

TOWN OF FLORENCE REGULAR MEETING AGENDA

Mayor Tara Walter
Vice-Mayor John Anderson
Councilmember Karen Wall
Councilmember Kristen Larsen
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, May 18, 2020

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, May 18, 2020, at 6:00 p.m., in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona.

SPECIAL NOTICE REGARDING PUBLIC MEETINGS

Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, the Town of Florence has determined that public meetings will be indefinitely held through technological means. Meetings will be open to the public through technological means. In reliance on, and in compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, and in conjunction with the Emergency Proclamation signed by Mayor Tara Walter, on March 18, 2020. The Town of Florence provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

To attend the meeting noticed below by technological means, members of the public may:

- 1. Access the link to watch a video stream on the Town website: www.FlorenceAZ.gov/tv or view the meeting live on Cox TV Channel 11.*
- 2. To call in and listen, please dial:
US: + 1 346 248 7799 or +1 669 900 6833
Webinar ID: 885 0642 4133
Password: 837857*

Members of the public may submit written comments relating to this meeting to Town Clerk Lisa Garcia by emailing lisa.garcia@florenceaz.gov at any time until one hour prior to the posted start time for the meeting. Please be sure to include your name and address for the record as well as the meeting date (and Agenda Item #, if applicable) in the subject of your email.

If any member of the public has difficulty connecting to the meeting, they are invited to contact the Town of Florence Information Technology Helpdesk at (520) 868-7543.

The agenda for this meeting is as follows:

1. CALL TO ORDER

2. ROLL CALL: Tara Walter, John Anderson, 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. **Proclaim May 2020** as Motorcycle Safety and Awareness Month. (Mayor Walter)
- b. **Presentation on Fiscal** Year 2019-2020 Third Quarter Financial Report. (Becki Jimenez)

7. 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. **Approval of the Application** and Affidavit for Uniform Video Service License by Cox Communications Arizona, LLC, for a term not to exceed 10 years. (Trenton Shaffer)
- b. **Authorize the Mayor to** enter into a Letter of Engagement between the Town of Florence, and Fester & Chapman, Certified Public Accountants, to perform the Town's annual audit for Fiscal Year ending June 30, 2020, in an amount not to exceed \$32,000. (Becki Jimenez)
- c. **Approve the Assignment** of Lease for Silver King Marketplace, Suite 101, from Florence Mosaic Church of the Nazarene, to Corey Ecenbarger (dba Florence Fudge Co.). (Jennifer Evans)
- d. Approval of the **April 6, April 15,** and **April 20, 2020** Town Council Meeting minutes.

8. NEW BUSINESS

- a. **Discussion/Approval/Disapproval** of Fiscal Year 2020-2021 Employee Benefits Program with Blue Cross and Blue Shield of Arizona for medical, dental, life and Avesis for vision insurance; Teladoc for 24/7 physician access benefits; Jorgensen Brooks Group for Employee Assistance Program; AFLAC for supplemental group insurance products; and Infinisource to administer the Section 125 Flexible Benefit Account Plan. (Catherine Wilson)

- b. **Discussion on the Economic** Development Baseline Report, presented by McClure Consulting, LLC. (Brent Billingsley)

9. MANAGER'S REPORT

10. CALL TO THE PUBLIC

11. CALL TO THE COUNCIL – CURRENT EVENTS ONLY

12. 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), and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding:

- a. Town's position on COVID-19 policies.

13. ADJOURNMENT FROM EXECUTIVE SESSION

14. 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 MAY 14, 2020, 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 711 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: May 18, 2020 DEPARTMENT: Council STAFF PRESENTER: Mayor Tara Walter SUBJECT: Motorcycle Safety and Awareness Month | | <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 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:

Proclaim May 2020 as Motorcycle Safety and Awareness Month.

BACKGROUND/DISCUSSION:

Mr. Christopher Beals of ABATE of Arizona, Inc. has requested that the Town recognize May 2020 as Motorcycle Safety and Awareness Month.

ABATE of Arizona, Inc. is a non-profit motorcycle rights organization that is dedicated to freedom of the road for all motorcyclists. ABATE is a volunteer organization that fights discriminatory legislation aimed towards the motorcycling community. Its position is that all motorcycle riders have the right to choose not only the machine that they ride, but also the riding gear that they choose to wear or not to wear (i.e., leathers, gloves, boots and helmets).

ABATE promotes rider education for all motorcycle riders, and motorcycle awareness for all automobile drivers.

A VOTE OF NO WOULD MEAN:

Not applicable

A VOTE OF YES WOULD MEAN:

Not applicable

FINANCIAL IMPACT:

None

ATTACHMENTS:

Proclamation

Proclamation

MOTORCYCLE SAFETY AND AWARENESS MONTH

WHEREAS, motorcycle riding is a popular form of recreation and transportation for thousands of people in Arizona and our nation; and

WHEREAS, the safe operation of a motorcycle requires the use of special skills developed through a combination of training and experience, the use of good judgement. And through knowledge of traffic laws and licensing requirements; and

WHEREAS, motorcycles provide a means of transportation that uses fewer resources, causes less wear and tear on public roadways, and increases available parking areas; and

WHEREAS, the safety hazards created by the automobile operators who have not been educated to watch for motorcyclists on the streets and highways of Arizona are of prime concern to motorcyclists; and

WHEREAS, The American Brotherhood Aimed Toward Education (A.B.A.T.E.) of Arizona, Southern Arizona Chapter, is an organization that actively promotes safe operation, increased rider training, and increased motorist awareness of motorcycles; and

WHEREAS, all motorcycle riders are encouraged to continue to hone their skills no matter how long they have been riding; and

WHEREAS, it is important to recognize the need for awareness on the part of all drivers, especially with regard to sharing the road with motorcyclists, and to honor the many contributions motorcyclists make to the communities where they live and ride.

NOW, THEREFORE, BE IT RESOLVED, That the Town of Florence, Arizona, does hereby proclaim May 2020 as **MOTORCYCLE SAFETY AND AWARENESS MONTH**, and call upon the residents of the Town of Florence to promote motorcycle awareness, mutual respect and develop safe driving habits; thus, making our roadways safer for all motorists.

PASSED AND APPROVED this 18th day of May 2020

Tara Walter, Mayor

ATTEST:

Lisa Garcia, Town Clerk

| | | |
|---|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 6b. |
| MEETING DATE: May 18, 2020 DEPARTMENT: Finance STAFF PRESENTER: Rebecca Jimenez, Finance Director SUBJECT: Third Quarter Financial Update | | <input type="checkbox"/> Action <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" 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 checked="" 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:

Presentation on Fiscal Year 2019-2020 Third Quarter Financial Report.

BACKGROUND/DISCUSSION:

The month of March ended the third quarter. We will present the position at that time, along with what is anticipated for year end.

A VOTE OF NO WOULD MEAN:

Not applicable

A VOTE OF YES WOULD MEAN:

Not applicable

FINANCIAL IMPACT:

None

ATTACHMENTS:

Third Quarter Power Point Presentation

FY 2019-2020

THIRD QUARTER
RESULTS AND
FORECAST FOR
THE REMAINDER
OF THE FISCAL
YEAR

Overview

FORECAST IS BASED ON DATA AS OF MARCH 31, 2020

General Fund Revenue

Focused on seven revenue sources that make up 80% of the Town's revenue

- City Sales Tax
- Food Tax
- Property Taxes
- Building Permits
- State Shared Sales Tax
- State Shared Income Tax
- Auto License Tax

| TITLE | 3rd Quarter FY18-19 | BUDGET | 3rd Quarter FY19-20 | FORECAST | Quarter comparison |
|---------------------------------------|------------------------|---------------------|------------------------|---------------------|-----------------------|
| City Sales Tax | \$ 1,746,678 | \$ 2,862,437 | \$1,495,604 | \$ 1,801,300 | ▼ |
| City Food Tax | \$ 232,695 | \$ 310,686 | \$ 241,682 | \$ 310,000 | ▲ |
| Property Tax | \$ 750,847 | \$ 1,166,611 | \$ 803,796 | \$ 1,092,190 | ▲ |
| Building Permits | \$ 534,688 | \$ 809,822 | \$ 1,015,067 | \$ 1,250,000 | ▲ |
| State Sales Tax | \$ 1,727,128 | \$ 2,721,685 | \$ 1,810,876 | \$ 2,350,000 | ▲ |
| State Income Tax | \$ 2,368,162 | \$ 3,416,358 | \$ 2,562,289 | \$ 3,416,358 | ▲ |
| Auto License Tax | \$ 1,093,920 | \$ 1,633,773 | \$ 1,155,234 | \$ 1,633,773 | ▲ |
| Total General Fund Revenue | \$ 7,141,587 | \$16,369,437 | \$ 11,363,849 | \$15,107,849 | ▲ |

General Fund- Revenue FY19-20

General Fund-Expense FY 19-20

| TITLE | 3rd Quarter FY18-19 | BUDGET | 3rd Quarter FY19-20 | FORECAST | Quarter comparison |
|--------------|--------------------------------|---------------|--------------------------------|-----------------|-------------------------------|
| General Fund | \$10,784,819 | \$17,012,550 | \$10,848,044 | \$15,636,971 | ▲ |

Other Funds-Major Revenue FY 19-20

| TITLE | 3rd Quarter FY18-19 | BUDGET | 3rd Quarter FY19-20 | FORECAST | Quarter comparison |
|----------------------|--------------------------------|---------------|--------------------------------|-----------------|-------------------------------|
| General Capital Fund | \$1,352,428 | \$2,253,000 | \$2,336,025 | \$2,772,623 | ▲ |
| HURF Fund | \$2,322,635 | \$3,605,915 | \$2,664,420 | \$3,794,220 | ▲ |
| Water Fund | \$2,901,252 | \$4,326,237 | \$3,137,335 | \$4,203,001 | ▲ |
| Sewer Fund | \$2,996,466 | \$4,530,200 | \$3,109,132 | \$4,173,000 | ▲ |
| Sanitation Fund | \$ 721,473 | \$921,300 | \$760,069 | \$976,309 | ▲ |

Other Funds-Expenses FY 19-20

| TITLE | 3rd Quarter FY18-19 | BUDGET | 3rd Quarter FY19-20 | FORECAST | Quarter comparison |
|----------------------|--------------------------------|---------------|--------------------------------|-----------------|-------------------------------|
| General Capital Fund | \$ 650,962 | \$4,314,198 | \$ 713,288 | \$1,534,519 | ▲ |
| HURF Fund | \$2,623,754 | \$6,893,944 | \$2,624,842 | \$4,147,153 | ▲ |
| Water Fund | \$2,605,604 | \$7,560,536 | \$2,342,484 | \$4,786,194 | ▼ |
| Sewer Fund | \$2,515,010 | \$5,472,821 | \$1,980,635 | \$3,742,819 | ▼ |
| Sanitation Fund | \$ 687,051 | \$1,279,252 | \$ 813,917 | \$1,023,381 | ▲ |

Cash in Bank-FY 19-20

| | | |
|--------------------------------------|--------------|---------------------------------|
| Cash in Bank-General Checking | \$ 6,722,169 | Interest in Sweep - .5% |
| Cash in Bank-Credit Cards in Transit | \$ 127,568 | |
| LGIP | \$ 278,429 | Interest Rate- 1.32% Annualized |
| PFM Investments | \$58,214,077 | Interest Rate- 3.00% Annualized |
| Police Evidence | \$ 20,995 | |
| Total Cash in Bank | \$65,353,842 | |

Finance Department Activities

1. Focused on the budget revenue and expenditure estimates for this year and next and have developed a budget. Budget Committee is currently reviewing.
 2. Worked on three Policies, Travel, Uniform and Purchasing.
 3. Due to COVID 19 Phase II, half of staff is working every other week. Customer service has suffered a bit, but on the other hand, customers are using electronic means to pay, and drop box usage has increased. Submission of payment requests has become electronic and documents file into a repository and are retrieved and processed.
 4. Started Training Development for Procurement, new forms and processes. We are going to educate staff on different procurement options and train on how to advertise and what is necessary for compliance with audit standards and state law.
 5. We have, through attrition, consolidated two positions and absorbed into existing staff.
 6. Future projects include education on accounting and budget process with Town staff.
 7. We are now beginning audit preparation.
- 



Questions?

| | | |
|--|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 7a. |
| MEETING DATE: May 18, 2020 DEPARTMENT: Information Technology STAFF PRESENTER: Trenton Shaffer Information Technology Manager SUBJECT: Application and Affidavit for Uniform Video Service License – Cox Communications Arizona, LLC | | <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 checked="" type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None | | |

RECOMMENDED MOTION/ACTION:

Approval of the Application and Affidavit for Uniform Video Service License by Cox Communications Arizona, LLC, for a term not to exceed 10 years.

BACKGROUND/DISCUSSION:

In 2018, the State of Arizona amended Title 9 of the Arizona Revised Statutes by adding Chapter 13: Amending Section 41-1092.01, Arizona Revised Statutes; relating to video and cable providers. This new law limits how cities and towns regulate video and cable service providers. Per the new law, cities and towns were required to establish a standard form for Uniform Video Service License Agreement containing an application and affidavit by July 1, 2019. The Town of Florence adopted this form at the Town Council meeting on June 26, 2019. Video and cable service providers are required to file a Uniform Video License Agreement in order to conduct business within the right-of-way and town limits.

A VOTE OF NO WOULD MEAN:

The Town of Florence would not issue a Uniform Video Service License to Cox Communications Arizona, LLC.

A VOTE OF YES WOULD MEAN:

The Town of Florence will issue a Uniform Video Service License to Cox Communications Arizona, LLC.

FINANCIAL IMPACT:

Applicant pays all lawful fees and charges imposed by the Town of Florence as provided in Arizona Revised Statutes, Section 9-1414(B)(4).

ATTACHMENTS:

Application and Affidavit for Uniform Video Service License

Model Uniform Video Service License Agreement

Date of Issuance: _____

This Uniform Video Service License Agreement ("License") is made on the date of issuance hereof by and between the Town of Florence, an Arizona municipal corporation ("Licensor") and Cox Communications Arizona, LLC, a Delaware Limited Liability Company ("Licensee").

WHEREAS, Licensee has filed a completed application and affidavit under Title 9, Chapter 13, Arizona Revised Statutes ("Licensing Statute"), for Licensor to issue a Uniform Video Service License to Licensee; and

WHEREAS, Licensee is authorized under the laws of the State of Arizona to provide Cable Service.

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein and the mutual covenants set forth herein, the Parties agree as follows:

1. Definitions. Capitalized terms that are not defined herein have the same meaning prescribed in the Licensing Statute, including A.R.S. Section 9-1401.

2. Licensee Information. The following appear on Exhibit A attached hereto and are incorporated herein by this reference:

2.1 The name of Licensee, its type of entity and its jurisdiction of formation.

2.2 The address and telephone number of Licensee's principal place of business.

2.3 The names, titles and addresses of Licensee's principal executive officers or general partners.

2.4 The names, titles, telephone and fax numbers and email addresses of any persons authorized to represent Licensee before Licensor.

3. Grant of License. Under the Licensing Statute, Licensor hereby issues to Licensee, and Licensee hereby accepts from Licensor, a nonexclusive Uniform Video Service License.

3.1 The Service Area in which this License authorizes Licensee to provide Video Service in the area described on Exhibit B attached hereto and incorporated herein by this reference.

3.2 Licensor grants Licensee authority in the delivery of Video Service to use and occupy, and to construct and operate a Video Service Network in, Highways in the Service Area in compliance with the Licensing Statute and this License .

3.3 Licensee may operate and maintain facilities installed in the Highways in the Service Area to provide services pursuant to and subject to all the following: A.R.S. Section 9-584 and A.R.S. Title 9, Chapter 5.

4. Licensee Compliance with Law. Licensee shall comply with and be subject to:

4.1 All valid and enforceable federal and state laws.

4.2 All generally applicable, nondiscriminatory Local Laws, including highway use, mapping, insurance, performance bonds, security fund, indemnification, letter of credit or similar requirements that apply to the use and occupation of any highway and that conform to the Licensing Statute.

4.3 All public, education and government programming requirements of the Licensing Statute.

4.4 All customer service rules of the Federal Communications Commission under 47 Code of Federal Regulations Section 76.309(c) applicable to Cable Operators.

4.5 All consumer privacy requirements of 47 United States Code Section 551 applicable to Cable Operators.

5. Commencement of Video Service; Revocation. If Licensee is an incumbent cable operator, Licensee shall begin to provide Video Services under this License on the date of issuance of this license. If Licensee is not an incumbent cable operator, Licensee shall provide video service to at least one subscriber within each service area authorized by this License not later than twenty-four months after the date of issuance of this License. Failure of a non-incumbent cable operator to provide video service to at least one subscriber within each service area as set forth above shall result in revocation of this License unless the Licensee establishes to the satisfaction of the City/Town that such failure was for reasons beyond the Licensee's control.

6. License Fee. Licensee is required to pay the License Fees required under the Licensing Statute and all other lawful fees, taxes and charges imposed by Licensor. The initial rate of the License Fee shall be [five (5)] percent.

7. Federal Filing Requirement. Licensee is required to file in a timely manner with the Federal Communications Commission all forms required by that agency before Licensee offers Video Service in the Service Area, including the forms required by 47 Code of Federal Regulations Section 76.1801.

8. Term. The term of this License is ten (10) years and shall begin on the date of issuance.

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day
of _____, 20__ by _____, Mayor of the [City/Town] of
_____, an Arizona municipal corporation, on its behalf.

(Seal)

EXHIBIT A

[Information about Licensee]

I. Licensee:

| | | |
|--|--|---|
| Date: April 23, 2020 | | |
| Applicant's Name: Cox Communications Arizona, LLC | | |
| Principal Place of Business: 6205-B Peachtree Dunwoody Rd. Atlanta, GA 30328 | | |
| Phone: 623-594-1000 | Address: 1550 W Deer Valley Rd | |
| City: Phoenix | State: AZ | Zip: 85027 |
| Type of Entity: LLC | Jurisdiction of Formation: Delaware | Email: swrcableadministrator@cox.com |

II. Licensee's principal executive officers or general partners:

| | |
|--|------------------|
| Name: Patrick Esser | Title: President |
| Address: 6205-B Peachtree Dunwoody Rd. Atlanta, GA 30328 | |

| | |
|--|-----------------------|
| Name: Jennifer Hightower | Title: Vice President |
| Address: 6205-B Peachtree Dunwoody Rd. Atlanta, GA 30328 | |

| | |
|--|-----------------------|
| Name: Perly McBride | Title: Vice President |
| Address: 6205-B Peachtree Dunwoody Rd. Atlanta, GA 30328 | |

| | |
|---|--|
| Name: John Wolfe | Title: Executive Vice President & Region Manager |
| Address: 1550 W Deer Valley Rd. Phoenix, AZ 85027 | |

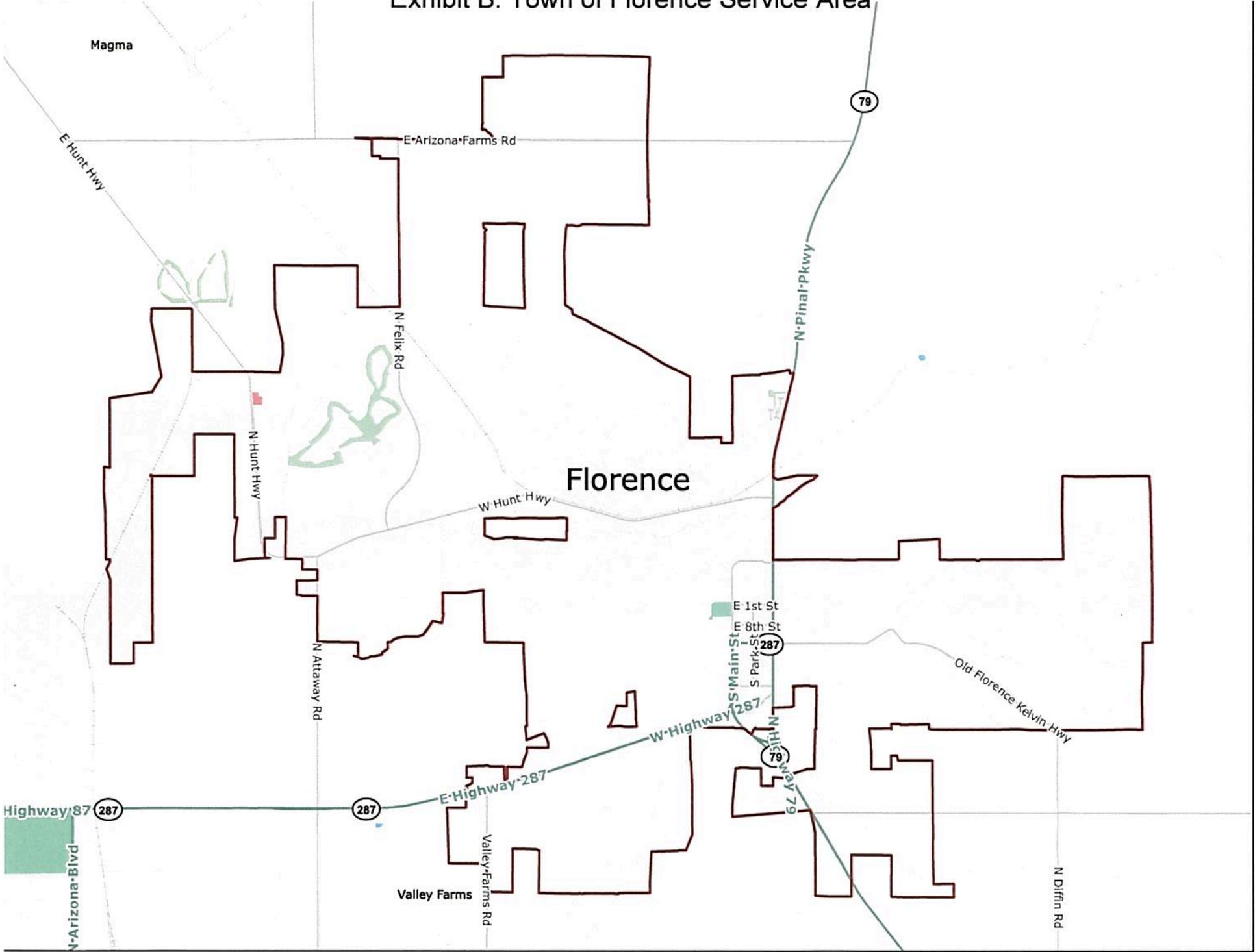
III. Person(s) authorized to represent Licensee before Local Government:

| | | |
|---|---|--------------------------------------|
| Name: John Wolfe | Title: Executive Vice President & Region Manger | |
| Address: 1550 W Deer Valley Rd. Phoenix, AZ 85027 | | |
| Phone: 623-328-3121 | Fax: 623-322-7918 | Email: swrcableadministrator@cox.com |

| | | |
|---|--|--------------------------------------|
| Name: Susan Anable | Title: Vice President, Government & Public Affairs | |
| Address: 1550 W Deer Valley Rd. Phoenix, AZ 85027 | | |
| Phone: 623-328-3121 | Fax: 623-322-7918 | Email: swrcableadministrator@cox.com |

| | | |
|----------|--------|--------|
| Name: | Title: | |
| Address: | | |
| Phone: | Fax: | Email: |

Exhibit B: Town of Florence Service Area





APPLICATION AND AFFIDAVIT FOR UNIFORM VIDEO SERVICE LICENSE
(Pursuant to Title 9, chapter 13, Arizona Revised Statutes)

I. Applicant:

| | | |
|--|-------------------------------------|--------------------------------------|
| Date: April 23, 2020 | | |
| Applicant's Name: Cox Communications Arizona, LLC | | |
| Principal Place of Business: 6205-B Peachtree Dunwoody Rd. Atlanta, GA 30328 | | |
| Phone: 623-594-1000 | Address: 1550 W Deer Valley Rd | |
| City/Town: Phoenix | State: AZ | Zip: 85027 |
| Type of Entity: LLC | Jurisdiction of Formation: Delaware | Email: swrcableadministrator@cox.com |

II. Applicant's principal executive officers or general partners:

| | |
|--|------------------|
| Name: Patrick Esser | Title: President |
| Address: 6205-B Peachtree Dunwoody Rd. Atlanta, GA 30328 | |

| | |
|--|-----------------------|
| Name: Jennifer Hightower | Title: Vice President |
| Address: 6205-B Peachtree Dunwoody Rd. Atlanta, GA 30328 | |

| | |
|--|-----------------------|
| Name: Perty McBride | Title: Vice President |
| Address: 6205-B Peachtree Dunwoody Rd. Atlanta, GA 30328 | |

| | |
|---|--|
| Name: John Wolfe | Title: Executive Vice President & Region Manager |
| Address: 1550 W Deer Valley Rd. Phoenix, AZ 85027 | |

III. Person(s) authorized to represent Applicant before Town of Florence:

| | | |
|---|--|--------------------------------------|
| Name: John Wolfe | Title: Executive Vice President & Region Manager | |
| Address: 1550 W Deer Valley Rd. Phoenix, AZ 85027 | | |
| Phone: 623-328-3121 | Fax: 623-322-7918 | Email: swrcableadministrator@cox.com |

| | | |
|---|--|--------------------------------------|
| Name: Susan Anable | Title: Vice President, Government & Public Affairs | |
| Address: 1550 W Deer Valley Rd. Phoenix, AZ 85027 | | |
| Phone: 623-328-3121 | Fax: 623-322-7918 | Email: swrcableadministrator@cox.com |

IV. Check one pursuant to Arizona Revised Statutes Section 9-1411(C)(4):

- Applicant is an Incumbent Cable Operator as provided in Arizona Revised Statutes, Section 9-1401(13).
- Applicant is not an Incumbent Cable Operator. The date on which the Applicant expects to provide Video Services in the Service Area identified below under Section 9-1411(C)(5) is:

| |
|-------|
| Date: |
|-------|

V. For All Applications:

A. Applicant will timely file with the Federal Communications Commission all forms required by that agency before Applicant offers Video Service in the Service Area, including the forms required by 47 Code of Federal Regulations Section 76.1801.

B. The term of the uniform video service license shall be (not to exceed ten years):

10 Years

C. Applicant agrees to pay all lawful fees and charges imposed by Town of Florence as provided in Arizona Revised Statutes, Section 9-1414(B)(4).

D. Applicant agrees to notify Town of Florence in writing of changes to the above information within thirty days after the change occurs as provided in Arizona Revised Statutes, Section 9-1414(B)(2).

E. Provide an exact description of the Service Area as set forth in Arizona Revised Statutes, Section 9-1411(C)(5), as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.

Select one:

The Service Area consists of all the territory within the Boundaries of Town of Florence.

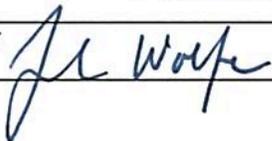
The Service Area consists of all the territory within the area described on attached

Applicant Verification

I certify that the information contained in this application for a video service license in the Town of Florence is true and correct. I further affirm that I am authorized by Cox Communications Arizona, LLC [NAME OF APPLICANT] to file this application on behalf of applicant and to bind the applicant with respect to the representations made in Section V, Paragraphs A through D of this application. A copy of the authorization is attached to this application.

Name and Title (printed): John Wolfe Executive Vice President & Region Manager

Signature:



Date:

4/27/2020

Local Government Receipt

The foregoing Application and Affidavit for Uniform Video Service License was received by Town of Florence this ____ day of _____, 20 ; at _____.

Town of Florence, an Arizona municipal corporation ("Local Government")

By

City, State, Zip

Print Name

Phone/Fax

Date

Email:

Address

Date

Exhibit A
Service Area

[Attach additional pages as necessary]

| | | |
|---|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 7b. |
| MEETING DATE: May 18, 2020 DEPARTMENT: Finance STAFF PRESENTER: Rebecca Jimenez, Finance Director SUBJECT: Letter of Engagement-Annual Audit | | <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"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input checked="" type="checkbox"/> Statutory <input type="checkbox"/> None | | |

RECOMMENDED MOTION/ACTION:

Authorize the Mayor to enter into a letter of engagement between the Town of Florence and Fester & Chapman, Certified Public Accountants, for an amount not to exceed \$32,000, to perform our annual audit for Fiscal Year ending June 30, 2020.

BACKGROUND/DISCUSSION:

The Town must engage an outside auditor to perform a financial audit of the Town of Florence financial statements. The Town engaged Fester & Chapman through a Request for Proposals to perform the audit and this is year three of their contract.

The Finance Department has been very satisfied with the auditing firm. They also prepare our Comprehensive Annual Financial Report that is submitted for an award each year.

A VOTE OF NO WOULD MEAN:

The Town would not have an auditor to proceed with our audit. This would require going out to bid again.

A VOTE OF YES WOULD MEAN:

The Town can plan and proceed with our upcoming audit for Fiscal Year 2019-2020.

FINANCIAL IMPACT:

The cost of the audit, including expenses, is not to exceed \$32,000.

ATTACHMENTS:

Letter of Engagement



April 27, 2020

To Brent Billingsley, Town Manager
Town of Florence
775 N. Main St.
Florence, AZ, 85132

We are pleased to confirm our understanding of the services we are to provide the Town of Florence, Arizona (the Town) for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Town as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town's 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. As part of our engagement, we will apply certain limited procedures to the Town's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary comparison schedules
- 3) Schedule of Agent OPEB Plan Funding Progress
- 4) GASB – required Supplementary Pension Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the Town's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements Schedule of expenditures of federal awards:

- 1) Schedule of expenditures of federal awards
- 2) Combining statements
- 3) Individual fund statements
- 4) Supporting schedules

[The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory section
- 2) Statistical section

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town's financial statements. Our report will be addressed to Honorable Mayor and Town Council of Florence. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Town in conformity with U.S. generally accepted accounting principles and the Uniform Guidance

based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Fester and Chapman, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to your oversight agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Fester and Chapman, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit approximately in April 2020 and to issue our reports no later than December 31, 2020. Ben Hur is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$32,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to Town of Florence, Arizona and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Fester & Chapman, PLLC

Fester and Chapman, PLLC

RESPONSE:

This letter correctly sets forth the understanding of the Town of Florence, Arizona.

Finance Director

Date

Mayor

Date

| | | |
|--|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 7c. |
| MEETING DATE: May 18, 2020 DEPARTMENT: Administration STAFF PRESENTER: Lisa Garcia, Deputy Town Manager Town Clerk SUBJECT: Assignment of Lease for Silver King Marketplace, Suite 101, from Florence Mosaic Church of the Nazarene to Corey Ecenbarger, dba Florence Fudge Company | | <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 checked="" 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:

Approve the assignment of lease for Silver King Marketplace, Suite 101, from Florence Mosaic Church of the Nazarene, to Corey Ecenbarger (dba Florence Fudge Co.).

BACKGROUND/DISCUSSION:

Florence Mosaic Church of the Nazarene has leased the Silver King Marketplace, Suite 101, since 2010 for use as a fudge and sandwich shop. The most recent lease was entered into with the Town as of October 1, 2016 and extended in Addendum One until September 30, 2018. The lease is currently month to month until a new lease is approved later this year.

Florence Mosaic Church of the Nazarene transferred ownership of the Florence Fudge Company to long-time employee, Corey Ecenbarger, on March 10, 2020. The assignment of lease transfers the lease agreement from Florence Mosaic Church of the Nazarene, to Corey Ecenbarger, according to Section 8 of the lease.

The Florence Fudge Company has been closed for over one month due to the COVID-19 pandemic. Ms. Ecenbarger would like to re-open the restaurant per the Governor’s Executive Orders but must have an approved assignment of lease and a Certificate of Insurance to do so.

A VOTE OF NO WOULD MEAN:

A No vote would mean the new owner of Florence Fudge Company will not have a lease with the Town.

A VOTE OF YES WOULD MEAN:

A Yes vote would mean the current lease term is transferred to the new owner of the Florence Fudge Company.

FINANCIAL IMPACT:

The monthly rent will continue to be \$142.50 and the tenant pays the cost of utilities each month as invoiced by the Town.

ATTACHMENTS:

Lease Agreement dated October 1, 2016
First Addendum to Silver King Marketplace Lease Agreement
Assignment of Lease

SILVER KING MARKET PLACE LEASE AGREEMENT

TOWN OF FLORENCE, ARIZONA,
an Arizona municipal corporation

AND

FLORENCE MOSAIC CHURCH OF THE NAZARENE, INC.
an Arizona non-profit corporation

(Florence Fudge Company)

DATE: As of October 1, 2016

SILVER KING MARKET PLACE LEASE AGREEMENT

This Silver King Market Place Lease Agreement (this "Lease") is made and entered into as of the **1st day of October, 2016** by Town of Florence, an Arizona municipal corporation, hereinafter called "Landlord", and Florence Mosaic Church of the Nazarene, Inc., an Arizona non-profit corporation, hereinafter called "Tenant".

1. LEASED PREMISES

For and in consideration of the rent to be paid and of the covenants and agreements of Tenant as hereinafter set forth, Landlord does hereby lease 570 square feet to Tenant of the premises located at 440 N. Main Street, Suite 101, Florence, Arizona, also known as the Silver King Market Place, and hereinafter referred to as the "Premises", or, the "Leased Premises". The Leased Premises are also described as Suite 101, which is located at the south end of the building in which the Premises are located (the "Building") on the ground floor. Tenant shall also have access to the central unit of the "Carriage House", adjacent to the Premises. The Carriage House is leased to Tenant in as-is condition; Tenant understands and agrees that the Landlord will not provide any interior improvements or maintenance services for the Carriage House. Further, the Landlord will provide only such exterior maintenance on the general structure of the Carriage House as to maintain the integrity of the overall structure. Tenant may only use the central unit of the Carriage House for storage. Any other use of the Carriage House must be approved by Landlord.

2. TERM

The Lease term shall begin on the **1st day of October, 2016** and end on the **30th day of September, 2017** (the "Initial Term"). Landlord shall use commercially reasonable efforts to put Tenant in possession of the Leased Premises at the beginning of the Initial Term. If Landlord is unable to timely provide the Leased Premises for occupancy by Tenant, rent shall abate for the period of delay. Tenant agrees it shall make no other claim against Landlord for any such delay.

3. EXTENSIONS

The parties hereto may elect to extend the Initial Term upon such terms and conditions as may be agreed upon in writing and signed by the parties at the time of any such election; provided that Tenant gives notice of its request to extend the Initial Term no later than sixty (60) days prior to the expiration of the Initial Term. If Tenant does not elect to extend the Initial Term in accordance with this paragraph, this Lease shall end on the **30th day of September, 2017** (the "Expiration Date") and thereafter Tenant may only occupy the Premises on a month-to-month basis. Such month-to-month tenancy may be terminated by Landlord upon thirty (30) days notice to Tenant. Landlord's acceptance of rent payments after the Expiration Date shall not constitute a renewal of this Lease Agreement.

4. RENTS

Rent shall be paid at the rate of **one hundred forty two dollars and fifty cents (\$142.50)** per month for the duration of this Lease. In addition to the rent, Tenant is responsible for any commercial property lease transaction privilege tax and government property lease excise tax. Each monthly payment of rent due thereafter shall be payable on the first day of each calendar month for the balance of the Initial Term, together with such taxes. Payment of rent shall be made to Landlord at Town of Florence, P.O. Box 2670, 775 North Main Street, Florence, Arizona 85132, or at such other place designated by written notice from Landlord. The rental payment amount for any partial calendar months included in the Lease term shall be prorated on a daily basis. If rent is not received by the close of the 5th business day then a late fee of \$25.00 will be added to Tenant's account and past-due rent shall bear interest at the rate of ten per cent (10%) per annum from the date due (i.e., the first day of each month) until paid.

5. SECURITY DEPOSIT

Tenant has deposited with Landlord the sum of **five hundred dollars (\$500.00)** as security for the full and faithful performance by Tenant of all the terms of this Lease required to be performed by Tenant. Such sum shall be returned to Tenant after the expiration of this Lease; provided Tenant has fully and faithfully carried out all of its terms. At the expiration of this Lease or such other time as Tenant may properly request the return of the Security Deposit, Landlord shall make an inspection of the Leased Premises and deduct from the Security Deposit such sums as are necessary to repair and refurbish the Leased Premises to the condition which existed prior to Tenant's occupancy thereof. In the event of a bona fide sale of the Building of which the Leased Premises are a part, Landlord shall have the right to transfer the security to the purchaser to be held under the terms of this lease, and Landlord shall be released from all liability for the return of such security to Tenant.

6. PURPOSE

A. Landlord is maintaining the Silver King Market Place for the development of new businesses within the historical/downtown area of the Town of Florence. It is Landlord's desire to endeavor to assist in the creation of new businesses by providing a leasing environment contemplated to assist such new businesses.

B. Tenant shall use the Leased Premises for the purpose of conducting the business of a fudge and sandwich shop and for no other purpose without Landlord's express prior written consent. This use also must be and remain consistent with Exhibit "A". In the event Tenant desires to use the Leased Premises for a different business purpose not described above, Tenant shall first apply, in writing, for approval for such use to the Town of Florence. As a further condition of this Lease, Tenant must also maintain regular business hours and be open for at least thirty five (35) hours per week with exception of holidays. When business enhancement classes are offered, free of

charge, Tenant shall make every effort to send one or more representatives to attend these programs.

C. If Tenant fails to meet any of these requirements, then Landlord may terminate this Lease after providing Tenant no less than thirty (30) days written notice of Landlord's intent to terminate this Lease. If Tenant does not satisfy the above conditions or otherwise cure the deficiencies indicated in the notice within thirty (30) days, Landlord may terminate this Lease as provided in Section 17 below.

The Premises shall not be used in violation of this Lease, any zoning laws applicable to the Premises, or in violation of any federal, state or local laws or regulations.

7. PROHIBITED USES

Notwithstanding the forgoing, Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device. All uses must conform to the zoning code of the Town of Florence and the Landlord's Property Lease Policy, both as promulgated by Town from time to time.

8. SUBLEASE AND ASSIGNMENT

A. Tenant shall not sublet or assign this Lease without Landlord's consent. To assign this Lease to a business with which Tenant may merge or consolidate, to any subsidiary of Tenant, to any corporation under common control with Tenant, or to a purchaser of substantially all of Tenant's assets Tenant must receive either written consent from Landlord (not to be unreasonably withheld) or enter into a new lease agreement reasonably satisfactory to both parties.

B. Except as set forth above, neither Tenant nor any assignee may sublease all or any part of the Leased Premises, or assign this Lease in whole or in part, without Landlord's written consent.

9. REPAIRS

During the Lease term, Tenant shall make, at Tenant's expense, all necessary repairs and refurbishment of the Leased Premises. Repair and refurbishment shall include, but is not limited to, the repair and refurbishment of normal wear and tear to floors, walls, ceilings, and other parts of the Leased Premises caused by Tenant's use and enjoyment of the Leased Premises, except for major mechanical systems or the roof [(so long as damage thereto is not caused, in whole or in part, by the acts or omissions of Tenant, its invitees or those under Tenant's direction and control), subject to the obligations of the parties as may otherwise be set forth in this Lease.]

10. TENANT IMPROVEMENTS

- A. Tenant, at Tenant's expense, shall have the right to remodel, redecorate, or make additions, improvements and replacements to all or any part of the Leased Premises from time to time as Tenant may deem desirable (the "Tenant Modifications"); provided the same are made in a workmanlike manner, lien free, in accordance with all codes and utilizing good quality materials. Tenant must obtain the written consent of Landlord prior to undertaking any such Tenant Modifications. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the Leased Premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease but not after ten (10) days after the expiration thereof, provided that such removal does not cause any damage to the Premises. Any damage caused by the removal of Tenant's personal property shall be repaired by Tenant at Tenant's expense. If Tenant fails to repair any such damage Landlord may repair the damage and deduct the costs thereof from Tenant's security deposit, with Tenant remaining liable for the excess, if any, over the security deposit. At the expiration of this Lease, at Landlord's direction, Tenant shall remove any such personal property from the Leased Premises at Tenant's sole cost and expense, repairing any damage to the Leased Premises occasioned thereby.
- B. Tenant may have prepared plans and specifications for the construction of Tenant Modifications, and, if so, such plans and specifications are attached hereto as Exhibit "B" and incorporated herein by reference. Tenant shall obtain all certificates, permits, licenses and other authorizations of governmental bodies or authorities which are necessary to permit the construction of the improvements on the Leased Premises and shall keep the same in full force and effect at Tenant's cost.
- C. Tenant shall negotiate, let and supervise all contracts for the furnishing of services, labor, and materials for the construction of Tenant Modifications on the Leased Premises at its sole cost and expense. All such contracts shall require the contracting party to guarantee performance and all workmanship and materials installed by it for a period of one year following the date of completion of construction. Tenant shall cause all contracts to be fully and completely performed in a good and workmanlike manner and lien free, all to the effect that the improvements shall be fully and completely constructed and installed in accordance with good engineering and construction practice. Tenant shall include in any contract for the construction of Tenant Modifications a requirement that bonds in the full amount of the contract sum be furnished guaranteeing the faithful performance of the contract requirements and the payment of any and all subcontractors.
- D. During the course of Tenant Modifications, Tenant shall, at its cost, keep in full force and effect a policy of builder's risk and liability insurance in a sum equal to three

times the amount expended for construction of the improvements. All risk of loss or damage to the improvements during the course of construction shall be on Tenant with the proceeds from insurance thereon payable to Landlord.

E. Nothing herein shall alter the intent of the parties that Tenant shall be fully and completely responsible for all aspects pertaining to the construction of Tenant Modifications to Leased Premises and for the payment of all costs associated therewith. Landlord shall be under no duty to investigate or verify Tenant's compliance with the provisions contained herein. Moreover, neither Tenant nor any third party may construe the permission granted Tenant hereunder to create any responsibility on the part of Landlord to pay for any improvements, alterations or repairs occasioned by Tenant.

11. UTILITIES

Landlord shall pay the amount due for charges for water, sewer, gas, and electricity and separately invoice Tenant for Tenant's share of the charges as determined by Landlord in its reasonable judgment utilizing any reasonable method of apportionment. Tenant shall pay the utilities invoice upon the due date for the monthly payment of this Lease or the first of the month, whichever comes first. Tenant shall be responsible for all of its own telecommunications/cable/Internet charges.

Tenant acknowledges that the Leased Premises are designed to provide standard office or retail use electrical facilities and standard office lighting. Tenant shall not use any equipment or devices that utilize excessive electrical energy or which may, in Landlord's reasonable opinion, overload the wiring or interfere with electrical services to other tenants.

12. SIGNAGE

A. Exterior Signs. Landlord will provide one exterior sign located on the east side of the Building. Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect and thereafter, to repair or replace, if it shall so elect, signs on any portion of the Leased Premises, provided that Tenant shall remove any such signs upon termination of this Lease, and repair all damage occasioned thereby to the Leased Premises, all at Tenant's sole cost and expense.

B. Interior Signs. Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, maintain, place and install its usual and customary signs and fixtures in the interior of the Leased Premises.

13. ENTRY

Landlord shall have the right to enter upon the Leased Premises at reasonable hours (absent emergency [during which Landlord may enter to inspect/endeavor to abate emergency]) to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

14. PARKING

During the term of this Lease, Tenant shall have the non-exclusive use in common with Landlord, other tenants of the Premises, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Landlord. Landlord reserves the right to designate parking areas within the Premises or in reasonable proximity thereto, for Tenant and Tenant's agents and employees or for others within or utilizing the Building.

15. MECHANIC'S AND OTHER LIENS

Tenant shall pay before delinquent all sums of money which, if unpaid, would entitle any person to a mechanic's or material supplier's or laborer's lien against the Leased Premises, or on Tenant's interest under this Lease. Tenant agrees that it will neither do any act, nor fail to do any act, which would result in the recordation of any lien against the Leased Premises, the Building or the Silver King Market Place as a whole.

16. INSURANCE AND INDEMNIFICATION

A. INDEMNIFICATION

- (i) To the fullest extent permitted by law, Tenant shall defend, indemnify and hold harmless Landlord (i.e., the Town of Florence), its agents, officers, officials (whether elected or not), attorneys and employees (collectively, the "Indemnified Parties") from, of and against all claims, damages, losses and expenses (including, but not limited to, attorneys' fees [whether or not suit is brought], court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted either wholly or in part from the acts, errors, mistakes, omissions, work or services of Tenant, its agents, employees, contractors, subcontractors or business invitees in the performance of this Agreement, and regardless of whether or not such claim, damages, loss or expenses are caused in part by Landlord.
- (ii) Tenant's duty to defend, hold harmless and indemnify the Indemnified Parties and each of them shall arise in connection with any claims, damages, losses or expenses that are attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused either wholly or in part by Tenant's acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee or business invitee of Tenant or any other person for whose acts, errors, mistakes, omissions, work or services Tenant may be legally liable, and regardless of whether or not such claim, damages, losses or expenses are caused in part by Landlord.
- (iii) The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph 16A.

(iv) Landlord reserves the right to amend the requirements herein at any time during the Lease subject to at least 30 days written notice. Coverage provided by the Tenant shall not be limited to the liability assumed under the Indemnification provision of this Lease. To the extent permitted by law, Tenant waives all rights of subrogation or similar rights against Landlord. Landlord reserves the right to require complete copies of all insurance policies required by this Lease at any time. Failure to maintain the insurance policies required by this Lease, or to provide evidence of renewal, is a material breach of contract.

B. INSURANCE REQUIREMENTS

(i) Tenant, at Tenant's own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to Landlord.

(ii) All insurance required herein shall be maintained in full force and effect during any term of this Lease; failure to do so may, at the sole discretion of Landlord, constitute a material breach of this Lease.

(iii) Tenant's insurance shall be primary insurance, and any insurance or self-insurance maintained by Landlord shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect Landlord.

(iv) The insurance policies required by this Agreement shall name Landlord and any other Indemnified Parties designated by Landlord as Additional Insured(s).

C. REQUIRED COVERAGES

(i) General Liability/Contractual Indemnity

(a) Tenant shall, at Tenant's expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 000211093(October 2001 version). The coverage shall not exclude X, C, U.

(b) Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision, which would serve to limit third party action over claims.

(c) The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s, Additional Insured, Form B, CG20101185 (October 2001 version).

(ii) Property Insurance

(a) Landlord shall obtain and keep in force during any term of this Lease, a policy or policies of insurance covering loss or damage to the Leased Premises, in the amount of the full replacement value thereof, providing protection against all perils included within the classification of fire, flood, extended coverage, vandalism, malicious mischief and special extended perils.

(b) Tenant shall obtain and keep in force during any term of this Lease, a policy or policies of insurance covering loss or damage to the contents of the Leased Premises. Tenant agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income there from, or for loss or damage to goods, wares, merchandise or other property in or on the Leased Premises owned or belonging to Tenant, Tenant's employees, invitees, customers, or any other person in or about the Leased Premises; nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, invitees, agents or contractors, whether such damage or injury to persons or property is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or light fixtures or from any other cause; or whether the said damage or injury to person or property results from conditions arising upon the Leased Premises or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant.

(iii) Certificates of Insurance

(a) Prior to delivery of possession of the Leased Premises to Tenant, Tenant shall furnish Landlord with proof of payment acceptable to Landlord of any required coverages hereunder, together with Certificates of Insurance, or formal endorsements as required by this Lease, issued by Tenant's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Lease are in full force and effect.

(b) In the event any insurance policy (ies) required by this Lease is (are) written on a "claims made" basis, coverage shall extend for two years past the expiration of any term of this Lease as evidenced by annual Certificates of Insurance.

(c) If a policy does expire during any term of this Lease, a renewal certificate must be sent to Landlord fifteen (15) days prior to the expiration date.

17. DEFAULTS AND REMEDIES

A. DEFAULTS

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

- (i) The vacating or abandonment of the Leased Premises by Tenant;
- (ii) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due;
- (iii) The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than described in subsection (ii) above, where such failure shall continue for a period of fifteen (15) days after written notice hereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than fifteen (15) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said fifteen (15) day period and thereafter diligently prosecutes such cure to completion, such additional time to complete not to exceed thirty (30) additional days.
- (iv) The making by Tenant of any general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets, located at the Leased Premises, or, of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or, the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Leased Premises or of Tenant's interest in this Lease where such seizure is not discharged within thirty (30) days; or
- (v) The filing or recordation of a lien against the Leased Premises, the Building or the Silver King Market Place as a whole due to any action or inaction of Tenant.

B. REMEDIES

- (i) In the event of any such default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:
- (ii) Terminate Tenant's right to possession of the Leased Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Leased Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including but not limited to, the cost or recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises; reasonable attorneys' fees; any real estate commission actually paid; and the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds

the amount of such rental loss for the same period that Tenant provides could be reasonably avoided. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of: 1) retaking possession of the Premises and recovering from Tenant the amount specified in this paragraph; or 2) proceeding under subsection (iii) immediately below.

(iii) Maintain Tenant's right to possession, in which case this Lease shall remain in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

(iv) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of Arizona, including the right to declare a landlord's lien on Tenant's personal property located on the Leased Premises. Where a landlord's lien is declared by Landlord, Landlord may, without notice or demand to Tenant, terminate Tenant's right to possession of the premises until Landlord has secured sufficient personal property or full payment of rent to satisfy the amount of rent owed. Should Landlord declare a landlord's lien on the Leased Premises pursuant to this paragraph, this Lease shall not be considered terminated, and Landlord shall have a right to recover rent as it becomes due.

C. DEFAULT BY LANDLORD

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than fifteen (15) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligations; provided however, that if the nature of Landlord's obligation is such that more than fifteen (15) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty day period and thereafter diligently prosecutes the same to completion. If Landlord does not perform, the holder of any first mortgage may perform in Landlord's place and Tenant must accept such performance.

D. HOLDOVER BY TENANT

If Tenant shall hold over after expiration of the Initial Term, or any extension of the Initial Term, such tenancy shall be from month-to-month only upon such terms, covenants, and conditions as set forth herein except for those relating to the term of the Lease. Any such month-to-month tenancy may be terminated by Landlord upon thirty (30) days notice to Tenant. However, nothing herein shall be construed as or deemed a waiver of any rights of Landlord to take such action in law or equity as Landlord may have under the provisions of this Lease or otherwise.

E. BANKRUPTCY OF TENANT

If Tenant should make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or be adjudicated bankrupt or insolvent, or permit a receiver to be appointed to take possession of a substantial portion of the Tenant's assets or of this leasehold, and such bankruptcy, insolvency or receivership proceedings not be dismissed within thirty days, then Lessor may, without notice or demand, terminate this Lease and forthwith re-enter and repossess the demised premises and remove all persons, and under no circumstances shall this Lease be assigned or transferred by operation of law.

18. DAMAGE AND DESTRUCTION

Subject to the Insurance provisions contained herein, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant subject to the provisions of this Lease which may permit Landlord to retain such payments. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

19. TITLE

A. Subordination. Tenant shall, upon the request of Landlord in writing, subordinate this Lease to the lien of any present or future institutional mortgage/deed of trust upon the Leased Premises irrespective of the time of execution or the time of recording of any such mortgage; provided, however, that as a condition to such subordination, the holder of any such encumbrance shall enter first into a written agreement with Tenant reasonably satisfactory to such encumbrancer in form suitable for recording to the effect that:

(i) In the event of foreclosure or other action taken under the encumbrance by the holder thereof, this Lease and the rights of Tenant hereunder shall not be disturbed but

shall continue in full force and effect so long as Tenant shall not be in default hereunder; and

(ii) Such holder shall permit insurance proceeds and condemnation proceeds to be used for any restoration and repair required by the Damage and Insurance provisions of this Lease. Tenant agrees that if the encumbrancer or any person claiming under the encumbrancer shall succeed to the interest of Landlord in this lease, Tenant will attorn to and recognize said encumbrancer or person as its Landlord under the terms of this Lease; provided that said encumbrancer or person for the period during which said encumbrancer or person respectively shall be in possession of the Leased Premises and thereafter their respective successors in interest shall assume all of the obligations of Landlord hereunder, but shall not be liable for prior defaults of Landlord hereunder. The word "mortgage", as used herein includes mortgages, deeds of trust or other similar instruments, and modifications, and extensions thereof. The term "institutional mortgage" means a mortgage securing a loan from a bank (commercial or savings) or trust company, insurance company or pension trust or any other lender institutional in nature and constituting a lien upon the Leased Premises.

B. Quiet Enjoyment. Landlord covenants and agrees that upon Tenant paying the rent and observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and performed hereunder, that Tenant may peaceably and quietly have, hold, occupy and enjoy the Leased Premises in accordance with the terms of this Lease without hindrance or molestation from Landlord or any persons lawfully claiming through Landlord.

20. ATTORNEYS' FEES

In the event of any legal action between Landlord and Tenant to enforce any of the provisions and/or rights hereunder, the unsuccessful party to such action agrees to pay to the other party all costs and expenses, including reasonable attorneys' fees incurred in prosecuting or defending such action, and if judgment is recovered in such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment.

21. NOTICES

Any notice required to be given by or to either Landlord or Tenant pursuant to this Lease, shall be in writing and shall be forwarded by certified mail, postage prepaid, addressed as follows:

For Landlord:

Town of Florence
Town Manager
P.O. Box 2670
775 North Main Street

For Tenant:

Pastor
Florence Mosaic Church of the Nazarene
2363 N. Smithsonian Dr.
Florence, AZ 85132

Florence, AZ 85132

22. WAIVER

A waiver of any breach of this Lease, or of any of the terms or conditions by either party hereto, shall not be deemed a waiver of any repetition of such breach or in any way affect any other terms or conditions hereof. No waiver shall be valid or binding unless it shall be in writing and signed by the parties.

23. CANCELLATION OF AGREEMENT

Pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein by reference, all parties are hereby put on notice that this Lease is subject to cancellation by Landlord if any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of Landlord is, at any time while this Lease or any extension of this Lease is in effect, an employee or agent of Tenant in any capacity or a consultant to Tenant with respect to the subject matter of this Lease.

{BALANCE OF THIS PAGE LEFT BLANK INTENTIONALLY; SIGNATURES AND
ACKNOWLEDGEMENTS APPEAR ON PAGE FOLLOWING}

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first written above.

LANDLORD:

TOWN OF FLORENCE, an Arizona municipal corporation

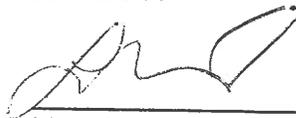


Tom J. Rankin, Mayor

9-20-11

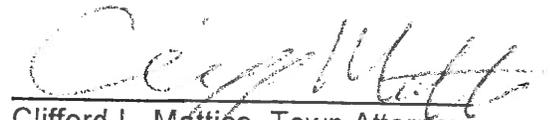
Date

ATTEST:



Lisa Garcia, Town Clerk

APPROVED AS TO FORM:



Clifford L. Mattice, Town Attorney

TENANT:

Florence Mosaic Church of the Nazarene, an Arizona non-profit corporation

By: Rev. Kevin McGinnis / Glenn Bruce McLean

Its: Senior Pastor

Date: Sept 22, 2016

STATE OF ARIZONA)
) ss.
County of Pinal)

On this 22 day of September, 2016, before me, the undersigned Notary Public, personally appeared Kevin B. McGinnis, the Pastor of Florence Mosaic Church of the Nazarene, an Arizona non-profit corporation, and that as such, being authorized so to do, executed the foregoing instrument for the purpose therein contained on behalf of the said company.

(Seal and Expiration Date)

Patricia Buchanan
Notary Public

My Commission Expires:

January 10, 2020

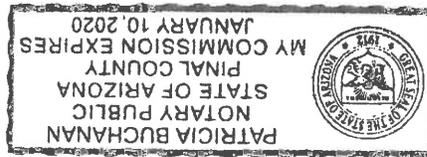


EXHIBIT A

Business Summary

Florence Fudge Co. is a fudge and sandwich shop located in Suite 101 of the Silver King Market Place in downtown Florence. The focus is on fast, quality lunches and fudge. By preparing menu items using a quick-service system, presenting a simple menu, and offering delivery to the downtown area, the Fudge Co. gives its customers a solution to their lunch desires. A variety of different fudges, up to 12 flavors, are offered each day. The restaurant is open Monday through Friday, from 8:00 a.m. until 4:00 p.m. during the winter months and from 10:00 a.m. until 3:00 p.m. during the summer months. On Saturdays, the restaurant is open from 10:00 a.m. until 2:00 p.m.

The Florence Church of the Nazarene purchased Door County Fudge Co. and changed the business name to Florence Fudge Co. in 2010. The Florence Fudge Co. is governed by the Board of Directors of Florence Mosaic Church of the Nazarene. Pastor Kevin McGuinness is the Chairman and the Board includes Merritt Strunk, Dee Jones, John MacKenzie, Fred MacKenzie, Gerrit Griffieon, Chris Terhaar, Jim Popp, Susan Kerestes, and Doretta Allison. General Manager is Doretta Allison who, as a volunteer, does the purchasing, payroll, financial records and helps out occasionally in the shop as needed. The Operations Manager is Cory Ecenbarger. Christin Kemplin and Emily Allee are employees.

Public relations, press releases, event promotions, fundraisers, and catering promotion are the core of the marketing strategy. The restaurant focuses on social media, public relations, and local events for lunch sales to the business target market. Advertising and sales incentives have been used with our target markets and loyal customers. Word of mouth has been the most important part of the marketing strategy because the target markets have become familiar with the restaurant and credibility has definitely been established. A website has been set up and is used as a sales tool to communicate the menu offerings, catering options, restaurant location, and concept. Business cards that feature a discount also are used to promote the business.

The Florence Fudge Co. is a ministry of the Florence Mosaic Church of the Nazarene. A percentage of the revenues go to help fund the Downtown Ministry of the Florence Mosaic Church that operates under the 501(c)3 non-profit status of the General Board of the Church of the Nazarene. Revenues generated by the Florence Fudge Co. funds virtually the entire annual budget of Love Works Pregnancy Resource Center which supplies clothing and provides education classes, etc. to the citizens of Florence who need help. Revenues also fund the Diaper Pantry that is an extension of Love Works.

EXHIBIT B

Tenant Modifications

[PLACE HOLDER FOR ALL PERMANENT TENANT IMPROVEMENTS]

Addendum One to Extend Initial Term on Lease Agreement
Dated October 1, 2016

This Addendum One is made and entered into as of November 6, 2017 to the Lease Agreement dated October 1, 2016, by and between the Town of Florence, Arizona "Landlord" and Florence Mosaic Church of the Nazarene, Inc. "Tenant".

This Addendum One is intended to and shall modify Paragraph 2. Term of said Lease Agreement, by extending the Initial Term to the 30th day of September, 2018.

This Addendum One is intended to and shall modify Paragraph 3. Extensions of said Lease Agreement, by changing the lease end date to the 30th day of September, 2018.

Any term or provision of the Lease Agreement which applies to Paragraph 2. Term and Paragraph 3. Extension shall also apply to this Addendum One. This Addendum One shall be attached to and incorporated into the Lease Agreement as though fully set forth therein.

Paragraph 2. Term

The Lease term shall begin on the **1st day of October, 2016**, and end on the **30th day of September, 2018** (the "Initial Term"). Landlord shall use its best efforts to put Tenant in possession of the Leased Premises at the beginning of the Initial Term. If Landlord is unable to timely provide the Leased Premises for occupancy by Tenant, rent shall abate for the period of delay. Tenant agrees it shall make no other claim against Landlord for any such delay.

Paragraph 3. Extensions

The Parties hereto may elect to extend the Initial Term upon such terms and conditions as may be agreed upon in writing and signed by the Parties at the time of any such election, provided that Tenant gives notice of its request to extend the Initial Term no later than sixty (60) days prior to the expiration of the Initial Term. If Tenant does not elect to extend the Initial Term in accordance with this paragraph, this Lease shall end on **the 30th day of September, 2018** (the "Expiration Date") and thereafter Tenant may only occupy the Premises on a month-to-month basis. Such month-to-month tenancy may be terminated by Landlord upon thirty (30) days notice to Tenant. Landlord's acceptance of rent payments after the Expiration Date shall not constitute a renewal of this Lease Agreement.

Applicability of Lease. Except as amended hereby, the Lease Agreement shall remain in full force and effect.

[BALANCE OF THIS PAGE LEFT BLANK INTENTIONALLY; SIGNATURES AND
ACKNOWLEDGEMENTS APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Addendum to Lease Agreement as of the day and year first written above.

LANDLORD:

TOWN OF FLORENCE, an Arizona municipal corporation

Tara Walter
Tara Walter, Mayor

November 6, 2017
Date

ATTEST:

Lisa Garcia
Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford Mattice
Clifford Mattice, Town Attorney

LESSEE:

Mosaic Church of the Nazarene, Inc.

By: [Signature]

Its: CEO / CHAIRMAN / OWNER

Date: November 7, 2017

ASSIGNMENT OF LEASE BY LESSEE WITHOUT CONSENT OF LESSOR

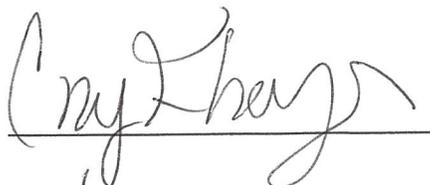
This Assignment made March 10, 2020, by Florence Mosaic Church of the Nazarene, LLC "Assignor", to Corey Ecenbarger dba Florence Fudge Co. "Assignee". For value received, Assignor assigns and transfers to Assignee the Silver King Market Place Lease Agreement, "Lease" dated October 1, 2016, executed by Assignor as Lessee and by Tom J. Rankin, Mayor of the Town of Florence, as Lessor, of the following described premises: 570 square feet located at [440 North Main Street, Suite 101, Florence, Arizona](#) also known as the Silver King Market Place, together with all right, title, and interest in and to the Lease and premises, subject to all conditions and terms contained in the Lease, to have and to hold from March 10, 2020, until the present term of the Lease that expired on September 30, 2018 and thereafter occupancy is on a month to month basis in accordance with Addendum One to Extend Initial Term on Lease Agreement dated October 1, 2016. Said Assignment is made in accordance with Section 8 of the Lease. A copy of the Lease is attached hereto and made a part hereof by reference. Assignee agrees to hold the Assignor harmless with regard to any of the duties and/or responsibilities contained in the Lease. Assignor covenants that he is the lawful and sole owner of the interest assigned hereunder; that this interest is free from all encumbrances; and that he has performed all duties and obligations and made all payments required under the terms and conditions of the Lease, Assignor grants to Assignee the amount of \$500.00 for the security deposit that is currently on file with the Town of Florence and said Deposit will then be transferred into the account of Corey Ecenbarger dba Florence Fudge Co. Assignee agrees to pay all rent and utilities due after the effective date of this Assignment, and to assume and perform all duties and obligations required by the terms of the Lease.

Dated: 5-11, 2020

Assignor: 

Date: 5-11-2020

Printed Name: Doretta Allison

Assignee: 

Date: 5-13-2020

Printed Name: Corey Ecenbarger

MINUTES OF THE TOWN OF FLORENCE COUNCIL MEETING OF THE FLORENCE TOWN COUNCIL HELD ON MONDAY, APRIL 6, 2020, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

SPECIAL NOTICE REGARDING PUBLIC MEETINGS

Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, the Town of Florence has determined that public meetings will be indefinitely held through technological means. Meetings will be open to the public through technological means. In reliance on, and in compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, and in conjunction with the Emergency Proclamation signed by Mayor Tara Walter, on March 18, 2020. The Town of Florence provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

To attend the meeting noticed below by technological means, members of the public may:

- 1. Access the link to watch a video stream on the Town website: www.FlorenceAZ.gov/tv or view the meeting live on Cox TV Channel 11.*
- 2. To call in and listen, please dial [1\(602\) 666-0783](tel:16026660783) Access code: [627 992 591](tel:627992591)*

Members of the public may submit written comments relating to this meeting to Town Clerk Lisa Garcia by emailing lisa.garcia@florenceaz.gov at any time until one hour prior to the posted start time for the meeting. Please be sure to include your name and address for the record as well as the meeting date (and Agenda Item #, if applicable) in the subject of your email.

If any member of the public has difficulty connecting to the meeting, they are invited to contact the Town of Florence Information Technology Helpdesk at (520) 868-7543.

The agenda for this meeting is as follows:

CALL TO ORDER

Mayor Walter called the meeting to order at 6:03 p.m.

ROLL CALL:

*Present: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes (*all Council appeared telephonically)

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.

PUBLIC HEARING AND PRESENTATION

Public Hearing on an application received from Kim Kenneth Kwiatkowski, Circle K Store #9544, located at 3310 N. Hunt Highway, Florence, Arizona, for a new Series 010 Beer and Wine Store liquor License and for Council recommendation for approval or disapproval of said license.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that no public comments were received nor has anyone called in to speak at the public hearing. She stated that Circle K called and wanted to ensure that the application was on the agenda. She advised them that several councilmembers had commented that American Leadership Academy (ALA) was not listed on their application. Based on this, it would be noted for the record, and will ensure that the Arizona Department of Liquor License and Control knows that the ALA school is near proximity. She noted that it is not within the 300 feet limit.

Ms. Garcia stated that the Town Clerk's Office did post the notice for the required 20 days and received zero comments.

Mayor Walter opened the public hearing. There being no public comment, Mayor Walter closed the public hearing.

Vice-Mayor Anderson inquired when they will start construction.

Ms. Garcia stated that the application is for the liquor license only and does not include construction documents.

Vice-Mayor Anderson inquired if the Town is approving a license for a building that is not there.

Ms. Garcia stated that Circle K is requesting a license for a future location for a Circle K Convenience Store.

Mr. Larry Harmer, Senior Planner, stated that the Town had a pre-application meeting with the applicants, approximately five months ago. The pre-application meeting allows them to present

preliminary site plans. They received information on the Town's requirements, and they are now in their application phase.

Mr. Harmer stated that typically the liquor license is applied for prior to those submittals so they know that the services they want to provide will be available to them should they proceed with the actual construction.

Mayor Walter stated that years ago, Circle K stated that they would not leave their two buildings on Main Street vacant; however, the buildings are boarded up and remain vacant. She understands that the buildings are available for lease; however, she asked that Mr. Harmer have additional conversations with them regarding the buildings.

Vice-Mayor Anderson inquired if they would have a patio. It is his understanding that all Circle K facilities have patios.

Ms. Garcia stated that site plans for the Circle K facility have not been submitted at this time; the application is solely for the liquor license. At the time that they submit their site plans, anyone who has a liquor license can go back to the State and to the Town Council and amend their application if they are going to change their building, grow the building or make on site improvements that were not included in the original application.

Vice-Mayor Anderson stated that Circle K has listed within the application, an estimated completion date of August 1, 2021.

On motion of Councilmember Wall, seconded by Councilmember Hughes, and carried (6-0), to forward a recommendation for approval on an application received from Kim Kenneth Kwiatkowski, Circle K Store #9544, located at 3310 N. Hunt Highway, Florence, Arizona, for a new Series 010 Beer and Wine Store liquor License.

Proclaim April 11 – 17, 2020 as Week of the Young Child.

Ms. Michelle Reimer, MA, Community Outreach Coordinator for First Things First, has requested the Town show its support by proclaiming April 11 – 17, 2020 as Week of the Young Child and acknowledge the importance of education for our children in our community. Due to the COVID-19 Pandemic, many of the planned events have been suspended; however, this does not diminish the need to recognize the importance of education for our youth.

Mayor Walter proclaimed April 11 – 17, 2020 as Week of the Young Child.

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. Acceptance of funds from the Arizona Department of Homeland Security, in the amount of \$177,020 for overtime wages/benefits, and vehicle mileage to conduct Operation Stonegarden (OPSG) border enforcement activities.**

- b. Approval to enter into a professional services contract with Commonwealth Electric Company, for On-Call Electrical Services, with up to four renewable one-year options, in an amount not to exceed \$30,000.**
- c. Approval to enter into a professional services contract with Geuther Electrical LLC, for On-Call Electrical Services, with up to four renewable one-year options, in an amount not to exceed \$50,000.**
- d. Approval of accepting the register of demands ending February 29, 2020, in the amount of \$2,013,354.34.**

On motion of Councilmember Wall, seconded by Councilmember Larsen, and carried (6-0) to approve the Consent Agenda, as written, with the exception of Item b and Item c.

- b. Approval to enter into a professional services contract with Commonwealth Electric Company, for On-Call Electrical Services, with up to four renewable one-year options, in an amount not to exceed \$30,000.**

Vice-Mayor Anderson stated that the Purchasing Policy calls for a bid evaluation to be included in the packet; however, it is not included in either Item b or Item c. He stated that he has asked for this to be included several times and it is still not being included. He inquired what needs to be done so that the information is included.

Mr. Chris Salas, Public Works Director, stated that he will research this further. He stated that it was a public bid and there were only two responders. Both responders, Commonwealth Electric Company and Geuther Electrical, LLC, will be awarded the bid. His concerns are noted, and they will always include a bid tabulation sheet.

Vice-Mayor Anderson asked that a listing be included of everyone that the bid was sent to.

Mr. Salas stated that the bid is not sent to anyone in particular, but rather advertised as an open bid. It is advertised on the Town's website as well as two consecutive times in the newspapers that meet the requirements under the State law.

Vice-Mayor Anderson stated that this also needs to be included in the packet.

On motion of Vice-Mayor Anderson, seconded by Councilmember Cordes, and carried (6-0) to approve entering into a professional services contract with Commonwealth Electric Company, for On-Call Electrical Services, with up to four renewable one-year options, in an amount not to exceed \$30,000.

- c. Approval to enter into a professional services contract with Geuther Electrical LLC, for On-Call Electrical Services, with up to four renewable one-year options, in an amount not to exceed \$50,000.**

On motion of Vice-Mayor Anderson, seconded by Councilmember Cordes, and carried (6-0) to approve entering into a professional services contract with Geuther Electrical LLC, for On-Call

Electrical Services, with up to four renewable one-year options, in an amount not to exceed \$50,000.

UNFINISHED BUSINESS

Ordinance No. 689-20:

Mayor Walter Ordinance No. 689-20 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, ADMINISTRATION AND PROCEDURES SECTIONS 150.000 TO 150.019 AND ADDING SECTIONS 150.020 TO 150.024, AND RELOCATING "PART 1. GENERAL PROVISIONS," SECTIONS 150.080 AND 150.081 TO THE ADMINISTRATION AND PROCEDURES SECTIONS 150.020 AND 150.021, RESPECTIVELY.

Mr. Larry Harmer, Senior Planner, stated that previously the Town held a public hearing and had the first reading of Ordinance No. 689-20. He stated that the changes are as follows:

- Administrative cleanup
 - Identified as one of the priorities that needed to be done regarding the Development Code.
- Added legislative changed items to ensure that the Town is current.
- Packaged internal workings of the Code to be more readable and in a user-friendly manner.
 - Added section for temporary use permit

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6-0) to adopt Ordinance No. 689-20.

Ordinance No. 692-20:

Mayor Walter read Ordinance No. 692-20 by title only.

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE CODE OF ORDINANCE, TOWN OF FLORENCE, TITLE XI BUSINESS REGULATIONS, BY AMENDING CHAPTER 111, SECTION 111.05 (F) OPERATIONAL REQUIREMENTS.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that the ordinance is for the food truck amendments. The first reading was held on March 16, 2020 and Council also adopted a resolution which allowed for the Town of Florence to suspend those rules. It took the rules from being 250 feet from a residential area to 50 feet from a residential area. It also allows for food trucks that are using solar or less than 66 decimals at the property line to be within 50 feet of a residence.

Councilmember Cordes inquired if food trucks are allowed to set up on a commercial lot next to a restaurant.

Ms. Garcia stated that per State Law, food trucks are allowed to set up on any public street as long as they are not on a residential zone. They need to park in the right direction and can remain there for six hours or less. The Town has a map depicting the residential zone areas in Florence. Property owners of commercial properties can invite food trucks onto their property and provide

them a letter indicating that they have permission to utilize their property. Food trucks can also park in parking spaces.

Discussion occurred on various scenarios.

Ms. Garcia stated that food trucks can park for no more than six hours in a residential area.

Councilmember Anderson asked about the business who wanted to have a food truck on an empty lot until such time that he could build on the property. He asked how long a food truck can park on a commercial property.

Ms. Garcia explained that the Town modified the Code because of the concerns that were brought forward by that property owner who wanted to have a food truck on his property, and it was within 250 feet of a residential area. The Town has changed the boundary to be 50 feet from a residential area to allow for food trucks to vend in Florence.

Ms. Garcia stated that the intent of a food truck is for them to park in a location for a temporary period of time and would normally leave once they are done vending for the day. State Statutes outline the specifics. She can provide the State Statute to all Council via email.

On motion of Councilmember Wall, seconded by Councilmember Anderson, and carried (6-0) to adopt Ordinance No. 692-20.

NEW BUSINESS

Discussion/Approval/Disapproval to enter into a contract with Sunland Asphalt & Construction Inc., for the reconstruction of 28 handicap ramps and 10 non-compliant driveways and sidewalks around the Florence K-8 School, in an amount not to exceed \$156,757.80.

Mr. Salas stated that the various handicap ramps and driveways surrounding the Florence K-8 school are not in compliance with the Americans with Disabilities Act (ADA) standards. They lack specific standards of size, slope and truncated domes for the handicap ramps. This area was identified in the Safe Routes to School Study. The study bolsters the ability to obtain grant money because the study supports the need.

Ms. Salas stated that they will utilize the State Procurement Process. The Sunland Asphalt & Construction Inc. contract includes the specific language for federally funded projects through job order contracting, which is difficult to obtain. Fortunately, the Town was able to utilize this contract through job order contracting for this project. The other difficulty is that there are no construction project documents for ADA projects. Because of this, the project would cost between 180% – 190% of the Town's current cost if they had engineer plans. The plans would cost between \$75,000 - \$80,000; however, the Town is spending approximately \$138,000 on the project because we are able to use job order contracting.

Vice-Mayor Anderson inquired what truncated domes are.

Mr. Salas explained that truncated domes are the raised detectable warning device which are raised bumps on a pathway or platform.

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6-0) to approve a contract with Sunland Asphalt & Construction Inc. for the reconstruction of 28 handicap ramps and 10 non-compliant driveways and sidewalks around the Florence K-8 School, in an amount not to exceed \$156,757.80.

Discussion/Approval/Disapproval of the following changes to the Community Services Advisory Board: (Lisa Garcia)

Accept Tom Smith's resignation from the Community Services Advisory Board.

Appoint Doris Hagemann and William Vitalec to the Community Services Advisory Board with terms to expire December 31, 2022.

Ms. Garcia stated that after the Council adopted the ordinance that established the Community Services Advisory Board, staff called each member from the Parks and Recreation Advisory Board, Library Advisory Board and Arts and Culture Commission. It was explained that the boards had been combined and what the duties would entail. Each member was asked if they would like to continue to serve in this new capacity.

Ms. Garcia stated that Mr. Tom Smith stated that he has a lot going on, specifically with the rehabilitation of the Cuen Building, and would not be able to continue on the Community Services Advisory Board and would rather have someone else have the opportunity to serve on the Board.

Staff is requesting that Council accept Mr. Smith's resignation from the Community Services Advisory Council. Staff also had two applications on file and staff contacted them to see if they were still interested in service, which both are. She requested that Council also appoint Doris Hagemann and William Vitalec to the Community Services Advisory Board with terms to expire December 31, 2022.

Ms. Garcia stated that staff are still attempting to fill the vacancy of the two alternates as well as a teen liaison to the Board.

Mayor Walter thanked Mr. Smith for his service and welcomed Ms. Hagemann and Mr. Vitalec.

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6-0) to approve Tom Smith's resignation and to appoint Doris Hagemann and William Vitalec to the Community Services Advisory Board with terms to expire December 31, 2022.

MANAGER'S REPORT

Mr. Brent Billingsley, Town Manager, stated that his Manager's Report will change while the COVID 19 Pandemic is ongoing. There are many Executive Orders and Emergency Declarations at the various levels of government, and it is important to keep the Council and the public aware of the ongoing changes and the impacts.

Mr. Billingsley stated the following:

- As of today, confirmed Cases of COVID 19
 - Arizona - 2,456
 - Pinal County - 106
- As of today, confirmed deaths due to COVID 19
 - Arizona - 65
 - Pinal County – 0
- Florence is in Phase II with regards to its response to COVID 19
 - All Town facilities are closed to the public
 - Services are being provided online, telephonically, via email or by appointment
 - Staff has been set up in two different shifts
 - Weekly rotation for essential positions
 - Minimizes exposure to allow for continued service in the event if one the shift is exposed
 - Staff health screenings are occurring daily
 - Occur outside the building at 8:00 am at various Town buildings
 - Employees are asked Symptom-type questions and their temperature is taken
 - If employee is symptomatic or has temperature of 100.4# they are sent home and are asked to seek medical attention
 - Standardized staff hours work from 8:00 am to 4:00 pm Monday through Friday
 - If employees can telecommute, they are asked to do so.
- Emergency Response
 - Four polices were created to govern how the Town would make decisions staff the Town and provide essential resources
 - Social Distancing Policy
 - Maintain six feet of distance between individuals
 - Having meetings telephonically
 - No visiting of opposite side of building at Town Hall
 - Internal meetings are held by telephonic conference call
 - Essential and Non-Essential Positions Policy
 - Defining positions
 - Telecommuting Policy
 - Responsibilities
 - Town's Implementation of the Families First Coronavirus Response Act
 - Federal Acts that have occurred as a result of the coronavirus
 - How the Town is administering this
 - FSLA Regulations
 - ADA Regulations
- Recordkeeping
 - Track funds utilized regarding what was spent/ utilized during the pandemic for possible reimbursement.
 - Carl Dudding, Accountant, has been assigned the official recordkeeper.
 - Must turn in weekly reports to him
 - Hours spent directly tied to emergency
 - ✓ Meetings
 - ✓ Essential functions in response to emergency
 - Equipment used
 - Purchase of supplies

Mr. Billingsley discussed the ongoing cooperation with other entities in terms of the response with the Greater Florence Chamber of Commerce, Small Business (SBDC), Maricopa Association of Governments, Central Arizona Governments, Arizona Commerce Authority, Pinal County and key parts of the State and public safety entities.

Vice-Mayor Anderson inquired about the results of the testing that was done at the prisons.

Mr. Billingsley stated that he is not able to respond on the results themselves; however, the Town has worked with the correctional entities in Florence and a protocol has been put in place to protect our emergency response personnel as well as their personnel while still being able to maintain our level of service. Locations for triage and transportation have been identified and established to limit the exposure of all involved.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Hughes stated that she is proud of the Florence citizens and how everyone is helping each other. People are making masks and giving out care packages. This is a time of reflection and hope. She thanked everyone for their efforts and for keeping the Council informed.

Councilmember Cordes stated that people must remember those who suffer anxiety and depression. She asked that people may do some things to help them deal with their anxiety or depression that may not seem essential to you; however, it is beneficial to them as it may be a coping mechanism. She asked everyone to remain kind to one another. She reminded everyone to stay safe and to follow the safety protocols. She has attended a few meetings on Zoom and has found the process to be interesting.

Councilmember Larsen is proud of how Florence has responded. She has witnessed so many acts of kindness and generosity in the community. Communication and dissemination of information has been great. She understands that the fear and anxiety of dealing with the pandemic is real and everyone is reacting differently.

Councilmember Wall stated that this is a very difficult time, especially when you have family far away. She wants everyone to remain safe and thanked the staff who are helping the town residents get through this. She is very proud to be a resident of Florence.

Vice-Mayor Anderson stated that he and his wife have elected to self-quarantine and are grateful to the many people who have offered to do things for them such as shopping. He really appreciated everyone for their efforts and for all of the coordination to keep services going. Florence has a great group of employees who make living in Florence great.

Mayor Walter thanked all the staff for the ongoing communication. She stated that she has attended several meetings from the local level to the national level regarding COVID 19 data. A request has been made to identify the COVID 19 cases by zip code within Pinal County. Knowing

on where the cases are will help combat the spreading of the coronavirus as well as assist the first responders when responding.

Mayor Walter stated that counties are not being consistent across the State. Some are proactively communicating while others have been challenged to release information. There needs to be clear and consistent leadership at higher levels. Mayors from Eloy, Superior, Maricopa, and Casa Grande along with herself, will continue to work on this endeavor.

Mayor Walter stated that there are several acts of kindness being done including hearts in windows, bear hunt in windows, hiding painted rocks, etc. She is grateful that people can spend time with their family and to bring joy and hope to others.

Councilmember Cordes thanked Mount Athos, A & M Pizza and Jalapeno's for providing free meals to students during this time.

Mayor Walter stated that she has received emails from individuals regarding the great service she has received from the Town's employees. She asked that the public continue to send in their comments.

ADJOURNMENT

On motion of Councilmember Larsen, seconded by Councilmember Hughes, and carried (6-0) to adjourn the meeting at 7:05 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 April 6, 2020, 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 SPECIAL COUNCIL MEETING OF THE FLORENCE TOWN COUNCIL HELD ON WEDNESDAY, APRIL 15, 2020, 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 4:03 p.m.

ROLL CALL:

*Present: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Judy Hughes
(*all Council appeared telephonically)
Absent: Michelle Cordes

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1

CALL TO ORDER

Chairman Walter called the meeting to order at 4:04 p.m.

ROLL CALL:

*Present: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Judy Hughes
(*all Council appeared telephonically)
Absent: Michelle Cordes

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

CALL TO ORDER

Chairman Walter called the meeting to order at 4:05 p.m.

ROLL CALL:

*Present: Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Judy Hughes
(*all Council appeared telephonically)
Absent: Michelle Cordes

ADJOURNMENT TO A JOINT EXECUTIVE SESSION WITH MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 AND THE MAYOR AND COUNCIL OF THE TOWN OF FLORENCE.

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:

Discussion or consultations regarding a Notice of Claim filed by Merrill Ranch Owner's Agent, L.L.C., CMR/Casa Grande, L.L.C., Roadrunner Resorts, L.L.C. and Florence Copper, Inc. against Merrill Ranch Community Facilities Districts No. 1, Merrill Ranch Community Facilities District No. 2 and the Town of Florence.

Discussion or consultation potential and threatened claims against the Town and Districts.

Motioned, seconded, and carried (5-0) to adjourn to a Joint Executive Session with Merrill Ranch Community Facilities District No. 1, Merrill Ranch Community Facilities District No. 2 and the Mayor and Council of the Town of Florence.

Tara Walter, John Anderson (S), Karen Wall (M), Kristen Larsen, Judy Hughes

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 EXECUTIVE SESSION.

On motion of Vice-Chairman Anderson, seconded by Boardmember Wall, and carried (5-0) to adjourn from Merrill Ranch Community Facilities District No. 1 Executive Session.

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 MEETING.

On motion of Vice-Chairman Anderson, seconded by Boardmember Wall, and carried (5-0) to adjourn from Merrill Ranch Community Facilities District No. 1 meeting.

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 EXECUTIVE SESSION.

On motion of Boardmember Wall, seconded by Boardmember Hughes, and carried (5-0) to adjourn from Merrill Ranch Community Facilities District No. 2 Executive Session.

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 MEETING.

On motion of Boardmember Wall, seconded by Vice-Chairman Anderson, and carried (5-0) to adjourn from Merrill Ranch Community Facilities District No. 2 meeting.

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 pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325, including counterclaims.**
- 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 instruction on economic development agreements pending.**
- Town’s position on Emergency COVID-19 HR issues, potential and threatened claims regarding contracts.**

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (5-0) to adjourn to Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Councilmember Wall, seconded by Councilmember Hughes, and carried (5-0) to adjourn from Executive Session.

ADJOURNMENT

On motion of Councilmember Wall, seconded by Councilmember Larsen, and carried (5-0) to adjourn the meeting at 5:55 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 April 15, 2020, 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, APRIL 20, 2020, 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 p.m.

ROLL CALL:

Present: *Tara Walter, John Anderson, Karen Wall, Kristen Larsen, Michelle Cordes, Judy Hughes (*all Councilmembers appeared telephonically)

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.

PUBLIC HEARING AND PRESENTATION

Public Hearing to receive citizens comments and accept the Sanitation Rate Study proposed rate increases; and for Discussion/Approval/Disapproval of selecting Option 2, to be effective May 1, 2020.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that the Town did not received any comments pertaining to the proposed rate increases. She stated that the public was noticed of the public hearing and the opportunity to participate in the public hearing by calling in and/or submitting their comments to the Town Clerk no later than one hour prior to the start of the Council meeting.

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

Vice-Mayor Anderson inquired about the sanitation leakage in Anthem in which residents were obtaining service without paying for it.

Florence Town Council Meeting Minutes

April 20, 2020

Page 1 of 7

Mr. Carl Dudding, Accounting Manager, stated that Mr. Curtis Williams, Code Enforcement Officer, and Lindsey McKinley, Customer Service Representative, went to Anthem and contacted residents that had containers out but were not on the active list. Those individuals advised staff of when they returned and were retro-billed to the time that they returned. He stated that this will be an ongoing issue because they are not on the Town's water accounts so it is difficult to determine when they return.

Mr. Dudding stated that the issue is that the customers retain the containers while they are gone and just roll them out when they return.

Vice-Mayor Anderson inquired if staff could pick up the containers when they stop service.

Mr. Dudding stated that this may be a conversation that needs to take place, but one of the concerns is the manpower needed to pick up containers. Another option may be that there will be an automatic reconnect three months from the date of disconnect.

Councilmember Cordes inquired if they can be required to provide a reconnect date so that services will resume on a certain date.

Mr. Dudding stated that they can maintain a log manually, but he will need to check to see if the system allows for that type of function. This may also require Council action to make this type of change.

Councilmember Cordes stated that this may not require Council action.

Ms. Garcia stated that requiring a reconnect date at the time of disconnect would be a procedural change and would not require Council action.

Mr. Brent Billingsley, Town Manager advised Mr. Dudding to move forward with the two-phased approach in which the customer will be required to provide a reconnect date. If no date is provided, the customer is advised that service will automatically resume in three months from the date of disconnect.

Mr. Dudding stated that he will move forward with drafting a policy.

Councilmember Wall inquired if the options need to be discussed.

Mr. Billingsley stated the options were discussed at the previous meeting and Council provided direction to move forward with bringing Option 2 to Council for consideration.

On motion of Councilmember Cordes, seconded by Councilmember Larsen, and carried (6-0) to approve Option 2 of the proposed rates to be effective on May 1, 2020.

Proclaim April 19 – 25, 2020 as National Library Week.

Mayor Walter proclaimed April 19 – 25, 2020 as National Library Week. She played the video that was recorded with her reading the proclamation for the public. The video was uploaded to

the Town's social media site. She stated that there are a lot of opportunities to engage with the library remotely.

Proclaim April 2020 as Fair Housing Month.

Mayor Walter proclaimed April 2020 as Fair Housing Month. She played the video that was recorded with her reading the proclamation for the public.

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. **Authorization to enter into a contract with The SJ Anderson Company, to address occupant safety items related to egress in Suite 201 and the balcony area of the Silver King Marketplace, in an amount not to exceed \$63,215.21. (Chris Salas)**
- b. **Authorizing the Town's participation in an Intergovernmental Cooperative Purchase Agreement with Lead Contracting Agency, A Public Procurement Authority, to Cooperative Purchase 24 fire turnouts from Municipal Emergency Services using a three-year lease agreement in an amount not to exceed \$68,191.90. (David Strayer)**
- c. **Authorization to accept funds in the amount of \$24,469 from the Governor's Office of Highway Safety to purchase mobile data computer tablets for traffic records enforcement. (Bruce Walls)**
- d. **Approval of the Application and Affidavit for Uniform Video Service License by FibAire Communications, LLC d/b/a AireBeam for a term not to exceed 10 years. (Trenton Shaffer)**
- e. **Approval of the February 3, February 18, and March 2, March 16 and March 18, 2020 Town Council Meeting minutes.**

On motion of Councilmember Cordes, seconded by Councilmember Wall, and carried (6-0) to approve Items c and e on the Consent Agenda.

- a. **Authorization to enter into a contract with The SJ Anderson Company, to address occupant safety items related to egress in Suite 201 and the balcony area of the Silver King Marketplace, in an amount not to exceed \$63,215.21. (Chris Salas)**

Vice-Mayor Anderson stated that he is concerned about the stairs. It is his understanding that there is now open access to the balcony without going through the building.

Mr. Chris Salas, Public Works Director, stated that this issue was addressed by the Building Safety and Facilities Maintenance Departments. They worked with Code Enforcement and installed a Code allowable gate that only opens in one direction.

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6-0) approve the contract with The SJ Anderson Company, to address occupant safety items related

to egress in Suite 201 and the balcony area of the Silver King Marketplace, in an amount not to exceed \$63,215.21.

b. Authorizing the Town's participation in an Intergovernmental Cooperative Purchase Agreement with Lead Contracting Agency, A Public Procurement Authority, to Cooperative Purchase 24 fire turnouts from Municipal Emergency Services using a three-year lease agreement in an amount not to exceed \$68,191.90. (David Strayer)

Councilmember Wall inquired if the Town needs to purchase a second set of turnouts if one damaged beyond repair, or can it be added to the lease.

Mr. Billingsley stated that each firefighter will now have two sets of turnouts. They will still have a set in the event if one is damaged or needs to be cleaned. If a set of turnouts is damaged beyond repair, a new one will be provided. In the past, the firefighters have only had the one set and no backup.

Mr. David Strayer, Fire Chief, stated that one of the main drivers for this agreement is cancer prevention. A number of state laws have recently been passed related to fire service and mitigation efforts and the ability to rotate to a fresh set of turnouts after a fire is a huge step in avoiding carcinogens. It is a huge safety mechanism for the firefighters.

Mr. Strayer stated that this also provides a starting point for replacements. If a set of turnouts are damaged, it is considered a loss and, at times, may be processed through the Risk Pool.

On motion of Councilmember Wall, seconded by Vice-Mayor Anderson, and carried (6-0) to approve the Intergovernmental Cooperative Purchase Agreement with Lead Contracting Agency, A Public Procurement Authority, to Cooperative Purchase 24 fire turn-outs from Municipal Emergency Services using a three-year lease agreement in an amount not to exceed \$68,191.90.

d. Approval of the Application and Affidavit for Uniform Video Service License by FibAire Communications, LLC d/b/a AireBeam for a term not to exceed 10 years. (Trenton Shaffer)

Vice-Mayor Anderson inquired what this item is for.

Mr. Trenton Shaffer, IT Manager, stated that in 2018, the State of Arizona amended Title 9 for cable providers. This limits the Town's ability to regulate cable and video companies. It also required all municipalities to establish a uniform video license agreement that the cable providers are required to submit if they are going to conduct business within the Town limits, rights-of-way, etc. The Town is not able to charge application fees; however, the Town is able to charge a license fee. The form is standardized, and all video and cable providers must complete. The license fee is five percent which is the standard cost.

Mr. Shaffer stated that this specific application is for AireBeam and their area of operations include the downtown area and Florence Gardens. They provide cable service through fiber optics.

Vice-Mayor Anderson inquired if Cox has submitted their form as of yet.

Ms. Garcia stated that Cox has requested a copy of the standard agreement; however, they have not submitted as of yet.

On motion of Vice-Mayor Anderson, seconded by Councilmember Larsen, and carried (6-0) to approve the Application and Affidavit for Uniform Video Service License by FibAire Communications, LLC d/b/a AireBeam for a term not to exceed 10 years.

UNFINISHED BUSINESS

Resolution No. 1736-20: Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, ADOPTING REVISIONS TO THE TOWN OF FLORENCE PROPERTY LEASE POLICY.

Ms. Garcia stated that the policy changes have gone before Council at three separate meetings. She went over the final revisions. She noted that Council asked for the following changes, which have been included:

- Change lease to a modified triple net lease
- Include definitions
- Use 0.51 for a combination rate
- Discounted rates are included
- Changed hours to be a minimum of 35 hours per week
 - Minimum hours required to receive the summer discount rate
- 10% discount will be offered in the months of June, July and August
- RFP is due April 27, 2020

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall and carried (5-1; Yes: 5: Walter, Anderson, Wall, Larsen, Hughes; No: Cordes) to adopt Resolution No. 1736-20.

MANAGER'S REPORT

Mr. Billingsley discussed the latest Covid 19 figures

- Arizona 5,064 confirmed cases; 187 deaths
- Pinal County 256 confirmed cases; 7 deaths
- Florence 32 confirmed cases; 0 deaths
- Florence Prison 17 confirmed cases; 0 deaths
- Eyman Prison 4 confirmed cases; 0 deaths
- INS Facility 6 confirmed cases; 0 deaths
- GEO facility 1 pending case; 0 death

Mr. Billingsley stated that the numbers fluctuate because those who get better are removed from the list.

Mr. Billingsley stated that he was contacted by Council pertaining to a lawsuit filed in the Federal District Court from the Sierra Club on the EPA. The lawsuit pertains to what Sierra Club believes to be lack of enforcement on the Clean Air Act – Particulate Matter 10 Microns and smaller (PM 10) and PM 10 Non-Attainment Area for western Pinal County. PM 10 is dust matter in the air that has been known to cause illnesses in humans and Sierra Club believes that the EPA has not

done a good enough job of enforcing its rules in Western Pinal County. Florence is in the PM 10 Non-Attainment Area for Western Pinal County, along with Coolidge, Casa Grande, Eloy and Maricopa. There have been no exceedances in Florence for PM 10; however, they have had exceedances in Maricopa and Casa Grande.

Mr. Billingsley stated that he has reached out to Maricopa County of Governments (MAG) on how the Town should proceed and what the potential impact may be. He has not received feedback from MAG as of yet.

Mr. Billingsley stated that Pinal Partnerships will hold a virtual breakfast panel on April 24, 2020. The panel will include updates from Pinal County city managers. A mobile app from the Pinal Partnership website must be downloaded in order to participate.

Mayor Walter stated that she has a MAG meeting on April 22, 2020 if anyone has anything they would like discussed.

CALL TO THE PUBLIC

There were no public comments.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Larsen appreciates everyone checking in on each other. It helps with not only each person's physical health, but emotional health as well. She hopes everyone stays healthy and enjoys their families while we are in quarantine.

Councilmember Wall stated that it is important to practice social distancing and echoes Councilmember Larsen's sentiments.

Councilmember Hughes stated that she is feeling better and echoes the sentiment of the Council with regards to maintaining social distancing, staying healthy and enjoying the time with family.

Councilmember Cordes reminded everyone to support local businesses. It is important to help them during this difficult time to ensure they are still here when this is all over. Many of the retailers are available through electronic means.

Vice-Mayor Anderson inquired if there has been an increase in fire or police calls.

Police Chief Bruce Walls stated that they have not seen an overall increase in calls; however, there has been a slight uptake on calls pertaining to arguments between family members, but they have not developed into anything serious.

Fire Chief David Strayer stated that calls have decreased; however, there are confirmed Covid 19 cases in Florence. There were two confirmed cases over the weekend and several more last week.

Mayor Walter thanked everyone for participating in the meeting. They will continue to disseminate information as it is available. They are communicating with the EOC three times per week and

Florence Town Council Meeting Minutes

April 20, 2020

Page 6 of 7

with the Governor's Office twice per week. They are also having conversations with Congressman Gosar's Office regarding funding for smaller cities.

ADJOURNMENT

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall, and carried (6-0) to adjourn the meeting at 6:45 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 April 20, 2020, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

| | | |
|---|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 8a. |
| MEETING DATE: May 18, 2020 DEPARTMENT: Human Resources STAFF PRESENTER: Catherine Wilson, HR Director SUBJECT: FY2020/21 Employee Benefit Package | | <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 Property <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 | | |

RECOMMENDED MOTION/ACTION:

Staff recommends approval of Fiscal Year 2020-2021 Employee Benefits Program with Blue Cross and Blue Shield of Arizona for medical, dental, life and Avesis vision insurance; Teladoc for 24/7 physician access benefits; Jorgensen Brooks Group for Employee Assistance Program; AFLAC for supplemental group insurance products; and Infinisource to administer our Section 125 Flexible Benefit Account Plan.

BACKGROUND/DISCUSSION:

The Employee Insurance Benefit Package renews on July 1, 2020. This year United Healthcare (UHC) was high on their renewal rates. The original renewal from UHC came in over 20% higher due to a high number of large claims experienced over the last plan year. Mr. Johnson was able to get UHC to come down to a 16% increase with the option of making plan design changes that could lower the renewal by an additional 3%.

Because the renewal with UHC was higher than we expected, we authorized our plan consultant, Eric Johnson of Garry L. Johnson & Associates, to go to the market to see if he could negotiate better rates with another carrier. Mr. Johnson approached Blue Cross and Blue Shield of Arizona (BCBSA) and they came back with a very competitive offer. The BCBSA offers is a hybrid medical PPO plan and a Health Saving Plan (HSA). Utilizing this approach, the Town would see a 9.42% increase over last year's rates. The Budget Committee decided to recommend changing carriers to Blue Cross and Blue Shield of Arizona. Staff continues to be very appreciative of the work done by Eric Johnson and his staff.

Medical Insurance – BCBSA will offer a fully-insured, PPO-type plan for the 2020/2021 policy year with a 9.42% premium increase from current rates. The plan design remains essentially unchanged. The plan has a \$1,000 maximum out-of-pocket limit for the employee, and a maximum of \$3,000 for a family. Minor changes to the BCBS plan include unlimited physical therapy visits and a reduction in hearing aid replacements to one every three years. The Town fully pays the employee premium and shares the dependent coverage premium with those employees who need and want dependent coverage on a 78%/22% split.

The Town will offer a voluntary Health Saving Account (HSA) Plan for the FY 2020/21. The Town has decided to incentivize the voluntary Health Saving Account Plan which will make the bi-weekly HSA contribution by the employee slightly lower than the bi-weekly PPO premium. The money in the HSA is for the employees to utilize for medical costs. The employee may only elect to enroll in either the BCBSA PPO Medical traditional plan or the Health Saving Account to manage their medical expenses.

The following chart illustrates monthly BCBSA-PPO Medical, HSA, Dental, and Vision coverage premiums paid by employees for the 2020-21 plan year:

| Medical/Dental/Vision Insurance Coverage | FY 19/20 UHC PPO Medical | FY 20/21 BCBSA PPO Medical | FY 20/21 BCBSA HSA | FY 19/20 Dental | FY 20/21 Dental | FY 20/21 Vision |
|--|--------------------------|----------------------------|--------------------|-----------------|-----------------|-----------------|
| Employee Only | PAID | PAID | PAID | PAID | PAID | \$7.53 |
| Employee + Spouse | \$158.59 | \$173.10 | \$145.00 | \$5.98 | \$6.38 | \$17.66 |
| Employee + Child(ren) | \$128.62 | \$140.74 | \$115.00 | \$9.80 | \$10.46 | \$17.66 |
| Employee + Family | \$286.81 | \$313.83 | \$265.00 | \$17.76 | \$18.96 | \$17.66 |

*vision is an optional benefit paid 100% by employee, there was not change in premium.

The Town will contribute the following funds into each HSA on a quarterly basis as the employer portion of the monthly premium.

Quarterly HSA Contributions

| | |
|----------|------------|
| Employee | \$600.00 |
| Spouse | \$1,050.00 |
| Child | \$1,050.00 |
| Family | \$1,050.00 |

Teladoc – The Town is completing its seventh year with this coverage which provides employees 24/7 medical consultations via telephone or internet. Teladoc is a free-standing benefit which supplements medical insurance. Employees can connect with a licensed physician for information, advice, and treatment including prescription medication when appropriate. At a rate of \$4 per month per insured family (up to 5 family members, paid fully by the Town), we think this coverage continues to be a good value for the Town and our employees.

Dental Insurance – The recommendation is to contract with Blue Cross and Blue Shield of Arizona the fully-insured dental plan, with a 6.7% increase from current rates. The

increase is due to our claims experience. The Town shares in the same percentage as medical insurance for those employees with dependent coverage.

Group Life/AD&D Insurance – Staff recommends contracting with Blue Cross and Blue Shield of Arizona for the group Life/AD&D insurance for all eligible employees and dependents for FY20-21. Group Life/AD&D coverage is 2X an employee's annual salary up to a maximum of \$150,000. The monthly premium is \$0.14 per \$1,000 of employee coverage, and \$0.57 for dependent coverage. There is no change in premiums from the current year. Group Life is paid 100% by the Town. Voluntary supplemental coverage is also available to covered employees.

Vision Insurance – Staff recommends contracting with Avesis for vision insurance with no change in premiums. The FY20-21 policy year premiums are \$7.53 per month for employee coverage, \$17.66 per month for family coverage. Vision Insurance is paid 100% by the employee.

Employee Assistance Program – Staff recommends renewing the EAP contract with Jorgensen Brooks Group. The Town currently pays 100% of the cost for this service (\$1.80 per employee per month).

AFLAC offers a variety of supplemental insurance products to employees through payroll deduction, paid entirely by the employees opting for the coverage. This year we will be moving to the AFLAC group policies which will streamline how AFLAC access employees. No pushy sales to new hires but guarantee issue. Keep in mind all current employees get to keep what they have and only move the policies to the group platform if its better or they want to make the change.

Section 125 Plan Administration has been provided by Infinisource. Through this program employees can pay qualified medical expenses on a pre-tax basis. The Town has been very satisfied with the service provided and the company will hold the line on rates for the upcoming year (\$4.95 per employee per month). Staff is recommending renewal. The Town does cover the cost of this program.

A VOTE OF NO WOULD MEAN:

The Town would need to consult with its' agent/broker representative and go into the marketplace and find another plan.

A VOTE OF YES WOULD MEAN:

Renewing the Town's benefit package coverage as noted above.

FINANCIAL IMPACT:

The Town's share of the estimated annual cost for the employee benefit package for FY20-21 is included in the various departmental proposed budgets. Staff estimates the overall net cost to the Town to be \$75,094 if enrollment in the HSA is fully realized.

ATTACHMENTS:

TOF HSA Funding (Excel Spreadsheet)
2020 Med RVSD UHCBCBS 4.21
Exhibit 6 Ancillary 4.13.2020 (002)
Exhibit 10 Avesis Vision Network

HSA 50% Option

USE this for funding.

Assumes 50% Enrollment in HSA AND PPO

BCBS PPO Employer Cost

| | BCBS | 9.42% | Contribution % | ER Contribution | ER Monthly | Total ER Monthly Cost |
|----|------------|--------------|----------------|-----------------|-------------|-----------------------|
| 22 | EE | \$735.32 | 100% | \$735.32 | \$16,177.04 | \$96,101.52 |
| 9 | ES | \$1,522.12 | 78% | \$1,349.02 | \$12,141.22 | *@ |
| 10 | E+children | \$1,375.05 | 78% | \$1,234.31 | \$12,343.09 | |
| 30 | Family | \$2,161.84 | 78% | \$1,848.01 | \$55,440.17 | |
| | | \$108,481.82 | | | | |

BCBS PPO Employee Cost

| | EE Monthly | EE Contribution | Total EE deduction |
|----|------------|-----------------|--------------------|
| 22 | \$0.00 | \$0.00 | \$12,380.30 |
| 9 | \$173.10 | \$86.55 | * |
| 10 | \$140.74 | \$70.37 | |
| 30 | \$313.83 | \$156.92 | |

Overall Totals

| Monthly Cost | Annual Cost |
|--------------|----------------|
| \$108,481.82 | \$1,301,781.84 |
| * | + |

BCBS HSA Employer Cost

| | BCBS HSA | 24.6% | Contribution % | ER Contribution | ER Monthly | Total ER Monthly Cost |
|----|------------|-------------|----------------|-----------------|-------------|-----------------------|
| 21 | EE | \$506.32 | 100% | \$735.32 | \$15,441.72 | \$95,366.20 |
| 9 | ES | \$1,048.09 | 78% | \$1,349.02 | \$12,141.22 | @ |
| 10 | E+children | \$946.82 | 78% | \$1,234.31 | \$12,343.09 | |
| 30 | Family | \$1,488.59 | 78% | \$1,848.01 | \$55,440.17 | |
| | | \$74,191.43 | | | | |

BCBS HSA Employee Cost

| | EE Monthly | EE Contribution | Total EE deduction |
|----|------------|-----------------|--------------------|
| 21 | \$0.00 | \$0.00 | \$10,405.00 |
| 9 | \$145.00 | \$72.50 | |
| 10 | \$115.00 | \$57.50 | |
| 30 | \$265.00 | \$132.50 | |

Overall Totals

| Monthly Cost | Annual Cost |
|--------------|----------------|
| \$95,541.43 | \$1,146,497.16 |
| ** | + |

| Total Costs | |
|---------------------------|-----------------------|
| Monthly PPO Cost | \$108,481.82 |
| Monthly HSA plan | \$74,191.43 |
| Monthly HSA cont | \$21,350.00 |
| Total Monthly Cost | \$204,023.25 |
| Total Annual Cost | \$2,448,279.00 |
| Last year Annual | #REF! |
| PPO only Annual | #REF! |

#REF!

^

| | |
|--------------------|-----------------------|
| Current ER Cost | \$2,099,761.21 |
| Funded ER Cost | \$191,467.72 |
| Annual | \$2,297,612.59 |
| Annual Reduction | \$122,757.22 |
| New ER Cost | \$2,174,855.38 |

3.58%

| Over Payment | EE contrib. |
|--------------|-------------|
| \$229.00 | \$229.00 |
| \$300.93 | \$445.93 |
| \$287.49 | \$402.49 |
| \$359.42 | \$624.42 |
| | \$31,579.77 |
| | \$21,350.00 |

Monthly Reduction \$10,229.77
Annual Reduction \$122,757.22

HSA Contributions Table

| Monthly HSA Contributions | Yearly HSA Contributions | HSA OOP Max | Current OOP Max | New Liability | Total Monthly Contributions |
|---------------------------|--------------------------|-------------|-----------------|---------------|-----------------------------|
| \$200.00 | \$2,400.00 | \$3,000.00 | \$1,000.00 | \$600.00 | \$21,350.00 |
| \$350.00 | \$4,200.00 | \$6,000.00 | \$2,000.00 | \$1,800.00 | |
| \$350.00 | \$4,200.00 | \$6,000.00 | \$3,000.00 | \$1,800.00 | |
| \$350.00 | \$4,200.00 | \$6,000.00 | \$3,000.00 | \$1,800.00 | |
| \$21,350.00 | | | | | |



Town of Florence 2020 Payroll Cycle Calendar

| Pay Period Beginning | Pay Period Ending | Pay Date |
|----------------------|-------------------|----------|
| 12/21/19 | 01/03/20 | 01/10/20 |
| 01/04/20 | 01/17/20 | 01/24/20 |
| 01/18/20 | 01/31/20 | 02/07/20 |
| 02/01/20 | 02/14/20 | 02/21/20 |
| 02/15/20 | 02/28/20 | 03/06/20 |
| 02/29/20 | 03/13/20 | 03/20/20 |
| 03/14/20 | 03/27/20 | 04/03/20 |
| 03/28/20 | 04/10/20 | 04/17/20 |
| 04/11/20 | 04/24/20 | 05/01/20 |
| 04/25/20 | 05/08/20 | 05/15/20 |
| 05/09/20 | 05/22/20 | 05/29/20 |
| 05/23/20 | 06/05/20 | 06/12/20 |
| 06/06/20 | 06/19/20 | 06/26/20 |
| 06/20/20 | 07/03/20 | 07/10/20 |
| 07/04/20 | 07/17/20 | 07/24/20 |
| 07/18/20 | 07/31/20 | 08/07/20 |
| 08/01/20 | 08/14/20 | 08/21/20 |
| 08/15/20 | 08/28/20 | 09/04/20 |
| 08/29/20 | 09/11/20 | 09/18/20 |
| 09/12/20 | 09/25/20 | 10/02/20 |
| 09/26/20 | 10/09/20 | 10/16/20 |
| 10/10/20 | 10/23/20 | 10/30/20 |
| 10/24/20 | 11/06/20 | 11/13/20 |
| 11/07/20 | 11/20/20 | 11/25/20 |
| 11/21/20 | 12/04/20 | 12/11/20 |
| 12/05/20 | 12/18/20 | 12/24/20 |

*

*

*** Third paycheck of month; no insurance benefit deductions.**



Important: See plan contracts and brochures for details. This spreadsheet is for general overview only! Please do not cancel current coverage until you receive written notice of approval. Rates will vary if enrollment information differs from census information submitted. Rates are subject to home office approval. The Carriers reserve the right to adjust the rates, revise the rate guarantee, or decline the group based on enrollment information provided.



| Dental | | UHC | BCBS |
|--|----|--------------------|--------------------|
| | | 80th UCR | 80th UCR |
| Deductible | | \$50 (3xfam) | \$50 (3xfam) |
| Annual Maximum | | \$1,750 | \$1,750 |
| Class I/II/III | | 100%/80%/50% | 100%/80%/50% |
| Endo/Perio:dontics | | Basic Class II | Basic Class II |
| Orthodontics (Class IV) | | 50% | 50% |
| Ortho Lifetime Max. | | \$1,500 Child only | \$1,500 Child only |
| Rate Gurantee | | 1 year | 1 year |
| Current / Renewal | | | |
| Employee | 39 | \$27.52 | \$29.37 |
| Employee/Spouse | 20 | \$54.70 | \$58.38 |
| Employee/Child(ren) | 20 | \$72.08 | \$76.93 |
| Employee/Family | 60 | \$108.25 | \$115.53 |
| Estimated Monthly Total | | \$10,103.88 | \$10,783.43 |
| Estimated Yearly Total | | \$121,246.56 | \$129,401.16 |
| % of change from Current down from 8% | | 0.0% | 6.7% |

Vision, Life & VLT in RG till 2021

Teladoc

145 Employees @ \$4 per EE

Employer Monthly - \$580

Employer Annual - \$6,960

Infinisource - FSA

145 Employees @ \$4.95 per EE

No annual fee or set up fee

Employer Monthly - \$717.75

Employer Annual - \$8,613.00

Jorgensen Brooks Group

6 Visits per person per issue

Legal and Financial consultation

24/7 confidential consultations, phone, internet chat, with a work-life expert.

Unlimited on-site: critical incident/stress/debriefing

Promotional Poster, Brochures

145 Employees @ \$1.80 per EE

Employer Monthly - \$261.00

Employer Annual - \$3,132.00



Important: See plan contracts and brochures for details. This spreadsheet is for general overview only! Please do not cancel current coverage until you receive written notice of approval. Rates will vary if enrollment information differs from census information submitted. Rates are subject to home office approval. The Carriers reserve the right to adjust the rates, revise the rate guarantee, or decline the group based on enrollment information provided.



| Basic Life | UHC | BCBS |
|----------------------|--|--|
| Eligibility | All Active F/T Employees All Active Recruits | All Active F/T Employees All Active Recruits |
| # Employees | 145 | 145 |
| Volume | 16,645,700 | 16,645,700 |
| Benefit | 2x pay to max of \$150,000 Active Recruits - \$25,000 | 2x pay to max of \$150,000 Active Recruits - \$25,000 |
| Rate Gurantee | Till 2021 | Till 2022 |
| Life | \$0.147 | \$0.120 |
| AD&D | \$0.020 | \$0.020 |
| Monthly Premium | \$2,779.83 | \$2,330.40 |
| Annual Premium | \$33,357.98 | \$27,964.78 |
| Dependent Unit | \$0.79 per Dep Unit | \$0.57 per Dep Unit |

| VTL | UHC | BCBS |
|-------------------------|-------------------------------|-------------------------------|
| Eligibility | All full time employees | All full time employees |
| Employee Benefit | 10k up to 500K / GI of \$130K | 10k up to 500K / GI of \$130K |
| Age Reduction | 65% at 65, 50% at 70 | 65% at 65, 50% at 70 |
| Rate Gurantee | Till 2021 | Till 2022 |
| | Employee & Spouse | Employee & Spouse |
| 29 & under | \$0.084 | \$0.068 |
| 30-34 | \$0.106 | \$0.086 |
| 35-39 | \$0.131 | \$0.107 |
| 40-44 | \$0.191 | \$0.155 |
| 45-49 | \$0.310 | \$0.252 |
| 50-54 | \$0.493 | \$0.400 |
| 55-59 | \$0.850 | \$0.688 |
| 60-64 | \$1.311 | \$1.061 |
| 65-69 | \$2.330 | \$1.887 |
| 70 + | \$4.885 | \$3.955 |
| AD&D | \$0.029 | \$0.023 |
| Child coverage | \$0.20 per \$1,000 | \$0.064 per \$1,000 |
| AD&D | \$0.030 | \$0.024 |

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- TSO™ Texas State Optical
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Phoenix, AZ 85021

www.avesis.com

| | | |
|---|---|--|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 8b. |
| MEETING DATE: May 18, 2020 DEPARTMENT: Administration STAFF PRESENTER: Brent Billingsley, Town Manager SUBJECT: A presentation from McClure Consulting, LLC. on the Economic Development Baseline Report for the Town of Florence | | <input type="checkbox"/> Action <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <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 checked="" 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:

No action required. This item is for information only.

BACKGROUND/DISCUSSION:

Over the course of the last few years, the Town Council has had an increased focus on economic development in Florence. The Town has begun working closely with the Pinal County Economic Development Department and is meeting regularly with economic developers across the region, as we all seek to continue to enhance the profile of Pinal County within the development world.

Late last year, following a joint discussion with the AdHoc Strategic Planning Advisory Committee and a presentation from the Pinal County Economic and Workforce Development Director Tim Kanavel, the Town contracted with Joe McClure to conduct a baseline report that could lay the groundwork for understanding the resources and opportunities that may exist for Florence, in this ever-changing climate.

The AdHoc Strategic Planning Advisory Committee was invited to attend the meeting and participate in this item. The purpose of the report is to assist the Town in its strategic planning efforts, and to serve as a single, comprehensive report that can help orient developers and economic development practitioners to our community. While not specifically required by state law, the report may be used to inform other plans and documents that the Town must produce on a regular basis (such as the General Plan).

A VOTE OF NO WOULD MEAN:

No action is required.

A VOTE OF YES WOULD MEAN:

No action is required.

FINANCIAL IMPACT:

The Town is not obligated to follow any of the recommendations found within the report and is under no further financial obligation as a result of this research.

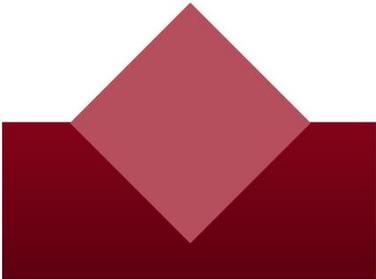
ATTACHMENTS:

Economic Baseline Report
Power Point Presentation

Economic Development Baseline Information Project for Florence, AZ



March 2020



McClure Consulting, LLC

5070 N. 40th Street, Suite 205 • Phoenix, AZ 85018 • 602-840-3699

Table of Contents

| | |
|---|----|
| Introduction | 1 |
| Regional Overview of Florence’s Economic Setting | 2 |
| Employment Base | 7 |
| Workforce | 10 |
| Growth Projections..... | 15 |
| Tourism | 18 |
| Competitive Economic Conditions and Locations, Pinal County and Florence..... | 19 |
| Preliminary Observations on Industry Targeting and Other Development Opportunities..... | 22 |
| Targeted or Otherwise Featured Industries, in Central and Southern Arizona..... | 22 |
| Florence Industry Targeting and Other Development Opportunities | 23 |
| Retail Leakage | 28 |
| Property Values | 33 |
| An Economic Development Function for Florence..... | 34 |

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Introduction

This document is a compilation of selected economic development “baseline” information pertaining to the Town of Florence. The intent of this work is to help inform the Town’s overall strategic planning process. The document is also expected to be used to help guide additional, future economic development strategic planning, and potentially to help orient an economic development practitioner the Town may choose to hire.

To achieve this intent, this document addresses a broad scope of information related to economic development in Florence (both the existing community and the Municipal Planning Area (MPA) used by the Maricopa Association of Governments (MAG)) and Pinal County, with comparisons as appropriate to Maricopa County, Pima County, and the State of Arizona. The information is compiled and processed with the intent to maximize the value of what is produced within a defined, finite level of effort. Because of the preliminary and “exploratory” nature of some of this material, document readers are encouraged to accept its limitations as noted below:

- The data provided do not, except as noted, represent a “strategically directed” set of information, with a focus on illuminating specific topics; rather, the information is general and broad-ranging in nature, as described.
- Although a number of strategic concepts are discussed, the document is not an economic development strategic plan, but a “thought piece” relative to the Town’s economic development.

The document is organized under the following topic headings:

- Regional overview of Florence’s economic setting
- Employment base
- Workforce
- Growth projections
- Tourism
- Competitive economic conditions and locations, Pinal County
- Preliminary observations on industry targeting
- Retail leakage
- Property values
- An economic development function for Florence

The initial investigations into Florence’s retail leakage situation and property values in the existing community were prepared in response to specific requests by Town personnel. Again, these topics are addressed in a preliminary fashion only, to help provide direction in whatever additional investigations might be appropriate.

Regional Overview of Florence's Economic Setting

Florence is connected economically to Maricopa, Pima, and Pinal Counties. The Town is also connected administratively, primarily through MAG, to Maricopa County. Pinal County is linked to Maricopa County through its inclusion in the designation of the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area, and through its partial connection to MAG primarily represented through participation in the *Regional Transportation Plan*, which specifically includes the communities of Florence, Maricopa, and Apache Junction (and some areas of Queen Creek are also in Pinal County).

Much less formal linkages among the three counties also exist through such concepts as Arizona's Megapolitan region, and for Pinal and Pima Counties, the more recent initiative of the Pinal County Arizona Innovation and Technology Corridor, which is anchored by the University of Arizona Tech Park located in the southeastern portion of the Tucson Metro area. The intent of this initiative is to explicitly link the economic, institutional, workforce, and other assets of Pinal County and Pima County, and express this through a formal program and appropriate branding and marketing efforts.

MAG's Megapolitan concept exploration. Documents available through MAG's website¹ explore the concept of Megapolitan regions, essentially super-metropolitan areas, how this concept occurs around the US, and how other areas have similarities and differences with respect to an Arizona megapolitan region, which is variously and generally defined as extending from Prescott, Arizona on a line through Phoenix and Tucson extending to the Mexican border. Along with describing the complexity occurring throughout this megapolitan area, documents tend to point out potential advantages of coordinated planning, infrastructure development, economic development, and other activities that could occur within them, if the appropriate mechanisms could be put into place. The MAG document also highlights existing and prior coordinating activities within the region as examples of beneficial large-region thinking.

These multi-county relationships take on additional meaning when we consider the various geographic scales relevant to the Florence economy. At the smallest scale, the existing Florence boundaries and the Florence Municipal Planning Area (MPA) boundaries are both relevant. Given the focus in this document on economic influences and prospects for Florence, the MPA is of primary importance. Figure 1 makes clear that the future of Florence is geographically focused to the north of the existing Town, towards Maricopa County; although the economic region (defined for purposes of this document as delineated on Figure 1) extends throughout Pinal County.

¹ For example, Grady Gammage, Jr. and Dan Hunting, Morrison Institute. *The Sun Corridor: A Competitive Mindset*. April 20, 2015. https://azmag.gov/Portals/0/Documents/EDC_2015-06-02_The-Sun-Corridor-A-Competitive-Mindset-Presentation.pdf?ver=2017-04-06-111046-000. Maricopa Association of Governments (MAG). *Arizona's Megapolitan: The Sun Corridor*. 2008. https://azmag.gov/Portals/0/Documents/pdf/cms.resource/Arizona_Megapolitan.pdf?ver=2017-04-06-131935-727

Figure 1 also includes, among other base map features:

- Delineation of the Economic Region assumed to apply to this analysis.
- Economic assets within Pinal County with relevance to Florence.
- A heat map of the relevant concentration of the workforce within most of the Economic Region.
- The pattern of State Land ownership.

LEGEND FOR NUMBERED POINTS IN FIGURE 1.

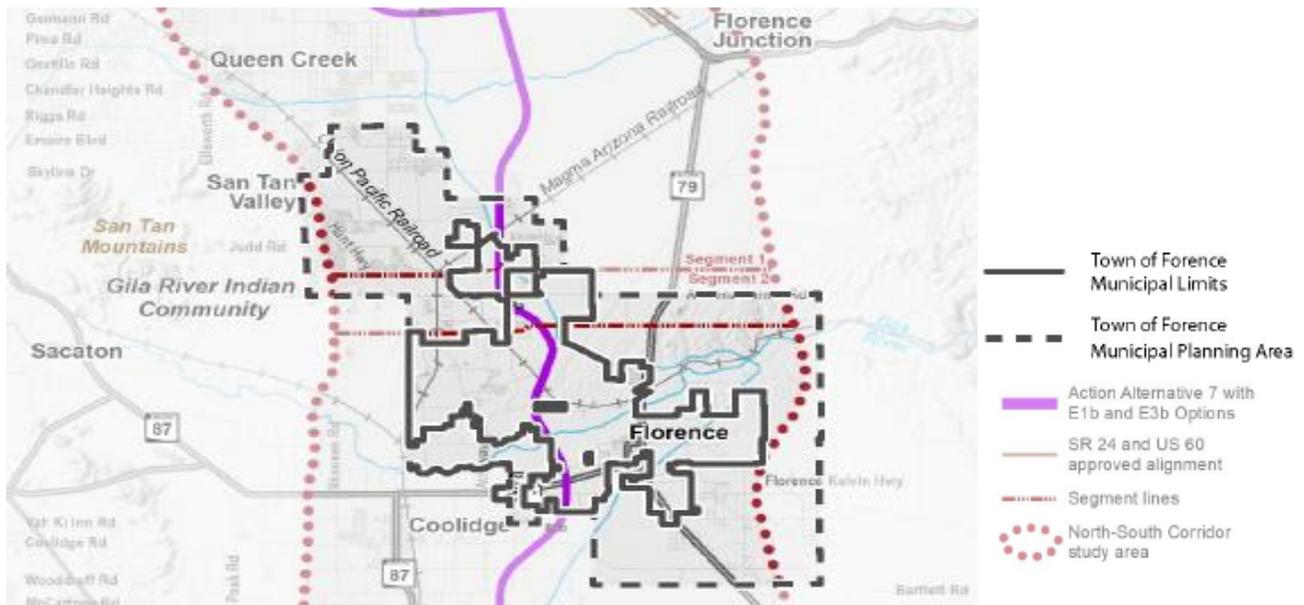
| No. | Major Points of Interest - Tourism (Yellow Circles) | No. | Major Points of Interest – Business (Orange Circles) |
|------------|--|------------|---|
| 7 | The Windmill Winery | 1 | Proposed Union Pacific Classification Railyard (FTZ) |
| 8 | McFarland State Historic Park | 2 | Inland Port Arizona (Saint Holdings) |
| 9 | Pinal County Historical Museum | 3 | Nikola Motor Company |
| 10 | Country Thunder | 4 | PhoenixMart |
| 11 | Attesa | 5 | Central Arizona Commerce Park |
| 13 | Biosphere 2 | 6 | Florence Copper |
| 14 | Apache Sky Casino | 12 | Lucid Motors |
| 15 | Harrah's Ak-Chin Casino | 19 | Banner Casa Grande Medical Center |
| 16 | Arizona Renaissance Festival | 20 | Banner Health Goldfield Center in Apache Junction |
| 17 | Arizona Zipline Adventures | 21 | Banner Health Center in Maricopa |
| 18 | Skydive Arizona | 22 | Banner Health Ironwood Medical Center |
| 27 | Casa Grande Ruins National Monument | 23 | Sun Life Family Health Center in Florence |
| 28 | Queen Creek Olive Mill | 24 | Sun Life Family Health Center in Eloy |
| 29 | Boyce Thompson Arboretum State Park | 25 | Sun Life Family Health Center in Coolidge |
| 30 | Lost Dutchman State Park | 26 | Sun Life Family Health Center in Maricopa |
| 31 | Picacho Peak State Park | 34 | Central Arizona College San Tan Campus |
| 32 | Oracle State Park | 35 | Central Arizona College Main Campus |
| 33 | Saint Anthony's Greek Orthodox Monastery | 36 | Central Arizona College Maricopa Campus |
| 38 | Grande Sports World | 37 | Central Arizona College Florence Center |
| 41 | Bob Jones Museum | 39 | Sunshine Industrial Park (FTZ) |
| 42 | Pinal County Geology Museum | 40 | Multiple Heritage Developments (Proposed) |
| 43 | City of Coolidge Museum | 49 | Asarco Ray Mine |
| 44 | San Tan Mountain Regional Park | 57 | Arizona Correctional Industries |
| 45 | Arizona Speedway | 58 | Nissan Proving Grounds |
| 46 | Coke Ovens | 59 | Florence Anthem Hospital |
| 47 | The Museum of Casa Grande | 60 | Horizon Health & Human Services at Florence |
| 48 | Goldfield Ghost Town | No. | Commercial Centers (Black Circles) |
| 50 | Poston Butte Monument and Trail | 1 | Downtown Florence Commercial |
| 51 | The Boulders | 2 | Merrill Ranch Commercial (Safeway Food) |
| 52 | Rooster Cogburn Ostrich Ranch | 3 | Shops at Copper Basin |
| 53 | Charles Whitlow Rodeo Grounds | 4 | Johnson Ranch Commercial (Fry's Food) |
| 54 | Florence Aero Modeler Park | 5 | Coolidge Walmart Commercial Center |
| 55 | Pinal County Administrative Complex Building | 6 | Coolidge Gateway Commercial (Safeway Food) |
| 56 | San Carlos Lake | 7 | Downtown Coolidge Commercial |

While the development fringe of Maricopa County continues to extend into Pinal County, Pinal County itself is experiencing particularly dynamic growth in economic activity, most noticeably in the

addition of two major vehicle manufacturers with electric motor drivetrains, Lucid Motors and Nikola Motor Company (instead of traditional batteries, Nikola uses hydrogen fuel cells to supply the electric power). These two firms alone, locations of which are shown on Figure 1 along with other economic assets within the economic region, will drive additional economic activity in Pinal County (and elsewhere), as well as other urban development.

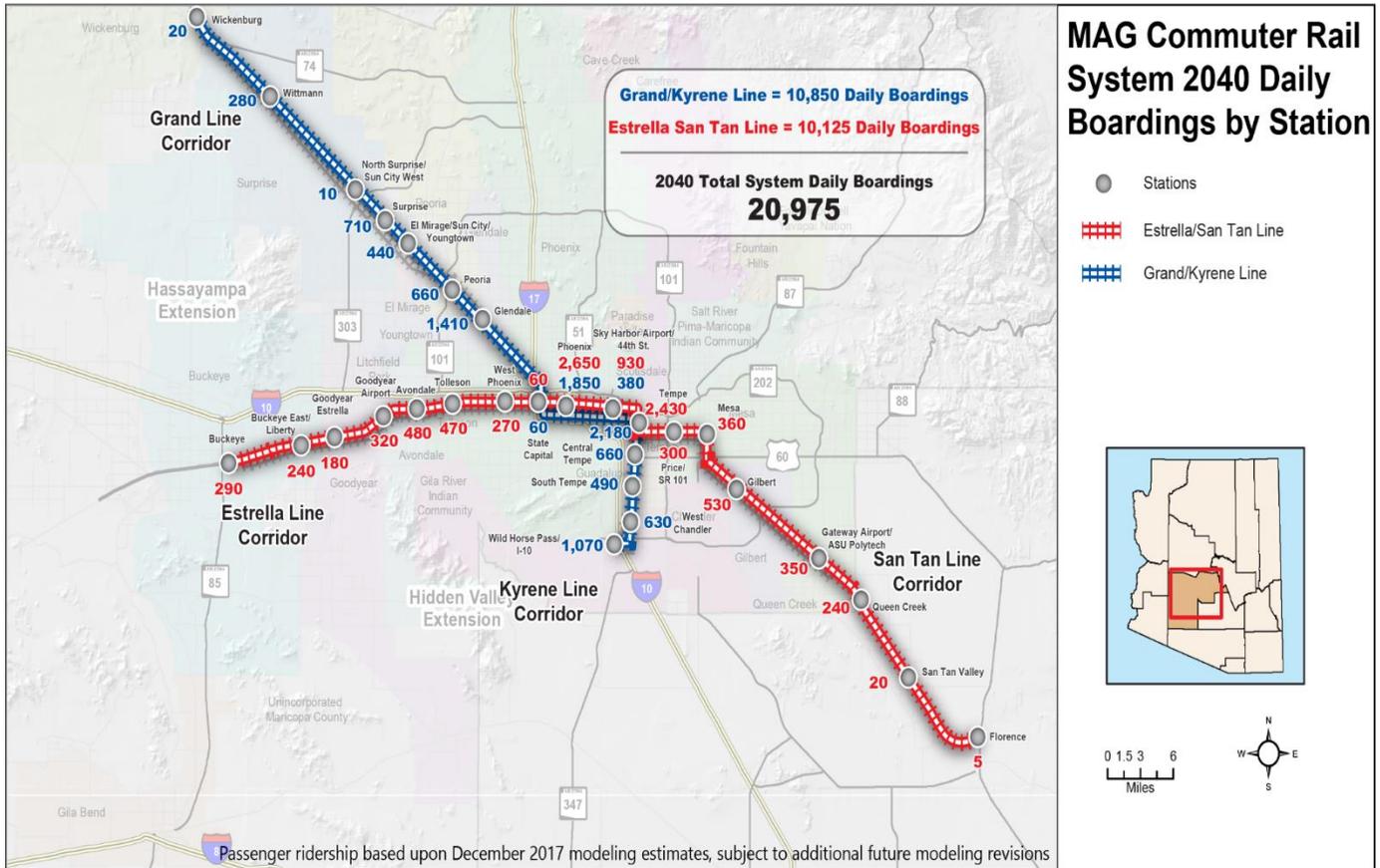
The location, timing, etc. of this development will depend largely on how the various jurisdictions within the County, as well as agencies both inside and outside the County that drive infrastructure and other decisions, will act in response to these opportunities. Major transportation improvements that are ultimately dependent on the Arizona Department of Transportation (ADOT) and MAG include the North-South Freeway (shown on Figure 1 and see also Figure 2 for delineation of the freeway and the associated Study Area) and (although more speculative) the potential for a commuter rail connection between Florence and other cities to the north and west on existing rail lines (Figure 3).

FIGURE 2. NORTH-SOUTH FREEWAY AND STUDY AREA DESIGNATION WITHIN FLORENCE PLANNING AREA, ACCORDING TO ADOT



Source: Image taken from Town of Florence Transportation Planning Study, Final Draft Report. Michael Baker International. January 2020. Figure 6.3-1.

FIGURE 3. MAG COMMUTER RAIL SYSTEM 2040

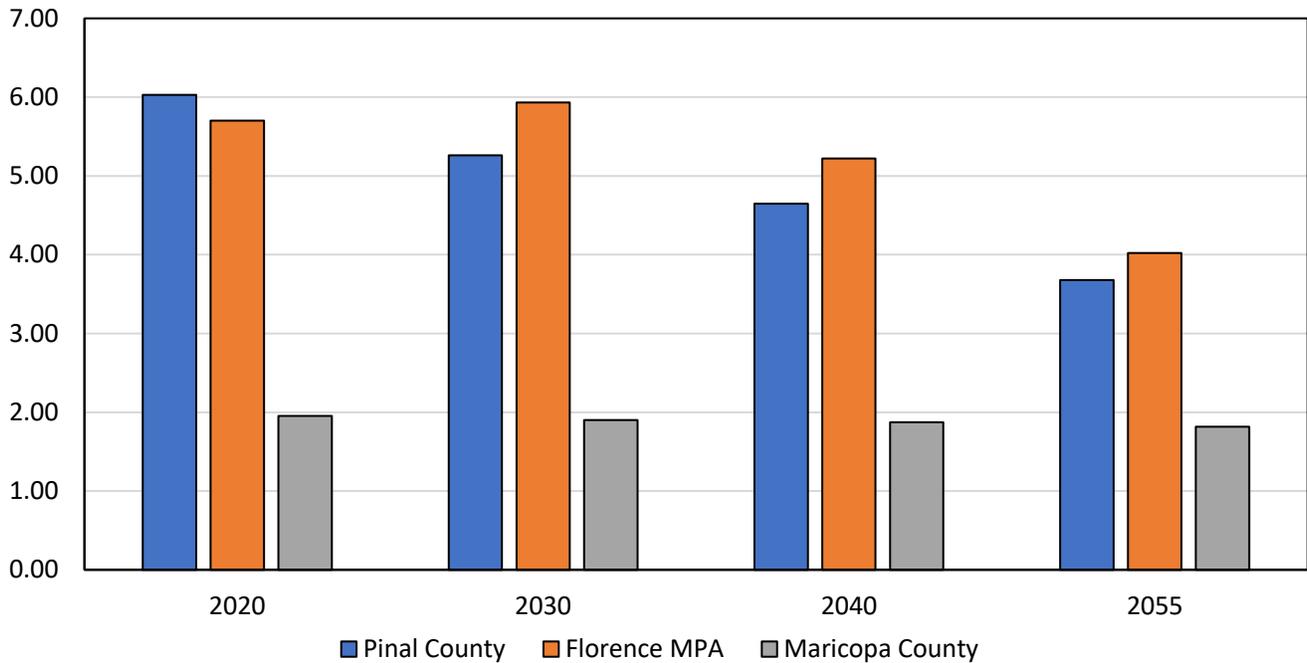


Source: Image taken from MAG 2018 Regional Commuter Rail System Study Update Report (Figure 3-4).

Employment Base

Partly because of residential development at the Maricopa County fringe, Pinal County does not yet have an employment base sizable enough to match its population base. This condition is summarized on Figure 4, which shows the ratio of population (in households, disregarding the institutionalized population) to jobs for Pinal County, Maricopa County, and the Florence MPA, for 2020 and as it is projected to change over time. In the chart, Maricopa County provides a baseline of what the ratio value would be for a “mature” economy. This chart reflects both Pinal County becoming more self-contained as an employment location over time, and the expected ongoing popularity of Pinal County, including parts of the Florence MPA, as a bedroom community for Maricopa County, as well as Pima County.

FIGURE 4. RATIO OF PEOPLE (IN HOUSEHOLDS) LIVING IN AREAS TO JOBS LOCATED THERE

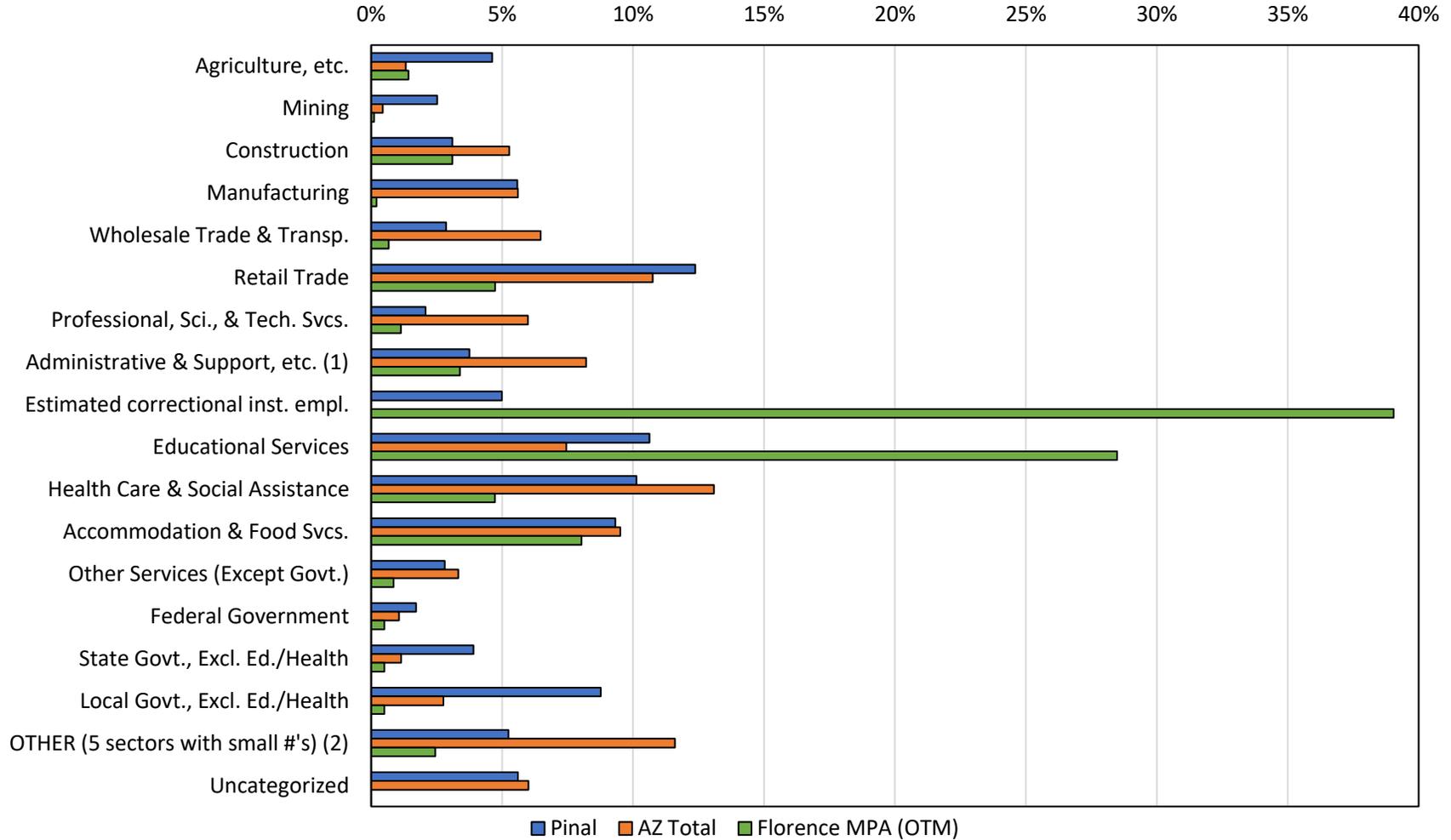


Source: 2019 MAG Socioeconomic Projections – June 2019 – FINAL; McClure Consulting.

Regardless of relative size, the county’s economic base is fairly well diversified, as shown on Figure 5. Although government employment is a fairly high proportion of the total in Pinal County, and professional services is relatively low, the County’s share of employment in manufacturing is similar to that of the state, and this share will increase with the addition of Lucid and Nikola.

In Florence, the set of industries represented reflects a considerably greater level of specialization, even for the MPA, partly as a result of simply the smaller size of the Town, and partly as a result of the historic dominance of correctional institution employment concentrated there. Figure 5 includes an estimated breakout of correctional institution employment, segmented from the (technically specific) category of Administrative and Support and Waste Management and Remediation Services. Not all of Florence’s economic diversity is represented in official employment data. This would presumably include for example manufacturing operations at Arizona Correctional Industries, based at Arizona State Prison Complex – Florence.

FIGURE 5. ECONOMIC BASE COMPARISONS: PINAL COUNTY, ARIZONA, FLORENCE MUNICIPAL PLANNING AREA (MPA)



Notes:

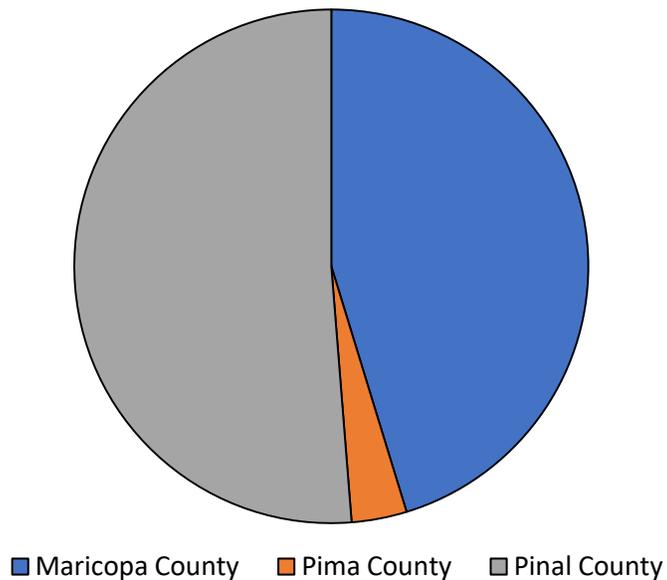
1. Less estimated correctional inst. employment.
2. The OTHER five sectors with a small proportion of total employment in Pinal County (less than 1.5%) are: Utilities, Information, Finance and Insurance, Real Estate, and Arts, Entertainment, and Recreation. Note that this group of sectors has a higher proportion of employment in Arizona overall.

Source: <https://laborstats.az.gov/>; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2017); McClure Consulting.

Workforce

The employment imbalances reflected in the ratio of people to jobs (Figure 4) also lead to extensive cross-commuting between Pinal and Pima and (especially) Maricopa Counties. Figure 6 shows that almost half of the workers residing in Pinal County leave the County for work.

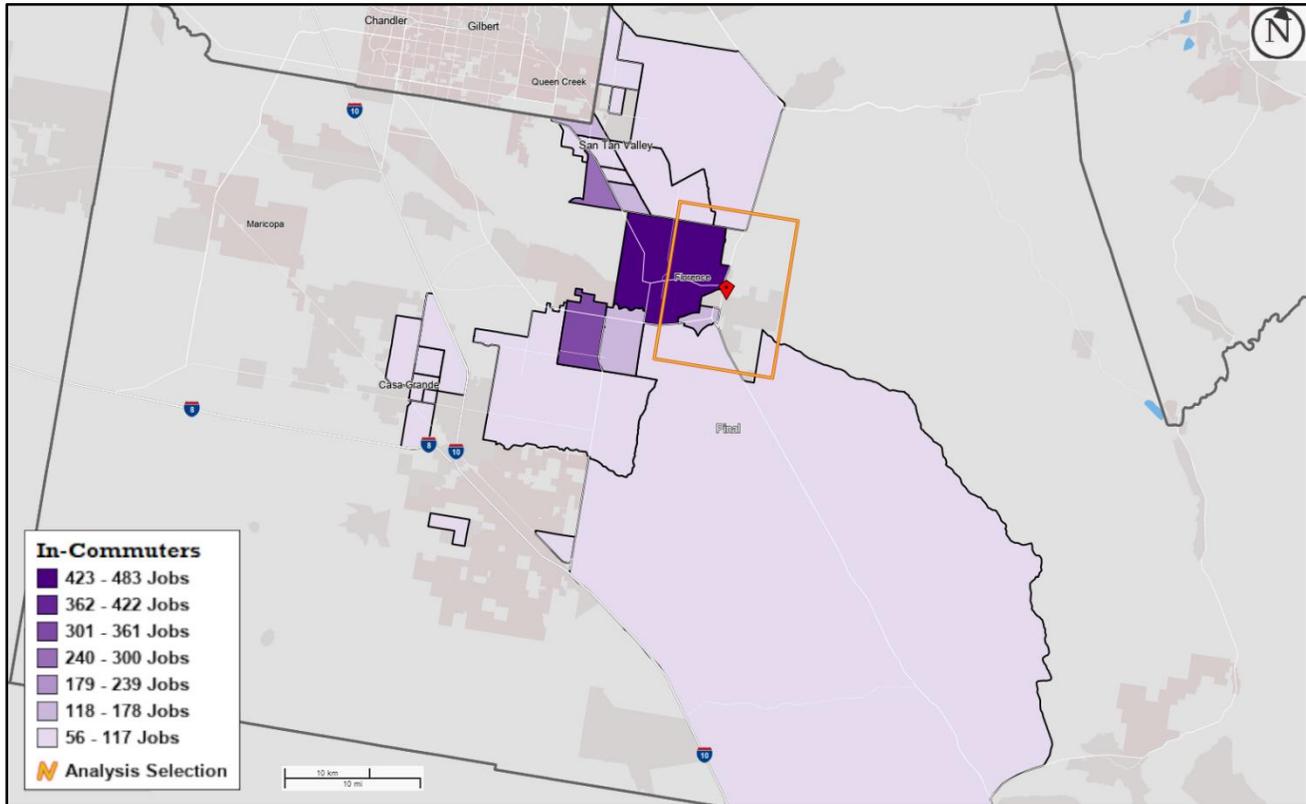
FIGURE 6. DESTINATION OF PINAL COUNTY OUT-COMMUTERS



Source; Census compilation, Residence MCD/County to Workplace MCD/County Commuting Flows for the United States and Puerto Rico Sorted by Residence Geography: 5-Year ACS, 2011-2015; McClure Consulting.

The geographic pattern of in-commuters, most of which originate within Pinal County, is shown on Figure 7.

FIGURE 7. FLORENCE IN-COMMUTERS BY CENSUS TRACT



Source: Map produced by U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics 2017; McClure Consulting.

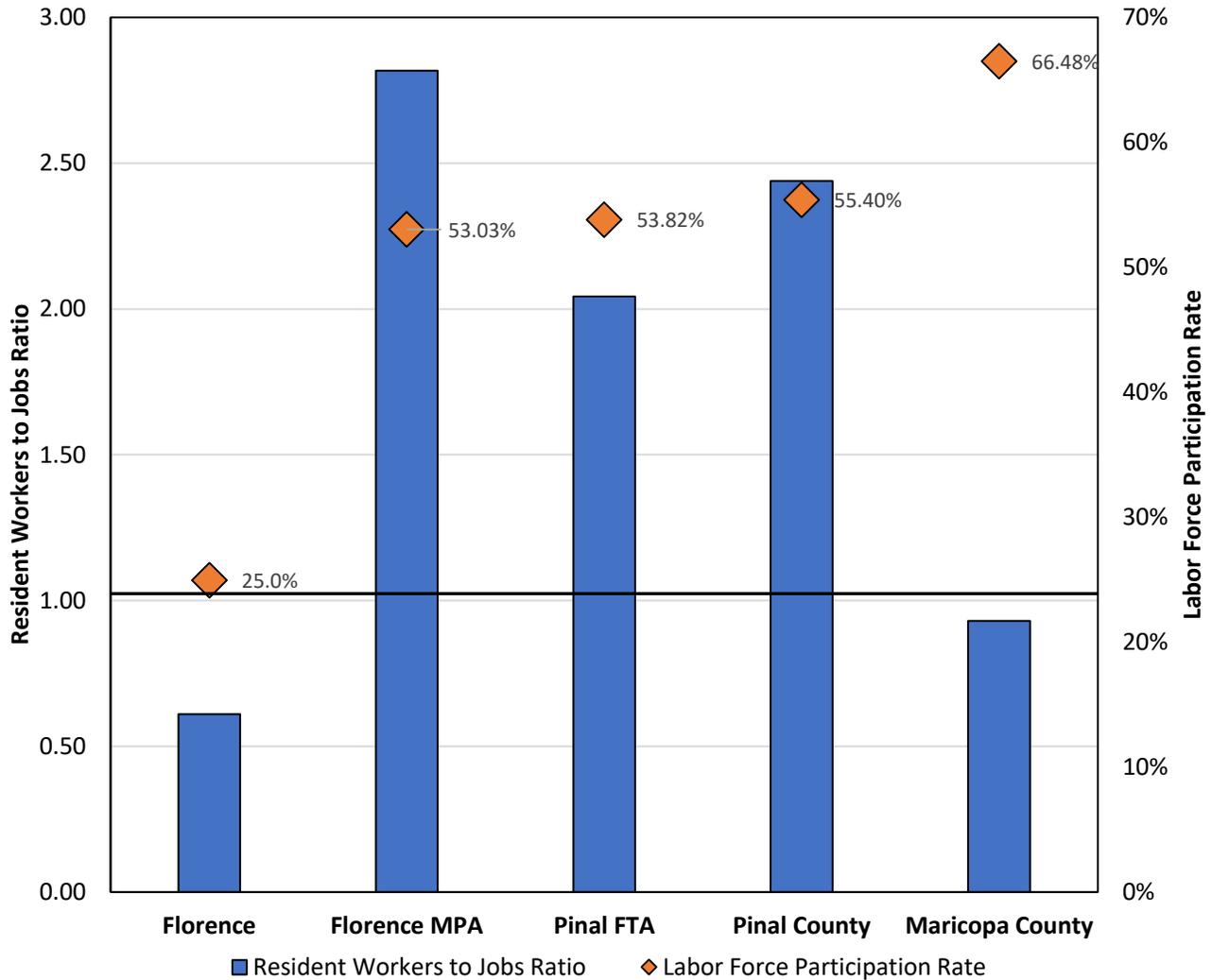
Within the current incorporated Town boundaries, labor force participants are a relatively small proportion of the overall (non-institutionalized) population, at approximately 3,600 workers (Census ACS data, 2017), and only 14% of those resident workers are employed within the Town (OTM data for 2017). Another way of looking at these statistics and comparing Florence with other areas is shown on Figure 8. This figure combines two data elements: 1) the labor participation rate (for the noninstitutionalized population²), and 2) the ratio of workers to workplace jobs, for Florence, the Florence MPA, the Pinal County FTA, Pinal County as a whole, and Maricopa County. For a fully balanced area, the ratio of resident workers within an area to the jobs within that area would equal to 1, hence the solid line on the chart at that value. (The designation “Pinal Focused Trade Area,” or FTA, is our attempt to isolate the “internal” county from the area likely to be most strongly influenced by Maricopa County (see Figure 12).

While all the other areas within Pinal County have a relatively high ratio of resident workers to jobs, the existing Town of Florence has more jobs than resident workers. The labor force participation rates for all of the Pinal County geographies are lower than the Maricopa County rate. Compared to

² Approximated using available data to correct for the large number of institutionalized individuals in Florence.

Pinal County as a whole, the FTA, shown on the Figure 12 map, has a similar labor force participation rate, but the ratio of resident workers to jobs is more balanced than the County as a whole or Florence.

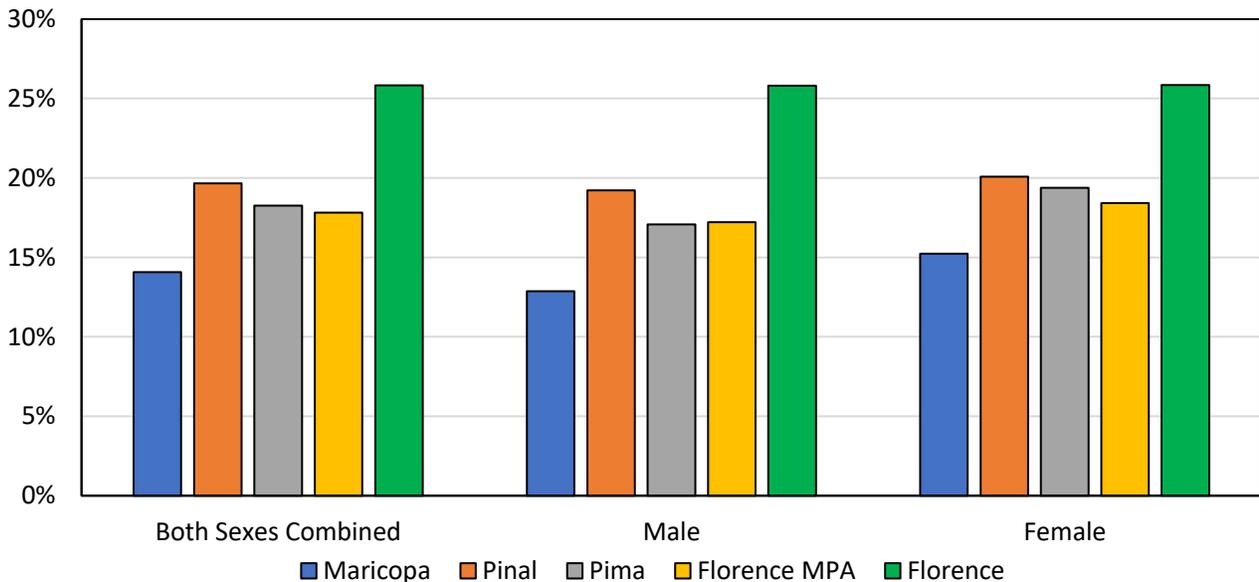
FIGURE 8. RATIO OF RESIDENT WORKERS TO (PLACE-OF-WORK) JOBS, AND LABOR FORCE PARTICIPATION: FLORENCE MPA, PINAL COUNTY, MARICOPA COUNTY



Source: U.S. Census Bureau ACS 2017 5-Year Estimates; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2017); McClure Consulting.

We would expect that some of the lower labor force participation rates would be related to the presence of an older population in Pinal County and Florence compared to other places. Figure 9 confirms that the proportion of people age 65 and over (noninstitutionalized) is higher in Florence, Pinal County and also Pima County, while slightly less pronounced in the Florence MPA.

FIGURE 9. POPULATION 65 YEARS OLD AND OVER AS % OF TOTAL: PINAL, MARICOPA, AND PIMA COUNTIES, FLORENCE MPA, AND THE EXISTING TOWN OF FLORENCE (NON-INSTITUTIONAL POPULATIONS)

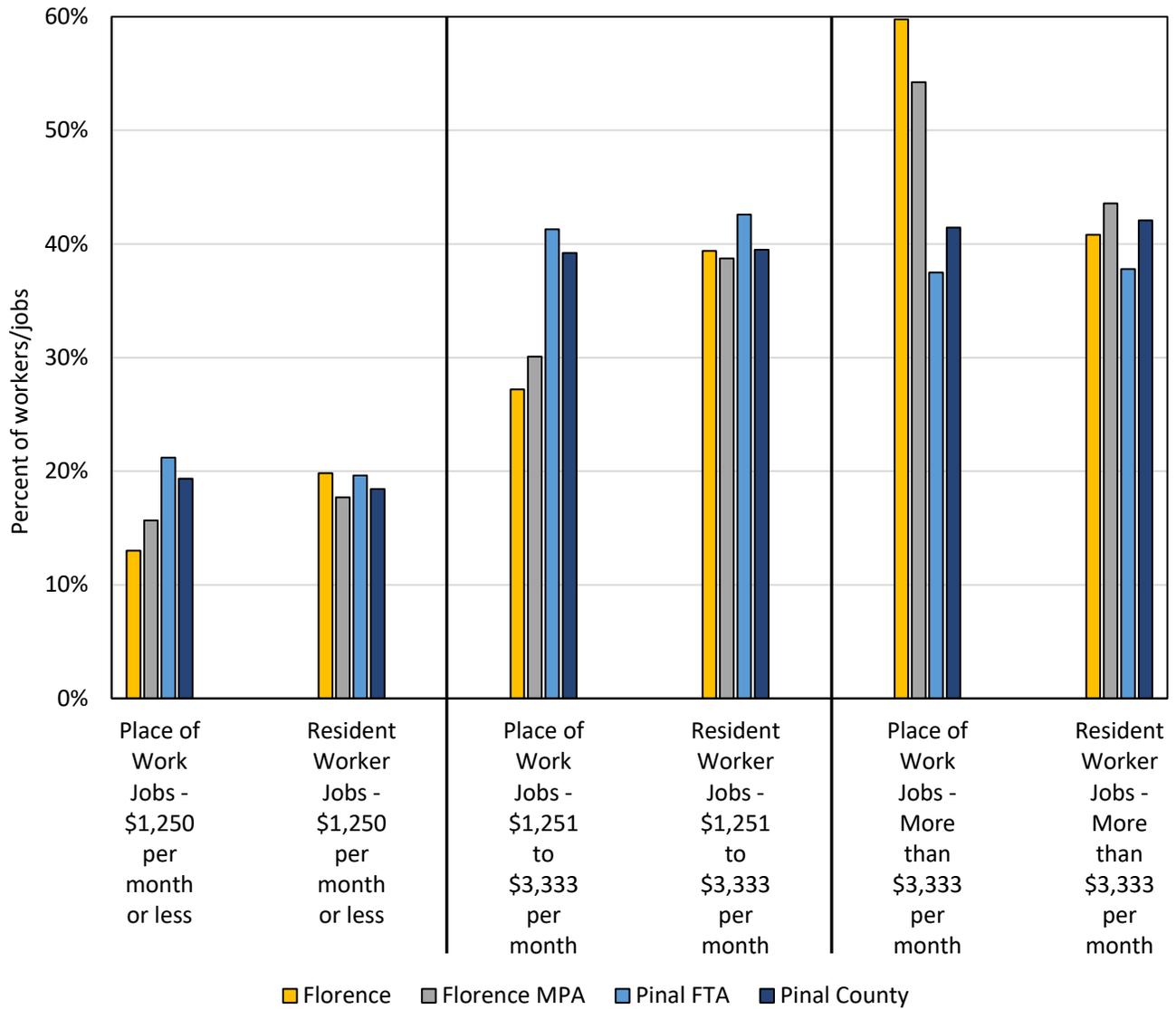


Source: U.S. Census ACS 2017 5-Year Estimates, Table No. B18101 - Sex by Age by Disability Status (Civilian noninstitutionalized population for counties); U.S. Census ACS 2017 5-Year Estimates, Table No. B01001 - Sex by Age, noninstitutionalized population estimated by selecting specific Census geographic units; McClure Consulting.

Figure 10 provides additional detail on the differences between resident workers and jobs for Florence, the Florence MPA, Pinal County, and the Pinal FTA, illustrating the breakdown of jobs by the three earnings categories shown. The chart provides several insights, including:

- The lowest earnings category has the smallest proportion of jobs – both workplace jobs and resident worker jobs – within each of the four geographic areas.
- The *resident* worker earnings profile is similar for all four geographic areas.
- Florence and the Florence MPA have the highest proportion of workplace jobs in the highest earnings category, of all the geographic areas. Florence is therefore more likely to have higher-paying jobs than the other places represented.

**FIGURE 10. JOBS BY EARNINGS CATEGORIES (% OF TOTAL), RESIDENT WORKERS AND WORKPLACE JOBS:
FLORENCE, FLORENCE MPA, PINAL COUNTY, PINAL FTA**

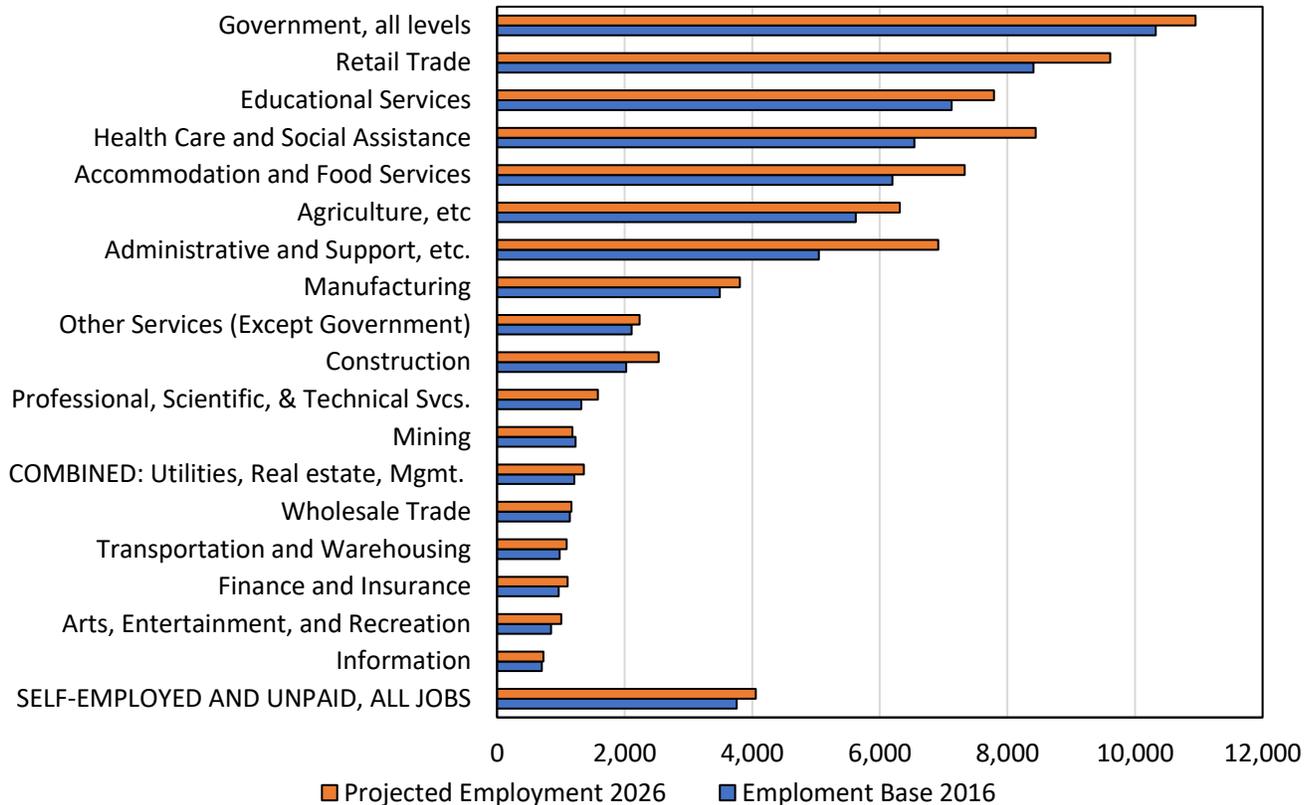


Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2017); McClure Consulting.

Growth Projections

According to official projections from the Arizona Office of Economic Opportunity, the distribution of employment by industry in Pinal County will change, by 2026, to the pattern shown in Figure 11. The largest numerical gains in employment are expected to occur in Healthcare and Social Assistance, Administrative, Retail Trade, and Accommodation and Food Services (and this data set probably understates the change in Manufacturing employment that will occur during the projection period).

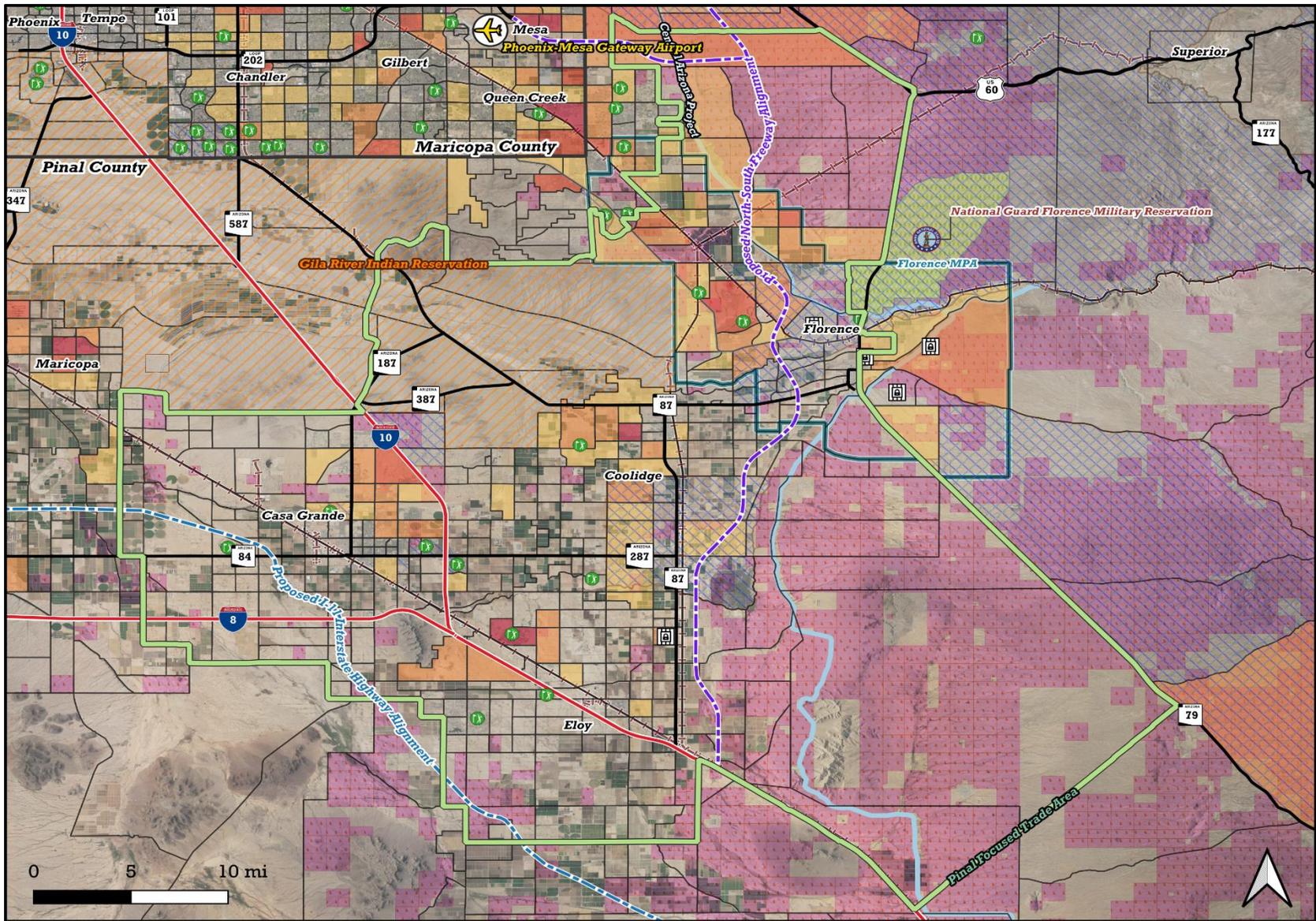
FIGURE 11. 2016-2026 PINAL COUNTY INDUSTRY EMPLOYMENT PROJECTIONS



Source: <https://laborstats.az.gov/>; McClure Consulting.

Projections by the Maricopa Association of Governments (MAG) for population and employment growth in the Municipal Planning Areas of Florence and three other Pinal County cities are shown in Figure 13. Note that the population growth curves for the three communities of Florence, Coolidge, and Eloy are roughly parallel, and indicate faster rates of growth than for Casa Grande. For all places, employment growth is projected to lag population growth, with Coolidge showing a slightly faster rate of growth than the other cities. The employment projections, particularly, may be overly conservative, especially given the recent announcements of major electric vehicle manufacturers coming into Pinal County. The geographic pattern of the projected population change through 2030 is shown on Figure 12.

FIGURE 12. PINAL FOCUSED TRADE AREA AND POPULATION PROJECTION PATTERNS



Source: U.S. Census Bureau TIGER files; Central Arizona Project; ACS 2017 5-Year Estimates; Arizona State Land Department; McClure Consulting.

LEGEND FOR FIGURE 12, PINAL FOCUSED TRADE AREA

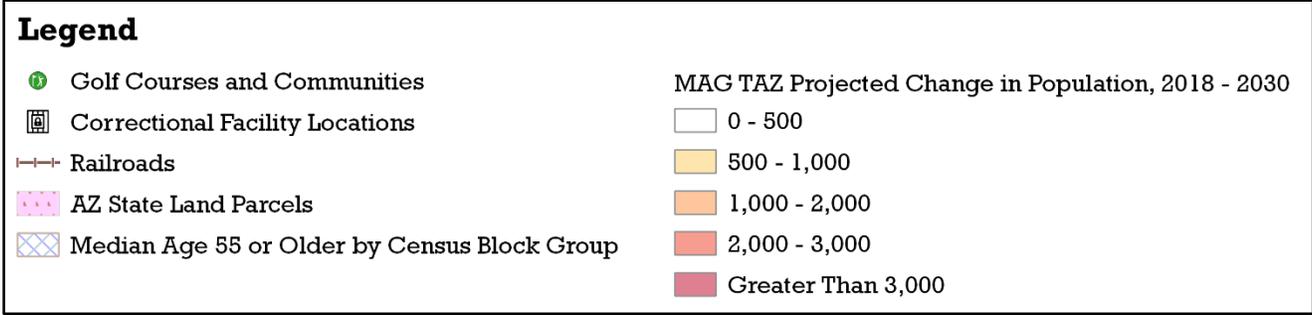
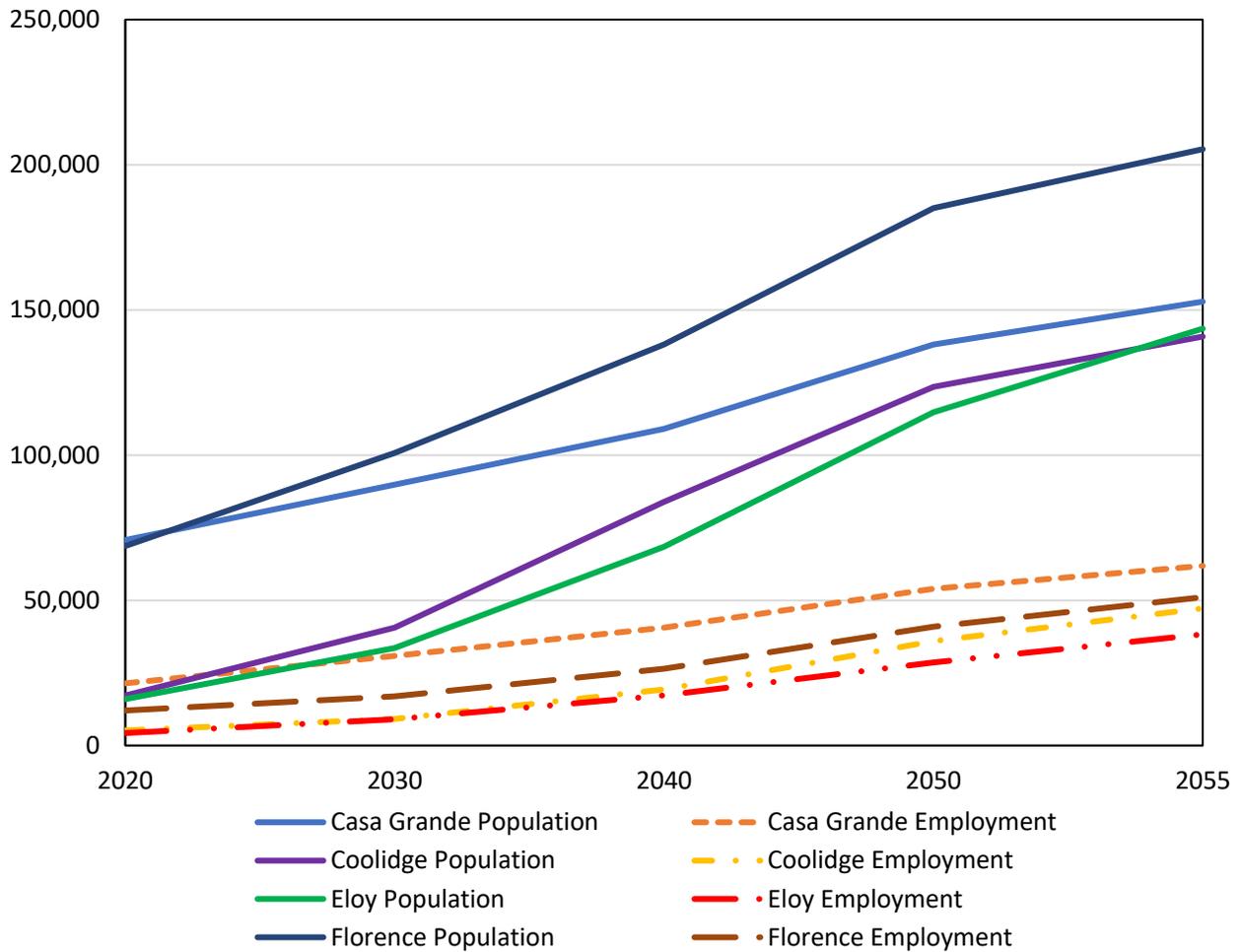


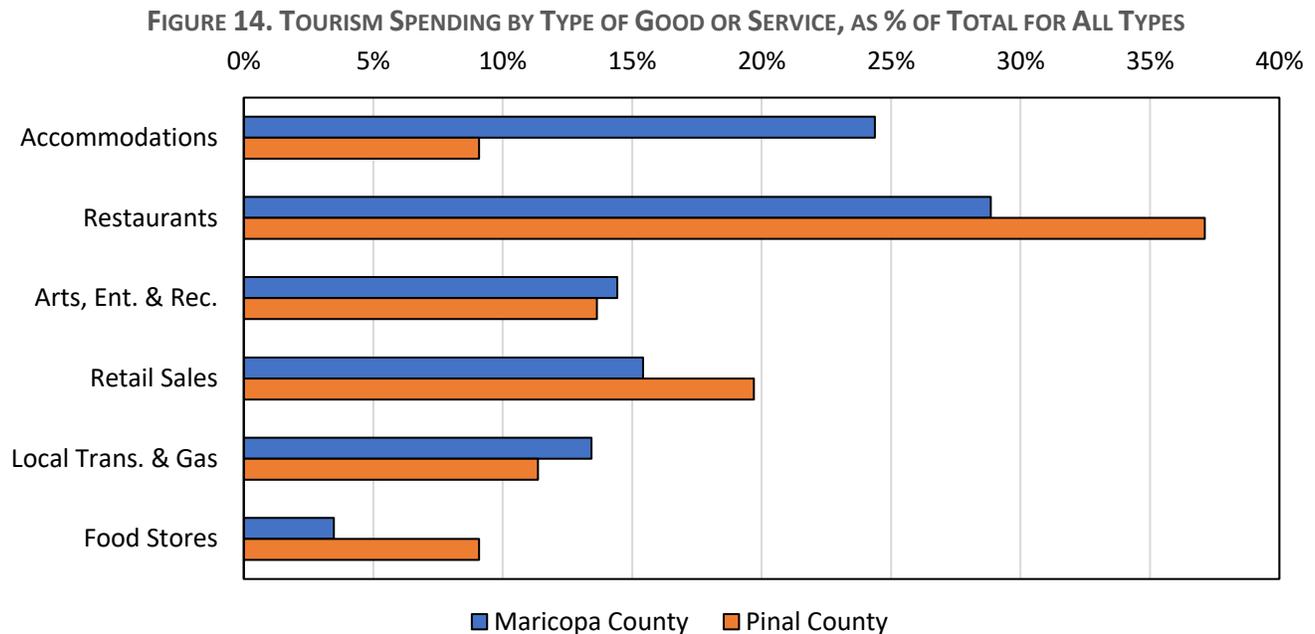
FIGURE 13. MAG PROJECTIONS: POPULATION IN HOUSEHOLDS AND EMPLOYMENT, FOUR PINAL COUNTY CITIES (MUNICIPAL PLANNING AREAS)



Source: 2019 MAG Socioeconomic Projections – June 2019 – FINAL; McClure Consulting.

Tourism

Two sets of indicators summarize the difference between the tourism markets in Maricopa County and Pinal County: 1) tourism spending by commodity type in the two places, and 2) Pinal County as a proportion of Maricopa County, comparing total tourism spending (but disregarding transportation to/from Arizona) and population. Figure 14 compares tourism spending by type of good or service, as a percent of total spending for these items, for Maricopa and Pinal Counties. The figure highlights the much higher percentage of spending on accommodations in Maricopa County, suggesting that many visitors coming into Pinal County are staying in Maricopa County hotels.



Source: Arizona Department of Revenue, Taxable Sales by County, compiled by Arizona Hospitality Research and Resource Center (AHRRC); McClure Consulting.

Another way of comparing the two counties is to view how overall tourism spending is divided between the two places, and comparing that to the population size of each County. Table 1 shows that tourism spending that occurs in Pinal County is less than 7% of the spending in Maricopa County, while Pinal County's population is over 10% of the Maricopa County population. While Pinal County's share of tourism spending may never be on a par with that of Maricopa County, proportionately speaking, if that were to occur it would mean \$371 million annually of additional direct spending within Pinal County.

**TABLE 1. PROPORTIONS OF OVERALL TOURISM SPENDING AND POPULATION SIZE:
PINAL COUNTY COMPARED TO MARICOPA**

| | | |
|---|--|---------------|
| Pinal as % of Maricopa | | |
| Tourism spending | | 6.6% |
| Population | | 10.3% |
| At parity, spending would be an additional: | | \$371,082,000 |

A hotel market study prepared for Pinal County³ provides additional insight into how the growth in businesses in the County will also affect demand for hotel rooms. The scope of the County’s study does not extend into the question of the feasibility of destination resorts in Pinal County, a topic addressed very preliminarily in this report.

Pinal County now has an active tourism marketing program (<http://www.pinalcountyz.gov/Visitors/Pages/Home.aspx>), and see also reference to the “Adventure Loop” in a subsequent section of this report.

Competitive Economic Conditions and Locations, Pinal County and Florence

Florence’s competitive position, in terms of the MPA, is evolving in at least two important ways: 1) housing development, driven at least in part by proximity to Maricopa County, will continue to add population to the community; and 2) strong economic growth elsewhere in Pinal County, particularly in the electric vehicle manufacturing sector, expands opportunity for other export-oriented activity throughout Pinal County, including Florence.

Additional population alone helps to diversify Florence both economically and away from its image as a center for correctional institutions. While Florence still hosts a number of correctional facilities, the recently announced closure of Arizona State Prison Complex – Florence would result in an estimated fiscal loss, without mitigating measures, of over \$3 million annually (Town of Florence document of February 3, 2020).

The prison complex includes a number of assets, some discussed in additional detail in this report, such as Arizona Correctional Industries, which produces approximately \$40 million per year of industrial, commercial and residential products, the Arizona Wild Horse and Burro Training and Holding Facility, the Florence Fish Farm, and ACI Ranch, with approximately 450 acres of forage crop production. These resources provided through the prison and the fiscal impact numbers underscore

³ Elliott D. Pollack & Company. *Lodging Market Study, Pinal County, Arizona*. Prepared for Pinal County Economic Development. March 2017.

the value to the community of pursuing mitigation measures for the prison complex, and also generally making outsiders aware of the community's other economic assets and opportunities.

Pinal County has long had a strong representation in the manufacturing sector, and the recent addition of two major electric vehicle manufacturers will further strengthen the potential for capturing additional manufacturing and other manufacturing-support activities, to the benefit of all County communities, particularly to the extent they are able to take advantage of such opportunities.

The recently announced plans to close the Arizona State Prison Complex – Florence create the potential to expand Florence's manufacturing footprint by taking the Arizona Correctional Industries manufacturing activities currently operating at the prison into a more public realm, and in the process expanding the supply of industrial land in Florence. (see also following section, Preliminary Observations on Industry Targeting and Other Development Opportunities).

Otherwise, industrially zoned land is in short supply in the Town, and there there is no property zoned for heavy industrial. Land planned for light industrial in the north/northwest part of (future) Florence in the 2020 General Plan has already been reduced somewhat according to the land use plan shown in the *Town of Florence Transportation Planning Study, Draft Final Report, January 2020*. In the online Town of Florence Zoning Map, few industrially zoned properties appear, and some areas originally planned for industrial use (in the 2020 General Plan) are now shown as residentially zoned.

Many fast-growing communities face the challenge of maintaining planned/zoned areas for business parks and other industrial activity, due to the tendency for developers to prefer residential uses and their associated commercial activity. Industrially zoned property tends to take longer to absorb than residential, yet still requires investment in improvements to be marketable. Municipal leaders, including those in Florence, can periodically review the evolving land use mix in their growing community, and maintain awareness of the need to hold an appropriate supply of land for business park and other industrial development in reserve, at locations where employers and their employees will want to be.

Industrial development competitive locations in Pinal County will be the Inland Port Arizona (Nikola), located in the southern Coolidge MPA, (number 2 on the Figure 1 map), and to a lesser extent, from the standpoint of geographic proximity, the Central Arizona Commerce Park in the western part of the Casa Grande MPA (number 5 on the Figure 1 map). In Maricopa County, sites at and near Phoenix-Mesa Gateway Airport will be an attractive alternative to the Florence area for some prospects.

For retail development, existing new neighborhood-size centers within the planned communities in the Florence MPA northwest from the original community are competitive to any incidental, small-scale development that could potentially otherwise occur in the downtown area and nearby. For larger-scale, community shopping centers the major near-term competition is the community-level shopping node at the north end of Coolidge (junction of 87 and 287) with Walmart, Safeway, and others, and with Tractor Supply also nearby. The trade area for that location logically extends into at

least the southern half of the Florence MPA. Shopping generally attributable to regional malls will be covered by the Promenade at Casa Grande center for the foreseeable future.

In general, retail development is changing nationwide in accordance with the following major influences:

- Online sales tend to be capturing increasing proportions of consumers' shopping budgets. This has the effect of decreasing the demand for retail space, but also creates some additional demand for small-warehouse distribution space, some of which might occur at the neighborhood/community shopping level.
- To maintain or recapture shopper interest, some retail establishments are increasing the "experiential" aspect of shopping, and retail centers seek to incorporate more entertainment activities, cash-generating and free. This kind of focus also highlights the importance of restaurants in shopping centers – destination restaurants, clusters of restaurants, or restaurants in general.
- Some retail establishments have sought to integrate their in-store experiences with online shopping, so that for example customers can locate and perhaps partially customize a product, which is then picked up at a local retail store along with perhaps final fittings, etc.

All of these influences mean that planning for future retail development will remain a continuous endeavor for some time, as planners, architects, and developers attempt to keep up with and anticipate trends.

Urban Center in Pinal County. Pinal County's relatively small employment base could change more quickly than is projected by MAG, especially if "urban" centers of commerce could emerge within the County. If this were to happen, what economic/demographic conditions and other characteristics would tend to influence their location, relative to Florence. Inland Port Arizona would seem to be a candidate, given its initial momentum with Nikola; although the extent to which this area becomes identified with heavy industry could be a limiting factor. A sizable and aggressively planned and promoted combination of business park mixed with other commercial and residential uses, located within the Florence MPA, could potentially fill the role of "destination" urban node for at least a portion of Pinal County. Clearly, this would not be a central location with respect to the County, but it could conceivably work as a combination of metro Phoenix suburban and Pinal County urban center.

Las Colinas in the Dallas area is perhaps an extreme example of how development opportunities can to some extent bypass existing cities in favor of highly focused areas of new development. Dallas suburbs such as Frisco and Plano have also had notable success establishing focused development areas for their desired economic niches.

Florence is in a relatively good position to capture increased tourist-serving development in Pinal County – which is currently in short supply.

Preliminary Observations on Industry Targeting and Other Development Opportunities

Targeted or Otherwise Featured Industries, in Central and Southern Arizona

Political and economic development entities in the central and southern Arizona economic region identify a variety of target industries, or industries of particular interest. These are summarized below.

Pinal County (as referenced in the County’s Business Assistance Plan Policy, Pinal County Prospectus, and elsewhere)

- Agriculture
- Mining
- Manufacturing (ranging from food processing to electric vehicles and other high-tech)
- Aerospace (including manufacturing) and Defense
- Health Services and Biosciences
- Transportation & Logistics (which includes vehicle test tracks and other vehicle R&D)
- Natural & Renewable Resources and Technology (which includes biogas)
- Recreation and Cultural Assets, Tourism

Pima County

The *Pima County Economic Development Plan* (Pima County, 2019-2021) lists the following industries as part of their set of major industry categories:

- Aerospace and defense
- Mining
- Tourism
- Healthcare
- Logistics
- Film production

Sun Corridor, Inc.

For Sun Corridor, Inc. promoting economic development for entities in Pima, Cochise, Santa Cruz, and Pinal Counties, and Mexico in the adjacent northern Mexican border area, target industries are (<https://www.suncorridorinc.com/industry-strengths/>):

- Aerospace & Defense,
- Bioscience,

- Renewable & Mining Technology, and
- Transportation & Logistics.

Greater Phoenix Economic Council (GPEC)

Highlighted industry categories shown on the Greater Phoenix Economic Council website (<https://www.gpec.org/industries-operations/industries-in-greater-phoenix-wearables/>) include:

- Advanced Business Services
- Aerospace
- Autonomous Vehicles
- Blockchain
- Cybersecurity
- Financial Services
- Healthcare and Biomedical
- Semiconductors
- Software
- Wearables (featuring advanced sensors and electronics/microelectronics)

Florence Industry Targeting and Other Development Opportunities

This section is organized into two components: 1) potential relevant target industries for Florence, and 2) other development opportunities that are either present or emerging, and may be the result of actions by outside parties.

Common, Relevant Industry-Targeting Themes in the Region

Some of the obvious industry categories of common interest among Florence and the other entities in the region include:

- Aerospace/defense
- Renewable energy
- Healthcare
- Transportation industries
- Tourism
- Also relevant: Manufacturing

Aerospace/defense (military presence)

The Florence Military Reservation (FMR), northeast of the existing Florence community, is the main training site for the Arizona Army National Guard, an important for other training purposes. The 26,000-acre reservation is important for exposing trainees to desert conditions. The FMR has worked closely in partnership with Florence and also private armaments companies to make their facilities more broadly available and potentially larger (through intergovernmental agreements, for example).

Florence also houses a US Immigration and Customs Enforcement facility.

Renewable energy (biogas)

The town's existing wastewater treatment plant could be a focus of additional investment, specifically in biogas processes for energy development, and where additional waste resources could be assembled.

Healthcare

Florence has healthcare assets represented by, for example, a Steward Healthcare facility, and Horizon Health, along with other emerging opportunities. There is a potential for facilities to expand to care for inmates, pending the resolution of various regulatory issues.

Tourism

Florence's competitive position for tourism development may be superior to that of the other Pinal County communities, given the following conditions (see also mapped locations of these and other tourism-related points of interest on Figure 1):

- The potential for repurposing the Arizona State Prison Complex – Florence, currently slated for closure, into one or more functions that could support tourism, including making parts of the facility a tourist attraction, and even converting portions to a hotel.
- Presence of and proximity to cultural sites such as the historic County courthouse, McFarland State Historic Park, Casa Grande Ruins, and Saint Anthony's Greek Orthodox Monastery.
- Relationship to natural features such as the Gila River and various mountainous or other scenic-desert areas. Florence has developed recreational plans that include increasing access to the Gila.
- Location on the route to Biosphere 2 and the communities of Oracle and Oracle Junction (and the city of San Manuel is also in the process of reinventing itself from a mining community). In traveling to these communities, Highway 79 from Florence to Oracle Junction is a "scenic route" to Greater Tucson.
- Potential for leveraging the Country Thunder event/site.

Resorts in the Florence area could offer settings distinctly different from most other offerings in metro Phoenix and Tucson.

Transportation industries (including manufacturing)

The recent addition of two major electric vehicle manufacturers to Pinal County would seem to offer particularly promising potential for attracting related industries. To some extent, the timing of spinoff development related to electric vehicles (EVs) depends on how rapidly they are adopted in the US

and worldwide. While this is a developing story, at least one major financial services firm⁴ has recently accelerated its automobile EV adoption forecast, predicting EV sales to be 14% of car sales by 2025. Regardless of timing, electric vehicles are understood to constitute a major disruption in the commercial and consumer vehicle manufacturing supply chain. To summarize key points of this issue very briefly, the vehicles tend to be mechanically simpler, particularly in the drivetrain, while at the same time being electrically/electronically more complex. Battery technology and production is of course a key component of these vehicles, and an arena where innovation is particularly important. Some of the innovation related to these vehicles carries over into the development of autonomous vehicles, which will further disrupt not only manufacturing but many aspects of urban existence (circulation and parking, retail sales, and options for garageless residential development, for example).

In addition to Nikola and Lucid in Pinal County, other noteworthy electric vehicle production in the US includes Proterra (buses), with a presence in Silicon Valley, City of Industry, California, and Greenville, South Carolina, and Rivian (small trucks and SUVs), with a presence in Irvine, San Jose, and Carson, California, Plymouth, Michigan and Normal, Illinois.

According to some sources,⁵ the United States has a disadvantageous position in EV innovation and production (particularly with regard to components in the supply chain). A major issue for the US economy, consequently, is whether we can increase our competitiveness, which may require among other things developing and implementing a national strategy directed to relevant economic sectors, as other nations have done. Nevertheless, certain companies with a strong US presence are attempting to position themselves within this new technology, including American Axle, BorgWarner, Magna, Delphi, Continental, and Panasonic.

From the standpoint of industry targeting, two of the primary relevant NAICS codes include:

- 336320 - Motor Vehicle Electrical and Electronic Equipment Manufacturing, and
- 335911 - Storage Battery Manufacturing

Some of the top industries⁶ associated with 336320 include those listed below. Note, however, that this list and the following list for the other NAICS code are major firms with existing affiliations, in the geographic areas in which they are headquartered and elsewhere, and should be understood as *examples* rather than realistic prospects for Florence at this time.

⁴ UBS Q-Series Global Research, “UBS Evidence Lab Electric Car Teardown – Disruption Ahead?” 18 May 2017. Accessed December 23, 2019. <https://neo.ubs.com/shared/d1wkuDIEbYPiF/>

⁵ UAW research. *Taking the high road, strategies for a fair EV future*. Spring 2019. <https://uaw.org/wp-content/uploads/2019/07/EV-White-Paper-Spring-2019.pdf>. Accessed 12/20/2019. A publication of The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.

⁶ NAICS Association. <https://www.naics.com>.

| | |
|-----------------------------------|-------------------|
| Lear Corporation | Southfield, MI |
| LG Electronics Vehicle Components | Hazel Park, MI |
| Borgwarner (Indiana) Inc. | Pendleton, IN |
| Sumitomo Electric Wiring Systems | Bowling Green, KY |
| North American Lighting Inc. | Paris, IL |
| BBB Industries | Daphne, AL |
| Valeo North America Inc. | Troy, MI |
| Hitachi Automotive Systems | Harrodsburg, KY |
| Aees Power Systems Ltd Partner | Allen Park, MI |
| Fram Group Operations | Lake Forest, IL |

Top industries for 335911 include:

| | |
|--------------------------------|-------------------|
| HRG Group Inc. | New York, NY |
| Exide Technologies | Milton, GA |
| Energys | Reading, PA |
| Energizer Holdings Inc. | Saint Louis, MO |
| Energys Delaware Inc. | Reading, PA |
| Maxell Corporation of America | Woodland Park, NJ |
| Polypore International LP | Charlotte, NC |
| Crown Battery Manufacturing Co | Fremont, OH |
| LG Chem Michigan Inc. | Holland, MI |
| Enerdel Inc. | Indianapolis, IN |

Contract Manufacturing

Arizona Correctional Industries operates a major, sophisticated manufacturing facility within the Arizona State Prison Complex – Florence, which could be preserved (regardless of stated intentions in early 2020 to close the prison) and expanded into an operation focused broadly on inmate transition and job training. This facility could also anchor a business park developed around it and targeting specifically other manufacturing operations that can make use of this unique asset.

Smart Cities Tech

The Town has put forth various initiatives involving partnerships in promoting innovation districts, smart city concepts, STEM education, and attracting related types of tech companies. These initiatives can to some extent exist independently of existing economic conditions and opportunities within Pinal County and Florence. They can also provide leverage for, and be leveraged by, other economic development considerations that relate directly to emerging industries in Pinal County, such as electric vehicle manufacturing as discussed above. To help support these initiatives, the Town is able to promote its unique position among relatively rural areas of having three fiber highways running through the community.

County Government

Pinal County office space housed in Florence will continue to expand as the County population increases. Based on present MAG projections, Pinal County's population is expected to increase by approximately 75% from 2020 to 2040. While County services and related office space will not necessarily expand in direct proportion to this growth rate, government services tend to also expand on the basis of higher "population thresholds" (population levels that make services supportable that were not practical at lower levels) achieved as part of the growth process. As this report is being prepared, two major County projects are under construction in the community. Florence planning officials can continue to coordinate this expansion of Pinal County offices with revitalization of the downtown and other areas within the existing community.

Other Development Opportunities – External Influences

Three Railroads. In addition to the main Union Pacific north-south line running through the community, Florence has two other railroad lines that are effectively branches from the UP line: 1) the Magma Arizona, and 2) the Copper Basin Railway connecting Winkleman and the mining communities along Highway 177. These two lines, at least in theory, could represent a greater potential for development of rail spurs that could serve adjacent to-be-designated industrial properties. The properties could be marketed with a focus on businesses that serve mining operations.

Arizona Innovation and Technology Corridor. This concept is intended to formally recognize tech-oriented interrelationships, including a long list of shared economic assets, between Pinal County and Pima County. The corridor is anchored at the University of Arizona Tech Park (both geographically and in terms of the Tech Park's mission to promote high-tech industries in Arizona). This type of initiative can raise the profile of Pinal County communities, including Florence with its existing assets of, for example, Arizona Correctional Industries.

Adventure Loop. Pinal County officials are the process of preparing materials in relation to at least 23 recreational and other tourist attractions that exist within a drivable circuit that takes in US 60 on the north, Interstate 10 on the west, and Highway 77 on the east and south (and also includes sites along Highway 79). A wide range of commercial and institutional development could complement this loop concept, including sports training facilities, sports resorts, theme parks, and of the like.

Prison Closure/Repurposing. The recently announced plans to close the Arizona State Prison Complex – Florence create the potential to expand Florence's manufacturing footprint. The existing Arizona Correctional Industries (ACI) operation could in the future involve job training combined with the kind of contract manufacturing that has been occurring there already but functions in relative obscurity. A job training program there could expand into various aspects of inmate transition, involving housing and other details. The existing facility could also anchor an industrial park catering to manufacturers who could make use of the unique contract manufacturing business prospect

available through ACI. (Also see section above on Target Industries, Tourism, for additional concepts related to the prison closure.)

Medical Campus. The downtown Florence Hospital is transitioning to other ownership, and will be, along with property around it, taking on a new medical focus through an initiative currently known as Project Whitesock.

Other Development Opportunities – Town Initiatives/Concepts

Town-Owned Property. As this report is being finalized, the Town has an active RFP for property development for 30 acres within Territory Square. Special incentives also exist for this property. The Town’s stated preference for development is a mixed-use project that includes residential, commercial, and/or professional offices.

Incentive Areas. The town has created a Town Core Infill Incentive District Plan, designating large areas of vacant land in the existing community and providing for special incentive policies, to help promote revitalization of these areas. The Town also has areas designated as Opportunity Zones, some of which overlaps the Infill Incentive District.

City of Coolidge Municipal Airport. This airport could be improved to become a greater economic development asset than it is currently, and Florence could investigate (formally or informally) the costs and benefits of partnering with Coolidge to expedite development of the facility.

Retail Leakage

The primary objective of the retail analysis is to demonstrate how potential trade areas in Florence are expected to grow over an extended period of time (20 years), thereby generating demand for retail space that could theoretically be met by development somewhere within those trade areas (and within Florence). The findings generated by the analysis, in the figures below, show the shortfall between both *existing* supply and demand in these areas, and the additional retail space demand generated by *future growth*.

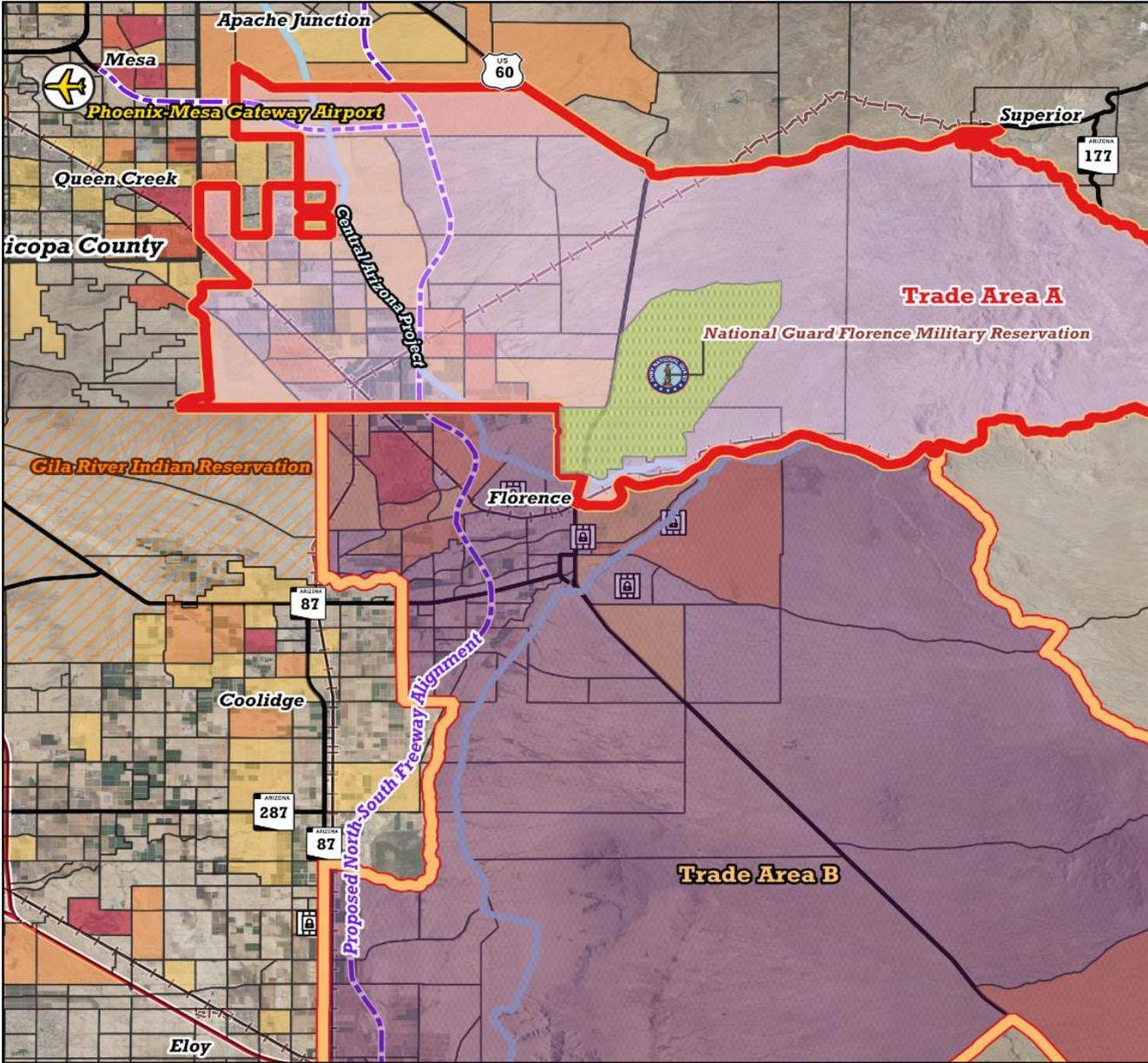
Key components of the analysis process involved:

- Identifying trade areas generally confined to the Florence MPA, which would also represent areas having minimal overlap with the next-closest competing shopping centers.
- Compiling data for these areas by using a combination of geographic sub-units for which data were available, including Census geography for income data and MAG Transportation Analysis Zones for population projections.

Two trade areas were defined for this analysis, consisting of the northern and southern portions of the Florence MPA, shown on Figure 15, and labeled A (northern) and B (southern portion, which

includes the existing community). The two areas were defined based on a combination of current and projected population size, and actual/theoretical locations of retail activity, along with data area geographic boundaries. (For the legend of various map layers shown, please refer to the Figure 12 map.)

FIGURE 15. HYPOTHETICAL FLORENCE TRADE AREAS

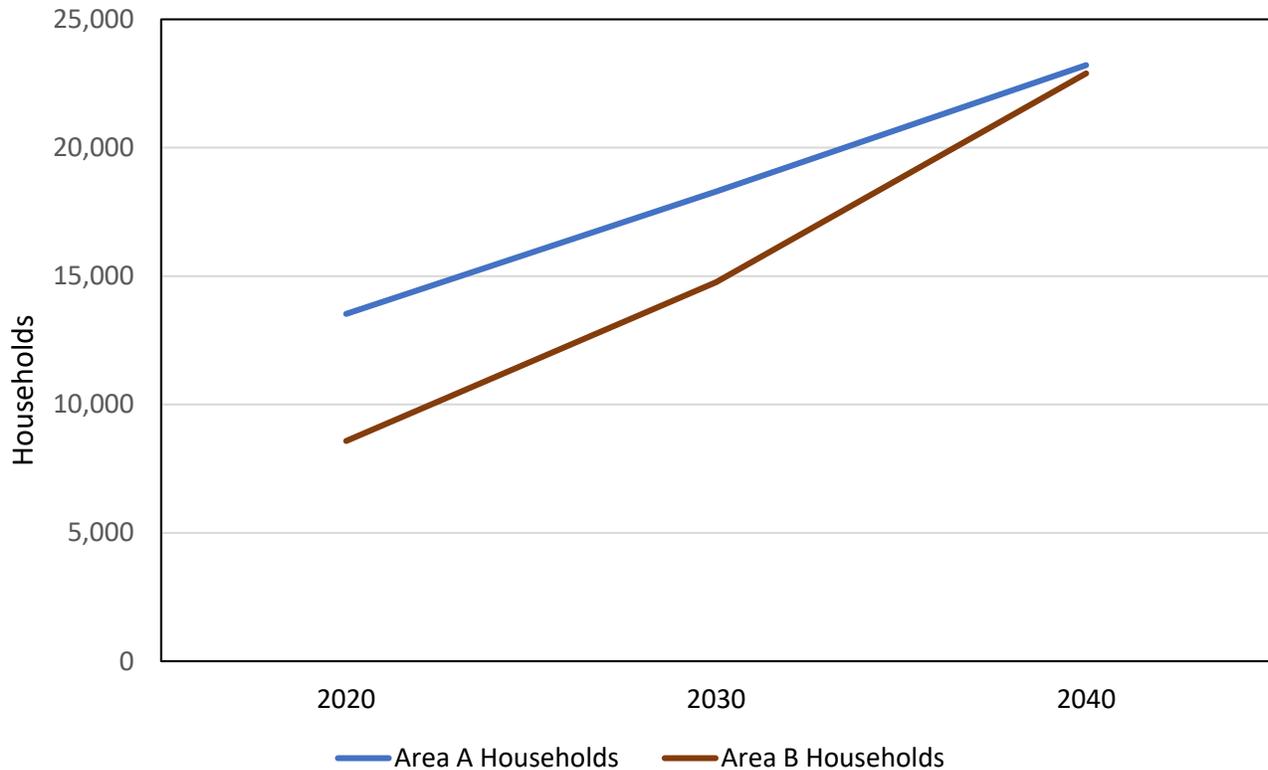


Source: U.S. Census Bureau TIGER files; Central Arizona Project; ACS 2017 5-Year Estimates; Arizona State Land Department; McClure Consulting.

Demographic conditions vary between the two areas. The existing community population (Area B) is older and less affluent than the population in the growing northern portion. At the same time, the

southern area (B) is projected by MAG to grow at a faster rate, as shown on Figure 16, and as both areas grow the age and income differences between the two will tend to level out.

FIGURE 16. PROJECTED GROWTH OF POPULATION AND HOUSEHOLDS, TWO HYPOTHETICAL FLORENCE TRADE AREAS



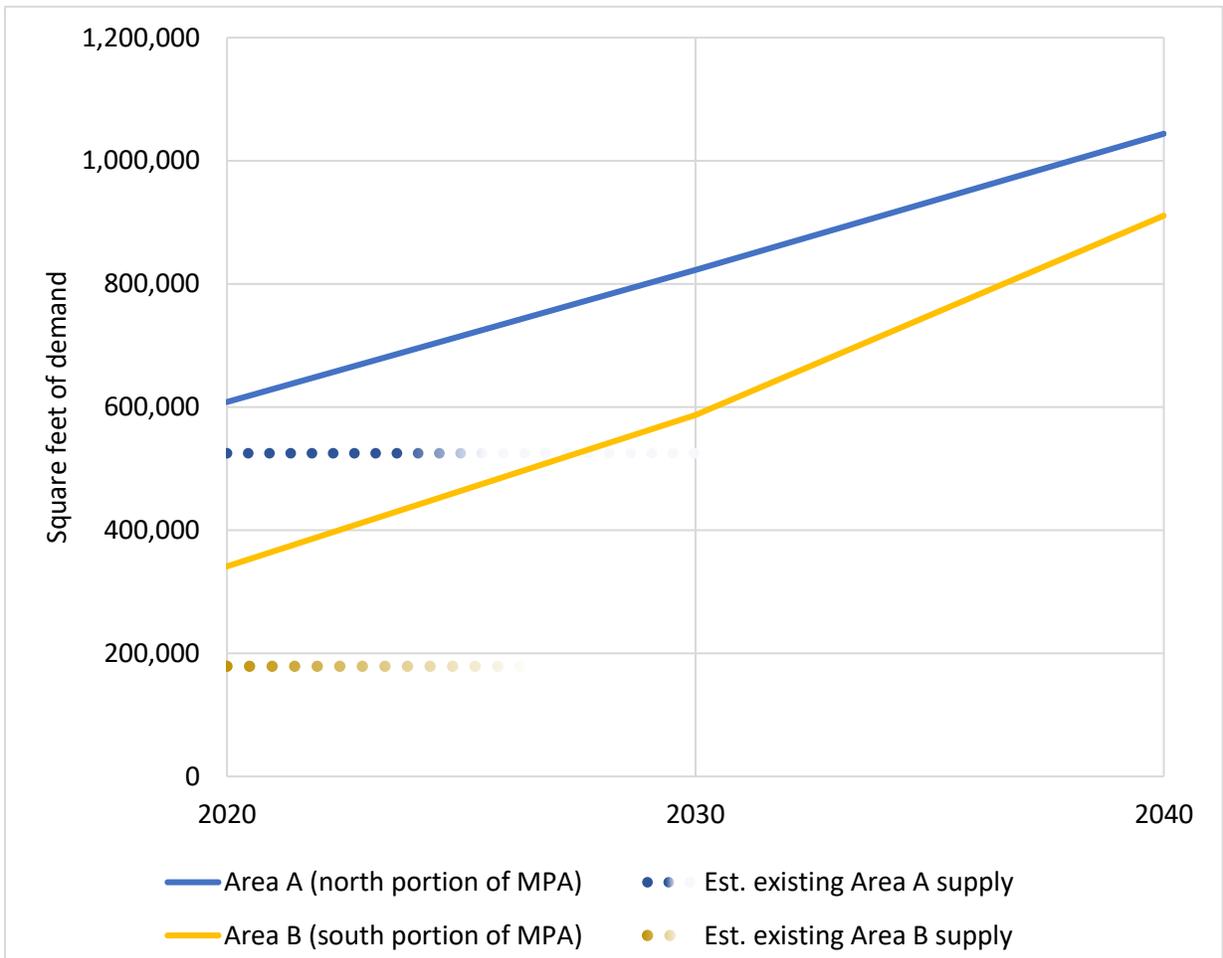
Source: MAG, McClure Consulting.

Based on the analysis of the relationship between theoretical retail space demand and the estimated area currently supplied, Area A is already undersupplied by approximately 85,000 square feet (SF), and Area B by 165,000 SF. However, the shortfall in Area A represents 16% of the existing retail space, while the Area B shortfall is 90%, so the issue is much more pronounced there in a relative sense as well as in raw numbers.

The relationship between the theoretical demand for retail space in the two trade areas and the estimated existing supply of shopping space is summarized graphically on Figure 17. The figure also demonstrates that due to the strong, rapid growth projected for both Area A and B, additional retail space development must be accommodated within those areas to avoid expansion of the shortfall in retail space that appears to already exist. In the analysis model, demand figures include adjustment for "structural" leakage, recognizing that even the two trade areas combined are not likely to achieve the critical mass necessary to support traditional regional-level retail malls, at present and with expected growth continuing for decades into the future. (In future years these traditional malls will

most likely have transformed into something rather different, with different metrics applicable to their respective trade area populations.)

FIGURE 17. RELATIONSHIP BETWEEN ESTIMATED RETAIL SPACE SUPPLY AND THEORETICAL SPACE DEMAND, FOR TWO HYPOTHETICAL FLORENCE TRADE AREAS



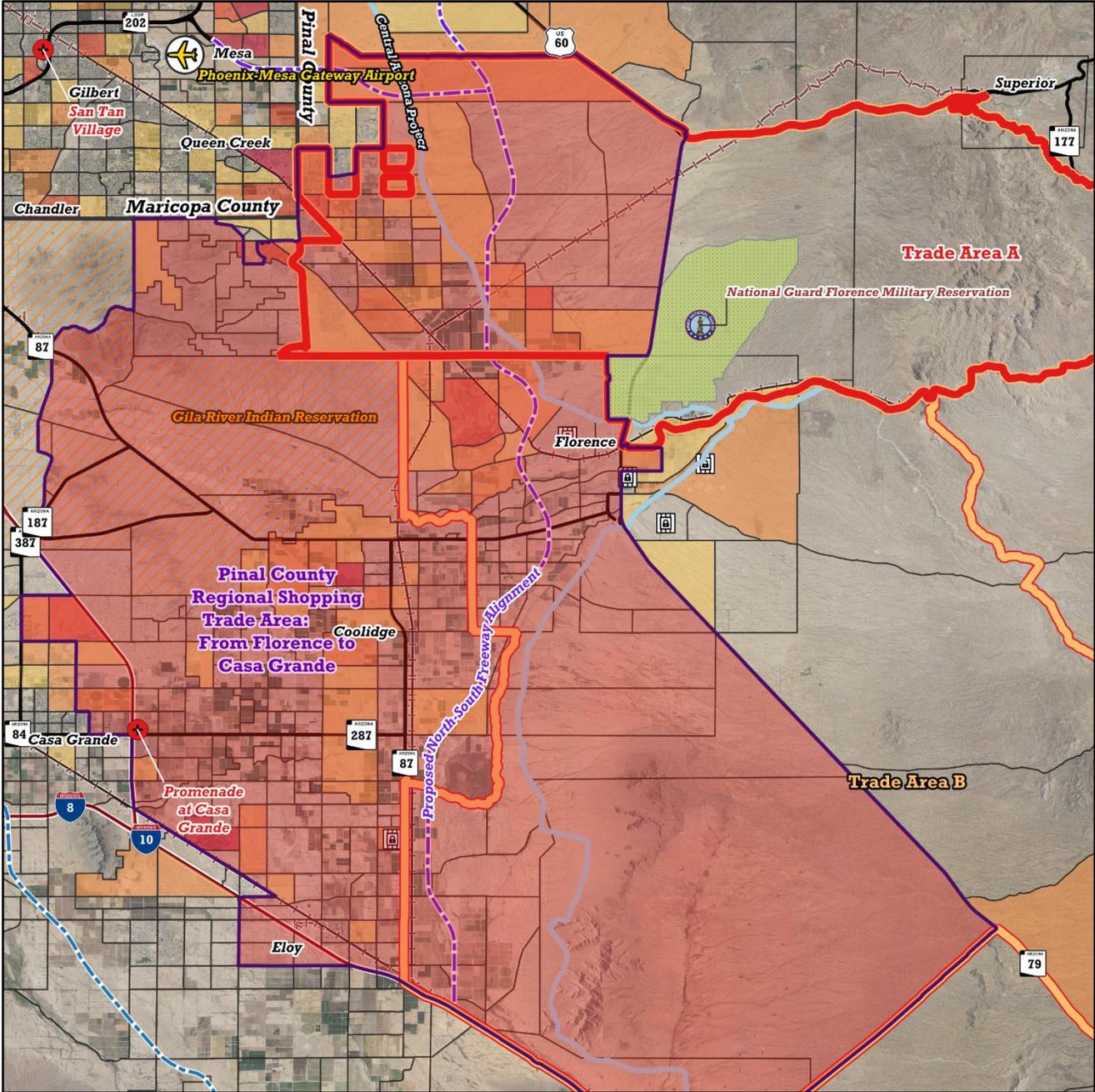
Source: McClure Consulting.

The estimation of shopping space supply in Area B is based on the shopping center within Merrill Ranch plus existing retail establishments in downtown Florence. Both of these areas are within the designated trade area boundary. However, a detailed assessment of the difference between space supply and demand within Florence must recognize the presence of the community-level shopping node at the north end of Coolidge (junction of 87 and 287, with Walmart, Safeway, and others). The trade area for that location logically extends into Florence and overlaps Area B.

Figure 18 provides additional context for these trade areas, showing an area that incorporates the 20-mile radius “reach” from Florence to the nearest regional shopping center in Pinal County, the Promenade at Casa Grande, where a substantial amount of the retail shopping leakage from Florence

is likely now occurring, especially in regional-center-type goods. The population within this area, 142,000 (Census ACS), is capable of supporting some level of regional shopping, and of course the Promenade has additional population within its overall trade area, extending west from the area shown on Figure 18. The Promenade is well-positioned to continue to capture regional shopping for the area shown on the map, probably for the foreseeable future, while Florence essentially remains at the northeastern fringe of its trade area.

FIGURE 18. HYPOTHETICAL PINAL COUNTY REGIONAL SHOPPING TRADE AREA: FROM FLORENCE TO CASA GRANDE



Source: U.S. Census Bureau TIGER files; Central Arizona Project; ACS 2017 5-Year Estimates; Arizona State Land Department; McClure Consulting.

Additional demand for retail space in Florence would also be generated by visitors to the approximately 17,000 prisoners in the correctional facilities located in Florence. Although visitation data to these facilities are not available, estimates of the volume of visitors based on other research suggests that these visitors could generate demand for 20-25,000 square feet of retail space.⁷

Florence can stem some retail leakage by recapturing some of the workers at correctional facilities and other local jobs who currently live elsewhere. This would require helping to ensure appropriate housing development, and potentially revitalization of some existing housing, in the community.

The ideal location for development of additional retail space to capture both current leakage and anticipated future demand is beyond the scope of this study, but would require consideration of the following, in addition to the usual market and other factors:

- Individual planned communities within the Florence MPA appear (upon cursory review) to have generally been planned for retail space sufficient for neighborhood-level shopping within those communities, and may not have capacity to absorb additional demand for community-level or other “higher threshold” shopping generated both by their internal population and by additional population in surrounding communities.
- Additional retail development, adopting a preliminary assumption that it will involve community-level shopping, will most likely require 15 or more contiguous acres, and be more-or-less centrally located within the Florence MPA. While the downtown area and other parts of the existing developed community could potentially house some of this space, the locations may not be optimal.
- When planning for large-scale retail centers, flexibility is ideal in order to both maintain a competitive environment and avoid excess property locked into a designation that eventually becomes unworkable.

Property Values

As a part of the Economic Development Baseline Information project, McClure Consulting performed a survey of property values in Downtown Florence. The properties surveyed and analyzed were

⁷ Space for providing goods and services to correctional facility visitors could expand in response to various efforts underway throughout the country to encourage visitation as part of strategies to reduce recidivism (see for example <https://www.prisonpolicy.org/visitation/>). At this point, even obtaining visitation data is a considerable and unnecessary hurdle for better understanding this kind of activity.

generally located between Ruggles Street to the north, Butte Avenue to the south, Pinal Street to the east, and Quartz Street to the west. The other areas surveyed as part of this comparative analysis were Downtown Coolidge, Downtown Casa Grande, commercial property at Anthem at Merrill Ranch Florence, and commercial property at Coolidge Gateway and the Walmart Supercenter. The properties surveyed in Downtown Coolidge were generally located along Main Street between Central Avenue to the north, and Coolidge Avenue to the south. The properties surveyed in Downtown Casa Grande were generally located between Florence Boulevard to the north, Main Street to the south, Marshall Street to the east, and Maricopa Street to the west.

Using the property data from the Pinal County Assessor, properties were analyzed based on the Assessor’s market valuations of commercial improvements and recent sales data available in the database. In Table 2 below, the sample size and the average price per square foot are provided for both the Assessor’s market sales information and the Assessor’s market valuation, for commercial improvements for each area analyzed. The first three (3) areas analyzed included properties specifically similar to Downtown Florence – located in downtown areas with relatively high floor area ratios and the potential for pedestrian traffic adjacent to the street. The last two (2) areas analyzed included modern suburban commercial community centers, which provide additional context for this analysis. It is important to note that limited data were available for market sales information.

The average price per square foot of recent market sales in Downtown Florence is higher than property in downtown Coolidge and Casa Grande. In addition, Assessor’s valuations of property in Downtown Florence appear to be slightly higher than the other downtown areas in Coolidge and Casa Grande.

TABLE 2. MARKET SALES AND ASSESSOR’S MARKET VALUATIONS FOR DOWNTOWN FLORENCE AND COMPARISON AREAS

| Place | Sample size, Market Sales | Market Sales/SF (Average) | Sample size, Assessor’s Market Valuation | Assessor’s Market Valuation/SF (Average) |
|---|---------------------------|---------------------------|--|--|
| Downtown Florence | 5 | \$67.50 | 37 | \$57.11 |
| Downtown Coolidge | 2 | \$30.10 | 31 | \$50.38 |
| Downtown Casa Grande | 2 | \$30.50 | 47 | \$52.78 |
| Merrill Ranch Commercial Property | 1 | \$150.78 | 6 | \$124.76 |
| Coolidge Gateway Commercial and Walmart Supercenter Commercial Property | - | - | 12 | \$128.46 |

Sources: Pinal County Assessor; Pinal County Recorder; McClure Consulting.

An Economic Development Function for Florence

Economic development in Florence is already influenced by initiatives, as mentioned in previous sections, put forth by outside interests and also the Town itself, and by economic development

efforts in progress in Pinal County and in regional economic development organizations throughout the 3-county area of Maricopa, Pinal, and Pima Counties.

Local First and preserving historic areas. Kimber Lanning of Local First Arizona gave a presentation to Florence officials that underscored the multiple benefits of preserving historic community assets, including:

- Preserving historic character of buildings and commercial neighborhoods, recognizing as well their unique aesthetic appeal.
- Proactively eliminating or minimizing blight that might otherwise affect aging areas.
- Encouraging walkable commercial and potentially residential neighborhoods.
- Recognizing that historic commercial areas may or may not have locational and other attributes/values that allow for intensive redevelopment/reuse.
- Promoting green building by keeping existing structures intact.
- Expanding the supply of small, relatively affordable commercial spaces, and thereby also promoting entrepreneurship in general and for residents who might face financial challenges.
- Encouraging locally based commercial activity in order to maximize retention of retail/service spending.
- Encouraging a “small business ecosystem” that can generate other activity, foster community identity, creativity, and other benefits.

The Local First presentation provides a compelling case for including existing community historic assets in any economic development strategic framework that the Town may adopt, even while this overall framework is likely to embrace many additional approaches to broadening economic opportunities in the community.

The case for a “generalist” economic developer. An economic development practitioner’s work involves potentially many components, including those listed below:

- Marketing the community from an economic development perspective. As Florence outgrows its image as a center for correctional institutions, the message, distribution, etc. related to economic development marketing will be even more important than it would otherwise be.
- Identifying, evaluating, and refining incentives.
- Initiating, managing, and otherwise coordinating an economic development strategic planning process involving a wide range of local stakeholders, many of which will hopefully become partners in implementing the plan. This strategic planning process may reveal the need for economic development efforts to cross over into many other areas of community development and management, including general planning and capital improvements planning, for example. Entities outside of the jurisdiction may also require attention, such as utilities, school district, etc. The practitioner will need to find ways to coordinate among these entities that they have little or no ability to directly influence.

- Town personnel in general, including economic development staff, will need all possible resources at their disposal to help manage and coordinate the residential growth within the Florence planning area, with respect to the framework, economic expansion and diversification, etc. of the existing community.
- Generating an internal business plan, based on the strategic plan, emerging local opportunities, and other matters that need attention.
- Responding to requests for information on the part of prospects and also various officials. Some of these requests may require additional research and not simply packaging existing information.
- Helping elected officials and the general public understand their role, including why they may be focusing on specific types of industries and not others.

Recommendation. In the near-term, Florence is most likely to need an economic development person with a broad, generalist background, able to address any or all of the various components mentioned above, but also have a “world view,” or at least a solid working knowledge of their community and surrounding region, sufficient to help them juggle their efforts among the different demands at any given time. This person will also have to respond to requests from elected officials, maintain working relationships with a variety of partners, including larger jurisdictions and also utility companies and other economic development players, and manage the business functions of their office. Florence does not at this time have an active industrial/business park within which to focus an economic developer’s marketing and related efforts; but this could change in the relatively near future, at which point a staff person focused in this way, and probably supplemental to any other economic development staff, could be appropriate.

Pinal County offers a number of resources that support economic development in Florence:

- Biannual workforce surveys throughout the county, including a version focused on Arizona City, Eloy, Coolidge and Florence, provide insight into general workforce conditions and most importantly into indicators of underemployment, interest in entrepreneurship (interestingly, the latest report showed a high level of interest on the part of the survey respondents)⁸, perceptions of employment opportunities, and other observations that are not obtainable through official data sources.
- The Pinal County Business Assistance Plan Policy (BAP) is a flexible business support funding resource that can be applied by qualifying businesses for acquisition, improvement (including infrastructure improvements), leasing or conveyance of real or personal property, employee training, and employee/business relocation costs (and other types of costs may qualify). Businesses must meet certain investment qualifications and also be connected with one of the

⁸ Strategic Research Initiatives, LLC. Pinal County—Arizona City/Coolidge/Eloy/Florence Skills Assessment Research Study. Final Report. May 2019.

following five County target industries: Manufacturing, Aerospace & Defense, Health Services, Transportation & Logistics, and Natural & Renewable Resources.

Economic Development Baseline Information Project for Florence, AZ

Report Summary Presentation



McClure Consulting LLC

Report Table of Contents

- Regional Overview of Florence's Economic Setting
- Employment Base
- Workforce
- Growth Projections
- Visitors
- Competitive Economic Conditions and Locations in County
- Preliminary Observations on Industry Targeting
- Targeted or Otherwise Featured Industries
- Retail Leakage
- Property Values
- An Economic Development Function for Florence

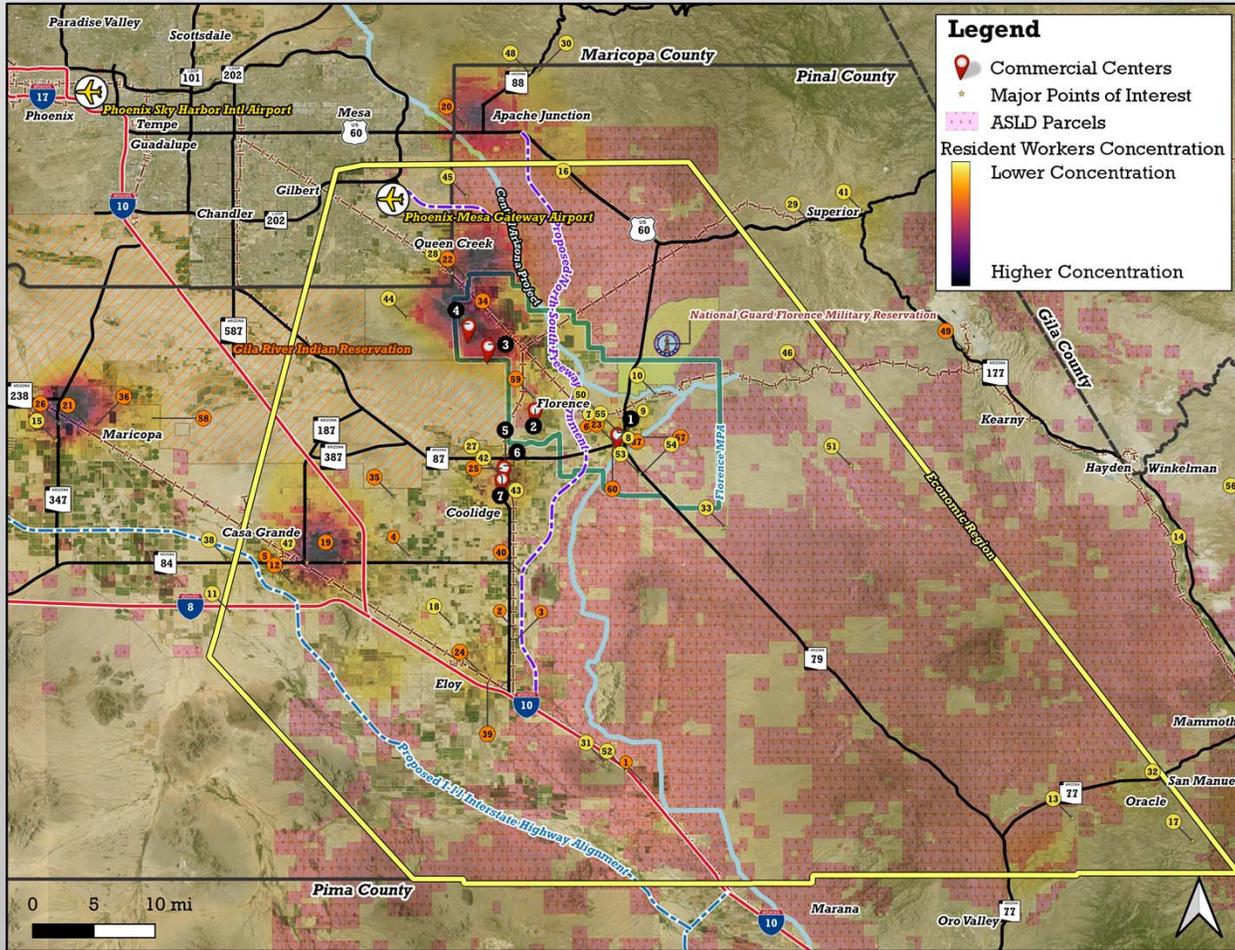
Intent

- Help inform the Town's overall strategic planning process
- Help guide additional, future *economic development* strategic planning
- Orient an economic development practitioner the Town may choose to hire
- Interim source of information for outsiders

Reviewing this Document

- Information is general and broad-ranging in nature, not “strategically directed”
- Best characterized as a “thought piece” directed toward the Town’s economic development
- Sections on retail leakage and property values included to address specific requests

Economic Region Overview



Key *regional* economic development assets

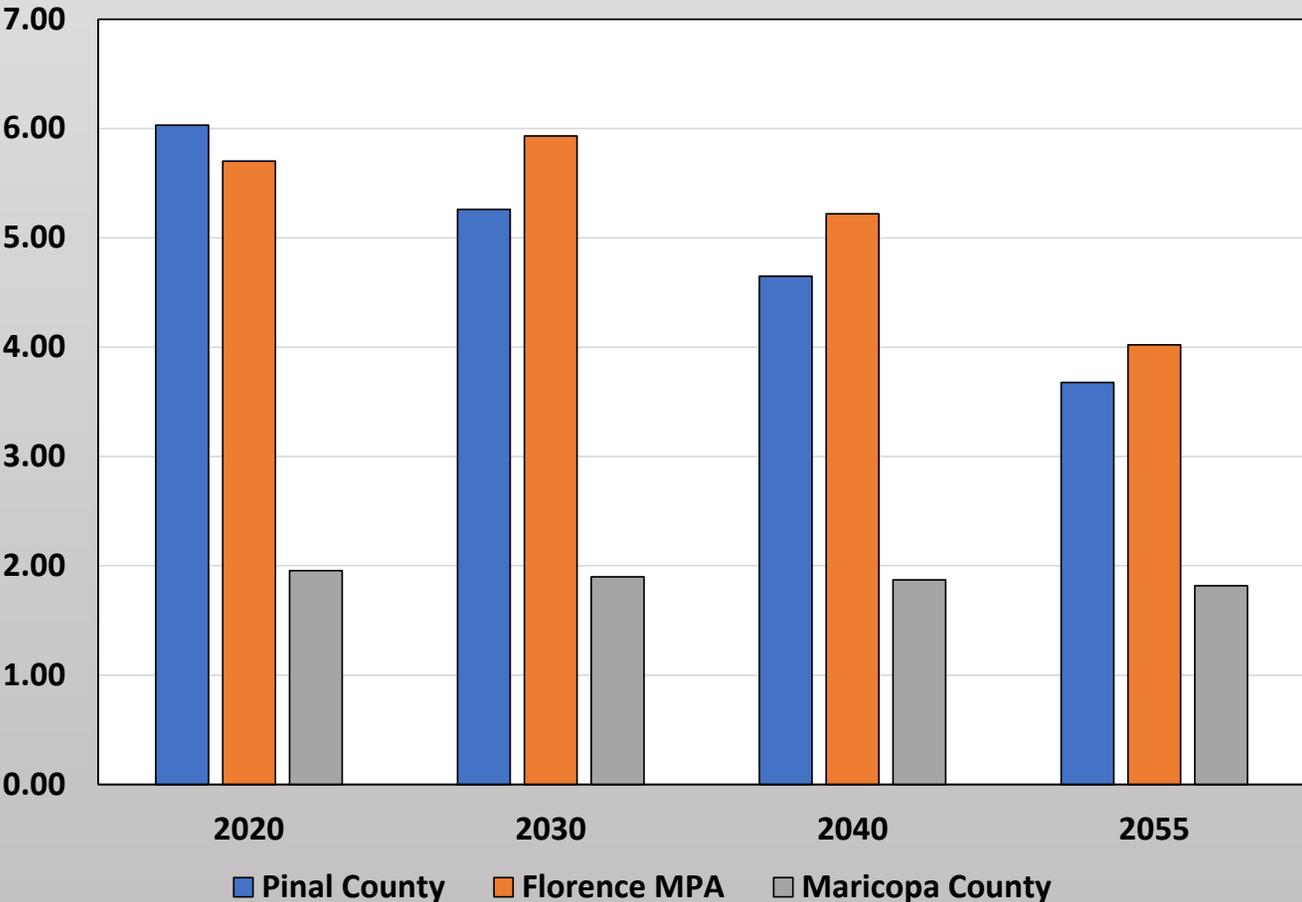
- Lucid Motors and Nikola Motor Company – Transformative additions
- Extension of growth from Maricopa County south
- Numerous and varied tourism attractions, and tourism initiatives
- North-South Freeway

Key *regional* economic development assets

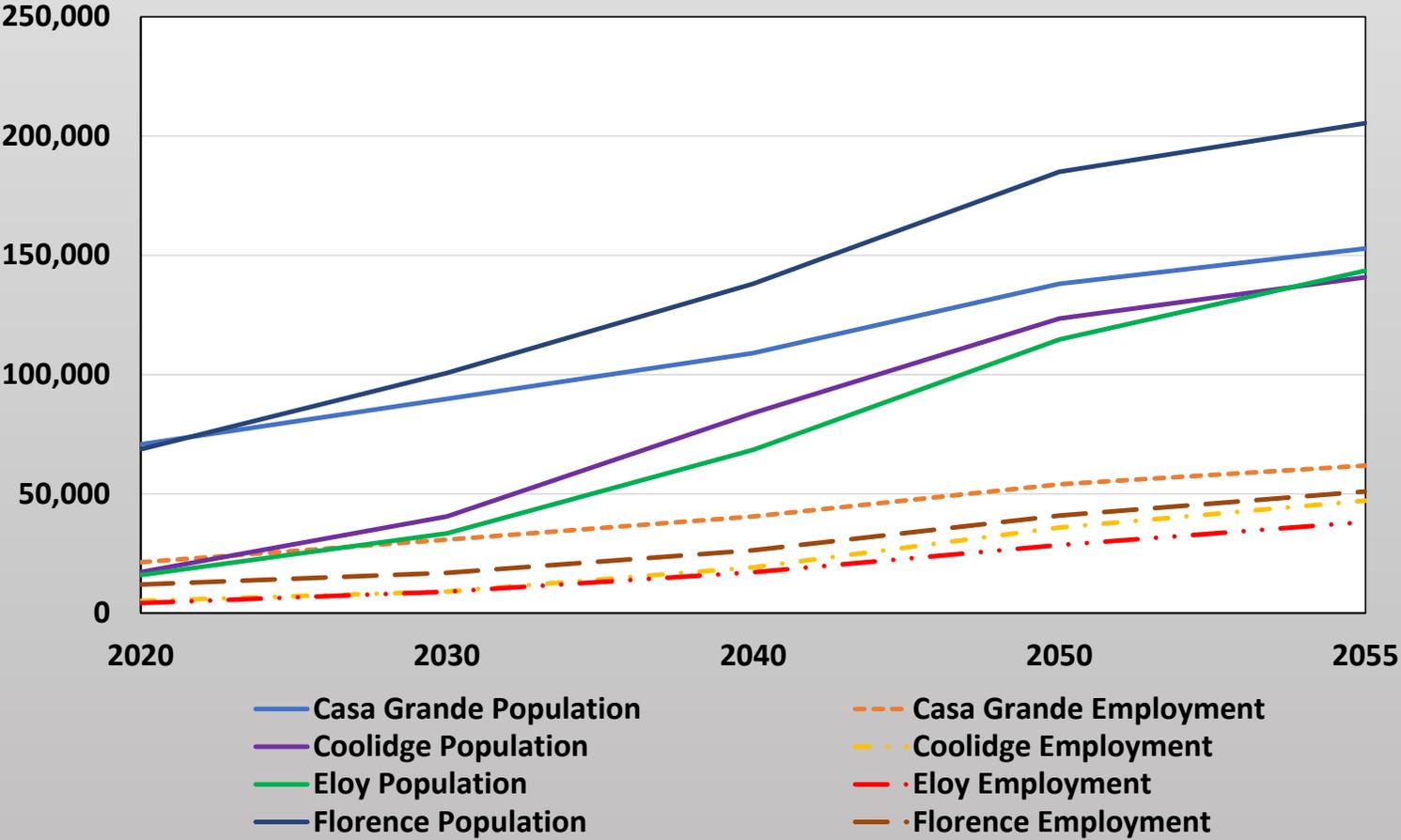
- Lucid Motors and Nikola Motor Company – Transformative additions
- Extension of growth from Maricopa County south
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- North-South Freeway



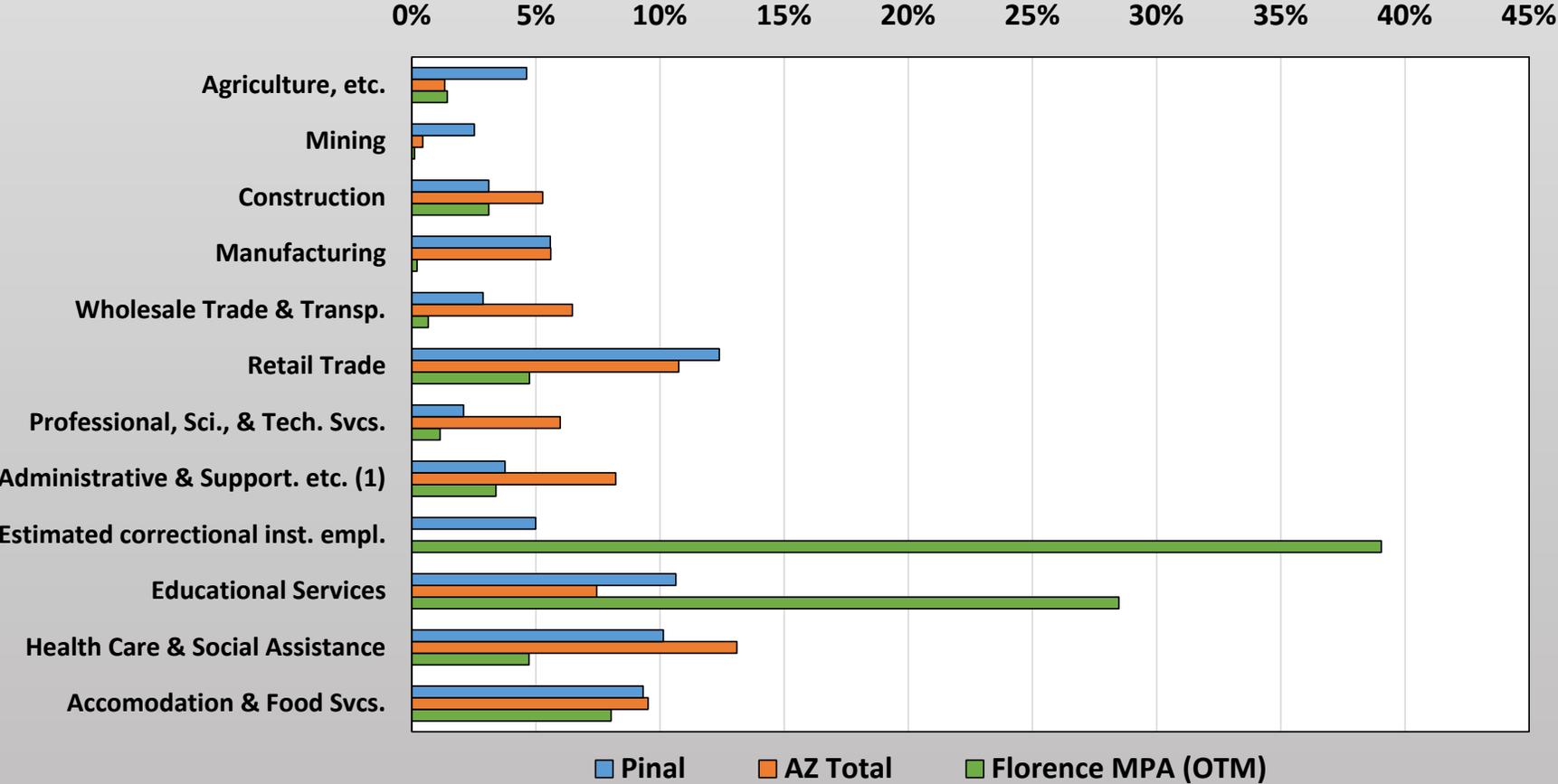
Ratio of People (in households) Living in Areas – to Jobs Located There



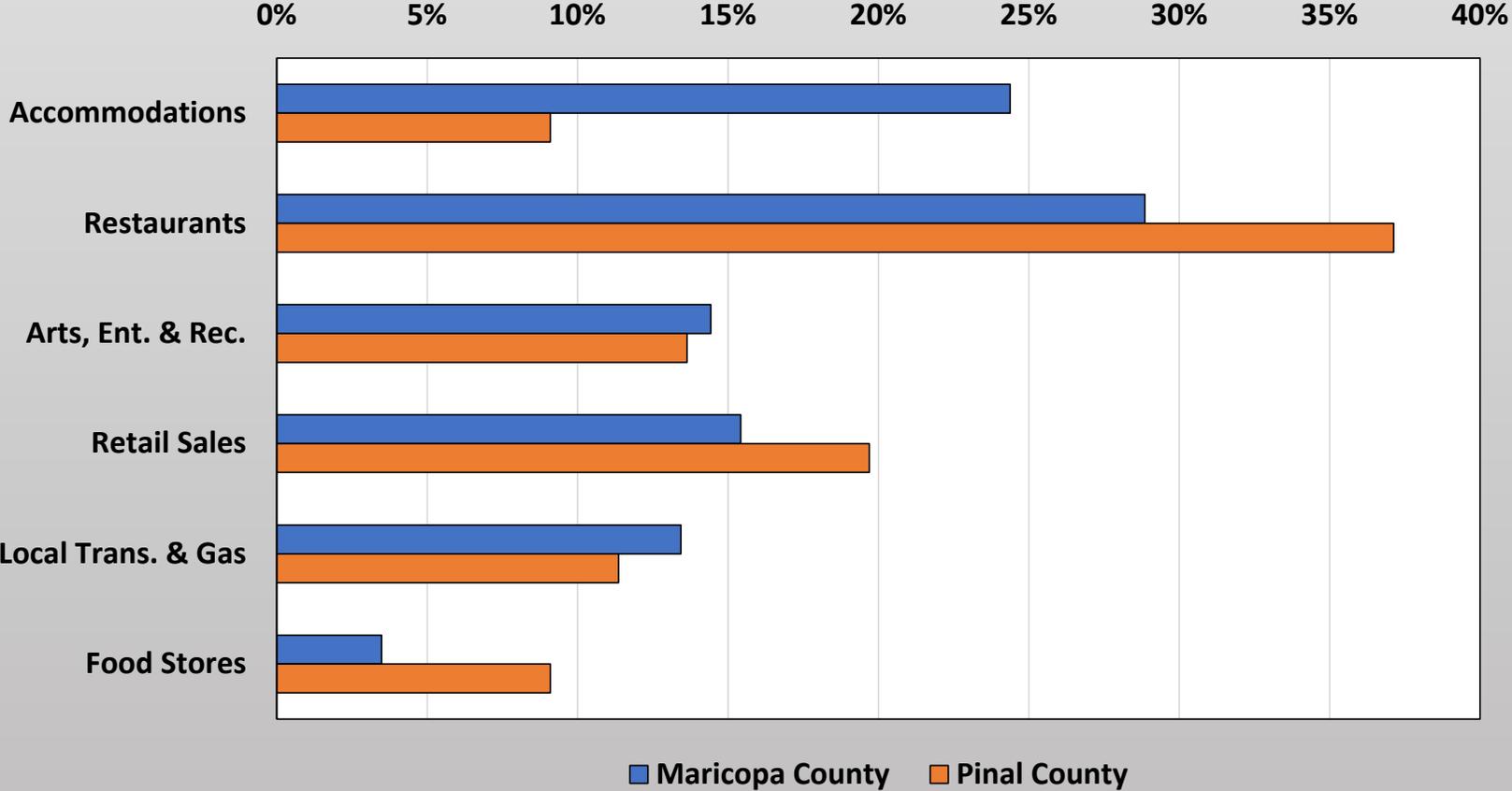
MAG Projections: Population in Households and Employment, Four Pinal County Cities (MPAs)



Selected Industry Comparisons: Pinal County, Arizona, Florence Municipal Planning Area



Tourism Spending by Type of Good or Service, as Percent of Total for All Types



Competitive Challenges and Opportunities

- Minimal industrial land planned/zoned
- Prison closure is fiscal challenge, but could leverage both industrial and tourism development
- Even with Lucid and Nikola (for example) located elsewhere, related opportunities can be captured in Florence
- Florence's competitive position for tourism development may be superior to all other Pinal County communities

Competitive Locations: Employers

- Inland Port Arizona (Nikola)
- Central Arizona Commerce Park
- In Maricopa County, sites at and near Phoenix-Mesa Gateway Airport

Competitive Locations: Retail

- Existing new neighborhood-size centers within MPA planned communities
 - Compete with any incidental, small-scale development that might occur in the downtown area
- Shopping node at the north end of Coolidge
 - Major near-term competition for larger-scale, community-level (“power”) centers
- Regional-scale shopping currently focused (in Pinal County) in Casa Grande
 - Florence is not likely to capture a regional mall even well into the future

Common Industry-Targeting Themes in the Region Relevant to Florence

- Aerospace/defense
- Renewable energy
- Healthcare
- Transportation industries
- Tourism
- Also relevant: Manufacturing, County Government, and Smart Cities Tech

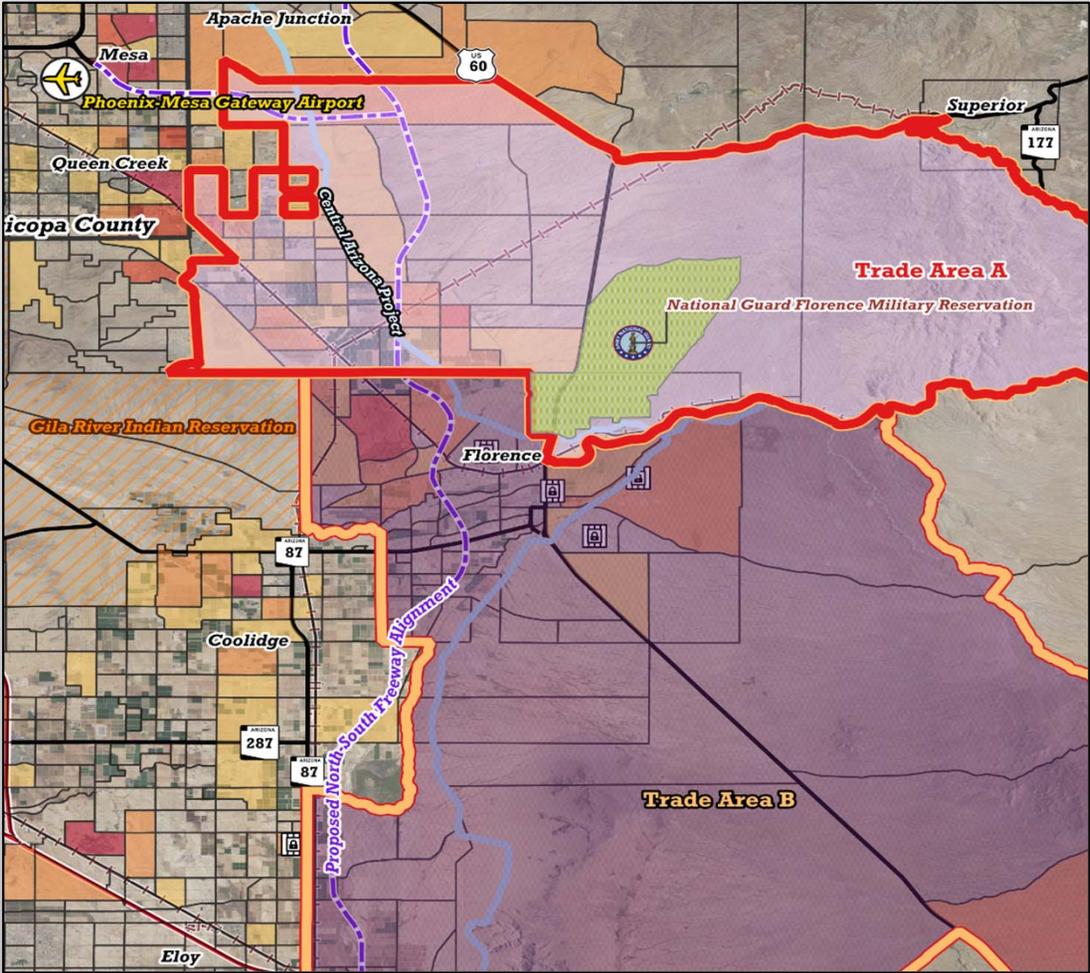
Externally Influenced Opportunities

- Arizona Innovation and Technology Corridor, anchored at the University of Arizona Tech Park
 - Relates to Florence's Arizona Correctional Industries
- Adventure Corridor (Pinal County)
- Prison Closure/Repurposing
- Medical Campus – the transitioning downtown Florence Hospital and surrounding area

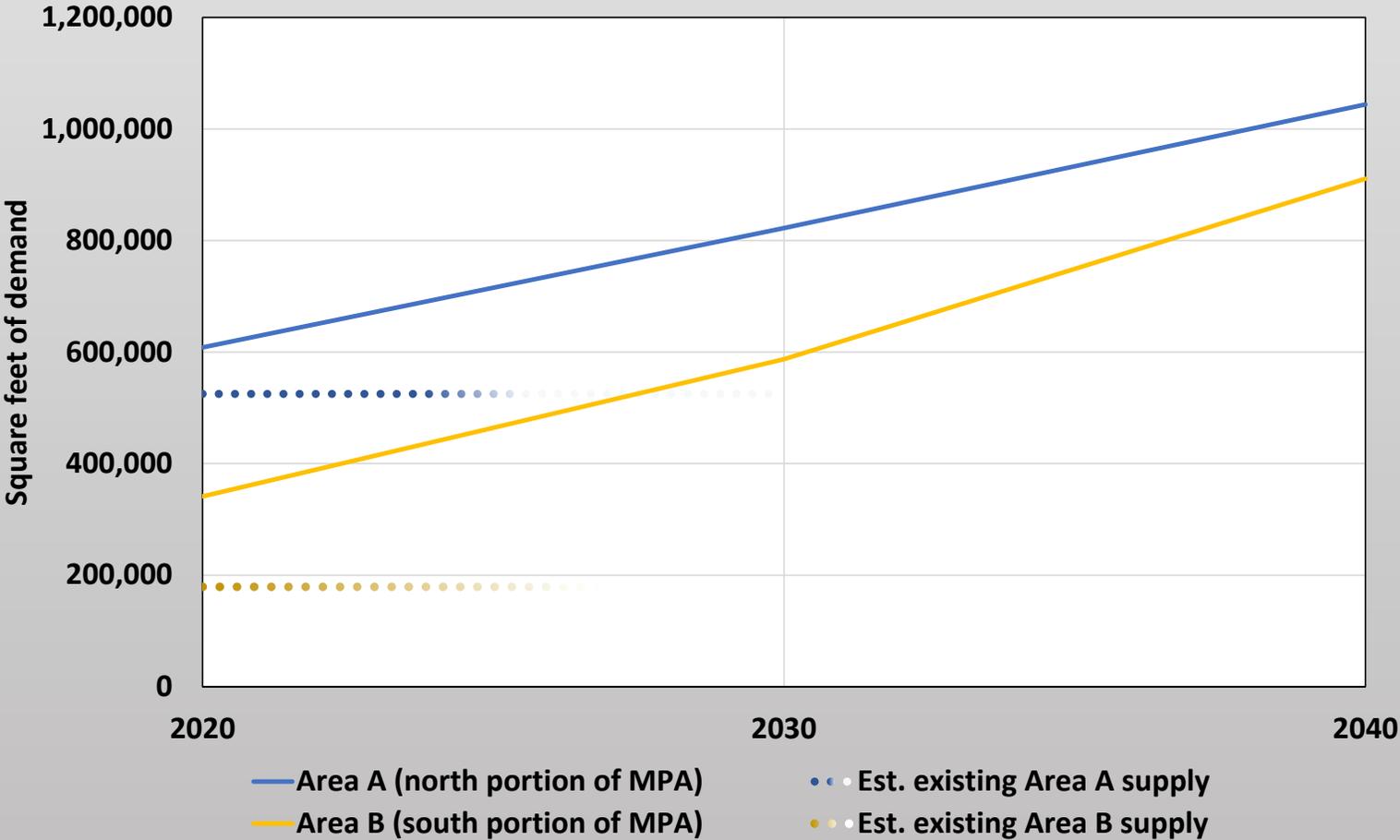
Other Development Opportunities – Town Initiatives/Concepts

- Smart City initiatives
- Town-Owned Property – RFP for development of 30 acres within Territory Square
- Incentive Areas: Town Core Infill Incentive District Plan, and Opportunity Zones
- Partnering with Coolidge on airport development

Trade Leakage: Hypothetical Florence Trade Areas, A & B



Trade Leakage: Retail Space Supply and Theoretical Space Demand, Two Hypothetical Trade Areas



Economic Development Influences

- County efforts
- Local First – preserving historic areas
- Town's immediate needs for economic development expertise

The Case for a “Generalist” Economic Developer, Based on a Range Of Duties:

- Marketing from an economic development perspective
- Identifying, evaluating, and refining incentives
- Initiating, managing, and coordinating an economic development strategic planning process
- Helping manage and coordinate residential growth within the Florence planning area
- Generating an internal business plan
- Responding to requests for information by prospects, various officials
- Helping elected officials and the general public understand the ED practitioner’s roles

ED Staff Recommendation

- Generalist to cover near-term needs – addressing operational details while also having a “world view” of Florence and the surrounding region
- Marketing specialists can come later when industrial/business parks or other assets are at hand