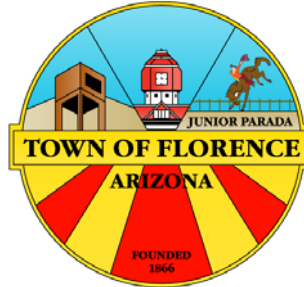


TOWN OF FLORENCE REGULAR MEETING AGENDA

Mayor Tara Walter
Vice-Mayor John Anderson
Councilmember Bill Hawkins
Councilmember Kristen Larsen
Councilmember Karen Wall
Councilmember Michelle Cordes
Councilmember Judy Hughes



Florence Town Hall
775 N. Main Street
Florence, AZ 85132
(520) 868-7500
www.florenceaz.gov
Meet 1st and 3rd Mondays

Monday, April 15, 2019

6:00 PM

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Town of Florence Council and to the general public that a Regular Meeting of the Florence Town Council will be held on Monday, April 15, 2019, at 6:00 p.m., in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona. The agenda for this meeting is as follows:

1. CALL TO ORDER

2. ROLL CALL: Tara Walter __, John Anderson __, Bill Hawkins __, Karen Wall ____, Kristen Larsen ____, Michelle Cordes __, Judy Hughes __.

3. MOMENT OF SILENCE

4. PLEDGE OF ALLEGIANCE

5. 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.

6. PRESENTATIONS

- a. **Women's Club** Presentation (Mayor Walter)
- b. **Presentation on** and Discussion/Approval/Disapproval of Accepting the Comprehensive Annual Financial Statement and Expenditure Limitation Report. (Rebecca Jimenez)

7. ADJOURN TO COMMUNITY FACILITIES DISTRICT. NO. 1.

- a. **Discussion/Approval/Disapproval** to accept the Merrill Ranch Community Facilities District No. 1 Audit. (Rebecca Jimenez)

8. ADJOURN FROM COMMUNITY FACILITIES DISTRICT NO. 1.

9. ADJOURN TO COMMUNITY FACILITIES DISTRICT NO. 2.

- a. **Discussion/Approval/Disapproval** to accept the Merrill Ranch Community Facilities District No. 2 Audit. (Rebecca Jimenez)

10. ADJOURN FROM COMMUNITY FACILITIES DISTRICT NO 2.

11. CONSENT: All items on the consent agenda 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. **Proclamation declaring** April 26, 2019 as Arbor Day. (Bryan Hughes)
- b. **Motion to approve** and ratify an Engagement and Representation Agreement with Sims Mackin, LTD. and Cathy Bowman for legal representation of the Town of Florence in legal matters in connection with *Town of Florence v. ADEQ*, No. LC2017-000466-001 DT; *Town of Florence v. Florence Copper, Inc.* CV 2015-000325; *Town of Florence v. ADEQ*, No. 1 CA-CV 19-01222 (Arizona Court of Appeals), including post-trial motions, appeals and authorization to enter into related common interest agreements (the “appellate proceedings”). (Cliff Mattice)
- c. **Authorization for the** Town Attorney to execute a Consent to Withdrawal on behalf of the Town consenting to the withdrawal of Christopher Kramer and Laura Curry and the firm of Jennings, Strouss & Salmon, P.L.C. as counsel of record for the Town in the matter of Town of Florence vs. Florence Copper, Inc., et al No. CV2015-000325. (Cliff Mattice)
- d. Approval of the **March 4, March 11, March 18, and March 25, 2019** Town Council Meeting minutes.
- e. Receive and file the following board and commission minutes:
 - 1. **February 14, 2019** Arts and Culture Commission Meeting minutes
 - 2. **February 27, 2019** Florence Youth Commission Meeting minutes
 - 3. **February 27, 2019** Historic District Advisory Commission Meeting minutes

12. UNFINISHED BUSINESS

- a. **Ordinance No. 667-19:** Discussion/Approval/Disapproval 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 “DEFINITIONS” AND REPEALING AND REPLACING “PART 3 SIGN REGULATIONS,” SECTIONS 150.092 TO 150.130 (CASE PZ 18-33 ORD). (Public hearing and first reading held February 19, 2019, second reading held March 4, 2019, Work Session held March 25, 2019). (Dana Burkhardt)
- b. **Ordinance No. 668-19:** Discussion/Approval/Disapproval 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 "DEFINITIONS" AND "PART 7 PARKING; LOADING AND UNLOADING," SECTIONS 150.156 TO 150.167 (CASE PZ 18-34 ORD). (Public hearing and first reading held February 19, 2019, second reading held March 4, 2019, Work Session held March 25, 2019). (Dana Burkhardt)

- c. **Discussion/Approval/Disapproval** of rescinding the order for demolition of the Cuen Building and instructing the Town Manager to take all action necessary to advertise the Cuen Building for public auction in accordance with A.R.S. § 36-1480 Disposal of Property in redevelopment project area. (Lisa Garcia)

13. NEW BUSINESS

- a. **Resolution No. 1694-19:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ACCEPTING STREETS WITHIN VISTA HERMOSA COMMUNITY, ARIZONA BOULEVARD FROM THE TOWN'S WEST PROPERTY LINE TO THE INTERSECTION OF IOWA AVENUE, IOWA AVENUE FROM THE ARIZONA BOULEVARD INTERSECTION TO THE NORTH EDGE OF THE ROAD INTO THE TOWN OWN WATER FACILITY FOR PUBLIC ACCESS, CIRCULATION, ROADWAY AND PUBLIC UTILITY PURPOSES AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS. (Chris Salas)
- b. **Resolution No. 1695-19:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PURCHASE OF CERTAIN LANDS BELONGING TO DAVID MARTIN AND JANE GEAMPA, LOCATED AT 525 E. RUGGLES STREET, FLORENCE, ARIZONA, TO BE DEDICATED FOR EXCLUSIVE USE BY THE TOWN OF FLORENCE PUBLIC WORKS DEPARTMENT AND OTHER MUNICIPAL PROJECTS AND DECLARING AN EMERGENCY. (Chris Salas)
- c. **Resolution No. 1696-19:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PURCHASE OF CERTAIN LANDS BELONGING TO DARRELL PETERSON, LOCATED AT 575 E. RUGGLES STREET, FLORENCE, ARIZONA, TO BE DEDICATED FOR EXCLUSIVE USE BY THE TOWN OF FLORENCE PUBLIC WORKS DEPARTMENT AND OTHER MUNICIPAL PROJECTS AND DECLARING AN EMERGENCY. (Chris Salas)
- d. **Resolution No. 1693-19:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD CERTAIN TECHNICAL CODE DOCUMENTS FILED WITH THE TOWN CLERK AND ENTITLED "2012 INTERNATIONAL BUILDING CODE", "2012 INTERNATIONAL EXISTING BUILDING CODE", "2012 INTERNATIONAL FIRE CODE", "2012 INTERNATIONAL FUEL GAS CODE", "2012 INTERNATIONAL MECHANICAL CODE", "2012 INTERNATIONAL PLUMBING CODE", "2012 INTERNATIONAL PROPERTY MAINTENANCE CODE", "2012 INTERNATIONAL RESIDENTIAL CODE", "2012 INTERNATIONAL SWIMMING POOL AND SPA CODE", "2012 INTERNATIONAL ENERGY CONSERVATION CODE" "2011 NATIONAL ELECTRIC CODE", AND THE 2009 "ACCESSIBLE AND USABLE BUILDINGS & FACILITIES CODE" (Lisa Garcia)
- e. **Ordinance No. 674-19:** First reading of AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA ADOPTING THE FOLLOWING PUBLICATIONS WITH APPENDICES AND TOWN OF FLORENCE AMENDMENTS AS LISTED HEREIN ARE

ADOPTED BY REFERENCE. REGULATING AND GOVERNING THE CONDITIONS AND MAINTENANCE OF ALL PROPERTY, BUILDINGS AND STRUCTURES; BY PROVIDING THE STANDARDS FOR SUPPLIED UTILITIES AND FACILITIES AND OTHER PHYSICAL THINGS AND CONDITIONS ESSENTIAL TO ENSURE THAT STRUCTURES ARE SAFE, SANITARY AND FIT FOR OCCUPATION AND USE; AND CONDEMNATION OF BUILDINGS AND STRUCTURES UNFIT FOR HUMAN OCCUPANCY AND USE AND DEMOLITION OF SUCH STRUCTURES IN THE TOWN OF FLORENCE, ARIZONA; PROVIDING FOR THE ISSUANCE OF PERMITS AND COLLECTION OF FEES THEREFORE; REPEALING SECTION 150.300 OF THE TOWN OF FLORENCE CODE OF ORDINANCES AND ALL OTHER ORDINANCES OR PARTS OF LAWS IN CONFLICT THEREWITH. (Lisa Garcia)

- f. **Ordinance No. 675-19**; First reading of AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE TOWN OF FLORENCE CODE OF ORDINANCES BY MODIFYING SECTION 150.301; TITLED BOARD OF APPEALS; BY INSERTING NEW TEXT AS UNDERLINED AND DELETING TEXT BY STRIKETHROUGH. (Lisa Garcia)
- g. **Ordinance No. 673-19**; First reading of AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE CODE OF ORDINANCE, ARIZONA, TITLE XI BUSINESS REGULATIONS, BY ADOPTING A NEW CHAPTER 111 RELATING TO THE REGULATION OF MOBILE FOOD UNITS; ESTABLISHING A PURPOSE; SETTING FORTH DEFINITIONS; PROVIDING FOR PERMIT REQUIREMENTS; ESTABLISHING OPERATIONAL REQUIREMENTS; SETTING FORTH VIOLATIONS; ESTABLISHING PENALTIES; AND SETTING FORTH AN EFFECTIVE DATE. (Lisa Garcia)
- h. **Discussion/Approval/Disapproval** of the Professional Services Agreement with PLAN/et Communities LLC, to update the Town of Florence Redevelopment Plan Update 2019, in an amount not to exceed \$113,115. (Larry Harmer)

14.LEGISLATIVE UPDATE

15.MANAGER’S REPORT

16.CALL TO THE PUBLIC

17.CALL TO THE COUNCIL – CURRENT EVENTS ONLY

18.ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(1)(A)(3), (A)(4) and (A)(7) to consider its position and instruct its representatives and/or attorneys regarding:

- a. Town’s position and instruct its attorneys regarding Arizona Department of Environmental Quality proceedings, related to Water Quality Appeals Board Case No. 16-002, including appellate proceedings to reviewing courts.
- b. Town’s position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325.

- c. Discussion or consultations regarding the Town of Florence intervention in the matter of the Arizona Corporation Commission's investigation into the billing practices and water quality issues of Johnson Utilities, LLC before the Commission or in regard to any matters involving the Commission's review, public participation, investigations into the operations of Johnson Utilities, LLC and its affiliates including but not limited to Southwest Environmental Utilities and Case Numbers: WS-02987A-17-0392; WS-02987A-18-0151; WS-0987A-18-0050; WS-20878A-18-0330; WS-02987A-18-0329; WS-02987A-06-0667.
- d. Possible discussions with government agencies and private entities involving the purchase, sale or lease of real property and other property related to the Town of Florence's water and wastewater systems, including upgrades, expansions, contracts, and/or settlement discussions related thereto.


19. ADJOURNMENT FROM EXECUTIVE SESSION

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). One or more members of Council may appear for part or all of the meeting including Executive Session telephonically.

POSTED ON APRIL 11, 2019 BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA, AND AT 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. *****

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 6a.
MEETING DATE: April 15, 2019 DEPARTMENT: Mayor and Council STAFF PRESENTER: Mayor Walter SUBJECT: Certificate of Appreciation		<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <div style="margin-left: 40px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </div> <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input checked="" type="checkbox"/> Partnerships and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Presentation only, no action required.

BACKGROUND/DISCUSSION:

The Florence Woman's Club will be providing the Town Council with an update on the 2018 and 2019 activities of the Club.

A VOTE OF NO WOULD MEAN:

Not applicable

A VOTE OF YES WOULD MEAN:

Not applicable

FINANCIAL IMPACT:

Not applicable

ATTACHMENTS:

Backup Material provided by the Florence Woman's Club

Historic

GFWC Florence Woman's Clubhouse



Available for Your Event

*Community Events, Business Meetings,
Lectures, Seminars and Workshops,
Holiday Parties, Family Events,
Anniversaries, Weddings, Receptions,
Birthdays, Quinceaneras, Graduations*

*To visit the building or check availability
call 520-868-8197 and leave a message or
email: fwcreserve@gmail.com*

231 N Willow St.

P.O. Box 1506

Florence, AZ 85132

*Facebook: GFWC Florence Woman's Club
www.florencewomensclub.org*



*If you want to meet some great
interesting women;*

*If you want to contribute your
resources to community and
international causes;*

*If you want to be a part of the
continuing cultural heritage of the
Town of Florence;*

*The GFWC Florence Woman's Club
is the organization for you.*

*Membership is open to women of all ages.
Meetings are on the 2nd Thursday of each
month, September through May.*

5:30pm light refreshments

*6:00pm Evening Program and Business
Meeting*

General Federation of Women's Clubs Florence Woman's Club

A Community Service Organization

Organized ~ 1897

Federated ~ 1901

Chartered ~ 1916



231 N. Willow Street

*The only Spanish Colonial Revival Style
building in Florence.*

Dedicated October 11, 1929

On the National Register of Historic Buildings

*Mailing address: PO Box 1506,
Florence, AZ 85132*

Email: fwcreserve@gmail.com

Facebook: GFWC Florence Woman's Club

Web site: www.florencewomensclub.org

Phone: 520-868-8197 (leave a message)



The General Federation of Women's Clubs is an international women's organization dedicated to community improvement by enhancing the lives of others through volunteer service. GFWC is one of the oldest volunteer women's organizations in the world dedicated to service in our communities, state, nationally and internationally. Our national emphasis is Domestic Violence Awareness and Prevention. With over 80,000 members in affiliated clubs in every state, the District of Columbia, and more than a dozen countries, GFWC members work in their own communities to support the arts, preserve natural resources, advance education, promote healthy lifestyles, encourage civic involvement, and work toward world peace and understanding. Our motto is "Unity in Diversity".



History of GFWC Florence Woman's Club

1897 - Organized as the Village Improvement Society to beautify the town and help women in the community get better acquainted.

1901 - Became the Federated Woman's Club of Florence.

1903 - United with five other Arizona clubs to form GFWC-AZ.

1916 - Chartered as the Woman's Club of Florence. The charter of the club contains the names of many of the pioneers of Florence. The history of Florence is closely wrapped in the history of the club.

1929 - Historic Clubhouse is completed.

1984 - Renewed incorporation as GFWC Florence Woman's Club, "every woman's club".

2013 - Designated as a 501(c)3 qualifying donations for tax deductible status.

Club Activities

"Living the Volunteer Spirit"

Publish Community Calendar

Provide prizes and judge pumpkin contest at "Fright Fest"

Christmas Fundraising for local Families

Rummage Sale

Curate Art Show during Historic Tour

Annual Fashion Show Luncheon supporting scholarships for local high school students and HOBY (Hugh O'Brien Youth Leadership Foundation)

Mobile Eye Unit - a certified ophthalmologist sets up eye exams at the clubhouse to serve the community.

Water Drive provides bottled water for first responders and victims of fires.



GFWC FLORENCE WOMAN'S CLUB

Activities from 2018-2019

2018

- Hosted a low-cost eye clinic at the clubhouse with an optometrist.
- Held a Rummage Sale to fund activities.
- The clubhouse was a stop on the Historic Tour of Florence annually.
- Hosted an Art Show at the clubhouse during the Historic Tour of Florence.
- Held a Bottled Water Drive to benefit the Florence Fire and Police Departments.
- Held our annual fashion show as a fundraiser for three (3) high school scholarships.
- Coordinated with the Florence Teen Council to host a Senior Prom for senior citizens.
- Worked with all three high school counselors to review scholarship applications.
- Proctored advanced placement tests at Florence High School and San Tan Foothills High Schools.
- Provided scholarships for Florence, Poston Butte, and San Tan Foothills High School senior girls.
- Provided a scholarship for a sophomore to attend the Hugh O'Brian Youth Leadership Academy at ASU West.
- Received a grant to put a Little Library at the clubhouse.
- Our annual community calendar is used by the Florence Reminder and Blake Tribune to publish birthdays. Community members place the birthdays in our calendar.
- Our calendar publishes the dates of Florence Town Council meetings, Planning and Zoning Meetings, Arts and Culture Committee Meetings, Rotary Club, and Florence Woman's Club Meetings.
- Collected books from the community for the Little Library "Get a book, Give a book."
- Held a "Women's New Underwear Drive" for Hope House in Coolidge, AZ.
- Provided lunch for Hope House in Coolidge, AZ.
- Florence Police Chief Dan Hughes spoke to us about domestic violence.
- Collected children's books, coloring books, and crayons for literacy bags.
- Judged the pumpkin carving contest at the Parks and Recreation Fright Fest.
- Collected clothing and toiletries for Against Abuse, Inc. in Casa Grande, AZ.
- Collected coffee cups to donate to Hope House through "Cups for Caring."
- Supported the Florence Police Department gun safety class.
- Made fifty (50) sock puppets for Head Start.
- Donated fifty (50) literacy bags to every child attending Head Start in Florence, AZ. The cloth bag contained a children's book, a coloring book, crayons or colored pencils, parent information, and a sock puppet.
- Initiated the Reading by Third grade Committee with the Rotary of Florence, and the United Way of Casa Grande. Later FUSD joined the committee.
- "Seed the Future" presentation by Future Forward Foundation.
- Provided Christmas presents to a Florence family in need.
- Compiled reports on all of our activities for GFWC-AZ. We are very proud that our club won several awards, including three first place awards::
Signature Program: Domestic Violence Awareness and Prevention - First Place
Communications and Public Relations - First Place
Community Service Program: The Arts - First Place
Community Service Program: Education - Second Place
Community Volunteer Service - Certificate of Achievement

2019

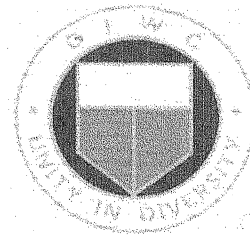
- Held a Rummage Sale to fund activities, January 2019.
- The clubhouse was a stop on the Historic Tour of Florence annually.
- Hosted an Art Show at the clubhouse during the Historic Tour of Florence.
- Visited a Goat Farm in Florence to see the baby kids and see how goat items are made.
- Visited the Arizona Wild Horse and Burro Inmate Program.
- Celebrated Dr. Seuss Day in conjunction with the Florence Public Library by making sock puppets with children.
- Provided Dr. Seuss bookmarks, notepads, pencils, and books to the Florence Head Start.
- Held a Bottled Water Drive to benefit the Florence Fire and Police Departments.
- Held our annual fashion show as a fundraiser for three (3) high school scholarships.
- Organized the 75th Anniversary of the G.I. Bill of Rights Celebration with the Town of Florence, the American Legion, and other planning committee members.
- Created a float with the G.I. Bill of Rights Theme for the GI 75 Parade.
- Decorated the clubhouse to celebrate the club's use as a USO center during world War II. After the G.I. 75 Ceremony, we held a reception for the public providing refreshments and entertainment by the Desert Song Community Choir.
- At all of our monthly meetings, we collected for the following:
 - Clothing for Abuse and Domestic Violence Prevention agencies
 - Soda can tabs for Ronald McDonald Houses
 - Plastic bottle caps for the veterans' Fisher House in Tucson, AZ
 - Empty pill bottles for Doctors without Borders affiliates
 - Boxtops for Education for Florence Schools
 - Coins for Canine Companions for Independence

History of GFWC Florence Woman's Club

In 1897, a group of civic-minded Florence women banded together to form the Village Improvement Society to improve and beautify the Town of Florence, and at least help to keep the streets and back lots clean. That club was always small and didn't meet regularly, but always paid \$.25 to Mrs. T.F. Weedon to keep the club's rake under her porch.

By March 3, 1901, the Charter for the General Federation of Women's Clubs was approved and signed by the United States President William McKinley. A Territorial Arizona Federation was formed and became a part of GFWC. The Florence Group was one of these original five members. In 1916, the club was officially chartered as the Woman's Club of Florence. The Charter of the club contains names of many pioneers of the town and the history of the town is closely wrapped in the history of the club. In 1983, the charter was renewed under the name of the Florence Woman's Club.

By 1914, the Florence Group purchased their present property on which a small adobe building stood. Members turned that adobe building into the town's first library. Waters from the Gila River (1.3 miles away) eroded that building. However, the undaunted group began a "Building Fund" in 1919, starting with a \$50.00 Liberty Bond. Money was scarce and progress slow. With a bank balance of \$3,449.59, raised from such fundraisers as dinners, bazaars, musicals, concerts, and teas, the club voted to start a clubhouse building. Two weeks before the banks failed, the optimistic women took out a loan of \$4,500 from Southern Arizona Bank of Tucson and raised another \$2,648 through public subscription. With these funds, they hired an architect and in May signed a construction contract for \$9,420. Inmates of the Arizona State Prison provided the labor. Construction went smoothly and the building was dedicated on November 10, 1929. Members finally raised enough money to repay the loan.



**General Federation of Women's Clubs – Arizona
Certificate of Achievement**

AWARDED TO

GFWC Florence Woman's Club

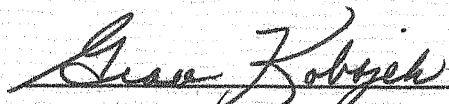
For

GFWC – AZ CENTRAL DISTRICT SPECIAL PROGRAM

GFWC SIGNATURE PROGRAM: DOMESTIC VIOLENCE AWARENESS AND PREVENTION

1ST PLACE

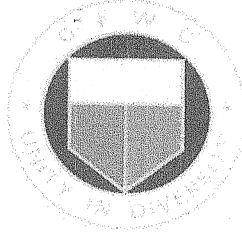
MARCH 16, 2019


Grace Kobojeck

GFWC-AZ Central District Program Chairman


Marcia King

GFWC Signature Program: Domestic Violence Program Chairman



General Federation of Women's Clubs – Arizona
Certificate of Achievement

AWARDED TO

GFWC Florence Woman's Club

For

GFWC – AZ CENTRAL DISTRICT COMMUNITY SERVICE PROGRAM

THE ARTS

1ST PLACE

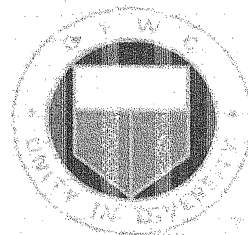
MARCH 16, 2019

Grace Kobjek

GFWC-AZ Central District Program Chairman

Marska Jones

GFWC Community Service – The Arts Program Chairman



General Federation of Women's Clubs – Arizona

Certificate of Achievement

AWARDED TO

GFWC Florence Woman's Club

For

**GFWC – AZ CENTRAL DISTRICT ADVANCEMENT AREA
COMMUNICATIONS & PUBLIC RELATIONS**

1ST PLACE

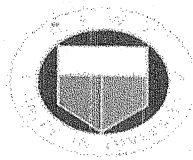
MARCH 16, 2019

Grace Kobjek

GFWC-AZ Central District Program Chairman

Debbie Grieder

Communications & Public Relations Program Chairman



General Federation of Women's Clubs – Arizona

Certificate of Achievement

AWARDED TO

GFWC Florence Woman's Club

For

GFWC – AZ CENTRAL DISTRICT COMMUNITY SERVICE PROGRAM

EDUCATION

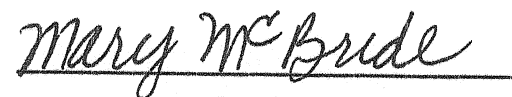
2ND PLACE

MARCH 16, 2019



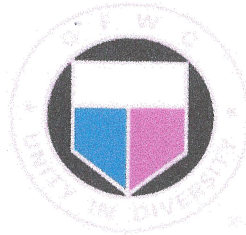
Grace Kobjek

GFWC-AZ Central District Program Chairman



Mary McBride

GFWC Community Service – Education Program Chairman



General Federation of Women's Clubs – Arizona
Certificate of Achievement

AWARDED TO

GFWC Florence Woman's Club

For

GFWC – AZ CENTRAL DISTRICT – COMMUNITY VOLUNTEER SERVICE

MARCH 16, 2019

Grace Kobojeck


Grace Kobojeck

GFWC-AZ Central District Program Chairman

Karen Hopper

Karen Hopper

GFWC-AZ Central District President

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 6b.
<p>MEETING DATE: April 15, 2019</p> <p>DEPARTMENT: Finance</p> <p>STAFF PRESENTER: Rebecca Jimenez, Interim Finance Director</p> <p>Kevin Camberg, Fester Chapman, PLLC, Certified Public Accountants</p> <p>SUBJECT: Acceptance of the 2017-2018 Annual Audit-Comprehensive Annual Financial Report (CAFR), Expenditure Limitation Report (ELR)</p>		<p> <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance </p> <p style="margin-left: 40px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </p> <p><input type="checkbox"/> Other</p>
<p>STRATEGIC PLAN REFERENCE:</p> <p> <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input checked="" type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None </p>		

RECOMMENDED MOTION/ACTION:

Accept the Comprehensive Annual Financial Statement and Expenditure Limitation Report

BACKGROUND/DISCUSSION:

The Annual Audit, Comprehensive Annual Finance Report, and Expenditure Limitation report has been completed. These reports are sent to various agencies for review that affects our ability to obtain grants, financing and to monitor the Town's financial position and the current and future financial strength for bonding and the ability to repay bonds. It is also a document that investors may use when considering projects or developments within the municipal boundaries. The Annual Audit is incorporated into the Comprehensive Annual Financial Report.

The Expenditure Limitation Report is a report that determines if the Town has stayed within the expenditures set during the budget process that is reported to the State of Arizona, Auditor General. Going over budgeted expenditures without authorization will result in a portion of our allocated state income tax withheld and redistributed to the other incorporated communities in the state. The penalty will be imposed in the fiscal

year subsequent to the hearing held by the Auditor General on such a violation. The penalty is calculated by a formula.

The auditors are engaged to evaluate the financial information and verify that the accounting systems, staff and organization are following the guidelines of Generally Accepted Accounting Principals (GAAP) and Government Accounting Standards Board (GASB).

The auditors issue a letter to the Mayor and Town Council and an Internal Control and Compliance Report. Within both documents, recommendations are made to improve the internal financial functions of the Town. These were provided to you two week prior to the presentation.

The audit this year took longer than anticipated due to several factors. During this time and audit of the Community Facilities Districts (CFD) was commissioned. This took longer than anticipated and the regular audit could not be completed until the CFD audit was done.

We have filed our reports with the Municipal Security Exchange (MSRB) and the State of Arizona Auditor Generals Office. We will file with other agencies, as requested.

The audit for Fiscal Year 2018-2019 will be completed in a timelier manner.

Kevin Camberg of Fester Chapman will present the financial audit and answer questions from the Mayor and Town Council.

A VOTE OF NO WOULD MEAN:

Not accepting the annual audit.

A VOTE OF YES WOULD MEAN:

Accepting the annual audit.

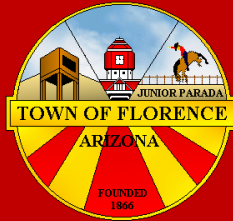
FINANCIAL IMPACT:

The cost of the annual audit is \$30,650.

ATTACHMENTS:

Comprehensive Annual Financial Report and Expenditure Limitation Report
Power Point Presentation

TOWN of FLORENCE, ARIZONA
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018



Town of Florence, Arizona

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2018



Prepared by:
Finance Department

Joan Miller
Accounting Manager

Joe Jarvis
Finance Director

Town of Florence, Arizona
Comprehensive Annual Financial Report
Year ended June 30, 2018

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Comprehensive Annual Financial Report
Year ended June 30, 2018

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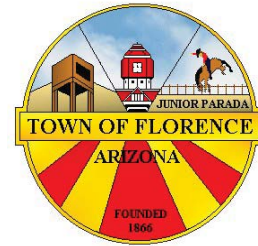
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INTRODUCTORY SECTION





Town of Florence

P.O. Box 2670, Florence, AZ 85132, (520) 868-7500, (520) 868-7501 Fax, (520) 868-7502 TDD

March 29, 2019

To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Florence:

We are pleased to submit for your information and review, the Comprehensive Annual Financial Report (CAFR) of the Town of Florence, Arizona (the Town) for the year ended June 30, 2018. State law requires that the Town publishes, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, Fester & Chapman, PLLC a firm of licensed certified public accountants, has audited the Town's financial statements. The independent auditor has issued an unmodified opinion on the Town's financial statements for the year ended June 30, 2018. Their report is presented as the first component of the financial section of this CAFR.

This report consists of management's representations concerning the finances of the Town. Responsibility for both the accuracy of the prepared data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To provide a reasonable basis for making those representations, management of the Town has established an internal control framework that is designed to both protect the assets of the Town from loss, theft or misuse. In addition, the framework allows for the compiling of sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and they should be read in conjunction with it.

PROFILE OF THE TOWN

The Town of Florence, Arizona is in Pinal County and is located between Phoenix and Tucson. Colonel Levi Ruggles, an Indian Agent, staked and platted the Town in 1866 and by the mid-1920s the area had become the agricultural center of Pinal County. Florence is the sixth oldest European settlement in the State of Arizona. The Town was incorporated in 1900. Its downtown is designated as an official “Historic District”. Florence is the county seat and has been since its formation in 1875.

Florence, elevation 1,493 feet, was built along the Gila River surrounded by the beautiful Sonoran Desert and the Superstition and Pinal Mountains, which provide scenic views for the enjoyment of life in a peaceful community. Additionally, Florence enjoys year-round sunshine, which provides an ideal place for retirement.



The Town currently encompasses an area of 62.7 square miles and an estimated population of 26,221. State statutes empower the Town to levy a property tax on real and personal property within its boundaries. The Town also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

The Town of Florence operates under a council-manager form of government. The Mayor is elected, and all members of Town Council are elected at large on a nonpartisan basis. The Mayor is elected every four years and Town Council members are elected to staggered four-year terms, with three members elected every two years. The Town Council is responsible for setting public policy, approving the Town’s annual budget, approving agreements, providing policy leadership, approving planning and development decisions and adopting new codes and ordinances. The Town Council appoints the Town Manager, who implements policy and directs daily operations. The Town Council also appoints the Town Attorney, Town Clerk, and Town Magistrate.

The financial reporting entity of the Town includes all its funds and its blended component units, Merrill Ranch Community Facilities District No. 1 and Merrill Ranch Community Facilities District No. 2 (CFDs). Component units are legally separate entities that the primary government is financially accountable.

The CFDs were formed in 2005 by the Town pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes and in response to a petition by the owners of land within the district area. The districts were formed to provide a method of financing (including the issuance of general obligation bonds and special assessment bonds) certain public infrastructure within the district. These component units are included in the Town’s financial statements because the Town Council members serve as the Board of Directors for each district.

For more information on these legally separate entities, please refer to Note 1A in the notes to the financial statements.

The Town provides a full range of services, including police and fire protection, construction and maintenance of highways, streets and other infrastructure; cultural and recreational activities; and water and wastewater utilities.

State law requires that on or before the third Monday in July of each fiscal year, the Town Council must adopt a tentative budget. Once the tentative budget has been adopted, the expenditures may not be increased upon final adoption; however, they may be decreased. The tentative budget sets the Town's maximum limits for expenditure. There is no specific date set by state law for adoption of the budget; however, due to the state law required deadline for the adoption of the property tax levy, the deadline for adoption of the final budget effectively becomes the first Monday in August.

LOCAL ECONOMY

Since 1909, the corrections industry has been a source of employment for people in Florence. This industry alone provides employment opportunities and consists of Arizona State Prison facilities, Core Civic and GEO Group. Florence is also home to several local, county, state and federal agencies, which provide full-time employment opportunities. These agencies include the Town of Florence, Pinal County, the Florence Unified School District, the Arizona National Guard and the United States Immigration and Customs Enforcement.

Florence is a major employment area with approximately 75 percent of its work force commuting into the area daily. It is estimated that over 5,000 commuters travel to Florence for work daily. Additionally, many agricultural products, including cotton, alfalfa, cattle, grains and grapes are cultivated in the area and the Town's primary business district still resides on Main Street.

The annexation of Merrill Ranch in 2004, added 8,970 acres of land, which is planned to be developed as a mixed use, master-planned community. Anthem at Merrill Ranch is one of the State's largest master-planned communities. To date, there are over 2,000 single-family homes including other amenities, such as two community centers, an 18-hole golf course, as well as, an outdoor swimming pool and water park. With commercial expansion and another 6,500 homes planned, Anthem is sure to add to the Town's economy.



The Town's unemployment rate is 5.4%. This is what has been recorded in the previous fiscal year. The makeup of Town's general fund revenue has remained relatively consistent over the past ten years, with state-shared revenue, local sales tax, property tax and charges for services being the largest sources. State-shared revenue is primarily based on population and represented approximately 44 percent of the total 2018 fiscal year revenue.

STRATEGIC PLAN

The Town Council approved the Strategic Plan during the fiscal year 2017-2018. The priorities of the plan included:

- Community Vitality
- Economic Prosperity
- Leadership and Governance
- Partnership and Relationships
- Transportation and Infrastructure

MAJOR INITIATIVES

Investment in Capital Assets: During the 2017-2018 fiscal year, the Town of Florence focused on completing existing capital improvement projects. These projects included roadway improvements and utility upgrades that improve the quality of life for the residents.

- ***Wastewater Treatment Facility:*** The Town's wastewater treatment facility is undergoing upgrades to facilitate higher grade effluent water which includes chlorine and filtration systems.
- ***Water Utility:*** The Town continues to work on improving existing infrastructure that needs immediate attention. Efforts include expansion and recharge permitting efforts.

Alternative Expenditure Limitation (Home Rule Option) The Town voters approved Home Rule in August of 2016 which allowed the Town Council the ability to set the expenditure annually for the next four fiscal years beginning in fiscal year 2017-2018.

RELEVANT FINANCIAL POLICIES

The Town's fund balance policy covers the General Fund, Highway User Revenue Fund, and enterprise funds. The fund balance in the General Fund must retain \$500,000 for emergencies, 10 percent of revenues for operational reserves, of which 20 percent is for facility maintenance. The fund balance in the Highway User Revenue Fund must be reserved for operational reserves in the amount of 15 percent of the operating revenues, and the fund balances in the enterprise funds are reserved as recommended in the most recent rate study completed and as required by debt covenants. If no recommendation is

made, fund balance will be reserved based on annual depreciation expense and two months of operating expenditures, in addition to debt covenants.

AWARDS AND ACKNOWLEDGEMENTS

The Town received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. We are very pleased and proud to have received this award for the sixth straight year. To be awarded a Certificate of Achievement, the Town had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe that our current CAFR meets the Certificate of Achievement requirements and we are submitting the Town's CAFR to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Town's Finance Department. We would also like to extend our appreciation to all members of the departments who assisted and contributed to the preparation of this report. We must give credit to the Mayor and Town Council for their leadership and unfailing support in maintaining the highest professionalism in the management of the Town's finances. We appreciate the dedication and hard work of the accounting staff during the audit process.

Respectfully submitted,



Brent Billingsley
Town Manager



Joe Jarvis
Finance Director





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Florence
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



Town Council, Appointed Officials and Senior Management Staff

Town Council

Tara Walter – Mayor

Vallarie Woolridge – Vice Mayor	John Anderson – Councilmember
Rebecca Guilin – Councilmember	Kristen Larsen – Councilmember
William Hawkins – Councilmember	Karen Wall – Councilmember

Appointed Officials

Brent Billingsley – Town Manager	Lisa Garcia – Town Clerk
Clifford Mattice – Town Attorney	Roger Valdez – Town Magistrate

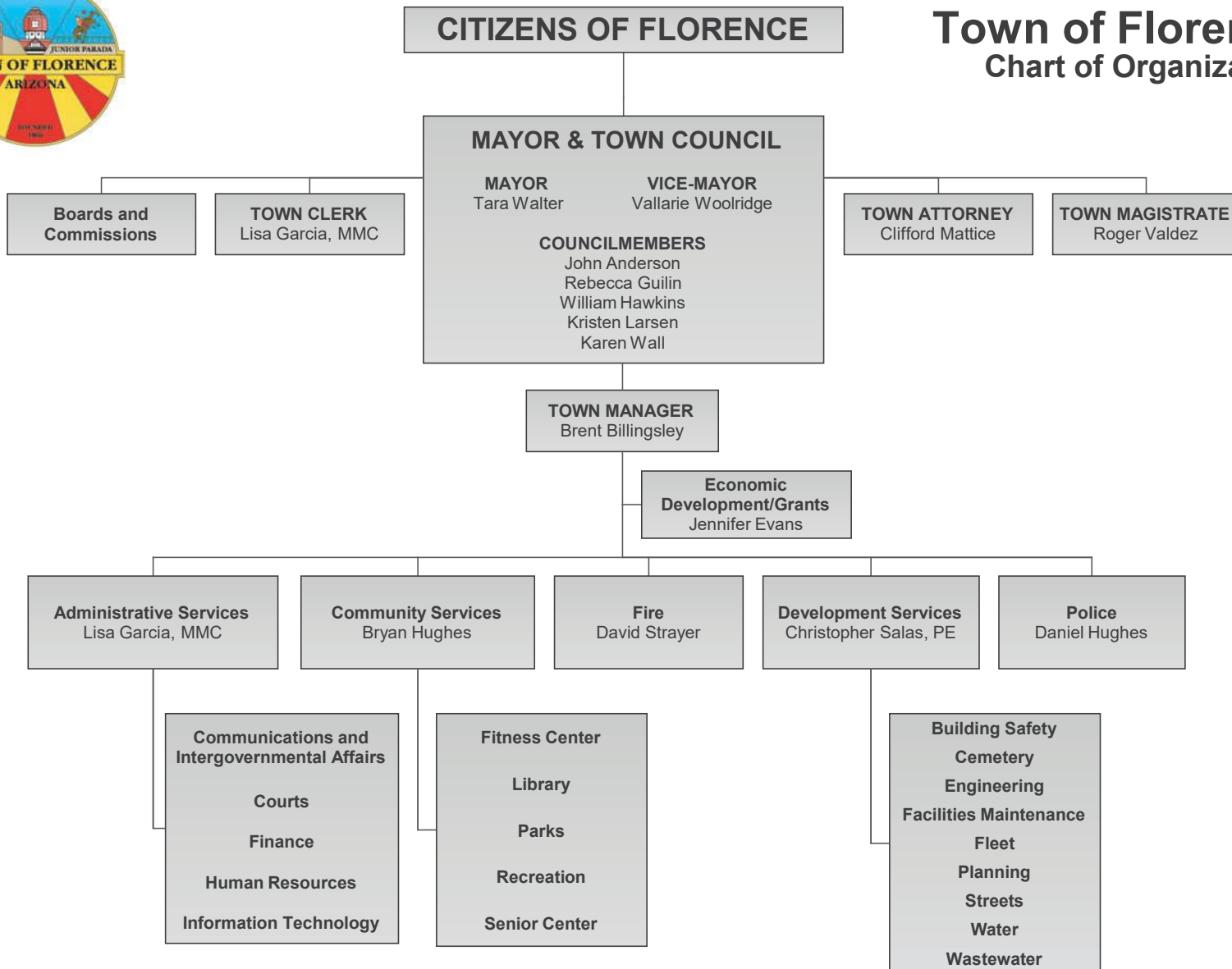
Senior Management

Lisa Garcia – Deputy Town Manager/Town Clerk
Benjamin Bitter – Assistant Town Manager
Scott Barber – Human Resources Director
Chris Salas – Public Works Director
Chris Salas – Community Development Director
Bryan Hughes – Library Director
Bryan Hughes – Parks & Recreation Director
Joe Jarvis – Finance Director
Daniel Hughes – Police Chief
David Strayer – Fire Chief



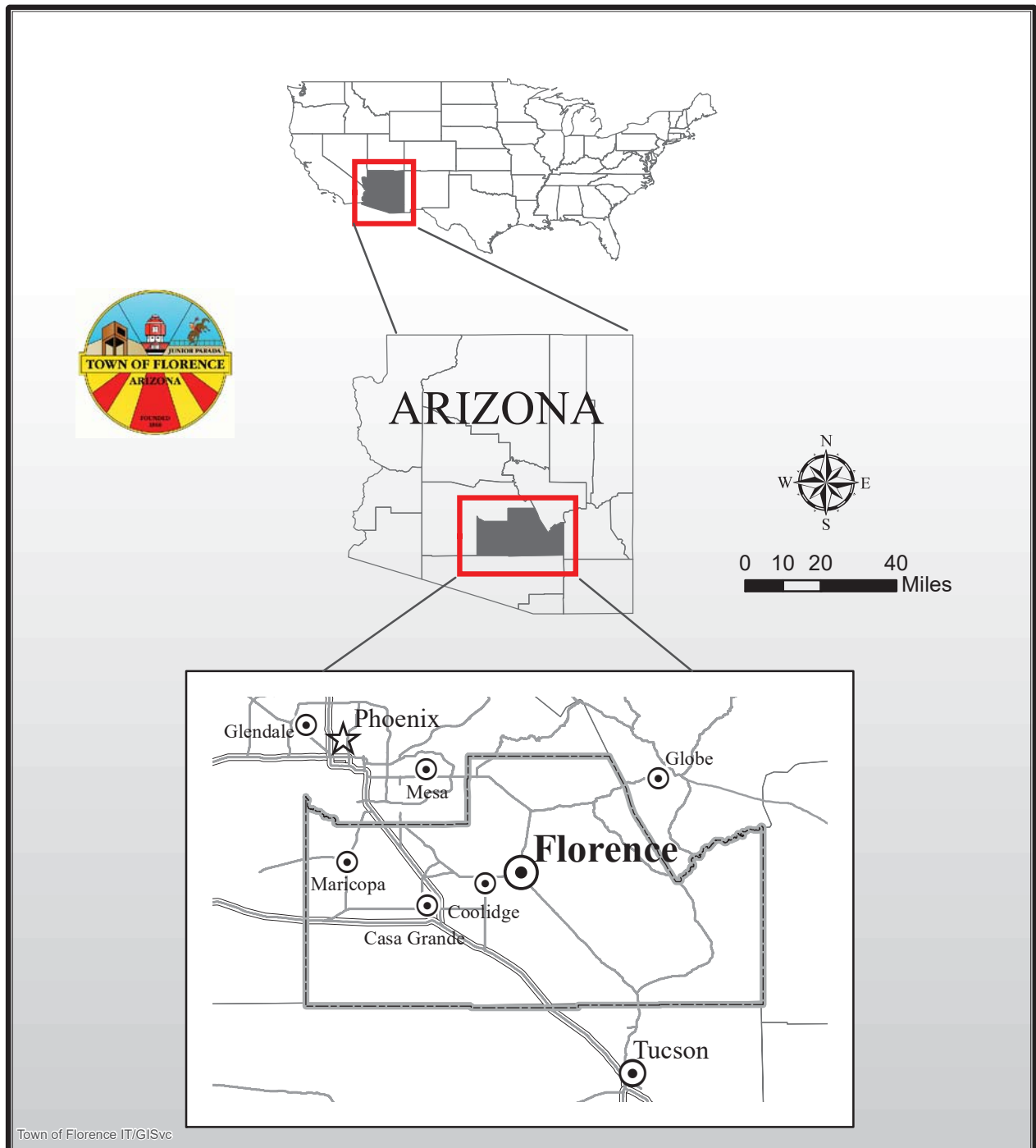
Town of Florence

Chart of Organization



TOWN OF FLORENCE

PINAL COUNTY, ARIZONA LOCATION MAP



FINANCIAL SECTION





Independent Auditors' Report

To the Honorable Mayor and Town Council of
Town of Florence
Florence, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Florence, Arizona (the Town), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Compliance over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the Town failed to use highway user revenue fund monies the Town received pursuant to Arizona Revised Statutes, Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues the Town received solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Town Council, management, and other responsible parties within the Town and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated March 29, 2019 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at future date. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Fester & Chapman, PLLC

March 29, 2019



FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

(Required Supplementary Information)



Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

INTRODUCTION

As management of the Town of Florence, we offer readers of the Town of Florence's financial statements this narrative overview and analysis of the financial activities of the Town of Florence for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Town exceeded its liabilities and deferred outflows at the close of the most recent fiscal year by \$143.9 million (net position). Of this amount, \$26.2 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased \$4.7 million, from \$139.1 million to \$143.9 million, which represents a 3 percent increase from the prior fiscal year. Net position in governmental activities increased \$3.4 million as the Town spent money to improve roadway infrastructure and net position in business-type activities increased \$1.4 million with assets increasing due to investment in infrastructure and an increase in both personnel costs.
- At the close of the current fiscal year, the Town's governmental funds reported combined fund balances of \$42.3 million, an increase of \$4.3 million in comparison with the prior year. This is primarily due to an investment in infrastructure and impact fee revenue, as well as, Community Facilities District (CFD) receivables and CFD infrastructure.
- Approximately 24 percent or \$10.2 million of the combined ending fund balances constitutes unassigned fund balance, which is available for spending at the Town's discretion.
- The Town's investment in capital assets (net of depreciation) decreased \$163,685.
- At the end of the current fiscal year, the Town had \$27.4 million in debt outstanding compared to \$25.9 million last year. The Town issued \$3.2 million in bond proceeds for CFD. Unassigned fund balance for the General Fund was \$10.2 million, or approximately 73 percent of total General Fund expenditures.
- The Town's total outstanding long-term debt increased by \$1.5 million during the current fiscal year primarily due to CFD financing of infrastructure.

Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements are designed to provide readers with a broad overview of the Town of Florence's finances, in a manner that is similar to a private-sector business.

The *Statement of Net Position* presents information on the Town's assets, liabilities and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the Town's privilege tax or property tax base or the condition of roads, parks and libraries to accurately assess the overall health of the Town.

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future period (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements differentiate functions of the Town that are primarily supported by taxes and intergovernmental revenues (governmental activities) from those functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, culture and recreation, and community development. The business-type activities of the Town include water, sewer and sanitation utility services.

The government-wide financial statements include the Town itself and the Merrill Ranch Community Facilities District No. 1 and Merrill Ranch Community Facilities District No. 2 blended component units.

The government-wide financial statements can be found on pages 17 - 19 of this report.

Fund financial statements follow the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term

Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the impact of the Town's near-term financing decisions. Both the governmental funds balance sheet and governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 13 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Highway User Revenue Fund, Community Facilities District Debt Service Fund, Community Facilities District Capital Improvements Fund, Impact Fees Fund and the Capital Improvements Fund, all of which are major funds. Data from the remaining 7 governmental funds are aggregated into a single "non-major governmental funds" column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22 - 23 and 26 - 27 of this report.

The Town adopts an annual appropriated budget for all funds, except fiduciary funds. To demonstrate compliance, a budgetary comparison statement is provided for the General Fund and the Highway User Revenue Fund. Similar budgetary compliance schedules are provided for the other funds elsewhere in this report.

Proprietary funds are used to report the same functions as presented in the business-type activities in the government-wide financial statements. The Town uses enterprise funds, a type of proprietary fund, to account for the water, sewer and sanitation utility functions. Proprietary fund financial statements provide information on the Water Utility Fund, Sewer Utility Fund and Sanitation Utility Fund and with the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 32 - 35 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 37 - 38 of this report.

Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-72 of this report.

Combining statements (referred to earlier as with non-major governmental funds) are presented immediately following the notes to the financial statements. Combining statements and individual fund schedules can be found on pages 80-83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$143.9 million at the close of the most recent fiscal year.

The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2018 and 2017.

	Governmental Activities		Business-type Activities		Total Government	
	2018	2017 restated	2018	2017	2018	2017
Current and other assets	\$ 52,432,455	\$ 46,111,438	\$ 20,905,336	\$ 20,579,032	\$ 73,337,791	\$ 66,690,470
Capital assets, net	91,694,703	91,930,205	19,429,846	19,358,029	111,124,549	111,288,234
Total assets, net	<u>144,127,158</u>	<u>138,041,643</u>	<u>40,335,182</u>	<u>39,937,061</u>	<u>184,462,340</u>	<u>177,978,704</u>
Deferred outflows of resources	<u>2,993,518</u>	<u>3,893,876</u>	<u>174,587</u>	<u>290,161</u>	<u>3,168,105</u>	<u>4,184,037</u>
Long-term liabilities outstanding	32,977,802	31,890,373	4,827,541	4,805,098	37,805,343	36,695,471
Other liabilities	<u>3,729,573</u>	<u>1,915,678</u>	<u>328,228</u>	<u>1,326,346</u>	<u>4,057,801</u>	<u>3,242,024</u>
Total liabilities	<u>36,707,375</u>	<u>33,806,051</u>	<u>5,155,769</u>	<u>6,131,444</u>	<u>41,863,144</u>	<u>39,937,495</u>
Deferred inflows of resources	<u>1,713,956</u>	<u>1,915,741</u>	<u>172,641</u>	<u>266,017</u>	<u>1,886,597</u>	<u>2,181,758</u>
Net investment in capital assets	72,398,506	73,657,354	15,973,435	15,416,500	88,371,941	89,073,854
Restricted	31,839,643	29,399,230	3,206,134	3,057,946	35,045,777	32,457,176
Unrestricted	<u>4,461,196</u>	<u>2,262,889</u>	<u>16,001,790</u>	<u>15,355,315</u>	<u>20,462,986</u>	<u>17,618,204</u>
Total net position	<u>\$ 108,699,345</u>	<u>\$ 105,319,473</u>	<u>\$ 35,181,359</u>	<u>\$ 33,829,761</u>	<u>\$ 143,880,704</u>	<u>\$ 139,149,234</u>

*Net position classifications were restated for comparability purpose.

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, improvements, machinery, equipment, and construction in progress), less any related outstanding debt that was used to acquire those assets. The Town uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

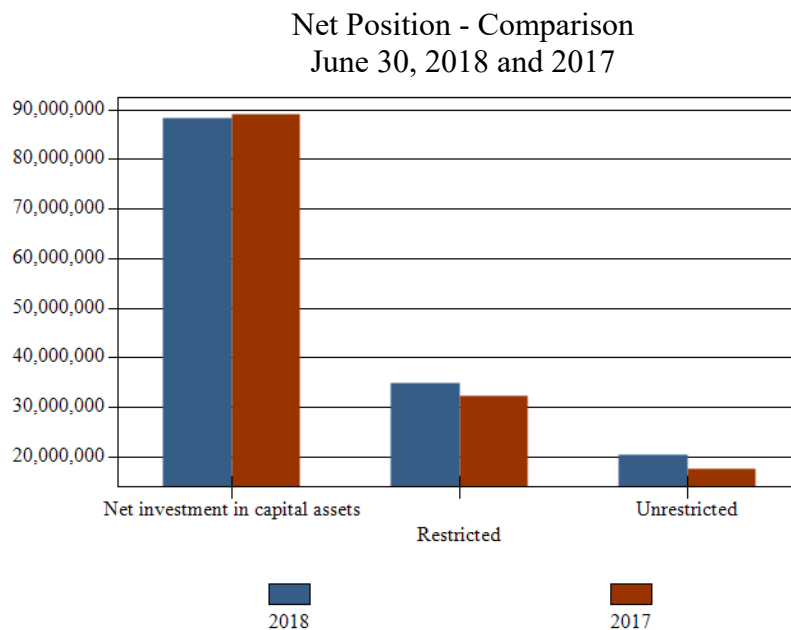
Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used.

Total governmental activities liabilities had a net increase of \$2.9 million primarily due to notes payable and CFD infrastructure financing.

As illustrated in both the table above and table below, the Town's overall financial position showed an increase in net position during this fiscal year as reflected by increased fiscal conservativeness by the Town.

The Town's total net position increased \$4.7 million from \$139.1 million to \$143.9 million. Net position in governmental activities increased \$3.4 million going from \$105.3 million to \$108.7 million. Net position in business-type activities increased \$1.4 million from \$33.8 million to \$35.2 million.



During the fiscal year, net position increased \$4.7 million from the prior fiscal year for an ending balance of \$143.9 million.

The Town's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Changes in net position - The Town's total revenues for the fiscal year ended June 30, 2018 were \$31.3 million. The total cost of all programs and services was \$26.6 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and 2017.

Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

	Governmental Activities		Business-type Activities		Total Government	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2018	2017 restated	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 4,352,718	\$ 2,144,756	\$ 7,737,962	\$ 7,935,661	\$ 12,090,680	\$ 10,080,417
Operating grants and contributions	3,355,713	3,671,227			3,355,713	3,671,227
Capital grants and contributions	512,720	1,883,838	4,120	24,238	516,840	1,908,076
General revenues:						
Property taxes	2,446,349	2,133,736			2,446,349	2,133,736
Town sales taxes for general purposes	4,611,413	4,392,219			4,611,413	4,392,219
Other taxes	631,107	617,196			631,107	617,196
Share of state sales taxes	2,478,688	2,805,600			2,478,688	2,805,600
Share of state urban revenue sharing	3,192,974	3,806,084			3,192,974	3,806,084
Share of state vehicle license tax	1,498,824	1,664,532			1,498,824	1,664,532
Investment income	154,851	46,699	66,060	44,885	220,911	91,584
Other	<u>233,113</u>	<u>166,374</u>	<u>49,151</u>	<u>57,223</u>	<u>282,264</u>	<u>223,597</u>
Total revenues	<u>23,468,470</u>	<u>23,332,261</u>	<u>7,857,293</u>	<u>8,062,007</u>	<u>31,325,763</u>	<u>31,394,268</u>
Expenses:						
General government	3,349,953	4,048,228			3,349,953	4,048,228
Public safety	7,731,003	9,109,350			7,731,003	9,109,350
Highways and streets	4,038,910	4,148,226			4,038,910	4,148,226
Public works	567,470	827,149			567,470	827,149
Culture and recreation	2,409,680	2,358,257			2,409,680	2,358,257
Community development	1,865,240	873,892			1,865,240	873,892
Interest on long-term debt	1,134,030	1,333,967			1,134,030	1,333,967
Water			2,350,125	1,441,641	2,350,125	1,441,641
Sewer			2,263,515	2,094,994	2,263,515	2,094,994
Sanitation			<u>884,367</u>	<u>863,346</u>	<u>884,367</u>	<u>863,346</u>
Total expenses	<u>21,096,286</u>	<u>22,699,069</u>	<u>5,498,007</u>	<u>4,399,981</u>	<u>26,594,293</u>	<u>27,099,050</u>
Increase in net position before transfers	2,372,184	633,192	2,359,286	3,662,026	4,731,470	4,295,218
Transfers	<u>1,007,688</u>	<u>1,050,588</u>	<u>(1,007,688)</u>	<u>(1,050,588)</u>		
Change in net position	3,379,872	1,683,780	1,351,598	2,611,438	4,731,470	4,295,218
Net position, beginning, restated	<u>105,319,473</u>	<u>103,635,693</u>	<u>33,829,761</u>	<u>31,218,323</u>	<u>139,149,234</u>	<u>134,854,016</u>
Net position, ending	<u>\$ 108,699,345</u>	<u>\$ 105,319,473</u>	<u>\$ 35,181,359</u>	<u>\$ 33,829,761</u>	<u>\$ 143,880,704</u>	<u>\$ 139,149,234</u>

*Net position classifications were restated for comparability purpose.

The following are significant transactions that have had an impact on the change in net position during the fiscal year ended June 30, 2018.

- Charges for services increased \$2.0 million primarily due Community Facilities District (CFD) collections for Assessments prepayments.
- Operating grants and contributions decreased by \$315,514 primarily due to a non-funding year related to CDBG.
- Property taxes increased \$312,613 due to the primary property tax levy impacted by property values increasing and CFD General Obligation (GO) levy.

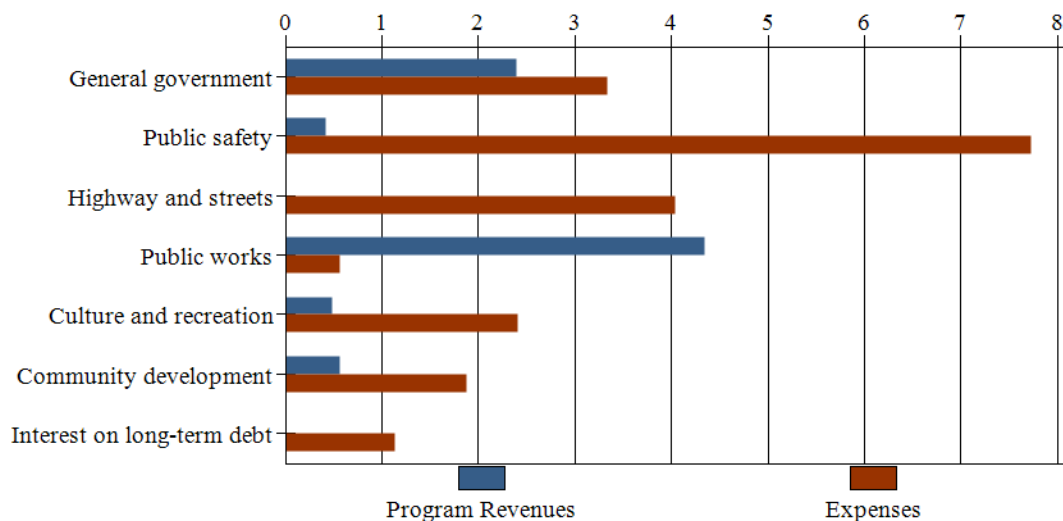
Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

- Town sales taxes for general purposes increased \$219,194 due to an increase in construction.
- State shared sales tax decreased by \$326,912 due to a decrease in the correction of population count for Florence at the State level.
- Grants and contributions not restricted for specific programs decreased by \$1.4 million primarily due to census corrections.
- The decrease of \$1.4 million in the public safety expenditures primarily was due to schedule change in fire and unfilled positions.

The following table presents the cost of the Town's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid and contributions provided for specific programs). The net cost shows the financial burden that was placed on the state and Town's taxpayers by each of these functions.

Governmental Activities	2018		2017	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 3,349,953	\$ (951,714)	\$ 4,048,228	\$ (2,612,252)
Public safety	7,731,003	(7,300,305)	9,109,350	(8,666,368)
Highway and streets	4,038,910	(4,038,910)	4,148,226	(756,908)
Public works	567,470	3,798,819	827,149	557,726
Culture and recreation	2,409,680	(1,957,396)	2,358,257	(2,345,687)
Community development	1,865,240	(1,291,599)	873,892	158,208
Interest on long-term debt	1,134,030	(1,134,030)	1,333,967	(1,333,967)
Total	<u>\$ 21,096,286</u>	<u>\$ (12,875,135)</u>	<u>\$ 22,699,069</u>	<u>\$ (14,999,248)</u>

Expenses and Program Revenues - by category (in millions)
Year ended June 30, 2018



Town of Florence, Arizona
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Year ended June 30, 2018

- The cost of all governmental activities this year was \$21.1 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$7.7 million.
- Net cost of governmental activities of \$12.9 million was financed by general revenues, which are made up primarily of taxes of \$8 million, shared state tax revenues of \$2.5 million, and grants and contributions not restricted to specific programs of \$0.1 million.

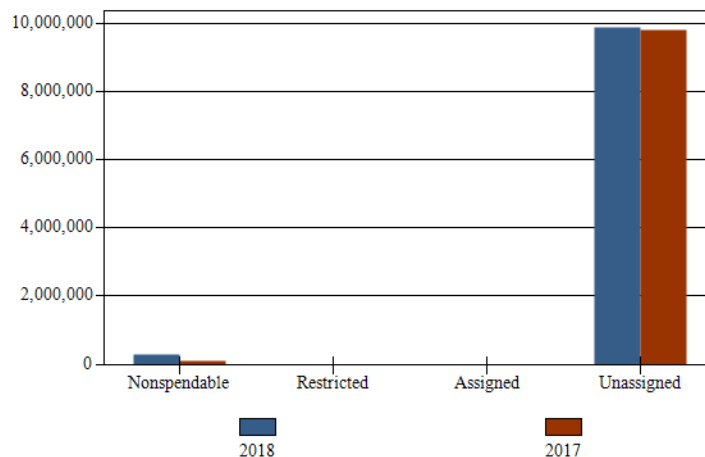
FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town Council.

At June 30, 2018, the Town's governmental funds reported a combined fund balance of \$42.3 million, an increase of \$4.4 million in comparison with the prior year. Approximately 24 percent of this amount (\$10.2 million) constitutes *unassigned fund balance*, which is available for spending at the Town's discretion. The remainder of fund balance is (1) not in spendable form (\$473,940) and (2) restricted for particular purposes (\$31.6 million).

Components of Fund Balance - General Fund
June 30, 2018 and 2017



Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10.2 million, while total fund balance increased to \$10.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 74 percent of total General Fund expenditures, while total fund balance represents approximately 76 percent of that same amount.

The fund balance of the Town's General Fund increased \$603,126 during the current fiscal year. The increase was due primarily to an increase in intergovernmental revenues.

Highway User Revenue Fund. The Highway User Revenue Fund, a major fund, ended the current year with a total fund balance of \$10.3 million, fund balance. Revenues must be used for streets and highway purposes.

Impact Fees Fund. The Impact Fees Fund, a major fund, ended the current year with a total fund balance of \$1.9 million, an increase of \$483,071. This increase is primarily due to residential construction.

Capital Improvements Fund. The Capital Improvements Fund, a major fund, ended the current year with a total fund balance of \$6.7 million, an increase of \$2.0 million over the prior year. This increase is primarily due to the Town did not complete significant capital projects.

Proprietary funds - The Town of Florence's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for each fund at the end of the year is as follows: Water (\$7.7 million), Sewer (\$9.5 million) and Sanitation (\$1.2 million). The unrestricted net position of each fund consists of a majority of their respective total net positions.

Total net position in the Water Utility Fund grew by \$893,652. Although operating revenue decreased by \$41,233, operating expenses increased \$908,484.

The total net position in the Sewer Utility fund grew by \$513,841. Although operating revenue decreased by \$220,441, operating expenses, increased by \$174,535.

Total net position decreased in the Sanitation Fund by \$55,895 mainly due to a transfer out of \$52,344. The Town of Florence outsourced the operation several years ago and is phasing out of this proprietary operation, as the operation is liquidated the net position will decrease.

Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

GENERAL FUND BUDGETARY HIGHLIGHTS

The significant difference between estimated revenues and expenditures and actual revenues and expenditures for the General Fund were as follows:

- Intergovernmental revenues exceeded estimates by \$119,391 due to the increase in state shared sales tax revenues.
- Charge for service revenues exceeded estimates by \$287,729 due to Community Facilities Districts (CFD) collections for Assessment's prepayments.
- The decrease of \$705,551 in the general government expenditures was mainly due to Public safety and Community development expenditures in the General Fund.
- Public safety (police expenditures) were \$422,795 less than budgeted due to unfilled positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets - The Town's investment in capital assets as of June 30, 2018 totaled \$111.1 million (net of accumulated depreciation). This investment includes land, infrastructure, buildings, improvements, machinery, equipment, and construction in progress. The total increase in capital assets for the current fiscal year was approximately 18 percent.

The following schedule presents a summary of capital asset balances (net of accumulated depreciation) as of June 30, 2018 and 2017.

	Governmental Activities		Business-type Activities		Total Government	
	2018	2017 restated	2018	2017	2018	2017
Land	\$ 32,546,409	\$ 32,546,409	\$ 394,073	\$ 394,073	\$ 32,940,482	\$ 32,940,482
Buildings, infrastructure and improvements	55,104,306	56,699,859	17,268,452	17,944,989	72,372,758	74,644,848
Vehicles, furniture and equipment	2,275,875	2,511,566	561,560	575,850	2,837,435	3,087,416
Construction in progress	1,768,113	172,371	1,205,761	443,117	2,973,874	615,488
Total capital assets, net	<u>\$ 91,694,703</u>	<u>\$ 91,930,205</u>	<u>\$ 19,429,846</u>	<u>\$ 19,358,029</u>	<u>\$ 111,124,549</u>	<u>\$ 111,288,234</u>

Major capital asset events during the current fiscal year included a decrease in buildings, infrastructure, and improvements of \$2.3 million. In addition, a decrease in vehicles, furniture and equipment. However, an increase of \$2.4 million in construction in progress.

Additional information on the Town's capital assets can be found in Note 4 in the notes to the financial statements.

Long-term debt - At the end of the current fiscal year, the Town had \$27.4 million in debt outstanding compared to \$25.9 million last fiscal year end. A large portion of the debt listed below consists of general obligation bonds - CFDs (\$11.2 million) and special assessment bonds (\$8.0 million) of the Town's component units, Merrill Ranch Community Facilities Districts No. 1 and No. 2. The Town has notes outstanding of \$3.7 million at fiscal year-end.

Town of Florence, Arizona
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2018

	Governmental Activities		Business-type Activities		Total Government	
	2018	2017 restated	2018	2017	2018	2017
General obligation bonds - CFDs	\$ 11,225,000	\$ 10,125,000	\$ -	\$ -	\$ 11,225,000	\$ 10,125,000
Excise tax revenue obligation	4,436,000	4,740,000	-	-	4,436,000	4,740,000
Special assessment debt - CFDs	8,048,566	6,616,113	-	-	8,048,566	6,616,113
Special assessment debt - Town	-	154,000	-	-	-	154,000
Notes payable	<u>236,715</u>	<u>289,116</u>	<u>3,456,411</u>	<u>3,941,530</u>	<u>3,693,126</u>	<u>4,230,646</u>
Total long-term debt	<u>\$ 23,946,281</u>	<u>\$ 21,924,229</u>	<u>\$ 3,456,411</u>	<u>\$ 3,941,530</u>	<u>\$ 27,402,692</u>	<u>\$ 25,865,759</u>

Additional information on the Town's long-term debt can be found in Notes 6 - 7 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's unemployment rate is 5.4 percent. This is what has been recorded in the previous fiscal year. Most of the General Fund's resources come from state-shared revenues (52%). As with all Arizona municipalities, the Town receives those revenues based on population. More than half of the Town's population is comprised of prisoners in correctional facilities located within Town limits. Local sales tax is the next largest source of revenue in General Fund (21%). Budgetary estimates for the Town's state-shared revenues are provided by the League of Arizona Cities and Towns, which are based on estimates obtained from the state.

A water and sewer rate study, which provides recommended rates are to be escalated annually. The initial water and sewer rate study is to be in July 2018. It should be noted that the Town Council did not raise rates the past two fiscal years. A water and sewer rate study will be updated in April 2019-2022.

The Town's total budget for FY2018 is \$38.1 million, which includes expenditures within the Community Facilities District.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Florence's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Florence - Finance Department, P.O. Box 2670, Florence Arizona 85132 or by email at finance@florenceaz.gov.



FINANCIAL SECTION
BASIC FINANCIAL STATEMENTS



FINANCIAL SECTION
GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Florence, Arizona
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 36,115,853	\$ 19,912,873	\$ 56,028,726
Receivables (net of allowance for uncollectibles)	308,700	876,149	1,184,849
Special assessment receivable	6,907,180	-	6,907,180
Due from other governments	920,790	-	920,790
Internal balances	(116,314)	116,314	-
Prepays	473,940	-	473,940
Restricted cash equivalents	7,822,306	-	7,822,306
Capital assets, not being depreciated	34,314,522	1,599,834	35,914,356
Capital assets, being depreciated, net	<u>57,380,181</u>	<u>17,830,012</u>	<u>75,210,193</u>
Total assets	144,127,158	40,335,182	184,462,340
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related pensions	<u>2,993,518</u>	<u>174,587</u>	<u>3,168,105</u>
Total deferred outflows of resources	2,993,518	174,587	3,168,105
LIABILITIES			
Accounts payable and other current liabilities	1,347,650	99,949	1,447,599
Accrued wages and benefits	528,210	27,463	555,673
Customer deposits	5,624	133,767	139,391
Accrued interest payable	564,814	55,303	620,117
Other accrued liabilities	1,283,275	11,746	1,295,021
Noncurrent liabilities:			
Due within 1 year	2,448,754	534,423	2,983,177
Due in more than 1 year	<u>30,529,048</u>	<u>4,293,118</u>	<u>34,822,166</u>
Total liabilities	36,707,375	5,155,769	41,863,144
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>1,713,956</u>	<u>172,641</u>	<u>1,886,597</u>
Total deferred inflows of resources	1,713,956	172,641	1,886,597
NET POSITION			
Net investment in capital assets	72,398,506	15,973,435	88,371,941
Restricted for:			
Debt service	4,005,956	3,050,008	7,055,964
Highways and streets	10,307,195	-	10,307,195
Capital projects	16,667,457	156,126	16,823,583
Community development	428,334	-	428,334
Community facilities	339,423	-	339,423
Public safety	91,278	-	91,278
Unrestricted	<u>4,461,196</u>	<u>16,001,790</u>	<u>20,462,986</u>
Total net position	<u>\$ 108,699,345</u>	<u>\$ 35,181,359</u>	<u>\$ 143,880,704</u>

See accompanying notes to financial statements.

Town of Florence, Arizona
Statement of Activities
Year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 3,349,953	\$ 2,398,239	\$ -	\$ -
Public safety	7,731,003	241,362	189,336	-
Highways and streets	4,038,910	-	-	-
Public works	567,470	1,200,201	3,166,088	-
Culture and recreation	2,409,680	451,995	289	-
Community development	1,865,240	60,921	-	512,720
Interest on long-term debt	<u>1,134,030</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>21,096,286</u>	<u>4,352,718</u>	<u>3,355,713</u>	<u>512,720</u>
Business-type activities:				
Water	2,350,125	2,914,294	-	1,980
Sewer	2,263,515	3,943,049	-	2,140
Sanitation	<u>884,367</u>	<u>854,067</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>5,498,007</u>	<u>7,711,410</u>	<u>-</u>	<u>4,120</u>
Total primary government	<u>\$ 26,594,293</u>	<u>\$ 12,064,128</u>	<u>\$ 3,355,713</u>	<u>\$ 516,840</u>

General revenues:

Property taxes
Sales and use taxes
Franchise taxes
Shared revenues
State sales taxes
Urban revenue sharing
Auto-in-lieu
Investment income
Miscellaneous

Transfers in (out)

Total general revenues and
transfers

Change in net position
Net position, beginning of year, as
restated
Net position, end of year

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (951,714)	\$ -	\$ (951,714)
(7,300,305)	-	(7,300,305)
(4,038,910)	-	(4,038,910)
3,798,819	-	3,798,819
(1,957,396)	-	(1,957,396)
(1,291,599)	-	(1,291,599)
<u>(1,134,030)</u>	<u>-</u>	<u>(1,134,030)</u>
<u>(12,875,135)</u>	<u>-</u>	<u>(12,875,135)</u>
-	(566,149)	566,149
-	1,681,674	1,681,674
<u>-</u>	<u>(30,300)</u>	<u>(30,300)</u>
<u>-</u>	<u>2,217,523</u>	<u>2,217,523</u>
<u>(12,875,135)</u>	<u>2,217,523</u>	<u>(10,657,612)</u>
2,446,349	-	2,446,349
4,611,413	-	4,611,413
631,107	-	631,107
2,478,688	-	2,478,688
3,192,974	-	3,192,974
1,498,824	-	1,498,824
154,851	71,048	225,899
233,113	70,715	303,828
<u>1,007,688</u>	<u>(1,007,688)</u>	<u>-</u>
<u>16,255,007</u>	<u>(865,925)</u>	<u>15,389,082</u>
3,379,872	1,351,598	4,731,470
<u>105,319,473</u>	<u>33,829,761</u>	<u>139,149,234</u>
<u>\$ 108,699,345</u>	<u>\$ 35,181,359</u>	<u>\$ 143,880,704</u>



FINANCIAL SECTION
FUND FINANCIAL STATEMENTS
Governmental Fund Financial Statements

Town of Florence, Arizona
Balance Sheet - Governmental Funds
June 30, 2018

	General Fund	Highway user Fund	Community Facilities Districts - Debt Service Fund
ASSETS			
Cash and investments	\$ 11,231,377	\$ 6,670,554	\$ 4,314,022
Receivables (net of allowance for uncollectibles)	235,120	1,078	6,908,069
Due from other governments	640,372	279,529	-
Due from other funds	169,917	671,738	54,652
Prepays	273,960	-	199,980
Restricted cash and cash equivalents	-	3,547,720	636,662
Total assets	<u>\$ 12,550,746</u>	<u>\$ 11,170,619</u>	<u>12,113,385</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 668,157	\$ 671,738	\$ -
Accrued wages and benefits	503,164	24,640	-
Customer deposits	5,624	-	-
Due to other funds	843,495	-	183,100
Other liabilities	30,250	165,968	1,084,482
Total liabilities	<u>2,050,690</u>	<u>862,346</u>	<u>1,267,582</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	1,078	6,906,206
Total deferred inflows of resources	<u>-</u>	<u>1,078</u>	<u>6,906,206</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	273,960	-	199,980
Restricted:			
Public safety	-	-	-
Debt service	-	-	3,739,617
Capital projects	-	3,547,720	-
Highways and streets	-	6,759,475	-
Economic development	-	-	-
Community Facilities Districts operations	-	-	-
Unassigned	10,226,096	-	-
Total fund balances	<u>10,500,056</u>	<u>10,307,195</u>	<u>3,939,597</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,550,746</u>	<u>\$ 11,170,619</u>	<u>\$ 12,113,385</u>

See accompanying notes to financial statements.

Community Facilities Districts - Capital Improvements Fund	Impact Fees Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 497,874	\$ 1,846,831	\$ 6,699,354	\$ 4,855,841	\$ 36,115,853
-	199	652	71,651	7,216,769
-	-	-	-	919,901
61,469	5,020	-	69,941	1,032,737
-	-	-	-	473,940
3,637,924	-	-	-	7,822,306
<u>\$ 4,197,267</u>	<u>\$ 1,852,050</u>	<u>\$ 6,700,006</u>	<u>\$ 4,997,433</u>	<u>\$ 53,581,506</u>
\$ -	\$ 5,020	\$ -	\$ 2,735	\$ 1,347,650
-	-	-	406	528,210
-	-	-	-	5,624
-	-	-	122,456	1,149,051
-	-	-	-	1,280,700
<u>-</u>	<u>5,020</u>	<u>-</u>	<u>125,597</u>	<u>4,311,235</u>
<u>-</u>	<u>199</u>	<u>652</u>	<u>71,391</u>	<u>6,979,526</u>
<u>-</u>	<u>199</u>	<u>652</u>	<u>71,391</u>	<u>6,979,526</u>
-	-	-	-	473,940
-	-	-	91,278	91,278
-	-	-	66,359	3,805,976
4,197,267	1,846,831	6,699,354	3,924,005	20,215,177
-	-	-	-	6,759,475
-	-	-	428,334	428,334
-	-	-	339,423	339,423
-	-	-	(48,954)	10,177,142
<u>4,197,267</u>	<u>1,846,831</u>	<u>6,699,354</u>	<u>4,800,445</u>	<u>42,290,745</u>
<u>\$ 4,197,267</u>	<u>\$ 1,852,050</u>	<u>\$ 6,700,006</u>	<u>\$ 4,997,433</u>	<u>\$ 53,581,506</u>



Town of Florence, Arizona
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2018

Fund balances - total governmental funds balance sheet		\$ 42,290,745
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds funds.		
Governmental capital assets	\$ 127,211,901	
Less accumulated depreciation	<u>(35,517,198)</u>	91,694,703
Deferred revenue is shown on the governmental funds, but is not deferred on the Statement of Net Position.		
Special assessments		6,979,526
Long-term liabilities, including net pension liabilities, bonds payable, and their related costs, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	(8,312,861)	
Compensated absences	(451,258)	
Bonds payables	(23,709,566)	
Notes payable	(236,715)	
Premiums	<u>(267,402)</u>	(32,977,802)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	2,993,518	
Deferred inflows of resources related to pensions	<u>(1,713,956)</u>	1,279,562
Interest payable on long-term debt is not reported in the governmental funds		
		<u>(567,389)</u>
Net position of governmental activities		<u>\$ 108,699,345</u>

See accompanying notes to financial statements.

Town of Florence, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2018

	General Fund	Highway User Fund	Community Facilities Districts - Debt Service Fund	Community Facilities Districts - Capital Improvements Fund
REVENUES				
Sales taxes	\$ 2,965,739	\$ -	\$ -	\$ -
Property taxes	1,009,480	-	1,315,409	-
Franchise fees	631,107	-	-	-
Licenses and permits	768,691	-	-	-
Intergovernmental revenues	7,170,486	3,166,088	-	-
Charges for services	975,119	-	-	-
Fines and forfeits	160,251	-	-	-
Special assessments	-	-	1,242,454	-
Investment income	49,177	27,550	16,370	15,224
Contribution and donations	17,478	-	-	-
Miscellaneous	128,092	16,929	-	-
Total revenues	<u>13,875,620</u>	<u>3,210,567</u>	<u>2,574,233</u>	<u>15,224</u>
EXPENDITURES				
Current:				
General government	3,637,529	-	71,420	386,454
Public safety	6,802,996	-	-	-
Highways and streets	-	2,291,343	-	-
Public works	548,481	-	-	-
Culture and recreation	2,255,606	-	-	-
Community development	617,458	-	-	-
Capital outlay	-	1,744,551	-	1,081,765
Debt service:				
Principal	-	385,000	645,884	-
Interest and fiscal charges	-	100,955	902,655	-
Total expenditures	<u>13,862,070</u>	<u>4,521,849</u>	<u>1,619,959</u>	<u>1,468,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,550</u>	<u>(1,311,282)</u>	<u>954,274</u>	<u>(1,452,995)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	1,327,283	9,900	172,610	58,678
Transfers out	(737,707)	(261,996)	-	(147,396)
General obligation bonds issued	-	-	-	1,440,000
Premium on general obligation bonds	-	-	-	98,437
Special assessment bonds issued	-	-	-	1,723,950
Sales of capital assets	-	1,624	-	-
Total other financing sources (uses)	<u>589,576</u>	<u>(250,472)</u>	<u>172,610</u>	<u>3,173,669</u>
Net change in fund balances	603,126	(1,561,754)	1,126,884	1,720,674
Fund balances, beginning of year, as restated	<u>9,896,930</u>	<u>11,868,949</u>	<u>2,812,713</u>	<u>2,476,593</u>
Fund balances, end of year	<u>\$ 10,500,056</u>	<u>\$ 10,307,195</u>	<u>\$ 3,939,597</u>	<u>\$ 4,197,267</u>

See accompanying notes to financial statements.

Impact Fees Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 1,522,358	\$ 123,316	\$ 4,611,413
-	-	121,460	2,446,349
-	-	-	631,107
-	-	-	768,691
-	-	189,625	10,526,199
512,720	-	-	1,487,839
-	-	15,981	176,232
-	-	60,921	1,303,375
6,536	20,156	19,838	154,851
-	-	-	17,478
-	-	118,965	263,986
<u>519,256</u>	<u>1,542,514</u>	<u>650,106</u>	<u>22,387,520</u>
-	4,586	130,443	4,230,432
-	61,878	227,150	7,092,024
-	-	-	2,291,343
-	-	18,989	567,470
-	5,277	8,275	2,269,158
36,185	69,750	92,743	816,136
-	-	-	2,826,316
-	-	125,401	1,156,285
-	-	30,360	1,033,970
<u>36,185</u>	<u>141,491</u>	<u>633,361</u>	<u>22,283,134</u>
<u>483,071</u>	<u>1,401,023</u>	<u>16,745</u>	<u>104,386</u>
-	680,350	102,605	2,351,426
-	(69,748)	(126,891)	(1,343,738)
-	-	-	1,440,000
-	-	-	98,437
-	-	-	1,723,950
-	-	-	1,624
<u>-</u>	<u>610,602</u>	<u>(24,286)</u>	<u>4,271,699</u>
483,071	2,011,625	(7,541)	4,376,085
<u>1,363,760</u>	<u>4,687,729</u>	<u>4,807,986</u>	<u>37,914,660</u>
<u>\$ 1,846,831</u>	<u>\$ 6,699,354</u>	<u>\$ 4,800,445</u>	<u>\$ 42,290,745</u>

Town of Florence, Arizona
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Government-wide Statement of Activities
Year ended June 30, 2018

Net change in fund balances - total governmental funds \$ 4,376,085

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, assets contributed to the Town are not reported in the fund statements but are reported in the Statement of Activities.

Capital outlay	\$ 2,913,363	
Depreciation expense	<u>(3,127,215)</u>	(213,852)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues received in the current year that were accrued in the Statement of Activities in the prior years are reported as revenues in the funds.

Special assessments	1,125,351	
Sale of property	<u>(21,650)</u>	1,103,701

Interest expense in the Statement of Activities differs from the amount reported in governmental funds because accrued interest was calculated for outstanding debt for the Statement of Activities, but is expensed when due for the governmental fund statements. (100,060)

Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities.

Town pension contributions	1,127,637	
Pension expense	<u>(831,439)</u>	296,198

Repayment of long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Issuance of bond debt	(3,277,937)	
Note payable principal retirement	52,401	
Bond principal retirement	1,105,047	
Amortization of bond premium	<u>11,537</u>	(2,108,952)

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 26,752

Change in net position of governmental activities \$ 3,379,872

See accompanying notes to financial statements.

Town of Florence, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual
General Fund
Year ended June 30, 2018

	Budgeted Amounts		Actual amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 2,975,000	\$ 2,975,000	\$ 2,965,739	\$ (9,261)
Property taxes	1,017,439	1,017,439	1,009,480	(7,959)
Franchise fees	589,000	589,000	631,107	42,107
Licenses and permits	529,500	529,500	768,691	239,191
Intergovernmental revenues	7,051,095	7,051,095	7,170,486	119,391
Charges for services	687,390	687,390	975,119	287,729
Fines and forfeits	166,100	166,100	160,251	(5,849)
Investment income	100,000	100,000	49,177	(50,823)
Contribution and donations			17,478	17,478
Miscellaneous	47,950	47,950	128,092	80,142
Total revenues	13,163,474	13,163,474	13,875,620	712,146
EXPENDITURES				
Current:				
General government:				
Town council	95,747	95,747	95,493	254
Administration	1,777,063	1,777,063	1,315,607	461,456
Legal	473,844	473,844	888,145	(414,301)
Finance	676,281	676,281	662,691	13,590
Human resources	246,472	246,472	247,856	(1,384)
Information technology	391,974	391,974	427,737	(35,763)
Public safety:				
Courts	198,606	198,606	216,666	(18,060)
Police	3,974,134	3,974,134	3,551,339	422,795
Fire	3,042,730	3,042,730	3,034,991	7,739
Public works				
Engineering	140,130	140,130	88,465	51,665
Facilities maintenance	517,007	517,007	460,016	56,991
Culture and recreation:				
Parks and recreation	2,001,501	2,001,501	1,985,131	16,370
Library	272,568	272,568	261,759	10,809
Cemetery	8,900	8,900	8,716	184
Community development:				
Planning	595,580	595,580	485,617	109,963
Economic development	134,495	134,495	131,841	2,654
Total expenditures	14,547,032	14,547,032	13,862,070	684,962
Excess (deficiency) of revenues over (under) expenditures	(1,383,558)	(1,383,558)	13,550	(1,370,008)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,384,009	1,384,009	1,327,283	(56,726)
Transfers out			(737,707)	(737,707)
Total other financing sources (uses)	1,384,009	1,384,009	589,576	(794,433)
Net change in fund balances	451	451	603,126	602,675
Fund balances, beginning of year	9,896,930	9,896,930	9,896,930	-
Fund balances, end of year	\$ 9,897,381	\$ 9,897,381	\$ 10,500,056	\$ 602,675

See accompanying notes to financial statements.

Town of Florence, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual
Highway User Fund
Year ended June 30, 2018

	Budgeted Amounts		Actual amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,006,882	\$ 3,006,882	\$ 3,166,088	\$ 159,206
Investment income	85,460	85,460	27,550	(57,910)
Miscellaneous	<u>37,664</u>	<u>37,664</u>	<u>16,929</u>	<u>(20,735)</u>
Total revenues	3,130,006	3,130,006	3,210,567	80,561
EXPENDITURES				
Current:				
Highways and streets	7,575,949	7,575,949	2,291,343	5,284,606
Capital outlay			1,744,551	(1,744,551)
Debt service:				
Principal			385,000	(385,000)
Interest and fiscal charges			<u>100,955</u>	<u>(100,955)</u>
Total expenditures	<u>7,575,949</u>	<u>7,575,949</u>	<u>4,521,849</u>	<u>3,054,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,445,943)</u>	<u>(4,445,943)</u>	<u>(1,311,282)</u>	<u>3,134,661</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			9,900	9,900
Transfers out	(261,997)	(261,997)	(261,996)	1
Sale of capital assets			<u>1,624</u>	<u>1,624</u>
Total other financing sources (uses)	<u>(261,997)</u>	<u>(261,997)</u>	<u>(250,472)</u>	<u>11,525</u>
Net change in fund balances	(4,707,940)	(4,707,940)	(1,561,754)	3,146,186
Fund balances, beginning of year	<u>11,868,949</u>	<u>11,868,949</u>	<u>11,868,949</u>	
Fund balances, end of year	<u>\$ 7,161,009</u>	<u>\$ 7,161,009</u>	<u>\$ 10,307,195</u>	<u>\$ 3,146,186</u>

See accompanying notes to financial statements.

FINANCIAL SECTION
FUND FINANCIAL STATEMENTS
Proprietary Fund Financial Statements

Town of Florence, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
ASSETS				
Current assets				
Cash and investments	\$ 8,259,206	\$ 10,333,692	\$ 1,319,975	\$ 19,912,873
Receivables, net of uncollectibles	362,758	458,186	55,205	876,149
Due from other funds	<u>63,614</u>	<u>2,008</u>	<u>50,692</u>	<u>116,314</u>
Total current assets	<u>8,685,578</u>	<u>10,793,886</u>	<u>1,425,872</u>	<u>20,905,336</u>
Noncurrent assets				
Capital assets:				
Land	120,100	273,973	-	394,073
Buildings and improvements	11,615,837	13,256,484	-	24,872,321
Machinery and equipment	975,165	609,124	52,351	1,636,640
Construction in progress	412,785	792,976	-	1,205,761
Less accumulated depreciation	<u>(4,542,042)</u>	<u>(4,106,259)</u>	<u>(30,648)</u>	<u>(8,678,949)</u>
Total capital assets, net	<u>8,581,845</u>	<u>10,826,298</u>	<u>21,703</u>	<u>19,429,846</u>
Total assets	<u>17,267,423</u>	<u>21,620,184</u>	<u>1,447,575</u>	<u>40,335,182</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>88,262</u>	<u>70,825</u>	<u>15,500</u>	<u>174,587</u>
Total deferred outflows of resources	<u>88,262</u>	<u>70,825</u>	<u>15,500</u>	<u>174,587</u>
LIABILITIES				
Current liabilities				
Accounts payable	86,340	2,008	11,601	99,949
Accrued wages and benefits	12,883	11,558	3,022	27,463
Customer deposits	75,130	-	58,637	133,767
Accrued interest payable	-	55,303	-	55,303
Other accrued liabilities	11,700	6	40	11,746
Compensated absences	18,071	9,548	5,821	33,440
Notes payable	<u>-</u>	<u>500,983</u>	<u>-</u>	<u>500,983</u>
Total current liabilities	<u>204,124</u>	<u>579,406</u>	<u>79,121</u>	<u>862,651</u>
Noncurrent liabilities				
Compensated absences	3,189	1,685	1,029	5,903
Notes payable	-	2,955,428	-	2,955,428
Net pension liability	<u>673,283</u>	<u>540,269</u>	<u>118,235</u>	<u>1,331,787</u>
Total noncurrent liabilities	<u>676,472</u>	<u>3,497,382</u>	<u>119,264</u>	<u>4,293,118</u>
Total liabilities	<u>880,596</u>	<u>4,076,788</u>	<u>198,385</u>	<u>5,155,769</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>87,278</u>	<u>70,035</u>	<u>15,328</u>	<u>172,641</u>
Total deferred inflows of resources	<u>87,278</u>	<u>70,035</u>	<u>15,328</u>	<u>172,641</u>
NET POSITION				
Net investment in capital assets	8,581,845	7,369,887	21,703	15,973,435
Restricted for:				
Debt service	-	3,050,008	-	3,050,008
Capital projects	67,396	88,730	-	156,126
Unrestricted	<u>7,738,570</u>	<u>7,035,561</u>	<u>1,227,659</u>	<u>16,001,790</u>
Total net position	<u>\$ 16,387,811</u>	<u>\$ 17,544,186</u>	<u>\$ 1,249,362</u>	<u>\$ 35,181,359</u>

See accompanying notes to financial statements.

Town of Florence, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Sanitation	Total
OPERATING REVENUES				
Water sales	\$ 2,774,041	\$ -	\$ -	\$ 2,774,041
Water connection fees	8,026	-	-	8,026
Service establishment fees	23,550	-	-	23,550
Sewer service fees	-	2,824,187	-	2,824,187
Sewer connection fees	-	6,230	-	6,230
DOC usage fees	-	1,112,632	-	1,112,632
Water standpipe	6,220	-	-	6,220
Hydro-sprinkler fees	1,310	-	-	1,310
Central Arizona Project	67,215	-	-	67,215
Refuse collection fees	-	-	854,067	854,067
Effluent charges	33,932	-	-	33,932
Miscellaneous	<u>27,096</u>	<u>22,055</u>	<u>21,564</u>	<u>70,715</u>
Total operating revenues	2,941,390	3,965,104	875,631	7,782,125
OPERATING EXPENSES				
Personnel services	788,930	347,462	128,797	1,265,189
Supplies	55,730	214,650	2,278	272,658
Contractual services and maintenance	1,120,165	991,401	697,433	2,808,999
Depreciation	381,503	422,081	1,113	804,697
Miscellaneous	<u>3,797</u>	<u>176,385</u>	<u>54,746</u>	<u>234,928</u>
Total operating expenditures	<u>2,350,125</u>	<u>2,151,979</u>	<u>884,367</u>	<u>5,386,471</u>
Operating income (loss)	<u>591,265</u>	<u>1,813,125</u>	<u>(8,736)</u>	<u>2,395,654</u>
NONOPERATING REVENUES (EXPENSE)				
Interest income	29,229	36,634	5,185	71,048
Interest expense	<u>-</u>	<u>(111,536)</u>	<u>-</u>	<u>(111,536)</u>
Total nonoperating revenues (expenses)	<u>29,229</u>	<u>(74,902)</u>	<u>5,185</u>	<u>29,229</u>
Income before development fees and transfers	620,494	1,738,223	(3,551)	2,355,166
Development fees	1,980	2,140	-	4,120
Transfers in	737,789	-	-	737,789
Transfers out	<u>(466,611)</u>	<u>(1,226,522)</u>	<u>(52,344)</u>	<u>(1,745,477)</u>
Change in net position	<u>893,652</u>	<u>513,841</u>	<u>(55,895)</u>	<u>1,351,598</u>
Net position, beginning of year	<u>15,494,159</u>	<u>17,030,345</u>	<u>1,305,257</u>	<u>33,829,761</u>
Net position, end of year	<u>\$ 16,387,811</u>	<u>\$ 17,544,186</u>	<u>\$ 1,249,362</u>	<u>\$ 35,181,359</u>

See accompanying notes to financial statements.

Town of Florence, Arizona
Statement of Cash Flows
Proprietary Fund
June 30, 2018

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer Fund	Sanitation Fund	
Cash flows from operating activities:				
Receipts from customers	\$ 2,913,625	\$ 3,928,306	\$ 880,635	\$ 7,722,566
Payments to suppliers	(1,276,742)	(1,783,418)	(746,064)	(3,806,224)
Payments to employees	(637,670)	(562,259)	(122,355)	(1,322,284)
Net cash provided by operating activities	<u>999,213</u>	<u>1,582,629</u>	<u>12,216</u>	<u>2,594,058</u>
Cash flows from noncapital financing activities:				
Cash (paid)/received from other funds for interfund borrowing	98,265	403,399	(8,394)	493,270
Transfer to other funds	(466,611)	(1,226,522)	(52,344)	(1,745,477)
Transfers from other funds	<u>737,789</u>	<u>-</u>	<u>-</u>	<u>737,789</u>
Net cash provided (used) by noncapital financing activities	<u>369,443</u>	<u>(823,123)</u>	<u>(60,738)</u>	<u>(514,418)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(337,455)	(503,687)	(15,032)	(856,174)
Interest paid on capital debt	-	(56,233)	-	(56,233)
Principal paid on capital debt	-	(485,119)	-	(485,119)
Development fees received	<u>1,980</u>	<u>2,140</u>	<u>-</u>	<u>4,120</u>
Net cash used by capital and related financing activities	<u>(335,475)</u>	<u>(1,042,899)</u>	<u>(15,032)</u>	<u>(1,393,406)</u>
Cash flows from investing activities:				
Interest received	<u>29,229</u>	<u>36,634</u>	<u>5,185</u>	<u>71,048</u>
Net cash provided by investing activities	<u>29,229</u>	<u>36,634</u>	<u>5,185</u>	<u>71,048</u>
Net increase/(decrease) in cash and cash equivalents	1,062,410	(246,759)	(58,369)	757,282
Cash and cash equivalents, beginning of year	<u>7,196,796</u>	<u>10,580,451</u>	<u>1,378,344</u>	<u>19,155,591</u>
Cash and cash equivalents, end of year	<u>\$ 8,259,206</u>	<u>\$ 10,333,692</u>	<u>\$ 1,319,975</u>	<u>\$ 19,912,873</u>

See accompanying notes to financial statements.

Town of Florence, Arizona
Statement of Cash Flows
Proprietary Fund
June 30, 2018

(Continued)

	Business-type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 591,265	\$ 1,813,125	\$ (8,736)	\$ 2,395,654
Adjustments to reconcile operating (loss) income to net cash provided by operations:				
Depreciation	381,503	422,081	1,113	804,697
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Net pension liability	155,629	(178,513)	7,823	(15,061)
Deferred outflows of resources related to pensions	(8,241)	40,625	3,061	35,445
Deferred inflows of resources related to pensions	(14,718)	(70,343)	(8,280)	(93,341)
Accounts receivable, net	(25,962)	(34,939)	(1,391)	(62,292)
Accounts payable	(97,050)	(400,981)	8,393	(489,638)
Accrued wages and benefits	7,131	3,578	1,659	12,368
Customer deposits	(12,853)	-	6,742	(6,111)
Other accrued liabilities	11,050	(1,859)	(347)	8,844
Compensated absences	11,459	(10,145)	2,179	3,493
Net cash provided by operating activities	<u>\$ 999,213</u>	<u>\$ 1,582,629</u>	<u>\$ 12,216</u>	<u>\$ 2,594,058</u>
Cash and investments:				
Unrestricted cash and investments	<u>\$ 8,259,206</u>	<u>\$ 10,333,692</u>	<u>\$ 1,319,975</u>	<u>\$ 19,912,873</u>
Total cash and investments at June 30, 2018	<u>\$ 8,259,206</u>	<u>\$ 10,333,692</u>	<u>\$ 1,319,975</u>	<u>\$ 19,912,873</u>
Non-cash financing transactions:				
Capital contributions	\$	\$	\$	\$

See accompanying notes to financial statements.



FINANCIAL SECTION
FUND FINANCIAL STATEMENTS
Fiduciary Fund Financial Statements



Town of Florence, Arizona
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2018

	<u>Pension Trust</u>
ASSETS	
Money market funds	\$ 2,675
U.S. Government bonds	222,598
Equities	<u>74,071</u>
Total assets	<u>299,344</u>
LIABILITIES	
Accounts payable	<u>348</u>
Total liabilities	<u>348</u>
NET POSITION	
Net pension restricted for pensions	\$ <u><u>298,996</u></u>

See accompanying notes to financial statements.

Town of Florence, Arizona
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year ended June 30, 2018

	<u>Pension Trust</u>
ADDITIONS:	
Contributions	\$ 9,685
Investment income	<u>10,717</u>
Total additions	<u>20,402</u>
DEDUCTIONS:	
Pension withdrawals	<u>56,775</u>
Total deductions	<u>56,775</u>
Change in net position	(36,373)
Net position, beginning of year	<u>335,369</u>
Net position, end of year	\$ <u><u>298,996</u></u>

See accompanying notes to financial statements.

FINANCIAL SECTION
NOTES TO FINANCIAL STATEMENTS



Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Florence, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

For the year ended June 30, 2018, the Town implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as amended by GASB Statement No. 85, *Omnibus 2017*. GASB Statement No. 75 established standards for measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to other postemployment benefits (OPEB) provided through defined benefit OPEB plans. In addition, Statement No. 75 requires disclosure of information related to OPEB.

A. Reporting Entity

The Town is a municipal entity governed by an elected Mayor and council. The basic financial statements of the Town include the funds of all organizational entities for which the Town Council has oversight responsibility or financial accountability and are consequently determined to be included in the Town's financial reporting entity in accordance with Governmental Accounting Standards Board, Accounting Standards Codification. The Town provides basic government services to its citizens including roads, water, sewer, sanitation, parks and recreation facilities, police and fire.

Individual Component Units – Blended

The Merrill Ranch Community Facilities District #1 and Merrill Ranch Community Facilities District #2 were formed by petition to the Town Council on December 19, 2005 and November 21, 2005, respectively. The purpose of the Districts is to acquire or construct public infrastructure in specified areas of the Town. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts may levy taxes and issue bonds independently of the Town. Property owned in the designated areas is assessed for the Districts' property taxes, and thus for the costs of operating the Districts. The Town Council serves as the Board of Directors of the Districts. The Town has no liability for the District's debt. For reporting purposes, the transactions of the Districts are included as governmental type funds as if they were part of the Town's operations. Separate financial statements were prepared for the Districts and available at the Town of Florence's Finance Department.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements present financial information about the primary government (the Town) and its component units. The statement includes a statement of net position and a statement of activities. These statements report the overall government financial activities, except for fiduciary activities. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state-shared revenues, investment income and other items not included among program revenues are reported instead as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statement to minimize the double-counting of internal activities. However, charges for interfund service provided and used are not eliminated if the prices approximate their external exchange values.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Fund Balances – Governmental Funds

As of June 30, 2018, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of Town Council. Town Council is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by Town Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's adopted policy, only Town Council, the Town's Manager or the Town's Finance Director may assign amounts for specific purposes.

Unassigned - all other spendable amounts. The General Fund is the only fund that reports a positive unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council, the Town's

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Manager or the Town's Finance Director has provided otherwise in its commitment or assignment actions.

The General Fund has Unassigned Funds consisting of a Stabilization Arrangement in the amount of \$1,885,132. The Stabilization Arrangement was legislated by the Town Council to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The amount of the Stabilization Arrangement is equal to at least \$500,000 plus 10% of the operating revenues.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for service, special assessments and investment income associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenues as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash. Deferred revenues also arise when the Town receives resources before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes have been recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for water, wastewater, and sanitation services and the Town's internal service funds are charges for fleet maintenance and facilities maintenance. Operating expenses for these funds include the cost of sales and services, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major governmental funds:

General Fund - This fund is the general operating fund of the Town. It accounts for all financial resources of the Town, except those required to be accounted for in other funds.

Highway User Fund – Special Revenue Fund - This fund is used to account for the Town's share of tax revenues that are legally restricted to the maintenance of highways within the Town's boundaries.

Community Facilities Districts - Debt Service Fund - This fund accounts for the debt portion of the Town's Community Facilities Districts which are component units that provide general infrastructure and capital assets for the property within each District's boundaries.

Community Facilities Districts - Capital Improvements Fund - This fund accounts for all the acquisition and construction portion of the Town's Community Facilities Districts which are component units that provide general infrastructure and capital assets for the property within each District's boundaries.

Impact Fees Fund - This fund collects fees to help defray the costs of development of infrastructure.

Capital Improvements Fund - This fund accounts for all the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Enterprise funds account for the operations, including debt service, 1) that are financed and operated in a manner similar to private business enterprises where the intent of the Town Council is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges and fees, or 2) where the Town Council has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town currently operates the following enterprise funds:

Water Fund - This fund is used to account for the Town's water related operations.

Sewer Fund - This fund is used to account for the Town's sewer related operations.

Sanitation Fund - This fund is used to account for the activities of the Town's sanitation operations.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Town reports the following fiduciary fund:

Pension Trust Fund - This Pension Trust Fund is used to account for the Town's Volunteer Firefighter's Pension Fund, a defined contribution plan for which the assets are held by the Town in a trustee account. The Town as well as the Town's firefighters make contributions to the fund. The Town's matching contribution is based on revenue received from the Firefighters Relief Fund but cannot be less than 1/2% of total compensation of all participants. If a participant terminates employment before being fully vested, then the non-vested portion of the terminated participant's account balance remains in the plan as a forfeiture. Forfeitures will be first used to pay any administrative expenses with the remaining used to reduce any the Town's contribution.

E. Cash and Cash Equivalents

Cash represents amounts in demand deposits and amounts held in trust by financial institutions. The funds held in trust are available to the Town upon demand. Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments that are 1) readily convertible to known amounts of cash and 2) so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

F. Investments

Arizona Revised Statutes (A.R.S.) authorize the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings account, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, school districts, and special districts as specified by statute.

The Town's investments are reported at fair value. The State's investment pool is managed by the State Treasurer's office with no regulatory oversight. The pool is not required to register with the Securities and Exchange Commission under the 1940 Investments Advisors Act. The activity and performance of the pool is reviewed monthly by the State Board of Investment in accordance with A.R.S. §35-311. The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007. The fair value of a participant's position in the pool approximates the value of that participant's pool share.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of the interfund loans).

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

All trade and property tax receivables are shown net of allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivables allowance for uncollectibles.

Property taxes are levied by the Town and collected by the Pinal County Treasurer. Property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Prepaid Items

Certain payments to vendors reflect the cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed (consumption method).

I. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, vehicles, machinery, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost. However, donated capital assets are reported at their acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Certain capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Asset	Estimated Useful Life
Buildings	40 years
Improvements	20-70 years
Vehicles, machinery, and equipment	3-10 years

J. Compensated Absences

The Town's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave and vacation benefits accrue at the employee's current rate of pay. The current and long-term liabilities for accumulated vacation are reported on the government-

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignation and retirements. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

K. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

L. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

M. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

N. Budgetary Data

According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.

In April, the proposed budget for the following fiscal year is presented by the Town Manager to the Town Council. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain citizen comment.

Prior to June 30, the Town Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation. However, on May 17, 2016, the Town held a special election to approve an amount in excess of the State imposed expenditure limitation for the fiscal year ended June 30, 2018 in which the voters approved the measure. Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. The Town did not exceed their one-time approved expenditure override during the year ended June 30, 2018.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The maximum legal expenditure permitted for the year is the total budget as adopted. All funds of the Town have legally adopted budgets. The initial budget for the fiscal year may be amended during the year in a legally permissible manner. The Town adopts the budget by departments for the General Fund and by fund for all others.

The Town Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure appropriation. Any budget revisions requiring a transfer between departments in the General Fund or a transfer between any other fund must be approved by the Town Council.

All unencumbered expenditure appropriations lapse at the end of the fiscal year.

Encumbered amounts are re-appropriated in the following year as deemed appropriate and necessary after review by the Budget Office. Budgetary carry forwards are approved by the Town Council.

The Town approves its annual budget consistent with Generally Accepted Accounting Principles (GAAP). GAAP requires that budgetary comparison statements for the General Fund and major governmental funds be presented in the annual financial statements. These statements must display original budget, amended budget and actual results (on a budgetary basis). The Town has also shown this information as supplementary schedules for other non-major governmental funds as well as enterprise funds.

O. Excess of Expenditures over Appropriations and Deficit Fund Balance

For the year ended June 30, 2018, expenditures exceeded appropriations in the following General Fund departments (the legal level of budgetary control):

Fund	Deficit
General Fund:	
General government:	
Legal	\$ 414,301
Human resources	1,384
Information technology	35,763
Public safety:	
Courts	18,060
Total	<u>\$ 469,508</u>

At year end, the grant fund reported a deficit net position of \$48,954. The deficit was due to additional costs incurred not covered by the grant.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 2 - CASH AND INVESTMENTS

A. Deposits

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of bank failure, the Town's deposits may not be returned. As of June 30, 2018, the carrying amount of deposits was \$7,751,293 and the bank balance was \$8,624,137. As of June 30, 2018, the Town's deposits were fully insured by the Federal Deposit Insurance Corporation or covered by collateral held by the pledging financial institution's trust department in the Town's name.

Restricted cash consists of the required debt service reserve fund and cash held by an outside agency for restricted use. Its future use will be for the repayments on outstanding revenue bonds payable and capital improvements.

B. Investments

The Town's investments at June 30, 2018, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

Investment by Fair Value Level	Total	Fair Value Measurement Using	
		Level 1	Level 2
U.S. Treasury securities	\$ 5,362,242	\$ 5,362,242	\$ -
U.S. agency securities	25,041,730	25,041,730	-
Corporate bonds	7,374,984	-	7,374,984
Total investments by Fair Value Level	<u>37,778,956</u>	<u>\$ 30,403,972</u>	<u>\$ 7,374,984</u>
<u>External Investment Pool Measured at Fair Value</u>			
Equity	74,071		
State Investment Pool (LGIP)	<u>737,662</u>		
Total Investments Measured at Fair Value	<u>38,590,689</u>		
<u>Investments Measured at Amortized Costs</u>			
Repurchase Agreement	16,938,628		
Money Market Funds	<u>869,766</u>		
Investments Measured at Amortized Costs	<u>17,808,394</u>		
Total Investments	<u>\$ 56,399,083</u>		

Investments are categorized as Level 1 inputs are valued using prices quoted in active markets for those investments. The investment categorized at Level 2 of the fair value hierarchy are valued using a conservative methodology based on multiple criteria, including asset class and observability of price. Inputs are observable but do not solely rely on quoted market prices to establish fair value. Investment in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pools approximates the value of the participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

The Town utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 2 - CASH AND INVESTMENTS - Continued

Other investments that the Town owns belong to the Town's Volunteer Fire Department. Funds totaling \$299,344 are held by Securian Retirement Services and consist of a money market fund, government bonds and equity securities.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Town's investments by maturity:

Investment type	Total	Remaining maturity (in months)			Not applicable
		12 months or less	13 to 24 months	25 to 60 months	
Primary Government					
Repurchase Agreement	\$16,938,628	\$16,938,628	\$ -	\$ -	\$ -
Money Market Funds	867,091	867,091	-	-	-
LGIP Pool 5	499,641	499,641	-	-	-
LGIP Pool 7	238,021	238,021	-	-	-
Corporate bonds	7,374,984	-	2,093,171	5,281,813	-
U.S. Treasury securities	5,362,242	2,637,163	2,725,079	-	-
U.S. agency securities	<u>24,819,132</u>	<u>2,981,621</u>	<u>2,594,316</u>	<u>19,243,195</u>	<u>-</u>
	<u>56,099,739</u>	<u>24,162,165</u>	<u>7,412,566</u>	<u>24,525,008</u>	<u>-</u>
Fiduciary Fund					
Money Market Funds	2,675	2,675	-	-	-
U.S. Government Bonds	222,598	-	-	222,598	-
Equities	<u>74,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,071</u>
	<u>299,344</u>	<u>2,675</u>	<u>-</u>	<u>222,598</u>	<u>74,071</u>
Total	<u>\$56,399,083</u>	<u>\$24,164,840</u>	<u>\$ 7,412,566</u>	<u>\$24,747,606</u>	<u>\$ 74,071</u>

The Town has no policy regarding interest rate risk. State law limits investments into securities having maturities no greater than five (5) years. The maximum maturity for investments in repurchase agreements is 180 days.

Credit risk – Custodial credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have a formal investment policy regarding credit risk. However, the Town is prohibited by State law from investing in investments other than obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Investment Pool. Presented below is the actual rating as of year-end for each investment type.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 2 - CASH AND INVESTMENTS - Continued

Investment	Total	Rating	Agency
Primary Government			
Repurchase Agreement	\$ 16,938,628	Unrated	N/A
Money Market Funds	867,091	Unrated	N/A
LGIP Pool 5	499,641	AAAf/S1+	Standard and Poor's
LGIP Pool 7	238,021	Unrated	N/A
Corporate bonds	1,642,765	AAA	Standard and Poor's
Corporate bonds	566,340	AA+	Standard and Poor's
Corporate bonds	717,331	AA-	Standard and Poor's
Corporate bonds	544,118	A+	Standard and Poor's
Corporate bonds	1,702,008	A	Standard and Poor's
Corporate bonds	928,791	A-	Standard and Poor's
Corporate bonds	737,719	BBB+	Standard and Poor's
Corporate bonds	535,912	Unrated	Standard and Poor's
U.S. Treasury securities	5,362,242	AA+	Standard and Poor's
U.S. agency securities	<u>24,819,132</u>	<u>AA+</u>	<u>Standard and Poor's</u>
	<u>56,099,739</u>		
Fiduciary Fund			
Money Market Funds	2,675	Unrated	N/A
U.S. Government Bonds	222,598	AA+	Standard and Poor's
Equities	<u>74,071</u>	<u>Unrated</u>	<u>N/A</u>
	<u>299,344</u>		
Total	<u>\$ 56,399,083</u>		

Concentration of Credit Risk - At June 30, 2018, the Town's investments are included as follows:

Investment type	Total	Concentration
Repurchase Agreement	\$ 16,938,628	30.03%
Money Market Funds	869,766	1.54%
LGIP	737,662	1.31%
U.S. Treasury securities	5,362,242	9.51%
U.S. agency securities	25,041,730	44.40%
Corporate bonds	7,374,984	13.08%
Equity	<u>74,071</u>	<u>0.13%</u>
	<u>\$ 56,399,083</u>	<u>100.00%</u>

Custodial credit risk-investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the investment in U.S. Government Bonds of \$38,423,452 and equities of \$74,071, the Town has a custodial credit risk exposure of \$38,497,523 because the related instruments are uninsured, unregistered, and held by the Town's brokerage firm. The Town held repurchase agreement investments of \$16,938,628 of which the underlying securities are held by the investments' counterparty, not in the name of the Town. The Town does not have a formal investment policy regarding custodial credit risk.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 3 - RECEIVABLES

The Pinal County Treasurer (County) is responsible for collecting property taxes and special assessments for all governmental entities within the County. The County levies property taxes due to the Districts. In addition, the Districts provide the County with the special assessments to be billed. These taxes and assessments are billed to the property owners by the County in September. Two equal installments, payable in October and March, become delinquent after the first business days in November and May.

Property taxes are recognized as revenues in the fiscal year they are levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements, property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as unavailable revenues.

Special Assessments are recognized as revenue only to the extent that the individual installments are considered current assets. Annual installments not currently receivable are reflected as deferred inflow of resources.

The following table summarizes the Town's receivables for the enterprise funds as of June 30, 2018.

Receivables:	Water Fund	Sewer Fund	Sanitation Fund	Total
Interest	\$ 1,063	\$ 1,579	\$ 203	\$ 2,845
Accounts	<u>384,813</u>	<u>471,893</u>	<u>61,655</u>	<u>918,361</u>
	385,876	473,472	61,858	921,206
Less: Allowance	<u>(23,118)</u>	<u>(15,286)</u>	<u>(6,653)</u>	<u>(45,057)</u>
	<u>\$ 362,758</u>	<u>\$ 458,186</u>	<u>\$ 55,205</u>	<u>\$ 876,149</u>

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, was as follows.

Governmental activities:	July 1, 2017, as restated	Increases	Decreases	June 30, 2018
Capital assets not being depreciated:				
Land	\$ 32,546,409	\$ -	\$ -	\$ 32,546,409
Construction in progress	<u>172,371</u>	<u>1,595,742</u>	<u>-</u>	<u>1,768,113</u>
Total capital assets not being depreciated	<u>32,718,780</u>	<u>1,595,742</u>	<u>-</u>	<u>34,314,522</u>
Capital assets being depreciated:				
Buildings, infrastructure, and improvements	81,593,042	1,114,426	(156,331)	82,551,137
Vehicles, furniture, and equipment	<u>10,433,713</u>	<u>203,195</u>	<u>(290,666)</u>	<u>10,346,242</u>
Total	<u>92,026,755</u>	<u>1,317,621</u>	<u>(446,997)</u>	<u>92,897,379</u>
Less accumulated depreciation for:				
Buildings, infrastructure, and improvements	(24,893,183)	(2,688,364)	134,716	(27,446,831)
Vehicles, furniture, and equipment	<u>(7,922,147)</u>	<u>(438,851)</u>	<u>290,631</u>	<u>(8,070,367)</u>
Total	<u>(32,815,330)</u>	<u>(3,127,215)</u>	<u>425,347</u>	<u>(35,517,198)</u>
Total capital assets being depreciated, net	<u>59,211,425</u>	<u>(1,809,594)</u>	<u>(21,650)</u>	<u>57,380,181</u>
Governmental activities capital assets, net	<u>\$ 91,930,205</u>	<u>\$ (213,852)</u>	<u>\$ (21,650)</u>	<u>\$ 91,694,703</u>
Business-type activities:	July 1, 2017	Increases	Decreases	June 30, 2018
Capital assets not being depreciated:				
Land	\$ 394,073	\$ -	\$ -	\$ 394,073
Construction in progress	<u>443,117</u>	<u>762,644</u>	<u>-</u>	<u>1,205,761</u>
Total capital assets not being depreciated	<u>837,190</u>	<u>762,644</u>	<u>-</u>	<u>1,599,834</u>
Capital assets being depreciated:				
Buildings, infrastructure, and improvements	24,865,741	6,580	-	24,872,321
Vehicles, machinery, and equipment	<u>1,758,755</u>	<u>107,290</u>	<u>(229,405)</u>	<u>1,636,640</u>
Total	<u>26,624,496</u>	<u>113,870</u>	<u>(229,405)</u>	<u>26,508,961</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,920,752)	(683,117)	-	(7,603,869)
Vehicles, machinery, and equipment	<u>(1,182,905)</u>	<u>(121,580)</u>	<u>229,405</u>	<u>(1,075,080)</u>
Total	<u>(8,103,657)</u>	<u>(804,697)</u>	<u>229,405</u>	<u>(8,678,949)</u>
Total capital assets being depreciated, net	<u>18,520,839</u>	<u>(690,827)</u>	<u>-</u>	<u>17,830,012</u>
Business-type capital assets, net	<u>\$ 19,358,029</u>	<u>\$ 71,817</u>	<u>\$ -</u>	<u>\$ 19,429,846</u>

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 4 - CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 700,683
Public safety	605,985
Highways and streets	1,680,025
Culture and recreations	<u>140,522</u>
Total	<u>\$ 3,127,215</u>
Business-type activities:	
Water	\$ 381,503
Sewer	422,081
Sanitation	<u>1,113</u>
Total	<u>\$ 804,697</u>

NOTE 5 - NOTES PAYABLE

The Town has a note payable to a private party for the purchase of land. The note is payable in annual installments of \$69,748 including interest at 6%. The note is secured by a deed of trust, assignments of rents, security agreement and fixture. The balance was \$236,715 at June 30, 2018.

The Town signed a promissory note from Water Infrastructure Finance Authority (WIFA) to be used for construction of a new sewer plant in the amount of \$7,500,000. As of June 30, 2018, the Town has an outstanding balance of \$2,592,834. Payments are due semi- annually including interest at 3.339%.

The Town signed a promissory note from the Water Infrastructure Finance Authority (WIFA) to be used for construction of sewer plant improvements in the amount of \$1,300,000. As of June 30, 2018, the Town has an outstanding balance of \$863,577. Payments are due semi- annually including interest at 3.750%.

The annual debt service requirements to maturity as of June 30, 2018, are as follows:

Year ending June 30:	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 55,545	\$ 14,203	\$ 500,983	\$ 66,818
2020	58,877	10,870	517,368	56,865
2021	62,410	7,338	534,291	46,589
2022	59,883	3,593	551,769	35,980
2023	-	-	814,067	22,781
Thereafter	-	-	<u>537,933</u>	<u>54,039</u>
Total	<u>\$ 236,715</u>	<u>\$ 36,004</u>	<u>\$ 3,456,411</u>	<u>\$ 283,072</u>

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 6 - BONDS PAYABLE

Bonds payable from the Town at June 30, 2018, consisted of the outstanding special assessment and excise tax revenue obligation bonds presented below.

The bonds issued in 1994 to acquire Arizona Sierra Utility have an outstanding principal of \$81,000. The bonds are secured and payable from special assessments levied against the real property benefited by said improvements. If the assessments are not paid, the properties subject to such assessments are sold at auction. If there is no purchaser for any property offered for sale, the Town will get ownership of the property subject to any tax liens and will be liable for the remaining debt. The Town Council is required to appropriate from the General Fund of the Town the amount of the total unpaid assessments or the amount of each semiannual assessment until the total debt is paid.

In December 2015 the Town issued \$4,740,000 of pledged excise tax revenue obligation series 2015 bonds at a stated interest rate of 2.22% to finance transportation capital projects within the Town. The bonds are secured and payable from pledged excise tax revenues. The bonds mature in July 2027.

Bonds payable from Community Facilities Districts (CFDs), special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the Town, are authorized under state law to issue General Obligation (GO) and Special Assessment bonds to be repaid by property taxes levied on property within the districts. CFDs are created by petition of the Town Council by property owners within the area to be covered by the district and debt may be issued only after approval of the voters within the district.

General obligation bonds:

In November 2010 the Merrill Ranch Community Facilities District No. 2 assessment issued \$3,560,000 of Series 2010 GO bonds to finance capital improvements within the District. Interest rate is 5.86%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2035.

In December 2013 the Merrill Ranch Community Facilities District No. 2 issued \$1,850,000 of GO Series 2013 bonds at a premium to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 1.50% to 6.75%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2038.

In June 2016 the Merrill Ranch Community Facilities District No. 2 issued \$2,000,000 of GO Series 2016 bonds at a premium to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 2.0% to 5.25%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2040.

In February 2017 the Merrill Ranch Community Facilities District No. 1 issued \$3,245,000 of GO Series 2017 refunding bonds to advance refund a portion of outstanding GO 2008 Series A bonds. The net proceeds of \$3,245,000 together with a debt service contribution of \$300,000 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds in three payments ending July 15, 2018. As a result, a

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 6 - BONDS PAYABLE - Continued

portion of those GO 2008 Series A bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. Interest rate is 2.97%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2029.

In November 2017 the Merrill Ranch Community Facilities District No. 2 issued \$1,440,000 of GO Series 2017 bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 2.0% to 5.0%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2042.

Special assessments bonds:

In June 2006 the Merrill Ranch Community Facilities District No. 1 assessment area one issued \$2,464,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rates are 4.3% to 5.3%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2030.

In June 2006 the Merrill Ranch Community Facilities District No. 2 assessment area one issued \$2,555,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rates are 4.3% to 5.3%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2030.

In September 2009 the Merrill Ranch Community Facilities District No. 1 assessment area two issued \$353,500 of special assessment bonds to finance capital improvements within the district. Interest rate is 9.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2034.

In September 2009 the Merrill Ranch Community Facilities District No. 2 assessment areas two and three issued \$829,500 of special assessment bonds to finance capital improvements within the district. Interest rates is 9.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2034.

In February 2010 the Merrill Ranch Community Facilities District No. 2 assessment area four issued \$203,000 of special assessment bonds to finance capital improvements within the district. Interest rates is 7.5%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2035.

In October 2010 the Merrill Ranch Community Facilities District No. 1 assessment area three issued \$290,500 of special assessment bonds to finance capital improvements within the district. Interest rates is 7.75%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2035.

In July 2012 the Merrill Ranch Community Facilities District No. 1 assessment area five issued \$189,000 of special assessment bonds to finance capital improvements within the district. Interest rates is 6.88%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2037.

In July 2016 the Merrill Ranch Community Facilities District No. 1 assessment area eight

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 6 - BONDS PAYABLE - Continued

issued \$987,000 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 5.75%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2040.

In January 2018 the Merrill Ranch Community Facilities District No. 2 assessment area seven issued \$262,500 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 6%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2042.

In April 2018 the Merrill Ranch Community Facilities District No. 1 assessment area nine issued \$1,477,000 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 6%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2042.

Special assessments lien bonds:

In January 2012, the Merrill Ranch Community Facilities District No. 1 assessment area four issued \$318,500 of special assessment lien bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 7.5%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2036.

In July 2013, the Merrill Ranch Community Facilities District No. 1 assessment area six issued \$413,000 of special assessment lien bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 7.25%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2038.

In October 2014, the Merrill Ranch Community Facilities District No. 1 assessment area seven issued \$728,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.875%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2039.

In May 2013, the Merrill Ranch Community Facilities District No. 2 assessment area one issued \$556,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.750%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2038.

In July 2016, the Merrill Ranch Community Facilities District No. 2 assessment area six issued \$241,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2040.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 6 - BONDS PAYABLE - Continued

Bonds payable at year end consisted of the following outstanding bonds. The bonds are both callable and noncallable with interest payable semiannually.

A summary of long-term bond debt payable at June 30, 2018, follows:

Description	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal - End of Year	Due Within One Year
Revenue bonds:					
Utility Improvement District #1 Revenue Bonds 1994	\$ 1,525,000	8.45%	01/01/2019	\$ 81,000	\$ 81,000
Town of Florence Pledge Excise Tax Revenue Obligation, Series 2015	4,740,000	2.22%	07/01/2027	4,355,000	394,000
General obligation bonds:					
CFD No.1 General Obligation Bonds 2008A	4,390,000	6.00-7.40%	07/15/2033	395,000	125,000
CFD No.1 General Obligation Bonds 2010	3,560,000	5.86%	07/15/2035	2,645,000	90,000
CFD No.2 General Obligation Bonds 2013	1,850,000	1.50-6.75%	07/15/2038	1,705,000	25,000
CFD No.2 General Obligation Bonds 2016	2,000,000	2.00-5.25%	07/15/2040	1,860,000	35,000
CFD No.1 General Obligation Bonds 2017	3,245,000	2.97%	07/15/2029	3,180,000	340,000
CFD No.1 General Obligation Bonds 2018	1,440,000	2.00-5.00%	07/15/2042	1,440,000	690,000
Special assessment bonds:					
CFD No.1 Special Assessment Bonds 2006	2,464,000	4.30-5.30%	07/01/2030	1,053,000	58,000
CFD No.2 Special Assessment Bonds 2006	2,555,000	4.30-5.30%	07/01/2030	1,177,000	66,000
CFD No.1 Special Assessment Bonds 2009	353,500	9.00%	07/01/2034	248,150	6,420
CFD No.2 Special Assessment Bonds 2009	829,500	9.00%	07/01/2034	581,120	15,750
CFD No.1 Special Assessment Bonds 2010	290,500	7.5%	07/01/2035	245,730	7,200
CFD No.2 Special Assessment Bonds 2010	203,000	7.75%	07/01/2035	157,170	3,900
CFD No.1 Special Assessment Bonds 2012	189,000	6.88%	07/01/2037	161,000	4,000
CFD No.1 Special Assessment Bonds 2016	987,000	5.75%	07/01/2040	967,000	21,000
CFD No.2 Special Assessment Bonds 2018	262,500	6%	07/01/2042	262,500	-
CFD No.1 Special Assessment Bonds 2018	1,477,000	6%	07/01/2042	1,477,000	-
Special assessment lien bonds:					
CFD No.1 Special Assessment Lien Bonds 2012	318,500	7.5%	07/01/2036	195,191	7,290
CFD No.1 Special Assessment Lien Bonds 2013	413,000	7.25%	07/01/2038	340,588	8,460
CFD No.1 Special Assessment Lien Bonds 2014	728,000	6.875%	07/01/2039	558,053	14,540
CFD No.2 Special Assessment Lien Bonds 2013	556,500	6.75%	07/01/2038	415,392	12,040
CFD No.2 Special Assessment Lien Bonds 2016	<u>241,500</u>	6%	07/01/2040	<u>209,672</u>	<u>5,040</u>
Total	<u>\$ 34,618,500</u>			<u>\$ 23,709,566</u>	<u>\$ 2,009,640</u>

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 6 - BONDS PAYABLE - Continued

The annual debt service requirements to maturity on governmental bonds payable at June 30, 2018, are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2019	\$ 2,009,640	\$ 1,039,071
2020	1,050,857	1,092,949
2021	1,121,624	1,032,084
2022	1,160,446	986,104
2023	1,208,885	940,909
Thereafter	17,158,114	8,236,114
Total	<u>\$ 23,709,566</u>	<u>\$ 13,327,231</u>

NOTE 7 - CHANGES IN LONG-TERM LIABILITIES

The following schedule details the Town's long-term liability and obligation activity for the fiscal year ended June 30, 2018:

	Balance at July 1, 2017, restated	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Governmental activities:					
Bonds payable	\$ 21,635,113	\$ 3,179,500	\$ (1,105,047)	\$ 23,709,566	\$ 2,009,640
Notes payable	289,116	-	(52,401)	236,715	55,545
Compensated absences	478,010	413,657	(440,409)	451,258	383,569
Net pension liability	9,307,632	-	(994,771)	8,312,861	-
Premiums	<u>180,502</u>	<u>98,437</u>	<u>(11,537)</u>	<u>267,402</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 31,890,373</u>	<u>\$ 3,691,594</u>	<u>\$ (2,604,165)</u>	<u>\$ 32,977,802</u>	<u>\$ 2,448,754</u>
Business-type activities					
Notes payable	\$ 3,941,530	\$ -	\$ (485,119)	\$ 3,456,411	\$ 500,983
Compensated absences	35,249	29,855	(25,761)	39,343	33,440
Net pension liability	<u>1,346,848</u>	<u>-</u>	<u>(15,061)</u>	<u>1,331,787</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 5,323,627</u>	<u>\$ 29,855</u>	<u>\$ (525,941)</u>	<u>\$ 4,827,541</u>	<u>\$ 534,423</u>

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2018, all interfund balances consisted of short term loans made to cover operating cash deficits by the General Fund. At June 30, 2018, interfund receivables/payables consisted of the following:

Fund	Receivable Amounts	Payable Amounts
General Fund	\$ 169,917	\$ 843,495
Highway User	671,738	-
CFD Debt Service	54,652	183,100
CFD Capital Improvements	61,469	-
Impact Fees	5,020	-
Non-Major Governmental Funds	69,941	122,456
Water	63,614	-
Sewer	2,008	-
Sanitation	50,692	-
Total	<u>\$ 1,149,051</u>	<u>\$ 1,149,051</u>

At June 30, 2018, there were the following interfund transfers:

Fund	Transfers In	Transfers out
General Fund	\$ 1,327,283	\$ 737,707
Highway User	9,900	261,996
CFD Debt Service	172,610	-
CFD Capital Improvements	58,678	147,396
Capital Improvements	680,350	69,748
Non-Major Governmental Funds	102,605	126,891
Water	737,789	466,611
Sewer	-	1,226,522
Sanitation	-	52,344
Total	<u>\$ 3,089,215</u>	<u>\$ 3,089,215</u>

All transfers made during the year were to cover operations or debt service as approved during budget development, or were necessary for grant matching purposes.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has authority to assess its members additional premiums should reserve and annual premiums be insufficient to meet the pool's obligations. The Town has no known claims in excess of \$250,000 for the fiscal year ending June 30, 2018.

The maximum liability for the Town for the fiscal year is \$500,000 and the deductible is \$250,000 per occurrence. The Town is insured by the Workers' Compensation Insurance Fund for potential worker-related accidents.

NOTE 10 - CONTINGENT LIABILITIES

Federal and State grants and loans – The Town has received a number of grants and loans from both the Federal and State governments. Although the programs have been audited, not all audits have been approved as of June 30, 2018; however, the Town expects no material disallowances of expenditures.

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The Town contributes to the pension plans described below. The plans are component units of the State of Arizona.

At June 30, 2018, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activities	Total
Net pension liabilities	\$ 8,312,861	\$ 1,331,787	\$ 9,644,648
Deferred outflows of resources	2,993,518	174,587	3,168,105
Deferred inflows of resources	(1,713,956)	(172,641)	(1,886,597)
Pension expense	831,439	110,076	941,515

The Town did not disclose the OPEB plan separately because of its insignificance to the City's financial statements. The Town's accrued payroll and employee benefits includes \$76,747 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2018.

The Town reported \$1,127,637 of pension and OPEB contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

A. Arizona State Retirement System

Plan Description - The Town's employees that are not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

Benefits Provided - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service	Sum of years and age equals 80	30 years, age 55
and age required	10 years, age 62	25 years, age 60
to receive benefit	5 years, age 50*	10 years, age 62
	any years, age 65	5 years, age 50*
		any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited services. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service,

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above, multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended, June 30, 2018, statutes required active ASRS members to contribute at the actuarially determined rate of 11.5 percent (11.34 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll and statutes required the Town to contribute at the actuarially determined rate of 11.5 percent (10.9 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The Town's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2018 were \$596,551, \$29,459, and \$8,417, respectively.

During fiscal year 2018, the Town paid for ASRS pension and OPEB contributions as follows: 69 percent from the General Fund, 15 percent from Highway User Fund, 8 percent from the Water Fund, 7 percent from Sewer Fund, and 1 percent from the Sanitation Fund.

Liability - At June 30, 2018, the Town reported a liability of for its proportionate share of the ASRS' net pension/OPEB liability. The net asset and liabilities were measured as of June 30, 2017. The total liability used to calculate the net pension liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017 reflects a change in the actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The Town's proportion of the net asset or net liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Town's proportion measured as of June 30, 2017 was 0.05 percent, which was the same proportion as in the prior year.

The net asset and net liabilities measured as of June 30, 2018, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the Town's net asset and net liabilities as a result of these changes is not known.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2018, the Town recognized pension and OPEB expense for ASRS of \$190,479 and reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 246,497
Changes of assumptions or other inputs	357,037	245,809
Net difference between projected and actual earnings on pension plan investments	59,018	35,399
Changes in proportion and differences between Town contributions and proportionate share of contributions	25,896	536,664
Town contributions subsequent to the measurement date	634,427	
Total	<u>\$ 1,076,378</u>	<u>\$ 1,064,369</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from contributions subsequent to the measurement date, as reported in the table above, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pension and OPEB will be recognized as expenses as follows:

<u>Year ending June 30,</u>	<u>Pension/OPEB</u>
2019	\$ (621,846)
2020	138,696
2021	58,690
2022	(197,958)

Actuarial Assumptions - The significant actuarial assumptions used to measure the total ASRS pension/OPEB liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2016
Actuarial roll forward date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75% for pensions/not applicable for OPEB
Inflation	3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012.

The long-term expected rate of return on ASRS plan investments was determined to be 8.7 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class of ASRS are summarized in the following table:

ASRS		
Asset Class	Target Allocation	Long-Term Arithmetic Real Rate of Return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi asset	5%	3.41%
Commodities	2%	3.84%
Total	100%	

Discount Rate - The discount rate used to measure the ASRS total pension/OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate - The following presents Town of Florence, Arizona's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

ASRS				
	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)	
Town's proportionate share of the net pension/OPEB liability	\$ 10,622,073	\$ 8,210,775	\$ 6,194,789	

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System

Plan Descriptions - Town police department employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plan and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, and Article 4.

The PSPRS issues publicly available financial reports that include financial statements and required supplementary information for the PSPRS plans. The report is available on the PSPRS website at www.psprs.com.

Benefits Provided - The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and Disability:		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit:		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Retirement and survivor benefits are subject to automatic cost-of-living adjustments. The adjustments are based on inflation for PSPRS. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effect on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents.

Employees Covered by Benefit Terms - At June 30, 2018, the following employees were covered by the agent plans' benefit terms:

	PSPRS - Police	PSPRS - Fire
Inactive employees or beneficiaries currently receiving benefits	7	1
Inactive employees entitled to but not yet receiving benefits	6	2
Active employees	27	26
Total	<u>40</u>	<u>29</u>

Contributions and Annual OPEB Cost - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members – pension:		
PSPRS members with an initial date on or before July 19, 2011	7.65%	7.65%
Town of Florence		
Pension	19.70%	15.47%
Health insurance premium benefit	0.22%	0.41%

For the agent plan, the contributions to the pension plan for the year ended June 30, 2018 were:

	PSPRS- Police	PSPRS- Fire
Contributions made	\$ 301,945	\$ 294,169

During the fiscal year 2018, the Town paid for PSPRS and OPEB contributions from the General Fund.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Liability - At June 30, 2018, Town of Florence, Arizona reported the following net pension liabilities:

	Net pension liability
PSPRS - Police	\$ 936,931
PSPRS - Fire	496,942

The net liabilities were measured as of June 30, 2017, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

The net liabilities were measured as of June 30, 2017, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2017, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011.

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

PSPRS

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS and CORP Asset Class	Target Allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Discount Rates - At June 30, 2017, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.4 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Changes in the Agent Plan's Net Pension/OPEB Liability:

PSPRS - Police	Increase (decrease)		
	Total		Net
	pension/OPEB liability (a)	Plan fiduciary net position (b)	pension/OPEB (asset) liability (a) - (b)
Balances at June 30, 2017	\$ 6,590,335	\$ 5,383,643	\$ 1,206,692
Changes for the year:			
Service cost	384,568	-	384,568
Interest on the total liability	491,657	-	491,657
Changes of benefit terms	102,492	-	102,492
Differences between expected and actual experience in the measurement of the liability	(291,736)	-	(291,736)
Changes of assumptions or other inputs	125,108	-	125,108
Contributions - employer	-	256,748	(256,748)
Contributions - employee	-	195,543	(195,543)
Net investment income	-	635,515	(635,515)
Benefit payments, including refunds or employee contributions	(454,388)	(454,388)	-
Administrative expense	-	(6,023)	6,023
Other changes	-	67	(67)
Net changes	357,701	627,462	(269,761)
Balances at June 30, 2018	\$ 6,948,036	\$ 6,011,105	\$ 936,931

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

PSPRS - Fire	Increase (decrease)		
	Total		Net
	pension/OPEB liability (a)	Plan fiduciary net position (b)	pension/OPEB (asset) liability (a) - (b)
Balances at June 30, 2017	\$ 4,456,467	\$ 4,090,509	\$ 365,958
Changes for the year:			
Service cost	372,082	-	372,082
Interest on the total liability	347,018	-	347,018
Changes of benefit terms	72,237	-	72,237
Differences between expected and actual experience in the measurement of the liability	75,199	-	75,199
Changes of assumptions or other inputs	147,470	-	147,470
Contributions - employer	-	204,107	(204,107)
Contributions - employee	-	184,243	(184,243)
Net investment income	-	499,446	(499,446)
Benefit payments, including refunds or employee contributions	(31,219)	(31,219)	-
Administrative expense	-	(4,820)	4,820
Other changes	-	46	(46)
Net changes	982,787	851,803	130,984
Balances at June 30, 2018	\$ 5,439,254	\$ 4,942,312	\$ 496,942

Sensitivity of the Net Pension/OPEB (asset) Liability to Changes in the Discount Rate - The following table presents the Town's net pension/OPEB (asset) liabilities calculated using the discount rate of 7.4 percent, as well as what the Town's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.4 percent) or 1-percentage-point higher (8.4 percent) than the current rate:

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
PSPRS - Police			
Net pension/OPEB liability	\$ 1,983,586	\$ 936,931	\$ 89,191
PSPRS - Fire			
Net pension/OPEB (asset) liability	1,570,389	496,942	(355,819)

Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial report.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Expense - For the year ended June 30, 2018, the Town recognized the following pension and OPEB expense:

	<u>Pension expense</u>
PSPRS - Police	\$ 389,776
PSPRS - Fire	361,260

Deferred Outflows/Inflows of Resources - At June 30, 2018, Town of Florence, Arizona reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,589	\$ 506,016
Changes of assumptions or other inputs	568,141	7,593
Net difference between projected and actual earnings on pension plan investments	67,060	-
Town contributions subsequent to the measurement date	<u>301,945</u>	<u>-</u>
Total	<u><u>\$ 948,735</u></u>	<u><u>\$ 513,609</u></u>
PSPRS - Fire	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 456,524	\$ 302,658
Changes of assumptions or other inputs	340,104	5,961
Net difference between projected and actual earnings on pension plan investments	52,195	-
Town contributions subsequent to the measurement date	<u>294,169</u>	<u>-</u>
Total	<u><u>\$ 1,142,992</u></u>	<u><u>\$ 308,619</u></u>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension and OPEB as expenses as follows:

Year ending June 30,	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
2019	\$ 58,721	\$ 69,028
2020	101,501	95,703
2021	63,051	68,285
2022	(18,667)	12,423
2023	(29,859)	48,311
Thereafter	(41,566)	246,454

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 11 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

C. Florence Volunteer Firefighter Retirement Profit Sharing Plan and Trust Fund

The Florence Volunteer Firefighter Retirement Profit Sharing Plan and Trust Fund is a profit sharing thrift plan, which was approved by the Town Council on January 1, 1992, under Arizona Revised Statutes Section §9-981. The authority to establish and amend benefit provisions rests with the Town Council. In January, 2009, the council revised the pension and benefit program for the part-time firefighters.

The assets of the plan are valued annually and the earnings or loss is distributed among the participant's accounts in the plan. The only expenditures being made from this fund are administration fees, benefit payments, and refunds to those firefighters who leave the service of the Fire Department before becoming eligible for pension benefits. The cost of administering the plan is financed from the plans assets. Retirement with full benefits can be through termination of employment for reasons other than death, disability, or normal retirement. This plan was fully vested as of June 30, 2018. The Town's required matching contributions for the plan were covered by the accumulated forfeited funds for the year ended June 30, 2018. As of June 30, 2018, there were seven eligible employees participating in the plan. The plan is administered by Securian Financial.

The plan has never had an actuarial valuation; however, benefits cannot exceed plan assets. The fair values of mutual funds are determined from readily available market quotations. The fund uses the accrual basis of accounting. Contributions are recognized when earned; benefits and refunds are expensed when incurred. Separate audited financial statements of this employee benefit plan are not available.

NOTE 12 - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction commitments - The Town has active construction projects as of June 30, 2018. As discussed earlier in Note 1, part N, Budgetary Data, the encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next fiscal year.

Encumbrances - As discussed in Note 1, part N, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year end the Town did not have commitments with contractors or any amount of encumbrances expected to be honored upon performance by the vendor in the next year.

Town of Florence, Arizona
Notes to Financial Statements
June 30, 2018

NOTE 13 - BEGINNING BALANCES RESTATED

The beginning net position of the governmental activities in the government-wide Statement of Activities was restated by \$132,065. The adjustment affected the Community Facilities District - Debt Service fund. An increase to capital assets was made to record \$2,614,062 for infrastructure. An increase to long-term liabilities was made to record \$1,851,873 for the corresponding Special Assessment Lien Bonds that were issued for infrastructure constructed. In addition, \$827,776 was recorded as current portion of long-term debt.

Statement of Activities	Governmental activities
Net position, June 30, 2017	\$ 105,451,538
Prior period correction	<u>(132,065)</u>
Net position, July 1, 2017, as restated	<u><u>\$ 105,319,473</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balance - Debt service fund	Community Facility District - Debt service fund
Fund balances, June 30, 2017	\$ 3,640,489
Prior period correction	<u>(827,776)</u>
Fund balance, July 1, 2017, as restated	<u><u>\$ 2,812,713</u></u>

OTHER REQUIRED SUPPLEMENTARY INFORMATION



Town of Florence, Arizona
Schedule of the Proportionate Share of the Net Pension/OPEB Liability
Cost Sharing Plan
June 30, 2018

ASRS

	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Town's proportion of the net pension/OPEB liability	0.05 %	0.06 %	0.06 %	0.06 %	
Town's proportionate share of the net pension/OPEB liability	\$ 8,220,537	\$ 9,043,805	\$ 9,160,327	\$ 8,332,184	Information not available
Town's covered payroll	\$ 5,347,532	\$ 5,369,134	\$ 5,439,862	\$ 5,072,813	
Town's proportionate share of the net pension/OPEB liability as a percentage of its covered payroll	153.73 %	168.44 %	168.39 %	164.25 %	
Plan fiduciary net position as a percentage of the total pension/OPEB liability	69.92 %	67.06 %	68.35 %	69.49 %	

See the accompanying notes to this schedule.

Town of Florence, Arizona
Schedule of Changes in the Pension/OPEB Liability and Related Ratios
Agent Plans
June 30, 2018

PSPRS - Police Pension/OPEB	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Total pension/OPEB liability:					
Service cost	\$ 376,697	\$ 365,808	\$ 342,618	\$ 318,072	Information
Interest on the total pension/OPEB liability	479,673	439,533	400,319	316,736	not
Changes of benefit terms	97,667	325,653	-	69,287	available
Differences between expected and actual experience in the measurement of the pension liability	(266,712)	(282,127)	(65,501)	23,569	
Changes of assumptions or other inputs	133,724	271,137	-	506,321	
Benefit payments, including refunds of employee contributions	<u>(450,068)</u>	<u>(207,846)</u>	<u>(171,147)</u>	<u>(191,863)</u>	
Net change in total pension liability	370,981	912,158	506,289	1,042,122	
Total pension liability—beginning	<u>6,432,321</u>	<u>5,520,163</u>	<u>5,013,874</u>	<u>3,971,752</u>	
Total pension liability—ending (a)	<u>\$ 6,803,302</u>	<u>\$ 6,432,321</u>	<u>\$ 5,520,163</u>	<u>\$ 5,013,874</u>	
Plan fiduciary net position:					
Contributions—employer	\$ 253,029	\$ 278,284	\$ 225,441	\$ 221,399	
Contributions—employee	195,543	215,558	208,870	192,212	
Net investment income	610,314	29,001	167,656	518,949	
Benefit payments, including refunds of employee contributions	(450,068)	(207,846)	(171,147)	(191,863)	
Administrative expense	(5,800)	(4,574)	(4,474)	-	
Other changes	<u>67</u>	<u>(20,975)</u>	<u>(3,606)</u>	<u>(117,115)</u>	
Net change in plan fiduciary net position	603,085	289,448	422,740	623,582	
Plan fiduciary net position—beginning	<u>5,169,408</u>	<u>4,879,960</u>	<u>4,457,220</u>	<u>3,833,638</u>	
Plan fiduciary net position—ending (b)	<u>\$ 5,772,493</u>	<u>\$ 5,169,408</u>	<u>\$ 4,879,960</u>	<u>\$ 4,457,220</u>	
Town's net pension/OPEB liability - ending (a) – (b)	\$ 1,030,809	\$ 1,262,913	\$ 640,203	\$ 556,654	
Plan fiduciary net position as a percentage of the total pension liability	84.85 %	80.37 %	88.40 %	88.90 %	
Covered payroll	\$ 1,011,019	\$ 1,011,019	\$ 940,239	\$ 846,389	
Town's net pension/OPEB liability as a percentage of covered payroll	101.96 %	124.91 %	68.09 %	65.77 %	

See the accompanying notes to this schedule.

Town of Florence, Arizona
Schedule of Changes in the Pension/OPEB Liability and Related Ratios
Agent Plans
June 30, 2018

PSPRS - Fire Pension/OPEB

	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Total pension/OPEB liability:					
Service cost	\$ 365,809	\$ 286,511	\$ 334,719	\$ 256,499	Information
Interest on the total pension/OPEB liability	336,941	282,339	217,485	164,612	not
Changes of benefit terms	70,842	452,222	-	(9,051)	available
Differences between expected and actual experience in the measurement of the pension liability	76,466	(357,287)	312,802	204,613	
Changes of assumptions or other inputs	153,962	213,139	-	27,389	
Benefit payments, including refunds of employee contributions	(31,219)	(10,192)	(19,275)	-	
Net change in total pension/OPEB liability	972,801	866,732	845,731	644,062	
Total pension liability—beginning	4,325,248	3,458,516	2,612,785	1,968,723	
Total pension liability—ending (a)	<u>\$ 5,298,049</u>	<u>\$ 4,325,248</u>	<u>\$ 3,458,516</u>	<u>\$ 2,612,785</u>	
Plan fiduciary net position:					
Contributions—employer	\$ 196,677	\$ 204,006	\$ 182,645	\$ 176,996	
Contributions—employee	184,243	189,829	213,250	161,991	
Net investment income	485,799	22,354	122,465	323,597	
Benefit payments, including refunds of employee contributions	(31,219)	(10,192)	(19,275)	-	
Administrative expense	(4,699)	(3,617)	(3,377)	(2,627)	
Other changes	46	(155,705)	230,497	179,386	
Net change in plan fiduciary net position	830,847	246,675	726,205	839,343	
Plan fiduciary net position—beginning	3,977,486	3,730,811	3,004,606	2,165,263	
Plan fiduciary net position—ending (b)	<u>\$ 4,808,333</u>	<u>\$ 3,977,486</u>	<u>\$ 3,730,811</u>	<u>\$ 3,004,606</u>	
Town's net pension/OPEB liability - ending (a) – (b)	\$ 489,716	\$ 347,762	\$ (272,295)	\$ (391,821)	
Plan fiduciary net position as a percentage of the total pension/OPEB liability	90.76 %	91.96 %	107.87 %	115.00 %	
Covered payroll	\$ 1,650,763	\$ 1,547,035	\$ 1,671,510	\$ 1,770,958	
Town's net pension/OPEB liability as a percentage of covered payroll	29.67 %	22.48 %	(16.29)%	(22.12)%	

See the accompanying notes to this schedule.

Town of Florence, Arizona
Schedule of Pension/OPEB Contributions
All Pension Plans
June 30, 2018

ASRS - Pension/OPEB

	2018	2017	2016	2015	2014	2013 through 2009
Statutorily required contribution	\$ 634,427	\$ 576,464	\$ 582,551	\$ 591,857	\$ 542,791	
Contribution in relation to the statutorily required contribution	<u>634,427</u>	<u>576,464</u>	<u>582,551</u>	<u>591,857</u>	<u>542,791</u>	Information not available
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	
Town's covered payroll	\$ 5,516,752	\$ 5,347,532	\$ 5,369,134	\$ 5,439,862	\$ 5,072,813	
Contributions as a percentage of covered payroll	11.50 %	10.78 %	10.85 %	10.88 %	10.70 %	

PSPRS - Police Pension/OPEB

	2018	2017	2016	2015	2014	2013 through 2009
Actuarially required contribution	\$ 301,945	\$ 260,050	\$ 280,703	\$ 219,027	\$ 221,399	
Contribution in relation to the actuarially required contribution	<u>301,945</u>	<u>260,050</u>	<u>280,703</u>	<u>219,027</u>	<u>221,399</u>	Information not available
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	
Town's covered payroll	\$ 1,515,788	\$ 1,737,141	\$ 1,866,376	\$ 1,846,771	\$ 1,713,615	
Contributions as a percentage of covered payroll	19.92 %	14.97 %	15.04 %	11.86 %	12.92 %	

PSPRS - Fire Pension/OPEB

	2018	2017	2016	2015	2014	2013 through 2009
Actuarially required contribution	\$ 294,169	\$ 187,326	\$ 185,246	\$ 185,997	\$ 176,996	
Contribution in relation to the actuarially required contribution	<u>294,169</u>	<u>187,326</u>	<u>185,246</u>	<u>185,997</u>	<u>176,996</u>	Information not available
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	
Town's covered payroll	\$ 1,852,449	\$ 1,631,760	\$ 1,643,709	\$ 1,761,335	\$ 1,594,559	
Contributions as a percentage of covered payroll	15.88 %	11.48 %	11.27 %	10.56 %	11.10 %	

See the accompanying notes to this schedule.

Town of Florence, Arizona
Notes to Required Supplementary Information
June 30, 2018

NOTE 1 - ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirement are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2015 actuarial valuation	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5%.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Town of Florence, Arizona
Notes to Required Supplementary Information
June 30, 2018

NOTE 2 - FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provision of a 2011 law that changes the mechanism for funding permanent pension benefit increases and increased employee pension contributions rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefits terms to reflect the prior mechanism for funding permanent benefit increases for those members and revise actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These charges are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS required contributions beginning in fiscal year 2019 for members who retired or will retire after law's effective date.

NOTE 3 - OPEB DISCLOSURE

No OPEB pension plan schedules were provided separately as it was considered insignificant to the financial statements.

OTHER SUPPLEMENTARY INFORMATION
COMBINING NON-MAJOR FUNDS FINANCIAL STATEMENTS



NON-MAJOR GOVERNMENT FUNDS
FINANCIAL STATEMENTS

Special Revenue Funds

- Grants Fund - accounts for revenues and expenditures of grants received by the Town from various federal, state, and other agencies.
- Economic Development Fund - accounts for ad valorem property tax collected to pay for the operation of the Streetlight Improvement Districts.
- Community Services Fund - accounts for fines and fee revenue collected by the municipal court. These funds are to be spent for purposes authorized by the Arizona Supreme Court or Arizona Revised Statutes.
- Community Facilities Districts Fund - accounts for ad valorem property tax collected to pay for the administration costs of these special districts, which were formed for the purpose of financing the acquisition, construction, operation, and maintenance of the public infrastructure benefiting the community.

Debt Service Fund

- This fund accounts for the accumulation of resources and the servicing of long-term debt not financed by proprietary funds. Revenues are transferred from the Capital Improvements Fund.

Capital Projects Funds

- Construction Tax Fund - accounts for Town sale tax collected for governmental construction projects. Funds are transferred to the Capital Improvements Fund for specific projects and must be used for improvements to Town recreational grounds and facilities.
- Food Tax - accounts for town sales tax collected on sales of food for home consumption. Funds are transferred to the Capital Improvement Fund for specific projects and must be used for improvements to Town recreational grounds and facilities.

TOWN OF FLORENCE, ARIZONA
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2018

	Special Revenue			
	Grants	Economic Development	Community Services	Community Facilities Districts
ASSETS				
Cash and investments	\$ 4,013	\$ 428,334	\$ 91,278	\$ 340,896
Receivables (net of allowance for uncollectibles)	-	74	12	181
Due from other funds	<u>2,735</u>	<u>-</u>	<u>-</u>	<u>67,206</u>
Total assets	<u>\$ 6,748</u>	<u>\$ 428,408</u>	<u>\$ 91,290</u>	<u>\$ 408,283</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,735	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	406
Due to other funds	<u>52,967</u>	<u>-</u>	<u>-</u>	<u>68,433</u>
Total liabilities	<u>55,702</u>	<u>-</u>	<u>-</u>	<u>68,839</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	<u>-</u>	<u>74</u>	<u>12</u>	<u>21</u>
Total deferred inflows of resources	<u>-</u>	<u>74</u>	<u>12</u>	<u>21</u>
Fund balances:				
Restricted:				
Public safety			91,278	
Debt service				
Capital projects				
Economic development		428,334		
District operations				339,423
Unassigned	<u>(48,954)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(48,954)</u>	<u>428,334</u>	<u>91,278</u>	<u>339,423</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,748</u>	<u>\$ 428,408</u>	<u>\$ 91,290</u>	<u>\$ 408,283</u>

Capital Projects			
Debt Service	Construction Tax	Food Tax	Totals
\$ 67,315	\$ 3,271,076	\$ 652,929	\$ 4,855,841
70,845	454	85	71,651
-	-	-	69,941
<u>\$ 138,160</u>	<u>\$ 3,271,530</u>	<u>\$ 653,014</u>	<u>\$ 4,997,433</u>
\$ -	\$ -	\$ -	\$ 2,735
-	-	-	406
<u>1,056</u>	<u>-</u>	<u>-</u>	<u>122,456</u>
<u>1,056</u>	<u>-</u>	<u>-</u>	<u>125,597</u>
<u>70,745</u>	<u>454</u>	<u>85</u>	<u>71,391</u>
<u>70,745</u>	<u>454</u>	<u>85</u>	<u>71,391</u>
66,359	3,271,076	652,929	91,278
-	-	-	66,359
<u>66,359</u>	<u>3,271,076</u>	<u>652,929</u>	<u>3,924,005</u>
<u>\$ 138,160</u>	<u>\$ 3,271,530</u>	<u>\$ 653,014</u>	<u>\$ 4,997,433</u>
			428,334
			339,423
			(48,954)
			4,800,445

TOWN OF FLORENCE, ARIZONA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2018

	Special Revenue			
	Grants	Economic Development	Community Services	Community Facilities Districts
REVENUES				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	121,460
Intergovernmental	189,625	-	-	-
Fines and forfeits	-	-	15,981	-
Special assessment	-	-	-	-
Investment income	-	2,031	363	1,406
Miscellaneous	-	51,288	-	67,206
Total revenues	189,625	53,319	16,344	190,072
EXPENDITURES				
General government	-	-	-	130,443
Public safety	219,847	-	7,303	-
Public works	18,989	-	-	-
Culture and recreation	8,275	-	-	-
Community development	8,575	84,168	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	255,686	84,168	7,303	130,443
Excess (deficiency) of revenues over (under) expenditures	(66,061)	(30,849)	9,041	59,629
OTHER FINANCING SOURCES (USES)				
Transfers in	14,192	-	-	-
Transfers out	-	(67,499)	-	(71,392)
Total other financing sources (uses)	14,192	(67,499)	-	(71,392)
Net change in fund balances	(51,869)	(98,348)	9,041	(11,763)
Fund balances, July 1, 2017	2,915	526,682	82,237	351,186
Fund balances, June 30, 2018	<u>\$ (48,954)</u>	<u>\$ 428,334</u>	<u>\$ 91,278</u>	<u>\$ 339,423</u>

Capital Projects			
Debt Service	Construction Tax	Food Tax	Totals
\$ -	\$ 123,316	\$ -	\$ 123,316
-	-	-	121,460
-	-	-	189,625
-	-	-	15,981
60,921	-	-	60,921
331	13,336	2,371	19,838
-	-	471	118,965
<u>61,252</u>	<u>136,652</u>	<u>2,842</u>	<u>650,106</u>
-	-	-	130,443
-	-	-	227,150
-	-	-	18,989
-	-	-	8,275
-	-	-	92,743
125,401	-	-	125,401
30,360	-	-	30,360
<u>155,761</u>	<u>-</u>	<u>-</u>	<u>633,361</u>
<u>(94,509)</u>	<u>136,652</u>	<u>2,842</u>	<u>16,745</u>
69,748	4,017	20,648	108,605
6,000	-	-	(132,891)
<u>75,748</u>	<u>4,017</u>	<u>20,648</u>	<u>(24,286)</u>
(18,761)	140,669	23,490	(7,541)
85,120	3,130,407	629,439	4,807,986
<u>\$ 66,359</u>	<u>\$ 3,271,076</u>	<u>\$ 652,929</u>	<u>\$ 4,800,445</u>



OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS



TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Community Facilities Districts Debt Service Fund

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property taxes	\$ 1,439,397	\$ 1,439,397	\$ 1,315,409	\$ (123,988)
Special assessment	899,954	899,954	1,242,454	342,500
Investment income	15,000	15,000	16,370	1,370
Total revenues	<u>2,354,351</u>	<u>2,354,351</u>	<u>2,574,233</u>	<u>219,882</u>
EXPENDITURES				
General government	-	-	71,420	(71,420)
Principal	1,846,215	1,846,215	645,884	1,200,331
Interest and other charges	-	-	902,655	(902,655)
Total expenditures	<u>1,846,215</u>	<u>1,846,215</u>	<u>1,619,959</u>	<u>(974,075)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>508,136</u>	<u>508,136</u>	<u>954,274</u>	<u>446,138</u>
OTHER FINANCING SOURCES				
Transfers in	<u>72,384</u>	<u>72,384</u>	<u>172,610</u>	<u>100,226</u>
Total other financing sources	<u>72,384</u>	<u>72,384</u>	<u>172,610</u>	<u>100,226</u>
Net change in fund balances	580,520	580,520	1,126,884	546,364
Fund balances, July 1, 2017, as restated	<u>2,812,713</u>	<u>2,812,713</u>	<u>2,812,713</u>	<u>-</u>
Fund balances, June 30, 2018	<u>\$ 3,393,233</u>	<u>\$ 3,393,233</u>	<u>\$ 3,939,597</u>	<u>\$ 546,364</u>

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Community Facilities Districts Capital Improvements Fund

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Investment income	\$ 9,581	\$ 9,581	\$ 15,224	\$ 5,643
Total revenues	9,581	9,581	15,224	5,643
EXPENDITURES				
General government	-	-	386,454	(386,454)
Capital outlay	4,679,581	4,679,581	1,081,765	3,597,816
Total expenditures	4,679,581	4,679,581	1,468,219	3,211,362
Excess (deficiency) of revenues over (under) expenditures	(4,670,000)	(4,670,000)	(1,452,995)	(3,217,005)
OTHER FINANCING SOURCES				
Transfers in	-	-	58,678	58,678
Transfers out	-	-	(147,396)	(147,396)
Other financing sources - bonds	(4,678,500)	(4,678,500)	3,262,387	7,940,887
Total other financing sources	(4,678,500)	(4,678,500)	3,173,669	7,852,169
Net change in fund balance	(9,348,500)	(9,348,500)	1,720,674	11,069,174
Fund balances, July 1, 2017	2,476,593	2,476,593	2,476,593	-
Fund balances, June 30, 2018	<u>\$ (6,871,907)</u>	<u>\$ (6,871,907)</u>	<u>\$ 4,197,267</u>	<u>\$ 11,069,174</u>

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Impact Fees Fund

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Charges for service	\$ 398,159	\$ 398,159	\$ 512,720	\$ 114,561
Investment income	<u>1,900</u>	<u>1,900</u>	<u>6,536</u>	<u>4,636</u>
Total revenues	<u>400,059</u>	<u>400,059</u>	<u>519,256</u>	<u>119,197</u>
EXPENDITURES				
Community development	<u>603,750</u>	<u>603,750</u>	<u>36,185</u>	<u>567,565</u>
Total expenditures	<u>603,750</u>	<u>603,750</u>	<u>36,185</u>	<u>567,565</u>
Net change in fund balance	(203,691)	(203,691)	483,071	686,762
Fund balances, July 1, 2017	<u>1,363,760</u>	<u>1,363,760</u>	<u>1,363,760</u>	<u>-</u>
Fund balances, June 30, 2018	<u>\$ 1,160,069</u>	<u>\$ 1,160,069</u>	<u>\$ 1,846,831</u>	<u>\$ 686,762</u>

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Capital Improvements Fund

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Sales taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,522,358	\$ 322,358
Investment income	26,441	26,441	20,156	(6,285)
Total revenues	<u>1,226,441</u>	<u>1,226,441</u>	<u>1,542,514</u>	<u>316,073</u>
EXPENDITURES				
General government	417,278	417,278	4,586	412,692
Public safety	-	-	61,878	(61,878)
Culture and recreation	-	-	5,277	(5,277)
Community development	<u>20,000</u>	<u>20,000</u>	<u>69,750</u>	<u>(49,750)</u>
Total expenditures	<u>437,278</u>	<u>437,278</u>	<u>141,491</u>	<u>295,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>789,163</u>	<u>789,163</u>	<u>1,401,023</u>	<u>611,860</u>
OTHER FINANCING SOURCES				
Transfers in	609,150	609,150	680,350	71,200
Transfers out	<u>(115,078)</u>	<u>(115,078)</u>	<u>(69,748)</u>	<u>45,330</u>
Total other financing sources	<u>494,072</u>	<u>494,072</u>	<u>610,602</u>	<u>116,530</u>
Net change in fund balance	1,283,235	1,283,235	2,011,625	728,390
Fund balances, July 1, 2017	<u>4,687,729</u>	<u>4,687,729</u>	<u>4,687,729</u>	-
Fund balances, June 30, 2018	<u>\$ 5,970,964</u>	<u>\$ 5,970,964</u>	<u>\$ 6,699,354</u>	<u>\$ 728,390</u>

OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS



TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Grants

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 2,500,000	\$ 2,500,000	\$ 189,625	\$ (2,310,375)
Total revenues	2,500,000	2,500,000	189,625	(2,310,375)
EXPENDITURES				
Public safety	2,500,000	2,500,000	219,847	2,280,153
Public works	-	-	18,989	(18,989)
Culture and recreation	-	-	8,275	(8,275)
Community development	-	-	8,575	(8,575)
Total expenditures	2,500,000	2,500,000	255,686	2,244,314
Excess (deficiency) of revenues over (under) expenditures	-	-	(66,061)	(66,061)
OTHER FINANCING SOURCES				
Transfers in	-	-	14,192	14,192
Total other financing sources	-	-	14,192	14,192
Net change in fund balance	-	-	(51,869)	(51,869)
Fund balances, July 1, 2017	2,915	2,915	2,915	-
Fund balances, June 30, 2018	\$ 2,915	\$ 2,915	\$ (48,954)	\$ (51,869)

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Economic Development

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 7,349	\$ 7,349	\$ 2,031	\$ (5,318)
Miscellaneous	-	-	51,288	51,288
Total revenues	7,349	7,349	53,319	45,970
EXPENDITURES				
Community development	74,800	74,800	84,168	(9,368)
Total expenditures	74,800	74,800	84,168	(9,368)
Excess (deficiency) of revenues over (under) expenditures	(67,451)	(67,451)	(30,849)	36,602
OTHER FINANCING SOURCES				
Transfers out	-	-	(67,499)	(67,499)
Total other financing sources	-	-	(67,499)	(67,499)
Net change in fund balance	(67,451)	(67,451)	(98,348)	(30,897)
Fund balances, July 1, 2017	526,682	526,682	526,682	-
Fund balances, June 30, 2018	<u>\$ 459,231</u>	<u>\$ 459,231</u>	<u>\$ 428,334</u>	<u>\$ (30,897)</u>

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Community Services

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Fines and forfeits	\$ 12,088	\$ 12,088	\$ 15,981	\$ 3,893
Investment income	-	-	363	363
Total revenues	12,088	12,088	16,344	4,256
EXPENDITURES				
Public safety	6,698	6,698	7,303	(605)
Total expenditures	6,698	6,698	7,303	(605)
Net change in fund balance	5,390	5,390	9,041	3,651
Fund balances, July 1, 2017	82,237	82,237	82,237	-
Fund balances, June 30, 2018	<u>\$ 87,627</u>	<u>\$ 87,627</u>	<u>\$ 91,278</u>	<u>\$ 3,651</u>

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Community Facilities Districts

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 121,460	\$ 121,460
Investment income	1,900	1,900	1,406	(494)
Miscellaneous	6,000	6,000	67,206	61,206
Total revenues	7,900	7,900	190,072	182,172
EXPENDITURES				
General government	106,922	106,922	130,443	(23,521)
Total expenditures	106,922	106,922	130,443	(23,521)
Excess (deficiency) of revenues over (under) expenditures	(99,022)	(99,022)	59,629	158,651
OTHER FINANCING SOURCES				
Transfers in	72,384	72,384	-	(72,384)
Transfers out	-	-	(71,392)	(71,392)
Total other financing sources	72,384	72,384	(71,392)	(143,776)
Net change in fund balance	(26,638)	(26,638)	(11,763)	14,875
Fund balances, July 1, 2017	351,186	351,186	351,186	-
Fund balances, June 30, 2018	<u>\$ 324,548</u>	<u>\$ 324,548</u>	<u>\$ 339,423</u>	<u>\$ 14,875</u>

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Debt Services

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Special assessment	\$ 50,286	\$ 50,286	\$ 60,921	\$ 10,635
Investment income	-	-	331	331
Total revenues	<u>50,286</u>	<u>50,286</u>	<u>61,252</u>	<u>10,966</u>
EXPENDITURES				
Principal	163,261	163,261	125,401	37,860
Interest and other charges	-	-	30,360	(30,360)
Total expenditures	<u>163,261</u>	<u>163,261</u>	<u>155,761</u>	<u>7,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,975)</u>	<u>(112,975)</u>	<u>(94,509)</u>	<u>18,466</u>
OTHER FINANCING SOURCES				
Transfers in	69,748	69,748	69,748	-
Transfers out	-	-	6,000	6,000
Total other financing sources	<u>69,748</u>	<u>69,748</u>	<u>75,748</u>	<u>6,000</u>
Net change in fund balance	(43,227)	(43,227)	(18,761)	24,466
Fund balances, July 1, 2017	<u>85,120</u>	<u>85,120</u>	<u>85,120</u>	-
Fund balances, June 30, 2018	<u>\$ 41,893</u>	<u>\$ 41,893</u>	<u>\$ 66,359</u>	<u>\$ 24,466</u>

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Construction Tax

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Sales taxes	\$ 130,000	\$ 130,000	\$ 123,316	\$ (6,684)
Investment income	30,253	30,253	13,336	(16,917)
Miscellaneous	<u>5,204</u>	<u>5,204</u>	<u>-</u>	<u>(5,204)</u>
Total revenues	165,457	165,457	136,652	(28,805)
Excess (deficiency) of revenues over (under) expenditures	<u>165,457</u>	<u>165,457</u>	<u>136,652</u>	<u>(28,805)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>4,017</u>	<u>4,017</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>4,017</u>	<u>4,017</u>
Net change in fund balance	165,457	165,457	140,669	(24,788)
Fund balances, July 1, 2017	<u>3,130,407</u>	<u>3,130,407</u>	<u>3,130,407</u>	<u>-</u>
Fund balances, June 30, 2018	<u>\$ 3,295,864</u>	<u>\$ 3,295,864</u>	<u>\$ 3,271,076</u>	<u>\$ (24,788)</u>

TOWN OF FLORENCE, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Food Tax

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 1,700	\$ 1,700	\$ 2,371	\$ 671
Miscellaneous	-	-	471	471
Total revenues	1,700	1,700	2,842	1,142
Excess (deficiency) of revenues over (under) expenditures	1,700	1,700	2,842	1,142
OTHER FINANCING SOURCES				
Transfers in	-	-	20,648	20,648
Total other financing sources	-	-	20,648	20,648
Net change in fund balance	1,700	1,700	23,490	21,790
Fund balances, July 1, 2017	629,439	629,439	629,439	-
Fund balances, June 30, 2018	<u>\$ 631,139</u>	<u>\$ 631,139</u>	<u>\$ 652,929</u>	<u>\$ 21,790</u>



STATISTICAL SECTION

This part of the Town of Florence's Comprehensive Annual Financial Report give detailed information to help readers better understand what the information in the financial statements, note disclosures and required supplemental information says about the Town's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	98-109
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant local revenue sources, sales tax.	110-111
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	112-114
Demographics and Economics Information These schedules offer demographic and economic indicators to help the reader understand the environment within the Town's financial activities take palace and to help make comparisons over time and with other governments.	115-117
Operations These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	118-120

Town of Florence, Arizona
Table 1
Government-wide
Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 57,868,000	\$ 58,303,000	\$ 54,390,000	\$ 56,527,095
Restricted	22,567,000	25,772,000	33,045,000	22,880,295
Unrestricted	18,077,000	18,248,000	14,628,000	26,882,692
Total governmental activities net position	<u>98,512,000</u>	<u>102,323,000</u>	<u>102,063,000</u>	<u>106,290,082</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	6,007,000	6,012,000	6,053,000	6,032,112
Restricted	1,042,000	987,000	1,047,000	2,162,035
Unrestricted	8,392,000	10,290,000	13,206,000	15,156,389
Total business-type activities net position	<u>15,441,000</u>	<u>17,289,000</u>	<u>20,306,000</u>	<u>23,350,536</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	63,875,000	64,315,000	60,443,000	62,559,207
Restricted	23,609,000	26,759,000	34,092,000	25,042,330
Unrestricted	26,469,000	28,538,000	27,834,000	42,039,081
Total primary government net position	<u>\$ 113,953,000</u>	<u>\$ 119,612,000</u>	<u>\$ 122,369,000</u>	<u>\$ 129,640,618</u>

* Net position has been restated.

2013	2014	2015	2016	2017*	2018
\$ 55,769,932	\$ 61,395,040	\$ 75,421,775	\$ 69,337,465	\$ 73,657,354	\$ 72,398,506
23,628,884	28,844,637	26,798,037	31,503,936	29,399,230	31,839,643
26,821,517	21,371,306	1,885,480	2,795,259	2,262,889	4,461,196
<u>106,220,333</u>	<u>111,610,983</u>	<u>104,105,292</u>	<u>103,636,660</u>	<u>105,319,473</u>	<u>108,699,345</u>
6,199,045	6,375,459	13,129,903	15,097,040	15,416,500	15,973,435
2,208,022	2,677,331	2,903,176	2,816,813	3,057,946	3,206,134
18,071,833	19,085,727	12,394,686	13,304,470	15,355,315	16,001,790
<u>26,478,900</u>	<u>28,138,517</u>	<u>28,427,765</u>	<u>31,218,323</u>	<u>33,829,761</u>	<u>35,181,359</u>
61,968,977	67,770,499	88,551,678	84,434,505	89,073,854	88,371,941
25,836,906	31,521,968	29,701,213	34,320,749	32,457,176	35,045,777
44,893,350	40,457,033	14,280,166	16,099,729	17,618,204	20,462,986
<u>\$ 132,699,233</u>	<u>\$ 139,749,500</u>	<u>\$ 132,533,057</u>	<u>\$ 134,854,983</u>	<u>\$ 139,149,234</u>	<u>\$ 143,880,704</u>

Town of Florence, Arizona
Table 2
Government-wide
Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	2009	2010	2011	2012
EXPENSES				
Governmental activities				
General government	\$ 6,284,516	\$ 6,683,000	\$ 6,932,444	\$ 3,452,054
Public safety	5,970,645	5,571,657	5,313,251	4,008,506
Highways and streets	2,356,534	3,478,242	2,960,896	3,064,386
Public works	25,893	28,195	41,693	202,167
Culture and recreation	1,365,332	1,394,734	1,257,819	1,450,633
Community development	731,667	623,087	630,865	2,407,647
Interest on long-term debt	398,057	615,090	685,365	911,203
Total governmental activities	<u>17,132,644</u>	<u>18,394,005</u>	<u>17,822,333</u>	<u>15,496,596</u>
Business-type activities				
Water	1,437,206	1,390,873	1,321,927	1,293,664
Sewer	2,918,348	1,900,408	1,806,536	1,819,735
Solid waste	626,381	663,473	661,964	699,249
Total business-type activities	<u>4,981,935</u>	<u>3,954,754</u>	<u>3,790,427</u>	<u>3,812,648</u>
Total primary government expenses	<u>22,114,579</u>	<u>22,348,759</u>	<u>21,612,760</u>	<u>19,309,244</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 4,055,352	\$ 8,262,562	\$ 4,818,029	\$ 3,850,698	\$ 4,048,228	\$ 3,349,953
5,528,833	4,816,583	8,081,544	9,790,715	9,109,350	7,731,003
3,001,939	2,728,013	3,409,782	3,961,384	4,148,226	4,038,910
293,202	579,857	805,196	714,647	827,149	567,470
1,684,400	1,699,128	2,813,496	2,513,486	2,358,257	2,409,680
1,082,103	858,152	948,650	1,138,496	873,892	1,865,240
888,193	816,839	949,903	861,319	1,333,967	1,134,030
<u>16,534,022</u>	<u>19,761,134</u>	<u>21,826,600</u>	<u>22,830,745</u>	<u>22,699,069</u>	<u>21,096,286</u>
1,362,620	1,618,878	1,783,823	1,418,370	1,441,641	2,350,125
1,747,616	2,140,836	2,486,417	2,021,295	2,094,994	2,263,515
682,078	825,239	812,811	827,655	863,346	884,367
<u>3,792,314</u>	<u>4,584,953</u>	<u>5,083,051</u>	<u>4,267,320</u>	<u>4,399,981</u>	<u>5,498,007</u>
<u>20,326,336</u>	<u>24,346,087</u>	<u>26,909,651</u>	<u>27,098,065</u>	<u>27,099,050</u>	<u>26,594,293</u>

(Continued)

Table 2
Government-wide
Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	2009	2010	2011	2012
PROGRAM REVENUES				
Governmental activities				
Charges for services:				
General government	1,177,447	942,808	947,188	733,487
Public safety	276,078	298,993	306,789	310,166
Highway and streets	-	-	-	-
Public works	-	-	-	-
Culture and recreation	12,657	10,390	9,466	7,401
Community development	1,261,113	1,429,227	474,938	525,659
Operating grants and contributions	3,578,527	3,182,649	3,179,055	2,579,917
Capital grants and contributions	9,800,741	3,429,189	1,339,952	1,500,250
Total governmental activities	16,106,563	9,293,256	6,257,388	5,656,880
Business-type activities				
Charges for services:				
Water	2,392,682	2,597,067	2,961,152	2,793,341
Sewer	2,256,995	2,665,332	3,218,251	3,165,051
Solid waste	799,442	916,984	979,401	1,019,021
Water impact fees	-	11,101	-	-
Liquid waste	6,591	13,684	27,369	-
Solid waste	31,105	30,660	16,058	5,580
Operating grants and contributions	-	20,000	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities	5,486,815	6,254,828	7,202,231	6,982,993
Total primary government program revenues	21,593,378	15,548,084	13,459,619	12,639,873
NET REVENUE (EXPENSE)				
Governmental activities	(1,026,081)	(9,100,749)	(11,564,945)	(9,839,716)
Business-type activities	504,880	2,300,074	3,411,804	3,170,345
Total primary government	(521,201)	(6,800,675)	(8,153,141)	(6,669,371)

2013	2014	2015	2016	2017	2018
875,429	1,117,187	1,374,728	1,412,182	1,360,404	2,398,239
331,103	216,740	175,084	173,282	215,601	241,362
-	41	41	33	-	-
-	-	-	-	-	1,200,201
4,316	8,964	9,882	8,672	9,805	451,995
798,678	507,094	427,676	619,027	558,946	60,921
2,700,108	2,810,427	3,254,978	3,844,596	3,671,227	3,355,713
953,145	5,403,053	1,404,328	691,397	2,764,448	512,720
5,662,779	10,063,506	6,646,717	6,749,189	8,580,431	8,221,151
2,691,199	2,834,647	2,738,692	2,920,345	2,956,627	2,914,294
3,536,085	3,824,435	3,891,568	4,162,105	4,169,513	3,943,049
1,082,281	678,596	716,166	746,862	809,521	854,067
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,503	-	3,718	20,118	24,238	4,120
7,338,068	7,337,678	7,350,144	7,849,430	7,959,899	7,715,530
13,000,847	17,401,184	13,996,861	14,598,619	16,540,330	15,936,681
(10,871,243)	(9,697,628)	(15,179,883)	(16,081,556)	(14,118,638)	(12,875,135)
3,545,754	2,752,725	2,267,093	3,582,110	3,559,918	2,217,523
(7,325,489)	(6,944,903)	(12,912,790)	(12,499,446)	(10,558,720)	(10,657,612)

(Continued)

Town of Florence, Arizona
Table 2
Government-wide
Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	2009	2010	2011	2012
GENERAL REVENUES				
Governmental activities				
Taxes				
Sales taxes	4,282,871	3,707,169	3,099,031	4,907,353
Property taxes	1,840,508	2,096,826	1,832,156	1,863,163
Franchise taxes	366,481	371,537	371,757	373,761
State shared revenues	6,196,804	5,443,456	4,852,275	5,231,428
Investment income	19,251	334,969	195,754	766,154
Loss on Sale of Assets	-	-	-	-
Miscellaneous	163,863	254,305	272,229	179,340
Transfers in (out)	580,388	703,556	681,590	745,275
Total governmental activities	<u>13,450,166</u>	<u>12,911,818</u>	<u>11,304,792</u>	<u>14,066,474</u>
Business-type activities				
Investment income	(1,839)	101,815	64,367	278,145
Loss on Sale of Assets	-	-	-	-
Miscellaneous	169,364	149,025	223,339	340,737
Transfers in (out)	(580,388)	(703,556)	(681,590)	(745,275)
Total business-type activities	<u>(412,863)</u>	<u>(452,716)</u>	<u>(393,884)</u>	<u>(126,393)</u>
CHANGES IN NET POSITION				
Governmental activities	12,424,085	12,911,818	(260,153)	4,226,758
Business-type activities	<u>92,017</u>	<u>(452,716)</u>	<u>3,017,920</u>	<u>3,043,952</u>
Total primary government	<u><u>\$ 12,516,102</u></u>	<u><u>\$ 12,459,102</u></u>	<u><u>\$ 2,757,767</u></u>	<u><u>\$ 7,270,710</u></u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
3,671,468	4,059,769	3,827,397	4,314,061	4,392,219	4,611,413
1,565,087	1,716,952	1,941,594	2,015,288	2,133,736	2,446,349
385,591	520,410	571,559	548,613	617,196	631,107
5,811,613	6,257,959	6,701,102	6,930,903	8,276,216	7,170,486
(259,780)	795,796	315,395	354,952	46,699	225,899
-	-	(224,556)	-	-	-
34,430	250,318	377,242	317,887	166,374	303,828
445,415	1,485,165	1,049,532	1,006,670	1,050,588	1,007,688
<u>11,653,824</u>	<u>15,086,369</u>	<u>14,559,265</u>	<u>15,488,374</u>	<u>16,683,028</u>	<u>16,396,770</u>
(111,009)	339,968	212,020	189,556	44,885	71,048
-	-	(45,949)	-	-	-
139,034	52,089	64,631	25,562	57,223	70,715
<u>(445,415)</u>	<u>(1,485,165)</u>	<u>(1,049,532)</u>	<u>(1,006,670)</u>	<u>(1,050,588)</u>	<u>(1,007,688)</u>
<u>(417,390)</u>	<u>(1,093,108)</u>	<u>(818,830)</u>	<u>(791,552)</u>	<u>(948,480)</u>	<u>(865,925)</u>
782,581	5,388,741	(620,618)	(593,182)	2,564,390	3,379,872
<u>3,128,364</u>	<u>1,659,617</u>	<u>1,448,263</u>	<u>2,790,558</u>	<u>2,611,438</u>	<u>1,351,598</u>
<u>\$ 3,910,945</u>	<u>\$ 7,048,358</u>	<u>\$ 827,645</u>	<u>\$ 2,197,376</u>	<u>\$ 5,175,828</u>	<u>\$ 4,731,470</u>

(Concluded)

Town of Florence, Arizona
Table 3
Governmental Funds
Fund Balances
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
GENERAL FUND				
Nondisposable	\$ -	\$ -	\$ 64,468	\$ 66,671
Unassigned	-	-	12,094,137	14,703,424
Unreserved	<u>10,344,343</u>	<u>11,107,505</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>10,344,343</u>	<u>11,107,505</u>	<u>12,158,605</u>	<u>14,770,095</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nondisposable	-	-	-	652,624
Restricted	-	-	21,509,635	17,149,931
Committed	-	-	652,292	10,865,249
Assigned	-	-	7,537,864	595,691
Unassigned	-	-	-	-
Unreserved	<u>25,505,919</u>	<u>27,050,641</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>25,505,919</u>	<u>27,050,641</u>	<u>29,699,791</u>	<u>29,263,495</u>
Total governmental funds	<u>\$ 35,850,262</u>	<u>\$ 38,158,146</u>	<u>\$ 41,858,396</u>	<u>\$ 44,033,590</u>

Notes:

- The Town implemented GASB 54 for the year ended June 30, 2011. GASB 54 requires a new way of reporting the components of fund balance that focuses on the extent to which the Town is bound to honor constraints on the specific purposes for which the amounts in fund balance can be spent. Prior to fiscal year 2011, fund balance was reported with a focus on the extent to which financial resources are available for appropriation.

2013	2014	2015	2016	2017*	2018
\$ 66,700	\$ 63,968	\$ 42,742	\$ 166,575	\$ 80,004	\$ 273,960
11,357,149	8,433,419	8,061,736	8,564,249	9,816,926	10,226,096
-	-	-	-	-	-
<u>11,423,849</u>	<u>8,497,387</u>	<u>8,104,478</u>	<u>8,730,824</u>	<u>9,896,930</u>	<u>10,500,056</u>
1,151,553	14,238	-	57,291	-	199,980
17,635,228	26,633,138	20,760,864	26,209,011	27,289,548	31,639,663
14,946,996	-	-	-	-	-
710,956	9,893,863	992,190	1,131,708	728,182	-
-	(54,351)	-	-	-	(48,954)
-	-	-	-	-	-
<u>34,444,733</u>	<u>36,486,888</u>	<u>21,753,054</u>	<u>27,398,010</u>	<u>28,017,730</u>	<u>31,790,689</u>
<u>\$ 45,868,582</u>	<u>\$ 44,984,275</u>	<u>\$ 29,857,532</u>	<u>\$ 36,128,834</u>	<u>\$ 37,914,660</u>	<u>\$ 42,290,745</u>

* Fund balances have been restated.

Town of Florence, Arizona
Table 4
Governmental Funds
Changes in Fund Balances
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	2009	2010	2011	2012
REVENUES				
Taxes*	\$ 9,604,773	\$ 9,090,410	\$ 8,197,401	\$ 9,511,918
Intergovernmental	7,314,699	5,728,725	5,230,895	6,123,769
Fines and forfeits	147,949	132,006	155,862	149,668
Licenses and permits	414,270	425,005	352,062	291,697
Charges for services	2,113,020	2,094,688	1,189,716	1,100,044
Investment income	19,251	334,969	191,295	766,154
Contributions	26,607	40,051	30,713	100,522
Special assessments	859,365	810,148	866,452	840,591
Miscellaneous	157,697	203,882	265,314	164,893
Total revenues	<u>20,657,631</u>	<u>18,859,884</u>	<u>16,479,710</u>	<u>19,049,256</u>
EXPENDITURES				
Current:				
General government	3,631,445	3,314,037	3,429,221	2,944,893
Public safety	5,209,649	5,214,936	4,966,311	5,423,446
Highways and streets	1,497,896	1,823,091	1,528,943	1,653,929
Public works	1,328	2,427	1,425	168,975
Culture and recreation	1,431,507	1,298,065	1,134,885	1,362,291
Community development	852,276	712,206	710,314	925,382
Capital outlay	6,398,226	4,632,680	4,397,001	3,321,325
Debt Service:				
Principal	652,336	971,769	366,849	879,340
Interest and fiscal charges	469,072	672,634	786,733	942,200
Total expenditures	<u>20,143,735</u>	<u>18,641,845</u>	<u>17,321,682</u>	<u>17,621,781</u>
Excess of revenues over (under) expenditures	513,896	218,039	(841,972)	1,427,475
OTHER FINANCING SOURCES (USES)				
Transfers in	1,659,619	2,006,197	1,223,451	2,412,935
Transfers out	(1,079,231)	(1,302,641)	(541,861)	(1,667,660)
Sale of capital assets	10,000	289	10,161	2,414
Issuance of long-term debt	-	1,386,000	3,850,500	-
Bond premium	-	-	-	-
Total other financing sources (uses)	<u>590,388</u>	<u>2,089,845</u>	<u>4,542,251</u>	<u>747,689</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,104,284</u>	<u>\$ 2,307,884</u>	<u>\$ 3,700,279</u>	<u>\$ 2,175,164</u>
Debt service as a percentage of noncapital expenditures	8.16%	11.74%	8.93%	12.69%

Notes:

* Taxes consist of sales, property, and franchise taxes

2013	2014	2015	2016	2017	2018
\$ 8,153,474	\$ 8,930,412	\$ 9,176,916	\$ 9,894,218	\$ 10,534,469	\$ 7,688,869
6,306,573	6,767,071	7,381,412	8,026,260	8,608,027	10,526,199
175,058	198,608	157,016	150,043	189,626	176,232
389,434	438,522	526,694	613,337	591,611	768,691
1,425,455	1,124,212	1,237,474	1,379,260	1,298,244	1,487,839
(259,780)	658,692	419,208	356,840	79,523	154,851
16,206	20,618	15,657	46,066	10,507	17,478
905,924	1,017,577	1,185,546	1,148,340	891,243	1,303,375
113,512	246,829	382,504	646,315	200,198	263,986
<u>17,225,856</u>	<u>19,402,541</u>	<u>20,482,427</u>	<u>22,260,679</u>	<u>22,403,448</u>	<u>22,387,520</u>
3,469,628	5,183,343	5,608,718	3,602,024	3,824,907	4,230,432
5,791,565	7,008,249	7,954,879	7,587,217	8,438,411	7,092,024
1,596,838	1,947,936	2,752,728	2,177,138	2,666,597	2,291,343
167,397	481,598	746,264	636,982	679,029	567,470
1,623,120	1,636,101	2,026,120	2,402,639	2,302,276	2,269,158
757,219	707,699	932,867	1,140,574	763,459	816,136
2,311,315	5,028,258	14,135,118	4,330,642	1,002,552	2,826,316
804,176	839,790	1,580,563	1,151,732	4,300,926	1,156,285
909,081	886,179	945,302	872,928	1,116,458	1,033,970
<u>17,430,339</u>	<u>23,719,153</u>	<u>36,682,559</u>	<u>23,901,876</u>	<u>25,094,615</u>	<u>22,283,134</u>
(204,483)	(4,316,612)	(16,200,132)	(1,641,197)	(2,691,167)	104,386
6,618,130	9,320,084	8,433,435	3,403,348	2,049,250	2,351,426
(6,172,715)	(7,834,919)	(7,383,903)	(2,396,678)	(998,662)	(1,343,738)
5,060	72,973	(100,693)	-	22,181	1,624
1,589,000	1,850,000	-	6,740,000	4,232,000	3,163,950
-	24,167	-	165,829	-	98,437
<u>2,039,475</u>	<u>3,432,305</u>	<u>948,839</u>	<u>7,912,499</u>	<u>5,304,769</u>	<u>4,271,699</u>
<u>\$ 1,834,992</u>	<u>\$ (884,307)</u>	<u>\$ (15,251,293)</u>	<u>\$ 6,271,302</u>	<u>\$ 2,613,602</u>	<u>\$ 4,376,085</u>
11.21%	9.55%	11.71%	9.37%	22.51%	11.26%

Town of Florence, Arizona
Table 5
Sales Tax Revenue by Industry
Current Year and Nine Years Ago

Industry	2018			2009		
	Tax Paid	Rank	Percentage of Total	Tax Paid	Rank	Percentage of Total
Construction	\$ 780,634	2	21.24%	\$ 2,798,553	1	62.67%
Retail Trade	\$ 699,311	3	19.02%	\$ 556,936	2	12.47%
Communications and Utilities	\$ 558,660	4	15.20%	\$ 540,130	3	12.10%
Restaurants and Bars	\$ 225,335	6	6.13%	\$ 178,591	5	4.00%
All Other	\$ 331,131	5	9.01%	\$ 143,775	6	3.22%
Manufacturing	\$ 86,503	7	2.35%	\$ 45,476	7	1.02%
Real Estate, Rental & Leasing	\$ 919,526	1	25.01%	\$ 182,244	4	4.08%
Wholesale Trades	\$ -	9	0.00%	\$ 19,834	8	0.44%
Finance and Insurance	\$ -	10	0.00%	\$ -	10	0.00%
Services	<u>\$ 75,027</u>	8	<u>2.04%</u>	<u>\$ -</u>	9	<u>0.00%</u>
Total	<u><u>\$ 3,676,127</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 4,465,539</u></u>		<u><u>100.00%</u></u>

Source: Arizona Department of Revenue

Notes:

- Based upon June 30, 2018 reports. Will not agree with sales tax recorded in Financial Statements.

Town of Florence, Arizona
Table 6
Direct and Overlapping Sales Tax Rates
As of June 30, 2018

Type of Tax	Rates		
	Town	State and Pinal County	Combined
Privilege tax, except retail, utilities and telecommunication	2.00%	7.20%	9.20%
Retail	2.00%	7.20%	9.20%
Hotel/Motel	4.00%	7.20%	11.20%
Restaurant/Bar	2.00%	7.20%	9.20%
Utilities/Telecommunications	2.00%	7.20%	9.20%
Construction	4.00%	7.20%	11.20%

Sources: Town of Florence Department of Finance, Arizona Department of Revenue

Town of Florence, Arizona
Table 7
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities						
	Certificates of Participation	Special Assessment Bonds	Pledged Excise Tax Revenue Obligation	Notes Payable	Capital Leases	GO Bonds - CFDs	Special Assessment Bonds - CFDs
2018	\$ -	\$ 81,000	\$ 4,355,000	\$ 181,171	\$ -	\$ 9,785,000	\$ 7,769,670
2017	-	154,000	4,740,000	289,116	-	10,125,000	4,764,240
2016	-	218,000	4,740,000	338,551	285,746	10,523,101	3,922,390
2015	-	282,000	-	385,188	567,382	8,563,200	4,476,850
2014	-	337,000	-	429,185	844,967	8,809,167	5,435,830
2013	-	388,000	-	470,690	1,118,561	7,105,000	5,739,520
2012	-	440,000	-	509,847	-	7,265,000	5,822,100
2011	-	482,000	-	546,788	-	7,770,000	6,117,500
2010	-	610,000	-	581,637	-	4,285,000	5,956,000
2009	250,000	655,000	-	614,514	22,892	4,627,000	4,849,000

Business-type

Fiscal Year Ended June 30	Notes Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2018	\$ 3,456,411	\$ 25,628,252	8.66%	977.39
2017	3,941,530	24,013,886	8.64%	920.99
2016	3,429,462	23,457,250	7.50%	908.88
2015	3,827,612	18,102,232	4.77%	686.18
2014	4,212,898	20,069,047	7.29%	748.68
2013	4,601,319	19,423,090	7.52%	766.59
2012	4,977,189	19,014,136	7.74%	716.06
2011	6,591,457	21,507,745	13.31%	809.08
2010	6,992,889	18,425,526	15.53%	688.16
2009	6,033,490	17,051,896	5.96%	657.26

Notes:

- Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
- See the Demographic and Economic Statistics (Table 10) for personal income and population data.

Town of Florence, Arizona
Table 8
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Pinal County Community College District	\$76,730,000	4.00%	\$ 3,069,200
Florence Unified School District No. 1	62,663,520	19.43%	12,175,522
Merrill Ranch Community Facilities District No. 1	3,110,000	100.00%	3,110,000
Merrill Ranch Community Facilities District No. 2	6,810,000	100.00%	6,810,000
Total Overlapping Debt			<u>\$25,164,722</u>
Town of Florence	None	100.00%	<u>-</u>
Total direct and overlapping debt			<u><u>\$ 25,164,722</u></u>

Sources: Pinal County Treasurer's Office, Pinal County Assessor's Office and Town of Florence Professional Statements

Notes:

(1) The percentage of overlapping debt applicable to the Town is computed on the ratio of secondary assessed valuation.

Town of Florence, Arizona
Table 9
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Special Assessment Bonds					Coverage
	Special Assessment Collections	Debt Service				
		Principal	Interest			
2018	\$ 55,277	\$ 73,000	\$ 13,013		0.64	
2017	54,575	64,000	18,421		0.66	
2016	64,352	64,000	23,829		0.73	
2015	70,134	55,000	28,477		0.84	
2014	67,161	51,000	32,786		0.80	
2013	93,503	52,000	37,180		1.05	
2012	83,252	42,000	42,335		0.99	
2011	87,323	45,000	49,644		0.92	
2010	97,723	45,000	53,446		0.99	
2009	119,909	40,000	57,038		1.24	

- *The nature of the revenue pledged for the above revenue bond was excise

- Information regarding debt can be found in the "Ratios of Outstanding Debt by Type" Table of the Statistical Section of the CAFR, and the Notes to the Financial Statements.

Town of Florence, Arizona
Table 10
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(Restated) Population	Estimated Personal Income (In thousands)	Estimated Per Capita Personal Income	October Enrollment School Enrollment	Education Level in Years of Schooling	Town Unemployment Rate
2018	26,221	\$ 295,773	\$ 11,280	2,191	13 to 16	5.4%
2017	26,074	277,818	10,655	2,268	13 to 16	5.4%
2016	25,809	312,857	12,122	2,417	13 to 16	7.1%
2015	26,381	379,306	14,378	2,466	13 to 16	7.0%
2014	26,806	275,432	10,275	2,346	13 to 16	7.5%
2013	25,337	258,336	10,196	2,469	13 to 16	18.1%
2012	26,554	245,678	9,252	2,368	13 to 16	18.5%
2011	26,583	161,625	6,080	2,411	13 to 16	21.3%
2010	26,775	118,640	4,431	2,568	13 to 16	11.6%
2009	25,944	286,007	11,024	3,038	13 to 16	12.1%

Sources: Arizona Department of Education, US Census Bureau, and Bureau of Labor Statistics.

Town of Florence, Arizona
Table 11
Principal Employers
Current Year and Nine Years Ago

Major Employer	2018			(Estimated) 2009		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
State of Arizona	2,050	1	35.03%	3,009	1	38.50%
Pinal County Government	1,400	2	23.92%	2,719	2	34.79%
Correctional Corporation of America	917	3	15.67%	958	3	12.26%
DHS/ICE/DOJ - Federal Government	598	4	10.22%	362	5	4.63%
Florence Schools	401	5	6.85%	417	4	5.34%
GEO - Private Prison System	321	6	5.49%	180	6	2.30%
Town of Florence	165	7	2.82%	171	7	2.19%
Total	<u>5,852</u>		100.00%	<u>7,816</u>		100.00%

Source: Bureau of Labor Statistics

Notes:

Total Town employment equal to FTE

Notes 1:

2009 CAFR not prepared - estimated historical data

Town of Florence, Arizona
Table 12
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years

Fiscal Year	Function/Program							Total
	General Government	Public Safety	Highways and Streets	Culture and Recreation	Community Development	Water and Sewer	Sanitation	
2018	26.16	70.24	22.00	30.65	4.07	11.00	1.00	165.12
2017	33.32	81.34	26.00	33.17	8.00	12.00	1.00	194.83
2016	29.74	95.32	19.62	34.57	7.25	12.43	1.06	199.99
2015	31.88	79.75	22.33	20.25	6.00	14.55	1.55	176.31
2014	30.42	76.48	20.46	22.76	5.00	14.55	1.55	171.22
2013	30.70	72.50	20.80	19.25	6.00	11.00	5.00	165.25
2012	30.70	71.50	20.30	16.25	6.00	10.50	5.00	160.25
2011	28.00	65.00	30.00	15.00	6.00	14.00	5.00	163.00
2010	27.00	65.00	32.00	16.00	7.00	14.00	5.00	166.00
2009	28.00	66.00	32.00	16.00	9.00	15.00	5.00	171.00

Town of Florence, Arizona
Table 13
Operating Indicators by Function
Last Ten Fiscal Years

Function	2009	2010
Police		
Total arrests	400	406
Moving violation citations	105	1,000
Total calls for service	7,456	5,757
Total 911 calls	5,125	5,849
Total part I crimes	402	351
Fire		
All emergency responses	2,105	2,042
Fire and hazmat responses	127	108
Emergency medical responses	1,605	1,654
Other responses	373	280
Highways and Streets		
Street resurfacing (miles)	2.90	1.40
Potholes repaired (estimate)	5,094	5,730
Streets maintained (miles)	99.22	108.08
Community Development		
Building permits issued	606	436
Code enforcement cases	126	80
Parks, Recreation and Library		
Attendance at aquatics facilities	3,216	2,561
Attendance at other facilities	30,000	24,444
Library visits	154,645	130,636
Library materials checked out	98,114	103,277
Sanitation		
Homes serviced	2,603	3,246
Water		
Water service connections	3,278	3,287
Water consumption (millions gallons/day)	1.87	1.90
Water consumption (millions gallons/year)	683	694
Sewer		
Sewer service connections	3,251	3,260
Sewage treated (millions gallons per day)	2.02	2.04
Sewage treated (millions gallons per year)	737	745

2011	2012	2013	2014	2015	2016	2017	2018
278	264	597	599	563	706	587	574
836	701	931	1,637	908	1,519	1,403	1,432
4,996	5,450	6,341	11,429	11,291	13,453	12,458	13,375
5,392	5,023	5,796	1,962	1,187	1,069	2,024	2,489
296	214	363	243	263	306	214	266
2,074	2,083	3,469	3,036	2,691	2,885	2,993	2,874
102	114	133	91	117	123	99	61
1,239	1,290	1,941	1,900	1,905	2,024	1,972	1,797
733	679	1,395	1,042	669	738	922	1,016
3.40	-	2.00	0.50	1.75	3.70	21.85	15.10
2,978	4,869	6,000	6,600	6,600	7,500	12,200	1,040
108.08	108.08	110.00	110.00	114.50	126.33	151.10	154.56
465	78	135	337	615	626	895	944
43	19	70	23	148	39	98	121
2,441	2,840	1,578	5,000	1,313	27,943	19,997	22,117
33,936	22,116	30,604	32,600	21,054	56,502	56,365	92,504
119,254	118,121	99,943	102,623	85,210	N/A	37,462	63,330
65,120	60,550	60,091	67,726	61,187	70,993	71,941	80,702
3,446	3,519	3,400	2,967	3,092	3,276	3,697	3,621
3,295	3,295	3,257	4,002	3,633	3,594	3,554	3,554
1.98	2.04	1.37	1.71	1.40	1.40	1.46	1.46
723	745	500	624	518	511	533	533
3,268	3,268	3,230	3,337	3,350	3,350	3,707	3,707
2.06	2.07	1.63	1.64	1.60	1.60	1.40	1.40
753	757	594	599	584	584	510	510

Table 14
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police stations	1	1	1	1	1	1.5	1.5	1.5	1.5	1.5
Police vehicles	34	38	41	42	44	48	57	54	54	44
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire apparatus	8	8	6	6	7	6	7	8	8	8
Other fire vehicles	4	4	4	5	5	6	5	6	6	5
Highways and Streets										
Street (miles)	99	99	108	108	108	108	113	113	113	113
Streetlights	964	985	1,039	1,039	1,060	1,060	1,182	1,182	1,182	1,182
Traffic signals own	1	1	1	1	2	2	2	2	2	2
Traffic signals don't own	2	2	2	2	2	2	2	2	3	3
Culture and Recreation										
Parks	8	8	8	8	8	8	8	11	10	10
Parks acreage	289	289	289	289	289	341	343	349	348	348
Fitness center	1	1	1	1	1	1	1	1	1	1
Swimming pool**	1	1	1	1	1	1	1	1	1	1
Libraries**	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary sewers (miles)	45.7	45.7	45.7	45.7	45.7	45.7	54.5	54.5	54.5	54.5
Storm sewers (miles)	6.8	7.2	7.5	7.8	8.4	8.4	8.4	8.4	8.4	8.4
Treatment capacity (thousands of gallons)	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920

**School owned prior to 2016

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2018

TOWN OF FLORENCE, ARIZONA
YEAR ENDED JUNE 30, 2018
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INDEPENDENT ACCOUNTANTS' REPORT

To the Auditor General of the State of Arizona

The Honorable Mayor and Town Council
of the Town of Florence, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Florence, Arizona (the Town), for the year ended June 30, 2018 and the related notes to the report. The Town's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Fester & Chapman, PLLC


March 29, 2019

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2018

1. Economic Estimates Commission expenditure limitation	\$ <u>17,082,412</u>	
2. Voter-approved alternative expenditure limitation	<u>32,082,412</u>	
3. Enter applicable amount from line 1 or line 2		\$ <u>32,082,412</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>25,228,848</u>	
5. Total adjusted amount subject to the expenditure limitation		<u>25,228,848</u>
6. Amount under the expenditure limitation		\$ <u>6,853,564</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer:



Name and title:

Joe Jarvis, Finance Director

Telephone number:

520-868-7505

Date:

3-29-19

See accompanying notes to report.

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART II
YEAR ENDED JUNE 30, 2018

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 19,064,513	\$ 6,107,560	\$ 56,775	\$ 25,228,848
B. Less exclusions claimed:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C. Amounts subject to the expenditure limitation	<u>\$ 19,064,513</u>	<u>\$ 6,107,560</u>	<u>\$ 56,775</u>	<u>\$ 25,228,848</u>

See accompanying notes to report.

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION
YEAR ENDED JUNE 30, 2018

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements.	\$ 22,283,134	\$ 5,498,007	\$ 56,775	\$ 27,837,916
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation		804,697		804,697
Pension expense		29,967		29,967
2. Expenditures of separate legal entities established under Arizona Revised Statutes	<u>3,218,621</u>			<u>3,218,621</u>
Total subtractions	<u>3,218,621</u>	<u>834,664</u>		<u>4,053,285</u>
C. Additions:				
1. Principal payments on long-term debt		485,119		485,119
2. Acquisition of capital assets		856,174		856,174
3. Pension contributions paid in the current year		<u>102,924</u>		<u>102,924</u>
Total additions		<u>1,444,217</u>		<u>1,444,217</u>
D. Amounts reported on Part II, Line A	<u>\$ 19,064,513</u>	<u>\$ 6,107,560</u>	<u>\$ 56,775</u>	<u>\$ 25,228,848</u>

See accompanying notes to report.

TOWN OF FLORENCE, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation adopted May 17, 2016 as authorized by the Arizona Constitution, Article IX, §20(9).

NOTE 2 – AMOUNT IN EXCESS OF STATE-IMPOSED LIMIT

On May 17, 2016, an amount in excess of the state-imposed Expenditure Limitation of \$15,000,000 was approved by the citizens of Florence under Resolution No. 1586-16. The state-imposed expenditure limitation for the year ended June 30, 2018 was \$32,082,412.

NOTE 3 – RECONCILIATION DEDUCTIONS AND ADDITIONS

The deductions for depreciation, bad debt expense, and pension expense and the additions for principal payments, the acquisition of capital assets, and pension contributions are all provided in the Statement of Revenues, Expenses, and Changes in Fund Net Position for the proprietary funds; the Statement of Cash Flows for the proprietary funds and the financial statement footnotes 4, 7, and 11.

The addition of \$485,119 consists of principal payments on long-term debt in the Enterprise Funds during the current fiscal year. The addition for the acquisition of capital assets consists of \$856,174 paid for various capital assets in the Water, Sewer, and Sanitation funds.

The subtraction of \$29,967 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$102,924 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.

TOWN OF FLORENCE



Financial Audit Presentation
Year ended June 30, 2018

Kevin Camberg, CPA
Partner



The information contained in this presentation is solely for the use of management and the city council.

Audit results – overview

■ Report to the Mayor and Town Council

- Financial statements includes new post-retirement benefits disclosures for GASB 75 implementation
- *Sensitive estimates and disclosures included in financial statements:*
 - Estimates of actuarial valuations related to net pension liability (asset), allowance for doubtful accounts, and depreciation expense for capital assets.
 - Disclosure of retirement plans based on actuarial valuations.



Audit results – overview

■ Financial Statement Audit

– *Unmodified opinion*

- Financial statements are presented fairly in all material aspects and in accordance with Generally Accepted Accounting Principles (GAAP)
- Findings reported as Material Weaknesses in Internal Controls:
 1. Internal Control over Financial Reporting – Audit adjustments were necessary to properly state year-ending balances.
 2. Internal Control over Capital Assets – A prior period adjustment was necessary to properly state the Town's beginning net position and capital assets.



Audit results – overview

- Findings reported as Material Weaknesses in Internal Controls (continue)

3. Internal Control over Long-term Liabilities – A prior period adjustment was necessary to properly state the Town's beginning net position and long-term liabilities.

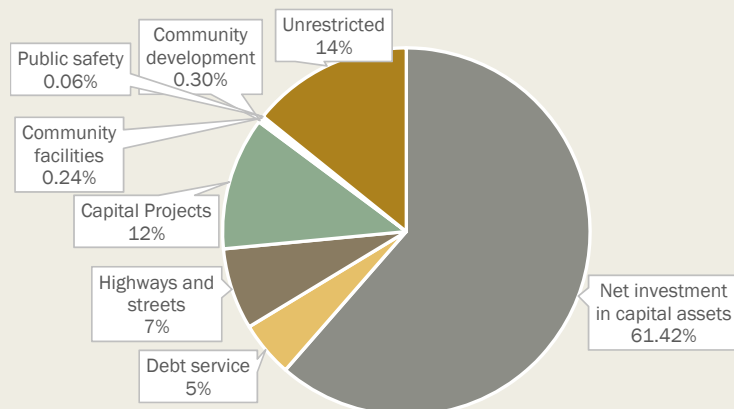
4. Internal Control over Special Assessment Billing – Audit adjustments were necessary to properly state special assessment receivable and deferred revenue balances.



Financial overview – government-wide

GOVERNMENT-WIDE NET POSITION JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total	Change from FY17
Net investment in capital assets	\$ 72,398,506	\$ 15,973,435	\$ 88,371,941	-1%
Restricted	31,839,652	3,206,134	35,045,786	8%
Unrestricted	4,461,196	16,001,790	20,462,986	15%
	<u>\$ 108,699,354</u>	<u>\$ 35,181,359</u>	<u>\$ 143,880,713</u>	3%



\$4.7 million **increase** in net position

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Financial overview – governmental funds

- Net **increase in** fund balance of \$4.3 M
- **Increases** in:
 - *General Fund \$603K*
 - *CFD – Debt Service Fund \$1.1M*
 - *CFD – Capital Project Fund \$1.7M*
 - *Impact Fee Fund \$483k*
 - *Capital Improvement Fund \$1.4M*
- Net **Decrease** in fund balance :
 - *Highways and streets \$1.6 M*



Financial overview – business-type funds

- Net **increase in** net position of \$1.3M

- **Increases** in:

- *Water Fund, \$894 K*
- *Sewer Fund, \$514 K*

- **Decreases** in net position:

- *Sanitation Fund, \$56 K*



Pensions summary

- Estimates based on actuarial valuations performed by an independent firm.
- PSPRS
 - *Police*
 - \$0.9 million net pension **liability** (**decreased** by ~ \$325K)
 - *Fire*
 - \$0.5 million net pension **liability** (**increased** by ~ \$149K)
- ASRS
 - \$8.2 million net pension **liability** (**decreased** by ~ \$833K)



QUESTIONS?

Kevin Camberg, CPA
Partner
kcamberg@f-cpc.com



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	MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 ACTION FORM	<u>AGENDA ITEM</u> 7a.
MEETING DATE: April 15, 2019 DEPARTMENT: Merrill Ranch Community Facilities District No. 1 STAFF PRESENTER: Rebecca Jimenez, Interim District Treasurer Kevin Camberg, Fester Chapman, PLLC, Certified Public Accountants SUBJECT: Merrill Ranch Community Facilities District No. 1 Audit		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <div style="margin-left: 20px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </div> <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input checked="" type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Accept and approve the Community Facilities Districts Audit.

BACKGROUND/DISCUSSION:

The Merrill Ranch Community District No. 1 and No. 2 Boards authorized an audit of both Community Facilities Districts to identify the balances in each fund and to verify the tax collections, assessment collections and the balances within each issue.

This is the first audit specific to the Districts. The purpose is to verify balances and to ensure that accounting for the Districts are performed as required. The Districts are reviewed during the regular Town of Florence audits. Due to the changes in Financial Management, over the last several years, the District Manager and Financial Advisor felt it was necessary to perform the audit.

Fester and Chapman, PLLC, the Town's contracted auditors, provided the special audit. The audit is now complete and ready for presentation to the District Board for Community Facilities District No. 1 and Community Facilities District No. 2.

Kevin Camberg, of Fester Chapman, PLLC, will present the financial audit and answer questions from the District Board.

A VOTE OF NO WOULD MEAN:

Not accepting the annual audit.

A VOTE OF YES WOULD MEAN:

Accepting the annual audit.

FINANCIAL IMPACT:

The cost of the audit was \$15,000. Each District paid for one half of the audit from their administrative funds. This is the Ad Valorem Tax that is collected at \$.30 per \$100 of Net Assessed Valuation. These funds are specific to provide funding for administrative expenditures.

ATTACHMENTS:

Report to the Community Facilities District Board and Audit

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of Town of Florence, Arizona)

REPORT TO THE BOARD OF DIRECTORS

June 30, 2018



March 29, 2019

To the Board of Directors of
Merrill Ranch Community Facilities Districts No. 1 and No. 2
Town of Florence, Arizona

We have audited the financial statements of the governmental activities and each major fund of the Town of Florence, Arizona (the Districts) for the year ended June 30, 2018, and have issued our report thereon dated March 29, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 23, 2018. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Districts are described in Note 1 to the financial statements. As discussed in Note 1 to the financial statements, the Districts has adopted Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as amended by GASB Statement No. 85 *Omnibus 2017*. We noted no transactions entered into by the Districts during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of long-term debt in Note 5 to the financial statements

Difficulties Encountered in Performing the Audit

We encountered difficulties in performing and completing our audit due to additional audit procedures that were necessary to correct the Community Facilities Districts' special assessments lien bonds and corresponding infrastructure. In addition, significant audit effort was necessary as we proposed 10 audit adjustments and received 9 post-closing journal entries from management.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were 10 adjusting journal entries detected as a result of audit procedures and corrected by management. Management also posted 9 post-closing journal entry after commencement of field work.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 29, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Districts' financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Districts' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Districts and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Fester & Chapman, PLLC

Merrill Ranch Community Facilities
Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

Annual Financial Report

June 30, 2018

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Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)
ANNUAL FINANCIAL REPORT
Year ended June 30, 2018

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Independent Auditors' Report

To the Board of Directors of
Merrill Ranch Community Facilities Districts No. 1 and No. 2
Florence, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities and each major fund of the Merrill Ranch Community Facilities Districts No. 1 and No. 2 (the Districts), a component unit of the Town of Florence, Arizona, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Districts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Districts' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of the Districts, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Districts are intended to present the financial position and changes in financial position of only that portion of the governmental activities of the Town of Florence that is attributable to the transactions of the Districts. They do not purport to, and do not, present fairly the financial position of the Town of Florence as of June 30, 2018, and the changes in its financial position, for the year ended in conformity with accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Fester & Chapman, PLLC

March 29, 2019

BASIC FINANCIAL STATEMENTS

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Merrill Ranch Community Facilities Districts No. 1 and No. 2

(Component Units of the Town of Florence, Arizona)

STATEMENT OF NET POSITION

June 30, 2018

ASSETS

Pooled cash and investments	\$ 5,152,792
Restricted cash	4,274,586
Accounts receivable	6,908,250
Prepays	<u>199,980</u>
Total assets	<u>16,535,608</u>

LIABILITIES

Accrued wages and benefits	\$ 406
Accrued interest payable	484,435
Other accrued liabilities	1,084,482
Due to other governments	68,206
Noncurrent liabilities:	
Due within 1 year	1,534,640
Due in more than 1 year	<u>18,006,328</u>
Total liabilities	<u>21,178,497</u>

NET POSITION

Restricted for:	
Debt service	3,739,617
Highways and streets	4,197,267
Unrestricted (deficit)	<u>(12,579,773)</u>
Total net position	<u>\$ (4,642,889)</u>

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2

(Component Units of the Town of Florence, Arizona)

STATEMENT OF ACTIVITIES

Year ended June 30, 2018

REVENUES

Property taxes	\$ 1,436,869
Special assessments	2,343,429
Operating grants and contributions	18,500
Investment income	33,000
Miscellaneous	<u>61,206</u>
Total revenues	<u>3,893,004</u>

EXPENSES

General government	589,480
Capital outlay	1,081,765
Interest and other charges	<u>901,492</u>
Total expenses	<u>2,572,737</u>

Change in net position	1,320,267
Net position, beginning of year	<u>(5,963,156)</u>

Net position, end of year	<u><u>\$ (4,642,889)</u></u>
---------------------------	------------------------------

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2

(Component Units of the Town of Florence, Arizona)

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

	General Fund	Debt Service Fund	Capital Improvements Fund	Total
ASSETS				
Pooled cash and investments	\$ 340,896	\$ 4,314,022	\$ 497,874	\$ 5,152,792
Restricted pooled cash and investments		636,662	3,637,924	4,274,586
Accounts receivable	181	6,908,069		6,908,250
Due from other funds	41,742	42,969	61,469	146,180
Prepaid		199,980		199,980
Total assets	<u>\$ 382,819</u>	<u>\$ 12,101,702</u>	<u>\$ 4,197,267</u>	<u>\$ 16,681,788</u>
LIABILITIES				
Accrued wages and benefits	\$ 406			\$ 406
Other liabilities		\$ 1,084,482		1,084,482
Due to other funds	42,969	103,211		146,180
Due to other governments		68,206		68,206
Total liabilities	<u>43,375</u>	<u>1,255,899</u>		<u>1,299,274</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	<u>21</u>	<u>6,906,206</u>		<u>6,906,227</u>
Total deferred inflows of resources	<u>21</u>	<u>6,906,206</u>		<u>6,906,227</u>
FUND BALANCES				
Nonspendable:				
Prepaid items		199,980		199,980
Restricted:				
Debt service		3,739,617		3,739,617
Capital projects			\$ 4,197,267	4,197,267
Unassigned	<u>339,423</u>			<u>339,423</u>
Total fund balances	<u>339,423</u>	<u>3,939,597</u>	<u>4,197,267</u>	<u>8,476,287</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 382,819</u>	<u>\$ 12,101,702</u>	<u>\$ 4,197,267</u>	<u>\$ 16,681,788</u>

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2

(Component Units of the Town of Florence, Arizona)

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2018

Fund balances - total governmental funds balance sheet		\$ 8,476,287
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Unavailable revenue for special assessments is shown in the governmental funds, but is recognized as revenue on the Statement of Net Position.		6,906,227
Long-term liabilities, including, bonds payable and their related costs, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (19,273,566)	
Premiums	<u>(267,402)</u>	(19,540,968)
Interest payable on long-term debt is not reported in the governmental funds		<u>(484,435)</u>
Net position of governmental activities		\$ <u><u>(4,642,889)</u></u>

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year ended June 30, 2018

	General Fund	Debt Service Fund	Capital Improvements Fund	Total
REVENUES				
Property taxes	\$ 121,460	\$ 1,315,409		\$ 1,436,869
Special assessments		1,242,454		1,242,454
Investment income	1,406	16,370	\$ 15,224	33,000
Intergovernmental revenue		18,500		18,500
Miscellaneous	<u>61,206</u>			<u>61,206</u>
Total revenues	184,072	2,592,733	15,224	2,792,029
EXPENDITURES				
Current:				
General government	130,443	71,420	386,454	588,317
Capital outlay			1,081,765	1,081,765
Debt service:				
Principal		647,047		647,047
Interest and other charges		<u>901,492</u>		<u>901,492</u>
Total expenditures	<u>130,443</u>	<u>1,619,959</u>	<u>1,468,219</u>	<u>3,218,621</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,629</u>	<u>972,774</u>	<u>(1,452,995)</u>	<u>(426,592)</u>
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued			1,424,450	1,424,450
Premium on general obligation bonds			98,437	98,437
Special assessment bonds issued			1,739,500	1,739,500
Transfers in		154,110	58,678	212,788
Transfers out	<u>(65,392)</u>		<u>(147,396)</u>	<u>(212,788)</u>
Total other financing sources (uses)	<u>(65,392)</u>	<u>154,110</u>	<u>3,173,669</u>	<u>3,262,387</u>
Net change in fund balances	(11,763)	1,126,884	1,720,674	2,835,795
Fund balances (deficits), beginning of year, as restated	<u>351,186</u>	<u>2,812,713</u>	<u>2,476,593</u>	<u>5,640,492</u>
Fund balances (deficits), end of year	<u>\$ 339,423</u>	<u>\$ 3,939,597</u>	<u>\$ 4,197,267</u>	<u>\$ 8,476,287</u>

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Year ended June 30, 2018

Net change in fund balances - total governmental funds \$ 2,835,795

Amounts reported for governmental activities in the Statement of Activities
are different because:

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds. 1,100,975

Debt proceeds provide current financial resources to governmental funds,
but issuing debt increases long-term liabilities in the statement of net
position. Repayment of debt principal is an expenditure in the
governmental funds, but the repayment reduces long-term liabilities in the
statement of net position. Also, governmental funds report the effect of
premiums, discounts, and similar items when debt is issued, whereas these
amounts are amortized in the statement of activities.

Issuance of bonds	\$ (3,275,087)	
Bond principal retirement	647,047	
Amortization of bond premiums	<u>11,537</u>	<u>(2,616,503)</u>

Change in net position of governmental activities \$ 1,320,267

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Merrill Ranch Community Facilities Districts No. 1 and No. 2 (the Districts), component units of the Town of Florence, Arizona (the Town), conform to generally accepted accounting principles applicable to government units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

A. Reporting Entity

The Districts were formed by petition to the Town Council on December 19, 2005 (No. 1) and November 21, 2005 (No. 2). The purpose of the Districts is to acquire or construct public infrastructure in specified areas of the Town. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts may levy taxes and issue bonds independently of the Town. Property owned in the designated areas is assessed for the Districts' property taxes, and thus for the costs of operating the Districts. The Town Council serves as the Board of Directors of the Districts. The Town has no liability for the Districts' debt. For reporting purposes, the transactions of the Districts are included as governmental type funds as if they were part of the Town's operations.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) present financial information about the Districts as a whole. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes, special assessments and miscellaneous revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Districts had no business-type activities during the fiscal year.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Districts consider revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of governmental long-term principal and interest due early in the following year, the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Interest is accrued in the current fiscal period when the revenue is earned. All other revenue items are considered to be measurable and available only when cash is received by the government.

Special assessments are recognized as revenue only to the extent that the individual installments are considered current assets. Annual installments not currently receivable are reflected as deferred inflows of resources.

The Districts reports the following major governmental funds:

- General Fund - This fund accounts for resources accumulated and used for the payment of general operating expenses for the Districts, which may include insurance, legal fees, and administration costs.
- Debt Service Fund - This fund accounts for resources accumulated and used for the payment of the Districts' long-term debt principal, interest, and related costs.
- Capital Improvements Fund - This fund accounts for resources accumulated and used for acquiring and improving public infrastructure.

D. Cash and Investments

The Districts participate in the Town's investment pool that is available for the use of all Town funds. The Districts' pool is reported on the financial statements as "pooled cash and investments". The Districts' portion of the pool is not identified within specific investments.

The Districts consider all highly liquid investments with a maturity of three months or fewer when purchased to be cash equivalents.

The Districts investments are stated at fair value. Fair value is based on quoted market prices as of the valuation date.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Restricted assets

Certain proceeds of the Districts' bonds, as well as certain resources set aside for their repayments, are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

F. Capital Assets

Capital assets acquired or infrastructure assets constructed by the Districts are dedicated to the Town to maintain and operate. As a result, the Districts own no capital assets.

G. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discount are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on the debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

H. Deferred Inflows

In addition to liabilities, the fund financial statements include a section for deferred inflows of resources. This represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Districts have only one item that qualifies for this category, which arises only under the modified accrual basis of accounting, unavailable revenue. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Fund Balance

In the fund financial statements, governmental funds report nonspendable portions of fund balance related to prepaid expenses. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Directors. The Board of Directors passed a resolution authorizing the Town of Florence to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts. Currently the District does not have any nonspendable, assigned or committed funds.

In the government-wide financial statements, net position is reported in two categories: restricted net position and unrestricted net position. Restricted net position accounts for the portion of net position restricted by bond covenants. Unrestricted net position is the remaining net position not included in the previous category.

J. Budgetary Information

The Districts adopt an annual operating budget for expenditures for the General Fund on essentially the same modified accrual basis of accounting used to record actual expenditures. Budgetary control over expenditures is exercised at the fund level.

K. Deficit Net Position

As described in Note A, the Districts were formed to finance and acquire or construct infrastructure assets that are subsequently dedicated to the Town for operation. The Districts do not own or operate infrastructure. Therefore, the Statement of Net Position includes long term debt without the corresponding capital assets.

L. Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures (expenses) during the reporting period. Actual results could differ from those estimates.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 - POOLED CASH AND INVESTMENTS

The Districts participate in the pooled cash and investments of the Town for daily transactions. The Town then periodically requests reimbursement from the Districts' restricted funds held by the trustee. At June 30, 2018, the Districts had a balance of \$5,152,792 in the Town's pooled cash and investments. Restricted cash consists of the required debt service reserve fund and cash held by an outside agency for restricted use. Its future use will be for the repayments on outstanding bonds payable and capital improvements.

The Town's investment pool is not an SEC registered investment company, and there is no regulatory oversight of its operation. The pools' structure does not provide for shares, and the Town has not provided, nor obtained, any legally binding guarantees to support the value of participant's investments. The Town allocates interest earnings to each participating fund. The Town's investments are valued at fair value; however, the Town's investments are not identified with specific shares. The District does not have a separate investment policy and follows the Town's policies.

Below are the relevant policies with regard to interest rate risk, credit risk, concentration of credit risk and custodial credit risk

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town has no policy regarding interest rate risk. State law limits investments into securities having maturities no greater than five (5) years. The maximum maturity for investments in repurchase agreements is 180 days.

Credit risk – The Town does not have a formal investment policy regarding credit risk. However, the Town is prohibited by State law from investing in investments other than obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Investment Pool.

Concentration of Credit Risk - At June 30, 2018, the Town's investments include 44% invested in U.S. agency securities, 30% in Repurchase Agreements, 13% in corporate bonds, 10% in U.S. Treasury securities, 2% in Money Market funds and 1% in the State Investment Pool (LGIP).

Custodial credit risk - To control custodial credit risk, State law and the Town's investment policy require all securities and collateral to be held by an independent third party custodian in the Town's name. The custodian provides the Town with monthly market values along with original safekeeping receipts.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 3 - ACCOUNTS RECEIVABLE

The Pinal County Treasurer (County) is responsible for collecting property taxes and special assessments for all governmental entities within the County. The County levies property taxes due to the Districts. In addition, the Districts provide the County with the special assessments to be billed. These taxes and assessments are billed to the property owners by the County in September. Two equal installments, payable in October and April, become delinquent after the first business days in November and May.

Property taxes are recognized as revenues in the fiscal year they are levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements, property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as unavailable revenues.

Special Assessments are recognized as revenue only to the extent that the individual installments are considered current assets. Annual installments not currently receivable are reflected as deferred inflow of resources.

NOTE 4 - INTERFUND BALANCES AND ACTIVITY

Interfund transfers - Interfund transfers for the year ended June 30, 2018 were as follows:

Transfers to	Transfer from		Total
	Debt Service Fund	Capital Improvements Fund	
General Fund	\$ 6,714	\$ 58,678	\$ 65,392
Capital Improvements Funds	147,396		147,396
Total	<u>\$ 154,110</u>	<u>\$ 58,678</u>	<u>\$ 212,788</u>

Interfund receivables and payables - Interfund balances for the year ended June 30, 2018 were as follows:

Due from	Due to		Total
	General Fund	Debt Service Fund	
General Fund		\$ 41,742	\$ 41,742
Debt Service Fund	\$ 42,969		42,969
Capital Improvements Funds		61,469	61,469
Total	<u>\$ 42,969</u>	<u>\$ 103,211</u>	<u>\$ 146,180</u>

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT

The Districts are authorized under state law to issue General Obligation (GO) bonds and Special Assessment (SA) bonds to be repaid by property taxes and special assessments levied on property within the districts. CFDs are created by petition of the Town Council by property owners within the area to be covered by the districts and debt may be issued only after approval of the voters within the districts.

Bonds payable from the Districts at June 30, 2018, consisted of the outstanding general obligation bonds and special assessment presented below.

General obligation bonds:

In November 2010 the Merrill Ranch Community Facilities District No. 2 assessment issued \$3,560,000 of Series 2010 GO bonds to finance capital improvements within the District. Interest rate is 5.86%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2035.

In December 2013 the Merrill Ranch Community Facilities District No. 2 issued \$1,850,000 of GO Series 2013 bonds at a premium to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 1.50% to 6.75%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2038.

In June 2016 the Merrill Ranch Community Facilities District No. 2 issued \$2,000,000 of GO Series 2016 bonds at a premium to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 2.0% to 5.25%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2040.

In February 2017 the Merrill Ranch Community Facilities District No. 1 issued \$3,245,000 of GO Series 2017 refunding bonds to advance refund a portion of outstanding GO 2008 Series A bonds. The net proceeds of \$3,245,000 together with a debt service contribution of \$300,000 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds in three payment ending July 15, 2018. As a result, a portion of those GO 2008 Series A bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. Interest rate is 2.97%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2029.

In November 2017 the Merrill Ranch Community Facilities District No. 2 issued \$1,440,000 of GO Series 2017 bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 2.0% to 5.0%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2042.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT - Continued

Special assessments bonds:

In June 2006 the Merrill Ranch Community Facilities District No. 1 assessment area one issued \$2,464,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rates are 4.3% to 5.3%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2030.

In June 2006 the Merrill Ranch Community Facilities District No. 2 assessment area one issued \$2,555,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rates are 4.3% to 5.3%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2030.

In September 2009 the Merrill Ranch Community Facilities District No. 1 assessment area two issued \$353,500 of special assessment bonds to finance capital improvements within the district. Interest rate is 9.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2034.

In September 2009 the Merrill Ranch Community Facilities District No. 2 assessment areas two and three issued \$829,500 of special assessment bonds to finance capital improvements within the district. Interest rates is 9.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2034.

In February 2010 the Merrill Ranch Community Facilities District No. 2 assessment area four issued \$203,000 of special assessment bonds to finance capital improvements within the district. Interest rates is 7.75%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2035.

In October 2010 the Merrill Ranch Community Facilities District No. 1 assessment area three issued \$290,500 of special assessment bonds to finance capital improvements within the district. Interest rates is 7.5%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2035.

In July 2012 the Merrill Ranch Community Facilities District No. 1 assessment area five issued \$189,000 of special assessment bonds to finance capital improvements within the district. Interest rates is 6.88%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2037.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT - Continued

In July 2016 the Merrill Ranch Community Facilities District No. 1 assessment area eight issued \$987,000 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 5.75%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2040.

In January 2018 the Merrill Ranch Community Facilities District No. 2 assessment area seven issued \$262,500 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 6%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2042.

In April 2018 the Merrill Ranch Community Facilities District No. 1 assessment area nine issued \$1,477,000 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 6%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2042.

Special assessments lien bonds:

In January 2012, the Merrill Ranch Community Facilities District No. 1 assessment area four issued \$318,500 of special assessment lien bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 7.5%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2036.

In July 2013, the Merrill Ranch Community Facilities District No. 1 assessment area six issued \$413,000 of special assessment lien bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 7.25%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2038.

In October 2014, the Merrill Ranch Community Facilities District No. 1 assessment area seven issued \$728,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.875%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2039.

In May 2013, the Merrill Ranch Community Facilities District No. 2 assessment area one issued \$556,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.750%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2038.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT - Continued

In July 2016, the Merrill Ranch Community Facilities District No. 2 assessment area six issued \$241,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2040.

Bonds payable at year end consisted of the following outstanding bonds. The bonds are both callable and noncallable with interest payable semiannually.

Description	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal - End of Year	Due Within One Year
General obligation bonds:					
CFD No.1 General Obligation Bonds 2008A	\$ 4,390,000	6.00-7.40%	07/15/2033	\$ 395,000	\$ 125,000
CFD No.2 General Obligation Bonds 2010	3,560,000	5.86%	07/15/2035	2,645,000	90,000
CFD No.2 General Obligation Bonds 2013	1,850,000	1.50-6.75%	07/15/2038	1,705,000	25,000
CFD No.2 General Obligation Bonds 2016	2,000,000	2.00-5.25%	07/15/2040	1,860,000	35,000
CFD No.1 General Obligation Bonds 2017	3,245,000	2.97%	07/15/2029	3,180,000	340,000
CFD No.2 General Obligation Bonds 2017	1,440,000	2.00-5.00%	07/15/2042	1,440,000	690,000
Special assessment bonds:					
CFD No.1 Special Assessment Bonds 2006	2,464,000	4.30-5.30%	07/01/2030	1,053,000	58,000
CFD No.2 Special Assessment Bonds 2006	2,555,000	4.30-5.30%	07/01/2030	1,177,000	66,000
CFD No.1 Special Assessment Bonds 2009	353,500	9.00%	07/01/2034	248,150	6,420
CFD No.2 Special Assessment Bonds 2009	829,500	9.00%	07/01/2034	581,120	15,750
CFD No.2 Special Assessment Bonds 2010	203,000	7.75%	07/01/2035	157,170	3,900
CFD No.1 Special Assessment Bonds 2010	290,500	7.5%	07/01/2035	245,730	7,200
CFD No.1 Special Assessment Bonds 2012	189,000	6.88%	07/01/2037	161,000	4,000
CFD No.1 Special Assessment Bonds 2016	987,000	5.75%	07/01/2040	967,000	21,000
CFD No.2 Special Assessment Bonds 2018	262,500	6%	07/01/2042	262,500	
CFD No.1 Special Assessment Bonds 2018	1,477,000	6%	07/01/2042	1,477,000	
Special assessment lien bonds:					
CFD No.1 Special Assessment Lien Bonds 2012	318,500	7.5%	07/01/2036	195,191	7,290
CFD No.1 Special Assessment Lien Bonds 2013	413,000	7.25%	07/01/2038	340,588	8,460
CFD No.1 Special Assessment Lien Bonds 2014	728,000	6.875%	07/01/2039	558,053	14,540
CFD No.2 Special Assessment Lien Bonds 2013	556,500	6.75%	07/01/2038	415,392	12,040
CFD No.2 Special Assessment Lien Bonds 2016	<u>241,500</u>	6%	07/01/2040	<u>209,672</u>	<u>5,040</u>
Total	<u>\$28,353,500</u>			<u>\$19,273,566</u>	<u>\$ 1,534,640</u>

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT - Continued

The annual debt service requirements to maturity on governmental bonds payable at June 30, 2018, are summarized as follows:

Year ending June 30:	General Obligation Bonds		Special Assessment Bonds		Special Assessment Lien Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,305,000	\$ 502,723	\$ 182,270	\$ 291,109	\$ 47,370	\$ 146,085
2020	400,000	473,524	197,210	393,266	50,647	142,696
2021	415,000	453,333	241,470	365,252	54,154	139,072
2022	425,000	435,269	256,540	350,446	57,906	135,197
2023	445,000	419,465	271,980	334,647	61,905	131,052
61905	<u>8,235,000</u>	<u>4,232,897</u>	<u>5,180,200</u>	<u>2,775,340</u>	<u>1,446,914</u>	<u>1,188,184</u>
Total	<u>\$11,225,000</u>	<u>\$ 6,517,211</u>	<u>\$ 6,329,670</u>	<u>\$ 4,510,060</u>	<u>\$ 1,718,896</u>	<u>\$ 1,882,286</u>

The following schedule details the Districts' long-term liability and obligation activity for the fiscal year ended June 30, 2018:

	Balance at July 1, 2017, restated	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 10,125,000	\$ 1,440,000	\$ (340,000)	\$ 11,225,000	\$ 1,305,000
Special assessment bonds	4,764,240	1,739,500	(174,070)	6,329,670	182,270
Special assessment lien bonds	1,851,873		(132,977)	1,718,896	47,370
Premiums	<u>180,502</u>	<u>98,437</u>	<u>(11,537)</u>	<u>267,402</u>	
Total	<u>\$ 16,921,615</u>	<u>\$ 3,277,937</u>	<u>\$ (658,584)</u>	<u>\$ 19,540,968</u>	<u>\$ 1,534,640</u>

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 6 - BEGINNING BALANCES RESTATED

The beginning fund balance of the debt service fund reported in the Town's financial statements as of June 30, 2017 was restated to record other liabilities previously omitted.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Debt service fund	Debt service fund
Fund balances, June 30, 2017	\$ 3,640,489
Prior period correction	<u>(827,776)</u>
Fund balance, July 1, 2017, as restated	<u><u>\$ 2,812,713</u></u>

	MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 ACTION FORM	<u>AGENDA ITEM</u> 9a.
MEETING DATE: April 15, 2019 DEPARTMENT: Merrill Ranch Community Facilities District No. 2 STAFF PRESENTER: Rebecca Jimenez, Interim District Treasurer Kevin Camberg, Fester Chapman, PLLC, Certified Public Accountants SUBJECT: Merrill Ranch Community Facilities District No. 2 Audit		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <div style="margin-left: 20px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </div> <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input checked="" type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Accept and approve the Community Facilities Districts Audit.

BACKGROUND/DISCUSSION:

The Merrill Ranch Community District No. 1 and 2 Board authorized an audit of both Community Facilities Districts to identify the balances in each fund and to verify the tax collections, assessment collections and the balances within each issue.

This is the first audit specific to the Districts. The purpose is to verify balances and to ensure that accounting for the Districts are performed as required. The Districts are reviewed during the regular Town of Florence audits. Due to the changes in Financial Management, over the last several years, the District Manager and Financial Advisor felt it was necessary to perform the audit.

Fester and Chapman, PLLC, the Town's contracted auditors, provided the special audit. The audit is now complete and ready for presentation to the District Board for Community Facilities District No. 1 and Community Facilities District No. 2.

Kevin Camberg, of Fester Chapman, PLLC, will present the financial audit and answer questions from the District Board.

A VOTE OF NO WOULD MEAN:

Not accepting the annual audit.

A VOTE OF YES WOULD MEAN:

Accepting the annual audit.

FINANCIAL IMPACT:

The cost of the audit was \$15,000. Each District paid for one half of the audit from their administrative funds. This is the Ad Valorem Tax that is collected at \$.30 per \$100 of Net Assessed Valuation. These funds are specific to provide funding for administrative expenditures.

ATTACHMENTS:

Report to the Community Facilities District Board and Audit

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of Town of Florence, Arizona)

REPORT TO THE BOARD OF DIRECTORS

June 30, 2018



March 29, 2019

To the Board of Directors of
Merrill Ranch Community Facilities Districts No. 1 and No. 2
Town of Florence, Arizona

We have audited the financial statements of the governmental activities and each major fund of the Town of Florence, Arizona (the Districts) for the year ended June 30, 2018, and have issued our report thereon dated March 29, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 23, 2018. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Districts are described in Note 1 to the financial statements. As discussed in Note 1 to the financial statements, the Districts has adopted Governmental Accounting Standard Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as amended by GASB Statement No. 85 *Omnibus 2017*. We noted no transactions entered into by the Districts during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of long-term debt in Note 5 to the financial statements

Difficulties Encountered in Performing the Audit

We encountered difficulties in performing and completing our audit due to additional audit procedures that were necessary to correct the Community Facilities Districts' special assessments lien bonds and corresponding infrastructure. In addition, significant audit effort was necessary as we proposed 10 audit adjustments and received 9 post-closing journal entries from management.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were 10 adjusting journal entries detected as a result of audit procedures and corrected by management. Management also posted 9 post-closing journal entry after commencement of field work.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 29, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Districts' financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Districts' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Districts and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Fester & Chapman, PLLC

Merrill Ranch Community Facilities
Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

Annual Financial Report

June 30, 2018

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Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)
ANNUAL FINANCIAL REPORT
Year ended June 30, 2018

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Independent Auditors' Report

To the Board of Directors of
Merrill Ranch Community Facilities Districts No. 1 and No. 2
Florence, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities and each major fund of the Merrill Ranch Community Facilities Districts No. 1 and No. 2 (the Districts), a component unit of the Town of Florence, Arizona, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Districts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Districts' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of the Districts, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Districts are intended to present the financial position and changes in financial position of only that portion of the governmental activities of the Town of Florence that is attributable to the transactions of the Districts. They do not purport to, and do not, present fairly the financial position of the Town of Florence as of June 30, 2018, and the changes in its financial position, for the year ended in conformity with accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Fester & Chapman, PLLC

March 29, 2019

BASIC FINANCIAL STATEMENTS

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Merrill Ranch Community Facilities Districts No. 1 and No. 2

(Component Units of the Town of Florence, Arizona)

STATEMENT OF NET POSITION

June 30, 2018

ASSETS

Pooled cash and investments	\$ 5,152,792
Restricted cash	4,274,586
Accounts receivable	6,908,250
Prepays	<u>199,980</u>
Total assets	<u>16,535,608</u>

LIABILITIES

Accrued wages and benefits	\$ 406
Accrued interest payable	484,435
Other accrued liabilities	1,084,482
Due to other governments	68,206
Noncurrent liabilities:	
Due within 1 year	1,534,640
Due in more than 1 year	<u>18,006,328</u>
Total liabilities	<u>21,178,497</u>

NET POSITION

Restricted for:	
Debt service	3,739,617
Highways and streets	4,197,267
Unrestricted (deficit)	<u>(12,579,773)</u>
Total net position	<u>\$ (4,642,889)</u>

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2

(Component Units of the Town of Florence, Arizona)

STATEMENT OF ACTIVITIES

Year ended June 30, 2018

REVENUES

Property taxes	\$ 1,436,869
Special assessments	2,343,429
Operating grants and contributions	18,500
Investment income	33,000
Miscellaneous	<u>61,206</u>
Total revenues	<u>3,893,004</u>

EXPENSES

General government	589,480
Capital outlay	1,081,765
Interest and other charges	<u>901,492</u>
Total expenses	<u>2,572,737</u>

Change in net position	1,320,267
Net position, beginning of year	<u>(5,963,156)</u>

Net position, end of year	<u><u>\$ (4,642,889)</u></u>
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See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2

(Component Units of the Town of Florence, Arizona)

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

	General Fund	Debt Service Fund	Capital Improvements Fund	Total
ASSETS				
Pooled cash and investments	\$ 340,896	\$ 4,314,022	\$ 497,874	\$ 5,152,792
Restricted pooled cash and investments		636,662	3,637,924	4,274,586
Accounts receivable	181	6,908,069		6,908,250
Due from other funds	41,742	42,969	61,469	146,180
Prepaid		199,980		199,980
Total assets	<u>\$ 382,819</u>	<u>\$ 12,101,702</u>	<u>\$ 4,197,267</u>	<u>\$ 16,681,788</u>
LIABILITIES				
Accrued wages and benefits	\$ 406			\$ 406
Other liabilities		\$ 1,084,482		1,084,482
Due to other funds	42,969	103,211		146,180
Due to other governments		68,206		68,206
Total liabilities	<u>43,375</u>	<u>1,255,899</u>		<u>1,299,274</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	<u>21</u>	<u>6,906,206</u>		<u>6,906,227</u>
Total deferred inflows of resources	<u>21</u>	<u>6,906,206</u>		<u>6,906,227</u>
FUND BALANCES				
Nonspendable:				
Prepaid items		199,980		199,980
Restricted:				
Debt service		3,739,617		3,739,617
Capital projects			\$ 4,197,267	4,197,267
Unassigned	<u>339,423</u>			<u>339,423</u>
Total fund balances	<u>339,423</u>	<u>3,939,597</u>	<u>4,197,267</u>	<u>8,476,287</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 382,819</u>	<u>\$ 12,101,702</u>	<u>\$ 4,197,267</u>	<u>\$ 16,681,788</u>

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2

(Component Units of the Town of Florence, Arizona)

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2018

Fund balances - total governmental funds balance sheet		\$ 8,476,287
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Unavailable revenue for special assessments is shown in the governmental funds, but is recognized as revenue on the Statement of Net Position.		6,906,227
Long-term liabilities, including, bonds payable and their related costs, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (19,273,566)	
Premiums	<u>(267,402)</u>	(19,540,968)
Interest payable on long-term debt is not reported in the governmental funds		<u>(484,435)</u>
Net position of governmental activities		\$ <u><u>(4,642,889)</u></u>

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year ended June 30, 2018

	General Fund	Debt Service Fund	Capital Improvements Fund	Total
REVENUES				
Property taxes	\$ 121,460	\$ 1,315,409		\$ 1,436,869
Special assessments		1,242,454		1,242,454
Investment income	1,406	16,370	\$ 15,224	33,000
Intergovernmental revenue		18,500		18,500
Miscellaneous	<u>61,206</u>			<u>61,206</u>
Total revenues	184,072	2,592,733	15,224	2,792,029
EXPENDITURES				
Current:				
General government	130,443	71,420	386,454	588,317
Capital outlay			1,081,765	1,081,765
Debt service:				
Principal		647,047		647,047
Interest and other charges		<u>901,492</u>		<u>901,492</u>
Total expenditures	<u>130,443</u>	<u>1,619,959</u>	<u>1,468,219</u>	<u>3,218,621</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,629</u>	<u>972,774</u>	<u>(1,452,995)</u>	<u>(426,592)</u>
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued			1,424,450	1,424,450
Premium on general obligation bonds			98,437	98,437
Special assessment bonds issued			1,739,500	1,739,500
Transfers in		154,110	58,678	212,788
Transfers out	<u>(65,392)</u>		<u>(147,396)</u>	<u>(212,788)</u>
Total other financing sources (uses)	<u>(65,392)</u>	<u>154,110</u>	<u>3,173,669</u>	<u>3,262,387</u>
Net change in fund balances	(11,763)	1,126,884	1,720,674	2,835,795
Fund balances (deficits), beginning of year, as restated	<u>351,186</u>	<u>2,812,713</u>	<u>2,476,593</u>	<u>5,640,492</u>
Fund balances (deficits), end of year	<u>\$ 339,423</u>	<u>\$ 3,939,597</u>	<u>\$ 4,197,267</u>	<u>\$ 8,476,287</u>

See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Year ended June 30, 2018

Net change in fund balances - total governmental funds	\$ 2,835,795
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Amounts reported for governmental activities in the Statement of Activities
are different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,100,975
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Debt proceeds provide current financial resources to governmental funds,
but issuing debt increases long-term liabilities in the statement of net
position. Repayment of debt principal is an expenditure in the
governmental funds, but the repayment reduces long-term liabilities in the
statement of net position. Also, governmental funds report the effect of
premiums, discounts, and similar items when debt is issued, whereas these
amounts are amortized in the statement of activities.

Issuance of bonds	\$ (3,275,087)	
Bond principal retirement	647,047	
Amortization of bond premiums	<u>11,537</u>	<u>(2,616,503)</u>

Change in net position of governmental activities	\$ <u>1,320,267</u>
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See accompanying notes to financial statements.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Merrill Ranch Community Facilities Districts No. 1 and No. 2 (the Districts), component units of the Town of Florence, Arizona (the Town), conform to generally accepted accounting principles applicable to government units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

A. Reporting Entity

The Districts were formed by petition to the Town Council on December 19, 2005 (No. 1) and November 21, 2005 (No. 2). The purpose of the Districts is to acquire or construct public infrastructure in specified areas of the Town. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts may levy taxes and issue bonds independently of the Town. Property owned in the designated areas is assessed for the Districts' property taxes, and thus for the costs of operating the Districts. The Town Council serves as the Board of Directors of the Districts. The Town has no liability for the Districts' debt. For reporting purposes, the transactions of the Districts are included as governmental type funds as if they were part of the Town's operations.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) present financial information about the Districts as a whole. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes, special assessments and miscellaneous revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Districts had no business-type activities during the fiscal year.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Districts consider revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of governmental long-term principal and interest due early in the following year, the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Interest is accrued in the current fiscal period when the revenue is earned. All other revenue items are considered to be measurable and available only when cash is received by the government.

Special assessments are recognized as revenue only to the extent that the individual installments are considered current assets. Annual installments not currently receivable are reflected as deferred inflows of resources.

The Districts reports the following major governmental funds:

- General Fund - This fund accounts for resources accumulated and used for the payment of general operating expenses for the Districts, which may include insurance, legal fees, and administration costs.
- Debt Service Fund - This fund accounts for resources accumulated and used for the payment of the Districts' long-term debt principal, interest, and related costs.
- Capital Improvements Fund - This fund accounts for resources accumulated and used for acquiring and improving public infrastructure.

D. Cash and Investments

The Districts participate in the Town's investment pool that is available for the use of all Town funds. The Districts' pool is reported on the financial statements as "pooled cash and investments". The Districts' portion of the pool is not identified within specific investments.

The Districts consider all highly liquid investments with a maturity of three months or fewer when purchased to be cash equivalents.

The Districts investments are stated at fair value. Fair value is based on quoted market prices as of the valuation date.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Restricted assets

Certain proceeds of the Districts' bonds, as well as certain resources set aside for their repayments, are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

F. Capital Assets

Capital assets acquired or infrastructure assets constructed by the Districts are dedicated to the Town to maintain and operate. As a result, the Districts own no capital assets.

G. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discount are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on the debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

H. Deferred Inflows

In addition to liabilities, the fund financial statements include a section for deferred inflows of resources. This represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Districts have only one item that qualifies for this category, which arises only under the modified accrual basis of accounting, unavailable revenue. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Fund Balance

In the fund financial statements, governmental funds report nonspendable portions of fund balance related to prepaid expenses. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Directors. The Board of Directors passed a resolution authorizing the Town of Florence to assign fund balances and their intended uses. Unassigned fund balances are considered the remaining amounts. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts. Currently the District does not have any nonspendable, assigned or committed funds.

In the government-wide financial statements, net position is reported in two categories: restricted net position and unrestricted net position. Restricted net position accounts for the portion of net position restricted by bond covenants. Unrestricted net position is the remaining net position not included in the previous category.

J. Budgetary Information

The Districts adopt an annual operating budget for expenditures for the General Fund on essentially the same modified accrual basis of accounting used to record actual expenditures. Budgetary control over expenditures is exercised at the fund level.

K. Deficit Net Position

As described in Note A, the Districts were formed to finance and acquire or construct infrastructure assets that are subsequently dedicated to the Town for operation. The Districts do not own or operate infrastructure. Therefore, the Statement of Net Position includes long term debt without the corresponding capital assets.

L. Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures (expenses) during the reporting period. Actual results could differ from those estimates.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 - POOLED CASH AND INVESTMENTS

The Districts participate in the pooled cash and investments of the Town for daily transactions. The Town then periodically requests reimbursement from the Districts' restricted funds held by the trustee. At June 30, 2018, the Districts had a balance of \$5,152,792 in the Town's pooled cash and investments. Restricted cash consists of the required debt service reserve fund and cash held by an outside agency for restricted use. Its future use will be for the repayments on outstanding bonds payable and capital improvements.

The Town's investment pool is not an SEC registered investment company, and there is no regulatory oversight of its operation. The pools' structure does not provide for shares, and the Town has not provided, nor obtained, any legally binding guarantees to support the value of participant's investments. The Town allocates interest earnings to each participating fund. The Town's investments are valued at fair value; however, the Town's investments are not identified with specific shares. The District does not have a separate investment policy and follows the Town's policies.

Below are the relevant policies with regard to interest rate risk, credit risk, concentration of credit risk and custodial credit risk

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town has no policy regarding interest rate risk. State law limits investments into securities having maturities no greater than five (5) years. The maximum maturity for investments in repurchase agreements is 180 days.

Credit risk – The Town does not have a formal investment policy regarding credit risk. However, the Town is prohibited by State law from investing in investments other than obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Investment Pool.

Concentration of Credit Risk - At June 30, 2018, the Town's investments include 44% invested in U.S. agency securities, 30% in Repurchase Agreements, 13% in corporate bonds, 10% in U.S. Treasury securities, 2% in Money Market funds and 1% in the State Investment Pool (LGIP).

Custodial credit risk - To control custodial credit risk, State law and the Town's investment policy require all securities and collateral to be held by an independent third party custodian in the Town's name. The custodian provides the Town with monthly market values along with original safekeeping receipts.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 3 - ACCOUNTS RECEIVABLE

The Pinal County Treasurer (County) is responsible for collecting property taxes and special assessments for all governmental entities within the County. The County levies property taxes due to the Districts. In addition, the Districts provide the County with the special assessments to be billed. These taxes and assessments are billed to the property owners by the County in September. Two equal installments, payable in October and April, become delinquent after the first business days in November and May.

Property taxes are recognized as revenues in the fiscal year they are levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements, property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as unavailable revenues.

Special Assessments are recognized as revenue only to the extent that the individual installments are considered current assets. Annual installments not currently receivable are reflected as deferred inflow of resources.

NOTE 4 - INTERFUND BALANCES AND ACTIVITY

Interfund transfers - Interfund transfers for the year ended June 30, 2018 were as follows:

Transfers to	Transfer from		Total
	Debt Service Fund	Capital Improvements Fund	
General Fund	\$ 6,714	\$ 58,678	\$ 65,392
Capital Improvements Funds	147,396		147,396
Total	<u>\$ 154,110</u>	<u>\$ 58,678</u>	<u>\$ 212,788</u>

Interfund receivables and payables - Interfund balances for the year ended June 30, 2018 were as follows:

Due from	Due to		Total
	General Fund	Debt Service Fund	
General Fund		\$ 41,742	\$ 41,742
Debt Service Fund	\$ 42,969		42,969
Capital Improvements Funds		61,469	61,469
Total	<u>\$ 42,969</u>	<u>\$ 103,211</u>	<u>\$ 146,180</u>

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT

The Districts are authorized under state law to issue General Obligation (GO) bonds and Special Assessment (SA) bonds to be repaid by property taxes and special assessments levied on property within the districts. CFDs are created by petition of the Town Council by property owners within the area to be covered by the districts and debt may be issued only after approval of the voters within the districts.

Bonds payable from the Districts at June 30, 2018, consisted of the outstanding general obligation bonds and special assessment presented below.

General obligation bonds:

In November 2010 the Merrill Ranch Community Facilities District No. 2 assessment issued \$3,560,000 of Series 2010 GO bonds to finance capital improvements within the District. Interest rate is 5.86%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2035.

In December 2013 the Merrill Ranch Community Facilities District No. 2 issued \$1,850,000 of GO Series 2013 bonds at a premium to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 1.50% to 6.75%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2038.

In June 2016 the Merrill Ranch Community Facilities District No. 2 issued \$2,000,000 of GO Series 2016 bonds at a premium to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 2.0% to 5.25%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2040.

In February 2017 the Merrill Ranch Community Facilities District No. 1 issued \$3,245,000 of GO Series 2017 refunding bonds to advance refund a portion of outstanding GO 2008 Series A bonds. The net proceeds of \$3,245,000 together with a debt service contribution of \$300,000 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds in three payment ending July 15, 2018. As a result, a portion of those GO 2008 Series A bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. Interest rate is 2.97%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2029.

In November 2017 the Merrill Ranch Community Facilities District No. 2 issued \$1,440,000 of GO Series 2017 bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates are 2.0% to 5.0%; semi-annual interest payments are due on July 15 and January 15. Principal payments are due annually on July 15 with final maturities on July 15, 2042.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT - Continued

Special assessments bonds:

In June 2006 the Merrill Ranch Community Facilities District No. 1 assessment area one issued \$2,464,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rates are 4.3% to 5.3%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2030.

In June 2006 the Merrill Ranch Community Facilities District No. 2 assessment area one issued \$2,555,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rates are 4.3% to 5.3%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2030.

In September 2009 the Merrill Ranch Community Facilities District No. 1 assessment area two issued \$353,500 of special assessment bonds to finance capital improvements within the district. Interest rate is 9.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2034.

In September 2009 the Merrill Ranch Community Facilities District No. 2 assessment areas two and three issued \$829,500 of special assessment bonds to finance capital improvements within the district. Interest rates is 9.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2034.

In February 2010 the Merrill Ranch Community Facilities District No. 2 assessment area four issued \$203,000 of special assessment bonds to finance capital improvements within the district. Interest rates is 7.75%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2035.

In October 2010 the Merrill Ranch Community Facilities District No. 1 assessment area three issued \$290,500 of special assessment bonds to finance capital improvements within the district. Interest rates is 7.5%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2035.

In July 2012 the Merrill Ranch Community Facilities District No. 1 assessment area five issued \$189,000 of special assessment bonds to finance capital improvements within the district. Interest rates is 6.88%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2037.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT - Continued

In July 2016 the Merrill Ranch Community Facilities District No. 1 assessment area eight issued \$987,000 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 5.75%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2040.

In January 2018 the Merrill Ranch Community Facilities District No. 2 assessment area seven issued \$262,500 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 6%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2042.

In April 2018 the Merrill Ranch Community Facilities District No. 1 assessment area nine issued \$1,477,000 of special assessment bonds to pay costs of acquiring certain public infrastructure within the boundaries of the District. Interest rates is 6%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2042.

Special assessments lien bonds:

In January 2012, the Merrill Ranch Community Facilities District No. 1 assessment area four issued \$318,500 of special assessment lien bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 7.5%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2036.

In July 2013, the Merrill Ranch Community Facilities District No. 1 assessment area six issued \$413,000 of special assessment lien bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 7.25%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2038.

In October 2014, the Merrill Ranch Community Facilities District No. 1 assessment area seven issued \$728,000 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.875%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2039.

In May 2013, the Merrill Ranch Community Facilities District No. 2 assessment area one issued \$556,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.750%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2038.

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT - Continued

In July 2016, the Merrill Ranch Community Facilities District No. 2 assessment area six issued \$241,500 of special assessment bonds to finance capital improvements within the district. These bonds will be repaid by the property owners within the district. Interest rate is 6.0%; semi-annual interest payments are due on July 1 and January 1. Principal payments are due annually on July 1 with final maturities on July 1, 2040.

Bonds payable at year end consisted of the following outstanding bonds. The bonds are both callable and noncallable with interest payable semiannually.

Description	Original Amount Issued	Interest Rate	Maturity	Outstanding Principal - End of Year	Due Within One Year
General obligation bonds:					
CFD No.1 General Obligation Bonds 2008A	\$ 4,390,000	6.00-7.40%	07/15/2033	\$ 395,000	\$ 125,000
CFD No.2 General Obligation Bonds 2010	3,560,000	5.86%	07/15/2035	2,645,000	90,000
CFD No.2 General Obligation Bonds 2013	1,850,000	1.50-6.75%	07/15/2038	1,705,000	25,000
CFD No.2 General Obligation Bonds 2016	2,000,000	2.00-5.25%	07/15/2040	1,860,000	35,000
CFD No.1 General Obligation Bonds 2017	3,245,000	2.97%	07/15/2029	3,180,000	340,000
CFD No.2 General Obligation Bonds 2017	1,440,000	2.00-5.00%	07/15/2042	1,440,000	690,000
Special assessment bonds:					
CFD No.1 Special Assessment Bonds 2006	2,464,000	4.30-5.30%	07/01/2030	1,053,000	58,000
CFD No.2 Special Assessment Bonds 2006	2,555,000	4.30-5.30%	07/01/2030	1,177,000	66,000
CFD No.1 Special Assessment Bonds 2009	353,500	9.00%	07/01/2034	248,150	6,420
CFD No.2 Special Assessment Bonds 2009	829,500	9.00%	07/01/2034	581,120	15,750
CFD No.2 Special Assessment Bonds 2010	203,000	7.75%	07/01/2035	157,170	3,900
CFD No.1 Special Assessment Bonds 2010	290,500	7.5%	07/01/2035	245,730	7,200
CFD No.1 Special Assessment Bonds 2012	189,000	6.88%	07/01/2037	161,000	4,000
CFD No.1 Special Assessment Bonds 2016	987,000	5.75%	07/01/2040	967,000	21,000
CFD No.2 Special Assessment Bonds 2018	262,500	6%	07/01/2042	262,500	
CFD No.1 Special Assessment Bonds 2018	1,477,000	6%	07/01/2042	1,477,000	
Special assessment lien bonds:					
CFD No.1 Special Assessment Lien Bonds 2012	318,500	7.5%	07/01/2036	195,191	7,290
CFD No.1 Special Assessment Lien Bonds 2013	413,000	7.25%	07/01/2038	340,588	8,460
CFD No.1 Special Assessment Lien Bonds 2014	728,000	6.875%	07/01/2039	558,053	14,540
CFD No.2 Special Assessment Lien Bonds 2013	556,500	6.75%	07/01/2038	415,392	12,040
CFD No.2 Special Assessment Lien Bonds 2016	<u>241,500</u>	6%	07/01/2040	<u>209,672</u>	<u>5,040</u>
Total	<u>\$28,353,500</u>			<u>\$19,273,566</u>	<u>\$ 1,534,640</u>

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - LONG TERM DEBT - Continued

The annual debt service requirements to maturity on governmental bonds payable at June 30, 2018, are summarized as follows:

Year ending June 30:	General Obligation Bonds		Special Assessment Bonds		Special Assessment Lien Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,305,000	\$ 502,723	\$ 182,270	\$ 291,109	\$ 47,370	\$ 146,085
2020	400,000	473,524	197,210	393,266	50,647	142,696
2021	415,000	453,333	241,470	365,252	54,154	139,072
2022	425,000	435,269	256,540	350,446	57,906	135,197
2023	445,000	419,465	271,980	334,647	61,905	131,052
61905	<u>8,235,000</u>	<u>4,232,897</u>	<u>5,180,200</u>	<u>2,775,340</u>	<u>1,446,914</u>	<u>1,188,184</u>
Total	<u>\$11,225,000</u>	<u>\$ 6,517,211</u>	<u>\$ 6,329,670</u>	<u>\$ 4,510,060</u>	<u>\$ 1,718,896</u>	<u>\$ 1,882,286</u>

The following schedule details the Districts' long-term liability and obligation activity for the fiscal year ended June 30, 2018:

	Balance at July 1, 2017, restated	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 10,125,000	\$ 1,440,000	\$ (340,000)	\$ 11,225,000	\$ 1,305,000
Special assessment bonds	4,764,240	1,739,500	(174,070)	6,329,670	182,270
Special assessment lien bonds	1,851,873		(132,977)	1,718,896	47,370
Premiums	<u>180,502</u>	<u>98,437</u>	<u>(11,537)</u>	<u>267,402</u>	
Total	<u>\$ 16,921,615</u>	<u>\$ 3,277,937</u>	<u>\$ (658,584)</u>	<u>\$ 19,540,968</u>	<u>\$ 1,534,640</u>

Merrill Ranch Community Facilities Districts No. 1 and No. 2
(Component Units of the Town of Florence, Arizona)


NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 6 - BEGINNING BALANCES RESTATED

The beginning fund balance of the debt service fund reported in the Town's financial statements as of June 30, 2017 was restated to record other liabilities previously omitted.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Debt service fund	Debt service fund
Fund balances, June 30, 2017	\$ 3,640,489
Prior period correction	<u>(827,776)</u>
Fund balance, July 1, 2017, as restated	<u><u>\$ 2,812,713</u></u>

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 11a.
MEETING DATE: April 15, 2019 DEPARTMENT: Community Services STAFF PRESENTER: Bryan Hughes, Community Services Director SUBJECT: 2019 Arbor Day Proclamation		<input type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input checked="" type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input checked="" type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Proclaim April 26, 2019 as Arbor Day in the Town of Florence and recognition of the Town of Florence as a Tree City USA community for the 13th consecutive year.

BACKGROUND/DISCUSSION:

Each year, the National Arbor Day Foundation, in cooperation with the USDA Forest Service and National Association of State Foresters requests local communities to demonstrate their support of urban and community forestry programs throughout the country by executing proclamations supporting their cause.

On April 26th, Community Services Staff and patrons from the Dorothy Nolan Senior Center will plant a tree at Heritage Park and read the proclamation recognizing Arbor Day in Florence, Arizona.

A VOTE OF NO WOULD MEAN:

Not Applicable

A VOTE OF YES WOULD MEAN:

Not Applicable

FINANCIAL IMPACT:

Not Applicable

ATTACHMENTS:

Proclamation



Proclamation

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

WHEREAS, Arbor Day is now observed throughout the nation and the world, and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife, and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal.

NOW, THEREFORE, I, Tara Walter, Mayor of the Town of Florence, do hereby proclaim April 26, 2019 as

Arbor Day

in the Town of Florence, Arizona, and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

Further, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.


DATED this 15th day of April 2019.

Tara Walter, Mayor

ATTEST:

Lisa Garcia, Town Clerk



	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 11b.
MEETING DATE: April 15, 2019 DEPARTMENT: Legal STAFF PRESENTER: Clifford Mattice, Town Attorney SUBJECT: Approval and Ratification of an Engagement and Representation Agreement for legal services with Sims Mackin, LTD. and Cathy Bowman.		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnerships and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input checked="" type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Motion to approve and ratify an Engagement and Representation Agreement with Sims Mackin, LTD. and Cathy Bowman for legal representation of the Town of Florence in legal matters in connection with *Town of Florence v. ADEQ*, No.LC2017-000466-001 DT; *Town of Florence v. Florence Copper, Inc.* CV 2015-000325; *Town of Florence v. ADEQ*, No. 1 CA-CV 19-01222 (Arizona Court of Appeals), including post-trial motions, appeals and authorization to enter into related common interest agreements (the “appellate proceedings”).

Staff recommends approving and ratifying the Engagement and Representation Agreement letter with Sims Mackin, LTD. and Cathy Bowman.

BACKGROUND/DISCUSSION:

The post-trial motions and appellate proceedings involve ongoing litigation over the operation of the Florence Copper Pilot Test Facility in Florence, Arizona by Florence Copper, Inc. (“FCI”), a wholly-owned subsidiary of Taseko Mines Unlimited. The Town’s interest is affected by FCI’s proposal to operate a commercial copper mine in Florence, Arizona. These matters are the subject of administrative or civil litigation, including but not limited to regulatory permit challenges, administrative reviews, environmental litigation, non-conforming zoning use and condemnation matters several of such matters listed above are now subject to post-trial motions and the appellate stages of the proceedings for which Sims Mackin, LTD. and Ms. Bowman will provide legal services.

This action approves and ratifies the Town's engagement of Sims Mackin, LTD. and Cathy Bowman as specialized, appellate outside counsel representing the Town in the post-trial motions and appellate proceedings.

A VOTE OF YES WOULD MEAN:

The Town retains Cathy Bowman (and Sims Mackin, LTD.) as its lawyer for the post-trial motions and appellate proceedings.

A VOTE OF NO WOULD MEAN:

The Town does not retain Cathy Bowman (and Sims Mackin, LTD.) as its lawyer for the post-trial motions and appellate proceedings.

FINANCIAL IMPACT:

The expenses for legal fees and related services are budgeted annually based upon the projected activities for the proceedings during the fiscal year.

ATTACHMENTS:

Engagement and Representation Agreement



3101 NORTH CENTRAL AVENUE, SUITE 870
PHOENIX, ARIZONA 85012
(602) 772-5500 (O) • (602) 772-5509 (F)

CATHERINE BOWMAN
OF COUNSEL
DIRECT: (602) 772-5503
CMBOWMAN@SIMSMACKIN.COM

April 10, 2019

Town of Florence
Mayor and Town Council
PO Box 2670
Florence, AZ 85132

Re: Retention Letter

Dear Mayor and Council:

Sims Murray, LTD is pleased to offer our services to the Town of Florence ("**Town**") in connection with the following litigation:

Legal matters, including post-trial motion practice, related proceedings and appeal in connection with Town of Florence v. ADEQ, No.LC2017-000466-001 DT; Town of Florence v. Florence Copper, Inc. CV 2015-000325; Town of Florence v. ADEQ, No. 1 CA-CV 19-01222, (Arizona Court of Appeals), including authorization to enter into related common interest agreements (the "appellate proceedings").

We issue statements monthly on approximately the 10th day of the month. The hourly rates are as follows:

Catherine Bowman/ /Partners:	\$250.00
Associates:	\$200.00
Paralegals:	\$130.00

The statements will show the fees and charges incurred during the previous month or billing cycle. We expect payment within 30 days after the date of the statement. Our obligation to give independent advice compels us to stay clear of financing our clients. For this reason, we have a policy against continuing representation if an account is not current.

ANTHONY W. CONTENTE-CUOMO • KRISTIN M. MACKIN • WILLIAM J. SIMS, III
CATHERINE BOWMAN, OF COUNSEL

April 10, 2019

Page 2

I will review each statement before it is mailed to you and will make appropriate adjustments. We rely upon you to alert us promptly to any questions you may have about the statement or the work for which you were billed.

Please review Attachment A for the Engagement Policies and Procedures that govern the representation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Catherine M. Bowman".

SIMS MURRAY, LTD.

Catherine M. Bowman

ATTACHMENT A

SIMS MURRAY, LTD. Engagement Policies and Procedures

This document describes the Engagement Policies and Procedures of Sims Murray, Ltd. (the “**Firm**”) and the commitments to be entered into by you with respect to the Firm’s representation of you. Please read this statement of policies and procedures in connection with the engagement letter to which it is attached (the “**Engagement Letter**”). Upon acceptance by you, the Engagement Letter and the Engagement Policies and Procedures constitute our agreement for your legal representation by the Firm.

1. The Firm’s Commitment to You. We commit to representing you to the best of our ability. Depending upon the project undertaken, our services may include not only preparing documents, memoranda, agreements, opinions, corporate records, instruments, and correspondence on your behalf, but also may include office and telephone conferences, negotiations, and contact with other attorneys, and business people. Since these services may be performed in your absence, in some instances you will only be aware that they have occurred when you receive your monthly statement, but all such services will be performed in connection with matters you have approved.

Cathy Bowman is the attorney assigned to handle your matters. However, since you are hiring the Firm, other attorneys or staff may assist the responsible attorney in performing services on your behalf. The Firm will endeavor to represent you effectively and efficiently to the successful conclusion of any of your matters. All information regarding your legal matters will be treated as strictly confidential by the entire Firm.

2. Your Commitment to the Firm. We ask that you honor the provisions of this agreement regarding payment and that you keep the Firm informed of changes in your address, telephone number, and general circumstances.

The Firm reserves the right to withdraw from representing you if you misrepresent or fail to disclose relevant material facts or if you do not make the payments required by this agreement in a timely manner.

3. Billing of Fees and Expenses. A statement is generated at the end of the billing period showing the total fees due for the prior period and the expenses incurred to the billing cut-off date.

4. Expenses. The Firm does not charge for faxes and photocopies necessary in the ordinary course of business. We advance on your behalf charges for such necessary services and costs as outside-communication services, offsite or high-volume photocopying, outside messenger services, court fees, meeting and travel expenses. Such items are charged monthly as they are

April 10, 2019


Page 4

received and processed by the firm. We will submit certain charges directly to you for prompt payment.

5. Statements. Monthly statements are normally mailed prior to the 15th day of the month and payment is due upon receipt whether or not the legal representation in the particular matter has been successfully completed. Statements will be mailed to the address shown on the cover letter. If they should go to a different address or if you want us to furnish copies to anyone else, please let us know. If you disagree with the amount of any fee, please call me immediately to discuss your questions.

The Firm's taxpayer identification number is 45-5040705.

7. Summary. We will be happy to discuss these policies and procedures with you at any time. If you have any questions, please feel free to inquire. We encourage you to discuss with us any problems you may have with any matters that arise in connection with our representation.

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 11c.
MEETING DATE: April 15, 2019 DEPARTMENT: Legal STAFF PRESENTER: Clifford Mattice, Town Attorney SUBJECT: Authorization for Town Attorney to execute Consent to Withdrawal on behalf of the Town for Jennings, Strouss & Salmon, P.L.C. and Christopher Kramer and Laura Curry to withdraw as counsel for the Town.		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnerships and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input checked="" type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Authorization for the Town Attorney to execute a Consent to Withdrawal on behalf of the Town consenting to the withdrawal of Christopher Kramer and Laura Curry and the firm of Jennings, Strouss & Salmon, P.L.C. as counsel of record for the Town in the matter of *Town of Florence vs. Florence Copper, Inc., et al* No. CV2015-000325.

BACKGROUND/DISCUSSION:

In 2013, the Town initiated litigation in the pending case: Town of Florence v. Florence Copper, Inc. (Curis Resources AZ, Inc.) (Case No. CV2015-000325, previously CV2013-02511). The Complaint in the case sought: 1) Declaratory Relief that the uses of the subject property for mining and related activities are an illegal use; and 2) Eminent Domain for judgment condemning the property and determining the total amount of just compensation. This matter is now in post-trial proceedings.

A VOTE OF YES WOULD MEAN:

The Town authorizes the Town Attorney to execute a Consent to Withdrawal on behalf of the Town consenting to the withdrawal of Christopher Kramer and Laura Curry and the firm of Jennings, Strouss & Salmon, P.L.C. as counsel of record for the Town in *Town of Florence vs. Florence Copper, Inc., et al* No. CV2015-000325.

A VOTE OF NO WOULD MEAN:

The Town does not authorize the Town Attorney to execute a Consent to Withdrawal on behalf of the Town consenting to the withdrawal of Christopher Kramer and Laura Curry and the firm of Jennings, Strouss & Salmon, P.L.C. as counsel of record for the Town in *Town of Florence vs. Florence Copper, Inc., et al* No. CV2015-000325.

FINANCIAL IMPACT:

None

ATTACHMENTS:

Application to Withdraw as Attorneys of Record for Plaintiff/Counterdefendant with Client Consent by Jennings, Strouss & Salmon, P.L.C. and Christopher Kramer

Christopher W. Kramer - 013289

ckramer@jsslaw.com

Laura R. Curry – 029435

lcurry@jsslaw.com

JENNINGS, STROUSS & SALMON, P.L.C.

A Professional Limited Liability Company

One East Washington Street

Suite 1900

Phoenix, Arizona 85004-2554

Telephone: (602) 262-5911

MinuteEntries@jsslaw.com

Attorneys for Plaintiff Town of Florence

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

TOWN OF FLORENCE,

Plaintiff,

vs.

FLORENCE COPPER, INC., et al,

Defendants.

FLORENCE COPPER, INC., et al

Counterclaimant,

vs.

TOWN OF FLORENCE,

Counterdefendant.

No. CV2015-000325

**APPLICATION TO WITHDRAW AS
ATTORNEYS OF RECORD FOR
PLAINTIFF/COUNTERDEFENDANT
WITH CLIENT CONSENT**

(Assigned to the Hon. Roger E. Brodman)

Christopher W. Kramer and Laura R. Curry and the firm of Jennings, Strouss & Salmon, P.L.C., respectfully request that the Court allow them to withdraw as counsel of record for Plaintiff/Counterdefendant Town of Florence pursuant Rule 5.3(a)(2), A.R.C.P.

The Consent to Withdrawal executed by Town Attorney Clifford Mattice, an authorized representative of Plaintiff/Counterdefendant, the Town of Florence, is set forth below. This matter is now in post-trial proceedings and Plaintiff has been advised as to the status of the matter. **This Motion is supported by good cause that is protected from disclosure by E.R. 1.6.**

1 Plaintiff/Counterdefendant's address and telephone number are:

2 Town of Florence
3 c/o Clifford Mattice, Esq.
4 Town Attorney
5 P.O. Box 2670
6 Florence, AZ 85632
7 Phone: (520) 868-7557

8 **WHEREFORE**, and for all of the reasons set forth above, undersigned counsel
9 respectfully requests that the Court grant this Application to Withdraw as Counsel of
10 Record for Plaintiff/Counterdefendant.

11 DATED this ____ day of April, 2019.

12 **JENNINGS, STROUSS & SALMON, P.L.C.**

13 /s/
14 Christopher W. Kramer
15 Laura R. Curry
16 Attorneys for Plaintiff

17 **CONSENT TO WITHDRAWAL**

18 I, Cliff Mattice, Town Attorney for Plaintiff/Counterdefendant, Town of Florence
19 ("Town"), on behalf of the Town and with its authority, consent to the withdrawal of
20 Christopher W. Kramer and Laura R. Curry and the firm of Jennings, Strouss & Salmon,
21 P.L.C. as counsel of record for the Town in this matter. I am aware of the status of this
22 case.

23 All future communications should be sent directly to me at:

24 Town of Florence
25 c/o Clifford Mattice, Esq.
26 Town Attorney
27 P.O. Box 2670
28 Florence, AZ 85632
Phone: (520) 868-7557

///

///

1
2 Dated: April _____, 2019.

3 TOWN OF FLORENCE

4
5 _____
6 Clifford Mattice
Town Attorney

7 **ORIGINAL** e-filed and a COPY
8 of the foregoing e-served and mailed this
9 ____ day of April, 2019, to:

10 Colin F. Campbell, Esq.
11 Shane M. Ham, Esq.
12 Hayleigh S. Crawford, Esq.
13 Joshua Whitaker, Esq.
14 Osborn Maledon, P.A.
2929 North Central Ave., 21st Floor
Phoenix, Arizona 85012-2793

15 ccampbell@omlaw.com

16 sham@omlaw.com

17 hcrawford@omlaw.com

18 jwhitaker@omlaw.com

19 *Attorneys for Defendant/Counterclaimant*
20 *Florence Copper, Inc.*

21 Kristin M. Mackin, Esq.

22 Catherine M. Bowman

23 Sims Murray, Ltd.

24 3101 North Central, Suite 870

25 Phoenix, Arizona 85012

26 kmackin@simsmurray.com

27 cmbowman@simsmurray.com

28 *Attorneys for Counterdefendant Town of Florence*

29 /s/

30 _____
Bonnie M. Simpson, Legal Assistant

MINUTES OF THE TOWN OF FLORENCE COUNCIL MEETING OF THE FLORENCE TOWN COUNCIL HELD ON MONDAY, MARCH 4, 2019, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Walter called the meeting to order at 6:00 pm.

ROLL CALL:

Present: Walter, Anderson, Hawkins, Wall, Larsen, Cordes, Hughes

MOMENT OF SILENCE

Mayor Walter called for a moment of silence.

PLEDGE OF ALLEGIANCE

Mayor Walter 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. Cathy Adam, Florence Resident, discussed the preservation of the Cuen Building. She requested more information on the rehabilitation cost of the building. She read the staff's recommendation to rehabilitate other buildings or build new on the old Michael's property or the Pinal County Records Building; however, those buildings are already gone.

Ms. Adam stated that they have some new news in terms of provenance and ties to significant members of the community in which those members may discuss with Council at a later time.

Ms. Stacy Gramazio, Greater Florence Chamber of Commerce, stated that on February 16, 2019, they held the 2nd Annual Memories on Main Street Car Show in Downtown Florence. They doubled the number of cars from last year's event to over 300 entries. May of the stores realized foot traffic and sales due to the event. There were several positive comments on social media regarding the event as well.

Ms. Gramazio recognized the organizational team for the event, which included: Jerry Prendergast, Bo Randall and Jeffrey Kramer. She thanked them for volunteering their time.

PRESENTATIONS

Second Quarter Fiscal Year 2018-2019 Budget Presentation

Mr. Joe Jarvis, Finance Director, provided a presentation, in which he outlined the following:

- Fiscal Year 2018-2019 Second Quarter results and forecast for the rest of the year
 - Forecast is based on data as of December 31, 2018
- General Fund Revenue
 - Focused on seven revenue sources that make up 80% of the revenue to develop a trend analysis
 - City Sales Tax
 - Food Tax
 - Property Taxes
 - Building Permits
 - State Shared Sales Tax
 - State Shared Income Tax
 - Auto License Tax

Title	2 nd Quarter FY17-18	2 nd Quarter FY18-19	Budget	Forecast	Quarter Comparison
City Sales Tax	\$1,390,474	\$1,213,766	\$2,700,000	\$2,779,065	▼
City Food Tax	\$49,117	\$133,189	\$300,000	\$301,637	▲
Property Tax	\$517,041	\$564,505	\$1,000,000	\$1,064,481	▲
Building Permits	\$367,578	\$351,387	\$700,000	\$723,056	▼
State Sales Tax	\$1,080,532	\$1,068,609	\$2,599,550	\$2,672,026	▼
State Income Tax	\$1,596,487	\$1,578,769	\$3,157,450	\$3,157,450	▼

- General Fund Expense

Title	2 nd Quarter FY17-18	2 nd Quarter FY18-19	Budget	Forecast	Quarter Comparison
General Fund	\$6,531,975	\$7,241,745	\$15,185,620	\$15,185,620	▲

Councilmember Wall inquired if the total from all of the General Fund accounts exceed, are equal to, or less than the projected expenses.

Mr. Jarvis stated that the Town is collecting more revenue than the Town is anticipating expending in the fiscal year and anticipates adding money to the General Fund.

- Other Funds-Major Revenue FY18-19

Title	2 nd Quarter FY17-18	2 nd Quarter FY18-19	Budget	Forecast	Quarter Comparison
General Capital Fund	\$201,224	\$720,302	\$1,200,000	\$1,200,000	▲
Streets Fund	\$1,284,873	\$1,353,750	\$3,163,530	\$3,482,674	▲
Water Fund	\$1,358,049	\$1,373,030	\$2,800,000	\$2,800,000	▲
Sewer Fund	\$1,710,663	\$2,162,415	\$3,800,000	\$4,200,000	▲
Sanitation Fund	\$403,300	\$437,035	\$854,700	\$854,700	▲

- Other Funds-Expenses FY18-19

Title	2 nd Quarter FY17-18	2 nd Quarter FY18-19	Budget	Forecast	Quarter Comparison
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General Capital Fund	\$8,286	\$160,803	\$1,457,640	\$1,457,640	▲
Streets Fund	\$1,467,312	\$2,170,425	\$7,966,495	\$7,966,495	▲
Water Fund	\$1,320,078	\$1,529,018	\$4,276,360	\$4,276,360	▲
Sewer Fund	\$1,665,334	\$1,745,296	\$7,823,320	\$7,823,320	▲
Sanitation Fund	\$255,544	\$450,322	\$841,290	\$841,290	▲

Mayor Walter inquired why the total for 2nd Quarter FY17-18 in the General Capital Fund is substantially less than in the 2nd Quarter FY18-19.

Mr. Jarvis explained that the total is actual for purchases and not what was budgeted. There are instances when staff has held back from making capital purchases.

Vice-Mayor Anderson inquired about the sanitation revenue fund.

Mr. Jarvis explained that the funds fluctuate throughout the year because residents can turn off their service while they are away.

Councilmember Wall inquired about the difference between projected expense versus projected revenue in the Streets Fund.

Mr. Jarvis explained that he forecasted the expenditures on what the budget was and will have a much better sense of what the expected expenditures will be after the 3rd quarter. The budgeted amount includes several Capital Improvement Projects and some of the projects will be paid for by the HURF bond and not Streets revenue.

Mr. Brent Billingsley, Town Manager, stated that the Town also did Florence Gardens Phase IV and V projects rather than just Phase IV to achieve some savings.

Public Safety Personnel Retirement System Plans Unfunded Liability Presentation

Mr. Scott Barber, Human Resources Director, stated that recent action of Council regarding developing a pension funding plan and accepting the liabilities and assets, as described to the Town by the Public Safety Retirement System. He developed a white paper which depicts unfunded liability issue. This information was provided to the Budget Committee and he was asked to present to Council as well. The Information is available on the Public Safety Personnel Retirement System (PSPRS) website.

Mr. Barber provided a presentation, in which he outlined the following:

- Town of Florence Public Safety Personnel Retirement System Police Plan as of June 30, 2018.
 - Active participants: 24
 - Retirees/Beneficiaries: 7
 - Deferred Retirement Option Program (DROP): 1
 - May retire and may retain employment after 60 consecutive months.
 - Inactive/Vested: 8

	June 30, 2017	June 30, 2018
Net Accrued Unfunded Liability	\$844,063	\$956,293
NOTE: \$196,36 is shown separately due to Tier 3 Pool group		

Mr. Barber stated that when you look at the difference between the fund's assets and liabilities, the actuaries run their formulas to determine if the Town is able to meet the long-term liabilities of the plan based on the demographics, mortality tables, and other items the use to determine the calculation. If there is a positive balance, the Town is deemed over funded, over 100% funded. Any negatives are considered to be unfunded liabilities.

Mr. Barber stated that the rules relating to public financing recording changed to require everyone to report the unfunded liabilities in the pension program on the annual financial report.

Mr. Barber stated that there was a citizen ballot measure that was passed by Arizona voters that tried to address the issue of the significant unfunded liabilities of the public safety retirement system. It created a new tier plan for those individuals who came to work in public safety retirement membership plans after July 1, 2017. It was intended to change the perspective and rules in response to some negative rulings regarding not being able to change the retirement benefits promised to someone.

- Town of Florence Public Safety Personnel Retirement System Fire Plan as of June 30, 2018.
 - Active Participants (Tier 1 & 2): 25
 - Retirees/Beneficiaries: 2
 - DROP: 0
 - Inactive/Vested: 2

	June 30, 2017	June 30, 2018
Net Accrued Unfunded Liability	\$334,162	\$739,947
NOTE: \$196,36 is shown separately due to Tier 3 Pool group		

- Year-to-year differences due to:
 - Increase in payroll base (especially in fire)
 - 2% COLA as of 7/1/18 for retirees
 - Amortization method changes (not us)
 - Hall/Parker settlement
 - Lawsuit which resulted in changes in legislation
 - Participants were due back money and settlements were issued
 - Plan demographic changes

Mr. Barber stated in 2018, the fire districts got the ability to transfer excess funds from pension programs they may have had before they entered the PSPRS and be able to apply them to unfunded liability balances. The Town should be able to do the same thing because the Town has a legacy plan. The Town established its pension program for its part time fire fighters many years ago and continues to maintain that plan. The Town also has a forfeiture account for excess funds.

Mr. Barber stated that the Town was able to go through the League's vetting process, in terms of their committee structure, leading to the Resolutions Committee. The League was able to put the

Town's legislation on the League Legislative Agenda for this year and were able to have Senator Pratt champion the Town's bill through the Senate. The bill came through the Senate with no opposition and has been transmitted to the House. The Town anticipates that Representative Shope will champion the bill there. If successful, the Town will engage its Administrator, of the part time firefighter's pension plan, in an actuarial study to determine the amount of dollars that are needed to fulfill the Town's obligations to all the individuals in the plan and make payments for promised benefits. Excess funds will also be determined and will apply those excess dollars to the unfunded liability in the PSPRS Fire Plan.

Discussion occurred on funding and what it means to be unfunded.

Mayor Walter stated that Florence is in a very good position financially.

Mr. Barber stated that there are many variations with regards to comparison to other municipalities. He stated that the Town's aggregate liability is less than other communities. He stated that the first step is that this is something that needs to be addressed, but not to cause alarm.

Vice-Mayor Anderson inquired how the calculations were done.

Mr. Barber explained how the current and future liabilities are calculated. He stated that as a result of a lawsuit, the Town had to front the money due to those enrolled and take a credit each month for the amount that they paid.

Councilmember Wall inquired if those who are no longer with the Town, but are vested, can withdraw what they have invested.

Mr. Barber stated that they can withdraw their funds at any time and would receive their contributions plus interest, and based on the schedule, can also receive a portion of the employer's contribution. He stated that if any of the individuals re-activate with another employer, the liability transfers to the other employer.

CONSENT: All items on the consent agenda 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 January 31, 2019, in the amount of \$1,117,162.56 (Joe Jarvis)

On motion of Councilmember Wall, seconded by Councilmember Hawkins, and carried (7-0) to approve the Consent Agenda, as written.

UNFINISHED BUSINESS

Ordinance No. 668-19:

Mayor Walter read Ordinance No. 668-19 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 150.031 "DEFINITIONS" AND "PART 7 PARKING; LOADING AND UNLOADING," SECTIONS 150.156 TO 150.167 (CASE PZ 18-34 ORD.)

Mr. Dana Burkhardt, Planning Consultant, stated that the first reading was done on February 19, 2019 and the second reading was done at today's meeting, fulfilling the requirements of two separate readings.

Councilmember Wall stated that changes were requested. Staff did not make some of the requested changes; however, they forwarded justifications as to why the changes weren't made.

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall, and carried (6 to 1) with Councilmember Hawkins opposed, to table Ordinance No. 668-19 to the March 25, 2019 Council meeting.

Discussion and possible action on a prioritization of construction projects within the Historic District and related CIP projects that have been frozen.

Mr. Brent Billingsley, Town Manager, stated that several years ago, due to health and safety reasons, the Town staff made a recommendation to demolish the Cuen building. Staff's recommendation was taken to the Historic District Advisory Commission and was approved. A structural report was completed in 2007. The Town sold the property with a revision clause in the contract that allowed the Town to take back the property if the individual who purchased the property did not secure the building and make it structurally complete.

Mr. Billingsley stated that on September 4, 2018, staff was asked to contact the architectural firm of Reece and Rowe Architects (RRA), who had completed the study in 2007. They performed a site visit and determined that the building was in worse shape than in 2007.

The on-site visit noted that:

- the roof was further compromised by several years of rain seepage and subsequent wood rotting;
- an interior adobe divider wall had been partially removed and the remaining wall was further compromised;
- an inappropriate cement mortar was used in place of stucco on various locations of the interior walls that will ultimately have to be removed and any damage caused by that material would have to be corrected;
- there were limited exterior walls 'bowing' and accompanying incomplete window sets
- there were other miscellaneous issues found throughout the structure.

Mr. Billingsley stated that the individual who purchased the property did more damage than the Town initially understood.

Mr. Billingsley stated that the Town will engage the architect to prepare architectural plans to secure the building. The plan set will cost approximately \$15,000. One option is to bring the building up to Code. The construction cost will be approximately \$330,000, which would be a structural shell, and not occupiable. Other improvements would still be needed.

Mr. Billingsley stated that Option 2 is to demolish the building. The Town has reached out to the company that has tentatively won the bid for the demolition on the Kokopelli Moon Saloon. A Phase I survey will need to be completed regarding elemental lead, asbestos and other carcinogens, which would cost approximately \$4,800. The demolition will cost approximately \$22,700.

Mr. Billingsley provided a brief background on the Kokopelli Moon Saloon building that had two fires in June 2018. The building had been around for quite some time and was once home to La Paloma, My Uncle's Place and My Office Bar. It was originally constructed sometime between 1912 and 1914.

Mr. Billingsley stated that on October 15, 2018, Council authorized staff to move forward to bid for demolition of the building and removal of all of the debris, in an amount not to exceed \$300,000. He walked the building with the demolition company. The adobe wall within the building has continued to sluff off and fall in.

Mr. Billingsley stated that the Town went through the abatement process and received a Notice of Intent and were given an order to move forward with the abatement of the Kokopelli Moon Saloon. The Town will file all documents as necessary to place the lien on the property, per Council's direction. The two options for the building are:

- \$46,860 to completely demolish the building and fill in the basement
- \$65,000 - Per Historic District Advisory Commission's request: demolish the remainder of the building and leave the tack room. This will cause a significant increase in price and there is no guarantee that they can save the building. The Town would still be required to pay the full price even if the room has to be demolished and not saved. This can be challenging as it is an adobe building. He stated if the Town is able to retain the tack room, there is an ongoing code enforcement issue and the Town will need to absorb the cost of a safety fence that will need to be maintained. The Town will not be able to put a lien for the cost of the fence once the abatement is completed.

Mr. Billingsley stated that the \$80,000 has been budgeted for repairs to decking and stairs at the Silver King Marketplace. Staff is waiting HDAC and SHPO approval. There are also Code-related repairs that will need to be done as well. Suite 201 will need a secondary access. Staff is currently working on a solution and has contacted the original architect on the project. Staff has issued an order to proceed for work totaling \$10,250 for architectural plans to be updated to include a secondary access for Suite 201 through a fire hallway in Suite 202 to the outside staircase. The creation of the hallway will result in reducing the available space for Suite 202.

Mr. Billingsley asked Council to prioritize the construction projects within the Historic District, as well as the projects placed on hold, to reserve funding for said projects.

Staff is recommending the following:

- Demolish Cuen Building
- Fully demolish the Kokopelli Moon Saloon
- Complete Suite 202 Walkway Code Issue

- Construct a new building for Economic Development on empty Pinal County lot on Main Street – new building could be built for the same cost as rehabilitation of the Cuen Building

Mr. Billingsley stated that the demolition of the Cuen and Kokopelli Moon Saloon buildings were not anticipated, nor was the walkway in Suite 202. During its October 15, 2018 meeting, Town Council agreed to hold off on the following projects to fund the demolition project.

Traffic Light at Hunt Highway and Highway 79	\$100,000
Police and Fire Vehicles	\$ 94,000
Economic Development	\$100,000
Public Relations Training	\$ 10,000
Tourism Initiatives	\$ 15,000
Non-Profit creation	<u>\$ 20,000</u>
Total:	\$339,000

Mr. Billingsley stated that based on the projected costs, he suggested that the Town move forward on the purchasing of the Police and Fire Vehicles for \$94,000.

Councilmember Larsen inquired if the Town has any rights to the Kokopelli Moon Saloon property, aside from placing a lien on the property.

Mr. Billingsley stated that the Town had several settlement meetings with the owner; however, the Town was unsuccessful.

Mr. Clifford Mattice, Town Attorney, stated that Councilmember Hughes has recused herself from the conversation, to comply with State Statutes, as she was a former tenant in the Silver King Marketplace.

Discussion occurred regarding the improvements that are needed at the Silver King Marketplace.

Mr. Billingsley explained how the walkway will be built, allowing an egress from Suite 201. He explained that there needs to be exit access points.

Mr. James Allen, Building Inspector, explained that a structural engineer would need to be hired should the Town wish to build a stairway from Suite 202. The more cost-effective approach would be to build a walkway inside of the building. The walkway would be a fire-protected wall and the person walking from the deck into the walkway will be protected by a sprinkler system as well as a fire rated wall, which is a protected egress all the way to the stairs. The Building Code is very clear that all tenant spaces on the second floor must have access to two forms of egress.

Mr. Allen also discussed ADA compliance because there is a lift to the second floor. That area will be looked as an “area refuge” and some improvements will need to be done in order to satisfy the requirements.

Mr. Allen stated the cost will be minimal. He stated that the walkway was part of the initial plans; however, the walkway was never erected. He stated that they will need to add an exit sign and lighting on the deck, where the egress is located so electric modifications will need to be made. Changes will also need to be made to the hardware on the doors.

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Mr. Billingsley stated that another option would be to not Lease Suite 201.

Vice-Mayor Anderson inquired if they could use a dropdown fire escape on the front porch.

Mr. Allen stated that a stairway that folds down is allowable as a secondary egress; however, it is structural and would need to be designed and obtain SHPO and HDAC approval because it is an addition to the building that never existed before.

Councilmember Larsen inquired how much it would cost to join Suite 201 and 202. She does not want to take space away from a retailer.

Mr. Billingsley stated that there is no way to join the spaces, but rather the Town would not rent Suite 201.

Mr. Allen stated that even if the suites were joined, there would still be egress issues. The deck is an assembly space for spectators and would require a secondary egress to get off of the deck. Currently, the only way off the deck is down the original stairway.

Councilmember Wall inquired what has changed since 2015 when HDAC agreed that demolition was the best option (Cuen Building). With regards to the Kokopelli Moon Saloon, she understands the cost difference with regards to retaining the tack room. With regards to the Silver King Marketplace, recognizing that they will be taking away square footage, the Town will consult with the tenant after construction begins. She suggested that the Town begin conversations with the tenant now with what is being proposed.

Mr. Billingsley stated that staff has reached out to the tenant to advise her of tonight's meeting, and has not had a response; however, he and Mr. Allen spoke to the tenant when they were doing their inspection and advised her of the changes to the building that are being proposed.

Councilmember Wall requested a copy of the power point presentation that was referenced in the Request for Council Action for this item.

Councilmember Hawkins stated that his option is to not rent out Suite 201. He inquired how much revenue does the rent generate. He stated that the space could be used for storage.

Mr. Billingsley stated that the Town received \$2,000 annually for rent. He stated that the deck could not be used if the suite is not rented out [because the walkway will not be built].

Councilmember Hawkins stated that no one will pay \$260,000 for that Cuen Building. He does not think it is feasible to rehabilitate the building.

Mayor Walter inquired if the \$80,000 budgeted is earmarked for deck repairs in the Silver King Marketplace.

Mr. Billingsley stated that the \$80,000 is earmarked for the deck repairs as it is in poor condition.

Councilmember Larsen stated that without speaking to the tenant and without exploring other options, it is premature to decide how to proceed. She would prefer to see other outside structures and/or other engineering methods such as adding additional stairs. She would prefer to see all options before she decides.

Vice-Mayor Anderson asked if the Town can involve SHPO to see if they can assist the Town.

Councilmember Cordes stated that SHPO moves very slow. She stated that the deterioration of the Cuen Building is an example of people not moving at the time they should. She has expressed her concern of not addressing issues in a timely manner. She stated that the Council cannot drag their feet and must make a decision to move forward and invest the Town's money in buildings that can be saved.

Councilmember Hawkins explained the issues with the Cuen building when it was sold at auction and the issues that occurred with the owner before the building reverted back to the Town. He cannot justify investing a large amount of money on that small of a building.

Mr. Billingsley stated that SHPO and ADOT were involved with the rehabilitation of the Silver King Marketplace. The internal alcove was included in the approval plans. He added that there is more leeway in modernizing the inside of a building rather than you do changing the outside. He stated that if the Town wanted to extend the deck or add an exterior staircase would be a very different world that doing the interior, specifically since SHPO already reviewed the alcove.

Discussion occurred regarding splitting Suite 202, and the square footage that would be lost.

Councilmember Cordes inquired if SHPO will need to re-review the plans.

Mr. Billingsley stated that the alcove was an alternative in the plan set and there is an actuary architectural plans for it, which is why the Town has authorized the purchase order to have the architect prepare the architectural plans that were an option at that time.

Mayor Walter recapped the conversation and stated that the walkway is the best access point to be able to continue utilizing the patio and stairwell access points. Staff will communicate this with the tenant. The Kokopelli Moon Saloon is in the center of Town and is an eyesore. There are no guarantees that the tack room can be saved.

Discussion continued on the feasibility of saving the tack building and demolishing the remainder of the Kokopelli Moon Saloon.

Councilmember Hawkins inquired if the red bricks can be saved to do repair work on some of the other buildings on Main Street or to do some type of enhancements with the bricks. They could also sell the bricks and donate the proceeds to the Florence Teen Council. He noted that used bricks are more expensive than new bricks.

Mr. Billingsley stated that staff has researched Mr. Hawkins suggestions and discussed them with the demolition contractor. The reality is:

- The property does not belong to the Town

- The demolition company will not knock down the wall and leave the bricks on-site for someone to come and pick up.
 - The Town would not want someone to come and pick up the bricks because the Town cannot allow someone on site nor do they want that liability.
- The Town does not own the brick and does not have any rights to do anything with the brick.
- The demolition crew can work with the property owner or someone else instead of hauling the brick to the dump. The contractor owns the bricks once they demolish the property.

Mayor Walter stated that she likes the option of building a new building on the empty lot on Main Street. She stated that the cost to bring the Cuen building up to Code is extremely expensive for a small building.

Mr. Billingsley stated that they could build a new building on the elections lot for the same price as rehabilitating the Cuen building, which still may not be usable.

Discussion occurred on the demolition of the Cuen Building.

Councilmember Cordes stated that the Council would be doing a disservice to the taxpayers to spend that kind of money on a building that they would never be able to recoup the money.

Councilmember Hawkins stated that most of the residents would prefer a stoplight on State Route 79 rather than rehabilitate the Cuen Building.

Mr. Billingsley stated that the Town is relying on ADOT to do the stoplight project, which may be done in 2021, and the \$100,000 is a portion of the cost of the project that the Town has to pay.

Councilmember Wall stated that she sees the demolition of the Cuen and Kokopelli buildings as an opportunity for a new beginning to build something on those lots that are still compliant with the Historic District regulations.

On motion of Councilmember Cordes, seconded by Councilmember Hawkins, and carried (6 to 1) with Councilmember Hughes recusing herself, to accept staff recommendation to prioritize the construction projects within the Historic District and related CIP projects.

NEW BUSINESS

Resolution 1688-19:

Mayor Walter read Resolution No. 1688-19 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AUTHORIZING THE TOWN MANAGER TO SUBMIT AN APPLICATION FOR THE ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) 5310 GRANT PROGRAM WHICH PROVIDES FUNDING TO SERVICE THE ELDERLY AND PERSONS WITH DISABILITIES IN THE COMMUNITY.

Ms. Jennifer Evans, Management Analyst, stated the grant will fund the purchase of a new 12 passenger van for the senior center as well as funding for the "Give A Lift" program. She stated

that it will also provide funding for preventative maintenance for the Senior Center's fleet. The grant is a two-year grant program which will cover the period of 2019 to 2021. The grant application amount is \$83,612, with the Town's share of \$50,221.

Mayor Walter asked staff to elaborate on the Give a Lift Program.

Mr. Bryan Hughes, Community Services Director, explained that the program started in January and it is neighbors helping neighbors to get to medical appointments if they do not have transportation. The program has 10 volunteers and gives an average of five rides per week. The program is in its infancy and is continuing to grow. The program serves a need. This van will replace an existing van.

Councilmember Larsen stated that there are transportation needs that extend beyond the elderly. She inquired if others, aside from the senior center users, can use the van.

Mr. Billingsley stated that the Section 5310 program is specifically for the elderly and people with disabilities. Staff is working on Councilmember Larsen's request and will present it to the Budget Committee.

Councilmember Larsen asked staff to expand their explanation on how the van can be used, and by who.

Mr. Hughes stated that the van can be used for elderly programs such as transportation to the Senior Center and any other elderly-related trips as well as anyone with disabilities to attend a program or medical appointment. The Give a Lift Program has people use their personal vehicles to transport folks to a medical appointment. They are also able to use their volunteer drivers to use the van, for those who are wheel-chair bound to get them to their medical appointments.

Mayor Walter inquired if the van can be used to take the disabled to work.

Mr. Billingsley stated that there is a separate program titled: Job Access Reverse Commute (JARC) which is a separate federal program. New Freedom is another program which assists the elderly with transportation to their job.

Councilmember Larsen inquired if the programs have grants tied to them.

Mr. Billingsley stated that they do have grants tied to the programs and some of the programs have been combined at the ADOT level. There is a separate program for the public, titled Section 5311, which is rural public transit, and the Town contributes to it through the CART program with Coolidge.

On motion of Councilmember Hughes, seconded by Councilmember Larsen, and carried (7 to 0) to approve Resolution No. 1688-19, a resolution of the Town of Florence, Pinal County, Arizona, authorizing the Town Manager to submit an application for the Arizona Department of Transportation (ADOT) 5310 Grant Program.

Resolution No. 1689-19:

Mayor Walter read Resolution No. 1689-19 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 31; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

Mr. Larry Harmer, Community Development Director, provided a presentation, in which he outlined the following:

- Anthem at Merrill Ranch (AMR) Units 31 Final Plat
 - Gross Area: 22.15 Acres
 - Open Space: 2.92 Acres
 - Right of Way: 3.57 Acres
 - Net Area: 18.58 Acres
 - Total Lots: 113
 - Density: 5.10 Dwelling units per acre
- Totals for AMR including Unit 31
 - 1235.61 +/- Total Acres
 - 3880 Total Single-Family Lots
 - 3.14 Dwelling units per acre

Mr. Harmer stated that the plat was reapproved by the Planning and Zoning Commission in August 2018. He explained its location, which is on Hunt Highway, west of Attaway Road. The plat is interconnected with Unit 33, to the north and will provide the two points of access.

On motion of Councilmember Wall, seconded by Councilmember Larsen, and carried (7 to 0) to approve Resolution No. 1689-19, a resolution of the Town of Florence, Pinal County, Arizona, approving the final plat for Anthem at Merrill Ranch Unit 31; and authorizing the execution by the Town Manager for supporting documents.

Resolution No. 1690-19:

Mayor Walter read Resolution No. 1690-19 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 33; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

Mr. Larry Harmer, Community Development Director, provided a presentation, in which he outlined the following:

Anthem at Merrill Ranch Units 33 Final Plat

- Gross Acres: 33.61 Acres
- Open Space: 6.72 Acres
- Right of Way: 6.0 Acres
- Net Area: 27.61 Acres
- Total Lots: 146
- Density 4.34 dwelling units per acre
- Totals for AMR including Unit 33

- 1269.22 +/- Total Acres
- 4026 Total Single-Family Lots
- 3.17 dwelling acres

Mr. Harmer stated that this unit wraps the south and east portions of the wastewater treatment facility. The unit faces Hunt Highway and has State Trust Land to the west and Unit 31 is to the south. Unit 35 A and B is to the north.

Mayor Walter inquired if there are any plans depicting what the houses will look like that have been released to the public.

Mr. Harmer stated that he does not know when they will release the plans to the public. The model homes are forth coming.

Vice-Mayor Anderson inquired how the odors coming from the wastewater treatment plant being mitigated so it does not affect the surrounding homes.

Mr. Billingsley stated that he does not know as he has not toured the private facility.

Vice-Mayor Anderson inquired if the Town has any liability if approved, and issues arise.

Mr. Billingsley stated that he does not believe the Town will have any liability. It will be an issued between the developer and whomever purchases the home.

Mayor Walter inquired if there would be any repercussions if the Council chose to table this item.

Mr. Harmer stated that he does not believe there would be any hardships. They do have an at-risk grading permit. He stated that he reached out to DR Horton and he hoped to have representatives present. Unfortunately, there were internal conflicts which did not allow anyone to come to the meeting.

Councilmember Cordes stated that she understands that the water and wastewater company is a private company. The Council has a fiduciary responsibility to the Town's future residents that they will have the same standard of service as the residents that live within the historical district. She would prefer to table this item until Council has some guarantees.

Councilmember Larsen stated that she would like to know what the regulations are. She inquired if they have to provide the same type of odor barrier.

Mr. Billingsley stated that Johnson Utilities is governed by the Arizona Department of Environmental Quality and must follow the same standards and it is tied to the individual permits for their plant.

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6 to 1) with Councilmember Wall opposed, to table Resolution No. 1690-19 to the March 18, 2019 Council meeting.

LEGISLATIVE REPORT

Mr. Bitter stated that Senate Bill 1165 – Distracted Driver Bill, passed out of the Senate today, on a vote 20-10. There is some opposition; however, there is bi-partisan support. They will have discussion on this item in the next few weeks and expect a vote by the end of March or the first week in April.

Councilmember Larsen inquired what the opposition was.

Mr. Bitter stated that discussion is that governments should not be involved in what is inside of a private vehicle.

Councilmember Wall inquired on the status of the bill regarding historic funding and heritage grants.

Mr. Bitter stated that there are two bills, one in the House and one in the Senate, and have passed out of their respective chambers. The Town has signed in to support both bills.

MANAGER'S REPORT

Mr. Billingsley stated that the Workforce Education Business Series is hosted by Central Arizona College, and will start on March 5, 2019. The schedule includes:

Marketing Fundamentals, March 5th

- Communication in the Workplace, April 2nd
- Business Finance, May 7th
- Customer Service, June 4th
- Optimum Performance, June 25th

Sessions will be held from 6:00 to 8:00pm and are priced at \$10 per session or \$30 for the whole series.

Mr. Billingsley stated that the CAG/SCMPO Legislative Day was held on February 4, 2019, at the Arizona League of Cities and Towns, in Phoenix in which two councilmembers and Mr. Bitter attended. Nine legislators attended as well.

Mr. Billingsley stated that he and Police Chief Dan Hughes, were invited to participate in the “Big Ideas 2018: Fighting Opioid Overdose” roundtable at the Westward Ho in downtown Phoenix. They were asked to present the rural perspective on opioid overdose.

Mr. Billingsley provided an update on the Well #4 project update. Well #4 has been pulled and the casing has been brushed, bailed, and cleaned. The well has been lined. The test pumping is in progress. After the test pumping has been completed, a bowl assembly will be chosen based on the test pumping. The project should be completed in less than 60 days.

Mr. Billingsley stated that the 12” Water Loop Project (Phase 2), the project is near completion. Water line is installed, pressure tested and bacterial tested. A small percentage of paving is still required to complete. Phase 3A will be starting the last week of February.

Mr. Billingsley stated that the Town continues to trend above projected numbers for state shared revenues. The sales tax collections are up as well as is the Highway User Revenue Fund.

Mr. Billingsley stated that there are no current advertisements.

Mr. Billingsley stated that the Town now has an emergency alert system for residents and businesses. The Town joined Pinal County with the Everbridge System. There are approximately 10 staff members who went through a training process in order to send out emergency notifications. He asked the public to sign up should they wish to receive the notifications.

Councilmember Cordes inquired if they can notify planned outages and how does a person who does not sign up for the system get notified.

Mr. Billingsley stated that the Fire Chief and Police Chief will do a presentation at the next meeting.

DEPARTMENT REPORTS

Community Development

Community Services

Finance

Fire

Police

Public Works

Vice-Mayor Anderson inquired about the notification he received from the Florence Unified School District (FUSD) regarding the Before and After Bell Program.

Mr. Hughes explained that the Town received official notification starting the next school year FUSD will be working with the "Right at School" Program which will be hosting the "Before and After the Bell" Program. The Community Services Department is exploring options for running programs offsite for parents who cannot afford the Right at School Program.

Vice-Mayor Anderson inquired if this will cost the Town additional monies.

Mr. Hughes stated that the goal is to do it with the current budget but may have additional costs if transportation is involved.

The Department Reports were received and filed.

CALL TO THE PUBLIC

Ms. Cathy Adam, Florence Resident, stated that she understands the rationale of demolishing the Kokopelli Moon Saloon, due to the financial implications. She challenged the Council and staff

To let her know what the Town has done to prevent any more demolition through neglect. There are other buildings on Main Street being neglected. There are Codes that allow the Town to force

property owners to fix leaky roofs. She asked the Town to be pro-active, so they don't have to demolish more buildings.

Ms. Adam stated that she would like to be contacted regarding the bricks.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Hughes thanked Caliente for the Spring Fling Parade. It was a great event.

Councilmember Cordes stated that she has a new grandbaby and apologized for not being able to be heard, via telephone, at the last meeting.

Councilmember Larson echoed Ms. Adam's sentiments regarding being proactive with regards to the buildings. She stated that she went to the Spirit of the West Festival and it was a great event. She invited everyone to the kickball game on March 8, 2019. It is a good opportunity to get together as a community.

Councilmember Wall attended the dedication by the Gila River Indian Community of their Managed Aquifer Recharge Facility and Interpretive Trail. It was very well attended and had to be shuttled into the site. Several dignitaries were present as well as exceptional entertainment. They were also given tours of the trails and include signage of the trees and plants. It is not open to the public. They developed a five-year plan to retain and restore their access to water.

Councilmember Wall stated that there is also an agreement that has allowed the successful completion of Arizona's drought contingency plan. She was very proud to attend.

Councilmember Wall also attended Spirit of the West event. It was well attended, and they had several demonstrations. She hopes that they continue this event.

Councilmember Hawkins reminded the public Florence Aero Modelers now have cars and will have an event this weekend. There is also a 3 Rail Ranch Rodeo event taking place the following week at the Charles Whitlow Rodeo Grounds. He invited everyone to attend both events.

Vice-Mayor Anderson stated that he attended the Caliente Spring Fling. He had a great time and many people thanked the Town for resolving the issues with the setbacks. He asked everyone to make their donations to the Veteran Memorial and thanked all those who have donated thus far.

Mayor Walter stated that influenza is wide spread and asked everyone to please take care of themselves. She attended the Youth Symposium and some of the youth from other communities could not attend due to the rains that caused flooding. She also said the Pooch Party was a great event.

ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3), (A)(4) and (A)(7) to consider its position and instruct its representatives and/or attorneys regarding:

- a. Town's position regarding use of the Town's real properties and related facility policy, procedures, current leases, rents due, and delinquent taxes.
- b. Update the Town Council on current and future nondisclosure agreements for economic development projects.
- c. Town's position and instruct its attorneys regarding Arizona Department of Environmental Quality proceedings, related to Water Quality Appeals Board Case No. 16-002, including appellate proceedings to reviewing courts.
- d. Town's position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325.

On motion of Councilmember Hawkins, seconded by Councilmember Larsen, and carried (7-0) to adjourn to Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Vice-Mayor Anderson, seconded by Councilmember Hughes, and carried (7-0) to adjourn from Executive Session.

ADJOURNMENT

On motion of Councilmember Hawkins, seconded by Councilmember Wall, and carried (7-0) to adjourn at 10:18 p.m.

Tara Walter, Mayor

ATTEST:

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 March 4, 2019, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

MINUTES OF THE TOWN OF FLORENCE COUNCIL SPECIAL MEETING HELD ON MONDAY, MARCH 11, 2019, AT 4:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Walter called the meeting to order at 4:00 pm.

ROLL CALL:

Present: Tara Walter, John Anderson, Bill Hawkins, Karen Wall, Kristen Larsen,
Michelle Cordes

Absent: Judy Hughes

MOMENT OF SILENCE

Mayor Walter called for a moment of silence.

PLEDGE OF ALLEGIANCE

Mayor Walter led the Pledge of Allegiance.

Mayor Walter stated that there is an individual considering the purchase and rehabilitation of the Cuen Building. More information to follow as it becomes available.

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.

Mr. Tom Rankin, Florence Resident, stated that the Cuen Building is remembered as the telephone company during World War II. The Cuen Building is the only thing remaining that shows that a prisoner of war camp existed. The camp was located in the Florence Gardens and Caliente Casa De Sol area and no longer exists. He stated that the Town needs to restore what it has. The building holds a lot of memories for him as his grandmother ran the telephone exchange and his grandfather built the back part of the building. He believes that the \$300,000 estimate to restore the building is incorrect. He asked the Council to reconsider the demolition of the building and to remember how bad the condition of the Clark was before it was restored.

DISCUSSION WITH PINAL COUNTY BOARD SUPERVISOR MIKE GOODMAN.

Mr. Mike Goodman, Chairman of the Pinal County Board of Supervisor and Supervisor for District 2, is the newest member of the Board of Supervisors and was elected in January 2017 representing San Tan Valley south to Anthem. He was an insurance broker for 30 years in Arizona and has owned a litany of businesses.

Supervisor Goodman stated that he recognized the need for some intergovernmental agreements and/or coalition efforts. It is important to work together in some of the efforts. They have begun the process with Queen Creek and Meridian Road. They are also working with Mesa and Apache Junction.

Supervisor Goodman would like to schedule regular meetings between the Town of Florence, his staff, Pinal County Public Works and Planning and Zoning Departments and correlate projects.

Councilmember Wall inquired about the progress that EPCOR has made.

Supervisor Goodman stated that he will be at the Arizona Corporation Commission (ACC) tomorrow to speak regarding EPCOR and the progress that they have made. They are pleased with the work that EPCOR has done thus far; however, there is considerable work that remains to be done. He stated that the citizens need to be more engaged on some of the processes and things that are moving forward. There was a large turnout at the ACC And ADEQ Hearings, in February 2018, which is what motivated the ACC to move forward on some processes.

Supervisor Goodman stated that he and other staff member met with the ACC and ADEQ recently and discussed the issues regarding EPCOR and Johnson Utilities, and the legalities.

Supervisor Goodman stated that things need to move forward but recognizes that some issues are complex. He stated that they can help move the process by providing direction. He is confident with EPCOR and what they are doing, but unfortunately, their hands are tied to what they can and cannot do. He will be presenting the issues to the ACC and discuss how they can help to get EPCOR to do the job they were warranted to do.

Vice-Mayor Anderson inquired how do they create a working relationship with him.

Supervisor Goodman stated that his office can set up quarterly meetings with some of the Council, so as not to create a quorum, along with specific staff members, dependent on what topic(s) are being discussed. He would like to work on economic development that needs to be brought to Pinal County and Florence.

Mr. Brent Billingsley, Town Manager, stated that Town staff meets periodically with Pinal County departments. He also speaks to the Pinal County Manager and Pinal County Assistant Manager on a weekly basis. He proposed that the Mayor choose a member of Council to participate. He, along with Pinal County staff, can set an agenda on key projects to report before the Supervisor Goodman and the Council.

Councilmember Cordes stated that one of her issues is Johnson Utilities and rate increases. She is concerned if the system can handle the growth. She is concerned about low water pressure and debris in the water.

Councilmember Cordes is also concerned about the incorporation of San Tan Valley, Wildhorse Estates, Crestfield Manor and other areas. She stated that some of the areas feel as though they have not been represented well.

Supervisor Goodman stated that everyone has the same concerns regarding Johnson Utilities. The ACC pulled back the rate case and allowed one year's worth of improvements this next year included in the next rate increase. EPCOR is working on a general plan for the entire system and is expected to complete it within 90 days. They also have patch work that needs to be done. There is funding in Johnson Utilities to allow them to do the work.

Supervisor Goodman stated that the major repairs or upgrades will require investment, and this is where the public needs to be involved. Commissioner Tobin is scheduling a time to come and provide an update on where the ACC is at and take the public's concerns back to the ACC.

Mayor Walter stated that the roads need to be looked at if they incorporate. He is not aware of any plans and unfortunately, is not involved with annexations.

Supervisor Goodman stated that his office puts out a proposal seeking individuals who wanted to be on a committee to evaluate and review amenities that San Tan residents want such as ball fields and a public library.

Mayor Walter inquired if youth are on the committee.

Supervisor Goodman stated that they have youth on their committee. They pulled from the student body within the four high schools within District 2 and created a Youth Advisory Committee. They meet with them periodically. They have worked on cleanup efforts for the community and a talent show.

Mayor Walter inquired how far will the widening of Hunt Highway go.

Supervisor Goodman stated that the widening of Hunt Highway will go as far as Magma Ranch. There are some issues with the Tribe, so they are going to have to realign a portion of Hunt Highway. This is currently in the design phase.

Mayor Walter inquired if there are any plans to redesign the area in front of Magma Ranch, which floods out.

Mr. Billingsley stated that he does not have an update.

Supervisor Goodman stated that dialogue will be great to be able to discuss these types of issues and perhaps move projects around to accommodate issues such as the flooding at Magic Ranch.

Councilmember Larsen asked that employees' compensation be reviewed. She knows that they received a 2.5% increase, but they took a hard hit during the recession.

Supervisor Goodman stated that there have been increases in benefits and have been absorbed rather than passed on to the employees. He will examine this further.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Cordes stated that the “Say Yes to the Dress” event is being held this weekend and is open to all Pinal County high school students. They can choose a dress, shoes and accessories at no cost but must bring their school identification. She stated that she has limited clothing and shoes. She stated that she has community support and has received several donations.

Councilmember Hawkins stated that they received their information and quotes from commercial architects for the Cuen building.

Vice-Mayor Anderson stated that he agrees with Councilmember Hawkins and is proud of the work that Councilmember Cordes is doing.

Mayor Walter stated that the Town is on Spring Break and the Community Services Department offers child care programs.

ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3), (A)(4) and (A)(7) to consider its position and instruct its representatives and/or attorneys regarding:

- a. **Town’s position and instruct its attorneys regarding Arizona Department of Environmental Quality proceedings, related to Water Quality Appeals Board Case No. 16-002, including appellate proceedings to reviewing courts.**
- b. **Town’s position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325.**
- c. **Town’s position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325 including those actions related to said litigation as authorized by Ordinance. No. 592-13.**
- d. **Discussion of Notice of Claim received on January 25, 2019.**

On motion of Councilmember Wall, seconded by Vice-Mayor Anderson, and carried (6-0) to adjourn to Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6-0) to adjourn from Executive Session.

ADJOURNMENT

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried to adjourn at 5:37 pm.

Tara Walter, Mayor

ATTEST:

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 March 11, 2019, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

MINUTES OF THE TOWN OF FLORENCE COUNCIL MEETING HELD ON MONDAY, MARCH 18, 2019, AT 5:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

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

ROLL CALL:

Present: Tara Walter, John Anderson, Bill Hawkins, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes.

WORK SESSION ON THE TOWN OF FLORENCE DEVELOPMENT IMPACT FEES AND THE TOWN'S NOTICE OF INTENT TO INCREASE FEES.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, introduced Mr. Carson Bise, TischlerBise, who presented to the Council on January 7, 2019, where Council adopted the Land Use Assumptions Policy. The Town is moving forward and will have a public hearing on the impact fees during tonight's Council Meeting. Council will consider an ordinance on May 7, 2019, that will establish those rates, it will be posted online for 75 days and will become effective on August 1, 2019 should Council adopt the ordinance.

Mr. Carson Bise, TischlerBise, provided a presentation, in which he outlined the following:

- Senate Bill (SB)1525
 - Three integrated products
 - Land Use Assumptions (at least 10 years and approved by elected officials)
 - Infrastructure Improvements Plan (IIP) limited to 10 years (no build out analysis)
 - Development Fees part of broader revenue strategy
 - Based on same Level-of-Service (LOS) provided to existing development
 - Limitations on Necessary Public Services
 - 3,000 square feet recreational facilities
 - Cannot collect for general government uses
 - Libraries cannot exceed 10,000 square feet
 - No regional training facilities for public safety
 - Refunds can be requested if improvements are not built
- Legal and Methodology
 - One-time payment for growth-related infrastructure, usually collected at the time buildings permits are issued
 - Can't be used for operations, maintenance, or replacement
 - Not a tax but more like a contractual arrangement to build infrastructure, with three requirements
 - Need (system improvements, not project-level improvements)
 - Benefit

- Short range expenditures
 - Geographic service areas and/or benefit districts
- Proportionate
- Summary of LUA
 - Population increase
 - Year round: 3,331
 - Seasonal: 1,101
 - Housing unit increase
 - Single family: 1,750 units
 - Multifamily: 250 units
 - Nonresidential development increase
 - 3,719 jobs
 - 1.3 million square feet
- Parks and Recreation Facilities
 - Methodology and Components
 - Consumption-based approach
 - Town wide service area
 - Components
 - Park and open space land
 - Park improvements
- Projected Demand

Type of Infrastructure	Level of Service			Demand Unit	Average Cost
Land	Residential	0.0083	Acres	per Person	\$10,000 per Acre
	Nonresidential	0.0007		per Job	
Improvements	Residential	0.060	Units	per Person	\$11,765 per Unit
	Nonresidential	0.005		per Job	

Need for Park Infrastructure					
	Year	Peak HH Population	Jobs	Acres	Improvements
Base	2018	14,480	7,626	125	908
Year 1	2019	14,926	7,902	128	936
Year 2	2020	15,369	8,188	132	964
Year 3	2021	15,812	8,484	136	992
Year 4	2022	16,255	8,791	140	1,020
Year 5	2023	16,698	9,172	144	1,049
Year 6	2024	17,141	9,571	148	1,077
Year 7	2025	17,584	9,987	152	1,106
Year 8	2026	18,027	10,420	156	1,135
Year 9	2027	18,470	10,873	160	1,164
Year 10	2028	18,913	11,345	164	1,193
Ten-Yr Increase		4,433	3,719	39	285
Growth-Related Expenditures =>				\$390,208	\$3,347,543
Total Growth-Related Expenditures				\$3,737,751	

- Proposed Parks Development fees

<i>Fee Component</i>	<i>Cost per Person</i>	<i>Cost per Job</i>
Park Land	\$82.55	\$6.53
Park Improvements	\$708.21	\$56.03
Development Fee Study	\$7.19	\$0.43
TOTAL	\$797.95	\$62.99

Residential (per unit)

<i>Development Type</i>	<i>Persons per Household</i>	<i>Proposed Fees</i>	<i>Current Fee</i>	<i>Increase / Decrease</i>
Single-Family	2.42	\$1,934	\$1,417	\$517
Multifamily	1.80	\$1,437	\$1,148	\$289

Nonresidential (per square foot)

<i>Development Type</i>	<i>Jobs per 1,000 Sq. Ft.</i>	<i>Proposed Fees</i>	<i>Current Fee</i>	<i>Increase / Decrease</i>
Commercial/Retail	2.34	\$0.15	\$0.17	(\$0.02)
Office/Institutional	2.97	\$0.19	\$0.20	(\$0.01)
Industrial/Flex	1.63	\$0.10	\$0.13	(\$0.03)

- Fire Facilities

- Methodology and Components
 - Consumption-based approach
 - Town wide service area
 - Credit for existing debt
 - Components
 - Station square footage
 - Apparatus

- Projected Demand

<i>Type of Infrastructure</i>	<i>Level of Service</i>		<i>Demand Unit</i>	<i>Average Cost</i>
Facilities	Residential	1.21	per Person	\$292 per SF
	Nonresidential	0.89	per Job	
Vehicles	Residential	0.0005	per Person	\$459,583 per Vehicle
	Nonresidential	0.0004	per Job	

Need for Fire Infrastructure					
	Year	Peak HH Population	Jobs	Facilities (SF)	Vehicles
Base	2018	14,480	7,626	24,300	11
Year 1	2019	14,926	7,902	25,085	11
Year 2	2020	15,369	8,188	25,875	12
Year 3	2021	15,812	8,484	26,675	12
Year 4	2022	16,255	8,791	27,484	12
Year 5	2023	16,698	9,172	28,359	13
Year 6	2024	17,141	9,571	29,250	13
Year 7	2025	17,584	9,987	30,156	14
Year 8	2026	18,027	10,420	31,078	14
Year 9	2027	18,470	10,873	32,017	14
Year 10	2028	18,913	11,345	32,974	15
Ten-Yr Increase		4,433	3,719	8,674	4
Growth-Related Expenditures =>				\$2,529,907	\$1,804,548

Total Growth-Related Expenditures	\$4,334,455
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- Proposed Fire Development Fee

Fee Component	Cost per Person	Cost per Job
Fire Facilities	\$248.90	\$183.80
Fire Vehicles	\$251.37	\$185.62
Development Fee Study	\$5.84	\$2.36
Credit	(\$112.13)	(\$75.38)
TOTAL	\$393.98	\$296.39

Residential (per unit)

Development Type	Persons per Household	Proposed Fees	Current Fee	Increase / Decrease
Single-Family	2.42	\$955	\$917	\$38
Multifamily	1.80	\$710	\$743	(\$33)

*Figure A1.

Nonresidential (per square foot)

Development Type	Jobs per 1,000 Sq. Ft.	Proposed Fees	Current Fee	Increase / Decrease
Commercial/Retail	2.34	\$0.69	\$0.66	\$0.03
Office/Institutional	2.97	\$0.88	\$0.61	\$0.27
Industrial/Flex	1.63	\$0.48	\$0.20	\$0.28

- Police Facilities
 - Methodology and Components
 - Consumption-based approach
 - Town wide service area
 - Components
 - Police space
 - Police vehicles

- Projected Demand (IIP)

<i>Type of Infrastructure</i>	<i>Level of Service</i>		<i>Demand Unit</i>	<i>Average Cost</i>
Facilities	Residential	0.70	Square Feet	\$292 per SF
	Nonresidential	0.26		
Vehicles	Residential	0.0021	Vehicles	\$47,744 per Vehicle
	Nonresidential	0.0008		

<i>Need for Police Infrastructure</i>					
	<i>Year</i>	<i>Peak HH Population</i>	<i>Trip Ends</i>	<i>Facilities (SF)</i>	<i>Vehicles</i>
Base	2018	14,480	14,830	14,016	43
Year 1	2019	14,926	15,366	14,469	44
Year 2	2020	15,369	15,922	14,925	46
Year 3	2021	15,812	16,498	15,386	47
Year 4	2022	16,255	17,095	15,852	49
Year 5	2023	16,698	17,837	16,357	50
Year 6	2024	17,141	18,612	16,871	52
Year 7	2025	17,584	19,420	17,394	53
Year 8	2026	18,027	20,264	17,926	55
Year 9	2027	18,470	21,144	18,467	57
Year 10	2028	18,913	22,063	19,019	58
<i>Ten-Yr Increase</i>		4,433	7,233	5,003	15
Growth-Related Expenditures =>				\$1,460,893	\$732,825
Total Growth-Related Expenditures					\$2,193,718

- Proposed Police Development Fee

<i>Fee Component</i>	<i>Cost per Person</i>	<i>Cost per Vehicle Trip</i>
Police Facilities	\$203.50	\$77.27
Police Vehicles	\$102.08	\$38.76
Development Fee Study	\$5.39	\$1.55
TOTAL	\$310.97	\$117.58

Residential (per unit)

<i>Development Type</i>	<i>Persons per Household</i>	<i>Proposed Fees</i>	<i>Current Fee</i>	<i>Increase / Decrease</i>
Single-Family	2.42	\$754	\$607	\$147
Multifamily	1.80	\$560	\$492	\$68

*Figure A1.

Nonresidential (per square foot)

<i>Development Type</i>	<i>Trips per 1,000 Sq. Ft.</i>	<i>Trip Rate Adjustment</i>	<i>Proposed Fees</i>	<i>Current Fee</i>	<i>Increase / Decrease</i>
Commercial/Retail	37.75	33%	\$1.46	\$0.44	\$1.03
Office/Institutional	9.74	50%	\$0.57	\$0.40	\$0.17
Industrial/Flex	4.96	50%	\$0.29	\$0.13	\$0.16

- Proposed Police Development Fee

<i>Fee Component</i>	<i>Cost per Person</i>	<i>Cost per Vehicle Trip</i>
Police Facilities	\$203.50	\$77.27
Police Vehicles	\$102.08	\$38.76
Development Fee Study	\$5.39	\$1.55
TOTAL	\$310.97	\$117.58

Residential (per unit)

<i>Development Type</i>	<i>Persons per Household</i>	<i>Proposed Fees</i>	<i>Current Fee</i>	<i>Increase / Decrease</i>
Single-Family	2.42	\$754	\$607	\$147
Multifamily	1.80	\$560	\$492	\$68

*Figure A1.

Nonresidential (per square foot)

<i>Development Type</i>	<i>Trips per 1,000 Sq. Ft.</i>	<i>Trip Rate Adjustment</i>	<i>Proposed Fees</i>	<i>Current Fee</i>	<i>Increase / Decrease</i>
Commercial/Retail	37.75	33%	\$1.46	\$0.44	\$1.03
Office/Institutional	9.74	50%	\$0.57	\$0.40	\$0.17
Industrial/Flex	4.96	50%	\$0.29	\$0.13	\$0.16

- Water Facilities
 - Methodology and Components
 - Plan-based approach
 - Florence utility service area
 - Components
 - Transmission
 - Storage
 - Supply
- Water IIP

<i>Description</i>	<i>FY18-19</i>	<i>FY19-20</i>	<i>FY20-21</i>	<i>FY21-22</i>	<i>FY22-23</i>	<i>Years 6-10</i>	<i>Total Project</i>
Centennial Park Road 8" Loop		\$80,000	\$145,000				\$225,000
Adamsville Rd water line (12 inch)						\$250,000	\$250,000
Water line infrastructure to serve North Florence (16 inch)			\$1,000,000				\$1,000,000
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$1,475,000
Ten-Year Increase in Gallons of Peak Demand per Day =>							1,241,411
Cost per Gallon of Demand =>							\$1.19

<i>Description</i>	<i>FY18-19</i>	<i>FY19-20</i>	<i>FY20-21</i>	<i>FY21-22</i>	<i>FY22-23</i>	<i>Years 6-10</i>	<i>Total Project</i>
North Florence Storage Tank			\$1,250,000				\$1,250,000
Total	\$0	\$0	\$1,250,000	\$0	\$0	\$0	\$1,250,000
Gallons of Capacity per Day =>							1,000,000
Cost per Gallon of Capacity =>							\$1.25

<i>Description</i>	<i>FY18-19</i>	<i>FY19-20</i>	<i>FY20-21</i>	<i>FY21-22</i>	<i>FY22-23</i>	<i>Years 6-10</i>	<i>Total Project</i>
Future Wells (1000 gallons a minute)			\$1,250,000			\$1,500,000	\$2,750,000
Total	\$0	\$0	\$1,250,000	\$0	\$0	\$1,500,000	\$2,750,000
Gallons of Capacity per Day =>							1,440,000
Cost per Gallon of Capacity =>							\$1.91

- Proposed Water Development Fee

<i>Input Variables</i>	<i>Cost per Gallon of Capacity</i>
Transmission Projects	\$1.19
Storage Projects	\$1.25
Supply Projects	\$1.91
Development Fee Study	\$0.03
Capital Cost per Gallon of Capacity =>	\$4.38
Peak Day Gallons of Demand per ERU =>	243

All Development (per meter)

<i>Meter Size (inches)</i>	<i>Meter Type</i>	<i>Capacity Ratio</i>	<i>Proposed Water Fee</i>	<i>Current Fee</i>	<i>\$ Change</i>
0.625	Displacement	1.00	\$1,065	\$1,980	(\$915)
0.75	Displacement	1.50	\$1,597	\$4,950	(\$3,353)
1.00	Displacement	2.50	\$2,662	\$4,950	(\$2,288)
1.50	Displacement	5.00	\$5,324	\$9,900	(\$4,576)
2.00	Displacement	8.00	\$8,519	\$15,840	(\$7,321)
3.00	Compound	16.00	\$17,038	\$31,680	(\$14,642)
3.00	Turbine	17.50	\$18,636	\$34,650	(\$16,014)
4.00	Compound	25.00	\$26,623	\$49,500	(\$22,877)
4.00	Turbine	31.50	\$33,544	\$59,400	(\$25,856)
6.00	Turbine	65.00	\$69,219	\$123,750	(\$54,531)
8.00	Turbine	140.00	\$149,088	\$178,200	(\$29,112)
10.00	Turbine	210.00	\$223,633	\$287,100	(\$63,467)
12.00	Turbine	265.00	\$282,203	\$425,700	(\$143,497)

- Wastewater Facilities

- Methodology and Components
 - Plan-based approach
 - Florence utility service area
 - Credit for future debt service
 - Components
 - Collection system
 - Wastewater treatment

- Wastewater IIP

<i>Description</i>	<i>Prior Years</i>	<i>FY18-19</i>	<i>FY19-20</i>	<i>FY20-21</i>	<i>FY21-22</i>	<i>FY22-23</i>	<i>Years 6-10</i>	<i>Total Project</i>
West Main extension Adamsville to Dobson Property (36 inch)							\$600,000	\$600,000
South Sewer Main Extensions 287/SR79 (12 inch)							\$1,000,000	\$1,000,000
Lift Station at Hunt Highway & SR79				\$40,000	\$330,000			\$370,000
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,970,000

Ten-Year Increase in Gallons of Peak Demand per Day => 931,058

Cost per Gallon of Demand => **\$2.12**

Description	Prior Years	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	Years 6-10	Total Project
Florence S. - WWTP Expansion				\$2,000,000	\$15,150,000			\$17,150,000
South WWTP Expansion Headworks	\$150,000	\$2,000,000	\$1,500,000					\$3,650,000
SWWTP disinfection system upgrade			\$30,000	\$3,000,000				\$3,030,000
S. WWTP odor control / dust abatement			\$300,000					\$300,000
Total	\$150,000	\$2,000,000	\$1,830,000	\$5,000,000	\$15,150,000	\$0	\$0	\$24,130,000
Gallons of Capacity per Day =>								1,500,000
Cost per Gallon of Capacity =>								\$16.09

- Proposed Wastewater Development Fee

Input Variables

	<i>Cost per Gallon of Capacity</i>
Transmission Projects	\$2.12
Treatment Projects	\$16.09
Principal Payment Credit per Gallon =>	(\$5.04)
Capital Cost per Gallon of Capacity =>	\$13.17
Peak Day Gallons of Demand per ERU =>	182

All Development (per meter)

Meter Size (inches)	Meter Type	Capacity Ratio	Proposed Wastewater Fee	Current Fee	\$ Change
0.625	Displacement	1.00	\$2,400	\$2,140	\$260
0.75	Displacement	1.50	\$3,600	\$2,782	\$818
1.00	Displacement	2.50	\$6,001	\$7,062	(\$1,061)
1.50	Displacement	5.00	\$12,002	\$14,338	(\$2,336)
2.00	Displacement	8.00	\$19,202	\$22,898	(\$3,696)
3.00	Compound	16.00	\$38,405	\$45,852	(\$7,447)
3.00	Turbine	17.50	\$42,005	\$49,862	(\$7,857)
4.00	Compound	25.00	\$60,008	\$71,262	(\$11,254)
4.00	Turbine	31.50	\$75,610	\$85,600	(\$9,990)
6.00	Compound	50.00	\$120,015	\$142,738	(\$22,723)
6.00	Turbine	65.00	\$156,020	\$178,262	(\$22,242)
8.00	Turbine	140.00	\$336,043	\$256,800	\$79,243
10.00	Turbine	210.00	\$504,065	\$413,662	\$90,403
12.00	Turbine	265.00	\$636,082	\$613,538	\$22,544

- Street Facilities

- Methodology and Components
 - Hybrid consumption/plan-based approach
 - Town wide service area
 - Components
 - Arterial road capacity

- Road IIP

Improvement	Segment	New Lanes	Miles	Lane Miles	Func Class	Per lane mile	Project Cost
Florence Heights Drive	SR 79 to SR 79B	2	1	2	Minor Arterial	\$915,000	\$1,830,000
Adamsville Road	3/4 Mile Extension to Plant Road	2	3	6	Principal Arterial	\$1,013,000	\$6,078,000
Butte Avenue	Main to Plant	2	1	2	Major Collector	\$757,000	\$1,514,000
Plant Road	Butte to River	2	0.6	1.2	Minor Arterial	\$915,000	\$1,098,000
Diversion Dam Road	SR79 to Bowling	2	0.5	1	Minor Arterial	\$915,000	\$915,000
Main Street Extension	1st to 79th	2	1	2	Minor Arterial	\$915,000	\$1,830,000
River Road	N/S Corridor to Main	4	1.5	6	Principal Arterial	\$1,013,000	\$6,078,000
Hunt Highway	SR79 to Town Limits	2	4.25	8.5	Principal Arterial	\$1,013,000	\$8,610,500
Hunt Highway	Franklin to Hiller	2	1	2	Principal Arterial	\$1,013,000	\$2,026,000
Attaway Road	Palmer to Hunt	2	1	2	Principal Arterial	\$1,013,000	\$2,026,000
Felix Road	Copper Basin to AZ Farms	2	2	4	Principal Arterial	\$1,013,000	\$4,052,000
Arizona Farms Road	Copper Basin to Hersoth	2	4.5	9	Principal Arterial	\$1,013,000	\$9,117,000
Attaway Road	AZ Farms to Judd	2	2	4	Principal Arterial	\$1,013,000	\$4,052,000
N/S Corridor Alignment	287 to N. Town Limits	4	13	52	Az Parkway	\$1,215,600	\$63,211,200
				101.7		\$1,105,582	\$112,437,700

Source: Town of Florence.

- These are potential projects for which to use the development fees. Also used to derive weighted average cost per lane mile for the fee calculation.

- Proposed Development Fee

Average Miles per Trip =>	3.82
Cost per Additional Lane Mile =>	\$1,105,582
Planned Lane Miles Needed to Maintain LOS =>	6.10
Ten-Year Growth Cost Funded by Fees	\$6,744,051
VMT Increase Over Ten Years	54,532
Capital Cost per VMT#	\$124.32

Residential (per unit)

Development Type	Avg Wkdy Veh Trip Ends*	Trip Rate Adjustment	Trip Length Adjustment	Proposed Fees	Current Fee	Increase / Decrease
Single-Family Unit	6.20	63%	121%	\$2,250	\$2,086	\$164
Multi-Family Unit	4.30	63%	121%	\$1,560	\$1,313	\$247

Nonresidential (per square foot)

Development Type	Avg Wkdy Veh Trip Ends**	Trip Rate Adjustment	Trip Length Adjustment	Proposed Fees	Current Fee	Increase / Decrease
Commercial/Retail	37.75	33%	66%	\$3.90	\$3.14	\$0.76
Office/Institutional	9.74	50%	73%	\$1.68	\$1.73	(\$0.05)
Industrial/Flex	4.96	50%	73%	\$0.85	\$1.02	(\$0.17)

#Includes cost per VMT of \$0.65 for the development fee study

*Current nonresidential fees adjusted from per 1,000 square feet to per square foot.

- Proposed vs. Existing Fees

Residential (per unit)

Type	Police	Fire and Rescue	Parks and Open Space	Roads	Proposed Fee	Current Fee	Difference
Single-Family	\$754	\$955	\$1,934	\$2,250	\$5,892	\$5,027	\$865
Multi-Family	\$560	\$710	\$1,437	\$1,560	\$4,267	\$3,696	\$571

Nonresidential (per 1,000 square feet)

Type	Police	Fire and Rescue	Parks and Open Space	Roads	Proposed Fee	Current Fee	Difference
Commercial/Retail	\$1,465	\$694	\$148	\$3,900	\$6,206	\$5,423	\$783
Industrial	\$292	\$482	\$102	\$850	\$1,726	\$464	\$1,262
Office/Other Services	\$292	\$880	\$187	\$1,680	\$3,038	\$2,937	\$101

Meter Size (inches)	Meter Type	Proposed Water Fee	Current Fee	\$ Change	Proposed Wastewater Fee	Current Fee	\$ Change
0.625	Displacement	\$1,065	\$1,980	(\$915)	\$2,400	\$2,140	\$260
0.750	Displacement	\$1,597	\$4,950	(\$3,353)	\$3,600	\$2,782	\$818
1.000	Displacement	\$2,662	\$4,950	(\$2,288)	\$6,001	\$7,062	(\$1,061)
1.500	Displacement	\$5,324	\$9,900	(\$4,576)	\$12,002	\$14,338	(\$2,336)
2.000	Displacement	\$8,518	\$15,840	(\$7,322)	\$19,202	\$22,898	(\$3,696)
3.000	Displacement	\$17,037	\$31,680	(\$14,643)	\$38,405	\$45,582	(\$7,177)
3.000	Compound	\$17,037	\$31,680	(\$14,643)	\$38,405	\$45,852	(\$7,447)
3.000	Turbine	\$18,635	\$34,650	(\$16,015)	\$42,005	\$49,862	(\$7,857)
4.000	Compound	\$26,621	\$49,500	(\$22,879)	\$60,008	\$71,262	(\$11,254)
4.000	Turbine	\$33,543	\$59,400	(\$25,857)	\$75,610	\$85,600	(\$9,990)
6.000	Compound	\$53,243	\$99,000	(\$45,757)	\$120,015	\$142,738	(\$22,723)
6.000	Turbine	\$69,216	\$123,750	(\$54,534)	\$156,020	\$178,262	(\$22,242)
8.000	Compound	\$85,189	\$178,200	(\$93,011)	\$192,025	\$0	\$192,025
8.000	Turbine	\$149,082	\$178,200	(\$29,118)	\$336,043	\$256,800	\$79,243
10.000	Turbine	\$223,623	\$287,100	(\$63,477)	\$504,065	\$413,662	\$90,403
12.000	Turbine	\$282,191	\$425,700	(\$143,509)	\$636,082	\$613,538	\$22,544

- Fee Comparison for SF Units

Single-Family Fees per Unit									
<i>Jurisdiction</i>	<i>Total</i>	<i>Parks</i>	<i>Police</i>	<i>Fire</i>	<i>Streets</i>	<i>Water</i>	<i>Sewer</i>	<i>Gen. Govt.</i>	<i>Library</i>
Gilbert	\$16,374	\$4,081	\$2,469	\$0	\$450	\$6,286	\$1,933	\$1,155	\$0
Casa Grande*	\$9,941	\$1,153	\$179	\$589	\$3,230	\$0	\$4,557	\$233	\$0
Coolidge*	\$7,012	\$1,168	\$0	\$426	\$3,235	\$0	\$2,183	\$0	\$0
Queen Creek	\$15,890	\$3,681	\$167	\$490	\$1,263	\$4,014	\$5,082	\$470	\$723
Avondale*	\$16,888	\$1,497	\$832	\$775	\$3,171	\$4,495	\$5,999	\$0	\$119
Florence*	\$9,357	\$1,934	\$754	\$955	\$2,250	\$1,065	\$2,400	\$0	\$0
Goodyear*	\$18,037	\$2,255	\$820	\$971	\$3,330	\$7,843	\$2,818	\$0	\$0
Glendale*	\$10,154	\$1,181	\$600	\$631	\$3,928	\$2,126	\$1,493	\$0	\$195
Pinal County-North Central	\$9,214	\$536	\$700	\$0	\$7,978	\$0	\$0	\$0	\$0
Pinal County-West	\$2,592	\$536	\$544	\$0	\$1,512	\$0	\$0	\$0	\$0
Pinal County-East	\$3,511	\$536	\$544	\$0	\$2,431	\$0	\$0	\$0	\$0
Pinal County-South Central	\$3,703	\$536	\$544	\$0	\$2,623	\$0	\$0	\$0	\$0

*Proposed

Councilmember Cordes inquired what the fee would be for a Florence resident purchasing a lot of land.

Mr. Bise explained that they would pay \$9,357 in impact fees if they are serviced by Florence's utilities.

MOMENT OF SILENCE

Mayor Walter called for a moment of silence.

PLEDGE OF ALLEGIANCE

Mayor Walter 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.

There were no public comments.

CONSENT: All items on the consent agenda 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 Addendum Two Modification of the Lease Agreement dated June 1, 2017, between the Town of Florence, and Sharon Grier, owner of What's Upstairs.

Ratification of extending a professional services contract with Colibryn, for permit support and training with a total contract amount not to exceed \$35,000.

Approval of the 2019 Town of Florence Title VI Implementation Plan.

Authorization for Mayor Walter to join other regional mayors in signing a letter of support for the pay increases for both public and private correctional employees in the Fiscal Year 2020 State budget.

Approval of the temporary Utility Payment Deferment Program for furloughed Federal government employees.

Ratification of the election of William Bruin as an Employee Representative on the Town of Florence Public Safety Personnel Retirement System Fire Local Board for a period of four years.

Authorization to dispose of Town vehicles and equipment that are no longer needed and/or have outlived their useful life.

Approval of the February 4 and February 19, 2019 Town Council Meeting minutes.

Receive and file the following board and commission minutes:

January 17, 2019 Arts and Culture Commission Meeting minutes

January 30, 2019 Historic District Advisory Commission Meeting minutes

January 17, 2019 Planning and Zoning Commission Meeting minutes

On motion of Vice-Mayor Anderson, seconded by Councilmember Cordes, and carried (7-0) to approve the Consent Agenda as written, with the exception of Item a and Item b.

Approval of Addendum Two Modification of the Lease Agreement dated June 1, 2017, between the Town of Florence, and Sharon Grier, owner of What's Upstairs.

Mayor Walter asked for this item to be removed from Consent Agenda because Councilmember Hughes is not able to vote on this item as she was a tenant in the building.

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall, and carried (6-0; Councilmember Hughes recused herself as she was a previous tenant of the Silver King Marketplace) to approve Addendum Two Modification of the Lease Agreement dated June 1, 2017, between the Town of Florence, and Sharon Grier, owner of What's Upstairs.

Ratification of extending a professional services contract with Colibryn, for permit support and training with a total contract amount not to exceed \$35,000.

Councilmember Cordes inquired how long has the town had this contract.

Mr. James “Jimmy” Allen, Building Official, stated that they have had a contract with Colibryn since December 3, 2018, to assist with Smartgov permitting software due to the loss of the permit technician and frontend staff. The initial contract was for a not-to-exceed amount of \$25,000; however, staff is asking for an increase, so they can train the new permit tech as well as to learn all of the facets of the permitting program. Being able to fully utilize all of the components of the program will allow for better customer service. They will utilize the staff intermittently to help maximize the training.

Councilmember Larsen understands this scope of service to include plan review and inspections.

Mr. Allen explained that the Town was inundated with plan review requests and they are assisting with the reviews to help meet the required deadlines. The Town will still receive the permit fees and a portion of the plan review fees.

Mr. Allen explained that the Town presented to the developer four agencies that went through the procurement process for Pinal and Yavapai counties and chose Colibryn. The Town is able to piggyback off of their contracts.

Mr. Billingsley stated that Ms. Colibryn is a certified permit technician. The person hired is not a certified permit technician and requires training. The Town needed a bridge between the last permit technician and the new technician. The Town also wanted her to get deeper into the software package and provide training. The Town has a boiler plate that is used for contracts that they use for new contracts. The Town utilized Willdan and Stantec in the past and they did plan reviews, building inspections, etc. He clarified that Ms. Colibryn will only be doing permit technician duties and her contract is to do the permit technician duties as well as training.

Mr. Billingsley stated that this is the same contract he signed with his authority of up to \$24,999 and is going before Council for an additional \$10,000.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk explained that the verbiage in the contract allows for a broader scope so if the Town had a need, it set the limitations on what the Town could go into contact for. The original contract was signed on December 3, 2018 and would have allowed for any of the services outlined in the contract. The reason for the increase is the second page of Exhibit B. Once the not to exceed amount has been expended, the contract will retire.

On motion of Councilmember Cordes, seconded by Councilmember Wall, and carried (7-0) for ratification of extending a professional services contract with Colibryn, for permit support and training with a total contract amount not to exceed \$35,000.

UNFINISHED BUSINESS

Resolution No. 1690-19:

Mayor Walter read Resolution No. 1690-19 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 33; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

Mr. Larry Harmer, Community Development Director, stated that the summary for DR Horton was previously forwarded to the Council.

Mr. Dan Bonow, DR Horton, stated that Unit 33 is adjacent to the wastewater treatment plant to the east. He met with EPCOR last week and received an email, which was forwarded to Council, with regards to what they are doing with the plant. It will be a 6 million gallon per day facility, at build out. It is currently permitted for 3 million and is built out for 1.5 million gallons. Currently it is at .85 million gallons per day and does not include sewage that is being transferred down from the north.

Mr. Bonow stated that there is a 350' set back from the buildings, not the wall. DR Horton is no different than Pulte and they also have to provide a public report, and have it filed with the Arizona Department of Real Estate. The language will be the same as Pulte's and is extensive. The report will disclose that there may be dust and possible smell at any hours of the day. They try to disclose as much as possible. They have not filed their report as of yet.

Mr. Bonow stated that aside from the required report, DR Horton does a separate disclosure and both documents are signed by the buyer. He said because this is an existing facility, is readily available to see. Typically, you disclose what is coming in the future, which is not as easy to display or to let prospective buyers know what is coming in.

Mayor Walter inquired if the .85 million gallons per day total takes into consideration the dumping from Section 11 that is being pumped in.

Mr. Bonow stated yes, the total is what is going to the plant as it stands right now, which is the diversion from Section 11 that is happening to the north.

Mr. Bonow stated that the plant is built for the entire build out of Anthem at Merrill Ranch, which is approximately built out half way. He stated that there is an increase when the winter visitors are here.

Mr. Billingsley clarified that Anthem at Merrill Ranch is a quarter built out. There is 1.5 million gallons available at the plant today with the ultimate being 6 million gallons. He noted that there is a minimal amount of flow that has to go into the plant in order for it to work effectively, which is one of the reasons they had to force main from sectional 11 down to this plant.

Vice-Mayor Anderson inquired how does the Town protect DR Horton and its citizens if Johnson Utilities does not perform. He inquired if they can revoke their business licenses or impose a fine.

Mr. Billingsley stated that the Town has been very involved for approximately 1.5 years regarding the conversations with the Arizona Department of Environmental Quality and the Arizona Corporation Commission regarding Johnson Utilities. Johnson Utilities is regulated by various agencies and the Town does not have a say with respect to those compliance and enforcement duties.

Mr. Billingsley stated that when it comes to public safety and requirements in Florence, the Town is very much involved and issues letters when there are life safety issues.

Councilmember Wall inquired about odor. It is Council's concern that they would be facing a similar problem that people near the Section 11 plant have had with odor.

Mr. Bonow stated that an activated carbon odor control system is installed just outside of the headworks at the plant.

Councilmember Cordes stated that she is very concerned about the odor and wants to ensure that as a builder, DR Horton is doing its due diligence to protect those homebuyers from gases, spillage, odor, etc. She understands that they have no control over Johnson Utilities but are doing everything they can to protect them, especially with the issues regarding the water. She inquired if DR Horton has validated what Epcor has said to them regarding Johnson Utilities.

Mr. Bonow stated that the odor concern is of utmost importance to them as well. They are selling a lifestyle and want to ensure that they are getting what they purchased. He stated that they are working with EPCOR to remedy the situation regarding Section 11, where there are DR Horton Home in treatment section area.

Mr. Bonow stated it is very important to get Section 11 running up to its full capacity.

Councilmember Larsen stated that she appreciates DR Horton doing the extra report notifying the homebuyers and identifying where the wastewater treatment plant is located. She wished them the best and welcomed them to Florence.

Vice-Mayor Anderson stated that there is a water pressure problem in the Anthem area and inquired if DR Horton is aware of the issue.

Mr. Bonow stated that pressure has been an ongoing problem and it has been addressed with Johnson Utilities a variety of times to find resolution. He stated that there are more builders, so they can add more pressure to Johnson Utilities and EPCOR to rectify the situation.

On motion of Councilmember Hawkins, seconded by Councilmember Wall, and carried (7-0) to adopt Resolution No. 1690-19.

NEW BUSINESS

Resolution No. 1691-19:

Mayor Walter read Resolution No. 1691-19 by title only.

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, VACATING, ABANDONING AND TRANSFERRING TITLE TO THE RIGHT-OF-WAY FOR A PORTION OF NORTH PARK STREET ADJACENT TO THE ABUTTING PROPERTY OWNERS LOCATED AT 157 NORTH PARK STREET ("WEST"), AND APPROVING AND ACCEPTING THE COMPENSATION PAID BY THE ABUTTING PROPERTY OWNER AND OTHER CONSIDERATION FOR THE RIGHT-OF-WAY.

Mr. Chris Salas, Public Works Director, there are several buildings in the downtown area that were built in the Town's right-of-way. The property owner had a shed and wall in the Town's right of way. While going through the permitting process it was determined that the Town could not allow the rebuild to take place on the Town's right-of-way. The Town had the property owner do a survey and acquire the additional right-of-way to build his shed in the back yard and abandon the right-of-way.

On motion of Councilmember Wall, seconded by Councilmember Hawkins, and carried (7-0) to adopt Resolution No. 1691-19.

Discussion/Approval/Disapproval to adopt the Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts.

Mr. Joe Jarvis, Finance Director, stated that in November 19, 2007, the Mayor and Council of the Town of Florence adopted the Policy Guidelines and Application Procedures for Establishment of new Community Facilities Districts (CFDs). Since 2007, the statutes and guidelines for managing Community Facilities Districts have changed and it is now time for the Town to consider an update to the existing policy. This policy would only apply to new entities that request to be considered a community facilities district. This will have zero impact on existing CFDs.

Mr. Jarvis outlined some of the changes, which are:

- Two additional members will be added, along with the Councilmembers, for the new CFD Board
 - New members will be selected by the developer
- Change in fees that developer has to pay to the Town in order to process their application

Mr. Jarvis stated that the Council and not the CFD1 or CFD2 Boards, need to review and approve the update to the policy. If approved, Mayor, Town Clerk, and Town Attorney will sign off on the update.

Councilmember Wall inquired if Article 1, Section 1.9, states that \$0.25 per every \$1.00 is to be spent on the infrastructure improvements.

Mr. Jarvis stated that staff checked with Greenburg and Traurig and Mike Caffisio and this is the standard around the state.

Councilmember Wall inquired what happens to the additional \$0.75.

Ms. Garcia explained that the paragraph states at least \$0.25 and is not a maximum number.

Mr. Billingsley stated that there will be administrative fees and costs associated with the bond market. He stated that there is the ability to buy down the rate and sometimes you can pay points to obtain a lower rate.

Mayor Walter inquired where Section 1.9 was derived from.

Mr. Billingsley stated that the law has changed, and the bond attorneys have provided a model policy which includes Section 1.9.

Councilmember Hughes inquired what is the formulary for buying down a bond.

Mr. Billingsley explained that it depends on the federal rate, the bond market, and what our individual bond rating is. A rating agency can also assist with having the bond rating updated. Our current rating is BBB-. He explained how the cost benefit is determined. He explained how the rating is determined.

On motion of Councilmember Hawkins, seconded by Councilmember Larsen, and carried (7-0) to adopt the Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts.

PUBLIC HEARINGS AND PRESENTATIONS

Public Hearing on the Town's Development Impact Fees and Notice of Intent to Increase Fees and first reading of Ordinance No. 672-19.

Mayor Walter read Ordinance No. 672-19 by title only.

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING TITLE XV – LAND USAGE, CHAPTER 150 AMENDING, SECTIONS § 150.280(C) (D) (G) (H) and (K), ADOPTING NEW IMPACT FEES PURSUANT TO ASSUMPTION AND INFRASTRUCTURE IMPROVEMENT PLAN, ADOPTED ON JANUARY 7, 2019, BY APPROVING RESOLUTION NO. 1685-19.

Ms. Lisa Garcia stated that Carson Bise provided a presentation at the start of the meeting regarding the impact fees. The Council adopted the resolution, which adopted the Plan. The Town published the notice in the paper, pursuant to A.R.S. Statutes that the Town would have the work session and have a public hearing. The second reading will come before the Council on May 7, 2019. If adopted on May 7, 2019, the effective date will be August 1, 2019.

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

Public Hearing to receive citizen's comments on rezoning from Neighborhood Office (NO) to Highway Business (B-2) for 470 South Main Street, Florence, Arizona, APN 202-09-0010; and first reading of Ordinance No. 671-19.

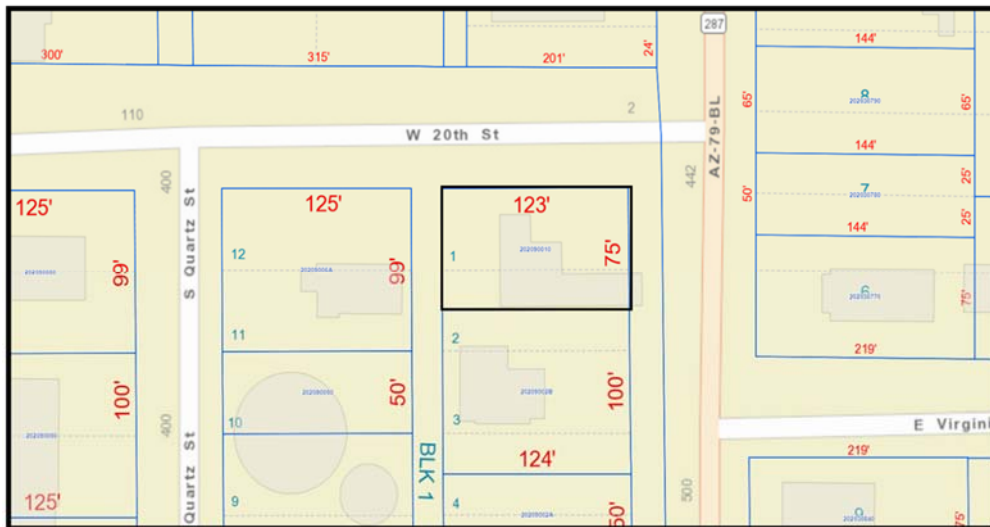
Mayor Walter read Ordinance No. 671-19 by title only.

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE HIGHWAY BUSINESS COMMERCIAL (B-2) ZONE CHANGE LOCATED AT 470 SOUTH MAIN STREET, APN 202-09-0010 (PZ-19-15).

Mr. Larry Harmer, Community Development Director, stated that the Planning and Zoning Commission held a public hearing and has forwarded to Council a positive recommendation.

Mr. Harmer provided a presentation, in which he outlined the following:

- Celaya Zone Change PZ-19-15 Rezoning
 - Property located at 470 S. Main Street
 - APN# 202-09-0010
 - Rezone from Neighborhood Office (NO) to Highway Business Commercial (B-2)
 - .21 acres
- Location and size of property



- Public Outreach
 - Forms of outreach:
 - Mailed notice to those within 300 ft.
 - Advertisement posted in local newspaper
 - Public Notice sign on site
 - Citizen Review Meeting February 28, 2019
 - No participants
 - Planning and Zoning Commission Public Hearing March 7, 2019
- Findings
 - Proposed rezoning is consistent with the 2020 General Plan
 - Rezoning should facilitate ongoing revitalization and redevelopment along Main Street
- Recommendation
 - The Planning and Zoning Commission recommends approval subject to conditions:
 - The development of the subject site shall be in conformance to any applicable Town Code and Ordinances.
 - Property owners agree to waive claims for diminution in value pursuant to Proposition 207.
 - Any Additional conditions deemed necessary by the Town Council.

Mr. Harmer noted that the applicant was unable to attend due to health reasons and will attend the second reading.

Mr. Billingsley stated that the Town is not doing spot zoning because they are changing the zoning on one parcel as the parcel is inconsistent from the zoning on the remainder of the corridor and inconsistent with the intent of the special planning area.

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

Public Hearing on an application received from Leslie Bentley, Sun City Anthem at Merrill Ranch, for a Class A Bingo License, located at 3925 N. Sun City Boulevard, Florence, Arizona, and for Council recommendation for approval or disapproval of said license.

Ms. Garcia stated that the Clerk's Office received an application for a Class A Bingo License for Sun City Anthem. The Clerk's Office is required to hold a public hearing within 45 day, which the Town is holding at this meeting. Staff recommends that Council forward a favorable recommendation for approval of said license.

Mayor Walter opened the public hearing.

Vice-Mayor Anderson inquired if the Town has received an application from Parkside at Anthem at Merrill Ranch.

Ms. Garcia stated that the Town has not received an application for Parkside at Anthem at Merrill Ranch. It is part of the municipal government's job to receive the application and fees (State and

Town). The Town is required to hold a public hearing and Council makes a recommendation and forwards the recommendation to the State.

Vice-Mayor Anderson inquired about those who are doing bingo but do not know to obtain a license.

Ms. Garcia explained that staff reaches out to those entities that are doing bingo and advise them of the requirements. The bingo licenses do not have to be renewed. She stated that she contacted the State and they could not disclose who had bingo licenses in Florence.

Councilmember Cordes inquired if Sun City Anthem was asked to obtain a bingo license because they have offered bingo as part of their lifestyle.

Ms. Garcia stated that a member of the community asked Sun City Anthem if they had a bingo license, at which time, Sun City Anthem confirmed that they needed to apply for a license. She explained that they applied for a Class A non-profit bingo license where they can raise funds through bingo activities.

Councilmember Cordes inquired if schools are required to obtain a bingo permit.

Ms. Garcia stated that she would need to research it further. She stated that anyone who is conducting bingo activities without a license to please contact the Clerk's Office and we can walk them through the process.

Councilmember Cordes asked that the applicant attend the next meeting.

Ms. Garcia stated that only one public hearing is required.

Councilmember Larsen inquired if the license is issued to an individual or location.

Ms. Garcia stated that the license would be for the Sun City Anthem location.

Mayor Walter closed the public hearing.

On motion of Councilmember Hawkins, seconded by Vice-Mayor Anderson, and carried (7-0) to forward approval for a Class A Bingo License, located at 3925 N. Sun City Boulevard, Florence, Arizona.

Proclamation declaring April 21, 2019 as PowerTalk 21® Day.

Mayor Walter stated that teen alcohol kills more than 4,700 people each year, more than all illicit drugs combined. Council received an email asking to issue a proclamation. She stated that every conversation is an opportunity to save a life. This April, Mothers Against Drunk Driving (MADD) is hosting a Power of Parents Workshop, across the state, to empower parents to talk early and often with their children about the dangers of drinking and to never ride with a drinking driver.

Mr. Jason Frazier, MADD State Executive Director, stated that we lose far too many teens across the country. He said it is all too often that we hear of accidents occurring and people losing their lives due to excessive drinking. He stated it is an important date because:

- Teens who start drinking before the age of 15 are six times more likely to develop severe alcohol problems and dependence later in life
 - Loss of loved ones due to impaired driving
- One in four teens involved in car crashes are alcohol related

Mr. Frazier stated that when he speaks to first responders and law enforcement, he tells them that there is no way to quantify how many lives they save when they stop impaired drivers.

Councilmember Wall stated that she had her children sign a contract when they got their licenses that if they were ever in a situation where alcohol was present or if they had consumed alcohol, they would call their parents. She inquired if they still promote this.

Mr. Frazier stated that they still promote the contract. He stated that there was a time that MADD was very involved in the schools and have gotten away from that a little bit. They are moving back into that realm. In their Power of Youth and Power of Parents programs, the contracts are discussed.

Mayor Walter stated that the Fire Department, Police Department and Pinal County Sheriff's Office puts on a presentation before prom regarding the dangers of drinking and driving.

Mayor Walter proclaimed April 21, 2019 as PowerTalk 21® Day and read the proclamation for the record.

Presentation on Florence Alerts and Public Emergency Notification.

Mr. Ben Bitter, Assistant to the Town Manager, provided a presentation, in which he discussed the Everbridge Emergency Alert System and how to sign up to receive notifications:

- Everbridge (Pinal County PENS) Emergency Alerts and Notifications, which includes the following steps:
 - Signing up for notifications: [Tinyurl.com/FlorenceAlerts](https://tinyurl.com/FlorenceAlerts)
 - Change Notification Priority
 - Add Important Locations
 - Make Sure Location is Accurate
 - Select Florence Alerts
 - You're All Set!
 - Staff will begin promoting this on Facebook, in utility bills, and at Town Hall.
 - We will continue to train staff to use the system, knowing there will be a learning curve as everything is set up.

Councilmember Cordes inquired if you can register more than one location.

Mr. Bitter stated that you can register multiple locations.

Councilmember Wall inquired what database is being used. She stated that there are several resources for phone numbers.

Mr. Bitter stated that they utilize whatever resources Everbridge uses. He stated that through the system, there is a way to send an alert to all cell phones in a designated area, regardless if they are registered or not. They still must obtain access in which to do this.

NEW BUSINESS (CONTINUED)

Discussion/Approval/Disapproval to enter into a contract with Cactus Asphalt (a division of Cactus Transport, Inc.), using the Cooperative Contract, through Pinal County JOC Contract #173923 Asphalt Maintenance & Repair Services, which includes the application of Chip Seal Binder: Polymer Modified Asphalt Rubber and FOG Seal Binder for pavement preservation treatment, for the Town of Florence CIP T-69 Pavement Preservation Project, in an amount not exceed \$103,420.74.

Mr. Chris Salas, Public Works Director, stated that the Town was not going to expend all of its funds because the majority of the projects were completed last fiscal year. He stated that they will be bringing forward a variety of projects for completion this fiscal year.

Mr. Salas stated that the surface of the various locations throughout Florence are worn and in need of asphalt preservation. These areas targeted for the Spring of 2019.

Councilmember Larsen stated that Exhibit 3 and Exhibit 6 was not included in the agenda packet. She asked that the scope of work be explained along with the roads that were referencing to be on Exhibit 6. She inquired if Hunt Highway is included.

Mr. Salas stated that the roads are in the downtown area, Desoto and Florence Gardens. Hunt Highway is not included. He explained that there is a mistake in the packet that was submitted, and the wrong maps were submitted.

Vice-Mayor Anderson inquired if there are ramifications if this item is tabled.

Mr. Salas stated that the item can be table. The project may have to wait until July.

Mr. Billingsley stated that staff can send the map to Council tomorrow. The contractors who do this type of work do it in a supply chain and schedule out six months to where they are going to travel because they travel with all of their equipment. They are not able to postpone a job for a few weeks. South Dakota Road in Caliente is one of the projects.

Councilmember Larsen inquired what the start date for the project is.

Mr. Salas stated that the project start date is at the discretion of the superintendent.

Mayor Walter asked the projects and maps available online, inclusive of future projects.

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall, and carried (7-0) to enter into a contract with Cactus Asphalt (a division of Cactus Transport, Inc.), using the Cooperative Contract, through Pinal County JOC Contract #173923 Asphalt Maintenance & Repair Services, which includes the application of Chip Seal Binder: Polymer Modified Asphalt Rubber and FOG Seal Binder for pavement preservation treatment, for the Town of Florence CIP T-69 Pavement Preservation Project, in an amount not exceed \$103,420.74.

Discussion/Approval/Disapproval to enter into a professional services contract with EUSI, LLC, for Public Works Management Support and Consulting Services with a new term to expire on June 30, 2020; approval of Task Order 6 in an amount not to exceed \$109,500.

Mr. Salas stated The Town's need for professional services with EUSI, LLC, has changed since the initial Task 1 scope of work. Task 6 will cover 4 unique tasks:

- Legal and Technical Assistance with possible utility provider acquisition
 - In conjunction With Task Order 5, previously approved and set to expire June 30, 2019
- Wastewater permit renewal
 - Arizona Pollutant Discharge Elimination System which are required to be updated and the Town's permit is going to expire in a few months
 - The Town has to have a Federal Water Quality Permit in order to be able to discharge the Town's treated effluent at the wastewater treatment plants
- Operator of Record
 - Due to turnover in the department, the Town lost its Grade 3 operator and is required to have a Grade 3 in order to be in compliance
 - Training for staff to learn the permit and what is required to be in compliance
 - Goal is to have three to four grade 3 operators
- Legal and Technical Assistance with Dobson Ranch GSF Permitting and Development Agreement
 - Florence has been working on securing Florence's water for the last three years
 - Florence has existing contract with Dobson Ranch to sell them the Town's treated effluent at a severely reduced price several years ago
 - Florence does not get any credit for the treated effluent when it is used on the farm
 - Per the law, a "Managed Solution" will allow the Town to be able to obtain partial credit for recharge purposes
 - The Town applied to the Arizona Department of Water Resources for the Managed Solution last year and was rejected.
 - Requesting EUSI to work with the landowner to submit a joint application for a managed solution.

Councilmember Cordes stated that consultants should be short-term and believes employees should be trained and appropriately compensated so they do not leave the Town for better opportunities. She wants to ensure that Florence has qualified staff and do best by the employees, so they do not have to worry about them leaving.

Mr. Billingsley stated that it is difficult to obtain a Grade 3 license. He explained all that it entails to obtain a Grade 3, which is why they are in high demand.

Mr. Salas explained the challenges with staff and working towards their Grades and the goals to have Grade 3 operators. He explained what changes have been made and what can be made to enhance the department.

Vice-Mayor Anderson inquired if there is a minimum of certain grades at each facility.

Mr. Salas stated that the Town is only required to have one Grade 3.

Councilmember Larsen inquired if the Town pays for the employees to obtain the Grades.

Mr. Salas stated that it is dependent on what is covered. The employees are reimbursed the testing fee after successful completion of obtaining their Grade.

On motion of Councilmember Hawkins, seconded by Councilmember Hughes, and carried (7-0) to enter into a professional services contract with EUSI, LLC, for Public Works Management Support and Consulting Services with a new term to expire on June 30, 2020; approval of Task Order 6 in an amount not to exceed \$109,500.

Discussion/Approval/Disapproval to enter into a contract with Arizona Correctional Industries, for repairs to the Silver King Hotel deck, handrails and stairway and replacement of materials including prep for concrete at the west patio by using State Statute § 41-2636, in an amount not to exceed \$53,418.30.

Mr. Salas stated that the Silver King Project came before Council previously and was approved for \$80,000. Staff was trying to avoid paying \$40,000 in architectural plans. He stated they created a scope of work and put the project out for bid. The Town received one bid for \$80,000 and it only included half of the project. He stated that after speaking to the contractors, they felt that there was a lack of clarity in the documents. Staff repurposed the documents and worked through a series of JOCs. The JOC would have the Town work with a general contractor, who would use a subcontractor; which inflated the price.

Mr. Salas stated that it was suggested that the staff consider using Arizona Correctional Industries for the repairs. Staff met with the Finance Director to ensure that this was acceptable through the procurement process. He stated that the cost is for the majority of the work, less some of the proposed concrete and painting.

Mr. Salas stated that staff is working with Larry Harmer and Jennifer Evans to obtain the State Historic Preservation Office (SHPO) approvals and to HDAC for whatever items that they see fit. Staff is hopeful that the approvals will be done soon.

Mr. Salas stated that the Silver King's deck, patio and stairways are in need of repair and replacement in some areas. The wood has decayed and in some areas is not structurally sound. The deck has had limited access for some time due to safety concerns. The primary components of this project are:

- Upper Decks and Northwest Stair Case
 - Demolition, framing of upper decks and northwest stair case, metal railings and decking

- Painting will be under a separate contract.
- Lower West Deck
 - Demolition, concrete preparation
 - Stamped concrete and painting will be under a separate contract.

Mayor Walter inquired if woodpeckers caused some of the damage.

Mr. Billingsley stated that the woodpeckers did cause damage.

Mr. Salas stated that the material previously used is not something that is not normally used for this type of work and has reached its design life.

Mr. Billingsley discussed the pictures that were shown to Council, the damage, and how repairs will be made. He stated that the finishing work is not included in the scope of work.

Discussion occurred on when the work was initially done, via a grant in the mid-2000s, and issues that were made when it was done, such as incorrect material, structural components and foundation implementation.

Discussion occurred on the following:

- Replacing the decking with stamped and colored concrete; and SHPO needs to approve it
- Length of the decking
- Height of the decking
 - Need to build retention wall if the same height is to be maintained
- Use of composite decking

Councilmember Larsen inquired if they can present SHPO with the possibility of wrapping the deck around on the upper floor. She stated that she has concerns with the Trex product being used because Trex does warp in the heat, is slippery when wet and is not maintenance-free. She is also concerned about metal railings, especially during the summer.

Mr. Salas stated that the Town is already in the process of working with SHPO. He stated that the architect, based on previous approval, has already started the design and is under contract, so any monies expended thus far, will be lost.

Mr. Billingsley stated that they would need to provide renderings, etc. to SHPO. We would have wasted the money we already spent on the architect to do the plans for the internal, but then we would have to spend money on the external for the designs and renderings to send to SHPO. Staff has already moved forward on Solution No. 1, with Council's approval.

Mr. Salas stated that the decking will be covered so there will be minimal water; however, people will need to use common sense when using the decking under wet conditions. He stated that the railings will be made of powder-coated steel. He will forward Councilmember Larsen's concerns to the Facilities Maintenance staff.

Councilmember Hawkins state that they are trying to find long-term solutions. He has seen Trex used several times before and has never seen it warp. The powder coated metal will last a long time.

Councilmember Wall inquired if all three components (decking, painting and concrete) of the project need to be approved by SHPO beforehand, and if so, is Council moving ahead prematurely.

Mr. Salas stated that there is no contract and staff is trying to obtain approvals in anticipation of moving forward, following SHPO approval. If the Town does not obtain SHPO approval, staff will come back to Council with a modified scope of work.

On motion of Councilmember Wall, seconded by Councilmember Cordes, and carried (6-0; Councilmember Hughes recused herself as she was a previous tenant of the Silver King Marketplace) to enter into a contract with Arizona Correctional Industries, for repairs to the Silver King Hotel deck, handrails and stairway and replacement of materials including prep for concrete at the west patio by using State Statue § 41-2636, in an amount not to exceed \$53,418.30.

LEGISLATIVE UPDATE

Mr. Ben Bitter, Assistant to the Town Manager, stated that House Bill 2047 is sponsored by Representative Cook. HB 2047 initially was a bad bill because it was shifting HURF money away from Pinal County, Maricopa County and Pima County. The bill has since been amended and is now a positive bill where the impact will be an approximate \$60 million increase to HURF funding across the State, with 50% going to counties and 50% going to cities. There would be a base line established for all cities. The bill has passed through the House and is now with the Senate Committee. The Town has now signed in support of the bill.

Mr. Bitter stated the SB1186 - Pension Bill has passed unanimously out of the Senate and is in House Committee.

MANAGER'S REPORT

There was nothing to report.

CALL TO THE PUBLIC

Mr. Jerry Ravert stated that he and his wife own the Jean Baptiste Michea Residence and Lone Star Store in the Historic District. He stated that he is a longtime critic of how the Town Operates and treats the Historic District and business within, as the Town is spending on other areas around the District.

Mr. Ravert requested that the Town delay demolition of the two historic properties until a complete evaluation of the structural integrity or remaining structures can be performed, and the feasibility of stabilizing the walls and security of the properties can be assessed. This should include open meetings, not Council meetings, with the Historic District residents and business owners for ideas, and consultation with SHPO for assistance.

Mr. Ravert stated that he would like there to be further discussion. The Town needs to make a complete commitment to preservation within the Historic District. They also need to develop an aggressive outreach program to deal with apathy and promote civic engagement.

Mayor Walter stated that many of the items that Mr. Ravert mentioned, have been completed thought the Town's due diligence.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Hughes stated that in New Business Item 9e, she did not vote.

Councilmember Cordes stated that 89.1% of the Florence Unified School District's (FUSD) certified staff has signed their contracts for next year. This is a huge accomplishment. She stated that LB Inn is celebrating 45 years of service on March 30, 2019. She encouraged everyone to stop by and congratulate them on their success.

Councilmember Cordes stated that the "Say Yes to the Dress" event was a success. She works in conjunction with the FUSD, which provides her with space to hold the dresses and hold the event. She stated that there were approximately 60 girls who attended and each of them left with a dress, shoes and jewelry. She stated that 90% of the items came from community members and Cinderella Affair also donated items. She thanked the volunteers and has been a great partnership.

Councilmember Larsen stated the Town has started on the Budget Committee and looks forward to working with the group.

Vice-Mayor Anderson stated that the water credits that were set to expire in 2025, will no longer expire; however, there are some complications as to what they will allow. The Town will receive some credits for their recharge.

Mayor Walter invited the public to the upcoming events:

- Women's Club Fashion Show on March 23, 2019
 - Entrance fees will go towards scholarships
- Florence Little League Opening Day on March 30, 2019
- Community Response Emergency Training on March 30, 2019
- G.I. Bill 75th Anniversary Celebration on March 30, 2019

ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3), (A)(4) and (A)(7) to consider its position and instruct its representatives and/or attorneys regarding:

- **Town's position and instruct its attorneys regarding Arizona Department of Environmental Quality proceedings, related to Water Quality Appeals Board Case No. 16-002, including appellate proceedings to reviewing courts.**
- **Town's position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325.**

- **Town's position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325 including those actions related to said litigation as authorized by Ordinance. No. 592-13.**
- **Discussion of Notice of Claim received on January 25, 2019.**

On motion of Councilmember Hawkins, seconded by Vice-Mayor Anderson, and carried (7-0) to adjourn to Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Councilmember Hawkins, seconded by Councilmember Cordes, and carried (7-0) to adjourn from Executive Session.

ADJOURNMENT

On motion of Councilmember Hawkins, seconded by Councilmember Larsen, and carried (7-0) to adjourn the meeting at 8:39 pm.

Tara Walter, Mayor

ATTEST:

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 March 18, 2019, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

MINUTES OF THE TOWN OF FLORENCE COUNCIL WORK SESSION HELD ON MONDAY, MARCH 25, 2019, AT 5:30 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Walter called the meeting to order at 5:30 p.m.

ROLL CALL:

Present: Tara Walter, John Anderson, Bill Hawkins, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes

Mayor Walter welcomed the Planning and Zoning Commission members present.

WORK SESSION

Ordinance No. 667-18:

Mayor Walter read Ordinance No. 667-18 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 150.031 "DEFINITIONS" AND REPEALLING AND REPLACING "PART 3 SIGN REGULATIONS," SECTIONS 150.092 TO 150.130 (CASE PZ 18-33 ORD).

Mr. Dana Burkhardt, Planning Consultant, provided a memorandum to the Council, which provided additional background in response to questions posed during the Council's first reading of this agenda item on February 19, 2019. Below, please find the Councilmembers questions listed in **bold**, followed by staff research and recommendations shown in *italics*.

- 1) **Councilmember Larsen – Questioned pg. 16, §150.098 (I) "All signs shall be professionally constructed and installed." Generally, agrees that permanent signs should be professionally made and installed, but questions if it is necessary for banners, grand opening and A-frame signs be professionally constructed and installed? They seem to be a thing someone could be easily hang themselves. Also, §150.099 E.2.h – "A-frame signs must be professionally constructed and maintained in a manner free from chipping paint, cracks, gouges, and/or loss of letters."**

*Response: Staff proposes to strike and replace the language under Section 150.098(I) with the existing Sign Code language (§150.094 C. - red text added): "All signs shall **have a professional appearance and** be structurally designed, constructed, erected and maintained in accordance with all applicable provisions and requirements of the town codes and ordinances."*

Existing A-frame code - §150.119 G.7: "A-frame signs shall be professionally constructed and maintained in a manner free from chipping paint, cracks, gouges, and/or loss of

letters.” Staff is unaware of an issue or complaint with this portion of the current code and recommends the text not be changed.

- 2) **Vice-Mayor Anderson** – Concerned the proposed sign code is too complicated. Request for work session to spend time going through answering specific questions.

Response: Work Session scheduled to review specific areas of concern

- 3) **Mayor Walter** – Explain why we need 33 pages vs. Maricopa’s 2 pages.

See Response to #4, below

- 4) **Councilmember Wall** – reduce size of document, cut out definitions

Response: Staff has analyzed peer community codes and found the following:

Existing Sign Code	21 pages (with definitions, no spacing)
Proposed Sign Code	32 pages (with definitions, spacing)
Maricopa	27pages (without definitions)
Pinal County	29 pages (with definitions)
Gilbert	52 pages (without definitions)
Chandler	31 pages (with definitions)
Coolidge	31 pages (with definitions)
Queen Creek	27 pages (without definitions)

With exception to the Town of Gilbert, the communities who do not include definitions within the Sign Code provide signage specific definitions in the “Definitions” section of the code. Staff finds that sign manufacturing companies are the greatest user of sign codes and benefit from definitions contained w/in the sign code. Sign manufacturers are unfamiliar and have little need for other areas of the zoning code.

- 5) **Councilmember Cordes** – Hard to understand code. Make easier for people to understand.

Response: Work Session scheduled to review areas of concern

- 6) **Public Comment** – Larry Johnson – wrong season to ask businesses to attend meeting, they are busy during the holidays, suggests summer.

Response: There are many ways to review, discuss and submit comments. In staff’s email correspondence with Larry we urged to attend and present at chamber functions, and also provided a link to online documents and explained the comment procedure. This was requested to be shared with the Chamber membership and business community at large.

Council inquired about the following:

- Restrictions and/or limitations on digital signs – need to promote digital rather than restrict it
 - New Code allows for digital signs (monument and free-standing signs)

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- *Wall signs are not allowed to be digital*

Vice-Mayor Anderson stated that he does not feel that there should be a restriction on wall signs. He stated that digital signs should be allowed anywhere regular signs are allowed.

- Section 10.6 (page 23) – One digital sign per site

Discussion occurred on the number of signs a business can have.

Mr. Burkhardt stated that they can modify the language to allow for two digital signs if it is a corner lot.

Mr. Billingsley stated that the most municipalities do not allow for multiple digital signs because they do not want their downtown to look like Las Vegas. It is also a public safety concern because too many things distracting people can cause accidents. Most cities do not allow digital signs or severely limit the number of signs.

Discussion occurred on the differences between monument signs, wall-mounted signs, their size, how high they can be displayed and the number of digital signs a business can have.

Mr. Burkhardt stated that monument signs tend to compete with wall mounted signs.

Councilmember Hawkins stated that the Code can be changed to accommodate changes in technology. The Council can also provide a variance, if an issue occurs, to accommodate a business for some type of development that isn't clearly identified in the Town Code.

Mr. Billingsley stated that businesses can apply for the following if they are requesting an exception from the Town Code:

- Variance
- Comprehensive Sign Plan/Package

Discussion occurred on signage on a window, specifically in residential areas.

Mr. Burkhardt stated that window signage is prohibited.

Discussion occurred on signs for grand opening, open house signs and small bandit signs.

Mr. Burkhardt stated that small bandit signs are prohibited. There are very strict restrictions on these types of signs.

Discussion occurred on removal of signs.

Mr. Billingsley stated that signs on Town right-of-way can be removed, others will be removed by going through the legal process.

Councilmember Larsen asked that Page 15 – Exemptions: Item T, Item U and Item F be explained.

Mr. Burkhardt stated that the section refers to large signs placed on vehicles that park in front of the business as additional signage. The section outlines what is and what is not permitted with that in mind. This includes vehicle wraps if they are not parked correctly. People who physically hold signs are exempt.

Discussion occurred on using semi-trucks for signage, interactive signs (digital sign that changes the sign message based on a passing vehicle or person, radar, speed sign or other traffic control signs).

Discussion occurred on signs painted on the water towers. Signs on water towers is not permissible and is a code enforcement issue, nor or signs on fences allowed.

Mr. Billingsley stated that there is a new interactive digital billboard that is being developed that will display messages based on your cellphone history of sites you have visited and items that you searched and/or purchased. This can be problematic because the messages can distract the driver.

Mr. Burkhardt stated that fence signs can be problematic because of weight and the wind load on the fence. There can be significant damage if the fence cannot handle the weight and/or load. He stated that most fences are no higher than four feet in height and do not require engineering. The business could have a sign as long as it has its own support structure. Painting a sign on a brick fence is not allowed under the Code.

Discussion occurred on variances and that there has only been one variance in the last three years. The cost for a variance can cost \$500. The Code has been simplified and allows more than the previous Code allowed.

Councilmember Wall inquired if the comments to the verbiage in the Code will be changed when approved by Council.

Mr. Burkhardt stated that the changes to the verbiage will be included in the amended document, once Council approves.

Ordinance No. 668-19:

Mayor Walter read Ordinance No. 668-19 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 150.031 "DEFINITIONS" AND "PART 7 PARKING; LOADING AND UNLOADING," SECTIONS 150.156 TO 150.167 (CASE PZ 18-34 ORD.) (Dana Burkhardt) (Public Hearing and First Reading held February 19, 2019, second reading held March 4, 2019)

Mr. Burkhardt, Planning Consultant, provided a memorandum to the Council, which provided additional background in response to questions posed during the Council's first reading of this agenda item on February 19, 2019. This item will come again before the Council on May 4, 2019.

Below, please find the Councilmembers questions listed in **bold**, followed by staff research and recommendations shown in *italics*.

7) **Vice-Mayor Anderson** – This amendment provides no requirement for number of ingress and egress to a development.

Response:

2006 Fire Code Chapter 5 provides for “Fire Apparatus Access Roads”

Section 502.1 Definitions

“Fire Apparatus Access Road” is a road that provides fire apparatus access from a fire station to a facility, building or portion thereof. This is a general term inclusive of all other terms such as fire lane, public street, private street, parking lot lane and access roadway.

Section 503 – Fire Apparatus Access Roads

Section 503.1.1 Buildings and Facilities. Approved fire apparatus access roads shall be provided for every facility, building or portion of a building hereafter constructed or moved into or within the jurisdiction. The fire apparatus access road shall comply with the requirements of this section and shall extend to within 150 feet of all portions of the facility and all portions of the exterior walls of the first story of the building as measured by an approved route around the exterior of the building or facility.

Section 503.1.2 Additional access. The fire code official is authorized to require more than one fire apparatus access road based on the potential for impairment of a single road by vehicle congestion, condition of terrain, climatic conditions or other factors that could limit access.

In summary, when exterior portions of a structure are greater than 150 feet from a roadway or fire access road/route, the fire marshal is authorized to require more than one fire apparatus access road based on the potential for the primary vehicle ingress/egress to become inaccessible for any reason.

a. **Stated that (§II.E) bituminous material and binder paving (aka wrap) as listed, may have recycled materials such as gas, oil and other environmentally hazardous materials and cause a negative environmental impact**

Response: Staff proposes the following revision to Section II.E –

*(E) All parking and loading spaces, maneuvering areas, driveways and fire lanes shall be paved with asphaltic concrete; pavers; cement concrete; ~~penetration treatment of bituminous material and seal coat of bituminous binder and a mineral aggregate;~~ and/or a stabilization method approved by the Town **Engineer**. Through the site plan and design review process, the Town may permit up to 20 percent of the required parking to be of a pervious surface to reduce heat-island and run-off effects. All parking surfaces must be designed to a sufficient thickness to withstand repeated vehicular traffic and receive approval from the Town Engineer.*

b. §III.(B) – States the Town cannot hold the lessee accountable, it has to be the property owner.

Response: The existing code text states “it shall be the joint and separate responsibility of the lessee and owner of the principal use...” I agree with text as written to notify and bring to the attention of both parties. A tenant / lessee should be notified of any potential violations on the property they occupy in hopes to expeditiously remediate the violation. Staff is aware that the property owner is ultimately the subject of the violation and any ensuing penalties. However, providing the lessee with notification of a violation may gain compliance should the violation be due to their use of the property. Inversely, if the violation is the cause of the owner’s negligence, lessee may be affected and motivated to assist in remediating the violation.

c. Where is “grandfathered” defined?

Response: “Grandfathered” is a general term used to denote a pre-existing use or structure that was lawfully established under a prior code, and is no longer lawfully permitted under the current codes or ordinances. Another way we say this is “Legal non-conforming” use or structure, meaning it is a lawfully permitted structure or use established under a previous code at a time when the structure or use was permissible, but due to changes in development standards or codes, would not be permitted under the current code. The administrative section of the Development Code prescribes how these legal non-conforming uses and structures are treated should the owner wish to modify or expand the use or structure under the current codes:

§ 150.005 COMPLIANCE.

No building or land shall be devoted to any use other than a use permitted in the zoning district in which the building or land shall be located, with the exception of the following:

(A) Uses lawfully established as of the effective date of this comprehensive amendment;

d. Why not have a separate code for all of these definitions?

Response: Aside from the existing and proposed Sign Codes, the second section of the Development Code / Zoning Ordinance establishes 150.031 “Definitions”, which applies to the code in its entirety, unless otherwise specified.

e. Change name on list of uses “Church” to assembly buildings or something else

Response: Staff has reviewed peer community codes and found the following:

<i>Existing Code –</i>	<i>Church; Place of Worship or Religious Assembly (Medical Mar.)</i>
<i>Proposed Code –</i>	<i>Church; religious facility</i>
<i>Maricopa –</i>	<i>Church; Religious Facilities</i>
<i>Pinal County –</i>	<i>Church; Religious Facilities</i>
<i>Gilbert –</i>	<i>Place of Worship</i>
<i>Chandler –</i>	<i>Churches; Places of Religious Worship; Religious Facilities</i>
<i>Queen Creek –</i>	<i>Religious Assembly; Religious Institutions</i>

The existing Development Code has several references to the term “Church” as a use in various areas of the code. Amending the parking code reference of “Church” would create an inconsistency with the remaining Development Code. Staff is in process of preparing an overall “clean-up” of the Development Code, including addressing conflicts of terminology for uses. Staff recommends addressing this change in terminology with the overall clean-up of the Development Code to ensure all references are used consistently.

8) Councilmember Larsen – §III.C.1 requires a 3’ screen wall to screen parking areas from the street and adjacent residential development. Why require berms and screen walls adjacent to parking areas? Is this a code we are enforcing and why do some developments, such as Safeway and the Grille not have a screen wall?

Response: Yes, Staff enforces the Development Code. Staff recommends retaining the current text requiring screen walls for parking areas. A review and comparison with peer communities is as follows:

Existing Code –

Requires parking areas to be screened from streets and residences by a 3’ wall or wall in combination with earthen berms, and landscape is required.

Proposed Code –

No change from existing code

Maricopa –

Required 3’ to 3.5’ with combo of berming and vegetative materials. The code is involved, Refer to Section “Screening” 401.11 E. for additional details

Pinal County –

Section 2.140.030

B. Where a parking area for a business or industrial use adjoins or is within a residential zone, there shall be a solid wall of masonry or other approved fireproof material, at least four feet in height, along the boundaries adjoining residence lots, except that adjoining the front yard of a residence lot, said wall shall be three feet six inches in height.

C. Anywhere a wall is required, a minimum landscaped yard of five feet shall be provided between the wall and the parking area.

Gilbert –

Section 4.2012 Screening, Landscaping and Lighting

A. Screening. Parking areas, automotive fuel pump islands, and parking access aisles parallel to and within 75 feet of rights-of-way shall be screened from view from those rights-of-way, public parks and public buildings by fences. Landscaping or berming may substitute for fences up to a maximum of 25 percent of the length of the fence.

(See entire code for additional standards)

Chandler –

Section 35.1903 – Landscaping

(c) 8. Parking lot screening: When parking areas abut a front yard or road frontage landscaped area, such parking area shall be screened with a decorative masonry wall(s) and earth berm(s) ranging between thirty (30) and forty-two (42) inches in height. Horizontal and vertical variation in the design of screening wall is required whenever linear alignments exceed eighty (80) feet.

Tree, shrub and ground cover planting shall be as required in paragraph 5., "Front yard/street right-of-way areas," listed above.

Queen Creek –

See "Fencing and Walls" Section 5.2 D.3 - Parking areas adjacent to the required front yard shall provide a decorative screen wall or landscape berm or combination thereof to a height not to exceed three feet (3') in order to adequately screen the undercarriages of the parked vehicles. Parking lot screen walls shall also be subject to the design provisions set forth in Section 5.2.A.15 & 16 above.

- a. Concern over cost to construct a parking lot screen wall on sites with a long frontage. Seems to be a potential financial burden to the developer.**

Response: Per the above research and industry experience, parking lot screening and landscaping is common place and a widely accepted cost of development.

Councilmember Hughes inquired about Section IV. Parking Standards for Single Family and 2-Family Residential Uses, Subsection C. Recreational Vehicle Storage. Recreational vehicles, boats, and trailers shall be stored behind a solid six-foot wall with view obscuring gates.

Mr. Burkhardt stated that RVs may be located in front of a wall for a period not to exceed 72 hours for the purpose of preparing for travel or prior to storage. She stated that chain link fences are allowed in the downtown area.

Mr. Burkhardt stated that the purpose is to screen the unit from the residents and the surrounding uses. RVS currently parked in the backyard are grandfathered. Vehicles cannot be parked in the street or the right-of-way.

Discussion occurred on the questions posed by Council and an overview of the responses presented in the memorandum.

Discussion occurred on what category different businesses fall under and how the Code would be applied in various scenarios.

Mr. Billingsley stated that there is a formula used to determine parking spaces required based on occupancy. He stated that there are areas that have been grandfathered and have parking issues.

Councilmember Hawkins stated that the Town is transparent, and the Council is open to public comments or suggestions. He would hope more of the public would attend the public meetings.

MANAGER'S REPORT

There was no Manager's Report.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Larsen requested to review the variance fees as she felt the cost is high. She stated that if any Councilmembers have questions, it is great to ask them publicly as the public may have the same questions.

Councilmember Hawkins invited everyone to the GI Bill 75th Anniversary Celebration on March 30, 2019.

Mayor Walter stated that March 30, 2019 is opening day for Little League as well as Community Emergency Response Training at various locations throughout Florence.

Mayor Walter stated that Hurts Donuts will be visiting Florence on March 27, 2019. The money raised will be donated to a young girl who is fighting cancer in our community.

Mayor Walter thanked the Florence Women's Club for their fashion show and the Florence Fire and Police Officers escorted the ladies down the aisle. The money raised will go towards scholarships. She also thanked the Florence Teen Council for their help at the fashion show.

ADJOURNMENT

On motion of Vice-Mayor Anderson, seconded by Councilmember Hughes, and carried (7-0) to adjourn the meeting at 6:40 pm.

Tara Walter, Mayor

ATTEST:

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 March 25, 2019, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

**MINUTES OF THE TOWN OF FLORENCE ARTS AND CULTURE COMMISSION
REGULAR MEETING HELD ON THURSDAY, FEBRUARY 14, 2019 AT 2:30 P.M. IN
RUGGLES ROOM 1, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.**

1. CALL TO ORDER

Chair Ann Rankin called the meeting to order at 2:30 p.m.

2. ROLL CALL:

Present: Neola Bye-Beza, Ed Curran, Doris Hagemann, Ann Rankin

Absent:

3. PLEDGE OF ALLEGIANCE

4. NEW BUSINESS

a. Discussion/Approval/Disapproval of Minutes from the January 17, 2019 Special Session Meeting.

On motion by Commissioner Ed Curran, seconded by Vice-Chair Doris Hagemann, and carried (4-0) to approve the Minutes from the January 17, 2019 Special Session Meeting.

b. Update on Arts and Culture Programming – Spring 2019 (Ann Rankin).

Chair Ann Rankin updated the Commission of Spring 2019 programming. Chair Rankin stated that Open Studio is doing well.

Bryan Hughes, Community Services Director, thanked the Commission for hosting the annual Quick Draw event. Director Hughes stated there were eight participants and the Commission made \$250 in revenue from the auction.

Commissioner Ed Curran stated the guitar lessons are doing well and a concert is scheduled for March 8, 2019.

Chair Rankin asked when the Mural will be dedicated.

Director Hughes stated that the Mural will be dedicated April 6, 2019 at 4:30 pm.

c. Update on Main Street Mural project and Arizona Commission on the Arts grant (Ann Rankin/Bryan Hughes).

Chair Rankin showed a draft design of the mural that will be painted on Main Street to the Commission.

Director Hughes stated that Staff had already purchased the marine grade plywood from Lowes and paint will be purchased once he had the colors. Chair Rankin asked if the paint was going to be purchased from Lowes,

Director Hughes replied that the paint will be purchased from The Home Depot.

Chair Rankin stated that work on the Mural will begin on March 2, 2019. Chair Rankin will create a schedule of time slots for volunteers to sign up.

d. Update on Florence Veterans Memorial sculpture (Ann Rankin/Bryan Hughes).

Chair Rankin informed the Commission that she had contacted a Representative from Bronzeman and depending on the design it will determine the lead time for the sculpture to be completed and shipped.

Director Hughes had no updates on donations for the Veterans Memorial.

5. CALL TO THE PUBLIC/BOARD RESPONSE

Ms. Ruth Harrison suggested to the Commission to make a poster for volunteers needed for the Mural project.

Ms. Annie Jaimes and Cindy Bell informed the Commission of their interest of hosting events/classes at the Suter House and asked what needed to be submitted.

Director Hughes stated a proposal must be submitted.

Call to the Public for Comment is limited to issues within the jurisdiction of the Town of Florence Arts and Culture Commission. Individual commission members may respond to criticism made by those commenting, may ask the staff liaison to review a matter raised, or may ask that a matter be placed on future agenda.

6. CALL TO THE COMMISSION- CURRENT EVENTS ONLY

Neola Bye-Beza introduced herself as the newly appointed Commissioner for the Arts and Culture Commission. Ms. Bye-Beza gave a brief description of her background in the Arts.

7. ADJOURNMENT

On motion by Vice-Chair Hagemann, seconded by Commissioner Curran, and carried (4-0) to adjourn the meeting at 2:56 P.M.

Approved:



Ann Rankin, Chair

**MINUTES OF THE TOWN OF FLORENCE YOUTH COMMISSION REGULAR
SESSION HELD ON WEDNESDAY, FEBRUARY 27, 2019 AT 6:00 P.M. IN
RUGGLES ROOM 1, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.**

1. CALL TO ORDER

Recreation Superintendent, Acting Chair Nixon called the meeting to order at 6:07 P.M.

2. ROLL CALL

Present: Cara Roberts, Dolores Vasquez, Grace "Kadin" Diorio and Hannah Earl

Alternate: Jayden McMillin

Absent: Kendra Johnson

3. PLEDGE OF ALLEGIANCE

4. WELCOME/INTRODUCTIONS

Since this was the first meeting of the Florence Youth Commission, introductions were in order. Chair Nixon began the introductions followed by Councilmember Liaison Kristen Larsen. Commissioners Roberts, Vasquez, Diorio and Earl introduced themselves as did the alternate McMillin. Chair Nixon recognized the member of the public with an opportunity to introduce herself. Ms. Ruth Harrison introduced herself to the Commission.

5. NEW BUSINESS

a. Overview/Discussion of Youth Commission

Chair Nixon reviewed the origin of the Youth Commission and a summary of its purpose. Also discussed were the benefits for members who serve on the Youth Commission. Councilmember Liaison Larsen discussed the Town Council's optimism for the Commission.

b. Discussion of Parliamentary Procedures

Chair Nixon and Liaison Larsen discussed proper meeting procedures as outlined in Arizona's Open Meeting Law. Several questions from Commission members were explained and answered by Chair Nixon and Liaison Larsen. Chair Nixon distributed a handout titled, 'Raising the Bar on Parliamentary Procedure Knowledge' to help Commission members begin an understanding of meeting procedures. Liaison Larsen suggested a request made to the Town's Clerk's office to provide meeting guidelines for Commission members.

c. Review Youth Commission Bylaws

Chair Nixon reviewed the Youth Commission Bylaws and Goals. Certain article sections of the Bylaws were discussed.

d. Discussion/Approval/Disapproval of Meeting Dates and Times

On motion of Recreation Superintendent, Acting Chair Nixon, seconded by Commissioner Roberts and carried (4-0) to hold regular monthly meetings on the third Thursday of each month at 6:00 p.m. in the Library and Community Center.

e. Next meeting Thursday, March 21, 2019

Chair Nixon shared the date of the next meeting and suggested Commission members consider three agenda items: nomination and election of officers; creation of a Youth Commission Mission Statement and any youth-related items/issues they wish to discuss. Liaison Larsen answered questions related to the proper procedures for nominating and electing officers. Chair Nixon advised Commission members to submit suggestions for the agenda, by Monday, March 18, 2019.

6. CALL TO THE PUBLIC/BOARD RESPONSE

Call to the Public for Comment is limited to issues within the jurisdiction of the Town of Florence Youth Commission. Individual commission members may respond to criticism made by those commenting, may ask the staff liaison to review a matter raised, or may ask that a matter be placed on future agenda.

There were no public comments.

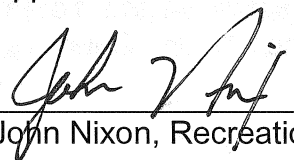
7. CALL TO THE COMMISSION- CURRENT EVENTS ONLY

Liaison Larsen explained to Commission members, what items qualify for discussion under this agenda item.

8. ADJOURNMENT

On motion of Temporary Chair Nixon, seconded by Commissioner Vasquez and carried (4-0) to adjourn the meeting at 7:11 pm.

Approved:


John Nixon, Recreation Superintendent and Acting Chair

MINUTES OF THE TOWN OF FLORENCE HISTORIC DISTRICT ADVISORY COMMISSION REGULAR MEETING HELD ON WEDNESDAY, FEBRUARY 27, 2019, AT 6:00 PM, AT THE FLORENCE TOWN HALL, 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Chairman Wheeler called the meeting to order at 6:00 pm.

ROLL CALL

Present: Chairman Wheeler, Vice-Chair Adam, and Commissioners Smith, Reid, Knight, Novotny, Michael and Council Liaison Cordes.

PLEDGE OF ALLEGIANCE

DISCUSSION/APPROVAL/DISAPPROVAL of the meeting minutes for the regular meeting conducted on January 30, 2019

On a motion by Chairman Wheeler, seconded by Commissioner Smith, and carried 7-0, to approve with changes the regular meeting minutes of January 30, 2019.

NEW BUSINESS

A. Presentation/Discussion/Possible Action

Request by MDN Architecture, LLC for a porch addition to the John P. Clum / William Guild Residence located at 180 North Granite Street, Florence, AZ.

Community Development Director Larry Harmer stated the item was sent to the State Historic Preservation Offices (SHPO), and the response was in the Staff Report. He asked SHPO for any additional comments, and SHPO did not give further input. Mr. Harmer mentioned that the Secretary of Interior Standards #3, # 6, and #9 may apply to the new addition. Mr. Harmer introduced the applicant's Architect, Michael Nelson. The Owners, Heather and Delbert Lewis, were also available for questions.

Mr. Nelson introduced the Clum House property and gave a summary of the architectural style and the previous building additions and upgrades. He said one of the major problems was the drainage of runoff water. The drainage from the southeast creates ponding on the south side. He showed the Commission an aerial of the land and where the ponding occurs. Frequent repairs have been made on the adobe material due to rain damage and roof run-off splashing along the walls. The proposed solution is to add the porch and grade the site to drain away from the house. The proposed covered porch is the correct style and protects the openings and the plaster walls from roof run-off. Mr. Nelson

mentioned relocating the A/C units behind a utility screen wall built in the same style as the house.

Mr. Nelson explained the proposed design is a three-sided wrap around porch. It extends ten feet out from the house, and they will also take out the existing sidewalk. He showed a diagram of where the new A/C screen wall will be located. After meeting with San Tan Adobe, Mr. Nelson came to the conclusion that it would be best to build the porch separate from the house. In order to build the porch, they will have posts in the ground out in the front and towards the rear of the house. He noted the post and rail system will be a composite system. Stamped concrete will go down in the front. The last few slides showed different elevations of the proposed porch.

Commissioner Novotny asked how he plans to remove the sidewalk without damaging the foundation. Mr. Nelson said some of the concrete foundation is damaged enough to pick it out. He stated some of the stucco comes close to the concrete, so they have to be delicate. The goal is to protect the integrity of the building.

Commissioner Smith asked how different the front is that SHPO will agree. Mr. Harmer said the structure will not be attached which satisfies the Secretary of Interior Standards. He recommends approval because if this addition occurred 100 years ago, then there would not be a problem. The fact the porch is going in now with modern materials meets the intent of the Secretary of Interior Standards. The structure compliments the historical integrity of the structure without trying to replicate historical materials.

Mr. Harmer noted there was a disconnect in the standards. Standards in three and six contradict requirements in nine and ten. He explained that this is private property, and the owners are trying to improve the overall aesthetic and protect the building. The changes push the water another ten feet out and the porch make it easier to regrade.

Commissioner Novotny asked about the consequences of SHPO disagreeing and decommissioning the house as historic. Mr. Harmer said there is no real penalty to the owners because no grants were put toward the building. Commissioner Smith stated she does not mind if the front changes and that SHPO should look at the primary building. Mr. Harmer said they have been invited to the property, and they can be invited again.

Mr. Nelson said the worst-case scenario for the owners is that SHPO decommissions the property from the register. Commissioner Reid said losing that designation is up to the owners. She is concerned that SHPO has no real definitions of change. She explained the R.C. Brown House had a porch added 36 years after the house was built. A similar change by a property owner in the 1800s would solve this problem and prevent sun and heat from coming into the house. She says that it does not make sense that people would have done this back then, and she understands they do not want anything fake, but the practicality of what is being proposed makes sense. Commissioner Smith mentioned that the Museum has photos of the house and documentation on the house's design.

Commissioner Reid is concerned that a person may not be able to discern modern materials from the road. She asked if SHPO wanted something that delineates a new structure. Vice-Chair Adam stated that new additions on an existing historically designated structure look different. She said she went through the same thing with her house. She thought she was doing the right thing by making it blend but then, she was told she tampered with the original look. She noted the guidelines recommend owners do not make additions look like the existing structure, regardless of the materials. Vice-Chair Adam agreed with the other Commissioners. She likes the work that has been done on the home, and the building is a Significant Contributor to the district. This is why they are having this discussion because of the architecture and the significance it has to the Town's history. They want to make sure this is what the Home Owners want to do.

Vice-Chair Adam asked Mr. Nelson if he had worked with adobe before. He said no, this would be his first. She cautioned him to look into what is involved in water removal from the building because a porch may not take care of the issue. She gave McFarland as an example because even though it has a porch, it still has significant water issues. Mr. Nelson said they plan on hiring a Civil Engineer to look closely at the drainage.

Commissioner Reid was concerned that the matter was thrown back in the Commission's lap by SHPO. Mr. Harmer said Staff asked for further comments, but their only response was in the Staff Report.

Commissioner Reid explained SHPO does not want fake historical buildings. Mr. Nelson said they will go with the composite post and rail system along with stamped concrete because it is a modern take on the style. The difference may not be clear from the road, but those familiar with it will know. Commissioner Knight said the goal is longevity. Commissioner Michael asked about the proposed materials for the roofing and the posts. Mr. Nelson confirmed the roofing will be the same as the house and the posts will be composite. Commissioner Michael said he was in favor of the project because water is the greatest damaging element to adobe.

On a motion by Commissioner Novotny, seconded by Commissioner Smith, and carried 7-0, to approve a porch addition to the John P. Clum / William Guild Residence with Findings and Conditions as presented.

COMMUNITY DEVELOPMENT REPORT

A. 2019 Historic Preservation Conference Prescott, June 12-14, 2019

Mr. Harmer said that everyone going is now registered for the conference. He has reserved rooms for everyone except for Vice-Chair Adam. Council Liaison Cordes mentioned she asked to go to the conference, but she has not received confirmation.

B. Kokopelli and Cuen Building Updates

The buildings were placed on the Town Council agenda for Monday night. Mr. Harmer stated Staff has copies of the packet for the Commissioners after the meeting. The Staff Report lays out the various alternatives for each building. He noted that Council will take action on Monday. Chairman Wheeler asked about the bid proposal. Mr. Harmer said this is a balancing act that deals with the Silver King, the Cuen Building and the Kokopelli buildings. All will be under consideration.

C. Future Agendas

Nothing for design review has come forward. Mr. Harmer mentioned the tremendous amount of interest in historic homes that are being actively marketed. Staff makes sure to pass on the information that new owners must go through the Commission for changes to the outside of the structure. Mr. Harmer let the Commission know that he will not be available for the next meeting.

CALL TO THE PUBLIC/COMMISSION RESPONSE:

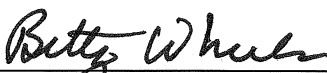
Call to the Public for public comment on issues within the jurisdiction of the Historic District Advisory Commission. Individual Commission members may respond to criticisms made, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Commission 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.

CALL TO THE COMMISSION-CURRENT EVENTS ONLY


Vice-Chair Adam asked for any details on the Vacant Building program. She asked that the Program and similar items be discussed in future meetings. Commissioner Reid asked about the mural on Main Street and wanted to know if the Commission will see the design. Commissioner Knight said her cousin and a supervisor were working on the project and congratulated them for working quickly on the mural. Chairman Wheeler noted that she attended the Home Tour. She thought the selection of homes were excellent and was impressed with the homeowners and volunteers. She thought it was a success.

ADJOURNMENT


On a motion by Commissioner Novotny, seconded by Vice-Chair Adam, and carried 7-0, to adjourn the regular meeting at 6:39 pm.



Betty Wheeler



Date

	<h2 style="margin: 0;">TOWN OF FLORENCE COUNCIL ACTION FORM</h2>	<h2 style="margin: 0;"><u>AGENDA ITEM</u> 12a.</h2>
<p>MEETING DATE: April 15, 2019</p> <p>DEPARTMENT: Community Development</p> <p>STAFF PRESENTER: Dana Burkhardt, Planning Consultant</p> <p>SUBJECT: Ordinance No. 667-19 Development Code Sign Regulations, Text Amendment Case No. PZ-18-33 ORD</p>		<p><input checked="" type="checkbox"/> Action</p> <p><input type="checkbox"/> Information Only</p> <p><input type="checkbox"/> Public Hearing</p> <p><input type="checkbox"/> Resolution</p> <p><input checked="" type="checkbox"/> Ordinance</p> <p style="margin-left: 40px;"><input type="checkbox"/> Regulatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> 1st Reading</p> <p style="margin-left: 40px;"><input checked="" type="checkbox"/> 2nd Reading</p> <p><input type="checkbox"/> Other</p>
<p>STRATEGIC PLAN REFERENCE:</p> <p><input checked="" type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input checked="" type="checkbox"/> Leadership and Governance</p> <p><input type="checkbox"/> Partnerships and Relationships <input type="checkbox"/> Transportation and Infrastructure</p> <p><input type="checkbox"/> Statutory <input type="checkbox"/> None</p>		

RECOMMENDED MOTION/ACTION:

Motion to adopt Ordinance No. 667-19: 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 "DEFINITIONS" AND REPEALING AND REPLACING "PART 3 SIGN REGULATIONS," SECTIONS 150.092 TO 150.130 (CASE PZ 18-33 ORD). (Public hearing and first reading held February 19, 2019, second reading held March 4, 2019, Work Session held March 25, 2019).

A text amendment to the Sign Regulations of the Development Code with the following amendments (***bold italic*** text is added, text with a ~~strikethrough~~ to be deleted):

- 1) Revise §150.098(I) as follows: "All Signs shall ~~be professionally constructed and installed.~~ ***have a professional appearance and be structurally designed, constructed, erected and maintained in accordance with all applicable provisions and requirements of the town codes and ordinances.***"
- 2) Revise §150.099(E)(2)(h): "A-Frame signs shall ***have a professional appearance*** ~~and be professionally constructed and maintained in a manner free from chipping paint, cracks, gouges, and/or loss of letters.~~"
- 3) Revise §150.099(D)(10)(b): "One Digital Sign per Site and such Sign shall be considered as one of the allowed Freestanding Signs and be subject to all of the requirements for Freestanding Signs, as well as the requirements set forth in this Section. ***Corner lots with two arterial roadway building frontages may be permitted one digital Freestanding Sign for each building frontage through the Site Plan and Design Review process.***"

- 4) Revise §150.097(A) to add subsection **(3) *No Sign shall be placed on a utility pole, tree, rock, or similar feature.***

OVERVIEW:

This is the second and final required reading of Ordinance No. 667-19, included with this RCA as Exhibit A. The first reading and public hearing was held on February 19, 2019 and a Town Council Work Session was held to discuss this proposed text amendment on March 25, 2019.

For additional details surrounding this proposed text amendment Ordinance No. 667-18, please refer to the attached First Read RCA dated February 19th (Exhibit B), and the Memorandum to Town Council dated March 18th, 2019 (Exhibit C.)

A VOTE OF NO WOULD MEAN:

A no vote would mean the Town Code would not be updated.

A VOTE OF YES WOULD MEAN:

A yes vote means the sign code would be updated and the Code of Ordinances would be updated.

FINANCIAL IMPACT:

Neutral, approval or denial of this request has no impact to the Town's finances.

PLANNING & ZONING COMMISSION RECOMMENDATION:

The Planning and Zoning Commission found the text amendment, Case #PZ-18-33-ORD (Ordinance 667-19) is in the interest of the general welfare, health and safety of the public. The Planning and Zoning Commission has forwarded a unanimous favorable recommendation on this proposed text amendment, as described in Exhibit A, to the Mayor and Town Council.

ATTACHMENTS:

Ordinance No. 667-19
Exhibit A
Memorandum to Town Council
Power Point Presentation

ORDINANCE NO. 667-19

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 "DEFINITIONS" AND REPEALLING AND REPLACING "PART 3 SIGN REGULATIONS," SECTIONS 150.092 TO 150.130 (CASE PZ 18-33 ORD).

WHEREAS, in accordance with A.R.S. § 9-462, the legislative body may adopt by ordinance, any change or amendment to the regulations and provisions as set forth in the Development Code of the Town of Florence; and

WHEREAS, notification of this amendment has been published in a local newspaper with general circulation in the Town of Florence, giving 15-day notice of time, date, and place of public hearing; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission on December 20, 2018; and

WHEREAS, the Planning and Zoning Commission, after having held a public hearing on the case, has forwarded the Mayor and Town Council a unanimous favorable recommendation for the text amendment ordinance; and

WHEREAS, the Town Council has determined that it is in the best interest of the residents of Florence to amend the Town of Florence Development Code Sections 150.031, and 150.092 to 150.130, such that it is advisable to repeal and replace the aforementioned sections, as further set forth in Exhibit "A", which is attached hereto and incorporated herein by reference; and

WHEREAS, the Town Council has determined that, for the reasons set forth above and for the purpose of protecting the public health, safety and welfare of the residents and visitors of Florence, it is in the best interests of the Town to amend the Code of Ordinances as provided herein;

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

Section 1. Any proposal for the construction, installation, or replacement of signs within the Town shall be subject to the following: Town of Florence Code of Ordinances Title XV Land Usage, Chapter 150 of the Florence Development Code Part 3 Sign Regulations, Sections 150.092 to 150.130; the Town's licensing and permit requirements; the Town's reasonable design review and development standards; the Town's

reasonable rates and fees as adopted by the Town; and all other applicable regulatory processes.

Section 2. Existing Title XV of the Town of Florence Code of Ordinances is hereby amended by the revisions, additions, deletions, and replacement of the Development Code text as set forth in Exhibit "A."

Section 3. Exhibit "A" is hereby approved, adopted and incorporated into the Town of Florence Code of Ordinances Title XV Land Usage, Chapter 150 Development Code by reference, as fully as if set forth in this Ordinance in its entirety.

Section 4. If any section, subsection, clause, phrase or portion of this Ordinance or any part of the amended and restated Town of Florence Code of Ordinances Title XV is for any reason held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 5. One paper copy and one electronic copy of this ordinance is ordered to remain on file with the Town Clerk.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence this ____ day of _____ 2019.

Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

EXHIBIT A

SIGN CODE UPDATE

(The following text in red is a proposed addition to the Development Code “Definitions” section and text with a ~~strike through~~ are proposed for deletion.)

Definitions

150.031 Defined Words

SIGN. ~~Any object, device, display or structure (including but not limited to letters, words, numerals, figures, symbols, pictures, outline, character, color, illumination, trademark, logo or any part or combination) used for visual communication which is intended to attract the attention of the public and is visible from the public rights-of-way or other properties.~~ Refer to §150.094 for Sign and signage related terms and definitions.

(The following text is proposed to repeal and replace the existing Development Code Part 3 Sign Regulations, sections 150.092 to 150.130.)

Part 3. Sign Regulations

Sections

150.092 Purpose, Scope and Authority
150.093 Applicability
150.094 Signage Definitions
150.095 Exemptions
150.096 Prohibited Commercial Signs
150.097 Prohibited Sign Locations
150.098 Standards, Limitation and Requirements for All Signs
150.099 Signs for Employment/Commercial and Mixed Use Districts
150.100 Signs for Residential Districts
150.101 Comprehensive Sign Plan Required
150.102 Submittal and Permit Requirements
150.103 Exceptions; Permits Not Required
150.104 Legal Nonconforming Signs
150.105 Signs Rendered Nonconforming
150.106 Abandoned Signs
150.107 Unsafe Signs
150.108 Enforcement and Penalties
150.109 -130 *Reserved*

150.092 Purpose, Scope and Authority

The purposes of these Sign regulations, hereafter referred to as the “Sign Code”, are:

(A) To encourage the effective use of Signs as a means of communication in the Town.

- (B) To maintain and enhance the aesthetic beauty of the built environment and the Town's ability to attract sources of economic development and growth.
- (C) To improve pedestrian and traffic safety.
- (D) To minimize the possible adverse effect of Signs on nearby public and private property.
- (E) To balance the rights of businesses and individuals to convey messages through Signs against the aesthetics and safety hazards that come from the proliferation of Sign clutter.
- (F) To enable the fair and consistent enforcement of the Sign Code.

150.093 Applicability

- (A) It shall be unlawful to display, erect, place, establish, paint or maintain a nonexempt Sign in the Town except in conformance with the standards, requirements, limitations and procedures of the Sign Code.
- (B) The effect of this Sign Code as more specifically set forth herein, is:
 - (1) To prohibit all Signs except as permitted by the Sign Code.
 - (2) To allow a variety of types of Signs in Employment/Commercial and Mixed Use districts, and a limited variety of Signs in residential districts, subject to content neutral standards requirements and limitations.
 - (3) To allow certain Signs that are appropriately sized and incidental to the principal use of the respective lots on which they are located, subject to the substantive requirements of these regulations, but without a requirement for permits.
 - (4) To establish standards, requirements and limitations and a permit system that honor constitutional rights and requirements.
 - (5) To provide for the enforcement of the provisions of the Sign Code.

150.094 Signage Definitions

For the purpose of the Sign Code, the following definitions shall apply unless the context indicates or requires a different meaning.

A-FRAME SIGN. A portable type of promotional business Sign.

ADJACENT. Adjacent means abuts, is contiguous to or shares a common boundary.

ALLOWABLE SIGN AREA. The total Sign Area permitted for all nonexempt Signs.

ARTERIAL ROADWAY. A street designated as an arterial roadway in transportation plans approved by the Town of Florence.

BANNER. Any Sign of fabric, plastic or similar material that is mounted to a pole, structure or a building at one or more edges. Banners are used to advertise special events or new business and are not permanently attached.

BEACON. Means any light with one or more beams directed into the atmosphere or directed at one or more points not on the same site as the light source; also, any light with one or more beams that rotate or move. Beacons are prohibited except when approved for limited usage with a Special Event Permit.

BILLBOARD. A flat surface or board, used outdoors, on which large commercial advertisements or notices are posted. In this Sign Code, Billboards shall be referred to as Off Premise Advertising Signs.

BLADE SIGN. A type of projecting Sign mounted on a building facade or storefront pole or attached to a surface perpendicular to the normal flow of traffic.

BUILDING. Building is defined in Section 150.031 of the Development Code.

BUILDING FRONTAGE. The length of the wall of a completely enclosed permanent building on a site that fronts directly on a public or private street or right-of-way.

BUILDING GROUND FLOOR AREA. The area of the ground floor enclosed within the walls of all buildings on the site.

BUILDING IDENTIFICATION SIGN. A non-commercial Sign that identifies the street address of the building, as well as other identifying information required for public safety purposes.

BUILDING MARKER. A Sign indicating the name of a building and date and incidental information about its construction, which Sign is cut into masonry surface or made of bronze or other permanent material, and affixed to or placed near a building.

BUILDING SIGN. Any Sign attached to or painted on any part of a building, as contrasted to Fence, Freestanding or Monument Signs.

BUS STOP. A bench, shelter, kiosk, or pole Sign or similar structure placed by the Town of Florence or the locally endorsed public transportation authority, e.g., Central Arizona Regional Transit, along an established public transportation route to mark an area for members of the general public to wait for and get on or off of public transportation.

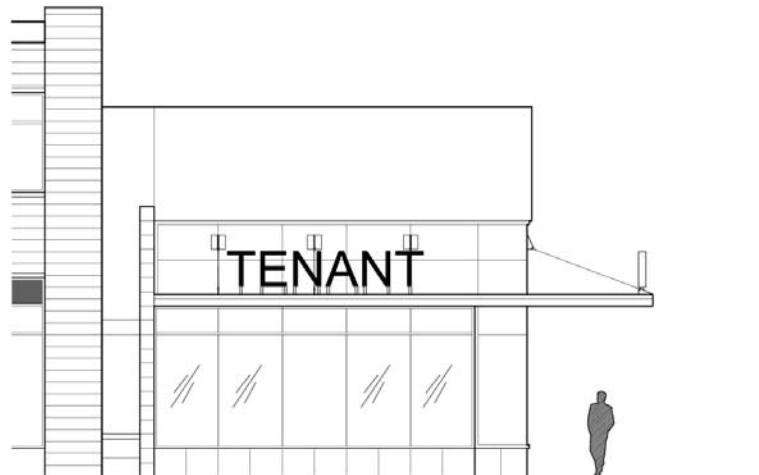
BUSINESS FRONTAGE. The length of the face or wall of a completely enclosed and permanent building occupied by an individual building occupant and contains a customer entrance. An occupant may have more than one business frontage if it occupies building frontage facing on two or more streets or public areas. If the building faces two or more streets or public areas, only the two main frontages may be used in calculating allowable Sign Area.

CABINET SIGN. A building Sign that is an enclosed cabinet with Copy on one or more sides and may enclose an integrated light source that can shine through the sides or face of the Sign.

CAFE UMBREALLA SIGNS. Signs or Copy permanently embroidered, screened, dyed, stenciled or painted into the fabric of umbrellas that are set up in sidewalk cafes.

CANOPY SIGN. Any Sign that is a part of or is attached to an awning, canopy, or other fabric, plastic, or structural protective cover over a door, entrance, window, or outdoor service area. A Marquee Sign is not a Canopy Sign.

CHANGEABLE COPY SIGN, MANUAL. A Sign or portion thereof that has a reader board for the display of text information in which each alphanumeric character, graphic or symbol, may be changed or re-arranged manually with characters, letters or illustrations. Furthermore, the changes can occur without altering the face or surface of the Sign.



Canopy Sign Example

CHANNEL LETTERING. Copy that is individually cut, raised, carved or manufactured.

CIVIC DISPLAY. A temporary display of banners, balloons, flags, lights or similar decorations erected on a public street or other public property in connection with a holiday or civic event.

COLLECTOR ROADWAY. A street designated as a collector roadway in transportation plans approved by the Town of Florence.

COMMERCIAL CENTER. A group of contiguous lots organized into a shopping center, strip mall, business park, office condominium or similar grouping that share mutual access, ingress and egress easements.

COMMERCIAL MESSAGE. Any Sign wording, logo, or other representation that, directly or indirectly, names, advertises or calls attention to a business, product, service, or other commercial activity or is otherwise defined as "commercial speech" by the Arizona Supreme Court, the United States District Court for the District of Arizona, the Ninth Circuit Court of Appeals, or the United States Supreme Court for purposes of interpreting the United States Constitution or Arizona Constitution regarding freedom of expression or speech.

COMMUNITY BUILDING. A building that is typically owned by a government entity, civic organization or Homeowner's Association that is used for meetings and activities related to the local community.

COMMUNITY DIRECTORY SIGN. A Sign, or a group of Signs designed as a single display, that gives information about local community organizations.

COPY. Characters, letters, symbols (including logos and trademarks), illustrations and writings.

CO-TENANCY. A business that leases or rents space to tenant(s) or business(es) that are housed within their building though they operate as an independent business.

DIGITAL SIGN. A Sign or portion thereof that displays electronic, static images, static graphics, text information, or static pictures, with or without information, defined by a small number of matrix elements using combinations of light emitting diodes (LED), fiber optics, light bulbs, liquid crystal display (LCD) or other Illumination devices within the display area. Digital Signs include computer programmable, microprocessor controlled electronic or digital displays. May also be known as an Electronic Message Center.

DIRECT LIGHTING. Direct lighting means that the light fixture or bulbs are visible when looking at the light source or Sign.

DIRECTIONAL SIGN. A permanent Sign that directs the flow of traffic or pedestrians and may or may not contain a Commercial Message. Directional Signs shall not exceed six square feet in Sign Area and three feet in Height.

DIRECTORY SIGN. A Sign, or a group of Signs designed as a single display, which gives information about the location of businesses, buildings or addresses within a residential, office, commercial or industrial complex with no Commercial Message. Directory Signs located internal to a project and not visible from adjacent roadways shall not count towards on-site signage calculations.

FENCE SIGN. A Sign that is mounted or painted on a fence, screen wall, retaining wall, sound wall or similar type of fence or wall structure.

FLAG. A piece of fabric varying in shape, color and design usually attached at one edge to a staff, pole or cord which contains a Noncommercial Message as defined herein, unless otherwise permitted in this code.

FREESTANDING SIGN. A Sign that is placed on or anchored to the ground or is supported by a Sign Structure that is placed on or anchored to the ground and is independent from any building or other structure. In this Sign Code, A Freestanding Sign may also be known as a Monument Sign, but this definition excludes Billboards or Off Premise Advertising Signs.

FRONTAGE. The portion of a site that fronts directly on a public or private street or right of way. See "building frontage," and "site frontage."

GAS/SERVICE STATION CANOPY SIGN. A Sign or Signs that are attached to a canopy located at a gas station or service station. These Signs are considered Wall Signs and shall be counted towards the allowable wall signage allowed for a development.

GATEWAY SIGN. A freestanding or monument type of Sign near the municipal boundaries of the Town of Florence that introduces or welcomes visitors to the community. In certain cases, this may be incorporated into a business' Freestanding or Monument Sign, in which case such signage would not be counted towards the business' allowable signage.

GRADE. Unless otherwise specified, the average of the highest and lowest elevations of the ground at the base of the Sign.

GROSS FLOOR AREA. The sum of the square footage of all the floors of a structure or building.

HALO ILLUMINATION. A form of internal Illumination where channel lettering is used and the light source is hidden behind and glows around the edges of letters or symbols giving the effect of a light halo.

HEIGHT. Unless otherwise specified, the vertical distance from the topmost part of the Sign cabinet or Copy (whichever is higher) to Grade.

HISTORIC DISTRICT. Any officially adopted and recognized Historic District located within the Town of Florence.

HOLIDAY DECORATION. Any display commonly associated with a nationally recognized holiday.

HUMAN SIGN. A Sign held by or attached to a human for the purposes of advertising or otherwise drawing attention to an individual, business, commodity, service or product. This can also include a person dressed in costume for the purpose of advertising or

drawing attention to an individual, business, commodity, service or product. May also be referred to as "Sign Walkers".

ILLEGAL SIGN. Any Sign or any type that was erected or put up after the effective date of the currently adopted Sign Code and does not comply with the Sign Code.

ILLUMINATION. Illumination refers to the type and location of the light source for the Sign: "All types" of Illumination means any form of light source including indirect, internal, exposed bulb including neon or other tubes of light.

INFLATABLE SIGN. A Sign consisting of balloons and/or inflatables made of plastic, rubber, metallic, cloth or other materials, regardless of the size, that is used for the purpose of attracting attention.

INCIDENTAL SIGN. A Sign posted on private property by the owner of the property that is generally informational, contains no Commercial Message, and has a purpose secondary to the use of the site on which it is located, such as traffic control Signs, parking or loading control Signs, Signs indicating the location of telephones or emergency equipment and other similar Signs. Official Signs are not incidental Signs.

INDIRECT ILLUMINATION. Illumination that is cast on a Sign from a source outside the Sign.

INTERACTIVE SIGN. A Digital Sign that changes the Sign message based on a passing vehicle or person. Radar speed Signs or other traffic control Signs are exempted from this definition.

INTERNAL ILLUMINATION. Illumination produced by a light source contained within a Sign and not directly visible from outside.

LIQUID-CRYSTAL DISPLAY (LCD). A low-power, flat-panel display used in many digital devices to display numbers or images. It is made of liquid containing crystals that are affected by electric current, sandwiched between filtering layers of glass or plastic. LCDs do not produce light of their own; instead, when electric current is passed through the material, the molecules of the "liquid crystal" twist so that they either reflect or transmit light from an external source.

LIGHT-EMITTING DIODES (LED) LIGHTING. A type of solid state lighting that utilizes light-emitting diodes (LED) as a source of Illumination rather than electrical filaments or gas. If the Sign is made up of matrix of bulbs or light source that individually light up to form images, it will be considered a Digital Sign.

LED SIGN. A Sign that is lit by use of light-emitting diodes (LED) lighting visible from the outside. If the Sign is made up of matrix of bulbs or light source that individually light up to form images, it will be considered a Digital Sign.

LOT. Lot is defined in Section 150.031 of the Development Code.

LUMINANCE. The physical measurement of brightness or illumination leaving a surface in a particular direction, or reflected off that surface, and can be thought as measuring the brightness of a surface as seen by the eye. It is measured in candelas per square meters (cd/m^2) or nits (one nit = one cd/m^2).

MARQUEE. Any permanent roof-like structure projecting beyond a building or extending along and projecting beyond the wall of the building, generally designated and constructed to provide protection from the weather. Marquee Signs located on private property shall not extend beyond the property line into adjacent lots and, except in the redevelopment area or with a right-of-way permit, shall not extend into the right-of-way.

MODES OF OPERATION. A term referring to the types of visual display, including:

Dissolve. Signs where static messages are changed by means of varying light intensity or pattern, where the first message gradually appears to dissolve and lose legibility simultaneous to the gradual appearance and legibility of subsequent message.

Fade. Signs where static messages are changed by means of varying light intensity, where the first message gradually reduces intensity to the point of not being legible and the subsequent message gradually increases intensity to the point of legibility.

Flashing sign. A Sign that uses blinking or intermittent illumination.

Message sequencing. Signs where a single thought, idea, concept, message or advertisement for a product or service that is divided into segments and presented over two or more successive display phases of a single dynamic Sign or across two or more individual dynamic Signs.

Scrolling. Signs where the message is changed by the apparent vertical movement of the letters or graphic element of the message.

Static. Signs that include no animation or effects simulating animation.

Travel. Signs where the message is changed by the apparent horizontal movement of the letters or graphic elements of the message.

Video display. Signs that change its message or background in a manner or method of display characterized by motion or pictorial imagery, which may or may not include text and depicts action or special effect to imitate movement, the presentation of pictorials or graphics displayed in a progression of frames which give the illusion of motion, including moving objects, moving patterns or bands of light or expanding or contracting shapes.

MONUMENT SIGN. A Sign that is attached directly to the ground or is supported by a Sign Structure that is placed on or anchored in the ground and is independent from any building or other structure. Within this Sign Code, all Monument Signs will be referred to as “Freestanding Signs”.

MOVING SIGN. A Sign where the Sign, Sign Structure, or any part of the Sign or Sign Structure physically moves or rotates by mechanical means. For example, a tri-vision Sign is a moving Sign. If the only moving part of a Sign is a clock, the Sign shall not be considered as a moving Sign.

MURAL. A painting or other work of art executed directly on a wall or the like that does not contain any Commercial Messages or images.

NEIGHBORHOOD BULLETIN BOARD. Any surface outside of a building provided specifically to allow the posting of neighborhood notices.

NEON. A type of Illumination that is produced by neon lights or by lamps containing similar gases such as helium, carbon dioxide, argon or krypton usually electrifying glass tubes or bulbs.

NONCOMMERCIAL MESSAGE. Any Sign Copy that is not a Commercial Message as defined above and includes any definition of "noncommercial speech" by the Arizona Supreme Court, the United States District Court for the District of Arizona, the Ninth Circuit Court of Appeals, or the United States Supreme Court for purposes of interpreting the United States Constitution or Arizona constitution regarding freedom of expression or speech.

NONCONFORMING SIGN. Any Sign that was lawfully erected prior to the adoption of an ordinance codified in this Sign Code, or amendments thereto, which would not be permitted under the ordinance or amendment. This definition shall include Signs that were erected without a permit and which would require a permit under the current provisions of this Sign Code.

OFFICIAL SIGN. Any Sign owned by or erected by or at the direction of the Town in furtherance of the official duties of the Town or another authorized governmental agency, including, but not limited to, traffic control Signs, Directional Signs, street identification Signs, warning Signs, parking control Signs, area identification Signs, and Signs prohibiting or controlling access to property.

OFF-PREMISE ADVERTISING SIGN. An outdoor advertising Sign that advertises an activity, service or product and that is located on premises other than the premises at which activity or service occurs or product is sold or manufactured.

ON-PREMISE ADVERTISING SIGN. An outdoor advertising Sign that advertises an activity, service or product and that is located on premises at which activity or service occurs or product is sold or manufactured. In the case of a shopping center or office

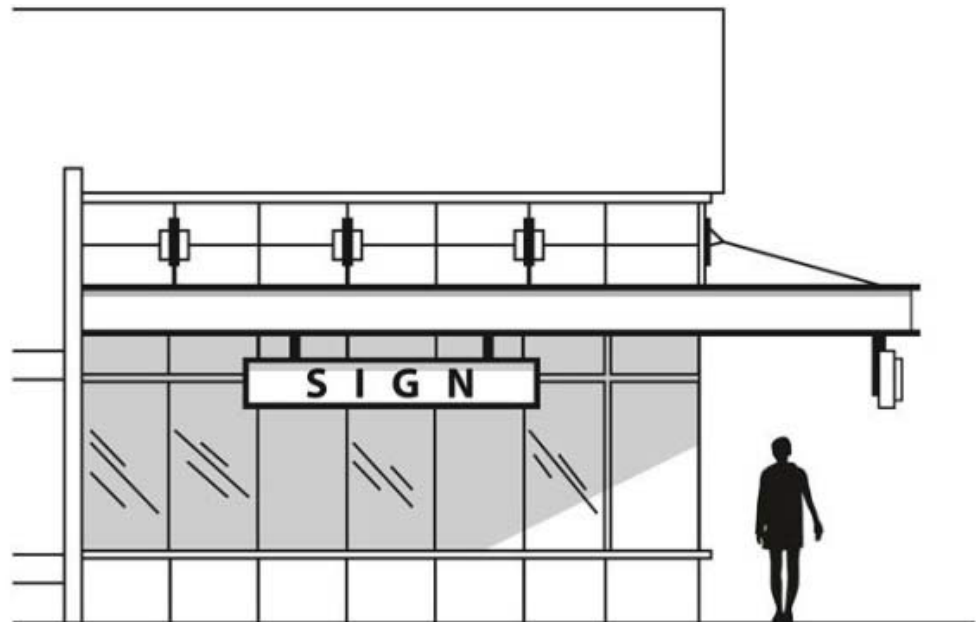
complex or similar arrangement of uses, this may also include a reasonably adjacent location within the same center or complex.

PARCEL. See “Lot”.

PENNANT. Any lightweight plastic, fabric, or other material, whether or not containing a message of any kind, suspended from a rope, wire, or string, usually in series, designed to move in the wind.

PORTABLE SIGN. A movable Sign that is not permanently attached to a structure or the ground, and includes: A-frame, portable reader boards and similar Signs. This definition does not include any Signs on trailers, vehicles or Digital Signs.

PROJECTING/SUSPENDED SIGN. Any Sign affixed to a building or wall in such a manner that its face is not parallel to the wall. A Marquee is not considered a projecting Sign. Projecting Signs located on private property shall not extend beyond the property line into adjacent lots and, except in the redevelopment area or with a right-of-way permit, shall not extend into the right-of-way. Projecting/suspended Signs shall have an eight-foot minimum clearance between the bottom of the Sign and the sidewalk, or finished grade where no sidewalk exists.



Projecting Sign Example

PROMOTIONAL SIGNS. Promotional Signs are classified as Temporary Signs that are used to promote a new business, special offers, sales, special events and similar occasions. All Promotional Signs are considered Temporary Signs, but not all Temporary Signs are Promotional Signs.

PUBLIC TRANSPORTATION. Any type of local or regional public transportation service that is run by the Town of Florence or a locally endorsed public transportation authority, e.g., Central Arizona Regional Transit.

PYLON SIGN. A Freestanding Sign in excess of ten feet in Height that is detached from a building and is supported by one or more structural elements which are architecturally similar to the design of the Sign. A pylon Sign is considered a 'Freestanding Sign.'

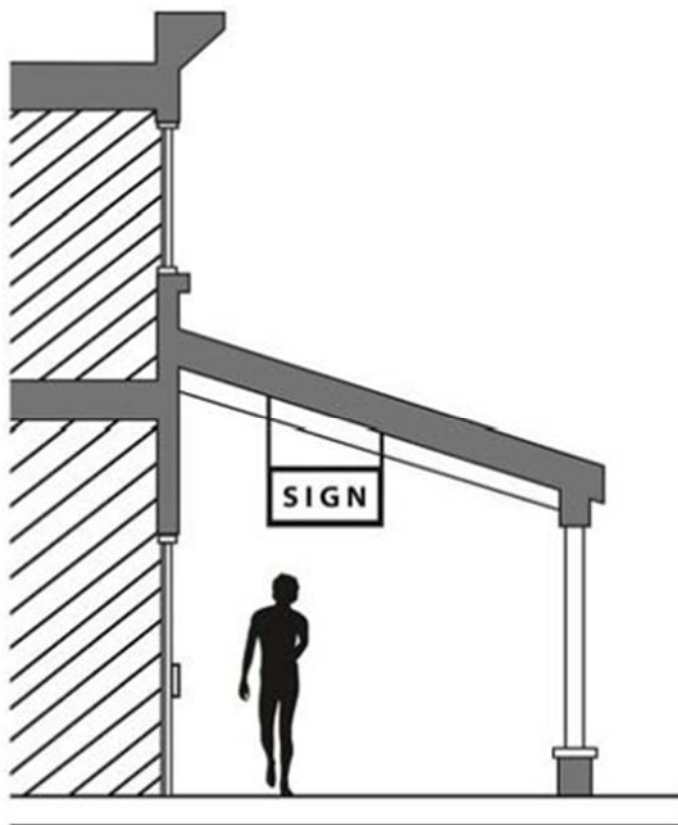
RESIDENTIAL DISTRICTS. For the purposes of the Sign Code, the following Zoning Districts shall be considered Residential Districts: RA-10, RA-4, R1-R, RRES, R1-18, R1-6, R-2 MFR, MHS and RV. PUD may be Employment/Commercial, Residential or Mixed Use District. The underlying land use shall define the type of District applicable.

RESIDENTIAL SIGN. A Sign located within a Residential District.

ROOF. A horizontal or sloping surface of a building which serves as a cover for the building or its entry, portico or other appurtenances. This definition shall include any part of a building which resembles a roof in form or function.

ROOF SIGN. A Sign painted on, supported by or attached to the roof or roof structure of a building. This definition shall not include a Sign attached flat against the wall of a penthouse; painted flat on the roof and only visible from the air; attached to a mansard roof or parapet as long as the Sign does not project above the roofline and there is no other viable location on the building.

SHINGLE SIGN. A Sign suspended from, and located entirely under a covered porch, covered walkway or an awning and is anchored or rigidly hung to prevent the Sign from swinging due to wind movement. Shingle Signs shall have an eight foot minimum clearance between the bottom of the Sign and the sidewalk, or finished grade where no sidewalk exists.



Shingle Sign Example

SIGN. Any visual communication, including appurtenances, which is used to attract the attention of the public, when the display is visible beyond the boundaries of the property.

SIGN AREA. The entire area within a continuous perimeter, enclosing the extreme limits of Sign display, including any frame or border. Curved, spherical or any other shaped Sign face shall be computed on the basis of actual surface area. The Copy of Signs composed of individual letters, numerals or other devices shall be the sum of the area of the smallest rectangle or other geometric figure encompassing all of the letters or devices.

SIGN HEIGHT. The Height of the Sign measured from the finished Grade located directly beneath the highest part of the Sign. Where an adjacent roadway sits notably higher than the adjacent Grade for the Sign location, the Height of the Sign may be measured from the elevation of the centerline of the nearest travel lane of the street or highway to which the Sign is oriented rather than from Grade.

SIGN STRUCTURE. A structure designed to support one or more Signs in place.

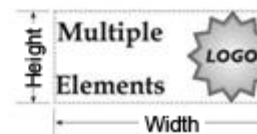
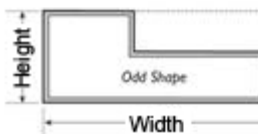
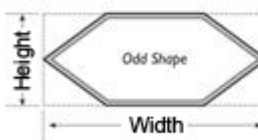
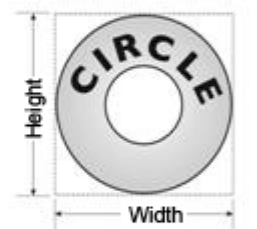
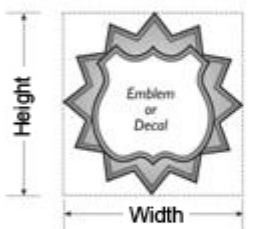
SITE. Site means (i) a lot or parcel owned by a person or entity, unless the lot or parcel is part of a combination or commercial center as defined herein; or (ii) a combination of lots or parcels that are contiguous, are owned in fee as a matter of record by the same person or entity, have the same zoning classification, and are designated by the owner to be a site for purposes of this Sign Code; (iii) a Commercial Center as defined above; or (iv) a Bus Stop if the property on which the Bus Stop is located is leased or licensed to the Town or locally endorsed regional transportation authority.

SITE FRONTAGE. The linear dimension of a site abutting on public or private street right-of-way.

STACKED SIGN. Two or more Signs affixed to the same Sign Structure that vary in Height from the ground.

SUBDIVISION. Subdivision is defined in Section 150.030 of the Development Code.

Sign Area = Width x Height



SUSPENDED SIGN. A Sign supported from, and below, a building soffit or permanent canopy. Also see "Projecting/Suspended Sign".

TEMPORARY SIGN. Any Sign that is used only temporarily, is located on-site or off-site of the business/entity being advertised and is not permanently mounted to a structure or ground.

TIME AND TEMPERATURE SIGN. A Sign or portion of a Sign which displays only the current time and/or temperature and carries no other Copy. A time and temperature Sign shall not be considered a flashing or animated Sign and shall not exceed fifteen square feet in Sign Area.

TRI-VISION SIGN. A Sign composed in whole or in part of a series of vertical or horizontal slats or cylinders that are capable of being rotated at intervals so that partial rotation of the group of slats or cylinders produces a different image and when properly functioning allows on a single Sign Structure the display at any given time one of two or more images.

V-TYPE SIGN. Two or three Signs in the shape of the letter "v" or of a triangle, when viewed from above, and supported by integral structures with their faces oriented in different directions.

WALL SIGN. A Sign that is attached parallel to, and within six inches of a wall, painted on the wall surface of, or erected and confined within the limits of an outside wall or roof of any building or structure, which is supported by such wall or building, and which displays only one Sign surface. Included in this definition is a Sign attached to the wall of a penthouse or other vertical structure on the top of a roof.

WINDOW SIGN. Any Sign that is placed upon the exterior or interior window panes of glass and is visible from the exterior of the window. Does not include Signs that are not attached to the interior of the window and viewable from the outside of the window.

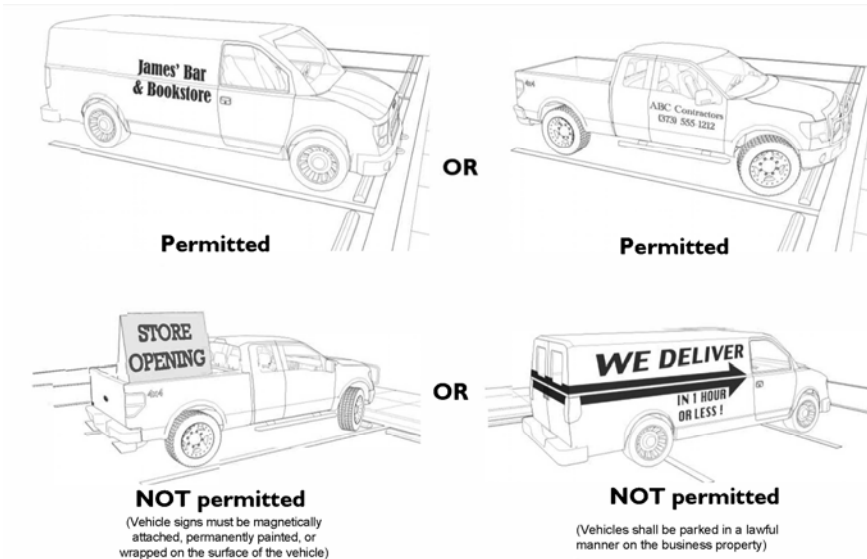
150.095 Exemptions

Unless specifically provided otherwise, the following types of Signs and displays are not subject to the provisions of this Sign Code and are not counted in any aggregate area or number of Sign computations:

- (A) Official Signs.
- (B) Holiday decorations that (i) do not include a Commercial Message and (ii) not installed earlier than 30 days before the holiday and (iii) are removed within 30 days after the holiday.
- (C) Incidental Signs whose size is not greater than the larger of (i) two square feet or (ii) as specified for the particular type of Sign in the most current Manual on Uniform Traffic Control devices published by the United States Department of Transportation.

- (D) Handicap parking Signs.
- (E) Signs posted on or near easements held by public utilities warning or informing the public about the easements or location of public utilities.
- (F) Building identification Signs.
- (G) Nameplates appearing on residences or mailboxes.
- (H) Civic displays.
- (I) The American Flag and the State of Arizona flags on ground mounted flagpoles not exceeding twenty feet in Height and displayed in compliance with Federal law.
- (J) Signs that are located within a building or structure and are not visible from a public street, sidewalk or alley.
- (K) Building Markers that do not exceed four square feet in size.
- (L) Any temporary on-site or off-site Signs not in excess of sixteen square feet in Sign Area and no more than four feet in Height that are used within 72 hours of the advertised special event, promotion or sale, including but not limited to realtor Signs, garage sale Signs, open house Signs and other similar Signs.
- (M) Signs or Copy permanently embroidered, screened, dyed, stenciled or painted into the fabric of umbrellas that are set up in sidewalk cafes.
- (N) Signs painted on or integral to vending machines, fuel dispensing pumps or fuel storage tanks.
- (O) Signs painted on the flat surface of the roof and only visible from the air.
- (P) Murals.
- (Q) Signs on public transportation or on/at Bus Stops.
- (R) Any Sign located in such a manner that the Sign is not readily visible, including any Sign Illumination, from any adjacent public right-of-way.
- (S) Gateway Signs.

- (T) Vehicle wraps or other painted or adhesive-type signage on vehicles that are properly registered, licensed and being operated in accordance with applicable Town of Florence regulations.



- (U) Human Signs.

- (V) All Signs that are specifically regulated by the United States of America and/or the State of Arizona, including but not limited to, political Signs.

150.096 Prohibited Commercial Signs

The following types of Signs are prohibited within the Town:

- (A) Signs not specifically permitted in or which violate any provision in this Sign Code.
- (B) Signs attached to (i) Official Signs and their Sign Structures, (ii) trees or poles or standards that are used for a purpose other than Sign Structures, or (iii) utility structures.
- (C) Roof Signs.
- (D) Fence Signs.
- (E) Any display or Sign that imitates or resembles an official traffic signal, Sign device or other official warning Signs.
- (F) Interactive Signs.
- (G) Inflatable Signs, unless permitted in conjunction with a temporary use or special event.
- (H) Signs on cellular towers, water towers or other equipment except for standard and customary manufacturer logos, unless otherwise permitted in the Development Code.

150.097 Prohibited Sign Locations

- (A) General. Notwithstanding any provision in or right established in this Sign Code, no Sign shall be permitted in any of the following locations.
 - (1) Drains, ditches, flood channels. Except for Official Signs, no Sign shall be placed in any ditch, storm drain facility or flood channel, except for Signs displayed by a utility regarding any easements or dangers that lie within the drain, ditch or flood channel.
 - (2) Signs in the public right-of-way or on public property, except as follows:
 - (a) Official Signs.
 - (b) Building Markers and address Signs.
 - (c) Cafe umbrella Signs.
 - (d) Bus Stop Signs.
 - (e) Signs expressly permitted by the Federal Government and/or the Government of Arizona.
 - (f) Any Signs expressly allowed by this Sign Code.

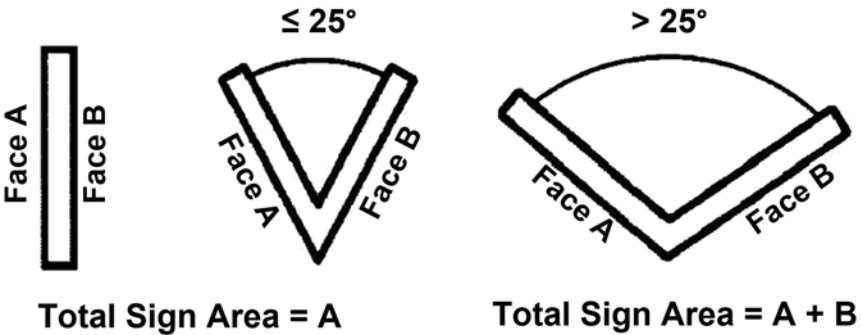
150.098 Standards, Limitation and Requirements for All Signs

- (A) No Sign shall be placed on any lot without the written permission of the owner of the lot.
- (B) No Sign may resemble, simulate or conflict with the proper functioning of any Official Sign, or use yellow or red blinking or intermittent lights resembling danger or warning signals.
- (C) Signs that produce odor, sound, smoke, flame or other emissions are prohibited.
- (D) No obstruction or interference. No Sign shall:
 - (1) Obstruct or impair access to a public sidewalk, public or private street or driveway, traffic control Sign, Bus Stop, fire hydrant, or any other type of street furniture;
 - (2) Block the light and ventilation of any residence on any adjoining property which is zoned for residential use; or
 - (3) Mislead or confuse users of the roadway.

- (E) Stacked Signs are allowed if (i) the other requirements of this Sign Code are satisfied (ii) the Sign is integrated with the structure, and (iii) all Signs on the same structure are similar in shape and material with one another, except for channel lettering.
- (F) All Signs shall comply with applicable provisions of all codes adopted by the Town of Florence.
- (G) Except as otherwise indicated by this Sign Code, all Signs shall be permanently attached to the ground, a building, or another structure by direct attachment to a rigid wall, frame or structure.
- (H) All Signs and Sign Structures shall be maintained in good, safe, structural condition and repair. All Signs and display surfaces shall be neat in appearance, and neatly painted or posted, and not ripped, tattered or faded. Premises immediately surrounding Freestanding Signs shall be kept clean and free of rubbish, weeds and debris.
- (I) All Signs shall be professionally constructed and installed.
- (J) All non-exempt Signs are subject to Design Review approval.
- (K) Historic District. Signs within the Historic District shall conform to the Town of Florence Historic District Guidelines, except as allowed by the Historic District Advisory Commission.
- (L) Under no scenarios shall the Town of Florence have content-based Sign regulations via this Sign Code, the Design Review process or other administrative processes. Any provision of this code that imposes a limitation on freedom of speech shall be construed in a manner that is viewpoint neutral.
 - (1) Notwithstanding anything in this code to the contrary, no Sign or Sign Structure shall be subject to any limitation based upon the viewpoint of the message contained on such Sign or displayed on such Sign Structure.
 - (2) Notwithstanding anything in this code to the contrary, it is the policy of the Town to regulate Signs in a manner that does not favor commercial speech over noncommercial speech and does not regulate protected noncommercial speech by message content.
 - (3) Within this code, any distinction between onsite Signs and offsite Signs applies only to Commercial Messages. It does not apply to Noncommercial Messages.
- (M) Illumination standards.

- (1) Direction of light. The light source for all Indirect Illumination Signs shall be effectively shielded to prevent beams or rays from being directed at any roadway or abutting property.
 - (2) Intensity. The intensity and brilliance of light shall not be so great as to interfere with the effectiveness of any Official Sign, or impair the vision of or distract any person on any roadway.
 - (3) Prohibited light sources. No Sign shall use a beacon, strobe light, racing/traveling or an exposed individual light source (excluding LED and neon) which exceeds seventy five watts.
 - (4) Digital Signs. See subsection 150.099(D)(10) for special standards.
- (N) Signs not included in computations. If the following types of Signs comply with all other requirements of this Sign Code, they need not be included in any allowance computations for Sign Area or number of Signs:
- (1) Building identification Signs.
 - (2) Building markers.
 - (3) Incidental Signs.
 - (4) Directional Signs.
 - (5) Internally located Directory Signs.
 - (6) Signs expressly permitted by the Federal Government and/or the Government of Arizona.
 - (7) Certain Window Signs as provided in the Sign Code.
 - (8) Signs exempted under Section 150.095 of the Sign Code.
 - (9) Murals.
 - (10) As specifically provided in other provisions in the Sign Code.
- (O) Computation of Sign Area of individual Signs. The allowable Sign Area shall apply to the maximum geometric area of all Sign faces. The area of a Sign comprised of individual letters or elements attached to a building wall, which are without an integrated background and are not enclosed in a frame or cabinet, the area of the letter can be calculated as long as the distance between the letters and/or elements is less than the largest dimension of the largest Sign letter. If such a display consists of more than one line or component, the area of each line or component may be

calculated separately. Where a display is enclosed in a frame or cabinet, or has an integrated background, the entire area within the frame, cabinet or background must be included in the calculation.

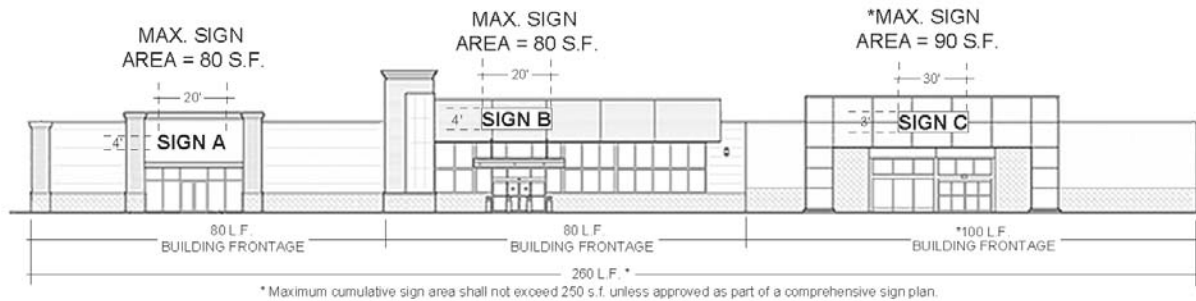
- (P) Computation of Sign Area of multi-faced Signs. The Sign Area for a Sign with more than one face shall be computed by adding together the area of all Sign faces visible from any one point. When two Sign faces are placed back to back, so that both faces cannot be viewed from any point at the same time, and when such Sign faces are part of the same Sign Structure and are not more than 25 degrees apart, the Sign Area shall be computed by the measurement of one of the faces. For Sign faces greater than 25 degrees apart, the Sign Area is computed to include both faces.
- 
- Total Sign Area = A** **Total Sign Area = A + B**

- (Q) Computation of number of Signs. All Signs contained within a single frame, structure, cabinet or integrated background shall be counted as one Sign. If a display is not so contained, a single message or business name shall be counted as one Sign. A business name combined with a brief slogan may be counted as one Sign if the elements are visually integrated.
- (R) A comprehensive sign plan (refer to §150.101) may establish unique regulatory requirements for a project.

150.099 Signs for Employment/Commercial and Mixed Use Districts

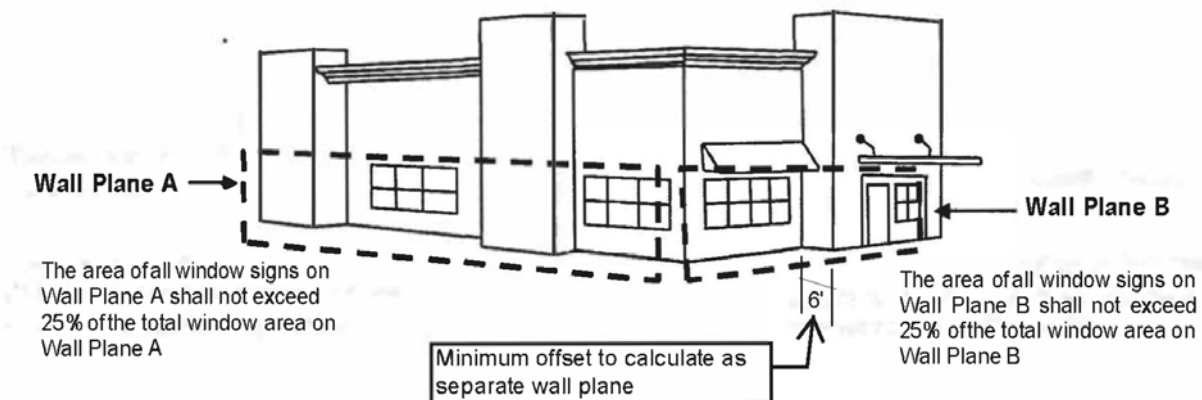
- (A) Except as otherwise provided in this Sign Code, it shall be unlawful to construct or maintain a Sign in an Employment/Commercial and Mixed Use district in violation of the specifications and requirements of this Sign Code.
- (B) Wall Signs.

- (1) The maximum cumulative Sign Area of Wall Signs shall be calculated at one square foot of Sign Area per linear foot of Building Frontage. A minimum cumulative Sign Area of 16 square foot shall be permitted in the event a Building Frontage is less than 16 feet. A maximum cumulative Sign Area of 250 square feet shall not be exceeded.



- (2) Marquee, Blade, Shingle, Canopy, Projecting and other related types of signage shall be considered wall signage and will be counted in the cumulative allowable square footage.
- (3) Each drive through restaurant lane may be permitted one preview menu board and one ordering menu board. These Signs may be freestanding (refer to subsection D for Freestanding Sign requirements) or wall mounted and shall be located a minimum of 25 feet from the street property line and the board(s) shall be screened and oriented in a manner as to not be visible from the adjacent public streets. Call box speakers shall be directed away from adjacent residential zoned land and residences. The maximum aggregate Sign Area for both Signs (per lane) shall not exceed 50 square feet or a maximum Height of eight feet per Sign. These Signs shall not be included in calculating the total aggregate Sign Area for signage allowed on a parcel, lot or for a particular business.
- (4) Wall signage may be located on any building elevation.
- (5) Wall signage shall not extend horizontally a distance greater than 80 percent of the width of the building wall on which it is displayed.
- (6) Wall Signs shall not extend above or beyond the wall or roof line.
- (7) Wall Signs may be internally or externally illuminated provided such Illumination meets the requirements of the Sign Code and the Town's Development Code.
- (8) Wall Signs shall not be digital.

- (C) Window Signs. The total Sign Area of all Window Signs for a business shall not exceed 25 percent of the total area of all windows located on the same wall plane for that business in the building. Wall planes with an offset or break in the wall plane in excess of six (6) feet shall be considered separate wall planes. Window Signs shall include any advertisement display visible from the exterior of the building and located within six (6) feet of the window through which the advertisement is visible. Permits are not required for any Window Signs, and Window Signs are not governed by or counted against Sign Area or number limitations. Window Signs must, however, conform to other standards, requirements and limitations in this Sign Code.

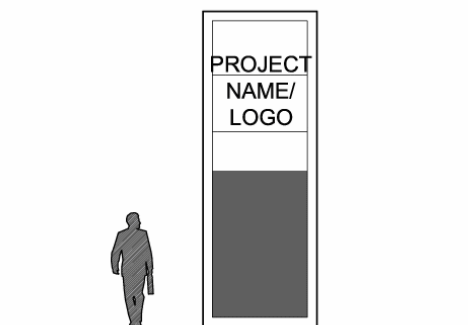


(D) Freestanding Signs.

- (1) Up to one Freestanding Sign is allowed for each building frontage. No business shall have more than two Freestanding Signs, except as allowed by an approved comprehensive sign plan (refer to §150.101). Freestanding Signs may be Monument Signs or Pylon Signs finished in a manner that architecturally integrates the sign with the architectural theme of the site.

(2) Sign Height:

- (a) The maximum Height of any Freestanding Sign shall not exceed 15 feet for any property with Building Frontage along State Highway 287, State Highway 79, excluding 79B, or Hunt Highway. The maximum Height of any Freestanding Sign shall not exceed 10 feet for any property with building frontage along a current or planned collector or arterial roadway, except as noted in the preceding sentence. In all other



cases, the maximum Height of any Freestanding Sign shall not exceed eight feet.

- (b) The width of the Sign base shall not be greater than 10 feet.
- (c) The architectural elements of the Sign are included in the Height calculation.

(3) Sign Area:

- (a) The maximum Sign Area of a Freestanding Sign shall be: up to 32 square feet for a Sign that is eight feet or less in Height; up to 40 square feet for a Sign over eight feet in Height, but under 10 feet in Height; and up to 55 square feet for a Sign over 10 feet in Height and up to 15 feet in Height.
 - (b) The architectural elements of the Sign are excluded from the Sign Area calculation, but not the maximum Height restrictions.
- (4) Each drive through restaurant lane may be permitted one preview menu board and one ordering menu board. These Signs may be freestanding or wall (refer to subsection C for wall Sign requirements) mounted and shall be located a minimum of 25 feet from the street property line and the board(s) shall be screened and oriented in a manner as to not be visible from the adjacent public streets. Call box speakers shall be directed away from adjacent residential zoned land and residences. The maximum aggregate area for both Signs (per lane) shall not exceed 50 square feet or a maximum Height of eight feet per Sign. These Signs shall not be included in calculating the total aggregate area for signage allowed on a parcel, lot or for a particular business.
- (5) Freestanding Signs shall maintain a distance of at least 200 linear feet apart on the same parcel or at least 50 linear feet on different parcels. In the event the minimum spacing distances are found to be unachievable through the Site Plan and Design Review process, a lesser dimension may be approved.
- (6) All Freestanding Signs and Sign Structures must contain similar architectural elements and materials visually compatible with related buildings on the site. All supports used as a part of Freestanding Sign Structures shall be covered/wrapped and architecturally integrated with the structure.
- (7) Freestanding Signs must be located at least five feet from all property lines, easements and/or rights-of-way, except where such placement may be allowed with a Right-of-Way Permit.

- (8) Freestanding Signs must not be located within any sight distance or sight triangle areas defined by the Town of Florence.
- (9) Freestanding Signs may be internally or externally illuminated provided such Illumination meets the requirements of the Sign Code and the Town's Development Code.
- (10) In addition to all of the other limitations, standards and requirements for Freestanding Signs, if one or more of the permitted Freestanding Signs is proposed to be digital, they shall be subject to the following limitations, standards and requirements:
 - (a) Digital Signs shall be prohibited in the Historic District.
 - (b) One Digital Sign per Site and such Sign shall be considered as one of the allowed Freestanding Signs and be subject to all of the requirements for Freestanding Signs, as well as the requirements set forth in this Section.
 - (c) The use of fade, dissolve, travel, message sequencing or scrolling is prohibited for Signs over 32 square feet.
 - (d) The use of video display, flashing or blinking is prohibited for any Digital Sign.
 - (e) Digital Signs must contain a minimum constant display of no less than eight seconds. Maximum time allowed for messages to change is one second.
 - (f) Digital displays shall not operate at brightness levels of more than 0.3 foot candles above ambient light, as measured using a foot-candle meter at a pre-set distance depending on Sign Area. The pre-set distances to measure the foot-candles shall be calculated by the square root of the Sign Area times one hundred. Example using a 12 square-foot Sign: Measurement Distance = $\sqrt{(12 \times 100)} = 34.6$ feet. The measurement distance can be rounded to the nearest whole number.
 - (g) Digital Signs shall be sited in a manner that the intensity or brilliance does not interfere with the effectiveness of an official traffic Sign, device or signal.
 - (h) The Digital Sign shall include photo-sensors to provide automatic intensity adjustment based on ambient lighting conditions.
 - (i) Signs with a digital component shall consist of one unit.

- (j) Digital Signs shall maintain a distance of at least 200 linear feet apart on the same parcel or at least 50 linear feet on different parcels. In the event the minimum spacing distances are found to be unachievable through the Site Plan and Design Review process, a lesser dimension may be approved.
- (k) The closest distance separation from any property zoned for single-family residential uses shall be a minimum of 300 feet.

(E) Temporary Signs.

(1) *Banners, pennants and displays for grand openings and special events.*

- (a) All businesses shall be permitted to display grand opening Signs at the time of original opening or when reopened by a new owner or lessee for a maximum period of 30 days.
- (b) Banners, pennants and other displays for special events may be allowed for a maximum period of 30 consecutive days on each occasion, with the exception of grand opening or reopening Signs. A minimum of 30 consecutive days shall pass between each special event banner, pennants or related display.
- (c) No pennant, banner or display shall be placed on or above the roof of any building.
- (d) For special events and promotions, the maximum banner size shall be 48 square feet, and shall be limited to one per street frontage of the business.
- (e) For grand openings, the maximum banner size shall be 48 square feet, and shall be limited to one per street frontage of the business.
- (f) Banners and pennants shall be displayed on the building or within the parking area, perimeter landscape or some other on-site area.
- (g) No banner or pennant Sign shall be located in a manner that impedes visibility or accessibility.

(2) A-Frame Signs

- (a) An A-Frame Sign shall be no greater than three feet in width and four feet in Height.
- (b) A-Frame Signs shall be limited to one per street frontage of the business.

- (c) A-Frame Signs may only be displayed during the posted hours the business is open to conduct business.

- (d) A-Frame Signs must include the name of the business being advertised.

- (e) A-Frame Signs shall be located at Grade level.

- (f) A-Frame Signs must be located on the property of the business being advertised, or on the immediately adjacent right-of-way. Signs placed along the immediately adjacent right-of-way shall be a minimum of three (3) feet behind curb or edge of pavement and not located on a sidewalk. In no event shall two A-Frame Signs be located closer than ten (10) feet to one another. Sight visibility triangles shall remain clear of all signage.



- (g) A-Frame Signs shall not be located in parking aisles or parking stalls, in raised or painted medians; where they may present a hazard or impede pedestrian traffic; in driving lanes; or on fences, boulders, planters, on other Signs, on vehicles, on utility facilities or any structure.

- (h) A-Frame Signs shall be professionally constructed and maintained in a manner free from chipping paint, cracks, gouges, and/or loss of letters.

- (i) A-Frame Signs shall not include any form of Illumination, animation, reflective materials or sound emitting devices.

(3) Construction or Development Signs.

- (a) One Sign may be posted on the lot or parcel where the construction or repair will be conducted. The Sign Area shall be a maximum of 32 square feet and a maximum Height of eight feet above finished grade.
- (b) Signs shall be allowed from three months preceding physical site construction or development to one month after the completion of construction or issuance of a Certificate of Occupancy, whichever occurs first.

150.100 Signs for Residential Districts

(A) Except as otherwise provided in this Sign Code, it shall be unlawful to construct or maintain a Sign in a residential district in violation of the specifications and requirements of this Sign Code.

(B) Wall Signs.

- (1) Wall Signs shall only be placed upon community buildings within residential subdivisions unless required by law.
- (2) The maximum cumulative Sign Area of Wall Signs shall be calculated at one square foot of Sign Area per linear foot of Building Frontage. A minimum cumulative Sign Area of six square feet shall be permitted. A maximum cumulative Sign Area of 16 square feet shall not be exceeded.
- (3) Marquee, Blade, Shingle, Canopy, Projecting and other related types of signage shall be prohibited.
- (4) Wall signage may be located on a building elevation that faces a current or planned right-of-way.
- (5) Wall Signs shall not extend horizontally a distance greater than 80 percent of the width of the building wall on which it is displayed.
- (6) Wall Signs shall not extend above or beyond the wall or roof line.
- (7) Wall Signs may be internally or externally illuminated provided such Illumination meets the requirements of the Sign Code and the Town's Development Code.
- (8) Wall Signs shall not be digital.

(C) Freestanding or Monument Signs.

- (1) One on-site Freestanding or Monument Sign is allowed per Arterial roadway frontage (Collector Roadway frontage when Arterial Roadway frontage does

not exist). Freestanding or Monument Signs shall be located adjacent to the subdivision entrance(s).

(2) Sign Height:

(a) The maximum Height of any Freestanding Sign shall not exceed eight feet in Height for any property.

(b) The width of the Sign base shall not be greater than ten feet.

(c) The architectural elements of the Sign are included in the Height calculation.

(3) Sign Area:

(a) The maximum area of a Freestanding Sign shall be 32 square feet.

(b) The architectural elements of the Sign are excluded from the Sign Area calculation.

(4) Freestanding Signs shall maintain a distance of at least 200 linear feet apart on the same parcel or at least 50 linear feet on different parcels.

(5) All Freestanding Signs and Sign Structures must contain similar architectural elements and materials visually compatible with related buildings on the site. All supports used as a part of Freestanding or Monument Sign Structures shall be covered/wrapped and architecturally integrated with the structure.

(6) Freestanding Signs must be located at least five feet from all property lines, easements and/or rights-of-way, except where such placement may be allowed with a Right-of-Way Permit. Additional clearance from other structures and utilities may be required.

(7) Freestanding Signs must not be located within any sight distance or sight triangle areas defined by the Town of Florence.

(8) Freestanding Signs may be internally or externally illuminated provided such Illumination meets the requirements of the Sign Code and the Town's Development Code.

(9) Freestanding Digital Signs.

a. Freestanding Digital Signs are only permitted in the MFR, MHS and RV Residential Zoning Districts.

- b. Should one or more of the permitted Freestanding Signs be digital, freestanding Digital Signs shall also be in compliance with the Digital Sign requirements provided for Employment/Commercial and Mixed Use Zoning Districts.
- (D) Window Signs with Commercial Messages are prohibited in Residential Zoning Districts.
- (E) Temporary Signs for Subdivisions.
 - (1) During the construction phase, each subdivision may have one on-site Sign located at the subdivision advertising the subdivision. The Sign shall have a maximum Sign Area of 96 square feet and may be single or double faced with a maximum Height of 10 feet and boxed edges. The Sign shall not be located within 100 feet of any property line of an existing residence. The Sign must be removed when 95 percent of the lots within the subdivision are sold and/or the on-site sales office(s) closes.
 - (2) Subdivision identification flags may be placed on or behind the property line of the subdivision. No more than twelve flags may be placed at any one subdivision. The flags shall have a maximum area of 12 square feet and may not be maintained higher than 25 feet above the adjoining ground. The flags must be removed when 95 percent of the lots in the subdivision are sold and/or the on-site sales office closes.
 - (3) Additional on-site subdivision advertising and Directional Signs may be permitted if approved in a comprehensive sign plan (refer to §150.101) or by a Development Agreement.
- (F) Construction or Development Signs.
 - (1) One Sign may be posted on the lot or parcel where the construction or repair will be conducted. The Sign Area shall have a maximum of 32 square feet and a maximum Height of eight feet.
 - (2) Signs shall be allowed from three months preceding physical site construction or development to one month after the completion of construction or issuance of a Certificate of Occupancy, whichever occurs first.

150.101 Comprehensive Sign Plan Required

- (A) Prior to issuance of Sign permits for any business or occupancy in a development, a comprehensive sign plan detailing the size, type, location, and color of all signage within the development shall be submitted to the Town in conjunction with the Design Review process and adhere to the same review and approval procedures set forth

in §150.013 of this Code, as applicable. An approved comprehensive sign plan shall be required for the following types of uses:

- (1) Three or more businesses on a single parcel of land
 - (2) Three or more businesses in a single cohesive development
 - (3) Commercial, Office, Institutional, or Multiple-family developments of 15 acres or more
 - (4) PUD's
 - (5) Single-family Residential subdivisions of 160 acres or more
 - (6) As otherwise prescribed in this Development Code
- (B) A comprehensive sign plan application shall be made in writing on forms provided by the Town.
- (C) A comprehensive sign plan that proposes a deviation from any of the requirements provided in this subsection shall be reviewed and approved by the Planning and Zoning Commission.
- (D) Amendments to an approved comprehensive sign plan shall be reviewed and approved in the same manner as the original approval.

150.102 Submittal and Permit Requirements

- (A) Sign permit approval is required for constructing or altering any non-exempt Sign.
- (B) A Sign permit application shall be made in writing on forms provided by the Town.
- (C) Before issuing any Sign permit required by this Sign Code, the Town shall collect a fee in accordance with an adopted Schedule of Fees. If work, for which a permit is required by this Development Code, is started before a permit has been issued, the fees specified above shall be doubled. The payment of the double fee shall not relieve any persons from complying fully with the requirements of this Sign Code in the execution of the work or from any penalties prescribed herein.
- (D) All Signs for which a permit is required shall be subject to inspections during various stages of construction as prescribed by the Town.

150.103 Exceptions; Permits Not Required

Sign permits are not required for the following Signs provided that the Signs are subject to all other provisions of this Sign Code (Note: This does not exempt any applicable permits for electrical work.):

- (A) Standard Sign maintenance;
- (B) Change of Sign Copy within an identical Sign frame;

- (C) Adhesive or painted Signs on windows;
- (D) Signs allowed only by the authority of the Federal Government, the State of Arizona or another political subdivision, but otherwise not permitted by this Sign Code;
- (E) Vehicle wraps or other painted or adhesive-type signage on vehicles;
- (F) Signs required for the posting of neighborhood meetings or public hearings related to Town of Florence applications; or
- (G) Promotional and Temporary Signs allowed by this Sign Code, except as otherwise noted.

150.104 Legal Nonconforming Signs

- (A) Legal Nonconforming Signs shall mean a Sign that is lawfully existing at the time of the enactment of this Development Code that does not conform to the regulations as specified in this Sign Code.
- (B) A legal Nonconforming Sign may continue to be utilized in perpetuity only in the manner and to the extent that it existed at the time of the adoption of this Sign Code or any amendment thereto.
- (C) A legal Nonconforming Sign may not be altered in any manner not in conformance with this Sign Code. This does not apply to reasonable repair and maintenance of the Sign or to a change of Copy provided that by changing the Copy, structural alterations are not required.
- (D) Any construction permit that invokes certificate of occupancy requirements shall specify and require that any Nonconforming Sign located within the boundaries of the development site and within the limits of the applicant's control, shall be brought into conformance with the provisions of this Sign Code. This may include removal if the Sign is now classified as a prohibited Sign.
- (E) Legal Nonconforming Signs located on a parcel of property that is severed from a larger parcel of property and acquired by a public entity for public use by condemnation, purchase or dedication may be relocated on the remaining parcel. Said relocation shall not extinguish the legal nonconforming status of that Sign provided that the Nonconforming Sign:
 - (1) Is not increased in area or Height to exceed the limits of the district in which it is located;
 - (2) Remains structurally unchanged except for reasonable repairs or alterations;

- (3) Is placed in the most similar position on the remaining property that it occupied prior to the relocation; and
 - (4) Is relocated in a manner so as to comply with all applicable safety requirements.
- (F) After relocation pursuant to this division, the legal Nonconforming Sign shall be subject to all provisions of this Sign Code in its new location.

150.105 Signs Rendered Nonconforming

- (A) Except as provided in this Sign Code, a Nonconforming Sign may continue in the manner and to the extent that it existed at the time of the ordinance adoption, amendment or annexation which rendered the Sign nonconforming. This Sign Code shall not prohibit reasonable repairs and alterations to Nonconforming Signs.
- (B) A Sign approved by variance or comprehensive sign plan before the effective date of this Sign Code, shall not be considered nonconforming and shall not be subject to the regulations set forth in this Sign Code.
- (C) A Nonconforming Sign shall not be re-erected, relocated or replaced unless it is brought into compliance with the requirements of this Sign Code.
- (D) If the structure of a Nonconforming Sign is changed, the Height and Sign Area shall not be increased to exceed the Height and Sign Area limits of the site on which it is located. If the Sign exceeds the site's Height and/or area limitations, the excess Height and/or Sign Area shall be reduced a minimum of 50%. Two reductions shall be permitted; after the third structural change, the Sign shall conform to current standards. Nothing in this Sign Code shall require a Nonconforming Sign to be reduced to a Height or Sign Area less than that allowed on the site.
- (E) If a Nonconforming Sign is located on a parcel that is experiencing development for which site plan and/or Design Review is required, the Height and Sign Area of the Sign shall not be increased to exceed the Height and Sign Area limitations of the site. If the Sign exceeds the site's Height and/or Sign Area limitations, the excess Height and/or Sign Area shall be reduced to a minimum of 50 percent. Two reductions shall be permitted; after the third structural change, the Sign shall conform to current standards. Nothing in this Sign Code shall require a Nonconforming Sign to be reduced to a Height or Sign Area less than that allowed on the site.
- (F) Site plan and/or Design Review required by one of the following types of development shall not cause reduction in a Sign's nonconforming Height and/or Sign Area:

- (1) An addition of less than 2,000 square feet when the addition is less than 50 percent of the size of the usable space of the site which is the subject of Design Review. A series of additions, which total more than 50 percent of the usable space of the site, shall require reduction of non-conformities. Usable space shall not include areas such as restrooms and storage rooms.
- (2) An addition of more than 2,000 square feet when the addition is less than 10 percent of the size of the usable space of the site which is the subject of Design Review. A series of additions, which total more than 10 percent of the usable space of the site, shall require reduction of non-conformities. Usable space shall not include areas such as restrooms and storage rooms.
- (3) A modification required by federal, state or local regulations or programs.

150.106 Abandoned Signs

- (A) Criteria for establishing abandonment. A Sign or Sign Structure shall be considered abandoned when any of the following occurs:
 - (1) Any business advertised thereon is no longer in business and has not been in business anywhere within the Town for more than six months;
 - (2) Any product or service advertised thereon is no longer offered and has not been offered for the past six months;
 - (3) The structure no longer supports a Sign for a period of six months;
 - (4) The Sign, structure or advertising display is visibly damaged or partially missing; and/or
 - (5) Internal or halo Illumination is partially or wholly burned out or inoperative.
- (B) Removal of abandoned Signs. Any Sign or Sign Structure that has been abandoned shall be removed or restored to use within 30 days after a notice of abandonment is issued to the owner of the site. Notice shall be given by the Community Development Director using certified mail. The Community Development Director may allow an abandoned Sign or Sign Structure to remain in place provided that the Sign or Sign Structure is maintained in good condition, and that there is a reasonable possibility that the Sign will be restored to use within a one-year period.
- (C) Historic Signs. Abandoned Signs that are deemed by the Community Development Director to be historically significant may be permitted to remain for a specified duration, provided such Signs do not present any safety considerations.
- (D) Variances and minor deviations. Variances and deviations from the provisions of this Section may not be granted.

150.107 Unsafe Signs

If the Community Development Director, or designee, determines any Sign or Sign Structure to be in an unsafe condition, he or she shall immediately notify, in writing, the owner of the Sign who shall correct the condition within 48 hours. If the correction has not been made within 48 hours, the Community Development Director shall cause the Sign to be removed if it creates a danger to the public safety or have any necessary repairs or maintenance performed at the expense of the Sign owner, owner or lessee of the property upon which the Sign is located. The cost shall be an assessment against the property which may be recorded by the Town pursuant to A.R.S. § 9-499.

150.108 Enforcement and Penalties

- (A) To the extent not inconsistent with this Sign Code, the provisions of §150.999 shall apply to enforcement of this Sign Code.
- (B) Illegal Signs may be removed by Town officials.

150.109 to 150.130 *Reserved*



TOWN OF FLORENCE

Community Development Department

MEMORANDUM

To: Honorable Mayor Walter and Town Councilmembers
Through: Brent Billingsley, AICP, CFM
Town Manager
From: Community Development Department
Date: March 18, 2019
Re: March 25, 2019 Council Work Session
Ordinance No. 667-18: Sign Code Amendment

The purpose of this memorandum is to provide additional background in response to questions posed during the Council's first reading of this agenda item on February 19, 2019. Below, please find the Councilmembers questions listed in **bold**, followed by staff research and recommendations shown in *italics*.

- 1) **Councilmember Larsen – Questioned pg. 16, §150.098 (I) “All signs shall be professionally constructed and installed.” Generally, agrees that permanent signs should be professionally made and installed, but questions if it is necessary for banners, grand opening and A-frame signs be professionally constructed and installed? They seem to be a thing someone could be easily hang themselves. Also, §150.099 E.2.h – “A-frame signs must be professionally constructed and maintained in a manner free from chipping paint, cracks, gouges, and/or loss of letters.”**

*Response: Staff proposes to strike and replace the language under Section 150.098(I) with the existing Sign Code language (§150.094 C. - red text added): “All signs shall **have a professional appearance and** be structurally designed, constructed, erected and maintained in accordance with all applicable provisions and requirements of the town codes and ordinances.”*

Existing A-frame code - §150.119 G.7: “A-frame signs shall be professionally constructed and maintained in a manner free from chipping paint, cracks, gouges, and/or loss of letters.” Staff is unaware of an issue or complaint with this portion of the current code and recommends the text not be changed.

- 2) **Vice Mayor Anderson – Concerned the proposed sign code is too complicated. Request for work session to spend time going through answering specific questions.**

Response: Work Session scheduled to review specific areas of concern

3) Mayor Walter – Explain why we need 33 pages vs. Maricopa’s 2 pages.

See Response to #4, below

4) Councilmember Wall – reduce size of document, cut out definitions

Response: Staff has analyzed peer community codes and found the following:

<i>Existing Sign Code –</i>	<i>21 Pgs (w/defs, no spacing)</i>
<i>Proposed Sign Code –</i>	<i>32 pgs (w/defs, spacing)</i>
<i>Maricopa –</i>	<i>27pgs (w/out defs)</i>
<i>Pinal County –</i>	<i>29 pgs (w/defs)</i>
<i>Gilbert –</i>	<i>52 pgs (w/out defs)</i>
<i>Chandler –</i>	<i>31 pgs (w/defs)</i>
<i>Coolidge –</i>	<i>31 pgs (w/defs)</i>
<i>Queen Creek –</i>	<i>27 pgs (w/out defs)</i>

With exception to the Town of Gilbert, the communities who do not include definitions w/in Sign Code provide signage specific definitions in the “Definitions” section of the code. Staff finds that sign manufacturing companies are the greatest user of sign codes and benefit from definitions contained w/in the sign code. Sign manufacturers are unfamiliar and have little need for other areas of the zoning code.

5) Councilmember Cordes – Hard to understand code. Make easier for people to understand.

Response: Work Session scheduled to review areas of concern

6) Public Comment – Larry Johnson – wrong season to ask businesses to attend meeting, they are busy during the holidays, suggests summer.

Response: There are many ways to review, discuss and submit comments. In staff’s email correspondence with Larry we urged to attend and present at chamber functions, and also provided a link to online documents and explained the comment procedure. This was requested to be shared with the Chamber membership and business community at large.

Sign Code Text Amendment

Town Council
Public Hearing

Ordinance No. 667-18

(Case #PZ-18-33-TA)

February 19, 2019



Why a code for signage?

To balance the needs of businesses, organizations, and individuals to convey messages through Signs with the Town's desire to maintain a safe and attractive environment.



Amendment Timeline

- 2016 Draft Sign Code Review
- Oct. 18, 2018 Planning and Zoning Commission Work Session
- Nov. 15, 2018 Planning and Zoning Commission Review/Discussion
- Dec. 4, 2018 Neighborhood Meeting (5-6:30PM Community Center)
- Dec. 20, 2018 Planning and Zoning Commission (public hearing)
- Jan. 2, 2019 Historic District Advisory Committee Review/Discussion
- Jan. 17, 2019 Planning and Zoning Commission (public hearing and action)
- Feb. 19, 2019 Town Council (public hearing and 1st reading)
- *March 4, 2019 2nd Town Council (action)



Applicability

- Existing signage is grandfathered, these changes only affect new requests
- Historic District is unique



Overview of Changes

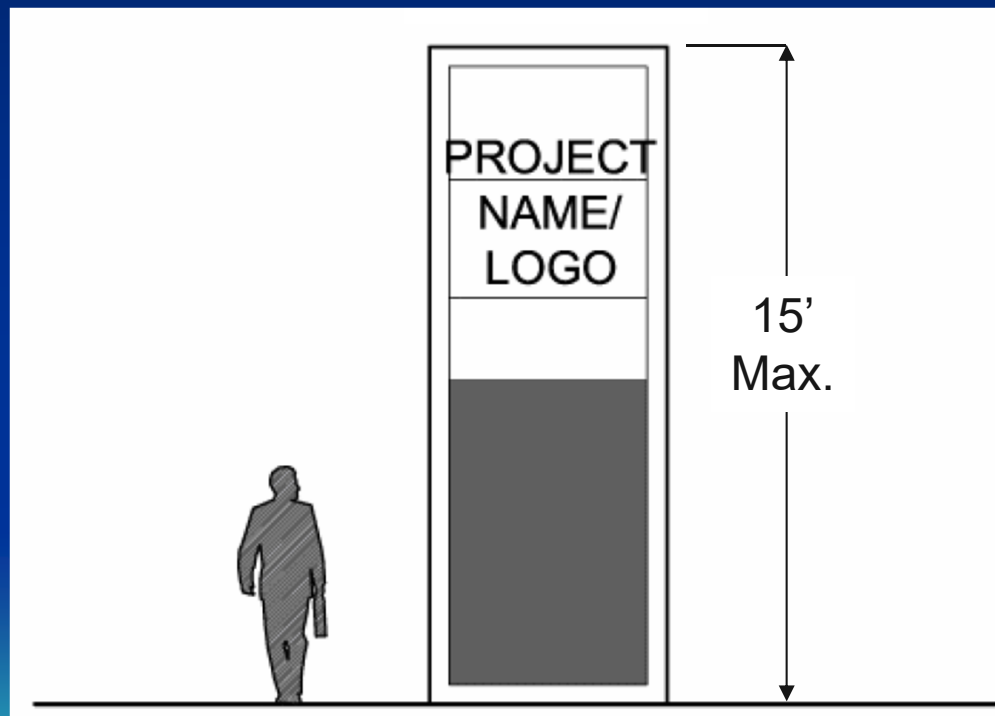
- Update the terms & definitions related to signs
- Re-organized for clarity
- Address Reed v. Gilbert Supreme Court decision

(L) Under no scenarios shall the Town of Florence have content-based Sign regulations via this Sign Code, the Design Review process or other administrative processes. Any provision of this code that imposes a limitation on freedom of speech shall be construed in a manner that is viewpoint neutral.

- (1) Notwithstanding anything in this code to the contrary, no Sign or Sign Structure shall be subject to any limitation based upon the viewpoint of the message contained on such Sign or displayed on such Sign Structure.
- (2) Notwithstanding anything in this code to the contrary, it is the policy of the Town to regulate Signs in a manner that does not favor commercial speech over noncommercial speech and does not regulate protected noncommercial speech by message content.
- (3) Within this code, any distinction between onsite Signs and offsite Signs applies only to Commercial Messages. It does not apply to Noncommercial Messages.

Overview of Changes

- Increased monument sign height for commercial uses along major transportation corridors




Overview of Changes

- Allowing one electronic / digital sign per parcel, but excluded from Historic District
- Guaranteed minimum 16 sf of wall signage
- Drive-thru menu boards may be closer to street
- Maximum aggregate sign area for commercial is increased



Discussion & Questions



	<h2 style="margin: 0;">TOWN OF FLORENCE COUNCIL ACTION FORM</h2>	<h2 style="margin: 0;"><u>AGENDA ITEM</u> 12b.</h2>
<p>MEETING DATE: April 15, 2019</p> <p>DEPARTMENT: Community Development</p> <p>STAFF PRESENTER: Dana Burkhardt, Planning Consultant</p> <p>SUBJECT: Ordinance No. 668-19 Development Code Parking & Loading Regs, Text Amendment Case No. PZ-18-34 ORD</p>		<p><input checked="" type="checkbox"/> Action</p> <p><input type="checkbox"/> Information Only</p> <p><input type="checkbox"/> Public Hearing</p> <p><input type="checkbox"/> Resolution</p> <p><input checked="" type="checkbox"/> Ordinance</p> <p style="padding-left: 40px;"><input type="checkbox"/> Regulatory</p> <p style="padding-left: 40px;"><input type="checkbox"/> 1st Reading</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> 2nd Reading</p> <p><input type="checkbox"/> Other</p>
<p>STRATEGIC PLAN REFERENCE:</p> <p><input checked="" type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input checked="" type="checkbox"/> Leadership and Governance</p> <p><input type="checkbox"/> Partnerships and Relationships <input type="checkbox"/> Transportation and Infrastructure</p> <p><input type="checkbox"/> Statutory <input type="checkbox"/> None</p>		

RECOMMENDED MOTION/ACTION:

Motion to adopt Ordinance No. 668-19: 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 "DEFINITIONS" AND "PART 7 PARKING; LOADING AND UNLOADING," SECTIONS 150.156 TO 150.167 (CASE PZ 18-34 ORD). (Public hearing and first reading held February 19, 2019, second reading held March 4, 2019, Work Session held March 25, 2019).

A text amendment to the Parking & Loading Regulations of the Development Code with the following amendments (***bold italic*** text is added, text with a ~~strikethrough~~ to be deleted):

- 1) Revise Section II(E) All parking and loading spaces, maneuvering areas, driveways and fire lanes shall be paved with asphaltic concrete; pavers; cement concrete; ~~penetration treatment of bituminous material and seal coat of bituminous binder and a mineral aggregate~~; and/or a stabilization method approved by the Town ***Engineer***. Through the site plan and design review process, the Town may permit up to 20 percent of the required parking to be of a pervious surface to reduce heat-island and run-off effects. All parking surfaces must be designed to a sufficient thickness to withstand repeated vehicular traffic and receive approval from the Town Engineer.

OVERVIEW:

This is the second and final required reading of Ordinance No. 668-19, attached as Exhibit A. The first reading and public hearing was held on February 19, 2019 and a Town

Council Work Session was held to discuss this proposed text amendment on March 25, 2019.

For additional details surrounding this proposed text amendment Ordinance No. 668-19, please refer to the attached First Read RCA dated February 19th (Exhibit B), and the Memorandum to Town Council dated February 28th, 2019 (Exhibit C.)

A VOTE OF NO WOULD MEAN:

A no vote would mean the Town Code would not be updated.

A VOTE OF YES WOULD MEAN:

A yes vote means the sign code would be updated and the Code of Ordinances would be updated.

FINANCIAL IMPACT:

Neutral, approval or denial of this request has no impact to the Town's finances.

PLANNING & ZONING COMMISSION RECOMMENDATION:

The Planning and Zoning Commission found the text amendment, Case #PZ-18-34-ORD (Ordinance 668-19) is in the interest of the general welfare, health and safety of the public. The Planning and Zoning Commission has forwarded a unanimous favorable recommendation on this proposed text amendment, as described in Exhibit A, to the Mayor and Town Council.

ATTACHMENTS:

Ordinance No. 668-19
Exhibit A
Memorandum to Town Council
Power Point Presentation

ORDINANCE NO. 668-19

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 "DEFINITIONS" AND "PART 7 PARKING; LOADING AND UNLOADING," SECTIONS 150.156 TO 150.167 (CASE PZ 18-34 ORD).

WHEREAS, in accordance with A.R.S. § 9-462, the legislative body may adopt by ordinance, any change or amendment to the regulations and provisions as set forth in the Development Code of the Town of Florence; and

WHEREAS, notification of this amendment has been published in a local newspaper with general circulation in the Town of Florence, giving 15 day notice of time, date, and place of public hearing; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission on December 20, 2018; and

WHEREAS, the Planning and Zoning Commission, after having held a public hearing on the case, has forwarded the Mayor and Town Council a unanimous favorable recommendation for the text amendment ordinance; and

WHEREAS, the Town Council has determined that it is in the best interest of the residents of Florence to amend the Town of Florence Development Code Sections 150.031, and 150.156 to 150.167, such that it is advisable to repeal and replace the aforementioned sections, as further set forth in Exhibit "A", which is attached hereto and incorporated herein by reference; and

WHEREAS, the Town Council has determined that, for the reasons set forth above and for the purpose of protecting the public health, safety and welfare of the residents and visitors of Florence, it is in the best interests of the Town to amend the Code of Ordinances as provided herein.

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

Section 1. Any proposal for the construction of new off-street parking facilities or the modification of existing off-street parking facilities within the Town shall be subject to the following: Town of Florence Code of Ordinances Title XV Land Usage, Chapter 150 of the Florence Development Code Sections 150.156 to 150.167 "Parking; Loading and Unloading,"; the Town's licensing and permit requirements; the Town's reasonable design review and development standards; the

Town's reasonable rates and fees as adopted by the Town; and all other applicable regulatory processes.

Section 2. Existing Title XV of the Town of Florence Code of Ordinances is hereby amended by the revisions, additions, deletions, and replacement of the Development Code text as set forth in Exhibit "A."

Section 3. Exhibit "A" is hereby approved, adopted and incorporated into the Town of Florence Code of Ordinances Title XV Land Usage, Chapter 150 Development Code by reference, as fully as if set forth in this Ordinance in its entirety.

Section 4. If any section, subsection, clause, phrase or portion of this Ordinance or any part of the amended and restated Town of Florence Code of Ordinances Title XV is for any reason held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 5. One paper copy and one electronic copy of this ordinance is ordered to remain on file with the Town Clerk.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this _____ day of _____ 2019.

Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

EXHIBIT A

PARKING CODE AMENDMENT

Town of Florence Development Code

The following text in **red** are proposed additions to the Development Code and text with a ~~strike through~~ are proposed for deletion:

DEFINITIONS

§ 150.031 DEFINED WORDS.

COMMUNITY DEVELOPMENT DIRECTOR. Interprets the meaning and intent of the General Plan and the Development Code.

DRIVEWAY. That portion of a parcel adjacent to a parking area that is used for ingress to and egress from the parcel.

ELECTRIC VEHICLE CHARGING STATION. Equipment that has as its primary purpose to transfer electric energy to a battery or other energy storage device on an electric vehicle.

ELECTRIC VEHICLE. A vehicle that operates, either partially or exclusively, on electrical energy from the electrical grid, or an off-grid source, that is stored on board for motive purposes.

GROSS FLOOR AREA. The total area of a building calculated by measuring the outside dimensions of all the building's floor levels excluding non-habitable attics and crawl spaces.

NET FLOOR AREA. The gross floor area minus hallways and corridors, restrooms, storage rooms, equipment rooms and other non-habitable rooms within a building.

PARKING AREA. The total area including parking spaces, parking aisles, required parking landscape areas and walkways, and loading and unloading areas.

PARKING SPACE. That portion of the parking area required for the parking of one vehicle that ~~is~~ ~~A~~ a permanently surfaced area, enclosed or unenclosed, having an area of not less than 180 square feet which will accommodate a car, minimum width nine feet. Parking as used in this Development Code is to mean off-street parking with access from streets or secondary means or as approved by subdivision plat or site plan.

USE. The purpose ~~or activity~~ for which ~~land or a building, parcel or structure~~ is ~~arranged, designed, occupied or maintained, arranged, designed, or intended.~~ For the purpose of calculating parking demand for a parcel, more than one use may be allocated to a single parcel.

~~Part 7.~~ **150.156 PARKING; LOADING AND UNLOADING**

I. PURPOSE.

- II. OFF-STREET PARKING.
- III. PARKING STANDARDS FOR MULTIFAMILY, NONRESIDENTIAL, MIXED-USE, AND PUD'S.
- IV. PARKING STANDARDS FOR SINGLE-FAMILY AND TWO-FAMILY RESIDENTIAL USES.
- V. PARKING STANDARDS; CALCULATIONS.
- VI. PARKING SPACE ALLOCATION REQUIREMENTS.
- VII. OFF-STREET LOADING REQUIREMENTS.
- VIII. DIMENSIONS AND CIRCULATION.
- IX. ELECTRIC VEHICLE PARKING.

I. ~~150.156~~ PARKING AREAS. PURPOSE

~~Parking areas required herein shall be provided, improved and maintained in accord with the following specifications.~~ The purpose of this section is to minimize congestion on public streets, provide minimum requirements for off-street vehicle parking facilities and to promote the safety and welfare of the public.

~~150.157~~ PARKING STANDARDS PERTAINING TO ALL DISTRICTS.

II. ~~150.158~~ GENERAL REQUIREMENTS FOR ALL SPACES. OFF-STREET PARKING.

- (A) No building permit shall be issued until the applicant has presented satisfactory evidence to the ~~Planning Director~~ **Community Development Director**, or designee, that he or she owns or has otherwise available for his or her use, sufficient property to provide required parking, **required landscaping, and other site improvements required by this code.**
- (B) No additions to or enlargement of an existing building or use shall be permitted unless parking requirements are met for the entire building or use.
- (C) For new buildings, building expansion or conversions, **and changes of use,** plans must show the arrangement of required parking spaces, and indicate sufficient space for turning **and back-up maneuvers, refuse screening,** and adequate ingress and egress by patrons and delivery vehicles to the parking area before a permit is granted. Plans shall be submitted **to scale and fully dimensioned** to the ~~Planning Director~~ **Community Development Director**, or designee, for approval prior to the permit being granted.
- (D) When the use of an existing building, structure, or premises is changed such that the change requires an increase in the total number of required parking spaces for the parcel of greater than ten percent or twenty spaces, whichever is greater, then such additional parking spaces and parking and loading areas shall be provided for the entire building, structure or premises either on the premises or by joint off-site parking agreement. When the use of any existing building, structure or premises is changed such that an increase in parking spaces is less than ten percent of the total required for the site or twenty spaces, whichever is less, then the change of use or intensity is exempt from the requirements of this section related to parking quantities.
- (E) ~~(A) Required~~ **All** parking and loading spaces, maneuvering areas, driveways and fire lanes shall be paved with ~~asphaltic, concrete or masonry;~~ **pavers; cement concrete; penetration treatment of bituminous material and seal coat of bituminous binder and a mineral aggregate; and/or a stabilization method approved by the Town.** Through the site plan and

design review process, the Town may permit up to 20 percent of the required parking to be of a pervious surface to reduce heat-island and run-off effects. All parking surfaces must be designed to a sufficient thickness to withstand repeated vehicular traffic and receive approval from the Town Engineer.

- (F) ~~(B)~~ All vehicular egress from parking lots to public right-of-way shall be by forward motion only, except in the case of single-family and 2-family residences fronting on a local street or a primary or secondary collector street.
- (G) ~~(C)~~ Tandem arrangement of required parking spaces is prohibited, except as otherwise permitted by this Development Code.
- ~~(D) Permanent use of off-street parking areas for other than the purpose shall constitute a violation of this Development Code. Should the owner or occupants of a building change the use of the building and thus increase the requirement for off-street parking, it shall constitute a violation of this Development Code, until the parking requirements have been complied with.~~
- (H) The use of an off-street parking space for the storage of merchandise, supplies, equipment, vehicles for sale or rent, vehicles used for business identification signage, or for repair of vehicles, is prohibited. The temporary use of on-site parking spaces for the purposes of construction staging may be permitted in conjunction with an active building permit. Minimum required on-site parking spaces shall be maintained for all active uses for the duration of construction. A vehicle for sale may be parked in an approved residential parking space for non-commercial purposes, for a period not to exceed 30 days. No more than one vehicle may be advertised for sale on the same residential property during a period of one year.
- (I) All parking areas and landscaping shall be maintained in good condition. Maintenance shall include, but not limited to, fixing potholes, filling cracks, landscaping, and maintaining the appearance of the parking area.
- (J) Construction of required parking areas shall be completed in accordance with this section prior to commencement of the use or occupancy of the parcel, building or structure.

III. 150.159 PARKING STANDARDS FOR MULTI-FAMILY, NONRESIDENTIAL, OR MIXED-USES, AND PUDs.

(A) ~~Mixed-uses~~ *Uses computed separately.* In case of ~~mixed-multiple~~ uses on a site, the total requirements for off-street parking space shall be the sum of the requirements of the various uses computed separately.

(B) *Maintenance.* It shall be the joint and separate responsibility of the lessee and owner of the principal use, uses or building to maintain in a neat and adequate manner, the parking space, access ways, striping, landscaping and required fences or screening.

(C) *Parking area improvements.* For multi-family residential, commercial, industrial and PUD districts, the following shall apply:

(1) Parking areas shall be screened from street view and residential development by a berm, and/or wall (minimum of three feet in height), with landscaping.

(2) Lights illuminating a parking space shall be arranged and ~~screened~~ shielded to reflect light away from adjoining residences and streets. Light standards shall be a maximum height of 24 feet. Refer to Section 150.090 for additional parking area lighting requirements.

(3) Except where a wall is required, a minimum six-inch high curb or permanently attached or affixed bumper guard shall be constructed so that no part of a vehicle extends beyond the property line.



Parking Area Improvements

(D) *Access.* Off-street parking space shall be connected with a public street by a paved driveway, which affords safe and reasonably convenient ingress and egress. The minimum width of driveways shall be 40 feet where ~~if ingress and egress are the same~~ **right and left turn egress is proposed. If only a single ingress and egress lane is proposed, the minimum width required shall be 32 feet.** If ingress and egress are by separate drives, then the minimum width of each drive shall be 20 feet.

(E) *Parking space location.* All required parking spaces for non-residential or mixed uses shall be located on the lot upon which the use is located or on an adjacent lot. Required parking spaces for multi-family, commercial or industrial use may be located on an adjacent lot in another district (other than in a single-family residential district).

(F) *Joint use ~~or non-simultaneous use~~ parking for **mixed use or PUD.***

(1) If an applicant for a mixed use PUD **or in any multi-family or Employment/commercial district** can demonstrate through a parking study supplied by the applicant and approved by the ~~Planning Director~~ **Community Development Director** or designee that the peak parking demand for the mixed uses will be less than the sum of the parking spaces required for each use served, a reduction in spaces may be allowed.

(2) The approved joint use parking plan shall specify the typical hours of operation with anticipated periods of greatest parking demand for all uses within the development and shall indicate the number, location and convenience of pedestrian access of all spaces available to serve each use.

(3) The joint use parking plan shall remain on file with the ~~Planning and Zoning Department~~ **Town** for the purpose of monitoring the continued adequacy of available parking.

(4) At the time of joint use parking plan approval, or at any subsequent time when uses, intensities of use or hours of operation may be expanded or otherwise change, or upon findings that the parking facilities are inadequate, the ~~Planning Director~~ **Community Development Director**, or designee, may require additional site area to be provided, and as necessary, improved to supply additional parking facilities.

(5) **Joint use parking plans shall include the necessary perpetual cross-access and shared parking easements as required by the Town and recorded in a form approved by the Town**

Attorney. Any request for reduction of minimum required parking shall be substantiated by calculations based on Urban Land Institute (ULI) standards and in a manner acceptable to the Town.

(6) Off-site parking areas may be approved by the Community Development Director if the parking area is within three hundred feet of the associated business or use as part of a development plan when it can be demonstrated to be of benefit to the public interest.

IV. ~~150.160~~ PARKING STANDARDS FOR SINGLE FAMILY AND 2-FAMILY RESIDENTIAL USES.

(A) *Parking space location.* All residential parking spaces shall be paved or surfaced in a manner approved by the Town Engineer. Each residential unit shall have a driveway not less than 18 feet in length, as measured from the back of sidewalk. If no sidewalk exists, the driveway length shall be measured from the back of curb. ~~No part of any vehicle parked in the front yard of a single family or 2-family residence lot shall extend over the public right of way or sidewalk, pavement edge or street curb where no sidewalk exists; Nor shall any vehicle~~ shall be parked in a manner to encroach within the right-of-way or obstruct the sight visibility of a sidewalk or right of way in accordance with the Town's engineering standards. ~~within the area formed by a ten-foot by ten-foot triangle as measured, when the side property line is within five feet of a driveway or an improved parking surface located on an adjacent lot.~~

(B) *Parking space allocation and/or improvement standards.* Requirements and directions for the allocation, and design of parking spaces in all residential districts are described for various land uses in Subsection VI Parking Space Allocation Requirements.

(C) *Recreational Vehicle Storage.* Recreational vehicles, boats, and trailers shall be stored behind a solid six-foot wall with view obscuring gates. They may be located in front of a wall for a period not to exceed 72 hours for the purpose of preparing for travel or prior to storage.

V. ~~150.161~~ PARKING STANDARDS; CALCULATIONS.

Calculations to determine the required number of parking spaces, and the design of the space shall consider the following:

(A) Minimum standards for parking space allocation shall be subject to the requirements of this Development Code.

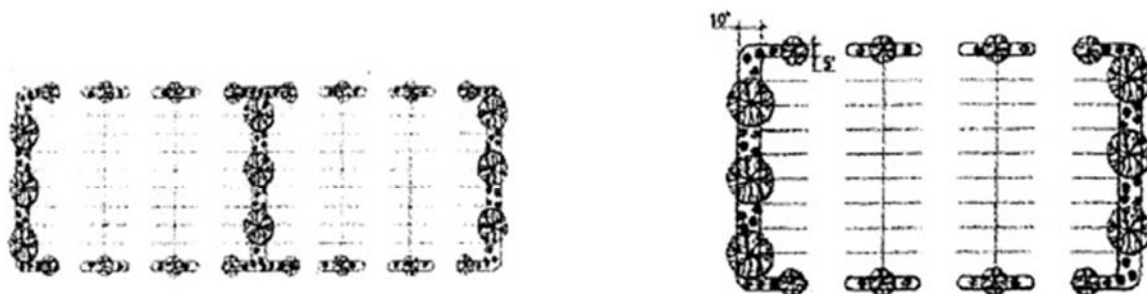
(B) The maximum number of parking spaces provided shall not exceed the minimum number of spaces ~~required plus~~ **required plus** and an additional 20% of parking spaces, except as otherwise provided in this Development Code, ~~without specific approval by the Community Development Director or designee.~~ **Parking spaces exceeding 120% of the minimum required may be approved at the discretion of the Planning and Zoning Commission through the design review process.**

(C) Parking lots shall be designed with a clear hierarchy of circulation with major access drives providing access from the major street, major circulation drives forming circulation through the parking area and parking aisles whose purpose is to provide access to parking spaces.

(D) ~~An agreement for~~ **An agreement for** Reciprocal access between adjacent commercial developments is required.

(E) Large parking lots shall be divided into a series of smaller lots of approximately 150 spaces each, using ~~raised~~ **landscape** island(s) at least ten feet in width, and at least ~~500~~ **380** square feet in total area, located along ~~the sides of the parking areas to separate~~ **break up** large expanses of parking areas. **A hierarchy of drive aisles shall be used to identify the primary on site circulation routes from secondary drive aisles that provide direct access and maneuvering for**

parking spaces. Walkways ~~should be considered~~ **may be located within** as a part of these landscape areas. ~~Raised~~ **Landscape strips islands** at least five feet wide and at least 95 square feet in total area, ~~should~~ **shall** be located **between spaces at regular intervals and** on the ends of parking rows, extending the full length of parking spaces.



Large Parking Lots

~~Additional landscape islands should be considered~~ **Diamond shaped tree planters shall be provided** in the interior of the individual parking areas to provide shade ~~and break up large expanses of parking area~~. **Diamond planters in multi-family, commercial, office, and industrial development shall be uniformly distributed between landscape islands. Such planters shall be a minimum of five feet square in size, oriented in a diagonal fashion, and shall occur at the following minimum frequencies:**

Frequency	Type of Development
One (1) island/twelve (12) spaces	Multi-Family Residential
One (1) island and two (2) diamond planters/fifteen (15) spaces	Commercial
One (1) island and two (2) diamond planters/fifteen (15) spaces	Office
One (1) island/twenty (20) spaces	Industrial

Parking lots with more than 20 spaces shall provide an equal number of landscape islands and planters as prescribed above. Refer to §150.138 for additional parking area landscape requirements. As part of design review, town staff shall review parking lot and landscape layouts to determine if they are in keeping with the requirements of this Development Code.

(F) Parking areas may be combined and share the required landscape buffers.

(G) Parking lots shall be separated from the sides of buildings by a raised walkway with a minimum width of six feet.

(H) All commercial, office, multi-family, and manufactured home developments shall provide a minimum six-foot wide sidewalk connection through the parking lot from the public right-of-way, or public sidewalk, where provided, to the building entry or interior sidewalk network.

~~150.162~~ ALTERNATIVE DESIGN STANDARDS.

(A) (I) To provide flexibility in design and development of projects, ~~alternative design standards~~ **additional parking spaces may be considered through the design review process.** ~~are provided.~~ The total number of parking spaces may be increased by 10% above the maximum **allowed** for each additional 2-1/2% increase in total landscape area, ~~exceeding in addition to the minimum required amount landscape area.~~ However, in no case may the total number of parking spaces be increased by more than 40% above the base maximum allowed.

(B) (1) In the case of fractional results in calculating parking requirements, the required number shall be rounded up to the nearest whole number if the fraction is 0.5 or greater.

(C) (2) All uses not specifically designated, or similar to a specified use, shall have parking space requirements determined by the ~~Planning Director~~ **Community Development Director, or designee.**

(D) ~~In multi-family, commercial and industrial districts, handicapped parking spaces shall be provided at the ratio of three spaces for the first 50 parking spaces provided, and one space for each 20 spaces thereafter.~~

~~VI. 150.163~~ PARKING SPACE ALLOCATION REQUIREMENTS.

<i>Use</i>	<i>Minimum Standards</i>
<i>Residential</i>	
Single residences, duplexes and detached dwellings	2 spaces per dwelling unit
Mobile home	1 space per unit
<i>Multiple residence and apartments</i>	
Efficiencies and studios	1 space per dwelling unit
One and 2 bedroom unit	1-1/2 spaces per dwelling unit
Two+ bedroom units	2 spaces per dwelling unit
All apartment developments with five or more units shall also provide guest parking and recreational vehicle parking	1 space per 10 dwelling units
Condominium and town homes	2 spaces per unit plus 1 guest space for each additional and 1 recreational vehicle park for each 10 units
Boarding house or similar facility	1 space per each 2 guest rooms plus 2 spaces for the dwelling unit
<i>Public assembly and schools</i>	
Churches and clubs, lodges and fraternal buildings, assembly halls, funeral homes, community centers, libraries, auditoriums and theaters	1 space for each 75 square foot of indoor floor area used for public assembly
Schools, kindergarten through ninth grade	1 space per 375 square foot indoor floor area

High schools, academies, colleges, universities, trade or vocational schools	1 space per 200 square foot indoor floor area
<i>Health care</i>	
Medical or dental offices and out-patient	1 space per 150 square foot indoor floor area clinics
Hospitals, nursing and convalescent homes	1 space per 400 square foot indoor floor area
Day nurseries	1 space per 375 square foot indoor floor area, but not less than 5
Retail and other commercial developments	1 space per 300 square foot floor area

<i>Use</i>	<i>Minimum Standards</i>
<i>Independent commercial buildings and uses</i>	
General offices and/or retail and services	1 space per 300 square foot floor area
General auto repair. Garage, service station, car wash and drive-through lubrication shops	1 space per 300 square foot floor area, including service bays, wash tunnels and retail areas
Hotel and motel	1 space per room or suite or rooms plus 1 space for each 25 rooms for truck trailers and recreational vehicles, the space is to be 10 feet by 75 feet
Restaurant and/or bar	1 space per 50 square foot floor area and outdoor seating area
Outdoor sales and service areas (car lots, plant nurseries, building supplies and the like)	1 space per 375 square foot indoor floor area, of sales and service building, but not less than 4 spaces per use
<i>Recreation</i>	
Bowling alleys	5 spaces per lane plus ancillary use requirements
Theaters	1 space for every 3 patron seats
Golf course	1 space per 2 practice tees in driving range plus 4 spaces per green plus ancillary use requirements
Miniature golf, amusement parks and water slides	1 space per 500 square foot outside recreation area
Health spas and/or clubs, gyms and tennis, handball, racquetball courts and/or clubs	1 space per 100 square foot indoor floor area, excluding courts, which require 2 spaces per court

Skating rinks and dance halls	1 space per 75 square foot gross floor area used for recreational activities and ancillary use requirements
<i>Industrial buildings and uses</i>	
Industrial buildings and uses	2 spaces for every 3 employees on the shift with the greatest number of employees
<i>Independent industrial buildings and uses</i>	
Warehouses	One space per 900 square foot floor area
Manufacturing	One space per 600 square foot floor area

Use	Minimum Required Spaces
Automobile Sales Lot - New or Used	1/200 SF of building plus 1/10 outdoor vehicle display spaces
Bowling Alleys	4/bowling lane + 1/employee on largest shift + 2/billiard table + 1/5 seats in visitor's gallery
Boarding House, Lodge or Similar Facility	1/guest room + 2/dwelling unit
Business or Vocational School	1/150 SF of Gross Floor Area
Child Care or Day Nursery	1/200 Sf of Gross Floor Area
Churches	1/4 fixed seats in main auditorium/sanctuary or 1/30 SF of floor area + 1/250 SF of office and classroom
Commercial / Retail	1/200 SF of Gross Floor Area
Community or Recreation Buildings	1/200 SF of Gross Floor Area
Dwellings	
Single-Family	2/dwelling unit
Duplexes or Detached Dwellings	2/dwelling unit
Townhouse	2/dwelling unit + 1 guest space for every 5 dwelling units
Manufactured Home	2/dwelling unit
Efficiency Units and Studios	1.5/dwelling unit
Multi-Family	2/ 1 and 2-bedroom dwelling units; 2.5/ 3 or more bedrooms + 1 guest space for every 55 dwelling units + 1 recreational vehicle space for every 10 dwelling units
Senior/Assisted Living Facilities	.75/ dwelling unit

Independent Living Facilities	1.25/dwelling unit
Elementary Schools, K-9th Grade	1/staff + 1/3 seats in public assembly
Funeral Homes and Mortuaries	1/3 seats in the viewing room + 1/30 SF of public assembly + 1/funeral service vehicle + 1/employee
Furniture Store	
Up to 10,000 SF	1/200 SF of retail floor area
10,001 SF or Greater	1/350 SF of retail floor area
Golf Course	
Public	1/200 SF of Gross Floor Area + 1/2 practice tees in driving range + 4/each green in play
Private/Semi-Private	1/200 SF of Gross Floor Area + 2/each green in play
Health Spa, Gyms, Tennis, Handball, Racquetball Courts and/or Clubs	1/100 SF of Gross Floor Area + 2/court of play
High Schools	1/each staff + 1/3 students + 1 visitor space for every 10 staff and student space
Hospitals	1/each bed + 1.5/employee during peak shift + 20 for emergency room services
Hotels and Motels	1/guest room or unit + 1/200 SF office + 1/each cleaning staff + 1-10'x75' truck space/15 units
Industrial	
Manufacturing	1/500 SF of Gross Floor Area
Warehouse	1/500 SF of Gross Floor Area
Garage, General Auto Repair, Service Station Car Wash w/o Convenience Store	1/300 SF of Gross Floor Area
Convenience Store with Gas Pumps	1/gas pump + 1/75 SF of Gross Floor Area
Office	
General	1/200 SF of Gross Floor Area
Medical	1/100 SF of Gross Floor Area
Financial Institution	1/200 SF of Gross Floor Area
Outdoor Sales, Plant Nursery, Building Supplies w/ Office	1/300 SF of Gross Floor Area

Restaurant, Cafes, Bars, Taverns	1/50 SF of Net Floor Area including outdoor seating areas (excludes hallways, restrooms, storage) + 100 linear feet of queuing for drive-thru window
Theaters, Auditoriums, and Similar	1/3 fixed seats or 1/400 SF + 1/employee on largest shift
Museums, Art Galleries, and Similar	1/200 SF of Gross Floor Area
Handicapped Space Requirements	
Multi-Family Dwellings, Commercial, Retail, Office, Manufacturing, Warehousing, Recreational Facilities	1/25 spaces of vehicle parking

(A) *Handicapped Parking.* Handicapped parking shall comply with the requirements of the Americans with Disabilities Act, including all regulations adopted pursuant to that act, and to the following:

1. Each public and private parking lot is required to provide a minimum of one van accessible (handicap) parking space, of the minimum required accessible parking spaces as prescribed by the Americans with Disabilities Act.
2. Accessible parking spaces must be the closest spaces to the building's accessible entrance.
3. An accessible aisle must connect directly to the accessible route.
4. Accessible parking spaces and parking aisle must be level with no slope greater than 1:50.
5. All accessible parking spaces shall be designated with an unobscured vertical sign that shows the universal symbol of accessibility and references A.R.S. §28-881 et seq.
6. (D) In multi-family, commercial and industrial districts, handicapped parking spaces shall be provided at the ratio of three spaces for the first 50 parking spaces provided, and one space for each 20 spaces thereafter.

VII. ~~150.164~~ OFF-SITE STREET LOADING REQUIREMENTS.

(A) *Minimum loading space.* Commercial and industrial uses requiring delivery shall observe minimum loading space accommodation **within this section including required number of berths.**

(B) *Spaces required.* Every hotel, restaurant, department store, freight terminal or railroad yard, hospital or sanitarium, industrial plant, manufacturing establishments, retail establishment, storage warehouse or wholesale establishment and all other structures devoted to similar mercantile or industrial pursuits which has an aggregate gross floor area of **10,000**~~15,000~~ square feet or more, shall provide off-street truck loading or unloading berths in accordance with the following table:

<i>Square Feet of Aggregate Gross Floor Area Required</i>	<i>Required Number of Berths</i>
Building greater than 10,000 15,000 square feet up to and including 40,000 square feet	1
40,001 square feet up to 100,000 square feet	2
100,001 square feet up to 160,000 square feet	3
160,001 square feet up to 240,000 square feet	4
240,001 square feet up to 320,000 square feet	5
320,001 square feet up to 400,000 square feet	6
400,001 square feet up to 490,000 square feet	7
Each additional 100,000 square feet	1 additional

(C) Any office building 100,000 square feet or larger shall have at least 1 off-street loading berth.

150.165 STANDARDS FOR OFF-STREET LOADING FACILITIES.

~~—All off-street loading facilities shall conform to the following standards:~~

(~~A~~ **D**) *Dimensions.* Unless otherwise specified in these zoning regulations, berths required shall be at least 45 feet in length and all loading berths shall be at least 12 feet in width and 14 feet in height, exclusive of aisle and maneuvering space.

(~~B~~ **E**) *Locations.*

(1) The space may occupy all or any part of any required yard space, except front and side yards, and shall not be located closer than 50 feet to any lot in any residential zone unless separated from the zone by a screening wall with a height of eight feet, a 20-foot landscape buffer with at least 50% of the view obscured by evergreen plant material or a combination of the above as approved by the ~~Planning Director~~ **Community Development Director or designee** or the Planning and Zoning Commission.

(2) Sufficient room for turning and maneuvering vehicles shall be provided on the site so that vehicles shall cross a property line only by driving forward. Driving over curbs or pavement rails is prohibited.

(3) Each loading berth shall be accessible from a street or alley or from an aisle or drive connecting with a street or alley, without traversing a residential district.

(4) Off-street loading facilities for a single use shall not be considered as providing required off-street loading facilities for any other use.

(5) If more than one use is located on a site, the number of loading berths provided shall be equal to the sum of the requirements prescribed in this Development Code for each use.

(6) ~~If more than one use is located on a site and~~ For sites with multiple tenants or uses, the total aggregate floor area of all uses shall be computed together to determine the minimum number of ~~the gross floor area of each use is less than the minimum for which loading berths are required but the aggregate gross floor area is greater than the minimum for which~~ loading berths are required. Off street loading berths shall be provided as if the aggregate gross floor area were used for the use requiring the greatest number of loading berths.

150.166 IMPROVEMENT STANDARDS.

(~~A~~ F) The loading area, aisles and access drives shall be paved and maintained to provide a durable, dustless surface and shall be so graded and drained to dispose of surface water without damage to private or public properties, streets or alleys.

(~~B~~ G) Bumper rails shall be provided at locations where needed for safety or to protect property.

(~~C~~ H) The loading area is to be illuminated and lighting shall be deflected away from the abutting residential site so as not to cause glare. Refer to Section 150.090 for additional lighting requirements.

150.167 COMPLIANCE.

(A I) Off-street loading facilities shall be located on the same site with the use for which the berths are required.

(~~B~~ J) ~~Proposed changes of use or enlargement of a site or structure shall be required to~~ At the time of initial occupancy, major alterations or enlargement of a site, or of completion of construction of a structure or of a major alteration or enlargement of a structure, there shall be provided by the owner, furnish a calculation report of identifying the required number off-street loading berths requirements with the Site Plan Design Review application. The number of loading berths provided for a major alteration or enlargement of a site or structure shall be in addition to the number existing prior to the alteration or enlargement.

(~~C~~ K) Space allocated to any off-street loading berth shall not be used to satisfy the space requirements for any off-street parking facility.

(~~D~~ L) No regular repair work or servicing of vehicles shall be conducted in a loading area.

VIII. DIMENSIONS AND CIRCULATION

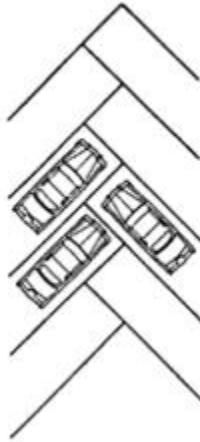
(A) *Parking Spaces.* Each parking space shall contain a rectangular area at least nineteen feet long (including a maximum of an eighteen-inch overhang) and nine feet wide.

(B) *Parking Aisles.* Parking aisle widths shall conform to the following table, which varies the width requirement according to the angle of parking:

	Parking Angle				
	90°	60°	45°	30°	0°
	Required Aisle Width				

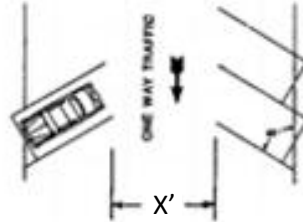
One-Way Traffic	24 ft.	18 ft.	13 ft.	12 ft.	13 ft.
Two-Way Traffic	24 ft.	23 ft.	21 ft.	20 ft.	19 ft.

Interlocking or Herringbone

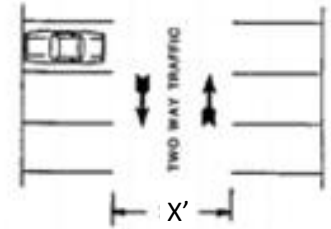


Not Permitted Design

ANGLED



PERPENDICULAR



Permitted Designs

(C) *Commercial Parking Areas Adjacent to Residential Districts.* Commercial parking areas adjacent to residential districts and not separated by a public street shall have installed and maintained a solid decorative masonry wall six feet in height on the commercial district boundary line. This solid decorative masonry wall shall be reduced to four feet in height when located within the front yard area of the property abutting a residential district.

(D) *Driveways.* Driveways shall be provided only at locations approved by the Town Engineer. Driveways shall not be located less than thirty feet from any street intersection.

(E) *Passenger Drop-Off Points.* Drop-off points separated from street traffic and readily accessible without hazardous maneuvering, shall be provided in conjunction with the following uses: hotels, motels, hospitals and clinics, educational facilities with fifty or more pupils, daycare centers, religious facilities with one hundred or more seats, transit terminals, major recreational facilities, commercial airports, public buildings and offices and financial services.

(F) *Access and Maneuvering for Fire and Refuse Trucks.* Parking lots shall have the necessary dimensions for the on-site maneuvering of refuse vehicles and fire trucks.

IX. ELECTRIC VEHICLE PARKING

(A) Application

The Electrical Vehicle parking standards established in this section are intended to promote sustainability and alternative transportation practices.

(B) Designation of Electric Vehicle parking space

- (1) Parking lots containing 20 or more spaces, serving multiple unit dwellings, , or located within 100 feet from a highway or major arterial street shall include the installation of conduits to at least one percent of parking spaces in anticipation of a

need for Electric Vehicle Charging Stations. Fractional parking space amounts shall be rounded up to the nearest whole number.

- (2) *Signs or Markings.* Upon designation of a parking space or spaces for the exclusive use of Electric Vehicles (a) Signs or markings shall be placed to give adequate notice that the parking space or spaces are restricted and to be used only for Electric Vehicles.





TOWN OF FLORENCE

Community Development Department

MEMORANDUM

To: Honorable Mayor Walter and Town Councilmembers
Through: Brent Billingsley, AICP, CFM
Town Manager
From: Community Development Department
Date: February 28, 2019
Re: March 4, 2019 Council Agenda Item 8.a:
Ordinance No. 668-19: Parking Code Amendment

The purpose of this memorandum is to provide additional background in response to questions posed during the Council's first reading of this agenda item on February 19, 2019. Below, please find the Councilmembers questions listed in bold, followed by staff research and recommendations shown in italics.

- 1) **Vice Mayor Anderson – This amendment provides no requirement for number of ingress and egress to a development.**

Response:

2006 Fire Code Chapter 5 provides for "Fire Apparatus Access Roads"

Section 502.1 Definitions

"Fire Apparatus Access Road" is a road that provides fire apparatus access from a fire station to a facility, building or portion thereof. This is a general term inclusive of all other terms such as fire lane, public street, private street, parking lot lane and access roadway.

Section 503 – Fire Apparatus Access Roads

Section 503.1.1 Buildings and Facilities. Approved fire apparatus access roads shall be provided for every facility, building or portion of a building hereafter constructed or moved into or within the jurisdiction. The fire apparatus access road shall comply with the requirements of this section and shall extend to within 150 feet of all portions of the facility and all portions of the exterior walls of the first story of the building as measured by an approved route around the exterior of the building or facility.

Section 503.1.2 Additional access. The fire code official is authorized to require more than one fire apparatus access road based on the potential for impairment of a single road by vehicle congestion, condition of terrain, climatic conditions or other factors that could limit access.

In summary, when exterior portions of a structure are greater than 150 feet from a roadway or fire access road/route, the fire marshal is authorized to require more than one fire apparatus access road based on the potential for the primary vehicle ingress/egress to become inaccessible for any reason.

- a. Stated that (§II.E) bituminous material and binder paving (aka wrap) as listed, may have recycled materials such as gas, oil and other environmentally hazardous materials and cause a negative environmental impact**

Response: Staff proposes the following revision to Section II.E –

*(E) All parking and loading spaces, maneuvering areas, driveways and fire lanes shall be paved with asphaltic concrete; pavers; cement concrete; ~~penetration treatment of bituminous material and seal coat of bituminous binder and a mineral aggregate;~~ and/or a stabilization method approved by the Town **Engineer**. Through the site plan and design review process, the Town may permit up to 20 percent of the required parking to be of a pervious surface to reduce heat-island and run-off effects. All parking surfaces must be designed to a sufficient thickness to withstand repeated vehicular traffic and receive approval from the Town Engineer.*

- b. §III.(B) – States the Town cannot hold the lessee accountable, it has to be the property owner.**

Response: The existing code text states “it shall be the joint and separate responsibility of the lessee and owner of the principal use...” I agree with text as written to notify and bring to the attention of both parties. A tenant / lessee should be notified of any potential violations on the property they occupy in hopes to expeditiously remediate the violation. Staff is aware that the property owner is ultimately the subject of the violation and any ensuing penalties. However, providing the lessee with notification of a violation may gain compliance should the violation be due to their use of the property. Inversely, if the violation is the cause of the owner’s negligence, lessee may be affected and motivated to assist in remediating the violation.

- c. Where is “grandfathered” defined?**

Response: “Grandfathered” is a general term used to denote a pre-existing use or structure that was lawfully established under a prior code, and is no longer lawfully permitted under the current codes or ordinances. Another way we say this is “Legal non-conforming” use or structure, meaning it is a lawfully permitted structure or use established under a previous code at a time when the structure or use was permissible, but due to changes in development standards or codes, would not be permitted under the current code. The administrative section of the Development Code prescribes how these legal non-conforming uses and structures are treated should the owner wish to modify or expand the use or structure under the current codes:

§ 150.005 COMPLIANCE.

No building or land shall be devoted to any use other than a use permitted in the zoning district in which the building or land shall be located, with the exception of the following:

- (A) Uses lawfully established as of the effective date of this comprehensive amendment;*

- d. Why not have a separate code for all of these definitions?**

Response: Aside from the existing and proposed Sign Codes, the second section of the Development Code / Zoning Ordinance establishes 150.031 “Definitions”, which applies to the code in its entirety, unless otherwise specified.

e. Change name on list of uses “Church” to assembly buildings or something else

Response: Staff has reviewed peer community codes and found the following:

<i>Existing Code –</i>	<i>Church; Place of Worship or Religious Assembly (Medical Mar.)</i>
<i>Proposed Code –</i>	<i>Church; religious facility</i>
<i>Maricopa –</i>	<i>Church; Religious Facilities</i>
<i>Pinal County –</i>	<i>Church; Religious Facilities</i>
<i>Gilbert –</i>	<i>Place of Worship</i>
<i>Chandler –</i>	<i>Churches; Places of Religious Worship; Religious Facilities</i>
<i>Queen Creek –</i>	<i>Religious Assembly; Religious Institutions</i>

The existing Development Code has several references to the term “Church” as a use in various areas of the code. Amending the parking code reference of “Church” would create an inconsistency with the remaining Development Code. Staff is in process of preparing an overall “clean-up” of the Development Code, including addressing conflicts of terminology for uses. Staff recommends addressing this change in terminology with the overall clean-up of the Development Code to ensure all references are used consistently.

2) Larsen – §III.C.1 requires a 3’ screen wall to screen parking areas from the street and adjacent residential development. Why require berms and screen walls adjacent to parking areas? Is this a code we are enforcing and why do some developments, such as Safeway and the Grille not have a screen wall?

Response: Yes, Staff enforces the Development Code. Staff recommends retaining the current text requiring screen walls for parking areas. A review and comparison with peer communities is as follows:

*Existing Code –
Requires parking areas to be screened from streets and residences by a 3’ wall or wall in combination with earthen berms, and landscape is required.*

*Proposed Code –
No change from existing code*

*Maricopa –
Required 3’ to 3.5’ with combo of berming and vegetative materials. The code is involved, Refer to Section “Screening” 401.11 E. for additional details*

*Pinal County –
Section 2.140.030
B. Where a parking area for a business or industrial use adjoins or is within a residential zone, there shall be a solid wall of masonry or other approved fireproof material, at least four feet in height, along the boundaries adjoining residence lots, except that adjoining the front yard of a residence lot, said wall shall be three feet six inches in height.*

C. Anywhere a wall is required, a minimum landscaped yard of five feet shall be provided between the wall and the parking area.

Gilbert –

Section 4.2012 Screening, Landscaping and Lighting

A. Screening. Parking areas, automotive fuel pump islands, and parking access aisles parallel to and within 75 feet of rights-of-way shall be screened from view from those rights-of-way, public parks and public buildings by fences. Landscaping or berming may substitute for fences up to a maximum of 25 percent of the length of the fence.

(See entire code for additional standards)

Chandler –

Section 35.1903 – Landscaping

(c) 8. Parking lot screening: When parking areas abut a front yard or road frontage landscaped area, such parking area shall be screened with a decorative masonry wall(s) and earth berm(s) ranging between thirty (30) and forty-two (42) inches in height. Horizontal and vertical variation in the design of screening wall is required whenever linear alignments exceed eighty (80) feet.

Tree, shrub and ground cover planting shall be as required in paragraph 5., "Front yard/street right-of-way areas," listed above.

Queen Creek –

See "Fencing and Walls" Section 5.2 D.3 - Parking areas adjacent to the required front yard shall provide a decorative screen wall or landscape berm or combination thereof to a height not to exceed three feet (3') in order to adequately screen the undercarriages of the parked vehicles. Parking lot screen walls shall also be subject to the design provisions set forth in Section 5.2.A.15 & 16 above.

- a. Concern over cost to construct a parking lot screen wall on sites with a long frontage. Seems to be a potential financial burden to the developer.**

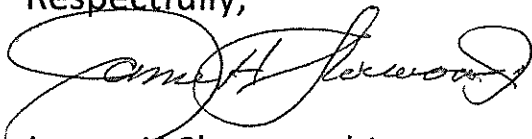
Response: Per the above research and industry experience, parking lot screening and landscaping is common place and a widely accepted cost of development.

Lisa Garcia
Deputy Town Manager/
Town Clerk
775 N. Main St.
PO Box 2670
Florence, Arizona
85132

I am submitting this letter as a request to address the Town Council on April 15, 2019. I would like to address them prior to any action they may take on proposed Ordinance 668-1.9 sec IV-C.

Your consideration and approval is appreciated.

Respectfully,



James H Sherwood Jr

570 N. King St
PO Box 269
Florence, Arizona
85132
520-560-3749
520-868-5271

Parking Code Text Amendment

Town Council
Public Hearing

Ordinance No. 668-19

(Case #PZ-18-34-TA)

February 19, 2019



Why update off-street parking and loading regulations?

- Last update was 2006
- Need for flexibility to effectively serve various scenarios
- Establish minimum design standards
- Changes in technology and development patterns



Amendment Timeline

- May 17, 2018 Planning and Zoning Commission Code Amendment Initiation
- June 21, 2018 Planning and Zoning Commission Discussion
- Sept. 20, 2018 Planning and Zoning Commission Work Session
- Oct. 18, 2018 Planning and Zoning Commission Work Session
- Nov. 15, 2018 Planning and Zoning Commission Review/Discussion
- Dec. 4, 2018 Neighborhood Meeting (5-6:30PM Community Center)
- Dec. 20, 2018 Planning and Zoning Commission (public hearing)
- Jan. 2, 2019 Historic District Advisory Committee Review/Discussion
- Jan. 17, 2019 Planning and Zoning Commission (public hearing and action)
- Feb. 19, 2019 Town Council (public hearing and 1st reading)
- *March 4, 2019 2nd Town Council (action)



Overview of Changes

- Existing parking is grandfathered, these changes only affect new requests
- Historic District is unique
- Expand the terms & definitions related to parking areas
- Create flexibility in the existing parking requirements
- Update existing standards to reflect best practices and new technologies
- Enhance parking facilities and maintenance responsibilities



Flexible Parking Regulations

- Reduced requirements for parcels with parking areas of 20 spaces or less
- Increase the maximum allowable parking spaces at the Town's discretion
- Portions of parking areas may now be pervious



Updated Parking Standards

- Number of required spaces based on use
- Landscape islands for shade and visual enhancement



Updated Parking Standards

- Dimensions of parking entrances, drive aisles, and parking spaces.
 - Reduced minimum curb cut from 40' to 32'
 - Access and Maneuvering for Fire & Refuse
 - Parking & Drive Aisle dimensions

	Parking Angle				
	90°	60°	45°	30°	0°
	Required Aisle Width				
One-Way Traffic	24 ft.	18 ft.	13 ft.	12 ft.	13 ft.
Two-Way Traffic	24 ft.	23 ft.	21 ft.	20 ft.	19 ft.

Updated Parking Standards

- Off-site & Joint Use parking expanded
- RV & Trailer storage on residential lots
- ADA space requirements
- Electric Vehicle provisions




Enhanced Facilities and Maintenance

- Changes of use on a site requiring $<10\%$ parking increase or <20 spaces are exempt from parking code improvements
- Maintenance responsibilities
- Timeliness of parking improvements for new or expanded uses



Discussion & Questions



	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 12c.
MEETING DATE: April 15, 2019 DEPARTMENT: Administration STAFF PRESENTER: Lisa Garcia, Deputy Town Manager SUBJECT: Cuen Building		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <div style="margin-left: 20px;"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading </div> <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input checked="" type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnerships and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Rescind the order for demolition of the Cuen Building and instructing the Town Manager to take all action necessary to advertise the Cuen Building for public auction in accordance with A.R.S. § 36-1480 Disposal of Property in redevelopment project area. (Lisa Garcia)

BACKGROUND/DISCUSSION:

Evidence suggests that the building was originally built as a residence and shop by Francisco Cuen. This brick and adobe then housed Florence's first telephone exchange.

As initially constructed, the building was L-shaped, with two wings. The building interior was extensively remodeled in 1910 for use as Florence's first telephone office. At about this time, the structure's 11th Street wing was shortened. The building continued in use as the Town's telephone exchange until after 1941. By 1960, it had become the office of attorneys Tom Fulbright and Ernest McFarland. Fulbright, a prominent Florence lawyer, served as Pinal County District Attorney and later as Attorney for the Town of Florence. For the past few decades, the building has been unoccupied and continually deteriorating.

Unfortunately, multiple penetrations into the building have allowed the elements to accelerate deterioration (bricks, plaster, adobe, etc.) and permitted pigeons to roost in the building. The north wall, roof and chimney cannot be saved. The building is completely gutted inside. Beyond structural concerns, these conditions present aesthetic and other

negative impacts that are repeatedly noted by downtown visitors and patrons of the Fitness Center.

On October 7, 2013, the Mayor and Council of the Town of Florence accepted the donation of the Cuen building from Langley Momentum Historical, LLC. A 2013 external and internal assessment of the facility with Town staff and Swan Architects confirmed that action was needed to demolish, stabilize, rehabilitate or re-construct the subject building. When staff discussed the options for this building with the Historic District Advisory Commission (HDAC) and the Town Council in 2014, staff was directed to hold off on the building demolition while the Town sought other options. Per Town Code, in order to proceed with a demolition permit for any structure within the Historic District, a demolition permit needs to be reviewed by the HDAC.

The Town of Florence auctioned the building by sealed bid to Steven Smallridge. The reversion clause provided that if the property owner did not meet successfully stabilize the building and obtain a Certificate of Occupancy the ownership of the building would revert back to the Town of Florence. After several construction extensions the property owner restored ownership to the Town of Florence.

At the September 4, 2018 Town Council meeting, the Mayor and Town Council took the following action:

- On motion of Councilmember Guilin, seconded by Councilmember Wall, and carried (7-0) to direct staff to contact consultants who had prepared the plans for restoration to determine the cost to improve the Cuen Building, to obtain a Certificate of Occupancy, and add to the Town's CIP Project List.

Per Council's direction, staff contacted the architectural firm of Reece and Rowe Architects (RRA). This firm specializes in historic building rehabilitation and previously worked on several structures in downtown Florence, including the Cuen Building. Stephanie Rowe, principal at RRA, met with representatives of Town Staff on-site on October 24, 2018, to assess the current status of the structure and evaluate any work that had been completed by the previous holder of the property.

During this site visit, it was readily apparent that additional deterioration had occurred, and certain inappropriate improvements were contributing to that situation. The on-site visit noted that:

- the roof was further compromised by several years of rain seepage and subsequent wood rotting;
- an interior adobe divider wall had been partially removed and the remaining wall was further compromised;
- an inappropriate cement mortar was used in place of stucco on various locations of the interior walls that will ultimately have to be removed and any damage caused by that material would have to be corrected;
- there were limited exterior wall 'bowing' and accompanying incomplete window sets; and

- there were other miscellaneous issues found throughout the structure.

Ms. Rowe followed-up the visual inspection with an estimate of her services to modify previous architectural plans for rehabilitation to cover items discovered during the on-site visit. A basic fee proposal of \$10,850 was submitted to update the plans, which does not include several items that she would not be able to estimate until certain specialized inspections take place. Staff anticipates that those extras could add an additional \$3,500-\$4,000 to the cost of updating the plans.

Subsequent to the submittal of the fee proposal, staff had a discussion with Ms. Rowe to determine an estimate for the rehabilitation of the approximately 1,000 square foot structure. It is estimated that that cost will run approximately \$250-\$300 per square foot, meaning the cost for rehabilitation of the Cuen Building is likely between \$260,850 to \$314,850.

Discussion on viability of the project based on square footage, cost, and end use of the building is important. Staff reached out to the bidders on the Kokopelli Demolition project and requested a quote for also demolishing the Cuen building. At the March 4, 2019 meeting, based on the information presented, Council voted to include the Cuen building as part of the demolition project.

At the April 4, 2019 meeting Tom and Lynn Smith provided comments that they were interested in investing to save the Historic Cuen building. Since that meeting the following has occurred.

- Staff toured the Cuen building with the Smith Family
- Staff held a meeting with the Smith family and Stephanie Rowe to discuss details of the potential restoration.
- Staff and the Smith family reached out to schedule a meeting with the McFarland Foundation attorney.
- Staff reviewed a timeline with the Smith family and discussed terms of the Bid Process.

The bid documents are attached for Council review. The bid documents will be updated after the April 15, 2019 meeting and published in the local paper beginning April 25, 2019. Sealed bids will be due on May 28, 2019. Council award of bid is scheduled for June 3, 2019.

A VOTE OF NO WOULD MEAN:

A no vote would mean the Town would proceed with the demolition of the Cuen building.

A VOTE OF YES WOULD MEAN:

A yes vote would mean that the Town Council rescinds the order to demolish and instructs staff to advertise for a public auction.

FINANCIAL IMPACT:

Demolishing was estimated to be greater than \$10,000. The cost of advertising as well as a time investment for staff to participate in the process to ensure the Council objectives are met.

ATTACHMENTS:

Bid Document

Town of Florence



News Release

April 25, 2019

For Immediate Release

Contact: Lisa Garcia (520) 868-7552

Town to Accept Bids for Cuen Building located at 145 N. Main Street, Florence, AZ

The Town of Florence is auctioning the property located at 145 North Main Street (Assessor Parcel Number 200-49-0730). Due to the unstable nature of the building, the Town of Florence will not hold an open house. The building is approximately 1,320 square feet, with approximate dimensions of 31 feet by 42.58 feet. The building is located at the southeast corner of Main Street and 11th Street.

The building is considered an important part of the Florence Historic District. The successful bidder must work with the Town of Florence, and particularly the Community Development Department and the Historic District Advisory Commission on the stabilization and renovation of the historic building located within the Town of Florence Historic District.

The Town of Florence will issue deed restrictions with conveyance subject to Reverted on the subject parcel as follows (along with additional reversion terms deemed necessary by the Town Council):

Phase 1: The subject building must be stabilized within one year of the successful bidder taking title to the building. A one-time thirty-day extension to complete the stabilization may be granted by the Town. Extensions will be granted upon special circumstances authorized by the Town of Florence. Stabilization, at a minimum, shall mean that the building is considered structurally safe and sound though not yet ready for occupancy; the building is generally weather-proofed; the pigeon infestation is adequately addressed; windows and doors on the building are exposed; and exterior walls and roof are repaired, surfaced and painted.

Phase 2: The complete renovation/rehabilitation of the subject building must be completed within two years of the successful bidder

taking possession of the building. A one-time 60-day extension to complete the renovation/rehabilitation may be granted by the Town. Extensions will be granted upon special circumstances authorized by the Town of Florence. Renovation/rehabilitation shall mean that the subject structure is brought to a condition where the subject building could be occupied.

If the deed restrictions are not met, the ownership of the building and all improvements to the building will revert to the Town of Florence. The Town Council may require additional deed restrictions it deems necessary in its sole discretion.

The Town is accepting sealed bids from now until May 28, 2019, at 11:00 am. The minimum acceptable bid price is \$5 (USD) due to the savings the Town receives by not demolishing the Cuen Building. The award of the purchase may go to the highest and most responsible bidder as determined by the Town Council in its sole discretion and may be determined at the June 3, 2019 Florence Town Council meeting.

In the event that two or more bidders submit a high bid with identical dollar amount the Town of Florence shall determine which bidder shall be awarded the property by determination of the Town Council in its sole discretion. The decision of the Town of Florence on who to award the property to shall be final.

Anyone interested in bidding on the property can view the full bid package on the Town's website at florenceaz.gov. For questions about the process, please contact Lisa Garcia, Deputy Town Manager/Town Clerk, at (520) 868-7552.



REQUEST FOR BIDS

The Town of Florence will accept sealed bids at the office of the Town Clerk; 775 North Main Street, Florence, Arizona until 11:00 a.m. MST on May 28, 2019, for the purchase of the commercial property located at 145 N. Main Street, Florence, Arizona. The property, which is located within the Town of Florence Historic District, is known as the Cuen Building. The building is approximately 1,320 square feet, with approximate dimensions of 31 feet by 42.58 feet. The building is located at the southeast corner of Main Street and 11th Street (Assessor Parcel Number 200-49-0730). The minimum bid price accepted is \$5; certified check for full purchase price is required, no alternative types of bids will be accepted (i.e. services or materials in place of cash).

Bid envelopes must be clearly marked on the outside lower right hand corner:

Sealed Bid of (Submitter's Name)
Property Sale – APN 200-49-0730

It is anticipated that bids will be considered at the Town Council meeting on June 3, 2019. The award of the property may go to the highest and most responsible bidder as determined by the Town Council in its sole discretion. The Council reserves the right to reject any and all bids for any reason. Anyone interested in bidding on this property may obtain a full bid package at the following location:

Florence Town Hall
Town Clerk's Office
775 N. Main Street
Florence, Arizona 85132

In the event that two or more bidders submit a high bid with identical dollar amount the Town of Florence shall determine which bidder shall be awarded the property by a determination of the Town Council in its sole discretion. The decision of the Town of Florence on who to award the property to shall be final.

Bids must be submitted on the Proposal Form provided in the bid package and must be accompanied by a cashier's check payable to the Town of Florence, Arizona, for one hundred percent of the total bid amount.

Bidder shall comply with all federal, state, and local nondiscrimination statutes in the operation, implementation and delivery of its bid, including state and federal civil rights and disabilities laws.

Please note that, prior to the transfer of title, the Town of Florence will issue deed restrictions with conveyances subject to Reverter on the subject parcel as follows (along with additional revision terms deemed necessary the Town Council):

Phase 1: The subject building must be stabilized within one year of the successful bidder taking title to the building. A one-time thirty-day extension to complete the stabilization may be granted by the Town. Extensions will be granted upon special circumstances authorized by the Town of Florence. Stabilization, at a minimum shall mean that the building is considered structurally safe and sound though not yet occupiable; the

building is generally weather-proofed; the pigeon infestation is adequately addressed; windows and doors on the building are exposed; and exterior walls are repaired, surfaced and painted.

Phase 2: The complete renovation/rehabilitation of the subject building must be completed within two years of the successful bidder taking possession of the building. A one-time 60-day extension to complete the renovation/rehabilitation may be granted by the Town. Extensions will be granted upon special circumstances authorized by the Town of Florence. Renovation/rehabilitation shall mean that the subject structure is brought to a condition where the subject building could be occupied.

If the deed restrictions are not met, the ownership of the building and all improvements will revert to the Town of Florence. The Town Council may require additional deed restriction if deems necessary in its sold discretion.

Published Florence Reminder April 25, 2019, May 2 and May 9, 2019.

Town of Florence
Property Sale
Request for Bids

The Town of Florence is offering a parcel of real property for sale by sealed bids. The commercial property located at 145 N. Main Street, Florence, Arizona. The property, formally known as the Cuen Building, is located within the Town of Florence Historic District. The building is approximately 1,320 square feet, with approximate dimensions of 31 feet by 42.58 feet. The building is located at the southeast corner of Main Street and 11th Street. (Assessor Parcel Number 200-49-0730).

The property is offered for sale under the following conditions:

1. The property is being sold where is, as is, without warranties, or title insurance.
2. The Buyer is responsible for any and all escrow, title insurance, and other closing costs.
3. The minimum acceptable purchase price is \$5 (USD).
4. Each bid shall contain a cashier's check made payable to the Town of Florence in the full amount of the bid. The Town will hold all checks, without cashing, until the Town Council has accepted a bid. At that time, the check from the winning bidder will be cashed and the remaining checks will be returned to bidders.
5. The Town will issue a Special Warranty Deed with Reverter deed to the successful bidder upon approval of the Town Council. The Town will record the Special Warranty Deed with Reverter deed with the Pinal County Recorder's Office.
6. The Deed will have at a minimum the following deed restrictions:
 - a. Phase 1: The subject building must be stabilized within one year of the successful bidder taking title to the building. A one-time thirty-day extension to complete the stabilization may be granted by the Town. Extensions will be granted upon special circumstances authorized by the Town of Florence. Stabilization, at a minimum shall mean that the building is considered structurally safe and sound though not yet occupiable; the building is generally weather-proofed; the pigeon infestation is adequately addressed; windows and doors on the building are exposed; and exterior walls are repaired, surfaced and painted.
 - b. Phase 2: The complete renovation/rehabilitation of the subject building must be completed within two years of the successful bidder taking possession of the building. A one-time 60-day extension to complete the renovation/rehabilitation may be granted by the Town. Extensions will be granted upon special circumstances authorized by the Town of Florence.

Renovation/rehabilitation shall mean that the subject structure is brought to a condition where the subject building could be occupied.

- c. If the deed restrictions are not met, the ownership of the building and all improvements will revert to the Town of Florence.
 - d. The Town Council may require additional deed restrictions it deems necessary in its sole discretion.
7. The bid shall be on the form enclosed in this package.
 8. Each bid shall be in a sealed envelope with the envelope clearly marked: Sealed Sealed Bid of (Submitter's Name) Property Sale – APN 200-49-0730.
 9. All bids shall be received by the Town of Florence Clerk no later than 11:00 a.m. MST on May 28, 2019. At such time bids will be publicly opened and read aloud. Any bid received after this time will be returned unopened to bidder.
 10. The Town of Florence reserves the right to reject any and all bids or to waive any informality in the bidding process.
 11. In the event that two or more bidders submit a high bid with identical dollar amount the Town of Florence shall determine which bidder shall be awarded the property by determination of the Town Council in its sole discretion. The decision of the Town of Florence on who to award the property to shall be final.
 12. The Town of Florence may also reject all bids if there is a tie in the low bid amount submitted.

	<p>TOWN OF FLORENCE P O Box 2670 775 N. Main Street Florence, AZ 85132 520-868-7552 www.florenceaz.gov</p>	<p><u>Bidder No.</u></p>
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AUCTION BID FORM
Property located at 145 N. Main Street

In compliance with the Request for Bids, the undersigned bidder Agrees that the property being sold is "Where is, As is", and will be conveyed by a Special Warranty Deed with reverter with restriction set out there in, the deed will contain no warranties whatsoever.


Bidder declares that a cashier's check made payable to the Town of Florence for the total bid amount is included in the bid.

Therefore, I the undersigned, offer to pay the following to the Town of Florence, to purchase parcel identified as Pinal County Assessor Parcel No. 200-49-0730:

\$ _____

PERSONAL INFORMATION	
Name:	
Organization (if applicable):	
Physical Address:	
Mailing Address:	
City, State, Zip:	
Home Phone Number:	Cell Phone Number:
Email Address:	
:Signature:	Date
<p>By submitting the bid, the bidder understands and accepts the deed restrictions and any other deed restrictions and reversionary restrictions required by the Town of Florence Town Council.</p>	

DRAFT

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 13a.
MEETING DATE: April 15, 2019 DEPARTMENT: Public Works STAFF PRESENTER: Chris Salas, Public Works Director SUBJECT: Resolution No. 1694-19: Dedication of Right-of-Way in Vista Hermosa		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input checked="" type="checkbox"/> Partnership and Relationships <input checked="" type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Motion to adopt Resolution No. 1694-19: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ACCEPTING A PORTION OF THE STREETS WITHIN VISA HERMOSA COMMUNITY, ARIZONA BOULEVARD FROM THE TOWN'S WEST PROPERTY LINE TO THE INTERSECTION OF IOWA AVENUE, IOWA AVENUE FROM THE ARIZONA BOULEVARD INTERSECTION TO THE NORTH EDGE OF THE ROAD INTO THE TOWN OWN WATER FACILITY FOR PUBLIC ACCESS, CIRCULATION, ROADWAY AND PUBLIC UTILITY PURPOSES AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

BACKGROUND/DISCUSSION:

Vista Hermosa Home Owners Association completed all necessary repairs to bring the area streets to Town Standards. The Public Works Department completed an onsite inspection and approved the standard of the streets.

Vista Hermosa Home Owners Association held a Home Owners Election and received an adequate number of votes to request the Town take ownership of the streets. The records indicate that 85% of the homeowners voted in favor of the Vista Hermosa Home Owners Association special ballot issue.

The streets that the Town are accepting are the access points to the Town of Florence water tanks.

A VOTE OF NO WOULD MEAN:

That Council has rejected Vista Hermosa's request to have Town assume future responsibilities of roads outlined on map.

A VOTE OF YES WOULD MEAN:

That Council accepts Vista Hermosa's request to have Town assume future responsibilities of roads outlined on map.

FINANCIAL IMPACT:

Once the dedication is complete the Town will assume maintenance of the road.

ATTACHMENTS:

Resolution No. 1694-19

Letter from Town Engineer

Map

Vista Hermosa Request

Vista Hermosa Election Tally Sheet

RESOLUTION NO. 1694-19

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ACCEPTING STREETS WITHIN VISA HERMOSA COMMUNITY, ARIZONA BOULEVARD FROM THE TOWN'S WEST PROPERTY LINE TO THE INTERSECTION OF IOWA AVENUE, IOWA AVENUE FROM THE ARIZONA BOULEVARD INTERSECTION TO THE NORTH EDGE OF THE ROAD INTO THE TOWN OWN WATER FACILITY FOR PUBLIC ACCESS, CIRCULATION, ROADWAY AND PUBLIC UTILITY PURPOSES AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

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

1. Accept the streets for public access, circulation, roadway and public utility purposes as described in Exhibit A.
2. Authorize execution by the Town Manager of any documentation necessary to complete the acceptance of ownership of streets to the Town of Florence.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 15th day of April 2019.

Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney



Vista Hermosa
Easement Legal
Project #180086
Page 1 of 3
NS



LEGAL DESCRIPTION **Exhibit "A"**

A portion of land within Vista Hermosa Unit I, replat of Casita Hermosa II Unit I, (Cabinet A, Slide 128, P.C.R.), and located within Sections 13 & 24, Township 4 South, Range 9 East of the Gila and Salt River Meridian, Pinal County, Arizona;

More particularly described as follows:

COMMENCING at a General Land Office Brass Cap marking the Southwest corner of Section 13, from which a General Land Office Brass Cap Marking the South quarter corner of Section 13 bears North 88°48'41" East a distance of 2633.19 feet, Thence North 88°48'41" East along the South line of the Southwest quarter of Section 13, a distance of 337.17 feet to THE POINT OF BEGINNING;

Thence North 21°27'39" West, a distance of 37.78 feet to an angle point;

Thence North 03°42'03" West, a distance of 97.89 feet to an angle point;

Thence North 24°05'58" East, a distance of 79.79 feet to an angle point;

Thence North 32°03'58" East, a distance of 70.87 feet to an angle point;

Thence North 11°13'49" East, a distance of 60.17 feet to an angle point;

Thence North 00°28'55" West, a distance of 183.72 feet to an angle point;

Thence North 86°02'51" East, a distance of 37.77 feet to an angle point;

Thence South 48°49'56" East, a distance of 30.33 feet to an angle point;

Thence South 85°47'20" East, a distance of 81.90 feet to an angle point;

Thence South 04°32'14" West, a distance of 27.75 feet to an angle point;

Thence North 88°24'16" West, a distance of 81.13 feet to an angle point;

Thence South 44°15'02" West, a distance of 21.83 feet to an angle point;

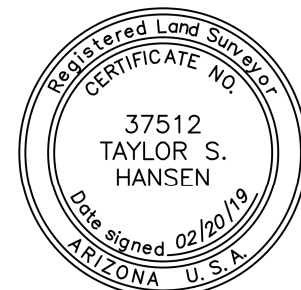
Thence South 00°37'19" East, a distance of 110.81 feet to an angle point

Thence South 14°01'13" West, a distance of 86.75 feet to an angle point;

Thence South 27°35'34" West, a distance of 139.94 feet to an angle point;

Thence South 02°27'37" East, a distance of 84.61 feet to an angle point;

Thence South 46°02'53" East, a distance of 21.51 feet to an angle point;





Vista Hermosa
Easement Legal
Project #180086
Page 2 of 3
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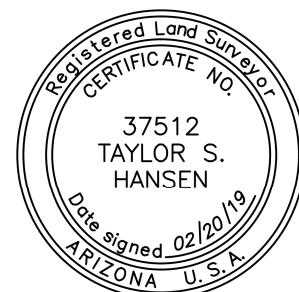
LEGAL DESCRIPTION
Exhibit "A" (Continued)

Thence North 89°08'28" East, a distance of 413.33 feet to an angle point;

Thence South 12°25'43" East, a distance of 31.81 feet to an angle point;

Thence South 89°05'21" West, a distance of 461.09 feet to THE POINT OF BEGINING;

Comprising an area of 0.887 acres more or less.



Taylor S. Hansen



Town of Florence
Development Services Department
224 W. 20th Street, P.O. Box 2670
Florence, AZ 85132
(520) 868-7575
www.florenceaz.gov

July 27, 2018

Pam Moffitt, President of Vista Hermosa HOA Inc.
712-358-1614
vhhoapres16@gmail.com

Re: Request for Dedication of Streets into Town of Florence Right-Of-Way

Dear Ms. Moffitt:

In response to your request for specific streets within the Vista Hermosa Community to be dedicated to Town of Florence Right-Of-Way and Street Maintenance, we accept your request and proposal and will forward your request to Town Council for Council Action

Based on your letter dated 9 July 2018, the following streets within the Vista Hermosa Community will fall under the jurisdiction of the Town of Florence:

"Arizona Blvd. from the Town's west property line to the intersection of Iowa Ave. Iowa Ave. from the Arizona Blvd. intersection to the north edge of the road into the water towers."

The attached "Exhibit A" depicts the streets called out in the above description.

The Town agrees that the streets have been inspected and meet current Town specifications as well as current MAG Standards.

Sincerely,

Christopher A. Salas, P.E.
Development Services Director/Town Engineer
Town of Florence Arizona

Cc: B. Billingsley, TOF
L. Harmer, TOF

Vista Hermosa Exhibit A



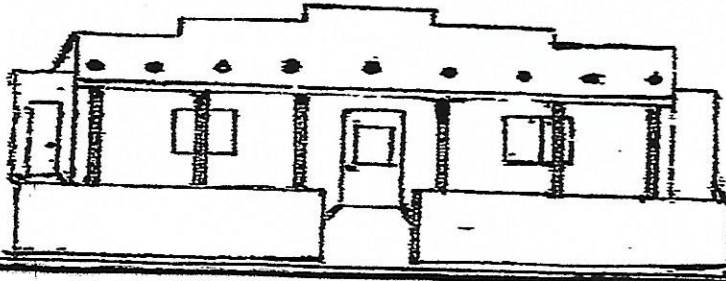
7/27/2018, 10:38:11 AM

Intersections Streets Private Town Limits
Local Parcels

1:3,144
0 0.02 0.04 0.09 mi
0 0.04 0.07 0.14 km

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Town of Florence IT Dept.
DigitalGlobe, Microsoft |



Vista Hermosa Home Owners Association

PO Box 2976, Florence, AZ 85132

Phone: (520) 868-1040 - fax: (520) 868-9028

July 9, 2018

Brent Billingsley
Town Manager
Town of Florence

Florence, AZ

Dear Brent, Development Services Department

Vista Hermosa HOA Inc. is asking that the following streets which are private property be considered for dedication to the Town of Florence. Both streets are currently being used by the Town as access streets to the Town Water Towers.

The streets are: Arizona Blvd from the Town's west property line to the intersection of Iowa Ave.
Iowa Ave from the Arizona Blvd intersection to the north edge of the road into the water towers.

Both streets have undergone resurfacing by the service preferred provider (Cactus Asphalt) with Fast Chip Seal that the Town uses and have been done to the Town's specifications with inspection having been done by the Town. We are requesting Development Services Department to proceed with the pre-application step of the private street dedication process.

- a. The street is not designated as a Collector or above, functional classification.
- b. There are no restrictions to public access to the street.
- c. Pavement width shall be a minimum of 28 feet curb to curb.
- d. Pavement thickness and design shall be in accordance with Maricopa Association of Government Standards (M.A.G. Standards).
- e. All terminations shall contain 40-foot radius right-of-way (cul-de-sacs)

Because we are a HOA community there must be a special ballot issue where 67% of the owners must vote to proceed with the dedication. It would be advantageous to Vista Hermosa to know if the Town will accept the dedication if the issue receives owner ratification.

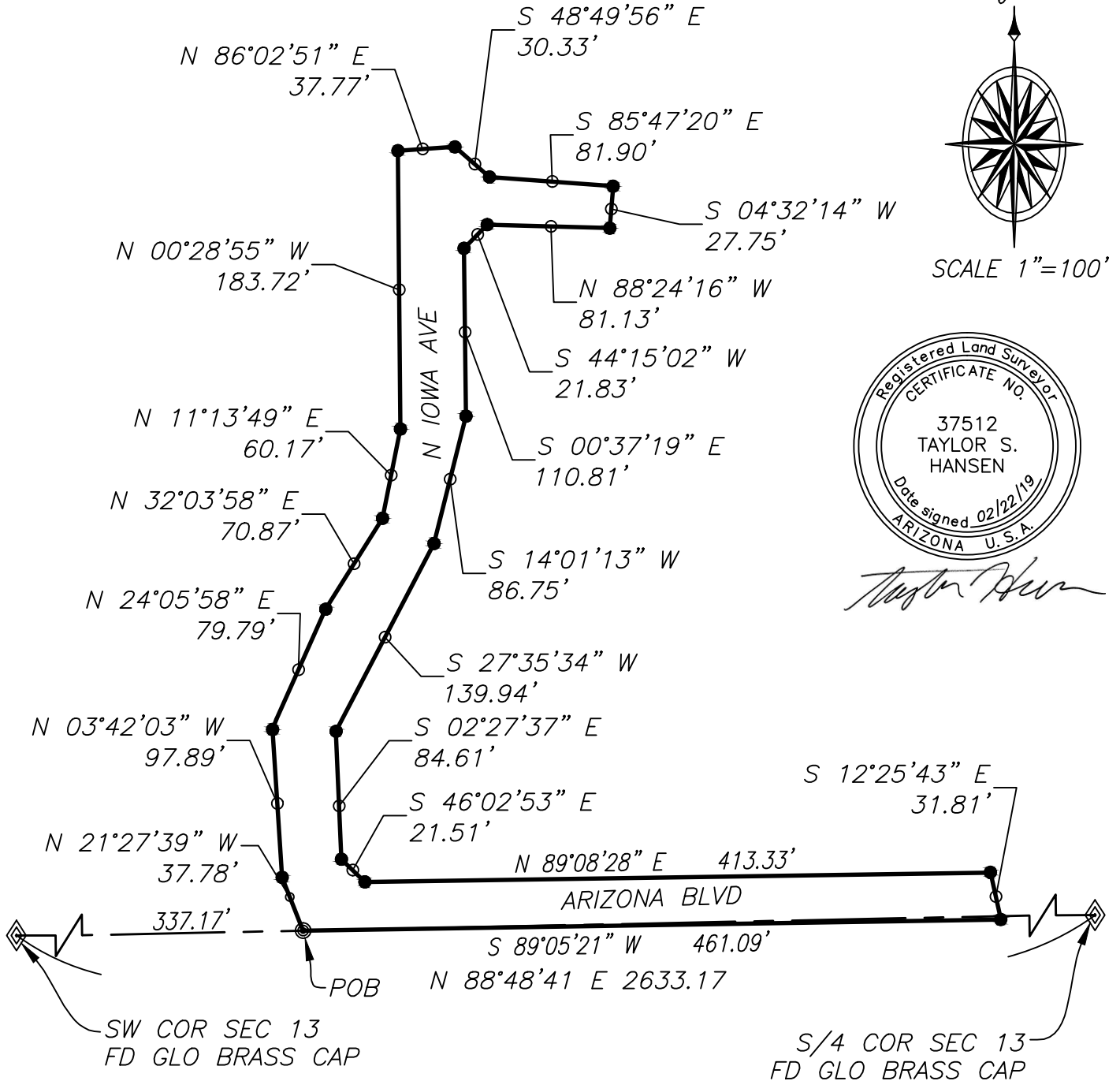
Please advise if the Town would accept a subsequent dedication.

Thank you,

Pam Moffitt
President,
Vista Hermosa HOA, Inc
712-358-1614
Vhhoapres16@gmail.com

EXHIBIT "B"

A PORTION OF LAND WITHIN VISTA HERMOSA UNIT 1, REPLAT OF CASITA HERMOSA II UNIT I, (CABINET A, SLIDE 128, P.C.R.), AND LOCATED WITHIN SECTIONS 13 & 24, TOWNSHIP 4 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA.



HANSEN
ENGINEERING & SURVEYING
115 S. MAIN ST
COOLIDGE, AZ. 85128
(520) 723-3261
WWW.HANSENSURVEY.COM
SURVEY #180086



REVIEW BY: TSH

SURVEY BY: NS
DRAWN BY: NS

VISTA HERMOSA
EASEMENT
PINAL COUNTY, AZ

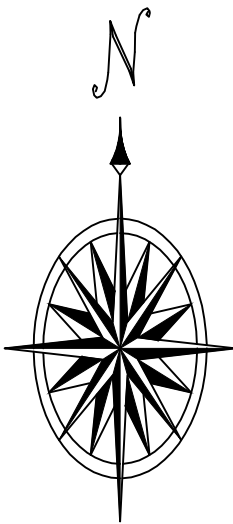
EASEMENT
EXHIBIT

02/22/2019

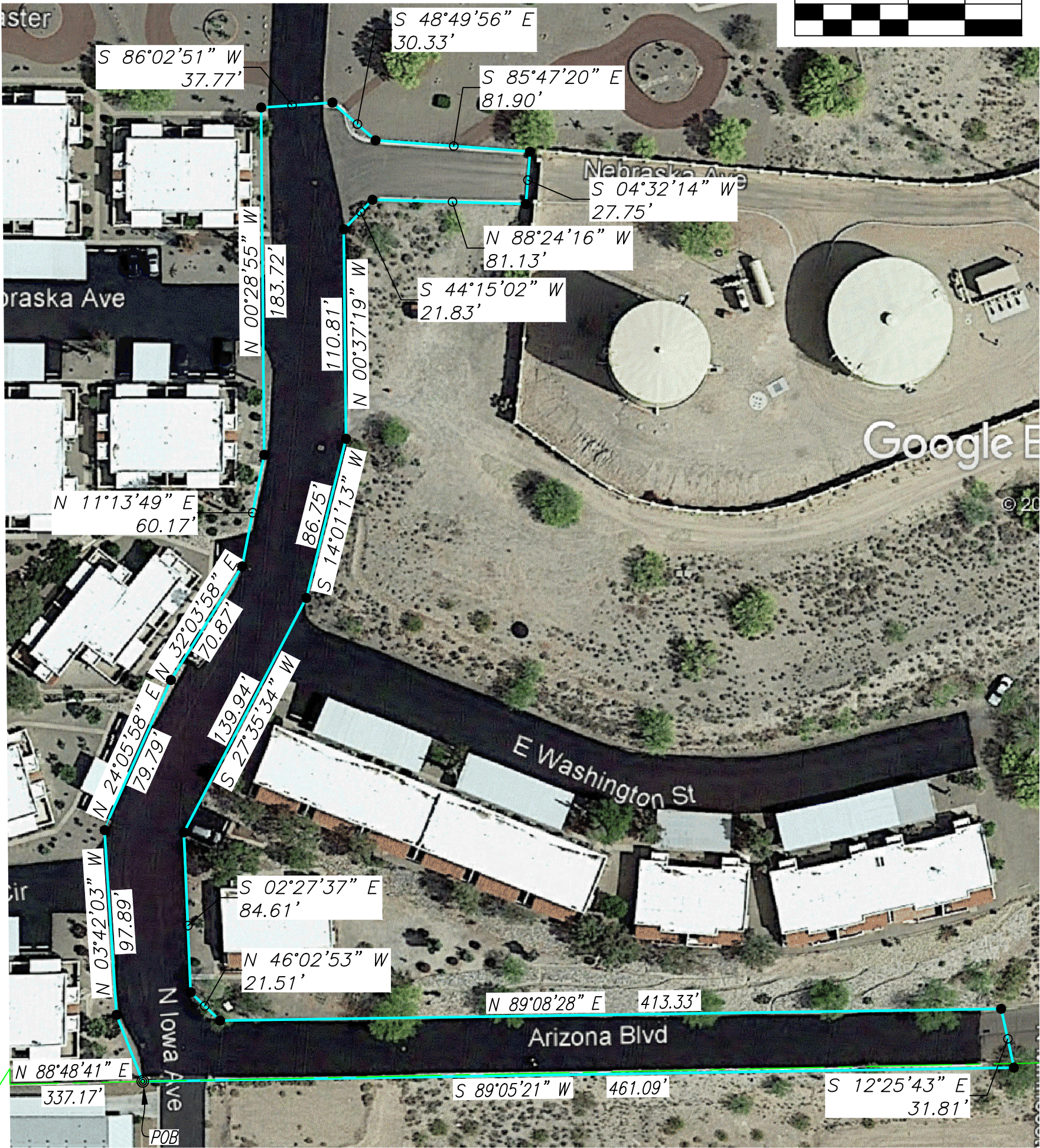
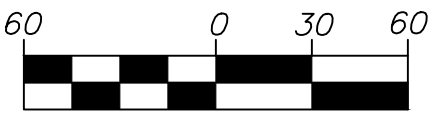
3 of 3

EASEMENT EXHIBIT

A PORTION OF LAND WITHIN VISTA HERMOSA UNIT 1, REPLAT OF
CASITA HERMOSA II UNIT I, (CABINET A, SLIDE 128, P.C.R.), AND
LOCATED WITHIN SECTIONS 13 & 24, TOWNSHIP 4 SOUTH, RANGE 9
EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY,
ARIZONA.



SCALE 1" = 60'



FD GLO BRASS CAP

HANSEN
ENGINEERING & SURVEYING
115 S. MAIN ST
COOLIDGE, AZ. 85128
(520) 723-3261
WWW.HANSENSURVEY.COM



VISTA HERMOSA,
FLORENCE,
ARIZONA

SURVEY BY
DRAWN BY
REVIEW BY


NS
NS
TSH

DRAWING NO.
180086

EXHIBIT

02/22/19
3 of 3

	A	B	C	D	E	F	G	H
1		Special Ballot Issue Tally Sheet 2019 2 21 <u>3/29/2019</u>						
2		Put no more than five tally marks in each box. Enter total of						
3		tally marks for each line. See example.						TOTAL
4		YES	TOTAL		NO	TOTAL		TALLIED
5		III	3		II	2		5
6								
7								TOTAL
8		YES	TOTAL		NO	TOTAL		TALLIED
9	1	IIII			IIII			
10	2	IIII			I			
11	3	IIII						
12	4	IIII						
13	5	IIII						
14	6	IIII						
15	7	IIII						
16	8	IIII						
17	9	IIII						
18	10	IIII						
19	11	IIII						
20	12	IIII						
21	13	IIII						
22	14	IIII						
23	15	IIII						
24	16	IIII						
25	17	IIII						
26	18							
27	19							
28	20							
29	21							
30	22							
31		TOTAL	84 85		TOTAL	6	TOTAL	8/29/19
32		Total ineligible (in arrears) = 2				Total invalid = 6		8/29/19
33		Total Ballots cast =		90	103 minus total eligible cast =			
34		Total Ballotss not cast =		12	Every ballot not cast (returned)			
35		is a No vote and must be tallied as such.						
36		Total Yes votes needed to pass 103 x 80% = 82						
37		Issue passed or failed <u>PASSED</u>						

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 13b.
MEETING DATE: April 15, 2019 DEPARTMENT: Public Works STAFF PRESENTER: Chris Salas, Public Work Director/Town Engineer SUBJECT: Resolution No. 1695-19: Purchase of Property at 525 E. Ruggles Street		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnerships and Relationships <input checked="" type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Adoption of Resolution No. 1695-19: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PURCHASE OF CERTAIN LAND BELONGING TO DAVID MARTIN AND JANE GEAMPA, LOCATED AT 525 E. RUGGLES STREET, FLORENCE, ARIZONA, TO BE DEDICATED FOR EXCLUSIVE USE BY THE TOWN OF FLORENCE PUBLIC WORKS DEPARTMENT AND OTHER MUNICIPAL PROJECTS AND DECLARING AN EMERGENCY.

BACKGROUND/DISCUSSION:

The Public Works Department requires additional land to grow operations. The lot is immediately adjacent to the Public Works yard. The lot is all of Block 88 of the Town of Florence Townsite. The land will be used for a water barn. The lot will be paid for from water and wastewater enterprise funds and added as a Capital Improvement Project.

Additional Terms of the Agreement include the following:

- The seller waived representation.
- Buyer and Seller agree there shall be no earnest monies.
- The Buyer will not provide proof of funds for seller review.
- The contract is contingent upon the simultaneous close of escrow of the following property:

- 525 E. Ruggles Street, Florence, Arizona. Parcel # 200-47-057, Legal Description: Florence Townsite: All of Block 88.
- 575 E. Ruggles Street, Florence, Arizona. Parcel # 200-47-058, Legal Description All of Block 89.
- Buyer and Seller agree to close of Escrow before May 16, 2019
- Seller agrees to fill out and provide the vacant lot/lot SPDS for buyer to review, within five days or less of contract acceptance.

A VOTE OF NO WOULD MEAN:

The Town of Florence would not purchase the property.

A VOTE OF YES WOULD MEAN:

The Town of Florence would purchase the property and add a Capital Improvement Project to the 2019-20 budget for a Water Barn.

FINANCIAL IMPACT:

The fiscal impact for the purchase of the property is not to exceed \$34,000 from Water Enterprise Funds. The Town agreed to three percent real estate cost. Council will approve the Capital Improvement Project as part of the 2019-2020 Fiscal Year Budget.

ATTACHMENTS:

Resolution No. 1695-19
Purchase Documents

Resolution No. 1695-19

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PURCHASE OF CERTAIN LAND BELONGING TO DAVID MARTIN AND JANE GEAMPA, LOCATED AT 525 E. RUGGLES STREET, FLORENCE, ARIZONA, TO BE DEDICATED FOR EXCLUSIVE USE BY THE TOWN OF FLORENCE PUBLIC WORKS RELATED OPERATIONS AND OTHER MUNICIPAL USES AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the Town of Florence, Arizona, have determined that the Town is in need of additional land to be used for Public Works related operations and other municipal purposes; and

WHEREAS, David Martin and Jane Geampa have agreed to sell Parcel Number 200-47-057, located at 525 E. Ruggles Street, Florence, Arizona, which is adjacent to the Town of Florence Public Works Department; and

WHEREAS, based upon the contract documents for the sale of the property, the purchase is in the best interest of the Town of Florence.

NOW THEREFORE, BE IT RESOLVED that the Town Manager is hereby authorized to execute any and all documents necessary to complete the purchase of said property described in Exhibit "A" for the purchase price in an amount not to exceed \$34,000.

IT IS HEREBY FURTHER RESOLVED that said land is to be dedicated for the exclusive use of the Town of Florence for Public Works related to operations and other municipal uses.

FINALLY, IT IS HEREBY DETERMINED by the Mayor and Council the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, particularly to immediately close on the sale of the real property necessary for the real property necessary for the Town's public works operations, and an emergency is hereby declared to exist, and this resolution will be in full force and effect from and after its passage by the Mayor and Common Council of the Town and it is hereby excepted from the referendum provisions of the constitution and laws of the state of Arizona.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Florence, Arizona, this ____ day of ____, 2019.

Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

EXHIBIT "A"

Property located at 525 E. Ruggles Street, Florence, Arizona 85132. Parcel Number 200-47-0570. Legal Description: All of Block 88 of Florence Town Site.

SETTLEMENT STATEMENT

Pioneer Title Agency, Inc.
 225 E Germann Road, Ste 220
 Gilbert, AZ 85297

B. TYPE OF LOAN

UMB NO. 2502-U205

1. ☐ FHA 2. ☐ FMHA 3. ☐ CONV. UNINS.
 4. ☐ VA 5. ☐ CONV. INS.

6. ESCROW FILE NUMBER: 77100784-071 CTG 7. LOAN NUMBER:
 8. MORTGAGE INSURANCE CASE NUMBER:

PRE-AUDIT - Figures subject to change

NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(P.O.C.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

1. NAME OF BORROWER: Town of Florence

ADDRESS OF BORROWER:

2. NAME OF SELLER: David Martin and Jane Geampa

ADDRESS OF SELLER:

3. NAME OF LENDER:

ADDRESS OF LENDER:

4. PROPERTY LOCATION: 525 E. Ruggles,
 Florence, AZ 85132
 Pinal 200-47-0570
 Block 88, of Florence Townsites

5. SETTLEMENT AGENT: Pioneer Title Agency, Inc.
 PLACE OF SETTLEMENT: 225 E Germann Road, Ste 220, Gilbert, AZ 85297

SETTLEMENT DATE: 05/03/2019

PRORATION DATE: 05/15/2019

FUNDING DATE:

SIGNING DATE:

DISBURSE DATE:

I. SUMMARY OF BORROWER'S TRANSACTION

K. SUMMARY OF SELLER'S TRANSACTION

100. Gross Amount Due From Borrower:

400. Gross Amount Due To Seller:

01. Contract Sales Price	32,030.00	401. Contract Sales Price	32,030.00
02. Personal Property		402. Personal Property	
03. Settlement charges to Borrower (line 1400)	1,221.90	403.	
04.		404.	
05.		405.	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
06. City/Town Taxes		406. City/Town Taxes	
07. County Taxes		407. County Taxes	
08. Assessments		408. Assessments	
09.		409.	
10.		410.	
11.		411.	
12.		412.	
13.		413.	
14.		414.	
15.		415.	
20. Gross Amount Due from borrower:	33,251.90	420. Gross Amount Due to Seller	32,030.00
100. Amounts Paid by or in behalf of Borrower:		500. Reductions In Amount Due To Seller:	
101. Deposit or earnest money		501. Excess deposit (see instructions)	
102.		502. Settlement charges to Seller (line 1400)	1,955.28
103. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
104.		504. Payoff of first mortgage loan	
105.		505. Payoff of second mortgage loan	
106.		506.	
107.		507.	
108.		508.	
109.		509.	
Adjustments For Items Unpaid By Seller:		Adjustments For Items Unpaid By Seller:	
110. City/Town Taxes		510. City/Town Taxes	
111. County Taxes 01/01/19-05/15/19	68.45	511. County Taxes 01/01/19-05/15/19	68.45
112. Assessments		512. Assessments	
113.		513.	
114.		514.	
115.		515.	
116.		516.	
117.		517.	
118.		518.	
119.		519.	
120. Total Paid By/For Borrower	68.45	520. Total Reductions In Amount Due Seller	2,023.73
100. Cash at Settlement from/to Borrower:		600. Cash at Settlement to/from Seller:	
101. Gross amount due from Borrower (line 120)	33,251.90	601. Gross amount due to Seller (line 420)	32,030.00
102. Less amount paid by/for Borrower (line 220)	68.45	602. Less reductions in amount due Seller (line 520)	2,023.73
103. Cash FROM Borrower:	33,183.45	603. Cash TO Seller:	30,006.27

INITIALS: _____

L. SETTLEMENT CHARGES:

700. Total Sales/Broker's Commission:

Based on Price \$ 32,030.00 @ 6% = 1,921.80		
Division of Commission (line 700) follows:		
701. \$ 960.90 to Briggs Realty LLC		
702. \$ 960.90 to Briggs Realty LLC		
703. Commission paid at settlement	960.90	960.90
704.		

800. Items Payable In Connection With Loan:

801. Loan Origination Fee		
802. Loan Discount Fee		
803. Appraisal Fee		
804. Credit Report		
805. Lenders Inspection Fee		
806. Mortgage Insurance Application Fee		
807. Assumption Fee		
808.		

900. Items Required By Lender To Be Paid In Advance:

901. Interest		
902. Mortgage Insurance Premium		
903. Hazard Insurance Premium		
904.		

1000. Reserves Deposited With Lender:

1001. Hazard Insurance		
1002. Mortgage Insurance		
1003. City Property Taxes		
1004. County Property Taxes		
1005. Annual Assessments		
1006.		
1007.		
1008. Aggregate Adjustment months @ \$ per month	0.00	

1100. Title Charges:

1101. Settlement or closing fee to Pioneer Title Agency, Inc.	213.00	243.00
1102. Abstract or title search		
1103. Title examination		
1104. Title insurance binder		
1105. Document preparation		
1106. Notary Fees		
1107. Attorney's Fees		
(includes above item numbers:)		
1108. Title Insurance		
(included above item numbers:)		
1109. Lender's coverage \$ 0.00 to Pioneer Title Agency, Inc.		
1110. Owner's coverage \$ 32,030.00 to Pioneer Title Agency, Inc.		493.00
1111.		
1112.		
1113.		
1115. Courier to Pioneer Title Agency, Inc.	30.00	30.00
1116. Wire Fee to Pioneer Title Agency, Inc.		30.00

1200. Government Recording and Transfer Charges:

1201. Recording Fees: Deed \$ 18.00 Mortgage \$ Release \$	18.00	
1202. City/County tax/stamps		
1203. State tax/stamps		
1204. City Transfer Tax		
1205. County Transfer Tax		
1206. Affidavit of Value to Pioneer Title Agency, Inc.		2.00
1207.		

1300. Additional Settlement Charges:

1301. Survey		
1302. Pest Inspection		
1303. 2018 Property Taxes to Pinal County Treasurer		196.38
1304.		
1400. Total Settlement Charges (Enter on line 103, Section J -and- line 502, Section K)	1,221.90	1,955.28

INITIALS: _____

Printed: 01/10/2019

Printed by: Ed Hargis on 01/10/2019 at 09:50:00 AM

ADDENDUM 1Document updated:
June 1993

The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. This is an addendum originated by the: ☒ Seller ☐ Buyer ☐ Landlord ☐ Tenant.
2. This is an addendum to the Contract dated April 16, 2019 between the following Parties:
MO/DA/YR
3. Seller/Landlord: David Martin, Jane Geampa
4. Buyer/Tenant: Town of Florence
5. Premises: 525 E Ruggles St, Florence, AZ 85132
6. The following additional terms and conditions are hereby included as a part of the Contract between Seller and Buyer for the above referenced Premises:
7. Seller agrees to pay Briggs Realty, LLC, a 3% commission of the sales price, only upon
8. successful close of escrow for seller representation.
9. _____
10. All other terms and conditions to remain the same.
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____
17. _____
18. _____
19. _____
20. _____
21. _____
22. _____
23. _____
24. _____
25. _____
26. _____
27. _____
28. _____
29. _____
30. _____
31. _____
32. _____
33. _____
34. _____
35. _____
36. _____
37. _____
38. _____
39. _____
40. _____
41. _____
42. The undersigned agrees to the additional terms and conditions and acknowledges receipt of a copy hereof.

43. _____
44. ☒ Seller ☐ Buyer MO/DA/YR ☐ Seller ☐ Buyer MO/DA/YR
45. ☐ Landlord ☐ Tenant ☐ Landlord ☐ Tenant
46. _____
47. ☐ Seller ☒ Buyer MO/DA/YR ☐ Seller ☐ Buyer MO/DA/YR
48. ☐ Landlord ☐ Tenant ☐ Landlord ☐ Tenant

49. **For Broker Use Only:**
 Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____
 MO/DA/YR

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Briggs Realty LLC - Corporate, 149 E Butte Ave Florence, AZ 85132

Phone: (520) 371-1837

Fax: (866) 535-0338

Sara Lucas-Briggs

525 E Ruggles St

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

BUYER ATTACHMENTDocument updated:
February 2016

This attachment should be given to the Buyer prior to the submission of any offer and is not part of the Vacant Land/Lot Contract's terms.



ATTENTION BUYER!

You are entering into a legally binding agreement.

- ☒ 1. Read the entire contract *before* you sign it.
- ☒ 2. Review the Seller's Property Disclosure Statement and other disclosures (See Section 4a and 4b).
 - This information comes directly from the Seller.
 - Investigate any blank spaces, unclear answers or any other information that is important to you.
- ☒ 3. Review the Due Diligence Paragraph (see Section 6a).

Verify square footage/acreage (see Section 6b)

Verify whether the property is served by city or private sewer and its availability status (see Section 6e); OR

If an on-site wastewater treatment system has been installed on the Property (see Section 6e), AND

If a well has been installed on the Property (see Sections 4d and 6k)
- ☒ 4. Apply for your loan now, if you have not done so already, and provide your lender with all requested information (see Section 2d).

It is your responsibility to make sure that you and your lender deliver the necessary funds to escrow in sufficient time to allow escrow to close on the agreed upon date.
- ☒ 5. Read the title commitment (see Section 3c).
- ☒ 6. Read the CC&R's, use restrictions, and all other governing documents including design guidelines (see Section 3c), especially if the property is governed by a homeowners association.
- ☒ 7. Conduct a thorough final inspection (see Section 6o). If the property is unacceptable, speak up. After the closing may be too late.

You can obtain information through the Buyer's Advisory at <http://www.aaronline.com>.

Remember, you are urged to consult with an attorney, inspectors, and experts of your choice in any area of interest or concern in the transaction. Be cautious about verbal representations, advertising claims, and information contained in a listing. *Verify anything important to you.*

 **Buyer's Check List**

Buyer Attachment • Updated: February 2016
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VACANT LAND/LOT PURCHASE CONTRACT



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If subdivided land or unsubdivided land is being sold by a subdivider, i.e., a person who owns 6 or more lots, a public report will generally be required and an Addendum regarding subdivided or unsubdivided land must be executed by the Seller and Buyer.

1. PROPERTY

- 1a. 1. **BUYER:** Town of Florence
BUYER'S NAME(S)
2. **SELLER:** David Martin, Jane Geampa or ☐ as identified in section 9c.
SELLER'S NAME(S)
3. Buyer agrees to buy and Seller agrees to sell the real property with all improvements, fixtures, and appurtenances thereon
4. or incidental thereto, if any, plus the personal property described herein (collectively the "Property").
- 1b. 5. Property Address: 525 E Ruggles St Zoning: RES
6. Assessor's #(s): 200-47-057
7. City: Florence County: Pinal AZ, Zip Code: 85132
8. Legal Description: FLORENCE TOWNSITE: ALL OF BLK 88 or ☐ see attached legal description.
- 1c. 9. \$ 32,030.00 Full Purchase Price, paid as outlined below
10. \$ NONE Earnest money
11. \$ 32,030.00 cash down on or before close of escrow
12. \$ _____
13. _____
- 1d. 14. **Incidental Improvements:** Buyer is purchasing the Property as vacant land. Any improvements, fixtures and appurtenances
15. thereon or incidental thereto, are being transferred in their existing condition ("AS-IS") and Seller makes no warranty to Buyer,
16. expressed or implied, as to their condition except as provided for in section 5a.
- 1e. 17. **Fixtures and Personal Property:** Seller agrees that all existing fixtures on the Property, and any existing personal property
18. specified herein, shall be included in this sale, including the following:
19. none
20. _____
21. Personal property included herein shall be transferred with no monetary value, and free and clear of all liens
22. or encumbrances.
23. Fixtures and leased items NOT included: _____
- 1f. 24. **Close of Escrow:** Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's office.
25. Buyer and Seller shall comply with all terms and conditions of this Contract, execute and deliver to Escrow Company all closing
26. documents, and perform all other acts necessary in sufficient time to allow COE to occur on
27. May 16th, 2019 ("COE Date"). If Escrow Company or recorder's office is closed on
MONTH DAY YEAR
28. COE Date, COE shall occur on the next day that both are open for business.
29. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
30. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available
31. funds to Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.

>>

Vacant Land/Lot Purchase Contract • Updated: February 2016
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SELLER	SELLER
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<Initials

Initials>

BUYER	BUYER
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Vacant Land/Lot Purchase Contract >>

- 1g. 32. **Possession:** Seller shall deliver access to keys and/or means to operate all locks, mailbox, and all common area facilities, subject to the rights of tenants under existing leases, to Buyer at COE or ☐ _____. Broker(s) recommend that the parties seek appropriate counsel from insurance, legal, tax, and accounting professionals regarding the risks of pre-possession or post-possession of the Property.
- 1h. 36. **Addenda Incorporated:** ☐ Additional Clause ☐ Buyer Contingency ☐ Domestic Water Well ☐ H.O.A.
 37. ☐ Loan Assumption ☒ Market Conditions Advisory ☐ On-site Wastewater Treatment Facility ☐ Seller Financing ☐ Short Sale
 38. ☐ Vacant Land/Lot Purchase Contract Addendum Regarding Subdivided or Unsubdivided Land
 39. ☒ Other: Agency, Buyer Advisory, Wire Fraud Advisory, Consent to Limited Rep,
- 1i. 40. **IF THIS IS AN ALL CASH SALE:** Buyer shall provide Seller, within five (5) days or _____ days after Contract acceptance, either a Letter of Credit or a Source of Funds Letter from a financial institution documenting the availability of funds to close escrow as agreed. Section 2 shall not apply, GO TO SECTION 3.

2. FINANCING

- 2a. 43. **Type of Financing:** ☐ Conventional ☐ FHA ☐ VA ☐ USDA ☐ Assumption ☐ Seller Carryback
 44. ☐ _____
 45. (If financing is to be other than new financing, see attached addendum.)
- 2b. 46. **Financing:** This sale ☐ is ☐ is not contingent upon Buyer obtaining a satisfactory financing commitment within Due Diligence Period pursuant to Section 6a. (If sale is not contingent on a financing commitment, go to Section 2k.)
- 2c. 48. **Financing Commitment Contingency Period:** If the sale is contingent upon Buyer obtaining a satisfactory financing commitment, Buyer shall have the Due Diligence Period to obtain a financing commitment, including appraised value, satisfactory to Buyer in Buyer's sole discretion, for a loan to purchase the Property or Buyer may cancel this Contract and receive a refund of the Earnest Money. PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD, BUYER SHALL DELIVER TO SELLER AND ESCROW COMPANY NOTICE THAT BUYER HAS NOT RECEIVED SUCH SATISFACTORY FINANCING COMMITMENT OR BUYER SHALL BE DEEMED TO HAVE WAIVED THE FINANCING COMMITMENT CONTINGENCY AND ANY RIGHT TO CANCEL DUE TO FINANCING.
- 2d. 55. **Pre-Qualification:** If using Conventional, FHA, VA, or USDA financing, a completed AAR Pre-Qualification Form is attached hereto and incorporated by reference.
- 2e. 57. **Loan Status Update:** Buyer shall deliver to Seller the Loan Status Update (LSU) with at a minimum lines 1-40 completed describing the current status of the Buyer's proposed loan within ten (10) days after Contract acceptance and instruct lender to provide an updated LSU to Broker(s) and Seller upon request.
- 2f. 60. **Loan Processing During Escrow:** Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all additional documentation required. Buyer shall sign all loan documents no later than three (3) days prior to the COE Date.
- 2g. 62. **Loan Costs:** Buyer shall pay all costs of obtaining the loan, except as provided herein.
- 2h. 63. **VA Loan Costs:** In the event of a VA loan, Seller agrees to pay the escrow fee and up to \$ _____ of loan costs not permitted to be paid by the Buyer, in addition to the other costs Seller has agreed to pay herein, including Seller's Concessions.
- 2i. 66. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the Pre-Qualification Form if attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan approval without Prior to Document (PTD) conditions, increase Seller's closing costs, or delay COE.
- 2j. 70. **Appraisal Fee(s):** Appraisal Fee(s), when required by Lender, shall be paid by ☐ Buyer ☐ Seller
 71. ☐ Other _____
 72. Appraisal Fee(s) ☐ are ☐ are not included in Seller Concessions, if applicable.
- 2k. 73. **Partial Release, if applicable:** Buyer and Seller agree that any partial releases will be addressed under Additional Terms and Conditions or attached Addendum. Broker(s) recommend the parties seek appropriate counsel regarding the risks of partial release.

>>

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SELLER	SELLER

<Initials

Initials>

BUYER	BUYER

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Vacant Land/Lot Purchase Contract >>

- 2l. 76. **Subordination:** If applicable, Seller carryback financing ☐ is ☐ is not to be subordinated to a construction loan. If Seller
 77. agrees to subordination, such subordination shall only be allowed if the Seller Carryback financing is not in default and if the
 78. Seller approves the terms and conditions of the construction loan to be recorded as a senior loan. Approval will not be
 79. unreasonably withheld. **IF SELLER SUBORDINATES THE SELLER CARRYBACK FINANCING TO A SENIOR LOAN, THE**
 80. **SELLER ACKNOWLEDGES THAT IN ORDER TO PROTECT THE SELLER CARRYBACK FINANCING, THE SELLER MAY**
 81. **HAVE TO MAKE PAYMENTS ON THE SENIOR LOAN IF THE SENIOR LOAN IS IN DEFAULT.** Broker(s) recommend
 82. the parties seek appropriate counsel regarding the risks of subordination.

3. TITLE AND ESCROW

- 3a. 83. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the
 84. terms of this Contract shall be:

85. Pioneer Title Agency (480) 857-2100
 "ESCROW/TITLE COMPANY" PHONE

86. (866) 450-6738 cindy.turas@pioneertitleagency.com
 FAX EMAIL

87. 225 E Germann Rd, Gilbert, AZ 85297-2904
 ADDRESS

- 3b. 88. **Title and Vesting:** Buyer will take title as determined before COE. Taking title may have significant legal, estate planning and
 89. tax consequences. Buyer is advised to obtain legal and tax advice.

- 3c. 90. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller
 91. directly, addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete
 92. and legible copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"),
 93. including but not limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements within fifteen
 94. (15) days after Contract acceptance. Buyer shall have prior to the expiration of the Due Diligence Period to provide written
 95. notice of any items disapproved. Buyer shall be provided, at Seller's expense, a Standard Owner's Title Insurance Policy
 96. showing the title vested in Buyer. Buyer may acquire extended coverage(s) at Buyer's own additional expense.
 97. Seller shall convey title by warranty deed, subject to existing taxes, assessments, covenants, restrictions, rights of way,
 98. easements and all other matters of record or ☐ deed.

- 3d. 99. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and
 100. address of the Buyer to any homeowner's association in which the Property is located. (ii) If the Escrow Company is also
 101. acting as the title agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to the
 102. Buyer and Seller, upon deposit of funds, a closing protection letter from the title insurer indemnifying the Buyer and Seller for
 103. any losses due to fraudulent acts or breach of escrow instructions by the Escrow Company. (iii) All documents necessary to
 104. close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow
 105. Company shall modify such documents to the extent necessary to be consistent with this Contract. (iv) Escrow Company fees,
 106. unless otherwise stated herein, shall be allocated equally between Seller and Buyer. (v) Escrow Company shall send to all
 107. parties and Broker(s) copies of all notices and communications directed to Seller, Buyer and Broker(s). (vi) Escrow Company
 108. shall provide Broker(s) access to escrowed materials and information regarding the escrow. (vii) If an Affidavit of Disclosure is
 109. provided, Escrow Company shall record the Affidavit at COE.

3e. 110. **Prorations, Expenses and Adjustments:**

111. **Taxes:** Real property taxes payable by the Seller shall be prorated through COE, based upon the latest tax bill available.
 112. The parties agree that any discrepancy between the latest tax bill available and the actual tax bill when received shall be
 113. handled as a Post Closing Matter and Buyer or Seller may be responsible for additional tax payments to each other.
 114. **Rents, Interest and Expenses:** Rents; interest on existing notes, if transferred; utilities; and operating expenses shall be
 115. prorated through COE. The Parties agree to adjust any rents received after COE as a Post Closing Matter.
 116. **Deposits:** All deposits held by Seller pursuant to rent/lease agreement(s) shall be credited against the cash required of
 117. Buyer at COE or ☐ paid to Buyer by Seller at COE.

- 3f. 118. **Post Closing Matters:** The parties shall promptly adjust any item to be prorated that is not determined or determinable at
 119. COE as a Post Closing Matter by appropriate cash payment to the other party outside of the escrow when the amount due is
 120. determined. Seller and Buyer agree that Escrow Company and Broker(s) are relieved of any responsibility for said
 121. adjustments.

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- 3g. 122. Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with
 123. Escrow Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions
 124. of this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company
 125. against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees,
 126. arising from or relating in any way to the release of Earnest Money.
- 3h. 127. Assessment Liens:** The amount of any assessment, other than homeowner's association assessments, that is a lien as of
 128. the COE shall be: ☒ paid in full by Seller ☐ prorated and assumed by Buyer ☐ paid in full by Buyer. Any assessment that
 129. becomes a lien after COE is the Buyer's responsibility.
- 3i. 130. IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete,
 131. sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant
 132. to the Foreign Investment in Real Property Tax Act (FIRPTA). Buyer and Seller acknowledge that if the Seller is a foreign
 133. person, the Buyer (or Escrow Company, as directed by Buyer) must withhold a tax of up to 15% of the purchase price, unless an
 134. exemption applies.
- 3j. 135. Agricultural Foreign Investment Disclosure Act:** If applicable, Buyer and Seller shall comply with the Agricultural Foreign
 136. Investment Disclosure Act and make the required disclosures to the U.S. Department of Agriculture.
- 3k. 137. TAX DEFERRED EXCHANGE:** If Seller or Buyer intends to enter into a tax-deferred exchange pursuant to I.R.C. §1031
 138. or otherwise, all additional costs in connection with any such tax-deferred exchange shall be borne by the party requesting the
 139. exchange. The non-requesting party agrees to cooperate in the tax-deferred exchange provided that the non-requesting party
 140. incurs no additional costs and COE is not delayed. The parties are advised to consult a professional tax advisor regarding the
 141. advisability of any such exchange. The non-requesting party and Broker(s) shall be indemnified and held harmless from any
 142. liability that may arise from participation in the tax deferred exchange.

4. DISCLOSURES

- 4a. 143. Vacant Land/Lot Seller Property Disclosure Statement ("VLSPDS"):** Seller shall deliver a completed AAR VLSPDS form to
 144. the Buyer within five (5) days after Contract acceptance.
- 4b. 145. Additional Seller Disclosures and Information:** Seller shall provide to Buyer the following disclosures and information
 146. pertinent to the Property within five (5) days after the Contract acceptance: (i) any information known to Seller that may
 147. adversely affect the Buyer's use of the Property, (ii) any known pending special assessments, association fees, claims, or
 148. litigation, (iii) articles of incorporation, by-laws; other governing documents; and any other documents required by law, (iv)
 149. financial statements, current rent rolls, lists of current deposits, personal property lists, leases, rental agreements, service
 150. contracts, (v) soils, Phase I, or other environmental reports in Seller's possession, (vi) the most recent survey, if available,
 151. and (vii) any and all other agreements, documents, studies, or reports relating to the Property in Seller's possession or control
 152. provided, however, that Seller shall not be required to deliver any report or study if the written contract that Seller entered into
 153. with the consultant who prepared such report or study specifically forbids the dissemination of the report to others.
- 4c. 154. Road Maintenance Agreement:** Seller shall provide to Buyer, within five (5) days after the Contract acceptance, a copy
 155. of any known road maintenance agreement affecting the Property.
- 4d. 156. Seller's Obligations Regarding Wells:** If a well is located on the Property, or if the Property is to be served by a shared
 157. well, the AAR Domestic Water Well Addendum is attached hereto and incorporated by reference. At COE, if applicable,
 158. Seller shall assign, transfer and convey to the Buyer all of the water rights, or claims to water rights, if any, held by Seller
 159. that are associated with the Property.
- 4e. 160. No Seller or Tenant Bankruptcy, Probate or Insolvency Proceedings:** Seller represents that Seller has no notice or
 161. knowledge that any tenant on the Property is the subject of a bankruptcy, probate or insolvency proceeding. Further, Seller
 162. is not the subject of a bankruptcy, insolvency or probate proceeding.
- 4f. 163. Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State,
 164. or Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the
 165. Property.
- 4g. 166. Environmental Disclosure:** Seller has not knowingly caused or permitted the generation, storage, treatment, release or
 167. disposal of any hazardous waste or regulated substances at the Property except as otherwise disclosed.
- 4h. 168. Affidavit of Disclosure:** If the Property is located in an unincorporated area of the county, and five or fewer parcels of property
 169. other than subdivided land are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the form required
 170. by law to the Buyer within five (5) days after Contract Acceptance. Buyer shall provide notice of any Affidavit of Disclosure items
 171. disapproved within five (5) days after receipt of the Affidavit of Disclosure.

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- 4i. 172. **H.O.A. / Condominium / Planned Community:** The Property ☐ is ☒ is not located within a homeowners' association/ 173. condominium/planned community. If yes, the HOA addendum is attached hereto and incorporated by reference.
- 4j. 174. **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Property or disclosures made herein, in the 175. SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by Section 5a, or 176. otherwise by this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed prior 177. to the expiration of the Due Diligence Period or five (5) days after delivery of such notice, whichever is later, to provide notice of 178. disapproval to Seller.

5. WARRANTIES

- 5a. 179. **Seller Warranties:** Seller warrants and shall maintain and repair the Property so that at the earlier of possession or COE the 180. Property and any personal property included in the sale, will be in substantially the same condition as on the date of Contract 181. acceptance; and all personal property not included in the sale and all debris will be removed from the Property.
- 5b. 182. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and 183. any information concerning the Property known to Seller, excluding opinions of value, which materially and adversely affect the 184. consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor, 185. professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE 186. in connection with the construction, alteration, or repair of any structure on or improvement to the Property. Seller warrants 187. that the information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic 188. tank or alternative system) is correct to the best of Seller's knowledge.
- 5c. 189. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect 190. the Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Property or 191. COE, Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts 192. the Property. **Buyer warrants that Buyer is not relying on any verbal representations concerning the Property** 193. **except disclosed as follows:** NONE
194. _____

6. DUE DILIGENCE

- 6a. 195. **Due Diligence Period:** Buyer's due diligence and inspection period shall be thirty (30) days or 14 days after Contract acceptance 196. ("Due Diligence Period"). During Due Diligence Period Buyer shall perform all inspections and investigations to satisfy Buyer with respect 197. to the physical condition of the Property, financing, appraised value, the condition of title to the Property and as to the feasibility and 198. suitability of the Property for Buyer's intended purpose. During the Due Diligence Period, Buyer, at Buyer's expense, shall: (i) conduct all 199. desired physical, environmental, and other types of inspections and investigations to determine the value and condition of the Property; 200. (ii) make inquiries and consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities 201. concerning the feasibility and suitability of the Property and the surrounding area for the Buyer's intended purpose; (iii) investigate 202. applicable building, zoning, fire, health, and safety codes including applicable swimming pool barrier regulations to determine any 203. potential hazards, violations or defects in the Property; and (iv) verify any material multiple listing service ("MLS") information. If the 204. presence of sex offenders in the vicinity or the occurrence of a disease, natural death, suicide, homicide or other crime on or in the vicinity 205. is a material matter to the Buyer, it must be investigated by the Buyer during the Due Diligence Period. Buyer shall keep the Property free 206. and clear of liens, shall indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs, and shall repair all 207. damages arising from the inspections. Buyer shall provide Seller and Broker(s) upon receipt, at no cost, copies of all inspection reports 208. concerning the Property obtained by Buyer. If Buyer cancels this Contract, Buyer shall return all documents provided by the Seller and 209. provide Seller with copies of all reports or studies generated by Buyer, provided, however, that Buyer shall not be required to deliver any 210. such report or study if the written contract that Buyer entered into with the consultant who prepared such report or study specifically 211. forbids the dissemination of the report or study to others. Buyer is advised to consult the Arizona Department of Real Estate *Buyer* 212. *Advisory* provided by AAR to assist in Buyer's due diligence inspections and investigations.
- 6b. 213. **Square Footage/Acreage:** **BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE/ACREAGE OF THE** 214. **PROPERTY, BOTH THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON IS APPROXIMATE. IF SQUARE** 215. **FOOTAGE/ACREAGE IS A MATERIAL MATTER TO THE BUYER; IT MUST BE INVESTIGATED DURING THE DUE** 216. **DILIGENCE PERIOD.**
- 6c. 217. **Flood Hazard:** Flood hazard designations or the cost of flood hazard insurance shall be determined by Buyer during the Due 218. Diligence Period. If the Property is situated in an area identified as having any special flood hazards by any governmental entity, the 219. lender may require the purchase of flood hazard insurance. Special flood hazards may also affect the ability to encumber or improve 220. the Property.

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6d. 221. Insurance: IF INSURANCE IS A MATERIAL MATTER TO THE BUYER, BUYER SHALL APPLY FOR AND OBTAIN
 222. WRITTEN CONFIRMATION OF THE AVAILABILITY AND COST OF INSURANCE FOR THE PROPERTY FROM BUYER'S
 223. INSURANCE COMPANY DURING THE DUE DILIGENCE PERIOD. Buyer understands that any fire, casualty, or other
 224. insurance desired by Buyer or required by Lender should be in place at COE.

6e. 225. Sewer or On-site Wastewater Treatment System: The Property ☐ does ☒ does not contain an on-site wastewater
 226. treatment system. If the Property is served by a conventional septic tank or alternative system, the AAR On-site Wastewater
 227. Treatment Facility Addendum is incorporated herein by reference.

228. IF A SEWER CONNECTION, OR THE AVAILABILITY OF A SEWER CONNECTION, IS A MATERIAL MATTER TO THE
 229. BUYER, IT MUST BE INVESTIGATED DURING THE DUE DILIGENCE PERIOD.

230.

(BUYER'S INITIALS REQUIRED)

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6f. 231. Site/Soil Evaluation For Installation of On-site Wastewater Treatment Facility: If the suitability of the Property for
 232. installation of an on-site wastewater treatment facility (conventional septic tank or alternative system) and associated costs
 233. are material to the Buyer, Buyer shall complete a site/soil evaluation and investigate all on-site wastewater treatment facility
 234. installation costs within the Due Diligence Period. NOTE: Buyer is advised that the site/soil evaluation is not binding on
 235. the State-delegated County agency in any future permitting decision as to the suitability of the design or type of
 236. facility for the Property.

6g. 237. LAND DIVISIONS: LAND PROPOSED TO BE DIVIDED FOR PURPOSES OF SALE OR LEASE IS SUBJECT TO
 238. STATE, COUNTY AND MUNICIPAL LAWS, ORDINANCES AND REGULATIONS. IF STATE, COUNTY AND MUNICIPAL
 239. REQUIREMENTS RELATING TO THE DIVISION OR SPLITTING OF THE PROPERTY ARE A MATERIAL MATTER TO
 240. THE BUYER, THEY MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD. BROKER(S) HAVE MADE
 241. NO REPRESENTATIONS, EXPRESS OR IMPLIED, REGARDING THE ABILITY TO DIVIDE OR SPLIT THE PROPERTY.

242.

(BUYER'S INITIALS REQUIRED)

BUYER

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6h. 243. ROADS: IF ROADWAYS, COST AND RESPONSIBILITY FOR ROAD MAINTENANCE, IMPROVEMENTS OR ACCESS IS A
 244. MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED BY BUYER DURING DUE DILIGENCE PERIOD.

6i. 245. Survey: A survey ☐ shall ☒ shall not be performed. If to be performed, the survey shall be performed by a licensed
 246. surveyor within the Due Diligence Period or _____ days after Contract acceptance.

247. Cost of the survey shall be paid by ☐ Seller ☐ Buyer ☐ Other: _____

248. The survey shall be performed in accordance with the Arizona State Board of Technical Registration's "Arizona Land Boundary
 249. Survey Minimum Standards".

6j. 250. Survey instructions are:

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261.

☐ A boundary survey and survey plat showing the corners either verified
or monumentation.

☐ A survey certified by a licensed surveyor, acceptable to Buyer and the Title
Company, in sufficient detail for an American Land Title Association ("ALTA")
Owner's Policy of Title Insurance with boundary, encroachment or survey
exceptions and showing all improvements, utility lines and easements on
the Property or within five (5) feet thereof.

☐ Other survey terms: _____

(BUYER'S INITIALS REQUIRED)

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6k. 262. WELL WATER/WATER RIGHTS: IF WELL WATER/WATER RIGHTS IS/ARE A MATERIAL MATTER TO THE BUYER, IT
 263. MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD.

6l. 264. BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES AND AGREES THAT BROKER(S) ARE
 265. NOT QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PROPERTY OR THE
 266. SURROUNDING AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO
 267. ASSIST IN BUYER'S DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE
 268. PROPERTY AND SURROUNDING AREA IS BEYOND THE SCOPE OF THE BROKERS EXPERTISE AND LICENSING,
 269. BUYER EXPRESSLY RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR
 270. CONDITIONS THAT COULD HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.

271.

(BUYER'S INITIALS REQUIRED)

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- 6m. 272. **Due Diligence Period Notice:** Prior to expiration of the Due Diligence Period, Buyer shall deliver to Seller a signed notice of
273. any items disapproved. AAR's Vacant Land/Lot Buyer's Due Diligence Notice and Seller's Response form is available for this
274. purpose. Buyer shall conduct all desired inspections and investigations prior to delivering such notice to Seller and all Due
275. Diligence Period items disapproved shall be provided in a single notice.
- 6n. 276. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of any aspect of the Property, financing, title, or other
277. matter, Buyer shall deliver to Seller notice of the items disapproved and state in the notice that Buyer elects to either:
278. (1) immediately cancel this Contract and all Earnest Money shall be released to Buyer, or
279. (2) provide the Seller an opportunity to correct the items disapproved, in which case:
280. (a) Seller shall respond in writing within five (5) days or _____ days after delivery to Seller of Buyer's notice of
281. items disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall
282. conclusively be deemed Seller's refusal to correct any of the items disapproved.
283. (b) **If Seller agrees in writing to correct item(s) disapproved, Seller shall correct the items, complete any**
284. **repairs in a workmanlike manner and deliver any paid receipts evidencing the corrections and repairs**
285. **to Buyer three (3) days or _____ days prior to COE Date.**
286. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five
287. (5) days after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs first,
288. and all Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as
289. provided, Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.
290. VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS. Only a written agreement signed by both parties will
291. extend response times or cancellation rights.
292. BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN
293. THE SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE
294. TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.
- 6o. 295. **Inspection(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct inspection(s) of the Property for
296. the purpose of satisfying Buyer that any corrections agreed to by the Seller have been completed and that the Property is in
297. substantially the same condition as on the date of Contract acceptance. If Buyer does not conduct such inspection(s), Buyer
298. releases Seller and Broker(s) from liability for any defects that could have been discovered.

7. REMEDIES

- 7a. 299. **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any
300. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If
301. the non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall
302. become a breach of Contract.
- 7b. 303. **Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the
304. breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative
305. Dispute Resolution obligations set forth herein. In the case of the Seller, because it would be difficult to fix actual damages
306. in the event of Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at
307. Seller's option, accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not a breach of
308. Contract. The parties expressly agree that the failure of any party to comply with the terms and conditions of Section 1f to
309. allow COE to occur on the COE Date, if not cured after a cure notice is delivered pursuant to Section 7a, will constitute a
310. material breach of this Contract, rendering the Contract subject to cancellation.
- 7c. 311. **Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating
312. to this Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs
313. shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes
314. or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in
315. the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to
316. the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The
317. decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in
318. any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30)
319. days after the conclusion of the mediation conference by notice to the other and in such event either party shall have the right to
320. resort to court action.
- 7d. 321. **Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the
322. Small Claims Division of an Arizona Justice Court (up to \$3,500) so long as the matter is not thereafter transferred or removed from
323. the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or
324. agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's lien; or (v) any matter that
325. is within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action

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326. ("lis pendens") or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the
 327. obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.

- 7e. 328. **Attorneys Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to
 329. this Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees,
 330. expert witness fees, fees paid to investigators, and arbitration costs.

8. ADDITIONAL TERMS AND CONDITIONS

- 8a. 331. Buyer and seller agree there shall be NO earnest money deposit.
 332. _____
 333. Buyer will not be providing a proof of funds to the seller to review.
 334. _____
 335. Let it be known. this contract is contingent upon the simultaneous close of escrow of
 336. the following properties:
 337. _____
 338. 1) 525 E Ruggles St, Parcel#: 200-47-057, Legal description: FLORENCE TOWNSITE: ALL OF
 339. BLK 88.
 340. _____
 341. 2) 575 E Ruggles St, Parcel#: 200-47-058, Legal description: FLORENCE TOWNSITE: ALL OF
 342. BLK 89.
 343. _____
 344. Buyer and seller agree COE to be "on or before" May 16, 2019.
 345. _____
 346. Seller agrees to fill out and provide the vacant land/lot SPDS for the buyer to
 347. review, within 5 days or less of contract acceptance.
 348. _____
 349. _____
 350. _____
 351. _____
 352. _____
 353. _____
 354. _____
 355. _____
 356. _____
 357. _____
 358. _____
 359. _____
 360. _____
- 8b. 361. **Risk of Loss:** If there is any loss or damage to the Property between the date of Contract acceptance and COE or
 362. possession, whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the
 363. Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase
 364. price, either Seller or Buyer may elect to cancel the Contract.
- 8c. 365. **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.
- 8d. 366. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.
- 8e. 367. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations
 368. described herein.

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- 8f. 369. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed 370. by separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously 371. paid. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. 372. If Buyer is obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE 373. FOR THE SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF 374. REALTORS®, OR MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.
- 8g. 375. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original 376. Contract. This Contract and any other documents required by this Contract may be executed by facsimile or other 377. electronic means and in any number of counterparts, which shall become effective upon delivery as provided for herein. 378. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.
- 8h. 379. **Days:** All references to days in this Contract shall be construed as calendar days and a day shall begin at 12:00 a.m. and 380. end at 11:59 p.m.
- 8i. 381. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event 382. from which the time period begins to run is not included and the last day of the time period is included. Contract acceptance 383. occurs on the date that the signed Contract (and any incorporated counter offer) is delivered to and received by the 384. appropriate Broker. Acts that must be performed three days prior to the COE Date must be performed three full days prior (i.e., 385. if COE Date is Friday the act must be performed by 11:59 p.m. on Monday).
- 8j. 386. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller 387. and Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a 388. writing signed by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this 389. Contract.
- 8k. 390. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands 391. that any subsequent offer accepted by the Seller must be a backup offer contingent on the cancellation of this Contract.
- 8l. 392. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by 393. delivering notice stating the reason for cancellation to the other party or to the Escrow Company. Cancellation shall become 394. effective immediately upon delivery of the cancellation notice.
- 8m. 395. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in 396. writing and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic 397. mail, if email addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as 398. indicated in Section 8q, to Seller as indicated in Section 9a and to the Escrow Company indicated in Section 3a.
- 8n. 399. **Earnest Money:** Earnest Money is in the form of: ☐ Personal Check ☒ Other none 400. If applicable, Earnest Money has been received by Broker named in Section 8q and upon acceptance of this offer will be 401. deposited with: ☒ Escrow Company ☐ Broker's Trust Account. Buyer acknowledges that failure to pay the required 402. closing funds by the scheduled Close of Escrow, if not cured after a cure notice is delivered pursuant to Section 7a, shall be 403. construed as a material breach of this contract and all earnest money shall be subject to forfeiture.
- 8o. 404. **RELEASE OF BROKER(S):** SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY 405. BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING FINANCING, THE 406. CONDITION, SQUARE FOOTAGE/ACREAGE, LOT LINES, BOUNDARIES, VALUE, RENT ROLLS, ENVIRONMENTAL 407. PROBLEMS, SANITATION SYSTEMS, ABILITY TO DIVIDE OR SPLIT THE PROPERTY, BUILDING CODES, GOVERNMENTAL 408. REGULATIONS, INSURANCE, PRICE AND TERMS OF SALE, RETURN ON INVESTMENT, OR ANY OTHER MATTER 409. RELATING TO THE VALUE OR CONDITION OF THE PROPERTY.
410. (BUYER'S AND SELLER'S INITIALS REQUIRED) _____ SELLER SELLER BUYER BUYER
- 8p. 411. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and 412. a signed copy delivered in person, by mail, facsimile or electronically, and received by Broker named in Section 8q 413. by April 18, 2019 at 7:00 ☐ a.m. / ☒ p.m., Mountain Standard Time. Buyer 414. may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this 415. date and time, this offer shall be deemed withdrawn and the Buyer's Earnest Money shall be returned.
416. THIS CONTRACT CONTAINS TEN PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. ENSURE THAT YOU HAVE 417. RECEIVED AND READ ALL TEN PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

>>

Vacant Land/Lot Purchase Contract • Updated: February 2016	
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Initials	Initials
SELLER SELLER	BUYER BUYER



Vacant Land/Lot Purchase Contract >>**8q. 418. Broker on behalf of Buyer:**

419. Sara Lucas-Briggs BR517016000 so038
 PRINT SALESPERSON'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

420. Briggs Realty LLC briggs1

421. 149 E Butte Ave Florence AZ 85132 LC654238000

8r. 422. (520) 371-1837 pinalbroker@gmail.com
 PREFERRED TELEPHONE FAX EMAIL

423. Agency Confirmation: The Broker named in Section 8q above is the agent of (check one):

8s. 424. ☐ the Buyer; ☐ the Seller; or ☒ both the Buyer and Seller

425. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt
 426. of a copy hereof including the Buyer Attachment.

427. ^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR
Town of Florence

428. PO Box 2670 ADDRESS
ADDRESS

429. Florence, AZ 85132-3050 CITY, STATE, ZIP CODE
CITY, STATE, ZIP CODE

9. SELLER ACCEPTANCE**9a. 430. Broker on behalf of Seller:**

431. Sara Lucas-Briggs BR517016000 so038
 PRINT SALESPERSON'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

432. Briggs Realty LLC briggs1
 PRINT FIRM NAME FIRM MLS CODE

433. 149 E Butte Ave Florence AZ 85132 FIRM STATE LICENSE NO.
 FIRM ADDRESS STATE ZIP CODE

434. (520) 371-1837 pinalbroker@gmail.com
 PREFERRED TELEPHONE FAX EMAIL

9b. 435. Agency Confirmation: The Broker named in Section 9a above is the agent of (check one):

436. ☐ the Seller; or ☒ both the Buyer and Seller

9c. 437. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a
 438. copy hereof and grant permission to Broker named in Section 9a to deliver a copy to Buyer.

439. ☐ Counter Offer is attached, and is incorporated herein by reference. Seller should sign both this offer and the Counter Offer.
 440. ☐ If there is a conflict between this offer and the Counter Offer, the provisions of the Counter Offer shall be controlling.

441. ^ SELLER'S SIGNATURE MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR
David Martin Jane Geampa
 SELLER'S NAME PRINTED SELLER'S NAME PRINTED

443. PO Box 1800 PO Box 1800
 ADDRESS ADDRESS

444. Eagar, AZ 85925 Eagar, AZ 85925
 CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

☐ OFFER REJECTED BY SELLER: _____
 MONTH DAY YEAR (SELLER'S INITIALS)

For Broker Use Only:

Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____
 MO/DA/YR



REAL ESTATE AGENCY DISCLOSURE AND ELECTIONDocument updated:
January 2009

The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. Firm Name ("Broker") Briggs Realty LLC
2. acting through Sara Lucas-Briggs hereby makes the following disclosure.
- LICENSEE'S NAME

DISCLOSURE

3. Before a **Seller or Landlord** (hereinafter referred to as "**Seller**") or a **Buyer or Tenant** (hereinafter referred to as "**Buyer**") enters into a discussion with a real estate broker or licensee affiliated with a broker, the Seller and the Buyer should understand what type of agency relationship or representation they will have with the broker in the transaction.
4. **I. Buyer's Broker:** A broker other than the Seller's broker can agree with the Buyer to act as the broker for the Buyer. In these situations, the Buyer's broker is not representing the Seller, even if the Buyer's broker is receiving compensation for services rendered, either in full or in part, from the Seller or through the Seller's broker:
5. a) A Buyer's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Buyer.
6. b) Other potential Buyers represented by broker may consider, make offers on, or acquire an interest in the same or similar properties as Buyer is seeking.
7. **II. Seller's Broker:** A broker under a listing agreement with the Seller acts as the broker for the Seller only:
8. a) A Seller's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Seller.
9. b) Other potential Sellers represented by broker may list properties that are similar to the property that Seller is selling.
10. **III. Broker Representing both Seller and Buyer (Limited Representation):** A broker, either acting directly or through one or more licensees within the same brokerage firm, can legally represent both the Seller and the Buyer in a transaction, but only with the knowledge and informed consent of both the Seller and the Buyer. In these situations, the Broker, acting through its licensee(s), represents both the Buyer and the Seller, with limitations of the duties owed to the Buyer and the Seller:
11. a) The broker will not, without written authorization, disclose to the other party that the Seller will accept a price or terms other than stated in the listing or that the Buyer will accept a price or terms other than offered.
12. b) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential information may be made only with written authorization.
13. Regardless of who the Broker represents in the transaction, the Broker shall exercise reasonable skill and care in the performance of the Broker's duties and shall be truthful and honest to both the Buyer and Seller and shall disclose all known facts which materially and adversely affect the consideration to be paid by any party. Pursuant to A.R.S. §32-2156, Sellers, Lessors and Brokers are not obligated to disclose that a property is or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. Sellers or Sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless there is a confidentiality agreement between the parties.
14. **THE DUTIES OF THE BROKER IN A REAL ESTATE TRANSACTION DO NOT RELIEVE THE SELLER OR THE BUYER FROM THE RESPONSIBILITY TO PROTECT THEIR OWN INTERESTS. THE SELLER AND THE BUYER SHOULD CAREFULLY READ ALL AGREEMENTS TO ENSURE THAT THE DOCUMENTS ADEQUATELY EXPRESS THEIR UNDERSTANDING OF THE TRANSACTION.**

ELECTION

15. **Buyer or Tenant Election** (Complete this section only if you are the Buyer.) The undersigned elects to have the Broker (check any that apply):
16. ☒ represent the Buyer as Buyer's Broker.
17. ☐ represent the Seller as Seller's Broker.
18. ☒ show Buyer properties listed with Broker's firm and Buyer agrees that Broker shall act as agent for both Buyer and Seller provided that the Seller consents to limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be acknowledged in a separate writing other than the purchase contract.
19. **Seller or Landlord Election** (Complete this section only if you are the Seller.) The undersigned elects to have the Broker (check any that apply):
20. ☐ represent the Buyer as Buyer's Broker.
21. ☐ represent the Seller as Seller's Broker.
22. ☐ show Seller's property to Buyers represented by Broker's firm and Seller agrees that Broker shall act as agent for both Seller and Buyer provided that Buyer consents to the limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be acknowledged in a separate writing other than the purchase contract.

23. The undersigned ☒ Buyer(s) or ☐ Seller(s) acknowledge that this document is a disclosure of duties. This document is not an employment agreement.

24. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.

25. **Town of Florence**

^ PRINT NAME

^ PRINT NAME

26. ^ SIGNED

MO/DA/YR ^ SIGNED

MO/DA/YR

Real Estate Agency Disclosure and Election • Updated: January 2009 • Copyright © 2009 Arizona Association of REALTORS®. All rights reserved.

Briggs Realty LLC - Corporate, 149 E Butte Ave Florence, AZ 85132
Sara Lucas-Briggs

Phone: (520) 371-1837

Fax: (866) 535-0338

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

525 E Ruggles St



MARKET CONDITIONS ADVISORYDocument updated:
August 2009

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The real estate market is cyclical and real estate values go up and down.

The financial market also changes, affecting the terms on which a lender will agree to loan money on real property. It is impossible to accurately predict what the real estate or financial market conditions will be at any given time.

The ultimate decision on the price a Buyer is willing to pay and the price a Seller is willing to accept for a specific property rests solely with the individual Buyer and Seller. The parties to a real estate transaction must decide on what price and terms they are willing to buy or sell in light of market conditions, their own financial resources and their own unique circumstances.

The parties must, upon careful deliberation, decide how much risk they are willing to assume in a transaction. Any waiver of contingencies, rights or warranties in the Contract may have adverse consequences. Buyer and Seller acknowledge that they understand these risks.

Buyer and Seller assume all responsibility should the return on investment, tax consequences, credit effects, or financing terms not meet their expectations. The parties understand and agree that the Broker(s) do not provide advice on property as an investment. Broker(s) are not qualified to provide financial, legal, or tax advice regarding a real estate transaction. Therefore, Broker(s) make no representation regarding the above items. Buyer and Seller are advised to obtain professional tax and legal advice regarding the advisability of entering into this transaction.

THE UNDERSIGNED ACCEPT AND UNDERSTAND THE FOREGOING AND ACKNOWLEDGE RECEIPT OF A COPY OF THIS ADVISORY.

^ BUYER'S SIGNATURE
Town of Florence

MO/DA/YR

^ BUYER'S SIGNATURE

MO/DA/YR

^ SELLER'S SIGNATURE
David Martin

MO/DA/YR

^ SELLER'S SIGNATURE
Jane Geampa

MO/DA/YR

Market Conditions Advisory • Updated: August 2009
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Briggs Realty LLC - Corporate, 149 E Butte Ave Florence, AZ 85132

Phone: (520) 371-1837

Fax: (866) 535-0338

Sara Lucas-Briggs

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

525 E Ruggles St



BUYER-BROKER EXCLUSIVE EMPLOYMENT AGREEMENT

The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. Buyer/Tenant: Town of Florence ("Buyer")
2. Firm: Briggs Realty LLC (FIRM NAME) Agent: Sara Lucas-Briggs ("Broker") (AGENT'S NAME)
3. Term: This Agreement shall commence on April 4, 2019 and expire at 11:59 p.m. on May 31, 2019.
4. Employment: Broker agrees to:
 5. a. locate Property meeting the following general description;
 6. ☐ Residential ☒ Land ☐ Commercial ☐ Other: 525 E Ruggles St, Florence, AZ 85132 ("Property");
 7. b. negotiate at Buyer's direction to obtain acceptable terms and conditions for the purchase, exchange, option or lease of the Property;
 8. c. assist Buyer during the transaction within the scope of Broker's expertise and licensing.
9. Agency Relationship: The agency relationship between Buyer and Broker shall be:
 10. ☒ as set forth in the Real Estate Agency Disclosure and Election form.
 11. ☐ Other: _____
12. Retainer Fee: Buyer agrees to pay Broker a non-refundable fee in the amount of \$ none, which is earned when paid, for initial
13. consultation and research. This fee ☐ shall ☐ shall not be credited against any other compensation owed by Buyer to
14. Broker as pursuant to Lines 27 - 29.
15. Property Viewings: Buyer agrees to work exclusively with Broker and be accompanied by Broker on Buyer's first visit to any Property.
16. If Broker does not accompany Buyer on the first visit to any Property, including a model home, new home/lot or "open house"
17. held by a builder, seller or other real estate broker, Buyer acknowledges that the builder, seller or seller's broker may refuse to
18. compensate Broker, which will eliminate any credit against the compensation owed by Buyer to Broker.
19. Due Diligence: Once an acceptable Property is located, Buyer agrees to act in good faith to acquire the Property and conduct any
20. inspections/investigations of the Property that Buyer deems material and/or important.
21. Note: Buyer acknowledges that pursuant to Arizona law, Sellers, Lessors and Brokers are not obligated to disclose that a Property is
22. or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a person
23. exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real
24. estate; or (3) located in the vicinity of a sex offender.
25. Buyer agrees to consult the Arizona Department of Real Estate Buyer Advisory at www.aaronline.com to assist in Buyer's
26. inspections and investigations.
27. Compensation: Buyer agrees to compensate Broker as follows:
 28. The amount of compensation shall be: 3 percent of sales price
 29. or the compensation Broker receives from seller or seller's broker, whichever is greater. In either event, Buyer authorizes Broker to accept
 30. compensation from seller or seller's broker, which shall be credited against any compensation owed by Buyer to Broker pursuant to this
 31. Agreement. Broker's compensation shall be paid at the time of and as a condition of closing or as otherwise agreed upon in writing.
 32. Buyer agrees to pay such compensation if within _____ calendar days after the termination of this Agreement, Buyer enters into an
 33. agreement to purchase, exchange, option or lease any Property shown to Buyer or negotiated by Broker on behalf of Buyer during the
 34. term of this Agreement, unless Buyer has entered into a subsequent buyer-broker exclusive employment agreement with another broker.
 35. If completion of any transaction is prevented by Buyer's breach or with the consent of Buyer other than as provided in the purchase
 36. contract, the total compensation shall be due and payable by Buyer.
37. COMMISSIONS PAYABLE ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS® OR MULTIPLE
38. LISTING SERVICE OR IN ANY MANNER OTHER THAN AS NEGOTIATED BETWEEN BROKER AND BUYER.

>>



Buyer-Broker Exclusive Employment Agreement >>

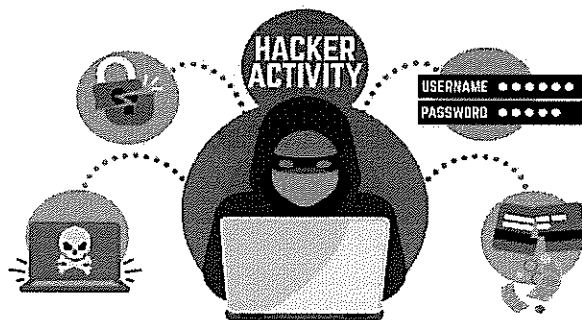
39. **Additional Terms:** Buyer agrees to pay Briggs Realty LLC a 3% commission of the sales price,
 40. only upon successful close of escrow for buyer representation.
 41. _____
 42. _____
 43. _____
 44. _____
 45. _____
 46. _____
 47. _____
 48. **Equal Housing Opportunity:** Broker's policy is to abide by all local, state, and federal laws prohibiting discrimination against any
 49. individual or group of individuals. Broker has no duty to disclose the racial, ethnic, or religious composition of any neighborhood,
 50. community, or building, nor whether persons with disabilities are housed in any home or facility, except that Broker may identify
 51. housing facilities meeting the needs of a disabled buyer.
 52. **Other Potential Buyers:** Buyer consents and acknowledges that other potential buyers represented by Broker may consider, make
 53. offers on, or acquire an interest in the same or similar properties as Buyer is seeking.
 54. **Alternative Dispute Resolution ("ADR"):** Buyer and Broker agree to mediate any dispute or claim arising out of or relating to this
 55. Agreement in accordance with the mediation procedures of the applicable state or local REALTOR® association or as otherwise
 56. agreed. All mediation costs shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims,
 57. the unresolved disputes or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator
 58. and cooperate in the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be
 59. submitted to the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry.
 60. The decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in
 61. any court of competent jurisdiction.
 62. **Attorney Fees and Costs:** In any non-REALTOR® association proceeding to enforce the compensation due to Broker pursuant to
 63. this Agreement, the prevailing party shall be awarded their reasonable attorney fees and arbitration costs.
 64. **Arizona Law:** This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.
 65. **Copies and Counterparts:** This Agreement may be executed by facsimile or other electronic means and in any number of
 66. counterparts. A fully executed facsimile or electronic copy of the Agreement shall be treated as an original Agreement.
 67. **Entire Agreement:** This Agreement, and any addenda and attachments, shall constitute the entire agreement between Buyer and
 68. Broker, shall supersede any other written or oral agreements between Buyer and Broker and can be modified only by a writing
 69. signed by Buyer and Broker.
 70. **Capacity:** Buyer warrants that Buyer has the legal capacity, full power and authority to enter into this Agreement and consummate
 71. the transaction contemplated hereby on Buyer's own behalf or on behalf of the party Buyer represents, as appropriate.
 72. **Acceptance:** Buyer hereby agrees to all of the terms and conditions herein and acknowledges receipt of a copy of this Agreement.

73. _____
 ^ BUYER'S SIGNATURE **Town of Florence** MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR
 74. **PO Box 2670** **Florence** **AZ** **85132-3050**
 STREET CITY STATE ZIP CODE
 75. _____
 TELEPHONE FAX
 76. **Briggs Realty LLC**
 FIRM NAME ^ AGENT SIGNATURE MO/DA/YR
Sara Lucas-Briggs

For Broker Use Only:

Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____
 MO/DA/YR





WIRE FRAUD ADVISORY

Criminals are targeting social media and email to steal information. This is particularly common in real estate transactions because sensitive data, including social security numbers, bank account numbers, and wire instructions are often sent by electronic means. We do not want you to be the next victim of wire fraud. Money wired to a fraudulent account is stolen money that typically cannot be recovered. Additionally, there is generally no insurance for this loss. You may never get the money back.

PROTECT YOURSELF

DO NOT TRUST EMAILS CONTAINING WIRE INSTRUCTIONS

- If you receive an email containing wire transfer instructions, immediately call your escrow officer to ensure the validity of the instructions.

DO NOT TRUST EMAILS SEEKING PERSONAL/FINANCIAL INFORMATION

- If you receive an email requesting personal/financial information or asking you to download, click on a link, send, and/or do anything that may seem unusual to you, call your escrow officer immediately prior to acting on the suspicious email to verify the validity of the email.

TRUST YOUR SOURCE OF INFORMATION

- Never direct, accept or allow anyone in the transaction to consent to receiving transfer instructions without a direct personal telephone call to the individual allegedly providing the instructions.
- It is imperative that this call be made to a number obtained in person from the individual or through other reliable means, not from a number provided in the email or the wiring instructions.

ONLINE RESOURCES:

There are many online sources that can provide useful information regarding similar topics including, but not limited to, the following sites:

The Federal Bureau of Investigation @ <https://www.fbi.gov/scams-and-safety>

The Internet Crime Complaint Center @ www.ic3.gov

The National White Collar Crime Center @ <http://www.nw3c.org/research>

On Guard Online @ www.onguardonline.gov

VERIFY AND NOTIFY

Before you wire funds to any party (including your lawyer, title agent, mortgage broker, or real estate agent) personally meet them or call a verified telephone number (not the telephone number in the email) to confirm before you act!

Immediately notify your banking institution and Settlement/Title Company if you are a victim of wire fraud.

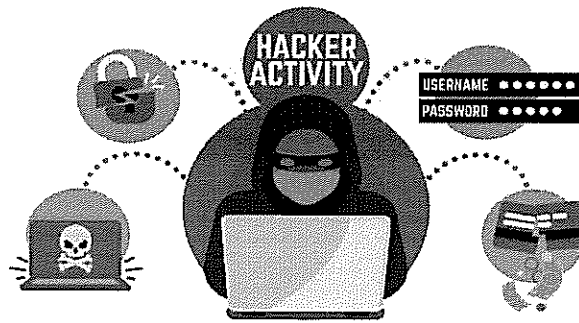
The undersigned acknowledges receipt of this Wire Fraud Advisory.

Client
Town of Florence

Date

Client

Date



WIRE FRAUD ADVISORY

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The Federal Bureau of Investigation @ <https://www.fbi.gov/scams-and-safety>
The Internet Crime Complaint Center @ www.ic3.gov
The National White Collar Crime Center @ <http://www.nw3c.org/research>
On Guard Online @ www.onguardonline.gov

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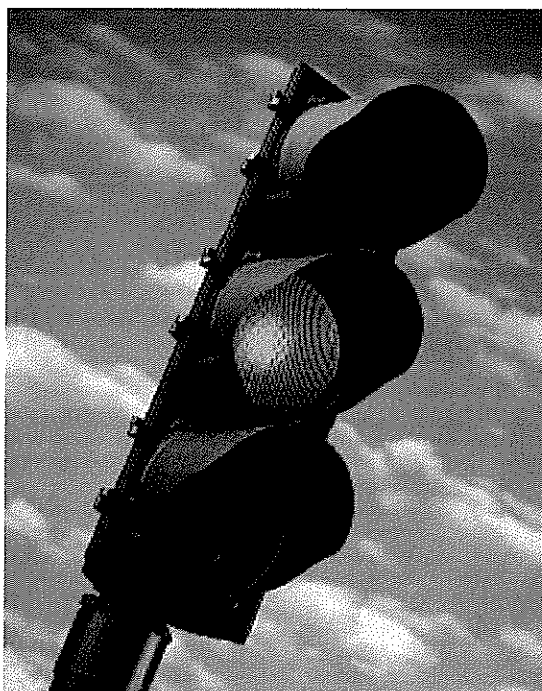
The undersigned acknowledges receipt of this Wire Fraud Advisory.

Client
David Martin

Date

Client
Jane Geampa

Date



TO ENSURE THAT YOU HAVE THE MOST UP-TO-DATE BUYER
ADVISORY, PLEASE CHECK

<https://www.aaronline.com/manage-risk/buyer-advisory-3/>



Document Updated:
OCTOBER 2018

ARIZONA ASSOCIATION OF REALTORS®



Buyer Advisory



ARIZONA
ASSOCIATION OF
REALTORS®

REAL SOLUTIONS. REALTOR® SUCCESS.



A Resource for Real Estate Consumers

*Provided by the Arizona Association of REALTORS®
and the Arizona Department of Real Estate*

A real estate agent is vital to the purchase of real property and can provide a variety of services in locating a property, negotiating the sale, and advising the buyer.

A real estate agent is generally not qualified to discover defects or evaluate the physical condition of property; however, a real estate agent can assist a buyer in finding qualified inspectors and provide the buyer with documents and other resources containing vital information about a prospective property.

This Advisory is designed to make the purchase of real property as smooth as possible. Some of the more common issues that a buyer may decide to

investigate or verify concerning a property purchase are summarized in this Advisory. Included in this Advisory are:

1. Common documents a buyer should review;
2. Physical conditions in the property the buyer should investigate; and
3. Conditions affecting the surrounding area that the buyer should investigate.

In addition, a buyer must communicate to the real estate agents in the transaction any special concerns the buyer may have about the property or surrounding area, whether or not those issues are addressed in this Advisory.

REMINDER:

This Advisory is supplemental to obtaining professional property inspections. Professional property inspections are absolutely essential: there is no practical substitute for a professional inspection as a measure to discover and investigate defects or shortcomings in a property.





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| 3 MLS Printout | 4 HOA Disclosures | 5 Professional Inspection Report |
| 3 The Subdivision Disclosure Report (Public Report) | 4 Community Facilities District | 5 County Assessors/Tax Records |
| 3 Seller's Property Disclosure Statement (SPDS) | 4 Title Report or Title Commitment | 5 Termites and Other Wood Destroying Insects and Organisms |
| 3 Covenants, Conditions and Restrictions (CC&Rs) | 4 Loan Information & Documents | 5 Foreign Investment in Real Property Tax Act (FIRPTA) |
| | 4 Home Warranty Policy | |
| | 5 Affidavit of Disclosure | |

SECTION 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

- | | | |
|--|---|--|
| 6 Repairs, Remodeling and New Construction | 7 Water/Well Issues (Adjudications, CAGRDs) | 8 Indoor Environmental Concerns (Mold, Chinese Drywall, Radon Gas & Carbon Monoxide, Drug labs, Other) |
| 6 Square Footage | 7 Soil Problems | 8 Property Boundaries |
| 6 Roof | 7 Previous Fire/Flood | 9 Flood Insurance / Flood Plain Status |
| 6 Swimming Pools and Spas (Barriers) | 7 Pests (Scorpions, Bed bugs, Roof Rats, Termites & Bark Beetles) | 9 Insurance (Claims History) |
| 6 Septic and Other On-Site Wastewater Treatment Facilities | 8 Endangered & Threatened Species | 9 Other Property Conditions (Plumbing, Cooling/Heating, Electrical systems) |
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Section 1

COMMON DOCUMENTS A BUYER SHOULD REVIEW

The documents listed below may not be relevant in every transaction, nor is the list exhaustive. Unless otherwise stated, the real estate broker has not independently verified the information contained in these documents.

1 Purchase Contract

Buyers should protect themselves by taking the time to read the real estate purchase contract and understand their legal rights and obligations before they submit an offer to buy a property.

<http://bit.ly/2kpUncl>

(AAR Sample Residential Resale Purchase Contract)

2 MLS Printout

A listing is a contractual agreement between the seller and the listing broker and may authorize the broker to submit information to the Multiple Listing Service (MLS). The MLS printout is similar to an advertisement. Neither the listing agreement nor the printout is a part of the purchase contract between the buyer and seller. The information in the MLS printout was probably secured from the seller, the builder, or a governmental agency, and could be inaccurate, incomplete or an approximation. Therefore, the buyer should verify any important information contained in the MLS.

3 The Subdivision Disclosure Report (Public Report)

A Subdivision Disclosure Report (Public Report) is intended to point out material information about a subdivision. Subdividers (any person who offers for sale or lease six or more lots in a subdivision or who causes land to be divided into a subdivision) are required to give buyers a Public Report. Read the Public Report before signing any contract to purchase property in a subdivision. Although some of the information may become outdated, subsequent buyers can also benefit from reviewing the Public Report. Public Reports dating from January 1, 1997, are available on the Arizona Department of Real Estate (ADRE) website.

<http://services.azre.gov/publicdatabase/SearchDevelopments.aspx>
(ADRE Search Developments)

<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

ADRE does not verify the information in the Public Report. Therefore, the Report could be inaccurate so it should be verified by the buyer.

4 Seller's Property Disclosure Statement (SPDS)

Most sellers provide a SPDS. This document poses a variety of questions for the seller to answer about the property and its condition. The real estate broker is not responsible for verifying the accuracy of the items on the SPDS; therefore, a buyer should carefully review the SPDS and verify those statements of concern.

<http://bit.ly/2knrN9A> (AAR Sample SPDS)

<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

5 Covenants, Conditions and Restrictions (CC&Rs)

The CC&Rs are recorded against the property and generally empower a homeowner's association to control certain aspects of property use within the development. By purchasing a property in such a development, the buyer agrees to be bound by the CC&Rs. The association, the property owners as a whole, and individual property owners can enforce the CC&Rs. It is essential that the buyer review and agree to these restrictions prior to purchasing a property.

<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

ADRE ADVISES:

"Read the deed restrictions, also called CC&Rs (covenants, conditions and restrictions). You might find some of the CC&Rs are very strict."

Buyers should consult legal counsel if uncertain of the application of particular provisions in the CC&Rs.



6 Homeowners Association (HOA) Governing Documents

In addition to CC&Rs, HOAs may be governed by Articles of Incorporation, Bylaws, Rules and Regulations, and often architectural control standards. Read and understand these documents. Also, be aware that some HOAs impose fees that must be paid when the property is sold, so ask if the purchase of the property will result in any fees. Condominium and planned community HOAs are regulated by Arizona statutes. They are not under the jurisdiction of the Department of Real Estate (ADRE). Nonetheless, the Arizona's Homeowner's Association Dispute Process is administered by the ADRE.

<http://bit.ly/2ebBSLH> and <http://bit.ly/2e8jdM3>
(Chapter 16 and 18 of the Arizona Revised Statutes-Title 33)
<http://bit.ly/1rCq9kd> (ADRE HOA Information)
<http://www.re.state.az.us/HOA/HOA.aspx/>
(Homeowners Association Dispute Process)

7 HOA Disclosures

If purchasing a resale home in a condominium or planned community, the seller (if fewer than 50 units in the community) or the HOA (if there are 50 or more units) must provide the buyer with a disclosure containing a variety of information.

<http://bit.ly/2ebBSLH> (A.R.S. § 33-1260)
<http://bit.ly/2e8jdM3> (A.R.S. § 33-1806)

8 Community Facilities District

The Arizona Community Facilities District Act allows for the formation of a community facilities district (CFD) by a municipality or county for the purpose of constructing or acquiring a public infrastructure. It is important when purchasing property to determine whether it falls within the boundaries of a CFD as this may result in an additional tax burden upon the owner. While the presence of a CFD may be noted on the Residential Seller's Property Disclosure Statement, prospective buyers can further investigate the issue by contacting the treasurer's office or assessor's office for the county in which the property is located.

9 Title Report or Title Commitment

The title report or commitment contains important information and is provided to the buyer by the

title/escrow company or agent. This report or commitment lists documents that are exceptions to the title insurance (Schedule B Exceptions). Schedule B Exceptions may include encumbrances, easements, and liens against the property, some of which may affect the use of the property, such as a future addition or swimming pool. Make sure you receive and review all of the listed documents. Questions about the title commitment and Schedule B documents may be answered by the title or escrow officer, legal counsel, or a surveyor.

www.alta.org/consumer/questions.cfm
(American Land Title Association)

<https://insurance.az.gov/consumers/help-hometitleflood-insurance>
(Arizona Department of Insurance)

10 Loan Information and Documents

Unless a buyer is paying cash, the buyer must qualify for a loan in order to complete the purchase. A buyer should complete a loan application with a lender before making an offer on a property if at all possible and, if not, immediately after making an offer. It will be the buyer's responsibility to deposit any down payment and ensure that the buyer's lender deposits the remainder of the purchase price into escrow prior to the close of escrow date. Therefore, make sure you get all requested documentation to your lender as soon as possible.

<http://1.usa.gov/1Ewofgr> (Your Home Loan Toolkit - Consumer Financial Protection Bureau)
<http://1.usa.gov/1uNYaml> (HUD)
<https://www.mba.org/who-we-are/consumer-tools>
(Mortgage Bankers Association)
https://www.namb.org/links_to_government_resources.php
(National Association of Mortgage Brokers- Consumer Info)

11 Home Warranty Policy

A home warranty [policy] is a service contract that typically covers the repair and/or replacement costs of home appliances and major systems such as heating, cooling, plumbing, and possibly other components of a home that fail due to normal usage and age. Coverage varies depending on the policy. Be aware that pre-existing property conditions are generally not covered. A home warranty may be part of the sale of the home. If so, buyers should thoroughly read the home warranty contract to understand coverage, limitations, exclusions, and costs associated with the policy.



12 Affidavit of Disclosure

If the buyer is purchasing five or fewer parcels of land (whether improved or vacant), other than subdivided land, in an unincorporated area of a county, the seller must furnish the buyer with an Affidavit of Disclosure.

<http://bit.ly/1p6CjDQ>
(AAR Sample Affidavit of Disclosure)

13 Lead-Based Paint Disclosure Form

If the home was built prior to 1978, the seller must provide the buyer with a lead-based paint disclosure form. Buyer is further advised to use certified contractors to perform renovation, repair or painting projects that disturb lead-based paint in residential properties built before 1978 and to follow specific work practices to prevent lead contamination.

<http://www2.epa.gov/lead>, <http://1.usa.gov/1uO5wGS> (EPA)
<http://bit.ly/1rCq9kd> (ADRE Lead Based Paint Information)

14 Professional Inspection Report

The importance of having a property inspected by a professional inspector cannot be over-emphasized. An inspection is a visual physical examination, performed for a fee, designed to identify material defects in the property. The inspector will generally provide the buyer with a report detailing information about the property's condition. The buyer should carefully review this report with the inspector and ask the inspector about any item of concern. Pay attention to the scope of the inspection and any portions of the property excluded from the inspection.

<https://btr.az.gov/laws-standards/standards/home-inspectors>
(BTR- Home Inspector Standards)
<http://www.azashi.com/articles> (Additional Information)

15 County Assessors/Tax Records

The county assessor's records contain a variety of valuable information, including the assessed value of the property for tax purposes and some of the physical aspects of the property, such as the reported square footage. The date built information in the assessor's records can be either the actual or effective/weighted age if the residence has been remodeled. All information on the site should be verified for accuracy.

Apache:
<http://bit.ly/1FKUhk8>

Coconino:
<http://1.usa.gov/1n2zoY0>

Graham:
<http://bit.ly/2JGz2ZO>

La Paz:
<http://bit.ly/2HzhhdR>

Mohave:
<http://bit.ly/Yq6nAj>

Pima:
<http://1.usa.gov/1oUJVeT>

Santa Cruz:
<http://bit.ly/1vRYwXi>

Yuma:
<http://bit.ly/1FZ1uir>

Cochise:
<http://bit.ly/1oUS7ck>

Gila:
<http://bit.ly/Yq3bV9>

Greenlee:
<http://bit.ly/1md668Y>

Maricopa:
<http://1.usa.gov/1pWx1tF>

Navajo:
<http://bit.ly/1pWxgVA>

Pinal:
<http://1.usa.gov/1rOIQBr>

Yavapai:
<http://bit.ly/1AsANj5>

16 Termites and Other Wood Destroying Insects and Organisms

Termites are commonly found in some parts of Arizona. The Office of Pest Management (OPM) regulates pest inspectors and can provide the buyer with information regarding past termite treatments on a property.

<https://agriculture.az.gov/pestspest-control/termites> (AZDA-Termite Information)

<http://bit.ly/2GiGIIr> (AZDA-Wood Destroying Insect Inspection Reports)

<https://tarf.azda.gov/> (AZDA-Search for Termite Reports)

17 Foreign Investment in Real Property Tax Act (FIRPTA)

Foreign Investment in Real Property Tax Act (FIRPTA) may impact the purchase of property if the legal owner(s) of the property are foreign persons or non-resident aliens pursuant to FIRPTA. If so, consult a tax advisor as mandatory withholding may apply.

<http://1.usa.gov/1ldMdnq> (I.R.S. FIRPTA Definitions)

www.irs.gov/Individuals/International-Taxpayers/FIRPTA-Withholding
(I.R.S. FIRPTA Information)

<http://www.irsvideos.gov/Individual/education/FIRPTA> (I.R.S. FIRPTA Video)



Section 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

Because every buyer and every property is different, the physical property conditions requiring investigation will vary.

1 Repairs, Remodeling and New Construction

The seller may have made repairs or added a room to the property. The buyer should feel comfortable that the work was properly done or have an expert evaluate the work. Request copies of permits, invoices or other documentation regarding the work performed.

<https://roc.az.gov/before-hire>
(Before You Hire a Contractor -- Tips)

www.greaterphoenixnari.org (National Association of
Remodeling Industry -- Greater Phoenix Chapter)

<https://www.nariofsouthernarizona.com/page-319328>
(National Association of Remodeling Industry -- Southern
Arizona)

<https://apps-secure.phoenix.gov/PDD/Search/Permits>
(City of Phoenix -- Building Permit Records)

2 Square Footage

Square footage on the MLS printout or as listed by the county assessor's records is often only an estimate and generally should not be relied upon for the exact square footage in a property. An appraiser or architect can measure the property's size to verify the square footage. If the square footage is important, you should have it confirmed by one of these experts during the inspection period in a resale transaction and prior to executing a contract in a new home transaction.

<https://boa.az.gov/directories/appraiser>
(AZFI - Arizona Board of Appraisers Directory)

3 Roof

If the roof is 10 years old or older, a roof inspection by a licensed roofing contractor is highly recommended.

www.azroofing.org
(Arizona Roofing Contractors Association)

<https://roc.az.gov/before-hire>
(Before You Hire a Contractor -- Tips)

4 Swimming Pools and Spas

If the property has a pool or a spa, the home inspector may exclude the pool or spa from the general inspection so an inspection by a pool or spa company may be necessary.

The Arizona REALTORS® Residential Purchase Contract provides guidance for the buyer to investigate all applicable state, county, and municipal Swimming Pool Barrier regulations and acknowledge receipt of the Arizona Department of Health Services approved private pool safety notice. The state requirements contained in the notice may be superseded by local swimming pool barrier ordinances that are equal to or more restrictive than the state requirements.

<https://www.aaronline.com/2010/10/pool-barrier-law-contact-information/> (AAR-Pool Barrier Laws & Information)

<https://www.azleg.gov/ars/36/01681.htm> (A.R.S. 36-1681 Swimming
Pool Enclosures)

5 Septic and Other On-Site Wastewater Treatment Facilities

If the home is not connected to a public sewer, it is probably served by an on-site wastewater treatment facility (conventional septic or alternative system). A qualified inspector must inspect any such facility within six months prior to transfer of ownership. For information on current inspection and transfer of ownership requirements, contact the specific county environmental/health agency where the property is located or the Arizona Department of Environmental Quality (ADEQ).

<http://bit.ly/2pIVsZe>
(ADEQ -- AZ Statewide Inspection Program)

<http://az.gov/app/own/home.xhtml>
(File a Notice of Transfer Online)



6 Sewer

Even if the listing or SPDS indicates that the property is connected to the city sewer, a plumber, home inspector, or other professional should verify it. Some counties and cities can perform this test as well.

7 Water/Well Issues

The property may receive water from a municipal system, a private water company, or a well. You should investigate the availability and quality of the water to the property, as well as the water provider. A list of Arizona's water companies is available at the Arizona Corporation Commission.

<https://www.azcc.gov/divisions/utilities/water.asp>
Arizona Corporation Commission - Utilities-Water

<http://bit.ly/1ri4DFW> or <http://bit.ly/VAVDQ8>
(Wells & Assured/Adequate Water Information)

Adjudications: Arizona is undertaking several Stream Adjudications, which are court proceedings to determine the extent and priority of water rights in an entire river system.

For information regarding water uses and watersheds affected by these adjudications, and the forms upon sale of the property, visit the Department of Water Resources online.

<http://bit.ly/1AsX14w>

(Department of Water Resources – Adjudications)

Additionally, the Verde Valley Water Users assists members in matters pertaining to the Gila River System Adjudication.

www.verdevalleywaterusers.org (Verde Valley Water Users Association)

CAGRDs: The Central Arizona Groundwater Replenishment District (CAGRD) functions to replenish groundwater used by its members, individual subdivisions and service areas of member water providers. Homeowners in a CAGRD pay an annual assessment fee which is collected through the county property tax process based on the amount of groundwater served to member homes.

www.cagrd.com

(Central Arizona Ground Water Replenishment District)

8

Soil Problems

The soil in some areas of Arizona has “clay-like” tendencies, sometimes referred to as “expansive soil.”

Other areas are subject to fissure, subsidence and other soil conditions. Properties built on such soils may experience significant movement causing a major problem.

If it has been disclosed that the property is subject to any such soil conditions or if the buyer has any

concerns about the soil condition or observes evidence of cracking, the buyer should secure an independent assessment of the property and its structural integrity by a licensed, bonded, and insured professional engineer.

<http://www.re.state.az.us/PublicInfo/Fissures.aspx>
(ADRE – Overview of Arizona Soils)

<http://bit.ly/2sXBHw>
(Problem Soils)

<http://bit.ly/2MpcKNU>
(Shrink/Swell Potential & FAQs)

<http://bit.ly/2yFzVHR>
(Information on Land Subsidence & Earth Fissures)

www.btr.state.az.us (State Certified Engineers & Firms)

9 Previous Fire/Flood

If it is disclosed there has been a fire or flood on the property, a qualified inspector should be hired to advise you regarding any possible future problems as a result of the fire or flood damage and/or any subsequent repairs. For example, if the property was not properly cleaned after a flood, mold issues may result. Your insurance agent may be able to assist you in obtaining information regarding fire, flood, or other past damage to the property.

10 Pests

Cockroaches, rattlesnakes, black widow spiders, scorpions, termites and other pests are common in parts of Arizona. Fortunately, most pests can be controlled with pesticides.

Scorpions: Scorpions, on the other hand, may be difficult to eliminate. If the buyer has any concerns or if the SPDS indicates the seller has seen scorpions or other pests on the property, seek the advice of a pest control company.

Bed bugs: Infestations are on the rise in Arizona and nationally.

Roof Rats: Roof Rats have been reported in some areas by Maricopa County Environmental Services.

Termites: Consumer Information available from the Office of Pest Management (OPM).

Bark Beetles: OPM reports the presence of bark beetles in some forested areas.



<http://bit.ly/1HLIWs5> (Information on Scorpions)
<http://bit.ly/1PFP9Y2> (Information on Bed Bugs)
<http://www2.epa.gov/bedbugs> (Bed Bugs: Get Them Out and Keep Them Out)
<http://www.maricopa.gov/FAQ.aspx?TID=104> (Maricopa County – Roof Rats)
<https://agriculture.az.gov/pestspest-control/termites> (Termite Information)
<https://agriculture.az.gov/pests-pest-control/agriculture-pests/bark-beetles> (Bark Beetle Information)

11 Endangered & Threatened Species

Certain areas in the state may have issues related to federally listed endangered or threatened species that may affect land uses. Further information may be obtained on the U.S. Fish and Wildlife website or by contacting the appropriate planning/development service department.

<http://www.fws.gov/southwest/es/arizona/> (Arizona Ecological Services)
<http://www.fws.gov/endangered/map/state/AZ.html>
 (Arizona Endangered Species)

12 Deaths and Felonies on the Properties

Arizona law states that sellers and real estate licensees have no liability for failure to disclose to a buyer that the property was ever the site of a natural death, suicide, murder or felony.

This information is often difficult to uncover; however, the local law enforcement agency may be able to identify incidents related to a property address.

<http://bit.ly/2le53MZ> (A.R.S. § 32-2156)

13 Indoor Environmental Concerns

Attention has been given to the possible health effects of mold in homes, apartments and commercial buildings. Certain types of mold may cause health problems in some people while triggering only common allergic responses in others.

Mold is often not detectable by a visual inspection. To determine if the premises you are purchasing contains mold or airborne health hazards, you may retain an environmental expert to perform an indoor air quality test. This is particularly important if any of the inspection reports or disclosure documents indicate the existence of past or present moisture, standing water, visible water stains, or water intrusion in the Premises.

The Arizona Department of Health Services, Office of Environmental Health, states:

"If you can see mold, or if there is an earthy or musty odor, you can assume you have a mold problem."

<http://1.usa.gov/1it5voK> (Indoor Air Quality)
www.epa.gov/mold (EPA)
<http://www.epa.gov/iaq/pubs/index.html> (Publications & Resources)
www.cdc.gov/mold (Mold Information)

Imported Drywall: There have been reports of problematic drywall, produced in China, used in Arizona homes. Residents in homes with problem drywall report health issues such as respiratory irritation, and other problems such as copper corrosion and sulfur odors. Visit the Consumer Product Safety Commission website for more information.

Radon Gas and Carbon Monoxide: Radon gas and carbon monoxide poisoning are two of the more common and potentially serious indoor air quality (IAQ) concerns. Both of these concerns can be addressed by the home inspector, usually for an additional fee. For information on radon levels in the state, visit Arizona Radiation Regulatory Agency online.

Drug labs: Residual contamination arising from the illicit manufacture of methamphetamine and other drugs carried out in clandestine drug laboratories presents a serious risk of harm to human and environmental health.

Other: For information on other indoor environmental concerns, the EPA has a host of resource materials and pamphlets online.

<http://bit.ly/2kRk7jm> (Drywall Information Center)
<http://bit.ly/2GdWpM> (About Radon)
<http://bit.ly/2t1CAPq> (Carbon Monoxide Infographic)
<http://www2.epa.gov/asbestos> (Asbestos Information)
<http://aardownload.com/2vBEvg6> (Voluntary Guidelines for Methamphetamine)
<http://1.usa.gov/1OC9Yji> (EPA Formaldehyde Information)

14 Property Boundaries

If the property boundaries are of concern, a survey may be warranted. For example, a survey may be advisable if there is an obvious use of property by others, i.e., a well-worn path across a property and/or parked cars on the property or fences or structures of adjacent property owners that appear to be built on the property. For more information, visit the Arizona Professional Land Surveyors online. A search for surveyors may be found online at the Board of Technical Registration.

www.azpls.org/ (AZ Professional Land Surveyors)
<https://btr.az.gov/laws-standards/standards/land-surveyors>
 (AZ BTR Land Surveyors)



15 Flood Insurance/Flood Plain Status

Your mortgage lender may require you to purchase flood insurance in connection with your purchase of the property. The National Flood Insurance Program provides for the availability of flood insurance and established flood insurance policy premiums based on the risk of flooding in the area where properties are located. Changes to the federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the property. As a result, purchasers of property should not rely on the premiums paid for flood insurance on the property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of the property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, whether the prior owner's policy may be assumed by a subsequent purchase of the property, and other matters related to the purchase of flood insurance for the property.

If community floodplain information is not available for a specific property, and in order to obtain flood insurance, it may be necessary to have an elevation survey and obtain an elevation certificate. This is necessary to determine a property's insurability and premium rate. You may also wish to contact the Federal Emergency Management Agency (FEMA) for

more information about flood insurance as it relates to the property.

<https://www.fema.gov/national-flood-insurance-program> (FEMA)

<https://msc.fema.gov/portal> (Flood Map Service Center)

<http://bit.ly/2egwpza> (Elevation Certificates: Who Needs Them and Why - fact sheet)

<http://azgs.arizona.edu/center-natural-hazards/floods> (Flooding in Arizona)

<http://www.fcd.maricopa.gov/3847/Flood-Control-District> (Maricopa County Flood Control District-Services)

<https://www.tucsonaz.gov/pdsd/floodplain-information> (Tucson Flood Information)

Other Arizona Counties: Consult County Websites.

16 Insurance (Claims History)

Many factors affect the availability and cost of homeowner's insurance. Property owners may request a five-year claims history from their insurance company, an insurance support organization or consumer reporting agency.

<https://insurance.az.gov/consumers/help-hometitleflood-insurance> (AZ Department of Insurance)

17 Other Property Conditions

Plumbing: Check functionality.

Cooling/Heating: Make sure the cooling and heating systems are adequate. If it is important to you, hire a qualified heating/cooling inspector.

<https://www.epa.gov/ods-phaseout>

Electrical Systems: Check for function and safety.

Section 3

CONDITIONS AFFECTING THE AREA SURROUNDING THE PROPERTY THE BUYER SHOULD INVESTIGATE

Every property is unique; therefore, important conditions vary.

Environmental Concerns

It is often very difficult to identify environmental hazards. The Arizona Department of Environmental Quality (ADEQ) website contains environmental information regarding the locations of open and

closed landfills (Solid Waste Facilities), wildfire information, as well as air and water quality information (and more).

www.adeq.state.az.us (ADEQ)

<http://legacy.adeq.gov/enviro/waste/solid/plan.html> (ADEQ-Solid Waste Facilities)

www.adeq.gov/function/programs/wildfire.html (Wildfire Information)



1 Environmentally Sensitive Land

Ordinance: Approximately two-thirds of the City of Scottsdale is affected by the Environmentally Sensitive Land Ordinance (ESLO), which requires some areas on private property be retained in their natural state and designated as National Area Open Space (NAOS).

<http://www.scottsdaleaz.gov/codes/eslo>
(Environmentally Sensitive Lands Overlay- ESL)

<http://www.scottsdaleaz.gov/codes/eslo>
(Natural Area Open Space)

2 Electromagnetic Fields

For information on electromagnetic fields, and whether they pose a health risk to you or your family, visit the National Institute of Environmental Health Sciences website.

www.niehs.nih.gov/health/topics/agents/emf/
(National Institute of Environmental Health Sciences)

3 Superfund Sites

There are numerous sites in Arizona where the soil and groundwater have been contaminated by improper disposal of contaminants. Maps may be viewed on ADEQ's website to see if a property is in an area designated by the ADEQ as requiring cleanup.

<http://www.azdeq.gov/emaps> (ADEQ-Maps)
www.epa.gov/superfund/ (EPA) , <http://espanol.epa.gov/> (Spanish)

4 Freeway Construction and Traffic Conditions

Although the existence of a freeway near the property may provide highly desirable access, sometimes it contributes to undesirable noise. To search for roadway construction and planning, visit the Arizona Department of Transportation (ADOT) website.

www.azdot.gov (ADOT)
www.azdot.gov/Highways (Statewide Projects)
www.az511.com (Traffic Conditions – Alerts)

5 Crime Statistics

Crime statistics, an imperfect measurement at best, provide some indication of the level of criminal activity in an area.

<http://1.usa.gov/1kSEpHc> (Phoenix Crime Statistics)

<https://www.phoenix.gov/police/neighborhood-resources/crime-stats-maps> (Phoenix Crime Statistics)
<http://www.tucsonaz.gov/police/statistics> (Tucson Crime Stats)
www.leagueaz.org/lgd (Crime Statistics All Arizona Cities)

6 Sex Offenders

Since June 1996, Arizona has maintained a registry and community notification program for convicted sex offenders. Prior to June 1996, registration was not required, and only the higher-risk sex offenders are on the website. The presence of a sex offender in the vicinity of the property is not a fact that the seller or real estate broker is required to disclose.

www.azdps.gov/Services/Sex_Offender/ (Registered Sex Offenders and Community Notification)
<http://www.nsopw.gov/en> (National Sex Offender Public Site)

7 Forested Areas

Life in a forested area has unique benefits and concerns. Contact county/city fire authority for more information on issues particular to a community.

<https://dfrm.az.gov/fire/prevention/firewise>
(Arizona Fire Wise Communities)
<https://www.nfpa.org/Public-Education/By-topic/Wildfire/Firewise-USA>
(Public Education/Fire Wise USA)

8 Military and Public Airports

The legislature has mandated the identification of areas in the immediate vicinity of military and public airports that are susceptible to a certain level of noise from aircraft. The boundaries of these areas have been plotted on maps that are useful in determining if a property falls within one of these areas. The maps for military and public airports may be accessed on the Arizona Department of Real Estate (ADRE) website. Additionally, the boundaries of military and public airports in Maricopa County may be viewed on the county website. These maps are intended to show the area subject to a preponderance of airport-related noise from a given airport. Periodic over-flights that may contribute to noise cannot usually be determined from these maps.

Vacant land or lots may be for sale within areas of high noise or accident potential zones. Because the zoning of these lots may conflict with the buyer's ability to develop the property, the buyer should verify whether development is prohibited.



Zoning regulations for these areas, may be found at A.R.S. §28-8481.

<http://www.re.state.az.us/AirportMaps/MilitaryAirports.aspx>
(ADRE - Maps of Military Airports & Boundaries)

www.re.state.az.us/AirportMaps/PublicAirports.aspx
(ADRE - Maps of Public Airports & Boundaries)

9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

<http://phoenix.gov/business/zoning> (Phoenix)

<http://www.tucsonaz.gov/pdsd/planning-zoning> (Tucson)

<http://www.leagueaz.org/lgd/> (Other Cities and Towns)

10 Schools

Although there is no substitute for an on-site visit to the school to talk with principals and teachers, there is a significant amount of information about Arizona's schools on the Internet. Visit the Arizona Department of Education website for more information.

<http://www.azed.gov/> (Arizona Department of Education)

ADRE ADVISES:

"Call the school district serving the subdivision to determine whether nearby schools are accepting new students. Some school districts, especially in the northwest part of the greater Phoenix area, have placed a cap on enrollment. You may find that your children cannot attend the school nearest you and may even be transported to another community."

www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx (ADRE)

11 City Profile Report

Information on demographics, finances and other factors are drawn from an array of sources, such as U.S. Census Bureau, Bureau of Labor, Internal Revenue Service, Federal Bureau of Investigation, and the National Oceanic and Atmospheric Administration and may be viewed on Homefair's Website.

<http://www.homefair.com/real-estate/city-profile/index.asp>
(City Profile Report)

Section 4

OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

Talk to the Neighbors

Neighbors can provide a wealth of information. Buyers should always talk to the surrounding residents about the neighborhood and the history of the property the buyer is considering for purchase.

Drive around the Neighborhood

Buyers should always drive around the neighborhood, preferably on different days at several

different times of the day and evening, to investigate the surrounding area.

Investigate your Surroundings:

Google Earth is an additional method to investigate the surrounding area:

<https://www.google.com/earth/>



Section 5

RESOURCES

Market Conditions Advisory

The real estate market is cyclical and real estate values go up and down. The financial market also changes, affecting the terms on which a lender will agree to loan money on real property. It is impossible to accurately predict what the real estate or financial market conditions will be at any given time.

The ultimate decision on the price a buyer is willing to pay and the price a seller is willing to accept for a specific property rests solely with the individual buyer or seller. The parties to a real estate transaction must decide on what price and terms they are willing to buy or sell in light of market conditions, their own financial resources and their own unique circumstances.

The parties must, upon careful deliberation, decide how much risk they are willing to assume in a transaction. Any waiver of contingencies, rights or warranties in the Contract may have adverse consequences. Buyer and seller acknowledge that they understand these risks.

Buyer and Seller assume all responsibility should the return on investment, tax consequences, credit effects, or financing terms not meet their expectations. The parties understand and agree that the Broker(s) do not provide advice on property as an investment. Broker(s) are not qualified to provide financial, legal, or tax advice regarding a real estate transaction. Therefore, Broker(s) make no representation regarding the above items. Buyer and seller are advised to obtain professional tax and legal advice regarding the advisability of entering into this transaction.

<http://bit.ly/1sSTprj> (AAR - Sample Forms)

color, national origin, religion, sex, familial status (including children under the age of 18 living with people securing custody of children under the age of 18), and handicap (disability).

<http://1.usa.gov/1pbD5iW> (US Government – HUD)

<http://www.ada.gov/pubs/ada.htm>
(Americans with Disabilities Act)

Wire Fraud

Beware of wiring instructions sent via email. Cyber criminals may hack email accounts and send emails with fake wiring instructions. You should independently confirm wiring instructions in person or via a telephone call to a trusted and verified phone number prior to wiring any money.

<http://bit.ly/2gQNWms> (FTC & NAR - Protect your mortgage closing from scammers)

<http://bit.ly/2vDDvFk> (CFPB- Buying a home? Watch out for mortgage closing scams)

Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)
<https://www.nar.realtor/>

Ten Step Guide To Buying a Home
<http://bit.ly/YweGug>

Home Closing 101
www.homeclosing101.org

Information about Arizona Government, State Agencies, City & County Websites

Arizona Department of Real Estate
Consumer Information
www.azre.gov/InfoFor/Consumers.aspx

Arizona Association of REALTORS®
www.aaronline.com

Fair Housing & Disability Laws

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race,





A Resource for Real Estate Consumers Provided by the
ARIZONA ASSOCIATION OF REALTORS® 

BUYER ACKNOWLEDGMENT

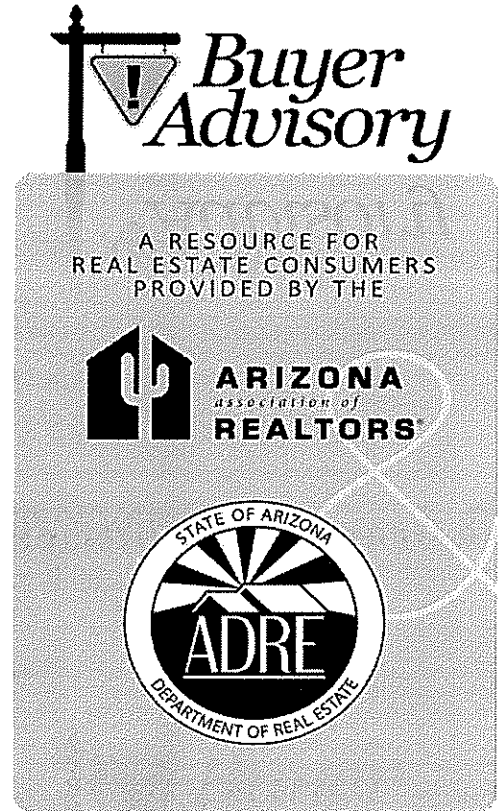
Buyer acknowledges receipt of all 13 pages of this Advisory.

Buyer further acknowledges that there may be other disclosure issues of concern not listed in this Advisory. Buyer is responsible for making all necessary inquiries and consulting the appropriate persons or entities prior to the purchase of any property.

The information in this Advisory is provided with the understanding that it is not intended as legal or other professional services or advice. These materials have been prepared for general informational purposes only. The information and links contained herein may not be updated or revised for accuracy. If you have any additional questions or need advice, please contact your own lawyer or other professional representative.

^ BUYER SIGNATURE _____ DATE _____
Town of Florence

^ BUYER SIGNATURE _____ DATE _____





RUGGLES

525 E Ruggles St

PARK

WARNER

6TH

SILVER

FOREMAN

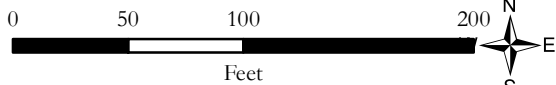
ENTER

Streets

Major Road

Local

Parcel Boundary




Date Created: 4/8/2019vc

Date Modified: 4/8/2019

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.

APN 200-47-0570
525 E Ruggles St



	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 13c.
MEETING DATE: April 15, 2019 DEPARTMENT: Public Works STAFF PRESENTER: Chris Salas, Public Work Director/Town Engineer SUBJECT: Resolution No. 1696-19: Purchase of Property		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnerships and Relationships <input checked="" type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Adoption of Resolution No. 1696-19: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PURCHASE OF CERTAIN LANDS BELONGING TO DARRELL PETERSON, LOCATED AT 575 E. RUGGLES STREET, FLORENCE, ARIZONA, TO BE DEDICATED FOR EXCLUSIVE USE BY THE TOWN OF FLORENCE PUBLIC WORKS DEPARTMENT AND OTHER MUNICIPAL PROJECTS AND DECLARING AN EMERGENCY.

BACKGROUND/DISCUSSION:

The Public Works Department requires additional land to grow operations. The lot is immediately adjacent to the Public Works yard. The lot is all of Block 89 of the Florence Townsite. The land will be used for a recycling station as well as additional water and wastewater storage needs. The lot will be paid for from sanitation, water and wastewater enterprise funds and added as a capital improvement project.

Additional Terms of the agreement include the following:

- The seller waived representation.
- Buyer and Seller agree there shall be no earnest monies.
- The Buyer will not provide proof of funds for seller review.
- The contract is contingent upon the simultaneous close of escrow of the following property:

- 525 E. Ruggles Street, Florence, Arizona. Parcel # 200-47-057, Legal Description: Florence Townsite: All of Block 88.
- 575 E. Ruggles Street, Florence, Arizona. Parcel # 200-47-058, Legal Description All of Block 89.
- Buyer and Seller agree to close of Escrow before May 16, 2019
- Seller agrees to fill out and provide the vacant lot/lot SPDS for buyer to review, within 5 days or less of contract acceptance.

RAD trash and recycling containers that can be seen from Main Street will be moved from Heritage Park to this site. Town will advertise the site as a place for the citizens to dispose of waste.

A VOTE OF NO WOULD MEAN:

The Town of Florence would not purchase the property.

A VOTE OF YES WOULD MEAN:

The Town of Florence would purchase the property and add a Capital Improvement Project to the 2019-20 budget.

FINANCIAL IMPACT:

The fiscal impact for the purchase of the property is not to exceed \$22,000 from the Enterprise Funds, equally divided between sanitation, water, and wastewater funds. The Town agreed to three percent real estate cost. Council will approve the Capital Improvement Project as part of the 2019-2020 Fiscal Year Budget.

ATTACHMENTS:

Resolution No. 1696-19
Purchase Documents

Resolution No. 1696-19

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PURCHASE OF CERTAIN LANDS BELONGING TO DARRELL PETERSON, LOCATED AT 525 E. RUGGLES ROAD, FLORENCE, ARIZONA, TO BE DEDICATED FOR EXCLUSIVE USE BY THE TOWN OF FLORENCE PUBLIC WORKS RELATED OPERATION AND OTHER MUNICIPAL USES AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the Town of Florence have determined that the Town is in need of additional land to be used for Public Works related operations and other municipal purposes; and

WHEREAS, Darrell Peterson has agreed to sell Parcel Number 200-47-0580, located at 575 E. Ruggles Road, Florence, Arizona, which are adjacent to the Town of Florence Public Works Department; and

WHEREAS, based upon the contract documents for the sales of the property the purchase is in the best interest of the Town of Florence.

NOW THEREFORE, BE IT RESOLVED that the Town Manager is hereby authorized to execute any and all documents necessary to complete the purchase of said property described in Exhibit "A" for the purchase price in an amount not to exceed \$24,000.

IT IS HEREBY FURTHER RESOLVED that said land is to be dedicated for the exclusive use of the Town of Florence for Public Works and other municipal uses.

FINALLY, IT IS HEREBY DETERMINED by the Mayor and Council the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, particularly to immediately close on the sale of the real property necessary for the real property necessary for the Town's public works operations, and an emergency is hereby declared to exist, and this resolution will be in full force and effect from and after its passage by the Mayor and Common Council of the Town and it is hereby excepted from the referendum provisions of the constitution and laws of the state of Arizona.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Florence, Arizona, this ____ day of ____, 2019.

Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

EXHIBIT A

Property located at 575 E. Ruggles Road, Florence, Arizona 85132. Parcel Number 200-47-0580. Legal description: All of Block 89 of Florence Townsite, Map Page 1.

SETTLEMENT STATEMENT

Pioneer Title Agency, Inc.
25 E Germann Road, Ste 220
Gilbert, AZ 85297

B. TYPE OF LOAN

OMB No. 2502-0265

1. ☐ FHA 2. ☐ FMHA 3. ☐ CONV. UNINS.
4. ☐ VA 5. ☐ CONV. INS.

6. ESCROW FILE NUMBER: 7. LOAN NUMBER:

77100766-071 CTG

8. MORTGAGE INSURANCE CASE NUMBER:

PRE-AUDIT - Figures subject to change

NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(P.O.C.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

A. NAME OF BORROWER: TBD

ADDRESS OF BORROWER:

B. NAME OF SELLER: Darrell Peterson

ADDRESS OF SELLER:

C. NAME OF LENDER:

ADDRESS OF LENDER:

D. PROPERTY LOCATION: 575 E Ruggles,
Florence, AZ 85132
Pinal 200-47-0580
Block 89, of Florence Townsite, Map Book 1, Map Page 1

E. SETTLEMENT AGENT: Pioneer Title Agency, Inc.
PLACE OF SETTLEMENT: 225 E Germann Road, Ste 220, Gilbert, AZ 85297

F. SETTLEMENT DATE: 04/22/2019

G. PRORATION DATE: 04/22/2019

H. FUNDING DATE:

I. SIGNING DATE:

J. DISBURSE DATE:

I. SUMMARY OF BORROWER'S TRANSACTION

K. SUMMARY OF SELLER'S TRANSACTION

100. Gross Amount Due From Borrower:

400. Gross Amount Due To Seller:

01. Contract Sales Price	21,000.00	401. Contract Sales Price	21,000.00
02. Personal Property		402. Personal Property	
03. Settlement charges to Borrower (line 1400)	890.00	403.	
04.		404.	
05.		405.	
Adjustments For Items Paid By Seller In Advance:		Adjustments For Items Paid By Seller In Advance:	
06. City/Town Taxes		406. City/Town Taxes	
07. County Taxes		407. County Taxes	
08. Assessments		408. Assessments	
09.		409.	
10.		410.	
11.		411.	
12.		412.	
13.		413.	
14.		414.	
15.		415.	

20. Gross Amount Due from borrower:

21,890.00

420. Gross Amount Due to Seller

21,000.00

100. Amounts Paid by or In behalf of Borrower:

500. Reductions In Amount Due To Seller:

101. Deposit or earnest money		501. Excess deposit (see instructions)	
102.		502. Settlement charges to Seller (line 1400)	798.00
103. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
104.		504. Payoff of first mortgage loan	
105.		505. Payoff of second mortgage loan	
106.		506.	
107.		507.	
108.		508.	
109.		509.	
Adjustments For Items Unpaid By Seller:		Adjustments For Items Unpaid By Seller:	
110. City/Town Taxes		510. City/Town Taxes	
111. County Taxes 01/01/19-04/22/19	56.70	511. County Taxes 01/01/19-04/22/19	56.70
112. Assessments		512. Assessments	
113.		513.	
114.		514.	
115.		515.	
116.		516.	
117.		517.	
118.		518.	
119.		519.	

120. Total Paid By/For Borrower

56.70

520. Total Reductions In Amount Due Seller

854.70

100. Cash at Settlement from/to Borrower:

600. Cash at Settlement to/from Seller:

101. Gross amount due from Borrower (line 120)	21,890.00	601. Gross amount due to Seller (line 420)	21,000.00
102. Less amount paid by/for Borrower (line 220)	56.70	602. Less reductions in amount due Seller (line 520)	854.70
103. Cash FROM Borrower:	21,833.30	603. Cash TO Seller:	20,145.30

INITIALS:

Settlement Agent

Settlement Agent

L. SETTLEMENT CHARGES:

700. Total Sales/Broker's Commission:

Based on Price \$ 21,000.00 @ 3% = 630.00		
Division of Commission (line 700) follows:		
701. \$ 630.00 to Briggs Realty LLC		
702. \$ 0.00 to TBD		
703. Commission paid at settlement	630.00	
704.		

800. Items Payable In Connection With Loan:

801. Loan Origination Fee		
802. Loan Discount Fee		
803. Appraisal Fee		
804. Credit Report		
805. Lenders inspection Fee		
806. Mortgage Insurance Application Fee		
807. Assumption Fee		
808.		

900. Items Required By Lender To Be Paid In Advance:

901. Interest		
902. Mortgage Insurance Premium		
903. Hazard Insurance Premium		
904.		

1000. Reserves Deposited With Lender:

1001. Hazard Insurance		
1002. Mortgage Insurance		
1003. City Property Taxes		
1004. County Property Taxes		
1005. Annual Assessments		
1006.		
1007.		
1008. Aggregate Adjustment months @ \$ per month	0.00	

1100. Title Charges:

1101. Settlement or closing fee to Pioneer Title Agency, Inc.	212.00	243.00
1102. Abstract or title search		
1103. Title examination		
1104. Title insurance binder		
1105. Document preparation		
1106. Notary Fees		
1107. Attorney's Fees		
(includes above item numbers:)		
1108. Title Insurance		
(included above item numbers:)		
1109. Lender's coverage \$ 0.00 to Pioneer Title Agency, Inc.		
1110. Owner's coverage \$ 21,000.00 to Pioneer Title Agency, Inc.		493.00
1111.		
1112.		
1113.		
1115. Courier to Pioneer Title Agency, Inc.	30.00	30.00
1116. Wire Fee to Pioneer Title Agency, Inc.		30.00

1200. Government Recording and Transfer Charges:

1201. Recording Fees: Deed \$ 18.00 Mortgage \$ Release \$	18.00	
1202. City/County tax/stamps		
1203. State tax/stamps		
1204. City Transfer Tax		
1205. County Transfer Tax		
1206. Affidavit of Value to Pioneer Title Agency, Inc.		2.00
1207.		

1300. Additional Settlement Charges:

1301. Survey		
1302. Pest Inspection		
1303.		
1304.		
1400. Total Settlement Charges (Enter on line 103, Section J -and- line 502, Section K)	890.00	798.00

INITIALS: _____

Printed on 04/14/2019

Printed by Lef Hays on 04/14/2019 at 12:00:48 PM

BUYER ATTACHMENTDocument updated:
February 2016

This attachment should be given to the Buyer prior to the submission of any offer and is not part of the Vacant Land/Lot Contract's terms.



ATTENTION BUYER!

You are entering into a legally binding agreement.

- ☒ 1. Read the entire contract *before* you sign it.
- ☒ 2. Review the Seller's Property Disclosure Statement and other disclosures (See Section 4a and 4b).
 - This information comes directly from the Seller.
 - Investigate any blank spaces, unclear answers or any other information that is important to you.
- ☒ 3. Review the Due Diligence Paragraph (see Section 6a).

Verify square footage/acreage (see Section 6b)

Verify whether the property is served by city or private sewer and its availability status (see Section 6e); OR

If an on-site wastewater treatment system has been installed on the Property (see Section 6e), AND

If a well has been installed on the Property (see Sections 4d and 6k)
- ☒ 4. Apply for your loan now, if you have not done so already, and provide your lender with all requested information (see Section 2d).

It is your responsibility to make sure that you and your lender deliver the necessary funds to escrow in sufficient time to allow escrow to close on the agreed upon date.
- ☒ 5. Read the title commitment (see Section 3c).
- ☒ 6. Read the CC&R's, use restrictions, and all other governing documents including design guidelines (see Section 3c), especially if the property is governed by a homeowners association.
- ☒ 7. Conduct a thorough final inspection (see Section 6o). If the property is unacceptable, speak up. After the closing may be too late.

You can obtain information through the Buyer's Advisory at <http://www.aaronline.com>.

Remember, you are urged to consult with an attorney, inspectors, and experts of your choice in any area of interest or concern in the transaction. Be cautious about verbal representations, advertising claims, and information contained in a listing. *Verify anything important to you.*

Buyer's Check List

Buyer Attachment • Updated: February 2016
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VACANT LAND/LOT PURCHASE CONTRACT



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



If subdivided land or unsubdivided land is being sold by a subdivider, i.e., a person who owns 6 or more lots, a public report will generally be required and an Addendum regarding subdivided or unsubdivided land must be executed by the Seller and Buyer.

1. PROPERTY

- 1a. 1. **BUYER:** Town of Florence
BUYER'S NAME(S)
2. **SELLER:** Darrell Peterson or ☐ as identified in section 9c.
SELLER'S NAME(S)
3. Buyer agrees to buy and Seller agrees to sell the real property with all improvements, fixtures, and appurtenances thereon
4. or incidental thereto, if any, plus the personal property described herein (collectively the "Property").
- 1b. 5. Property Address: 575 E Ruggles St Zoning: RES
6. Assessor's #(s): 200-47-058
7. City: Florence County: Pinal AZ, Zip Code: 85132
8. Legal Description: FLORENCE TOWNSITE: ALL OF BLK 89 or ☐ see attached legal description.
- 1c. 9. \$ 20,900.00 Full Purchase Price, paid as outlined below
10. \$ NONE Earnest money
11. \$ 20,900.00 cash down on or before close of escrow
12. \$ _____
13. _____
- 1d. 14. **Incidental Improvements:** Buyer is purchasing the Property as vacant land. Any improvements, fixtures and appurtenances
15. thereon or incidental thereto, are being transferred in their existing condition ("AS IS") and Seller makes no warranty to Buyer,
16. expressed or implied, as to their condition except as provided for in section 5a.
- 1e. 17. **Fixtures and Personal Property:** Seller agrees that all existing fixtures on the Property, and any existing personal property
18. specified herein, shall be included in this sale, including the following:
19. NONE
20. _____
21. Personal property included herein shall be transferred with no monetary value, and free and clear of all liens
22. or encumbrances.
23. Fixtures and leased items NOT included: _____
- 1f. 24. **Close of Escrow:** Close of Escrow ("COE") shall occur when the deed is recorded at the appropriate county recorder's office.
25. Buyer and Seller shall comply with all terms and conditions of this Contract, execute and deliver to Escrow Company all closing
26. documents, and perform all other acts necessary in sufficient time to allow COE to occur on
27. May 16th, 2019 ("COE Date"). If Escrow Company or recorder's office is closed on
MONTH DAY YEAR
28. COE Date, COE shall occur on the next day that both are open for business.
29. Buyer shall deliver to Escrow Company a cashier's check, wired funds or other immediately available funds to pay any down
30. payment, additional deposits or Buyer's closing costs, and instruct the lender, if applicable, to deliver immediately available
31. funds to Escrow Company, in a sufficient amount and in sufficient time to allow COE to occur on COE Date.

>>

Vacant Land/Lot Purchase Contract • Updated: February 2016
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SELLER	SELLER
--------	--------

<Initials

Initials>

BUYER	BUYER
-------	-------

Page 1 of 10



Vacant Land/Lot Purchase Contract >>

- 1g. 32. **Possession:** Seller shall deliver access to keys and/or means to operate all locks, mailbox, and all common area facilities, subject to the rights of tenants under existing leases, to Buyer at COE or ☐ _____. Broker(s) recommend that the parties seek appropriate counsel from insurance, legal, tax, and accounting professionals regarding the risks of pre-possession or post-possession of the Property.
- 1h. 36. **Addenda Incorporated:** ☐ Additional Clause ☐ Buyer Contingency ☐ Domestic Water Well ☐ H.O.A.
 37. ☐ Loan Assumption ☒ Market Conditions Advisory ☐ On-site Wastewater Treatment Facility ☐ Seller Financing ☐ Short Sale
 38. ☐ Vacant Land/Lot Purchase Contract Addendum Regarding Subdivided or Unsubdivided Land
 39. ☒ Other: Agency, Buyer Advisory, Wire Fraud Advisory,
- 1i. 40. **IF THIS IS AN ALL CASH SALE:** Buyer shall provide Seller, within five (5) days or _____ days after Contract acceptance, either a Letter of Credit or a Source of Funds Letter from a financial institution documenting the availability of funds to close escrow as agreed. Section 2 shall not apply, GO TO SECTION 3.

2. FINANCING

- 2a. 43. **Type of Financing:** ☐ Conventional ☐ FHA ☐ VA ☐ USDA ☐ Assumption ☐ Seller Carryback
 44. ☐ _____
 45. (If financing is to be other than new financing, see attached addendum.)
- 2b. 46. **Financing:** This sale ☐ is ☐ is not contingent upon Buyer obtaining a satisfactory financing commitment within Due Diligence Period pursuant to Section 6a. (If sale is not contingent on a financing commitment, go to Section 2k.)
- 2c. 48. **Financing Commitment Contingency Period:** If the sale is contingent upon Buyer obtaining a satisfactory financing commitment, Buyer shall have the Due Diligence Period to obtain a financing commitment, including appraised value, satisfactory to Buyer in Buyer's sole discretion, for a loan to purchase the Property or Buyer may cancel this Contract and receive a refund of the Earnest Money. PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD, BUYER SHALL DELIVER TO SELLER AND ESCROW COMPANY NOTICE THAT BUYER HAS NOT RECEIVED SUCH SATISFACTORY FINANCING COMMITMENT OR BUYER SHALL BE DEEMED TO HAVE WAIVED THE FINANCING COMMITMENT CONTINGENCY AND ANY RIGHT TO CANCEL DUE TO FINANCING.
- 2d. 55. **Pre-Qualification:** If using Conventional, FHA, VA, or USDA financing, a completed AAR Pre-Qualification Form is attached hereto and incorporated by reference.
- 2e. 57. **Loan Status Update:** Buyer shall deliver to Seller the Loan Status Update (LSU) with at a minimum lines 1-40 completed describing the current status of the Buyer's proposed loan within ten (10) days after Contract acceptance and instruct lender to provide an updated LSU to Broker(s) and Seller upon request.
- 2f. 60. **Loan Processing During Escrow:** Buyer agrees to diligently work to obtain the loan and will promptly provide the lender with all additional documentation required. Buyer shall sign all loan documents no later than three (3) days prior to the COE Date.
- 2g. 62. **Loan Costs:** Buyer shall pay all costs of obtaining the loan, except as provided herein.
- 2h. 63. **VA Loan Costs:** In the event of a VA loan, Seller agrees to pay the escrow fee and up to \$ _____ of loan costs not permitted to be paid by the Buyer, in addition to the other costs Seller has agreed to pay herein, including Seller's Concessions.
- 2i. 66. **Changes:** Buyer shall immediately notify Seller of any changes in the loan program, financing terms, or lender described in the Pre-Qualification Form if attached hereto or LSU provided within ten (10) days after Contract acceptance and shall only make any such changes without the prior written consent of Seller if such changes do not adversely affect Buyer's ability to obtain loan approval without Prior to Document (PTD) conditions, increase Seller's closing costs, or delay COE.
- 2j. 70. **Appraisal Fee(s):** Appraisal Fee(s), when required by Lender, shall be paid by ☐ Buyer ☐ Seller
 71. ☐ Other _____
 72. Appraisal Fee(s) ☐ are ☐ are not included in Seller Concessions, if applicable.
- 2k. 73. **Partial Release, if applicable:** Buyer and Seller agree that any partial releases will be addressed under Additional Terms and Conditions or attached Addendum. Broker(s) recommend the parties seek appropriate counsel regarding the risks of partial release.

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- 2l. 76. **Subordination:** If applicable, Seller carryback financing ☐ is ☐ is not to be subordinated to a construction loan. If Seller
 77. agrees to subordination, such subordination shall only be allowed if the Seller Carryback financing is not in default and if the
 78. Seller approves the terms and conditions of the construction loan to be recorded as a senior loan. Approval will not be
 79. unreasonably withheld. **IF SELLER SUBORDINATES THE SELLER CARRYBACK FINANCING TO A SENIOR LOAN, THE**
 80. **SELLER ACKNOWLEDGES THAT IN ORDER TO PROTECT THE SELLER CARRYBACK FINANCING, THE SELLER MAY**
 81. **HAVE TO MAKE PAYMENTS ON THE SENIOR LOAN IF THE SENIOR LOAN IS IN DEFAULT.** Broker(s) recommend
 82. the parties seek appropriate counsel regarding the risks of subordination.

3. TITLE AND ESCROW

- 3a. 83. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the
 84. terms of this Contract shall be:
85. Pioneer Title Agency (480) 857-2100
 "ESCROW/TITLE COMPANY" PHONE
86. (866) 450-6738 cindy.turas@pioneertitleagency.com
 FAX EMAIL
87. 225 E Germann Rd, Gilbert, AZ 85297-2904
 ADDRESS
- 3b. 88. **Title and Vesting:** Buyer will take title as determined before COE. Taking title may have significant legal, estate planning and
 89. tax consequences. Buyer is advised to obtain legal and tax advice.
- 3c. 90. **Title Commitment and Title Insurance:** Escrow Company is hereby instructed to obtain and deliver to Buyer and Seller
 91. directly, addressed pursuant to 8s and 9c or as otherwise provided, a Commitment for Title Insurance together with complete
 92. and legible copies of all documents that will remain as exceptions to Buyer's policy of Title Insurance ("Title Commitment"),
 93. including but not limited to Conditions, Covenants and Restrictions ("CC&Rs"); deed restrictions; and easements within fifteen
 94. (15) days after Contract acceptance. Buyer shall have prior to the expiration of the Due Diligence Period to provide written
 95. notice of any items disapproved. Buyer shall be provided, at Seller's expense, a Standard Owner's Title Insurance Policy
 96. showing the title vested in Buyer. Buyer may acquire extended coverage(s) at Buyer's own additional expense.
 97. Seller shall convey title by warranty deed, subject to existing taxes, assessments, covenants, restrictions, rights of way,
 98. easements and all other matters of record or ☐ deed.
- 3d. 99. **Additional Instructions:** (i) Escrow Company shall promptly furnish notice of pending sale that contains the name and
 100. address of the Buyer to any homeowner's association in which the Property is located. (ii) If the Escrow Company is also
 101. acting as the title agency but is not the title insurer issuing the title insurance policy, Escrow Company shall deliver to the
 102. Buyer and Seller, upon deposit of funds, a closing protection letter from the title insurer indemnifying the Buyer and Seller for
 103. any losses due to fraudulent acts or breach of escrow instructions by the Escrow Company. (iii) All documents necessary to
 104. close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow
 105. Company shall modify such documents to the extent necessary to be consistent with this Contract. (iv) Escrow Company fees,
 106. unless otherwise stated herein, shall be allocated equally between Seller and Buyer. (v) Escrow Company shall send to all
 107. parties and Broker(s) copies of all notices and communications directed to Seller, Buyer and Broker(s). (vi) Escrow Company
 108. shall provide Broker(s) access to escrowed materials and information regarding the escrow. (vii) If an Affidavit of Disclosure is
 109. provided, Escrow Company shall record the Affidavit at COE.
- 3e. 110. **Prorations, Expenses and Adjustments:**
111. **Taxes:** Real property taxes payable by the Seller shall be prorated through COE, based upon the latest tax bill available.
 112. The parties agree that any discrepancy between the latest tax bill available and the actual tax bill when received shall be
 113. handled as a Post Closing Matter and Buyer or Seller may be responsible for additional tax payments to each other.
114. **Rents, Interest and Expenses:** Rents; interest on existing notes, if transferred; utilities; and operating expenses shall be
 115. prorated through COE. The Parties agree to adjust any rents received after COE as a Post Closing Matter.
116. **Deposits:** All deposits held by Seller pursuant to rent/lease agreement(s) shall be credited against the cash required of
 117. Buyer at COE or ☐ paid to Buyer by Seller at COE.
- 3f. 118. **Post Closing Matters:** The parties shall promptly adjust any item to be prorated that is not determined or determinable at
 119. COE as a Post Closing Matter by appropriate cash payment to the other party outside of the escrow when the amount due is
 120. determined. Seller and Buyer agree that Escrow Company and Broker(s) are relieved of any responsibility for said
 121. adjustments.

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- 3g. 122. Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding any Earnest Money deposited with
 123. Escrow Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions
 124. of this Contract in its sole and absolute discretion. Buyer and Seller agree to hold harmless and indemnify Escrow Company
 125. against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including costs and attorney fees,
 126. arising from or relating in any way to the release of Earnest Money.
- 3h. 127. Assessment Liens:** The amount of any assessment, other than homeowner's association assessments, that is a lien as of
 128. the COE shall be: ☒ paid in full by Seller ☐ prorated and assumed by Buyer ☐ paid in full by Buyer. Any assessment that
 129. becomes a lien after COE is the Buyer's responsibility.
- 3i. 130. IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete,
 131. sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant
 132. to the Foreign Investment in Real Property Tax Act (FIRPTA). Buyer and Seller acknowledge that if the Seller is a foreign
 133. person, the Buyer (or Escrow Company, as directed by Buyer) must withhold a tax of up to 15% of the purchase price, unless an
 134. exemption applies.
- 3j. 135. Agricultural Foreign Investment Disclosure Act:** If applicable, Buyer and Seller shall comply with the Agricultural Foreign
 136. Investment Disclosure Act and make the required disclosures to the U.S. Department of Agriculture.
- 3k. 137. TAX DEFERRED EXCHANGE:** If Seller or Buyer intends to enter into a tax-deferred exchange pursuant to I.R.C. §1031
 138. or otherwise, all additional costs in connection with any such tax-deferred exchange shall be borne by the party requesting the
 139. exchange. The non-requesting party agrees to cooperate in the tax-deferred exchange provided that the non-requesting party
 140. incurs no additional costs and COE is not delayed. The parties are advised to consult a professional tax advisor regarding the
 141. advisability of any such exchange. The non-requesting party and Broker(s) shall be indemnified and held harmless from any
 142. liability that may arise from participation in the tax deferred exchange.

4. DISCLOSURES

- 4a. 143. Vacant Land/Lot Seller Property Disclosure Statement ("VLSPDS"):** Seller shall deliver a completed AAR VLSPDS form to
 144. the Buyer within five (5) days after Contract acceptance.
- 4b. 145. Additional Seller Disclosures and Information:** Seller shall provide to Buyer the following disclosures and information
 146. pertinent to the Property within five (5) days after the Contract acceptance: (i) any information known to Seller that may
 147. adversely affect the Buyer's use of the Property, (ii) any known pending special assessments, association fees, claims, or
 148. litigation, (iii) articles of incorporation; by-laws; other governing documents; and any other documents required by law, (iv)
 149. financial statements, current rent rolls, lists of current deposits, personal property lists, leases, rental agreements, service
 150. contracts, (v) soils, Phase I, or other environmental reports in Seller's possession, (vi) the most recent survey, if available,
 151. and (vii) any and all other agreements, documents, studies, or reports relating to the Property in Seller's possession or control
 152. provided, however, that Seller shall not be required to deliver any report or study if the written contract that Seller entered into
 153. with the consultant who prepared such report or study specifically forbids the dissemination of the report to others.
- 4c. 154. Road Maintenance Agreement:** Seller shall provide to Buyer, within five (5) days after the Contract acceptance, a copy
 155. of any known road maintenance agreement affecting the Property.
- 4d. 156. Seller's Obligations Regarding Wells:** If a well is located on the Property, or if the Property is to be served by a shared
 157. well, the AAR Domestic Water Well Addendum is attached hereto and incorporated by reference. At COE, if applicable,
 158. Seller shall assign, transfer and convey to the Buyer all of the water rights, or claims to water rights, if any, held by Seller
 159. that are associated with the Property.
- 4e. 160. No Seller or Tenant Bankruptcy, Probate or Insolvency Proceedings:** Seller represents that Seller has no notice or
 161. knowledge that any tenant on the Property is the subject of a bankruptcy, probate or insolvency proceeding. Further, Seller
 162. is not the subject of a bankruptcy, insolvency or probate proceeding.
- 4f. 163. Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State,
 164. or Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the
 165. Property.
- 4g. 166. Environmental Disclosure:** Seller has not knowingly caused or permitted the generation, storage, treatment, release or
 167. disposal of any hazardous waste or regulated substances at the Property except as otherwise disclosed.
- 4h. 168. Affidavit of Disclosure:** If the Property is located in an unincorporated area of the county, and five or fewer parcels of property
 169. other than subdivided land are being transferred, the Seller shall deliver a completed Affidavit of Disclosure in the form required
 170. by law to the Buyer within five (5) days after Contract Acceptance. Buyer shall provide notice of any Affidavit of Disclosure items
 171. disapproved within five (5) days after receipt of the Affidavit of Disclosure.

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- 4i. 172. **H.O.A. / Condominium / Planned Community:** The Property ☐ is ☒ is not located within a homeowners' association/ 173. condominium/planned community. If yes, the HOA addendum is attached hereto and incorporated by reference.
- 4j. 174. **Changes During Escrow:** Seller shall immediately notify Buyer of any changes in the Property or disclosures made herein, in the 175. SPDS, or otherwise. Such notice shall be considered an update of the SPDS. Unless Seller is already obligated by Section 5a, or 176. otherwise by this Contract or any amendments hereto, to correct or repair the changed item disclosed, Buyer shall be allowed prior 177. to the expiration of the Due Diligence Period or five (5) days after delivery of such notice, whichever is later, to provide notice of 178. disapproval to Seller.

5. WARRANTIES

- 5a. 179. **Seller Warranties:** Seller warrants and shall maintain and repair the Property so that at the earlier of possession or COE the 180. Property and any personal property included in the sale, will be in substantially the same condition as on the date of Contract 181. acceptance; and all personal property not included in the sale and all debris will be removed from the Property.
- 5b. 182. **Warranties that Survive Closing:** Seller warrants that Seller has disclosed to Buyer and Broker(s) all material latent defects and 183. any information concerning the Property known to Seller, excluding opinions of value, which materially and adversely affect the 184. consideration to be paid by Buyer. Prior to the COE, Seller warrants that payment in full will have been made for all labor, 185. professional services, materials, machinery, fixtures, or tools furnished within the 150 days immediately preceding the COE 186. in connection with the construction, alteration, or repair of any structure on or improvement to the Property. Seller warrants 187. that the information regarding connection to a sewer system or on-site wastewater treatment facility (conventional septic 188. tank or alternative system) is correct to the best of Seller's knowledge.
- 5c. 189. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect 190. the Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of possession of the Property or 191. COE, Buyer warrants to Seller that Buyer has conducted all desired independent inspections and investigations and accepts 192. the Property. **Buyer warrants that Buyer is not relying on any verbal representations concerning the Property** 193. **except disclosed as follows: NONE**
194. _____

6. DUE DILIGENCE

- 6a. 195. **Due Diligence Period:** Buyer's due diligence and inspection period shall be thirty (30) days or 14 days after Contract acceptance 196. ("Due Diligence Period"). During Due Diligence Period Buyer shall perform all inspections and investigations to satisfy Buyer with respect 197. to the physical condition of the Property, financing, appraised value, the condition of title to the Property and as to the feasibility and 198. suitability of the Property for Buyer's intended purpose. During the Due Diligence Period, Buyer, at Buyer's expense, shall: (i) conduct all 199. desired physical, environmental, and other types of inspections and investigations to determine the value and condition of the Property; 200. (ii) make inquiries and consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities 201. concerning the feasibility and suitability of the Property and the surrounding area for the Buyer's intended purpose; (iii) investigate 202. applicable building, zoning, fire, health, and safety codes including applicable swimming pool barrier regulations to determine any 203. potential hazards, violations or defects in the Property; and (iv) verify any material multiple listing service ("MLS") information. If the 204. presence of sex offenders in the vicinity or the occurrence of a disease, natural death, suicide, homicide or other crime on or in the vicinity 205. is a material matter to the Buyer, it must be investigated by the Buyer during the Due Diligence Period. Buyer shall keep the Property free 206. and clear of liens, shall indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs, and shall repair all 207. damages arising from the inspections. Buyer shall provide Seller and Broker(s) upon receipt, at no cost, copies of all inspection reports 208. concerning the Property obtained by Buyer. If Buyer cancels this Contract, Buyer shall return all documents provided by the Seller and 209. provide Seller with copies of all reports or studies generated by Buyer, provided, however, that Buyer shall not be required to deliver any 210. such report or study if the written contract that Buyer entered into with the consultant who prepared such report or study specifically 211. forbids the dissemination of the report or study to others. Buyer is advised to consult the Arizona Department of Real Estate *Buyer* 212. *Advisory* provided by AAR to assist in Buyer's due diligence inspections and investigations.
- 6b. 213. **Square Footage/Acreage:** **BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE/ACREAGE OF THE** 214. **PROPERTY, BOTH THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON IS APPROXIMATE. IF SQUARE** 215. **FOOTAGE/ACREAGE IS A MATERIAL MATTER TO THE BUYER; IT MUST BE INVESTIGATED DURING THE DUE** 216. **DILIGENCE PERIOD.**
- 6c. 217. **Flood Hazard:** Flood hazard designations or the cost of flood hazard insurance shall be determined by Buyer during the Due 218. Diligence Period. If the Property is situated in an area identified as having any special flood hazards by any governmental entity, the 219. lender may require the purchase of flood hazard insurance. Special flood hazards may also affect the ability to encumber or improve 220. the Property.

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6d. 221. **Insurance: IF INSURANCE IS A MATERIAL MATTER TO THE BUYER, BUYER SHALL APPLY FOR AND OBTAIN**
 222. **WRITTEN CONFIRMATION OF THE AVAILABILITY AND COST OF INSURANCE FOR THE PROPERTY FROM BUYER'S**
 223. **INSURANCE COMPANY DURING THE DUE DILIGENCE PERIOD.** Buyer understands that any fire, casualty, or other
 224. insurance desired by Buyer or required by Lender should be in place at COE.

6e. 225. **Sewer or On-site Wastewater Treatment System:** The Property ☐ does ☒ does not contain an on-site wastewater
 226. treatment system. If the Property is served by a conventional septic tank or alternative system, the AAR On-site Wastewater
 227. Treatment Facility Addendum is incorporated herein by reference.

228. **IF A SEWER CONNECTION, OR THE AVAILABILITY OF A SEWER CONNECTION, IS A MATERIAL MATTER TO THE**
 229. **BUYER, IT MUST BE INVESTIGATED DURING THE DUE DILIGENCE PERIOD.**

230. (BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER

6f. 231. **Site/Soil Evaluation For Installation of On-site Wastewater Treatment Facility:** If the suitability of the Property for
 232. installation of an on-site wastewater treatment facility (conventional septic tank or alternative system) and associated costs
 233. are material to the Buyer, Buyer shall complete a site/soil evaluation and investigate all on-site wastewater treatment facility
 234. installation costs within the Due Diligence Period. **NOTE: Buyer is advised that the site/soil evaluation is not binding on**
 235. **the State-delegated County agency in any future permitting decision as to the suitability of the design or type of**
 236. **facility for the Property.**

6g. 237. **LAND DIVISIONS: LAND PROPOSED TO BE DIVIDED FOR PURPOSES OF SALE OR LEASE IS SUBJECT TO**
 238. **STATE, COUNTY AND MUNICIPAL LAWS, ORDINANCES AND REGULATIONS. IF STATE, COUNTY AND MUNICIPAL**
 239. **REQUIREMENTS RELATING TO THE DIVISION OR SPLITTING OF THE PROPERTY ARE A MATERIAL MATTER TO**
 240. **THE BUYER, THEY MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD. BROKER(S) HAVE MADE**
 241. **NO REPRESENTATIONS, EXPRESS OR IMPLIED, REGARDING THE ABILITY TO DIVIDE OR SPLIT THE PROPERTY.**

242. (BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER

6h. 243. **ROADS: IF ROADWAYS, COST AND RESPONSIBILITY FOR ROAD MAINTENANCE, IMPROVEMENTS OR ACCESS IS A**
 244. **MATERIAL MATTER TO BUYER, IT MUST BE INVESTIGATED BY BUYER DURING DUE DILIGENCE PERIOD.**

6i. 245. **Survey:** A survey ☐ shall ☒ shall not be performed. If to be performed, the survey shall be performed by a licensed
 246. surveyor within the Due Diligence Period or _____ days after Contract acceptance.

247. Cost of the survey shall be paid by ☐ Seller ☐ Buyer ☐ Other: _____

248. The survey shall be performed in accordance with the Arizona State Board of Technical Registration's "Arizona Land Boundary
 249. Survey Minimum Standards".

6j. 250. Survey instructions are:

251. ☐ A boundary survey and survey plat showing the corners either verified
 252. or monumentation.
 253. ☐ A survey certified by a licensed surveyor, acceptable to Buyer and the Title
 254. Company, in sufficient detail for an American Land Title Association ("ALTA")
 255. Owner's Policy of Title Insurance with boundary, encroachment or survey
 256. exceptions and showing all improvements, utility lines and easements on
 257. the Property or within five (5) feet thereof.
 258. ☐ Other survey terms: _____

259. _____
 260. _____
 261. (BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER

6k. 262. **WELL WATER/WATER RIGHTS: IF WELL WATER/WATER RIGHTS IS/ARE A MATERIAL MATTER TO THE BUYER, IT**
 263. **MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD.**

6l. 264. **BUYER ACKNOWLEDGMENT: BUYER RECOGNIZES, ACKNOWLEDGES AND AGREES THAT BROKER(S) ARE**
 265. **NOT QUALIFIED, NOR LICENSED, TO CONDUCT DUE DILIGENCE WITH RESPECT TO THE PROPERTY OR THE**
 266. **SURROUNDING AREA. BUYER IS INSTRUCTED TO CONSULT WITH QUALIFIED LICENSED PROFESSIONALS TO**
 267. **ASSIST IN BUYER'S DUE DILIGENCE EFFORTS. BECAUSE CONDUCTING DUE DILIGENCE WITH RESPECT TO THE**
 268. **PROPERTY AND SURROUNDING AREA IS BEYOND THE SCOPE OF THE BROKERS EXPERTISE AND LICENSING,**
 269. **BUYER EXPRESSLY RELEASES AND HOLDS HARMLESS BROKER(S) FROM LIABILITY FOR ANY DEFECTS OR**
 270. **CONDITIONS THAT COULD HAVE BEEN DISCOVERED BY INSPECTION OR INVESTIGATION.**

271. (BUYER'S INITIALS REQUIRED) _____ BUYER _____ BUYER

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- 6m. 272. **Due Diligence Period Notice:** Prior to expiration of the Due Diligence Period, Buyer shall deliver to Seller a signed notice of
 273. any items disapproved. AAR's Vacant Land/Lot Buyer's Due Diligence Notice and Seller's Response form is available for this
 274. purpose. Buyer shall conduct all desired inspections and investigations prior to delivering such notice to Seller and all Due
 275. Diligence Period items disapproved shall be provided in a single notice.
- 6n. 276. **Buyer Disapproval:** If Buyer, in Buyer's sole discretion, disapproves of any aspect of the Property, financing, title, or other
 277. matter, Buyer shall deliver to Seller notice of the items disapproved and state in the notice that Buyer elects to either:
 278. (1) immediately cancel this Contract and all Earnest Money shall be released to Buyer, or
 279. (2) provide the Seller an opportunity to correct the items disapproved, in which case:
 280. (a) Seller shall respond in writing within five (5) days or _____ days after delivery to Seller of Buyer's notice of
 281. items disapproved. Seller's failure to respond to Buyer in writing within the specified time period shall
 282. conclusively be deemed Seller's refusal to correct any of the items disapproved.
 283. (b) **If Seller agrees in writing to correct item(s) disapproved, Seller shall correct the items, complete any**
 284. **repairs in a workmanlike manner and deliver any paid receipts evidencing the corrections and repairs**
 285. **to Buyer three (3) days or _____ days prior to COE Date.**
 286. (c) If Seller is unwilling or unable to correct any of the items disapproved, Buyer may cancel this Contract within five
 287. (5) days after delivery of Seller's response or after expiration of the time for Seller's response, whichever occurs first,
 288. and all Earnest Money shall be released to Buyer. If Buyer does not cancel this Contract within the five (5) days as
 289. provided, Buyer shall close escrow without correction of those items that Seller has not agreed in writing to correct.
290. VERBAL DISCUSSIONS WILL NOT EXTEND THESE TIME PERIODS. Only a written agreement signed by both parties will
 291. extend response times or cancellation rights.
292. BUYER'S FAILURE TO GIVE NOTICE OF DISAPPROVAL OF ITEMS OR CANCELLATION OF THIS CONTRACT WITHIN
 293. THE SPECIFIED TIME PERIOD SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH THE
 294. TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS.
- 6o. 295. **Inspection(s):** Seller grants Buyer and Buyer's inspector(s) reasonable access to conduct inspection(s) of the Property for
 296. the purpose of satisfying Buyer that any corrections agreed to by the Seller have been completed and that the Property is in
 297. substantially the same condition as on the date of Contract acceptance. If Buyer does not conduct such inspection(s), Buyer
 298. releases Seller and Broker(s) from liability for any defects that could have been discovered.

7. REMEDIES

- 7a. 299. **Cure Period:** A party shall have an opportunity to cure a potential breach of this Contract. If a party fails to comply with any
 300. provision of this Contract, the other party shall deliver a notice to the non-complying party specifying the non-compliance. If
 301. the non-compliance is not cured within three (3) days after delivery of such notice ("Cure Period"), the failure to comply shall
 302. become a breach of Contract.
- 7b. 303. **Breach:** In the event of a breach of Contract, the non-breaching party may cancel this Contract and/or proceed against the
 304. breaching party in any claim or remedy that the non-breaching party may have in law or equity, subject to the Alternative
 305. Dispute Resolution obligations set forth herein. In the case of the Seller, because it would be difficult to fix actual damages
 306. in the event of Buyer's breach, the Earnest Money may be deemed a reasonable estimate of damages and Seller may, at
 307. Seller's option, accept the Earnest Money as Seller's sole right to damages. An unfulfilled contingency is not a breach of
 308. Contract. The parties expressly agree that the failure of any party to comply with the terms and conditions of Section 1f to
 309. allow COE to occur on the COE Date, if not cured after a cure notice is delivered pursuant to Section 7a, will constitute a
 310. material breach of this Contract, rendering the Contract subject to cancellation.
- 7c. 311. **Alternative Dispute Resolution ("ADR"):** Buyer and Seller agree to mediate any dispute or claim arising out of or relating
 312. to this Contract in accordance with the REALTORS® Dispute Resolution System, or as otherwise agreed. All mediation costs
 313. shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes
 314. or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in
 315. the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to
 316. the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The
 317. decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in
 318. any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within thirty (30)
 319. days after the conclusion of the mediation conference by notice to the other and in such event either party shall have the right to
 320. resort to court action.
- 7d. 321. **Exclusions from ADR:** The following matters are excluded from the requirement for ADR hereunder: (i) any action brought in the
 322. Small Claims Division of an Arizona Justice Court (up to \$3,500) so long as the matter is not thereafter transferred or removed from
 323. the small claims division; (ii) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or
 324. agreement for sale; (iii) an unlawful entry or detainer action; (iv) the filing or enforcement of a mechanic's lien; or (v) any matter that
 325. is within the jurisdiction of a probate court. Further, the filing of a judicial action to enable the recording of a notice of pending action

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326. ("lis pendens") or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the
 327. obligation to submit the claim to ADR, nor shall such action constitute a breach of the duty to mediate or arbitrate.

- 7e. 328. **Attorneys Fees and Costs:** The prevailing party in any dispute or claim between Buyer and Seller arising out of or relating to
 329. this Contract shall be awarded their reasonable attorney fees and costs. Costs shall include, without limitation, attorney fees,
 330. expert witness fees, fees paid to investigators, and arbitration costs.

8. ADDITIONAL TERMS AND CONDITIONS

- 8a. 331. Let it be known, the seller does not want representation and is waiving seller
 332. representation.
 333. _____
 334. Buyer and seller agree there shall be NO earnest money deposit.
 335. _____
 336. Buyer will not be providing a proof of funds to the seller to review.
 337. _____
 338. _____
 339. Let it be known, this contract is contingent upon the simultaneous close of escrow of
 340. the following properties:
 341. _____
 342. 1) 525 E Ruggles St, Parcel#: 200-47-057, Legal description: FLORENCE TOWNSITE: ALL OF
 343. BLK 88.
 344. _____
 345. 2) 575 E Ruggles St, Parcel#: 200-47-058, Legal description: FLORENCE TOWNSITE: ALL OF
 346. BLK 89.
 347. _____
 348. _____
 349. Buyer and seller agree COE to be "on or before" May 16, 2019.
 350. _____
 351. Seller agrees to fill out and provide the vacant land/lot SPDS for buyer to review,
 352. within 5 days or less of contract acceptance.
 353. _____
 354. _____
 355. _____
 356. _____
 357. _____
 358. _____
 359. _____
 360. _____
- 8b. 361. **Risk of Loss:** If there is any loss or damage to the Property between the date of Contract acceptance and COE or
 362. possession, whichever is earlier, by reason of fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on the
 363. Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent (10%) of the purchase
 364. price, either Seller or Buyer may elect to cancel the Contract.
- 8c. 365. **Permission:** Buyer and Seller grant Broker(s) permission to advise the public of this Contract.
- 8d. 366. **Arizona Law:** This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.
- 8e. 367. **Time is of the Essence:** The parties acknowledge that time is of the essence in the performance of the obligations
 368. described herein.

>>

Vacant Land/Lot Purchase Contract • Updated: February 2016
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SELLER	SELLER

<Initials

Initials>

BUYER	BUYER

Page 8 of 10



Vacant Land/Lot Purchase Contract >>

- 8f. 369. **Compensation:** Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed 370. by separate written agreement(s), which shall be delivered by Broker(s) to Escrow Company for payment at COE, if not previously 371. paid. If Seller is obligated to pay Broker(s), this Contract shall constitute an irrevocable assignment of Seller's proceeds at COE. 372. If Buyer is obligated to pay Broker(s), payment shall be collected from Buyer as a condition of COE. COMMISSIONS PAYABLE 373. FOR THE SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF 374. REALTORS®, OR MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT.
- 8g. 375. **Copies and Counterparts:** A fully executed facsimile or electronic copy of the Contract shall be treated as an original 376. Contract. This Contract and any other documents required by this Contract may be executed by facsimile or other 377. electronic means and in any number of counterparts, which shall become effective upon delivery as provided for herein. 378. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.
- 8h. 379. **Days:** All references to days in this Contract shall be construed as calendar days and a day shall begin at 12:00 a.m. and 380. end at 11:59 p.m.
- 8i. 381. **Calculating Time Periods:** In computing any time period prescribed or allowed by this Contract, the day of the act or event 382. from which the time period begins to run is not included and the last day of the time period is included. Contract acceptance 383. occurs on the date that the signed Contract (and any incorporated counter offer) is delivered to and received by the 384. appropriate Broker. Acts that must be performed three days prior to the COE Date must be performed three full days prior (i.e., 385. if COE Date is Friday the act must be performed by 11:59 p.m. on Monday).
- 8j. 386. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller 387. and Buyer, shall supersede any other written or oral agreements between Seller and Buyer and can be modified only by a 388. writing signed by Seller and Buyer. The failure to initial any page of this Contract shall not affect the validity or terms of this 389. Contract.
- 8k. 390. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until COE. Seller understands 391. that any subsequent offer accepted by the Seller must be a backup offer contingent on the cancellation of this Contract.
- 8l. 392. **Cancellation:** A party who wishes to exercise the right of cancellation as allowed herein may cancel this Contract by 393. delivering notice stating the reason for cancellation to the other party or to the Escrow Company. Cancellation shall become 394. effective immediately upon delivery of the cancellation notice.
- 8m. 395. **Notice:** Unless otherwise provided, delivery of all notices and documentation required or permitted hereunder shall be in 396. writing and deemed delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic 397. mail, if email addresses are provided herein; or (iv) sent by recognized overnight courier service, and addressed to Buyer as 398. indicated in Section 8q, to Seller as indicated in Section 9a and to the Escrow Company indicated in Section 3a.
- 8n. 399. **Earnest Money:** Earnest Money is in the form of: ☐ Personal Check ☒ Other none 400. If applicable, Earnest Money has been received by Broker named in Section 8q and upon acceptance of this offer will be 401. deposited with: ☒ Escrow Company ☐ Broker's Trust Account. Buyer acknowledges that failure to pay the required 402. closing funds by the scheduled Close of Escrow, if not cured after a cure notice is delivered pursuant to Section 7a, shall be 403. construed as a material breach of this contract and all earnest money shall be subject to forfeiture.
- 8o. 404. **RELEASE OF BROKER(S):** SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY 405. BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING FINANCING, THE 406. CONDITION, SQUARE FOOTAGE/ACREAGE, LOT LINES, BOUNDARIES, VALUE, RENT ROLLS, ENVIRONMENTAL 407. PROBLEMS, SANITATION SYSTEMS, ABILITY TO DIVIDE OR SPLIT THE PROPERTY, BUILDING CODES, GOVERNMENTAL 408. REGULATIONS, INSURANCE, PRICE AND TERMS OF SALE, RETURN ON INVESTMENT, OR ANY OTHER MATTER 409. RELATING TO THE VALUE OR CONDITION OF THE PROPERTY.
410. (BUYER'S AND SELLER'S INITIALS REQUIRED) _____ SELLER _____ SELLER _____ BUYER _____ BUYER _____
- 8p. 411. **Terms of Acceptance:** This offer will become a binding Contract when acceptance is signed by Seller and 412. a signed copy delivered in person, by mail, facsimile or electronically, and received by Broker named in Section 8q 413. by April 18, 2019 at 7:00 ☐ a.m. / ☐ p.m., Mountain Standard Time. Buyer 414. may withdraw this offer at any time prior to receipt of Seller's signed acceptance. If no signed acceptance is received by this 415. date and time, this offer shall be deemed withdrawn and the Buyer's Earnest Money shall be returned. 416. THIS CONTRACT CONTAINS TEN PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. ENSURE THAT YOU HAVE 417. RECEIVED AND READ ALL TEN PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.

>>

Vacant Land/Lot Purchase Contract • Updated: February 2016	
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Initials	Initials
SELLER	BUYER
SELLER	BUYER



Vacant Land/Lot Purchase Contract >>**8q. 418. Broker on behalf of Buyer:**

419. Sara Lucas-Briggs BR517016000 so038
PRINT SALESPERSON'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

420. Briggs Realty LLC briggs1

421. 149 E Butte Ave Florence AZ 85132 LC654238000

8r. 422. (520) 371-1837 pinalbroker@gmail.com
PREFERRED TELEPHONE FAX EMAIL

423. Agency Confirmation: The Broker named in Section 8q above is the agent of (check one):

8s. 424. ☒ the Buyer; ☐ the Seller; or ☐ both the Buyer and Seller

425. The undersigned agree to purchase the Premises on the terms and conditions herein stated and acknowledge receipt

426. of a copy hereof including the Buyer Attachment.

427. ^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR
Town of Florence

428. PO Box 2670 ADDRESS
ADDRESS

429. Florence, AZ 85132-3050 CITY, STATE, ZIP CODE
CITY, STATE, ZIP CODE

9. SELLER ACCEPTANCE**9a. 430. Broker on behalf of Seller:**

431. PRINT SALESPERSON'S NAME AGENT MLS CODE AGENT STATE LICENSE NO.

432. PRINT FIRM NAME FIRM MLS CODE

433. FIRM ADDRESS STATE ZIP CODE FIRM STATE LICENSE NO.

434. PREFERRED TELEPHONE FAX EMAIL

9b. 435. Agency Confirmation: The Broker named in Section 9a above is the agent of (check one):

436. ☐ the Seller; or ☐ both the Buyer and Seller

9c. 437. The undersigned agree to sell the Premises on the terms and conditions herein stated, acknowledge receipt of a

438. copy hereof and grant permission to Broker named in Section 9a to deliver a copy to Buyer.

439. ☐ Counter Offer is attached, and is incorporated herein by reference. Seller should sign both this offer and the Counter Offer.

440. ☐ If there is a conflict between this offer and the Counter Offer, the provisions of the Counter Offer shall be controlling.

441. ^ SELLER'S SIGNATURE MO/DA/YR ^ SELLER'S SIGNATURE MO/DA/YR

442. Darrell Peterson SELLER'S NAME PRINTED

443. 3713 N South Dakota Ave ADDRESS

444. Florence, AZ 85132 CITY, STATE, ZIP CODE

☐ OFFER REJECTED BY SELLER: MONTH DAY YEAR (SELLER'S INITIALS)

For Broker Use Only:

Brokerage File/Log No. Manager's Initials Broker's Initials Date
MO/DA/YR



REAL ESTATE AGENCY DISCLOSURE AND ELECTIONDocument updated:
January 2009

The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. Firm Name ("Broker") Briggs Realty LLC
2. acting through Sara Lucas-Briggs hereby makes the following disclosure.
- LICENSEE'S NAME

DISCLOSURE

3. Before a **Seller or Landlord** (hereinafter referred to as "**Seller**") or a **Buyer or Tenant** (hereinafter referred to as "**Buyer**") enters into a discussion with a real estate broker or licensee affiliated with a broker, the Seller and the Buyer should understand what type of agency relationship or representation they will have with the broker in the transaction.
4. **I. Buyer's Broker:** A broker other than the Seller's broker can agree with the Buyer to act as the broker for the Buyer. In these situations, the Buyer's broker is not representing the Seller, even if the Buyer's broker is receiving compensation for services rendered, either in full or in part, from the Seller or through the Seller's broker:
5. a) A Buyer's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Buyer.
6. b) Other potential Buyers represented by broker may consider, make offers on, or acquire an interest in the same or similar properties as Buyer is seeking.
7. **II. Seller's Broker:** A broker under a listing agreement with the Seller acts as the broker for the Seller only:
8. a) A Seller's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Seller.
9. b) Other potential Sellers represented by broker may list properties that are similar to the property that Seller is selling.
10. **III. Broker Representing both Seller and Buyer (Limited Representation):** A broker, either acting directly or through one or more licensees within the same brokerage firm, can legally represent both the Seller and the Buyer in a transaction, but only with the knowledge and informed consent of both the Seller and the Buyer. In these situations, the Broker, acting through its licensee(s), represents both the Buyer and the Seller, with limitations of the duties owed to the Buyer and the Seller:
11. a) The broker will not, without written authorization, disclose to the other party that the Seller will accept a price or terms other than stated in the listing or that the Buyer will accept a price or terms other than offered.
12. b) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential information may be made only with written authorization.
13. Regardless of who the Broker represents in the transaction, the Broker shall exercise reasonable skill and care in the performance of the Broker's duties and shall be truthful and honest to both the Buyer and Seller and shall disclose all known facts which materially and adversely affect the consideration to be paid by any party. Pursuant to A.R.S. §32-2156, Sellers, Lessors and Brokers are not obligated to disclose that a property is or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. Sellers or Sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless there is a confidentiality agreement between the parties.
14. **THE DUTIES OF THE BROKER IN A REAL ESTATE TRANSACTION DO NOT RELIEVE THE SELLER OR THE BUYER FROM THE RESPONSIBILITY TO PROTECT THEIR OWN INTERESTS. THE SELLER AND THE BUYER SHOULD CAREFULLY READ ALL AGREEMENTS TO ENSURE THAT THE DOCUMENTS ADEQUATELY EXPRESS THEIR UNDERSTANDING OF THE TRANSACTION.**

ELECTION

15. **Buyer or Tenant Election** (Complete this section only if you are the Buyer.) The undersigned elects to have the Broker (check any that apply):
16. ☒ represent the Buyer as Buyer's Broker.
17. ☐ represent the Seller as Seller's Broker.
18. ☐ show Buyer properties listed with Broker's firm and Buyer agrees that Broker shall act as agent for both Buyer and Seller provided that the Seller consents to limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be acknowledged in a separate writing other than the purchase contract.
19. **Seller or Landlord Election** (Complete this section only if you are the Seller.) The undersigned elects to have the Broker (check any that apply):
20. ☐ represent the Buyer as Buyer's Broker.
21. ☐ represent the Seller as Seller's Broker.
22. ☐ show Seller's property to Buyers represented by Broker's firm and Seller agrees that Broker shall act as agent for both Seller and Buyer provided that Buyer consents to the limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be acknowledged in a separate writing other than the purchase contract.

23. The undersigned ☒ Buyer(s) or ☐ Seller(s) acknowledge that this document is a disclosure of duties. This document is not an employment agreement.

24. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.

25. Town of Florence

^ PRINT NAME

^ PRINT NAME

26.

^ SIGNED

MO/DAY/YR ^ SIGNED

MO/DAY/YR

Real Estate Agency Disclosure and Election • Updated: January 2009 • Copyright © 2009 Arizona Association of REALTORS®. All rights reserved.

Briggs Realty LLC - Corporate, 149 E Butte Ave Florence, AZ 85132
Sara Lucas-Briggs

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Phone: (520) 371-1837

Fax: (866) 535-0338

575 E Ruggles St



MARKET CONDITIONS ADVISORYDocument updated:
August 2009

The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



The real estate market is cyclical and real estate values go up and down.

The financial market also changes, affecting the terms on which a lender will agree to loan money on real property. It is impossible to accurately predict what the real estate or financial market conditions will be at any given time.

The ultimate decision on the price a Buyer is willing to pay and the price a Seller is willing to accept for a specific property rests solely with the individual Buyer and Seller. The parties to a real estate transaction must decide on what price and terms they are willing to buy or sell in light of market conditions, their own financial resources and their own unique circumstances.

The parties must, upon careful deliberation, decide how much risk they are willing to assume in a transaction. Any waiver of contingencies, rights or warranties in the Contract may have adverse consequences. Buyer and Seller acknowledge that they understand these risks.

Buyer and Seller assume all responsibility should the return on investment, tax consequences, credit effects, or financing terms not meet their expectations. The parties understand and agree that the Broker(s) do not provide advice on property as an investment. Broker(s) are not qualified to provide financial, legal, or tax advice regarding a real estate transaction. Therefore, Broker(s) make no representation regarding the above items. Buyer and Seller are advised to obtain professional tax and legal advice regarding the advisability of entering into this transaction.

THE UNDERSIGNED ACCEPT AND UNDERSTAND THE FOREGOING AND ACKNOWLEDGE RECEIPT OF A COPY OF THIS ADVISORY.

^ BUYER'S SIGNATURE _____ MO/DA/YR
Town of Florence

^ BUYER'S SIGNATURE _____ MO/DA/YR

^ SELLER'S SIGNATURE _____ MO/DA/YR
Darrell Peterson

^ SELLER'S SIGNATURE _____ MO/DA/YR

Market Conditions Advisory • Updated: August 2009
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Briggs Realty LLC - Corporate, 149 E Butte Ave Florence, AZ 85132
Phone: (520) 371-1837

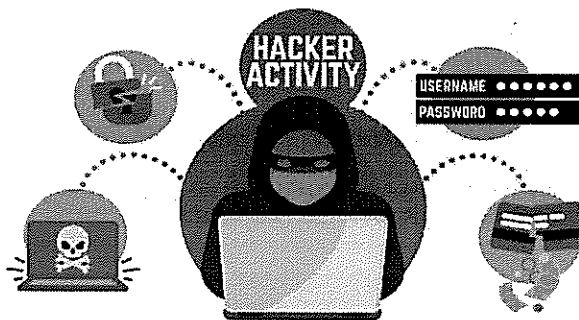
Fax: (866) 535-0338

Sara Lucas-Briggs

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

575 E Ruggles St





WIRE FRAUD ADVISORY

Criminals are targeting social media and email to steal information. This is particularly common in real estate transactions because sensitive data, including social security numbers, bank account numbers, and wire instructions are often sent by electronic means. We do not want you to be the next victim of wire fraud. Money wired to a fraudulent account is stolen money that typically cannot be recovered. Additionally, there is generally no insurance for this loss. You may never get the money back.

PROTECT YOURSELF

DO NOT TRUST EMAILS CONTAINING WIRE INSTRUCTIONS

- If you receive an email containing wire transfer instructions, immediately call your escrow officer to ensure the validity of the instructions.

DO NOT TRUST EMAILS SEEKING PERSONAL/FINANCIAL INFORMATION

- If you receive an email requesting personal/financial information or asking you to download, click on a link, send, and/or do anything that may seem unusual to you, call your escrow officer immediately prior to acting on the suspicious email to verify the validity of the email.

TRUST YOUR SOURCE OF INFORMATION

- Never direct, accept or allow anyone in the transaction to consent to receiving transfer instructions without a direct personal telephone call to the individual allegedly providing the instructions.
- It is imperative that this call be made to a number obtained in person from the individual or through other reliable means, not from a number provided in the email or the wiring instructions.

ONLINE RESOURCES:

There are many online sources that can provide useful information regarding similar topics including, but not limited to, the following sites:

The Federal Bureau of Investigation @ <https://www.fbi.gov/scams-and-safety>
The Internet Crime Complaint Center @ www.ic3.gov
The National White Collar Crime Center @ <http://www.nw3c.org/research>
On Guard Online @ www.onguardonline.gov

VERIFY AND NOTIFY

Before you wire funds to any party (including your lawyer, title agent, mortgage broker, or real estate agent) personally meet them or call a verified telephone number (not the telephone number in the email) to confirm before you act!

Immediately notify your banking institution and Settlement/Title Company if you are a victim of wire fraud.

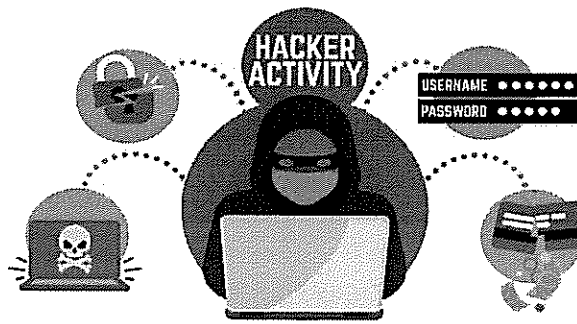
The undersigned acknowledges receipt of this Wire Fraud Advisory.

Client
Town of Florence

Date

Client

Date



WIRE FRAUD ADVISORY

Criminals are targeting social media and email to steal information. This is particularly common in real estate transactions because sensitive data, including social security numbers, bank account numbers, and wire instructions are often sent by electronic means. We do not want you to be the next victim of wire fraud. Money wired to a fraudulent account is stolen money that typically cannot be recovered. Additionally, there is generally no insurance for this loss. You may never get the money back.

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The Internet Crime Complaint Center @ www.ic3.gov

The National White Collar Crime Center @ <http://www.nw3c.org/research>

On Guard Online @ www.onguardonline.gov

VERIFY AND NOTIFY

Before you wire funds to any party (including your lawyer, title agent, mortgage broker, or real estate agent) personally meet them or call a verified telephone number (not the telephone number in the email) to confirm before you act!

Immediately notify your banking institution and Settlement/Title Company if you are a victim of wire fraud.

The undersigned acknowledges receipt of this Wire Fraud Advisory.

Client _____ Date _____
Darrell Peterson

Client _____ Date _____

BUYER-BROKER EXCLUSIVE EMPLOYMENT AGREEMENT

The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. Buyer/Tenant: Town of Florence ("Buyer")

2. Firm: Briggs Realty LLC Agent: Sara Lucas-Briggs ("Broker")
(FIRM NAME) (AGENT'S NAME)

3. Term: This Agreement shall commence on April 4, 2019 and expire at 11:59 p.m. on May 31, 2019.

4. Employment: Broker agrees to:

5. a. locate Property meeting the following general description;

6. ☐ Residential ☒ Land ☐ Commercial ☐ Other: 575 E Ruggles St, Florence, AZ 85132 ("Property");

7. b. negotiate at Buyer's direction to obtain acceptable terms and conditions for the purchase, exchange, option or lease of the Property;

8. c. assist Buyer during the transaction within the scope of Broker's expertise and licensing.

9. Agency Relationship: The agency relationship between Buyer and Broker shall be:

10. ☒ as set forth in the Real Estate Agency Disclosure and Election form.

11. ☐ Other: _____

12. Retainer Fee: Buyer agrees to pay Broker a non-refundable fee in the amount of \$ NONE, which is earned when paid, for initial

13. consultation and research. This fee ☐ shall ☐ shall not be credited against any other compensation owed by Buyer to

14. Broker as pursuant to Lines 27 - 29.

15. Property Viewings: Buyer agrees to work exclusively with Broker and be accompanied by Broker on Buyer's first visit to any Property.

16. If Broker does not accompany Buyer on the first visit to any Property, including a model home, new home/lot or "open house"

17. held by a builder, seller or other real estate broker, Buyer acknowledges that the builder, seller or seller's broker may refuse to

18. compensate Broker, which will eliminate any credit against the compensation owed by Buyer to Broker.

19. Due Diligence: Once an acceptable Property is located, Buyer agrees to act in good faith to acquire the Property and conduct any

20. inspections/investigations of the Property that Buyer deems material and/or important.

21. Note: Buyer acknowledges that pursuant to Arizona law, Sellers, Lessors and Brokers are not obligated to disclose that a Property is

22. or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a person

23. exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real

24. estate; or (3) located in the vicinity of a sex offender.

25. Buyer agrees to consult the Arizona Department of Real Estate Buyer Advisory at www.aaronline.com to assist in Buyer's

26. inspections and investigations.

27. Compensation: Buyer agrees to compensate Broker as follows:

28. The amount of compensation shall be: 3 percent of sales price

29. or the compensation Broker receives from seller or seller's broker, whichever is greater. In either event, Buyer authorizes Broker to accept

30. compensation from seller or seller's broker, which shall be credited against any compensation owed by Buyer to Broker pursuant to this

31. Agreement. Broker's compensation shall be paid at the time of and as a condition of closing or as otherwise agreed upon in writing.

32. Buyer agrees to pay such compensation if within _____ calendar days after the termination of this Agreement, Buyer enters into an

33. agreement to purchase, exchange, option or lease any Property shown to Buyer or negotiated by Broker on behalf of Buyer during the

34. term of this Agreement, unless Buyer has entered into a subsequent buyer-broker exclusive employment agreement with another broker.

35. If completion of any transaction is prevented by Buyer's breach or with the consent of Buyer other than as provided in the purchase

36. contract, the total compensation shall be due and payable by Buyer.

37. COMMISSIONS PAYABLE ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS® OR MULTIPLE

38. LISTING SERVICE OR IN ANY MANNER OTHER THAN AS NEGOTIATED BETWEEN BROKER AND BUYER.

>>



Buyer-Broker Exclusive Employment Agreement >>

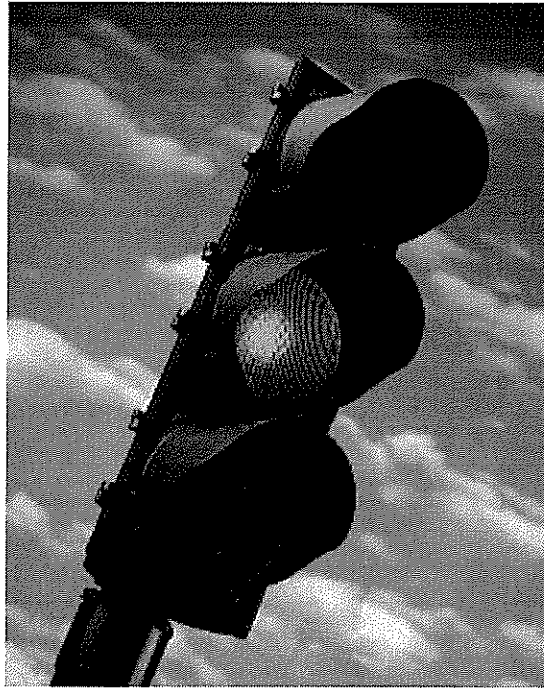
39. **Additional Terms:** Buyer agrees to pay Briggs Realty, LLC a 3 % commission of the sales price,
 40. only upon successful close of escrow for buyer representation.
 41. _____
 42. _____
 43. _____
 44. _____
 45. _____
 46. _____
 47. _____
 48. **Equal Housing Opportunity:** Broker's policy is to abide by all local, state, and federal laws prohibiting discrimination against any
 49. individual or group of individuals. Broker has no duty to disclose the racial, ethnic, or religious composition of any neighborhood,
 50. community, or building, nor whether persons with disabilities are housed in any home or facility, except that Broker may identify
 51. housing facilities meeting the needs of a disabled buyer.
 52. **Other Potential Buyers:** Buyer consents and acknowledges that other potential buyers represented by Broker may consider, make
 53. offers on, or acquire an interest in the same or similar properties as Buyer is seeking.
 54. **Alternative Dispute Resolution ("ADR"):** Buyer and Broker agree to mediate any dispute or claim arising out of or relating to this
 55. Agreement in accordance with the mediation procedures of the applicable state or local REALTOR® association or as otherwise
 56. agreed. All mediation costs shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims,
 57. the unresolved disputes or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator
 58. and cooperate in the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be
 59. submitted to the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry.
 60. The decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in
 61. any court of competent jurisdiction.
 62. **Attorney Fees and Costs:** In any non-REALTOR® association proceeding to enforce the compensation due to Broker pursuant to
 63. this Agreement, the prevailing party shall be awarded their reasonable attorney fees and arbitration costs.
 64. **Arizona Law:** This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.
 65. **Copies and Counterparts:** This Agreement may be executed by facsimile or other electronic means and in any number of
 66. counterparts. A fully executed facsimile or electronic copy of the Agreement shall be treated as an original Agreement.
 67. **Entire Agreement:** This Agreement, and any addenda and attachments, shall constitute the entire agreement between Buyer and
 68. Broker, shall supersede any other written or oral agreements between Buyer and Broker and can be modified only by a writing
 69. signed by Buyer and Broker.
 70. **Capacity:** Buyer warrants that Buyer has the legal capacity, full power and authority to enter into this Agreement and consummate
 71. the transaction contemplated hereby on Buyer's own behalf or on behalf of the party Buyer represents, as appropriate.
 72. **Acceptance:** Buyer hereby agrees to all of the terms and conditions herein and acknowledges receipt of a copy of this Agreement.

73. _____
 ^ BUYER'S SIGNATURE Town of Florence MO/DA/YR _____ ^ BUYER'S SIGNATURE _____ MO/DA/YR _____
 74. PO Box 2670 Florence AZ 85132-3050
 STREET CITY STATE ZIP CODE
 75. _____
 TELEPHONE FAX _____
 76. Briggs Realty LLC
 FIRM NAME ^ AGENT SIGNATURE _____ MO/DA/YR _____
Sara Lucas-Briggs

For Broker Use Only:

Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____
 MO/DA/YR





TO ENSURE THAT YOU HAVE THE MOST UP-TO-DATE BUYER
ADVISORY, PLEASE CHECK

<https://www.aaronline.com/manage-risk/buyer-advisory-3/>





Buyer Advisory



ARIZONA
ASSOCIATION OF
REALTORS®
REAL SOLUTIONS. REALTOR® SUCCESS.



A Resource for Real Estate Consumers

Provided by the Arizona Association of REALTORS®
and the Arizona Department of Real Estate

A real estate agent is vital to the purchase of real property and can provide a variety of services in locating a property, negotiating the sale, and advising the buyer.

A real estate agent is generally not qualified to discover defects or evaluate the physical condition of property; however, a real estate agent can assist a buyer in finding qualified inspectors and provide the buyer with documents and other resources containing vital information about a prospective property.

This Advisory is designed to make the purchase of real property as smooth as possible. Some of the more common issues that a buyer may decide to

investigate or verify concerning a property purchase are summarized in this Advisory. Included in this Advisory are:

1. Common documents a buyer should review;
2. Physical conditions in the property the buyer should investigate; and
3. Conditions affecting the surrounding area that the buyer should investigate.

In addition, a buyer must communicate to the real estate agents in the transaction any special concerns the buyer may have about the property or surrounding area, whether or not those issues are addressed in this Advisory.

REMINDER:

This Advisory is supplemental to obtaining professional property inspections. Professional property inspections are absolutely essential: there is no practical substitute for a professional inspection as a measure to discover and investigate defects or shortcomings in a property.



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Section 1**COMMON DOCUMENTS A BUYER SHOULD REVIEW**

The documents listed below may not be relevant in every transaction, nor is the list exhaustive. Unless otherwise stated, the real estate broker has not independently verified the information contained in these documents.

1 Purchase Contract

Buyers should protect themselves by taking the time to read the real estate purchase contract and understand their legal rights and obligations before they submit an offer to buy a property.

<http://bit.ly/2kpUncl>
(AAR Sample Residential Resale Purchase Contract)

2 MLS Printout

A listing is a contractual agreement between the seller and the listing broker and may authorize the broker to submit information to the Multiple Listing Service (MLS). The MLS printout is similar to an advertisement. Neither the listing agreement nor the printout is a part of the purchase contract between the buyer and seller. The information in the MLS printout was probably secured from the seller, the builder, or a governmental agency, and could be inaccurate, incomplete or an approximation. Therefore, the buyer should verify any important information contained in the MLS.

3 The Subdivision Disclosure Report (Public Report)

A Subdivision Disclosure Report (Public Report) is intended to point out material information about a subdivision. Subdividers (any person who offers for sale or lease six or more lots in a subdivision or who causes land to be divided into a subdivision) are required to give buyers a Public Report. Read the Public Report before signing any contract to purchase property in a subdivision. Although some of the information may become outdated, subsequent buyers can also benefit from reviewing the Public Report. Public Reports dating from January 1, 1997, are available on the Arizona Department of Real Estate (ADRE) website.

<http://services.azre.gov/publicdatabase/SearchDevelopments.aspx>
(ADRE Search Developments)

<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

ADRE does not verify the information in the Public Report. Therefore, the Report could be inaccurate so it should be verified by the buyer.

4 Seller's Property Disclosure Statement (SPDS)

Most sellers provide a SPDS. This document poses a variety of questions for the seller to answer about the property and its condition. The real estate broker is not responsible for verifying the accuracy of the items on the SPDS; therefore, a buyer should carefully review the SPDS and verify those statements of concern.

<http://bit.ly/2knrN0A> (AAR Sample SPDS)
<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

5 Covenants, Conditions and Restrictions (CC&Rs)

The CC&Rs are recorded against the property and generally empower a homeowner's association to control certain aspects of property use within the development. By purchasing a property in such a development, the buyer agrees to be bound by the CC&Rs. The association, the property owners as a whole, and individual property owners can enforce the CC&Rs. It is essential that the buyer review and agree to these restrictions prior to purchasing a property.

<http://www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx>
(ADRE Property Buyer's Checklist)

ADRE ADVISES:

"Read the deed restrictions, also called CC&Rs (covenants, conditions and restrictions). You might find some of the CC&Rs are very strict."

Buyers should consult legal counsel if uncertain of the application of particular provisions in the CC&Rs.



6 Homeowners Association (HOA) Governing Documents

In addition to CC&Rs, HOAs may be governed by Articles of Incorporation, Bylaws, Rules and Regulations, and often architectural control standards. Read and understand these documents. Also, be aware that some HOAs impose fees that must be paid when the property is sold, so ask if the purchase of the property will result in any fees. Condominium and planned community HOAs are regulated by Arizona statutes. They are not under the jurisdiction of the Department of Real Estate (ADRE). Nonetheless, the Arizona's Homeowner's Association Dispute Process is administered by the ADRE.

<http://bit.ly/2ebBSLH> and <http://bit.ly/2e8jdM3>
 (Chapter 16 and 18 of the Arizona Revised Statutes-Title 33)
<http://bit.ly/1rCq9kd> (ADRE HOA Information)
<http://www.re.state.az.us/HOA/HOA.aspx/>
 (Homeowners Association Dispute Process)

7 HOA Disclosures

If purchasing a resale home in a condominium or planned community, the seller (if fewer than 50 units in the community) or the HOA (if there are 50 or more units) must provide the buyer with a disclosure containing a variety of information.

<http://bit.ly/2ebBSLH> (A.R.S. § 33-1260)
<http://bit.ly/2e8jdM3> (A.R.S. § 33-1806)

8 Community Facilities District

The Arizona Community Facilities District Act allows for the formation of a community facilities district (CFD) by a municipality or county for the purpose of constructing or acquiring a public infrastructure. It is important when purchasing property to determine whether it falls within the boundaries of a CFD as this may result in an additional tax burden upon the owner. While the presence of a CFD may be noted on the Residential Seller's Property Disclosure Statement, prospective buyers can further investigate the issue by contacting the treasurer's office or assessor's office for the county in which the property is located.

9 Title Report or Title Commitment

The title report or commitment contains important information and is provided to the buyer by the

title/escrow company or agent. This report or commitment lists documents that are exceptions to the title insurance (Schedule B Exceptions). Schedule B Exceptions may include encumbrances, easements, and liens against the property, some of which may affect the use of the property, such as a future addition or swimming pool. Make sure you receive and review all of the listed documents. Questions about the title commitment and Schedule B documents may be answered by the title or escrow officer, legal counsel, or a surveyor.

www.alta.org/consumer/questions.cfm
 (American Land Title Association)

<https://insurance.az.gov/consumers/help-hometitleflood-insurance>
 (Arizona Department of Insurance)

10 Loan Information and Documents

Unless a buyer is paying cash, the buyer must qualify for a loan in order to complete the purchase. A buyer should complete a loan application with a lender before making an offer on a property if at all possible and, if not, immediately after making an offer. It will be the buyer's responsibility to deposit any down payment and ensure that the buyer's lender deposits the remainder of the purchase price into escrow prior to the close of escrow date. Therefore, make sure you get all requested documentation to your lender as soon as possible.

<http://1.usa.gov/1Ewofgr> (Your Home Loan Toolkit - Consumer Financial Protection Bureau)
<http://1.usa.gov/1uNYamL> (HUD)
<https://www.mba.org/who-we-are/consumer-tools>
 (Mortgage Bankers Association)
https://www.namb.org/links_to_government_resources.php
 (National Association of Mortgage Brokers- Consumer Info)

11 Home Warranty Policy

A home warranty [policy] is a service contract that typically covers the repair and/or replacement costs of home appliances and major systems such as heating, cooling, plumbing, and possibly other components of a home that fail due to normal usage and age. Coverage varies depending on the policy. Be aware that pre-existing property conditions are generally not covered. A home warranty may be part of the sale of the home. If so, buyers should thoroughly read the home warranty contract to understand coverage, limitations, exclusions, and costs associated with the policy.



12 Affidavit of Disclosure

If the buyer is purchasing five or fewer parcels of land (whether improved or vacant), other than subdivided land, in an unincorporated area of a county, the seller must furnish the buyer with an Affidavit of Disclosure.

<http://bit.ly/1p6CjDQ>
(AAR Sample Affidavit of Disclosure)

13 Lead-Based Paint Disclosure Form

If the home was built prior to 1978, the seller must provide the buyer with a lead-based paint disclosure form. Buyer is further advised to use certified contractors to perform renovation, repair or painting projects that disturb lead-based paint in residential properties built before 1978 and to follow specific work practices to prevent lead contamination.

<http://www2.epa.gov/lead>, <http://1.usa.gov/1uO5wGS> (EPA)
<http://bit.ly/1rCq9kd> (ADRE Lead Based Paint Information)

14 Professional Inspection Report

The importance of having a property inspected by a professional inspector cannot be over-emphasized. An inspection is a visual physical examination, performed for a fee, designed to identify material defects in the property. The inspector will generally provide the buyer with a report detailing information about the property's condition. The buyer should carefully review this report with the inspector and ask the inspector about any item of concern. Pay attention to the scope of the inspection and any portions of the property excluded from the inspection.

<https://btr.az.gov/laws-standards/standards/home-inspectors>
(BTR- Home Inspector Standards)
<http://www.azashi.com/articles> (Additional Information)

15 County Assessors/Tax Records

The county assessor's records contain a variety of valuable information, including the assessed value of the property for tax purposes and some of the physical aspects of the property, such as the reported square footage. The date built information in the assessor's records can be either the actual or effective/weighted age if the residence has been remodeled. All information on the site should be verified for accuracy.

Apache:
<http://bit.ly/1FKUhk8>

Coconino:
<http://1.usa.gov/1n2zoY0>

Graham:
<http://bit.ly/2JGz2ZO>

La Paz:
<http://bit.ly/2HzhhdR>

Mohave:
<http://bit.ly/Yq6nAj>

Pima:
<http://1.usa.gov/1oUjVeT>

Santa Cruz:
<http://bit.ly/1vRYwXl>

Yuma:
<http://bit.ly/1FZ1uir>

Cochise:
<http://bit.ly/1oUS7ok>

Gila:
<http://bit.ly/Yq3bV9>

Greenlee:
<http://bit.ly/1md668Y>

Maricopa:
<http://1.usa.gov/1pWx1tF>

Navajo:
<http://bit.ly/1pWxgVA>

Pinal:
<http://1.usa.gov/1rOIQBr>

Yavapai:
<http://bit.ly/1AsANi5>

16 Termites and Other Wood Destroying Insects and Organisms

Termites are commonly found in some parts of Arizona. The Office of Pest Management (OPM) regulates pest inspectors and can provide the buyer with information regarding past termite treatments on a property.

<https://agriculture.az.gov/pestspest-control/termites> (AZDA-Termite Information)
<http://bit.ly/2GjGjIR> (AZDA-Wood Destroying Insect Inspection Reports)
<https://tarf.azda.gov/> (AZDA-Search for Termite Reports)

17 Foreign Investment in Real Property Tax Act (FIRPTA)

Foreign Investment in Real Property Tax Act (FIRPTA) may impact the purchase of property if the legal owner(s) of the property are foreign persons or non-resident aliens pursuant to FIRPTA. If so, consult a tax advisor as mandatory withholding may apply.

<http://1.usa.gov/1ldMdnq> (I.R.S. FIRPTA Definitions)
www.irs.gov/Individuals/International-Taxpayers/FIRPTA-Withholding (I.R.S. FIRPTA Information)
<http://www.irsvideos.gov/Individual/education/FIRPTA> (I.R.S. FIRPTA Video)



Section 2

COMMON PHYSICAL CONDITIONS IN THE PROPERTY A BUYER SHOULD INVESTIGATE

Because every buyer and every property is different, the physical property conditions requiring investigation will vary.

1 Repairs, Remodeling and New Construction

The seller may have made repairs or added a room to the property. The buyer should feel comfortable that the work was properly done or have an expert evaluate the work. Request copies of permits, invoices or other documentation regarding the work performed.

<https://roc.az.gov/before-hire>
(Before You Hire a Contractor – Tips)

www.greaterphoenixnari.org (National Association of
of Remodeling Industry – Greater Phoenix Chapter)

<https://www.nariofsouthernarizona.com/page-319328>
(National Association of Remodeling Industry – Southern
Arizona)

<https://apps-secure.phoenix.gov/PDD/Search/Permits>
(City of Phoenix – Building Permit Records)

2 Square Footage

Square footage on the MLS printout or as listed by the county assessor's records is often only an estimate and generally should not be relied upon for the exact square footage in a property. An appraiser or architect can measure the property's size to verify the square footage. If the square footage is important, you should have it confirmed by one of these experts during the inspection period in a resale transaction and prior to executing a contract in a new home transaction.

<https://boa.az.gov/directories/appraiser>
(AZFI - Arizona Board of Appraisers Directory)

3 Roof

If the roof is 10 years old or older, a roof inspection by a licensed roofing contractor is highly recommended.

www.azroofing.org
(Arizona Roofing Contractors Association)

<https://roc.az.gov/before-hire>
(Before You Hire a Contractor – Tips)

4 Swimming Pools and Spas

If the property has a pool or a spa, the home inspector may exclude the pool or spa from the general inspection so an inspection by a pool or spa company may be necessary.

The Arizona REALTORS® Residential Purchase Contract provides guidance for the buyer to investigate all applicable state, county, and municipal Swimming Pool Barrier regulations and acknowledge receipt of the Arizona Department of Health Services approved private pool safety notice. The state requirements contained in the notice may be superseded by local swimming pool barrier ordinances that are equal to or more restrictive than the state requirements.

<https://www.aaronline.com/2010/10/pool-barrier-law-contact-information/> (AAR-Pool Barrier Laws & Information)

<https://www.azleg.gov/ars/36/01681.htm> (A.R.S. 36-1681 Swimming
Pool Enclosures)

5 Septic and Other On-Site Wastewater Treatment Facilities

If the home is not connected to a public sewer, it is probably served by an on-site wastewater treatment facility (conventional septic or alternative system). A qualified inspector must inspect any such facility within six months prior to transfer of ownership. For information on current inspection and transfer of ownership requirements, contact the specific county environmental/health agency where the property is located or the Arizona Department of Environmental Quality (ADEQ).

<http://bit.ly/2pIVsZe>
(ADEQ – AZ Statewide Inspection Program)

<http://az.gov/app/own/home.xhtml>
(File a Notice of Transfer Online)



6 Sewer

Even if the listing or SPDS indicates that the property is connected to the city sewer, a plumber, home inspector, or other professional should verify it. Some counties and cities can perform this test as well.

7 Water/Well Issues

The property may receive water from a municipal system, a private water company, or a well. You should investigate the availability and quality of the water to the property, as well as the water provider. A list of Arizona's water companies is available at the Arizona Corporation Commission.

<https://www.azcc.gov/divisions/utilities/water.asp>
Arizona Corporation Commission - Utilities-Water)

<http://bit.ly/1r4DFW> or <http://bit.ly/VAuDO8>
(Wells & Assured/Adequate Water Information)

Adjudications: Arizona is undertaking several Stream Adjudications, which are court proceedings to determine the extent and priority of water rights in an entire river system.

For information regarding water uses and watersheds affected by these adjudications, and the forms upon sale of the property, visit the Department of Water Resources online.

<http://bit.ly/1AsX14w>
(Department of Water Resources – Adjudications)

Additionally, the Verde Valley Water Users assists members in matters pertaining to the Gila River System Adjudication.

www.verdevalleywaterusers.org (Verde Valley Water Users Association)

CAGRDs: The Central Arizona Groundwater Replenishment District (CAGRD) functions to replenish groundwater used by its members, individual subdivisions and service areas of member water providers. Homeowners in a CAGRD pay an annual assessment fee which is collected through the county property tax process based on the amount of groundwater served to member homes.

www.cagrd.com
(Central Arizona Ground Water Replenishment District)

8 Soil Problems

The soil in some areas of Arizona has “clay-like” tendencies, sometimes referred to as “expansive soil.”

Other areas are subject to fissure, subsidence and other soil conditions. Properties built on such soils may experience significant movement causing a major problem.

If it has been disclosed that the property is subject to any such soil conditions or if the buyer has any

concerns about the soil condition or observes evidence of cracking, the buyer should secure an independent assessment of the property and its structural integrity by a licensed, bonded, and insured professional engineer.

<http://www.re.state.az.us/PublicInfo/Fissures.aspx>
(ADRE – Overview of Arizona Soils)

<http://bit.ly/2sXBHw>
(Problem Soils)

<http://bit.ly/2MpcKNU>
(Shrink/Swell Potential & FAQs)

<http://bit.ly/2yfzVHR>
(Information on Land Subsidence & Earth Fissures)

www.btr.state.az.us (State Certified Engineers & Firms)

9 Previous Fire/Flood

If it is disclosed there has been a fire or flood on the property, a qualified inspector should be hired to advise you regarding any possible future problems as a result of the fire or flood damage and/or any subsequent repairs. For example, if the property was not properly cleaned after a flood, mold issues may result. Your insurance agent may be able to assist you in obtaining information regarding fire, flood, or other past damage to the property.

10 Pests

Cockroaches, rattlesnakes, black widow spiders, scorpions, termites and other pests are common in parts of Arizona. Fortunately, most pests can be controlled with pesticides.

Scorpions: Scorpions, on the other hand, may be difficult to eliminate. If the buyer has any concerns or if the SPDS indicates the seller has seen scorpions or other pests on the property, seek the advice of a pest control company.

Bed bugs: Infestations are on the rise in Arizona and nationally.

Roof Rats: Roof Rats have been reported in some areas by Maricopa County Environmental Services.

Termites: Consumer Information available from the Office of Pest Management (OPM).

Bark Beetles: OPM reports the presence of bark beetles in some forested areas.



<http://bit.ly/1HLIW55> (Information on Scorpions)
<http://bit.ly/1PFP9Y2> (Information on Bed Bugs)
<http://www2.epa.gov/bedbugs> (Bed Bugs: Get Them Out and Keep Them Out)
<http://www.maricopa.gov/FAQ.aspx?TID=104> (Maricopa County – Roof Rats)
<https://agriculture.az.gov/pestspest-control/termites> (Termite Information)
<https://agriculture.az.gov/pests-pest-control/agriculture-pests/bark-beetles> (Bark Beetle Information)

11 Endangered & Threatened Species

Certain areas in the state may have issues related to federally listed endangered or threatened species that may affect land uses. Further information may be obtained on the U.S. Fish and Wildlife website or by contacting the appropriate planning/development service department.

<http://www.fws.gov/southwest/es/arizona/> (Arizona Ecological Services)
<http://www.fws.gov/endangered/map/state/AZ.html>
 (Arizona Endangered Species)

12 Deaths and Felonies on the Properties

Arizona law states that sellers and real estate licensees have no liability for failure to disclose to a buyer that the property was ever the site of a natural death, suicide, murder or felony.

This information is often difficult to uncover; however, the local law enforcement agency may be able to identify incidents related to a property address.

<http://bit.ly/2lo53MZ> (A.R.S. § 32-2156)

13 Indoor Environmental Concerns

Attention has been given to the possible health effects of mold in homes, apartments and commercial buildings. Certain types of mold may cause health problems in some people while triggering only common allergic responses in others.

Mold is often not detectable by a visual inspection. To determine if the premises you are purchasing contains mold or airborne health hazards, you may retain an environmental expert to perform an indoor air quality test. This is particularly important if any of the inspection reports or disclosure documents indicate the existence of past or present moisture, standing water, visible water stains, or water intrusion in the Premises.

The Arizona Department of Health Services, Office of Environmental Health, states:

"If you can see mold, or if there is an earthy or musty odor, you can assume you have a mold problem."

<http://1.usa.gov/1it5voK> (Indoor Air Quality)
www.epa.gov/mold (EPA)
<http://www.epa.gov/iaq/pubs/index.html> (Publications & Resources)
www.cdc.gov/mold (Mold Information)

Imported Drywall: There have been reports of problematic drywall, produced in China, used in Arizona homes. Residents in homes with problem drywall report health issues such as respiratory irritation, and other problems such as copper corrosion and sulfur odors. Visit the Consumer Product Safety Commission website for more information.

Radon Gas and Carbon Monoxide: Radon gas and carbon monoxide poisoning are two of the more common and potentially serious indoor air quality (IAQ) concerns. Both of these concerns can be addressed by the home inspector, usually for an additional fee. For information on radon levels in the state, visit Arizona Radiation Regulatory Agency online.

Drug labs: Residual contamination arising from the illicit manufacture of methamphetamine and other drugs carried out in clandestine drug laboratories presents a serious risk of harm to human and environmental health.

Other: For information on other indoor environmental concerns, the EPA has a host of resource materials and pamphlets online.

<http://bit.ly/2kRk7im> (Drywall Information Center)
<http://bit.ly/2GcWpM> (About Radon)
<http://bit.ly/2t1CAPq> (Carbon Monoxide Infographic)
<http://www2.epa.gov/asbestos> (Asbestos Information)
<http://aardownload.com/2vBEvg6> (Voluntary Guidelines for Methamphetamine)
<http://1.usa.gov/1OC9Yji> (EPA Formaldehyde Information)

14 Property Boundaries

If the property boundaries are of concern, a survey may be warranted. For example, a survey may be advisable if there is an obvious use of property by others, i.e., a well-worn path across a property and/or parked cars on the property or fences or structures of adjacent property owners that appear to be built on the property. For more information, visit the Arizona Professional Land Surveyors online. A search for surveyors may be found online at the Board of Technical Registration.

www.azpls.org/ (AZ Professional Land Surveyors)
<https://btr.az.gov/laws-standards/standards/land-surveyors>
 (AZ BTR Land Surveyors)



15 Flood Insurance/Flood Plain Status

Your mortgage lender may require you to purchase flood insurance in connection with your purchase of the property. The National Flood Insurance Program provides for the availability of flood insurance and established flood insurance policy premiums based on the risk of flooding in the area where properties are located. Changes to the federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the property. As a result, purchasers of property should not rely on the premiums paid for flood insurance on the property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of the property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, whether the prior owner's policy may be assumed by a subsequent purchase of the property, and other matters related to the purchase of flood insurance for the property.

If community floodplain information is not available for a specific property, and in order to obtain flood insurance, it may be necessary to have an elevation survey and obtain an elevation certificate. This is necessary to determine a property's insurability and premium rate. You may also wish to contact the Federal Emergency Management Agency (FEMA) for

more information about flood insurance as it relates to the property.

<https://www.fema.gov/national-flood-insurance-program> (FEMA)

<https://msc.fema.gov/portal> (Flood Map Service Center)

<http://bit.ly/2egwpza> (Elevation Certificates: Who Needs Them and Why - fact sheet)

<http://azgs.arizona.edu/center-natural-hazards/floods> (Flooding in Arizona)

<http://www.fcd.maricopa.gov/3847/Flood-Control-District> (Maricopa County Flood Control District-Services)

<https://www.tucsonaz.gov/pdsd/floodplain-information> (Tucson Flood Information)

Other Arizona Counties: Consult County Websites.

16 Insurance (Claims History)

Many factors affect the availability and cost of homeowner's insurance. Property owners may request a five-year claims history from their insurance company, an insurance support organization or consumer reporting agency.

<https://insurance.az.gov/consumers/help-hometitleflood-insurance> (AZ Department of Insurance)

17 Other Property Conditions

Plumbing: Check functionality.

Cooling/Heating: Make sure the cooling and heating systems are adequate. If it is important to you, hire a qualified heating/cooling inspector.

<https://www.epa.gov/ods-phaseout>

Electrical Systems: Check for function and safety.

Section 3

CONDITIONS AFFECTING THE AREA SURROUNDING THE PROPERTY THE BUYER SHOULD INVESTIGATE

Every property is unique; therefore, important conditions vary.

Environmental Concerns

It is often very difficult to identify environmental hazards. The Arizona Department of Environmental Quality (ADEQ) website contains environmental information regarding the locations of open and

closed landfills (Solid Waste Facilities), wildfire information, as well as air and water quality information (and more).

www.adeq.state.az.us (ADEQ)

<http://legacy.azdeq.gov/environ/waste/solid/plan.html> (ADEQ-Solid Waste Facilities)

www.azdeq.gov/function/programs/wildfire.html (Wildfire Information)



1 Environmentally Sensitive Land

Ordinance: Approximately two-thirds of the City of Scottsdale is affected by the Environmentally Sensitive Land Ordinance (ESLO), which requires some areas on private property be retained in their natural state and designated as National Area Open Space (NAOS).

<http://www.scottsdaleaz.gov/codes/eslo>
(Environmentally Sensitive Lands Overlay- ESL)

<http://www.scottsdaleaz.gov/codes/eslo>
(Natural Area Open Space)

2 Electromagnetic Fields

For information on electromagnetic fields, and whether they pose a health risk to you or your family, visit the National Institute of Environmental Health Sciences website.

www.niehs.nih.gov/health/topics/agents/emf/
(National Institute of Environmental Health Sciences)

3 Superfund Sites

There are numerous sites in Arizona where the soil and groundwater have been contaminated by improper disposal of contaminants. Maps may be viewed on ADEQ's website to see if a property is in an area designated by the ADEQ as requiring cleanup.

<http://www.azdeq.gov/emaps> (ADEQ-Maps)
www.epa.gov/superfund/ (EPA) , <http://espanol.epa.gov/> (Spanish)

4 Freeway Construction and Traffic Conditions

Although the existence of a freeway near the property may provide highly desirable access, sometimes it contributes to undesirable noise. To search for roadway construction and planning, visit the Arizona Department of Transportation (ADOT) website.

www.azdot.gov (ADOT)
www.azdot.gov/Highways (Statewide Projects)
www.az511.com (Traffic Conditions – Alerts)

5 Crime Statistics

Crime statistics, an imperfect measurement at best, provide some indication of the level of criminal activity in an area.

<http://1.usa.gov/1kSEpHc> (Phoenix Crime Statistics)

<https://www.phoenix.gov/police/neighborhood-resources/crime-stats-maps> (Phoenix Crime Statistics)
<http://www.tucsonaz.gov/police/statistics> (Tucson Crime Stats)
www.leagueaz.org/lqd (Crime Statistics All Arizona Cities)

6 Sex Offenders

Since June 1996, Arizona has maintained a registry and community notification program for convicted sex offenders. Prior to June 1996, registration was not required, and only the higher-risk sex offenders are on the website. The presence of a sex offender in the vicinity of the property is not a fact that the seller or real estate broker is required to disclose.

www.azdps.gov/Services/Sex_Offender/ (Registered Sex Offenders and Community Notification)
<http://www.nsopw.gov/en> (National Sex Offender Public Site)

7 Forested Areas

Life in a forested area has unique benefits and concerns. Contact county/city fire authority for more information on issues particular to a community.

<https://dflm.az.gov/fire/prevention/firewise>
(Arizona Fire Wise Communities)

<https://www.nfpa.org/Public-Education/By-topic/Wildfire/Firewise-USA>
(Public Education/Fire Wise USA)

8 Military and Public Airports

The legislature has mandated the identification of areas in the immediate vicinity of military and public airports that are susceptible to a certain level of noise from aircraft. The boundaries of these areas have been plotted on maps that are useful in determining if a property falls within one of these areas. The maps for military and public airports may be accessed on the Arizona Department of Real Estate (ADRE) website. Additionally, the boundaries of military and public airports in Maricopa County may be viewed on the county website. These maps are intended to show the area subject to a preponderance of airport-related noise from a given airport. Periodic over-flights that may contribute to noise cannot usually be determined from these maps.

Vacant land or lots may be for sale within areas of high noise or accident potential zones. Because the zoning of these lots may conflict with the buyer's ability to develop the property, the buyer should verify whether development is prohibited.



Zoning regulations for these areas, may be found at A.R.S. §28-8481.

<http://www.re.state.az.us/AirportMaps/MilitaryAirports.aspx>
(ADRE - Maps of Military Airports & Boundaries)

www.re.state.az.us/AirportMaps/PublicAirports.aspx
(ADRE - Maps of Public Airports & Boundaries)

9 Zoning/Planning/Neighborhood Services

Information may be found on community websites.

<http://phoenix.gov/business/zoning> (Phoenix)

<http://www.tucsonaz.gov/pdsd/planning-zoning> (Tucson)

<http://www.leagueaz.org/lqd/> (Other Cities and Towns)

10 Schools

Although there is no substitute for an on-site visit to the school to talk with principals and teachers, there is a significant amount of information about Arizona's schools on the Internet. Visit the Arizona Department of Education website for more information.

<http://www.azed.gov/> (Arizona Department of Education)

ADRE ADVISES:

"Call the school district serving the subdivision to determine whether nearby schools are accepting new students. Some school districts, especially in the northwest part of the greater Phoenix area, have placed a cap on enrollment. You may find that your children cannot attend the school nearest you and may even be transported to another community."

www.azre.gov/PublicInfo/PropertyBuyerChecklist.aspx (ADRE)

11 City Profile Report

Information on demographics, finances and other factors are drawn from an array of sources, such as U.S. Census Bureau, Bureau of Labor, Internal Revenue Service, Federal Bureau of Investigation, and the National Oceanic and Atmospheric Administration and may be viewed on Homefair's Website.

<http://www.homefair.com/real-estate/city-profile/index.asp>
(City Profile Report)

Section 4

OTHER METHODS OF GETTING INFORMATION ABOUT A PROPERTY

Talk to the Neighbors

Neighbors can provide a wealth of information. Buyers should always talk to the surrounding residents about the neighborhood and the history of the property the buyer is considering for purchase.

Drive around the Neighborhood

Buyers should always drive around the neighborhood, preferably on different days at several

different times of the day and evening, to investigate the surrounding area.

Investigate your Surroundings:

Google Earth is an additional method to investigate the surrounding area:

<https://www.google.com/earth/>



Section 5

RESOURCES

Market Conditions Advisory

The real estate market is cyclical and real estate values go up and down. The financial market also changes, affecting the terms on which a lender will agree to loan money on real property. It is impossible to accurately predict what the real estate or financial market conditions will be at any given time.

The ultimate decision on the price a buyer is willing to pay and the price a seller is willing to accept for a specific property rests solely with the individual buyer or seller. The parties to a real estate transaction must decide on what price and terms they are willing to buy or sell in light of market conditions, their own financial resources and their own unique circumstances.

The parties must, upon careful deliberation, decide how much risk they are willing to assume in a transaction. Any waiver of contingencies, rights or warranties in the Contract may have adverse consequences. Buyer and seller acknowledge that they understand these risks.

Buyer and Seller assume all responsibility should the return on investment, tax consequences, credit effects, or financing terms not meet their expectations. The parties understand and agree that the Broker(s) do not provide advice on property as an investment. Broker(s) are not qualified to provide financial, legal, or tax advice regarding a real estate transaction. Therefore, Broker(s) make no representation regarding the above items. Buyer and seller are advised to obtain professional tax and legal advice regarding the advisability of entering into this transaction.

<http://bit.ly/1sSTorj> (AAR - Sample Forms)

color, national origin, religion, sex, familial status (including children under the age of 18 living with people securing custody of children under the age of 18), and handicap (disability).

<http://1.usa.gov/1pbD5iW> (US Government – HUD)

<http://www.ada.gov/pubs/ada.htm>
(Americans with Disabilities Act)

Wire Fraud

Beware of wiring instructions sent via email. Cyber criminals may hack email accounts and send emails with fake wiring instructions. You should independently confirm wiring instructions in person or via a telephone call to a trusted and verified phone number prior to wiring any money.

<http://bit.ly/2gQNWms> (FTC & NAR - Protect your mortgage closing from scammers)

<http://bit.ly/2vDDvFk> (CFPB- Buying a home? Watch out for mortgage closing scams)

Additional Information

NATIONAL ASSOCIATION OF REALTORS® (NAR)
<https://www.nar.realtor/>

Ten Step Guide To Buying a Home
<http://bit.ly/YweGug>

Home Closing 101
www.homeclosing101.org

Information about Arizona Government, State Agencies, City & County Websites

Arizona Department of Real Estate
Consumer Information
www.azre.gov/InfoForConsumers.aspx

Arizona Association of REALTORS®
www.azonline.com

Fair Housing & Disability Laws

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race,





A Resource for Real Estate Consumers Provided by the
ARIZONA ASSOCIATION OF REALTORS®

BUYER ACKNOWLEDGMENT

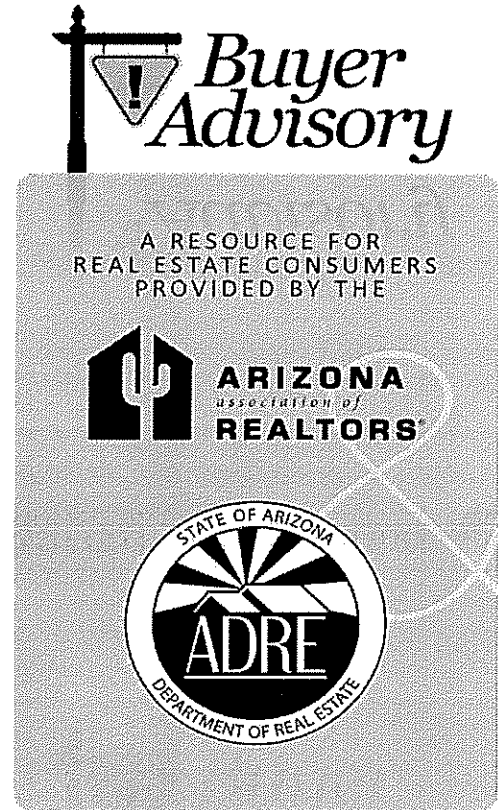
Buyer acknowledges receipt of all 13 pages of this Advisory.

Buyer further acknowledges that there may be other disclosure issues of concern not listed in this Advisory. Buyer is responsible for making all necessary inquiries and consulting the appropriate persons or entities prior to the purchase of any property.

The information in this Advisory is provided with the understanding that it is not intended as legal or other professional services or advice. These materials have been prepared for general informational purposes only. The information and links contained herein may not be updated or revised for accuracy. If you have any additional questions or need advice, please contact your own lawyer or other professional representative.

^ BUYER SIGNATURE _____ DATE _____
Town of Florence

^ BUYER SIGNATURE _____ DATE _____





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.

APN 200-47-0580
575 E Ruggles St





TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 13d.

MEETING DATE: April 15, 2019

DEPARTMENT: One Stop Shop

STAFF PRESENTER: Lisa Garcia/James Allen/John Kemp

SUBJECT: Resolution No. 1693-19: Adoption of the 2012 International Building Codes and Declaring Said Codes a Public Record

- ☒ Action
- ☐ Information Only
- ☐ Public Hearing
- ☐ Resolution
- ☐ Ordinance
 - ☐ Regulatory
 - ☐ 1st Reading
 - ☐ 2nd Reading
- ☐ Other

STRATEGIC PLAN REFERENCE:

- ☐ Community Vitality
- ☐ Economic Prosperity
- ☒ Leadership and Governance
- ☐ Partnership and Relationships
- ☐ Transportation and Infrastructure
- ☐ Statutory
- ☐ None

RECOMMENDED MOTION/ACTION:

Adoption of Resolution No. 1693-19: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD CERTAIN TECHNICAL CODE DOCUMENTS FILED WITH THE TOWN CLERK AND ENTITLED "2012 INTERNATIONAL BUILDING CODE", "2012 INTERNATIONAL EXISTING BUILDING CODE", "2012 INTERNATIONAL FIRE CODE", "2012 INTERNATIONAL FUEL GAS CODE", "2012 INTERNATIONAL MECHANICAL CODE", "2012 INTERNATIONAL PLUMBING CODE", "2012 INTERNATIONAL PROPERTY MAINTENANCE CODE", "2012 INTERNATIONAL RESIDENTIAL CODE", "2012 INTERNATIONAL SWIMMING POOL AND SPA CODE", "2012 INTERNATIONAL ENERGY CONSERVATION CODE" "2011 NATIONAL ELECTRIC CODE", AND THE 2009 "ACCESSIBLE AND USABLE BUILDINGS & FACILITIES CODE" (Lisa Garcia)

BACKGROUND/DISCUSSION:

Building Codes are a set of rules that detail the minimum acceptable level of safety for erected Structures. The main purpose of the codes is to protect public health, safety and general welfare as it relates to construction and occupancy of building and structures. Once adopted the code becomes the formal regulation of the Town and is considered standard building practice.

At the recommendation of the International Code Council (ICC), an association of building professionals which establish building and construction standards, the Town of Florence is taking steps toward updating and implementing 2012 International Building Codes to improve Town building standards. The International Codes (I-Codes) provide minimum building safeguards for commercial, residential, and institutional structures benefiting

public safety and creating a building standard across the country without jurisdictional limitations. The I - Codes have been adopted in all fifty states and the District of Columbia; these codes are utilized at the local, state, and Federal level and have become the accepted practice in building construction.

ICC Building Codes are updated every 3 years and can have significant impact on how future development is regulated within a Town or City.

The Town of Florence has spent the past 18 months dedicated to:

- Crafting necessary amendments to the 2012 ICC
- Ensuring that our amendments are user and customer friendly with regard to understanding and life safety specific information and regulations
- Cleaning up deficiencies and ambiguities in the 2006 ICC by way of removing sections that were no longer needed due to changes in the new Code
- Adding language specifically applicable to the community we live in
- Attempting to standardize requirements, as much as possible, to properly implement a "One Stop Shop" that will make it easier for the public and the building trades to work in this area, without compromising life safety
- Come up with a product that would be understandable, enforceable, and life safety oriented while taking into consideration our customers' needs

The attached document is for informational purposes only and includes a list of significant changes between the 2006 and 2012 International Codes.

A VOTE OF NO WOULD MEAN:

A no vote would mean that the Town of Florence will not proceed at this time with adopting the 2012 Codes.

A VOTE OF YES WOULD MEAN:

A yes vote would mean that that Town of Florence has adopted the 2012 Technical Codes by reference and may move forward in the adoption process.

FINANCIAL IMPACT:

If the codes are successfully update the Town will need to advertise the adoption ordinance as well as codify the Exhibit of the Resolution into the Code of Ordinances.

ATTACHMENTS:

Resolution No. 1693-19

Exhibit A

Code Handout (changes from 2016 to 2012)

PowerPoint

RESOLUTION NO. 1693-19

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD CERTAIN TECHNICAL CODE DOCUMENTS FILED WITH THE TOWN CLERK AND ENTITLED "2012 INTERNATIONAL BUILDING CODE", "2012 INTERNATIONAL EXISTING BUILDING CODE", "2012 INTERNATIONAL FIRE CODE", "2012 INTERNATIONAL FUEL GAS CODE", "2012 INTERNATIONAL MECHANICAL CODE", "2012 INTERNATIONAL PLUMBING CODE", "2012 INTERNATIONAL PROPERTY MAINTENANCE CODE", "2012 INTERNATIONAL RESIDENTIAL CODE", , "2012 INTERNATIONAL SWIMMING POOL AND SPA CODE", "2012 INTERNATIONAL ENERGY CONSERVATION CODE" "2011 NATIONAL ELECTRIC CODE", AND THE 2009 "ACCESSIBLE AND USABLE BUILDINGS & FACILITIES CODE"

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, that certain documents entitled "2012 International Building Code", "2012 International Performance Code", "2012 International Existing Building Code", "2012 International Fire Code", "2012 International Fuel Gas Code", "2012 International Mechanical Code", "2012 International Plumbing Code", "2012 International Property Maintenance Code", "2012 International Residential Code", "2012 International Swimming Pool and Spa Code", "2012 International Energy Conservation Code" "2011 National Electric Code", and the "2009 Accessible and Usable Buildings and Facilities Code", one copy of which are on file in the office of the Town Clerk, are hereby declared to be public records, and said copies are ordered to remain on file with the Town Clerk.

NOW THEREFORE BE IT FURTHER RESOLVED by the Mayor and Council of the Town of Florence, Arizona, that certain documents Titled Technical Codes, attached as "Exhibit A", one copy of which are on file in the office of the Town Clerk, are hereby declared to be public records, and said copy is ordered to remain on file with the Town Clerk and will be codified in the Code of Ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this _____ day of _____ 2019.

Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

Exhibit A
TOWN OF FLORENCE
CODE OF ORDINANCES
TECHNICAL CODES

§ 150.300 CODES ADOPTED

A. The Following publications are adopted by reference.

1. Accessible and Usable Buildings and Facilities ICC A117.1, 2009 Edition Standards
2. International Building Code, 2012 Edition, with Appendix C & I;
3. International Energy Conservation Code, 2012 Edition is voluntary;
4. International Existing Building Code, 2012 Edition;
5. International Fire Code, 2012 Edition, with Appendix B, C, D, E, F, G, H & I
6. International Fuel Gas Code, 2012 Edition;
7. International Mechanical Code, 2012 Edition;
8. International Plumbing Code, 2012 Edition
9. International Property Maintenance Code, 2012 Edition;
10. International Residential Code, 2012 Edition, with Appendix G, H & P;
11. International Swimming Pool and Spa Code, 2012 Edition;
12. National Electrical Code, 2011 Edition;

B. Addendums and alternatives to the Technical Codes shall be as follows:

1. Accessible and Usable Buildings and Facilities ICC A117.1, 2009 Edition;

- a) **Section 101.1 Title.** Insert the words "Town of Florence" as the "name of the jurisdiction."

2. International Building Codes, 2012 Edition shall be as follows:

- a) **Section (A) 101.1 Title.** shall be amended by inserting the jurisdictional name of Town of Florence.
- b) **Section 101.2.1 Appendices.** The following appendices shall adopted as part of this code by the Town of Florence: Appendices C and I, as added.
- c) **Section 101.4.3 Plumbing.** Amend by deleting the last sentence of the paragraph.

- d) **Section 105.2 Work exempt from a permit.** Building, amend items 1 and 2 to read as follows:
- i. One-story detached accessory structures used as tool and storage sheds, play houses and similar uses, provided the floor area is not greater than 200 square feet.
 - ii. Fences not over 7 feet at the highest point to allow for decorative fence column or post features such as light fixtures, post caps, etc., the main fence height between the columns or posts shall be a maximum 6 feet high. (Tab in as originally set up)
- e) **Section 105.5 Expiration.** Amend to read, “**Expiration of permit, extension.**” Amend to read as follows: Every permit issued shall become invalid unless substantial work, as determined by the Building Official, and authorized by such permit is commenced and required inspections are requested by the permittee and approved by the Building Official within 180 days after its issuance, or if more than 180 days elapses between approval of required inspections. The Building Official shall be authorized to grant one or more extensions of time for a period not to exceed 180 days. All requests for extensions shall be in writing. As determined by the Building Official, a grace period of 30 days after expiration may be granted. A reinstatement fee will be assessed after the 30-day grace period based on $\frac{1}{2}$ of the original permit fee. A permit shall not be reinstated if permit has been expired more than 180 days. A new application shall be submitted and new full permit fee shall be paid based on the current fee schedule adopted by the Town.
- i. **Section 109.4 Work commencing before permit issuance.** Amend by adding a sentence at the end of paragraph to read as follows: This fee, as determined by the Building Official, shall be no greater than to two times the amount of the permit fee based on the current fee schedule adopted by the Town.
- f) **Section 109.6 Refunds.** Amend by adding **Subsection 109.6.1 Refund Policy**, to read as follows: The Building Official shall be permitted to authorize refunding of a fee paid hereunder which was erroneously paid or collected. The Building Official shall be permitted to authorize refunding of not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or cancelled before any examination time has been expended. Plan review fees shall not be refunded once the examination of plans has started. Refunds shall be requested by written application and filed by the original permittee not later than 30 days after the date of fee payment.

The Building Official shall be permitted to authorize refunding of not more than 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.

g) **Section 109.7 Re-inspection fees.** New Subsection added to read as follows:

Re-inspection fees, as determined by the Building Official, may be assessed for each inspection or re-inspection when such portion of work, for which an inspection is called, has not completed or when corrections called for are not made. This section is not to be interpreted as requiring fees for the first time an inspection is rejected due to failure to comply with the requirements of the code, but as a means of controlling the practice of calling for inspections before the job is ready for such inspection(s) or re-inspection(s).

A re-inspection fee may be assessed when the inspection record card is not posted or otherwise available on the work site, the approved plans are not readily available to the Inspector, for failure to provide access on the date for which inspection is requested, or for work performed deviating from approved permitted plans. In instances where re-inspection fees have been assessed, no additional inspection(s) shall be scheduled until the required fees have been paid in accordance with the fee policy established by the Building Official.

h) **Section 111.3 Temporary occupancy.** Amend to read as follows: If the Building Official finds that no substantial hazard will result from occupancy of any building or portion thereof before the same is completed or before all required on-site and off-site improvements are completed, a Temporary Certificate of Occupancy (TCO) may be issued for the use of a portion or portions of a building or structure prior to the completion of the entire building or structure. The TCO will be issued for a finite period of time, but in no event for more than sixty (60) calendar days. The TCO may be renewed if satisfactory progress has been made toward completion of outstanding items. The length of any renewal period will be determined at the sole discretion of the Building Official based on the amount of work remaining, but the extension shall not exceed sixty (60) additional days. If the TCO and any extensions expire without completion of all outstanding items, the matter will be referred to Code Compliance for Enforcement. Upon satisfaction of the outstanding items on the TCO, a Certificate of Occupancy will be issued.

i) **Section 111.4 Revocation.** Amend by adding **Subsection 111.4.1 Unoccupied or Vacant structure** to read as follows:

- i. The Building Official is authorized to, in writing, suspend or revoke a certificate of occupancy when a tenant space, building or structure has been determined to be vacant or unoccupied for a period of 24 months or

occupied and utilized outside the use or occupancy of current occupancy classification group. A new certificate of Occupancy shall be required and the tenant space, building or structure must meet all current ADA accessibility, building and fire codes as adopted, prior to reoccupying.

- ii. The Building Official is authorized to, in writing, suspend or revoke a certificate of occupancy when a tenant space, building or structure has been determined to be vacant, abandoned or unoccupied with any or all utilities disconnected for a period of 24 months. A new certificate of Occupancy shall be required and the tenant space, building or structure must meet all current ADA accessibility, building and fire codes as adopted, prior to reoccupying.

- j) **Section 113 Board of Appeal.** Delete in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.

- k) **Section 202 Definitions *Amend by adding the following definitions as follows:***

ABANDONED. A building that is no longer used or occupied by its owner or other legally permitted occupant. Evidence of building being abandoned includes any two of the following: lack of visible activity or use; overgrown or dead vegetation; accumulation of trash, junk or debris; absence of furnishings; evidence of criminal mischief or criminal trespass; evidence of dilapidation, decay, damage, deterioration; nonpayment or disconnection of utilities.

VACANT. A building that is no longer used or occupied by its owner or other legally permitted occupant

- l) **Section 310.5 Residential Group R-3.** Amend by revising the last item of the list of R-3 occupancies to read as follows: Congregate living facilities with 5 or fewer persons. Where these facilities occur in a single family home, shall be permitted to comply with the International Residential Code.
- m) **Section 310.5.1 Care facilities within a dwelling.** Amend by deleting the text “provide an automatic sprinkler system is installed in accordance with **Section 909.3.1.3** or with **Section P2904** of the International Residential Code.

- n) **Chapter 9, Fire Protection**, is deleted in its entirety and in its place and stead the Town of Florence will use the 2012 International Fire Code, Chapter 9, Fire Protection Section and adopted Chapter 9 Code amendments.
- o) **Table 1004.1.2 Maximum Floor Area Allowances per Occupant**. Amend by deleting, "Exercise rooms, 50 gross" and replacing with, "Exercise rooms with fixed equipment, 50 gross" and "Exercise rooms without fixed equipment, 15 gross".
- p) **Section 1008.1.9.3 Locks and latches**. Amend Sub item 2.2 of item 2 to read as follows: A readily visible durable sign is posted on the egress side on or adjacent to the door stating: THIS DOOR IS TO REMAIN UNLOCKED WHEN BUILDING IS OCCUPIED, or THIS DOOR MUST REMAIN UNLOCKED DURING BUSINESS HOURS. The sign shall be in letters 1 inch (25.4 mm) high on a contrasting background.
- q) **Section 1704.2.1 Special Inspector qualifications**. Amend to read as follows: The registered design professional in responsible charge and engineers of record involved in the design of the project are permitted to act as the approved agency and their personnel are permitted to act as the special inspector for the work designed by them.
- r) **Section 2304.11.6 Termite protection**. Amend by adding new paragraphs after the last sentence as follows: Within the perimeter of the foundation of any building which requires a building permit, the base course of all fill which is used to support a concrete slab shall be treated against termite infestation. The soil treatment shall be applied by a duly licensed applicator in accordance with the rules and regulations of the Arizona Pest Control Commission. Termite retardant chemicals shall be applied prior to placing the concrete. If the soil has been treated and the fill is disturbed prior to pouring the slab, or if the concrete is not poured within the time limit specified for the chemical used, the soil must be retreated according to the same standards. If a concrete slab has been pour prior to pre-treatment, the site must be treated in accordance with the rules and regulations references herein above. Certification of such soil treatment shall be furnished to the building official and shall include the name of the applicator, state license number, chemical used, time and location and length of warranty. Exception: Buildings accessory to Group R. Division 3 and buildings with floors and walls built of metal, masonry, concrete or other non-wood product.
- s) **Section 2902 [P] Table 2902.1 Minimum Number of Required Plumbing Fixtures**. Amend by adding footnote (h) as follows: Within individual Group B or M occupancy tenant suites ADA accessible bottled water dispenser may substitute for an ADA accessible drinking fountain when the occupant load is 50 or less.

3. **International Energy Conservation Code, 2012 Edition,**

- a) **Section C101.1 Title.** Insert the words “Town of Florence” as the name of the jurisdiction.
- b) **Section C101.4 Applicability.** Add the following sentence. All references to mandatory shall be referred to as recommended.
- c) **Section C104.2 Required approvals.** Deleted in its entirety.
- d) **Section C104.3 Final inspection.** Deleted in its entirety.
- e) **Section C104.4 Re-inspection.** Deleted in its entirety.
- f) **Section C109 Board of Appeals.** Delete in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.
- g) **Section C407.2 Mandatory Requirements.** Deleted in its entirety.
- h) **Section R101.1 Title.** Insert the words “Town of Florence” as the name of the jurisdiction.
- i) **Section R101.4 Applicability.** Add the following sentence. All references to mandatory shall be referred to as recommended
- j) **Section R104.2 Required approvals.** Deleted in its entirety.
- k) **Section R104.3 Final inspection.** Deleted in its entirety.
- l) **Section R104.4 Re-inspection.** Deleted in its entirety
- m) **Section R405.2 Mandatory Requirements.** Deleted in its entirety.

4. **International Existing Building Code, 2012 Edition**

- a) **Section 101.1 Title.** Insert the words “Town of Florence” as the name of the jurisdiction.

- b) **Section 112 Board of Appeals.** Delete in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.

5. International Fire Code, 2012 Edition

- a) **Section 101.1 Title.** Insert the words “Town of Florence” as the name of the jurisdiction.
- b) **Section 101.2.1 Appendices.** The following appendices are adopted as part of this code by the Town of Florence: Appendices B, C, D, E, F, G, H, and I as added.
- c) **Section [A] 102.6 Historic buildings. [A] Section 102.6 Historic buildings.** Amend by adding the words “and the currently adopted Fire Protection Plan and Fire Code Amendments.”
- d) **Section [A] 105 Permits. [A] Section 105 Permits, Section 105.1.1,** Amend by adding Subsection
- e) **Section [A] 105.1.4 Permits required,** to read as follows: It shall be unlawful for any person, firm or corporation to use a building or premises or engage in any activities for which a permit is determined to be required by the Code Officials without having first obtained such permit from the Community Development Department.
- f) **Section [A] 105.4 Construction documents.** Add new **Sub-section [A] 105.4.7 Construction Documents** to read as follows: Shall be provided in an approved electronic file format (PDF) upon request by the Fire Code Official.
- g) **Section [A] 105.7.17 Limited Access Gates.** Add **New section** as follows: A construction permit is required to install or alter all gates, which obstruct a fire apparatus access road and shall be approved by the Fire Code Official.
- h) **Section (A) 108 Board of Appeals.** Delete in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.

- i) **Section [A] 113.3 Work commencing before permit issuance.** Delete in its entirety and replace as follows: Any person who commences any work, activity or operation regulated by this code before obtaining the necessary permits shall be liable for two times the cost of the normal assessed permit fees.
- j) **Section 202. GENERAL DEFINITIONS amend by adding the following definitions as follows:**

ABANDONED. A building that is no longer used or occupied by its owner or other legally permitted occupant. Evidence of building being abandoned includes any two of the following: lack of visible activity or use; overgrown or dead vegetation; accumulation of trash, junk or debris; absence of furnishings; evidence of criminal mischief of criminal trespass; evidence of dilapidation, decay, damage, deterioration; nonpayment or disconnection of utilities.

AIRBORNE LANTERNS. A device or any similar device designed to carry an open flame such as a small candle or fuel cell composed of flammable material as an airborne light. When lit, the flame heats the air inside the lantern lowering its density and causing the lantern to rise into the air.

ALL WEATHER SURFACE. An all-weather surfaces (AW) is a road surface graded to drain standing water and engineered to bear the imposed loads of fire apparatus. The minimum surface shall be made up of materials compacted to 90% over an approved base. Alternate methods may be approved when designed and sealed by a professional engineer and approved by the Town Engineering Department and Fire Code Official.

COMMERCIAL OCCUPANCY. A Commercial Occupancy is any building that falls under the International Building Code (IBC) occupancy classification.

CROWD MANAGER: A person responsible for defining his/her establishment's emergency plan for evacuation. He or she is also responsible for ensuring that the employees properly understand their roles in crowd management is assisting directing the crowd in an orderly manner for evacuation.

FIRE PROTECTION PLAN. Fire/life safety mitigation measures that involve a combination of fire prevention procedures provided in designated historic buildings and structures and shall be provided in accordance of the Fire Code Official.

GRADE. Grade is the degree of inclination of a slope, road, or other surface approved by the Engineering Department. (See slope).

HARD SURFACE. Hard Surface is a drive surface of concrete, asphalt, or pavers designed to support vehicles in excess of 85,000 pounds GVW under any weather condition.

HOSE LAY. Hose Lay is the extension of a hand-held fire hose as it is extended around the perimeter of the structure.

PREEMPTION DEVICE. A listed and approved electronic device that receives a signal compatible with transmitters on emergency vehicles and that is used to automatically open or close fire apparatus access gates and all traffic control devices.

REPAIR. Repair of any fire protection equipment is a “like for like” replacement of a component. The component replaced must be from the same manufacturer and be the same model and part number.

REPLACEMENT. Replacement of any fire protection system component must be by the same manufacturer, the same model and part number. Replacement of a component by a different manufacturer, model or part number due to obsolescence is considered an upgrade.

SECURITY GATE. Any manual or electronically operated gate that limits or restricts public access to or from a property.

STANDBY PERSONNEL. Qualified fire service personnel, approved by the Fire Chief. When utilized, the number required shall be as directed by the Fire Chief. Charges for utilization shall be calculated by the Town approved fee schedule.

TURN-A-ROUND. A turn-a-round is required for emergency vehicles when the structure is more than 200 feet from the road. This can be accomplished with a circle drive when designed and sealed by a professional engineer and approved by the Town Engineering Department and Fire Code Official.

WIRELESS PROTECTION SYSTEM. A system or a part of a system that can transmit and receive signals without the aid of interconnection wiring. It can consist of either a wireless control unit or a wireless repeater.

VACANT. A building that is no longer used or occupied by its owner or other legally permitted occupant

- k) **Section 307.2.1 Open Burning, Recreational, Fires and Portable Outdoor Fireplaces: Authorization.** Delete in its entirety and replace to read as flows: No fire shall be kindled or any weeds or debris burned on any premises, street, alley vacant lot or agricultural land within the Town limits without first obtaining a permit

from the Pinal County Department of Air Pollution Control followed by issuance of a fire department Open Burning permit pursuant to **IFC Section 105.6.30**. Permits shall incorporate such terms and conditions which will reasonably safeguard public safety and property. Outdoor fires shall not be built, ignited or maintained in or upon hazardous fire areas under the following conditions:

- i. When high winds are blowing.
- ii. When a person age 18 or over is not present at all times to watch and tend fire.
- iii. When public announcement is made that open burning is prohibited.
- iv. When restricted by the fire code official.

- l) **Section 308.1.2.1 Open Flames: Airborne Lanterns.** Add new sub section as follows: The lighting and the release of airborne lanterns shall be prohibited.
- m) **Section 308.1.4 Open Flame: Open Flame Cooking Devices.** Amend to read as follows: Charcoal burners, chimneys, barbecues fixed or portable, and other open-flame cooking devices shall not be operated on combustible balconies or within 10 feet of combustible construction. Exceptions: 1. One- and two- family dwellings. 2. Where buildings, balconies, and decks are protected by an automatic sprinkler system. 3. Deleted in its entirety.
- n) **Section 308.3.3 Open Flames by adding new subsection titled Audience control.** The audience shall be at least 30 feet away from the closest projection of an open flame device. Audience control shall be established by use of a physical barrier which can be easily moved or removed in the event of an emergency and shall remain in place throughout the entire performance.
- o) **Section 308.3.4 Open Flames by adding new subsection titled Attendant.** Performances shall be constantly attended by a person knowledgeable in the use of a fire extinguisher at the rate of at least 1 attendant for every 2 active devices. Attendants shall remain at the performance until all the fire has been extinguished.
- p) **Section 308.3.5 Open Flames by adding new subsection titled Fire Extinguishers.** Adequate fire extinguishing equipment including but not limited to buckets of water, water soaked rags, water extinguishers, charged hose lines, shall be readily available for use during the performance. Portable fire extinguishers shall be provided at a minimum of one 20BC extinguisher for every four simultaneous devices.
- q) **Section 308.3.6 Open Flames by adding new subsection titled Clearance from Combustibles.** A 25-foot clearance from all combustibles shall be maintained in all directions.

- r) **Section 311.2.2 Fire Protection.** Section 311 shall be amended to delete **Exceptions 1 and 2** under **Section 311.2.2**.
- s) **Section 319 by adding a new section titled Heat Producing Appliances.**
- t) **Section 319.1 Heat Producing Appliances General by adding a new sub section titled General.** Heating appliances shall be installed and maintained in accordance with their listing and the Building, Electrical, and Mechanical codes. Clearance from combustible material shall be maintained as set forth in the Building and Mechanical codes and the product listing.
- u) **Section 319.2 1 Heat Producing Appliances General by adding a new sub section titled Clothes Dryers.** Commercial grade clothes dryers shall be frequently cleaned to maintain the lint trap, exhaust vents, mechanical and heating components free from excessive accumulations of lint.

EXCEPTION: Clothes dryers within private dwelling units of Group R occupancies.

- v) **Section 401.1. Emergency Scope.** Shall be amended by deleting the exception in its entirety.
- w) **Section 403.3 Planning and Preparedness: Crowd Managers.** Shall be amended and shall read as follows: crowd managers shall be provided for all public assembly occupancies or events with an occupant load of 250 or more and outdoor events with 1000 or more people. The minimum number of crowd managers shall be established at a ratio of one crowd manager to every 250 persons.
- x) **Section 501 Fire Service Features: General.** Sub-Section 501.3 Construction Documents. Shall be amended to read as follows: Construction documents for proposed fire apparatus access, location of fire lanes, means of egress, shop drawings for fire protection systems, hydraulic calculations for fire hydrants and suppression systems, shall be submitted to the Town of Florence, Community Department, for review and approval prior to construction.
- y) **Section 503 Fire Apparatus Access Roads. Subsection 503.1 Where required,** shall be deleted in its entirety and replaced with subsection 503.1 as follows: Fire apparatus access roads shall be provided and maintained in accordance with **Subsections 503.1.1 through 503.1.3 and Appendix D.**
- z) **Section 503.1.4 Fire Apparatus Access Roads: Temporary Fire Department Access,** Shall be added new to read as follows: Temporary Fire Department access shall comply with Fire Department requirements. No combustible construction on any project may proceed until such time as the water supply,

proper signage and temporary access road have been approved by the Fire Code Official.

- aa) **Section 503.2.5 Fire Apparatus Access Roads. Dead ends.** Shall be amended to read as follows: Dead-end Fire Apparatus Access Roads in excess of 150 feet or non-fire sprinklered structures and 300 feet for fully sprinklered structures in length shall be provided with an approved area for turning around fire apparatus.
- bb) **Section 503.2.7.1 Fire Apparatus Access Roads: Grand.** Shall be added new and read as follows: The grade of the fire apparatus access road shall be within the limits established by the Fire Code Official based upon the Fire Department's apparatus.
- cc) **Section 503.3 Fire Apparatus Access Roads: Marking.** Shall be amended to read as follows: Every fire Apparatus Access Roadway required under the authority of this section shall be posted with signs readable from either direction of travel and vertically installed at points not more than eighty (80) feet on center along the length of the required fire apparatus access roadway. In lieu of signs the curb can be painted red and marked "NO PARKING FIRE LANE" in four (4) inch white block letters on the vertical face of the curb and spaced eighty (80) feet on center. Only Fire Apparatus Access Roadways required under the authority of this section or as approved by the Fire Code Official may be posted or identified as such. Unauthorized use of signs shall be removed.
- dd) **Section 503.3.1 Fire Apparatus Access Roads: Marking: Maintenance** shall be added new to read as follows: The person(s) in possession of the premises on and into which A Fire Apparatus Access Roadway is required shall be solely responsible for the maintenance of such roadways and all required signs. The person(s) in possession of the premises shall be responsible to ensure that Fire Apparatus Roadways are clear at all times. Annual compliance inspections shall be conducted by the Fire Code Official.
- ee) **Section 503.6.1.1 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: The gates shall be designed so that the access roadway or turning radius shall not be obstructed by the operation of the gate. Minimum set back from the public streets shall be a distance determined by the Town Engineer and allow the emergency vehicle the ability to safely operate the lock box or panel.
- ff) **Section 503.6.1.2 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: Access controls shall be exterior to the gate and located for activation by the vehicle operator without dismounting from the vehicle.

The height of the lock box/control panel shall be sixty-six (66) inches, measured from the finished grade line of the street.

- gg) **Section 503.6.1.3 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: The lock box, padlock or key switch, must be an approved model utilized by the Florence Fire Department.
- hh) **Section 503.6.1.4 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: Traffic Preemption opening device shall be on all motorized gates. Gates across fire apparatus access roads at gated community main entrances and where required by the Fire Code Official shall be electric and shall be provided with approved preemption controls, a Knox key switch and a manual release. Opticom, 3M, Model 722 receiver (no coding model) or compatible shall be used. Manual or electric gates at location other than the main entrance to gated communities shall be equipped with a Knox key switch and manual release or a Knox lock as applicable.
- ii) **Section 503.6.1.5 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: Clear width of the roadway shall be minimum of twenty (20) feet clear width on all entrances. Exit roadways shall be a minimum of sixteen (16) feet clear width or larger on all exits. Unless otherwise approved by the Fire Code Official.
- jj) **Section 503.6.1.6 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: Gates must open to a clear width of twenty (20) feet within twenty (20) seconds of activation and remain in the open position until closed by operation of the electrical control device.
- kk) **Section 503.6.1.7 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: The control pedestal must be identified with a minimum six (6) inch by Ten (10) inch sign with red letters on a white background. This sign must be securely fastened to the pedestal and legible from the approaching vehicle. EMERGENCY FIRE DEPARTMENT ACCESS.
- ll) **Section 503.6.1.8 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: Battery back-up for all motorized gates is required, unless the gate opens in the event of a power failure.
- mm) **Section 503.6.1.9 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: Secondary "Exit Only" gates shall be set up for Fire Department emergency access. Exit only gates, which are not motorized, shall be installed per Town of Florence Fire Department Standard Detail.

- nn) **Section 503.6.1.10 Fire Apparatus Access Roads: Security Gates:** Shall be added new to read as follows: Operation at the primary gate(s) shall be by pre-emption device and key switch.
- oo) **Section 503.7 Fire Apparatus Access Roads: Manual Security Gates:** Shall be added new to read as follows: An approved dual padlock locking system shall be required on all manual gates installed across a primary and secondary fire apparatus access road(s). An approved Fire Department pad lock shall be installed on one side and the owner/operator pad lock on the other side.
- pp) **Section 505.1 Address Identification.** Amend to read as follows: New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. Address numbers shall be installed in accordance with the Fire Departments Premise Identification 2012 Fire Code Interpretations & Regulations.
- qq) **Section 505.1.1 Premises Identification, Interior Room Numbers.** Shall be added new to read as follows: All buildings shall have an approved room and suite numbers identification placed in positions that are plainly legible and visible. Numbers shall contrast with their background; interior suite and room numbers shall be Arabic numeral or alphabet letters. Interior room and suite numbers shall be a minimum of 1.25 (1 ¼) inches high with a brush stroke width of 0.25 (1/4) inches.
- rr) **Section 505.3 1 Premises Identification, Address Directory.** Shall be added new to read as follows: An approved address directory shall be installed at properties containing one of the following: 1. More than one (1) principal building. 2. Buildings with unit identification numbers. 3. When in the opinion of the Fire Code Official, emergency response may be delayed due to physical layout of the complex.
- ss) **Section 505.3.1 1 Premises Identification, Specifications.** Shall be added new to read as follows: Drawings and/or samples shall be submitted to the Fire Code Official for review and approval for all required address directories.
- tt) **Section 505.3.2 1 Premises Identification, Protection.** Shall be added new to read as follows: The address directory is to be suitably constructed to be installed outdoors. The graphics shall be protected from vandalism and weather by a clear polycarbonate cover. The cover shall be a minimum of 1/8" thick and sealed to protect the graphics from weather damage.
- uu) **Section 505.3.3 1 Premises Identification, Illumination.** Shall be added new to read as follows: The address directory is to be illuminated internally by a white

light. The light shall be sufficient to illuminate the entire site plan with even light. The address directory is to be illuminated from dusk to dawn. The illumination can be turned on and off by an automatic timer or photo cell.

vv) **Section 505.3.4 1 Premises Identification, Installation requirements.** Shall be added new to read as follows: The address directory is to be installed a minimum of thirty-six (36) inches above the finished grade. Larger sizes of address directories can be mounted no lower than twenty-four (24) inches when approved by the Fire Code Official. The support post or stanchions are to be set in concrete.

ww) **Section 505.3.6 1 Premises Identification, Setback requirements.** Shall be added new to read as follows: The address directory shall be installed on the occupant's property. A scaled plan shall be submitted showing the proposed location of the address directory, streets, drive aisles, any gate controls and traffic islands.

xx) **Section 506, Key Boxes, Amend Subsection 506.1 Where required.** to read as follows: The Florence Fire Department is authorized to require a key box to be installed when a property within the Town of Florence is protected by an automatic fire alarm system or a fire sprinkler system, where access to or within a structure is restricted because of secured openings or where immediate access is necessary for life saving or firefighting purposes.

- i) The first key box shall be installed at the main entrance of the structure. Additional key boxes may be required based on the size, layout, and location of fire sprinkler riser room
- ii) The key box shall be installed between 4'-0" to 6'-0" above finished grade. The key box shall be immediately visible to fire personnel from the emergency apparatus. Posts, fences, vehicles, vegetation, trash, storage and other materials shall not be placed or kept near the key boxes in a manner that would prevent the key boxes from being immediately recognizable.

yy) **Section 507.1.1, Fire Protection Water Supplies, Hydrant location.** Amend by adding new Subsections to read as followings: A fire hydrant shall be located within 100 feet of the fire department connection (FDC). The route is to be measured as the fire hose would be laid out and shall be approved by the Fire Plans Examiner.

zz) **Section 507.2.3, Fire Protection Water Supplies, Water Supply.** Amend by adding new Subsections to read as followings: Fire Sprinkler water supply shall be a separate connection to public water supply and shall not serve domestic water service supply lines or fire hydrants. Exception: Detached one and two-family dwellings and their accessory structures.

- aaa) **Section 507.2.4, Fire Protection Water Supplies, Operation of Valves.** Amend by adding new Subsections to read as followings: Operation of fire sprinkler control valves, fire hydrants or street control valves shall be allowed only by properly authorized personnel.
- bbb) **Section 507.3 Fire flow.** Deleted in its entirety and replaced to read as follows: **Operation of Valves.** Requirements for buildings or portions of buildings and facilities shall be determined by an approved method and in accordance with Appendix B as amended. An approved independent third-party individual or firm shall conduct all required fire flow test prior to vertical construction.
- ccc) **Section 507.3.1, Fire Flow Verification.** Amend by adding new Subsections to read as followings: All new buildings or structures shall provide fire flow verification according to the requirements in Appendix B as amended. Verification shall be conducted by an approved separate third party certifying all the required fire flow data per NFPA. 25. All verification documentation shall be submitted to the Fire Code Official and Engineering Department.
- ddd) **Section 507.5.1.2, Fire Flow Verification. Public Fire Hydrant Color.** Amend by adding new Subsections to read as followings: All fire hydrants shall have above ground barrels painted with a prime coat plus two coats of OSHA Yellow, as specified by the Town Engineering Department.
- eee) **Section 507.5.1.3, Fire Flow, Hydrant Reflective Markers.** Amend by adding new Subsections to read as followings: All fire hydrants and Fire Department Connections shall be clearly identified by installation of reflective blue markers as specified by the Town Engineering Department.
- fff) **Section 507.5.1.4, Fire Flow Fire, Protection Water Supply.** Amend by adding new Subsections to read as followings: The water system is required to be looped with a minimum of two separate connections under the following conditions:
- i) Dead end water line exceeds 100' for 6" lines or 400' for 8" lines.
 - ii) Water lines serving a building over 52,000 sq. ft. (40,000 sq. ft. when used for any amount of high-piled storage).
 - iii) Water lines serving a building over two stories.
 - iv) Water lines serving more than one commercial building.
 - v) Water lines serving over 30 single-family residential units.
 - vi) Water lines serving a Group "H" occupancy.
 - vii) Where two water connections are required, they shall be placed a distance apart equal to not less than determined by the Engineer. Where two water connections are required, they shall be made to separate water lines where possible.

ggg) **Section 507.5.2.1 Required Installations.** Amended by adding a new subsection to read: Fire hydrants installed as a result of any order or permit shall be spaced so that short lose lines can be employed and so there are sufficient number of fire hydrants within reasonable distance to obtain the required fire flow as determined using Appendix B. In other than single family residential areas, hydrants shall be spaced so that they are not more than 300 feet apart. For single-family residential areas, hydrants shall be spaced so that they are not more than 500 feet apart from any structure. Hydrant spacing and hose lay requirements may be modified by the Fire Code Official when all structures are protected with automatic fire sprinkler systems in accordance with **Subsections 903.3.1.1, 903.3.1.2 or 903.3.1.3.** The Fire Department shall obtain the approval of the Engineering Department on submitted plans and specifications.

hhh) **Subsection 507.5.2.1 Public Fire Hydrants.** Amended by adding a new subsection to read: All public fire hydrants must be flushed and maintained annually in accordance with the American Water Works Association, Manual of Water Supply Practices, Installation Field Testing and Maintenance of Fire hydrants, AWWA M17. Selected hydrants, as determined by the Utilities Director, shall be tested to determine Available Fire Flow according to test procedures outlined in the American Water Works Association Manual of Water Supply Practices, Distribution System Requirements for Fire Protection, AWWA M31.

iii) **Subsection 507.5.2.2 Fire Hydrants.** Amended by adding a new subsection to read: All fire hydrants shall be dry barrel as defined by AWWA M17 and specified by the Town of Florence Public Works/Engineering Department. Fire Hydrants used in commercial applications shall have two (2) – 2 ½ inch outlet and one (1) – 4 ½ inch outlet. Fire Hydrants used in residential (R-3) applications shall have one (1) – 2 ½ inch outlet and one (1) – 4 ½ inch outlet.

jjj) **Subsection 507.5.2.3 Out of Service Hydrants.** Amended by adding a new subsection to read: Any hydrant that is out of service shall have an out of service ring located on the 4-inch supply and shall remain in place until the hydrant is operational and approved by the Fire Chief.

kkk) **Section 507.5.3 Private fire service mains and water tanks.** Shall delete in its entirety and replaced by adding Item 1 to read as follows: All private fire hydrants (those not on the Town of Florence water system and located on private property) must be inspected annually and after each operation; flushed and maintained annually in accordance with the American Water Works Association, Manual of Water Supply Practices, Installation Field Testing and Maintenance of Fire hydrants, AWWA M17. Selected hydrants, as determined by the Fire Code Official, shall be flow tested to determine Available Fire Flow according to test

procedures outlined in NFPA 25. Request for testing must be submitted to the Fire Official and Town Engineer within 48 hours.

III) **Section 507.5** Amend by adding Subsection **507.5.7 Separate water supply**, to read as follows: Water supply for sprinkler systems shall not be combined with the domestic water supply.

mmm) **Section 901.1 Fire Protection Systems, Scope.** New paragraph added to read as follows: Wherever the words “Building Official or Fire Official” appear in sections 901 through 912 they shall be understood to mean that either the Building Official or Fire Code Official shall be the authority having jurisdiction.

nnn) **Section 901.2 Fire Protection Systems, Construction Documents.** Amend by adding the following after the last sentence: Plans for Fire Sprinkler Systems, complete plans and hydraulic calculations for fire sprinkler systems installations shall be submitted for review and approval prior to beginning installation, modification or alteration. Plans shall be drawn to an indicated scale, on sheets of uniform size and shall show, as a minimum the data required by NFPA 13. Water supply data for hydraulic calculations shall be based on the available water supply as determined by flow test information less a 10 % safety factor. An additional copy of these plans shall be submitted in an electronic format suitable to the Fire Department.

ooo) **Section 901.2 Construction Documents,** Amend by adding new Subsections **901.2.2**, to read as follows: **Plan Certification for Fire Alarms and Occupant Notification.** All fire alarm and occupant notification system plans shall be designed by a professional registrant in accordance with the Arizona Board of Technical Registration. Fire alarm installation shop drawings shall bear a review certification of a minimum NICET Level III in Fire Alarm.

ppp) **Section 901.2 Construction Documents,** Amend by adding new Subsections **901.2.3**, to read as follows: **Plan Certifications for Fire Sprinkler Systems.** All fire sprinkler system plans shall be designed by a professional registrant in accordance with the Arizona Board of Technical Registration. Fire sprinkler installation shop drawings shall bear a review certification of a minimum NICET Level III in Fire Sprinklers.

qqq) **Section 901.2 Construction Documents,** Amend by adding new Subsections **901.2.5** to read as follows: **On-Site Plans.** Plans and specifications shall be submitted to the Fire Department for review and approval prior to construction. One set of Fire Department approved plans shall be on the job site for each inspection.

- rrr) **Section 901.4.6 Pump and Riser Room Size.** Amend by adding the following after the last sentence: At the time of construction, a dedicated interior fire pump and automatic sprinkler system riser room shall be provided with adequate space for all equipment necessary for the installation, as defined by the manufacturer, with sufficient working space around the stationary equipment. Access shall be provided through direct exterior access side hinged door(s) with a minimum 32-inch clear width and a minimum height of 80 inches.
- sss) **Section 901.6 Inspection, testing and maintenance.** Amend by adding **Subsection 901.6.3.1** to read as follows: Each fire protection system installation, modification, or inspection job shall receive “direct supervision” from a person possessing the following necessary approvals:
- ttt) **Section 901.6 Inspection, testing and maintenance.** Amend by adding **Subsection 901.6.3.2** to read as follows: For Fire Alarm installation, modification, or inspections one or more of the following: 1. National Institute of Certification in Engineering Technology (NICET) fire sprinkler level II; or 2. Successful completion of Local Exam; or 3. Other certification acceptable to the Fire Code Official.
- uuu) **Section 901.6 Inspection, testing and maintenance.** Amend by adding **Subsection 901.6.3.3** read as follows: For fire sprinkler system and underground fire line installation, modification, or inspections one or both of the following 1. National Institute of Certification in Engineering Technology (NICET) fire sprinkler level II; or 2. Successful completion of Local Exam; or 3. Other certification acceptable to the Fire Code Official.
- vvv) **Section 901.6 Inspection, testing and maintenance.** Amend by adding **Subsections 901.6.3.4** to read as follows: Special hazard fire system installation, modification or inspection one or more of the following: 1. National Institute of Certification in Engineering Technology (NICET) special hazards suppression systems level II; or 2. Successful completion of Local Exam; 3. Other certification acceptable to the Fire Code Official.
- www) **Section 903.2 Where required.** Add Exceptions 1 and 2 as follows: 1. Spaces or areas in telecommunications buildings, not exceeding 600 square feet in floor area and not intended for maintenance purposes, used exclusively for telecommunication equipment, associated electrical power distribution equipment, batteries and standby engines, provided those spaces or areas are equipped throughout with an automatic smoke detection system in accordance with Section 907.2 and are separated from the remainder of the building by less than 1-hour fire barriers constructed in accordance with Section 707 or not less than 2-hour horizontal assemblies constructed in accordance with Section 711, or both. 2. Detached accessory use structures such as gazebos, pergolas, ramadas, guardhouses, restroom buildings at golf courses, parks and similar uses.

- xxx) **Section 903.2.1.1(1) Group A-1**, Amend Condition 1, to read as follows:
The fire area exceeds 5,000 square feet.
- yyy) **Section 903.2.1.2(1) Group A-2**, Amend Condition 1, to read as follows:
The fire area exceeds 2,500 square feet.
- zzz) **Section 903.2.1.3(1) Group A-3**, Amend Condition 1, to read as follows:
The fire area exceeds 5,000 square feet.
- aaaa) **Section 903.2.1.4(1) Group A-4**, Amend Condition 1, to read as follows:
The fire area exceeds 5,000 square feet.
- bbbb) **Section 903.2.3 (1) Group E**, Amend Condition 1, to read as follows: The fire area exceeds zero (0) square feet.
- cccc) **Section 903.2.4 (1) Group F-1**, Amend Condition 1, to read as follows: The fire area exceeds 5,000 square feet.
- dddd) **Section 903.2.4 (3) Group F-1**, Amend Condition 3, to read as follows: The combined area of all Group F-1 fire areas on all floors, including any mezzanines, exceeding 5,000 square feet.
- eeee) **Section 903.2.4.1 Group F-1, Woodworking operations**. Amend to read as follows: An automatic sprinkler system shall be provided throughout all Group F-1 occupancy fire areas that contain woodworking operations in excess of zero (0) square feet in area which generate finely divided combustible waste or use finely divided combustible materials.
- ffff) **Section. 903.2.6 Group I**, Amend by deleting Exceptions 1, 2, 3 and 4, in their entirety and adding the following Condition 1: Group I fire areas exceed zero (0) square feet.
- gggg) **Section 903.2.7 (1) Group M**, Amend Condition 1, to read as follows: A Group M fire area exceeds 5,000 square feet.
- hhhh) **Section 903.2.7 (3) Group M**, Amend Condition 3, to read as follows: The combined area of all Group M fire areas on all floors, including any mezzanines that exceeds 5,000 square feet.
- iiii) **Section 903.2.8 Group R**. Shall add new **subsection 903.2.8.3** to read as follows: Where the combined fire area of all floors including basement exceeds zero (0) square feet an automatic sprinkler system shall be installed in accordance with **Subsection 903.3.1.1**

jjjj) **Section 903.2.8.1 Automatic sprinkler systems.** Add Exception 1, to read as follows: A supervising station is not required for automatic sprinkler systems protecting one- and two-family dwellings and dwellings classified as Group R-3, congregate living facilities with 5 or fewer persons.

kkkk) **Section 903.2.9 (1) Group S-1,** Amend Condition 1, to read as follows: A Group S-1 fire area exceeds zero (0) square feet.

llll) **Section 903.2.9 (3) Group S-1,** Amend Condition 3, to read as follows: The combined area of all Group S-1 fire areas on all floors, including any mezzanines exceeds zero (0) square feet.

mmmm) **Section 903.2.9.1 (1) Repair garages.** Amend Items 1, 2 & 4, to read as follows: 1. Buildings no more than one story above grade plane, with a fire area containing a repair garage exceeding zero (0) square feet. 2. Buildings having two or more stories above grade plane, including basements, with a fire area containing a repair garage exceeding zero (0) square feet. 4. A Group S-1, fire area used for the repair of commercial trucks or buses where the fire area exceeds zero (0) square feet.

nnnn) **Section 903.2.9.2 Bulk storage of tires.** Amend to read as follows: Buildings and structures where the area for storage of tires exceeds zero (0) cubic feet shall be equipped throughout with an automatic sprinkler system in accordance with **Subsection 903.3.1.1.**

oooo) **Section 903.2.10(1) Group S-2 Enclosed parking garages.** Amend Item 1. to read as follows: Where the fire area of the enclosed parking garage exceeds 5000 square feet.

pppp) **Section 903.4.1. Monitoring,** Amend to read as follows: **Signals. Alarm,** supervisory and trouble signals shall be distinctly different and shall be automatically transmitted to an Underwriters Laboratory listed or Factory Mutual approved central station, remote supervising station, or proprietary supervising station as defined in **NFPA 72.** As an alternative, when approved by the Fire Code Official, such signals shall sound an audible signal at a constantly attended location.

qqqq) **Section 904 Alternative automatic fire extinguishing systems.** Shall add **Subsection 904.11.6.4 Additions, Alterations, or Repairs** to read as follows: Existing automatic fire extinguishing systems shall be upgraded to an NFPA approved fire-extinguishing system, installed throughout all portions of any commercial cooking system when there are additions, alterations, or repairs made

when an existing non-compliant system can no longer be serviced and maintained in a certified operational condition.

rrrr) **Section 905 Standpipe Systems.** Add new **Subsection 905.3.9 Hose connections for access challenges**, to read as follows: Buildings exceeding 10,000 square feet (929 m²) in area per story, and not otherwise required to be equipped with a standpipe system by section 905.3 of the 2012 IFC, shall be equipped with class I manual hose connections (2-1/2" NST) for fire department use as directed by the Fire Code Official.

ssss) **Section 907 Fire Alarm and Detection Systems.** Add new **Subsection 907.1.3.1 Fire Alarm Control Panel Location**, to read as follows: The Fire Alarm Control Panel shall be installed in the automatic sprinkler system riser room or a system controlling fire alarm annunciation panel shall be installed in the automatic sprinkler system riser room. When an annunciation panel is present in the automatic sprinkler system riser room, a map indicating the location of the main fire alarm control panel shall be present.

tttt) **Section 907.2.2 Group B, Exception**, amend Exception by adding the following at the end of the last sentence: Automatic Fire Sprinkler System shall be installed where the fire area exceeds 5000 square feet.

uuuu) **Section 907.2.11.2** Amend by adding new **Subsection 907.2.11.2.1 Group R-3 Child care - Special Systems**, to read as follows: A child care facility that provides care for 6 to 10 children of any age for less than 24 hours when the rooms where such children are cared for are located on the level of exit discharge and each of these child care rooms has an exit door directly to the exterior, shall be classified as Group R-3. At least one smoke detector shall be located within this child care area and provided with third party monitoring.

vvvv) **Section 907.5.2.3** amend by adding new **Subsection 907.5.2.3.5 Interior Tenant Notification** to read as follows: Interior Tenant Notification shall be provided when monitoring of the fire sprinkler system is provided. Group R occupancies are exempt from this requirement. Shell Buildings: 1 (one) horn strobe shall be installed and operational within the interior space prior to final. When demising walls are present, 1 (one) horn-strobe shall be installed for each space. Multistory buildings shall require a minimum of 1 (one) horn-strobe per level. Tenant Improvements (Shell build-outs): 1 (one) horn-strobe shall be provided for each individual tenant. When a common area is provided serving multiple tenants, a minimum of 1 (one) horn-strobe in the common area shall be provided. These requirements may be increased based on occupancy type or at the discretion of the Fire Code Official.

- www) **Section 912.2** Amend by adding new **Subsection 912.2.3 Remote Fire Department Connections**, to read as follows: Remote fire department connections shall be located within four (4) feet to eight (8) feet of the curb line of an access road or public street, or as otherwise specified. The fire department connection line shall be a wet line with the check valve at the hose connection above grade.
- xxxx) **Section 912.3** Amend by adding new **Subsection 912.3.4 Fire Hose Threads and Fittings**, to read as follows: Fire hose threads and fittings used in connection with automatic sprinkler systems shall be National Standard Thread.
- yyyy) **Section 1103.8 Fire Safety Requirements For Existing Buildings** Amend by adding new **Subsection 1103.8.4 Records and Maintenance**, to read as follows: The landlord or owner of any rental property shall inspect all smoke detection devices as required under NFPA 72 annually and a record of all inspections and maintenance activities shall be kept by the landlord or owner and available for annual inspection upon request by the Fire Code Official. See fire department Interpretation and Applications Manual.
- zzzz) **Section 2308.3 Motor Fuel – Dispensing Facilities and Garages**, Amend by adding new **Subsection 2308.3.2 Vehicle impact protection**, to read as follows: Vehicle impact protection for CNG gas storage containers, pumps and dispensers shall be provided in accordance with **Section 2306.4**.
- aaaaa) **Section 3312.1 Fire Safety During Construction, When required**. Amend to read as follows: An approved water supply for fire protection, shall be made available before combustible material arrives on the site. At least one fire hydrant either temporary or permanent shall be within 500 feet of any combustible materials. The developer/contractor is responsible for ensuring that the water supply is available at all times. When the work is complete, developer/contractor shall coordinate with the Utilities Department to make sure that the fire hydrants are active and the valves are open.
- bbbbb) **Section 3504.2.6 Welding and other Hot Work, Fire Extinguisher**. Amend to read as the following: A minimum of one portable fire extinguisher complying with Section 906 and with a minimum 2-A:20-B:C rating shall be readily accessible within 30 feet of the location where hot work is performed and shall be accessible without climbing stairs or ladders.
- ccccc) **5003.4 Hazardous Materials General Provisions, Material safety data sheets**. Amend by adding new **Subsection 5003.4.1 Electronic Filing** to read as the following: There is hereby authorized to establish procedures for the electronic submittal of hazardous materials information. The format shall be determined by the Fire Code Official.

ddddd) **Section 5308.1 Scope.** Carbon Dioxide used for beverage dispensing systems, whether stored as a liquid or gas, shall be required to obtain all necessary permits for all new and existing systems installed.

eeee) **Section 5308 Compressed gas systems utilizing carbon dioxide by adding a new 5308.2 Permits.** The following permits are required:

ffff) **Section 5308 Compressed gas systems utilizing carbon dioxide by adding a new 5308.2.1 Operational Permit.** An Operational Permit is required to store, use or handle a previously approved compressed gas system utilizing carbon dioxide. A permit application and a Compressed Gases Permit Checklist are to be completed and submitted to Community Development.

ggggg) **Section 5308 Compressed gas systems utilizing carbon dioxide by adding a new 5308.2.2 Construction Permit.** A construction permit is required to install, repair damage to, abandon, remove, place temporarily out of service, close or substantially modify a compressed gas system utilizing carbon dioxide whether new or existing. A permit application, floor plan, data sheets, Compressed Gases Permit Checklist, and HMIS statement are to be completed and submitted to the Community Development.

hhhhh) **Section 5704.2.13.1.4 Flammable and Combustible Liquids. Tanks abandoned in place.** Delete in its entirety and replace it with the following:

iiii) **Section 5704.2.13.1.4 Flammable and Combustible Liquids. Tanks abandoned in place.** Shall be prohibited within the entire Town of Florence.

jjjj) **Section 5706.2.5.2 Flammable and Combustible Liquids. Tanks for gravity discharge.** Delete in its entirety and replaced with the following:

kkkkk) **Section 5706.2.5.2 Flammable and Combustible Liquids. Tanks for gravity discharge.** Tanks with a connection in the bottom or the end for gravity-dispensing of flammable or combustible liquids are prohibited.

llll) **Appendix D Fire Apparatus Access Roads.** D103.1.1 Shall amend by adding the following after the last sentence: 96-Foot Diameter Cul-De-Sac. Amended as follows: The minimum turning radius shall be 35 feet inside and 55 feet outside face of curb.

6. International Fuel Gas Code, 2012 Edition

a. **Section 101.1 Title.** Insert the words "Town of Florence" as the name of the jurisdiction.

- b. **Section 102.8 Referenced codes and standards.** Amend by adding the following at the end of the paragraph: See also International Building Code, 2012 Edition, **Section 101.4 Referenced codes.**
- c. **Section 106.5.1 Approval of construction documents.** Amend the first sentence to read as follows: When the Building Official issues a permit where construction documents are required, the construction documents shall be approved in writing or by stamp.
- d. **Section [A] 106.5.3 Expiration and Section [A]106.5.4 Extensions shall be combined to a new 106.5.3 titled Expiration.** Amend to read, “**Expiration of permit, extension.**” Amend to read as follows: Every permit issued shall become invalid unless substantial work, as determined by the Building Official, and authorized by such permit is commenced and required inspections are requested by the permittee and approved by the Building Official within 180 days after its issuance, or if more than 180 days elapses between approval of required inspections. The Building Official shall be authorized to grant one or more extensions of time for a period not to exceed 180 days. All requests for extensions shall be in writing. As determined by the Building Official, a grace period of 30 days after expiration may be granted. A reinstatement fee will be assessed after the 30-day grace period based on ½ of the original permit fee. A permit shall not be reinstated if permit has been expired more than 180 days. A new application shall be submitted and new full permit fee shall be paid based on the current fee schedule adopted by the Town.
- e. **Section 106.6.2 Fees.** Insert the Town of Florence Fee Schedule.
- f. **Section 106.6.3 Fee Refunds.** By amending subsection to read as follows: The Building Official shall be permitted to authorize refunding of a fee paid hereunder which was erroneously paid or collected. The Building Official shall be permitted to authorize refunding of not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or cancelled before any examination time has been expended. Plan review fees shall not be refunded once the examination of plans has started. Refunds shall be requested by written application and filed by the original permittee not later than 30 days after the date of fee payment.
- The Building Official shall be permitted to authorize refunding of not more than 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.
- g. **Section 109 Means of Appeal.** Delete in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes,

there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.

- h. **Section 302.4** Amend by inserting the words “six inches.”
- i. **Section 303.3 Prohibited locations.** Add new **Subsection 303.3.1 Liquefied petroleum gas appliances** to read as follows: LPG appliances shall not be installed in an attic, pit or other location that would cause a ponding or retention of gas.
- j. **Section 404.12 Minimum burial depth.** Revised to read as follows: Underground piping systems shall be installed a minimum depth of 12 inches (305 mm) below grade for metal piping and 18 inches (457 mm) for plastic piping.
- k. **Section 404.12.1 Individual outside appliances.** Deleted in its entirety.
- l. **Section 406.4 Test pressure measurement.** Amend to read as follows and **Subsections 406.4.1 and 406.4.2** shall be deleted in their entirety. This inspection shall be made after all piping authorized by the permit has been installed and prior to concealment. An additional inspection is required after all portions thereof which are to be covered or concealed are so concealed and before any fixtures or appliances have been attached thereto. This inspection shall include an air, Co2 or nitrogen pressure test, at which time the gas piping shall stand a pressure of not less than ten (10) pounds per square inch (68.9 kPa) guage pressure, or at the discretion of the Administrative Authority, the piping and valves may be tested at a pressure of at least six (6) inches (152.4 mm) of mercury measured with a manometer or slope gauge. Test pressures shall be held for a length of time satisfactory to the Administrative Authority, but in no case for less than fifteen (15) minutes, with no perceptible drop in pressure. For welded piping, and piping carrying gas at pressures in excess of fourteen (14) inches (0.4 m) water column pressure, the test pressure shall not be less than sixty (60) pounds per square inch (413.4 kPa) and shall be continued for a length of time satisfactory to the Administrative Authority, but in no case for less than thirty (30) minutes. These tests shall be made using air, Co2, or nitrogen pressure only and shall be made in the presence of the Administrative Authority. All necessary apparatus for conducting tests shall be furnished by the permit holder.
- m. **Section 602.2 Cooling.** Add a new subsection to read as follows; In addition to the requirements of Section 602.2, cooling facilities shall be supplied capable of maintaining a temperature of not greater than 80 degrees.
- n. **Section 602.3 Heat supply.** Amend by adding the following in the inserts: “September” to “May”

- o. **Section 602.3 Cooling.** Add new subsection 602.3.1 to read as follows; In addition to the requirements of Section 602.3, cooling facilities shall be supplied capable of maintaining a temperature of not greater than 80 degrees.
- p. **Section 602.4.** Amend by adding the following in the insert: “September” to “May”

7. International Mechanical Code, 2012 Edition

- a. **Section 101.1 Title.** Insert the words “Town of Florence” as the name of the jurisdiction.
- b. **Section 106.4.3 and 106.4.4 shall be combined to a new 106.4.3 titled Expiration.** Amend to read, “**Expiration of permit, extension.**” Amend to read as follows: Every permit issued shall become invalid unless substantial work, as determined by the Building Official, and authorized by such permit is commenced and required inspections are requested by the permittee and approved by the Building Official within 180 days after its issuance, or if more than 180 days elapses between approval of required inspections. The Building Official shall be authorized to grant one or more extensions of time for a period not to exceed 180 days. All requests for extensions shall be in writing. As determined by the Building Official, a grace period of 30 days after expiration may be granted. A reinstatement fee will be assessed after the 30-day grace period based on ½ of the original permit fee. A permit shall not be reinstated if permit has been expired more than 180 days. A new application shall be submitted and new full permit fee shall be paid based on the current fee schedule adopted by the Town.
- c. **Section 106.4.9 Refunds.** By adding a new subsection to read as follows: The Building Official shall be permitted to authorize refunding of a fee paid hereunder which was erroneously paid or collected. The Building Official shall be permitted to authorize refunding of not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or cancelled before any examination time has been expended. Plan review fees shall not be refunded once the examination of plans has started. Refunds shall be requested by written application and filed by the original permittee not later than 30 days after the date of fee payment.

The Building Official shall be permitted to authorize refunding of not more than 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.

- d. **Section 106.5.2 Fees.** Amend by placing the following in the insert at the end: “Town of Florence Fee Schedule.”

- e. **Section 108.4 Violation Penalties.** Deleted in its entirety. Refer to International Building Code 2012 Edition **Section 114.4.**
- f. **Section 108.5 Stop work orders.** Deleted in its entirety. Refer to International Building Code 2012 Edition **Section 115.**
- t) **Section 109 MEANS OF APPEAL.** Deleted in its entirety and replace with the following: Amend to read as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.
- g. **Section 304.11 Guards. Amend by adding an exception at the end of the subsection as follows; Exception:** The requirement of this subsection shall not apply to one and two-family dwellings.
- h. **Section 306.5.1 Sloped Roofs.** Amend by adding an exception at the end of the subsection as follows; **Exception:** The requirements of this subsection shall not apply to one and two-family dwellings.
- i. **Section 309.1 Space Heating Systems.** Amend by adding the words “and cooling” after Heating so the title reads **Section 309.1 Heating and Cooling Systems.**
- j. **Section 309.1 Heating and Cooling Systems.** Add the following sentence to the end of the subsection; “Such spaces shall also be provided with a cooling system capable of maintaining a maximum indoor temperature of 80EF. (62EC.) at a point 3’ above the floor.”

8. International Plumbing Code, 2012 Edition

- a. **Section 101.1 Title.** Insert the words “Town of Florence” as the name of the jurisdiction.
- b. **Section 102.8 Referenced codes and standards.** Amend by adding the following at the end of the paragraph. See also International Building Code 2012 edition, section 101.4 Referenced codes.
- c. **Section 106.5.1 Approval of construction documents.** Amend the first sentence to read as follows: When the Building Official issues a permit where construction documents are required, the construction documents shall be approved in writing or by stamp.

d. **Section 106.5.3 and 106.5.4 shall be combined to a new 106.5.3 titled Expiration.** Amend to read, **“Expiration of permit, extension.”** Amend to read as follows: Every permit issued shall become invalid unless substantial work, as determined by the Building Official, and authorized by such permit is commenced and required inspections are requested by the permittee and approved by the Building Official within 180 days after its issuance, or if more than 180 days elapses between approval of required inspections. The Building Official shall be authorized to grant one or more extensions of time for a period not to exceed 180 days. All requests for extensions shall be in writing. As determined by the Building Official, a grace period of 30 days after expiration may be granted. A reinstatement fee will be assessed after the 30-day grace period based on $\frac{1}{2}$ of the original permit fee. A permit shall not be reinstated if permit has been expired more than 180 days. A new application shall be submitted and new full permit fee shall be paid based on the current fee schedule adopted by the Town.

e. **Section 106.6.3 Fee Refunds.** By amending subsection to read as follows: The Building Official shall be permitted to authorize refunding of a fee paid hereunder which was erroneously paid or collected. The Building Official shall be permitted to authorize refunding of not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or cancelled before any examination time has been expended. Plan review fees shall not be refunded once the examination of plans has started. Refunds shall be requested by written application and filed by the original permittee not later than 30 days after the date of fee payment.

The Building Official shall be permitted to authorize refunding of not more than 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.

f. **Section 109 Means of Appeal.** Delete in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.

g. **Section 410.3 Substitution.** The last sentence of the section shall be revised to read as follows: In other occupancies, where drinking fountains are required, bottled water dispensers or water coolers shall be permitted to be substituted.

h. **Section 903.1 Roof extension.** Amended by inserting the number 6 as the number of inches and 152 as the number of mm.

9. International Property Maintenance Code, 2012 Edition

- a. **Section 101.1 Title.** Insert the words “Town of Florence” as the name of the jurisdiction.
- b. **Section [A] 111 Means of Appeal.** Delete in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.

10. International Residential Code, 2012 Edition

- a. **Section R101.1 Title.** Insert the words “Town of Florence” as the name of the jurisdiction.
- b. **Section R102.5 Appendices.** The following appendices are adopted as part of this code by the Town of Florence: Appendices G, H, and P, as added.
- c. **Section R105.5 Expiration.** Amend to read, “**Expiration of permit, extension.**” Amend to read as follows: Every permit issued shall become invalid unless substantial work, as determined by the Building Official, and authorized by such permit is commenced and required inspections are requested by the permittee and approved by the Building Official within 180 days after its issuance, or if more than 180 days elapses between approval of required inspections. The Building Official shall be authorized to grant one or more extensions of time for a period not to exceed 180 days. All requests for extensions shall be in writing. As determined by the Building Official, a grace period of 30 days after expiration may be granted. A reinstatement fee will be assessed after the 30-day grace period based on ½ of the original permit fee. A permit shall not be reinstated if permit has been expired more than 180 days. A new application shall be submitted and new full permit fee shall be paid based on the current fee schedule adopted by the Town.
- d. **Section R108.5 Refunds.** Amend by adding **Subsection R108.5.1 Refund Policy**, to read as follows: The Building Official shall be permitted to authorize refunding of a fee paid hereunder which was erroneously paid or collected. The Building Official shall be permitted to authorize refunding of not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or cancelled before any examination time has been expended. Plan review fees shall not be refunded once the examination of plans has started. Refunds shall be requested by written application and filed by the original permittee not later than 30 days after the date of fee payment.

The Building Official shall be permitted to authorize refunding of not more than 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.

- e. **Section R108.6 Work commencing before permit issuance.** New sentence added to the end of the paragraph to read as follows: This fee, as determined by the Building Official, shall be no greater than to two times the amount of the permit fee based on the current fee schedule adopted by the Town.
- f. **Section R108.7 Re-inspection fees.** New Subsection added to read as follows: A re-inspection fee, as determined by the Building Official, may be assessed for each inspection or re-inspection when such portion of work for which inspection is called is not complete or when corrections called for are not made. This section is not to be interpreted as requiring re-inspection fees the first time a job is rejected for failure to comply with the requirements of this code, but as controlling the practice of calling for inspections before the job is ready for such inspection or re-inspection.

Re-inspection fees may be assessed when the inspection permit card is not posted or otherwise available on the work site, the approved plans are not readily available to the inspector, for failure to provide access on the date for which inspection is requested, or for deviating from plans requiring the approval of the Building Official. In instances where re-inspection fees have been assessed, no additional inspection(s) of the work will be performed until the required fees have been paid in accordance with the re-inspection fee policy established by the Building Official.

- g. **Section R111.4 Utility Company Agreement.** Inspection of service equipment and related apparatus will be required prior to re-connection of electric power or gas service for all buildings that have been vacant more than six months.
- h. **Section R112 Board of Appeals.** Delete in its entirety and replace to read as follows: Amend to read as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.
- i. **Section R113.1 Unlawful Acts.** Amended to read as follows: It shall be unlawful for any person, firm or corporation to erect, construct, alter, extend, repair, move, remove, demolish, or occupy any building, structure, or equipment regulated by this code or any code referenced herein, or cause, or allow same to be done, in conflict with or in violation of any of the provisions of this code.

- j. **Section R115 UNSAFE STRUCTURES AND EQUIPMENT.**, New Section and Subsections added to read as follows: **Subsection R115.1 Conditions.** Structures or existing equipment that are or hereafter become unsafe, insanitary or deficient because of inadequate means of egress facilities, inadequate light and ventilation, or which constitute a fire hazard, or are otherwise dangerous to human life or the public welfare, or that involve illegal or improper occupancy or inadequate maintenance, shall be deemed an unsafe condition. Unsafe structures shall be taken down and removed or made safe, as the Building Official deems necessary and as provided for in this section. A vacant structure that is not secured against entry shall be deemed unsafe.
- k. **Section R115.2 Record.** The Building Official shall cause a record to be filed on an unsafe condition. The report shall state the occupancy of the structure and the nature of the unsafe condition.
- l. **Section R115.3 Notice.** If an unsafe condition is found the Building Official shall serve on the owner, agent or person in control of the structure, a written notice that describes the condition deemed unsafe and specifies the required repairs or improvements to be made to abate the unsafe condition, or that requires the unsafe structure to be demolished within a stipulated time. Such notice shall require the person thus notified to declare immediately to the Building Official acceptance or rejection of the terms of the order.
- m. **Section R115.4 Method of service.** Such notice shall be deemed properly served if a copy thereof is (a) delivered to the owner personally; (b) sent by certified or registered mail addressed to the Owner at the last known address with the return receipt requested; or (c) delivered in any other manner as prescribed by local law. If the certified or registered letter is returned showing that the letter was not delivered, a copy thereof shall be posted in a conspicuous place in or about the structure affected by such notice. Service of such notice in the foregoing manner upon the Owner's Agent or upon the person responsible for the structure shall constitute service of notice upon the Owner.
- n. **Section R115.5 Restoration.** The structure or equipment determined to be unsafe by the Building Official is permitted to be restored to a safe condition. To the extent that repairs, alterations or additions are made or a change of occupancy occurs during the restoration of the structure, such repairs, alterations, additions or change of occupancy shall comply with the requirements of **R105.2.2**.
- o. **Table R301.2 (1) Climatic and Geographic Design Criteria.** Insert the following:
Ground Snow Load - None
Wind speed - 90 mph, Exposure C, 3 second gust
Topographic effects - No
Seismic Design Category - B

Weathering - Negligible
Frost Line Depth - 12"
Termite - Moderate to Heavy
Winter Design Temperature - 32 degrees F
Ice Barrier Underlayment Required - No
Flood Hazards - Per Town of Florence Town Manager
Air Freezing Index - 0
Mean Annual Temperature - 69.9

p. Section R302.1 Exterior Walls. Add exceptions# 6-9, as follows:

6. "In Legal Non-conforming RV parks with privately owned lots, that were existing at the time of this code adoption, replacement dwelling units, (Park Model type), are permitted to maintain their prior existing *fire separation distance*, subject to compliance with other city codes, but in no case shall *fire separation distance* be less than 1 foot with unlimited protected openings, and a 4 inch maximum eave projection past the exterior wall facing the lot line.

7. "In Legal Non-conforming RV parks with privately owned lots, that were existing at the time of this code adoption, new dwelling units, (Park Model type), are permitted to be located with a *fire separation distance* less than 5 feet, subject to compliance with other city codes, but in no case shall *fire separation distance* be less than 3 foot with unlimited protected openings, and a 4 inch maximum eave projection past the exterior wall facing the lot line.

8. "In Legal Non-conforming RV parks with privately owned lots, that were existing at the time of this code adoption, construction of new habitable and non-habitable structures including patio covers, carports, awnings and storage sheds, are permitted to be located with a *fire separation distance* less than 5 feet, subject to compliance with other city codes, but in no case shall *fire separation distance* be less than 3 foot with unlimited protected openings, and no projections past the exterior wall facing the lot line.

9. "In Legal Non-conforming RV parks with privately owned lots, that were existing at the time of this code adoption, legal non-conforming structure's such as habitable and non-habitable additions, patio covers, carports, awnings and storage sheds, are permitted to maintain their prior existing *fire separation distance* less than 5 feet, subject to compliance with other city codes, but in no case shall *fire separation distance* be less than 2 foot with unlimited protected openings, and no projections past the exterior wall facing the lot line.

q. Table R302.1 (1) Exterior Walls. Amend in the column for Fire Resistance Rating, first row, after the words "both sides" add "or designed per the prescriptive requirements of **Section 721** of the 2012 International Building Code.

- r. **Table R302.1 (2) Exterior Walls-Dwelling with Fire Sprinklers.** Delete section in its entirety.
- s. **Section R302.2 Townhouses.** Exception as follows:
At the first sentence delete 1 hour and change to 2 hours

At the end of first sentence, add the following “or as designed per **Section 721** of the 2012 International Building Code.”

At the last sentence add. “The common wall may be reduced to 1 hour when provided with a fire sprinkler system per **P2904.**”
- t. **Section R302.3 Two Family Dwellings.** Amend by adding after the words “UL263” in the first sentence, “or designed per **Section 721** of the 2012 International Building Code.”
- u. **Section R303.4.** Delete in its entirety.
- v. **Section R303.9 Required Heating.** Amend to read as follows: by revising the title to read “**Required Heating and Cooling**” and by adding the following sentence to the end of the subsection: “Every dwelling unit and guest room shall be provided with cooling facilities capable of maintaining a room temperature of not more than 80E F. (62EC.) at a point 3 feet above the floor in all habitable rooms under the average local climate conditions.”
- w. **Section R309.5 Fire Sprinklers.** Delete in its entirety.
- x. **Section R313 Automatic Fire Sprinkler Systems.** Delete in its entirety. Refer to **ARS 9-807.**
- y. **Section R315.3 Where required in existing dwellings.** Amend to read as follows: Where alterations, repairs or additions requiring a permit occur in existing dwellings that have attached garages or in existing dwellings within which fuel-fired appliances exist, carbon monoxide alarms shall be provided in accordance with section **R315.1**. Exception: Work involving the exterior surfaces of dwellings, such as the replacement of roofing or siding, or the addition or replacement of windows or doors, or the addition of a porch or deck, are exempt from the requirements of this section.
- z. **Section 901.6.1 Automatic sprinkler systems.** Exception 1, Amend to read as follows: A supervising station is not required for automatic sprinkler systems protecting one and two family dwellings and dwellings classified as Group R-3, congregate living facilities with 5 or fewer persons.

10. International Residential Code, 2012 Edition, Chapter 11, ENERGY EFFICIENCY, shall be amended as follows:

- a. **Section N1101.15 (401.2) Compliance.** Amended by adding the following:
Amended by adding the following subsections (1) All references to mandatory in this code shall be referred to as recommended. (2) Field verification inspection shall be the responsibility of the owner/building.
- b. **Section N1103.2.2.1 (R403.2.2.1) Sealed air handler.** Deleted in its entirety.
- c. **Section M1307 APPLIANCE INSTALLATION.** Add new **Subsection M1307.7 Liquefied petroleum gas appliances** to read as follows: LPG appliances shall not be installed in an attic, pit or other location that would cause a ponding or retention of gas.
- d. **Section G2406.2.1 (303.3.1) Liquefied Petroleum Gas Appliances.** Add new Subsection to read as follows: LPG appliances shall not be installed in an attic, pit or other location that would cause a ponding or retention of gas.
- e. **Section G2407.6.1 (304.6.1) Two-Permanent-Openings Method.** Amended by adding the following after the first paragraph: For LPG appliances, any duct serving the lower opening shall be at floor level and slope to the outdoors without traps or pockets.
- f. **Section G2415.12 (404.12) Minimum Burial Depth.** Amend by adding the word “metallic” after Underground, and after the word grade, add “plastic piping shall be installed at a minimum depth of 18 inches below grade.” Delete “except” as provided for in **Section G2415.12.1.**
- g. **Section G2415.12.1 Individual Outside Appliances.** Delete in its entirety.
- h. **Section G2415.17 (404.17) Plastic pipe.** Deleted in its entirety and revised to read as follows: The Installation of plastic pipe shall comply with **Sections G2415.17.1 through G2415.17.3.**
- i. **Section G2417.4 (406.4) Test pressure measurement.** Deleted in its entirety and revised to read as follows: This inspection shall be made after all piping authorized by the permit has been installed and prior to concealment. An additional inspection is required after all portions thereof which are to be covered or concealed are so concealed and before any fixtures or appliances have been attached thereto. This inspection shall include an air, Co₂ or nitrogen pressure test, at which time the gas piping shall stand a pressure of not less than ten (10) pounds per square inch (68.9 kPa) guage pressure, or at the discretion of the

Administrative Authority, the piping and valves may be tested at a pressure of at least six (6) inches (152.4 mm) of mercury measured with a manometer or slope gauge. Test pressures shall be held for a length of time satisfactory to the Administrative Authority, but in no case for less than fifteen (15) minutes, with no perceptible drop in pressure. For welded piping, and piping carrying gas at pressures in excess of fourteen (14) inches (0.4 m) water column pressure, the test pressure shall not be less than sixty (60) pounds per square inch (413.4 kPa) and shall be continued for a length of time satisfactory to the Administrative Authority, but in no case for less than thirty (30) minutes. These tests shall be made using air, Co2, or nitrogen pressure only and shall be made in the presence of the Administrative Authority. All necessary apparatus for conducting tests shall be furnished by the permit holder.

- j. **Section P2603.5.1 Sewer Depth.** Insert 12" (inch) inside both bracket locations.
- k. **Section P2801.5 Required pan.** Amend to read as follows: Where a storage tank-type water heater or a hot water storage tank is installed in an attic or furred space where water leakage from the tank will cause damage, the tank shall be installed in a galvanized steel pan having a material thickness of not less than 0.0236 inch (0.6010 mm) (No. 24 gage), or other pans approved for such use. Listed pans shall comply with CSA LC3.
- l. **Section P2904.1 General.** Amend by adding "When installed" at the beginning of the first sentence.
- m. **Section P2904.1.1 Required Sprinkler Locations.** Amend by adding "When installed" at the beginning of the sentence.

11. International Swimming Pool and Spa Code, 2012 Edition

- a. **Section 101.1 Title.** Insert the words "Town of Florence" as the name of the jurisdiction.
- b. **Section 108 Means of Appeal.** Delete in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to section 150.301 of the Town of Florence Code of Ordinances.

12. National Electrical Code, 2011 Edition

- a. **Article 230 Services.** New section **230.11 Performance Testing**, added to read as follows: All service entry equipment and associated equipment rated 1000 amps or more, or as otherwise required by the servicing utility company, or

registered design professional shall be performance tested (high potential testing) when first installed on site. The test shall be conducted in accordance with instructions that shall be provided with the equipment. A written record of the test shall be made and shall be submitted to the authority having jurisdiction.

b. Article 210 Branch Circuits. Amend Section 210.11 © Dwelling Units by adding an item 4 to read:

c. Article 690 Solar Photovoltaic (PV) Systems. New subsections added to read as follows: **690.12 Rapid Shutdown of PV Systems on Buildings.** PV system circuits installed on or in buildings shall include a rapid shutdown function that controls specific conductors in accordance with 690.12(1) through (5) as follows:

- (1) Requirements for controlled conductors shall apply only to PV system conductors of more than 1.5 m (5 ft) in length inside a building, or more than 3 m (10 ft) from a PV array.
- (2) Controlled conductors shall be limited to not more than 30 volts and 240 volt-amperes within 10 seconds of rapid shutdown initiation.
- (3) Voltage and power shall be measured between any two conductors and between any conductor and ground.
- (4) The rapid shutdown initiation methods shall be labeled in accordance with 690.56(C).
- (5) Equipment that performs the rapid shutdown shall be listed and identified.
690.56 Identification of Power Sources.

(C) Facilities with Rapid Shutdown. Buildings or structures with both utility service and a PV system, complying with 690.12, shall have a permanent plaque or directory including the following wording: PHOTOVOLTAIC SYSTEM EQUIPPED WITH RAPID SHUTDOWN. The plaque or directory shall be reflective, with all letters capitalized and having a minimum height of 9.5 mm (3/8" in.), in white on red background.

2012 International Codes®

New Codes for a Changing World



New Editions Coming Spring–Summer 2011

2012 International Building Code
2012 International Residential Code
2012 International Fire Code
2012 International Energy Conservation Code
2012 International Plumbing Code
2012 International Mechanical Code
2012 International Fuel Gas Code
2012 International Private Sewage Disposal Code
2012 International Existing Building Code
2012 International Property Maintenance Code
2012 International Wildland-Urban Interface Code
2012 International Zoning Code
2012 ICC Performance Code for Buildings and Facilities

New I-Codes Coming Spring 2012

2012 International Green Construction Code
2012 International Swimming Pool and Spa Code

What's New in the 2012 I-Codes?

Key changes include:

2012 IBC®

Nonstructural

- All definitions are included in Chapter 2.
- Classifications for a variety of health-care related facilities have been clarified.
- Covered- and open-mall provisions revised to fully address the construction of open malls.
- Clarified provisions for incidental-use rooms and spaces.
- Modified provisions addressing exterior wall projections.
- Reformatted requirements for protection of vertical openings through floors.
- Automatic sprinkler systems required where furniture and mattresses are manufactured or stored.
- Increased capacity for stairways and other egress components in buildings with sprinklers and an emergency communication system.
- Clarification of when unenclosed stairways can be used as a part of the means of egress system, including how travel distance is measured.
- In three- and four-exit buildings, some exits are now permitted to serve a portion of a story rather than an entire story.

Structural

- Wind design requirements extensively revised.
- Wind load maps are now based on ultimate design wind speeds.
- New terminology for wind speeds.
- Updated seismic ground motion maps.
- The term “occupancy category” changed to “risk category.”
- Special inspection requirements for structural steel and masonry construction are now based on referenced standards.
- Penetration firestop and fire-resistant joint systems in high-rise buildings and in Risk Category III or IV structures require special inspection.
- Modifications to the seismic provisions of ACI 318 Appendix D.

ORDER YOUR CODES TODAY!

1-800-786-4452 | www.iccsafe.org/2012icodes

scroll for more changes ↓

2012 IRC®

- New Seismic Design Categories maps.
- Wind design including new maps.
- Exterior wall clearances to lot lines.
- Wireless smoke alarms.
- Prescriptive roof connections to resist wind uplift forces.
- Required clearance between townhouse separation walls and roof penetrations.
- Prescriptive requirements for isolated masonry pier foundations.
- Gypsum board under non fire-resistance rated floor assemblies.
- Wall bracing provisions including a new simplified method.
- Prescriptive design of whole-house ventilation systems.
- Gray water recycling systems.

2012 IFC®

- Complete reformatting into eight different parts that correlate to a specific area of regulation.
- New requirements for: photovoltaic solar cells on roofs; mass notification fire alarm systems in large stadiums; portable fire extinguishers in Group A, B, and E occupancies; sub-atmospheric gas systems; and automated LP-Gas cylinder exchange cabinets.
- Revised definitions for health, day and ambulatory care occupancies.
- Clarified automatic sprinkler protection requirements for upholstered furniture.
- Revised requirements for specific dry cleaning plants.

2012 IECC®

- A comprehensive set of changes includes measures to improve the thermal envelope, HVAC systems and electrical systems of residential buildings up to three stories in height.
- Commercial enhancements include required energy savings for windows, doors and skylights; thermal envelope efficiency; and increased efficiencies for installed HVAC equipment.

2012 IPC®

- All plumbing products and materials are now required to be listed by a third party certification agency.
- Requirements for the design of a Siphonic Roof Drainage System have been added.
- Gray water recycling requirements have moved to the body of the code in a new Chapter 13.
- “Hydro-mechanical” and “Gravity” are the new terms for the two general types of grease interceptors.
- Air admittance valves complying with standard ASSE 1049 are now allowed for venting chemical waste systems.
- The length of a combination waste and vent system is now unlimited.
- The Single Stack Vent System method has been added.
- The code expands on suitable materials for pressurized sewage discharge applications and ratings.

2012 IMC®

- New and existing mechanical systems must be maintained in accordance with ASHRAE/ACCA/ANSI Standard 180.
- Parking garage exhaust now defined as environmental air.
- Includes specifications for grease reservoirs in commercial cooking exhaust duct systems.
- Includes requirements for underground grease ducts.
- Requires any combustible material in a return air plenum to be listed and labeled to verify compliance with ASTM E-84 or UL 723.
- Air dispersion systems are now allowed.
- New requirements for evaporative coolers.

2012 IFGC®

- All piping, tubing and fittings in a fuel gas system must bear the manufacturer’s identification.
- Clarification that gypsum board requires reduced clearances to combustibles the same as any other combustible material.
- Requirement of flashback arrestors and check valves in fuel gas systems used with oxygen.

ORDER YOUR CODES TODAY!

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2012 ICC CODE ADOPTION

Town of Florence

April 15, 2019 Council Meeting



BACKGROUND

- The One Stop Shop team has been actively working towards adoption of the 2012 Technical Codes for 18 months.
- Council held a Work Session on January 29, 2018 to review the 2012 Codes.
- Staff is recommending the adoption of the 2012 Technical Codes with an effective date of July 1, 2019.



ADOPTION BY REFERENCE

Resolution No. 1693-19.

- Adopts the Technical Codes by reference
 - One copy in Clerk's Office
 - Electronic copy on Town website
- Adopts the amendments and modification by reference in Exhibit "A"
- Recommend approval on April 15, 2019.



ADOPTION OF TECHNICAL CODES

Ordinance No. 674-19

- Adopts the Codes by Reference
- Codifies the Code to include all amendments to the Technical Codes
- Adoption recommended for May 6, 2019
- Effective day July 1, 2019
- Must be advertised after adoption and posted in three locations.



BOARD OF APPEAL AMENDMENT

Ordinance No. 675-19

- Each Technical Code has an appeal section with independent appeal requirements.
- The amendments strikes appeal section and refers to Section 150.301 of the Town Code.
 - Suggested amendment include
 - Decision rendered in writing
 - Special Meetings held when necessary
 - $\frac{3}{4}$ vote to overturn Code Official decision



CODES BEING ADOPTED

- Accessible and Usable Buildings and Facilities ICC A117.1, 2009 Edition Standards
- International Building Code, 2012 Edition, with Appendix C & I;
- International Energy Conservation Code, 2012 Edition is voluntary;
- International Existing Building Code, 2012 Edition;
- International Fire Code, 2012 Edition, with Appendix B, C, D, E, F, G, H & I
- International Fuel Gas Code, 2012 Edition;
- International Mechanical Code, 2012 Edition;



CODES BEING ADOPTED

- International Plumbing Code, 2012 Edition
- International Property Maintenance Code, 2012 Edition;
- International Residential Code, 2012 Edition, with Appendix G, H & P;
- International Swimming Pool and Spa Code, 2012 Edition;
- National Electrical Code, 2011 Edition;



QUESTIONS

Town of Florence

April 15, 2019 Council Meeting





TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM **13e.**

MEETING DATE: April 15, 2019

DEPARTMENT: One Stop Shop

STAFF PRESENTER: Lisa Garcia/James Allen/John Kemp

SUBJECT: Ordinance No. 674-19: Adoption of the 2012 International Building Codes.

- ☐ Action
- ☐ Information Only
- ☐ Public Hearing
- ☐ Resolution
- ☒ Ordinance
 - ☐ Regulatory
 - ☒ 1st Reading
 - ☐ 2nd Reading
- ☐ Other

STRATEGIC PLAN REFERENCE:

- ☐ Community Vitality
- ☐ Economic Prosperity
- ☒ Leadership and Governance
- ☐ Partnership and Relationships
- ☐ Transportation and Infrastructure
- ☐ Statutory
- ☐ None

RECOMMENDED MOTION/ACTION:

First Reading of Ordinance No. 674-19: AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING THE FOLLOWING PUBLICATIONS WITH APPENDICES AND TOWN OF FLORENCE AMENDMENTS AS LISTED HEREIN ARE ADOPTED BY REFERENCE. REGULATING AND GOVERNING THE CONDITIONS AND MAINTENANCE OF ALL PROPERTY, BUILDINGS AND STRUCTURES; BY PROVIDING THE STANDARDS FOR SUPPLIED UTILITIES AND FACILITIES AND OTHER PHYSICAL THINGS AND CONDITIONS ESSENTIAL TO ENSURE THAT STRUCTURES ARE SAFE, SANITARY AND FIT FOR OCCUPATION AND USE; AND CONDEMNATION OF BUILDINGS AND STRUCTURES UNFIT FOR HUMAN OCCUPANCY AND USE AND DEMOLITION OF SUCH STRUCTURES IN THE TOWN OF FLORENCE, ARIZONA; PROVIDING FOR THE ISSUANCE OF PERMITS AND COLLECTION OF FEES THEREFORE; REPEALING SECTION 150.300 OF THE TOWN OF FLORENCE CODE OF ORDINANCES AND ALL OTHER ORDINANCES OR PARTS OF LAWS IN CONFLICT THEREWITH.

BACKGROUND/DISCUSSION:

Building Codes are a set of rules that detail the minimum acceptable level of safety for erected Structures. The main purpose of the codes is to protect public health, safety and general welfare as it relates to construction and occupancy of building and structures. Once adopted the code becomes the formal regulation of the Town and is considered standard building practice.

At the recommendation of the International Code Council (ICC), an association of building professionals which establish building and construction standards, the Town of Florence is taking steps toward updating and implementing 2012 International Building Codes in

Subject: Ordinance adopting 2012 Codes

Meeting Date: April 15, 2019

an effort to improve Town building standards. The International Codes (I-Codes) provide minimum building safeguards for commercial, residential, and institutional structures benefiting public safety and creating a building standard across the country without jurisdictional limitations. The I - Codes have been adopted in all fifty states and the District of Columbia; these codes are utilized at the local, state, and Federal level and have become the accepted practice in building construction.

ICC Building Codes are updated every 3 years and can have significant impact on how future development is regulated within a Town or City.

The Town of Florence has spent the past 18 months dedicated to:

- Crafting necessary amendments to the 2012 ICC
 - Ensuring that our amendments are user and customer friendly with regard to understanding and life safety specific information and regulations
 - Cleaning up deficiencies and ambiguities in the 2006 ICC by way of removing sections that were no longer needed due to changes in the new Code
 - Adding language specifically applicable to the community we live in
 - Attempting to standardize requirements, as much as possible, to properly implement a "One Stop Shop" that will make it easier for the general public and the building trades to work in this area, without compromising life safety
 - Come up with a product that would be understandable, enforceable, and life safety oriented while taking into consideration our customers' needs
-
- Purpose for the adoption of the 2012 ICC
 - Our present code (2006 ICC) is 10 years old 3 code cycles have past
 - The 2012 ICC addresses new technology in the construction industry
 - Our present ISO Rating assumes code updates every 6 years

The attached document is for informational purposes only and includes a list of significant changes between the 2006 and 2012 International Codes.

Attached is the general tabular outline detailing the more significant changes that occurred from the 2006 I Codes to the 2012 I Codes.

A VOTE OF NO WOULD MEAN:

A no vote would mean that the Town of Florence will not proceed at this time with adopting the 2012 Codes.

A VOTE OF YES WOULD MEAN:

A yes vote would mean that that Town of Florence has adopted the 2012 Technical Codes and they will be effective on July 1, 2019.

FINANCIAL IMPACT:

If the codes are successfully update the Town will need to advertise the adoption ordinance as well as codify the Exhibit of the Resolution into the Code of Ordinances.

ATTACHMENTS:

Ordinance No. 674-19

ORDINANCE NO. 674-19

AN ORDINANCE OF THE TOWN OF FLORENCE, ARIZONA ADOPTING THE FOLLOWING PUBLICATIONS WITH APPENDICES AND TOWN OF FLORENCE AMENDMENTS AS LISTED HEREIN ARE ADOPTED BY REFERENCE; REGULATING AND GOVERNING THE CONDITIONS AND MAINTENANCE OF ALL PROPERTY, BUILDINGS AND STRUCTURES; BY PROVIDING THE STANDARDS FOR SUPPLIED UTILITIES AND FACILITIES AND OTHER PHYSICAL THINGS AND CONDITIONS ESSENTIAL TO ENSURE THAT STRUCTURES ARE SAFE, SANITARY AND FIT FOR OCCUPATION AND USE; AND CONDEMNATION OF BUILDINGS AND STRUCTURES UNFIT FOR HUMAN OCCUPANCY AND USE AND DEMOLITION OF SUCH STRUCTURES IN THE TOWN OF FLORENCE, ARIZONA; PROVIDING FOR THE ISSUANCE OF PERMITS AND COLLECTION OF FEES THEREFOR; REPEALING SECTION 150.300 OF THE TOWN OF FLORENCE CODE OF ORDINANCES AND ALL OTHER ORDINANCES OR PARTS OF LAWS IN CONFLICT THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE OF JULY 1, 2019..

WHEREAS, the Mayor and Town Council of the Town of Florence (the "Town") support the ongoing evaluation and assessment of the Technical Codes and the occasional adoption of new codes that are in the best interest of the Town; and

WHEREAS, Technical Codes are provided for the purpose of protecting the public health, safety and welfare of the residents and visitors of Florence; and

WHEREAS, a certain document entitled " Technical Code Updates", including all Appendices, one paper copy and one electronic copy on the Town's website which is on file in the Office of the Town Clerk, of the Town of Florence, which document was made a public record by Resolution No 1693-19, is hereby referred to, adopted and made a part hereof as if fully set forth in this Ordinance; and

WHEREAS, the Technical Code updates as adopted by Resolution No. 1693-19 are regulating and governing the conditions and maintenance of all property, buildings and structures; by providing the standards for supplied utilities and facilities and other physical things and conditions essential to ensure that structures are safe, sanitary and fit for occupation and use; and condemnation of buildings and structures unfit for human occupancy and use and demolition of such structures in the Town of Florence, Arizona; providing for the issuance of permits and collection of fees therefor; and all the regulations, provisions, penalties, conditions and terms of said codes; and

WHEREAS, it is in the best interest of the Town to amend the Town off Florence Code of Ordinances, as provided herein, to support the adoption of the Technical Codes with all Appendices as set forth in Exhibit "A" attached to Resolution No. 1693-19.

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

Section 1. Should there be any conflicting provision of the Technical Codes with any other Codes and regulations adopted by the Town of Florence, the more restrictive code requirement shall take precedence.

Section 2. That Title XV *Land Usage* of the Town of Florence Code of Ordinances is hereby amended with the following amendments to Section 150.300 *Codes Adopted* of the of Technical Codes with addendums, appendices, and alternatives as included and on file at the Clerk's Office and online electronically per Resolution No. 1693-19, Exhibit "A", and as codified in the Town Code of Ordinances.
The following publications are adopted by reference:

TECHNICAL CODES
§ 150.300 CODES ADOPTED

- A. International Building Code, 2012 Edition, with Appendix B, C & I;
- B. International Residential Code, 2012 Edition, with Appendix G, H & P;
- C. International Mechanical Code, 2012 Edition;
- D. International Plumbing Code, 2012 Edition;
- E. International Property Maintenance Code, 2012 Edition;
- F. International Fuel Gas Code, 2012 Edition;
- G. International Energy Conservation Code, 2006 Edition;
International Energy Conservation Code, 2012 Edition is voluntary;
- H. International Existing Building Code, 2012 Edition;
- I. International Swimming Pool and Spa Code, 2012 Edition;
- J. National Electrical Code, 2011 Edition;
- K. Accessible and Usable Buildings and Facilities ICC A117.1, 2009 Edition
Standards;
- L. 2015 ADA
- M. International Fire Code, 2012 Edition, with Appendix A, B, C, D, E, F, G, H & I

Section 4. That if any section, subsection, sentence, clause or phrase of this legislation is, for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The Town of Florence, Arizona hereby declares that it would have passed this law, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

Section 5. That nothing in this legislation or in the Technical Codes hereby adopted shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in section 3 of this law; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this legislation.

Section 6. That the town of Florence, Arizona is hereby ordered and directed to cause this legislation to be published on the Town's website as and as and is hereby codified in the Town Code.

Section 7. That this law and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect July 1, 2019.

Section 8. Criminal Penalty: Among other penalties that may apply, including revocation or suspension of a license (when applicable), any person who violates any provision of this article, whether or not the act is specifically stated as being unlawful, shall be guilty of a class 3 misdemeanor and upon conviction shall be punished as provided in Section 10.99 of the Town Code.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, on this 6th day of May 2019.


Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 13f.
MEETING DATE: April 15, 2019 DEPARTMENT: Administration STAFF PRESENTER: Lisa Garcia, Town Clerk SUBJECT: Ordinance No. 675-19: Appeal Board Update		<input type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input checked="" type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input checked="" type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnerships and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Ordinance No. 675-19: First reading of AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE TOWN OF FLORENCE CODE OF ORDINANCES BY MODIFYING SECTION 150.301; TITLED BOARD OF APPEALS; BY INSERTING NEW TEXT AS UNDERLINED AND DELETING TEXT BY STRIKETHROUGH.

BACKGROUND/DISCUSSION:

With the adoption of the 2012 Codes, staff has removed the appeal section of each code and replaced the language with the following:

Appeal section of the Technical Codes will be deleted in its entirety and replace as follows: In order to hear and decide appeals of orders, decisions, determinations made by the Code Official(s) relative to the application and interpretation of the technical codes, there shall be and is hereby created a Board of Appeals. A person shall have the right to appeal a decision of the Code Official to the Board of Appeals pursuant to Section 150.301 of the Town of Florence Code of Ordinances.

Staff is suggesting the following additions and or amendments Section 150.301:

301(B) 6 is added to read as follows:

1. The Board shall render all decisions and findings in writing to the appellant with a duplicate copy to the Building Official and Fire Code Official.

130(C) 2 and 3 are amended to read as follows:

1. The Board shall ~~hold one regular meeting a month~~ hold Special Meetings when business is pending before the Board, unless otherwise directed by the Chairman. Special Board meetings may be called by the Building Official, Fire Code Official, Chairman, or two members of the Board.
2. Quorum. Three members of the Board shall constitute a quorum. The affirmative vote of the majority of members present shall be required for the passage of general business any matters before the Board. In order to reverse the decision or modify, order, or determination of the Building Official or Fire Code Official a two-thirds affirmative vote of the voting members of the Appeals Board is required.

A VOTE OF NO WOULD MEAN:

A no vote would be that the code would remain unchanged.

A VOTE OF YES WOULD MEAN:

The Town Code would be codified to include the changes as listed in the background section.

FINANCIAL IMPACT:

None

ATTACHMENTS:

Ordinance No. 675-19

Ordinance No. 675-19

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE TOWN OF FLORENCE CODE OF ORDINANCES BY MODIFYING SECTION 150.301; TITLED BOARD OF APPEALS; BY INSERTING NEW TEXT AS UNDERLINED AND DELETING TEXT BY STRIKETHROUGH.

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

Section 150.301, Board of Appeals.

(A) CREATION, MEMBERSHIP, PURPOSE, FILING DEADLINE.

1. In order to hear and decide appeals of orders, decisions or determinations made by the Building Official, or Fire Code Official, relative to the application and interpretation of the Town's adopted technical codes, there shall be and is hereby created a Board of Appeals (the "Board"). The Board shall consist of five voting members, who are qualified by experience and training to pass upon matters pertaining to building construction, who are qualified by experience and training to pass on matters pertaining to hazards of fire, explosions, hazardous conditions or fire protections systems and the Town's adopted technical codes. Members shall not be employees of the Town of Florence. Members may include persons who reside outside the boundaries of the Town of Florence. The Building Official and Fire Code Official shall be ex officio members of the Board and shall act as secretary to the Board, but they shall have no vote upon any matter before the Board.
2. The Board is appointed by the Town Council and shall hold office at the pleasure of the Town Council. The Board shall adopt rules of procedure for conducting its business.
3. An application for appeal by an aggrieved person shall be based on a claim that the true intent of the relevant technical code or the rules legally adopted by the Town have been incorrectly interpreted, the provisions of the code do not fully apply, an equally good or better form of construction is proposed, or an equivalent method of protection or safety is proposed. The Board shall provide a means by which aggrieved persons, after having proceeded through the administrative appeal process, may have a method by which to appeal said decision or regulations.
4. The Administrative Appeal is the start of the appeal process to the Town's adopted technical codes. It is a weekly, no fee, informal procedure in which the applicant and Building Official and/or Fire Code Official meet to resolve the item under consideration.

5. Appeals to the Administrative Appeal process or Board of Appeals are to be made within twenty (20) calendar days from receiving such notice of a final decision by the Building Official or Fire Code Official, on the form provided by the Building Official.

(B) POWERS.

1. The Board may approve the use of alternate materials or methods of construction; provided the alternate is for the purpose intended and the equivalent of that prescribed in the Town's adopted technical codes in suitability, strength, effectiveness, fire-resistance, durability, safety, and sanitation.
2. The Board on request or on its own motion, may provide reasonable interpretation of the technical provisions of the adopted technical codes in special cases when it appears that the provisions of the code are inadequate and do not cover the point in question. "Technical provisions" shall mean all provisions except the administrative provisions.
3. Any person directly affected by a decision of the Building Official or Fire Code Official applying to the technical provisions of the adopted technical codes or to an alternate material or method of construction may request to appear before the Board.
4. The Board shall have no authority to waive requirements of the technical codes.
5. Any person directly affected by a decision of the Building Official or Fire Code Official or a notice or order issued under the technical codes shall have the right to appeal to the Board of Appeals, provided that a written application to appeal is filed in the Office of the Town Clerk within twenty (20) days after the decision, notice, or order was served. Application for appeal shall be based on a claim that: the true intent of the relevant technical code or the rules legally adopted by the Town have been incorrectly interpreted, the provisions of the code do not fully apply, an equally good or better form of construction is proposed, or an equivalent method of protection or safety is proposed. The Board shall have no authority to waive the requirements of the technical codes.
6. The Board shall render all decisions and findings in writing to the appellant with a duplicate copy to the Building Official and Fire Code Official.
7. The Board may recommend new legislation to the Town Council, provided such is consistent therewith.

(C) MEETINGS.

1. General. Upon receipt, in proper form, of the notice of appeal, the Board shall proceed to hold a public hearing upon the appeal at which all persons whose

property is directly affected, and the general public shall be given an opportunity to be heard.

The Town Council will receive and file all minutes of the Board in a public meeting. The Board's minutes will include all Board proceedings, showing the vote of each member and all actions taken shall be kept. Records of its examination, minutes, and other official actions shall be filed in the office of the Town Clerk and shall be open to public inspection except as otherwise specifically provided by law.

2. The Board shall ~~hold one regular meeting a month~~ hold Special Meetings when business is pending before the Board, unless otherwise directed by the Chairman. Special Board meetings may be called by the Building Official, Fire Code Official, Chairman, or two members of the Board.
3. Quorum. Three members of the Board shall constitute a quorum. The affirmative vote of the majority of members present shall be required for the passage of general business any matters before the Board. In order to reverse the decision or modify, order, or determination of the Building Official or Fire Code Official a two-thirds affirmative vote of the voting members of the Appeals Board is required.
4. Staying of Proceedings. An appeal stays all proceedings in the matter appealed from, unless the Building Official or Fire Code Official certifies to the Board that, in his/her opinion by the facts stated in the certificate, there is reasonable cause that a stay could cause a hazard or is otherwise dangerous to human life or the public welfare. Upon such certification, proceedings shall not be stayed, except by a restraining order granted by a Court of Record on application and notice to the Building Official and Fire Code Official.

(D) APPOINTMENT.

1. General. The Board shall consist of five members appointed by the Town Council. Members may be made up of qualified persons serving on Town boards or commissions or that may be otherwise qualified through their profession. Members may include persons who reside outside the boundaries of the Town of Florence. Those persons who are currently Board members shall continue to hold their positions pursuant to the terms and conditions of this chapter.
2. Officers. The Board shall elect a Chairman and Vice-Chairman from among its members, neither of whom shall be an ex officio member. The Chairman (or the acting Chairman in the Chairman's absence or disqualification) shall have the power to administer oaths and take evidence.
3. Membership of Board. The Board of Appeals shall consist of five members who are qualified by experience and training to pass on matters pertaining to building construction and property maintenance and who are not employees of the Town

of Florence. The Building Official and Fire Code Official shall be ex-officio members but shall not vote on any matters before the Board.

4. Term. The term of office of a member shall be staggered and overlapping four years. The Chairman and Vice-Chairman shall serve for a one-year period or until their successors are elected.

(E) ADMINISTRATIVE APPEAL. Whenever an applicant wishes to appeal the decision of the Building Official or Fire Code Official because of code interpretation, unreasonable hardship, special circumstances/conditions that are not self-imposed, or other acceptable reasons prior to the issuance of a final Certificate of Occupancy, such no fee appeal may be made to be heard by the Building Official or Fire Code Official as follows:

1. The applicant shall file a written appeal fully describing the situation, on or before 12:00 p.m. Friday of each week. The application shall bear the name, address, and signature of the applicant, along with a description of the matter in sufficient detail to provide reasonable notice to the Building Official or Fire Code Official of the issues to be presented.
2. The appeal will be heard at a regular time to be specified by the Building Official.
3. The Building Official or Fire Code Official may use a nonvoting hearing committee consisting of such staff or other technical persons as she/he deems appropriate.
4. If an appeal is disapproved, the applicant shall comply with the final decision of the Building Official or Fire Code Official or make application and pay the applicable fee to appear before the Board of Appeals. Such application shall be made within twenty (20) days after the Building Official's, or Fire Code Official's final decision.

(F) BOARD CALENDAR. The Board shall decide on any matter within twenty (20) calendar days after the date of the hearing thereon and such decisions shall be final.

(G) COURT REVIEW. Any person aggrieved by a decision of the Board may at any time within thirty (30) days after the Board's decision file an appeal with the Pinal County Superior Court by the various methods of procedure as set forth by the applicable State Statutes.

(H) REAPPLICATION. In the event that an appeal is denied or technically denied by the Board, the Board shall reserve the right to refuse to consider another appeal on the same subject matter under like circumstances within one year from the date of hearing of the previous appeal.

(I) EXECUTIVE SESSIONS. Executive Sessions of the Board of Appeals may be held for only those reasons and pursuant to those conditions authorized by State Law, including the Town's adopted technical codes. No executive sessions may be held for the purpose of taking any final action or making any final decision.

(J) FINANCIAL. The Board of Appeals shall not incur debts nor make any purchases or enter into any contracts binding the Town.

(K) CONFLICT OF INTEREST. Any member of this Board of Appeals who has a conflict of interest in any matter brought before this Board of Appeals, shall make known such interest in the minutes of the Board of Appeals and shall refrain from voting upon or otherwise participating in any manner in such matter. The existence of conflict of interest shall be determined by reference to the State Law and Town Codes.

(L) FEES. An Application to appear before the Board shall be accompanied by the necessary documents along with the prescribed nonrefundable application fee.

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the Town Code adopted herein is for any reason held to be invalid or unconstitutional by the decisions of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, on the ____ day of May 2019.


Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 13g.
MEETING DATE: April 15, 2019 DEPARTMENT: Administration STAFF PRESENTER: Lisa Garcia, Deputy Town Manager/Town Clerk SUBJECT: Ordinance No. 673-19: Regulation of Mobile Food Units		<input type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input checked="" type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnerships and Relationships <input type="checkbox"/> Transportation and Infrastructure <input checked="" type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

First reading of Ordinance No. 673-19: **AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE CODE OF ORDINANCE, ARIZONA, TITLE XI BUSINESS REGULATIONS, BY ADOPTING A NEW CHAPTER 111 RELATING TO THE REGULATION OF MOBILE FOOD UNITS; ESTABLISHING A PURPOSE; SETTING FORTH DEFINITIONS; PROVIDING FOR PERMIT REQUIREMENTS; ESTABLISHING OPERATIONAL REQUIREMENTS; SETTING FORTH VIOLATIONS; ESTABLISHING PENALTIES; AND SETTING FORTH AN EFFECTIVE DATE.**

BACKGROUND/DISCUSSION:

In 2018 House Bill (HB) B2371 established a statewide food and health safety licensing standards for mobile food vending operations, intended specifically for food trucks. Of interest to cities and towns are the provisions of the new law that standardize the local regulation of food truck operations, including provisions related to use of public parking spaces, required fire and safety inspections, operations on private property and required spacing distances from existing bricks-and-mortar restaurants, among others.

The sponsor of this legislation, Representative Kevin Payne (R-Peoria), asserted the necessity for uniformity across the state due to the recent growth and popularity of the industry and operations that extend beyond jurisdictional boundaries of many

communities, where the industry claims there has been inconsistent enforcement of local codes and ordinances.

The League convened a small group of attorneys to draft a model ordinance to comply with the legislation and provide for consistent regulation the industry is seeking. The League included suggestions from the National League of Cities and other city codes from across the country, feedback from the National Food Truck Association, and met with local food truck vendors to discuss the draft ordinance and incorporate their feedback.

Vendors expressed these provisions are the most important to their industry to have standardized and adopting these will most likely avoid further state regulation and preemption in this area.

Below are some highlights of the model ordinance:

Parking

The ordinance excludes parking in Town-owned lots unless a vendor has permission from the city or town. Vendors are limited to use one space on a Town-owned lot and must request permission to use more parking spaces.

Time limits on use of legal parking spaces is limited to no more than six (6) hours in a 24-hour period unless other restrictions apply. Vendors are prohibited from establishing an exclusive right to park at a particular street location.

Parking on private property will require proof of permission from the property owner and there is an option included to establish a 96-hour time limit with exceptions.

Operational Requirements

This section contains the provisions that are most important to the industry to have standardized among all cities and towns, including requirements for fire inspections, utility hookups, site management, trash removal, noise, and parking and location restrictions, among others.

Fire and Safety Inspections

Arizona Fire Marshall's Association has approved the standard inspection protocol for food trucks.

Fees

The fee amounts are the same as the amount for an annual business license, \$50 per year.

A VOTE OF NO WOULD MEAN:

A No vote would mean that the Town of Florence would not be in compliant with House Bill B2371 which established a statewide food and health safety licensing standards for mobile food vending operations, intended specifically for food trucks.

A VOTE OF YES WOULD MEAN:

A Yes vote would mean that the Town of Florence is compliant with House Bill B2371 which established a statewide food and health safety licensing standards for mobile food vending operations, intended specifically for food trucks.

FINANCIAL IMPACT:

None

ATTACHMENTS:

Ordinance No. 673-19

ORDINANCE NO. 673-19

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE CODE OF ORDINANCE, ARIZONA, TITLE XI BUSINESS REGULATIONS, BY ADOPTING A NEW CHAPTER 111 RELATING TO THE REGULATION OF MOBILE FOOD UNITS; ESTABLISHING A PURPOSE; SETTING FORTH DEFINITIONS; PROVIDING FOR PERMIT REQUIREMENTS; ESTABLISHING OPERATIONAL REQUIREMENTS; SETTING FORTH VIOLATIONS; ESTABLISHING PENALTIES; AND SETTING FORTH AN EFFECTIVE DATE.

WHEREAS, the Town is authorized to enact and enforce regulations and zoning codes regulating to mobile food units or mobile food vendors that are not otherwise prohibited by law; and

WHEREAS, the Town is authorized to regulate mobile food vendors pursuant to applicable law, including Arizona Revised Statutes Sections 9-485, 9-485.01, 9-485.02, and 36-1761; and

WHEREAS, the Town recognizes that mobile food vendors create opportunities for economic development and can provide affordable, food [and goods] at a variety of locations and events; and

WHEREAS, the Town seeks to protect public health, safety and welfare through a reasonable regulatory program of mobile food vendors that includes safety standards and parking regulations; and

WHEREAS, with these regulations, the Town ensures that mobile food vendors comply with applicable law, including building, health, and sanitation codes, as applicable; and

WHEREAS, the Town seeks to minimize potential traffic safety threats by mobile food vendors who may impede the free flow of traffic, distract vehicle operators from observing traffic regulations, obstruct the view of pedestrians and vehicle operators, and encourage pedestrians who wish to inquire about services to cross the street in an unsafe and illegal manner.

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

Section I. In General.

The Code of Ordinances in Florence, Arizona, Article XI, Chapter 111, is hereby amended by adding a new Chapter 111, Mobile Food Vendors to read as follows:

Chapter 111

Sec. 111.01 Purpose

Sec. 111.02 Definitions

Sec. 111.03 Compliance with State Licensing Requirements

Sec. 111.04 Licensing Requirements

Sec. 111.05 Operational Requirements

Sec. 111.06 Violations; Suspension; Revocation

Sec. 111.07 Fines; Penalties

Sec. 111.01 Purpose.

This article is adopted to protect the health, safety and welfare of the community of the Town of Florence ("Town") by enacting reasonable regulation for mobile food vendors, their employees, agents, lessees or independent contractors by requiring compliance with minimum standards for safety and security.

Sec. 111.02 Definitions.

The below words and phrases, wherever used in this article shall be construed as defined in this section unless, clearly from the context, a different meaning is intended. Words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number.

- A. "*Applicant*" means the person who applies for a license pursuant to this article.
- B. "*Controlling person*" means a natural person who either (A) has a ten percent (10%) or greater interest in the ownership or earnings of the mobile merchant business, or (B) is any of the following:
 - 1. An officer, director, or any stockholder who owns ten percent (10%) or more, of a corporation licensee/applicant;
 - 2. A general partner of a limited partnership licensee/applicant or partner of a non-limited partnership licensee/applicant;
 - 3. An officer, president, member or secretary of a limited liability company/corporation licensee/applicant; or
 - 4. The sole proprietor of a sole proprietorship licensee/applicant.
- C. "*Designated agent*" means the person designated by the licensee/applicant to receive notices from the Town pursuant to this article.

D. *“Legal parking space”*:

1. Means an area designated for vehicle parking in the Town right-of-way that may be paved or unpaved and may be delineated by road surface markings.
2. Does not include a parking space in a parking lot on property owned by the Town.

E. *“Permittee”* means the person who applied for a permittee pursuant to this article and in whose name such permittee was issued by the Town pursuant to this article.

F. *“Mobile food unit”* means a food establishment that is licensed by this state, that is readily movable and that dispenses food or beverages for immediate service and consumption and other incidental retail items from any vehicle as defined in Arizona Revised Statutes Section 28-101.

G. *“Mobile food vendor”* means any person who owns, controls, manages or leases a mobile food unit or contracts with a person to prepare foods and vend from, drive or operate a mobile food unit.

H. *“Mobile merchant”* means any person who sells any type of tangible personal property, including, but not limited to, food and drink, at or adjacent to the person’s mobile sales unit in which such tangible personal property is carried. This definition shall not include any person working or acting for a person holding a mobile merchant permit issued in accordance with this section.

I. *“Mobile sales unit”* means any vehicle used for carrying tangible personal property for sale at or adjacent to the vehicle in which such tangible personal property is carried.

J. *“Person”* means an individual, partnership, corporation, association or any other entity of whatever kind or nature.

K. *“Right-of-way”* means an area of land owned or controlled by the Town and is used for street or highway purposes.

L. *“Semi-permanent structure”* means equipment, or any dining area, including, but not limited to, tables, chairs, booths, bar stools, benches, and standup counters.

Sec. 111.03 Compliance with State Licensing Requirements.

- A. It shall be unlawful for any person to operate a mobile food unit or act as a mobile food vendor without having first obtained a valid license from the State of Arizona Department of Health Services, pursuant to A.R.S. § 36-1761.

Sec. 111.04 Permit Requirements.

- A. It shall be unlawful for a person to operate a mobile food unit at any location within the Town without obtaining a permit from the Town Clerk in accordance with the Town Code. The mobile food vendor shall comply with the requirements of this article.
- B. A permit issued, pursuant to this article, including a renewal of a permit, is valid from the date of issuance through December 31st of that year if the mobile food vendor is in compliance with this article. The permit is nontransferable.

Sec. 111.05 Operational Requirements.

- A. It is unlawful for any person to operate a mobile food unit that does not meet the requirements in this section.
- B. Fire Safety and Inspection. A mobile food vendor must ensure that all mobile food unit comply with the version of the International Fire Code in effect at the time when the permit is issued, state law, and the Town Code relating to fire and explosion safety standards.
- C. A mobile food unit) shall be inspected by the Town's Fire Department, or the mobile food vendor shall provide evidence that the mobile food unit passed a fire inspection by another city or town fire department in this state within the preceding twelve (12) months.
- D. Refuse, Trash and Litter Maintenance. A mobile food unit shall:
 - 1. Provide a minimum of one fifteen (15) gallon trash receptacle within fifteen (15) feet of each individual mobile food unit for customers and employees;
 - 2. Maintain an area around the mobile unit clear of litter, garbage, rubble and debris; and
 - 3. Transport the trash from the area of operation to an authorized waste disposal location.
- E. Noise Restrictions.
 - 1. A mobile food vendor shall not use, play, or caused to be used or played any amplifier, loudspeaker, microphone, amplified music, or any other amplified instrument or device used for the production of sound in a vending area when the motor vehicle or mobile food unit from which mobile food vendor is vending is stationary or mobile upon any right-of-way, park or other public place. For the purposes of this subsection, the factors for determining whether a sound is amplified include, but are not limited to, the following:

- i. The proximity of the sound to sleeping facilities, whether residential or commercial;
- ii. The land use, nature, and zoning of the area from which the sound emanates and the area where it is received or perceived;
- iii. The time of day or night when the sound occurs; it shall be presumed that any amplified noise between 10:00 p.m. and 6:00 a.m. is disturbing to the public in violation of this section;
- iv. The duration of the sound; and
- v. Whether the sound is recurrent, intermittent, or constant.

F. Security.

1. The mobile food unit and the surrounding vending area shall be maintained in a safe and clean manner at all times.
2. A mobile food unit shall have adequate lighting to ensure customer safety in the vending area. Lighting shall be directed downwards and away from rights-of-way and adjacent properties.
3. The mobile food unit and its customers shall not obstruct the movement of pedestrians or other vehicles using the sidewalk, street, alley, or other public right-of-way.

G. Insurance.

1. If a mobile food vendor attends an event sponsored by the Town or operates on public property, including rights-of-way or property owned or controlled by the Town, the mobile food vendor shall obtain insurance policy naming the Town as an additional insured in amounts and coverage terms as required by the Town and in accordance with the requirements of A.R.S. Title 9, Chapter 4, Article 7.2.
2. The insurance company issuing the policy shall be authorized to issue commercial liability policies in Arizona by the Arizona Department of Insurance.
3. The policy shall designate by manufacturer's serial or identification number all mobile food units for which coverage is granted.
4. The policy shall insure the person named in the policy and any other person using the mobile food vendor, with the express or implied permission of the named insured, against any liability arising out of the ownership, maintenance or use of the mobile food unit in Arizona.
5. Additional terms for insurance coverage may be required by the Town.

H. Location. A mobile food vendor shall operate a mobile food unit only in Downtown Commercial, Highway Business Commercial, Tourist Commercial, Professional Office, Public/Institutional, Neighborhood Business, Neighborhood Office, Light Industrial Heavy Industrial zoning districts in accordance with the Town Zoning Code and subject to the following limitations and conditions:

1. Residential Area. A mobile food vendor shall not operate in an area zoned for residential use or within two hundred fifty feet (250') of an area zoned for residential use, except:

- a. A mobile food vendor selling only ice cream may operate on public rights-of-way in areas zoned for residential use; or
- b. Subject to applicable laws and the Town Code, a mobile food vendor may operate on private property in a residential area if the mobile food vendor obtains a separate agreement with the property owner to operate a mobile food unit for a maximum of six (6) hours within a twenty-four (24) hour period on the private property.

2. Town-Owned Property. A mobile food vendor shall only operate in a legal parking space. If the mobile food vendor desires to operate on Town property other than a legal parking space in a right-of-way, the mobile food vendor shall obtain from the Town:

- a. A separate licensing for use, services contract, or similar agreement, which will be entered into at the Town's sole discretion and applicable law; or
- b. A special event permit or similar permission in accordance with the Town Code.

3. Private Property: A mobile food vendor shall obtain written permission to use any private property where a mobile food unit is operating and shall provide proof of such written permission on demand by the Town.

4. Notwithstanding the permission of a person owning or having lawful control of private real property, a mobile food unit shall not remain in one location on private property for longer than ninety-six (96) consecutive hours, unless the Town grants permission for a permitted event greater than four (4) days. "One location" within this subsection means a location within a parcel of land and includes movements from different parked positions within the same parcel.

I. Parking. A mobile food unit shall comply with this subsection and applicable law as it pertains to parking, unless parking is governed by a separate subsection in this article

1. A mobile food unit shall only operate in a legal parking space.

2. A mobile food unit, including any semi-permanent structure used or associated with the mobile food unit, may use no more than one (1) legal parking space,

unless the mobile food vendor has a separate agreement with the Town to use additional legal parking spaces or parking spaces on Town property other than right-of-way.

3. No mobile food unit exceeding twenty-four (24) feet may park diagonally in a diagonal parking space or park in any manner that occupies more than one (1) diagonal parking space.
 4. No mobile food unit shall operate with the serving window facing street traffic.
 5. A mobile food unit shall abide by all parking regulations, including posted time limits. If there are no other time restrictions on the use of a legal parking space, a mobile food unit shall not occupy a legal parking space for more than six (6) hours in a twenty-four (24) hour period. "Occupy" within this subsection means within one hundred (100) feet of the place in which the mobile food unit was initially parked.
 6. A mobile food unit shall not occupy a legal parking space with insufficient parking capacity as prescribed by Town Zoning Code and applicable law, and includes occupying a legal parking space that reduces the number of available parking spaces surrounding the area which is required for the principal use or uses of the property associated with the parking spaces as set forth in A.R.S. Title 9, Chapter 4, Article 7.2.
 7. A mobile food vendor shall not claim or attempt to establish any exclusive right to park at a particular street location, unless the parking space is part of a permitted event.
- J. Signs. A mobile food vendor shall comply with the Town Sign Code, pursuant to Town Code.

Sec. 111.06 Violations; Suspension; Revocation.

- A. It is a violation of this article for any person to provide false information on any permit application.
- B. It is a violation of this article for a person to operate a mobile food unit that fails to meet all the requirements in this article.
- C. It is a violation of this article for a mobile food vendor to fail to display the permit or other required documents, including proof of insurance or fire inspection, to a law enforcement officer or Town inspector on demand.
- D. The Town shall give written notice of a violation to the permittee or designated agent that may result in the suspension or revocation of the permit. The notice shall include a description of the violation, the statutory or code reference, how the permittee can comply with the requirements, a description of the process whereby a hearing may be requested, the time limit for requesting a hearing, and a warning that failure to timely

request a hearing may result in suspension or revocation of the permit. The notice shall be served on the permittee or designated agent by either personal service or registered/certified mail. Service of the notice shall be deemed complete upon mailing to, or personal service on, the permittee or designated agent.

- E. The permittee or designated agent receiving a notice under this section may request a hearing, pursuant to Chapter 110.40. If the permittee fails to comply with the requirements of this article by the date provided in the notice, the Town may suspend or revoke the permit, as provided in this section.
- F. In addition to any penalties set forth in this article, a permittee shall be suspended if, during the term of the permit, the permittee or a controlling person has violated any of the provisions of this article. During the suspension period, the permittee shall not operate any mobile food unit associated with the suspended permit. If a fine is associated with the violation that is the basis for suspension, the suspension may continue beyond the period set forth in this subsection until such time as the permittee pays the fine. The penalty for a suspension of a permit shall be:
 - 1. For the first suspension of a permit during a twelve-month period, the permit shall be suspended up to fourteen (14) calendar days in addition to other penalties and fines.
 - 2. For the second suspension of a permit during a twelve-month period, the permit shall be suspended to a minimum of fifteen (15) calendar days up to a maximum of thirty (30) calendar days in addition to penalties and fines.
 - 3. For the third suspension of a permit during a twelve-month period, the permit shall be revoked.
- G. In addition to a revocation for a third suspension as set forth above, the Town may revoke a permit issued pursuant to this article if the Town determines that:
 - 1. A mobile food unit associated with the suspended permit was operated in the Town during the suspension period;
 - 2. A permittee or designated agent or controlling person, following the issuance of a permit, is convicted of any offense listed in Sec. 111.04(F)(7);
 - 3. The permittee or designated agent operated, or attempted to operate a mobile food unit without a permit;
 - 4. The Town previously issued three (3) or more notices of suspension or violation within a six (6) month period;
 - 5. The permittee or controlling person has not complied with a provision of this article or has failed to provide information as required by this article;

6. The application fee, permit fee, or any transaction privilege tax has not been paid;
or
7. The permittee fails to pay outstanding fines or resolve any violations.
8. If a permit is revoked pursuant to this section, the permit and its controlling person(s) may not apply for a permit under this article for a period of one (1) year from the date of revocation.

Sec. 111.07 Fines; Penalties.

- A. Each day any violation of any provision of this article shall continue it shall constitute a separate offense.
- B. Criminal Penalty: Among other penalties that may apply, including revocation or suspension of a permit (when applicable), any person who violates any provision of this article, whether or not the act is specifically stated as being unlawful, shall be guilty of a class 3 misdemeanor and upon conviction shall be punished as provided in Section 10.99 of the Town Code.

Section II. Providing for Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the Code adopted herein by reference, are hereby repealed.

Section III. Recitals.

The recitals above are fully incorporated in this Ordinance by reference.

Section IV. Effective Date.

The effective date of this Ordinance shall be thirty (30) days following adoption by the Town Council.

Section V. Preservation of Rights and Duties.

This Ordinance does not affect the rights and duties that matured, penalties that were incurred, or proceedings that were begun before the effective date of this Ordinance.

Section VI. Providing for Severability.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code adopted herein by reference, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, on this 6th day of May 2019.


Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 13h.
MEETING DATE: April 15, 2019 DEPARTMENT: Community Development STAFF PRESENTER: Larry Harmer Community Development Director SUBJECT: Florence Redevelopment Plan Update		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input checked="" type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Approval of the Professional Services Agreement with PLAN/et Communities LLC, to update the Town of Florence Redevelopment Plan Update 2019, in an amount not to exceed \$113,115.

BACKGROUND/DISCUSSION:

In December 2018, the Town issued a Request for Qualifications (RFQ) for consulting services for an update to the 2009 Redevelopment Plan as prescribe by recent State Legislation that requires an update every ten (10) years (§36.1471). A mandatory pre-submittal meeting was held on January 10, 2019. At that meeting, emphasis was placed on reducing the overall volume of the Plan and developing realistic implementation strategies relatable to the Town as opposed to generic or overly generalized ideas. Responses were submitted on February 1, 2019.

As noted in the 2009 Redevelopment Plan Update: *“The Town of Florence Redevelopment Plan Update renovates the 1998 Downtown Redevelopment Plan by developing a vision and implementation plan as the framework for redeveloping Downtown Florence and restoring its vibrancy and sense of place. Additionally, this update will provide the foundation for revitalization as it relates to the elimination of slum and blight in both the commercial and residential development throughout the downtown area in accordance with Arizona Revised Statutes (ARS) § 36-1471.”* The 2019 update will continue this effort.

The Town received two Statements of Qualifications (SOQ) and interviewed both teams. PLAT/et emerged as the most qualified for this project and was asked to submit a proposal for the plan. Their project team consists of PLAN/et (project lead), AECOM (planning, engineering and land use economist), Motley Design Group (historic preservation), WSP (land use/urban design), and Gammage & Burnham (legal). The proposal includes a complete scope of work, budget and timeline. Town staff is recommending moving forward with the complete scope of work outlined in the attached in an amount not to exceed \$113,115.

The Scope of Work for the Redevelopment Plan Update 2019 project includes:

- Visioning
- Document Outline and Format
- Base Mapping
- Background and History
- Redevelopment Planning, Land Use and Zoning
- Community Facilities and Service Conditions
- Socio-economic Conditions
- Economic Base Indicators
- Vision, Goals and Objectives Drafting
- Redevelopment Plan Products (as outlined in State Statutes)
- Historic Preservation
- Cost of Development
- Transportation and Circulation
- Economic Development
- Redevelopment Plan Implementation
- Legal Reviews
- Redevelopment Plan Public Participation Program
- Project Completion

The Redevelopment Plan update, along with the Parks and Recreation Comprehensive Plan, the Regional Transportation Plan and the Active Transportation Plan (all currently underway) will become a component of the upcoming update to the Town's current 2020 General Plan, which is also required to be updated every ten (10) years by statute. The Request for Qualifications (RFQ) for the 2030 General Plan is anticipated to be release prior to the end of FY 2018-2019.

A VOTE OF NO WOULD MEAN:

The Town would not move forward with the Town of Florence Redevelopment Plan Update 2019, a component of the General Plan update. Town staff would need to recommend another option to the Town Council to generate this component of the General Plan update.

A VOTE OF YES WOULD MEAN:

The Town would move forward with the Town of Florence Redevelopment Plan Update 2019, a component of the General Plan update.

FINANCIAL IMPACT:

The Redevelopment Plan Update 2019 cost of \$113,115. will be funded through budgeted funds from FY 2018-2019 and FY 2019-2020. \$350,000 was budgeted this fiscal year and another \$300,000 proposed in the next fiscal year for comprehensive planning projects; the Parks and Recreation Comprehensive Plan and Site-Specific Plans (\$241,969.) and the General Plan update. While the Redevelopment Plan Update, an element of the General Plan, was not anticipated as an independent project, staff believes that it can be completed within the total budget estimate.

ATTACHMENTS:

Professional Services Agreement

TOWN OF FLORENCE PROFESSIONAL SERVICES CONTRACT

THIS PROFESSIONAL SERVICES CONTRACT ("**Contract**"), is made and entered into as of April 15, 2019 ("Effective Date"), and is by and between the Town of Florence, a municipal corporation of the State of Arizona ("**Town**"), and PLAN-et Communities LLC ("**Consultant**"). The Town and the Consultant may be referred to in the Contract collectively as the "parties" and each individually as a "party".

RECITALS

WHEREAS, the Town desires to contract for Consultant services as specified in **Appendix "A"** ("**Scope of Work**" or "**Services**");

WHEREAS, Consultant is duly qualified to perform the requested Services;

WHEREAS, Consultant has agreed to perform the Services as set forth in **Appendix "A"** attached hereto and incorporated herein;

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties hereto agree as follows:

AGREEMENTS

1.0 DESCRIPTION, ACCEPTANCE, DOCUMENTATION

Consultant shall act under the authority and approval of the Contract Administrator for the Town, further named herein, to provide the professional services required by this Contract.

1.1 Service Description. The Consultant shall provide the requested services as set forth in **Appendix "A"** (the "Services"). This Contract includes this agreement, including any attachments, as agreed to by the parties to implement the Services.

1.2 Acceptance and Documentation.

1.2.1 Each deliverable shall be reviewed and approved by the Town Manager or his designee to determine acceptable completion.

1.2.2. The Town shall provide all necessary information to the Consultant for timely completion of the tasks specified in item 1.1 above.

1.2.3 All documents, including but not limited to, data compilations, studies, and/or reports, which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Town Manager before final payment is made to the Consultant.

2.0 FEES, CATEGORIES OF SERVICE AND PAYMENTS

2.1 Fees. Consultant will be paid within 30 days of the receipt of an itemized invoice. Monthly payment may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the Services completed through the last day of the proceeding calendar month and for the production of the deliverables as spelled out in **Appendix "A"**. Contract pricing shall be consistent with the Master Contract, **Appendix "A"** and shall not exceed \$113,115.

2.2 Categories of Service. Services means in response to Task Orders, including **Appendix "A"**, that may be mutually agreed upon and issued periodically by Town, Consultant shall furnish all necessary work which will be defined and further described as to specific project requirements in each Task Order.

2.3 Payment Approval. Amounts set forth in Section 1.1, 2.1 and 2.2 represent the entire amounts payable under this Contract and shall be paid upon the submission of monthly invoices to and approved by the Town.

2.4 Business License. Consultant will purchase and maintain a business license with the Town of Florence.

3.0 SCHEDULE AND TERMINATION

3.1 Project Schedule. The Consultant shall perform the Scope of Work in accordance with the schedule attached as **Appendix "A"**.

3.2 Termination

3.2.1 Termination for Cause: Town may also terminate this Contract with seven (7) days' prior written notice for cause in the event of any default by the Consultant, or if the Consultant fails to comply with any industry standards and customary practices terms and conditions of this Contract. Unsatisfactory performance as judged by Industry standards and customary practices, and failure to provide Town, upon request, with adequate assurances of future performance shall all be causes allowing Town to terminate this Contract for cause. In the event of termination for cause, Town shall not be liable to Consultant for any amount, and Consultant shall be liable to Town for any and all damages sustained by reason of the default which gave rise to the termination.

3.2.2 Termination for Convenience. The Parties reserve the right to terminate this Contract with or without cause upon 30 days' prior written notice. In the event the Town terminates this Contract pursuant to this Section 3.2.2, then in that event the Town agrees to pay for the work performed prior to the date of termination. Town may terminate this Contract, or any part thereof for its sole convenience, at any time without penalty or recourse.

3.2.3 Termination for Violation of Law. In the event Consultant is in violation of any Federal, State, County or Town law, regulation or ordinance, the Town may terminate this Contract immediately upon giving notice to the Consultant.

3.3 Funds Appropriation. If the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end

of the current fiscal period. The Town agrees to give written notice pursuant to Section 4.13 of termination to the Consultant at least thirty (30) days prior to the end of its current fiscal period and will pay to the Consultant all approved charges incurred through the end of such period.

3.4 Terms. The term of this Contract shall be from the Effective Date through satisfactory completion of the Services and acceptance of the Services by the Town. Time is of the essence to the terms of this Contract.

4.0 GENERAL TERMS

4.1 Entire Contract. This Contract constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the Services specified herein. This Contract may not be modified or amended except by a written document, signed by authorized representatives of each party.

4.2 Arizona Law. This Contract shall be governed and interpreted according to the laws of the State of Arizona, without reference to choice of law or conflicts of laws principles thereof.

4.3 Modifications. Any amendment, modification or variation from the terms of this Contract shall be in writing and shall be effective only after approval of all parties signing the original Contract.

4.4 Assignment. Services covered by this Contract shall not be assigned or sublet in whole or in part without the prior written consent of the Town Manager. The Town acknowledges the sub-consultant(s) listed in **Appendix "A"** and consents to the use of that sub-consultant.

4.5 Successors and Assigns. This Contract shall extend to and be binding upon Consultant, its successors and assigns, including any individual, company, partnership or other entity with or into which Consultant shall merge, consolidate or be liquidated, or any person, corporation, partnership or other entity to which Consultant shall sell its assets.

4.6 Contract Administrator. The Contract Administrator for the Town shall be the Town Manager or designee. The Contract Administrator shall oversee the execution of this Contract, assist the Consultant in accessing the organization, audit billings, and approve payments. The Consultant shall channel reports and special requests through the Contract Administrator.

4.7 Records and Audit Rights.

4.7.1 Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this Contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the Service, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the Contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this section throughout the term of this Contract and for a period of three years after last or final payment.

4.7.2 Consultant shall require all subconsultants, insurance agents, and material suppliers to comply with the provisions of this section by insertion of the requirements hereof in a written agreement between Consultant and such subconsultants, insurance agents, and material suppliers.

4.7.3 If an audit in accordance with this section, discloses overcharges, of any nature, by the Consultant to the Town in excess of one percent (1%) of the monthly billings, the actual cost of the Town's audit shall be reimbursed to the Town by the Consultant. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Consultant's invoices and/or records shall be made within a reasonable amount of time, not to exceed thirty (30) days from presentation of Town's findings to Consultant.

4.8 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

4.9 Ineligible Bidder. The preparer of specifications is not eligible to submit a bid or proposal on the solicitation for which they prepared the specification, nor is the preparer eligible to supply any product to a bidder or Consultant on the solicitation for which they prepared the specification.

4.10 Independent Consultant.

4.10.1 The Services Consultant provides under the terms of this Contract to the Town are that of an Independent Consultant, not an employee, or agent of the Town. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

4.10.2 Town shall not withhold income tax as a deduction from contractual payments. As a result of this, Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

4.11 Conflict of Interest. The Town may cancel any Contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the Town's departments or agencies is, at any time while the Contract or any extension of the Contract is in effect, an employee of any other party to the Contract in any capacity or a consultant to any other party to the Contract with respect to the subject matter of the Contract. The cancellation shall be effective when written notice from the Town is received by all other parties to the Contract, unless the notice specifies a later time (A.R.S. § 38-511).

4.12 Compliance with Federal and State Laws.

4.12.1 The Consultant understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

4.12.2 Under the provisions of A. R. S. § 41-4401, Consultant hereby warrants to the Town that the Consultant and each of its subconsultants will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A. R. S. § 23-214 (A) (hereinafter "Consultant Immigration Warranty").

4.12.3 A breach of the Consultant Immigration Warranty shall constitute a material breach of this Contract and shall subject the Consultant to penalties up to and including termination of this Contract at the sole discretion of the Town.

4.12.4 The Town retains the legal right to inspect the papers of any Consultant or subconsultant's employee who works on this Contract to ensure that the Consultant or subconsultant is complying with the Consultant Immigration Warranty. Consultant agrees to assist the Town in regard to any such inspections.

4.12.5 The Town may, at its sole discretion, conduct random verification of the employment records of the Consultant and any subconsultants to ensure compliance with Consultant's Immigration Warranty. Consultant agrees to assist the Town in regard to any random verification performed.

4.12.6 Neither the Consultant nor any subconsultant shall be deemed to have materially breached the Consultant Immigration Warranty if the Consultant or subconsultant establishes that it has complied with the employment verification provisions prescribed by section 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A. R. S. § 23-214, Subsection A.

4.12.7 "**Services**" are defined as furnishing labor, time or effort in the State of Arizona by a Consultant or subconsultant. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

4.12.8 The provisions of this Section 4.12 must be included in any contract the Consultant enters into with any and all of its subconsultants who provide Services under this Contract or any subcontract.

4.13 Notices. All notices or demands required to be given pursuant to the terms of this Contract shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of Consultant: PLAN-et Communities LLC
4200 N. Central Avenue
Phoenix, AZ 85012
Attn: Leslie Dornfeld, FAICP, CSBA

In the case of Town: Town of Florence
775 N. Main Street
P.O. Box 2670
Florence, AZ 85132
Attn: Town Manager

Notices shall be deemed received on date delivered, if delivered by hand, or on the delivery date indicated on receipt if delivered by certified or registered mail.

4.14 Force Majeure. Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.

4.15 Taxes. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this Contract. The Town shall have no obligation to pay any amounts for taxes, of any type, incurred by the Consultant.

4.16 Advertising. No advertising or publicity concerning the Town using the Consultant's Services shall be undertaken without prior written approval of such advertising or publicity by the Town Contract Administrator. Written approval is required until such time as the project is complete or any adjudication of claims relating to the Services provided herein is complete, whichever occurs later.

4.17 Counterparts. This Contract may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Contract shall be deemed to possess the full force and effect of the original.

4.18 Captions. The captions used in this Contract are solely for the convenience of the parties, do not constitute a part of this Contract and are not to be used to construe or interpret this Contract.

4.19 Subconsultants. During the performance of the Contract, the Consultant may engage such additional subconsultants as may be required for the timely completion of this Contract. The addition of any subconsultants shall be subject to the prior approval of the Town. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Contract rests with the Consultant. The Town acknowledges the sub-consultant(s) listed in **Appendix "A"** (if any) and consents to the use of that sub-consultant.

4.20 Indemnification.

4.20.1 To the fullest extent permitted by law, Consultant, its successors, assigns and guarantors, shall indemnify, defend, hold harmless the Town of Florence, its Mayor, Council members, agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to damages for personal injury or personal property damage, attorney

fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, but only to the extent caused by negligent or intentional actions, acts, errors, mistakes or omissions of the Consultant in the performance of this Contract, including but not limited to, any subconsultant or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Consultant's and subconsultant's employees.

4.20.2 Insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this section and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this Contract shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

4.21 Changes in the Services.

4.21.1 The Town may at any time, as the need arises, order changes within the scope of the work without invalidating the Contract. If such changes increase or decrease the amount due under the Contract documents, or in the time required for performance of the work, an equitable adjustment shall be authorized by written Change Order.

4.21.2 The Town will execute a formal Change Order based on detailed written quotations from the Consultant for work related changes and/or a time of completion variance. All Change Orders are subject to the prior written approval by the Town Manager.

4.21.3 Contract Change Orders are subject to the Rules and Procedures within the Town's Procurement Code.

4.22 RESERVED

4.23 Alternative Dispute Resolution. If a dispute arises between the parties relating to this Contract, the parties agree to use the following procedure prior to either party pursuing other available remedies:

4.23.1 A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.

4.23.2 If, within 30 days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will jointly appoint a mutually acceptable neutral person not affiliated with either of the parties (the "**neutral**"), seeking assistance in such regard if they have been unable to agree upon such appointment within 40 days from the initial meeting. The fees of the neutral shall be shared equally by the parties.

4.23.3 In consultation with the neutral, the parties will select or devise an alternative dispute resolution procedure ("**ADR**") by which they will attempt to resolve the dispute, and a time and place for the ADR to be held, with the neutral making the decision as to the procedure, and/or place and time if the parties have been unable to agree on any of such matters within 20 days after initial consultation with the neutral.

4.23.4. The parties agree to participate in good faith in the ADR to its conclusion as designated by the neutral. If the parties are not successful in resolving the dispute through the ADR, then the parties may agree to submit the matter to binding arbitration or a private adjudicator, or either party may seek an adjudicated resolution through the appropriate court.

4.24 Town Provided Information and Services. The Town shall furnish the Consultant available studies, reports and other data pertinent to the Consultant's Services; obtain or authorize the Consultant to obtain or provide additional reports and data as required; furnish to the Consultant services of others required for the performance of the Consultant's Services hereunder, and the Consultant shall be entitled to use and rely upon all such information and services provided by the Town or others in performing the Consultant's Services under this Contract.

4.25 Estimates and Projections. In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for potential projects, the Consultant has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate project cost or schedule. Therefore, the Consultant makes no warranty that the Town's actual project costs, financial aspects, economic feasibility, or schedules will not vary from the Consultant's opinions, analyses, projections, or estimates.

4.26 Access. The Town shall arrange for access to and make all provisions for the Consultant to enter upon public and private property as required for the Consultant to perform Services hereunder.

4.27 Third Parties. The services to be performed by the Consultant are intended solely for the benefit of the Town. No person or entity not a signatory to this Contract shall be entitled to rely on the Consultant's performance of its Services hereunder, and no right to assert a claim against the Consultant by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Contract or the performance of the Consultant's Services hereunder.

4.28 Prohibited Boycott. Pursuant to A.R.S. 35-393.01, the Consultant, by execution of this Contract, certifies that it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of Israel.

5.0 INSURANCE

5.1. General. Consultant agrees to comply with applicable Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town of Florence. Failure to maintain insurance as specified may result in termination of this Contract at Town of Florence's option. The Consultant is primarily responsible for the risk management if its Services under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract. The Consultant shall require any and all subconsultants to maintain

insurance as required herein naming the Town and Consultant as "Additional Insured" on all insurance policies, except Worker's Compensation and Errors & Omissions, and this shall be reflected on the Certificate of Insurance. The Consultant's insurance coverage shall be primary insurance with respect to all available sources. Coverage provided by the Consultant shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Consultant waives all rights of subrogation or similar rights against Town, its Mayor, councilmembers, officials, representatives, agents, and employees. All insurance policies, except Workers' Compensation and Errors & Omissions, required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of performance of this Contract, Town of Florence, its Mayor and councilmembers, agents, representatives, officers, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies and endorsements required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of this Contract.

5.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town of Florence does not represent that coverage and limits will be adequate to protect Consultant. Town of Florence reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

5.3 Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or Services required to be performed under the terms of this Contract is satisfactorily performed, completed and formally accepted by the Town of Florence, unless specified otherwise in this Contract.

5.4 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage which contain deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to Town of Florence. Consultant shall be solely responsible for any such deductible or self-insured retention amount. Town of Florence, at its option, may require Consultant to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

5.5 Use of Subconsultants. If any work under this Contract is subcontracted in any way, Consultant shall execute written agreement with subconsultant containing the same Indemnification Clause and Insurance Requirements set forth herein protecting Town of Florence and Consultant. Consultant shall be responsible for executing the agreement with Subconsultant and obtaining Certificates of Insurance verifying the insurance requirements.

5.6 Evidence of Insurance. Prior to commencing any work or Services under this Contract, Consultant shall furnish Town of Florence with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by Consultant's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage and that such coverage and provisions are in full force and effect.

5.7 Required Coverage.

5.7.1 Commercial General Liability. Consultant shall maintain “occurrence” form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent Consultants, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance limited to, separation of insureds clause. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be “follow form” equal or broader to coverage scope then underlying.

5.7.2 Worker's Compensation Insurance. Consultant shall maintain Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Consultant's employees engaged in the performance of work or Services under this Contract and shall also maintain Employer's Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$250,000 disease policy limit.

5.7.3 Commercial Auto Coverage. Auto Liability limits of not less than \$1,000,000 each accident, combined Bodily Injury and Property Damage Liability insurance. Certificate to reflect coverage for “Any Auto” or “All Owned, Scheduled, Hired and Non-Owned”.

5.7.4 Errors & Omissions Liability. Coverage Amount: \$1,000,000 per occurrence/aggregate, unless higher coverage limits are required under the Master Contract Documents, in which case such higher limits shall apply.

6.0 **SEVERABILITY AND AUTHORITY**

6.1 Severability. If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

6.2 Authority. Each party hereby warrants and represents that it has full power and authority to enter into and perform this Contract, and that the person signing on behalf of each has been properly authorized and empowered to enter this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

IN WITNESS WHEREOF, the Town of Florence by its Mayor has hereunto subscribed his/her name this 15th day of April, 2019.

TOWN OF FLORENCE

By: _____

By: _____

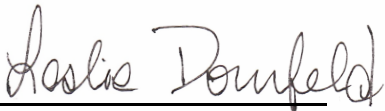
Name: _____

Its: _____

ATTEST:

Lisa Garcia, Town Clerk

By: PLAN*et Communities
Consultant

By: 

Name: Leslie Dornfeld

Its: Principal / Owner

Approved as Form:

Clifford L. Mattice, Florence Town Attorney

Appendix “A”
Scope of Work/Services

TOWN OF FLORENCE REDEVELOPMENT PLAN

PROPOSED FEE

TASK	Title Resource	PM	Planner	Designer	Lead Designer	Economist	Civil Lead	GIS Tech	Historic	Direct	Total
		Dornfeld \$165	Van Horn \$75	Zamora \$155	Hester \$185	Kaplan \$200	Stone \$175	\$95	Graham \$180		
Task o	Documentation of Downtown Conditions	4	8	4	4	4	4		4		\$4,840
Task 1	Kickoff/Initial Project Visioning	4		4	4		4		4		\$3,440
Task 2	Technical Report Outline and Format	4		4					2		\$1,640
Task 3	Base Mapping		60	20			20				\$11,100
Task 4	Background and History	5	30						8		\$4,515
Task 5	Redevelopment Planning Land Use/Zoning										
a.	Windshield survey/walking tour	15	15	11					8		\$6,745
b.	Existing Conditions Buildout	4			4	3					\$2,000
c.	Future conditions buildout	10			4	8					\$3,990
d.	Land use concepts			30	11	5	10		4		\$10,155
Task 6	Community Facilities Services/Conditions										
a.	Inventory of Existing Facilities from city maps						4	8			\$1,460
b.	Update Inventory/remap/final maps						4	24	2		\$3,340
c.	Department meeting						8		4		\$2,120
d.	Infrastructure strategies						8				\$1,400
Task 7	Socio Economic Conditions										
a.	Demographics		12			3					\$1,500
b.	County comparisons		12			3					\$1,500
Task 8	Economic Base Indicators										
	Employment/Employers					6					\$1,200
	Labor Force Assessment/Needs					8					\$1,600
Task 9	Vision Goals/Objectives Drafting										
	Survey	5	8								\$1,425
	Analysis/update/draft	15	7						8		\$4,440
Task 10	Redevelopment Plan Products										
	Draft layout/Final Layout	2	5								\$705
	Moving/updating existing plan components	3	25								\$2,370
Task 11	Historic Preservation										
	Identify/articulate key HP issues/approaches								16		\$2,880
Task 12	Cost of Development					12					\$2,400
Task 13	Transportation and circulation	10			8		8				\$4,530
Task 14	Economic Development										
a.	Economic Development opportunities and challenges based on vision	4				7					\$2,060
b.	Final Economic Development Strategies	4				7					\$2,060
Task 15	Redevelopment Plan Implementation	8				8					\$2,920
Task 16	Legal (1 final plan review)									\$2,000	\$2,000
Task 17	Public Participation										
	3 public Meetings (includes prep and printing)	24	24	24	8				8	\$1,500	\$13,900
	News articles (3 total)	5									\$825
	One Day of Focus Groups (includes prep)	12	12						6		\$3,960
	1 commission/1 council meeting	16	5								\$4,095
Total Hours		154	223	97	43	74	70	32	74		
Total Fee		\$25,410	\$16,725	\$15,035	\$7,955	\$14,800	\$12,250	\$3,040	\$13,320	\$3,500	\$113,115