted by Council and Council can set forth whatever regulations they so choose, unless statutes require otherwise.

Discussion occurred on fees and what can be excluded.

Mayor Rankin stated they were told they could not waive the fees in the infill district when they previously waived the fees. He inquired if the law has changed which would now allow for the waiving of fees.

Mr. Eckhoff stated that the loophole is the Infill Incentive District. The statutes and the adoption of that program state that the Town can make modifications to the fees and the development standards. He stated they couldn't do it if they do not have an Infill Incentive District.

Mr. Eckhoff stated that the current sign code was adopted by the Council in 2006. Staff has brought forth amendments to this code since adoption, including A-Frame signs and banners. He stated that he has researched sign codes from several communities and contacted the International Code Council and International Sign Association, as well as as the Arizona Chapter of the Sign Association, regarding the proposed changes. He stated he would like to limit the amount of pages and focus on the types of signs that the Town would like to have rather than what is not allowed. Some of the signs would include electronic message signs and neon signs in appropriate areas. He stated some of other considerations would be location and height of signs. The Sign Code must be content neutral.

Mr. Eckhoff stated staff would like direction to work towards improving and updating the sign code in the following areas:

- Overall streamlining of the code to reduce pages and make the code more user friendly.
- Provide new code language pertaining to electronic message signs (EMCs), which have become more and more popular over the past few years.
- Review illumination guidelines for signs, including the possible use of neon in some districts.
- Update code language for directional signs.
- Update code language for sign areas, including how sign area is measured.
- Update code language for sign heights. For example, the Sign Association has suggested that some monument signs for multi-tenant developments be raised from 8 feet to 15 feet.
- Update language to make the sign code content neutral (First Amendment issues).
- Ensure that the sign code reflects updated language for political signs.

Mr. Eckhoff stated that staff will continue to seek input and bring this item back for more discussion at the June 16, 2014 work session. The goal would then be to come back with an ordinance detailing the code changes accompanied by an official vote of support from the Planning and Zoning Commission.

Councilmember Walter inquired if there has been consideration for building permits being offered online.



Mr. Eckhoff stated that the online permitting service is currently being offered through a program called Smartgov. Most people still prefer to come in to the office. He explained how the program works.

Mayor Rankin stated that the parking in the downtown area needs to be addressed.

Mr. Eckhoff discussed possible ways to increase parking in the downtown area. He stated they want to maximize the lots in the downtown area to build out as much as possible while still addressing the parking issue.

## **INVOCATION**

Councilmember Walter led the invocation.

## **PLEDGE OF ALLEGIANCE**

Mayor Rankin led the Pledge of Allegiance.

## **CALL TO THE PUBLIC**

**Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.**

Ms. Denise Kollert, Florence Resident, disagreed with the appointment of Lee Olsen to the Planning and Zoning Commission because he is a winter visitor and not here year round, nor does she believe that he is a registered voter. Applicants must be a qualified elector, per the Town's website.

## **PUBLIC HEARING AND PRESENTATION**

**Public Hearing on an application received from Linda Parviainen, Florence Gardens Mobile Home Association, 3830 Florence Boulevard, Florence, Arizona, for a new Class A bingo license, and for Council recommendation for approval or disapproval of stated license to the Arizona Department of Revenue.**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that the Clerk's Office received the application and reviewed the State Statutes, and is recommending forwarding a recommendation for approval.

Mayor Rankin opened the public hearing. There being no comments, Mayor Rankin closed the public hearing.

On motion of Councilmember Walter, seconded by Councilmember Montañó, and carried to forward a favorable recommendation on an application received from Linda Parviainen, Florence Gardens Mobile Home Association, 3830 Florence Boulevard, Florence, Arizona, for a new Class A bingo license.

**Presentation by Greater Florence Chamber of Commerce recognizing the Business of the Month.**

Ms. Judy Hughes, Chamber of Commerce Executive Director, recognized the Florence Hospital at Anthem as the Business of the Month. She gave a brief overview of their accreditations and the services it offers. The hospital is an asset to the community and provides a valuable service to the residents.

Ms. Hughes presented the award to Zenji Reynolds, Radiology Director, Florence Hospital at Anthem.

Mr. Reynolds stated that they are very proud to be part of the community, as well as serve the community. They look forward to servicing the community for many years to come.

**MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

On motion of Councilmember Woolridge, seconded by Councilmember Walter, and carried to adjourn to Merrill Ranch Community Facility District No. 1 Board.

**Discussion/Approval/Disapproval to authorize the Merrill Ranch Facilities District No. 1 Board Manager to secure General Obligation Bonds (GO Bonds) for purposes of financing public improvements within Merrill Ranch Community Facilities District No. 1, in an amount not to exceed \$1,500,000, plus costs of issuance.**

Mr. Mike Farina, Finance Director, stated that they are working on the feasibility report, and other related documents to issue GO Bonds, in an amount not to exceed \$1,500,000 to do public improvements for MRCFD1. The District currently has authorization, up to \$1,300,000,000, in principal amount of GO Bonds. To date, the District has issued \$4,584,000 in GO Bonds, of which \$3,955,000 principal remains outstanding. The 2014 issue will be in addition to this amount.

Mr. Farina stated that a Feasibility Report will be prepared. A resolution will then be brought forward for adoption at a future board meeting. He stated it is expected that the bonds will be funded by the \$3.25 tax levy that already exists so there will not be a percentage increase to the levy.

Mr. Farina stated that the GO Bond will fund the regional improvements including pavement.

Mr. Walter stated the GO Bonds will not increase the amount of taxes that the residents pay. She stated the improvements include pavement, road improvements, and sidewalks on Spirit Way, Anthem Way, and Merrill Ranch Parkway.

Councilmember Hawkins stated that the yellow area is excluded, why is it excluded, and if Pulte owns those areas.

Mr. Farina stated the yellow areas are commercial areas and are excluded.

Mr. Eckhoff stated the areas are owned by other investors and they cover their own infrastructure costs.

On motion of Boardmember Walter, seconded by Boardmember Hawkins, and carried to to authorize the Merrill Ranch Facilities District No. 1 Board Manager to secure General Obligation Bonds (GO Bonds) for purposes of financing public improvements within Merrill Ranch Community Facilities District No. 1, in an amount not to exceed \$1,500,000, plus costs of issuance.

**MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

On motion of Boardmember Walter, seconded by Boardmember Montaña, and carried to adjourn for Merrill Ranch Community Facility District No. 1 Board.

**CONSENT: All items indicated by an (\*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.**

**\*Adoption of Resolution No. 1437-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1437-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, SUPPORTING THE AMERICAN LEGION'S APPLICATION TO THE GILA RIVER INDIAN COMMUNITY FOR \$60,378.**

**\*Adoption of Resolution No. 1438-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1438-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, SUPPORTING PROJECT BRIDGE'S APPLICATION TO THE GILA RIVER INDIAN COMMUNITY FOR \$100,000.**

**\*Adoption of Resolution No. 1439-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1439-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, SUPPORTING PROJECT BRIDGE'S APPLICATION TO THE GILA RIVER INDIAN COMMUNITY FOR \$225,000.**

**\*Adoption of Resolution No. 1440-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1440-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, SUPPORTING THE TOWN OF FLORENCE'S APPLICATION TO THE GILA RIVER INDIAN COMMUNITY FOR \$40,000.**

**\*Adoption of Resolution No. 1441-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1441-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, SUPPORTING THE TOWN OF FLORENCE'S APPLICATION TO THE GILA RIVER INDIAN COMMUNITY FOR \$20,854.**

**\*Adoption of Resolution No. 1442-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1442-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, SUPPORTING THE TOWN OF FLORENCE'S APPLICATION TO THE GILA RIVER INDIAN COMMUNITY FOR \$59,000.**

**\*Acceptance of funds from the Maricopa Association of Governments in the amount of \$177,496 to purchase a PM-10 street sweeper.**

**\*Approval of the April 7, April 14, April 21, and April 23, 2014 Town Council Minutes.**

**\*Receive and file the following board and commission minutes:**

**February 26, 2014 Historic District Advisory Commission minutes.**

**March 19, 2014 Joint-Use Library Advisory Board minutes.**

**February 12, and February 20, 2014, Planning and Zoning Commission minutes.**

On motion of Councilmember Walter, seconded by Councilmember Montaña, and carried to approve the Consent Agenda, as written, with the exception of items 10b. and 10c.

**\*Adoption of Resolution No. 1438-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, SUPPORTING PROJECT BRIDGE'S APPLICATION TO THE GILA RIVER INDIAN COMMUNITY FOR \$100,000.**

**\*Adoption of Resolution No. 1439-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, SUPPORTING PROJECT BRIDGE'S APPLICATION TO THE GILA RIVER INDIAN COMMUNITY FOR \$225,000.**

Vice-Mayor Smith stated it is his understanding that Project Bridge is no longer operating out of the Florence Unified School building and inquired where they are operating from.

Ms. Tonya Thompson, Executive Program Director, Project Bridge, stated that she is operating out of her home.

Vice-Mayor Smith inquired how she will operate from her home.

Ms. Thompson stated that they have applied for various grants to assist them to get back on their feet.

Councilmember Celaya inquired about the square footage size of the facility that are they looking at.

Ms. Thompson stated they are looking for something approximately 3,600 sq. ft. in size, which is similar in size to what they had at the school.

Mayor Rankin stated that Project Bridge can no longer operate out of the school facility. He stated that Project Bridge is a great program that helps many people.

On motion of Vice-Mayor Smith, seconded by Councilmember Walter, and carried to adopt Resolution No. 1438-14 and Resolution No. 1439-14.

## **UNFINISHED BUSINESS**

### **Ordinance No. 606-13:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Ordinance No. 606-13 by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE TOWN OF FLORENCE CODE OF ORDINANCES, TITLE XV LAND USAGE, CHAPTER 150 DEVELOPMENT CODE, SECTION 150.047 DISTRICT USE REGULATIONS TABLES (A) AND ESTABLISHING A NEW RURAL RESIDENTIAL**

**EQUESTRIAN SUBDIVISION (RRES) ZONING DISTRICT SECTION (PZC-34-13-ORD).**

Ms. Nancy Cincotta, Wild Horse Estates Resident, stated that she has voiced her opinion in several formats to the Council regarding the zoning. She thanked the Council in advance for voting in favor of zoning that is comparable to the current Wild Horse Estates zoning, with the same animal restrictions of no more than two horses, no other animals, and no fowl. She stated it is important to her because she wants to protect their property values. She wants Wild Horse Estates annexed into the Town of Florence along with the benefits of fire protection, police protection, trash pickup, and recycling. She wants to live in a town that will help their community and appreciates the opportunity where they can be heard.

Mr. Logan Smith, Wild Horse Estates Resident, stated that he and his wife are disappointed. They have a two horse limit and his neighbors have nine horses. There are people that have up to 40 chickens and guinea hens. There are also people who throw their horse manure into the wash and half of the wash is in his backyard. He and his wife are in favor of the two horse limit.

Mr. Eckhoff stated that the question came up inquiring what Pinal County is doing or contemplating doing regarding the current zoning situation. Pinal County has met with some of the property owners to discuss how to fix the issue. He discussed what Pinal County may do and their reasons for doing so. If they were to apply new zoning, they would need to work with each property owner. Should they rezone the property before the annexation, the Town would still apply the comparable zoning at that time.

On motion of Councilmember Montaña, seconded by Vice-Mayor Smith, to adopt Ordinance No. 606-13:

Roll Call Vote:

Councilmember Montaña: Yes  
Vice-Mayor Smith: Yes  
Councilmember Celaya: Yes  
Councilmember Walter: Yes  
Councilmember Hawkins: Yes  
Councilmember Woolridge: Yes  
Mayor Rankin: Yes

Motion Passed: Yes: 7; No: 0

**ORDINANCE NO. 610-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Ordinance No. 610-14 by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE DOWNTOWN COMMERCIAL (DC) ZONE CHANGE LOCATED IN AN AREA GENERALLY BOUND BY RUGGLES STREET TO THE NORTH, BUTTE AVENUE TO THE SOUTH, BAILEY STREET TO THE WEST AND PINAL STREET TO THE EAST; AND INCLUDING PROPERTY LOCATED AT THE SOUTHEAST CORNER OF PINAL STREET AND 8TH STREET (PZC-11-14-ZC).**

On motion of Councilmember Walter, seconded by Councilmember Montaña, and carried to adopt Ordinance No. 610-14.

**NEW BUSINESS**

**Discussion/Approval/Disapproval of appointing Billie Jo Garcia to the Planning and Zoning Commission, with a term to expire on December 31, 2014; and appointing Gary Pranzo to the Planning and Zoning Commission, with a term to expire on December 31, 2015; and appointing Lee Olson to the Planning and Zoning Commission as Alternate.**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, referenced the Town Code, Memberships, Section 32.02, which states that each board, commission or committee shall as nearly as possible, have an integrated or balanced membership with representatives of each race, sex and geographical area of the municipality. The Council shall, in making the appointment, take into consideration each person's knowledge, background, interest, experience and availability to perform the work and duties of the board, commission or committee. A member of any board, commission or committee may concurrently serve on many boards in the Town of Florence. All members shall be bona fide residents of the municipality and a registered voter, if 18 years of age.

Ms. Garcia pointed out that right before the signature line on the application, it states that the applicant further understands that in order to be considered for an appointment of a board or commission that they must be at least 18 years of age, except for a youth representative, a qualified elector, and resident of the Town of Florence, unless a resolution, motion or ordinance is created by the Board specifically exists. They further understand that their attendance at regular scheduled meetings is critical, even if they are an alternate member, and the Town Council may appoint a replacement for members who are chronically absent from meetings. She stated that the Council has the right to remove anyone who misses three consecutive board or commission meetings.

Ms. Garcia stated that a committee, made up of commission members, conducted interviews and made the recommendation that staff has forwarded to the Council for consideration.

Mayor Rankin inquired if all applicants are registered voters for the Town of Florence.

Ms. Garcia responded that verification is not done; staff accepts their affidavits as a statement of qualification that they are qualified electors.

Councilmember Woolridge stated that Mr. Olsen's application has checked marked no that he is not a registered voter.

Ms. Garcia stated that there are no checkmarks, only signatures.

Councilmember Walter stated that the application asks if the person is a registered voter.

Councilmember Woolridge stated that there is an area for the applicant to check. She questioned the application because it was check marked no.

Ms. Garcia inquired if Councilmember Woolridge would like that question added to the application.

Councilmember Celaya stated that the question is listed on the application.

Ms. Garcia stated that the applicant indicated that he is not a registered voter, therefore he would not qualify.

On motion of Councilmember Wooldridge, seconded by Councilmember Montaña, and carried to appoint Billie Jo Garcia to the Planning and Zoning Commission, with a term to expire on December 31, 2014; and appointing Gary Pranzo to the Planning and Zoning Commission, with a term to expire on December 31, 2015.

**Resolution No. 1443-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1437-14 by title only.

**A RESOLUTION APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH MP FLORENCE, LLC., AN OREGON LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-02 – “CRESTFIELD MANOR MP FLORENCE” PROPERTY).**

Mr. Mark Eckhoff, Community Development Director, stated the terms for this PADA are similar to what has been presented in the past. The intent is to encourage people to come into Florence and provide an opportunity with an incentive to commence development within a short period of time by ensuring that their impact fees do not increase during the initial period.

Mayor Rankin inquired if the property is all vacant land.

Mr. Eckhoff stated that the majority of Crestfield Manor consists of vacant lots. There are three main lot owners that represent the majority of Crestfield Manor.



On motion of Councilmember Walter, seconded by Councilmember Hawkins, and carried to adopt Resolution No. 1443-14.

## **MANAGER'S REPORT**

### **CALL TO THE PUBLIC**

There were no public comments.

### **CALL TO THE COUNCIL**

Councilmember Walter recognized the Future Florence Foundation for the work they are doing around the community. They are doing a lot of good things for Florence.

Vice-Mayor Smith thanked the Ernie Feliz, Gilbert Olgin, the IT Department, and Mount Athos, Holiday Inn, and Harold Christ, for their assistance with the Pinal Partnership meeting.

Councilmember Hawkins reminded everyone about the election on May 20, 2014.

Mayor Rankin stated that the polls will be open from 6:00 am through 7:00 pm. He stated there will be many class reunions this fall. He stated there were comments on Facebook that paper needs to be in the public restrooms and directed the staff to ensure there is paper in the restrooms.

## **ADJOURNMENT**

On motion of Councilmember Hawkins, seconded by Councilmember Walter, and carried to adjourn the meeting at 6:55 pm.

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Tom J. Rankin, Mayor

### **ATTEST:**

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Lisa Garcia, Town Clerk

**I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on May 19, 2014, and that the meeting was duly called to order and that a quorum was present.**

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Lisa Garcia, Town Clerk

**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, JUNE 2, 2014, AT 5:30 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.**

**CALL TO ORDER**

Mayor Rankin called the meeting to order at 5:33 pm.

**ROLL CALL:**

Present: Rankin, Smith, Celaya, Hawkins, Montaña, Walter, Woolridge

**WORK SESSION WITH INDUSTRIAL DEVELOPMENT AUTHORITY**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that previously the Town Council did not pass a bond for the Industrial Development Authority, which has a direct impact on the community.

Ms. Jennifer Evans, Management Analyst, stated that the purpose of the work session is to discuss the powers of the Florence Industrial Development Authority (IDA) and the role of the authority's governing body. The IDA is empowered under A.R.S. § 35-701 to issue bonds and loan the proceeds from the sale of bonds to finance community and economic development projects. The Town Council is the governing body of the IDA that is responsible for electing the directors and approving the proceedings for the issuance of bonds.

Ms. Evans stated that the Florence IDA has issued ten bonds to date with the first bond for Goodwill Industries of Central Arizona to renovate a building and open a store in Avondale. Since 2010, the Florence IDA has issued nine bonds to finance the costs of acquisition, renovation, improvement, and equipping of charter schools in various locations within Arizona.

Ms. Evan stated that the income earned on application fees associated with the issuance of bonds has been invested in several projects in Florence, which includes the following: assisting the owners of Pinal Food Market; produced a tourism marketing brochure to promote Florence, which is distributed throughout Arizona; funding to the Greater Florence Chamber of Commerce for their website; Florence Main Street Program for the Smithsonian Institution's Journey Stories exhibition; Town of Florence for the annual Home Tour; and Future Forward Foundation to support its projects.

Ms. Evans stated that there may be opportunities in the future for the Town and IDA to partner on projects that would directly benefit the Town. To do that, the IDA must have approval from the Town Council to issue bonds and be active in the bond market. An added benefit of having an active local IDA is that it can continue to invest in projects that have a positive impact on the community.

Mayor Rankin stated that communication between the Town and the IDA is vital if they are to work together. The Town has inquired about the finances and has not received a response.

Councilmember Walter stated that the minutes from the IDA are not posted on the website.

Mr. Peter Villaverde, IDA President, provided a brief overview of the IDA and its history. He stated the Town Council has two Council liaisons and one staff member who receive all the information that each of the IDA members receive, including minutes and balance sheets. He stated that he will direct the IDA Secretary/Treasurer to forward the minutes and financial statements to the Town Council in the future.

Councilmember Walter inquired if the IDA minutes can be posted on their website.

Mr. Villaverde stated that they are updating their website and will include bonding process information as well.

Mayor Rankin stated that the Town allowed the Florence IDA to accept the Cuen Building from US West. At that time, the IDA stated to the Council that they had the funding to restore the building. Due to the condition of the building, the Town has taken back the Cuen Building.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated when the Town deeded the Cuen Building to the IDA, it was done without deed restrictions. The IDA was free to do what they wanted to with that building. The Town is currently auctioning the Cuen Building.

Mayor Rankin explained that the agreement was not in writing; however, a verbal agreement was made.

Mr. Villaverde explained that the the IDA was in the process of changing their Articles of Incorporation and could not accept the Cuen Building at that time. Qwest donated the Cuen Building to the Town with the understanding that it would donate the Cuen Building to the IDA once they were able to accept the building. The building was to be used as the IDA office. He stated Mr. Jack Lundon had committed to donating \$500,000 for the restoration and Mr. and Mrs. Delbert Lewis stated they would match the donation with an additional \$500,000. Mrs. Lewis passed away and the donations were not fulfilled.

Mr. Villaverde stated that they hired Mr. Dave Wilson, Architect, who did the drawings, etc., and they were submitted to the Town. He stated at that time, the IDA did not have the money.

Ms. Garcia stated that the Town Council appoints the IDA members. All other boards and commissions are bound to the Town Council and are required to submit their

minutes to the Council and we are required to post per the Open Meeting law. The IDA is independent from the Town and Council has appointment authority only.

Mayor Rankin stated that the Council also has the authority to approve the bonds.

Councilmember Hawkins stated that several years ago, the Council requested an audit of the IDAs finances and it was refused. He stated that their finances should be available for review.

Mr. Villaverde read Section 5 of the legal opinion from the Attorney General's Office with regards to the following question posed by Senator Leila Austin in which she asked if there is a principal agent relationship between the governing body and its IDA. The Attorney General's Office response was the following: *"We conclude there is no agency relationship between the governing body and the IDA. An essential element of the agency relationship is the principal's right to control a transaction..."* He stated the response goes on to list several A.R.S. statutes and continued to read in part the following: *"to expressly give governing body sole authority and relation to the formation of the IDA and veto power of the issuance of IDA bonds"*. He stated that it is the right of the Council that is set by statute.

Mr. Villaverde continued to read the response in part, which stated the following: *"The right to control the everyday operation and funds of the IDA is given to the Board of Directors. Therefore, we conclude that...do not establish an agency relationship between a governing body and the IDA. In summary we conclude the IDAs are political subdivisions of the State of Arizona which are not given absolute (inaudible) for immunity."*

Councilmember Hawkins inquired if what he is stating is that the Council is not able to review the finances.

Mr. Villaverde stated that he was responding to the initial question on what Council can do. He stated the IDA hired Henry and Horne to review their finances.

Mayor Rankin stated that the Council was told that they were not able to review their finances.

Mr. Villaverde stated that they were able to review their books.

Councilmember Hawkins stated that the Council was told, per state statutes, they did not have the right to ask to see the financials.

Councilmember Walter inquired why the Florence's IDA is not building within its community as other IDAs do.

Vice-Mayor Smith stated that there are items coming in the near future. He has had discussions with Mr. Villaverde regarding items that he he has agreed and disagreed

with. He stated that both the Council and the IDA have an understanding of their roles and responsibilities. There is a bond issue that will come before the Council and they need to work together.

Mayor Rankin stated that the Council has no issues with the IDA and would like to be informed of their finances. He inquired if Councilmember Hawkins, IDA Liaison, has received the financial information that is distributed at their meetings.

Councilmember Hawkins stated that he has not attended the meeting regularly as he is not being informed of when the meetings are taking place. He has attended three meetings. He stated the the IDA is a great board and they have great people who serve on the board. He would like to see transparency.

Mr. Villaverde stated that the Council will be provided the financial statements and minutes.

Each of the IDA members introduced themselves to the Council.

Councilmember Montaña stated that there was not enough information provided to the Council to make a decision with the regards to the last bond presented to them. The presentation needs to contain all necessary information in order for the Council to make an informed decision.

Mr. Celaya stated that the information was provided to the liaison one week prior to their meeting.

Councilmember Woolridge thanked everyone who volunteers on the boards and commissions. She reminded the Council to not speak for the group when asking questions. She apologized for not voting in favor of the bond and stated that she sees things that the IDA is doing in Town and appreciates the service that the IDA gives to the community.

Mayor Rankin inquired if they hurt future bonding because of the last bond that was not approved, and if so, how do they correct it.

Mr. William Wilder, Bond Counsel for the Florence IDA, stated that the packet provided to the Council contained a document outlining the the financing and information about the bond. He stated there has also been a standing invitation to the Council that he was available for discussion or to answer any questions that the Council may have. He was not contacted with regards to the financing or any other questions that the Council may have had. He stated two weeks prior to the Council meeting, he met with Ms. Jennifer Evans, Management Analyst. He understood that there was a staff recommendation in support of the financing. He stated the City Phoenix IDA scheduled a special meeting two days after the Florence's Council meeting and picked up the pieces. He stated financing was concluded in early May and the approximately \$50,000 that would have come to the Town of Florence IDA was paid to the Phoenix IDA and that amount will be

paid annually to them as well. He stated two people came from Minneapolis to attend that Town Council meeting, and no one asked a question of the underwriting team that was present. He stated that no one asked about the structure of the financing. He stated the Mayor asked if their decision hurt the Town; the underwriting community is small and it may be a while before anyone will want to do business with the Town. He stated if someone wants to do a project in Florence there are several IDAs within the state that are willing to do them, specifically the Pima Co. IDA and City of Phoenix IDA. He stated the ones that were present at that Council meeting will not come back to Florence.

Councilmember Hawkins stated that the Council has only turned down one bond and that is not the precedence of the Council.

Mr. Wilder explained project financing and how financing is derived. He explained their relationship with the Florence IDA. He stated that it will take some time to repair what happened.

Councilmember Hawkins inquired if the Council will have to approve every bond that comes before them; otherwise it will ruin the chance of any others coming to the Town for approval.

Mr. Wilder stated the damage is due to how the decision transpired. The Bond Counsel never received a call noticing them of any concerns with the bond request. There was some reason that Council concluded that this financing for Legacy Charter School Group would not be accepted. The Town has previously approved a bond for Legacy Schools and there was no indication that this request would not be approved. He understands where Florence would like to see projects done in Florence; however, someone has to want to do a project in Florence. The projects are out of the attorneys' and IDAs control of where the project will be done at.

Councilmember Hawkins stated that the Council was told that the IDA can give out as many bonds as they would like for as long as they would like, without any liabilities to the Town. He asked if this were correct, or if there was a limit.

Mr. Wilder stated there is no limit because they are a 501c3 non-profit. He explained that there are limits imposed by the Internal Revenue Code based on a volume cap allocation that the State of Arizona receive the amount of private activity tax (inaudible) bonding that can be done. He explained that 501c3 non-profits are exempt for volume cap allocations; therefore, there are no limits. He explained the the Town Council and IDA have no financial liability to repay the bonds.

Ms. Garcia stated that staff has brought the work session to the Council, so both the Council and the IDA can create a community that is not volatile and so that investors will consider coming to Florence and invest in the community. By them seeking bonding in Florence, it puts a flow of monies back into the IDA, who in turn uses for the community. The IDA has agreed to bring their financial statements to the Council. Both the Council

and the IDA can work together on future projects that may be inside or outside of Florence for the betterment of Florence.

Discussion continued on the previous bond that was brought before the Council at the March 17, 2014 Town Council meeting.

Councilmember Walter stated that transparency and communication is vital for the working relationship with the Council and the IDA.

## **INVOCATION**

Councilmember Walter led the invocation.

## **PLEDGE OF ALLEGIANCE**

Mayor Rankin led the Pledge of Allegiance.

## **CALL TO THE PUBLIC**

**Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.**

Ms. Denise Kollert, Florence Resident, provided visitor statistics and outlined the various uses on the Florence Library. She stated that the library does a lot for children, offers many services and programs, and has wonderful staff. She is in support of the project for building a new library.

Mr. Art Buckley, Florence Resident, stated that he sold realty in Florence and always sent his clients to Main Street, but no longer does so. He stated that spending approximately \$13 million at the suggested location for an aquatics center, library, and recreation center is not a good usage of limited resources. He stated there are several locations on Main Street where a library could be built with adequate parking in the back, and the building should be designed to fit in with the master plan. He stated there are numerous abandoned buildings that are also suitable. He stated the aquatic center should be postponed and the money should be used for the improvement of Main Street buildings. The improvement must be with and in conjunction with the private sector and it will take several years. He stated that it is very difficult to revitalize a small downtown Main Street once it has deteriorated. The Town Council will need to commit to the revitalization; otherwise Main Street will continue to deteriorate. Businesses will not want to come to Florence.

Ms. Ruth Harrison, Florence Resident, stated that the cost of the new proposed facilities has increased from approximately \$7 million to \$14 million. She stated the cost does not include the approximate \$1 million to move the dirt to raise the 40 acres out of the flood plain. She provided the statistics of those who utilize the library and stated that the library is the cultural hub of Florence. She outlined all of the services that the library provides and stated Main Street would get a boost if it were placed on Main Street. She stated the proposed Padilla Park has a large grassy area that is exposed to the sun and the plan is to have musical performances in that space. She suggested that a better place would be at Heritage Park or the 40 acres north of Heritage Park.

Ms. Harrison proposed that the Town build a new library in place of Padilla Park's grassy lawn and develop the property between the Silver King and Granite Street, as planned. She stated there is not enough parking at Padilla Park for large crowds, but there is plenty of room for parking for a library and the Silver King.

Ms. Doretta Allison, Florence Resident, stated that she attended two graduations in Florence. She stated they were both well attended and was very impressed with the amounts of awards and scholarships that were given. She stated the Florence Unified School District has done a great job and has produced some spectacular students. She stated she also loves the Florence Library.

Ms. Betty Reiffer, Florence Resident, stated that she is in support of putting a park in the Heritage Park area. She stated the Town should not spend so much money on an aquatics center; however, the library is needed. She was impressed with the Town's library several years ago with the assistance they provided her, and since then, the library has become better and better. She stated many people passing through Florence utilize the library. She stated she supports the library, but not the entire project.

Ms. Shirley Condit, Florence Resident, stated that libraries are considered for the greater good. A nationwide poll was done and the consensus is that every community should have a library. Businesses will not come to a community who does not have a library. She stated libraries have very specific needs and the vacant buildings along Main Street are not suitable for libraries. The buildings are unable to support the weight of the bookshelves and books and the wiring may not be up to Code.

Councilmember Walter inquired how Ms. Condit feels about the aquatic center and the other parks at this time.

Ms. Condit stated that she does not have an opinion because it is not something that she would personally use. She stated parks and recreation is very important to a community; however, she can only speak to the importance of libraries.

## **PRESENTATION**

### **Quarterly Financial Report Presentation by Finance Director Mike Farina.**



Mr. Mike Farina, Finance Director, provided an update on third quarter financial report, in which he stated that the revenues are meeting or exceeding projections through March 31, 2014, and revenues are exceeding the prior year. He also stated that the expenditures are within the budget and funding availability and the fund balance is normal. He discussed each of the revenues compared to the expenditures. He also discussed the Capital Improvement Fund and discussed the revenues compared to expenditures for the Capital Improvement Projects (CIPs) that have funds allocated to each.

Councilmember Celaya inquired if the Town is expected to expend all funds allocated in the fiscal year for the CIPs.

Mr. Farina explained that there are projects that have started and may not be completed in this fiscal year, which may be carried over to upcoming fiscal year so the monies may not be fully expended in this fiscal year.

Councilmember Celaya inquired why the projects will not be completed in this fiscal year. He does not want to see the Town falling behind on the projects.

Mr. Farina stated that timing is a factor with regards to current projects.

Councilmember Celaya inquired if part of the savings is due to not filling positions.

Mr. Farina stated that the savings is due to conservative budgeting practices.

Discussion occurred on revenues over budget for several of the funds along with expenditures and projected fund balance.

## **MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

On motion of Councilmember Hawkins, seconded by Councilmember Montaña, and carried to adjourn to Merrill Ranch Community Facility District No. 1 Board.

### **Resolution No. MRCFD1 126-14:**

Ms. Lisa Garcia, District Clerk, read Resolution No. MRCFD1 126-14 by title only.

**A RESOLUTION OF THE DISTRICT BOARD OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 EXERCISING THE OPTION TO REDEEM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 (FLORENCE, ARIZONA) SPECIAL ASSESSMENT LIEN BONDS (CURRENT AND FUTURE ASSESSMENT AREAS) AND DELEGATING CERTAIN MATTERS WITH RESPECT THERETO TO THE DISTRICT TREASURER OF THE DISTRICT.**

Mr. Mike Farina, District Treasurer, stated that special assessment lien bonds have been issued to pay for the public improvements that have been completed within the community facility district. The bonds are repaid through a \$3,500 special assessment that is tied to each lot within each district. The bonds have a 25 year repayment term; and likewise, each \$3,500 special assessment is on a 25 year repayment amortization schedule, as well; however, property owners may choose to pay all or part of their special assessment prior to the end of the 25 year term to save on the cost of interest.

Mr. Farina stated the bond documents allow the District to prepay the bonds in whole or in part on any interest payment date. Therefore, because certain property owners have prepaid their special assessment, the District must prepay the bonds to avoid accruing additional interest for which there is no longer interest being received from those individual special assessments that were prepaid.

Mr. Farina stated prepayment of bond principal based on prepayment of special assessments is necessary to cease the accrual of bond interest. The amount of the prepayment of bond principal in each area is as follows:

- Assessment Area 1           \$359,000
- Assessment Area 2           \$ 31,000
- Assessment Area 3           \$ 11,000

Councilmember Walter inquired if the Town has implemented a system where the residents can be provided an annual update of the outstanding balance.

Mr. Farina stated the Finance Department is currently working on a way to provide an annual update.

On motion of Boardmember Walter, seconded by Boardmember Hawkins, and carried to adopt Resolution No. MRCFD1 126-14.

**MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

On motion of Boardmember Montaña, seconded by Boardmember Smith, and carried to adjourn from Merrill Ranch Community Facility District No. 1 Board.

**MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.**

On motion of Councilmember Woolridge, seconded by Vice-Mayor Smith, and carried to adjourn to Merrill Ranch Community Facility District No. 2 Board.

**Resolution No. MRCFD2 226-14:**

Ms. Lisa Garcia, District Clerk, read Resolution NO. MRCFD2 226-14 by title only.

**A RESOLUTION OF THE DISTRICT BOARD OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 EXERCISING THE OPTION TO REDEEM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 (FLORENCE, ARIZONA) SPECIAL ASSESSMENT LIEN BONDS (CURRENT AND FUTURE ASSESSMENT AREAS) AND DELEGATING CERTAIN MATTERS WITH RESPECT THERETO TO THE DISTRICT TREASURER OF THE DISTRICT.**

On motion of Boardmember Montaña, seconded by Boardmember Smith, and carried to adopt Resolution No. MRCFD2 226-14.

**MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.**

Mr. Mike Farina, District Treasurer, stated that the amount of the prepayment of bond principal in each area is as follows:

- Assessment Area 1           \$293,000
- Assessment Area 2           \$ 3,000
- Assessment Area 3           \$ 18,000
- Assessment Area 4           \$ 6,000

On motion of Boardmember Montaña, seconded by Boardmember Walter, and carried to adjourn from Merrill Ranch Community Facility District No. 2 Board.

**CONSENT: All items indicated by an (\*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.**

**\*Resolution No. 1444-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, read Resolution No. 1444-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE TOWN OF FLORENCE RECOMMENDED FY 2014-2015 EMPLOYEE COMPENSATION AND CLASSIFICATION PLANS.**

**\*Resolution No. 1445-14:**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk read Resolution No. 1445-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ORDERING THE ABANDONMENT OF RIGHT-OF-WAY EASEMENTS ADJACENT TO THE CCA PROPERTY IN FLORENCE, ARIZONA, AS DESCRIBED WITHIN THE ATTACHED EXHIBITS 1, 2 and 3.**

**\*Adoption of notice of intention to increase water and wastewater utility rates and fees, and to set a public hearing date of July 7, 2014, on the proposed increases.**

**\*Ratification of accepting donations totaling \$2,250, from Pulte Homes, Southwest Value Partners, and Arizona Public Service to offset the costs of exhibitor space at the Retail Real Estate Convention.**

**\*Approval to hire Sunrise Engineering to conduct a Downtown Water Line Alignment Study, in an amount not to exceed \$39,658.**

**\*Authorization to dispose of equipment as listed on the June 2, 2014 Request for Council Action Form, per Town Policy.**

**\*Authorization to forward a favorable recommendation to the Arizona Department of Liquor License and Control for Pinal Mounted Posse's application for a Special Event Liquor License for a fundraiser being held July 4 2014, at Heritage Park.**

**\*Approval of accepting the register of demands ending April 30, 2014, in the amount of \$1,800,476.26.**

On motion of Councilmember Walter, seconded by Vice-Mayor Smith, and carried to approve the Consent Agenda, as written with the exception of Item 12a.

**\*Resolution No. 1444-14: Adoption of of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE TOWN OF FLORENCE RECOMMENDED FY 2014-2015 EMPLOYEE COMPENSATION AND CLASSIFICATION PLANS.**

Mr. Scott Barber, Human Resources Director, stated the current proposal does not make any changes to the employee pay plan or the currently assigned pay ranges that are assigned to the classifications. The plan adds graphic design digital media specialist and police recruit new classifications. The plan also includes 11 title changes to make the titles more descriptive. Other changes include allowing for increases based on performance, of up to 4%, which is based on the employee's evaluation.

Councilmember Walter inquired about the police recruit position.

Mr. Barber explained when an individual that does not have the current AZ Post certification is hired; they will be brought in on entry level police recruitment status, which is 5% under the current entry level pay range for police officer. He stated the employee will then be moved to the entry level step of the police officer classification upon successful completion of the academy and Field Training Officer Program.

Councilmember Walter inquired if the Town has had police recruits in the past.

Police Chief Dan Hughes stated that the Town has not had police recruits in the past.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that in Florence's history, it has had police recruits in the past and have put people through the academy.

Councilmember Walter inquired if it is beneficial to start the employees 5% less than the police officer pay range.

Mayor Rankin stated that it is proper to bring the employee under because the Town is paying for them to go to school and they are not working.

Chief Hughes stated that this classification is only for those who will be attending the academy. If it is a transfer they would move in laterally and will be on the streets much sooner.

Councilmember Walter inquired if the Town enters into some type of agreement with the individual to ensure that they will stay with the Town. If not, is there something that the Town can do such as requiring that the individual stay with the Town for a specified period of time otherwise they would need to reimburse the Town, on a pro-rated basis.

Chief Hughes stated that type of agreement does not do very well. You want to recruit someone who wants to stay with the Town. He stated if an individual wants to leave, they will find some way to leave. Florence has had a very positive response and very low turnover rate.

Councilmember Montañó stated that there is a 40% rate of cadets failing the academy and you do not want to pay them a full salary. They would earn the increase upon receiving their badge and certification.

Vice-Mayor Smith inquired about the part-time paid on-call position specifically the part-time fire captain position.

Fire Chief Peter Zick stated that currently the Town does not have a part-time fire captain. There was a training captain in the past; however, that position is no longer utilized.

Councilmember Walter inquired if the position will be filled in the future.

Chief Zick stated there are well-qualified people within the Fire Department that can provide the training, so there is no need for this position.

Councilmember Walter inquired if this position can be stricken from the plan and schedule.

Chief Zick stated the position is not needed.

Councilmember Walter inquired if the Council would vote on striking the positions and classifications regarding the part-time firefighter, part-time engineer, and part-time captain because they are not relevant to the department.

Chief Zick stated the part-time firefighter is relevant to the department and is currently used.

Mr. Barber stated the police recruit will be 5% under. He stated with regards to the part-time fire captain and engineer, the positions are included for convenience and information.

Councilmember Walter asked Mr. Barber to clarify the salary of the firefighters.

Mr. Barber stated that previously, Councilmember Walter inquired about the practices of the Town in relationships to the part-time fire fighters. He stated the individuals do not have coverage under the Town's Personnel Policy. The normal procedure of performance evaluation and moving through the pay range is a policy issue; however, they are administrative in nature. He stated there was some issue that was created in the tenure that was reflected in part-time service as the individuals were moved into full-time service. He stated an issue occurred where a part-timer received credit for their part time service and placed them in a position to earn more than the full-timer. He stated this issue was corrected. The Town still does evaluations of the part-time staff with the possibility of a pay raise. He stated the individuals do not receive credit for their service as a part-timer when they move into a full time status.

On motion of Vice-Mayor Smith, seconded by Councilmember Montaña, and carried to adopt Resolution No. 1444-14.

## **NEW BUSINESS**

### **Canvas of the May 20, 2014 Special Election and Approval of the Election Results.**

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that the Town held a ground election on May 20, 2014, with the precinct being at Town Hall. The question before the public was "Should the Town of Florence purchase Johnson Utilities?" She stated the total number of ballots cast are as follows:

<u>Types of Ballots</u>	<u>Total Ballots</u>	<u>% of Voters:</u>	<u>Yes Votes:</u>	<u>No Votes:</u>
Ballots cast at the precinct:	107	2.61%	21	86
Early voting ballots cast:	1,415	34.49%	839	576
Provisional ballots cast	14	0.34%	6	8
Rejected ballots were:	119	N/A	N/A	N/A
Total number of ballots cast:	1,536	37.44%	866	670

Mayor Rankin inquired if the number of rejection ballots were high.

Ms. Garcia stated the total is not high. She explained the reasons why ballots are rejected.

On motion of Councilmember Montañó, seconded by Councilmember Walter, and carried to approve the election results.

**Resolution No. 1446-14:**

Ms. Lisa Garcia, Deputy Town Manager, read Resolution No. 1446-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH HOWARD L. HAWKS, AN INDIVIDUAL, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (Annexation No. 2013-02 – “HERITAGE ESTATES” PROPERTY).**

Mr. Gilbert Olgin, Senior Planner, stated the proposed Arizona Farms annexation area encompasses a land area of approximately 1,171 acres or 1.89 square miles. The annexation area is generally bound by the Copper Basin Railroad to the west, Felix Road to the east, Arizona Farms Road to the north and the Anthem at Merrill Ranch community to the south.

Howard L. Hawks owns approximately 48 acres within the subject annexation area, all within a planned subdivision located to the west of Crestfield Manor.

Councilmember Hawkins inquired if the owner has an agreement with Pinal County regarding impact fees, and if so, will it prevent the Town from receiving impact fees.

Mr. James E. Mannato, Town Attorney, stated the terms of the development agreements can vary. He referred to paragraph 6c. of the agreement, which states that the impact fees that are applicable will be the impact fees that are in existence as of the date of the annexation. He stated the Town is agreeing to hold the fees for five years and once the five years expires, whatever the fees are at that time when pulling a building permit, would be the applicable fee.

Discussion occurred on impact fees with issues that occurred in Maricopa.

Mr. Mannato stated that the Town has a binding agreement with the developer that will control the terms and conditions of the development of the property and is effective if the Town has the annexation. If the annexation fails, the agreement will be null and void as to both parties.

Councilmember Walter inquired if they will also need to form a Community Facilities District (CFD) for their public infrastructure.

Mr. Mannato stated that the agreement allows for the creation of a CFD; however, it is not a mandatory requirement. The developer would have to come before the Council and there is a separate process that must be completed.

Discussion occurred on the cost for infrastructure and how the infrastructure is paid.

Councilmember Walter inquired if the developer is providing anything to the Town.

Mr. Ralph Pew, Pew and Lake, stated the development went through the processes with Pinal County. It is a small subdivision and contains homes. With regards to offering something to the Town, there is nothing to offer. It is a residential plat. They would like to join the annexation and become part of Florence. He knows there is open space, but there is not a public park.

Councilmember Walter inquired if they would be willing to add a public park.

Mr. Pew stated that there isn't any room for a public park.

Mr. Charles A. Montoya, Town Manager, stated that Mr. Mark Eckhoff, Community Development Director, has reviewed all of the annexation areas with all of the developments and has set forth certain areas for fire stations, open space area, and park areas. He stated this subdivision may not have a park, but areas have been set aside for those purposes.

Councilmember Walter would like to have a work session or for the information to be provided to her.

Mr. Montoya stated that Mr. Eckhoff has brought the information forward to the Council and has identified the items as the annexations have come before to Council. Each of the annexations is presented individually; as each is negotiated.

On motion of Councilmember Montaña, seconded by Councilmember Walter, and carried to adopt Resolution No. 1446-14.

**Approval of Task Order No. 6 with Water Works Engineers for the South Wastewater Treatment Plant Expansion Planning and Development Design, and the Tertiary Filtration Design and Construction, in an amount not to exceed \$294,398.**

Mr. John Mitchell, Utilities Director, stated that on November 16, 2009, Council authorized a loan agreement with the Water Infrastructure Finance Authority (WIFA) for installation of a filtration system and an ultraviolet disinfection system, and the design and permitting of the next phase of expansion of the South Wastewater Treatment Plant. He met with WIFA in July 2013 and is anxious to get the project started.



On motion of Councilmember Walter, seconded by Councilmember Walter, and carried to approve Task Order No. 6 with Water Works Engineers for the South Wastewater Treatment Plant Expansion Planning and Development Design, and the Tertiary Filtration Design and Construction, in an amount not to exceed \$294,398.

(Per Lisa Garcia, Deputy Town Manager/Town Clerk, Agenda Items 13e. and 13f. were taken out of order.)

**Discussion/Approval/Disapproval to approve a settlement agreement for Curis Resources (Arizona) Inc. v. Town of Florence, Pinal County Superior Court Case No. CV2012-01097, as recommended by the Risk Pool.**

Mr. Montoya stated in 2012, the Town closed the administration building of Curis Resources, Inc. for safety reasons. The case has moved through mediation and through the courts. The Risk Pool has recommended to settle the case on behalf of the Town for \$100,000. The Town is responsible for \$5,000. The settlement does not mean that the Town has done anything wrong or is at fault for anything.

On motion of Councilmember Walter, seconded by Councilmember Hawkins, and carried to approve a settlement agreement for Curis Resources (Arizona) Inc. v. Town of Florence, Pinal County Superior Court Case No. CV2012-01097, as recommended by the Risk Pool.

**Public Notice on Johnson Utilities, LLCs motion to withdraw from the Arizona Corporation Commission Proceedings: information only.**

Ms. Garcia stated the notice was provided to the public.

Mr. George Johnson, Johnson Utilities, stated that he would provide his comments in writing.

**Project update on the construction of municipal facilities consisting of a library, outdoor aquatic complex, recreation space, programming offices, outdoor fields, and other government facilities.**

Mr. Montoya stated that the drawings provided are rendering only and is the start of the process. Ms. Rosemary Bebris, Library Director, and Mr. Bryan Hughes, Parks and Recreation Director, have started dialogue with their respective boards. There is still a long process that needs to take place with them along with Council and staff. This item is to ask Council for authorization to hire a project manager to assist with the process and to begin the dirt work. Staff is also researching funding mechanisms.

Mr. Montoya presented a PowerPoint presentation, in which he discussed the following:

- Conceptual design provided by Low Mountain Construction
  - Project cost is approximately \$13 million
- Vision for the the future
  - Establishing core services and service levels throughout the Town

- Complimentary services available to all town residents
- Building of library
  - There are no buildings on Main Street that can support a library due to weight of the books.
  - There are no buildings that can handle the car or foot traffic.
- Programs for all ages
- Summer and part-time jobs for high school kids and adults
- Regional attraction
- Increase vehicle and foot traffic in Town core and downtown areas
- Planning for the project
- Infrastructure: Dirt
  - CLOMR/LOMR process has been a two year process
  - Dirt Moving – Budget planned and approved by Council five years
  - Contractor for dirt: Recommendation is Rummel Construction
    - RFP: Reviewed by Committee of staff and developer
      - Process will take approximately six weeks to two months
      - Recommendation on Scope of work, cost and vendor experience
      - Was not the lowest bid
      - Lowest bidder did not carry the scope of work needed
- Project Manager
  - Recommendation: Swan Architects
    - Involved in planning of the Territory Square process
    - Swan Architects was the low bidder
    - Recommendation on vendor experience, cost and knowledge of Town of Florence project
  - RFP: One month process, Reviewed by Committee of staff and developer
    - Will be for duration of project, needs to be on-board to assist with builder contract, negotiation, and input from various boards/commissions, staff, and Town Council
- Facility Planning
  - 3 ½ Month Planning Process
  - RFQ: Received 21 respondents
  - RFP: Received 5 vendor plans
  - Reviewed by Committee of staff and developer
  - Recommendation on scope of work, cost, vendor experience, and time line for entire project.
    - Library being completed May/June
    - Aquatics/Parks completed towards yearend
  - Recommendation: Low Mountain Construction
- Primary Cost Estimates
  - Pricing may change due to engineering planning and possible cost savings
  - Town owns 160 acres and the work will be for 40 acres
  - Rummel Construction – Dirt to bring the 40 acres out of the floodplain
    - \$1,032,446 (\$1.2 Million) Current and 14/15 Budget
  - Swan Arch – Project Manager
    - \$ 270,600 Remaining from dirt work plus additional

- Low Mountain – Construction
  - \$12,897,000 Various funding – Final cost to be negotiated depending on additions/deletions/changes
- Always more cost efficient to build new then to purchase and remodel
- Facility construction cost and funding recommendation
  - Restricted funding can only be used for libraries, open space, parks, municipal buildings, and cannot be used for any other purpose.
  - Food Tax Fund                                 \$2,100,000   Restricted Use
  - General Government Impact Fee         \$1,219,700   Restricted Use
  - Parks Impact Fee                             \$1,289,700   Restricted Use
  - Library Impact Fee                         \$ 800,000   Restricted Use
  - Capital Projects Fund                       \$1,543,900
  - Construction Tax Fund                     \$1,000,000   Restricted Use
  - Financing Bond Recommendation       \$5,000,000
  - Restricted Use
  - Funds Remaining in the FY 2014/2015 Budget If Council Recommends using
    - \$5,000,000                     Capital Projects Fund
    - \$2,500,000                    Construction Tax Fund
    - \$7,300,000                    General Fund – Fund Balance (Rainy Day Fund)

Councilmember Walter inquired about Swan Architect’s actual cost verses their bid amount.

Mr. Montoya stated Swan Architects cost is the lowest and their cost is actual.

Councilmember Walter inquired if Rummel Construction costs are estimates or actual.

Mr. Montoya stated that the costs are actual.

Councilmember Walter inquired if the \$13 million for the facilities actual or estimate.

Mr. Montoya stated that the costs are estimates. He stated once the project manager has come on board and has had an opportunity to meet with Council, staff, and Boards and Commission, the costs may change due to engineering and other changes.

Councilmember Walter inquired what will happen with the other projects in the CIP budget.

Mr. Montoya stated that there will be no effect on any of the projects listed in the CIP. He stated there were some changes to the years of the some projects. There was planning of a new town hall budgeted for approximately \$15 to \$20 million in the 2016/2017 Fiscal Year; however, he does not see this as happening.

Councilmember Walter inquired if the Town will still be able to provide services to the areas that may be annexed into the Town.

Mr. Montoya stated that the Town will be able to provide services to those areas. There is approximately \$500,000 set aside if the annexation were to go through. Public Works has also identified road projects that are needed in the annexed areas.

Councilmember Celaya inquired how much of the conceptual plan, that was created with Swaback Partners, was considered.

Mr. Montoya stated that the plan is very close to the conceptual plan created by Swaback Partners with the municipal facility buildings and the expansion of the roadway through Main Street. He stated the alignment is fairly close to the original drawing. He stated there are some changes to First Street because there is no planning beyond the 40 acres at this point in time. It would create the frontage area around the extension of Main Street for potential retail pad sites or whatever Council wishes to use them for in the future.

Councilmember Celaya stated there was a plan to get traffic off of State Highway (SH)79 and onto Main Street.

Mr. Montoya stated that the plan looks at the traffic flow that would be coming off of SH79 by the San Carlos Irrigation District canal. He stated Swan Architects were involved in the Territory Square drafting and they know how to keep the alignment and what they are looking for in the long term vision plan. There may be a misalignment on First Street. He stated it would require the Town to acquire a lot of properties along First Street to align the entire roadway from SH79 to Main Street. He stated there is no possibility of expanding the roadway through Main Street.

Discussion occurred on possible road expansions.

**Discussion/Approval/Disapproval of authorizing the Town Manager to negotiate and enter into a contract or contracts with Swan Architects, Inc., not to exceed a cumulative total of \$270,600 to provide Project Management services on the Territory Square Phase One property.**

On motion of Councilmember Montañó, seconded by Vice-Mayor Smith, and carried to authorize the the Town Manager to negotiate and enter into a contract or contracts with Swan Architects, Inc., not to exceed a cumulative total of \$270,600 to provide Project Management services on the Territory Square Phase One property.

**Discussion/Approval/Disapproval to authorize the Town Manager to negotiate and enter into a contract or contracts with Rummel Construction, Inc., not to exceed a cumulative total of \$1,032,446 to complete proposed site grading construction services on the Territory Square Phase One property.**

On motion of Councilmember Woolridge, seconded by Councilmember Montañó, and carried to authorize the Town Manager to negotiate and enter into a contract or contracts with Rummel Construction, Inc., not to exceed a cumulative total of

\$1,032,446 to complete proposed site grading construction services on the Territory Square Phase One property.

**Discussion/Approval/Disapproval to authorize the Town Manager to review financing alternatives and secure financing to assist with the funding of construction of a new library, aquatics, and recreation facility, in an amount not to exceed \$5,000,000, plus costs of issuance.**

Councilmember Walter requested that staff research the cost for completing each item separately, library, aquatic center, and various components. She stated that there is a lot of office space and would like to know what the community wants. She stated the Town has not received any community input. The Town has not sent out a survey nor conducted a Worksession.

Mr. Montoya stated that in 2008, the staff started the process of researching new municipal facilities. He stated the facility that was initially planned was a 35,000 sq. ft. library by itself. He stated the process now is just conceptualizing and as they meet with the boards, commissions, and Town Council, the costs will vary. He stated it is wise to plan ahead for future growth.

Mayor Rankin inquired about the wording of the agenda item and would like it to read that final approval from Council.

Mr. Montoya explained that he, Mr. Reeder, Bond Consultant, and Mr. Cafiso, Bond Council, will seek and secure bond financing. He stated the recommendation will come before the Council for authority of the bonds.

On motion of Councilmember Walter, seconded by Councilmember Montaña, and carried to authorize the Town Manager to review financing alternatives and secure financing to assist with the funding of construction of a new library, aquatics, and recreation facility, in an amount not to exceed \$5,000,000, plus costs of issuance, with final approval from Council.

## **DEPARTMENT REPORT**

### **Manager's Report**

#### **Department Reports**

**Community Development**

**Courts**

**Finance**

**Library**

**Parks and Recreation**

**Police**

**Utilities**

The Department Reports were received and filed.

## **CALL TO THE PUBLIC**

Ms. Denise Kollert, Florence Resident, thanked the Council for voting of favor for approving the project to move forward.

## **CALL TO THE COUNCIL**

Councilmember Walter requested that the citizens voice what they would want for the new facility.

Councilmember Woolridge would like to see a report regarding the RECon event that staff attended.

Councilmember Montaña reminded everyone that school is on summer break and there are children out on the streets and asked drivers to use caution.

Vice-Mayor Smith congratulated his wife for 52 years of marriage.

Mayor Rankin stated that Little League Park concession stand was broken into they lost approximately \$1,000 in product. He stated the proceeds earned from the concessions will be used for uniforms for the All Star Teams. He thanked everyone for their donations. He asked if you have any information to please provide it to the Police Department.

## **ADJOURN TO EXECUTIVE SESSION**

**Pursuant to A.R.S. § 38-431.03(A)(1) for the purpose of discussion by the public body of possible disciplinary action relating to Mayor Tom J. Rankin.**

On motion of Councilmember Walter, seconded by Councilmember Montaña, and carried to adjourn to Executive Session.

## **ADJOURN FROM EXECUTIVE SESSION**

On motion of Councilmember Hawkins, seconded by Councilmember Celaya, and carried to adjourn from Executive Session.

## **ADJOURNMENT**

On motion of Councilmember Hawkins, seconded by Councilmember Celaya, and carried to adjourn at 9:14 pm.

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Tom J. Rankin, Mayor

**ATTEST:**

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Lisa Garcia, Town Clerk

**I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on June 2, 2014, and that the meeting was duly called to order and that a quorum was present.**

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Lisa Garcia, Town Clerk

**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, JUNE 16, 2014, AT 5:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.**

**CALL TO ORDER**

Mayor Rankin called the meeting to order at 5:03 pm.

**Roll Call:**

Present: Rankin, Smith, Celaya, Hawkins, Montaña, Walter, Woolridge

**WORK SESSION REGARDING CHANGES TO THE TOWN OF FLORENCE CODE OF ORDINANCES: ADAPTIVE REUSE AND SIGN CODE.**

Mr. Mark Eckhoff, Community Development Director, provided a presentation in which he outlined the Infill Incentive District and stated that the Adaptive Reuse Program would be adopted under the purview of the Infill Incentive District. He stated the area would include the Town core and explained the parameters. He provided a brief introduction of each of the following items which encompasses the Adaptive Reuse Program: building codes, change of occupancy, life safety issues, fire safety, plumbing facilities, special occupancies, accessibility requirements, plan review and permit fees, Development Impact Fees, building across property lines, parking requirements, paving and grading requirements, and landscaping requirements.

Mr. Eckhoff discussed issues regarding restroom needs for buildings that may not have space for an independent restroom in their facility. He said common restrooms could be an option. He also discussed modifications that can be made to the Development Impact Fees; and stated that there is a legal mechanism that allows for the fees to be modified specifically for that area. Parking is something that can also be modified due to parking issues in that area.

Planning and Zoning Commissioner Gary Pranzo stated that he has read the Town Code and it is complicated and needs to be condensed.

HDAC Commissioner Cathy Adam stated that she researched the latest bulletin from the National Park Service, which stated that local guidelines may have been too restrictive and are dictating what is coming up to be very bland and uniform signs, which was not the original intent. The Town may want to consider other ways to attract people into businesses. She said anything that the Town can do to simplify the Code would be great. The current Code is very complicated and very difficult to determine what the initial cost will be.

HDAC Commissioner Lynn Smith would like to see an ordinance requiring business signs to be removed within a certain period of time once the business closes down.



Mr. Eckhoff stated there are provisions in the Town Code for the signs to be removed after a certain period of time.

Mayor Rankin stated that he has received numerous complaints about the amount of time it takes to obtain a building permit. He said the process needs to be simplified while still adhering to the Town Code. He inquired if the process can be further simplified.

Mr. Eckhoff stated that staff is currently working on simplifying the permitting process and update the Town Code. He said issued permits in the core area are sometimes challenging because of issues with the age of the building and Code compliance. He said they will further educate the public to help them through the process.

Mayor Rankin inquired what is being done with the vacant, historic buildings on Main Street.

Mr. Charles A. Montoya, Town Manager, stated that the Fire Department and Community Development will be inspecting the buildings on Main Street for Code compliance and fire issues. He said all safety issues will be addressed and citations will be issued.

Mr. Eckhoff stated that staff will work with the property owners to bring the buildings into compliance so they can obtain certificates of occupancy. The goal is to get all of the buildings occupied, but more importantly, to abate all safety problems with the buildings on Main Street.

Discussion occurred on the parameters of what the building inspector can do.

Discussion occurred on when an engineer would be required for projects.

Councilmember Hawkins stated that engineering should not be required for minor modifications such as adding a window or door, nor should engineering be needed for minor repairs.

Mayor Rankin inquired if engineering is needed because of liability issues.

Mr. Eckhoff explained the reasons that engineering is needed and provided examples of where engineering is needed. He said ultimately it is safety that is the priority and the Town has an obligation to ensure that buildings are safe. He said the Council has the authority to make changes to the Code.

Councilmember Woolridge inquired what the recourse is for building code violations.

Mr. Eckhoff explained the process for those who are issued code violations and the various outcomes.

Vice-Mayor Smith stated that the Town Code needs to be modified. The Town could do courtesy inspections to assist the building owner. He inquired when the Fire Marshall started.

Mr. Montoya stated that the Fire Marshall began his employment with the Town approximately six months ago.

Councilmember Celaya stated that he agrees that the processes need to be streamlined, but safety is the priority. He cannot allow the Town Code to be modified where building safety is concerned. He said non-safety issues such as dirt parking lots, shared restrooms, etc., can be modified to help streamline the process. The Town should not take on the responsibility of being an engineer. He said he just returned from the State Historic Preservation Conference where they discussed issues very similar to the problems that all of the older buildings have in modifying them to make them usable. True Value provided a presentation in which they discussed the issues they encountered in order to be in compliance. Tempered glass was discussed for store fronts.

Councilmember Hawkins stated that he wants to ensure safety as well and ensure Code compliance.

Councilmember Walter said a secondary checks and balance is needed and staff does goes out to do inspections to ensure that the project is done correctly.

Mr. Eckhoff stated that staff does assist the public and offers guidance as needed. He said they also enforce the Code and ensures public safety. They also have to comply with State requirements.

Mayor Rankin inquired if a permit is needed if a homeowner is going to re-roof their home.

Mr. Eckhoff explained when a permit is needed and the reasons for the permit. He said staff wants to ensure that the work is being done properly and to protect the consumer as well.

Commissioner Pranzo stated that there are pros and cons to someone doing the work themselves and complying with the Town Code. He discussed a person's level of expertise for doing various types of jobs and when a permit may be needed. He discussed the various levels of permitting. He said at times people will hide the work and not obtain a permit because they cannot afford to hire an engineer; however, they are capable and knowledgeable of doing the work.

Commissioner Adam explained the timeframe of when a permit is issued for someone who is doing work in the Historic District and the requirement for a design review before the permit can be issued. She explained the time frame for obtaining a design review to receiving their permit. She said it can be take six to eight weeks. She said if a building

permit is pulled for something that does require a design review, staff can issue a permit and forward the project to the HDAC at their next meeting.

Commissioner Chris Reid stated that she would like to see financial incentives for going green added to the Town Code to encourage the residents to go green.

Councilmember Walter inquired what area of the Town Code would they like to see addressed first.

Commissioner Pranzo stated that the sign code needs to be addressed to make it easier to understand and to make it user-friendly.

Mr. John Anderson, Florence Resident, stated that the Town Code needs to be simplified. He said the Planning and Zoning Commission should review the Code and make recommendations.

Councilmember Celaya stated that Pinal County has not had any issues with working with the Town in obtaining their permits for their projects. He said most of their projects are for modifications. Staff has assisted Pinal County with several of their projects.

Councilmember Montano stated that staff has streamlined the process and has processed the permits in a timely manner for new construction.

Mayor Rankin stated that the process needs to be streamlined and the public needs to communicate with the staff. He inquired the cost of impact fees for a new home structure on a lot where a home was at previously.

Mr. Eckhoff stated that an impact fee would not be assessed on a home in which a previous building existing on that lot. He said the fees will vary for homes in which a building never existed on the property. He said the fees are dependent of where the property is located and the level of service for that area. He said the impact fee structure can be modified. He said anything that the Town can do to stimulate growth would be an offset to what the fee may be. He stated that a new study will need to be done.

Councilmember Walter explained how much each subdivision pays in taxes for their homes and what the Town receives.

Mr. Eckhoff explained the impact fees for the various subdivisions and why there are differences in fees. He explained the services that currently exist in the areas and what services are needed, which is why there are various impact fees.

Councilmember Walter outlined the taxes for the various areas. She explained how much each area contributes.

Mr. Eckhoff further discussed the impact fees and the service levels for Anthem.

Mr. Art Buckley, Florence Resident, explained how impact fees affected Florence Gardens and building on infill lots. He provided a brief history of how the Town obtained the water and wastewater systems in Florence Gardens and the assessment fees that were imposed on each of the lots. He said people do not want to pay impact fees and will not build on infill lots. He said having impact fees are not working since no one is building on those lots and Florence is not receiving any monies from the impact fees.

Mayor Rankin does not agree in charging impact fees to areas that already have services in that area. He said something needs to be done in order to stimulate growth in the core area.

Councilmember Hawkins stated that the public can also seek a variance from the Council for their projects.

Councilmember Celaya said they have to show a return on investment if the fees are waived.

Mr. Eckhoff staff will research the following and present to Council:

- An opportunity in the Adaptive Reuse Policy to reduce or eliminate the Development Impact Fee for lots that had an existing building or where services are already established
- Reduction of impact fees on commercial properties
- The impact of changing the impact fees
- New impact fee study

Mr. Eckhoff stated that he understands the direction of the Council to:

- Look for opportunities to condense the Code
- Streamline the Code to make it more user-friendly
- Update the language regarding signage
- Create new provisions for electronic signs
- Updates on political sign

Mr. Eckhoff stated that they will present the recommendations to the Historic District Advisory Commission and the Planning and Zoning Commission. The final model Code will then be presented to the Council.

Commissioner Lynn Smith does not want to see electronic message signs in the Historic District. She said that she does not mind neon signs.

Mayor Rankin stated that neon sign codes needs to be reviewed. He can agree that electronic message signs should not be in the Historic District.

Commissioner Reid stated that A-frames and banners need to be addressed. She said the A-frames crowd the sidewalks and there is no room for pedestrians. The banners are up for months at a time and become tattered. They should come down after a certain period of time.

Mayor Rankin stated that A-frames help attract people to the businesses. He would like to see merchants come before the Council to discuss this further.

## **INVOCATION**

Councilmember Walter led the invocation.

## **PLEDGE OF ALLEGIANCE**

Mayor Rankin led the Pledge of Allegiance.

## **CALL TO THE PUBLIC**

**Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.**

Ms. Denise Kollert, Florence Resident, stated that she attended a program regarding Poe poems and one of his stories at the library, which she enjoyed very much.

Mr. Pete Koulouris, Florence Resident, stated that the sign code needs to be simplified and fair for all businesses so that they may advertise equitably.

## **MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

On motion of Councilmember Hawkins, seconded by Councilmember Walter, and carried to adjourn to Merrill Ranch Community Facility District No. 1 Board.

## **Ordinance No. MRCFD1 111-14:**

Mr. Charles Montoya, District Manager, read Ordinance No. MRCFD1 111-14 by title only.

**AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015.**

Mr. Mike Farina, District Treasurer, stated the ordinance is to levy the second property tax for the District. He stated that there is no change in the rate. The total levy rate is \$3.55 per \$100 of Net Assessed Valuation, which consists of \$3.25 for the repayment of GO Bonds issued to finance the cost of infrastructure improvements within the District. The \$0.30 is to fund maintenance of public improvements as well as administrative costs to operate the District. The \$3.25 tax rate levy will generate an estimated \$504,900 for debt service and an operations and maintenance levy of \$0.30 will generate an estimate \$46,600, for a total levy of \$551,500.00. The second reading will be on July 7, 2014, and adoption of the ordinance will be on July 21, 2014.

**MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.**

On motion of Boardmember Woolridge, seconded by Boardmember Smith, and carried to adjourn from Merrill Ranch Community Facility District No. 1 Board.

**MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.**

On motion of Councilmember Woolridge, seconded by Councilmember Montaña, and carried to adjourn to Merrill Ranch Community Facility District No. 2 Board.

**Ordinance No. MRCFD2 210-14:**

Mr. Charles Montoya, District Manager, read Ordinance No. MRCFD2 210-14 by title only.

**AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015.**

Mr. Mike Farina, District Treasurer, stated that there is no change in the rate. The total levy rate is \$3.55 per \$100 of Net Assessed Valuation, which consists of \$3.25 for the repayment of GO Bonds issued to finance the cost of infrastructure improvements within the District. The \$0.30 is to fund maintenance of public improvements as well as administrative costs to operate the District. The \$3.25 tax rate levy will generate an estimated \$476,900 for debt service and an operations and maintenance levy of \$0.30 will generate an estimate \$44,000, for a total levy of \$520,900. The second reading will be on July 7, 2014, and adoption of the ordinance will be on July 21, 2014.

**MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.**

On motion of Boardmember Woolridge, seconded by Boardmember Hawkins, and carried to adjourn from Merrill Ranch Community Facility District No. 2 Board.

## **PUBLIC HEARING AND PRESENTATIONS**

### **Presentation of the 2014 Arizona Governor's Heritage Preservation Award for the Chapel of the Gila to the Assumption of the Blessed Virgin Mary Parish.**

Ms. Bonnie Barriola stated since 1982 the Arizona Preservation Foundation and Arizona State Historic Preservation Office have partnered to present the Governor's Heritage Preservation Honor Awards. She gave a brief overview of the annual conference in which the awards were presented and stated that Florence was well represented.

Ms. Barriola stated that the Heritage Fund was established in 1991, and the Parish was awarded a grant for the rehabilitation of the Chapel with matching funds from the Diocese. Work was completed by 2001 and weekday masses were being held in the Chapel. She said additional work continued through 2002. Unfortunately, due to extreme weather conditions and drainage issues, massive repairs were done in 2012. She said additional rehabilitation has been done to the entire complex in the past two years with every room in the complex having a viable use. The Governor's Heritage Preservation Honor Awards recognize people, organizations, and projects that represent outstanding achievements in preserving Arizona's prehistoric and historic resources. The Assumption of the Blessed Virgin Mary was the recipient of one of the nine awards for 2014 for the rehabilitation of the Chapel of the Gila Complex. The nomination was submitted by the Florence Preservation Foundation.

Mayor Rankin presented the award to Wilbur and Delores Freeman, on behalf of the Assumption of Blessed Virgin Mary Parish.

### **Presentation by Greater Florence Chamber of Commerce recognizing the Business of the Month.**

Ms. Judy Hughes, Executive Director, Greater Florence Chamber of Commerce, recognized Mount Athos as the Business of the Month. She stated that George Koulouris, his wife Joanna, and son Peter opened the restaurant on January 17, 2005. She said since George's passing, Peter has become the owner and operator and his mother continues to cook. The restaurant is a popular eating establishment with locals and those out of town.

Mr. Peter Koulouris is actively involved with the Greater Florence Chamber of Commerce and serves as Vice-Chairman of the Board. The restaurant plans to offer delivery service in the near future and will be celebrating their 10 year anniversary in January.

Mr. Peter Koulouris thanked the Chamber and said it was an honor to be recognized and to be part of the community. They will be celebrating their 10 year anniversary in January and invited everyone to their celebration.

**Proclamation declaring July 2014 as Park and Recreation Month, in the Town of Florence, Arizona.**

Mr. Montoya read the proclamation for the record.

Mayor Rankin proclaimed July 2014 as Parks and Recreation Month in the Town of Florence. He said recreation is vital and the Town is moving forward with the recreation facility.

**CONSENT: All items indicated by an (\*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.**

**\*Resolution No. 1447-14:**

Mr. Charles Montoya, read Resolution No. 1447-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE SERVICE AGREEMENT BETWEEN SMARTWORKSPLUS, INC., AND THE TOWN OF FLORENCE, EFFECTIVE JULY 1, 2014, FOR A FOUR-YEAR TERM.**

**\*Approval to hire Felix Construction to make repairs at the North Florence Wastewater Treatment Plant, in an amount not to exceed \$137,298.15.**

**\*Approval to hire Felix Construction to make repairs at the South Florence Wastewater Treatment Plant, in an amount not to exceed \$92,022.**

On motion of Councilmember Montaño, seconded by Councilmember Walter, and carried to approve the Consent Agenda, as written.

**NEW BUSINESS**

**Ordinance No. 611-14:**

Mr. Montoya read Ordinance No. 611-14 by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING A LOCAL ALTERNATIVE EXPENDITURE LIMITATION FOR THE TOWN FOR THE FISCAL YEAR 2014-2015, AND DECLARING AN EMERGENCY.**



Mr. Mike Farina, Finance Director, stated that the ordinance is an emergency ordinance to adopt the Town's Expenditure Limitation for Fiscal Year 2014-2015. He said the Expenditure Limitation proposed for FY 2014-2015 is \$66,806,000 and is based on the tentative budget. He said the amount includes all of the expenditures presented to the Council and includes \$10,508,000 carried forward from the FY 2013-2014 to complete projects that were started in that year. The adoption of the Expenditure Limitation sets the maximum that can be spent in the fiscal year. Once the Expenditure Limitation has been adopted, the expenditures may only be decreased.

On motion of Councilmember Walter, seconded by Councilmember Montañó, and carried to adopt Ordinance No. 611-14, and declaring an emergency.

**First reading of Ordinance No. 612-14:**

Mr. Montoya read Ordinance No. 612-14 by title only.

**AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF FLORENCE, SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE 30<sup>TH</sup> DAY OF JUNE 2015.**

Mr. Mike Farina, Finance Director, stated the ordinance levies a primary property tax annually. He said there is no increase in the property tax rate. The current property tax rate is \$1.1182 per \$100 of Net Assessed Valuation and will remain the same for FY 2014-2015.

As calculated by the Arizona Department of Revenue, the Truth-in-Taxation rate is \$1.1016, which is the maximum rate the Town can have without having to hold a Truth-in-Taxation ("TNT") hearing. Therefore, the Town must hold a TNT hearing. The public hearing for the Truth in Taxation Hearing will be held July 7, 2014. At the current rate of \$1.1182, the proposed property tax levy for the 2014-2015 year is \$852,740. The Town levies an ad valorem or secondary property tax for the Merrill Ranch Streetlight Improvement Districts No. 1, No. 2, and No. 3. This year, due to adequate fund balance, there will be no levy.

Mr. Farina said the second reading of the ordinance will be held on July 7, 2014. The request to adopt Ordinance No. 612-14 will be presented on July 21, 2014.

**Resolution No. 1448-14:**

Mr. Montoya read Resolution No. 1448-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE TOWN OF FLORENCE CAPITAL IMPROVEMENT PROJECT PLAN (CIP) PROVIDING FOR SEPARABILITY.**

Mr. Mike Farina, Finance Director, stated that approving the resolution will adopt the 2015 - 2019 Capital Improvement Plan ("CIP"). The CIP represents a five-year plan that identifies future capital project needs in anticipation of future growth and provision of services. The CIP allows for updates for new capital projects, as well as changes to existing capital projects. The CIP is updated on an annual basis in conjunction with the annual budget process. This year's update of the proposed CIP includes changes that shift the time-frame of certain projects due to available funding and an update to the estimated project costs. The Town Council was presented a draft of the CIP at the April 23, 2014, budget work session.

Councilmember Walter inquired about the projects in future years that do not have funding assigned and what will happen to those projects.

Mr. Farina stated that it is the decision of the Council to decide. He said staff ensured that there was funding for the projects in FY 2014-2015 and funding for carry over for projects that may have started in FY 2014-2015 and 2015-2016. He explained the revenues were not based on projections in the past for CIPS. He explained how the CIPS are listed and the realities for the projects that are listed and funding. He said projects may need to be delayed if funding is not available.

Councilmember Walter inquired if other projects are going to be delayed due to the building of the aquatic center.

Mr. Montoya stated that 98% of the projects listed in the CIP will be completed and are already funded. He stated that the previous Council recommended the following projects in the CIP: new Town Hall for approximately \$13 million; new police station for approximately \$4 million; and a new community center for approximately \$2.2 million. He said staff will come before Council with new recommendations to push the projects out.

On motion of Councilmember Walter, seconded by Councilmember Celaya, and carried to adopt Resolution No. 1448-14.

**Resolution No. 1449-14:**

Mr. Montoya read Resolution No. 1449-14 by title only.

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNT REQUIRED FOR THE PUBLIC EXPENSE FOR THE TOWN OF FLORENCE FOR FISCAL YEAR 2014-2015; ADOPTING A TENTATIVE ANNUAL BUDGET; SETTING FORTH THE RECEIPTS, EXPENDITURES AND THE AMOUNT PROPOSED TO BE EXPENDED FOR**

**VARIOUS PURPOSES; GIVING NOTICE OF THE TIME FOR PUBLIC HEARING FOR TAXPAYERS ON THE ADOPTION OF THE FINAL BUDGET; ADOPTING THE BUDGET IN ACCORDANCE WITH THE LOCAL EXPENDITURE LIMITATION ORDINANCE; AND DECLARING AN EMERGENCY.**

Mr. Mike Farina, Finance Director, stated that an initial draft was present to Council at the April 14, 2014 Work Session. Each of the changes have been discussed with Council at the following work sessions in which the Town Manager presented the budget: April 14, April 23 and May 14, 2014. The 2014-2015 compensation plan and the health insurance renewal were also discussed during these work sessions. The changes to this proposed tentative budget since the work sessions with Town Council include the following:

- Mid-year general compensation adjustment of 1% totaling \$56,500
- Library/Aquatics/Recreation facilities project (to be determined by Town Council):
  - Added \$280,000 for project management
  - Added \$1,000,000 in project revenue coming from the Construction Tax Fund
  - Added \$5,000,000 in project revenue from bond financing
  - Added \$100,000 debt issuance costs and \$90,000 debt service for new bonds
- Public Arts program - \$100,000
- Carry forward of 2013/2014 budget for continuing capital projects

Mr. Farina explained the various components of the budget. He said the total budget for the FY 2014-2015 year is \$66,806,000, and includes the \$10,508,000 carried over from FY 2013-2014. He said that excluding the carry-over, the budget amount is \$56,298,000 and is \$8,800,000 greater than the FY 2013-2014 budget. He said the difference is due to the capital projects and utilities and HURF Fund. He explained the beginning fund balance and projected ending fund balance and said the Town is doing very well financially. He said the Town is doing a plan draw down of \$31 million for capital projects.

Mr. Farina stated that State statutes require that the annual budget be prepared on forms developed by the Office of the Auditor General, Schedules A to E and G, and that a tentative budget be adopted by resolution. He said there will be a public hearing and adoption of the final budget on July 7, 2014.

Councilmember Walter inquired how much is funded for outside legal counsel.

Mr. Montoya stated that the cost for outside legal counsel is not only contained with the Legal budget. It also occurs and is listed in other places within the budget by department. He will provide a memorandum outlining the total fee amount for legal fees and identify the locations of where they are listed within the budget.

Councilmember Walter inquired about the salary and benefits of the Human Resource Director. She inquired about the increase.

Mr. Montoya stated that the increase is due to the Human Resources Director becoming a full time employee and the benefits associated with becoming an employee of the Town. Previously, he was contracted through Smartworks.

Councilmember Walter inquired if the Town is researching grants for the library and aquatic center. She also inquired why the Town is carrying a large fund balance for the Streetlight Improvement District.

Mr. Montoya stated that the Town is always seeking grant funding sources.

Mr. Farina stated that he cannot elaborate as to why the previous years' had a healthy fund balance in the Streets Improvement District; however, due to the current fund balance the levy will be 0 this year and next. There will not be a levy until such time that funds are needed to operate.

Councilmember Walter stated that salary and benefits are listed in the Merrill Ranch Community Facilities Districts 1 and 2 budgets, and inquired what they are for.

Mr. Farina stated that the salary and benefits are for the Grants and Assessment Manager.

Councilmember Hawkins stated that the budget identifies new windows to be installed in Fire Station 2, and inquired if that was correct.

Mr. Farina stated that it is a typographical error. New windows will be installed in Fire Station 1.

Mayor Rankin inquired what the fund balances will be for HURF.

Mr. Farina explained the fund balances and the guidelines and best practices used.

Mr. Montoya stated that funding has been decreased each year for the last five years. The fund balance has been used to complete projects that were previously approved by Council. He said no new projects were added. He said the ending funding balance will be approximately \$300,000. He said the funding may increase slightly this upcoming year. He said maintenance of roads will be funded from the General Fund.

Mayor Rankin expressed his concern with utilizing the HURF funds and drawing down the fund balance.

Discussion occurred on various HURF projects.

Mr. Wayne Costa, Public Works Director, provided an update on the budgeted projects.

Mayor Rankin would like a streetlight installed at Attaway and Hunt Highway or some type of lighting.

Discussion occurred on various line items within the proposed budget.

Discussion occurred on budgeted amounts for incarcerations, and fees within the budget.

On motion of Councilmember Montaña, seconded by Vice-Mayor Smith, and carried to adopt Resolution No. 1449-14, and declaring an emergency.

## **MANAGER'S REPORT**

Mr. Montoya stated that the budget is in a new format that is user-friendly. It is designed to make it easier for the community to understand what is in the budget. It is available at the Clerk's Office for public view and will be available on the website.

## **CALL TO THE PUBLIC**

Ms. Ruth Harrison, Florence Resident, stated that she would like the new facility to be for the Town and not the entire region. She asked that the \$100,000 that is budgeted for art for the Public Arts Program include arts programs as well.

## **CALL TO THE COUNCIL**

Councilmember Hawkins acknowledged the American Legion for putting up flags throughout Main Street during the various holidays.

Councilmember Walter invited everyone to the July 4<sup>th</sup> Freedom Festival events. She stated a shuttle service will be available from 3:00 pm – 8:00 pm. She asked if the shuttle service hours can be extended.

Councilmember Montano will not attend the June 18, 2014 Special Meeting.

Councilmember Celaya thanked the staff for the budget. He attended the Historic Preservation Conference and Florence was well represented. He thanked Ms. Bonnie Barriola for her contribution and representation of the Town at the conference. He would like to see if Florence can host the event.

Vice-Mayor Smith stated that the Chapel of Gila is the mother church for the Phoenix Diocese.

Mayor Rankin sent his condolences on behalf of the Council to the family of the boy who recently passed away.

Mayor Rankin reminded the public that the Town will have a special meeting on June 18, 2014, for public input on the new facility. He thanked everyone for their contributions to the Little League.

## **ADJOURNMENT**

On motion of Councilmember Walter, seconded by Councilmember Hawkins, and carried to adjourn the meeting at 8:02 pm.

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Tom J. Rankin, Mayor

## **ATTEST:**

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Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on June 16, 2014, and that the meeting was duly called to order and that a quorum was present.

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Lisa Garcia, Town Clerk

# TOWN OF FLORENCE PLANNING AND ZONING COMMISSION MINUTES

REGULAR MEETING OF THE TOWN OF FLORENCE PLANNING AND ZONING COMMISSION HELD THURSDAY, MARCH 20, 2014 AT 6:00 PM AT TOWN HALL COUNCIL CHAMBERS LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

## CALL TO ORDER

Vice-Chair Putrick called the meeting to order at 6:00 P.M.

## ROLL CALL:

Present: Putrick, Petty and Reed.  
Absent: Wooley

## PLEDGE OF ALLEGIANCE

Vice-Chair Putrick led the pledge.

## PUBLIC HEARINGS

### CASE PZC-11-14-ZC (DOWNTOWN COMMERCIAL DC ZONE CHANGE)

**PRESENTATION/DISCUSSION/RECOMMENDATION** of a Zone Change request by the Town of Florence to change existing zoning on multiple properties from Neighborhood Office (NO) to Downtown Commercial (DC) in an area generally bound by Ruggles Street to the north, Butte Avenue to the south, Bailey Street to the west and Pinal Street to the east and including property located at the southeast corner of Pinal Street and 8th Street.

Gilbert Olgin, Senior Planner

The Downtown Commercial (DC) Zoning District currently encompasses a land area that is generally bordered by Ruggles Street to the north, Butte Avenue to the south, Granite Street to the west and Bailey Street to the east. The purpose of the DC Zoning District is to provide a legal zoning category that helps to maintain and enhance the character of the downtown historic core. The intent of the district is to promote a pedestrian-oriented specialty retail district by encouraging the improvement of the pedestrian environment, delineating the appropriate land uses within the district and ensuring that new buildings are

designed to be compatible with the historic fabric of the area and development continues to occur at the appropriate scale.

A range of uses are permitted in the DC Zoning District that are intended to encourage and promote its pedestrian, specialty retail and historic character. Residential uses are encouraged as part of mixed use developments, ideally by being vertically or horizontally integrated into commercial and office environments. The range of uses permitted in the DC Zoning District are intended to underscore the uniqueness of the area.

Ultimately, the boundaries of the DC District should be increased per the goals of the 2020 General Plan and Redevelopment Plan and to generally mirror the core of the Downtown Historic Business District.

Over the past year, staff has been working with property owners to expand the DC District and the Town is sponsoring this application that includes 12 private property owners and two Town owned properties that are located between Butte Avenue and Ruggles Street and between Bailey Street and Pinal Street. Additionally, the 1940's era adobe Ortega building located at the southeast corner of Pinal Street and 8<sup>th</sup> Street and the adjacent undeveloped Catholic Church property to the south are now included for this DC Zoning.

#### **ANALYSIS:**

The purpose of this application is to obtain a Zone Change approval for several property owners within the Historic District and identified by their Assessor's Office Parcel Numbers:

Parcel Numbers	Property Owner/s	Current Zoning
1. 200-48-053B	Kari Maud	Neighborhood Office
2. 200-48-0630	Barbara & Jack Moraga	Neighborhood Office
3. 200-49-0110	Town of Florence	Neighborhood Office
4. 200-49-0130	Town of Florence	Neighborhood Office
5. 200-49-0120	Dixie Legler	Neighborhood Office
6. 200-49-022A	Dixie Legler	Neighborhood Office
7. 200-49-022B	Dixie Legler	Neighborhood Office
8. 200-49-0320	Mosaic Church	Neighborhood Office
9. 200-49-024C	Joel Meacham	Neighborhood Office
10. 200-49-024B	Catholic Church	Neighborhood Office
11. 200-49-0230	Richard & Elizabeth Smith	Neighborhood Office
12. 200-49-0430	Annette McDougall Trust	Neighborhood Office
13. 200-49-0450	Melissa Richey	Neighborhood Office
14. 200-49-0460	James and Alice Tchida	Neighborhood Office



This current application originated from two of the above property owners that were seeking DC Zoning for their properties. As these initial Zone Change requests commenced, staff made a concurrent effort to seek additional property owners interested in obtaining DC Zoning. With substantial interest from owners, the two private applicants and the Town agreed to merge three applications into this single application.

#### **FINDINGS:**

Planning Staff offers the following findings for the consideration of the Planning and Zoning Commission and Town Council:

1. The proposed zoning is consistent with the Town of Florence 2020 General Plan.
2. The 2020 General Plan has the Downtown Mixed Use (DMU) designation on the site which supports the mix of land uses while respecting the value of the historic area.
3. The future development of the sites will be subject to all applicable Town codes.
4. The Zone Change from Neighborhood Office (NO) to Downtown Commercial (DC) will allow more pedestrian-oriented land uses and make the subject area more compatible with the Historic District.

Staff found that the proposed Zone Change as described in Exhibit A, is in compliance with the Town's General Plan and is in the interest of general welfare, health and safety of the public and therefore recommends that the Planning and Zoning Commission forward to the Town Council a favorable recommendation for this Zone Change, subject to the following conditions:

1. Property owners agree to waive claims for diminution in value pursuant to Proposition 207 [A.R.S. 12-1134] pursuant to the waiver attached hereto as Exhibit B.

Discussion was had on the details of the regulations within the Downtown Commercial.

Commissioner Petty asked if staff has received any letters of opposition.

Mr. Olgin responded that staff has received one letter from the previous DC cases but is still relevant in this case. The issue has been addressed and **handled**.

Vice-Chair Putrick opened the Public Hearing.

Joel Mecham 131 E 8<sup>th</sup> Street. They purchased the property to use as residential purposes. Just before they closed on escrow, he was informed that the zoning of the property was neighborhood office and he and the Catholic Church did not realize that. Their intent is to strictly use it as a primary residence and he is a licensed contractor in the State of Arizona and has been building adobe houses for 40 years and wanted to restore the house known as the Ortega House. He has been satisfied by the planning department that he would be able to do that and keep his property as a residence and do the updating to meet the current residential building code for residential aspect. And that is his only requirement. Other than that he has no problem with the zoning change.

Cindy Sills, owner of Belva's Real Estate. She has been involved with Joel and Maria Mecham's purchase of the home and kudos on the job they are doing restoring it. Her question is towards staff pertaining to the DC zoning, which says that retail and mix uses are allowed. Under 7 it says residential units provided that they are located behind the main street frontage on the main floor. What that affects Mr. Mecham where he has to have a business up front and residence behind. Her only concern is that anyone in a residence, that it is going to displace them and not able to use the property as they want too.

Vice-Chair Putrick closed the Public Hearing.

Commissioner Petty asked for staff to expound on Ms. Sills question about displacing residential properties/users.

Mr. Olgin responded that he has spoken with one of the owners who has had concerns and had clarified and worked with him on this concern. If the building is a residence, it can remain as a residence.

On motion by Commissioner Petty, second by Commissioner Reed and carried to forward a favorable recommendation to Town Council for a Zone Change request for case PZC-11-14-ZC.

**CASE PZC-34-13-ORD  
(RURAL RESIDENTIAL EQUESTRIAN SUBDIVISION ZONING DISTRICT)**

**PRESENTATION/DISCUSSION/RECOMMENDATION** of an Ordinance of the Town of Florence, Pinal County Arizona amending the Town of Florence Code of Ordinances, Title XV Land Usage, Chapter 150 Development Code, Section 150.031 Defined Words, Section 150.047 District Use Regulations Table (A) and establishing a new Rural Residential Equestrian Subdivision (RRES) Zoning District Section.

Gilbert Olgin, Senior Planner stated

The goal of this effort was to have a new Town Zoning District in place to apply to the Wild Horse Estates area should the Arizona Farms annexation that includes this area be successful. Staff has worked diligently to ensure the new zoning requirements for this area will help preserve the semi-rural lifestyle in this special enclave, while also complying with state statutes pertaining to comparable zoning requirements for annexed areas.

The RRES Zoning District was intended to provide comparable zoning for the residents of Wild Horse Estates. Per Town Council direction, staff has refined three new options to present to the Wild Horse Estates property owners for an additional opportunity to assist in formulating the framework of the proposed Zoning District.

There are notable difference and similarities between the three options. Option A is the most comparable to the existing Pinal County Zoning.

Please note that this new Zoning District will only be applied on the Wild Horse Estates area if this area is successfully annexed.

#### **STAFF RECOMMENDATION:**

Staff finds that the proposed amendment to the Town of Florence Code of Ordinances is in the interest of general welfare, health and safety of the public and therefore recommends that the Planning and Zoning Commission forward to the Town Council a favorable recommendation for the proposed Rural Residential Equestrian Subdivision Zoning District "Option A", as may be modified by the Planning and Zoning Commission.

Vice-Chair Putrick asked how many people responded to the memo staff sent out about the options and the public hearing for this case?

Mr. Olgin responded that staff had six residents ask for copies.

Vice-Chair Putrick opened the Public Hearing.

Kelley Nevis of Wild Horse Estates and asked in the public hearing, if she can ask questions and receive answers back from the Commission (Gilbert Olgin responded that she can ask questions, but staff or the Commission cannot respond during a Public Hearing). She is not sure what the criteria is for the Commission to make a determination but she would hope that it would be what the majority would like, considering that there are 84 homes in the subdivision. **She has collected over 50 signatures of property owners who are in favor is four animal units.** One of the reasons why many residents did not talk to Mr. Olgin is

because she has provided them with the information to a lot of the property owners herself. She has the original signatures and was told that the signatures would not be able to be verified by Gilbert Olgin and Mark Eckhoff previously. What method does the Town need her to use to verify that these signatures are valid? She also has several emails from people who were unable to attend tonight. Anthony Gutierrez said "He cannot make it. He is in favor of four animal units, he has to work. Max James, "To whom it may concern, he owns and lives at 23365 N Mustang way in Wild Horse Estates. When it comes to zoning concerning animals, he is in favor of home owners having the freedom to do as they please within reason. He is in favor of the four animal unit option. He hopes his obligation to work during the meeting does not discount his opinion and vote". "Charles E Buxton at 10038 E Twin Spurs Ln in Wild Horse Estates. He is unable to attend the meeting. He is against annexation into the Town of Florence. That being said, he wishes to express his support for four animal units per property at Wild Horse Estates. If Wild Horse Estate should be annexed into the Town of Florence, please be advised as a citizen of the Town of Florence I will support and vote for those who support my beliefs. He will however vote against anyone and campaign against anyone not supporting four animal units in Wild Horse Estate. Have a great day". Bill Myers, "he has no issue of four animal units per property". Michael Beck, "23664 N. Chaps Dr. is in favor of four animal units per item C". John Vistanet of 9622 E Twin Spurs Ln "is in favor of four animal units option C". Pat Lowery, "dear Kelley, I am unable to attend tonight's meeting, however can you please advise the Town that I am in favor of options C four animal units, she is not in favor of options A or B. Thank you". She has a notarize letter. "To whom it may concern, I Mckayla T Mayberry home owner at 9469 E. Twin Spurs Ln, Florence AZ in Wild Horse Estates. Submit her signature in favor of four animal units per parcel option C zoning. She authorizes Kelley Nevis to speak on her behalf. Below you will find her signature and notary signed its authenticity".

Vice-Chair Putrick notified the speaker that her time has elapsed. Discussion between Danielle Roberts, Associate Town Attorney and Mrs. Kelley Nevis about Open Meeting Law and restriction on time and content.

Ted Carpenter 9727 E. Twin Spurs Ln, ask that all that was mentioned previously the names and content be **placed** into the minutes.

Mr. Olgin responded to the **Mr. Carpenter**

Mathew Hipsher, 10063 E. Pinto Pony. His first concern is when he purchased the property, he was shown that his property was zoned R1-R. That was a major concern when he bought the property which does not exist in Pinal County. The second issue is that he has **talked** to his neighbors and they have not received **any** information about the **Public Hearing**. He or his mother has attended all of the public hearings and they **have not** received a letter of one of the six meetings.

The statement that staff gave is false. He talked to both of his neighbors and they said they have not received any information what's going on with Wild Horse Estates. His question to the Commission is why he is zoned R1-R when he bought his house. Going forward with the zoning, is there going to be any grandfathering of this area. He acknowledges that the zoning of the area is manufactured. His major concern now is if this does not get decided to what most of the people want, is the Town going to force people out of their homes? They bought the property with the intention of having animals and is advertised as and if the Town is going to take that away, you're losing a lot of your community people.

Charles Goldsmith, 62 S. Sycamore in Florence. desired to speak on the first agenda item about the zone change representing the Catholic Church.

Staff addressed the speaker and directed how he can speak about the item that was closed to the public hearing.

Jim Nevis 9570 Twin Spurs Ln in Wild Horse Estates. Town staff talks about option A because it's the closest to the CCR's. The fact is, the CCR's don't allow for his house to be on his own property along with every house except for 15 manufacture homes. So the community has an awful lot of illegal houses. He talked to the County about his house and was told that if it burned down, he could not rebuild it and they made a mistake. That's what the County called it, a mistake. Now when we talk about CCR's, his wife mentioned they have 50 signatures. These are people that own property. There are 19 winter visitors that are not a part of those signatures. So out of all of 84 properties, and an overwhelming majority are in favor of option C, not option A. there's maybe 3 or 4 people who are against option C and he does not know of any other people. 3 or 4 people are the tail wagging the dog. However, he believes that the majority of the people have said they want option C. Can the people have option C?

Laura Lit at 10195 E. Pinto Pony and is one of the six people that requested all options from Town staff. When her and her husband moved out to the community over a year ago and what enticed them to move there was the rural atmosphere. They saw people with chickens, goats and other animals, and that appealed to them. She stated that she has a very high stress job and she gets home, it's like taking a step back in time. She's also into sustainability, especially with all of the recent outbreaks of e coli and the chicken plants, recalling the meat and milk going back and everything else. She wants to do what she can to help make her family healthy by growing vegetables and has her own chickens. There's nothing better than a farm fresh egg in the morning cracked in the skillet. She makes her own cheese. She does not want to go to the nearest farm and pay extra when she can milk a couple of goats and have fresh cheese for her family. She is in favor of four animal credits in Option C.

Terry Macdad at 9723 E. Pinto Pony Dr. Option A is really the only option that agrees with the frequently asked questions that was sent out on 10/25/13 when the Town asked for the people to sign up for the annexation. There was a question about the zoning in the FAQ and the answer to that was that the Town was going to allow for the same number of animals as presently allowed by Pinal County. The way Option A should have been presented to the commission is the same as Pinal County zoning, not the CC&R's. CC&R's have nothing to do with the options and the Town cannot affect their CC&R's. It's the same as the two horse allowed in the county zoning. There is a State statute ARS 9-471L that requires you to put in essentially the same zoning as presently allowed in the area. As far as the comment of the 50 signatures, on average, there are two home owners per lot. Two people on the deed, so that would be 168 owners that would have sign a petition so it would have to be a larger number then the 50 signatures that has been stated. The CC&R's contrary to what was stated do not state what kind of house in the area. That is addressed by the County zoning. He believes that option A is the correct option and was presented to everyone and apart of the zoning when everyone bought their house there and is a part of the CC&R's and two horses are more than adequate where they have cases where people have more than two horses and they have problems with manure and flies, smell and properties are unkept. He thinks that the CC&R's and zoning was set down in 2001 and the intent was to have horse privileges in the community, but only two horse in there. Everyone says that this is Wild Horse Estates, and he agrees, but it says one horse, not horses. Wild Horses Estates does not say wild chicken's estates, or goats. It was intended to be a equestrian type of area of two horses.

Raymond Parker, 9881 E. Pinto Pony Dr. stated that he went around his block getting signatures and talking to people to see if they want to get annexed into the Town and about the CC&R's and animals issue. Just about everyone he has talked to them for 20-30 minutes each. He moved out there in 2003 when everything was manufactured homes. Leon told him that he can have any animals that he wants except for pigs. He personally does not have animals, but he does not begrudge anyone who has animals out there. That's animal property out there. From day one since he moved out there, he was the fourth one to move out there and Leon said Dick Mays was the former owner of the site said he was going to allow tops, four horses. When he went around collecting signatures he got one signature from every house. He does not understand the gentleman before him who said that two signatures from every house. Most of the people he talks to want four units of animals of their choice as long as it is in compliance. Most of them do not want annexation because they do not want to pay the annexation cost seeing what is happening in other places, for instance bringing in sewer hook ups and other utilities. Most of the people moved out there to get away from HOA's, bureaucracies and all of the other stuff. Most of them are adults and take care of their properties. There are a couple of seeds out there that just don't take care of their properties, but in time it will all work out.

Logan Smith 23625 Bridleway and he has talked to the board before. When he was out of state, Kelley Nevis said that the horse manure behind his house was a lie. Well, he has been scooping out horse crap for a couple of years now. Its three properties long from Mr. Beck's property. He's been there for almost seven years and has been dumping four horses, nonstop all of the crap into the wash and it washes up behind his house and other houses. So he has to go out into the wash and trim up all the trees and pack up all of his crap. So everybody who says that there are a few bad seeds here or there, they want to go behind his house and spend the amount of time he does cleaning up somebody else's horse manure. Mr. Beck has admitted to dumping it into the wash and he has been doing it for seven years. The only reason it has come to light is because he complained about it or he would still be doing it right now. Right behind his house there is manure for forty feet. He called up Mrs. Nevis a couple of nights ago and said hey, I watched the video of you saying it's a lie. There's no horse manure behind Mr. Smith's house. So he said what time can she be at his house tomorrow. She responded, oh geez, my back is out, I don't think I can come tomorrow. Mr. Smith said that if Mrs. Nevis can testify that something's a lie, then you can spend the time to prove that it's actually true. Hes shown her the photographs of it. What he is trying to say is that there are a lot of bad apples out there. There are a lot of people who do not take care of their property, instead they make other people do it. He is one of those people who do not have animals but gets to spend his time cleaning up after those who don't care about other people and dump in the wash. The reason why he bought his house was because it has a wash area and he likes to see the javelina and quail run out there. He thanks the commission and is in support of Option A like his wife is. If the Town goes out there and look, Mrs. Nevis's property has never been taken care of. It's not got gorillas in the front yard, that's not the house he wants to live next too nor does he think it's a house that brings up property values.

Sara Lucas and her daughter who lives at 9518 Twin Spurs Ln. She is Mrs. Nevis's neighbor and she lives next to the gorillas and they are quite happy to be there. They do not have any animals but the reason why they bought the property in case they do want to get four horses, they wouldn't be told they couldn't. He also lives next to the other lot that has a donkey that is kind of loud, but then again, it doesn't bother them. They knew when they moved out there that it was going to be more of a farming community. Because of the animals that do live next door, she has a wonderful garden. They are in favor of Option C.

Scott Gilbert representing his parents, David and Kelly Gilbert 10007 E. Pinto Pony Dr. They are in favor of Option A, but they are open to option B in the good faith that people they live around. They do not believe in option C because it comes with no restrictions. As some of the people have said, some people do not take care of their animals or property. These are 1 acre lots, they are not built for large amount of cattle, horses and other animals you can pack into an acre lot.

Put in all of these animals out there and **you** are going to get more smell, more manure and everything else that goes **along** with farm animals. They also bought the house because they like the rural **area** as some of the previous speakers stated. They are also very fond of the **animals** and enjoy the surroundings of it. However, they do not enjoy the smells and all the other things that comes with it and he thinks option C with no restrictions and no guidelines is like giving a teenage free reign to go drive where he wants without a license. It should come with some kind of restrictions pertaining to what you can and can't do and how your property is managed. He is not sure how that can be policed by the Town, but if option C is the path, it does need to come with permits and restrictions on how the property is managed with the animals that they do have on their lot.

Ann Quackinbush Pinto Pony Dr., she is going to be reading a letter Nancy Sacotta who could not be here today. Dear Planning and Zoning, her name is Nancy Sacotta. She lives at 23625 Bridleway Florence AZ. She apologizes for not being here, but she is needed by her family tonight. She appreciates the opportunity to voice her comments concerning the proposed zoning options for Wild Horse Estates in the event of annexation into the Town of Florence. You may recall prior to setting up the P&Z work session, both sides agreed that a work session would be helpful and we agreed that the majority would rule during the P&Z work session. There were many options to choose from then there are tonight. In a show of hands, only three options were actually selected. One of those options was most comparable to the current Pinal County zoning which allows no more than two horses over the age of six months, or any other livestock, poultry or fowl. Along with several other people, she selected that option. There was also the option called four animal units that Mrs. Nevis group wanted because it would up to four large animals a larger number of medium and small animals up to 20 chickens per animal unit. In between the two options was Option E that permitted two horses and allowed residence wanting more horses to put in a special use request. Since **some** of her neighbors take good care of their horses and properties, those of us that wanted only two horses and would compromise and vote for Option E. This would allow for their neighbors the opportunity through the special use process to have more than two horses. Those in favor of four animal units did not compromise. When Planning and Zoning asked for a show of hands, Option E received the most support. Planning and Zoning then recommended Option E to the Town Council. Unfortunately, everyone is not satisfied about the **results** of the democratic process to which they had agreed. Since losing the vote, Mrs. Nevis has proceeded to try to influence the Mayor and members of **the** Town Council and Pinal County personal so much so that Mayor Rankin sent the issue back to Planning and Zoning because he was concerned that **not** everyone got a chance to voice their opinion. We all have heard Mrs. Nevis's **speak** and we all know Mrs. Nevis a very talented speaker that has an act of **turning**, twisting, stretching and at times **totally alienating** the truth. Many of their **neighbors** are not here tonight because they are intimidated by her. She has put **undue** pressure on them to support her



and that is difficult when so many of her statements are just not true. She's sorry that the real good horse owners may be hurt by Mrs. Neivs tactics to get her way. She has done a disservice to their good neighbors because of the actions of a select few who are coincidentally out of compliance with the current Pinal County zoning and animal ordinances. She is in favor of Option A and remind everyone that the properties of Wild Horse Estates has horse privileges, not horse rights. Thank you again for having an opportunity to be heard, Sincerely, Nancy Sacotta.

Mrs. Nevis asked the Commission if she can speak and rebut the attacks from others. Mr. Olgin stated that she has had her three minutes.

Joann Carpenter of Twin Spurs Ln. today is supposed to be happiness day. She thinks that if they all would be follow the golden rule we would be nice and not be complaining. She is in favor of the four units. She is allergic to dogs, cats, horses, you name it she is allergic to it. She moved out there because her husband wanted to be on land, because her grandchildren love animals, and we all make concessions. People should not have moved to Wild Horse Estates if they did not want to be around that.

Dennis Moore 9571 E. Twin Spurs Ln. Since they are a county island, he and his neighbor did the road signs. He has been there, but not as long as the gentleman that spoke earlier, but eight years is long enough. He has four horses and didn't get anything in the mail. He's not here to complain, he just can't believe that the Town did not give them an offer like grandfathering them in. They have talked about it, and it's the reasonable way to go. The best option he has is the four units. He doesn't know why he wasn't grandfathered in but all of a sudden he has been there all of this time and three years ago, the road was not paved, it was dirt road. Things change and he is alright with that, but some things need to be grandfathered in period. There is not much other then I hope the commission considers the four units for the people who have been there for the longest.

Cathy Lindine. 10063 E. Twin Spurs Dr. She has attended quite a few of these meetings but has not spoken before. She was at the one where they went through the whole ugly process and finally selected Option E. It was so nice to think that there was a medium ground somewhere because obviously all her neighbors are pitted against each other. It's actually become a real ugly fest. Originally, she did not care and she is one of the lucky ones, she is at a corner and positioned where you can put an elephant a couple of doors down, it is not going to bother her. Physically she likes the way her property is positioned and she is lucky. She has three shelties and picking up poop from three shelties is plenty of work for her. She does it and keeps up her yard. She understood perfectly well when she bought there the CC&R's and the law was very restrictive **and did not allow more than two horses etc.** She stated that she is too old to be taking care of that stuff. She does understand that there are people who have

more than two horses and they have been there for a while. Obviously didn't do their job in enforcing the process that was there all along. Grant it, those people are stuck. She does not think that opening it up all the way to Option C is appropriate. She thinks Option B would be a nice and proper way to go ahead and make sure those do have four horses can continue to hold them and some restrictions there. She thinks that when you open the door and let anything happen it's a little too risky. But by the way Kelley, she believes and understands she wants to keep her goats, she does not have a problem with goats either, it's not a big deal to her. Perhaps those deals can be worked out one by one. But then again, her husband and she are one of those signatures that Mrs. Nevis collected. That does not specifically speak for them on this particularly issues. This particular issue is specific; they have been cut down from a range of all of opportunities and it appears that the discussions beforehand were a prelude to this. Now there is A,B and C. Her husband and she are in favor of Option B and unfortunately that is what they want. She wants to see her neighbors get along and if you guys will do your job, that's out of our hands so we are not pitting against each other.

Barbra Hipshire. 10063 E. Pinto Pony Dr. She hears a lot of people talking about all the manure and stuff and it sounds like there are one or two people. Why are we not clearing those two people out that are making a mess and not keeping their property clean, those are the people that need to be addressed. These other people who have their animals and they are doing a good job and they want to raise chickens. Her neighbor lady who lives around the corner she hears her rooster and she knows that some people do not want to hear a rooster, but she grew up on a farm and she loves to hear rooster crow at six in the morning when she takes her dog out. It doesn't crow the rest of the time and it doesn't bother anybody. She doesn't understand why there is such a complaint about the animals. As far as the crap, go up in Queen Creek, yeah it's in another county, but they have one acre with four or five horses and it looks good on a one acre property. One acre can establish those animals and contain those animals if it's done right and kept clean. She does not see problem is and she has three little horses that are not even three foot tall. And everyone is complaining about three little bitty horses. If those who are complaining didn't want to be around the animals, then why move there if you don't want to be around animals? There are going to be animals there.

Vice-Chair Putrick closed the Public Hearing.

Discussion between the Commission and Staff on State statute ARS 9-471L clarification pertaining to zoning of annexed properties.

Point of order by attending public. Question was why the Town offered two illegal options if only one option was legal?

Danielle Roberts, Associate Town Attorney responded that staff did **not** offer up illegal options, but the law of comparable zoning is up to interpretations. The options do not take away or lessen the rights of each property.

Gilbert Olgin responded that all three options are legal. All three options of tonight's case are similar or variations of previous options.

On motion by Commissioner Reed, second by Commissioner Petty and carried to forward a favorable recommendation for case PZC-34-13-ORD Option A to the Town Council.

## **STAFF REPORT**

Commissioner Resignation Letter

## **CALL TO THE PUBLIC/ COMMISSION RESPONSE:**

Call to the Public for public comment on issues within the jurisdiction of the Planning and Zoning Commission. Individual Commission members may respond to criticisms made, may ask staff to review a matter raised or may ask that a matter be put on a future agenda.

Kelley Nevis stated one of the things that they have fought about in Wild Horse Estates is the majority of people out there are against being annexed is that if the Town was going to benefit annexing Wild Horse Estates into the Town of Florence, that perhaps the Town of Florence should benefit Wild Horse Estates. But apparently the commission decided that it wouldn't be a wise thing to do and four animal units would be a good indicator that the Town of Florence really wanted us to participate in the town. The only question that she has is what it takes to be a commissioner on the Planning and Zoning Commission. Do you have to be a resident of the Town of Florence. Well are you voted in or hired? They really thought that they could do something in behalf of Wild Horse Estates and that would have allowed us to become annexed into the Town of Florence but I guess we will continue to fight to not get annexed. Because she does not want to be in a town that is this slanted.

Jim Nevis stated that he does not quite understand the whole situation here. The CC&R's, the people say let's live with the CC&R's. Well, the CC&R's **don't** allow them to build stick built homes. CC&R's don't allow for a block wall. There are many houses in the subdivision that have a block walls. We'll if they are going to say cant be more restrictive, so therefore, these people should tear **down** their walls. If they are going into the city, the city should lot at what the **sub**division wants. Everybody voted for A, staff has said A. It's the same as the CC&R's are. But **the CC&R's are** so screwed up that why would we follow something **th**at is so

screwed up? Why don't we start with something fresh, something new and something that the people want.

Bill Hawkins, 130 E Campbell speaking as a citizen not as a councilmen. Its pretty cut and dry. The commission has gone through this six times now and he commends them for sitting through all these meetings and listening to all of this. He does not understand how it ever got this far when staff knew in the beginning that we had to stay with and as close as to the present zoning as possible. It would have been very simple from the beginning and we would have been through this month's ago, but it has carried on. That's the crux of it is a law that the Town has to come as close to the present zoning possible, cut and dry. He does not know how it got this out of hand and it's a shame. He is sorry that the Town is losing commission members because they are probably getting tired going through the song and dances along the way for different issues, not just this one. It's a shame the town is losing commission members because they are doing a great job. He appreciates the job that they have done, and he believes this issue never should have gotten this far.

Mathew Hipsher, his only concern is that the Town is trying to get it as close of zoning as it is, but whats going to happen to the homes that are not manufactured? Because it is a manufacture home zoning. So if the Town is going to try to get as close as they can to the present zoning, how is the Town going to go from a manufactured home to a regular home? That's nowhere near being close. That's his main concern. Now for those who do live in manufactured homes, are they going to be forced out? Are they going to lose their home because it's nowhere near close to the zoning. So if the Town can change from that being close on the horses where we are limited to two because its close, what about the homes? That's nowhere close to a manufactured home. So if you can change the zoning for something that big, why can't you change the zoning for the horses?

1:22:33 Hitler comment.

Terry MacDad stated that he hopes the commission heard that comment from the crowd that is what they have to deal with. He submitted a package and there was a letter and newspapers in there. And that article was written in August of last year, and he really implores the commission to read that article because when he found out that Mrs. Nevis was going to be interviewed by the newspaper, she has put up signs up in her yard and at the mail boxes that are anti-annexation. She has a huge banner up on her fence anti-annexation. So she has been against the annexation since day one. She states in there that people have goats and sheep and all kinds of animals. She also states that there is no one in the subdivision that is in violation anywhere. So he stated that the **commission needs to understand that they are not going to appease people who are against annexation. They don't like more government and no matter what you**

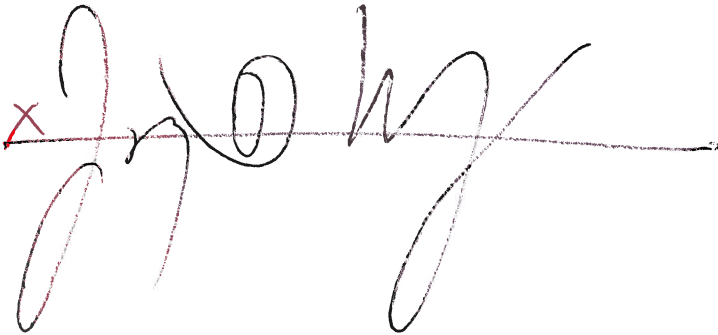
allow them to do there they will not be happy with that. He thanks the commission for all their time as he has gone through many meetings like this himself and it's been a struggle and hopefully this gets settled. As far as the home issue, that is an issue with Pinal County. They messed that up royally as they changed them to MHS in 2001 and somehow they issued building permits in 2003 and so on for homes that are conventionally built. And they have been talking to the County about that to fix that somehow. They did give building permits and certificates of occupancy, they need to go and make it right. And if they get annexed which he is for then he knows staff has worked hard that the Towns zoning addresses that and both types of homes are covered in the zoning.


Logan Smith, thanked the commission. A question that was asked a little bit ago is what can Florence do for them? The Town can give us Police and Fire, and the minute that they become Florence, our site built houses become legal. He has been talking with the county and said that it could be between 3-5 years that the houses will be in limbo until a lot of votes and money and a lot of attorneys get involved in order to turn the homes legal on the county side.

#### **CALL TO THE COMMISSION**

#### **ADJOURNMENT**

**The meeting was adjourned at 7:25 pm.**

A handwritten signature in black ink, written over a horizontal line. The signature is stylized and appears to be "Logan Smith". A red 'X' is marked at the beginning of the line on the left side.

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u></b> <b>15g.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Administration  <b>STAFF PRESENTER:</b> Lisa Garcia Deputy Town Manager/Town Clerk  <b>SUBJECT:</b> Ratification of expenditures for Johnson Utility acquisition due diligence.		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input type="checkbox"/> <b>Public Hearing</b> <input type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Regulatory</b> <input type="checkbox"/> <b>1<sup>st</sup> Reading</b> <input type="checkbox"/> <b>2<sup>nd</sup> Reading</b> <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Motion to ratify the expenditures made while conducting due diligence in consideration of the purchase of Johnson Utilities LLC, in an amount not to exceed \$182,308.

**BACKGROUND/DISCUSSION:**

The Florence Town Council authorized the Town Manager to perform due diligence as part of the consideration of the Johnson Utility acquisition.

The Town Manager hired and paid the following consultants to perform said due diligence.

Name	Amount Paid
Water Works Engineers, LLC	\$53,604.57
Economist.com, LLC	\$50,896.88
Greenburg Traurig, LLP	\$28,015.55
Henry & Horne, PLC	\$21,664.00
Dickinson Wright PLLC	\$20,819.66
Sims Murray, LTD	\$ 7,306.80

**FINANCIAL IMPACT:**

The fiscal impact to the Town of Florence is \$182,307.46.

**STAFF RECOMMENDATION:**

Ratification of the following expenditures made while conducting due diligence in consideration of the Johnson Utilities acquisition.

- i. Ratification of work completed by Water Works Engineer, LLC in an amount not to exceed \$53,604.57.

- ii. Ratification of work completed by Economist.com, LLC in an amount not to exceed \$50,896.88.
- iii. Ratification of work completed by Greenburg Traurig, LLP in an amount not to exceed \$53,604.57
- iv. Ratification of work completed by Henry & Horne, PLC in an amount not to exceed \$21,664.
- v. Ratification of work completed by Dickinson Wright PLLC in an amount not to exceed \$20,819.66.
- vi. Ratification of work completed by Sims Murray, LTD in an amount not to exceed \$7,306.80.


**ATTACHMENTS:**

Johnson Utilities evaluation costs as of 6/30/14

**Town of Florence**  
 Johnson Utilities Evaluation Costs  
 as of 6/30/14

<b>Name</b>	<b>Invoice Date</b>	<b>Invoice Number</b>	<b>Invoice Amount</b>	<b>Check Number</b>	<b>Check Issue Date</b>	<b>Check Amount</b>
WATER WORKS ENGINEERS, LLC	11/30/13	3346	\$ 19,442.86	93313	2/12/2014	\$ 19,442.86
	01/31/14	3484	11,082.50	93756	3/14/2014	11,082.50
	02/28/14	3574	20,450.00	93950	3/31/2014	20,450.00
	03/31/14	3616	1,684.21	94379	5/8/2014	1,684.21
	04/01/14	3695	945.00	94619	5/29/2014	945.00
			<b>53,604.57</b>			<b>53,604.57</b>
HENRY & HORNE, P.L.C.	12/31/13	194817	17,600.00	93298	2/12/2014	17,600.00
	02/28/14	196851	4,064.00	93728	3/14/2014	4,064.00
			<b>21,664.00</b>			<b>21,664.00</b>
DICKINSON WRIGHT PLLC	01/16/14	903609	525.00	93295	2/12/2014	525.00
	02/06/14	807470	5,591.68	93441	2/20/2014	5,591.68
	03/06/14	912545	1,078.78	93721	3/14/2014	1,078.78
	04/04/14	917894	5,902.12	94154	4/18/2014	5,902.12
	05/07/14	923938	5,427.08	94604	5/29/2014	5,427.08
	06/06/14	929851	2,295.00	94956	6/23/2014	2,295.00
			<b>20,819.66</b>			<b>20,819.66</b>
Economists.com, LLC	01/10/14	011014W2200	15,459.38	93316	2/12/2014	15,459.38
	01/31/14	013114W2200	12,462.17	93443	2/20/2014	12,462.17
	03/10/14	031014W2200	9,649.43	93833	3/19/2014	9,649.43
	03/31/14	03114W2200	7,475.90	94034	4/11/2014	7,475.90
	05/07/14	050714W2200	4,290.00	94560	5/22/2014	4,290.00
	06/02/14	060214W2200	1,560.00	94893	6/19/2014	1,560.00
			<b>50,896.88</b>			<b>50,896.88</b>
Sims Murray, LTD	05/12/14	11705	6,569.30	94841	6/13/2014	6,569.30
	6/5/2014	11753	737.50	94919	6/19/2014	737.50
			<b>7,306.80</b>			<b>7,306.80</b>
Greenburg Traurig, LLP	5/29/2014	56872010500	28,015.55	94897	6/19/2014	28,015.55
			<b>28,015.55</b>			<b>28,015.55</b>
			<b>\$ 182,307.46</b>			<b>\$ 182,307.46</b>



	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u></b> <b>16a.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Community Development  <b>STAFF PRESENTER:</b> Mark Eckhoff, AICP Community Development Director  <b>SUBJECT:</b> Resolution 1453-14: Pre-Annexation and Development Agreement with PALMS-MAGIC LAKE 80, LLC		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input type="checkbox"/> <b>Public Hearing</b> <input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Regulatory</b> <input type="checkbox"/> <b>1<sup>st</sup> Reading</b> <input type="checkbox"/> <b>2<sup>nd</sup> Reading</b> <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Motion to adopt Resolution No. 1453-14 entering into a Pre-Annexation and Development Agreement with PALMS-MAGIC LAKE 80, LLC.

**BACKGROUND/DISCUSSION:**

The subject site encompasses a land area of approximately 80 acres located within the pending Magic Ranch Annexation. The site, known as the Ashburn at Magic Ranch PUD, is a planned single-family residential community of approximately 80 acres that is generally located west of Mitchell Trail, south of Arizona Farms Road and east of the Union Pacific Railroad. A zoning amendment is being processed concurrently with this annexation that would allow the site to be developed for 304 single family homes, open space and a municipal fire station site.

**FINANCIAL IMPACT:**

Overall positive, entering into this PADA facilitates the successful completion of the Magic Ranch annexation and promotes future rooftop development within the Town of Florence. It is noted that the PADA commits to not increase Development Impact Fees for the subject site for the first seven years of the term of the PADA. The Owner is also dedicating a four acre fire station site to the Town if this project is annexed into Florence.

**RECOMMENDATION:**

Staff recommends adoption of Resolution No. 1453-14.

**ATTACHMENTS:**

Resolution No. 1453-14  
PADA

When recorded, return to:

Town Clerk  
Town of Florence  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

**RESOLUTION NO. 1453-14**

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH PALMS-MAGIC LAKE 80, LLC., AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “MAGIC RANCH 80” PROPERTY).**

**WHEREAS**, the Town of Florence is authorized pursuant to A.R.S. § 9-500.05 to enter into development agreements and generally is authorized to enter into contracts; and

**WHEREAS**, PALMS-MAGIC LAKE 80, LLC., the “Owner” plans to develop 80 residential acres located as legally described on Exhibit “A” and shown on Exhibit “B” attached hereto (the “Property”), and desires to annex the Property into the town limits of Florence; and

**WHEREAS**, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

**WHEREAS**, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property.

**THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of 80 acres is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does not annex the Property

in a timely manner following adoption of the Pre-Annexation and Development Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this Resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Florence, Arizona this 7<sup>th</sup> day of July, 2014.

\_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James E. Mannato, Town Attorney

**EXHIBIT A**

**LEGAL DESCRIPTION**

**PARCEL NO.1:**

Parcel 7, Book 1 of Surveys, Page 45, 46, and 47, being that portion of the East half of Section 2, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

COMMENCING at the Northeast corner of said Section 2;

THENCE South 0 degrees 38 minutes 42 seconds East a distance of 1331.68 feet;

THENCE North 89 degrees 56 minutes 34 seconds West a distance of 1338.85 feet to the point of beginning;

THENCE North 89 degrees 56 minutes 34 seconds West a distance of 1338.92 feet;

THENCE South 0 degrees 23 minutes 12 seconds East a distance of 1295.56 feet;

THENCE North 89 degrees 58 minutes 24 seconds East a distance of 1341.86 feet;

THENCE North 0 degrees 31 minutes 02 seconds West a distance of 1293.61 feet to the POINT OF BEGINNING.

**PARCEL NO. 2:**

Parcel 11, Book 1 of Surveys, Page 45, 46, and 47, being that portion of the South Half of Section 2, Township 4 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

COMMENCING at the Northeast corner of said Section 2;

THENCE South 0 degrees 38 minutes 42 seconds East a distance of 2623.36 feet;

THENCE South 89 degrees 58 minutes 24 seconds West a distance of 1341.71 feet to the POINT OF BEGINNING;

THENCE South 0 degrees 31 minutes 02 seconds East a distance of 1293.61 feet;

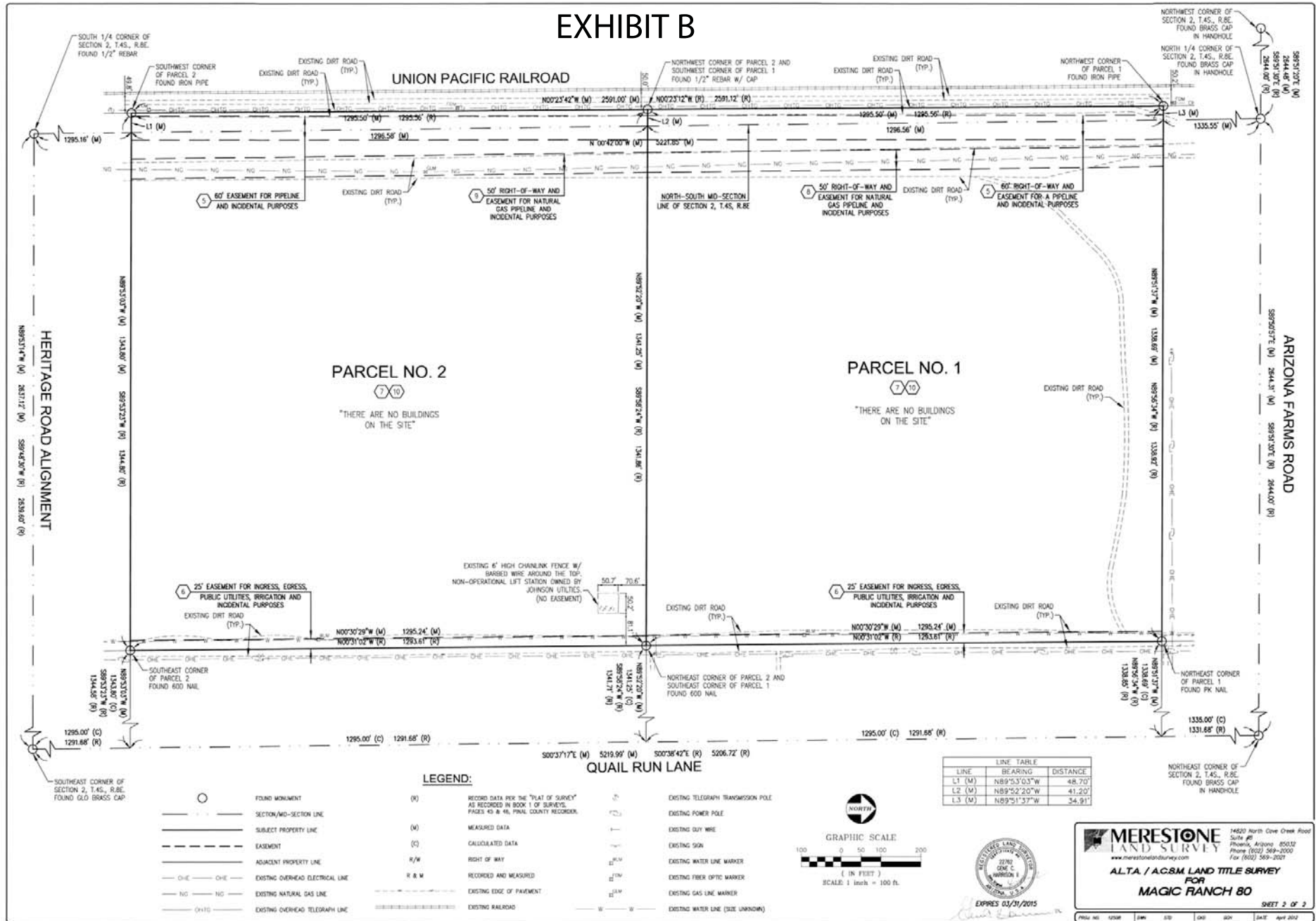
THENCE South 89 degrees 53 minutes 23 seconds West a distance of 1344.80 feet;

THENCE North 0 degrees 23 minutes 12 seconds West a distance of 1295.56 feet;

THENCE North 89 degrees 58 minutes 24 seconds East a distance of 1341.87 feet to the POINT OF BEGINNING.

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# EXHIBIT B



**MERESTONE LAND SURVEY**  
 ALTA / A.C.S.M. LAND TITLE SURVEY FOR MAGIC RANCH 80

14820 North Cove Creek Road  
 Suite #1  
 Phoenix, Arizona 85032  
 Phone (602) 569-2000  
 Fax (602) 569-2021

www.merestonelandsurvey.com

DATE: April 2012

**WHEN RECORDED, RETURN TO:**

Town of Florence  
Attn: Town Clerk  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

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**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR  
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01  
“MAGIC RANCH 80” PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

PALMS-MAGIC LAKE 80, L.L.C., an Arizona limited liability company

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DATE: July \_\_\_\_\_, 2014



**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT  
FOR  
MAGIC RANCH ANNEXATION 20013-01  
“MAGIC RANCH 80” PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this \_\_\_\_ day of July, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and PALMS-MAGIC LAKE 80, L.L.C., an Arizona limited liability company (the “Owner”).

**RECITALS**

A. The Owner is the owner of certain property, or has received the necessary consent to include certain property located in Pinal County, Arizona consisting of approximately 80 acres all as legally described in Exhibit “A” and depicted on Exhibit “B” attached hereto and incorporated herein by reference (the “Property”).

B. Owner and the Town desire that the Property be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the Land Use Plan, which is attached as Exhibit “C” and Planned Unit Development Narrative (“PUD Narrative”), which is acknowledged by the parties hereto to be generally consistent with the Town’s General Plan, which may be amended prior to or concurrent with this annexation. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owner and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit “C” and the PUD Narrative is an appropriate designation for this Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner has the right to complete the development of the Property pursuant to, amongst other things, the

PUD plan before it will expend substantial efforts and costs in the development of the Property, and the Town requires assurances from Owner that development of the Property will be in accordance with the Plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD plan; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD plan.

G. Among other things, development of the Property in accordance with this Agreement and the PUD plan will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

H. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, may also be needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

## **AGREEMENT**

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by all necessary property owners and satisfying the applicable statutory requirements (the "Annexation Petition"). The Annexation Petition shall contain a provision requiring, upon Owner's written request, the immediate rescission and termination of the Annexation Petition by the Town if: (a) any person or entity files any protest, appeal, referendum, litigation or other petition (including but not limited to, any petition filed pursuant to A.R.S. § 9-471(C)) challenging the validity or approval of the Annexation Petition; (b) the Town does not, at the same Town Council meeting

in which the Annexation Petition is adopted, approve the PUD plan; (c) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of the PUD plan; or (d) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of this Agreement. Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final ordinance annexing the Property into the corporate limits of the Town (the "Annexation Ordinance"). The Town and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the Town's annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D).

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the property comparable zoning, which shall be a Planned Unit Development ("PUD") zoning designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative. The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the comparable zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the "Act") resulting from this Agreement, the comparable zoning, the underlying land use as identified in Exhibit "C" and the PUD Narrative or from any "land use law" (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the comparable zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner's successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time, including but not limited to the location of rights-of-way and easements. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town's Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the Town shall not be

deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any substantial alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as deemed to be substantial by the Community Development Director;
- (b) Any increase in the overall residential density set forth in the PUD;
- (c) Any substantial change in the development standards except as otherwise allowed by the PUD; and/or
- (d) Additional circumstances as described in the PUD Narrative and PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the “Additional Property”). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraphs 6(c) and 6(h) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:
  - (i) rules that the Owner may agree in writing apply to the development of the Property;

- (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including court decisions, and other similar superior external authorities beyond the control of the Town, provided that, in the event any such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law such affected provisions of this Agreement shall be modified as may be necessary to achieve the required level of compliance with such mandatory requirement;
  - (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
  - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the "MAG") provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town's existing or future Development Impact Fees that shall be imposed upon the Property for a period of seven (7) years commencing from the effective date of the Annexation, shall be in an amount equal to Three Thousand Five Hundred and 00/00 Dollars (\$3,500.00) per single-family residential dwelling unit, unless a lesser Development Impact Fee is applicable at the time a building permit is issued by the Town. After the seven (7) year period and for the duration of this Agreement, the Town's Development Impact Fees that will be imposed upon the Property shall be the Development Impact Fees then in effect and applicable at the time of permitting. Any Development Impact Fees which are due on residential dwelling units shall be payable when construction permits for the residential dwelling units are issued by the Town. The Town can allocate the Development Impact Fee, in the amount of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), among any eligible Development Impact Fee categories provided such allocation does not negatively impact or adversely affect any Development Impact Fee credits due to Owner.

- (d) Development Impact Fee Credits. To the extent permitted by Arizona Revised Statutes ("A.R.S.") and the Florence Development Code, Owner shall be entitled to a credit against the category of Development Impact Fees that are assessed (or that are to be assessed) against the Property (or any portion thereof) for any land, improvements or other contributions provided by Owner to the Town for any land, capital facility improvements or contributions required to provide public services and which is related to the existing or future category of Development Impact Fees for which such credit is sought. Such credits may be assignable by Owner to entities constructing single-family residential dwelling units on the Property. Any credits for which Owner may be entitled under this Paragraph shall not exceed the maximum Development Impact Fee applicable in any particular category.
- (e) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of any filing, plan review or permit issuance. Development Impact Fees shall be paid in accordance with Paragraph 5(c) above.
- (f) Reimbursements. Promptly after the Town submits invoices to Owner, Owner shall pay the Town's costs and expenses incurred in connection with: (i) any suit, claim, referendum or legal challenge however described which challenges the validity of this Agreement or the PUD; (ii) any suit, claim, referendum or legal challenge however described which challenges any council action approving this Agreement, the PUD or other council actions relating to the development described in the PUD; and (iii) the exercise of the Town's powers of condemnation or eminent domain at the request of the Owner or as required by the terms of this Agreement. Prior to instigation of any such action or decision to settle or not to settle any such action as described in this subparagraph, Town shall consult with Owner. Town shall not deny Owner the opportunity to intervene in such action.
- (g) Flood Control. Flood control measures for the Property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District to the extent the Property is within the Pinal County Flood Control District.
- (h) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformance with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Preliminary Plat approvals shall be valid for a period of two (2) years, with two (2) one-year extensions. Preliminary/Tentative Plats and Final Plats, as well as accompanying civil improvement plans, approved by Pinal County and consistent with the PUD shall be transferable to the Town so long as approvals are current at the time of annexation, approved plans are provided to the Town and any applicable public safety concerns are adequately addressed. Transferred approved plans and plats shall be valid for two (2) years from the effective date of annexation, with two (2) one-year extensions, except in the case of recorded Final Plats, which shall remain valid if infrastructure assurances are in place per Paragraph 9 (c) and/or subdivision improvements are completed and accepted by the Town.

8. Vested Rights. The types of land uses, together with the densities of such uses for each development parcel on the Property, as shown in the PUD are hereby established. The Town agrees that, for the term of this Agreement, Owner shall have an immediate right to develop the Property in accordance with this Agreement, the PUD, the land uses established within the PUD and the Town's General Plan.

9. Infrastructure.

- (a) Infrastructure Plan. Except as otherwise provided in this Agreement, so long as Owner proceeds with the development of the Property, Owner may implement and phase the infrastructure improvements to the Property in conformance with an infrastructure plan jointly approved by the Town and Owner (the "Infrastructure Plan"), which Infrastructure Plan may be modified from time to time with the Town's approval, which approval shall not unreasonably be withheld, conditioned or delayed. Town hereby agrees that the Infrastructure Plan shall exclude, and the Owner shall not be required to obtain the approval by the Town, of water infrastructure improvements or wastewater infrastructure improvements, which improvements shall be the responsibility of the Owner and/or the Water Service Provider (as hereinafter defined) and Wastewater Service Provider (as hereinafter defined) to construct pursuant to Paragraphs 10(a) and 10(b). Owner agrees to construct the water infrastructure improvements and wastewater infrastructure improvements in accordance with all other applicable regulations, laws and ordinances. The Town agrees to consider Owner's request for the condemnation of sewer, utility, and drainage easements and rights-of-way if such easements and rights-of-way are determined by the Town to be necessary to complete the infrastructure anticipated by this Agreement, but in any event the use of eminent domain or condemnation is in the sole discretion of the Town. Owner agrees to reimburse Town for the costs of any such condemnation, including, but not limited to, land and property rights acquisition costs, attorneys' fees and costs of suit. Town agrees to consult with Owner regarding offers of settlement in the event of eminent domain or condemnation actions.

- (b) Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with all applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Plan that relate to the phase or portion of the Property to be developed by Owner at any given time. All such construction performed by Owner shall be performed in a good and workmanlike manner and in compliance with all applicable requirements, standards, codes, rules or regulations of the Town. The parties hereto acknowledge and agree that the Town, as necessary to implement the Infrastructure Plan, shall cooperate reasonably in facilitating construction of the infrastructure, including, but not limited to, the abandonment of any unnecessary public rights-of-way or easements currently located on the Property at such time as such rights-of-way or easements are demonstrated to be unnecessary by the final plat.
- (i) The construction and installation of public or private streets, curbs, gutters, sidewalks, traffic control, directional signs and other public infrastructure and public facilities on the Property as required by the PUD and any applicable state and local regulations, laws and ordinances (collectively, the “Infrastructure”) shall be subject to and in compliance with applicable state and local regulations, laws and ordinances. Owner shall cause all Infrastructure required by the PUD to be constructed and installed at no cost to the Town. Such Infrastructure may be constructed in segments that correspond to the phases, if any, set forth in the PUD. All Infrastructure shall be installed in a workmanlike manner in conformity with the plans and specifications that are submitted to and approved by the Town in connection with the PUD or each phase.
- (ii) Dedication of Infrastructure by Owner shall not constitute acceptance of the Infrastructure for purposes of transferring the obligation to maintain and repair the Infrastructure to the Town or for purposes of starting the Town’s warranty period. Acceptance of any and all Infrastructure by the Town for purposes of the Town assuming any maintenance and repair obligations and for purposes of commencing the warranty period shall be expressly evidenced in writing by the Town as provided herein.
- (iii) Upon completion by Owner of any Infrastructure pursuant to Paragraph 9(a), Owner shall notify the Town in writing of the presumptive completion of such Infrastructure. So long as such Infrastructure is constructed in accordance with the approved plans and the requirements of Paragraph 9(a), as verified by the inspection of the completed improvements by the Town Engineer including the completion of all punch list items, the Town shall accept the Infrastructure, unless such Infrastructure is to be owned or accepted by some other governmental entity. The Town shall notify Owner, in writing, of the Town’s acceptance of the Infrastructure as of the day of the final inspection.



Acceptance of any Infrastructure is expressly conditioned upon the usual and customary Town warranty for such Infrastructure. Owner, at no cost to Town, shall dedicate rights-of-way or convey public easements necessary for the construction, installation, operation and maintenance of the Infrastructure as required by Town, which rights-of-way or easements may be located adjacent to or in other public and private rights-of-way or easements.

- (iv) Owner shall give to Town a one (1) year warranty for all Infrastructure, which warranty shall begin on the date that Town accepts the Infrastructure as provided in this section or such other date as set forth in a service agreement. Any deficiencies in material or workmanship identified by Town's staff during the warranty period that would adversely impact the public health and safety of residents shall be brought to the attention of Owner, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of Town's staff. Any other deficiencies in material or workmanship identified by Town's staff during the warranty period shall be remedied collectively to the reasonable satisfaction of Town's staff at the conclusion of the warranty period. Continuing material deficiencies in a particular portion of the Infrastructure shall be sufficient grounds for Town to require (1) an extension of the warranty for an additional period, or (2) the proper repair of, or (3) the removal and reinstallation of that portion of the Infrastructure that is subject to such continuing deficiencies. Regardless of whether the warranty period has expired, the Owner agrees to repair any damage to the Infrastructure caused by Owner's construction activities on the Property. Nothing contained herein shall prevent the Town or Owner from seeking recourse against any other third party for damage to the Infrastructure caused by such third party.
- (v) The Owner agrees to forever maintain all (i) rights-of-way designated as private rights-of-way by the PUD, unless such rights-of-way are dedicated by Owner and accepted by the Town; and (ii) landscaping located within the public easements and rights-of-way located on any arterial or collector streets on the Property and such obligations shall survive the termination or expiration of this Agreement; provided, however, Owner may assign these obligations to one or more home owners ("HOA") provided such HOA is legally bound to such rights-of-way and landscaping maintenance obligations and has adequate financial ability, acceptable to the Town, to bear such obligations. Once the Town has consented to the assignment of these obligations to an HOA, Owner shall be relieved of any further obligation to maintain the rights-of-way and landscaping.

- (c) Infrastructure Assurance. The parties hereto acknowledge and agree that the Town, prior to the recording of the final plat for each phase of the subdivision within the Property, shall require the Owner and/or its designees, successors, assigns, grantees or buyers under contract, to provide assurances which are

appropriate and necessary to assure that the installation of Infrastructure within that subdivision, or other subdivision improvements directly related to such building permit or permits, will be completed (“Infrastructure Assurance”). In such case, the Owner may elect, with the approval of the Town, which approval shall not be unreasonably withheld, any one or a combination of the following methods of Infrastructure Assurance. All Infrastructure Assurances provided by the Owner shall comply with the applicable provisions of the Town’s Subdivision Ordinance relating to such Infrastructure Assurances. Final Plats recorded in Pinal County shall have their Infrastructure Assurances transferred to the Town immediately upon annexation. The options are as follows:

- (i) Owner and/or its assignees, designees, grantees and purchasers under contract is required to file with the Town a performance bond; or
- (ii) Owner and/or its assignees, designees, grantees and purchasers under contract is required to deliver to the Town an irrevocable and unconditional declining letter of credit which, if necessary, will be acknowledged by the Town in accordance with the appropriate Lender’s requirements; or
- (iii) Letter of financial assurance from Owner’s lender or the lender of Owner’s assignees, designees, grantees and purchasers under contract; or
- (iv) Contractor’s performance bond; or
- (v) Dual beneficiary declining letter of credit; or
- (vi) Performance deed of trust; or
- (vii) Third party trust; or
- (viii) Any other method approved by the Town and Owner consistent with State statutes and Town’s subdivision ordinance.

Once the required Infrastructure Assurance has been complied with, the Owner (or, as applicable, the Owner’s assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the Town, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other above methods of Infrastructure Assurance. The Town agrees that within ten (10) working days from the Town’s approval of the particular completed Infrastructure for which the Town has required and the Owner has provided Infrastructure Assurance, the Town shall release such Infrastructure Assurance, in whole or in part, as may be appropriate under the circumstances, in the manner provided in the applicable Subdivision Ordinance.

- (d) Infrastructure and Improvement Financing. The Parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction and/or provision of the range of public services/infrastructure improvements necessary to serve new development of the

Property. The Town acknowledges and agrees that such infrastructure improvements may be constructed, at Owner's request, through the formation of a Community Facilities District (the "CFD") pursuant to Arizona law, including, but not limited to, A.R.S. § 48-701 et seq. In the event Owner requests the Town to form any CFD, the Town will consider such request in accordance with the Town's adopted CFD Policies and Procedures, and if approved, shall adopt the necessary resolution of intention, and conduct such procedures as are necessary to form the applicable CFDs as required by Arizona law. However, nothing contained herein shall be construed to compel the Town to form a CFD or for the CFD, if formed, to finance any Infrastructure. Owner shall provide all necessary information and shall pay all reasonable and customary Town costs, including costs of legal review by Town counsel, as specified in the Town's CFD Policies and Procedures and the Town's Schedule of Fees, as such may be amended from time to time, in connection with its request for any CFD formation. The Parties agree that the Town must act in accordance with its CFD Policies and Procedures as to the formation of any CFD contemplated under this Paragraph 9(d).

- (e) Street Lights. There will be no Street Lighting Improvement District (SLID) on the Property excepted as mutually agreed upon, however, streetlights will be required within the Property and will be constructed according to either of: 1) Town standards; 2) as grandfathered by existing development; or 3) as may be approved in the PUD.
- (f) Infrastructure Payback Agreement. In the event that the Town imposes upon Owner the obligation to oversize its infrastructure improvements or to provide additional public improvements ("Additional Improvements"), the Town agrees not to impose said obligation on Owner in such a manner that will impede or delay the Owner's ability to complete the development of its Property on the schedule or in the manner originally planned by Owner prior to the Town's imposition of such a requirement.
  - (i) Upon completion of the Additional Improvements, Owner's project engineer will provide the Town with the actual costs of the land and construction of such improvements, together with a diagram of any benefited properties other than Owner's property, and a statement of the proportionate share attributable to each of the benefited properties ("Proportionate Share"). The Town shall have the right to review and approve the project engineer's submittal for a period of thirty (30) days, said approval to be commercially reasonable. The Town shall thereafter require each owner of a benefited property, prior to the issuance of a building permit for the benefited property, to pay to the Town its Proportionate Share plus an additional five percent (5%) to pay for the administrative fee retained by the Town as provided below.
  - (ii) At the time of payment calculation for benefited properties, the payment due shall be adjusted as follows:

1. Calculate the percent increase in either the Engineering News Record (ENR) – Construction Cost Index (CCI) or Building Cost Index (BCI) between:

- a. the most recently published ENR-CCI or ENR-BCI at the time of the adjustment; and

- b. the ENR-CCI or ENR-BCI for the same month of the previous year.

2. Multiply the development impact fee in effect in the year immediately prior to the Adjustment; and

3. Add the resulting amount to the development impact fee in effect in the year immediately prior to the adjustment.

- (iii) Within thirty (30) days of receiving payment pursuant to Paragraph 9(f)(i) above, Town will reimburse Owner in the amount of such payment, less an administrative fee equal to five percent (5%) of each payment which shall be retained by Town. Any credit or offset to which Owner is entitled to pursuant to this Paragraph 9(f) shall be credited to Owner pursuant to a written amendment to this Agreement, which the Town and Owner agree to negotiate at such time as the costs of such Additional Improvements have been determined and the benefited properties have been identified.

10. Utility Services.

- (a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. (“JUC”), or another entity under the common control of JUC, its successors and assigns (collectively, the “Water Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Water Service Approvals”) to become the potable water service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.

- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC, its successors and assigns (collectively, the “Wastewater Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Wastewater Service Approvals”) to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the

Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.

- (c) Assured Water Supply. If Owner is forced to expend funds to obtain a Certificate of Assured Water Supply to the Property or the Water Service Provider is forced to expend funds to receive a Designation of Assured Water Supply, Town agrees to consider formation of a CFD to permit reimbursement of additional costs incurred to provide water to the Property through public financing.
- (d) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town. Owner, or an entity designated by Owner, shall provide cable television service to the Property, provided that any such cable television service provider has obtained a franchise agreement with the Town.
- (e) Reclaimed Water. Owner, or an entity designated by Owner, shall supply reclaimed water or effluent to the Property as needed by Owner, any successor to Owner, or to any HOA.

11. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and Town standards. Town shall review said plans and provide Owner with its comments on these submittals in a timely manner. The Town may retain the services of a private company or individual (“Outside Review Agency”) to provide expedited development review processes only upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town’s list and the fee for such expedited review.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

13. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

14. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default

and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

- (a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the “Town Representative”) shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the “Owner Representative”). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.
  - (b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.
15. Arbitration. If the mediation procedure set forth in Paragraph 14(b) above does not resolve a dispute, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 15. In such event, the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the “Rules”) of the Center for Public Resources (the “CPR”) currently in effect, except as provided herein and except where modified by the provisions hereof.
- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
  - (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 15 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 15(e) and 15(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.

- (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question could be barred by the applicable statute of limitations.
- (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed arbitrator in its notice demand for arbitration. The responding party may within ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.
- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to Paragraphs 15(b), 15(g) and 15(h) and reasonable attorneys' fees and reasonable costs to the prevailing party.
- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.
- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 15 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.
- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of

the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.

- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.
- (j) The dispute resolution process set forth in this Paragraph 15 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other party shall constitute a default. In the event such default is not cured within the Cure Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.
- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 14 and 15 shall not be construed or applied so as to prevent Owner or Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of the Owner's rights or obligations within fifteen (15) days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. Nothing



in this Agreement shall operate to restrict the Owner's ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

18. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

19. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

20. Good Standing; Authority. Each of the parties and their assigns represents and warrants (and will represent and warrant) to the other that: (i) it is duly formed and validly existing limited liability company under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is an Arizona municipal corporation or limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

20. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the Town from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

21. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

22. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

23. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

24. Notice. Any notice (delivered by mail, hand or federal express), assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town:                   Town Manager  
Town of Florence  
775 N. Main Street  
PO Box 2670  
Florence, Arizona 85132

With Copy To:           Town Attorney  
Town of Florence  
775 N. Main Street  
PO Box 2670  
Florence, Arizona 85132

The Owner:               Robert L. Shaw  
Palms-Magic Ranch 80, L.L.C.  
c/o McRae Group  
8800 N. Gainy Center Drive, Suite 255  
Scottsdale, Arizona 85258

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

25.   Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the Town Council of this document. The term of this Agreement (the “Term”) shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) twenty (20) years from the date of recordation of this Agreement.

26.   Attorneys’ Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys’ fees.

27.   Insurance Requirements. The Owner, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of “A”, or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the time that construction improvements are being made during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner’s insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

- (a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG2O101185 (October 2001 version).
- (b) Automobile Liability. The Owner shall, at its expense, maintain a commercial/business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Owner's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, "any auto", Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.
- (c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, together with expenses (including but not limited to reasonable attorneys' fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors, subcontractors or anyone for whose acts they or the Owner may be liable in the performance of this Agreement, and regardless of whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses are caused in part by the passive negligence of the Town, its Council members, agents, officers, officials and employees. The Town shall remain responsible to the fullest extent permitted by law for any acts of active negligence or intentional misconduct by the Town, its Council members, agents, officers, officials and employees.

- (i) The Owner's duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, result from, or are alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors or anyone for whose acts they or Owner may be liable in the performance of this Agreement, regardless of the legal or equitable grounds upon which such suits, claims, damages, losses and expenses are based.
- (ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions of this Agreement.
- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement.

28. Lot Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed. For this section, "lot" shall be any lot upon which a home has been approved by the Town.

29. Land Dedication for Municipal Use. Subject to the receipt by Owner of the credit described herein, Owner agrees to dedicate to the Town a single parcel of land, not to exceed four (4) acres, within the Property for municipal use by the Town ("Dedicated Property") in consideration of the sum of One Dollar (\$1.00). The location and configuration of the Dedicated Property shall be determined by mutual agreement of Owner and Town. The Dedicated Property shall be utilized for a public safety facility for the Florence Fire Department and may include a police sub-station. In the event Owner initiates development of any portion of the Property adjacent to the Dedicated Property prior to initiation by Town of development of the Dedicated Property, Owner shall cause all utility improvements to be brought to the boundary of the Dedicated Property at Owner's cost and expense. If the Town initiates development of the Dedicated Property prior to initiation by Owner of development of any portion of the Property adjacent to the Dedicated Property, the Town shall cause all utility improvements to be brought to the Dedicated Property at its cost and expense. The Town agrees to coordinate with the Owner the design and construction of the utility improvements, including oversizing, to optimize efficiency and cost savings. The Owner will receive a credit against any development fee based

upon fire/police services use, in an amount equal to fair market value of the land determined at the later to occur of (i) the date the first building permit is pulled for single-family residential homes to be constructed on the Property, or (ii) the date of dedication of the Dedicated Property. The credit will be applied on a first come, first served basis to building permits pulled for single-family residential homes to be constructed on the Property. The Town agrees that following dedication of the Dedicated Property, the remainder of the Property may be developed into single-family residential lots not to exceed a total of three hundred twenty (320). The Town further agrees that upon dedication it shall maintain such property according to applicable Town standards and state law. The Town will use all reasonable efforts and consult with Owner so that design of any structure is compatible with the thematic character of the surrounding area and complies with any established architectural and/or design guidelines for the Property. In the event the Town fails to initiate its development of the Dedicated Property according to this Paragraph 30, within ten (10) years of the issuance of the first building permit for the Property, ownership of the Dedicated Property shall revert to the Owner as vacant land at Town's expense. Development of the Dedicated Property shall be defined as structures, landscaping and infrastructure installed on the entire area of the Dedicated Property as deemed appropriate for the use established for the Dedicated Property. Once the Dedicated Property is dedicated to the Town, it shall not be subject to any covenants, conditions or restrictions or subject to any HOA unless the ownership of the Dedicated Property subsequently reverts to the Owner.

30. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

31. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to comply with all applicable provisions of Arizona Revised Statutes ("A.R.S.") § 34 - 301 "Employment of Aliens on Public Works Prohibited", A.R.S. § 34 - 302 "Residence Requirements for Employees", and A.R.S. § 41-4401 "Government Procurement" (hereinafter referred to as the "Immigration Laws"). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner's, contractor's or any subcontractor's employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S. § 23 - 214(A) and if Owner includes the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which

require such contractors to include the provisions of this section in such contractors' contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements. "Services", as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by Owner, a contractor or any subcontractor. "Services" also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the dates written below.

**TOWN OF FLORENCE, an Arizona municipal corporation**

\_\_\_\_\_  
Tom J. Rankin, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James Mannato, Town Attorney



# **EXHIBITS**

Exhibit A - Legal Description

Exhibit B – Legal Description Map

Exhibit C – Land Use Plan



**EXHIBIT A**

**LEGAL DESCRIPTION**

**PARCEL NO.1:**

Parcel 7, Book 1 of Surveys, Page 45, 46, and 47, being that portion of the East half of Section 2, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

COMMENCING at the Northeast corner of said Section 2;

THENCE South 0 degrees 38 minutes 42 seconds East a distance of 1331.68 feet;

THENCE North 89 degrees 56 minutes 34 seconds West a distance of 1338.85 feet to the point of beginning;

THENCE North 89 degrees 56 minutes 34 seconds West a distance of 1338.92 feet;

THENCE South 0 degrees 23 minutes 12 seconds East a distance of 1295.56 feet;

THENCE North 89 degrees 58 minutes 24 seconds East a distance of 1341.86 feet;

THENCE North 0 degrees 31 minutes 02 seconds West a distance of 1293.61 feet to the POINT OF BEGINNING.

**PARCEL NO. 2:**

Parcel 11, Book 1 of Surveys, Page 45, 46, and 47, being that portion of the South Half of Section 2, Township 4 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

COMMENCING at the Northeast corner of said Section 2;

THENCE South 0 degrees 38 minutes 42 seconds East a distance of 2623.36 feet;

THENCE South 89 degrees 58 minutes 24 seconds West a distance of 1341.71 feet to the POINT OF BEGINNING;

THENCE South 0 degrees 31 minutes 02 seconds East a distance of 1293.61 feet;

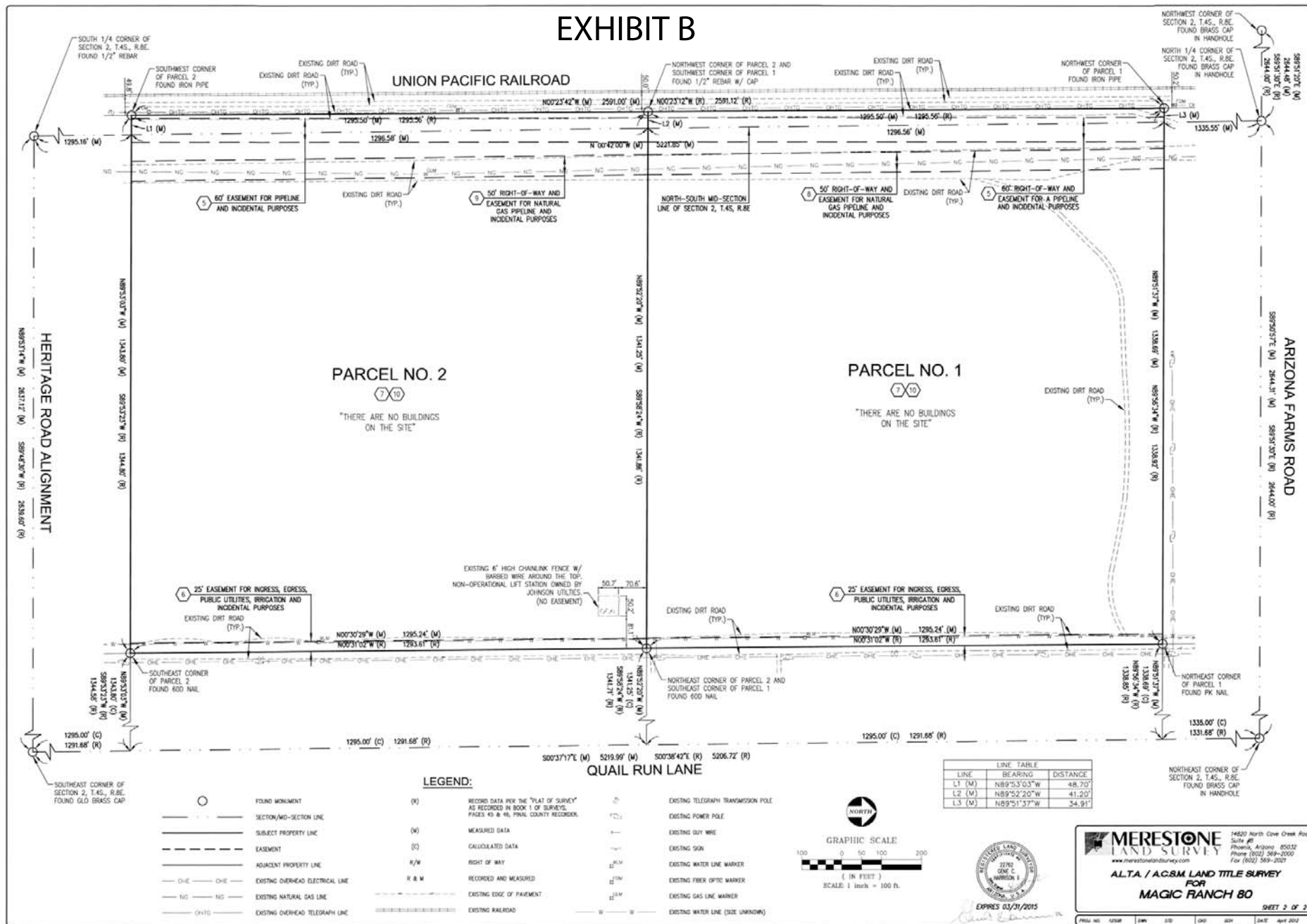
THENCE South 89 degrees 53 minutes 23 seconds West a distance of 1344.80 feet;

THENCE North 0 degrees 23 minutes 12 seconds West a distance of 1295.56 feet;

THENCE North 89 degrees 58 minutes 24 seconds East a distance of 1341.87 feet to the POINT OF BEGINNING.

---

# EXHIBIT B



**MERESTONE LAND SURVEY**  
 ALTA / A.C.S.M. LAND TITLE SURVEY FOR MAGIC RANCH 80

14820 North Cove Creek Road  
 Suite #1  
 Phoenix, Arizona 85032  
 Phone (602) 569-2000  
 Fax (602) 569-2021

www.merestonelandsurvey.com

DATE: April 2012

# Exhibit C

## Site Data:

**Gross Area:** 79.77 Ac.  
**Net Area:** 77.39 Ac.

**Lot Sizes:**  
 45'x115' 177 Lots  
 55'x115' 127 Lots  
 Total 304 Lots

**Density:** 3.81 du/ac


**Open Space:**  
 Useable 8.07 Ac.  
 Useable 9.38 Ac.

**Open Space %** 22.48%



image courtesy of USGS © 2011 Microsoft Corporation



	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u> 16b.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Community Development  <b>STAFF PRESENTER:</b> Mark Eckhoff, AICP Community Development Director  <b>SUBJECT:</b> Resolution 1454-14. Pre-Annexation and Development Agreement with SFD MAGIC RANCH, LLC.		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <li><input type="checkbox"/> Regulatory</li> <li><input type="checkbox"/> 1<sup>st</sup> Reading</li> <li><input type="checkbox"/> 2<sup>nd</sup> Reading</li> </ul> <input type="checkbox"/> Other

**RECOMMENDED MOTION/ACTION:**

Motion to adopt Resolution No. 1454-14, entering into a Pre-Annexation and Development Agreement with SFD MAGIC RANCH, LLC.

**BACKGROUND/DISCUSSION:**

The subject site encompasses a land area of approximately 240 acres located within the pending Magic Ranch Annexation. The site is located at the southeast corner of Quail Run Lane and Heritage Road. The site sits north of the Johnson Utilities Section 11 WWTP and directly south of the proposed Arizona Farms East PUD. Pinal County has a valid Tentative Plan on the site, which would be transferred to the Town's jurisdiction upon annexation, allowing 919 single-family residential lots.

**FINANCIAL IMPACT:**

Overall positive, entering into this PADA facilitates the successful completion of the Magic Ranch annexation and promotes future rooftop development within the Town of Florence. It is noted that the PADA commits to not increase Development Impact Fees for the subject site for the first seven years of the term of the PADA.

**RECOMMENDATION:**

Staff recommends adoption of Resolution No. 1454-14.

**ATTACHMENTS:**

Resolution No. 1454-14  
PADA

When recorded, return to:

Town Clerk  
Town of Florence  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

**RESOLUTION NO. 1454-14**

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH SFD MAGIC RANCH, LLC., AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “PROMONTORY AT MAGIC RANCH” PROPERTY).**

**WHEREAS**, the Town of Florence is authorized pursuant to A.R.S. § 9-500.05 to enter into development agreements and generally is authorized to enter into contracts; and

**WHEREAS**, SFD MAGIC RANCH, LLC., the “Owner” plans to develop 240 residential acres located as legally described on Exhibit “A” and shown on Exhibit “B” attached hereto (the “Property”), and desires to annex the Property into the town limits of Florence; and

**WHEREAS**, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

**WHEREAS**, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property.

**THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of 240 acres is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does not annex the

Property in a timely manner following adoption of the Pre-Annexation and Development Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this Resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Florence, Arizona, this 7<sup>th</sup> day of July, 2014.

\_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James E. Mannato, Town Attorney

## Magic Ranch Legal Description

### EXHIBIT "A"

PARCEL NO. 1:

THAT PART OF THE WEST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

THENCE SOUTH 00 DEGREES 16 MINUTES EAST, A DISTANCE OF 1,326.07 FEET TO A POINT;

THENCE NORTH 89 DEGREES 25 MINUTES 47 SECONDS EAST, A DISTANCE OF 1,303.23 FEET TO A POINT;

THENCE NORTH 00 DEGREES 14 MINUTES 15 SECONDS WEST, A DISTANCE OF 1,325.24 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 28 MINUTES WEST, A DISTANCE OF 1,303.90 FEET TO THE TRUE POINT OF BEGINNING.

ALSO KNOWN AS PARCEL 1, OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, ACCORDING TO THE PLATS OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, IN BOOK 1 OF SURVEYS, PAGES 45, 46 AND 47 THEREOF AND AMENDED BY AFFIDAVIT AND LETTER OF CORRECTION RECORDED IN DOCKET 887, PAGE 319 AND DOCKET 925, PAGE 772.

PARCEL NO. 2:

THAT PART OF THE WEST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

THENCE NORTH 89 DEGREES 28 MINUTES EAST, A DISTANCE OF 1,303.90 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 28 MINUTES EAST, A DISTANCE OF 1,303.90 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 12 MINUTES 30 SECONDS EAST, A DISTANCE OF 1,324.42 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 25 MINUTES 47 SECONDS WEST, A DISTANCE OF 1,303.23 FEET TO A POINT;

THENCE NORTH 00 DEGREES 14 MINUTES 15 SECONDS WEST, A DISTANCE OF 1,325.25 FEET TO THE TRUE POINT OF BEGINNING.

ALSO KNOWN AS PARCEL 2, OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, ACCORDING TO THE PLATS OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, IN BOOK 1 OF SURVEYS, PAGES 45, 46 AND 47, THEREOF AND AMENDED BY AFFIDAVIT AND LETTER OF CORRECTION RECORDED IN DOCKET 887, PAGE 319 AND DOCKET 925, PAGE 772.



PARCEL NO. 3:

THAT PART OF THE WEST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8, EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

THENCE SOUTH 00 DEGREES 16 MINUTES EAST, A DISTANCE OF 1,326.07 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 25 MINUTES 47 SECONDS EAST, A DISTANCE OF 1,303.23 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 14 MINUTES 15 SECONDS EAST, A DISTANCE OF 1,325.24 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 23 MINUTES 35 SECONDS WEST, A DISTANCE OF 1,302.57 FEET TO A POINT;

THENCE NORTH 00 DEGREES 16 MINUTES WEST, A DISTANCE OF 1,326.07 FEET TO THE TRUE POINT OF BEGINNING.

ALSO KNOWN AS PARCEL NO. 3 OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, IN BOOK 1 OF SURVEYS, PAGE 45, 46 AND 47 THEREOF, AND AMENDED BY AFFIDAVIT AND LETTER OF CORRECTION RECORDED IN DOCKET 887, PAGE 319 AND IN DOCKET 925, PAGE 772.

PARCEL NO. 4:

THAT PART OF THE WEST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

THENCE NORTH 89 DEGREES 28 MINUTES EAST, A DISTANCE OF 1,303.90 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 14 MINUTES 15 SECONDS EAST, A DISTANCE OF 1,325.24 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 25 MINUTES 47 SECONDS EAST, A DISTANCE OF 1,303.23 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 12 MINUTES 30 SECONDS EAST, A DISTANCE OF 1,324.42 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 23 MINUTES 35 SECONDS WEST, A DISTANCE OF 1,302.57 FEET TO A POINT;

THENCE NORTH 00 DEGREES 14 MINUTES 15 SECONDS WEST, A DISTANCE OF 1,325.24 FEET TO THE TRUE POINT OF BEGINNING;

ALSO KNOWN AS PARCEL 4, OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, ACCORDING TO THE PLAT OF RECORD IN

THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, IN BOOK 1 OF SURVEYS, PAGE 45, 46, AND 47 THEREOF AND AMENDED BY AFFIDAVIT AND LETTER OF CORRECTION RECORDED IN DOCKET 887, PAGE 319 AND DOCKET 925, PAGE 772.

PARCEL NO. 5:

THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

# Exhibit B: Legal Description Map

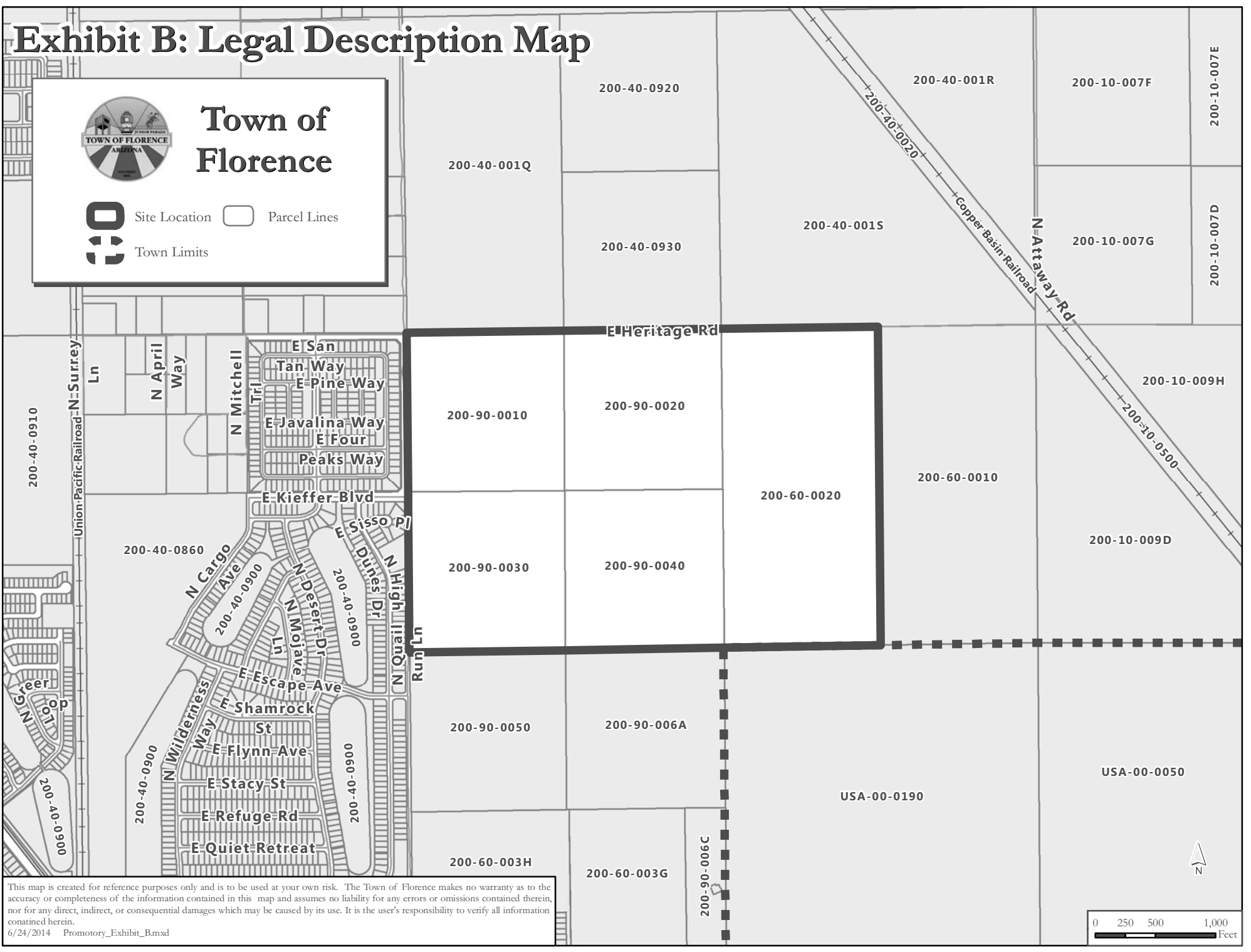


## Town of Florence



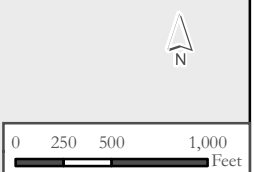
Site Location    Parcel Lines

Town Limits



This map is created for reference purposes only and is to be used at your own risk. The Town of Florence makes no warranty as to the accuracy or completeness of the information contained in this map and assumes no liability for any errors or omissions contained therein, nor for any direct, indirect, or consequential damages which may be caused by its use. It is the user's responsibility to verify all information contained herein.

6/24/2014 Promotory\_Exhibit\_B.mxd



**WHEN RECORDED, RETURN TO:**

Town of Florence  
Attn: Town Clerk  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

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**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR  
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01  
“PROMONTORY AT MAGIC RANCH” PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

SFD MAGIC RANCH, LLC, an Arizona Limited Liability Company

---

DATE: July \_\_\_\_\_, 2014

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT  
FOR  
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01  
“PROMONTORY AT MAGIC RANCH” PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this \_\_\_\_ day of July, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and SFD MAGIC RANCH, LLC, an Arizona Limited Liability Company (with permitted assignees under Section 20, the “Owner”).

**RECITALS**

A. The Owner is the owner of certain property, or has received the necessary consent to include certain property located in Pinal County, Arizona consisting of approximately 240 acres all as legally described in Exhibit “A” attached hereto and incorporated herein by reference (the “Property”).

B. Owner and the Town desire that the Property be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the unrecorded “Tentative Plat for Promontory at Magic Ranch” approved by Pinal County (Exhibit “B”) is acknowledged by the parties hereto to be consistent with the Town’s General Plan. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owner and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) conditions, terms, restrictions, policies and procedures for the formation of one or more community facilities districts; (iii) the permitted uses for the Property; (iv) the density and intensity of such uses; and (v) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 Zoning District, as may be modified by the “Tentative Plat for Promontory at Magic Ranch” and/or any subsequent Plat approved by the Town of Florence is an appropriate designation for this Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner has the right to complete the development of the Property pursuant to, amongst other things, the PUD plan before it will expend substantial efforts and costs in the development of the Property, and the Town requires assurances from Owner that development of the Property will be in accordance with the PUD plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD plan; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD plan.

G. Among other things, development of the Property in accordance with this Agreement and the PUD plan will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

H. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, may also be needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

## **AGREEMENT**

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Subsequently or concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior to or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by the Owner and satisfying the applicable statutory requirements (the "Annexation Petition"). Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final

ordinance annexing the Property into the corporate limits of the Town (the “Annexation Ordinance”). The Town and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the Town’s annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D). If the annexation does not become effective, the Town will record a termination of this Agreement if requested in writing by Owner.

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the property comparable zoning, which shall be a Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 Zoning District, as may be modified by the Pinal County approved but unrecorded “Tentative Plat of Promontory at Magic Ranch” and/or any subsequent Plat approved by the Town of Florence. The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the comparable zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the “Act”) resulting from this Agreement, the comparable zoning, the underlying land use as identified in Exhibit B or from any “land use law” (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement that is generally applicable to all real property within the Town and which is not inconsistent with the rights of Owner protected by this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the comparable zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner’s successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town’s Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the Town shall not be deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior

notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any substantial alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as deemed to be substantial by the Community Development Director;
- (b) Any increase in the overall residential density in excess of ten percent;
- (c) Any decrease in the 17.98% of Open Space as approved on the Promontory at Magic Ranch Tentative Plat;
- (d) Any substantial change in the development standards except as otherwise allowed by the PUD; and/or
- (e) Additional material circumstances as described in the PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the "Additional Property"). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraph 6(c) and 6(g) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:



- (i) rules that the Owner may agree in writing apply to the development of the Property;
  - (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including court decisions, and other similar superior external authorities beyond the control of the Town, provided that, in the event any such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law such affected provisions of this Agreement shall be modified as may be necessary to achieve the required level of compliance with such mandatory requirement;
  - (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
  - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the "MAG") provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town's Development Impact Fees that shall be imposed upon the Property for a period of seven (7) years commencing from the effective date of the annexation shall be the fees then in effect and applicable at the time the blank annexation petition was filed, which is attached as Exhibit "C", unless a lesser fee is applicable at the time a building permit is issued by the Town. After the aforementioned reduced Development Impact Fee period of seven (7) years, the Town's Development Impact Fees that will be imposed upon the Property shall be the fees then in effect and applicable at the time of permitting. Any fees which are due on residential dwelling units shall be payable when construction permits for the dwelling units are issued. Furthermore, it is noted that the Town Utility Water and Wastewater Development Impact Fee categories shall not apply if such services are not being provided by the Town of Florence.

- (d) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of issuance of any filing, review or permit issuance. Notwithstanding the foregoing, if Town agrees to forego, reduce or otherwise take action that would allow any other person or entity to pay filing fees, plan review fees, permit fees or building fees lower than are payable by Owner, Owner shall be entitled to pay such reduced fees in lieu of the otherwise applicable fees. Development Impact Fees shall be paid in accordance with Paragraph 6(c) above.
- (e) Reimbursements. Promptly after the Town submits invoices to Owner, Owner shall pay the Town's costs and expenses incurred in connection with the exercise of the Town's powers of condemnation or eminent domain at the request of the Owner or as required by the terms of this Agreement.
- (f) Flood Control. Flood control measures for the property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District.
- (g) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.
- (h) Building Setbacks. Town accepts the minimum Five Foot side yard setbacks for detached single-family residential homes constructed within the subject property as permitted by the Promontory at Magic Ranch Tentative Plat.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformation with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Tentative/Preliminary Plat approvals shall be valid for a period of two years, with possible extensions as permitted by Town codes. Tentative/Preliminary Plats and Final Plats, as well as accompanying civil improvement plans, approved by Pinal County and consistent with the PUD shall be transferable to the Town so long as approvals are current at the time of annexation and approved plans are provided to the Town. Transferred approved plans and plats shall be valid for five years from the effective date of annexation, except in the case of recorded Final Plats, which shall remain valid if infrastructure assurances are in place per paragraph 10(c) and/or subdivision improvements are completed and accepted by the Town.

8. Revisions to Promontory at Magic Ranch Tentative/Preliminary Plat. The Town hereby agrees that the Tentative/Preliminary Plat may be revised as follows without amending the PUD or processing a new Tentative/Preliminary Plat.

- (a) Lots may increase or decrease in lot width or depths, such that the total number of lots does not increase by more than 10% and lots sizes remain consistent with the PUD, except that splitting lots with a standard street length of 200 feet into lots having a standard street length of 100 feet or more shall not be prohibited and shall not be considered in determining the overall increase in the number of lots under this paragraph
- (b) Sidewalks along local streets shall be a minimum of 4' in width, sidewalks along collector streets shall be a minimum of 5' in width, sidewalks along arterials shall be per the Town Engineer, but the Owner and Town agree that these standards may be modified upon mutual agreement;
- (c) A Drainage Study completed for Pinal County for the Promontory at Magic Ranch Tentative Plat shall be accepted by the Town with conditions of approval from Pinal County, but Owner and Town agree that this study pertains to the Plat as presented in Exhibit B and may need to be updated if the Plat is modified;
- (d) The Town agrees that, if necessary and practical, existing plants on the Property may be relocated off site and replaced in kind and size in accordance to Arizona Department of Agriculture standards;
- (e) The dedication and development of Quail Run Lane along the west boundary of the Property shall be by mutual agreement between the Town and Owner. The Town and Owner acknowledge that a full arterial roadway may not be warranted for this subject roadway due to existing conditions;
- (f) The dedication and development of Heritage Road along the north boundary of the Property shall be by mutual agreement between the Town and Owner. The Town and Owner acknowledge that a full arterial roadway may not be warranted for this subject roadway due to existing conditions.

9. Vested Rights. The types of land uses, together with the densities of such uses for each development parcel on the Property, as shown in the PUD are hereby established. The Town agrees that, for the term of this Agreement, Owner shall have an immediate right to develop the Property in accordance with this Agreement, the PUD, the land uses established within the PUD and the Town's General Plan (as in effect on the date of this Agreement).

10. Infrastructure.

- (a) Infrastructure Plan. Except as otherwise provided in this Agreement, Owner may implement and phase the infrastructure improvements to the Property in conformance with an infrastructure plan jointly approved by the Town and Owner (the "Infrastructure Plan"), which Infrastructure Plan may be modified

from time to time with the Town's approval, which approval shall not unreasonably be withheld, conditioned or delayed. Town hereby agrees that the Infrastructure Plan shall exclude, and the Owner shall not be required to obtain the approval by the Town, of water infrastructure improvements or wastewater infrastructure improvements, which improvements shall be the responsibility of the Owner and/or the Water Service Provider (as hereinafter defined) and Wastewater Service Provider (as hereinafter defined) to construct pursuant to this agreement. Owner agrees to construct the water infrastructure improvements and wastewater infrastructure improvements in accordance with all other applicable regulations, laws and ordinances. The Town agrees to consider Owner's request for the condemnation of sewer, utility, and drainage easements and rights-of-way if such easements and rights-of-way are determined by the Town to be necessary to complete the infrastructure anticipated by this Agreement, but in any event the use of eminent domain or condemnation is in the sole discretion of the Town. If Town condemns or otherwise acquires property at Owner's request, Owner agrees to reimburse Town for the costs of any such condemnation, including, but not limited to, land and property rights acquisition costs, attorneys' fees and costs of suit. Town agrees to consult with Owner regarding offers of settlement in the event of eminent domain or condemnation actions.

- (b) Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with all applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Plan that relate to the phase or portion of the Property to be developed by Owner at any given time. All such construction performed by Owner shall be performed in a good and workmanlike manner and in compliance with all applicable requirements, standards, codes, rules or regulations of the Town. The parties hereto acknowledge and agree that the Town, as necessary to implement the Infrastructure Plan, shall cooperate reasonably in facilitating construction of the infrastructure, including, but not limited to, the abandonment of any unnecessary public rights-of-way or easements currently located on the Property at such time as such rights-of-way or easements are demonstrated to be unnecessary by the final plat.
- (i) The construction and installation of public or private streets, curbs, gutters, sidewalks, traffic control, directional signs and other public infrastructure and public facilities on the Property as required by the PUD and any applicable state and local regulations, laws and ordinances (collectively, the "Infrastructure") shall be subject to and in compliance with applicable state and local regulations, laws and ordinances. Owner shall cause all Infrastructure required by the PUD to be constructed and installed at no cost to the Town. Such Infrastructure may be constructed in segments that correspond to the phases, if any, set forth in the PUD. All Infrastructure shall be installed in a workmanlike manner in conformity

with the plans and specifications that are submitted to and approved by the Town in connection with the PUD or each phase. Town acknowledges and agrees that public bidding shall not be required in connection with Owner's construction of Infrastructure, regardless of whether or not such Infrastructure may ultimately be dedicated to the Town.

- (ii) Dedication of Infrastructure by Owner shall not constitute acceptance of the Infrastructure for purposes of transferring the obligation to maintain and repair the Infrastructure to the Town or for purposes of starting the Town's warranty period. Acceptance of any and all Infrastructure by the Town for purposes of the Town assuming any maintenance and repair obligations and for purposes of commencing the warranty period shall be expressly evidenced in writing by the Town as provided herein.
- (iii) Upon completion by Owner of any Infrastructure pursuant to this agreement, Owner shall notify the Town in writing of the presumptive completion of such Infrastructure. So long as such Infrastructure is constructed in accordance with the approved plans and the requirements of this agreement, as verified by the inspection of the completed improvements by the Town Engineer including the completion of all punch list items, the Town shall accept the Infrastructure, unless such Infrastructure is to be owned or accepted by some other governmental entity. The Town shall notify Owner, in writing, of the Town's acceptance of the Infrastructure as of the day of the final inspection. Acceptance of any Infrastructure is expressly conditioned upon the warranty to Town for such Infrastructure described in paragraph 10(b)(iv) below. Owner, at no cost to Town, shall dedicate rights-of-way or convey public easements necessary for the construction, installation, operation and maintenance of the Infrastructure as required by Town, which rights-of-way or easements may be located adjacent to or in other public and private rights-of-way or easements.
- (iv) Owner shall give to Town a one (1) year warranty for all Infrastructure, which warranty shall begin on the date that Town accepts the Infrastructure as provided in this section or such other date as set forth in a service agreement. Any deficiencies in material or workmanship identified by Town's staff during the warranty period that would adversely impact the public health and safety of residents shall be brought to the attention of Owner, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of Town's staff. Any other deficiencies in material or workmanship identified by Town's staff during the warranty period shall be remedied to the reasonable satisfaction of Town's staff at the conclusion of the warranty period. Continuing material deficiencies in a particular portion of the Infrastructure shall be sufficient grounds for Town to require (1) an extension of the warranty as to any Infrastructure having deficiencies for an additional period (not to exceed six additional months following correction of deficiencies

identified by the Town), or (2) the proper repair of, or (3) the removal and reinstallation of that portion of the Infrastructure that is subject to such continuing deficiencies. Regardless of whether the warranty period has expired, the Owner agrees to repair any damage to the Infrastructure caused by Owner's construction activities on the Property. Nothing contained herein shall prevent the Town or Owner from seeking recourse against any other third party for damage to the Infrastructure caused by such third party. An Owner shall have no liability to the Town under the foregoing warranty for damage to Infrastructure caused by a third party.

- (v) The Owner agrees to forever maintain all (i) rights-of-way designated as private rights-of-way by the PUD, unless such rights-of-way are dedicated by Owner and accepted by the Town; and (ii) landscaping located within the public easements and rights-of-way located on the Property and such obligations shall survive the termination or expiration of this Agreement; provided, however, Owner may assign these obligations to one or more home owners' associations ("HOA") provided such HOA is legally bound to such rights-of-way and landscaping maintenance obligations and has the ability to assess its members sufficiently to pay for such obligations. Once these obligations have been assigned to a qualifying HOA, Owner shall be relieved of any further obligation to maintain the rights-of-way and landscaping.
  
- (c) Infrastructure Assurance. The parties hereto acknowledge and agree that the Town, prior to the recording of the final plat for each phase of the subdivision within the Property, shall require the Owner and/or its designees, successors, assigns, grantees or buyers under contract, to provide assurances that are reasonable to assure that the installation of Infrastructure within that subdivision, or other subdivision improvements directly related to such building permit or permits, will be completed ("Infrastructure Assurance"). In such case, the Owner may elect, with the approval of the Town, which approval shall not be unreasonably withheld, any one or a combination of the following methods of Infrastructure Assurance. All Infrastructure Assurances provided by the Owner shall comply with the applicable provisions of the Town's Subdivision Ordinance relating to such Infrastructure Assurances. Final Plats recorded in Pinal County shall have their Infrastructure Assurances transferred to the Town immediately upon annexation. The options are as follows:
  - (i) Owner and/or its assignees, designees, grantees and purchasers under contract may file with the Town a performance bond; or
  - (ii) Owner and/or its assignees, designees, grantees and purchasers under contract may deliver to the Town an irrevocable and unconditional declining letter of credit which, if necessary, will be acknowledged by the Town in accordance with the appropriate Lender's requirements; or

- (iii) Owner and/or its assignees, designees, grantees and purchasers under contract may deliver to the Town a letter of financial assurance from Owner's lender or the lender of Owner's assignees, designees, grantees and purchasers under contract; or
- (iv) The Owner and/or its assignees, designees, grantees and purchasers under contract may deliver to the Town a Contractor's performance bond; or
- (v) The Owner and/or its assignees, designees, grantees and purchasers under contract may deliver to the Town a dual beneficiary declining letter of credit; or
- (vi) The Owner and/or its assignees, designees, grantees and purchasers under contract may deliver to the Town a performance deed of trust; or
- (vii) The Owner and/or its assignees, designees, grantees and purchasers under contract may deliver to the Town a Certificate of Occupancy Hold Agreement; or
- (viii) The Owner and/or its assignees, designees, grantees and purchasers under contract may transfer the relevant portion of the Property to a third party trust containing terms to assure completion of the Infrastructure; or
- (ix) Any other method approved by the Town and Owner consistent with State statutes and Town's subdivision ordinance.

Once the required Infrastructure Assurance has been complied with, the Owner (or, as applicable, the Owner's assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the Town, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other above methods of Infrastructure Assurance. The Town agrees that within ten (10) working days from the Town's approval of the particular completed Infrastructure for which the Town has required and the Owner has provided Infrastructure Assurance, the Town shall release such Infrastructure Assurance, in whole or in part, as may be appropriate under the circumstances, in the manner provided in the applicable Subdivision Ordinance.

- (d) Infrastructure and Improvement Financing. The Parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction and/or provision of the range of public services/infrastructure improvements necessary to serve new development of the Property. The Town acknowledges and agrees that such infrastructure improvements may be constructed, at Owner's request, through the formation of a Community Facilities District (the "CFD") or other special district or improvement district pursuant to current or future Arizona law, including, but not limited to, A.R.S. § 48-701 et seq. or any amended or successor Statutes. In the event Owner requests the Town to form any CFD, the Town will consider such request in accordance with the Town's adopted CFD Policies and Procedures, and if approved, shall adopt the necessary resolution of intention,

and conduct such procedures as are necessary to form the applicable CFDs as required by Arizona law. However, nothing contained herein shall be construed to compel the Town to form a CFD or for the CFD, if formed, to finance any Infrastructure. Owner shall provide all necessary information and shall pay all reasonable and customary Town costs, including costs of legal review by Town counsel, as specified in the Town's CFD Policies and Procedures and the Town's Schedule of Fees, as such may be amended from time to time, in connection with its request for any CFD formation. The Parties agree that the Town must act in accordance with its CFD Policies and Procedures as to the formation of any CFD contemplated under this Paragraph 9(d).

- (e) Street Lights. An Owner may request that the Town form a street lighting improvement district on the Property, however, streetlights will be required within the Property regardless of whether such a district is formed and will be constructed according to either of: 1) Town standards; 2) as grandfathered by existing development; or 3) as may be approved in the PUD.
- (f) Infrastructure Payback Agreement. In the event that the Town imposes upon Owner the obligation to oversize its infrastructure improvements or to provide additional public improvements ("Additional Improvements"), the Town agrees not to impose said obligation on Owner in such a manner that will impede or delay the Owner's ability to complete the development of its Property on the schedule or in the manner originally planned by Owner prior to the Town's imposition of such a requirement. Any such imposition of Additional Improvements by the Town shall specify all real property benefitted by such improvements ("Benefitted Properties"), including the Property, and the percentage share of the costs of the improvements that will be allocated to each of the Benefitted Properties, with such allocation being proportionate among all Benefitted Properties based on their respective use of the improvements; for clarity, the entire cost of the improvements, not just the additional cost of oversizing, will be allocated among all Benefitted Properties, including the Property.
- (i) Upon completion of the Additional Improvements, Owner's project engineer will provide the Town with the actual costs of the land and construction of such improvements and a statement of the proportionate share of the costs attributable to each of the Benefitted Properties ("Proportionate Share"). The Town shall have the right to review and approve the project engineer's submittal for a period of thirty (30) days, said approval to be commercially reasonable. The Town shall thereafter require each owner of a Benefitted Property (other than Owner), prior to the issuance of a building permit for the Benefitted Property, to pay to the Town its Proportionate Share plus an additional five percent (5%) to pay for the administrative fee retained by the Town as provided below, as such sums are adjusted pursuant to Paragraph 10(f)(ii) below.



- (ii) At the time of payment by the owner of any of the Benefitted Properties of the Proportionate Share of the costs of Additional Improvements, the payment due shall be adjusted as follows:
  - 1. Calculate the percentage increase in either the Engineering News Record (ENR) – Construction Cost Index (CCI) or Building Cost Index (BCI) between:
    - a. the most recently published ENR-CCI or ENR-BCI at the time of the adjustment; and
    - b. the ENR-CCI or ENR-BCI for the month immediately following substantial completion of the Additional Improvements.
  - 2. Multiply the Proportionate Share payable by an owner of Benefitted Property by the lower of the two percentage increases determined pursuant to part (1) above.
- (iii) Within thirty (30) days of receiving payment pursuant to Paragraph 10(e)(ii) above, Town will pay to Owner the amount of such payment, less an administrative fee equal to five percent (5%) of each payment which shall be retained by Town. Any credit or offset to which Owner is entitled to pursuant to this Paragraph 10(e) shall be credited to Owner pursuant to a written amendment to this Agreement, which the Town and Owner agree to negotiate at such time as the costs of such Additional Improvements have been determined and the Benefitted Properties have been identified.

11. Utility Services.

- (a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. (“JUC”), or another entity under the common control of JUC (collectively, the “Water Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Water Service Approvals”) to become the potable water service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.
- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC (collectively, the “Wastewater Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Wastewater Service Approvals”) to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider

in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.

- (c) Assured Water Supply. If Owner is forced to expend funds to obtain a Certificate of Assured Water Supply to the Property or the Water Service Provider is forced to expend funds to receive a Designation of Assured Water Supply, Town agrees to consider formation of a CFD to permit reimbursement of additional costs incurred to provide water to the Property through public financing.
- (d) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town. Owner, or an entity designated by Owner, shall have the right, but not the obligation, to provide cable television service to the Property, provided that any such cable television service provider has obtained a franchise agreement with the Town.
- (e) Reclaimed Water. Owner or any entity designate by Owner shall have the right, but not the obligation, to supply reclaimed water or effluent to the Property as needed by Owner, any successor to Owner, or to any HOA.

12. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and, to the extent not inconsistent with this Agreement and Owner's protected rights hereunder, Town standards. Town shall review said plans and provide Owner with its comments on these submittals in a timely manner. The Town may retain the services of a private company or individual ("Outside Review Agency") to provide expedited development review processes only upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town's list and the fee for such expedited review.

13. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

14. Additional Acts and Documents. Each party hereto agrees to do all things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement. If any action or approval is required of any party in furtherance of the rights under this Agreement, such approval shall not be reasonably withheld.

15. No Additional Dedications or Exactions. The Town agrees that except for the dedications, fees, and exactions identified in this Agreement, the Town shall not attempt to acquire or require as a condition to development of the Property in accordance with the PUD adopted on the subject site at the time of annexation and the Plat referenced in Exhibit B, or as a condition to the provision of the Town services described herein, or through zoning or subdivision stipulations, or other exactions, reservations, conditions, or otherwise, any further dedications of portions of the Property or easements or other rights over portions of the Property for any purpose. Notwithstanding the foregoing, the Town will require the dedication of public rights-of-way and reasonable drainage and utility easements that do not materially burden or interfere with the timely development of the Property. Furthermore, it is noted that the aforementioned dedications of public rights-of-way and public utility easements necessary to support the subject development may change if the subdivision is not constructed per Exhibit B and such changes shall not be considered additional dedications or Exactions as described herein.

16. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

17. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

(a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the "Town Representative") shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the "Owner Representative"). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.

(b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

18. Arbitration. If the mediation procedure set forth in Paragraph 17(b) above does not resolve a dispute, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 18. In such event, the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the “Rules”) of the Center for Public Resources (the “CPR”) currently in effect, except as provided herein and except where modified by the provisions hereof.

- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
- (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 18 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 18(e) and 18(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.
- (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question is barred by the applicable statute of limitations.
- (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed arbitrator in its notice demand for arbitration. The responding party may within ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.
- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to

Paragraphs 18(b), 18(g) and 18(h) and reasonable attorneys' fees and reasonable costs to the prevailing party.

- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.
- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 18 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.
- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.
- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.
- (j) The dispute resolution process set forth in this Paragraph 18 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other party shall constitute a default. In the event such default is not cured within the Cure

Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.

- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 17 and 18 shall not be construed or applied so as to prevent Owner or Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

19. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

20. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations. Upon any such assignment by an Owner to an acquiring person or entity, the assigning Owner shall thereafter be released from any obligations under this Agreement pertaining to the portion of the Property transferred to the acquiring person or entity.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of the Owner's rights or obligations within 15 days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. Nothing in this Agreement shall operate to restrict the Owner's ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

21. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

22. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

23. Good Standing; Authority. Each of the parties and their assigns represents (and will represent) and warrants to the other that: (i) it is duly formed and validly existing under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is an Arizona corporation or municipal corporation or

limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

24. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the Town from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

25. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

26. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

27. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

28. Notice. Any notice, (delivered by mail, hand or federal express) assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town:                      Town Manager  
    Town of Florence  
    775 N. Main Street  
    PO Box 2670  
    Florence, Arizona 85132

With Copy To:                Town Attorney  
    Town of Florence  
    775 N. Main Street  
    PO Box 2670  
    Florence, Arizona 85132

The Owner:                    SFD Magic Ranch, LLC  
    PO Box 41194  
    Tucson, AZ 85717

With Copy To: SFD Real Estate Opportunity Fund  
PO Box 41194  
Tucson, AZ 85717

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

29. Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the Town Council of this document. The term of this Agreement (the "Term") shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) fifteen (15) years from the date of recordation of this Agreement.

30. Attorneys' Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys' fees.

31. Insurance Requirements. The Owner, at its own expense, shall purchase and maintain, during the time that Infrastructure improvements are under construction, the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the time that Infrastructure improvements are under construction during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner's insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

- (a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG20101185 (October 2001 version).



- (b) Automobile Liability. The Owner shall, at its expense, maintain a commercial / business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Owner's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, "any auto", Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.
- (c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, together with expenses (including but not limited to attorneys' fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner's negligence or intentional misconduct, including but not limited to the negligence or intentional misconduct of the Owner's agents or employees or anyone for whose acts they or the Owner is liable under applicable law in the performance of this Agreement, except that the foregoing shall not apply to claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses caused in whole or in part by the negligence or intentional misconduct of the Town, its Council members, agents, officers, officials and employees. The Town shall remain responsible to the fullest extent permitted by law for any acts of negligence or intentional misconduct by the Town, its Council members, agents, officers, officials and employees.
- (i) The Owner's duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, or result from the negligence or intentional misconduct of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents or employees, or anyone for whose acts they or Owner is liable under applicable law in the performance of this Agreement.
- (ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions of this Agreement.

- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement.

32. Lot or Parcel Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots or parcels into which the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not lots sold in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed, and upon sale of any parcel zoned for non-residential use to a person or entity for construction of non-residential improvements thereon. For this section, "lot" shall be any lot upon which a home has been constructed or may be constructed under applicable law.

33. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

34. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to comply with all applicable provisions of Arizona Revised Statutes ("A.R.S.") § 34 - 301 "Employment of Aliens on Public Works Prohibited", A.R.S. § 34 - 302 "Residence Requirements for Employees", and A.R.S. § 41-4401 "Government Procurement" (hereinafter referred to as the "Immigration Laws"). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner's, contractor's or any subcontractor's employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that (a) it or its contractors or subcontractors has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S. § 23 - 214(A) or (b) the Owner (i) has included the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which require such contractors to include the provisions of this section in such contractors' contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements and (ii) takes good faith actions to enforce such provisions in its contracts with contractors promptly following request by the Town.. "Services", as used herein, are defined as the furnishing of labor, time or effort in the

State of Arizona by Owner, a contractor or any subcontractor. "Services" also includes construction or maintenance of any structure, building, transportation facility or improvement of the Property.

35. No Moratorium. Town shall not impose any moratorium or delay in processing or approving any permits, approvals or other action in connection with the Property.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the dates written below.

**TOWN OF FLORENCE, an Arizona municipal corporation**

\_\_\_\_\_  
Tom J. Rankin, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James Mannato, Town Attorney

SFD Magic Ranch, L.L.C., an Arizona limited liability company

By: SFD Real Estate Opportunity Fund, L.L.C., an Arizona limited liability company

Its: Member

By: SFD Management L.L.C., an Arizona limited liability company

Its: Manager

By: Saunders & Amos Management, Inc., an Arizona corporation

Its: Manager

Signature

Philip Amos

Print Name

managing member

Title

STATE OF ARIZONA )

County of Pima ) ss.

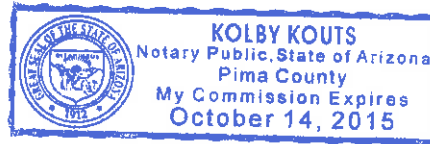
The foregoing Development Agreement for \_\_\_\_\_ was acknowledged before me this day of June 25, 2014, by Philip Amos, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and acknowledged, signed and delivered the instrument as his free and voluntary act, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

10/14/2015



# **EXHIBITS**

Exhibit A – Legal Description

Exhibit B – Pinal County Approved But Unrecorded “Tentative Plat for Promontory at Magic Ranch”

Exhibit C – Development Impact Fee Schedule

**Magic Ranch Legal Description**

**EXHIBIT "A"**

PARCEL NO. 1:

THAT PART OF THE WEST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

THENCE SOUTH 00 DEGREES 16 MINUTES EAST, A DISTANCE OF 1,326.07 FEET TO A POINT;

THENCE NORTH 89 DEGREES 25 MINUTES 47 SECONDS EAST, A DISTANCE OF 1,303.23 FEET TO A POINT;

THENCE NORTH 00 DEGREES 14 MINUTES 15 SECONDS WEST, A DISTANCE OF 1,325.24 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 28 MINUTES WEST, A DISTANCE OF 1,303.90 FEET TO THE TRUE POINT OF BEGINNING.

ALSO KNOWN AS PARCEL 1, OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, ACCORDING TO THE PLATS OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, IN BOOK 1 OF SURVEYS, PAGES 45, 46 AND 47 THEREOF AND AMENDED BY AFFIDAVIT AND LETTER OF CORRECTION RECORDED IN DOCKET 887, PAGE 319 AND DOCKET 925, PAGE 772.

PARCEL NO. 2:

THAT PART OF THE WEST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

THENCE NORTH 89 DEGREES 28 MINUTES EAST, A DISTANCE OF 1,303.90 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 28 MINUTES EAST, A DISTANCE OF 1,303.90 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 12 MINUTES 30 SECONDS EAST, A DISTANCE OF 1,324.42 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 25 MINUTES 47 SECONDS WEST, A DISTANCE OF 1,303.23 FEET TO A POINT;

THENCE NORTH 00 DEGREES 14 MINUTES 15 SECONDS WEST, A DISTANCE OF 1,325.25 FEET TO THE TRUE POINT OF BEGINNING.

ALSO KNOWN AS PARCEL 2, OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, ACCORDING TO THE PLATS OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, IN BOOK 1 OF SURVEYS, PAGES 45, 46 AND 47, THEREOF AND AMENDED BY AFFIDAVIT AND LETTER OF CORRECTION RECORDED IN DOCKET 887, PAGE 319 AND DOCKET 925, PAGE 772.

PARCEL NO. 3:

THAT PART OF THE WEST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8, EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

THENCE SOUTH 00 DEGREES 16 MINUTES EAST, A DISTANCE OF 1,326.07 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 25 MINUTES 47 SECONDS EAST, A DISTANCE OF 1,303.23 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 14 MINUTES 15 SECONDS EAST, A DISTANCE OF 1,325.24 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 23 MINUTES 35 SECONDS WEST, A DISTANCE OF 1,302.57 FEET TO A POINT;

THENCE NORTH 00 DEGREES 16 MINUTES WEST, A DISTANCE OF 1,326.07 FEET TO THE TRUE POINT OF BEGINNING.

ALSO KNOWN AS PARCEL NO. 3 OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, IN BOOK 1 OF SURVEYS, PAGE 45, 46 AND 47 THEREOF, AND AMENDED BY AFFIDAVIT AND LETTER OF CORRECTION RECORDED IN DOCKET 887, PAGE 319 AND IN DOCKET 925, PAGE 772.

PARCEL NO. 4:

THAT PART OF THE WEST HALF OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

THENCE NORTH 89 DEGREES 28 MINUTES EAST, A DISTANCE OF 1,303.90 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 14 MINUTES 15 SECONDS EAST, A DISTANCE OF 1,325.24 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 25 MINUTES 47 SECONDS EAST, A DISTANCE OF 1,303.23 FEET TO A POINT;

THENCE SOUTH 00 DEGREES 12 MINUTES 30 SECONDS EAST, A DISTANCE OF 1,324.42 FEET TO A POINT;

THENCE SOUTH 89 DEGREES 23 MINUTES 35 SECONDS WEST, A DISTANCE OF 1,302.57 FEET TO A POINT;

THENCE NORTH 00 DEGREES 14 MINUTES 15 SECONDS WEST, A DISTANCE OF 1,325.24 FEET TO THE TRUE POINT OF BEGINNING;

ALSO KNOWN AS PARCEL 4, OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, ACCORDING TO THE PLAT OF RECORD IN

THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, IN BOOK 1 OF SURVEYS, PAGE 45, 46, AND 47 THEREOF AND AMENDED BY AFFIDAVIT AND LETTER OF CORRECTION RECORDED IN DOCKET 887, PAGE 319 AND DOCKET 925, PAGE 772.

PARCEL NO. 5:

THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.



**EXHIBIT B**

**EXHIBIT "B", UNRECORDED TENTATIVE PLAT FOR "PROMONTORY AT MAGIC RANCH", IS ON FILE IN THE TOWN OF FLORENCE COMMUNITY DEVELOPMENT DEPARTMENT**

**TOWN OF FLORENCE  
P.O. BOX 2670  
775 N. MAIN STREET  
FLORENCE, AZ 85132**

# EXHIBIT C

Property is located within the Johnson Utilities CC&N. Water and Wastewater Impact Fees are payable directly to Johnson Utilities.

## UTILITY DEVELOPMENT IMPACT FEES

### WATER

Meter Size	Fee
5/8" - 3/4"	\$3,330
1"	\$5,550
1 1/2"	\$11,101
2"	\$22,201
3"	\$35,522
4"	\$55,503
6"	\$111,007
8"	\$266,415
10"	\$421,825
12"	\$555,031

### WASTEWATER

Meter Size	Fee
5/8" - 3/4"	\$4,105
1"	\$6,841
1 1/2"	\$13,684
2"	\$27,369
3"	\$43,789
4"	\$68,422
6"	\$136,843
8"	\$328,422
10"	\$522,154
12"	\$684,213

**Single family:** Attached and detached one-family dwelling units, modular, and manufactured homes;

**Multi-family:** All attached dwelling units such as duplexes and condominiums, mobile homes, apartments, and dormitories;

**Commercial:** All commercial, office, retail, institutional, and hotel/motel development;

**Industrial:** All manufacturing and warehouse development.

**Ordinance # 568-11, November 21, 2011**

# NON-UTILITY DEVELOPMENT IMPACT FEES

## TRANSPORTATION

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$583
Multi-Family	Housing Unit	\$410
Commercial	1,000 sq. ft.	\$2,618
Industrial	1,000 sq. ft.	\$425

## POLICE

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$913
Multi-Family	Housing Unit	\$657
Commercial	1,000 sq. ft.	\$171
Industrial	1,000 sq. ft.	\$98

## FIRE / EMERGENCY MEDICAL SERVICES

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$1,096
Multi-Family	Housing Unit	\$788
Commercial	1,000 sq. ft.	\$629
Industrial	1,000 sq. ft.	\$362

## PARKS AND OPEN SPACE

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$857
Multi-Family	Housing Unit	\$617
Commercial	1,000 sq. ft.	\$162
Industrial	1,000 sq. ft.	\$92

## LIBRARY

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$0
Multi-Family	Housing Unit	\$0
Commercial	1,000 sq. ft.	\$0
Industrial	1,000 sq. ft.	\$0


**Single family:** Attached and detached one-family dwelling units, modular, and manufactured homes;

**Multi-family:** All attached dwelling units such as duplexes and condominiums, mobile homes, apartments, and dormitories;

**Commercial:** All commercial, office, retail, institutional, and hotel/motel development;

**Industrial:** All manufacturing and warehouse development.

**Ordinance # 568-11, November 21, 2011**

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u></b> <b>16c.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Community Development  <b>STAFF PRESENTER:</b> Mark Eckhoff, AICP Community Development Director  <b>SUBJECT:</b> Resolution 1458-14: Pre-Annexation and Development Agreement (PADA) with GEM LAND & CATTLE, LLC AND EMPIRE WEST TITLE AGENCY, LLC.		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input type="checkbox"/> <b>Public Hearing</b> <input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Motion to adopt Resolution No. 1458-14: entering into a Pre-Annexation and Development Agreement with GEM LAND & CATTLE, LLC AND EMPIRE WEST TITLE AGENCY, LLC, and authorizing the Consent to Accept Assurance Agreement contained therein.

**BACKGROUND/DISCUSSION:**

The subject site encompasses a land area of approximately 160 acres located within the pending Magic Ranch Annexation. The site is located east of Hunt Highway and developed areas of the Magic Ranch community, north of the Hiller Road alignment and south of the Magic Ranch SFD property, which also has a PADA being presented to the Town Council for consideration. While development of the Final Platted area has yet to commence, an infrastructure assurance guaranteeing the completion of the subdivision improvements is in place and will be transferred from the County to the Town upon annexation. Pinal County also has a valid Tentative Plat on the remainder of the subject site, which would be transferred to the Town’s jurisdiction upon annexation, allowing additional single-family residential lots.

**FINANCIAL IMPACT:**

Overall positive, entering into this PADA facilitates the successful completion of the Magic Ranch Annexation and promotes future rooftop development within the Town of Florence. It is noted that the PADA commits to not increase Development Impact Fees for the subject site for the first seven years of the term of the PADA.

**RECOMMENDATION:**

Staff recommends adoption of Resolution No. 1458-14.

**ATTACHMENTS:**

Resolution No. 1458-14  
PADA

When recorded, return to:

Town Clerk  
Town of Florence  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

**RESOLUTION NO. 1458-14**

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH GEM LAND & CATTLE, LLC, AN ARIZONA LIMITED LIABILITY COMPANY AND EMPIRE WEST TITLE AGENCY, LLC., AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “VILLAGE AT MAGIC RANCH” PROPERTY).**

**WHEREAS**, the Town of Florence is authorized pursuant to A.R.S. § 9-500.05 to enter into development agreements and generally is authorized to enter into contracts; and

**WHEREAS**, GEM LAND & CATTLE, LLC AND EMPIRE WEST TITLE AGENCY, LLC, the “Owner” plans to develop 160 residential acres located as legally described on Exhibit “A” and shown on Exhibit “B” attached hereto (the “Property”), and desires to annex the Property into the town limits of Florence; and

**WHEREAS**, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

**WHEREAS**, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property; and

**WHEREAS**, the Pre-Annexation and Development Agreement contains a Consent to Accept Assurance Agreement that shall be executed by the Town of Florence and Pinal County in order to transfer the subdivision assurance on the Village at Magic Ranch Unit One from Pinal County to the Town of Florence upon annexation.

**THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of 160 acres is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does not annex the Property in a timely manner following adoption of the Pre-Annexation and Development Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this Resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement and the Consent to Accept Assurance Agreement contained therein.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Florence, Arizona, this 7<sup>th</sup> day of July, 2014.

\_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James E. Mannato, Town Attorney

## **Exhibit A: Legal Description of the Village at Magic Ranch Property**

A portion of land situated within the Southwest Quarter of Section 12, Township 4S, Range 8E of the Gila and Salt River meridian, Pinal County, Arizona more particularly described as follows:

Beginning at the Southwest Quarter Corner of Section 12, T4S, R8E;

Thence North 0 Degrees 6 Minutes 20 Seconds West 2657.03 feet;

Thence North 89 Degrees 33 Minutes 03 Seconds East 2607.59 feet;

Thence South 0 Degrees 3 Minutes 41 Seconds East 2649.00 feet;

Thence South 89 Degrees 22 Minutes 26 Seconds West 2605.57 feet to the Point of Beginning.

Basis of Bearing: outhwest Quarter of Section 12, Township 4S, Range 8E of the Gila and Salt River meridian, Pinal County, Arizona with the bearing being North 0 Degrees 6 Minutes 42 Seconds West.



# Exhibit B: Map of the Village at Magic Ranch Property

200-90-0030

200-90-0040

200-60-0020



## Town of Florence



Site Location    Parcel Lines

Town Limits

### Legal Description

A portion of land situated within the Southwest Quarter of Section 12, Township 4S, Range 8E of the Gila and Salt River meridian, Pinal County, Arizona more particularly described as follows:

Beginning at the Southwest Quarter Corner of Section 12, T4S, R8E;

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N Quail Run Ln

200-90-0050

200-90-006A

USA-00-0190

200-60-003H

200-60-003G

200-90-006C

E Haven Ave

200-40-0900

200-52-2590

**The Village at Magic Ranch  
Unit 1 Platted Area**

**Recorder Document #: 2013-063819**

E Lush Vista View

E Hiller Rd

200-87-7000

200-77-7000

USA-00-0200



This map is created for reference purposes only and is to be used at your own risk. The Town of Florence makes no warranty as to the accuracy or completeness of the information contained in this map and assumes no liability for any errors or omissions contained therein, nor for any direct, indirect, or consequential damages which may be caused by its use. It is the user's responsibility to verify all information contained herein.

6/19/2014 Magic\_Ranch\_40\_Exhibit\_B.mxd



**WHEN RECORDED, RETURN TO:**

Town of Florence  
Attn: Town Clerk  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

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**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR  
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01  
“VILLAGE AT MAGIC RANCH” PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

GEM LAND & CATTLE, LLC, an Arizona Limited Liability Company

and

EMPIRE WEST TITLE AGENCY, LLC, an Arizona Limited Liability Company

---

DATE: July \_\_\_\_\_, 2014

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT  
FOR  
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01  
“VILLAGE AT MAGIC RANCH” PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and GEM LAND & CATTLE, LLC, an Arizona Limited Liability Company, and EMPIRE WEST TITLE AGENCY, LLC, an Arizona Limited Liability Company (the “Owner”).

**RECITALS**

A. The Owner is the owner of certain property, or has received the necessary consent to include certain property located in Pinal County, Arizona consisting of approximately 160 acres all as legally described in Exhibits “A” and “B” attached hereto and incorporated herein by reference (the “Property”).

B. Owner and the Town desire that the Property be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement, the Magic Ranch Planned Area Development (“PAD”) narrative approved by Pinal County and the recorded Final Plat for The Village at Magic Ranch Unit 1 is acknowledged by the parties hereto to be consistent with the Town’s General Plan. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owner and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 Zoning District, as modified by the Magic Ranch PAD and/or the recorded Final Plat for The Village at Magic Ranch Unit 1, and/or the Preliminary/Tentative Plat for Magic Ranch 40, L.L.C., Exhibit “D” is an appropriate designation for this Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner

has the right to complete the development of the Property pursuant to, amongst other things, the PUD plan before it will expend substantial efforts and costs in the development of the Property, and the Town requires assurances from Owner that development of the Property will be in accordance with the Plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD plan; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD plan.

G. Among other things, development of the Property in accordance with this Agreement and the PUD plan will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

H. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, may also be needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

### **AGREEMENT**

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Subsequently or concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior to or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by the Owner and satisfying the applicable statutory requirements (the "Annexation Petition"). Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final ordinance annexing the Property into the corporate limits of the Town (the "Annexation Ordinance"). The Town and Owner hereby acknowledge and agree that this Agreement shall

automatically terminate and be of no force or effect if the Town's annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D).

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the property comparable zoning, which shall be a Planned Unit Development zoning ("PUD") designation allowing underlying land usage consistent with Town of Florence R1-6 Zoning District, as may be modified by the Magic Ranch PAD, the Final Plat of The Village at Magic Ranch Unit 1, and/or the Preliminary/Tentative Plat for Magic Ranch 40, L.L.C., Exhibit "D". The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the comparable zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the "Act") resulting from this Agreement, the comparable zoning or from any "land use law" (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the comparable zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner's successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town's Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the Town shall not be deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any material alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as deemed to be substantial by the Community Development Director;

- (b) Any increase in the overall residential density in excess of ten percent, a decrease in density will not be considered a major change
- (c) Any material change to the street and lot layout as deemed to be substantial by the Community Development Director;
- (d) Any material change in the development standards except as otherwise allowed by the PUD; and/or
- (e) Additional material circumstances as described in the PUD Narrative and PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the “Additional Property”). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraph 6(c) and 6(g) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:
  - (i) rules that the Owner may agree in writing apply to the development of the Property;
  - (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including court decisions, and other similar superior external authorities

beyond the control of the Town, provided that, in the event any such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law such affected provisions of this Agreement shall be modified as may be necessary to achieve the required level of compliance with such mandatory requirement;

- (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
  - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the "MAG") provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town's Development Impact Fees that shall be imposed upon the Property for a period of seven (7) years commencing from the effective date of the annexation, shall be the fees then in effect and applicable at the time the blank annexation petition was filed, which is attached as Exhibit "C", unless a lesser fee is applicable at the time a building permit is issued by the Town. After the seven (7) year period and for the duration of this Agreement, the Town's Development Impact Fees that will be imposed upon the Property shall be the fees then in effect and applicable at the time of permitting. Any fees which are due on residential dwelling units shall be payable when construction permits for the dwelling units are issued. Development Impact Fees may be prepaid at the rate in Exhibit "C", prior to the expiration of the five (5) year effective period.
- (d) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of issuance of any filing, review or permit issuance. Development Impact Fees shall be paid in accordance with Paragraph 6(c) above.
- (e) Reimbursements. Promptly after the Town submits invoices to Owner, Owner shall pay the Town's costs and expenses incurred in connection with the exercise

of the Town's powers of condemnation or eminent domain at the request of the Owner or as required by the terms of this Agreement.

- (f) Flood Control. Flood control measures for the property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District.
- (g) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformation with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Preliminary/Tentative Plat for Magic Ranch 40, L.L.C., Exhibit "D", has been vested with the approval of the Final Plat for Village at Magic Ranch Unit I, Exhibit "E", subject to major changes described in Paragraph 4 above. Town further agrees that accompanying civil improvement plans, approved by Pinal County and consistent with the PUD shall be transferable to the Town so long as approvals are current at the time of annexation, approved plans are provided to the Town and any applicable public safety concerns are adequately addressed. Transferred approved plans shall be valid for two years from the effective date of annexation, except in the case of recorded Final Plats, which shall remain valid if infrastructure assurances are in place per paragraph 9 (c) and/or subdivision improvements are completed and accepted by the Town.

8. Vested Rights. The types of land uses, together with the densities of such uses for each development parcel on the Property, as shown in the PUD are hereby established. The Town agrees that, for the term of this Agreement, Owner shall have an immediate vested right to develop the Property in accordance with this Agreement, the PUD, the Tentative/Preliminary Plat for Magic Ranch 40, L.L.C., the Final Plat for Village at Magic Ranch Unit I, and the land uses established within the PUD and the Town's General Plan.

9. Infrastructure.

- (a) Infrastructure Plan. Except as otherwise provided in this Agreement, so long as Owner proceeds with the development of the Property, Owner may implement and phase the infrastructure improvements to the Property in conformance with an infrastructure plan jointly approved by the Town and Owner (the "Infrastructure Plan"), which Infrastructure Plan may be modified from time to time with the Town's approval, which approval shall not unreasonably be withheld, conditioned or delayed. Town hereby agrees that the Infrastructure Plan shall exclude, and the



Owner shall not be required to obtain the approval by the Town, of water infrastructure improvements or wastewater infrastructure improvements, which improvements shall be the responsibility of the Owner and/or the Water Service Provider (as hereinafter defined) and Wastewater Service Provider (as hereinafter defined) to construct pursuant to Paragraphs 10(a) and 10(b). Owner agrees to construct the water infrastructure improvements and wastewater infrastructure improvements in accordance with all other applicable regulations, laws and ordinances. The Town agrees to consider Owner's request for the condemnation of sewer, utility, and drainage easements and rights-of-way if such easements and rights-of-way are determined by the Town to be necessary to complete the infrastructure anticipated by this Agreement, but in any event the use of eminent domain or condemnation is in the sole discretion of the Town. Owner agrees to reimburse Town for the costs of any such condemnation, including, but not limited to, land and property rights acquisition costs, attorneys' fees and costs of suit. Town agrees to consult with Owner regarding offers of settlement in the event of eminent domain or condemnation actions.

- (b) Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with all applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Plan that relate to the phase or portion of the Property to be developed by Owner at any given time. All such construction performed by Owner shall be performed in a good and workmanlike manner and in compliance with all applicable requirements, standards, codes, rules or regulations of the Town. The parties hereto acknowledge and agree that the Town, as necessary to implement the Infrastructure Plan, shall cooperate reasonably in facilitating construction of the infrastructure, including, but not limited to, the abandonment of any unnecessary public rights-of-way or easements currently located on the Property at such time as such rights-of-way or easements are demonstrated to be unnecessary by the final plat.
  - (i) The construction and installation of public or private streets, curbs, gutters, sidewalks, traffic control, directional signs and other public infrastructure and public facilities on the Property as required by the PUD and any applicable state and local regulations, laws and ordinances (collectively, the "Infrastructure") shall be subject to and in compliance with applicable state and local regulations, laws and ordinances. Owner shall cause all Infrastructure required by the PUD to be constructed and installed at no cost to the Town. Such Infrastructure may be constructed in segments that correspond to the phases, if any, set forth in the PUD. All Infrastructure shall be installed in a workmanlike manner in conformity with the plans and specifications that are submitted to and approved by the Town in connection with the PUD or each phase.

- (ii) Dedication of Infrastructure by Owner shall not constitute acceptance of the Infrastructure for purposes of transferring the obligation to maintain and repair the Infrastructure to the Town or for purposes of starting the Town's warranty period. Acceptance of any and all Infrastructure by the Town for purposes of the Town assuming any maintenance and repair obligations and for purposes of commencing the warranty period shall be expressly evidenced in writing by the Town as provided herein.
- (iii) Upon completion by Owner of any Infrastructure pursuant to Paragraph 10(a), Owner shall notify the Town in writing of the presumptive completion of such Infrastructure. So long as such Infrastructure is constructed in accordance with the approved plans and the requirements of Paragraph 10(a), as verified by the inspection of the completed improvements by the Town Engineer including the completion of all punch list items, the Town shall accept the Infrastructure, unless such Infrastructure is to be owned or accepted by some other governmental entity. The Town shall notify Owner, in writing, of the Town's acceptance of the Infrastructure as of the day of the final inspection. Acceptance of any Infrastructure is expressly conditioned upon the usual and customary Town warranty for such Infrastructure. Owner, at no cost to Town, shall dedicate rights-of-way or convey public easements necessary for the construction, installation, operation and maintenance of the Infrastructure as required by Town, which rights-of-way or easements may be located adjacent to or in other public and private rights-of-way or easements.
- (iv) Owner shall give to Town a one (1) year warranty for all Infrastructure, which warranty shall begin on the date that Town accepts the Infrastructure as provided in this section or such other date as set forth in a service agreement. Any deficiencies in material or workmanship identified by Town's staff during the warranty period that would adversely impact the public health and safety of residents shall be brought to the attention of Owner, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of Town's staff. Any other deficiencies in material or workmanship identified by Town's staff during the warranty period shall be remedied collectively to the reasonable satisfaction of Town's staff at the conclusion of the warranty period. Continuing material deficiencies in a particular portion of the Infrastructure shall be sufficient grounds for Town to require (1) an extension of the warranty for an additional period, or (2) the proper repair of, or (3) the removal and reinstallation of that portion of the Infrastructure that is subject to such continuing deficiencies. Regardless of whether the warranty period has expired, the Owner agrees to repair any damage to the Infrastructure caused by Owner's construction activities on the Property. Nothing contained herein shall prevent the Town or Owner from seeking recourse against any other third party for damage to the Infrastructure caused by such third party.

- (v) The Owner agrees to forever maintain all (i) rights-of-way designated as private rights-of-way by the PUD, unless such rights-of-way are dedicated by Owner and accepted by the Town; and (ii) landscaping located within the public easements and rights-of-way located on the Property and such obligations shall survive the termination or expiration of this Agreement; provided, however, Owner may assign these obligations to one or more home owners' associations ("HOA") provided such HOA is legally bound to such rights-of-way and landscaping maintenance obligations and has adequate financial ability, reasonably acceptable to the Town, to bear such obligations. Once the Town has consented to the assignment of these obligations to an HOA, Owner shall be relieved of any further obligation to maintain the rights-of-way and landscaping.
  
- (c) Infrastructure Assurance. The parties hereto acknowledge and agree that the Town, prior to the recording of the final plat for each phase of the subdivision within the Property, shall require the Owner and/or its designees, successors, assigns, grantees or buyers under contract, to provide assurances that are reasonable to assure that the installation of Infrastructure within that subdivision, or other subdivision improvements directly related to such building permit or permits, will be completed ("Infrastructure Assurance"). In such case, the Owner may elect, with the approval of the Town, which approval shall not be unreasonably withheld, any one or a combination of the following methods of Infrastructure Assurance. All Infrastructure Assurances provided by the Owner shall comply with the applicable provisions of the Town's Subdivision Ordinance relating to such Infrastructure Assurances. Final Plats recorded in Pinal County shall have their Infrastructure Assurances transferred to the Town immediately upon annexation. The options are as follows:
  - (i) Owner and/or its assignees, designees, grantees and purchasers under contract is required to file with the Town a performance bond; or
  - (ii) Owner and/or its assignees, designees, grantees and purchasers under contract is required to deliver to the Town an irrevocable and unconditional declining letter of credit which, if necessary, will be acknowledged by the Town in accordance with the appropriate Lender's requirements; or
  - (iii) Letter of financial assurance from Owner's lender or the lender of Owner's assignees, designees, grantees and purchasers under contract; or
  - (iv) Contractor's performance bond; or
  - (v) Dual beneficiary declining letter of credit; or
  - (vi) Performance deed of trust; or
  - (vii) Third party trust; or

- (viii) Any other method approved by the Town and Owner consistent with State statutes and Town's subdivision ordinance.

The Town acknowledges that an Assurance Agreement for Construction of Subdivision Improvements (Third Party Trust), Exhibit F, has been accepted and will be recorded by Pinal County for Village at Magic Ranch Unit I. The Town agrees that the Assurance Agreement may be expanded to include future phases of Magic Ranch 40, L.L.C. Tentative Plat, Exhibit D, as approved by Pinal County.

The Town agrees to provide Pinal County with the consent to accept the Assurance Agreement for Construction of Subdivision Improvements (Third Party Trust), as recorded with the Pinal County Recorder Fee Number 2013-064529, upon execution of the Pre-Annexation and Development Agreement. The Consent shall become effective only upon the successful annexation of the Property in accordance with this Agreement.

Once the required Infrastructure Assurance has been complied with, the Owner (or, as applicable, the Owner's assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the Town, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other above methods of Infrastructure Assurance. The Town agrees that within ten (10) working days from the Town's approval of the particular completed Infrastructure for which the Town has required and the Owner has provided Infrastructure Assurance, the Town shall release such Infrastructure Assurance, in whole or in part, as may be appropriate under the circumstances, in the manner provided in the Assurance Agreement and/or the applicable Subdivision Ordinance.

- (d) Infrastructure and Improvement Financing. The Parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction and/or provision of the range of public services/infrastructure improvements necessary to serve new development of the Property. The Town acknowledges and agrees that such infrastructure improvements may be constructed, at Owner's request, through the formation of a Community Facilities District (the "CFD") pursuant to Arizona law, including, but not limited to, A.R.S. § 48-701 et seq. In the event Owner requests the Town to form any CFD, the Town will consider such request in accordance with the Town's adopted CFD Policies and Procedures, and if approved, shall adopt the necessary resolution of intention, and conduct such procedures as are necessary to form the applicable CFDs as required by Arizona law. However, nothing contained herein shall be construed to compel the Town to form a CFD or for the CFD, if formed, to finance any Infrastructure. Owner shall provide all necessary information and shall pay all reasonable and customary Town costs, including costs of legal review by Town counsel, as specified in the Town's CFD Policies and Procedures and the Town's Schedule of Fees, as such may be amended from time to time, in connection with its request for any CFD formation. The Parties agree that the Town must act in accordance with its CFD Policies and Procedures as to the formation of any CFD contemplated under this Paragraph 9(d).

- (e) Street Lights. There will be no Street Lighting Improvement District (SLID) on the Property excepted as mutually agreed upon, however, streetlights will be required within the Property and will be constructed according to either of: 1) Town standards; 2) as grandfathered by existing development; or 3) as may be approved in the PUD.
  
- (f) Infrastructure Payback Agreement. In the event that the Town imposes upon Owner the obligation to oversize its infrastructure improvements or to provide additional public improvements (“Additional Improvements”), the Town agrees not to impose said obligation on Owner in such a manner that will impede or delay the Owner’s ability to complete the development of its Property on the schedule or in the manner originally planned by Owner prior to the Town’s imposition of such a requirement.
  - (i) Upon completion of the Additional Improvements, Owner’s project engineer will provide the Town with the actual costs of the land and construction of such improvements, together with a diagram of any benefited properties other than Owner’s property, and a statement of the proportionate share attributable to each of the benefited properties (“Proportionate Share”). The Town shall have the right to review and approve the project engineer’s submittal for a period of thirty (30) days, said approval to be commercially reasonable. The Town shall thereafter require each owner of a benefited property, prior to the issuance of a building permit for the benefited property, to pay to the Town its Proportionate Share plus an additional five percent (5%) to pay for the administrative fee retained by the Town as provided below.
  
  - (ii) At the time of payment calculation for benefited properties, the payment due shall be adjusted as follows:
    1. Calculate the percent increase in either the Engineering News Record (ENR) – Construction Cost Index (CCI) or Building Cost Index (BCI) between:
      - a. the most recently published ENR-CCI or ENR-BCI at the time of the adjustment; and
      - b. the ENR-CCI or ENR-BCI for the same month of the previous year.
    2. Multiply the development impact fee in effect in the year immediately prior to the Adjustment; and
    3. Add the resulting amount to the development impact fee in effect in the year immediately prior to the adjustment.
  
  - (iii) Within thirty (30) days of receiving payment pursuant to Paragraph 9(e)(ii) above, Town will reimburse Owner in the amount of such payment, less an administrative fee equal to five percent (5%) of each payment which shall be retained by Town. Any credit or

offset to which Owner is entitled to pursuant to this Paragraph 9(e) shall be credited to Owner pursuant to a written amendment to this Agreement, which the Town and Owner agree to negotiate at such time as the costs of such Additional Improvements have been determined and the benefited properties have been identified.

10. Utility Services.

- (a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. (“JUC”), or another entity under the common control of JUC (collectively, the “Water Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Water Service Approvals”) to become the potable water service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.
- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC (collectively, the “Wastewater Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Wastewater Service Approvals”) to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.
- (c) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town. Owner, or an entity designated by Owner, shall provide cable television service to the Property, provided that any such cable television service provider has obtained a franchise agreement with the Town.

11. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and Town standards. Town shall review said plans and provide Owner with its comments on these

submittals in a timely manner. The Town may retain the services of a private company or individual (“Outside Review Agency”) to provide expedited development review processes only upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town’s list and the fee for such expedited review.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

13. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

14. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure period shall be extended for a reasonable period of time provided that the cure is commenced and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

(a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the “Town Representative”) shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the “Owner Representative”). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.

(b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

15. Arbitration. If the mediation procedure set forth in Paragraph 14(b) above does not resolve a dispute, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 15. In such event,

the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the “Rules”) of the Center for Public Resources (the “CPR”) currently in effect, except as provided herein and except where modified by the provisions hereof.

- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
- (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 15 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 15(e) and 15(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.
- (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question could be barred by the applicable statute of limitations.
- (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed arbitrator in its notice demand for arbitration. The responding party may within ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.
- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to Paragraphs 15(b), 15(g) and 15(h) and reasonable attorneys’ fees and reasonable costs to the prevailing party.



- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.
- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 15 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.
- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.
- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.
- (j) The dispute resolution process set forth in this Paragraph 15 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other party shall constitute a default. In the event such default is not cured within the Cure Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.
- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 14 and 15 shall not be construed or applied so as to prevent Owner or

Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of the Owner's rights or obligations within 15 days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. Nothing in this Agreement shall operate to restrict the Owner's ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

18. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

19. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

20. Good Standing; Authority. Each of the parties and their assigns represents (and will represent) and warrants to the other that: (i) it is duly formed and validly existing under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is an Arizona corporation or municipal corporation or limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

21. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the Town

from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

22. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

23. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

24. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

25. Notice. Any notice, (delivered by mail, hand or federal express) assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town:                      Town Manager  
Town of Florence  
775 N. Main Street  
PO Box 2670  
Florence, Arizona 85132

With Copy To:                Town Attorney  
Town of Florence  
775 N. Main Street  
PO Box 2670  
Florence, Arizona 85132

The Owner:                    Gem Land & Cattle, LLC  
6589 E. Quartz Mountain Road  
Paradise Valley, AZ 85253

Empire West Title Agency, LLC  
4808 N. 22<sup>nd</sup> Street, Suite 100  
Phoenix, AZ 85016

With Copy To:                LBG Development, LLC  
1256 W. Chandler Boulevard, Suite H  
Chandler, AZ 85224

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

26. Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the Town Council of this document. The term of this Agreement (the "Term") shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) fifteen (15) years from the date of recordation of this Agreement.

27. Attorneys' Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys' fees.

28. Insurance Requirements. The Owner, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect only during the time that construction of the infrastructure improvements described in the Infrastructure Plan are being made; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner's insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

(a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG20101185 (October 2001 version).

(b) Automobile Liability. The Owner shall, at its expense, maintain a commercial / business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Owner's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad

as coverage code I, “any auto”, Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.

- (c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, together with expenses (including but not limited to attorneys’ fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner’s acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner’s agents, employees, contractors, subcontractors or anyone for whose acts they or the Owner may be liable in the performance of this Agreement, and regardless of whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses are caused in part by the passive negligence of the Town, its Council members, agents, officers, officials and employees. The Town shall remain responsible to the fullest extent permitted by law for any acts of active negligence by the Town, its Council members, agents, officers, officials and employees.
- (i) The Owner’s duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, result from, or are alleged to have resulted from the Owner’s acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner’s agents, employees, contractors or anyone for whose acts they or Owner may be liable in the performance of this Agreement, regardless of the legal or equitable grounds upon which such suits, claims, damages, losses and expenses are based.
- (ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions of this Agreement.

- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement for a period of one (1) year and then terminate.
- (iv) Notwithstanding the foregoing, upon the Town's acceptance of the ownership and the obligation to maintain any infrastructure improvements, Owner shall have no further obligation to indemnify, defend or hold harmless the Town from any matters relating to such infrastructure improvements, including without limitation, any loss or damage arising from any defects or deficiencies in such infrastructure improvements. The foregoing, shall not limit the Town from making a claim against the engineers, contractors or other services providers that participated in the design and/or construction of such infrastructure improvements.

29. Lot Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed. For this section, "lot" shall be any lot upon which a home has been approved by the Town.

30. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

31. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to comply with all applicable provisions of Arizona Revised Statutes ("A.R.S.") § 34 - 301 "Employment of Aliens on Public Works Prohibited", A.R.S. § 34 - 302 "Residence Requirements for Employees", and A.R.S. § 41-4401 "Government Procurement" (hereinafter referred to as the "Immigration Laws"). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner's, contractor's or any subcontractor's employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S.

§ 23 - 214(A) and if Owner includes the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which require such contractors to include the provisions of this section in such contractors' contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements. "Services", as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by Owner, a contractor or any subcontractor. "Services" also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the dates written below.

**TOWN OF FLORENCE, an Arizona municipal corporation**

\_\_\_\_\_  
Tom J. Rankin, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James Mannato, Town Attorney



\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

STATE OF ARIZONA        )  
  ) ss.  
County of \_\_\_\_\_ )

The foregoing Development Agreement for \_\_\_\_\_ was acknowledged before me this day of \_\_\_\_\_, 2014, by \_\_\_\_\_, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and acknowledged, signed and delivered the instrument as his free and voluntary act, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

STATE OF ARIZONA        )  
  ) ss.  
County of \_\_\_\_\_ )

The foregoing Development Agreement for \_\_\_\_\_ was acknowledged before me this day of \_\_\_\_\_, 2014, by \_\_\_\_\_, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and acknowledged, signed and delivered the instrument as his free and voluntary act, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
  
\_\_\_\_\_

# **EXHIBITS**

Exhibit A - Legal Description(s)

Exhibit B – Map of Subject Area

Exhibit C – Development Impact Fee Schedule

Exhibit D - Tentative Plat – Magic Ranch 40, L.L.C.

Exhibit E – Final Plat The Village at Magic Ranch Unit I

Exhibit F – Assurance Agreement

## **Exhibit A: Legal Description of the Village at Magic Ranch Property**

A portion of land situated within the Southwest Quarter of Section 12, Township 4S, Range 8E of the Gila and Salt River meridian, Pinal County, Arizona more particularly described as follows:

Beginning at the Southwest Quarter Corner of Section 12, T4S, R8E;

Thence North 0 Degrees 6 Minutes 20 Seconds West 2657.03 feet;

Thence North 89 Degrees 33 Minutes 03 Seconds East 2607.59 feet;

Thence South 0 Degrees 3 Minutes 41 Seconds East 2649.00 feet;

Thence South 89 Degrees 22 Minutes 26 Seconds West 2605.57 feet to the Point of Beginning.

Basis of Bearing: outhwest Quarter of Section 12, Township 4S, Range 8E of the Gila and Salt River meridian, Pinal County, Arizona with the bearing being North 0 Degrees 6 Minutes 42 Seconds West.

# Exhibit B: Map of the Village at Magic Ranch Property

200-90-0030

200-90-0040

200-60-0020



## Town of Florence



Site Location Parcel Lines

Town Limits

### Legal Description

A portion of land situated within the Southwest Quarter of Section 12, Township 4S, Range 8E of the Gila and Salt River meridian, Pinal County, Arizona more particularly described as follows:

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Basis of Bearing: outhwest Quarter of Section 12, Township 4S, Range 8E of the Gila and Salt River meridian, Pinal County, Arizona with the bearing being North 0 Degrees 6 Minutes 42 Seconds West.

N Quail Run Ln

200-90-0050

200-90-006A

USA-00-0190

200-60-003H

200-60-003G

200-90-006C

E Haven Ave

200-40-0900

200-52-2590

**The Village at Magic Ranch  
Unit 1 Platted Area**

**Recorder Document #: 2013-063819**

E Lush Vista View

E Hiller Rd

200-87-7000

200-77-7000

USA-00-0200



This map is created for reference purposes only and is to be used at your own risk. The Town of Florence makes no warranty as to the accuracy or completeness of the information contained in this map and assumes no liability for any errors or omissions contained therein, nor for any direct, indirect, or consequential damages which may be caused by its use. It is the user's responsibility to verify all information contained herein.

6/19/2014 Magic\_Ranch\_40\_Exhibit\_B.mxd



# EXHIBIT C

## UTILITY DEVELOPMENT IMPACT FEES

### WATER

Meter Size	Fee
5/8" - 3/4"	\$3,330
1"	\$5,550
1 1/2"	\$11,101
2"	\$22,201
3"	\$35,522
4"	\$55,503
6"	\$111,007
8"	\$266,415
10"	\$421,825
12"	\$555,031

### WASTEWATER

Meter Size	Fee
5/8" - 3/4"	\$4,105
1"	\$6,841
1 1/2"	\$13,684
2"	\$27,369
3"	\$43,789
4"	\$68,422
6"	\$136,843
8"	\$328,422
10"	\$522,154
12"	\$684,213

**Single family:** Attached and detached one-family dwelling units, modular, and manufactured homes;

**Multi-family:** All attached dwelling units such as duplexes and condominiums, mobile homes, apartments, and dormitories;

**Commercial:** All commercial, office, retail, institutional, and hotel/motel development;

**Industrial:** All manufacturing and warehouse development.

**Ordinance # 568-11, November 21, 2011**

# NON-UTILITY DEVELOPMENT IMPACT FEES

## TRANSPORTATION

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$583
Multi-Family	Housing Unit	\$410
Commercial	1,000 sq. ft.	\$2,618
Industrial	1,000 sq. ft.	\$425

## POLICE

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$913
Multi-Family	Housing Unit	\$657
Commercial	1,000 sq. ft.	\$171
Industrial	1,000 sq. ft.	\$98

## FIRE / EMERGENCY MEDICAL SERVICES

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$1,096
Multi-Family	Housing Unit	\$788
Commercial	1,000 sq. ft.	\$629
Industrial	1,000 sq. ft.	\$362

## PARKS AND OPEN SPACE

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$857
Multi-Family	Housing Unit	\$617
Commercial	1,000 sq. ft.	\$162
Industrial	1,000 sq. ft.	\$92

## LIBRARY

Land Use Category	Unit	Fee Per Unit
Single Family	Housing Unit	\$0
Multi-Family	Housing Unit	\$0
Commercial	1,000 sq. ft.	\$0
Industrial	1,000 sq. ft.	\$0

**Single family:** Attached and detached one-family dwelling units, modular, and manufactured homes;

**Multi-family:** All attached dwelling units such as duplexes and condominiums, mobile homes, apartments, and dormitories;

**Commercial:** All commercial, office, retail, institutional, and hotel/motel development;

**Industrial:** All manufacturing and warehouse development.

**Ordinance # 568-11, November 21, 2011**

**EXHIBIT D**

**EXHIBIT "D", UNRECORDED TENTATIVE PLAT FOR "MAGIC RANCH 40, L.L.C.", IS  
ON FILE IN THE TOWN OF FLORENCE COMMUNITY DEVELOPMENT DEPARTMENT**

**TOWN OF FLORENCE  
P.O. BOX 2670  
775 N. MAIN STREET  
FLORENCE, AZ 85132**



**EXHIBIT E**

**EXHIBIT "E", RECORDED FINAL PLAT FOR "THE VILLAGE AT MAGIC RANCH UNIT ONE", IS ON FILE IN THE TOWN OF FLORENCE COMMUNITY DEVELOPMENT DEPARTMENT AND ON FILE WITH THE PINAL COUNTY RECORDER**

**TOWN OF FLORENCE  
P.O. BOX 2670  
775 N. MAIN STREET  
FLORENCE, AZ 85132**

## **Exhibit F**

## **CONSENT TO ACCEPT ASSURANCE AGREEMENT FOR CONSTRUCTION OF SUBDIVISION IMPROVEMENTS**

This Consent to Accept Assurance Agreement for Construction of Subdivision Improvements is entered into this \_\_\_ day of July, 2014 by and between the Town of Florence, Arizona, an Arizona municipal corporation, and Pinal County, Arizona, a political subdivision of the State of Arizona.

### **RECITALS**

**Whereas**, the Town of Florence, Arizona, an Arizona municipal corporation, intends to annex property within Pinal County Arizona which was the subject of that certain Assurance Agreement for Construction of Subdivision Improvements (the “Agreement”) by and between GEM Land and Cattle, LLC an Arizona limited liability company (“GEM” or “Subdivider”), Empire West Title Agency, LLC an Arizona limited liability corporation (“Trustee”), and Pinal County, Arizona (“County”), dated June 12, 2013 and recorded in the official records of the Pinal County Recorder at Fee No.: 2013-064529, which Agreement is attached hereto and incorporated herein as **Exhibit ‘G’**; and

**Whereas**, such property as legally described therein was to be subdivided by Subdivider pursuant to the requirements of the Agreement; and

**Whereas**, Subdivider was required by the Agreement to provide for certain assurances relating to the construction of subdivision improvements and County was required by the Agreement to provide Trustee with a Release of Assurance to allow for the conveyance of the property described therein, each of which requirements were to the mutual benefit of Subdivider and County and formed the necessary consideration for the promises contained therein; and

**Whereas**, Town now provides this Consent to Accept Assurance Agreement for Construction of Subdivision Improvements to County, pursuant to Paragraph 2.13 of the Agreement, so as to allow Town to receive the benefits and to perform the duties of the Agreement subsequent to the annexation of the property described therein.

### **AGREEMENT**

Based upon the foregoing recitals and the attached Exhibit G, which are incorporated and made a part of this Agreement as if set forth in their entirety below, and for such other and valuable consideration as is contained herein, the receipt and sufficiency of which is acknowledged by both Town and County, it is hereby agreed as follows:

1. Town agrees to and hereby provides County with its consent to accept the Assurance Agreement for Construction of Subdivision Improvements attached hereto as Exhibit G upon the successful annexation of the property described therein into the Town of Florence.
2. County agrees that the Town’s consent is in a form satisfactory to County and as such provides the necessary assurances for Town to succeed to all benefits and duties of the County under the Paragraph 2.13 of the Agreement upon the successful annexation of the property described therein into the Town of Florence.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement on the date first above written.

**PINAL COUNTY, ARIZONA**

**TOWN OF FLORENCE**

By: \_\_\_\_\_  
Chairman of the Board

By: \_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Clerk/Deputy Clerk of the Board

By: \_\_\_\_\_  
Lisa Garcia, Town Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Deputy County Attorney

By: \_\_\_\_\_  
James E. Mannato, Town Attorney

10

# EXHIBIT G



OFFICIAL RECORDS OF  
PINAL COUNTY RECORDER  
VIRGINIA ROSS

DATE/TIME: 08/05/2013 1221  
FEE: \$0.00  
PAGES: 10  
FEE NUMBER: 2013-064529

When recorded return to:

Clerk of the Board Office  
P.O. BOX 827  
Florence, Arizona 85232



## ASSURANCE AGREEMENT FOR CONSTRUCTION OF SUBDIVISION IMPROVEMENTS (Third Party Trust)

This Assurance Agreement for Construction of Subdivision Improvements (this "Agreement") is made and entered into by, between and among **GEM Land and Cattle LLC**, a(n) Arizona limited liability company ("Subdivide"); **Empire West Title Agency LLC**, a(n) Arizona, limited liability corporation ("Trustee") as proposed Trustee under proposed Trust No: 1 (ONE) and **PINAL COUNTY, ARIZONA** (County")

### RECITALS

1.1 Subdivider is the proposed beneficiary, and Trustee is the proposed trustee, of a proposed trust which is in a process of acquiring ownership of the land located in Pinal County, Arizona and identified in EXHIBIT A of this Agreement (the "Land").

1.2 County, Subdivider and Trustee wish to establish specific terms, conditions and guidelines relating to the subdivision of the Land (the "Subdivision") from construction of related improvements to comply with A.R.S. 11-821 and 11-822 and the Pinal County Subdivision Regulations, as amended from time to time (Code").

1.3 Trustee and Subdivider shall also execute, as required by the Trustee, a trust agreement separate from this Agreement intended to establish the subdivision trust that is referenced in this Agreement in a form reasonably satisfactory to County ("Tract Agreement").

### AGREEMENT

Based on the Foregoing Recitals and attached Exhibit, which are incorporated and made a part of this Agreement as if set forth in their entirety below and in consideration of County's approval of a final plat for the Land, County, Subdivider, and Trustee agree as follows:

2.1 Property Description. The land is all of the real property identified in Exhibit "A" attached hereto which is the subject of a subdivision plat identified as Village of Magic Ranch Unit I (the Subdivision Plat").

2.2 Construction of Subdivision Improvements. As a condition of approval of the Subdivision Plat, Subdivider hereby agrees to construct all improvements contemplated by the

Subdivision Plat and/or by the improvement plans for the Subdivision as heretofore, or as maybe hereafter, provided by Subdivider to County, including, but not limited to: streets; sanitary sewers (if necessary); water and electric utilities; drainage and flood control improvements; parks, trails or other recreational facilities; and any other improvement noted on the Subdivision Plat or required by the Code (collectively, the "Subdivision Improvements"). Once commenced, Subdivider will diligently work toward completing the Subdivision Improvements. Subdivider's obligation to complete the Subdivision Improvements arises as of the date of this Agreement, is independent of any obligations of County and is not conditioned upon the sale of any lots or improvements within the Subdivision. Nothing in this Agreement shall be construed as an undertaking by County or Trustee to install, to guarantee the installation of, or to indemnify any other party for or relating to the installation (or failure to install) of any of the Subdivision Improvements.

2.3 Existing Utilities Any relocation or modification of existing utilities or public improvements required in order to construct the Subdivision Improvements shall be done at no expense to the public or the County. Subdivider's performance of this requirement shall be considered in determining whether to release assurances under Paragraphs 2.5 and 2.6.

2.4 Assurance of Construction This Agreement is submitted as an assurance that Subdivider will construct the Subdivision Improvements, as required by A.R.S. 11-822, and the Code, as amended from time to time. Trustee and Subdivider shall also execute the Trust Agreement separate herefrom, intended to more fully implement the provisions hereof.

2.5 Limitation on Transfer of Title; Contracts for Sale. Except as otherwise provided in Paragraphs 2.7 and 2.8 hereof, Trustee shall not convey title to any of the Land without obtaining prior written approval from County in the form of a Release of Assurance or Subdivider posting a substitute form of assurance acceptable to the County. A Release of Assurance by the Board of Supervisors shall not be provided by County until the Subdivision Improvements are completed in accordance with this agreement, the Code and particularly Paragraphs 2.10 and 2.11 (if applicable) hereof or Subdivider posts a substitute form of assurance acceptable to County for all Subdivision Improvements that have not been completed. Either Trustee or Subdivider may enter into contracts for sale on portions of land, so long as such contracts clearly state that the conveyance of title to the real property involved is subject to obtaining a Release of assurance as contemplated herein, and such contract can be consummated without obtaining such Release of Assurance. Trustee or Subdivider shall provide County with a copy of the form of the contract containing the disclosure reference.

2.6 Partial Release of Assurances County shall issue up to three Releases of Assurance if both of the following have occurred:

- A. All of the Subdivision Improvements required in connection with the released lots have been completed in accordance with Paragraph 2.10; and
- B. County finds that the released lots and the Subdivision Improvements required in connection with them can be used and maintained separately from the Subdivision Improvements not yet completed in accordance with Paragraphs 2.10 and 2.11 (if applicable).

2.7. Bulk Sales. For the purpose of this Paragraph 2.7, "Permitted Portion" means a discrete unit within the Subdivision which is contemplated to be sold in bulk sale to a single builder or other third-party developer prior to completion of on-site and off-site improvements thereon. Notwithstanding Paragraph 2.5, Trustee may sell and convey all or any Permitted Portion of the Land in one transaction to a single purchaser subject to all of the terms of this Agreement, the Code and the Subdivision Plat. Said purchaser shall, as to each such sale, enter into a new third-party trust assurance agreement with County, assuring completion of:

A. All of the Subdivision Improvements, if the sale involves all of the land;  
or

B. The Subdivision Improvements relating to and located on the Permitted Portion so sold, together with any of the other Subdivision Improvements which, in County's judgment, are necessary to be completed so that the Permitted Portion can be used and maintained separately from the Subdivision Improvements not yet completed in accordance with Paragraphs 2.10 and 2.11 (if applicable), if the sale involves a Permitted Portion.

2.8. Conveyance Out of Trust for the Purpose of Encumbrance. Notwithstanding Paragraph 2.5, Trustee may convey all or part of the Land to Subdivider for the sole purpose of encumbering the Land by the recording of mortgages or deeds of trust; provided that the Land is thereafter immediately reconveyed into trust, and the only liens attaching by virtue of such deeding process are the third party mortgages or deeds of trust described above; provided further that such mortgagee or beneficiary holding an encumbrance against all or any portion of the Land shall be subject to this Agreement (although such lienholder shall not be obligated to perform any of Subdivider's obligations, but such lien holder's rights shall be subordinated to all rights of County under this Agreement, including, but not limited to, the rights of abandonment, replat and all restrictions on the sale of lots). Except as otherwise set forth herein, nothing shall preclude any lender from enforcing the terms of its loan documents as against Subdivider and or against the Trust Agreement established by Subdivider pursuant to this Agreement.

2.9. Substitution of Assurances. Subdivider may submit substitute assurances as provided in a form and amount satisfactory to County and in compliance with the Code at any time during which Subdivider is not in default under this Agreement or under any other agreement with County related to the Land or its improvements.

2.10. Completion of the Subdivision Improvements. The Subdivision Improvements shall be completed by Subdivider and accepted by County where appropriate in accordance with the terms hereof not more than two (2) years after the effective date of this Agreement unless there is an extension granted by the Board of Supervisors. The Subdivision Improvements shall not be considered completed until after they have been constructed in accordance with all applicable and approved plans and after County has inspected them and finds them to be in compliance with the plans and applicable county ordinances and regulations, and the Subdivision Improvements are found acceptable in accordance with the terms of Paragraph 2.11 immediately below.

2.11. Acceptance of the Subdivision Improvements. County shall not accept maintenance responsibility for any of the Subdivision Improvements unless and until all of the following have occurred:

- A. They have been completed in accordance with Paragraph 2.10;
- B. The dedication has been accepted by the Board of Supervisors as evidenced by subsequent approval by the Board of Supervisors of the dedication on the Subdivision Plat or by some other formal action; and
- C. All fees, including, without limitation, guarantee bonds and pavement finishing fees are paid, and all other necessary bonds or warranty assurances are posted.

2.12. County's Option to Abandon or Re-Plat Upon Default. At County's sole option, if Subdivider defaults in its obligations under this Agreement by failing to cause the Subdivision Improvements to be completed by Subdivider and accepted by County where appropriate in accordance with the terms hereof not more than two (2) years after the effective date of this Agreement unless there is an extension granted by the Board of Supervisors, County may abandon or re-plat all or a portion of the Land for the purpose of returning the portions of Land which are the subject of the abandonment or re-plat to approximately the same boundary configurations of record which existed before the recording of the Subdivision Plat. Subdivider hereby authorizes County to execute on behalf of Subdivider the abandonment or re-plat described in this Paragraph 2.12. The abandonment or re-plat may exclude any dedications to the public which were made on the Subdivision Plat and/or which are further deemed necessary to serve either portions of the Land which are not re-platted or which serve the public. County agrees that it shall not abandon the portion of the Subdivision Plat for which a Partial Release or Permitted Portion has been completed pursuant to Paragraph 2.6 or Paragraph 2.7 of this Agreement. Subdivider shall pay the reasonable costs incurred in the abandonment or re-platting. Notice mailed first class to the last known address of Subdivider, Trustee and/or any mortgagee or deed of trust beneficiary of which Subdivider has heretofore provided County written notice shall be given not less than thirty (30) days before County exercises its option to abandon or re-plat under this Paragraph 2.12.

2.13. Incorporation and Annexation.

A. Annexation. If the Land or any portion of the Land is annexed by a city or town, the city or town shall execute a consent to accept this Agreement in a form reasonably satisfactory to County within sixty (60) days of the annexation in order to succeed to all benefits and duties of County under this Agreement. If the consent to accept this Agreement is not signed within sixty (60) days of the annexation date, this Agreement shall terminate.

B. Incorporation. If the Land or any portion of the Land lies within a newly incorporated city or town, this Agreement shall remain in effect until sixty (60) days after County fulfills its statutory responsibilities prescribed under A.R.S. § 9-104. The city or town shall execute a consent to accept the Agreement in form reasonably satisfactory to County within sixty (60) days after County fulfills its statutory responsibilities under A.R.S. §9-104 in order to



succeed to all benefits and duties of County under this Agreement. If the consent to accept this Agreement is not signed within the prescribed timeframe, this Agreement shall terminate.

2.14. Termination. This Agreement shall remain in full force and effect until one of the following has occurred:

A. The Subdivision Improvements have been completed and accepted by County in accordance with Paragraph 2.11 and a Release of Assurances with respect to all the Land has been recorded in the Office of the County Recorder in accordance with Paragraph 2.5;

B. A new subdivision plat has been recorded for the Land in compliance with any and all applicable laws and regulations;

C. The Land has been annexed or incorporated and the consent to accept the Agreement is not executed by the relevant city or town within the timeframes outlined in Paragraph 2.13 above;

D. County records the map of abandonment or replat of the Subdivision Plat referenced in Paragraph 2.12 above; or

E. A substitute assurance agreement has been executed by and between Subdivider and County in accordance with Paragraph 2.9.

2.15 Subdivider's Notice of Changes. Subdivider agrees to provide written notice to County at least ten (10) calendar days before the occurrence of: a) a change of name, corporate identity or address of Subdivider or Trustee; b) intent to transfer, or a transfer of, title to the Subdivision by deed, contract or operation of law; c) the foreclosure of a lien against the Subdivision or any portion of the Subdivision; d) filing of a voluntary or involuntary petition of bankruptcy respecting Subdivider or affecting the Subdivision; or e) any other event that may materially and adversely affect the performance of Subdivider hereunder.

2.16 Sole Discretion. Unless otherwise provided specifically in the Code or this Agreement, County may act in its sole discretion and judgment in all particulars regarding this Agreement, the Land, the Subdivision Plat or any other item contemplated hereby.

2.17 Governing Law. Notwithstanding A.R.S. § 12-408, venue for any suit or action arising under this Agreement shall be commenced and remain in the Superior Court of the State of Arizona in and around the County of Pinal, Florence, Arizona. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county.

2.18 Cancellation. This Agreement is subject to cancellation by County in accordance with, and under the conditions set forth in, the provisions of A.R.S. §38-511.



TRUSTEE: Empire West Title Agency (a(n)  
ARIZONA corporation, as Trustee under  
Trust No. 0112 and not in its corporate  
capacity

By: [Signature]  
ts: Vice President

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA )

The foregoing instrument was acknowledged before me this 12 day of June,  
2013, by David Johnson, Vice President of Empire West Title Agency, LLC  
("Trustee"), a(n) Arizona corporation, on behalf of the corporation, as trustee under Trust No.

[Signature]  
Notary Public

My Commission Expires: 2/15/15

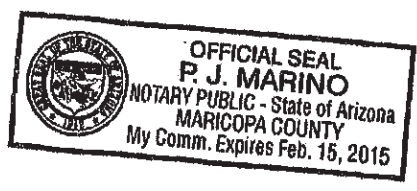


Exhibit "A"

Property Description

EXHIBIT "A"

A PARCEL OF LAND LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND GLO BRASS CAP SET FOR THE SOUTHWEST CORNER OF SAID SECTION 12 FROM WHICH A FOUND GLO BRASS CAP SET FOR THE SOUTH QUARTER CORNER OF SAID SECTION BEARS N. 89° 22' 26" E;

THENCE EASTERLY ALONG THE SOUTH LINE OF SAID SECTION 12, N. 89° 22' 26" E., 1282.00 FEET;

THENCE, AT RIGHT ANGLES TO SAID SOUTH LINE, N. 00° 37' 34" W., 472.39 FEET;

THENCE S. 89° 22' 26" W., 120.00 FEET;

THENCE N. 00° 37' 34" W., 47.61 FEET;

THENCE S. 89° 22' 26" W., 50.00 FEET TO A POINT AT THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A RADIAL TO SAID POINT BEARS N. 89° 22' 26" E.;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE TANGENT TO SAID CURVE, S. 89° 22' 26" W., 295.00 FEET;

THENCE N. 00° 37' 34" W., 110.00 FEET;

THENCE S. 89° 22' 26" W., 313.29 FEET;

THENCE S. 00° 37' 34" E., 85.00 FEET;

THENCE S. 89° 22' 26" W., 50.00 FEET TO A POINT AT THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A RADIAL TO SAID POINT BEARS N. 89° 22' 26" E.;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE TANGENT TO SAID CURVE S. 89° 22' 26" W., 170.00 FEET TO THE

File No: 819EW  
Amendment No: 8

**BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A  
RADIUS OF 25.00 FEET;**

**THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  
90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;**

**THENCE S. 89° 22' 26" W., 50.00 FEET;**

**THENCE S. 00° 37' 34" E., 53.89 FEET;**

**THENCE S. 89° 22' 26" W., 154.48 FEET;**

**THENCE S. 00° 06' 20" E., 466.13 FEET TO THE POINT OF BEGINNING.**

Commitment

2013-064529  
This document is a full, true and correct  
copy of the original recorded in this office.

Attest Angie 2013

Virginia Ross  
Pinal County Recorder  
State of Arizona, County of Pinal

By Pat S, Deputy



OFFICIAL RECORDS OF  
PINAL COUNTY RECORDER  
VIRGINIA ROSS

Recording Requested By:  
Empire West Title Agency

DATE/TIME: 07/29/2013 1213

FEE: \$12.00

PAGES: 4

FEE NUMBER: 2013-062389

And When Recorded Mail To:  
Empire West Title Agency  
4808 N. 22nd St. Ste. 100  
Phoenix, AZ 85016  
Escrow No. 819EW



This area reserved for County Recorder

Yl

**SPECIAL WARRANTY DEED**

Affidavit Exempt  
Pursuant to  
ARS 11-1134 B8

For the consideration of Ten Dollars, and other valuable considerations, I,  
**Gem Land & Cattle LLC, an Arizona limited liability company**  
do hereby convey to

**EMPIRE WEST TITLE AGENCY, LLC, an Arizona Limited Liability Company, as  
Trustee under Trust No. 1**

the following described property situated in the County of **Pinal**, State of **Arizona**, together  
with all rights and privileges appurtenant thereto, to wit:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF**

**Beneficiaries of the above referenced Trust are disclosed as follows:**

Gem Land & Cattle LLC, an Arizona limited liability company  
5689 E. Quartz Mountain Road  
Paradise Valley, AZ 85253

**SUBJECT TO:** Existing taxes, assessments, covenants, conditions, restrictions, rights of way,  
easements, and all other matters of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, as against  
all acts of the Grantor herein and no other, subject to the matters above set forth.

Dated: July 12, 2013.

**Gem Land & Cattle LLC, an Arizona limited  
liability company**

By: **GARY E. MATTOX, Manager**

NOTARY ACKNOWLEDGMENT IS ATTACHED HERETO

Warranty  
Deed

Dated July 12, 2013

Special Warranty Deed

Escrow No. 819EW

NOTARY ACKNOWLEDGEMENT

STATE OF Arizona )  
 )SS.  
County of Maricopa )

On July 12, 2013, before me, the undersigned Notary Public, personally appeared Gary E. Mattox, as Managing Member of , GEM LAND & CATTLE LLC, an Arizona Limited Liability Company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

My Commission Expires:

Andrea M. Ruelas  
Notary Public





Dated July 12, 2013

Special Warranty Deed

Escrow No. 819EW

EXHIBIT "A"

THE VILLAGE AT MAGIC RANCH UNIT 1, recorded in Fee No. \_\_\_\_\_ of Pinal County Records, being located in a portion of the Southwest quarter of Section 12, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

A PARCEL OF LAND LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND GLO BRASS CAP SET FOR THE SOUTHWEST CORNER OF SAID SECTION 12 FROM WHICH A FOUND GLO BRASS CAP SET FOR THE SOUTH QUARTER CORNER OF SAID SECTION BEARS N. 89° 22' 26" E;

THENCE EASTERLY ALONG THE SOUTH LINE OF SAID SECTION 12, N. 89° 22' 26" E., 1282.00 FEET;

THENCE, AT RIGHT ANGLES TO SAID SOUTH LINE, N. 00° 37' 34" W., 472.39 FEET;

THENCE S. 89° 22' 26" W., 120.00 FEET;

THENCE N. 00° 37' 34" W., 47.61 FEET;

THENCE S. 89° 22' 26" W., 50.00 FEET TO A POINT AT THE BEGINNING OF A NONTANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A RADIAL TO SAID POINT BEARS N. 89° 22' 26" E.;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE TANGENT TO SAID CURVE, S. 89° 22' 26" W., 295.00 FEET;

THENCE N. 00° 37' 34" W., 110.00 FEET;

THENCE S. 89° 22' 26" W., 313.29 FEET;

THENCE S. 00° 37' 34" E., 85.00 FEET;

THENCE S. 89° 22' 26" W., 50.00 FEET TO A POINT AT THE BEGINNING OF A NONTANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A RADIAL TO SAID POINT BEARS N. 89° 22' 26" E.;

Dated July 12, 2013

Special Warranty Deed

Escrow No. 819EW

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  
90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE TANGENT TO SAID CURVE S. 89° 22' 26" W., 170.00 FEET TO THE BEGINNING OF  
A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 25.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  
90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE S. 89° 22' 26" W., 50.00 FEET;

THENCE S. 00° 37' 34" E., 53.89 FEET;

THENCE S. 89° 22' 26" W., 154.48 FEET;

THENCE S. 00° 06' 20" E., 466.13 FEET TO THE POINT OF BEGINNING.

EMPIRE WEST TITLE AGENCY, LLC  
TRUST AGREEMENT

Trust No. One

THIS TRUST AGREEMENT ("Agreement") made and entered into this 12<sup>th</sup> day of July, 2013 by and between EMPIRE WEST TITLE AGENCY, LLC, an Arizona limited liability company, herein called "Trustee" and the following "Beneficiary":

GEM LAND & CATTLE LLC, an Arizona Limited Liability Company  
c/o Gary Mathox  
5689 E. Quartz Mtn. Road.  
Paradise Valley, AZ 85253

the beneficial interest to be vested as set forth above.

WITNESSETH

WHEREAS, there is being conveyed to Trustee, without payment of consideration by Trustee, title to the real property, described in that certain Commitment for Title Insurance No. 819EW, (the "Commitment") a copy of which is attached hereto as Exhibit A, said property being subject to the matters shown thereon; which is to be held in Trust by Trustee under the terms of this Agreement and

WHEREAS, Trustee has agreed to accept title to said property, and to hold same IN TRUST for the uses and purposes and upon the terms, conditions and covenants herein.

WHEREAS, the Beneficiary (and their respective successors in interest) may hereinafter be referred to jointly as "the Beneficiaries" and this Trust Agreement and the Trust hereby established as "this Trust" or "Trust No. One" of EMPIRE WEST TITLE AGENCY, LLC.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree:

SECTION I  
PURPOSE OF TRUST

This Trust is for the purpose of providing a convenient means of holding legal title to, conserving, selling and conveying the Trust property and the distribution of the proceeds therefrom in due course to and for the benefit of the Beneficiary. Title to the Trust property shall

be held by the Trustee for the sole benefit of the Beneficiary; provided, however, that by accepting title to property under the terms of this Trust the Trustee does not assume any personal liability in connection with prior encumbrances of any nature and has no duty to procure the discharge thereof.

Beneficiary may convey, deposit or cause to be conveyed to Trustee additional property to be held by Trustee as a part of the Trust Estate upon approval and acceptance of any such conveyance by Trustee. Such additional property shall be deemed to be part of the corpus of this Trust and shall be subjected to all of the terms and provisions hereof.

## SECTION II TRUST ESTATE

The Trust Estate shall consist of legal title to the Trust property described in the Commitment, any additional property conveyed to Trustee, all funds or proceeds received by Trustee from the lease, sale or other disposition of said property or any interest in said property (including but not limited to funds received for the granting of licenses, easements or rights, and all rents, in to or upon said property), and all contracts and receivables for the sale of all or any portion of said property,

## SECTION III INTEREST OF TRUSTEE AND BENEFICIARY

During the entire term of this Trust, legal title to the real property constituting the Trust Estate shall be vested in the Trustee. The interest of Beneficiary in this Trust and in the Trust Estate is personal property only, consisting of the right to enforce the due execution of this Trust, and may be assigned as such. Beneficiary shall not have, at any time, any right, title or interest in or to any of the property comprising the Trust Estate as such, but may only by written direction instruct Trustee as to the subdividing, selling, leasing and handling thereof. Trustee shall have no personal responsibility or liability and assumes no obligation with respect to the condition of the title of the Trust property in connection with any conveyance or encumbrance thereof or any part hereof, which Trustee may make upon direction of Beneficiary save and except any liability or responsibility it may assume by reason of the issuance of title insurance policies by it in its capacity as a title insurer.

Whenever it is provided that the Trustee shall do an act upon the request or instruction of the Beneficiary, such request or instruction shall be in writing and in a form with content satisfactory to Trustee in its sole discretion. All documents executed by Trustee shall be subject to approval by Trustee and need not be executed by trustee as trustee except on the conditions

herein set forth. Trustee shall have no obligation to take any acts pertaining to the Trust Estate if any monies are owing to Trustee from Beneficiary.

#### SECTION IV ENVIRONMENTAL

Beneficiary has no knowledge of any violation of any environmental protection, pollution or land use laws, rules, regulations, orders, or requirements, including solid waste, as defined by the U.S. Environmental Protection Agency regulations at 40 C.F.R., Part 261, or the disposal or existence in or on the property, of any hazardous substance as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and the Arizona Environmental Quality Act Title 49, Arizona Revised Statutes, by any other environmental law, or by any regulations promulgated thereunder.

#### SECTION V POSSESSION AND SUBDIVISION

In the event the Beneficiary exercises any rights or obligations under the terms and conditions of this Trust to develop and sell the real property as un-subdivided land or unimproved lots or parcels as defined in A.R.S. 32-2101, the Beneficiary shall fully comply with the provisions of A.R.S.32-2195.04 or 32-2185.01, and if applicable, also shall file for exemption or qualification with all Federal Acts including, but not limited to the Interstate Land Sales Full Disclosure Act of the Department of Housing and Urban Development, provided, however, Trustee shall have no liability or responsibility to determine whether or not the Beneficiary complies with said provisions or act.

#### SECTION VI ACCOUNTING RECORDS

The accounting records of the Trustee shall at all reasonable times be open to the inspection by Beneficiary, and the Beneficiary shall be entitled to monthly statements from Trustee showing all receipts, disbursements and charges made in connection with the Trust, provided that any such statement shall supplement, but not duplicate the contents of any preceding statement. All monies received by Trustee hereunder shall be accounted for and paid by the Trustee in the following order to-wit:

- A. To reimburse the Trustee for any funds advanced by it for the protection or preservation of the Trust Estate, together with interest thereon at the rate of ten percent (10%) *per annum* from the date of such advances until repayment by Beneficiary, or out of the Trust Estate; provided, however, that Trustee shall have no obligation to make

advances of its own funds, but it may at its election do so, if in its opinion such advances are necessary to preserve and protect the Trust Estate and the interest of the Beneficiary hereunder;

- B. To the payment of the Trustee's compensation and expenses hereunder;
- C. To the payment of any charges, expenses or other expenditures authorized by the Beneficiary
- D. The balance remaining in Trustees hands, after making the foregoing payments shall be paid by the Trustee to the Beneficiary or Beneficiaries in accordance with each Beneficiary's percentage interest.

No purchaser from the Trustee shall be required to see to the application of any funds paid by the Trustee hereunder, and all properties of the Trust Estate sold and conveyed by the Trustee shall be free of the Trust.

#### SECTION VII TRUSTEE'S WARRANTY OF TITLE

Trustee shall not be obligated to warrant title to any property sold or conveyed by it except as against the acts of the Trustee only. Trustee shall convey title pursuant to the provisions of this Trust in the manner and form required by Section 33-404-B of the Arizona Revised Statutes, as amended, specifically providing the full disclosure of the name and address of Beneficiary.

#### SECTION VIII TITLE INSURANCE OF TRUST PROPERTY

An applicable policy of title insurance of Empire West Title Agency, LLC, in the regular form then in use shall be issued in connection with each transaction involving trust property, if the nature of the transaction creates an insurable interest, or unless such issuance is specifically waived by Trustee.

#### SECTION IX TRUSTEE'S RIGHTS AND LIABILITIES

A. The Trustee shall not be liable for any error of judgment in the execution of this Trust so long as it acts in good faith. It is expressly understood and agreed by the Beneficiary that the Trustee shall have no duties except those which are expressly set forth in this instrument,

and that the duties of Trustee hereunder are limited to holding legal title to the property conveyed into the Trust, the conveyance of such title as directed by the Beneficiary, and the accounting of the proceeds of any disposition of the Trust Property made on the direction of the Beneficiary.

B. It is specifically understood and agreed that the Trustee shall not be required to pay or attend to the payment of any claim, lien or encumbrance including but not limited to tax liens or special assessments against the Trust Property. The Beneficiary shall notify the County Assessor to direct all tax notices and bills applicable to the Trust Property C/O the Beneficiary at the Beneficiary's address. The Trustee is not to receive any tax notices and bills or assessments as to the Trust Property. Beneficiary may, at Beneficiary's sole cost and expense, procure independent of the Trust a tax service contract or other similar service to keep the Beneficial appraised of the status of the real property taxes and assessments.

C. It is specifically understood and agreed by the Beneficiary that the Trustee shall have no responsibility or liability to comply with A.R.S. 45-632 relating to any filing requirements pertaining to Groundwater Rights and/or usage thereof, if applicable.

D. Trustee shall not be required, in dealing with the Trust property or in otherwise acting hereunder to: (1) Enter into any contract or other obligation in its proprietorial corporate capacity; nor (2), to make itself individually liable to pay or incur the payment of any damages, attorney's fees, fines, penalties, forfeitures costs, charges or other sums of money whatsoever. Trustee shall have no individual liability or obligation whatsoever arising from its ownership, as Trustee hereunder, of the legal title to the Trust property, or with respect to any act done or contract entered into or indebtedness incurred in relation to the Trust property or in otherwise acting hereunder. Trustee reserves the right to incorporate the above limitations of its liability in any installment or document executed in connection with this Trust. If Trustee shall pay or incur any liability to pay any money on account of the Trust or incur any liability to pay any money on account of any litigation as a result of holding title to the Trust property or otherwise in connection with this Trust, whether because of breach of contract, injury to person or property, fines or penalties under any law or otherwise, Beneficiary shall pay on demand to Trustee, with interest thereon at the rate of 10% *per annum* until paid, all such payments made by Trustee, and shall hold Trustee harmless of and from any and all liabilities incurred by it for any reason whatsoever in connection with this Trust. Trustee shall have a lien on the Trust Property to secure performance of the obligations of the Beneficiary to Trustee under this Trust, which lien shall be senior to the interest of the Beneficiary. Trustee shall not be required to advance or pay any money or to appear in, prosecute, or defend any legal proceedings on account of or involving this Trust or any property or interest hereunder or involving any transaction relating to the Trust. In the event Trustee is instructed or requested to do any act (or refrain from doing any act) performance of which (or nonperformance of which), in Trustee's sole opinion, would subject Trustee to unreasonable risk of liability, expense or litigation, Trustee shall have no obligation to

perform such act (or refrain from performing such act) except upon being furnished instructions and/or indemnity adequate, in Trustee's sole, absolute and uncontrolled discretion, to protect Trustee against such risk of liability, expense of litigation, or except in accordance with an adjudication by a court of competent jurisdiction (and the determination of all appeals and expiration of all applicable appeal periods) in any appropriate legal or equitable proceeding including, without limiting the generality of the foregoing, an action for an accounting or to secure approval of an accounting, a suit for a declaratory judgment, an interpleader action, or a suit for instructions to Trustee. In any such action, the Trustee shall be entitled to a judgment against the Beneficiary for any expense or costs, including reasonable attorneys' fees incurred in such action, to the extent that the court may determine.

E. Trustee shall have no liability to any Beneficiary or his successors or assigns on account of electing to act in accordance with any provision hereof, as reasonably construed by Trustee, regardless of whether or not such provision may subsequently be reformed or declared invalid or unenforceable or otherwise construed in any litigation or proceeding.

#### SECTION X INSURANCE

If the Beneficiary includes the property held hereunder in a Comprehensive General Liability Insurance Policy carried by Beneficiary, Beneficiary shall cause such Policy to name the Trustee as an additional insured. Beneficiary shall, during the term of this Agreement, continue to maintain at its expense, insurance showing the Trustee as an additional insured thereunder. A copy of said policy or certificate reflecting said coverage shall be delivered to the Trustee only when requested by Trustee.

#### SECTION XI TRUSTEE'S SECURITY FOR PAYMENT OF FEES

As compensation for its services under this Agreement, the Trustee shall be entitled to receive its usual and customary Trust fees and charges in conformity with the fee schedule of the Trustee then in effect and as may be amended from time to time, without notice. A copy of Trustee's current fee schedule is attached hereto as Exhibit B. Trustee shall be entitled to receive and retain such compensation from any monies coming into its hands under the Trust or, if it does not have sufficient money in its hands from under the Trust, then the same shall be paid by the Beneficiary.

NOTE: A reasonable charge will be made for extraordinary services rendered.



SECTION XII  
DEFINITION OF TRUSTEE

"Trustee" means Empire West Title Agency, LLC, an Arizona limited liability company, only in its proprietorial corporate capacity as Trustee of this Trust and not in its capacity nor as Trustee of any other Trust.

SECTION XIII  
AMENDMENTS

This Agreement may be amended only by a written amendment hereto delivered to Trustee and accepted in writing by Trustee, and no purported amendment hereto not complying herewith shall be effective for any purpose as regards the obligation of Trustee. No assignment or transfer, either absolute or as security, of any interest of any Beneficiary shall be effective (nor shall it confer upon the purported assignee or transferee any rights against Trustee or any other party, or create any interest in this Trust or in the Trust Estate), except an assignment or transfer accomplished by a proper amendment hereto. Trustee shall be entitled to treat any written instrument purporting to constitute an assignment or transfer of any interest of any Beneficiary's such a proper amendment. Amendments to this Agreement not affecting any provision hereof except the identity of the persons having rights with respect to beneficial interest hereunder shall not require the concurrence of parties (other than Trustee), whose rights and obligations are not thereby affected. Trustee shall accept any such amendment presented to it with proof satisfactory to Trustee of its genuineness, unless it shall purport to create obligations or risk of liability on Trustee which Trustee is not willing to assume and upon such endorsement the amendment shall become a part of the Trust Agreement for all purposes to the same effect as though set forth in full herein.

SECTION XIV  
ADVERTISING

No advertising shall indicate the Trustee is the author thereof, and the Trustee shall not be liable for any statement or representation made therein.

SECTION XV  
NOTICE

In the event two or more Beneficiaries hold the beneficial interest, one Beneficiary shall be designated by separate instructions to receive all notices and billings.

SECTION XVI  
ASSIGNMENTS

The Beneficiary may assign their beneficial interests upon written notification to and acceptance by the Trustee along with the payment to the Trustee of all assignment fees and other fees due the Trustee from the interest being assigned. No such assignment shall relieve the Assignor of the obligation created in this Trust Agreement.

#### SECTION XVII TRUSTEE'S RESIGNATION

The trustee may resign upon 30 days written notice to Beneficiary. Within 10 days after receipt of such notice from the Trustee1 Beneficiary shall appoint a Successor Trustee. If the Beneficiary has not appointed such Successor Trustee within said 10 days the Trustee may commence an action in a court of competent jurisdiction for the appointment of a Successor Trustee or, at Trustee's option, Trustee may deliver the Trust Estate to Beneficiary when its resignation becomes effective as hereinbefore provided. The Beneficiary may cause the Trust Estate to be transferred to a Successor Trustee upon 30 days written notice to the Trustee. Upon the receipt of proper notification from the Beneficiary, the Trustee shall prepare the necessary instruments and within a reasonable time shall transfer all Trust Assets to a Successor Trustee.

#### SECTION XVIII TERMINATION OF TRUST

This Trust shall terminate upon conveyance of all of the property by Trustee in accordance with the provisions hereof, and the distribution of all of the funds in the hands of the Trustee to the person or persons entitled thereto in accordance with the terms hereof, but in no event shall this Trust continue for more than 21 years past the date hereof, unless requested by Beneficiary and consented to by Trustee. This Trust may also be terminated thirty (30) days or more after the date upon which the Beneficiaries agree in writing to said termination. The Beneficiaries shall immediately give the Trustee written notice of the effective date of termination, upon which the Trustee shall execute any and all documents necessary to effectuate the transfer of the Trust Property to the Beneficiaries as their interest may appear.

#### SECTION XIX PROVISIONS BINDING SUCCESSORS

The provisions of this instrument and the terms and conditions hereof and of this Trust shall be binding upon and inure to the benefit of the executors, administrators, legatees, devisees, heirs, successors and assigns of the parties hereto.

*[signatures appear on next page]*

**BENEFICIARY:**

GEM LAND & CATTLE, L.L.C., an Arizona limited liability company

By: *Geary Mattox*  
Its: *Manager*

TAX ID/SS# *27-1575979*  
ADDRESS: *c/o Geary Mattox*  
*5689 E. Camelz HW. Rd.*  
*PARADISE VALLEY, AZ 85253*

Phone: *480/483-3730*  
Fax: *480/483-3933*  
Email: *GEMATTOX@AOL.COM*

**Executed by Trustee:**

this *29<sup>th</sup>* day of July, 2013:

EMPIRE WEST TITLE AGENCY, LLC.

By: *Barbara Rostad*  
Its: *Vice President*

ADDRESS: 4808 N. 22nd Street, Suite 100  
Phoenix, Arizona 85016  
Phone: 602-749-7000  
Email: *brostad@ewtaz.com*  
Fax: *602-277-7671*

EXHIBIT "A"

File No: 819EW  
Amendment No: 8

**COMMITMENT FOR TITLE INSURANCE**

**ISSUED BY:**

**Empire West Title Agency**

As agent for

**First American Title Insurance Company**

**INFORMATION**

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.

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**TABLE OF CONTENTS**

Agreement to Issue Policy

Schedule A

1. Commitment Date
2. Policies to be Issued, Amounts And Proposed Insured
3. Interest in the Land and Owner
4. Description of the Land

Schedule B-1 - Requirements

Schedule B-2 - Exceptions

Conditions

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**YOU SHOULD READ THE COMMITMENT VERY CAREFULLY**

**If you have any questions about the Commitment, contact:**

**Empire West Title Agency**

**2400 E. Biltmore Circle, Ste 1150, Phoenix, AZ 85016**

**Phone: 602-749-7000 Fax: 602-386-3001**

COMMITMENT FOR TITLE INSURANCE  
ISSUED BY

Empire West Title Agency  
As agent for  
First American Title Insurance Company  
AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when Policy is issued and then our obligation to you will be under the Policy.

Our obligation under the Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-2
- The Conditions.

This Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.

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Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

The above exceptions will be eliminated from any ALTA Extended Coverage Policy, ALTA Plain Language Policy, ALTA Homeowner's Policy, ALTA Expanded Coverage Residential Loan policy and any short form versions thereof. However, the same or similar exceptions may be made.

File No: 819EW  
Amendment No: 8  
Order No.: 819EW  
Amendment No: 8

**FIRST AMERICAN TITLE INSURANCE COMPANY  
ISSUED BY  
EMPIRE WEST TITLE AGENCY  
SCHEDULE A**

1. Address Reference: **VACANT LAND, , AZ**  
Effective Date: **February 12, 2013 at 7:30 am**
2. Policy or Policies to be issued:
  - A. **ALTA Owners 2006 Standard Coverage**  
Proposed Insured: **To Come**
- 3A. The estate or interest in the land described in this Commitment and covered herein is **Fee** and title thereto is at the effective date hereof vested in:  
**Gem Land & Cattle LLC, an Arizona limited liability company**
- 3B. Title to the estate herein described upon issuance of the Policy shall be vested in:  
**To Come**
4. The land referred to in the Commitment is situate in the county of **Pinal**, State of **Arizona** and is described in the attached exhibit "A".

Please direct all inquires and correspondence to:  
Empire West Title Agency  
Escrow Officer: Patty Marino  
Phone: 602-749-7000

Empire West Title Agency, issuing agent for  
First American Title Insurance Company  
By: Diana Lawter  
Title Department

EXHIBIT "A"

THE VILLAGE AT MAGIC RANCH UNIT 1, recorded in Fee No. \_\_\_\_\_ of Pinal County Records, being located in a portion of the Southwest quarter of Section 12, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

A PARCEL OF LAND LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND GLO BRASS CAP SET FOR THE SOUTHWEST CORNER OF SAID SECTION 12 FROM WHICH A FOUND GLO BRASS CAP SET FOR THE SOUTH QUARTER CORNER OF SAID SECTION BEARS N. 89° 22' 26" E;

THENCE EASTERLY ALONG THE SOUTH LINE OF SAID SECTION 12, N. 89° 22' 26" E., 1282.00 FEET;

THENCE, AT RIGHT ANGLES TO SAID SOUTH LINE, N. 00° 37' 34" W., 472.39 FEET;

THENCE S. 89° 22' 26" W., 120.00 FEET;

THENCE N. 00° 37' 34" W., 47.61 FEET;

THENCE S. 89° 22' 26" W., 50.00 FEET TO A POINT AT THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A RADIAL TO SAID POINT BEARS N. 89° 22' 26" E.;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE TANGENT TO SAID CURVE, S. 89° 22' 26" W., 295.00 FEET;

THENCE N. 00° 37' 34" W., 110.00 FEET;

THENCE S. 89° 22' 26" W., 313.29 FEET;

THENCE S. 00° 37' 34" E., 85.00 FEET;

THENCE S. 89° 22' 26" W., 50.00 FEET TO A POINT AT THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A RADIAL TO SAID POINT BEARS N. 89° 22' 26" E.;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE TANGENT TO SAID CURVE S. 89° 22' 26" W., 170.00 FEET TO THE

BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A  
RADIUS OF 25.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  
90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE S. 89° 22' 26" W., 50.00 FEET;

THENCE S. 00° 37' 34" E., 53.89 FEET;

THENCE S. 89° 22' 26" W., 154.48 FEET;

THENCE S. 00° 06' 20" E., 466.13 FEET TO THE POINT OF BEGINNING.



**SCHEDULE B**  
**SECTION ONE - REQUIREMENTS**

1. Intentionally Deleted.
2. **NOTE:** The title examination performed by Empire West Title Agency did not disclose any open encumbrances. Please inquire with the parties to the transaction and their agents as to whether open encumbrances are known to exist, and advise the title department accordingly.
3. Furnish a copy of the Articles of Organization, stamped "filed" by the Arizona Corporation Commission, and any amendments thereto of GEM Land & Cattle LLC, an Arizona limited liability company.
4. Furnish a fully executed copy of the Operating Agreement, and any amendments thereto of GEM Land & Cattle LLC, an Arizona limited liability company.
5. Intentionally Deleted.
6. Intentionally Deleted.
7. Intentionally Deleted.
8. Intentionally Deleted.
9. Intentionally Deleted.
10. Intentionally Deleted.
11. Furnish the names of parties to be insured herein and disposition of any matters disclosed thereby.
12. Approval by all parties to this transaction of the description used herein.
13. Furnish the Company with Owners Affidavit executed by Gem Land & Cattle LLC, an Arizona limited liability company.
14. Record Deed from Gem Land & Cattle LLC, an Arizona limited liability company to To Come.

**DISCLOSURE NOTE:** In the event any Affidavit required pursuant to A.R.S. 33-422 has been, or will be, recorded pertaining to the land, such Affidavit is not reflected in this Commitment nor will it be shown in any policy to be issued in connection with this Commitment. The statute applies only to unsubdivided land in an unincorporated area of a county.

**NOTE:** See attached tax sheets for the following Parcel Numbers: 200-26-003F & 200-26-003G & 200-59-005 & 200-59-006A & 200-59-006B

Map Note: The attached map, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

File No: 819EW

Amendment No: 8

Arbitration notice: The policy to be issued may contain an Arbitration Clause. When the amount of insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this commitment or report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

**SCHEDULE B  
SECTION TWO -- EXCEPTIONS**

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. Printed exceptions and exclusions from coverage are contained in the policy or policies to be issued. Copies of the policy forms should be read. They are available from the office which issued this Commitment.

1. **Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.**
2. **Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.**
3. **Easements, liens or encumbrances or claims thereof, which are not shown by the public records.**
4. **Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.**
5. **(a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.**
6. **Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.**
7. **Second installment of 2012 taxes, a lien, payable on or before March 1, 2013 and delinquent May 1, 2013.**
8. **Taxes for the year 2013, a lien not yet due and payable.**
9. **Any charge upon said land by reason of its inclusion in Central Arizona Water Conservation District.**
10. **Any charge upon said land by reason of its inclusion in Magma Flood Control District.**
11. **ANY ACTION by the County Assessor and/or Treasurer, altering the current or prior tax assessment, subsequent to the date of the Policy of Title Insurance.**
12. **Water rights, claims or title to water, whether or not shown by the public records.**
13. **Deleted.**
14. **Deleted.**
15. **All matters as set forth in survey, recorded as Document No. 2010-59552, of Official Records.**
16. **The terms, conditions, provisions and easements contained in the document entitled Utility and Access Easement recorded as Document No. 2012-47673 of Official Records.**

17. **An easement for temporary drainage and incidental purposes, recorded in Document no. 2013-16050 of Official Records.**

## CONDITIONS

### 1. DEFINITIONS

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
- (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

### 2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

### 3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

### 4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One

or

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

### 5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claims, whether or not based on negligence, which you may have against us concerning the title to the land must be based upon this Commitment and is subject to its terms.

## **PRIVACY POLICY - FIRST AMERICAN TITLE INSURANCE COMPANY**

### **We Are Committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, First American Title Insurance Company, we have adopted this Privacy Policy to govern the use and handling of your personal information.

### **Applicability**

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public records or from another person or entity. First American Title Insurance Company has also adopted broader guidelines that govern our use of personal information regardless of its source. First American Title Insurance Company calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at [www.firstam.com](http://www.firstam.com).

### **Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### **Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### **Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### **Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best effects to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American Title Insurance Company's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

File No: 819EW  
Amendment No: 8



OFFICIAL RECORDS OF  
PINAL COUNTY RECORDER  
VIRGINIA ROSS

When recorded return to:  
Pinal County Board of Supervisors  
Clerk of the Board  
PO Box 827  
Florence, AZ 85232

DATE/TIME: 02/26/2013 1445  
FEE: \$9.00  
PAGES: 3  
FEE NUMBER: 2013-016050



Courtesy Recording  
No Title Liability

**TEMPORARY DRAINAGE EASEMENT**

KNOW ALL MEN BY THESE PRESENTS:

That **GEM LAND & CATTLE LLC**, an Arizona limited liability company (GEM), as Grantor, does hereby grant and convey to **PINAL COUNTY**, a political subdivision of the State of Arizona, a non-exclusive temporary drainage easement upon, over, across and through that certain parcel of land situated in Pinal County, Arizona, and described in the attached Exhibit A herein and made a part hereof. No use shall be permitted within the Temporary Drainage Easement which would prohibit or interfere with the drainage use. Maintenance of the Temporary Drainage Easement shall be the responsibility of GEM. Should said GEM not adequately maintain the Temporary Drainage Easement, the governing entity, having jurisdiction over the area in which Temporary Drainage Easement is located, at its discretion, may enter upon and maintain the Temporary Drainage Easement and charge GEM the cost of the maintenance. GEM shall have the responsibility to construct, operate, maintain, remove and replace all pipes, mains and water drainage and storage systems and facilities necessary in connection therewith. Upon the approval and recordation by **PINAL COUNTY** of a final plat encompassing this Temporary Drainage Easement, this Temporary Drainage Easement shall be terminated.

All provisions herein shall be binding upon the heirs, successors and assigns of the parties hereto.

DATED this 25 day of Feb, 2013

GRANTOR:

GEM LAND & CATTLE LLC  
An Arizona limited liability company

By:

  
Gary E. Mattox  
Its: Manager

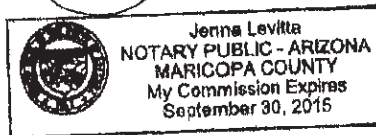
STATE OF ARIZONA )  
                                  ) ss.  
COUNTY OF MARICOPA )

ACKNOWLEDGED before me this 25 day of Feb, 2013, by  
Gary E. Mattox, the Manager of GEM Land & Cattle LLC.

  
Notary Public

My commission expires:

Sept. 30, 2015





When recorded return to:  
Pinal County Board of Supervisors  
Clerk of the Board  
PO Box 827  
Florence, AZ 85232

**RECORDED ELECTRONICALLY**  
ID \_\_\_\_\_ County \_\_\_\_\_  
Date \_\_\_\_\_ Time \_\_\_\_\_  
simplifile www.simplifile.com 800.460.5657

**Courtesy Recording  
No Title Liability**

**TEMPORARY DRAINAGE EASEMENT**

**KNOW ALL MEN BY THESE PRESENTS:**


That **GEM LAND & CATTLE LLC**, an Arizona limited liability company (**GEM**), as Grantor, does hereby grant and convey to **PINAL COUNTY**, a political subdivision of the State of Arizona, a non-exclusive temporary drainage easement upon, over, across and through that certain parcel of land situated in Pinal County, Arizona, and described in the attached Exhibit A herein and made a part hereof. No use shall be permitted within the Temporary Drainage Easement which would prohibit or interfere with the drainage use. Maintenance of the Temporary Drainage Easement shall be the responsibility of **GEM**. Should said **GEM** not adequately maintain the Temporary Drainage Easement, the governing entity, having jurisdiction over the area in which Temporary Drainage Easement is located, at its discretion, may enter upon and maintain the Temporary Drainage Easement and charge **GEM** the cost of the maintenance. **GEM** shall have the responsibility to construct, operate, maintain, remove and replace all pipes, mains and water drainage and storage systems and facilities necessary in connection therewith. Upon the approval and recordation by **PINAL COUNTY** of a final plat encompassing this Temporary Drainage Easement, this Temporary Drainage Easement shall be terminated.

All provisions herein shall be binding upon the heirs, successors and assigns of the parties hereto.

DATED this 25 day of Feb, 2013

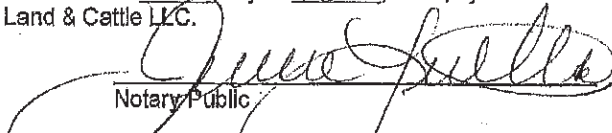
GRANTOR:

**GEM LAND & CATTLE LLC**  
An Arizona limited liability company

By:   
Gary E. Mattox  
Its: Manager

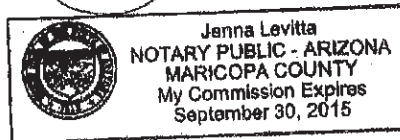
STATE OF ARIZONA )  
  ) ss.  
COUNTY OF MARICOPA )

ACKNOWLEDGED before me this 25 day of Feb, 2013, by  
Gary E. Mattox, the Manager of GEM Land & Cattle LLC.

  
Notary Public

My commission expires:

Sept. 30, 2015



**EXHIBIT A**

**LEGAL DESCRIPTION  
TEMPORARY DRAINAGE EASEMENT**

A TEMPORARY EASEMENT FOR DRAINAGE PURPOSES LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 4 SOUTH, RANGE 8 EAST, GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT A FOUND GLO BRASS CAP SET FOR THE SOUTHWEST CORNER OF SAID SECTION 12 FROM WHICH A FOUND GLO BRASS CAP SET FOR THE SOUTH QUARTER CORNER OF SAID SECTION BEARS N. 89° 22' 26" E.

THENCE NORTHERLY ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 12, N. 00° 06' 20" W., 466.13 FEET TO THE **TRUE POINT OF BEGINNING** OF THIS DESCRIPTION;

THENCE N. 89° 22' 26" E., 154.48 FEET;

THENCE N. 00° 37' 34" W., 53.89 FEET;

THENCE N. 89° 22' 26" E., 50.00 FEET TO A POINT AT THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHEAST, HAVING A RADIUS OF 25.00 FEET, A RADIAL TO SAID POINT BEARS S. 89° 22' 26" W.;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE TANGENT TO SAID CURVE, N. 89° 22' 26" E., 170.00 FEET TO A POINT AT THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE N. 89° 22' 26" E., 50.00 FEET;

THENCE N. 00° 37' 34" W., 85.00 FEET;

THENCE N. 89° 22' 26" E., 313.29 FEET;

THENCE S. 00° 37' 34" E., 110.00 FEET;

THENCE N. 89° 22' 26" E., 295.00 FEET TO THE BEGINNING OF TANGENT CURVE, CONCAVE NORTHWEST, HAVING A RADIUS OF 25.00 FEET;

THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00" AN ARC DISTANCE OF 39.27 FEET;

THENCE N. 89° 22' 26" E., 50.00 FEET;

THENCE S. 00° 37' 34" E., 47.81 FEET;

THENCE N. 89° 22' 26" E., 120.00 FEET;

THENCE S. 00° 37' 34" E., 472.39 FEET TO THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 12;

THENCE ALONG SAID SOUTH LINE OF SAID SOUTHWEST QUARTER OF SAID SECTION 12, N. 89° 22' 26" E., 164.50 FEET;

THENCE LEAVING SAID SOUTH LINE, N. 00° 37' 34" W., 181.39 FEET;

THENCE S. 89° 22' 26" W., 139.50 FEET;

THENCE N. 00° 37' 34" W., 366.68 FEET;

THENCE S. 89° 57' 57" E., 105.22 FEET

THENCE N. 12° 18' 00" E., 50.78 FEET;

THENCE N. 69° 16' 40" W., 709.80 FEET;

THENCE N. 89° 59' 13" W., 167.29 FEET;

THENCE S. 58° 22' 04" W., 559.54 FEET;

THENCE S. 00° 37' 34" E., 72.26 FEET;

THENCE S. 89° 22' 26" W., 111.10 FEET TO THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 12;

THENCE ALONG SAID WEST LINE, S. 00° 06' 20" E., 30.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED EASEMENT CONTAINS AN AREA OF 7.28 ACRES, MORE OR LESS.


Expires 3-31-13

**EXHIBIT "B"**

**VII. ACCOUNT SERVICING FEE SCHEDULE**

Fees applies when setting up an account to service a note and deed of trust; Agreement for sale or lease for servicing by an account servicing company.

Accounting servicing set up fee                      \$75.00

**VIII: SUBDIVISION TRUST CHARGES:**

The following charges are the rates applicable for accounting and other services rendered in connection with a subdivision trust.

Beneficiary as referred to herein shall mean; one married couple, one partnership (limited, general or joint venture), one corporation or limited liability company.

**A. SET UP FEES:**

1.	Single Beneficiary Trust	\$150.00
2.	Double Beneficiary Trust	\$400.00
3.	Junior Trust (property in Senior Trust)	\$250.00
4.	Amendments to Trust Agreement	\$ 50.00
5.	Broker commission set-up fee	\$100.00

**B. ANNUAL FEES:**

1.	Single Beneficiary Trust	\$150.00
2.	Double Beneficiary Trust	\$175.00
3.	Junior Beneficiary Trust	\$250.00
4.	Broker commission	96.00

Annual fees are payable in advance upon trust acceptance.

**C. ADMINISTRATIVE SERVICES:**

1.	Deed and Affidavit Processing	
	a. Deed prepared by Empire West Title Agency	\$25.00
	b. Deed prepared by other title company	\$60.00
2.	Processing of Lease, Easement or other instrument	\$50.00
3.	Acceptance of assignment of beneficial interest (each)	\$50.00
4.	Federal or State Lease and/or State Certificate of deposit	
	a. Acceptance fee	\$50.00
	b. Annual fee	\$50.00
5.	Additional parcels (per parcel) into trust	\$50.00
6.	Option Fee	
	a. Acceptance fee ( if not in original trust)	\$50.00
	b. When exercised	\$50.00
7.	Acceptance of Collateral Assignment (each)	\$50.00
8.	Broker commission -annual fee	\$50.00
9.	Check service fee -per check	\$10.00
10.	NSF Check Charge	\$25.00
	Special Handling of Account, not covered herein will be billed at the rat of \$75.00 per hour.	

**D. CLOSING OR DISTRIBUTION FEES:**

1.	Single Beneficiary Trust	\$100.00
2.	Double Beneficiary Trust	\$150.00
3.	Mutual Cancellation fee	\$100.00

**E. FOREFEITURE FEES:**

1.	Notice of Default	\$125.00
2.	Notice of Forfeiture	\$100.00
3.	Completion of Forfeiture Fee	\$125.00

**IX. RELEASE AND RECONVEYANCE TRACKING FEE**

A fee of \$100.00 fee will be charged (per file) when handling the payoff of a loan if the release is not provided for recording through escrow, prior to closing escrow. This charge covers the additional record keeping expense of monitoring the follow through with the paid lender and record keeping for a delayed reconveyance. The reconveyance processing fee is non-refundable once the real estate transaction to which it is attached is closed and recorded, and is earned concurrent with issuing the payoff check at close.

When charged this fee will be considered earned income and non-refundable. However, should a lender or lenders (on a refinance, REO or a short sale transaction) decline to allow all or a portion of said fee, the disallowed portion shall not apply.

**X. MISCELLANEOUS FEES AND CHARGES**


Summary Account: There are a variety of services and/or products that may be necessary or required to service escrows. The rates included in this section shall be charged if and as those services and/or products are provided. These rates shall be charged in addition to any other applicable rates as may be charged.

**A. EXPRESS MAIL AND COURIER SERVICES**

1. Express Mail – A fee of \$25.00 will be charged when overnight delivery service (express mail services, i.e. Federal Express, Airborne, etc.) is required or requested on any document or package.
2. Courier Service – A fee of \$30.00 per delivery or pickup will be charged when courier services are necessary to retrieve or send documents either to or from parties involved in the escrow transaction.

**B. INTEREST BEARING ACCOUNT SET-UP**

A fee of \$50.00 will be charged to the depositor of funds when escrow agent is requested to establish an interest bearing account for funds deposited into escrow.

	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u></b> <b>16d.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Community Development  <b>STAFF PRESENTER:</b> Mark Eckhoff, AICP Community Development Director  <b>SUBJECT:</b> Resolution 1459-14: Pre-Annexation and Development Agreement with RMG ARIZONA PROPERTIES HOLDING XVII, LLC, an Arizona Limited Liability Company.		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input type="checkbox"/> <b>Public Hearing</b> <input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Regulatory</li> <li><input type="checkbox"/> 1<sup>st</sup> Reading</li> <li><input type="checkbox"/> 2<sup>nd</sup> Reading</li> </ul> <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Motion to adopt Resolution No. 1459-14: entering into a Pre-Annexation and Development Agreement with RMG ARIZONA PROPERTIES HOLDING XVII, LLC, an Arizona Limited Liability Company.

**BACKGROUND/DISCUSSION:**

The subject site encompasses a land area of approximately 29 acres located within the pending Magic Ranch Annexation. The site is located east of Hunt Highway and close to existing homes within the Magic Ranch community. More specifically, the site is located at the northeast corner of the Heritage Road alignment and the Walker Granite Road alignment. According to the Master Plan for Magic Ranch and the Preliminary Development Plan for this parcel, 105 single-family residential lots are planned for this area.

**FINANCIAL IMPACT:**

Overall positive, entering into this PADA facilitates the successful completion of the Magic Ranch Annexation and promotes future rooftop development within the Town of Florence. It is noted that the PADA commits to not increase Development Impact Fees for the subject site for the first seven years of the term of the PADA.

**RECOMMENDATION:**

Staff recommends adoption of Resolution No. 1459-14.

**ATTACHMENTS:**

Resolution No. 1459-14  
PADA

When recorded, return to:

Town Clerk  
Town of Florence  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

**RESOLUTION NO. 1459-14**

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH RMG ARIZONA PROPERTIES HOLDING XVII, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “HERITAGE AT MAGIC RANCH” PROPERTY).**

**WHEREAS**, the Town of Florence is authorized pursuant to A.R.S. § 9-500.05 to enter into development agreements and generally is authorized to enter into contracts; and

**WHEREAS**, RMG ARIZONA PROPERTIES HOLDING XVII, L.L.C., an Arizona limited liability company, the “Owner”, plans to develop 29 residential acres located as legally described on Exhibit “A” and shown on Exhibit “B” attached hereto (the “Property”), and desires to annex the Property into the town limits of Florence; and

**WHEREAS**, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

**WHEREAS**, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property.

**THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of 29 acres is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does not annex the Property in a timely manner following adoption of the Pre-Annexation and Development



Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this Resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Florence, Arizona, this 7<sup>th</sup> day of July, 2014.

\_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James E. Mannato, Town Attorney

**EXHIBIT "A"**

PARCEL 13, BOOK 1 OF SURVEYS, PAGES 45, 46 AND 47, RECORDS OF PINAL COUNTY, ARIZONA, BEING A PORTION OF THE SOUTH HALF OF SECTION 2, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 2;

THENCE SOUTH 00 DEGREES 40 MINUTES 11 SECONDS EAST, A DISTANCE OF 3941.02 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 49 MINUTES 48 SECONDS EAST, A DISTANCE OF 1248.32 FEET;

THENCE SOUTH 00 DEGREES 31 MINUTES 42 SECONDS EAST, A DISTANCE OF 1298.03 FEET;

THENCE SOUTH 89 DEGREES 43 MINUTES 30 SECONDS WEST, A DISTANCE OF 1245.10 FEET;

THENCE NORTH 00 DEGREES 40 MINUTES 11 SECONDS WEST, A DISTANCE OF 1300.34 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 2, A FOUND GLO BRASS CAP IN A HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, A FOUND GLO BRASS CAPPED IRON POST, BEARS SOUTH 0 DEGREES 41 MINUTES 51 SECONDS EAST, A DISTANCE OF 2604.10 FEET;

THENCE SOUTH 00 DEGREES 41 MINUTES 51 SECONDS EAST, A DISTANCE OF 690.27 FEET ALONG THE WEST LINE OF SAID SECTION 2 TO THE NORTHWEST CORNER OF THE SOUTH HALF OF PARCEL 1 OF SAID PLAT AND THE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 41 MINUTES 51 SECONDS EAST, A DISTANCE OF 1913.83 FEET ALONG SAID WEST LINE OF SECTION 2 TO THE WEST QUARTER CORNER OF SAID SECTION 2;

THENCE SOUTH 00 DEGREES 41 MINUTES 28 SECONDS EAST, A DISTANCE OF 1638.01 FEET ALONG THE WEST LINE OF SAID SECTION 2;

THENCE NORTH 89 DEGREES 41 MINUTES 59 SECONDS EAST, A DISTANCE OF 1247.31 FEET;

THENCE NORTH 00 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 298.07 FEET ALONG THE EAST LINE OF PARCEL 13 OF SAID PLAT;

THENCE NORTH 89 DEGREES 48 MINUTES 41 SECONDS EAST, A DISTANCE OF 1248.15 FEET ALONG THE SOUTH LINE OF PARCEL 10 OF SAID PLAT;

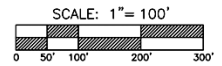
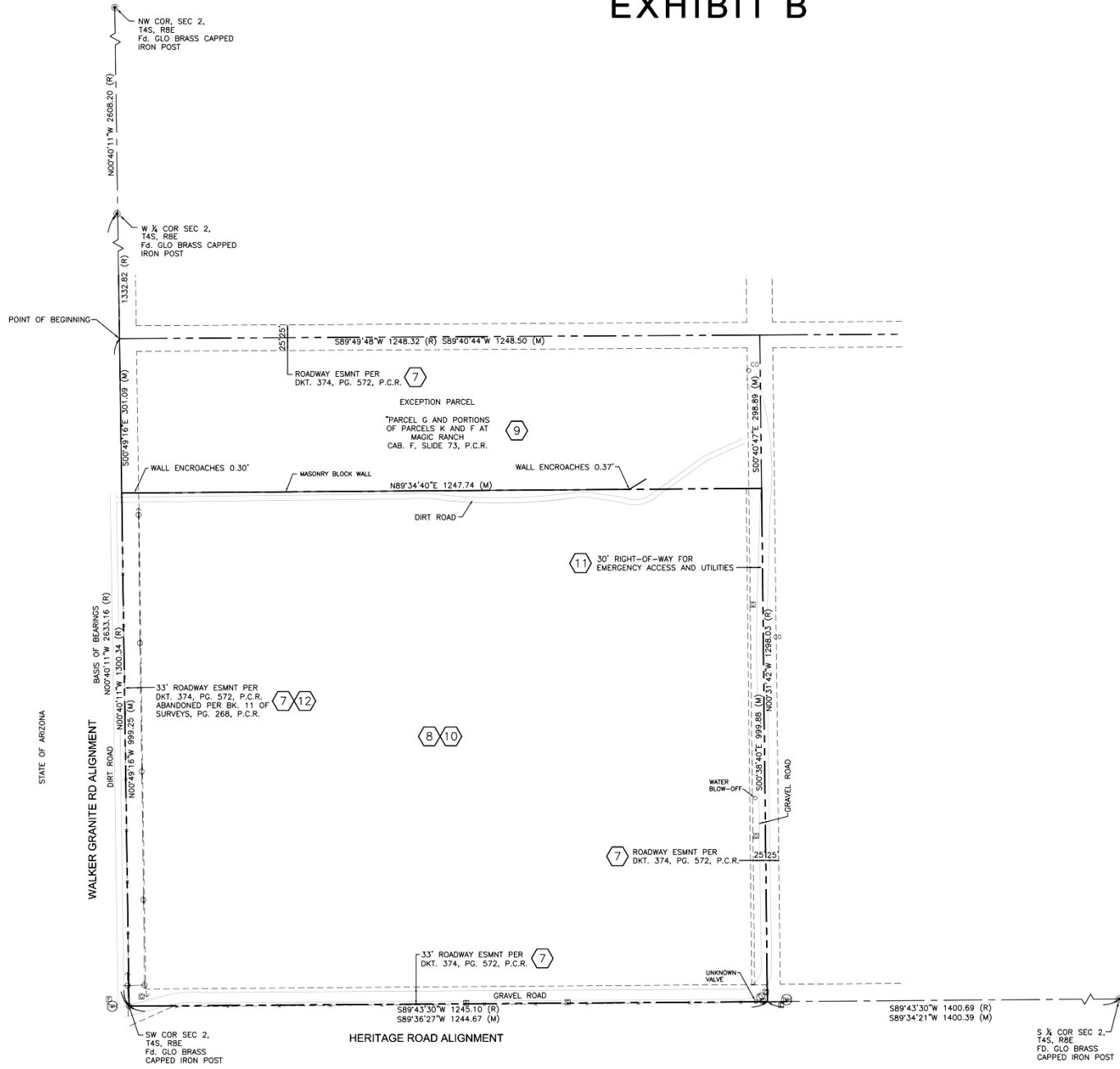
THENCE NORTH 00 DEGREES 24 MINUTES 01 SECONDS WEST, A DISTANCE OF 1295.65 FEET ALONG THE EAST LINE OF SAID PARCEL 10;

THENCE SOUTH 89 DEGREES 55 MINUTES 20 SECONDS WEST, A DISTANCE OF 1251.49 FEET ALONG THE NORTH LINE OF SAID PARCEL 10;

THENCE NORTH 00 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 1947.13 FEET ALONG THE EAST LINE OF PARCELS 5 AND 1 OF SAID PLAT;

THENCE NORTH 89 DEGREES 54 MINUTES 45 SECONDS WEST, A DISTANCE OF 1256.49 FEET ALONG THE NORTH LINE OF THE SOUTH HALF OF PARCEL 1 OF SAID PLAT TO THE POINT OF BEGINNING.

# EXHIBIT B



**LEGEND:**

- (R) RECORD DATA PER THE "PLAT OF SURVEY" AS RECORDED IN BOOK 1 OF SURVEYS, PAGE 48, PINAL COUNTY RECORDER.
- (M) MEASURED DATA
- P.O.B. POINT OF BEGINNING
- POWER POLE & OVER-HEAD UTILITY LINE
- ⊗ TELEPHONE MANHOLE
- CO SEWER CLEANOUT
- ⊞ FIBER OPTIC MARKER
- ⊞ GAS LINE MARKER
- GAS VALVE
- ← DOWN GUY



**MERESTONE LAND SURVEY**  
 14820 North Cave Creek Road  
 Suite #8  
 Phoenix, Arizona 85032  
 Phone (602) 569-2000  
 Fax (602) 569-2021

www.merestonelandsurvey.com

**AL.T.A. / A.C.S.M. LAND TITLE SURVEY FOR HERITAGE at MAGIC RANCH**

SHEET 2 OF 2

PROJ. NO.	DATE	DRAWN	BLM	CHKD	COJ	DATE
	APR 2011					

**WHEN RECORDED, RETURN TO:**

Town of Florence  
Attn: Town Clerk  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

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**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR  
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01  
“HERITAGE AT MAGIC RANCH” PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

RMG ARIZONA PROPERTIES HOLDING XVII, L.L.C., an Arizona limited liability company

---

DATE: July \_\_\_\_\_, 2014

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT  
FOR  
MAGIC RANCH ANNEXATION 2013-01  
“HERITAGE AT MAGIC RANCH” PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this \_\_\_\_ day of July, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and RMG ARIZONA PROPERTIES HOLDING XVII, L.L.C., an Arizona limited liability company (the “Owner”).

**RECITALS**

A. The Owner is the owner of certain property, or has received the necessary consent to include certain property located in Pinal County, Arizona consisting of approximately 29 acres all as legally described in Exhibit “A” and depicted on Exhibit “B” attached hereto and incorporated herein by reference (the “Property”).

B. Owner and the Town desire that the Property be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the Land Use Plan, which is attached as Exhibit “C” and Planned Unit Development Narrative (“PUD Narrative”), which is acknowledged by the parties hereto to be generally consistent with the Town’s General Plan, which may be amended prior to or concurrent with this annexation. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owner and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative is an appropriate designation for this Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner has the right to complete the development of the Property pursuant to, amongst other things, the

PUD plan before it will expend substantial efforts and costs in the development of the Property, and the Town requires assurances from Owner that development of the Property will be in accordance with the Plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD plan; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD plan.

G. Among other things, development of the Property in accordance with this Agreement and the PUD plan will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

H. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, may also be needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

## **AGREEMENT**

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by all necessary property owners and satisfying the applicable statutory requirements (the "Annexation Petition"). The Annexation Petition shall contain a provision requiring, upon Owner's written request, the immediate rescission and termination of the Annexation Petition by the Town if: (a) any person or entity files any protest, appeal, referendum, litigation or other petition (including but not limited to, any petition filed pursuant to A.R.S. § 9-471(C)) challenging the validity or approval of the Annexation Petition; (b) the Town does not, at the same Town Council meeting

in which the Annexation Petition is adopted, approve the PUD plan; (c) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of the PUD plan; or (d) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of this Agreement. Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final ordinance annexing the Property into the corporate limits of the Town (the "Annexation Ordinance"). The Town and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the Town's annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D).

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the property comparable zoning, which shall be a Planned Unit Development ("PUD") zoning designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative. The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the comparable zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the "Act") resulting from this Agreement, the comparable zoning, the underlying land use as identified in Exhibit "C" and the PUD Narrative or from any "land use law" (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the comparable zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner's successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time, including but not limited to the location of rights-of-way and easements. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town's Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the Town shall not be



deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any substantial alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as deemed to be substantial by the Community Development Director;
- (b) Any increase in the overall residential density set forth in the PUD;
- (c) Any substantial change in the development standards except as otherwise allowed by the PUD; and/or
- (d) Additional circumstances as described in the PUD Narrative and PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the “Additional Property”). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraphs 6(c) and 6(h) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:
  - (i) rules that the Owner may agree in writing apply to the development of the Property;

- (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including court decisions, and other similar superior external authorities beyond the control of the Town, provided that, in the event any such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law such affected provisions of this Agreement shall be modified as may be necessary to achieve the required level of compliance with such mandatory requirement;
  - (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
  - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the "MAG") provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town's existing or future Development Impact Fees that shall be imposed upon the Property for a period of seven (7) years commencing from the effective date of the Annexation, shall be in an amount equal to Three Thousand Five Hundred and 00/00 Dollars (\$3,500.00) per single-family residential dwelling unit, unless a lesser Development Impact Fee is applicable at the time a building permit is issued by the Town. After the seven (7) year period and for the duration of this Agreement, the Town's Development Impact Fees that will be imposed upon the Property shall be the Development Impact Fees then in effect and applicable at the time of permitting. Any Development Impact Fees which are due on residential dwelling units shall be payable when construction permits for the residential dwelling units are issued by the Town. The Town can allocate the Development Impact Fee, in the amount of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), among any eligible Development Impact Fee categories provided such allocation does not negatively impact or adversely affect any Development Impact Fee credits due to Owner.

- (d) Development Impact Fee Credits. To the extent permitted by Arizona Revised Statutes ("A.R.S.") and the Florence Development Code, Owner shall be entitled to a credit against the category of Development Impact Fees that are assessed (or that are to be assessed) against the Property (or any portion thereof) for any land, improvements or other contributions provided by Owner to the Town for any land, capital facility improvements or contributions required to provide public services and which is related to the existing or future category of Development Impact Fees for which such credit is sought. Such credits may be assignable by Owner to entities constructing single-family residential dwelling units on the Property. Any credits for which Owner may be entitled under this Paragraph shall not exceed the maximum Development Impact Fee applicable in any particular category.
- (e) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of any filing, plan review or permit issuance. Development Impact Fees shall be paid in accordance with Paragraph 5(c) above.
- (f) Reimbursements. Promptly after the Town submits invoices to Owner, Owner shall pay the Town's costs and expenses incurred in connection with: (i) any suit, claim, referendum or legal challenge however described which challenges the validity of this Agreement or the PUD; (ii) any suit, claim, referendum or legal challenge however described which challenges any council action approving this Agreement, the PUD or other council actions relating to the development described in the PUD; and (iii) the exercise of the Town's powers of condemnation or eminent domain at the request of the Owner or as required by the terms of this Agreement. Prior to instigation of any such action or decision to settle or not to settle any such action as described in this subparagraph, Town shall consult with Owner. Town shall not deny Owner the opportunity to intervene in such action.
- (g) Flood Control. Flood control measures for the Property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District to the extent the Property is within the Pinal County Flood Control District.
- (h) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.

- (i) Setback Requirements. Except to the extent otherwise required by federal or state law, the Town shall not impose additional setback requirements upon the Property as a result of the proximity of the Property to the Johnson Utilities Section 11 Wastewater Treatment Plant and the Union Pacific Railroad.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformation with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Preliminary Plat approvals shall be valid for a period of two (2) years, with two (2) one-year extensions. Preliminary/Tentative Plats and Final Plats, as well as accompanying civil improvement plans, approved by Pinal County and consistent with the PUD shall be transferable to the Town so long as approvals are current at the time of annexation, approved plans are provided to the Town and any applicable public safety concerns are adequately addressed. Transferred approved plans and plats shall be valid for two (2) years from the effective date of annexation, with two (2) one-year extensions, except in the case of recorded Final Plats, which shall remain valid if infrastructure assurances are in place per Paragraph 9 (c) and/or subdivision improvements are completed and accepted by the Town.

8. Vested Rights. The types of land uses, together with the densities of such uses for each development parcel on the Property, as shown in the PUD are hereby established. The Town agrees that, for the term of this Agreement, Owner shall have an immediate right to develop the Property in accordance with this Agreement, the PUD, the land uses established within the PUD and the Town's General Plan.

9. Infrastructure.

- (a) Infrastructure Plan. Except as otherwise provided in this Agreement, so long as Owner proceeds with the development of the Property, Owner may implement and phase the infrastructure improvements to the Property in conformance with an infrastructure plan jointly approved by the Town and Owner (the "Infrastructure Plan"), which Infrastructure Plan may be modified from time to time with the Town's approval, which approval shall not unreasonably be withheld, conditioned or delayed. Town hereby agrees that the Infrastructure Plan shall exclude, and the Owner shall not be required to obtain the approval by the Town, of water infrastructure improvements or wastewater infrastructure improvements, which improvements shall be the responsibility of the Owner and/or the Water Service Provider (as hereinafter defined) and Wastewater Service Provider (as hereinafter defined) to construct pursuant to Paragraphs 10(a) and 10(b). Owner agrees to construct the water infrastructure improvements and wastewater infrastructure improvements in accordance with all other applicable regulations, laws and ordinances. The Town agrees to consider Owner's request for the condemnation of sewer, utility, and drainage easements and rights-of-way if such easements and rights-of-way are determined by the Town to be necessary to complete the infrastructure anticipated by this Agreement, but in any event the use of eminent domain or condemnation is in the sole discretion of the Town. Owner agrees to reimburse Town for the costs of any such condemnation, including, but not

limited to, land and property rights acquisition costs, attorneys' fees and costs of suit. Town agrees to consult with Owner regarding offers of settlement in the event of eminent domain or condemnation actions.

- (b) Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with all applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Plan that relate to the phase or portion of the Property to be developed by Owner at any given time. All such construction performed by Owner shall be performed in a good and workmanlike manner and in compliance with all applicable requirements, standards, codes, rules or regulations of the Town. The parties hereto acknowledge and agree that the Town, as necessary to implement the Infrastructure Plan, shall cooperate reasonably in facilitating construction of the infrastructure, including, but not limited to, the abandonment of any unnecessary public rights-of-way or easements currently located on the Property at such time as such rights-of-way or easements are demonstrated to be unnecessary by the final plat.
- (i) The construction and installation of public or private streets, curbs, gutters, sidewalks, traffic control, directional signs and other public infrastructure and public facilities on the Property as required by the PUD and any applicable state and local regulations, laws and ordinances (collectively, the "Infrastructure") shall be subject to and in compliance with applicable state and local regulations, laws and ordinances. Owner shall cause all Infrastructure required by the PUD to be constructed and installed at no cost to the Town. Such Infrastructure may be constructed in segments that correspond to the phases, if any, set forth in the PUD. All Infrastructure shall be installed in a workmanlike manner in conformity with the plans and specifications that are submitted to and approved by the Town in connection with the PUD or each phase.
- (ii) Dedication of Infrastructure by Owner shall not constitute acceptance of the Infrastructure for purposes of transferring the obligation to maintain and repair the Infrastructure to the Town or for purposes of starting the Town's warranty period. Acceptance of any and all Infrastructure by the Town for purposes of the Town assuming any maintenance and repair obligations and for purposes of commencing the warranty period shall be expressly evidenced in writing by the Town as provided herein.
- (iii) Upon completion by Owner of any Infrastructure pursuant to Paragraph 9(a), Owner shall notify the Town in writing of the presumptive completion of such Infrastructure. So long as such Infrastructure is constructed in accordance with the approved plans and the requirements of Paragraph 9(a), as verified by the inspection of the completed improvements by the Town Engineer including the completion of all

punch list items, the Town shall accept the Infrastructure, unless such Infrastructure is to be owned or accepted by some other governmental entity. The Town shall notify Owner, in writing, of the Town's acceptance of the Infrastructure as of the day of the final inspection. Acceptance of any Infrastructure is expressly conditioned upon the usual and customary Town warranty for such Infrastructure. Owner, at no cost to Town, shall dedicate rights-of-way or convey public easements necessary for the construction, installation, operation and maintenance of the Infrastructure as required by Town, which rights-of-way or easements may be located adjacent to or in other public and private rights-of-way or easements.

- (iv) Owner shall give to Town a one (1) year warranty for all Infrastructure, which warranty shall begin on the date that Town accepts the Infrastructure as provided in this section or such other date as set forth in a service agreement. Any deficiencies in material or workmanship identified by Town's staff during the warranty period that would adversely impact the public health and safety of residents shall be brought to the attention of Owner, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of Town's staff. Any other deficiencies in material or workmanship identified by Town's staff during the warranty period shall be remedied collectively to the reasonable satisfaction of Town's staff at the conclusion of the warranty period. Continuing material deficiencies in a particular portion of the Infrastructure shall be sufficient grounds for Town to require (1) an extension of the warranty for an additional period, or (2) the proper repair of, or (3) the removal and reinstallation of that portion of the Infrastructure that is subject to such continuing deficiencies. Regardless of whether the warranty period has expired, the Owner agrees to repair any damage to the Infrastructure caused by Owner's construction activities on the Property. Nothing contained herein shall prevent the Town or Owner from seeking recourse against any other third party for damage to the Infrastructure caused by such third party.
  
- (v) The Owner agrees to forever maintain all (i) rights-of-way designated as private rights-of-way by the PUD, unless such rights-of-way are dedicated by Owner and accepted by the Town; and (ii) landscaping located within the public easements and rights-of-way located on any arterial or collector streets on the Property and such obligations shall survive the termination or expiration of this Agreement; provided, however, Owner may assign these obligations to one or more home owners ("HOA") provided such HOA is legally bound to such rights-of-way and landscaping maintenance obligations and has adequate financial ability, acceptable to the Town, to bear such obligations. Once the Town has consented to the assignment of these obligations to an HOA, Owner shall be relieved of any further obligation to maintain the rights-of-way and landscaping.

- (c) Infrastructure Assurance. The parties hereto acknowledge and agree that the Town, prior to the recording of the final plat for each phase of the subdivision within the Property, shall require the Owner and/or its designees, successors, assigns, grantees or buyers under contract, to provide assurances which are appropriate and necessary to assure that the installation of Infrastructure within that subdivision, or other subdivision improvements directly related to such building permit or permits, will be completed (“Infrastructure Assurance”). In such case, the Owner may elect, with the approval of the Town, which approval shall not be unreasonably withheld, any one or a combination of the following methods of Infrastructure Assurance. All Infrastructure Assurances provided by the Owner shall comply with the applicable provisions of the Town’s Subdivision Ordinance relating to such Infrastructure Assurances. Final Plats recorded in Pinal County shall have their Infrastructure Assurances transferred to the Town immediately upon annexation. The options are as follows:
- (i) Owner and/or its assignees, designees, grantees and purchasers under contract is required to file with the Town a performance bond; or
  - (ii) Owner and/or its assignees, designees, grantees and purchasers under contract is required to deliver to the Town an irrevocable and unconditional declining letter of credit which, if necessary, will be acknowledged by the Town in accordance with the appropriate Lender’s requirements; or
  - (iii) Letter of financial assurance from Owner’s lender or the lender of Owner’s assignees, designees, grantees and purchasers under contract; or
  - (iv) Contractor’s performance bond; or
  - (v) Dual beneficiary declining letter of credit; or
  - (vi) Performance deed of trust; or
  - (vii) Third party trust; or
  - (viii) Any other method approved by the Town and Owner consistent with State statutes and Town’s subdivision ordinance.

Once the required Infrastructure Assurance has been complied with, the Owner (or, as applicable, the Owner’s assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the Town, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other above methods of Infrastructure Assurance. The Town agrees that within ten (10) working days from the Town’s approval of the particular completed Infrastructure for which the Town has required and the Owner has provided Infrastructure Assurance, the Town shall release such Infrastructure Assurance, in whole or in part, as may be appropriate under the circumstances, in the manner provided in the applicable Subdivision Ordinance.

- (d) Infrastructure and Improvement Financing. The Parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction and/or provision of the range of public services/infrastructure improvements necessary to serve new development of the Property. The Town acknowledges and agrees that such infrastructure improvements may be constructed, at Owner's request, through the formation of a Community Facilities District (the "CFD") pursuant to Arizona law, including, but not limited to, A.R.S. § 48-701 et seq. In the event Owner requests the Town to form any CFD, the Town will consider such request in accordance with the Town's adopted CFD Policies and Procedures, and if approved, shall adopt the necessary resolution of intention, and conduct such procedures as are necessary to form the applicable CFDs as required by Arizona law. However, nothing contained herein shall be construed to compel the Town to form a CFD or for the CFD, if formed, to finance any Infrastructure. Owner shall provide all necessary information and shall pay all reasonable and customary Town costs, including costs of legal review by Town counsel, as specified in the Town's CFD Policies and Procedures and the Town's Schedule of Fees, as such may be amended from time to time, in connection with its request for any CFD formation. The Parties agree that the Town must act in accordance with its CFD Policies and Procedures as to the formation of any CFD contemplated under this Paragraph 9(d).
- (e) Street Lights. There will be no Street Lighting Improvement District (SLID) on the Property excepted as mutually agreed upon, however, streetlights will be required within the Property and will be constructed according to either of: 1) Town standards; 2) as grandfathered by existing development; or 3) as may be approved in the PUD.
- (f) Infrastructure Payback Agreement. In the event that the Town imposes upon Owner the obligation to oversize its infrastructure improvements or to provide additional public improvements ("Additional Improvements"), the Town agrees not to impose said obligation on Owner in such a manner that will impede or delay the Owner's ability to complete the development of its Property on the schedule or in the manner originally planned by Owner prior to the Town's imposition of such a requirement.
- (i) Upon completion of the Additional Improvements, Owner's project engineer will provide the Town with the actual costs of the land and construction of such improvements, together with a diagram of any benefited properties other than Owner's property, and a statement of the proportionate share attributable to each of the benefited properties ("Proportionate Share"). The Town shall have the right to review and approve the project engineer's submittal for a period of thirty (30) days, said approval to be commercially reasonable. The Town shall thereafter require each owner of a benefited property, prior to the issuance of a building permit for the benefited property, to pay to the Town its



Proportionate Share plus an additional five percent (5%) to pay for the administrative fee retained by the Town as provided below.

- (ii) At the time of payment calculation for benefited properties, the payment due shall be adjusted as follows:
  - 1. Calculate the percent increase in either the Engineering News Record (ENR) – Construction Cost Index (CCI) or Building Cost Index (BCI) between:
    - a. the most recently published ENR-CCI or ENR-BCI at the time of the adjustment; and
    - b. the ENR-CCI or ENR-BCI for the same month of the previous year.
  - 2. Multiply the development impact fee in effect in the year immediately prior to the Adjustment; and
  - 3. Add the resulting amount to the development impact fee in effect in the year immediately prior to the adjustment.
- (iii) Within thirty (30) days of receiving payment pursuant to Paragraph 9(e)(i) above, Town will reimburse Owner in the amount of such payment, less an administrative fee equal to five percent (5%) of each payment which shall be retained by Town. Any credit or offset to which Owner is entitled to pursuant to this Paragraph 9(f) shall be credited to Owner pursuant to a written amendment to this Agreement, which the Town and Owner agree to negotiate at such time as the costs of such Additional Improvements have been determined and the benefited properties have been identified.

10. Utility Services.

- (a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. (“JUC”), or another entity under the common control of JUC, its successors and assigns (collectively, the “Water Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Water Service Approvals”) to become the potable water service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.
- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC, its successors and assigns (collectively, the “Wastewater Service Provider”) has, or is in the process of obtaining the

necessary governmental approvals (collectively, the “Wastewater Service Approvals”) to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.

- (c) Assured Water Supply. If Owner is forced to expend funds to obtain a Certificate of Assured Water Supply to the Property or the Water Service Provider is forced to expend funds to receive a Designation of Assured Water Supply, Town agrees to consider formation of a CFD to permit reimbursement of additional costs incurred to provide water to the Property through public financing.
- (d) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town. Owner, or an entity designated by Owner, shall provide cable television service to the Property, provided that any such cable television service provider has obtained a franchise agreement with the Town.
- (e) Reclaimed Water. Owner, or an entity designated by Owner, shall supply reclaimed water or effluent to the Property as needed by Owner, any successor to Owner, or to any HOA.

11. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and Town standards. Town shall review said plans and provide Owner with its comments on these submittals in a timely manner. The Town may retain the services of a private company or individual (“Outside Review Agency”) to provide expedited development review processes only upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town’s list and the fee for such expedited review.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

13. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

14. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

- (a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the "Town Representative") shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the "Owner Representative"). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.
- (b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

15. Arbitration. If the mediation procedure set forth in Paragraph 14(b) above does not resolve a dispute, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 15. In such event, the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the "Rules") of the Center for Public Resources (the "CPR") currently in effect, except as provided herein and except where modified by the provisions hereof.

- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
- (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 15 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 15(e)

and 15(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.

- (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question could be barred by the applicable statute of limitations.
- (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed arbitrator in its notice demand for arbitration. The responding party may within ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.
- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to Paragraphs 15(b), 15(g) and 15(h) and reasonable attorneys' fees and reasonable costs to the prevailing party.
- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.
- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 15 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.

- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.
- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.
- (j) The dispute resolution process set forth in this Paragraph 15 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other party shall constitute a default. In the event such default is not cured within the Cure Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.
- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 14 and 15 shall not be construed or applied so as to prevent Owner or Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of

the Owner's rights or obligations within fifteen (15) days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. Nothing in this Agreement shall operate to restrict the Owner's ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

18. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

19. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

20. Good Standing; Authority. Each of the parties and their assigns represents and warrants (and will represent and warrant) to the other that: (i) it is duly formed and validly existing limited liability company under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is an Arizona municipal corporation or limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

20. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the Town from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

21. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

22. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

23. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

24. Notice. Any notice (delivered by mail, hand or federal express), assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States

Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town:                   Town Manager  
Town of Florence  
775 N. Main Street  
PO Box 2670  
Florence, Arizona 85132

With Copy To:           Town Attorney  
Town of Florence  
775 N. Main Street  
PO Box 2670  
Florence, Arizona 85132

The Owner:               Robert L. Shaw  
RMG Arizona Properties Holding XVII, L.L.C.  
c/o McRae Group  
8800 N. Gainy Center Drive, Suite 255  
Scottsdale, Arizona 85258

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

25. Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the Town Council of this document. The term of this Agreement (the "Term") shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) twenty (20) years from the date of recordation of this Agreement.

26. Attorneys' Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys' fees.

27. Insurance Requirements. The Owner, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the time that construction improvements are being made during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner's insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an

insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

- (a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG2O101185 (October 2001 version).
- (b) Automobile Liability. The Owner shall, at its expense, maintain a commercial/business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Owner's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, "any auto", Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.
- (c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, together with expenses (including but not limited to reasonable attorneys' fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors, subcontractors or anyone for whose acts they or the Owner may be liable in the performance of this Agreement, and regardless of whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses are caused in part by the passive negligence of the Town, its Council members, agents, officers,



officials and employees. The Town shall remain responsible to the fullest extent permitted by law for any acts of active negligence or intentional misconduct by the Town, its Council members, agents, officers, officials and employees.

- (i) The Owner's duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, result from, or are alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors or anyone for whose acts they or Owner may be liable in the performance of this Agreement, regardless of the legal or equitable grounds upon which such suits, claims, damages, losses and expenses are based.
- (ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions of this Agreement.
- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement.

28. Lot Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed. For this section, "lot" shall be any lot upon which a home has been approved by the Town.

29. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

30. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to comply with all applicable provisions of Arizona Revised Statutes ("A.R.S.") § 34 - 301 "Employment of Aliens on Public Works Prohibited", A.R.S. § 34 - 302 "Residence

Requirements for Employees”, and A.R.S. § 41-4401 “Government Procurement” (hereinafter referred to as the “Immigration Laws”). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner’s, contractor’s or any subcontractor’s employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S. § 23 - 214(A) and if Owner includes the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which require such contractors to include the provisions of this section in such contractors’ contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by Owner, a contractor or any subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the dates written below.

**TOWN OF FLORENCE, an Arizona municipal corporation**

\_\_\_\_\_  
Tom J. Rankin, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James Mannato, Town Attorney

**RMG ARIZONA PROPERTIES HOLDING XVII, L.L.C.,  
an Arizona limited liability company**

\_\_\_\_\_

By:\_\_\_\_\_

Its:\_\_\_\_\_

Date:\_\_\_\_\_

STATE OF ARIZONA        )  
  ) ss.  
County of \_\_\_\_\_ )

The foregoing Development Agreement for \_\_\_\_\_ was acknowledged before me this \_\_\_\_\_ day of July, 2014, by \_\_\_\_\_, of RMG ARIZONA PROPERTIES HOLDING XVII, L.L.C., an Arizona limited liability company, and being authorized to do so executed the forgoing instrument on behalf of the company for the purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

# **EXHIBITS**

Exhibit A - Legal Description

Exhibit B – Legal Description Map

Exhibit C - Land Use Plan

**EXHIBIT "A"**

PARCEL 13, BOOK 1 OF SURVEYS, PAGES 45, 46 AND 47, RECORDS OF PINAL COUNTY, ARIZONA, BEING A PORTION OF THE SOUTH HALF OF SECTION 2, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 2;

THENCE SOUTH 00 DEGREES 40 MINUTES 11 SECONDS EAST, A DISTANCE OF 3941.02 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 49 MINUTES 48 SECONDS EAST, A DISTANCE OF 1248.32 FEET;

THENCE SOUTH 00 DEGREES 31 MINUTES 42 SECONDS EAST, A DISTANCE OF 1298.03 FEET;

THENCE SOUTH 89 DEGREES 43 MINUTES 30 SECONDS WEST, A DISTANCE OF 1245.10 FEET;

THENCE NORTH 00 DEGREES 40 MINUTES 11 SECONDS WEST, A DISTANCE OF 1300.34 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 2, A FOUND GLO BRASS CAP IN A HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, A FOUND GLO BRASS CAPPED IRON POST, BEARS SOUTH 0 DEGREES 41 MINUTES 51 SECONDS EAST, A DISTANCE OF 2604.10 FEET;

THENCE SOUTH 00 DEGREES 41 MINUTES 51 SECONDS EAST, A DISTANCE OF 690.27 FEET ALONG THE WEST LINE OF SAID SECTION 2 TO THE NORTHWEST CORNER OF THE SOUTH HALF OF PARCEL 1 OF SAID PLAT AND THE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 41 MINUTES 51 SECONDS EAST, A DISTANCE OF 1913.83 FEET ALONG SAID WEST LINE OF SECTION 2 TO THE WEST QUARTER CORNER OF SAID SECTION 2;

THENCE SOUTH 00 DEGREES 41 MINUTES 28 SECONDS EAST, A DISTANCE OF 1638.01 FEET ALONG THE WEST LINE OF SAID SECTION 2;

THENCE NORTH 89 DEGREES 41 MINUTES 59 SECONDS EAST, A DISTANCE OF 1247.31 FEET;

THENCE NORTH 00 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 298.07 FEET ALONG THE EAST LINE OF PARCEL 13 OF SAID PLAT;

THENCE NORTH 89 DEGREES 48 MINUTES 41 SECONDS EAST, A DISTANCE OF 1248.15 FEET ALONG THE SOUTH LINE OF PARCEL 10 OF SAID PLAT;

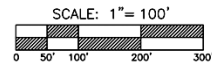
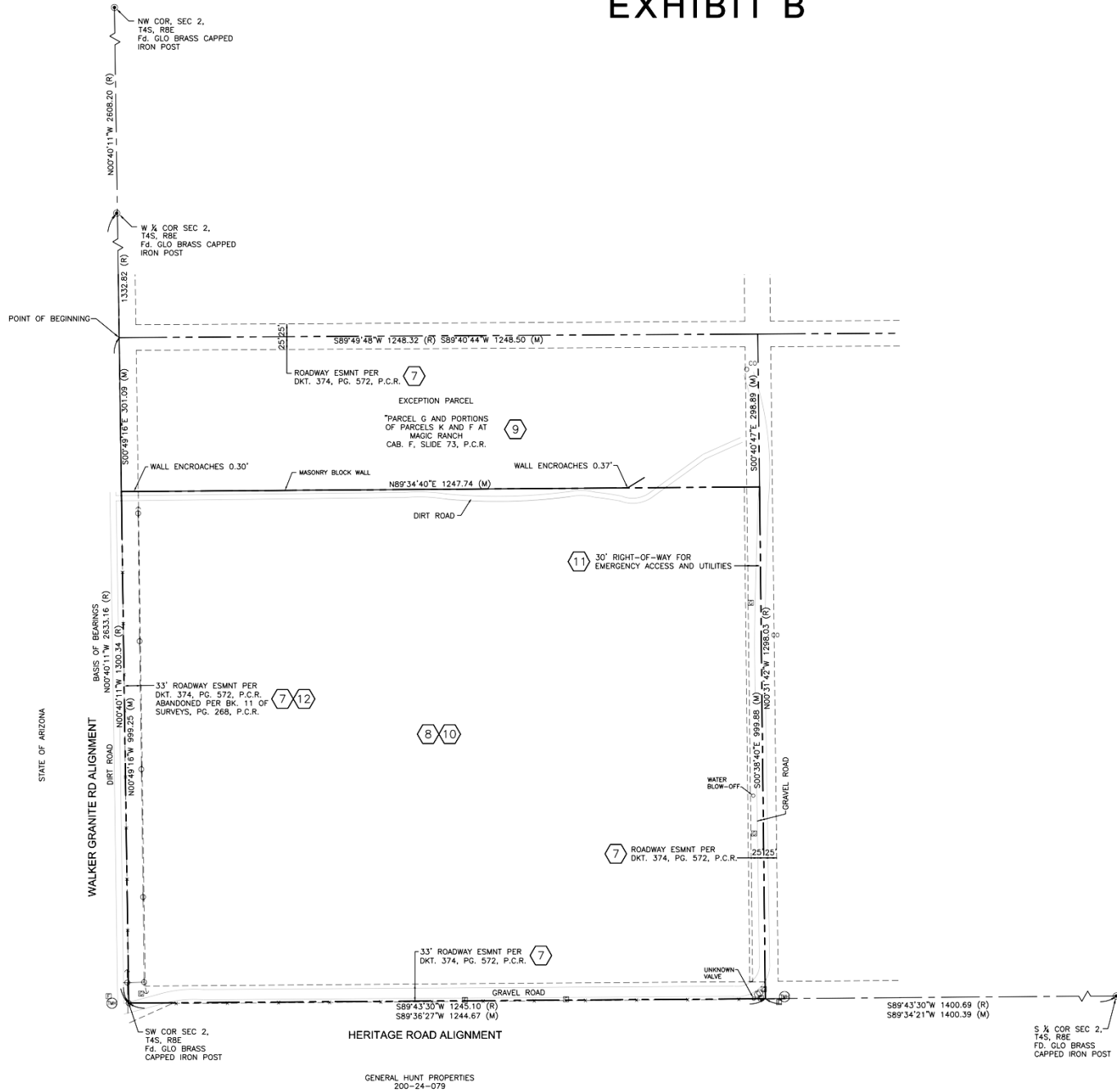
THENCE NORTH 00 DEGREES 24 MINUTES 01 SECONDS WEST, A DISTANCE OF 1295.65 FEET ALONG THE EAST LINE OF SAID PARCEL 10;

THENCE SOUTH 89 DEGREES 55 MINUTES 20 SECONDS WEST, A DISTANCE OF 1251.49 FEET ALONG THE NORTH LINE OF SAID PARCEL 10;

THENCE NORTH 00 DEGREES 32 MINUTES 51 SECONDS WEST, A DISTANCE OF 1947.13 FEET ALONG THE EAST LINE OF PARCELS 5 AND 1 OF SAID PLAT;

THENCE NORTH 89 DEGREES 54 MINUTES 45 SECONDS WEST, A DISTANCE OF 1256.49 FEET ALONG  
THE NORTH LINE OF THE SOUTH HALF OF PARCEL 1 OF SAID PLAT TO THE POINT OF BEGINNING.

# EXHIBIT B



**LEGEND:**

- (R) RECORD DATA PER THE "PLAT OF SURVEY" AS RECORDED IN BOOK 1 OF SURVEYS, PAGE 48, PINAL COUNTY RECORDER.
- (M) MEASURED DATA
- P.O.B. POINT OF BEGINNING
- POWER POLE & OVER-HEAD UTILITY LINE
- ⊗ TELEPHONE MANHOLE
- CO SEWER CLEANOUT
- ⊞ FIBER OPTIC MARKER
- ⊞ GAS LINE MARKER
- GAS VALVE
- ← DOWN GUY



**MERESTONE LAND SURVEY**  
 14820 North Cave Creek Road  
 Suite #8  
 Phoenix, Arizona 85032  
 Phone (602) 569-2000  
 Fax (602) 569-2021  
 www.merestonelandsurvey.com

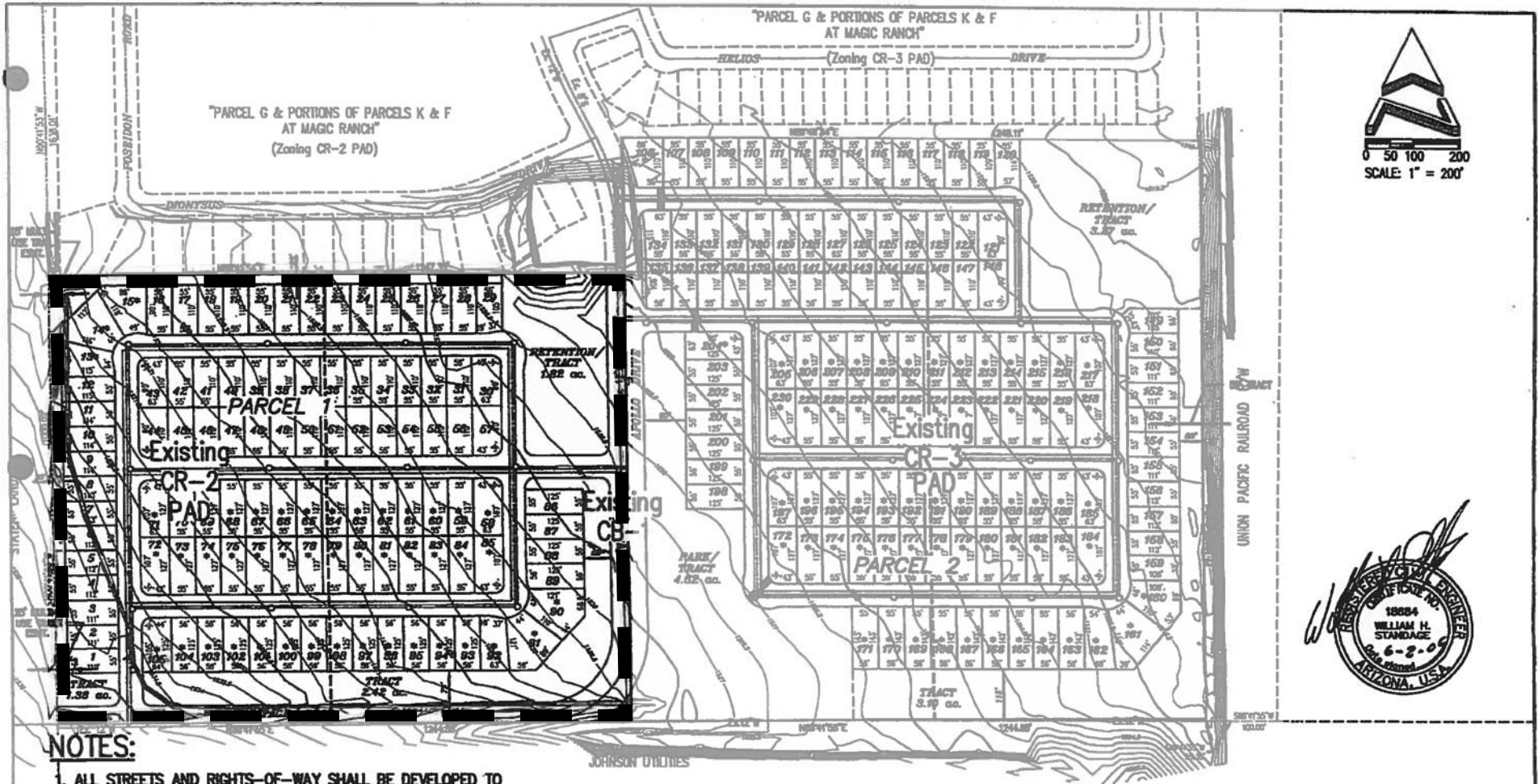
**ALTA / A.C.S.M. LAND TITLE SURVEY FOR HERITAGE at MAGIC RANCH**

SHEET 2 OF 2

PROJ. NO.	DATE	DRAWN	BLM	CHKD	COH	DATE
	APR 2011					



# EXHIBIT C




**NOTES:**

1. ALL STREETS AND RIGHTS-OF-WAY SHALL BE DEVELOPED TO PINAL COUNTY STANDARDS AND DEDICATED FOR PUBLIC USE.
2. ALL OPEN SPACE AREAS SHALL BE DEVELOPED AND LANDSCAPED BY THE DEVELOPER. MAINTENANCE SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION.
3. A SIX FOOT (6") HIGH PERIMETER FENCE IS PROPOSED ALONG THE REAR LOT LINE OF ALL PERIMETER LOTS, ALONG SIDE AND REAR OF LOTS ADJACENT TO PUBLIC STREETS AND ALONG RAILROAD R.O.W. AND TRACTS.

**STREET TYPES:**

RESIDENTIAL	50' R/W	32' BC-BC
APPLD DR.	80' R/W	42' BC-BC
HERITAGE RD.	40' R/W (1/2 ST.)	24' PAVEMENT

 <p><b>Standage &amp; Associates, Ltd.</b> Consulting Engineers 400 E. H. Dorrado Mesa, Arizona 85202 (480) 882-8000</p>	<p><b>DEVELOPMENT PLAN</b> PARCELS EE, FF and A PORTION OF F and K MAGIC RANCH PAD</p>	<p>JOB #050630 SHEET 2 OF 3</p>
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	<b>TOWN OF FLORENCE COUNCIL ACTION FORM</b>	<b><u>AGENDA ITEM</u></b> <b>16e.</b>
<b>MEETING DATE:</b> July 7, 2014  <b>DEPARTMENT:</b> Community Development  <b>STAFF PRESENTER:</b> Mark Eckhoff, AICP Community Development Director  <b>SUBJECT:</b> Resolution No. 1460-14: Pre-Annexation and Development Agreement with RMG RESIDENTIAL 2010, LLLP, an Arizona Limited Liability Limited Partnership.		<input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> <b>Information Only</b> <input type="checkbox"/> <b>Public Hearing</b> <input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Regulatory</b> <input type="checkbox"/> <b>1<sup>st</sup> Reading</b> <input type="checkbox"/> <b>2<sup>nd</sup> Reading</b> <input type="checkbox"/> <b>Other</b>

**RECOMMENDED MOTION/ACTION:**

Motion to adopt Resolution No. 1460-14, entering into a Pre-Annexation and Development Agreement with RMG RESIDENTIAL 2010, LLLP, an Arizona Limited Liability Limited Partnership.

**BACKGROUND/DISCUSSION:**

The subject site encompasses a land area of approximately 29 acres located within the pending Magic Ranch Annexation. The site is located east of Hunt Highway and adjacent to existing homes and the golf course within the Magic Ranch community. The north portion of the site sits east of the Johnson Utilities Section 11 WWTP. According to the Master Plan for Magic Ranch and current Tentative Plat for this parcel, 212 single-family residential lots are planned for this area.

**FINANCIAL IMPACT:**

Overall positive entering into this PADA facilitates the successful completion of the Magic Ranch annexation and promotes future rooftop development within the Town of Florence. It is noted that the PADA commits to not increase Development Impact Fees for the subject site for the first seven years of the term of the PADA.

**RECOMMENDATION:**

Staff recommends approval of Resolution No. 1460-14.

**ATTACHMENTS:**

Resolution No. 1460-14  
PADA

When recorded, return to:

Town Clerk  
Town of Florence  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

**RESOLUTION NO. 1460-14**

**A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH RMG RESIDENTIAL 2010, LLLP, AN ARIZONA LIMITED LIABILITY LIMITED PARTNERSHIP, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “MAGIC RANCH 50” PROPERTY).**

**WHEREAS**, the Town of Florence is authorized pursuant to A.R.S. § 9-500.05 to enter into development agreements and generally is authorized to enter into contracts; and

**WHEREAS**, RMG RESIDENTIAL 2010, LLLP, an Arizona Limited Liability Limited Partnership, the “Owner”, plans to develop 29 residential acres located as legally described on Exhibit “A” and shown on Exhibit “B” attached hereto (the “Property”), and desires to annex the Property into the town limits of Florence; and

**WHEREAS**, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

**WHEREAS**, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property.

**THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of 29 acres is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does not annex the Property in a timely manner following adoption of the Pre-Annexation and Development

Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this Resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Florence, Arizona this 7<sup>th</sup> day of July, 2014.

\_\_\_\_\_  
Tom J. Rankin, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James E. Mannato, Town Attorney

**EXHIBIT "A"**

**A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 11, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:**

**COMMENCING AT THE SOUTHEAST CORNER OF SECTION 11, SAID CORNER BEING A GLO BRASS CAP, SAID CORNER BEARS SOUTH 00 DEGREES 06 MINUTES 02 SECONDS EAST, A DISTANCE OF 2657.06 FEET FROM THE EAST QUARTER CORNER OF SECTION 11, SAID EAST QUARTER BEING AN ALUMINUM CAP;**

**THENCE NORTH 89 DEGREES 35 MINUTES 39 SECONDS WEST, A DISTANCE OF 2648.66 FEET TO THE SOUTH QUARTER CORNER OF SECTION 11, SAID CORNER BEING A GLO BRASS CAP;**

**THENCE NORTH 00 DEGREES 01 MINUTES 09 SECONDS EAST ALONG THE MIDSECTION LINE OF SECTION 11, A DISTANCE OF 402.68 FEET TO THE POINT OF BEGINNING;**

**THENCE NORTH 00 DEGREES 01 MINUTES 09 SECONDS EAST ALONG SAID MID-SECTION LINE, A DISTANCE OF 3,568.47 FEET TO A POINT, SAID POINT BEARS SOUTH 00 DEGREES 01 MINUTES 09 SECONDS WEST, A DISTANCE OF 1323.84 FEET FROM THE NORTH QUARTER CORNER OF SECTION 11;**

**THENCE NORTH 89 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 1,283.19 FEET TO THE WESTERLY RIGHT OF WAY LINE OF "CARGO AVENUE", AS SHOWN ON THE FINAL PLAT OF "OASIS AT MAGIC RANCH PHASE V AND VI" AS RECORDED IN CABINET G, SLIDE 71, IN THE RECORDS OF PINAL COUNTY, ARIZONA;**

**THENCE, SOUTH 00 DEGREES 00 MINUTES 53 SECONDS EAST, ALONG THE WESTERLY RIGHT OF WAY LINE OF SAID "CARGO AVENUE", A DISTANCE OF 261.62 FEET;**

**THENCE SOUTHERLY, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 111.08 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 175.00 FEET AND A CENTRAL ANGLE OF 36 DEGREES 22 MINUTES 08 SECONDS;**

**THENCE CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE SOUTH 36 DEGREES 21 MINUTES 15 SECONDS WEST, A DISTANCE OF 717.82 FEET;**

**THENCE SOUTHWESTERLY, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 49.35 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 275.00 FEET AND A CENTRAL ANGLE OF 10 DEGREES 16 MINUTES 52 SECONDS;**

**THENCE CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 26 DEGREES 04 MINUTES 23 SECONDS WEST, A DISTANCE OF 153.29 FEET;**

**THENCE SOUTHWESTERLY, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 25.82 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 275.00 FEET AND A CENTRAL ANGLE OF 05 DEGREES 22 MINUTES 43 SECONDS;**

**THENCE CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE SOUTH 31 DEGREES 27 MINUTES 06 SECONDS WEST, A DISTANCE OF 78.72 FEET;**

**THENCE WESTERLY, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 37.33 FEET ALONG A NON-TANGENT CURVE TO THE RIGHT OF WHICH THE RADIUS POINT LIES NORTH 58 DEGREES 32 MINUTES 53 SECONDS WEST A RADIUS OF 25.00 FEET, AND HAVING A CENTRAL ANGLE OF 85 DEGREES 33 MINUTES 14 SECONDS;**

**THENCE SOUTH 35 DEGREES 50 MINUTES 32 SECONDS WEST, A DISTANCE OF 50.60 FEET TO THE SOUTHWEST CORNER OF SAID FINAL PLAT AND THE SOUTH RIGHT OF WAY LINE OF "ESCAPE AVENUE" AS SHOWN THEREON;**

**THENCE SOUTH 62 DEGREES 59 MINUTES 30 SECONDS EAST, ALONG THE SOUTHERLY LINE OF SAID FINAL PLAT AND SAID SOUTH RIGHT OF WAY LINE, A DISTANCE OF 184.34 FEET;**

**THENCE LEAVING SAID SOUTH RIGHT OF WAY LINE AND THE SOUTH LINE OF SAID FINAL PLAT, SOUTH 31 DEGREES 15 MINUTES 54 SECONDS WEST, A DISTANCE OF 988.52 FEET;**

**THENCE SOUTH 00 DEGREES 06 MINUTES 37 SECONDS EAST, A DISTANCE OF 972.43 FEET;**

**THENCE SOUTHEASTERLY, A DISTANCE OF 255.06 FEET ALONG A NON-TANGENT CURVE TO THE LEFT OF WHICH THE RADIUS POINT LIES NORTH 89 DEGREES 53 MINUTES 34 SECONDS EAST, A RADIUS OF 150.00 FEET, AND HAVING A CENTRAL ANGLE OF 97 DEGREES 25 MINUTES 33 SECONDS;**

**THENCE SOUTH 11 DEGREES 21 MINUTES 18 SECONDS EAST, A DISTANCE OF 26.24 FEET;**

**THENCE SOUTH 48 DEGREES 55 MINUTES 54 SECONDS WEST, A DISTANCE OF 16.29 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF "HAVEN AVENUE" AS SHOWN ON THE FINAL PLAT OF "THE OASIS AT MAGIC RANCH - UNIT I", RECORDED IN CABINET D, SLIDE 52, IN THE RECORDS OF PINAL COUNTY, ARIZONA;**

**THENCE ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, SOUTH 71 DEGREES 05 MINUTES 50 SECONDS, A DISTANCE OF 13.59 FEET, MEASURED;**

**THENCE SOUTHWESTERLY, CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 134.41 FEET (120.96 FEET MEASURED) ALONG A NON-TANGENT CURVE TO THE LEFT OF WHICH THE RADIUS POINT LIES SOUTH 17 DEGREES 59 MINUTES 14 SECONDS EAST A RADIUS OF 825.00 FEET (843.45 FEET, MEASURED), AND HAVING A CENTRAL ANGLE OF 09 DEGREES 20 MINUTES 06 SECONDS (08 DEGREES 13 MINUTES 01 SECONDS, MEASURED);**

**THENCE CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE SOUTH 62 DEGREES 40 MINUTES 41 SECONDS WEST, A DISTANCE OF 130.93 FEET;**

**THENCE WESTERLY, CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 39.27 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS;**

**THENCE CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, SOUTH 62 DEGREES 40 MINUTES 41 SECONDS WEST, A DISTANCE OF 80.00 FEET TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF "OASIS BOULEVARD" AS SHOWN ON SAID FINAL PLAT ;**

**THENCE CONTINUING ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE SOUTH 27 DEGREES 19 MINUTES 19 SECONDS EAST, A DISTANCE OF 123.93 FEET;**

**THENCE SOUTHEASTERLY, CONTINUING ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 147.22 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 430.00 FEET AND A CENTRAL ANGLE OF 19 DEGREES 37 MINUTES 01 SECONDS;**

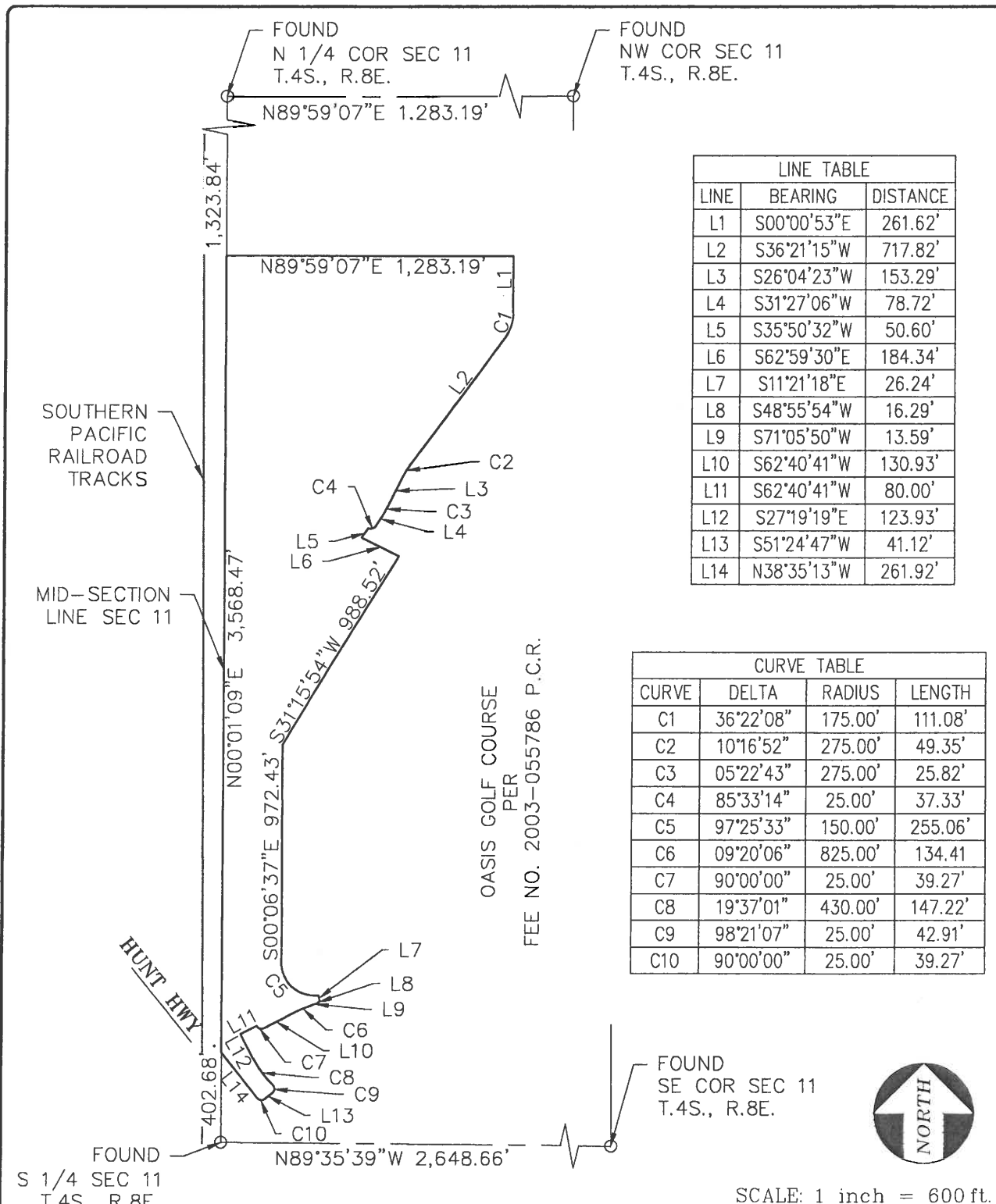
**THENCE SOUTHERLY, ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 42.91 FEET ALONG A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 98 DEGREES 21 MINUTES 07 SECONDS TO THE NORTHWESTERLY RIGHT OF WAY LINE OF "OASIS LANE" AS SHOWN ON SAID FINAL PLAT;**

**THENCE ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, SOUTH 51 DEGREES 24 MINUTES 47 SECONDS WEST, A DISTANCE OF 41.12 FEET;**

**THENCE WESTERLY, CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 39.27 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS TO THE NORTHEASTERLY RIGHT OF WAY LINE OF "HUNT HIGHWAY" AS SHOWN ON SAID FINAL PLAT;**

**THENCE ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, NORTH 38 DEGREES 35 MINUTES 13 SECONDS WEST, A DISTANCE OF 261.92 FEET TO THE POINT OF BEGINNING.**





LINE TABLE		
LINE	BEARING	DISTANCE
L1	S00°00'53"E	261.62'
L2	S36°21'15"W	717.82'
L3	S26°04'23"W	153.29'
L4	S31°27'06"W	78.72'
L5	S35°50'32"W	50.60'
L6	S62°59'30"E	184.34'
L7	S11°21'18"E	26.24'
L8	S48°55'54"W	16.29'
L9	S71°05'50"W	13.59'
L10	S62°40'41"W	130.93'
L11	S62°40'41"W	80.00'
L12	S27°19'19"E	123.93'
L13	S51°24'47"W	41.12'
L14	N38°35'13"W	261.92'

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	36°22'08"	175.00'	111.08'
C2	10°16'52"	275.00'	49.35'
C3	05°22'43"	275.00'	25.82'
C4	85°33'14"	25.00'	37.33'
C5	97°25'33"	150.00'	255.06'
C6	09°20'06"	825.00'	134.41'
C7	90°00'00"	25.00'	39.27'
C8	19°37'01"	430.00'	147.22'
C9	98°21'07"	25.00'	42.91'
C10	90°00'00"	25.00'	39.27'

OASIS GOLF COURSE  
PER  
FEE NO. 2003-055786 P.C.R.



SCALE: 1 inch = 600 ft.

**EXHIBIT B**

MAGIC RANCH 50  
TOWN OF FLORENCE, ARIZONA

3205 W Ray Road  
Chandler, AZ 85226  
Phone: 480.705.5372  
Fax: 480.705.5376  
www.unitedeng.com

united engineering group

**WHEN RECORDED, RETURN TO:**

Town of Florence  
Attn: Town Clerk  
PO Box 2670  
775 North Main Street  
Florence, AZ 85132

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**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR  
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01  
“MAGIC RANCH 50” PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

RMG RESIDENTIAL 2010, LLLP, an Arizona limited liability limited partnership

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DATE: July \_\_\_\_\_, 2014

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT  
FOR  
MAGIC RANCH ANNEXATION 2013-01  
“MAGIC RANCH 50” PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this \_\_\_\_ day of July, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and RMG RESIDENTIAL 2010, LLLP, an Arizona limited liability limited partnership (the “Owner”).

**RECITALS**

A. The Owner is the owner of certain property, or has received the necessary consent to include certain property located in Pinal County, Arizona consisting of approximately 29 acres all as legally described in Exhibit “A” and depicted on Exhibit “B” attached hereto and incorporated herein by reference (the “Property”).

B. Owner and the Town desire that the Property be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the Land Use Plan, which is attached as Exhibit “C” and Planned Unit Development Narrative (“PUD Narrative”), which is acknowledged by the parties hereto to be generally consistent with the Town’s General Plan, which may be amended prior to or concurrent with this annexation. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owner and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative is an appropriate designation for this Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner has the right to complete the development of the Property pursuant to, amongst other things, the

PUD plan before it will expend substantial efforts and costs in the development of the Property, and the Town requires assurances from Owner that development of the Property will be in accordance with the Plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD plan; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD plan.

G. Among other things, development of the Property in accordance with this Agreement and the PUD plan will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

H. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, may also be needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

## **AGREEMENT**

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by all necessary property owners and satisfying the applicable statutory requirements (the "Annexation Petition"). The Annexation Petition shall contain a provision requiring, upon Owner's written request, the immediate rescission and termination of the Annexation Petition by the Town if: (a) any person or entity files any protest, appeal, referendum, litigation or other petition (including but not limited to, any petition filed pursuant to A.R.S. § 9-471(C)) challenging the validity or approval of the Annexation Petition; (b) the Town does not, at the same Town Council meeting

in which the Annexation Petition is adopted, approve the PUD plan; (c) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of the PUD plan; or (d) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of this Agreement. Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final ordinance annexing the Property into the corporate limits of the Town (the "Annexation Ordinance"). The Town and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the Town's annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D).

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the property comparable zoning, which shall be a Planned Unit Development ("PUD") zoning designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative. The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the comparable zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the "Act") resulting from this Agreement, the comparable zoning, the underlying land use as identified in Exhibit "C" and the PUD Narrative or from any "land use law" (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the comparable zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner's successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time, including but not limited to the location of rights-of-way and easements. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town's Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the Town shall not be

deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any substantial alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as deemed to be substantial by the Community Development Director;
- (b) Any increase in the overall residential density set forth in the PUD;
- (c) Any substantial change in the development standards except as otherwise allowed by the PUD; and/or
- (d) Additional circumstances as described in the PUD Narrative and PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the “Additional Property”). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraphs 6(c) and 6(h) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:
  - (i) rules that the Owner may agree in writing apply to the development of the Property;

- (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including court decisions, and other similar superior external authorities beyond the control of the Town, provided that, in the event any such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law such affected provisions of this Agreement shall be modified as may be necessary to achieve the required level of compliance with such mandatory requirement;
  - (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
  - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the "MAG") provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town's existing or future Development Impact Fees that shall be imposed upon the Property for a period of seven (7) years commencing from the effective date of the Annexation, shall be in an amount equal to Three Thousand Five Hundred and 00/00 Dollars (\$3,500.00) per single-family residential dwelling unit, unless a lesser Development Impact Fee is applicable at the time a building permit is issued by the Town. After the seven (7) year period and for the duration of this Agreement, the Town's Development Impact Fees that will be imposed upon the Property shall be the Development Impact Fees then in effect and applicable at the time of permitting. Any Development Impact Fees which are due on residential dwelling units shall be payable when construction permits for the residential dwelling units are issued by the Town. The Town can allocate the Development Impact Fee, in the amount of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), among any eligible Development Impact Fee categories provided such allocation does not negatively impact or adversely affect any Development Impact Fee credits due to Owner.

- (d) Development Impact Fee Credits. To the extent permitted by Arizona Revised Statutes ("A.R.S.") and the Florence Development Code, Owner shall be entitled to a credit against the category of Development Impact Fees that are assessed (or that are to be assessed) against the Property (or any portion thereof) for any land, improvements or other contributions provided by Owner to the Town for any land, capital facility improvements or contributions required to provide public services and which is related to the existing or future category of Development Impact Fees for which such credit is sought. Such credits may be assignable by Owner to entities constructing single-family residential dwelling units on the Property. Any credits for which Owner may be entitled under this Paragraph shall not exceed the maximum Development Impact Fee applicable in any particular category.
- (e) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of any filing, plan review or permit issuance. Development Impact Fees shall be paid in accordance with Paragraph 5(c) above.
- (f) Reimbursements. Promptly after the Town submits invoices to Owner, Owner shall pay the Town's costs and expenses incurred in connection with: (i) any suit, claim, referendum or legal challenge however described which challenges the validity of this Agreement or the PUD; (ii) any suit, claim, referendum or legal challenge however described which challenges any council action approving this Agreement, the PUD or other council actions relating to the development described in the PUD; and (iii) the exercise of the Town's powers of condemnation or eminent domain at the request of the Owner or as required by the terms of this Agreement. Prior to instigation of any such action or decision to settle or not to settle any such action as described in this subparagraph, Town shall consult with Owner. Town shall not deny Owner the opportunity to intervene in such action.
- (g) Flood Control. Flood control measures for the Property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District to the extent the Property is within the Pinal County Flood Control District.
- (h) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.



- (i) Setback Requirements. Except to the extent otherwise required by federal or state law, the Town shall not impose additional setback requirements upon the Property as a result of the proximity of the Property to the Johnson Utilities Section 11 Wastewater Treatment Plant and the Union Pacific Railroad.
- (j) On-Site Water Retention/Detention. Unless the Oasis Golf Course cannot be utilized for off-site water retention/detention by the Property, the Town shall not require that the on-site water retention/detention requirements for the Property exceed the minimum Town standards.
- (k) Open Space Requirements. Open space requirements for the Property, including trails, sidewalks and other amenities, shall comply with the current Magic Ranch Planned Area Development. The Town shall not require that the open space requirements for the Property comply with the current Town standards.
- (l) Roadway Design Criteria. For local residential streets located within the Property, the Town waives the requirement of the minimum horizontal curve length of one hundred (100) feet.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformation with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Preliminary Plat approvals shall be valid for a period of two (2) years, with two (2) one-year extensions. Preliminary/Tentative Plats and Final Plats, as well as accompanying civil improvement plans, approved by Pinal County and consistent with the PUD shall be transferable to the Town so long as approvals are current at the time of annexation, approved plans are provided to the Town and any applicable public safety concerns are adequately addressed. Transferred approved plans and plats shall be valid for two (2) years from the effective date of annexation, with two (2) one-year extensions, except in the case of recorded Final Plats, which shall remain valid if infrastructure assurances are in place per Paragraph 9 (c) and/or subdivision improvements are completed and accepted by the Town.

8. Vested Rights. The types of land uses, together with the densities of such uses for each development parcel on the Property, as shown in the PUD are hereby established. The Town agrees that, for the term of this Agreement, Owner shall have an immediate right to develop the Property in accordance with this Agreement, the PUD, the land uses established within the PUD and the Town's General Plan.

9. Infrastructure.

- (a) Infrastructure Plan. Except as otherwise provided in this Agreement, so long as Owner proceeds with the development of the Property, Owner may implement and phase the infrastructure improvements to the Property in conformance with an infrastructure plan jointly approved by the Town and Owner (the "Infrastructure Plan"), which Infrastructure Plan may be modified from time to time with the Town's approval, which approval shall not unreasonably be withheld, conditioned

or delayed. Town hereby agrees that the Infrastructure Plan shall exclude, and the Owner shall not be required to obtain the approval by the Town, of water infrastructure improvements or wastewater infrastructure improvements, which improvements shall be the responsibility of the Owner and/or the Water Service Provider (as hereinafter defined) and Wastewater Service Provider (as hereinafter defined) to construct pursuant to Paragraphs 10(a) and 10(b). Owner agrees to construct the water infrastructure improvements and wastewater infrastructure improvements in accordance with all other applicable regulations, laws and ordinances. The Town agrees to consider Owner's request for the condemnation of sewer, utility, and drainage easements and rights-of-way if such easements and rights-of-way are determined by the Town to be necessary to complete the infrastructure anticipated by this Agreement, but in any event the use of eminent domain or condemnation is in the sole discretion of the Town. Owner agrees to reimburse Town for the costs of any such condemnation, including, but not limited to, land and property rights acquisition costs, attorneys' fees and costs of suit. Town agrees to consult with Owner regarding offers of settlement in the event of eminent domain or condemnation actions.

- (b) Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with all applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Plan that relate to the phase or portion of the Property to be developed by Owner at any given time. All such construction performed by Owner shall be performed in a good and workmanlike manner and in compliance with all applicable requirements, standards, codes, rules or regulations of the Town. The parties hereto acknowledge and agree that the Town, as necessary to implement the Infrastructure Plan, shall cooperate reasonably in facilitating construction of the infrastructure, including, but not limited to, the abandonment of any unnecessary public rights-of-way or easements currently located on the Property at such time as such rights-of-way or easements are demonstrated to be unnecessary by the final plat.
- (i) The construction and installation of public or private streets, curbs, gutters, sidewalks, traffic control, directional signs and other public infrastructure and public facilities on the Property as required by the PUD and any applicable state and local regulations, laws and ordinances (collectively, the "Infrastructure") shall be subject to and in compliance with applicable state and local regulations, laws and ordinances. Owner shall cause all Infrastructure required by the PUD to be constructed and installed at no cost to the Town. Such Infrastructure may be constructed in segments that correspond to the phases, if any, set forth in the PUD. All Infrastructure shall be installed in a workmanlike manner in conformity with the plans and specifications that are submitted to and approved by the Town in connection with the PUD or each phase.

- (ii) Dedication of Infrastructure by Owner shall not constitute acceptance of the Infrastructure for purposes of transferring the obligation to maintain and repair the Infrastructure to the Town or for purposes of starting the Town's warranty period. Acceptance of any and all Infrastructure by the Town for purposes of the Town assuming any maintenance and repair obligations and for purposes of commencing the warranty period shall be expressly evidenced in writing by the Town as provided herein.
- (iii) Upon completion by Owner of any Infrastructure pursuant to Paragraph 9(a), Owner shall notify the Town in writing of the presumptive completion of such Infrastructure. So long as such Infrastructure is constructed in accordance with the approved plans and the requirements of Paragraph 9(a), as verified by the inspection of the completed improvements by the Town Engineer including the completion of all punch list items, the Town shall accept the Infrastructure, unless such Infrastructure is to be owned or accepted by some other governmental entity. The Town shall notify Owner, in writing, of the Town's acceptance of the Infrastructure as of the day of the final inspection. Acceptance of any Infrastructure is expressly conditioned upon the usual and customary Town warranty for such Infrastructure. Owner, at no cost to Town, shall dedicate rights-of-way or convey public easements necessary for the construction, installation, operation and maintenance of the Infrastructure as required by Town, which rights-of-way or easements may be located adjacent to or in other public and private rights-of-way or easements.
- (iv) Owner shall give to Town a one (1) year warranty for all Infrastructure, which warranty shall begin on the date that Town accepts the Infrastructure as provided in this section or such other date as set forth in a service agreement. Any deficiencies in material or workmanship identified by Town's staff during the warranty period that would adversely impact the public health and safety of residents shall be brought to the attention of Owner, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of Town's staff. Any other deficiencies in material or workmanship identified by Town's staff during the warranty period shall be remedied collectively to the reasonable satisfaction of Town's staff at the conclusion of the warranty period. Continuing material deficiencies in a particular portion of the Infrastructure shall be sufficient grounds for Town to require (1) an extension of the warranty for an additional period, or (2) the proper repair of, or (3) the removal and reinstallation of that portion of the Infrastructure that is subject to such continuing deficiencies. Regardless of whether the warranty period has expired, the Owner agrees to repair any damage to the Infrastructure caused by Owner's construction activities on the Property. Nothing contained herein shall prevent the Town or Owner from seeking recourse against any other third party for damage to the Infrastructure caused by such third party.

- (v) The Owner agrees to forever maintain all (i) rights-of-way designated as private rights-of-way by the PUD, unless such rights-of-way are dedicated by Owner and accepted by the Town; and (ii) landscaping located within the public easements and rights-of-way located on any arterial or collector streets on the Property and such obligations shall survive the termination or expiration of this Agreement; provided, however, Owner may assign these obligations to one or more home owners (“HOA”) provided such HOA is legally bound to such rights-of-way and landscaping maintenance obligations and has adequate financial ability, acceptable to the Town, to bear such obligations. Once the Town has consented to the assignment of these obligations to an HOA, Owner shall be relieved of any further obligation to maintain the rights-of-way and landscaping.
  
- (c) Infrastructure Assurance. The parties hereto acknowledge and agree that the Town, prior to the recording of the final plat for each phase of the subdivision within the Property, shall require the Owner and/or its designees, successors, assigns, grantees or buyers under contract, to provide assurances which are appropriate and necessary to assure that the installation of Infrastructure within that subdivision, or other subdivision improvements directly related to such building permit or permits, will be completed (“Infrastructure Assurance”). In such case, the Owner may elect, with the approval of the Town, which approval shall not be unreasonably withheld, any one or a combination of the following methods of Infrastructure Assurance. All Infrastructure Assurances provided by the Owner shall comply with the applicable provisions of the Town’s Subdivision Ordinance relating to such Infrastructure Assurances. Final Plats recorded in Pinal County shall have their Infrastructure Assurances transferred to the Town immediately upon annexation. The options are as follows:
  - (i) Owner and/or its assignees, designees, grantees and purchasers under contract is required to file with the Town a performance bond; or
  - (ii) Owner and/or its assignees, designees, grantees and purchasers under contract is required to deliver to the Town an irrevocable and unconditional declining letter of credit which, if necessary, will be acknowledged by the Town in accordance with the appropriate Lender’s requirements; or
  - (iii) Letter of financial assurance from Owner’s lender or the lender of Owner’s assignees, designees, grantees and purchasers under contract; or
  - (iv) Contractor’s performance bond; or
  - (v) Dual beneficiary declining letter of credit; or
  - (vi) Performance deed of trust; or
  - (vii) Third party trust; or

- (viii) Any other method approved by the Town and Owner consistent with State statutes and Town's subdivision ordinance.

Once the required Infrastructure Assurance has been complied with, the Owner (or, as applicable, the Owner's assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the Town, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other above methods of Infrastructure Assurance. The Town agrees that within ten (10) working days from the Town's approval of the particular completed Infrastructure for which the Town has required and the Owner has provided Infrastructure Assurance, the Town shall release such Infrastructure Assurance, in whole or in part, as may be appropriate under the circumstances, in the manner provided in the applicable Subdivision Ordinance.

- (d) Infrastructure and Improvement Financing. The Parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction and/or provision of the range of public services/infrastructure improvements necessary to serve new development of the Property. The Town acknowledges and agrees that such infrastructure improvements may be constructed, at Owner's request, through the formation of a Community Facilities District (the "CFD") pursuant to Arizona law, including, but not limited to, A.R.S. § 48-701 et seq. In the event Owner requests the Town to form any CFD, the Town will consider such request in accordance with the Town's adopted CFD Policies and Procedures, and if approved, shall adopt the necessary resolution of intention, and conduct such procedures as are necessary to form the applicable CFDs as required by Arizona law. However, nothing contained herein shall be construed to compel the Town to form a CFD or for the CFD, if formed, to finance any Infrastructure. Owner shall provide all necessary information and shall pay all reasonable and customary Town costs, including costs of legal review by Town counsel, as specified in the Town's CFD Policies and Procedures and the Town's Schedule of Fees, as such may be amended from time to time, in connection with its request for any CFD formation. The Parties agree that the Town must act in accordance with its CFD Policies and Procedures as to the formation of any CFD contemplated under this Paragraph 9(d).
- (e) Street Lights. There will be no Street Lighting Improvement District (SLID) on the Property excepted as mutually agreed upon, however, streetlights will be required within the Property and will be constructed according to either of: 1) Town standards; 2) as grandfathered by existing development; or 3) as may be approved in the PUD.
- (f) Infrastructure Payback Agreement. In the event that the Town imposes upon Owner the obligation to oversize its infrastructure improvements or to provide additional public improvements ("Additional Improvements"), the Town agrees not to impose said obligation on Owner in such a manner that will impede or delay the Owner's ability to complete the development of its Property on the schedule or in the manner originally planned by Owner prior to the Town's imposition of such a requirement.

- (i) Upon completion of the Additional Improvements, Owner's project engineer will provide the Town with the actual costs of the land and construction of such improvements, together with a diagram of any benefited properties other than Owner's property, and a statement of the proportionate share attributable to each of the benefited properties ("Proportionate Share"). The Town shall have the right to review and approve the project engineer's submittal for a period of thirty (30) days, said approval to be commercially reasonable. The Town shall thereafter require each owner of a benefited property, prior to the issuance of a building permit for the benefited property, to pay to the Town its Proportionate Share plus an additional five percent (5%) to pay for the administrative fee retained by the Town as provided below.
- (ii) At the time of payment calculation for benefited properties, the payment due shall be adjusted as follows:
  - 1. Calculate the percent increase in either the Engineering News Record (ENR) – Construction Cost Index (CCI) or Building Cost Index (BCI) between:
    - a. the most recently published ENR-CCI or ENR-BCI at the time of the adjustment; and
    - b. the ENR-CCI or ENR-BCI for the same month of the previous year.
  - 2. Multiply the development impact fee in effect in the year immediately prior to the Adjustment; and
  - 3. Add the resulting amount to the development impact fee in effect in the year immediately prior to the adjustment.
- (iii) Within thirty (30) days of receiving payment pursuant to Paragraph 9(e)(i) above, Town will reimburse Owner in the amount of such payment, less an administrative fee equal to five percent (5%) of each payment which shall be retained by Town. Any credit or offset to which Owner is entitled to pursuant to this Paragraph 9(f) shall be credited to Owner pursuant to a written amendment to this Agreement, which the Town and Owner agree to negotiate at such time as the costs of such Additional Improvements have been determined and the benefited properties have been identified.

10. Utility Services.

- (a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. ("JUC"), or another entity under the common control of JUC, its successors and assigns (collectively, the "Water Service Provider") has, or is in the process of obtaining the necessary governmental approvals (collectively, the "Water Service Approvals") to become the potable water service provider to the

Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.

- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC, its successors and assigns (collectively, the “Wastewater Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Wastewater Service Approvals”) to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.
- (c) Assured Water Supply. If Owner is forced to expend funds to obtain a Certificate of Assured Water Supply to the Property or the Water Service Provider is forced to expend funds to receive a Designation of Assured Water Supply, Town agrees to consider formation of a CFD to permit reimbursement of additional costs incurred to provide water to the Property through public financing.
- (d) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town. Owner, or an entity designated by Owner, shall provide cable television service to the Property, provided that any such cable television service provider has obtained a franchise agreement with the Town.
- (e) Reclaimed Water. Owner, or an entity designated by Owner, shall supply reclaimed water or effluent to the Property as needed by Owner, any successor to Owner, or to any HOA.

11. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and Town standards. Town shall review said plans and provide Owner with its comments on these submittals in a timely manner. The Town may retain the services of a private company or individual (“Outside Review Agency”) to provide expedited development review processes only

upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town's list and the fee for such expedited review.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

13. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

14. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

(a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the "Town Representative") shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the "Owner Representative"). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.

(b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

15. Arbitration. If the mediation procedure set forth in Paragraph 14(b) above does not resolve a dispute, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 15. In such event, the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the "Rules") of the Center for



Public Resources (the “CPR”) currently in effect, except as provided herein and except where modified by the provisions hereof.

- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
- (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 15 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 15(e) and 15(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.
- (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question could be barred by the applicable statute of limitations.
- (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed arbitrator in its notice demand for arbitration. The responding party may within ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.
- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to Paragraphs 15(b), 15(g) and 15(h) and reasonable attorneys’ fees and reasonable costs to the prevailing party.
- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.

- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 15 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.
- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.
- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.
- (j) The dispute resolution process set forth in this Paragraph 15 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other party shall constitute a default. In the event such default is not cured within the Cure Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.
- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 14 and 15 shall not be construed or applied so as to prevent Owner or Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of the Owner's rights or obligations within fifteen (15) days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. Nothing in this Agreement shall operate to restrict the Owner's ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

18. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

19. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

20. Good Standing; Authority. Each of the parties and their assigns represents and warrants (and will represent and warrant) to the other that: (i) it is duly formed and validly existing limited liability company under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is an Arizona municipal corporation or limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

20. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the Town from undertaking any contractual commitment to perform any act hereunder, this Agreement

shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

21. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

22. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

23. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

24. Notice. Any notice (delivered by mail, hand or federal express), assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town:                      Town Manager  
    Town of Florence  
    775 N. Main Street  
    PO Box 2670  
    Florence, Arizona 85132

With Copy To:                Town Attorney  
    Town of Florence  
    775 N. Main Street  
    PO Box 2670  
    Florence, Arizona 85132

The Owner:                     Robert L. Shaw  
    RMG Residential 2010, LLLP  
    c/o McRae Group  
    8800 N. Gainy Center Drive, Suite 255  
    Scottsdale, Arizona 85258

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

25. Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the

approval by the Town Council of this document. The term of this Agreement (the “Term”) shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) twenty (20) years from the date of recordation of this Agreement.

26. Attorneys’ Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys’ fees.

27. Insurance Requirements. The Owner, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of “A”, or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the time that construction improvements are being made during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner’s insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

- (a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG2O101185 (October 2001 version).
- (b) Automobile Liability. The Owner shall, at its expense, maintain a commercial/business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Owner’s owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, “any auto”, Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.

- (c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, together with expenses (including but not limited to reasonable attorneys' fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors, subcontractors or anyone for whose acts they or the Owner may be liable in the performance of this Agreement, and regardless of whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses are caused in part by the passive negligence of the Town, its Council members, agents, officers, officials and employees. The Town shall remain responsible to the fullest extent permitted by law for any acts of active negligence or intentional misconduct by the Town, its Council members, agents, officers, officials and employees.
- (i) The Owner's duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, result from, or are alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors or anyone for whose acts they or Owner may be liable in the performance of this Agreement, regardless of the legal or equitable grounds upon which such suits, claims, damages, losses and expenses are based.
- (ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions of this Agreement.
- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement.

28. Lot Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which

the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed. For this section, "lot" shall be any lot upon which a home has been approved by the Town.

29. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

30. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to comply with all applicable provisions of Arizona Revised Statutes ("A.R.S.") § 34 - 301 "Employment of Aliens on Public Works Prohibited", A.R.S. § 34 - 302 "Residence Requirements for Employees", and A.R.S. § 41-4401 "Government Procurement" (hereinafter referred to as the "Immigration Laws"). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner's, contractor's or any subcontractor's employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S. § 23 - 214(A) and if Owner includes the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which require such contractors to include the provisions of this section in such contractors' contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements. "Services", as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by Owner, a contractor or any subcontractor. "Services" also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the dates written below.

**TOWN OF FLORENCE, an Arizona municipal corporation**

\_\_\_\_\_  
Tom J. Rankin, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa Garcia, Town Clerk

\_\_\_\_\_  
James Mannato, Town Attorney



**RMG RESIDENTIAL 2010, LLLP,  
an Arizona limited liability limited partnership**

By: RMG Real Estate Services XVI, L.L.C., an  
Arizona limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF ARIZONA        )  
  ) ss.  
County of \_\_\_\_\_ )

The foregoing Development Agreement for \_\_\_\_\_ was acknowledged before me this \_\_\_\_\_ day of July, 2014, by \_\_\_\_\_, of RMG RESIDENTIAL 2010, LLLP, an Arizona limited liability limited partnership, and being authorized to do so executed the forgoing instrument on behalf of the company for the purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

# **EXHIBITS**

Exhibit A - Legal Description

Exhibit B – Legal Description Map

Exhibit C - Land Use Plan

**EXHIBIT "A"**

**A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 11, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:**

**COMMENCING AT THE SOUTHEAST CORNER OF SECTION 11, SAID CORNER BEING A GLO BRASS CAP, SAID CORNER BEARS SOUTH 00 DEGREES 06 MINUTES 02 SECONDS EAST, A DISTANCE OF 2657.06 FEET FROM THE EAST QUARTER CORNER OF SECTION 11, SAID EAST QUARTER BEING AN ALUMINUM CAP;**

**THENCE NORTH 89 DEGREES 35 MINUTES 39 SECONDS WEST, A DISTANCE OF 2648.66 FEET TO THE SOUTH QUARTER CORNER OF SECTION 11, SAID CORNER BEING A GLO BRASS CAP;**

**THENCE NORTH 00 DEGREES 01 MINUTES 09 SECONDS EAST ALONG THE MIDSECTION LINE OF SECTION 11, A DISTANCE OF 402.68 FEET TO THE POINT OF BEGINNING;**

**THENCE NORTH 00 DEGREES 01 MINUTES 09 SECONDS EAST ALONG SAID MID-SECTION LINE, A DISTANCE OF 3,568.47 FEET TO A POINT, SAID POINT BEARS SOUTH 00 DEGREES 01 MINUTES 09 SECONDS WEST, A DISTANCE OF 1323.84 FEET FROM THE NORTH QUARTER CORNER OF SECTION 11;**

**THENCE NORTH 89 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 1,283.19 FEET TO THE WESTERLY RIGHT OF WAY LINE OF "CARGO AVENUE", AS SHOWN ON THE FINAL PLAT OF "OASIS AT MAGIC RANCH PHASE V AND VI" AS RECORDED IN CABINET G, SLIDE 71, IN THE RECORDS OF PINAL COUNTY, ARIZONA;**

**THENCE, SOUTH 00 DEGREES 00 MINUTES 53 SECONDS EAST, ALONG THE WESTERLY RIGHT OF WAY LINE OF SAID "CARGO AVENUE", A DISTANCE OF 261.62 FEET;**

**THENCE SOUTHERLY, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 111.08 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 175.00 FEET AND A CENTRAL ANGLE OF 36 DEGREES 22 MINUTES 08 SECONDS;**

**THENCE CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE SOUTH 36 DEGREES 21 MINUTES 15 SECONDS WEST, A DISTANCE OF 717.82 FEET;**

**THENCE SOUTHWESTERLY, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 49.35 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 275.00 FEET AND A CENTRAL ANGLE OF 10 DEGREES 16 MINUTES 52 SECONDS;**

**THENCE CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 26 DEGREES 04 MINUTES 23 SECONDS WEST, A DISTANCE OF 153.29 FEET;**

**THENCE SOUTHWESTERLY, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 25.82 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 275.00 FEET AND A CENTRAL ANGLE OF 05 DEGREES 22 MINUTES 43 SECONDS;**

**THENCE CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE SOUTH 31 DEGREES 27 MINUTES 06 SECONDS WEST, A DISTANCE OF 78.72 FEET;**

**THENCE WESTERLY, CONTINUING ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 37.33 FEET ALONG A NON-TANGENT CURVE TO THE RIGHT OF WHICH THE RADIUS POINT LIES NORTH 58 DEGREES 32 MINUTES 53 SECONDS WEST A RADIUS OF 25.00 FEET, AND HAVING A CENTRAL ANGLE OF 85 DEGREES 33 MINUTES 14 SECONDS;**

**THENCE SOUTH 35 DEGREES 50 MINUTES 32 SECONDS WEST, A DISTANCE OF 50.60 FEET TO THE SOUTHWEST CORNER OF SAID FINAL PLAT AND THE SOUTH RIGHT OF WAY LINE OF "ESCAPE AVENUE" AS SHOWN THEREON;**

**THENCE SOUTH 62 DEGREES 59 MINUTES 30 SECONDS EAST, ALONG THE SOUTHERLY LINE OF SAID FINAL PLAT AND SAID SOUTH RIGHT OF WAY LINE, A DISTANCE OF 184.34 FEET;**

**THENCE LEAVING SAID SOUTH RIGHT OF WAY LINE AND THE SOUTH LINE OF SAID FINAL PLAT, SOUTH 31 DEGREES 15 MINUTES 54 SECONDS WEST, A DISTANCE OF 988.52 FEET;**

**THENCE SOUTH 00 DEGREES 06 MINUTES 37 SECONDS EAST, A DISTANCE OF 972.43 FEET;**

**THENCE SOUTHEASTERLY, A DISTANCE OF 255.06 FEET ALONG A NON-TANGENT CURVE TO THE LEFT OF WHICH THE RADIUS POINT LIES NORTH 89 DEGREES 53 MINUTES 34 SECONDS EAST, A RADIUS OF 150.00 FEET, AND HAVING A CENTRAL ANGLE OF 97 DEGREES 25 MINUTES 33 SECONDS;**

**THENCE SOUTH 11 DEGREES 21 MINUTES 18 SECONDS EAST, A DISTANCE OF 26.24 FEET;**

**THENCE SOUTH 48 DEGREES 55 MINUTES 54 SECONDS WEST, A DISTANCE OF 16.29 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF "HAVEN AVENUE" AS SHOWN ON THE FINAL PLAT OF "THE OASIS AT MAGIC RANCH - UNIT I", RECORDED IN CABINET D, SLIDE 52, IN THE RECORDS OF PINAL COUNTY, ARIZONA;**

**THENCE ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, SOUTH 71 DEGREES 05 MINUTES 50 SECONDS, A DISTANCE OF 13.59 FEET, MEASURED;**

**THENCE SOUTHWESTERLY, CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 134.41 FEET (120.96 FEET MEASURED) ALONG A NON-TANGENT CURVE TO THE LEFT OF WHICH THE RADIUS POINT LIES SOUTH 17 DEGREES 59 MINUTES 14 SECONDS EAST A RADIUS OF 825.00 FEET (843.45 FEET, MEASURED), AND HAVING A CENTRAL ANGLE OF 09 DEGREES 20 MINUTES 06 SECONDS (08 DEGREES 13 MINUTES 01 SECONDS, MEASURED);**

**THENCE CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE SOUTH 62 DEGREES 40 MINUTES 41 SECONDS WEST, A DISTANCE OF 130.93 FEET;**

**THENCE WESTERLY, CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 39.27 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS;**

**THENCE CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, SOUTH 62 DEGREES 40 MINUTES 41 SECONDS WEST, A DISTANCE OF 80.00 FEET TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF "OASIS BOULEVARD" AS SHOWN ON SAID FINAL PLAT ;**

**THENCE CONTINUING ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE SOUTH 27 DEGREES 19 MINUTES 19 SECONDS EAST, A DISTANCE OF 123.93 FEET;**

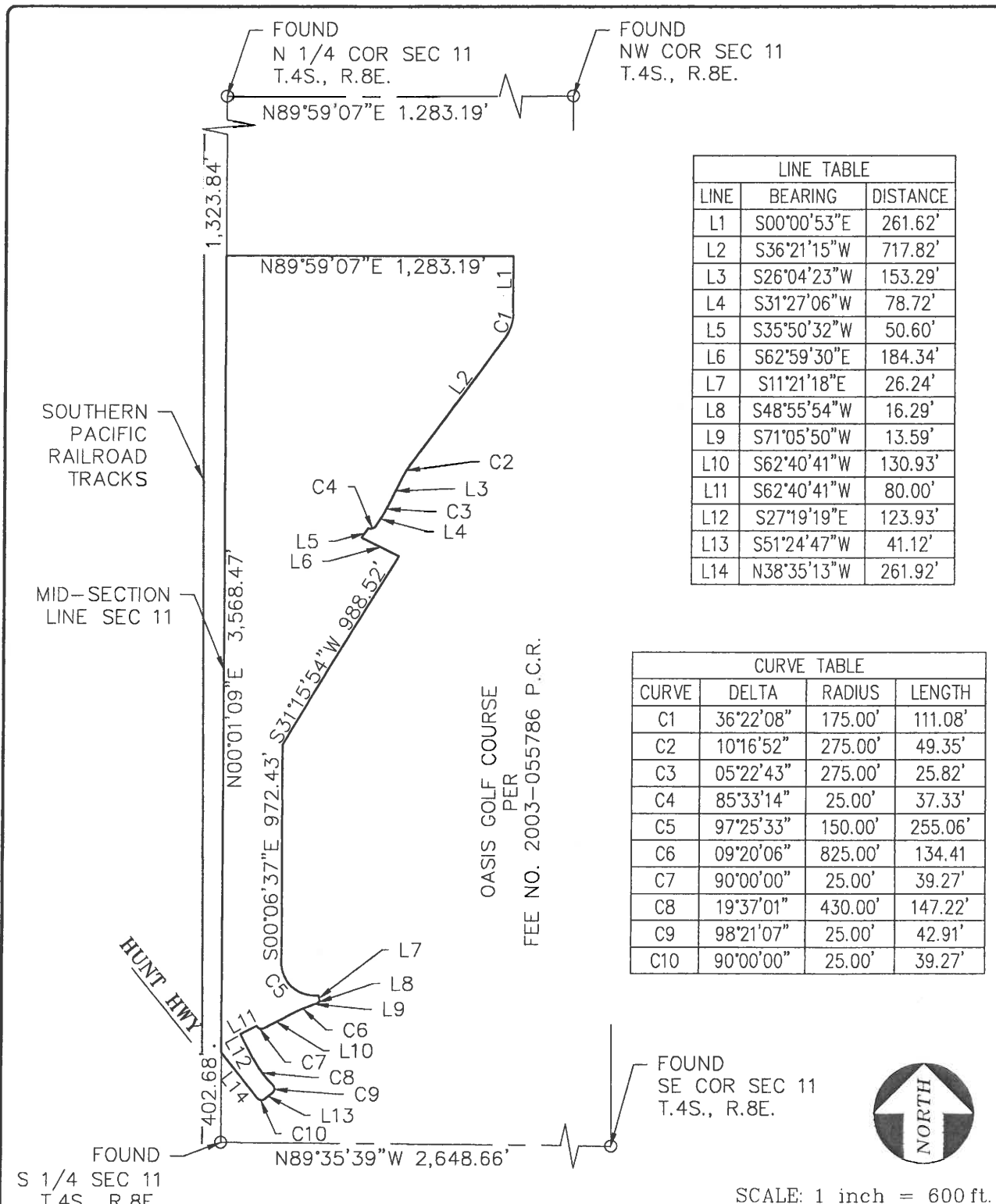
**THENCE SOUTHEASTERLY, CONTINUING ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 147.22 FEET ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 430.00 FEET AND A CENTRAL ANGLE OF 19 DEGREES 37 MINUTES 01 SECONDS;**

**THENCE SOUTHERLY, ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 42.91 FEET ALONG A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 98 DEGREES 21 MINUTES 07 SECONDS TO THE NORTHWESTERLY RIGHT OF WAY LINE OF "OASIS LANE" AS SHOWN ON SAID FINAL PLAT;**

**THENCE ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, SOUTH 51 DEGREES 24 MINUTES 47 SECONDS WEST, A DISTANCE OF 41.12 FEET;**

**THENCE WESTERLY, CONTINUING ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 39.27 FEET ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS TO THE NORTHEASTERLY RIGHT OF WAY LINE OF "HUNT HIGHWAY" AS SHOWN ON SAID FINAL PLAT;**

**THENCE ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, NORTH 38 DEGREES 35 MINUTES 13 SECONDS WEST, A DISTANCE OF 261.92 FEET TO THE POINT OF BEGINNING.**



LINE TABLE		
LINE	BEARING	DISTANCE
L1	S00°00'53"E	261.62'
L2	S36°21'15"W	717.82'
L3	S26°04'23"W	153.29'
L4	S31°27'06"W	78.72'
L5	S35°50'32"W	50.60'
L6	S62°59'30"E	184.34'
L7	S11°21'18"E	26.24'
L8	S48°55'54"W	16.29'
L9	S71°05'50"W	13.59'
L10	S62°40'41"W	130.93'
L11	S62°40'41"W	80.00'
L12	S27°19'19"E	123.93'
L13	S51°24'47"W	41.12'
L14	N38°35'13"W	261.92'

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	36°22'08"	175.00'	111.08'
C2	10°16'52"	275.00'	49.35'
C3	05°22'43"	275.00'	25.82'
C4	85°33'14"	25.00'	37.33'
C5	97°25'33"	150.00'	255.06'
C6	09°20'06"	825.00'	134.41'
C7	90°00'00"	25.00'	39.27'
C8	19°37'01"	430.00'	147.22'
C9	98°21'07"	25.00'	42.91'
C10	90°00'00"	25.00'	39.27'

EXHIBIT B

MAGIC RANCH 50

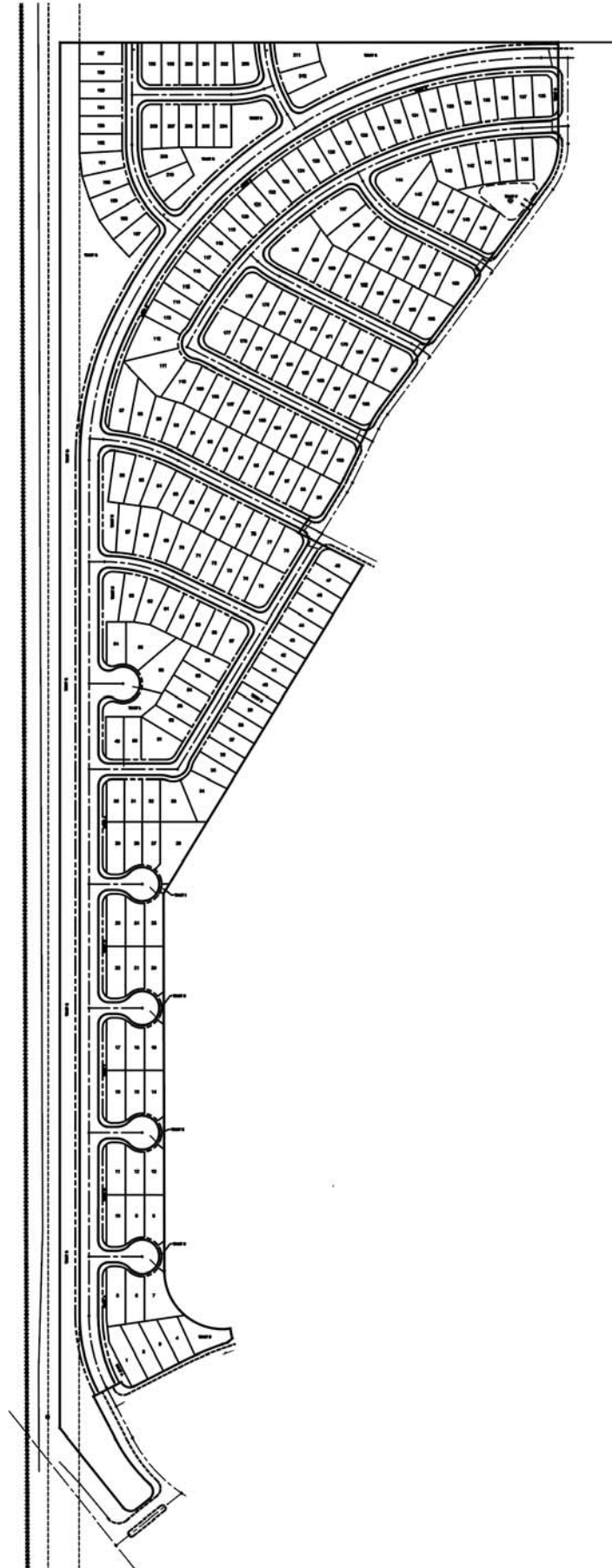
TOWN OF FLORENCE, ARIZONA



3205 W Ray Road  
Chandler, AZ 85226  
Phone: 480.705.5372  
Fax: 480.705.5376  
www.unitedeng.com

united engineering group

# Exhibit C





## TOWN OF FLORENCE PROJECT UPDATE AS OF JULY 1, 2014

### **Annexations:**

#### **Arizona Farms Annexations**

We are still gathering signatures and working with the residents, developers, homebuilders and investors to communicate and answer questions as they arise. There are also concurrent negotiations on Pre-Annexation and Development Agreements and some General Plan and rezoning applications being initiated. Town has collected 48 percent of the needed signatures to date. For this annexation, we need approximately 12 signatures to make this annexation a reality.

#### **Magic Ranch Annexation**

We are still gathering signatures and working with the residents, developers, homebuilders and investors to communicate and answer questions as they arise. There are also concurrent negotiations on Pre-Annexation and Development Agreements and some General Plan and rezoning applications being initiated. Town has collected 45 percent of the needed signatures to date. For this annexation, we need approximately 150 signatures to make this annexation a reality.

#### **Anthem Fire Station**

The Fire Department has added a call system to allow the public to notify the person in the building and in need of assistance. In addition, Town staff is gathering information on the vacant property to the South for temporary parking associated with the use of the community room.

#### **Anthem Temporary Station**

The Town is considering donating the temporary fire station to the City of Phoenix. The City of Phoenix is requesting City Council authorization to proceed, after they have received authorization we will bring the request to Council for action. The City of Phoenix will be required to pay all costs associated with the move.

#### **Business Assistance Center (FBAC)**

The scope of the FBAC continues to be refined as a one-stop information center for recruiting, retaining, and expanding businesses in Florence. Discussions are ongoing with the Central Arizona College Small Business Development Center and Arizona Workforce Connection to bring business counselors and workforce services to the FBAC. Other resources to contact include the Senior Corps of Retired Executives for business training and several potential partners that can assist with financing options for small businesses. Best practices have been researched both in and out of state to develop an appropriate menu of services for Florence businesses. The next goal is





# TOWN OF FLORENCE

## Community Development Department

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### MEMO

To: Charles Montoya, Town Manager  
Lisa Garcia, Deputy Town Manager

From: Mark Eckhoff, AICP, Community Development Director

Date: July 7, 2014 Town Council Meeting

Re: Activity Report

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Major updates for this Department are as follows:

- Staff is working on fine tuning the proposed Adaptive Reuse Program that was discussed at two recent work sessions. This will be brought for final reviews and action in the near future. Changes to the sign code, also discussed at the work sessions, will take additional effort as staff expects this to be a significant code re-writing.
- The Florence Gardens Beauty Shop project is ongoing, but slowed while the owner/developer is out of state.
- The Main Street Vault restaurant is proposing to locate within the former National Bank of Arizona building on Main Street adjacent to the True Value Hardware Store.
- The Painted Guitar recently opened downtown.
- The American Legion is proposing to replace existing coach lights on the north and south side of their building in order to exhaust the remains of a past grant.
- The Windmill Winery has contracted with artist Gary Drysdale (Caricatures by Gary Drysdale) to produce renderings of a mural that is proposed to be displayed on the northwest corner of Butte Avenue and Main Street per HDAC approval. The artist and the Windmill Winery are modifying the artwork based on comments received from the HDAC and plan to re-visit this item in July.

- Work on the proposed Magic Ranch and Arizona Farms annexations will be ongoing for the next several months. Staff is working with property owners, builders and developers to address concerns and work through possible agreements, zoning applications, etc. Regular negotiations on PADA's in occurring at this stage of the process. It is noted that staff is working on eighteen possible PADAs for these annexations.
- Staff is working on five zone changes within the proposed annexation areas and plans to conclude these cases at the end of August 2014 pending a successful annexation.
- Staff is working on three Minor General Plan Amendments related to the annexations including an update of the Town's preferences for the proposed ADOT North-South Freeway Corridor.
- The Anthem American Leadership Academy charter school across from the Florence Hospital is scheduled to open their campus for the 2014-2015 school year and have started the enrollment process for new students.
- Staff is reviewing options to construct an interim road across the Territory Square site that would connect the north end of Main Street to Highway 79.
- The Town entered into a contract with Rummel Construction, Inc. to complete proposed site grading construction services on the Territory Square Phase One property. The proposed contracted work consists of substantial earthwork, site grading and related activities on the subject Town property located directly west of Town Hall in Florence. The site is to be graded per the design of grading plans prepared by Wood, Patel & Associate, Inc. The grading consists of mass earthwork moving activities to place material excavated from the area adjacent and north of the subject fill site to shape and raise the entire subject site in order for elevations and grading to be verified and certified for the completion of the contracted LOMR efforts on the site. As noted, this effort is tied to the ongoing CLOMR/LOMR efforts on Territory Square.
- Community Development staff are actively engaged in all aspects of the library/aquatic center development project.
- The attached permit spreadsheet shows that the Town issued 15 single-family home permits for May of 2014.
- Staff continues to work on Town of Florence Development Code text amendments.
- Code compliance efforts are ongoing, but limited by staff shortages. Fortunately, the Police Department continues to assist with trash and bulk pick up compliance issues.

- The Haydon Building Corp. commenced construction on the Padilla Park at Silver King Plaza project. At this point, the park construction has been placed on hold due to a recent site discovery. Staff has taken the necessary steps with the State to address the new discovery and the steps needed to move forward with construction. More updates are forthcoming.
- After a meeting hiatus, there was an agency meeting on the ADOT North-South Corridor study in May. Significant updates from that meeting:
  - Proposed corridors in draft ASR remain intact except that the initial environmental analysis suggests some refinements around the Adamsville/287 area.
  - A lot of initial work completed on toll feasibility and environmental studies.
  - Working to eliminate what they call fatal flaws from current draft ASR (which was not released to the public).
  - Hope to get updated draft ASR to the public by the end of this year and they will roll out a public awareness and meeting process in the Fall/Winter. Staff expressed to ADOT our concerns made the other night with the Passenger Rail public process and they assured us they will make a significant effort to engage the local communities.
  - There is some debate over whether this becomes an urban or rural corridor. This impacts the design speed, width, design, etc. It seems they might lean towards an urban design.
  - Got first mention of possible interchange spacing, which they foresee at every 2-3 miles on an average.
  - Project still is coordinated with the Passenger Rail Study and the AZ24 Study.
  - Expressed Town's concerns about pace of project as pressure is picking up on land acquisitions, entitlements, development, etc. and it will be more challenging for us to help preserve our preferred corridors.
  - There is hope to have a corridor set in 2016, but be aware that there remains no budgeting for r/w acquisition.
- Staff provided suggestions to the ADOT Passenger Rail Study team to help them with their community outreach efforts.
- Staff continues to work with Mr. Johnson and his team on his updated planning documents for the Johnson Ranch Estates project.
- Staff is working with MAG on a Southeast Valley Transit study and other transportation projects.
- The 2014 Historic Preservation Conference in June was attended by HDAC Members, some Town Council Members and staff liaison. This Conference presented the Arizona Governor's Heritage Preservation Honor Award to the Assumption of the Blessed Virgin Mary Parish in Florence, Arizona for the Rehabilitation of the Chapel of the Gila Complex.

- Staff is obtaining general inquiries about proposed solar farms in the area, including within the Merrill Ranch and Monterra master planned communities.
- Pinal Federal Credit Union commenced construction on the former Big-O Tires and Grease Monkey buildings. Staff is working on the sketch plans to remodel the former bank facility for the use of the Community Development and IT Departments.
- The latest Building Inspector hired left for another community after a very short stint with the Town. Our Inspector Jason Penrod is managing plan reviews and inspections with contract assistance until we can fill this position.

## TOWN OF FLORENCE Building Permits for 2005 Thru 2014

Month	SFR 2005	SFR 2006	SFR 2007	SFR 2008	SFR 2009	SFR 2010	SFR 2011	SFR 2012	SFR 2013	SFR 2014	M/F 2005 thru 2013	M/F 2014	M/H 2005	M/H 2006	M/H 2007	M/H 2008	M/H 2009	M/H 2010	M/H 2011	M/H 2012	M/H 2013	M/H 2014	C/I 2005	C/I 2006	C/I 2007	C/I 2008	C/I 2009	C/I 2010	C/I 2011	C/I 2012	C/I 2013	C/I 2014	Other 2005	Other 2006	Other 2007	Other 2008	Other 2009	Other 2010	Other 2011	Other 2012	Other 2013	Other 2014
Jan.	1	6	29	51	1	20	4	7	20	16	0	0	1	3	4	3	1	2	1	1	0	1	0	0	1	5	0	0	1	0	0	0	30	13	28	23	42	33	32	32	35	61
Feb.	3	53	27	46	0	23	5	7	10	8	0	0	0	4	5	3	2	3	0	2	0	0	0	1	2	2	3	3	0	2	0	2	21	3	27	28	22	33	22	30	27	50
Mar.	13	51	58	48	3	29	5	8	20	14	0	0	3	6	6	4	2	1	2	0	2	1	0	4	3	3	5	1	2	1	1	4	16	20	32	29	44	12	34	30	48	35
April	2	38	36	50	23	17	26	4	27	11	0	0	2	9	5	1	0	1	4	0	0	2	0	1	2	7	1	4	3	2	3	3	12	10	16	30	48	29	32	20	38	45
May	1	50	53	53	33	24	16	20	14	15	0	0	3	13	1	0	1	1	1	1	1	0	0	3	3	9	1	0	2	1	1	3	12	10	26	14	14	28	31	33	41	24
June	5	90	52	52	28	23	11	22	15		0		4	4	2	0	2	2	1	0	0		0	2	2	1	2	1	4	0	6	19	12	21	33	27	33	23	35	19		
July	3	32	54	57	35	15	5	12	11		0		2	5	1	0	0	1	0	0	0		0	2	3	2	1	0	6	6	1	9	16	22	36	26	14	17	24	24		
Aug.	0	19	32	38	16	6	13	12	19		0		1	1	3	0	0	0	1	0	0		0	0	0	9	3	1	1	1	4	5	10	28	27	28	15	19	23	39		
Sept.	35	6	1	31	10	6	7	14	8		0		2	2	1	0	1	0	0	0	0		1	1	3	2	1	0	6	0	1	11	16	9	38	23	20	17	18	28		
Oct.	2	16	21	23	11	5	7	12	14		0		4	6	2	2	0	0	0	2	2		5	4	2	2	2	1	1	0	4	17	16	30	56	21	20	18	40	56		
Nov.	2	20	17	18	24	5	8	8	11		0		4	2	2	1	0	3	1	0	0		9	1	3	4	2	0	0	1	1	19	35	16	30	33	37	41	33	41		
Dec.	33	26	31	0	17	0	5	12	13		0		2	7	4	1	3	0	1	0	1		2	2	1	1	1	2	2	0	0	57	27	18	20	25	23	31	42	34		
Total	100	407	411	467	201	173	112	138	182	64	0	0	28	62	36	15	12	14	12	6	6	4	17	21	25	47	22	13	28	14	22	12	228	188	273	364	353	297	317	360	430	215

1. SFR = New Single Family Residential Homes

4. C/I = Commercial/Industrial New/Tenant Improvements

2. M/F = New Multi-Family Residential (duplexes, triplexes, apartments, etc.)

5. Other = Pools, Sheds, Fences, Signs, etc.

3. M/H = Manufactured Homes, Mobile Homes and Park Models

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**MUNICIPAL COURT  
MEMORANDUM**

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**TO:** CHARLES MONTOYA TOWN MANAGER  
**FROM:** KATHERINE KAISER, MAGISTRATE  
**RE:** APRIL MONTHLY REPORT  
**DATE:** JUNE 2014



May was a slow month in reference to revenue because of extra dollars collected the first four months because of state income tax returns. Summer months have shown lower citations and revenue.

**ADDITIONAL MONIES COLLECTED FROM COLLECTION AGENCY  
AND ARIZONA STATE TAX INTERCEPTION: YEAR 2014 TOTALS**

VCS COLLECTIONS	F.A.R.E./T.I.P.S.
\$ -0-	\$68,205.46

**MONEY COLLECTED FOR VICTIM RESTITUTION: YEAR 2014  
TOTAL**

\$1,632.44

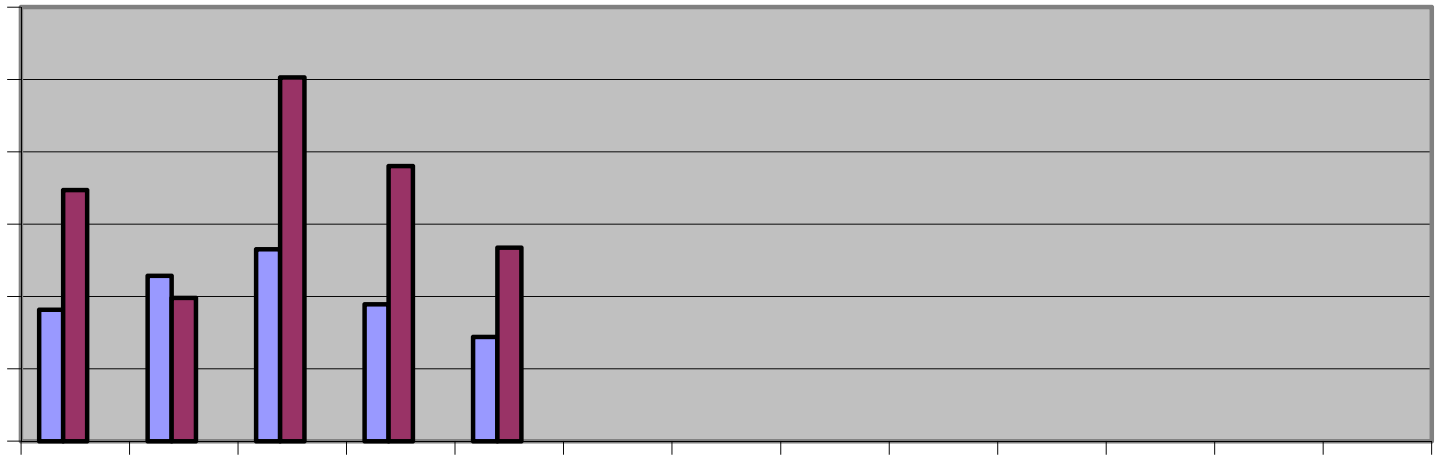
**MONEY COLLECTED FOR FLORENCE POLICE DEPARTMENT FOR  
DRIVING ON A SUSPENDED LICENSE AND THE NEW \$4  
ASSESSMENT: YEAR 2014 TOTAL**

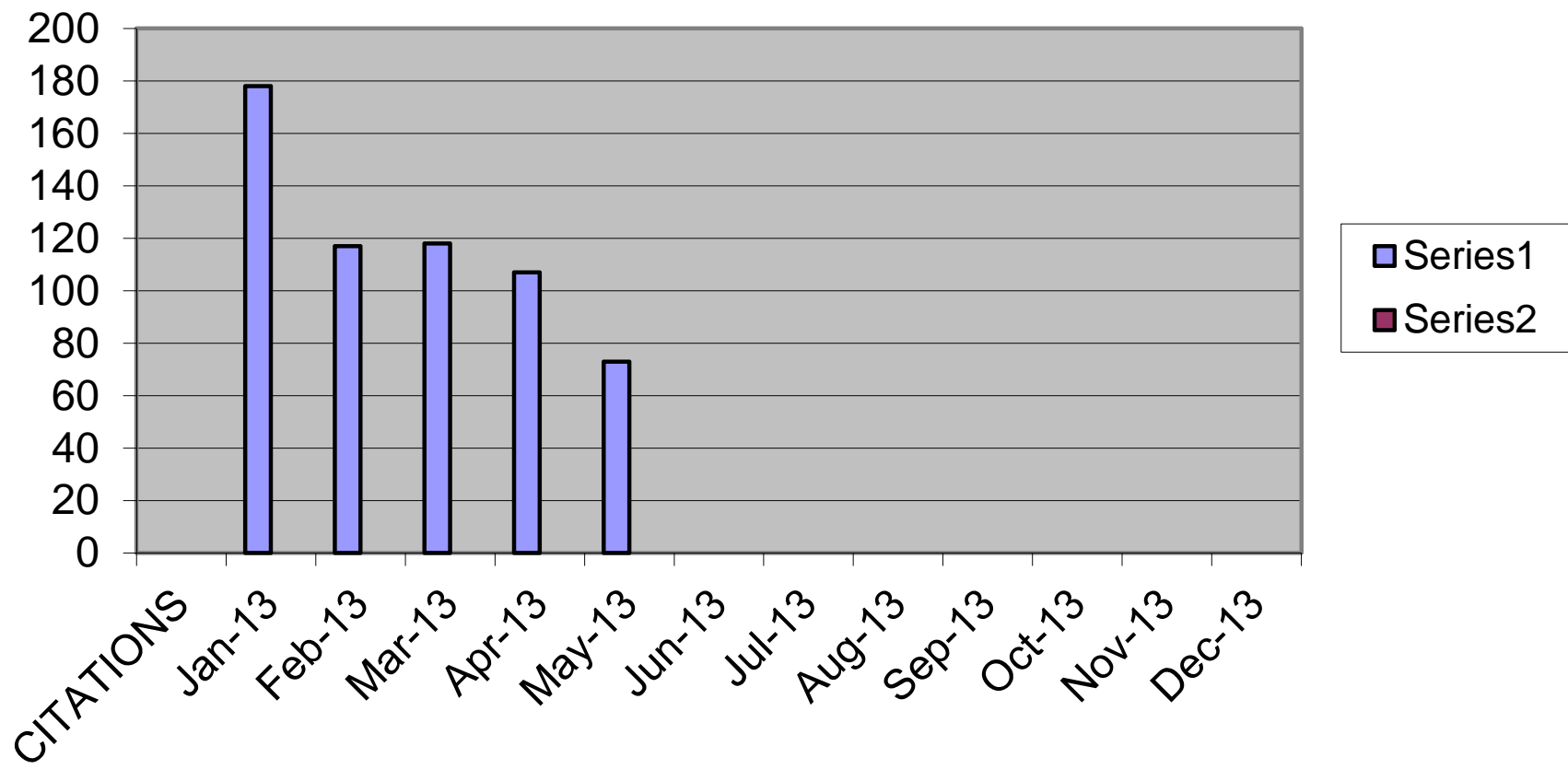
\$5,573.57

\$60,000.00  
\$50,000.00  
\$40,000.00  
\$30,000.00  
\$20,000.00  
\$10,000.00  
\$0.00

Jan-13  
Feb-13  
Mar-13  
Apr-13  
May-13  
Jun-13  
Jul-13  
Aug-13  
Sep-13  
Oct-13  
Nov-13  
Dec-13  
TOTALS

■ TOF& ■ TOTAL \$ ■ YEAR 2014







PINAL COUNTY JAIL FEES 2013/2014 BUDGET \$70,000.00  
 FIRST DAY \$193.83 EACH DAY THERE AFTER \$72.30

NOTE\* THESE ARREST FIGURES REFLECT BOOKINGS FOR NEW CHARGES, WARRANTS AND DAYS GIVEN AS A SENTENCE. DEFENDANT'S ARE TO REIMBURSE THE TOWN FOR JAIL FEES IF THEY ARE ARRESTED ON OUR WARRANT.

MONTH	INVOICED	DAYS	DEFENDANTS	\$ RE-COUPED
JULY	\$6,781.68	62	21	\$603.97
AUGUST	\$4,441.92	31	19	\$628.50
SEPTEMBER	\$3,702.75	26	15	\$653.93
OCTOBER	\$5,700.99	59	13	\$856.78
NOVEMBER	\$5,730.24	48	19	\$334.13
DECEMBER	\$3,676.59	30	13	\$2112.63
JANUARY	\$9,489.84	107	18	\$1,376.88
FEBURARY	\$3,887.31	42	7	\$1,712.15
MARCH	\$4,343.46	34	17	\$1,989.41
APRIL	\$4,182.69	39	13	\$1,574.21
MAY				
TOTALS	\$51,937.47			\$11,842.59

## ANKLE MONITORING

### AKA: HOUSE ARREST

House arrest is used for Extreme Dui convictions when there is over 30 days that the Defendant must serve. The Defendant is given a short term in Pinal County Jail, then released to complete their sentence under house arrest with an ankle monitoring device installed. The company is waiting outside the jail when they are released to install the monitor. The monitors have GPS tracking and test the moisture on their body several times a day for alcohol compliance. The defendant pays the monitoring company a fee for the initial installation and a fee per day.

The Court allows the defendant to attend court ordered alcohol counseling/treatment, work/school and Sunday worship. Anything else that the Court does not permit is in violation and the company is instructed to contact the court immediately. We have only had one person pulled from the program because of failure to comply with the rules and that was 2 years ago and the Defendant was booked into jail to complete his initial sentence.

This program is rarely used as convictions of Extreme Dui are seldom had. Regular Dui charges are mandated a 10 day sentence, and if the Defendant complies with the terms of the plea agreement, 9 days are suspended. So the Defendant only serves 1 day in jail.

FOR FISCAL YEAR 2013/2014

SENTENCE/ORDERED: 2

SUCCESSFULLY COMPLETED: 1

PENDING: 1

# Finance Memorandum

**To:** Charles Montoya, Town Manager  
**From:** Mike Farina, Finance Director  
**Date:** 6/24/2014  
**Re:** Finance Department Report

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## **2014/15 Annual Budget and 2015-2019 Capital Improvement Plan**

Town Council approved the 2015-2019 Capital Improvement Plan on June 16. The tentative 2014-2015 Annual Budget and expenditure limitation were also approved that night. There are no changes to the tentative budget and the Final Budget is ready for adoption at the July 7 council meeting.

## **Year-end Closeout and Annual Audit**

Staff is gearing up for the year-end process and upcoming independent audit. As part of their audit, the auditors were here on June 18 to do an initial risk assessment, interviewing staff about accounting and internal control procedures in place. They will be back in October to complete their audit. Pursuant to a multi-year agreement, we are again using Henry & Horne, with Marilyn Mays as the partner-in-charge.

## **Grants Activity Report**

Seven grant application submittals totaling \$857,257 are awaiting award notification. Eight pre-submittal grant applications totaling \$846,244 are in progress. There are currently 13 active grants totaling \$1,497,331. Please see the attached Grants Activity Report for more detailed information.

## **Monthly Financial Report**

General Fund revenue is at 95 percent collected, while 79 percent of the budget is expended. Keep in mind that the monthly report is cash basis and there is a one to two-month lag in some of the major revenue figures. Please see the attached May Monthly Financial Report for more detailed information.

## Monthly Financial Report May 2014

The following charts and graphs are for financial activity (cash basis) for May 2014.

### Comparison of Revenue and Expenditures to Budget for the Town's Major Funds

Fund	Revenue			Expenditures		
	Budget	Actual	% Collected	Budget	Actual	% Expended
General	\$ 12,443,899	\$ 11,837,684	95%	\$ 13,309,014	\$ 10,515,570	79%
Capital Improvement	1,180,000	1,094,853	93%	7,447,075	2,553,619	34%
Highway User Revenue	2,601,737	2,212,897	85%	7,250,721	1,976,720	27%
Construction Tax - 4%	190,000	94,184	50%	-	-	
Food Tax - 2%	230,000	197,025	86%	-	-	
Town Water	2,962,100	2,483,181	84%	7,110,077	2,078,709	29%
Town Sewer	4,691,652	3,273,410	70%	5,298,162	2,462,526	46%
Sanitation	983,090	663,680	68%	828,119	720,193	87%
<b>Total</b>	<b>\$ 25,282,478</b>	<b>\$ 21,856,913</b>	<b>86%</b>	<b>\$ 41,243,168</b>	<b>\$ 20,307,337</b>	<b>49%</b>

- Reported on cash basis. Revenues reflect a one- to two- month lag in collections.

### Development Impact Fee Collections and Expenditures

Fee Fund	Beg. Fund Balance	Fee Collected	Interest	Transfers In	CIP	Professional Services	Ending Fund Balance
501 Sanitation	\$ 45,317	\$ -	\$ 254	\$ -	\$ -	\$ -	\$ 45,571
505 Transportation	667,966	88,755	4,076	-	-	233	760,564
506 General Government	1,206,996	-	6,770	-	-	233	1,213,533
508 Police	354,107	105,778	1,887	-	103,916	233	357,623
509 Fire/EMS	1,789,931	117,800	3,669	1,295,749	3,025,631	233	181,285
510 Parks	1,212,950	56,265	7,082	-	-	233	1,276,064
511 Library	791,178	15,834	4,462	-	-	233	811,241
596 Florence Water	110,203	-	462	-	-	-	110,665
597 Florence Sewer	356,012	-	1,649	-	-	-	357,661
598 North Florence Water	9,513	-	541	-	-	-	10,054
599 North Florence Sewer	12,173	-	64	-	-	-	12,237
<b>Total</b>	<b>\$ 6,556,346</b>	<b>\$ 384,432</b>	<b>\$ 30,915</b>	<b>\$ 1,295,749</b>	<b>\$ 3,129,547</b>	<b>\$ 1,398</b>	<b>\$ 5,136,497</b>

**Monthly Financial Report**  
**May 2014**

Comparison of General Fund Revenue and Expenditures Actual to Budget

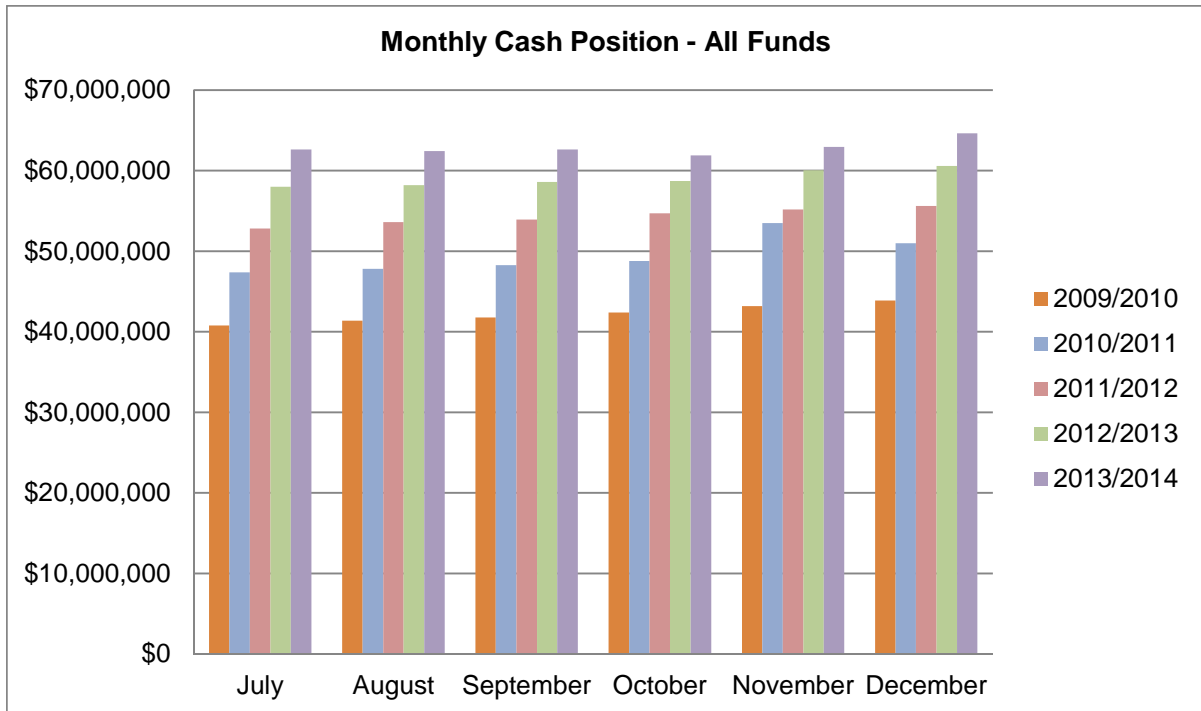
<b>GENERAL FUND</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget to Actual</b>
<b><u>Revenue by Category</u></b>			
Taxes	\$ 3,014,526	\$ 2,695,346	89.4%
Licenses and Permits	284,000	413,034	145.4%
Franchise Fees and Taxes	420,180	422,690	100.6%
Intergovernmental	6,174,993	5,493,476	89.0%
CE Inspection Fees	120,000	76,658	63.9%
Civil Engineering Fees	40,000	18,700	46.8%
Community Development Fees	122,000	137,151	112.4%
Charges-General Government	152,988	77,991	51.0%
Cemetery Fees	17,500	10,139	57.9%
Public Safety-Police	91,800	31,878	34.7%
Parks and Recreation	63,150	85,867	136.0%
Fines and Forfeitures	180,410	180,938	100.3%
Interest Earnings	23,000	68,661	298.5%
Public Safety-Fire	57,500	45,019	78.3%
Library	83,700	77,715	92.8%
Miscellaneous	59,420	177,083	298.0%
Downtown Redevelopment	8,280	5,717	69.0%
Government Access Channel	6,615	5,386	81.4%
Seniors Fees	16,700	21,509	128.8%
Operating Transfer	1,507,137	1,792,727	118.9%
<b>Total Revenue</b>	<b>\$ 12,443,899</b>	<b>\$ 11,837,684</b>	<b>95.13%</b>
<b><u>Expenditures by Department</u></b>			
Town Council	\$ 152,324	\$ 89,235	58.6%
Administration	695,304	606,399	87.2%
Courts	278,448	224,981	80.8%
Legal	255,460	253,584	99.3%
Finance	908,947	756,013	83.2%
Human Resources	217,794	202,141	92.8%
Community Development	561,700	477,010	84.9%
Police Services	3,768,703	3,070,618	81.5%
Fire Services	2,534,446	2,331,409	92.0%
Information Technology	536,365	477,494	89.0%
Parks & Recreation Services	1,345,340	1,058,972	78.7%
Library	367,040	321,575	87.6%
Engineering	176,435	100,743	57.1%
General Government	601,185	393,609	65.5%
Cemetery	25,550	11,019	43.1%
Economic Development	167,665	134,028	79.9%
Operating Transfers	716,308	6,741	0.9%
<b>Total Expenditures</b>	<b>\$ 13,309,014</b>	<b>\$ 10,515,570</b>	<b>79.01%</b>

- Taxes, franchise fees and intergovernmental revenues reflect a one- to two- month lag in collections

## Monthly Financial Report May 2014

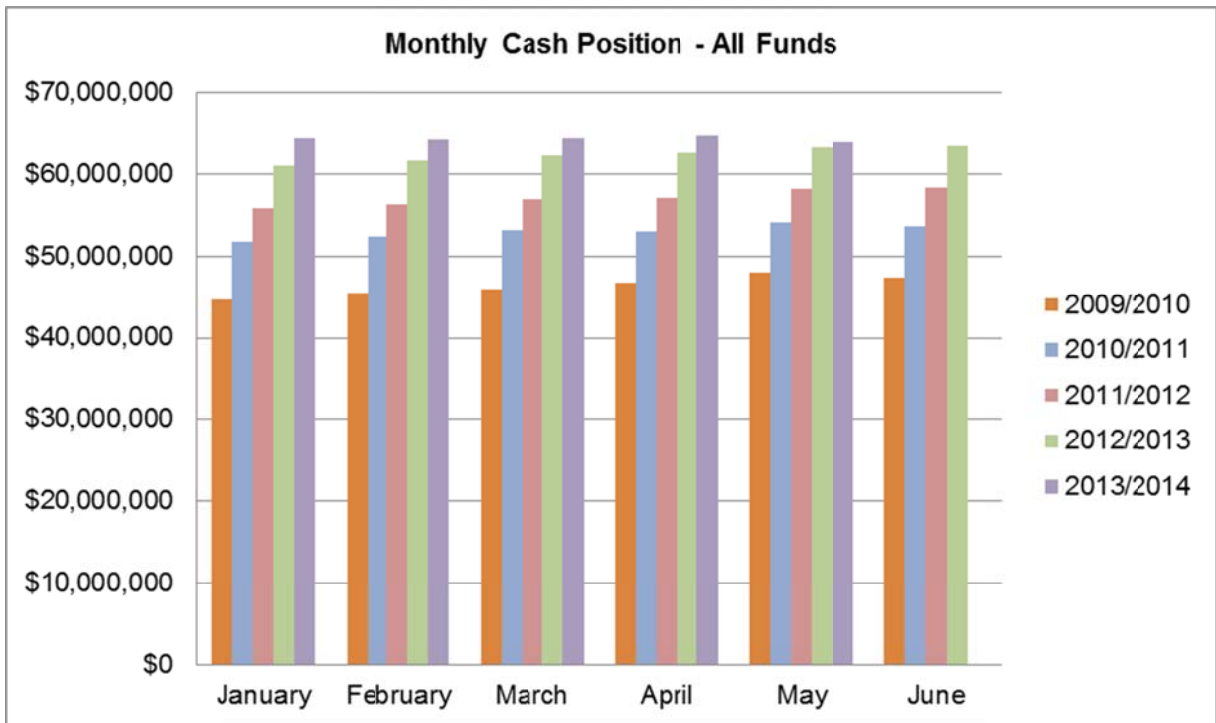
### Cash and Investments – Bank Balances and Monthly Yield

<u>Account - cash balance</u>	<b>Jul-13</b>	<b>Aug-13</b>	<b>Sep-13</b>	<b>Oct-13</b>	<b>Nov-13</b>	<b>Dec-13</b>
NB/AZ - General Checking	\$ 13,150,045	\$ 13,208,939	\$ 13,063,067	\$ 12,758,409	\$ 13,750,033	\$ 15,757,480
LGIP - 7256	8,878	8,879	8,879	8,880	8,880	8,880
LGIP - 5953	124,090	124,119	124,119	124,145	124,154	124,167
Stifel Nicolaus - Investments	49,350,566	49,114,225	49,430,484	49,014,518	49,052,504	48,739,832
NB/AZ - PD Evidence	4,548	4,548	4,548	6,650	6,651	4,970
<b>Total cash</b>	<b>\$ 62,638,127</b>	<b>\$ 62,460,710</b>	<b>\$ 62,631,097</b>	<b>\$ 61,912,602</b>	<b>\$ 62,942,222</b>	<b>\$ 64,635,329</b>
<u>Account - monthly yield</u>	<b>Jul-13</b>	<b>Aug-13</b>	<b>Sep-13</b>	<b>Oct-13</b>	<b>Nov-13</b>	<b>Dec-13</b>
National Bank Arizona	0.05%	0.05%	0.05%	0.05%	0.05%	0.0500%
LGIP - 7256	0.03%	0.03%	0.04%	0.06%	0.06%	0.0500%
LGIP - 5953	0.13%	0.14%	0.14%	0.12%	0.09%	0.1200%
Stifel Nicolaus - Investments	1.13%	1.15%	1.13%	1.13%	1.13%	1.1800%



## Monthly Financial Report May 2014

<b>Account - cash balance</b>	<b>Jan-14</b>	<b>Feb-14</b>	<b>Mar-14</b>	<b>Apr-14</b>	<b>May-14</b>	<b>Jun-14</b>
NB/AZ - General Checking	\$ 15,373,675	\$ 15,104,656	\$ 15,509,553	\$ 15,956,123	\$ 15,345,382	
LGIP - 7256	8,881	8,881	8,881	8,881	8,882	
LGIP - 5953	124,181	124,190	124,201	124,212	124,221	
Stifel Nicolaus - Investments	49,012,411	49,041,298	48,807,339	48,637,507	48,577,275	
NB/AZ - PD Evidence	4,926	4,970	4,970	4,692	5,072	
<b>Total cash</b>	<b>\$ 64,524,074</b>	<b>\$ 64,283,995</b>	<b>\$ 64,454,944</b>	<b>\$ 64,731,415</b>	<b>\$ 64,060,832</b>	
<b>Account - monthly yield</b>	<b>Jan-14</b>	<b>Feb-14</b>	<b>Mar-14</b>	<b>Apr-14</b>	<b>May-14</b>	<b>Jun-14</b>
National Bank Arizona	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	
LGIP - 7256	0.0500%	0.0500%	0.0600%	0.0300%	0.0400%	
LGIP - 5953	0.1300%	0.1000%	0.1000%	0.1100%	0.0900%	
Stifel Nicolaus - Investments	1.1700%	1.1300%	1.1000%	1.1000%	1.1000%	



## Grants Activity Report May 2014

### SUBMITTED GRANTS



#### 1. 2014 Community Development Block Grant (CDBG) – Owner Occupied Housing Rehabilitation

The Town submitted a grant application in the amount of **\$226,279** to Arizona Department of Housing (ADOH) for Owner Occupied Housing Rehabilitation. The grant is part of the Central Arizona Governments Regional Account funds that are allotted to the Town every two years.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. N/A Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Status: The application was submitted May 27.

---

#### 2. US Department of Justice Bulletproof Vest Program

The Town submitted a grant request May 9 to the Department of Justice for **\$2,712** to purchase six bulletproof vests for new officers and to replace worn vests. This grant pays for half the cost of a vest.

1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Status: Award announcements are expected in July.

---

#### 3. 2015 Arizona Department of Homeland Security

The Town submitted an application in the amount of **\$9,582** for six (6) Ballistic Shields to be used for tactical response situations.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Status: A recommendation was made to award **\$7,500** for the shields. Official award announcements will be made in July.

---



**Grants Activity Report  
May 2014**

**4. High Intensity Drug Trafficking Area (HIDTA)**

The Town submitted a budget request in the amount of **\$107,000** to pay for one officer to participate in the HIDTA program. This grant is generally renewed every year. Award amounts will be announced in about a year.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Status: A budget request has been submitted. Announcements will be made in about a year.

---

**5. 2015 Arizona Governor's Office of Highway Safety (AZGOHS)**

The Town submitted an application in the amount of **\$75,637** for (1) 2015 Chevrolet Tahoe – DUI vehicle, Accident Investigation Equipment, and Overtime Funds to be used for traffic enforcement.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Status: Application submitted. Awards have been made and announcements are expected in June.

---

**6. 2013 Assistance to Firefighters Grant (AFG)**

The Town submitted an application in the amount of **\$210,000** for a Mini Pumper that will enhance the safety and effectiveness of firefighting. A 10% Town match (**\$21,000**) is required.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Status: Application submitted. Grant awards are being announced weekly.

---

**Grants Activity Report  
May 2014**

**7. 2013 Assistance to Firefighters Grant (AFG)**

The Town submitted an application in the amount of **\$226,047** for communication equipment that will solve interoperability and compatibility issues for the firefighters. A 10% Town match (**\$22,605**) is required.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Status: Application submitted. Grants awards are being announced weekly.

---

**Grants Activity Report  
May 2014**

**APPLICATIONS IN PROGRESS**

**1. Gila River Indian Community Tribal Gaming Funds – Booking Workstation**

The Police Department is requesting **\$40,000** in Gila River Indian Community Tribal Gaming Funds to purchase a LiveScan Booking Workstation. This equipment would be used to improve the quality and reliability of fingerprints and palm prints.

Update: The application was approved by Council resolution May 19. The application is due to the Gila River Indian Community June 6.

---

**2. Gila River Indian Community Tribal Gaming Funds – Video Systems**

The Police Department is requesting **\$20,854** in Tribal Gaming Funds to purchase a point of view video system to improve transparency between the department and the community.

Update: The funding request was approved by Council May 19. The application is due June 6

---

**3. Gila River Indian Community Tribal Gaming Funds – Training Simulator**

The Police Department is requesting **\$59,000** in Tribal Gaming Funds to purchase training simulator equipment that is geared toward improving judgment calls in “Shoot, Don’t Shoot” scenarios.

Update: The funding request was approved by Council May 19. The application is due June 6.

---

**4. Gila River Indian Community Tribal Gaming Funds – Project Bridge Back-to-School**

Project Bridge, a non-profit organization, is seeking **\$100,000** in Tribal Gaming Funds to provide school supplies to 600 children in need during the 2015-16 school year. The organization plans to match the funding with another **\$66,000** in cash or donations. Tribal Gaming Funds can only be requested through a city, town or county.

Update: The funding request was approved by Council May 19. The application is due June 6.

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**5. Gila River Indian Community Tribal Gaming Funds – Project Bridge Summer Meals**

Project Bridge is seeking **\$225,000** in Tribal Gaming Funds to provide food for 1,000 families in need during the summer of 2015. The organization plans to match the funding with **\$291,000** in cash.

Update: The funding request was approved by Council May 19. The application is due June 6.

---

**6. Gila River Indian Community Tribal Gaming Funds – American Legion Post #9**

American Legion Post #9 is seeking **\$60,378** in Tribal Gaming Funds to repair the roof of its building on Main Street.

Update: The funding request was approved by Council May 19 agenda. The application is due June 6.

---

**Grants Activity Report**  
**May 2014**

**7. Tohono O’odham Nation Tribal Gaming Funds – Additional Dispatch Center**

The Police Department is seeking **\$66,012** to add a third dispatch center to respond to service calls. This application has been previously submitted to the Gila River Indian Community and was recently rejected.

Update: The application is due to Tohono O’odham Nation June 13.

---

**8. 2013 State Housing Fund (HOME) – Owner Occupied Housing Rehabilitation**

The Town will submit a grant application in the amount of **\$275,000** to Arizona Department of Housing (ADOH) to conduct Owner Occupied Housing Rehabilitation. The application is due June 16.

Update: The Town Council approved a resolution May 5.

---

**Grants Activity Report  
May 2014**

**CURRENT FISCAL YEAR**

**1. 2013 Maricopa Association of Governments Certified Street Sweeper Grant**

The Town was awarded funding in the amount of **\$177,496** for a PM-10 Street Sweeper.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. N/A Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 177,496
Town Match	\$ 10,729
Total Expenditures	<u>0</u>
Fund Balance	\$ 188,225

Update: The Town Council accepted the funds at its May 19 meeting. The Town is expected to match the funding amount with an additional **\$10,729**. The total project amount is **\$188,225**. The Town expects to begin the bidding process in July.

Month's Expenditures: None

---

**2. 2014 High Intensity Drug Trafficking Alliance (HIDTA) 24 COT Grant Number HT14-2326**

HIDTA-24 program awarded **\$62,050** in federal funds for a police officer to participate as a member of the Pinal County Narcotics Task Force. This grant is administered by the Tucson Police Department.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 62,050
Town Match	
Total Expenditures	<u>0</u>
Fund Balance	\$ 62,050

Status: A new project contract was recently sent to staff and will be submitted to Council to accept the funds. The program is ongoing through the Tucson PD.

Month's Expenditures: None

---

**Grants Activity Report  
May 2014**

**3. 2013 State Homeland Security Grant Program: Operation Stonegarden**

This is a multi-agency grant for the Florence PD in the amount of **\$84,000** for overtime and mileage as part of the U.S. Homeland Security Grant Program.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 84,000
Town Match	
Total Expenditures	<u>(\$24,299)</u>
Fund Balance	\$ 59,701

Status: The Police Department is actively participating under the direction of Border Patrol.

Month's Expenditures: \$9,218

---

**4. 2013 State Homeland Security Grant Program: Operation Stonegarden**

This is a multi-agency grant for the Florence PD in the amount of **\$41,458** for equipment as part of the U.S. Homeland Security Grant Program.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 41,458
Town Match	
Total Expenditures	<u>(\$9,909)</u>
Fund Balance	\$ 31,549

Status: The Police Department has started the project and purchased radios. Bids for other equipment are taking place.

Month's Expenditures: None

---

**5. 2014 Arizona Governor's Office of Highway Safety (AZGOHS) Occupant Protection Equipment**

AZGOHS awarded **\$2,500** to the Police Department to purchase 50 child safety car seats.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 2,500
Town Match	
Total Expenditures	<u>\$ (2,500)</u>
Fund Balance	\$0

Update: The grant is in the third quarter. Seats have been purchased and distributed.

Month's Expenditures: None

---

**Grants Activity Report  
May 2014**

**6. 2014 Arizona Governor's Office of Highway Safety (AZGOHS) Selected Traffic Enforcement Equipment (STEP)**

AZGOHS awarded \$23,591 to the Police Department to purchase radar units, camera units, LIDAR units, and outside services for installation costs to enhance speed enforcement.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 23,591
Town Match	
Total Expenditures	<u>(20,591)</u>
Fund Balance	\$ 3,000

Update: The grant is in the third quarter.

Month's Expenditures: None

---

**7. 2014 Arizona Governor's Office of Highway Safety (AZGOHS) Occupant Protection Enforcement and Education**

AZGOHS awarded \$4,000 to the Police Department to support Personnel Services (Overtime) and Employee Related Expenses to enhance seat belt usage by conducting Occupant Protection Enforcement and Education.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 4,000
Town Match	
Total Expenditures	<u>\$(892)</u>
Fund Balance	\$ 3,108

Status: The grant is in the third quarter.

Month's Expenditures: None

---

**8. 2014 Arizona Governor's Office of Highway Safety (AZGOHS) Selected Traffic Enforcement**

AZGOHS awarded \$8,000 to the Police Department to support Personnel Services (Overtime) and Employee Related Expenses to enhance speed enforcement throughout the Town.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 8,000
Town Match	
Total Expenditures	<u>\$(1,471)</u>
Fund Balance	\$ 6,529

Status: The grant is in the third quarter.

Month's Expenditures: None

---

**Grants Activity Report  
May 2014**

**9. 2014 Arizona Governor's Office of Highway Safety (AZGOHS) Selected Traffic Enforcement Equipment**

AZGOHS awarded **\$9,973** to the Police Department to purchase (1) Speed Trailer to enhance speed enforcement.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 9,973
Town Match	
Total Expenditures	<u>(9,973)</u>
Fund Balance	\$ 0

Status: The grant is in the third quarter.

Month's Expenditures: None

---

**10. 2013 FEMA SAFER Grant**

The Town was awarded **\$463,902** for three firefighter positions. The funding will be for two years.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 463,902
Town Match	
Total Expenditures	<u>50,119</u>
Fund Balance	\$ 413,783

Update: The project is in the second quarter.

Month's Expenditures: \$19,596

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**Grants Activity Report  
May 2014**

**PRIOR FISCAL YEARS:**

**1. 2013 High Intensity Drug Trafficking Alliance (HIDTA) 23 COT Grant Number HT12-2226**

HIDTA-23 program awarded \$73,000 in federal funds for a police officer to participate as a member of the Pinal County Narcotics Task Force. This grant is administered by the Tucson Police Department.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 73,000
Town Match	
Total Expenditures	<u>(73,000)</u>
Fund Balance	\$ 0

Update: Project funding has been spent and this contract will be closed. A new contract for this program has been awarded.

Month's Expenditures: None

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**2. 2004 Main Street Streetscape Project - TEA-FLO-0(004)**

Federal Highway Administration awarded \$500,000 to perform enhancements on North Main Street.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 500,000
Town Match	28,500
Total Expenditures	<u>(95,025)</u>
Fund Balance	\$ 433,475

Status: Crosswalks have been installed as preparation for this project. The project is expected to be completed in Summer 2015.

Month's Expenditures: None.

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**Grants Activity Report  
May 2014**

**3. 2012 Tohono O’odham Nation**

A 12% gaming grant from the Tohono O'odham Nation in the amount of **\$47,361** was used for repairs and painting of exterior walls of the American Legion building.

Current Status				
1. Council Approved	2. Pre- Approved	3. Application Submitted	4. Award/Denial Notification	5. Grant Contract
6. Construction Project	7. Project	8. Reimbursed	9. Closeout	10. Closed

Grant Amount	\$ 47,361
Town Match	
Total Expenditures	<u>(47,082)</u>
Fund Balance	\$ 279

Status: Planned signage has been completed. Staff will work with Legion officers to expend the remaining funds.

Month’s Expenditures: \$0.

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**REPORT SUMMARY**

<b>TOTAL</b> Grant funds requested in Submitted Applications	<u>\$ 857,257</u>
Current Fiscal Year funds for Active Grants	\$ 876,970
Prior Years funds for Active Grants	<u>620,361</u>
<b>TOTAL</b> Grant funds awarded for Active Grants	<u>\$ 1,497,331</u>

# Fire Department

## MEMORANDUM

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**DATE:** June 6, 2014

**TO:** Charles Montoya, Town Manager

**FROM:** Peter Zick, Fire Chief

**SUBJ:** Summary of May 2014 and Plans for June 2014

The fire responses for 2014-2012 are as follows:

Type of Calls	2014		2013		2012	
	<i>May</i>	<i>YTD</i>	<i>May</i>	<i>YTD</i>	<i>May</i>	<i>YTD</i>
Brush Fires	2	75	1	10	4	9
Structure Fires	0	12	0	8	6	15
Vehicle Fires	0	7	1	2	0	3
Trash Fires	0	4	2	8	0	5
EMS	<b>185</b>	<b>858</b>	<b>159</b>	<b>863</b>	<b>100</b>	<b>555</b>
HazMat	2	5	4	15	3	8
Electrical Arching	0	1	0	2	0	2
Police Asst./Public Asst.	9	49	18	55	3	19
Unauthorized Burning	0	0	0	1	0	1
Good Intent	0	1	0	0	0	0
Controlled Burning	0	3	0	3	0	4
False Alarm/System Malfunction	2	18	3	13	6	23
Emergency Stand by (move up)	20	187	90	434	32	141
Other Calls	42	165	28	159	25	137
<b>TOTALS</b>	<b>262</b>	<b>1324</b>	<b>306</b>	<b>1573</b>	<b>179</b>	<b>921</b>

## **Summary of May**

### **Training:**

Engineers finished their certification classes and are now Certified Engineers  
Crews worked on MCSs for this month  
Monthly Haz Mat CE  
Crews continue to train with new Ladder Truck

### **Maintenance:**

New ladder truck went for its first service. Had a minor computer issue that was fixed.  
PMs were done on all Chief vehicles.

### **Administration:**

Working on final plans for 4<sup>th</sup> of July event  
Chief Kemp and Capt. Moser are finalizing a Fire Inspection schedule for all commercial occupancies in the town.  
Hired new Battalion Chief Jake Sample  
Created new org charts and work flow charts for department.  
Working on mutual aid agreements between Queen Creek, Gilbert and Gila River Fire.  
Worked on new response guides for dispatch.  
Finalized equipment procurement for Hazmat Grant through Pinal County  
Completed equipment replacement schedule for Fire Department

## **Plans for June**

### **Training:**

Plan for all classes to be delivered next budget year  
Crews working on MCSs for June  
Monthly Hazmat Training  
Finalize training on Apache Aircraft

### **Maintenance:**

Engine 541 will go have warrantee work completed

### **Administration:**

Work on gathering signatures for both annexations  
Strategic plan for next budget year.  
Training plan for next budget year.  
Mutual Aid agreements

# Florence Community Library

## May 2014

### May Statistics

- 8,832 patrons visited the library in May
- 9,741 total items were circulated in May
- 64 library cards were issued
- 1,447 patrons signed up for use of the computers
- 139 person(s) attended 9 program(s) presented by the library
- 1,014 FHS students visited the library on a pass
- 4 person(s) volunteered 20.5 hour(s)

### Meetings and Events

- 05/01/14 Rita Marquez attended a First Things First Family Support Coalition meeting
- 05/05/14 Jasper Halt proctored an exam for the Florence Fire Department  
FHS AP/IB testing held in Library
- 05/06/14 Coffee Club  
FHS AP/IB testing held in Library
- 05/07/14 Evening Book Club  
FHS AP/IB testing held in Library
- 05/08/14 FHS AP/IB testing held in Library
- 05/09/14 FHS AP/IB testing held in Library
- 05/12/14 –
- 05/15/14 FHS AP/IB testing held in Library
- 05/14/14 Friends of the Library meeting
- 05/19/14 Morning and afternoon visits from Head Start
- 05/21/14 FHS AP/IB testing held in Library
- 05/22/14 Jasper Halt attended an AzLA meeting
- 05/23/14 FHS AP/IB testing held in Library
- 05/26/14 Closed for Memorial Day

### 2014 Summer Reading Program

Throughout the month of May Children's Librarian Rita Marquez visited with 911 students at Anthem K-8 School, Florence K-8 School, Skyline K-8 School, Circle Cross Ranch K-8 School, Magma Ranch K-8 School, and Walker Butte K-8 School to promote the 2014 children's summer reading program, *Fizz! Boom! Read!*

Fifty people attended the Summer Reading kick-off event, "Look Up to the Stars" on Saturday, May 31<sup>st</sup>. Astronomer Kevin Manning has worked as a consultant with: NASA, the Chandra X-Ray Observatory that launched on the space shuttle with the Harvard Smithsonian Center for Astrophysics, and other ground-based observatories. He has won national and international awards in his field, was both a Wright Fellow and an Einstein Fellow, and did some work with Brookhaven National Laboratory. He has presented numerous workshops at libraries, observatories, and science centers, including presentations at Tufts University, State University of New York at Stony Brook, the National Science Teachers Association's National Convention, American Association for the Advancement of Science Breakfast with Scientists, and the National Parks Service.

### Intersession

The last day of school for Florence Unified School District students was May 29, 2014. Students will return from break on July 21, 2014.

# Memorandum



**To:** Charles Montoya, Town Manager  
**From:** Bryan C. Hughes, Parks and Recreation Director  
**Date:** June 23, 2014  
**Re:** June 2014 Department Report

The sign on the **Fitness Center** was replaced this month. The old sign had significant sun damage and was no longer legible on the south side. The new sign is made of different materials that should hold up better.

A **Parks and Recreation Staff/Advisory Board Retreat** was held on Thursday, June 19. Items discussed included goals for the upcoming year; mission, vision, and values; and SWOT analysis (strengths, weaknesses, opportunities, and threats). This was the beginning of a process to provide direction for the department and improve our overall service levels for the community.

Parks and Recreation Staff toured aquatic complexes in Mesa, Gilbert, and Chandler on Monday, June 23 to get ideas for the **proposed aquatic complex** and talk with operations and maintenance staff.

## Parks and Recreation Department Divisions Report May 2014

### Recreation/Special Events Programs

Recreation Programs	Participants	Volunteers	Comments
Before & After the Bell – Florence	33	0	Revenue posted in January
Before & After the Bell – Anthem	15	0	Revenue posted in January
Iddie Biddie Kiddies	5	0	Estimated Revenue: \$125.00
Little Tykes T-Ball	66	0	Estimated Revenue: \$1,980.00
Adult Kickball Tourney	60-64	0	Estimated Revenue: \$350.00
Park Jam	18	0	Free Program
Summer Kickoff	80	0	Estimated Revenue: \$80.00
Adult Open Gym	85	0	Free Program
Teen Open Gym	67	0	Free Program

### Facility Use Permits

Number of Facility Use Permits	Estimated Number of Participants
9	500-800

### Fitness Center – Membership Package

Fitness Package Sales	Total	Revenue
Active Military	6	\$902
CCA Employee Rate	7	\$105
Daily Fitness Pass	9	\$45
Employee	0	\$0
GEO Employee Rate	7	\$105
Non-Resident 6 Months	0	\$0
Non-Resident Annual	0	\$0
Non-Resident Monthly	0	\$0
Resident 6 Months	0	\$0
Resident Annual	0	\$0
Resident Monthly	60	\$1080
Sr. Non-Resident 6 Month	0	\$0
Sr. Non-Resident Annual	1	\$135
Sr. Non-Resident Monthly	4	\$72
Sr. Resident 6 Months	0	\$0
Sr. Resident Annual	0	\$0
Sr. Resident Monthly	18	\$216
<b>Total Memberships</b>	<b>112</b>	<b>\$2,660</b>

### Fitness Center – Classes

Program	Members	Non-Members	Total	Revenue
Adult Lap Swim	4	1	5	\$30
Water Walking	1	2	3	\$25
Water Aerobics	3	1	4	\$50
Kayak Trip	N/A	N/A	8	\$360
Karate for Kids	N/A	N/A	29	\$725
Adult Self Defense	N/A	N/A	2	\$50
<b>Total for Fitness Center</b>	<b>8</b>	<b>4</b>	<b>58</b>	<b>\$1,240</b>

- Estimated member sign-ins throughout the month: 1,155
- Total membership packages sold in May: 112
- Fitness Center revenue for all May package sales: \$2,660
- Fitness Classes revenue for May: \$1,240
- Total May Revenue: \$3,900

### Park Maintenance

<b>Area</b>	<b>Work</b>	<b>Occurrence</b>	<b>Comments</b>
Arriola & Jacques Square	Maintenance	Routine	
Brunenkant Building	Trimming and Maintenance	Routine	
Community Pool	Maintenance	Routine	Chemical & safety maintenance
Downtown Areas	Mowing and Maintenance	Weekly	
Heritage Park & Main Street Park	Mowing and Maintenance	Weekly	
Heritage Park and Little League Park	Field Lining and Preparation	Daily	Little League Accommodations



**Dorothy Nolan Senior Center**

<b>Programs</b>	<b>Participant</b>	<b>Type</b>	<b>Comments</b>
Bible Study	0		
Bingo	96	Activity	
Birthday Cards	11	Service	
Staff cooked meals & Senior meals	90/20	Meals/Activity	
Breakfast	70	Meals/Activity	
CAHRA	4	Service	
Dinner Club- LandMark	12	Meals/Activity	
Blood Pressures	0	Service	
Pinal County Food Box	30		
Dental Clinic	14		
Diabetic Clinic	0		
Fitness Center	50	Health	
Games	240	Activity	Backspace 3, Yatzee, Skipbo, Dominoes, Cards, Scrabble, Cribbage, Phase 10, Wii games
Guardian Angel Installation	2	Service	
Hair Cuts	0	Service	
Hand weights	4	Activity	
Home-Delivered Meals	398	Service	
Knitting & Crocheting	31	Activity	
Lost Meals	26	Service	
Medicare Advocate	8	Service	
Movie & Popcorn	7	Activity	
Rides Program	245	Service	233 trips to the Center, 17 errands, and 20 special events
Senior Donation Meals-	20	Meals	
Senior Hot Topics	0	Activity	
Shopping	11/16/12	Service	Anthem/Coolidge/Dollar Store
Telephone Reassurance Program	0	Service	
Volunteer Hours	22@280	Service	
Wii Bowling	0	Activity	

Medicare/AHCCS 13, Cinco de Mayo 23, Mother's Day 30, Extra visitors- Bingo/Games 36 Guests 8/ Knit Wits 17

**Accomplishments:**

The center served 431 meals to 51 participants; we had 1 new senior participant this month.

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# FLORENCE POLICE

*Monthly Report – May 2014*

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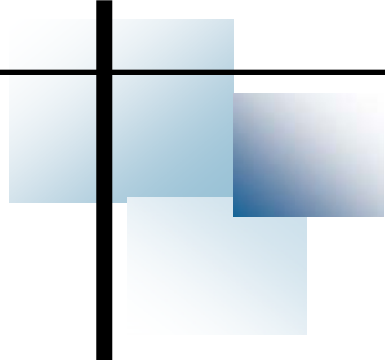


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425 N. Pinal St. □ P.O. Box 988

Florence, AZ 85132

Phone: 520-868-7681 □ Fax: 520-868-0158



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*“The men and women of the Florence Police Department stand firm in our pursuit for justice and public trust. We will stay true to our mission of providing service and safety to our community with honor, respect, and integrity. We are committed to providing fair and equal treatment to those we encounter.”*

The information contained in this report outlines significant information and activity within the Florence Police Department (FPD) during the month of May 2014. The monthly report is prepared for the Town Council’s review and furthermore for the use by FPD to examine the current activity within the department and community to identify short-term and long-term needs, and develop plans for improvement to provide the highest level of service.

### **Personnel**

<i>Employee</i>	<i>Position</i>	<i>Effective</i>
<b><i>New Hire</i></b>		
None		
<b><i>Resignations/Terminations</i></b>		
None		
<b><i>Vacancies</i></b>		
1 full-time	Police Officer	Applications being reviewed
3 full-time	Public Safety Dispatcher	Background checks complete

### **Citizen Recognition**

As a member of the Florence Community and a fellow law enforcement member, I thank and commend the Florence Police force on their unwavering dedication and commitment to public safety. Please pass my thanks on to your team. – Ron Credio, Warden, Department of Corrections - Eyman Complex

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## **Personnel Development**

### **Sworn Personnel**

The sworn personnel of the FPD attended the following trainings during the month of May:

- Sgt. Klix conducted in house training on Domestic Violence to all sworn officers. The training counted as three hours of continued training to meet AZPOST requirements.
- Officer Kakar attended Traffic Recon II at AZPOST May 12-16.
- Officer Campbell was selected to attend Police Supervision at AZPOST May 19-23, 2014.
- Sgt. Peterson and Sgt. Klix continued their 10 week Supervision course during the month of May attending May 7,14,21,28. The course of instruction will end with a graduation June 18, 2014 in Marana.
- Sgt. Klix conducted in house training on Domestic Violence to all sworn officers. The training counted as three hours of continued training to meet AZPOST requirements.
- CSI Technician Cliffords provided DNA training to officers
- Officer Defassio has moved on to Phase 2 of the Field Training Officer (FTO) Program

### **Chief of Police**

The Chief of Police attended the following meetings during the month of May:

- Town Council Meetings
- Management Team Meetings
- Weekly FPD Supervisors Meetings
- Public Safety Meeting with Town Manager
- ACTT FA-2 Planning Meeting

## **Volunteers**

In May, the FPD Volunteers took calls for service in the Police Department's lobby, provided a funeral escort, court security, assisted the Department of Corrections with the Annual Torch Run, assisted the Florence High School with an all-night Relay for Life event, and the Florence 8<sup>th</sup> grade Graduation ceremony. A Police and Volunteer luncheon was held where 15 volunteers attended. A Driver Training Course was provided to 7 volunteers and will continue through June. A YTD total of 4,875 hours of service were completed by forty-four active community volunteers. The approximate YTD savings to the Town of Florence by utilizing the volunteers is \$42,000.00.

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## Support Services

### Communications

The Public Safety Dispatch Manager and a Dispatcher attended the APCO Western Regional Conference at the Wigwam Mall in Casa Grande. The conference was for three days covering various subjects. During the conference, they also volunteered their time to secure free registration for the conference next year.

Below is a table that shows the total calls for service handled by FPD dispatchers during the month of May. The numbers are shown by the incident locations and how the incident was reported.

How Calls Are Received, Totals by How Received				
	FP1	FP2	FP3	TOTAL
911 Line	50	24	21	95
Crime Stop Line	0	0	0	0
Officer Report	145	86	137	368
In Person	26	5	2	33
Radio Transmission	3	1	2	6
State TT/NLETS	0	0	1	1
Telephone	197	76	87	360
<b>TOTAL</b>	<b>421</b>	<b>192</b>	<b>250</b>	<b>863</b>

### Evidence and Property

Evidence personnel completed work in the following:

- attended Homicide Training in Chandler
- assisted the Coolidge Police Department with interviews for a Evidence Custodian
- auction activity
- volunteer Intern Program
- fingerprinting services

The following chart represents the major evidence activity during the month of May.

Crime Scene/Evidence		Property	
Assault	1	Firearm	4
Drugs	5	Found property	6
DUI	1	Lab activity	1
Fraud	2	Other	10
Shoplifting/Theft	5	Returned to Owner	4
Other	5	Safekeeping	1

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## Criminal Investigations Unit

Monthly Case Log			
Previous Months Cases	New Cases Assigned	Number Cases Closed	Total Active Cases
3	7	4	6

### Monthly Activity Notes

- Performed an agency assist with Coolidge PD for a search warrant
- Search warrant completed within the Florence
- 3 forensic interviews conducted at the Eloy Family Advocacy Center

## Operations/Patrol

In May, a recruitment trip for Police Officers was made to Pima Community College during the graduation ceremony.

Sergeant Morris and one of the Volunteer Ed Smith attended a Safe Housing meeting in Cottonwood AZ. This training was to assist the department in implementing the Safe Housing program within the Florence Community.

The department participated in the Officer Memorial at the Pinal County Sheriff's Office. Chief Hughes read names of those killed in the line of Duty.

Chief Hughes and Lt. Tryon attended a AZCOPS meeting at the Grand Canyon State University in Phoenix. One topic covered during the meeting was the legalization of marijuana in Az.

The department held its First Annual Awards Ceremony in May. The ceremony was a luncheon held at the Florence Senior Center where officers were given awards based on performance and lifesaving efforts that occurred during the previous year. The Florence Volunteers were included in the luncheon and also given awards.

Officers worked the Florence High school graduation in May. Officers assisted in traffic control and security during the event.

All tablet and docking station have been installed in the department's vehicles.

The Department held a meeting with ADOT to implement a new accident program called "AzTraCS". This program will give the officers access to all accident forms via computer. The

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forms will be setup with an auto-fill feature which will save the responsible officer time at an accident scene. This will allow safety for the officer by not spending time on the scene filling out forms. This program will also allow the Department to add Florence forms for auto-fill capabilities.

The Police Department conducted 1651 Directed Patrols during May. Directed Patrols are a proactive, police-initiated, approach which focuses patrol resources on the places with highest risks of serious crime to increase crime prevention. The more patrol presence is concentrated in those areas, the less crime there will be in those places.

### **Traffic**

Total number of Citations issued: 86

### **GOHS Grant:**

During the month of May the officers performed the following under the GOHS grants:

- Worked in cooperation with Pinal County DUI task force on May 2-5 and May 23-26 in the Florence and San Tan areas.
- 285 traffic stops which is down 299 from April
- 87 total traffic related citations were written
- 1 written warning for lap and shoulder belts
- 27 speed citations
- 9 written warnings for speed

### **Extra Details**

- The Department held the first annual Police appreciation luncheon with awards on May 14, 2014.C
- Commercial Vehicle Enforcement no enforcement this month.

### **Beat 2**

During the month of May, officers monitored the traffic in the areas of the High School and school crossing zones. Directed patrols were conducted on a regular basis at community and residential locations.

Events:

- Grand opening of Main Street park playground. Approximately 50-60 persons were in attendance.
  - FHS Graduation. Approximately 800-900 persons were in attendance.
  - Florence K-8 8<sup>th</sup> Grade Graduation at the High School. Approximately 800 persons were in attendance.
  - Relay for Life at the FHS. Approximately 300-400 persons were in attendance.
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Notable Calls for Service:

Heritage Park had 2 thefts reported by the Little League President. The first incident reported three kids stold \$60.00 while working the concession stand. The second incident reported the concession stand was broken into with drinks and snacks stolen with a value of \$1000.00. There was also a theft of items from a vehicle that had been parked at Heritage Park.

**Beat 3**

On May 28, 2014 Officers Palmer and Riccomini held a GREAT (Gang Resistance Education and Training) graduation for students at Anthem K8. Both officers taught the course throughout the school year and provided educational material to the students. At the graduation, the students were awarded certificates and provided pizza. Many thanks and great appreciation to both officers for helping to educate the youth in our community by making them aware of the dangers of gangs and how to focus on the more positive aspects of life.

There were 242 report numbers generated for beat 3 for the month of May. Of those numbers, 109 were for traffic offenses, and 133 were calls for service.

There were 24 less calls for service and 31 less traffic offenses noted in the month of May.

The officers on each shift in beat 3 began conducting house watches utilizing a form generated by requests from residents, for the police department to conduct close patrols/house watches while they are away. The officers physically check the residences and businesses to ensure the home or business is secure, there are no break-ins, criminal damage or a utility problem has occurred.

Notable calls for service:

- 1 aggravated assault on medical staff at the Anthem Hospital. The staff did not wish to prosecute.
- 5 disturbance calls at the Anthem Hospital. Disruptive patients.
- 1 burglary

**K9 Unit:**

Officer Ballard and K-9 Marco had 5 utilizations resulting in 1 alert, 1 find, 1 arrest. Officer Ballard responded to 30 calls for service and attended 2 days of training.

Officer Guilin and K-9 Russ had 5 utilizations resulting in 1 alert, 2 finds and 1 arrest. Officer Guilin responded to 37 calls for service and attended 1 day of training.

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**2014 Administrative Assignments:**

Sgt. Morris

Ofc Helsdingen

Ofc Bruce

Ofc Rose

Ofc Palmer

Ofc Alston

Ofc Philips

Ofc Acevedo

Ofc Campbell

Sgt. Pankey

Ofc Ballard

Ofc Guilin

Ofc Hunter

Ofc Riccomini

Ofc Mount

Ofc Salazar

Sgt. Peterson

Ofc Burnside

Ofc Horn

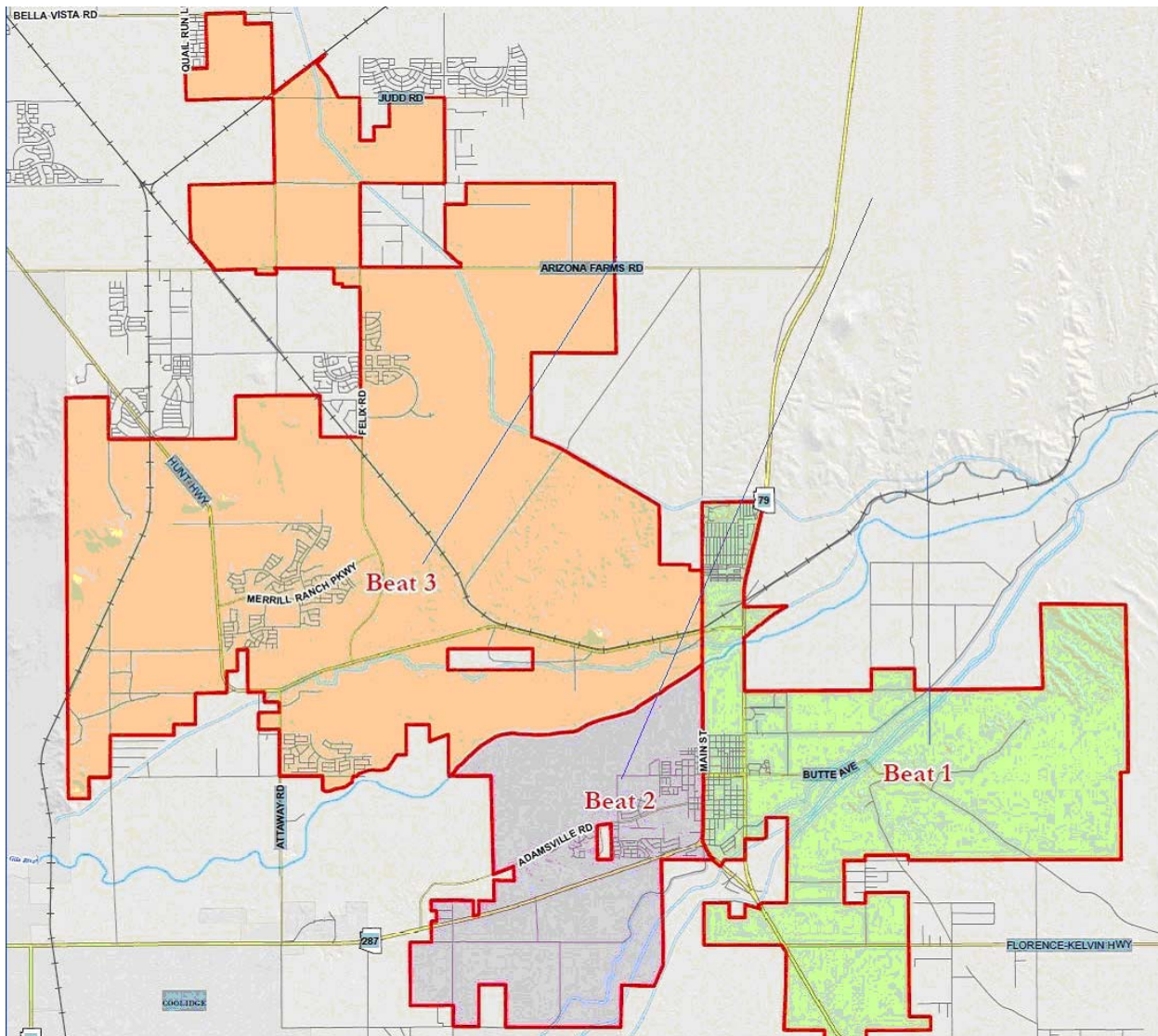
Ofc Voight

Ofc Linderoth

Ofc Banks

Ofc Kakar

**FPD BEATS**



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## Average Response Time to Calls for Service

### 6 Month Reporting Period: December 2013 to May 2014

	Dec	Jan	Feb	Mar	Apr	May
H - Hot Call	4:20	3:44	4:59	None	None	None
Priority 1	6:06	5:32	4:48	5:06	4:03	4:39
Priority 2	5:57	9:57	7:09	8:14	8:46	3:45
Priority 3	22:29	17:39	27:26	22:21	30:53	12:27
Priority 4	34:40	21:16	18:53	30:21	17:31	15:05

Definitions:

- H - Hot Call            This priority represents the highest level of response by the Department where there is the chance of serious injury or loss of life, or major loss of property.
- Priority 1                This priority includes in-progress or just occurred, no presence of weapon used in a threatening manner (suspect present).
- Priority 2                This priority includes minor crime events which are not on-progress and have a 15-45 minute time delay in being reported (suspect not present).
- Priority 3                This priority includes calls on events where there is a significant time delay by the reportee (suspect not present).
- Priority 4                The priority represents report calls only taken by phone at officer's discretion or light duty office, if available.
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**MAY 2014**  
**Count of Index Offenses**

<b>Classification of Offense</b>	<b>Offenses</b>	<b>Unfounded</b>	<b>Actual</b>	<b>Offenses</b>	<b>Juvenile</b>
<b>CRIMINAL HOMICIDE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a. Murder/Nonneg Manslaughter	0	0	0	0	0
b. Manslaughter by Negligence	0	0	0	0	0
<b>FORCIBLE RAPE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a. Rape by Force	0	0	0	0	0
b. Attempt Forcible Rape	0	0	0	0	0
<b>ROBBERY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a. Firearm	0	0	0	0	0
b. Knife or Cutting Instrument	0	0	0	0	0
c. Other Dangerous Weapon	0	0	0	0	0
d. Hands, Fist, Feet, etc.	0	0	0	0	0
<b>ASSAULT</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>2</b>	<b>0</b>
a. Firearm	0	0	0	0	0
b. Knife or Cutting Instrument	0	0	0	0	0
c. Other Dangerous Weapon	0	0	0	0	0
d. Hands, Fist, Feet, etc.	2	0	2	0	0
e. Other Assaults - Simple	7	0	7	2	0
<b>BURGLARY</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
a. Forcible Entry	1	0	1	0	0
b. Unlawful Entry/No Force	0	0	0	0	0
c. Attempt Forcible Entry	0	0	0	0	0
<b>LARCENY - THEFT</b>	<b>14</b>	<b>1</b>	<b>13</b>	<b>2</b>	<b>1</b>
<b>MOTOR VEHICLE THEFT</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
a. Autos	2	2	0	0	0
b. Trucks	0	0	0	0	0
c. Other Vehicles	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>26</b>	<b>3</b>	<b>23</b>	<b>4</b>	<b>1</b>
Clearance(s) by Adult Arrest	3				
Clearance(s) by Juvenile Arrest	1				

\*\*Data is tentative until monthly audit is complete

## Public Works Monthly Report May 2014

### Administration

- Advised town staff on contractual terms and conditions as related to Territory Square Phase I – Site Grading and Design – Build Contracts
- Reviewed and processed Line Extension Agreement with APS on 6<sup>th</sup> and Park St. for Police Department street lighting.
- Met with APS and Johnson Utilities for resolution of transmission lines to Johnson Ranch Estates; funding by Johnson Utilities.
- Prepared punch list with architect at Brunenkant Building, withheld retention until roof repairs are completed.
- Provided solution to Planning to resolve right-of-way and easement issues at 749 E. Gila Blvd property.
- Solicited funding from MAG from FHWA-ADOT Off System Bridge Program and meeting was held to discuss project eligibility, programming, current/past condition of Bridge Structure 8215 (over the SCID Canal on East Butte) including estimated costs. Need consultant to review FHWA requirements for program funding including bridge reports, ratings, and reimbursable costs.
- Discussions started with ADOT in regards to IGA for pre-emption signalization agreement for existing and future traffic signals.
- Coordinated agreement with San Carlos Irrigation District for re-engineering of irrigation line at SR 70 / Diversion Dam Intersection.
- Completed discussions and prepared contract for Project Management services at Territory Square Phase I for council action.
- Continued to meet with MAG and Queen Creek on Southeastern MAG transportation study.
- Started Capital Improvement Project Information verification for Finance.
- Attended Pinal County Flood Advisory Council Meeting.
- Processing proposals for temporary signalization at Fire Station No. 2.
- Commented on Magma Flood Control District Engineers design to discuss Middle Magma Channel Projects results as well as JD Fuller for Lower Magma Channel Project.
- Continued to provide information to Finance on FY 14/15 budget requests.
- Attended MAG Street and Specifications Committee meetings.
- ADOT Contract awarded for Work for the SR 287/79B Roundabout Town of Florence in their entirety.
- Continued input on Padilla Park to include onsite Civil Improvements and Building Supply Systems as well as contractual clauses.
- Held discussions with various municipalities and entities concerning disposal of sanitation vehicles.
- Attended PCWAA meeting.

- Discussions held with Pinal County for intergovernmental Road Agreement for maintenance of various gravel roads, reviewing eligible roads for participation. Focus has been on Cooper Road.
- Traffic Study analysis continued on Victory Way, Spyglass Drive and Yorktown Way.
- Traffic Study on Hunt Highway north of Franklin Road near completion; analyzing improvements.
- Traffic count and speed analysis completed on Felix Road between Hunt and Hiller alignment, preparing estimates for work to be performed and also work to be completed by Pulte.
- Completed 'No Engine Braking' analysis at various locations. Received input to Arizona Department of Transportation (ADOT) for two locations. Information to be resubmitted.
- Commented and review Intergovernmental Agreement with ADOT for strobes at Main/Butte Intersection; follow-up continued with other ADOT personnel and to prepare Encroachment Permit.
- Met with Pinal County and farmer on Canal Road maintenance; yet to be resolved with County/Town maintenance resolution.
- Previously met with Southwest Gas and advised them that regulator at Felix/Hunt intersection needed to be relocated, pending review of documents with Pulte. Awaiting results. Follow up continued, no action yet by Southwest Gas. Pulte to contact.
- Met weekly with Baxter Design Group to discuss plan review, submittals, and district engineering topics an Anthem at Merrill Ranch.

### **Engineering**

- Provided pavement preservation scope of work within Anthem to include pavement preservation and striping for Bond Issue.
- Provided input into awnings for Brunenkart Building.
- Reviewed draft Aquifer Protection Permit for Merrill Ranch Water Reclamation Facility and provided comments to Arizona Department of Environmental Quality.
- Assisted ADOT right-of-way section in providing as-built information previously provided by the town for SR 79 / Diversion Dam intersection.
- Provided additional comments on survey/utility information on Butte Avenue and 12<sup>th</sup> Street for landscaping improvements.
- Awaiting design from Pulte for Spirit Way North Concrete Arches over the Walker Butte Wash.
- Continued review grading plans for Territory Square Phase I 40-acre parcel.
- Completed design of bay structure for a Public Works facility structure.
- Providing resolution to Units 9 at Anthem in regards to deficient air voids in asphalt surfacing. Awaiting test results from Pulte.
- Solicited funding from MAG for bridge over SCID Canal on East Butte. Bridge funds available but may be limited to structure itself, consult and needed to address FHWA requirement over SCID Canal.

- City of Mesa provided drawing concerning gas line rehabilitation between Arizona Farms Road and Judd on Attaway alignment for the Right-of-Way Permit.
- Continued discussions with ED2 on power line relocation along Diversion Dam Road.
- Continued to meet with School District to discuss drainage and right-of-way issues along Adamsville Road.
- Completed revised schematic and conceptual plans for access road from SR 79 to Main Street including widening of SR 79. Consummated agreement for Legal Description Survey and Traffic Impact Analysis interface with ADOT. Preparing easement documents.
- Continued to address preliminary drawings for fuel facility at Fire Station No. 1 including revising alignment of 1<sup>st</sup> Street.
- Reviewed Southwest Environmental Utilities Agreement and related Johnson Ranch Developers' Agreement for Utilities including CAG 208 submittal with CAG. Preparing 208 Plan Amendment for Town of Florence, soliciting proposals.
- Completed various activities related to Brunenkant Building stabilization contract, including providing comments to Architect. Construction 100% complete with removal of mortar joints and installation of structural steel stabilizing supports. Roofing is unacceptable and retention withheld on contract awning drawings prepared.
- Continued to review 30% preliminary drawing for SR 79/79B roundabout construction in County area southeast of Town Limits. Requested county to provide comments.
- Continued revising and completed design for Police Department Parking Lot and Drainage Improvements at existing Police Station.
- Assisted ADOT Consultant for signalization project at Diversion Dam and SH79 in coordination with Diversion Dam Road Project.
- Willdan continued Diversion Dam Road design in accordance with their Service Contract Task Order, 98% complete drawings. Negotiating with San Carlos Irrigation District over relocation of manhole.
- Reviewing alternate design of mailbox location and approach by Postal Service just north of Yavapai Court on Florence Blvd.
- Unpaved Road status
  - a. Cooper Road right-of-way issues have being reviewed by the County and road re-alignment to be made.
  - b. Felix Road traffic analysis completed indicating the feasibility to increase speed near the 85% level. Estimate of TOF accepting road from Pulte in progress in accordance with September findings that were documented. Continued discussing right-of-way acquisition at Hunt Highway with Owner.
  - c. Canal Road to be handled under IGA with County. Canal Road to be dismissed from IGA.
  - d. Franklin Road, east of Hunt Highway completed with paving. Franklin Road west of Hunt Highway findings being evaluated for

drainage improvements per findings with resultant estimates for design/construction.

- Received authorization from SCID to extend pipe with drainage ditch at Attaway/Hunt Highway intersection for possible intersection improvements; design continued.
- Investigated storm drain issues in Walker Butte wash within Anthem; evaluating results.
- Met with GEO prison officials to discuss drainage issues from State Land to the south of GEO Prisons. Research proceeding, field investigation continued.
- SCID (San Carlos Irrigation District) reconstructing canal, and requested relocation/permit evaluation of three (3) water/sewer line crossings.
- Received water line extension drawings to legal offices at SH79. We are awaiting ADOT permit for construction from owner.
- Attended TTAC/CAG Meetings.

### **Streets**

- Performed blue stakes for storm drain locations
- Provided personnel, signs, and barricades for traffic control on Main Street for obliteration of pavement markings.
- Checked and cleaned 177 storm drain locations in Anthem and throughout town areas.
- Disassemble and stacked 257 broken trash contains for shipment to recycling.
- Completed crack sealing at all of Anthem and also Florence Heights Drive.
- Performed scheduled street sweepings.
- Performed maintenance on unpaved roads: Cooper and Christensen Roads, twice each.
- Eradicated existing striping on Main Street at crosswalks.
- Reviewing and issuing right-of-way permits and follow-up inspections.
- The patch truck crew worked on street and sidewalk maintenance and water/sewer repair patches.
- Performed blue stakes on rights-of-way for storm drainage lines in areas of request.
- Crews worked on cleanups, mowing, spraying weeds, storm drain cleaning and trimming trees.
- Advised Pulte of missing street lights on Unit 21 due to change in model location.

### **Fleet Maintenance**

- Replaced transmission on PD-G31ET
- Replaced brakes on PD-G859FJ
- Replaced batteries on FD-G001FM
- Replaced tires on ST-005 and ST-081.
- Replaced batteries on SA-001, SA002, SA003, and SSA-008.
- Replaced pin assembly on SA-003.
- Replaced grip arm parts on SA-001.

- Installed Utility Truck Bed in WW-005.
- Replaced shocks (rear) on IT-002.

### **Facility Maintenance**

- Started foundation for “carport” building at Community Facilities parcel south of Fire Station No. 2. Awaiting removal of modular building to complete demolition and relocation of “carport” area at old Fire Station No. 2.
- Completed trash enclosure at Town Hall.
- Completed Town Hall exterior painting.
- Awaiting results of HVAC (heating, ventilation and air conditioning) controls adjustment to Rooms 1202/1203 in Town Hall, before evaluation. IT to send out service contract, rooms not evaluated.
- Investigated structural crack at Fire Department Bay floor and recommended it be sealed. Researching engineered products for use; to be continued when resources available.
- Investigated and requested State Parks repair and / or replaced decking at McFarland Building.
- Public Works man hours were expanded on facilities maintenance rather than outsourcing for contract labor.
- Minor plumbing activities took place at various facilities throughout Town including replacement of accessories.
- Performed repairs of restroom areas throughout Town including accessory replacements. Major repairs at High Profile parking lot; all work continued.
- Replacement of four (4) doors at Senior Center, pending approval of purchase order.
- Replacement of two (2) doors at Jacques Square restroom, pending approval of purchase order.

### **Sanitation**

- Corresponded with Contractor Administrator and RAD on commercial, non-commercial and other accounts.
- Completed commercial service reconnaissance for sanitation services.
- Started installation of “No Dumping” signs.

### **Cemetery**

- Two (2) funerals were held.
- Nine (9) inquiries on cemetery plots were discussed.
- Two (2) plots were sold.
- Investigating monument placement at Cemetery for rules/regulation, building safety and right-of-way issues.



## Public Works CIP Projects

May-14

### Highway Users

Name	Status
Florence Heights Street Improvements	Received SCID Board Approval, IGA prepared. Met with ADOT on permitting again. ADOT review for signalization indicated not needed. Final Permitting Application to be submitted. Redesign in progress due to SR79/79B Project and adjacent development.
Diversion Dam Road Improvements	Reviewed documents for ADOT permit submittal. Redesign continued with Minor Arterial Road classification. Awaiting ADOT environmental clearances Design 98% complete. Streetlight design in-process.
Adamsville Road	Revised water lines on Central to accommodate High School expansion. Attempting to acquire additional right-of-way from school district west of Central
Hunt Highway	Overlay and milling from 2900 I.f. west of Attaway end of Hunt Highway Phase III proposal received, being evaluated. RFP being prepared for FY 13/14.
Roundabout (SR 79B/287)	ADOT Design Contract received. Kick-off meeting being scheduled.
Hunt Highway Improvements at Fire Station No. 2	Driveway access completed for Phase I. Signalization Drawings received for review and commented on. RFP being prepared for construction of signal.
Pinal Street Drainage	Pending Territorial Square hydraulics
Main Street Crosswalk Improvements	Construction started and 100% complete.
Miscellaneous	
Name	Status
FY13/14 Chip Seal Projects	Pavement assessment performed, completed. Piggyback pricing received from Pinal County. Felix Road remediation being evaluated for costs. Anthem Pavement Preservation Project completed. East Butte Microseal (pending RFP).
Merrill Ranch Water Reclamation Facility	Awaiting Final Permit for Public Hearing with ADEQ.
CAG 208 Plan	Evaluating proposal in conjunction with Johnson Utilities.
Community Facilities Parcel	Construction of "Bay" structure started. Property demolition started.
Facilities	
Name	Status
PD Evidence Storage	Scope consolidation and engineering revision being designed. Grading operations started.
PD Drainage	Design document in process.
Parks/Recreation	Work completed on all HVAC Units.
Brunenkant Building	Project started and approximately 100% complete. Roofing punchlist resulted in retention being withheld.



**TOWN OF FLORENCE**  
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FLORENCE, AZ 85132  
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## MEMORANDUM

To: Charles Montoya, Town Manager  
Lisa Garcia, Deputy Town Manager

From: John V. Mitchell, Utilities Director

Date: June 24, 2014

Re: June 2014 Department Report

Project updates are as follows:

- Bailey Street Waterline – construction start Aug/Sep 2014
- Well 4 to Well 5 Waterline – construction start Aug/Sept 2014
- Well 3B – construction award made to Sun Western Contractors
- North Florence Water Tank – under design
- North Florence Water Well (Well 2) – well siting in progress; land may have to be acquired
- SWWTP expansion & filtration system construction documents – under design; WIFA funded project
- SWWTP EPS/Chlorine Modifications/Administration Building – bid date of July 17, 2014
- NWWTP Repairs – project awarded to Felix Construction
- SWWTP Repairs – project awarded to Felix Construction

Completed Projects are as follows:

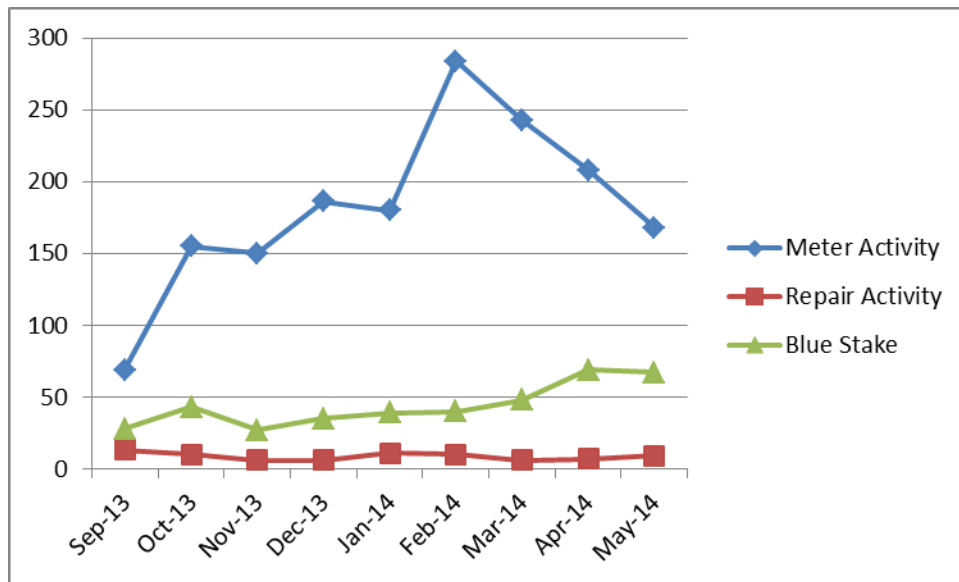
- Staff installed 15 new fire hydrants & 14 water valves in various parts of Town this fiscal year
- Staff completed the Town of Florence Water Quality Report for 2013 report mailed to customers
- Staff completed repairs to the NWWTP Pre-aeration basin
- Staff completed repairs to the SWWTP influent pump station

Staffing updates:

- Offer made and accepted for Senior Treatment Plant Operator position – employee to start July 1<sup>st</sup>
- Recruitment to begin for Wastewater Treatment Plant Operator

Service Order Summary:

- Meter Activity - 168
- Repair Activity - 9
- Blue Stake – 67



Miscellaneous:

- Staff has been in discussions with WIFA regarding a loan obtained by the Town in 2009 for the installation of a filtration system and ultra-violet disinfection system, and for the design and permitting of the next phase of expansion at the SWWTP. WIFA wanted assurances that the Town would meet its obligation to construct the filtration system and begin the expansion design. The Town issued a contract to Water Works Engineers on June 2, 2014 for the work and WIFA is satisfied with the schedule.