CITY OF SURPRISE
Regular City Council Meeting Agenda
16000 N. Civic Center Plaza
Surprise, AZ 85374

Tuesday, June 20, 2017 @ 6:00 PM
COUNCIL CHAMBERS

Back Print

A. Call To Order

B. Roll Call

C. Pledge of Allegiance

D. PROCLAMATION AND COMMUNITY ACKNOWLEDGEMENTS

E. City Manager Report:

F. City Attorney Report:

G. City Clerk Report:

H. Call To The Public:

INSTRUCTIONS: In order to address the City Council, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the City Clerk before the meeting begins.
Download the Call to the Public form *(PDF download requires Adobe Acrobat Reader)*
Fill out the Call to the Public form online If submitting form electronically, please submit to City Clerk at least one hour before the meeting start time.
The Call to the Public form is also available at the front counter.

Note: A.R.S. 38-431.01(H)- During this time members of the public may address City Council only on issues within the jurisdiction of the City Council which are not an item on the agenda. At the conclusion of the open call, City Council may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

I. Regular City Council Meeting Agenda:

Consent Agenda:

1.	District Citywide	Consideration and action on the minutes of June 6, 2017 Regular City Council Work Session, Special City Council Meeting and Regular City Council Meeting.	None Sherry Ann Aguilar, City Clerk
2.	District Citywide	Consideration and action pertaining on acceptance of contract and grant funds for fiscal year 2018 in the amount of $50,000 from	None Seth Dyson,

		Area Agency on Aging Region One; Resolution # 2017-72.	Human Service & Community Vitality Department Director
3.	District Citywide	Consideration and action pertaining to an Intergovernmental Agreement with Maricopa County and through the Office of Enterprise Technology for GIS data and Imagery data sharing; Resolution # 2017-74.	None Warren Bert, Information Technology/GIS
4.	District Citywide	Consideration and action pertaining to approval of a fiscal year 2018 budget amendment by reallocating appropriations of $68,200 from contingency within the Grants Fund and $101,800 within the General Capital Projects Fund from the Community Recreation Services (CRS) Asset Replacement project to establish the Clubhouse Flooring project for the installation of weight room flooring in the stadium clubhouses; Resolution # 2017-69.	None Donna Miller, Assistant Director - Community & Recreation Services
5.	District Internal	Consideration and action pertaining to approval of an amendment to the fiscal year 2017 and 2018 budgets by reallocating appropriations of $55,000 from the Original Town Site Land Acquisition project and $49,200 from contingency within the Grants Fund for moving and related operating expenses of DoNorma RV Park; Resolution #2017-75.	None Eric Fitzer - Community Development

Regular Agenda Item - Public Hearing:

6.	District 3	Consideration and action pertaining to a major zoning amendment to the Cotton Gin Planned Area Development (PAD) to allow multi-family residential as a permitted land use on the 10.8 acres (approx.) parcel located on the northeast corner of Waddell road and Reems road; Ordinance #2017-12.	None Sergio Angulo - Community Development

Regular Agenda Item - Non-Public Hearing:

7.	District Internal	Consideration and action to appoint the following members to fill Board/Commission Vacancies: William Coniam to the Board of Trustees to serve the remainder of a term June 30, 2018; Renee Pastor to the Board of Trustees (4) year term with term expiration of June 30, 2021; Kathryn Chandler to the Disability Advisory Commission for a 4 year term with term expiration of June 30, 2021; Edward Hanzel to the Judicial Selection Advisory Commission 4 year term with term expiration of June 30, 2021 and Marco Daleo to the Tourism Commission to represent Hotels to complete the remainder of a term to expire June 30, 2019. all positions are for four (4) year terms ending on June 30, 2021. The City Clerk will administer the oath of office.	None Sherry Ann Aguilar, City Clerk
8.	District Internal	Consideration and action to reappoint the following	None

		Board/Commission Members for 4 year terms as follows: David Sanders, Mark Brown and Ron Jensen for the Community & Recreation Services Commission; Robert Monahan for the Disability Advisory Commission and Kristin Peck and DeAngelo Hall for the Tourism Commission and Brooke Gaunt, State Bar Representative for the Judicial Selection Advisory Commission all with terms to expire on June 30, 2021. The City Clerk will administer the oath of office.	Sherry Ann Aguilar, City Clerk
9.	District Citywide	Consideration and action levying a certain sum of money for FY2018 to be assessed against the valuation of property for primary and secondary tax purposes; Resolution # 2017-68.	None Lindsey Duncan, Finance Director and Jared Askelson, Assistant Finance Director
10.	District Citywide	Consideration and action pertaining to the Comprehensive Financial Management Policies.	None Lindsey Duncan, Finance Director and Jared Askelson, Assistant Finance Director
11.	District Citywide	Consideration and action setting forth the FY2018 levy of property tax rates for Street Light Improvement Districts (SLID) within the City; Resolution # 2017-67.	None Lindsey Duncan, Finance Director and Jared Askelson, Assistant Finance Director
12.	District Citywide	Consideration and action pertaining to an amendment of the fiscal year 2017 budget by reallocating appropriations of $2,000,000 within the General Capital Projects Fund from the Higher Education Facilities project to a new project to cover costs related to public infrastructure on or near city controlled property at City Center, which will enhance the ability to develop. Resolution #2017-73.	None Jeanine Jerkovic, Economic Development Director
13.	District Internal	Consideration and action declaring the document entitled, "Amendments To Surprise City Code Chapter 42 and 58, May 31, 2017" a public record and ordering that three copies remain on file with the City Clerk; Resolution # 2017-70.	None Eric Fitzer, Community Development

14.	District Internal	Consideration and action pertaining to a Surprise Municipal Code amendment of Chapter 42, Article 1, Section 42-3 through 42-11 Streets, Sidewalks and other Public Places; Chapter 58 Utilities, Article IV, Division 3 Water Extensions, Sections 58-211 and 58-219; and Chapter 58, Article V, Division 5 Sewer Extensions, Sections 58-418 and 418.03; for the purpose of revising the repayment of oversized infrastructure; Ordinance # 2017-08.	None Eric Fitzer - Community Development
15.	District Internal	Consideration and action pertaining to approval of the Rancho Mercado Supplement Development Agreement; Resolution # 2017-71.	None Eric Fitzer - Community Development
16.	District 1	Consideration and action pertaining to approval on the preliminary plat entitled, "Bell Pointe II", dated May 16, 2017, an approximately 27.25 acre property generally located north of the intersection of Bell Road and Bell Pointe Boulevard.	None Hobart Wingard - Community Development
17.	District Internal	Consideration and action on the Verizon Wireless Telecommunications Facilities Master Right of Way Master Lease Agreement.	None Eric Fitzer - Community Development
18.	District 1	Consideration and action pertaining to the approval of the Settlement Agreement with Centex/Pulte Homes for the continued reimbursement of development impact fees for installed water infrastructure.	None Robert Wingo, City Attorney

J. Other Business and Future Agenda Items:

K. Mayor/Council Reports:

L. Executive Session:

19.	District Internal	Consideration and action to enter into executive session for discussion or consultation for legal advice with the City Attorney pertaining to the Settlement Agreement with Pulte Homes pursuant to A.R.S. 38-431.03(A)(5).	None Robert Wingo, City Attorney
20.	District Internal	Tabled at the June 6, 2017 Regular City Council Meeting: Consideration and action to enter into executive session to discuss evaluations and FY2018 performance goals of the City Manager, City Clerk and City Attorney pursuant to A.R.S. 38-431.03(A)(1).	None Skip Hall, PEL Chair
21.	District Internal	Tabled at the June 6, 2017 Regular City Council Meeting: Consideration and action to enter into executive session for discussion and consultation with the City Attorney and to receive legal advice and to consider its position and instruct the City Attorney pertaining to a development agreement with Surprise Center Development Company pursuant to A.R.S. 38-431.03(A)(3) and (4).	None Robert Wingo, City Attorney

For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));
- discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S.§38-431.03 (a)(4));
- discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- discussion, consultation or consideration for international and interstate negotiations or for negotiations by a city or town, or its designated representatives, with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city or town. A.R.S. §38-401.03 (A)(6)).
- discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03(C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.

The council may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

M. Adjournment:

_____

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED:

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Sherry Ann Aguilar, City Clerk
Submitting Department:		District:	Citywide
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action on the minutes of June 6, 2017 Regular City Council Work Session, Special City Council Meeting and Regular City Council Meeting.

Motion:

I move to approve the meeting minutes.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

Click to download

- Work Session Minutes
- Special City Council Meeting Minutes
- Regular Council Meeting Minutes

CITY OF SURPRISE

Regular City Council Work Session Minutes
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, June 6, 2017 @ 05:03 PM

Call to Order

Roll Call

Mayor Wolcott called the **Regular City Council Work Session** to order at 05:03 p.m. at Surprise City Hall Council Chamber, 16000 North Civic Center Plaza Surprise, Arizona 85374, on **Tuesday, June 6, 2017.** Also in attendance with Mayor Wolcott were Vice Mayor Tande, Council Member Winters, Council Member Williams, Council Member Remley, Council Member Hall, and Council Member Hayden.

Staff Present: City Manager, Bob Wingenroth, City Attorney, Robert Wingo, and City Clerk, Sherry Ann Aguilar.

Pledge of Allegiance

Call to the Public

Regular Agenda Item - Non-Public Hearing

1 – Presentation and discussion pertaining to new and revised Community Development user fee schedule - NO ACTION

Community Development Director, Eric Fitzer gave an overview and powerpoint presentation for this item.

Council Member Remley - This is not contemplated as part of the budget, correct?

Mr. Fitzer - That is correct, it is not.

Council Member Remley - Cost recovery expected from changers in fee structure, what is your guess number?

Finance Director, Lindsey Duncan - Estimated based on FY2014. Additional $600,000. estimated.

Vice Mayor Tande - Justified in taking dev. fees? Want to make sure small businesses are taken care of, can't do my own analysis, need to make sure we look at this.

Mr. Fitzer - We did our best to look at fees and compared with other cities to come up with the analysis.

Council Member Hall - Changing fees from $900. to $600., and $30. per lot. This seems more in line, is this comparable?

Mr. Fitzer - Yes it is more in line.

Council Member Hall - Self Certification, currently don't charge?

Mr. Fitzer - Correct, what we do is audit certified plans, this will pay for the service.

Council Member Hall - Commercial/Manufactured homes, IGA?

Mr. Fitzer - Currently, have an IGA with State of Arizona for reviewing and certifying these types of plans.

Council Member Remley - Cost recovery, questioned processes, efficiencies, staff needs, etc.

Executive Session

Adjournment

Council Member Hall made the motion to adjourn the Regular City Council Work Session of June 6, 2017 at 5:27 PM. Council Member Williams seconded the motion. Seven yes votes, motion carried.

_____

Sharon R. Wolcott, Mayor

ATTEST:

_____
Sherry Ann Aguilar, City Clerk

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Work Session of **Tuesday, June 6, 2017.**

_____
Sherry Ann Aguilar, City Clerk

CITY OF SURPRISE

Special City Council Meeting Minutes
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, June 6, 2017 @ 06:00 PM

Call to Order

Roll Call

Mayor Wolcott called the **Special City Council Meeting** to order at 06:00 p.m. at Surprise City Hall Council Chamber, 16000 North Civic Center Plaza Surprise, Arizona 85374, on **Tuesday, June 6, 2017.** Also in attendance with Mayor Wolcott were Vice Mayor Tande, Council Member Winters, Council Member Hayden, Council Member Williams, Council Member Hall, and Council Member Remley.

Staff Present: City Manager, Bob Wingenroth, City Attorney, Robert Wingo, and City Clerk, Sherry Ann Aguilar.

Pledge of Allegiance

Call to the Public

Regular Agenda Item - Public Hearing

1 – Truth in Taxation public hearing held in conjunction with the public hearing for the proposed FY2018 final budget and levy of property taxes per A.R.S. 42-17104, 42-17107, and 48-616 - NO ACTION

Finance Director, Lindsey Duncan explained the steps for tonight's meeting.

No public comments were made.

Attorney Wingo clarified that the members of the public could comment on any of the three items.

No public comments were made.

Regular Agenda Item - Non-Public Hearing

2 – Consideration and action pertaining to the City's intent to levy primary property taxes in the amount of $0.7591 per one hundred dollars ($100) of assessed valuation and set the property tax levy adoption for June 20, 2017; Resolution # 2017-63 - APPROVED

Ms. Duncan reported on Resolution 2017-63.

Council Member Winters - Asked for clarification on statements on our website, looked like we were raising property taxes.

Attorney Wingo - It's statutory, and took word per word for the notice and is compliant and required for state law.

Council Member Remley - Came out of recession, tax levy has not been increased.

Council Member Hall made the motion to approve Resolution 2017-63. Council Member Winters seconded the motion. Roll Call Vote - Wolcott - yes; Tande - yes; Winters - yes; Hayden - yes; Williams - yes; Remley - yes and Hall - yes. Seven yes votes, motion carried.

3 – Consideration and action pertaining to adoption of the final expenditure limitation budget for FY2018 in the amount of $275,774,500; Resolution # 2017-64 - APPROVED

Assistant Finance Director, Jared Askelson gave an overview for this item.

Vice Mayor Tande - What can we do to be ready to use our emergency operations center and utilizing staff? Table top exercises, practice, etc.

City Manager Wingenroth - Staff appreciates Councils support on Emergency Management, but we had not been able to fund this. Mike Frazier, 42 years in law enforcement will lead this in case of a situation or challenge. will hopefully bring forward in future budget years for consideration.

Vice Mayor Tande - Thanked Mr. Wingenroth for thinking through this, I would like to be invited if you put together a tabletop exercise.

Vice Mayor Tande made the motion to approve Resolution 2017-64. Council Member Williams seconded the motion. Six yes votes, one absent (Winters), motion carried.

4 – Consideration and action pertaining to the City's intention to adopt Street Light Improvement District (SLID) property tax levies up to the maximum rate of $1.20 for each one hundred dollars ($100) of assessed valuation, pursuant to A.R.S. 48-616; Resolution # 2017-65 - APPROVED

Assistant Finance Director, Jared Askelson reported on Resolution 2017-65.

Mr. Askelson explained what a SLID is per Council Member Williams' request.

Vice Mayor Tande made the motion to approve Resolution 2017-65. Council Member Winters seconded the motion. Roll Call Vote - Wolcott - yes; Tande - yes; Winters - yes; Hayden - yes; Williams - yes; Remley - yes and Hall - yes. Seven yes votes, motion carried.

Executive Session

Adjournment

Council Member Hall made the motion to adjourn the Special City Council Meeting of June 6, 2017 at 6:26 PM. Council Member Williams seconded the motion. Seven yes votes, motion carried.

_____
Sharon R. Wolcott, Mayor

ATTEST:

_____
Sherry Ann Aguilar, City Clerk

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Special City Council Meeting of **Tuesday, June 6, 2017.**

_____
Sherry Ann Aguilar, City Clerk

CITY OF SURPRISE
Regular City Council Meeting Minutes
16000 North Civic Center Plaza
Surprise, AZ 85374

Tuesday, June 6, 2017 @ 06:30 PM

Call to Order

Roll Call

Mayor Wolcott called the **Regular City Council Meeting** to order at 06:30 p.m. at Surprise City Hall Council Chamber, 16000 North Civic Center Plaza Surprise, Arizona 85374, on **Tuesday, June 6, 2017.** Also in attendance with Mayor Wolcott were Vice Mayor Tande, Council Member Winters, Council Member Hayden, Council Member Williams, Council Member Remley, and Council Member Hall.

Staff Present: City Manager, Bob Wingenroth, City Attorney, Robert Wingo, and City Clerk, Sherry Ann Aguilar.

Pledge of Allegiance

Proclamation and Community Acknowledgements

Proclamation - Recognizing the 242nd birthday of the United States Army.

District 4 Beautification Award

Presented to George and Monica Cruz

City Manager Report

City Attorney Report

City Clerk Report

Call to the Public

Consent Agenda

1 – Consideration and action pertaining to approval of an Amendment to the Intergovernmental Agreement with Maricopa County to continue providing Community Action Program services for fiscal year 2018 and acceptance of grant funding in the amount of $87,452 to support operations of the Surprise Resource Center; Resolution # 2017-55 - APPROVED

2 – Consideration and action pertaining to an amendment to the fiscal year 2017 budget by reallocating appropriations of $16,300 from contingency within the Grants fund and various development impact fee funds for the purpose of adjusting budget authority for the fiscal year 2017 budget; Resolution #2017-58 - APPROVED

3 – Consideration and action pertaining to approval of a re-plat entitled, "Skyway Commons" dated March 30, 2017, a final plat re-platting a portion of Skyway Business Park II – Lots 50 thru 61, a property generally located on the northwest corner of Dysart and Rioglass Solar Roads; Resolution # 2017-59 - APPROVED

4 – Consideration and action on a request by Peter Schlstraete (Applicant) for a Series #12 Liquor License for Outback Steakhouse #0323 located at 14225 W. Grand Avenue, Surprise, AZ 85374 (License #1207B004 - New License/Interim Permit, LLC) - APPROVED

5 – Consideration and action pertaining to removal of Tourism Commission Member, Robert Pasley, as a Hotel Representative on the Tourism Commission due to a change in member circumstances and status - APPROVED

6 – Consideration and action on a request by Agent, Amy Nations for a Series 12 License for Club Sole located at 14836 W. Goldwater Ridge Drive, Surprise, AZ 85374 (License #1207A993) - APPROVED

7 – Consideration and action on a request by Agent, Andrea Lewkowitz for a Series 10 License for Corner Store #2950 located at 15435 W. Cactus Road, Surprise, AZ 85379 (License #10076877) - APPROVED

8 – Consideration and action on Acquisition of Control due to change in Management for 5 local Walgreen's with existing licenses as follows: Walgreen's #12087 located at 13723 N. Litchfield Rd., Surprise, AZ 85379 (District 6 - License #10076577); Walgreen's #07933 located at 15514 W. Waddell Rd., Surprise, AZ 85379 (District 3 - License #09070460); Walgreen's #04620 located 15490 W. Bell Rd., Surprise, AZ 85374 (District 5 - License #10075878); Walgreen's #06806 located at 17088 W. Bell Rd., Surprise, AZ 85374 (District 5 - License #10075875) and Walgreen's #4791 located at 14285 W. Grand Avenue, Surprise, AZ 85374 (District 5 - License #09070287) - APPROVED

9 – Consideration and action on the minutes of May 16, 2017 Regular City Council Work Session and Regular City Council Meeting - APPROVED

10 – Consideration and action pertaining to approval of the final plat entitled, "Greenway Crossing" dated March 22, 2017, a 12.86-acre property generally located on the northeast corner of Greenway Road and Loop 303 - APPROVED

11 – Consideration and action pertaining to a FY2017 budget amendment by reallocating appropriations of $2,245,700 and acceptance of a special warranty deed from Marley Park Phase II LLC for a Well Site No. 2 located in Marley Park near Cactus Road and 143rd Avenue and the associated infrastructure; Resolution # 2017-61 - APPROVED

12 – Consideration and action pertaining to an amendment of the fiscal year 2017 budget by reallocating appropriations within the General Fund in the amount of $35,400 from services and supplies within the Arts and Cultural program for the purpose of establishing seven projects related to the newly adopted plan for Art in Public Places at Surprise City Hall; Resolution # 2017-62 - APPROVED

Council Member Winters made the motion to approve the consent agenda. Council Member Williams seconded the motion. Seven yes votes, motion carried.

Mayor Wolcott commented that she is moving item #18 up because of the amount of people signed up for call to the public.

Regular Agenda Item - Non-Public Hearing

18 – Consideration and action pertaining to approval of the Mattamy preliminary plat entitled "Preliminary Plat For Surprise Center" dated April 7, 2017, a 56.38 acre property generally located along Statler Boulevard west of Litchfield Road - DENIED

Community Development Director, Eric Fitzer gave a powerpoint presentation on Mattamy preliminary plat entitled "Preliminary Plat For Surprise Center" dated April 7, 2017, a 56.38 acre property generally located along Statler Boulevard west of Litchfield Road.

SCDC, Scott Phillips was asked to review the Draft Master Plan. Mr. Phillips explained the history of the property and visions from past Mayor and Council for building a mall, different projects that were discussed over the years. He further explained each section of the draft master plan in detail.

Public Comments:

Mankiewicz - written statement for the record

Bob Vukanovich - written statement for the record

Ed Hanzel - Area around Mill Street in Tempe, nice relaxing atmosphere, restaurant and shops, similar to old town Scottsdale, I enjoy visiting like these, but they are a distance away. We have only one opportunity to create a vibrant downtown area, and this opportunity may not present itself again. He commented on D-Day. The decision you make tonight, will make a lasting impact that will last for generations.

Richard DePirro - written statement for the record

Amber DePirro - written statement for the record

Briana Beck - written statement for the record

Ralph Wirebaugh - spoke in opposition of his project.

Mike - Read statement for the record.

Ken Wright - Spoke in opposition of this project. This is a major re-do of the projects previously presented. If you have integrity you should not vote for this. If this gets changed, the citizens will be looking at some projects for a bond issue, with property for a fire station.

Wendy Barry - Spoke in opposition of this [project. Read the PAD from 2001, was excited about the concept, but this plan doesn't feel.

Jenny Aaron - What was envisioned for this area was exciting, but now this project is putting the cart before the horse. Where are the places where people will be able to go to?

Mike Planeta - Interesting to see what we have here considering what we voted on before in past years. I have watched Mr. West manipulate Council over the years, this project here is not what we envisioned here for our City. Never once did Mr. Phillips mention traffic for the surrounding areas, it will destroy our area here. Self-greed from Mr. West. He doesn't have our best interest, but Council does.

Ann Fener - In opposition of the project.

Brenda Maldonado - I am a small business owner from Glendale but live in Surprise. My business is very specific to millennials, near coffee shops, I would love to have my business in Surprise, but not a great place for a business compared to other areas. I do not support this project.

Marty Freeman - Daughter who started attending Ottawa University, one of the main reasons we decided to go there was some promise of soon activity, this project looks promising to me. I am from south Phoenix, Surprise was never on my radar, but now it is. I heard all of the statement about the Urban feel, it takes progress to make transition.

Pam Hilinski - Yes things change but this is the time to be really careful, you get one chance, and Surprise has one chance to make this happen. Don't like single-family homes.

Tim Jarrell - Thanked Vice-Mayor Tande for promoting issues on social media, encourage the rest of the Council to increase activity to encourage participation. I love this community, took a look around our City, and asked myself what is Surprise? Surprise is a good City, but we have a lot of chain stores, what would make us unique? We need a vision, good is not okay, we need visionary leaders on the Council, staff, leaders. I want to be in Surprise for many years, do not want homes in the downtown area. Need buffer lanes for pedestrians.

Doc Sullivan - I am in favor of this development, we have a landowner that wants to sell their dirt, we have a Council that wants to develop their downtown. Mr. Phillips and I have talked about this before, to get mixed use properties, then residential is required.

Kirk Van Metre - Business owner and resident of Surprise. An email has inspired me to coming out tonight, we need more people to start businesses in Surprise. The Mayor wants to stop development, I support this project as a resident, business owner and the planning & zoning commission got it right approving this project.

Edward Christy - Spoke in opposition of fast food restaurants in Surprise, no objections to fast food, but this is an indication of the vision Council has for Surprise. I would urge caution before acting on this item.

Jose Castillo - Mattamy Homes, thanked Council and residents for showing up tonight.

Ed Bull - Represent Mattamy Homes and request Council approval. Appreciate staff's recommendations to Council for approval. We have been working for staff for over a year, focus groups, residents, realtors, etc., We have satisfied every legal requirement by the City on this project.

Matthew Keating - Planning & Zoning Commission Member - Explained his vote, was prepared to vote no, but heard the presentation and changed my mind. it is sad that we do not know what the vision for the City is, and of the downtown center. If I don't know what the vision is, then how could anyone else. I voted yes because we have to start somewhere. Parcel 3 is a good step to start the downtown process. Moving forward, I would like to see more visual concepts for future projects.

Jeff Gibbs - The concern that I have is the draft Master Plan does not support the PAD from 2001. It's hard work, but we have not made the progress. This is actually a village, but does not meet the vision of the PAD.

Steve Chavez - This is 17 years later, this is about change and progress. I asked that you approve this project, let's be progressive.

John Bechman - Lived in Scottsdale prior, didn't have Kierland Commons in those days, but we had a plan in place. Now that I have been here in Surprise, I am impressed in what you have done here in Surprise. Potential only comes along one time, you have an opportunity to do this right. I see a lot of concept, but don't see any detail. Be cautious in what you decide tonight; you have had 17 years.

Lisa Cass - Lack of diversity, I believe this plan would bring this diversity. Spoke in support of this project. You have to have people living in the downtown area in order to thrive.

Debbie Lee - statement for the record.

Subject: Re: Downtown Surprise/ Maybe never! Please forward to your circle of influence! I am in DC meeting with President Trump and unable to attend the meeting, but wanted to express my concern for the change in the plans to move forward with the area designated as Downtown Surprise and allow for residential building to take place. Surprise has lots of housing and areas that can be developed for housing and for 20 years have been working towards a quaint downtown. Surprise needs to stay the course for developing that downtown community that would provide a unique place of character and a quaintness that will draw people to shopping, restaurants, and entertainment. I am also concerned that there were no hearings on this. A Concerned citizen Debbie Lee

Mr. *Wlodarczyk* statement for the record:

I have been following the developments concerning the planned City Center project for many years. I have found over time that many forward thinking initiatives and ideas have been rendered and implemented by City officials; including A New City Hall, New Police and Fire HQ and most recently Ottawa University. The proposed single family

home development plan using 54 acres of prime space is not consistent with the long range plans for a "key" site in Surprise. With all of the neighboring residential projects, "Big Box" and fast food operations which are already plentiful and in place, this project just adds **"more of the same"** and has no impact, as it relates to diversity affecting urban municipalities. Many urban officials across the United States have figured out that more of a **"Mixed Use"** concept for development/ redevelopment is the key to central diversity and growth. The days of big box retail are also facing many challenges today because of the swell of e-commerce and a changing consumer buying attitude. Large retailers such as Macy's, JC Penny and Nordstrom have recently announced store closings and large layoffs of retail workers. Additionally, weeks ago in Las Vegas at the annual International Retail Conference, attendees were told that within **5 years 25-30% of all existing malls will no longer be around**. Experts in the marketplace will be forced with re-positioning these assets and one of the common themes discussed was to explore the needs of the changing diverse population and developing more streamlined "Main Street" concepts. We have seen the growth of the millennial generation which is expected to be a strong economic driver, already making huge inroads in e-commerce and wanting new circles for social influence. They are drawn to mixed use developments that provide not only the soft goods of entrepreneurial retailers, new restaurant concepts, entertainment and housing. This is what is needed in Surprise! Residents of Surprise should demand a continuation of the progressive thinking of the City leadership and voice their opinions against this new proposal, as it is, again, **"more of the same"**, not progressive and without diversity.

Respectively submitted, *Ed Wlodarczyk*
President Prairie Stone Investors

Mayor Wolcott thanked everyone for coming out to participate with the discussion this evening. She commented that should would like to make a presentation of her own.

Mayor Wolcott read a statement for the record.

Mayor Wolcott asked that the following exhibits be entered into the record.

<u>Exhibit 1 - Request for Redevelopment Proposal</u>

<u>Exhibit 2 - Westcor's response to RFP</u>

<u>Exhibit 3 - Draft Surprise Center PAD, dated September 2000</u>

<u>Exhibit 4 - Ordinance 2000-20</u>

<u>Exhibit 5 - Revised Surprise Center PAD (2000-20)</u>

Exhibit 6 - Surprise General Plan, pages 42-60

Compromise Settlement Agreement

Convene meeting with all of SCDC partners, appropriate staff. I will ask two of my colleagues to join me in this meeting. Reacquaint ourselves with the vision. Open public workshop, full City Council and full planning & Zoning commission. We should always be in sync with our planning & zoning commission. Encourage Council to be on the side of history and reject this application. This is the signature project that will define us as a City.

Vice Mayor Tande made the motion to deny Preliminary Plat for Surprise Center, dated April 7, 2017. Council Member Hayden seconded the motion.

Council Member Winters - Where was this discussion when we started this and I have been on Council for over 2 years. Many discussions, executive sessions, etc. I thought we were all on the same page, I urge my fellow Councilmembers to vote yes on this project.

Council Member Hall - I have clarifying questions for the City Attorney. Are we on legal ground here?

Attorney Wingo - Suggested legal advice be discussed in executive session.

Mayor and Council entered into executive session regarding item #18 at 9:08 PM.

Mayor Wolcott reconvened the Regular City Council Meeting at 9:27 PM.

Council Member Hall - This property is about 14% of the overall land, so there is 86% that needs to get developed. It's only a piece of the site, it's a start. It will start a multiplier effect. The one thing that we have to keep in mind is marketing acceptance. Nothing is showing me that Surprise market demonstrated a high density, high rise development. To compare ourselves to Tempe, give me a break, no comparison. Mill Avenue struggled for many years until housing came in. Old Town Scottsdale is still not really there yet, it's still old town. The value of Mattamy Homes is one of the largest homebuilders in America. They are a good quality company. Mattamy did 5 focus groups of businesses and residents to see if there was marketing in Surprise for higher density. By the way, we were in a lawsuit with Carefree Partners, cost a lot of money. We are in a market right now, where things are starting to move, the market is coming back.

Vice Mayor Tande - I took the trip out to see the Mattamy Homes, I agree is a great company, built homes in Marley Park. The issue for me is not the housing, but what type of housing should be there. I think it needs to be higher density for this area. Talk of putting 15 per acre along Litchfield Road, need to have big buildings there. Special piece of property, needs to be different. We need to have a detailed master plan for this area. I am truly looking for a mixed housing and retail development.

Council Member Remley - I hear the frustrations of all my colleagues, and it's really with the developer himself. No matter how things end up tonight, we all need to work together. I have a fiduciary responsibility to this City and its residents and developers for investing in our community.

Council Member Hayden - I am a new comer as well, what an opportunity to make this a destination. I would like to attract everyone here, to this vibrant city. I am all for the quality.

Council Member Williams - walk me through the pedestrian access in and out of this community.

City Planner Wingard - spoke of connectivity, retention in north area (trail system). The connectivity is there it will grow as the city grows around it.

Council Member Williams - comparison with where he grew up and referred to rural homes. Great to hear from everyone but feel there is still ambiguity there. Referred to vicinity map site and number of homes in comparison to Westpoint. It's a good effort, but I need Elm Street scenario, we need some vibrancy. We need less ambiguity and more detail in that vision.

Votes to deny item #18 - Four yes (Wolcott, Tande, Hayden and Remley. Three no votes (Hall, Williams and Winters).

Regular Agenda Item - Public Hearing:

13 – Consideration and action pertaining to approval of a Zoning Change of Rancho Del Rey from Residential Ranch (RR) to Residential Medium Density (RM-9) with a PUD Overlay, a 24.96 acre property generally located north of the Happy Valley Road alignment and east of the Bullard Avenue Alignment; Ordinance # 2017-11.

City Planner Robert Kuhfuss reported on Ordinance 2017-11.

No public comments were made.

Council Member Hall made the motion to approve Ordinance 2017-11. Council Member Williams seconded the motion. Seven yes votes, motion carried.

14 – Consideration and action pertaining to ordering and calling a special election for November 7, 2017, to submit to the qualified electors of the City of Surprise three separate questions authorizing the issuance and sale of $34,000,000; $15,500,000; and $10,000,000 respective principal amounts of general obligation bonds; Resolution # 2017-66.

City Manager Wingenroth gave an overview of this item.

Council Member Williams - Already discussed and I am in favor of the bond but don't want to forget about the recreation options, we can't forget our young families.

Vice Mayor Tande - When will we make the public aware if this passes.

Vice Mayor Tande made the motion to approve Resolution 2017-66. Council Member Hayden seconded the motion. Seven yes votes, motion carried.

Regular Agenda Item - Non-Public Hearing:

15 – Consideration and action pertaining to an agreement between the City of Surprise and the Greater Phoenix Economic Council (GPEC) for the participation and support of regional economic development programs, in the amount of $56,362 in fiscal year 2018 - APPROVED

Economic Development Director Jerkovic reported on this item.

Council Member Williams made the motion to approved the agreement with GPEC for the participation and support of regional economic development programs, in the amount of $56,362 in fiscal year 2018. Council Member Remley seconded the motion. Seven yes votes, motion carried.

16 – Consideration and action pertaining to a minor amendment of the 2014 Infrastructure Improvements Plan and Development Impact Fee Study; Resolution #2017-38 - APPROVED

Senior Financial Management Analyst, Holly Osborn gave a brief presentation regarding this item.

Mayor Wolcott - I like the idea that we're only waiting two years to do the study.

Council Member Williams made the motion to approve Resolution 2017-38. Council Member Hall seconded the motion. Seven yes votes, motion carried.

17 – Consideration and action pertaining to approval of a Fourth Amendment to the Reciprocal Easement Agreement between the City of Surprise and the Surprise Center Development Company - NO ACTION TAKEN

Mayor Wolcott - I discussed this with Mr. Wingenroth earlier, item #18 makes this item moot.

City Attorney Wingo suggested that the record reflect "no action taken" for this item.

19 – Consideration and action pertaining to approval of an employment contract with City Clerk Sherry Aguilar - APPROVED

Council Member Hayden made the motion to approve the employment contract with City Clerk Sherry Aguilar. Council Member Williams seconded the motion. Seven yes votes, motion carried.

Mayor/Council Report

Executive Session

20. Consideration and action to enter into executive session to discuss evaluations and FY2018 performance goals of the City Manager, City Clerk and City Attorney pursuant to A.R.S. 38-431.03(A)(1) - TABLED TO FUTURE COUNCIL MEETING

Council Member Remley made the motion to table executive session item #20. Council Member Hall seconded the motion. Seven yes votes, motion carried.

21. Consideration and action to enter into executive session for discussion and consultation with the City Attorney and to receive legal advice and to consider its position and instruct the City Attorney pertaining to a development agreement with Surprise Center Development Company pursuant to A.R.S. 38-431.03(A)(3) and (4) - TABLED TO FUTURE COUNCIL MEETING

Council Member Hall made the motion to table executive session item #21. Council Member Remley seconded the motion. Seven yes votes, motion carried.

Other Business

Council Member Remley requested an update on Ottawa University for a future work session.

Adjournment

Council Member Remley made the motion to adjourn the Regular City Council Meeting of June 6, 2017 at 10:41 PM. Council Member Williams seconded the motion. Seven yes votes, motion carried.

_____
Sharon R. Wolcott, Mayor

ATTEST:

_____
Sherry Ann Aguilar, City Clerk

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Regular City Council Meeting of **Tuesday, June 6, 2017.**

_____
Sherry Ann Aguilar, City Clerk

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Seth Dyson, Human Service & Community Vitality Department Director
Submitting Department:	Human Service & Community Vitality	District:	Citywide
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining on acceptance of contract and grant funds for fiscal year 2018 in the amount of $50,000 from Area Agency on Aging Region One; Resolution # 2017-72.

Motion:

I move to approve Resolution # 2017-72.

Background:

The City of Surprise, through its Human Service & Community Vitality (HSCV) Department, applied for a continuation of a $50,000 grant from Area Agency on Aging that has been in place since 2004. The grant award will serve to support the congregate meal program and a portion of the Senior Center multipurpose operations that support the program.

Objective Analysis:

This action will allow the HSCV Department to maintain the congregate meal service program at the Senior Center.

Policy Compliant:

This action is compliant with City and Council policies.

Financial Impact:

This grant award is $21,700 for part-time salaries and $28,300 for special event hosting for a one-time total of $50,000. There is a 10% in-kind City match requirement in the amount of $5,000 which will be met with HSCV's General Fund operating budget for a total grant budget of $55,000.

Budget Impact:

Grant funding in the amount of $50,000 has been included as a part of the FY2018 budget.

FTE Impact:

This action does not have an effect on current staffing levels.

ATTACHMENTS:

Click to download

- [ ] Resolution
- [ ] Contract for Services
- [ ] RFLS

RESOLUTION # 2017-72

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA AUTHORIZING THE CITY TO ACCEPT GRANT FUNDING FROM AREA AGENCY ON AGING FOR CONGREGATE MEALS.

WHEREAS, the City of Surprise, through its Human Service & Community Vitality Department, applied for a continuation of a $50,000 grant from Area Agency on Aging that has been in place since 2004;

WHEREAS, the grant award will serve to support the congregate meal program and a portion of the Senior Center multipurpose operations that support the congregate meal program;

WHEREAS, the grant award will be included as a part of the FY2018 budget; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for the acceptance of grant funds of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The City of Surprise is authorized to accept a grant in the amount of $50,000 from Area Agency on Aging for Congregate Meals.

Section 2. The City Manager, or his designees, is hereby authorized to conduct all negotiations and to execute and submit all documents and other necessary or desirable instruments in connection with this grant.

APPROVED AND ADOPTED this _____day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

Contract #2018-39-SUR

CONTRACT FOR SERVICES BETWEEN

Area Agency on Aging, Region One, Incorporated *AND* **City of Surprise**

1366 E. Thomas Road, Suite 108
Phoenix, Arizona 85014
602-264-2255 fax: 602-230-9132

16000 North Civic Center Plaza
Surprise, Arizona 85374
623-222-1500 fax: 623-222-1501
EIN 866007796

DURATION OF THE CONTRACT, FY 2018: July 1, 2017 and shall end June 30, 2018.

CONTACT INFORMATION FOR NOTICES

Signatories: Mary Lynn Kasunic, President & CEO — Seth Dyson, Director, Human Services & Community Vitality

Programmatic Authority: Jeff Dean, Director of Contract Administration — Joe Gladieux, Senior Services Program Supervisor

Daily Contacts: Leah Garcia, Contracts Specialist — Joe Gladieux, Senior Services Program Supervisor

REIMBURSEMENT PAYMENTS SHALL BE MAILED TO:
Finance & Budget Department, 16000 North Civic Center Plaza, Surprise Arizona 85378

This Contract is entered into by and between City of Surprise, hereafter referred to as Contractor, and Area Agency on Aging, Region One, Incorporated, hereafter referred to as Area Agency. The Contractor, in consideration of the covenants and conditions set forth herein, shall provide and perform the services as set forth in the Terms and Conditions, special Terms and Conditions, Scope(s) of Work, Service Specification(s), and other Area Agency manuals, policies, and directives. Contractor hereby affirms that all insurance and indemnification requirements as set forth in this contract have been met and shall be maintained fully throughout the terms of this contract. Further, Contractor will supply to Area Agency the required certificates of insurance including all required "additional insured" as identified in this contract. All rights and obligations of the parties shall be governed by the terms of this document, and shall include any subcontracts and the approved budget and / or unit rates and contract budget ceilings.

Notice under this Contract shall be given by personal delivery or by mail to the persons indicated above and shall be effective upon receipt by the party to whom addressed unless otherwise indicated in said notice.

IN WITNESS WHEREOF, the parties enter into this Contract:

AREA AGENCY ON AGING, REGION ONE, INCORPORATED

Signature and Date

Mary Lynn Kasunic, President & CEO
Area Agency on Aging Director

CITY OF SURPRISE

Signature and Date

Seth Dyson, Director,
Human Services & Community Vitality

CONTRACT SUMMARY

FIXED PRICE WITH PRICE ADJUSTMENT

CONTRACT #: 2018-39-SUR

CONTRACTOR: City of Surprise

TYPE: ***Original Contract***

CONTRACT TERM: July 1, 2017 to June 30, 2018

Contract Reimbursement Ceiling for all Services: **TOTAL: $ 50,000**

CONTRACT OPERATING BUDGET

REVENUE	Congregate Meals	Multipurpose Operations
Area Agency	38,300	11,700
Project Income	14,500	-
Non-Fed Inkind	-	-
Non-Fed Cash	103,629	155,092
Other Federal	3,500	2,300
TOTAL	159,929	169,092
EXPENSES		
Personnel	75,981	121,396
ERE	14,898	27,296
Prof&Outside	3,500	2,300
Travel	200	-
Space	8,550	12,400
Equipment	-	-
Materials/Supl	55,600	5,300
Operating Svc	1,200	400
Indirect	-	-
TOTAL	159,929	169,092
UNITS	8,000	4,100
UNIT RATE	$ 19.99	$ 41.24

Terms and Conditions

1. **Definitions of Terms** As used in this contract, the terms listed below are defined as follows:
   a. *Additional Insured* specifically includes all agencies and requirements as identified in ***Section 6.b Additional Insured Requirements***.
   b. *Area Agency* means the Area Agency on Aging, Region One, Incorporated.
   c. *Begin Date* means the date the contract is officially enforce as identified in the Contract Signature page (page 1). The Contractor may start to provide services under this contract not earlier than the Begin Date. The Contractor will not be paid or reimbursed for contract services provided prior to the Begin Date. Payments or reimbursements shall not be made under this contract until the effective date of this contract.
   d. *Compensation* means that part of this contract that contains the approved method of payment or reimbursement which may include a budget or fee or rate for the delivery of services pursuant to this contract. Compensation also means Cost or Price.
   e. *Contract* means the combination of the Request for Proposals , including Terms and Conditions, Specific Terms **,** Service Specifications and Scopes of Work; the Offer and any Best and Final Offer(s); Methodologies and Work Statements; any Solicitation or Contract Amendments; and any terms implied by law.
   f. *Contract Amendment* means a written document signed by the Area Agency President/Chief Executive Officer (CEO) that is issued for the purpose of making changes in the Contract.
   g. *Contract Expenditures* means expenditures made by the Contractor during the term of this Contract and pursuant to the approved budget and compensation terms and methods.
   h. *Contract Monitor* means the Area Agency staff person who is assigned managerial responsibility for the contract.
   i. *Contract Operating Budget* means the Contractor's itemized then condensed operating budget as approved through a Solicitation or Amendment.
   j. *Contractor* means any person, agency, entity that has a contract with the Area Agency. Contractor shall also be referred to as Provider.
   k. *Contract Term* means the period of time from the contract Begin Date to the contract termination date as awarded, extended, or terminated based on these contract provisions.
   l. *Days* means calendar days unless otherwise specified.
   m. *Department* means the Arizona Department of Economic Security (ADES), unless otherwise indicated.
   n. *Effective Date* means the date the Contractor is to start delivering services. The Effective Dates is specified on any proposal, Contract Signature page, or amendment.
   o. *Eligible Persons* means the persons determined eligible for contract services in accordance with the criteria set forth by this contract.
   p. *Equipment* means all vehicles, furniture, machinery, electronic data processing (EDP) equipment, software and all other equipment costing $5,000 or more, including all normal and necessary expenses incurred to make the equipment ready for its intended use (e.g., taxes, freight, installation, assembly and testing charges, etc.) and with a useful life of greater than one year. Equipment as used herein does not include real property (e.g., land buildings, structures, or facilities' improvements).
   q. *Fiscal Year* means the period beginning with July 1 and ending June 30.
   r. *Gratuity* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
   s. *Level of Service* means the number of units of service specified in the Contract Summary page.
   t. *Materials* means all property, including equipment, supplies, printing, insurance, and leases of property but does not include land, a permanent interest in land or real property or leasing space.
   u. *May* indicates something that is not mandatory but permissible.
   v. *Offer* means bid, proposal, or quotation or *Solicitation*

w. *Procurement Officer* means the Area Agency President/CEO or designee who is duly authorized by Area Agency to enter into and administer contracts and make written determinations with respect to the contract.
x. *Quarter* means fiscal quarters July-September, October-December, January-March, and April-June.
y. *Reimbursement Ceiling* means the maximum amount payable by Area Agency to the Contractor under this Contract.
z. *Scope of Work* means the Arizona Department of Economic Services description of service(s) to be provided pursuant to this contract.
aa. *Service Specification* means the Area Agency description of service(s) to be provided pursuant to this contract.
bb. *Services* means the furnishing of labor, time, product, or effort by a Contractor or Subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
cc. *Shall, Must* indicates a mandatory requirement. Failure to meet these mandatory requirements may result in default of contract.
dd. *Should* indicates something that is recommended but not mandatory. If the Contractor fails to provide recommended information or comply with a *"should"* statement in a Scope of Work, Service Specification, or Area Agency directive, Area Agency may, at its sole option, ask the Contractor to provide the information or comply with the action.
ee. *Solicitation* means an invitation for bids, a request for proposals, request for quotation, request for qualifications or *Offer*.
ff. *State* means the State of Arizona, the Department of Economic Security, other Department(s) or Agency of the State that maintains authority in the contract.
gg. *Subcontract* means any contract, expressed or implied, between the Contractor and another party or between the Contractor's subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or providing any service required for the performance of the Contract.
hh. *Vulnerable adult* means an individual who is eighteen years of age or older who is unable to protect himself from abuse, neglect or exploitation by others because of a physical or mental impairment.

2. **Contract Interpretation**
   a. Arizona Law The Arizona law applies to this contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
   b. Compliance with Applicable Laws All changes in the governing laws, rules, and regulations during the term of this contract shall apply but do not require an amendment to this contract.
      i. This contract shall be governed and interpreted by the laws of the State of Arizona.
      ii. The materials and services supplied under this contract shall comply with all applicable federal, state, and local laws, and the Contractor shall maintain all applicable license and permit requirements.
      iii. Nothing in this contract shall be construed as a waiver of an Indian tribe's sovereign immunity; nothing shall be construed as an Indian tribe's consent to be sued or as consent by an Indian tribe to jurisdiction of any State Court.
      iv. The Contractor shall comply with the requirements related to reporting to a peace officer or to child or adult protective services incidents of crimes against children as specified in A.R.S. §13-3620 and crimes against the elderly as specified in A.R.S. §46-454 as may be amended.
      v. The Contractor shall comply with Public Law 101-121, Section 319 (31 USC Section 1352) as may be amended and 29 CFR Part 93 as may be amended which prohibit the use of federal funds for lobbying and which state, in part: Except with the express

authorization of Congress, the Contractor, its employees or agents, shall not utilize any federal funds under the terms of this contract to solicit or influence, or to attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation. Indian tribes, tribal organizations and other Indian organizations are exempt from these lobbying restrictions with respect to expenditures that are specifically permitted by other federal law.

vi. The Contractor shall comply with all applicable state and federal statutes and regulations. This shall include A.R.S. § 23-722.01 as may be amended relating to new hire reporting, A.R.S. § 23-722.02 as may be amended relating to wage assignment orders to provide child support, and A.R.S. § 25-535 as may be amended relating to administrative or court-ordered health insurance coverage for children.

c. Implied Contract Terms Each provision of law and any terms required by law to be in this contract are a part of this contract as if fully stated in it.

d. Contract Order of Precedence In the event of a conflict in the provisions of the contract, as accepted by the Area Agency and as it may be amended, the following shall prevail in the order set forth below:

i. Terms and Conditions;
ii. Provider Specific Terms for Programs with ALTCS Funded Services
iii. Provider Specific Terms
iv. Scope of Work,
v. Service Specifications;
vi. Area Agency manuals, policies and directives;
vii. Documents referenced or included in the solicitation.

e. Vehicle Lease All provisions of this contract are applicable to and extended to any Vehicle Lease that may be initiated between Contractor and Area Agency during the terms of this contract.

f. Relationship of Parties

i. The Contractor under this contract is an independent Contractor. Neither party to this contract shall be deemed to be the employee or agent of the other party to the contract.
ii. In the event that the Contractor or its personnel is sued or prosecuted for conduct arising from this contract, the Contractor or their personnel will not be represented by the Area Agency or other funding source within this contract.
iii. Taxes or Social Security payments will not be withheld from an Area Agency payment issued hereunder and the Contractor shall make arrangements to directly pay such expenses, if any.

g. Severability The provisions of this contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the contract.

h. No Parole Evidence This contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this contract and no other understanding either oral or in writing shall be binding.

i. No Waiver Either party's failure to insist on strict performance of any term or condition of the contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

a. Contract Term

i. The term of this contract shall be for the period of time from the contract begin date identified on the Contract Signature page to the contract termination date identified on the Contract Signature page or extended in an amendment.
ii. The begin date of the contract term is the date that the Contractor may start to provide services under this contract. The Contractor shall not provide services prior to contract term commencing or after the end date of the contract (no billable activity outside the

effective dates).

b. Contract Extension
   i. The Area Agency has no obligation to extend or renew this contract. At the sole option of the Area Agency, this contract may be extended or renewed for multiple periods, or may be established as a multi-year contract in its entirety or in part.
   ii. The Area Agency shall have the unilateral right to extend the contract period for additional one-year periods or portions thereof. The Terms and Conditions of any such contract extension shall remain the same as the original contract.
   iii. Any extension or renewal must be made prior to the end of the contract period specified in this contract.
   iv. This contract may only be extended through a written amendment by mutual agreement of the parties.

c. Cooperation and Understanding Area Agency may undertake or award other contracts for additional work related to the work performed by the Contractor, and the Contractor shall fully cooperate with such other Contractors and Area Agency employees, and carefully fit its own work to such other Contractors' work. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by Area Agency employees. The Contractor shall cooperate as the Area Agency deems necessary, with the transfer of work, services, case records and files performed or prepared by the Contractor to other Contractor(s).

d. Certifications The Contractor and its subcontractor(s) agree to sign the following certifications within this contract:
   i. the Certification Regarding Lobbying form, compliance with 49 CFR part 20
   ii. the Certification Regarding Debarment, Suspension and Voluntary Exclusion Lower Tier Covered Transactions form.

e. Amendments This contract is issued under the authority of the Area Agency President/CEO who signed this contract. The contract may be modified only through a contract Amendment within the scope of the contract issued under the authority of the Area Agency President/CEO. Changes to the contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the Area Agency President/CEO in writing or made unilaterally by the Contractor are violations of the contract and of applicable law. Such changes, including unauthorized written contract amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this contract based on those changes.
   i. This contract may be amended or modified at any time by mutual agreement. No agent, employee or other representative of either party is empowered to alter any of the terms of the contract, unless done in writing and signed by the authorized representatives of the respective parties.
   ii. A written amendment to this contract shall be required whenever there is a material change in the content including but not limited to the following:
      1. Reimbursement ceiling;
      2. Contract term if extended and/or reduced without terminating the contract;
      3. Service delivery plan, the scope of work, or the level/units of service to be provided;
      4. Rate paid per unit of service;
      5. Ownership or legal entity responsible for the contract; or
      6. For any other change in the terms and conditions of the contract which Area Agency deems substantial.
   iii. Where a change does not fall in any of the categories listed in the above items, the Contractor must obtain approval from the Area Agency President/CEO prior to effecting the change.

f. Subcontracts The Contractor shall not enter into any subcontract under this contract for the performance of this contract without the advance written approval of the Area Agency President/CEO. The Contractor shall clearly list any proposed subcontractors and the

subcontractor's proposed responsibilities. The subcontract shall incorporate by reference all of the terms and conditions of this contract, amendments, manuals, and Area Agency directives. Area Agency will not allow a subcontract for any direct client / participant services, but may approve ancillary subcontracts for operational functions not related to direct client / participant services.

i. Prior to adding a subcontractor to the contract, the Contractor shall submit a formal, written request to the Area Agency President/CEO. The request shall:
    1. Be on the Contractor's company letterhead and signed by an authorized representative of the Contractor;
    2. Contain the subcontractor's name, address, phone number, email and primary point of contact;
    3. Include all the certificates as included/required in this contract and as applicable signed by the subcontractor's authorized representative;
    4. Description of the subcontractor's small business status;
    5. Identification of the type of goods and/or services to be provided by the subcontractor;
    6. The amount of time or effort (as a percent of total contract performance) that the subcontractor will perform in relation to total performance of the contract's requirements; and
    7. A description of the quality assurance measures that the Contractor shall use to monitor the subcontractor's performance.
    8. The Contractor shall provide copies of each contract with a subcontractor relating to the provision of contract services to Area Agency within five (5) calendar days of execution.

ii. Inclusive Contractor Contractor is encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprises. This could include subcontractors for a percentage of the administrative service being proposed. Contractor who is committing a portion of its work to such subcontractors shall do so by identifying the type of service and work to be performed by providing detail concerning the Contractor's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.

g. Assignment and Delegation The Contractor shall not assign any right nor delegate any duty under this contract, without the prior written approval of the Area Agency President/CEO. Area Agency shall not unreasonably withhold approval.

h. Arbitration The parties to this contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. §12-1518, except as may be required by other applicable statutes (Title 41).

i. Predecessor and Successor Contracts The execution or termination of this contract shall not be considered a waiver by Area Agency of any and all rights it may have for damages suffered through a breach of this or prior contract with the Contractor.

j. Audit The Contractor shall retain and shall contractually require each subcontractor to retain all data, books and other records ("records") relating to this contract for a period of five (5) years after completion of the contract. All records shall be subject to inspection and audit by Area Agency at reasonable times. Upon request, the Contractor shall produce the original of any or all such records.

k. Substantial Interest Disclosure

i. Contractor shall not make any payments, either directly or indirectly, to any person, partnership, corporation, trust, or any other organization which has a substantial interest in Contractor's organization or with which Contractor (or one of its directors, officers, owners, trust certificate holders or a relative thereof) has a substantial interest, unless Contractor has made a full written disclosure of the proposed payments, including amounts, to Area Agency.

ii. Leases or rental agreements or purchase of real property which would be covered by the above paragraph of this section shall be in writing and accompanied by an independent commercial appraisal of fair market rental, lease, or purchase value, as appropriate.

iii. For the purpose of this section, the *relative* shall have the same meanings as in A.R.S. §38-502 as may be amended.

l. Cooperation with Investigation Contractor, subcontractor, provider, vendor, staff, volunteers are to cooperate fully and truthfully with any Area Agency, State, or funding agency investigation, including but not limited to an investigation by an Internal Affairs division of such agencies. Failure to adhere to this policy may result in Area Agency taking whatever actions it deems appropriate, from removal of the subject and/or witness from working with Area Agency clients up to terminating this contract.

m. Notices All notices under this contract shall be directed in writing to the persons and addresses as specified on the Contract Signature page and/or Facility Location page of this contract.

i. Either party shall give written notice to the other party of any non-material alteration that affects the provisions of this contract. Non-material alterations that do not require a written amendment are as follows:

1. Change of address and/or telephone number;
2. Change in Contract Authorized Signatory and his/her designee;
3. Change in the name of the Contractor, where the ownership or responsible entity remains the same;
4. Changes in the name and/or address of the person to whom notices are to be sent;
5. Changes in contract-related personnel positions of the Contractor which do not affect staffing ratios, staff qualifications or specific individuals required under this contract; or
6. In a fixed price with price adjustment contract, whenever there is less than a 10% increase in any budget category; any such increase must be offset by an equal value decrease in another budget category or categories or equal value increase in Contractor funds.

ii. In a Fixed Price with Price Adjustment contract, a written amendment shall not be necessary to shift costs among budget categories. The Contractor shall give written notice to Area Agency that includes justification for the change and may receive written approval by Area Agency. Any such increase must be offset by an equal value decrease in any budget category or categories.

n. Advertising, Publishing and Promotion of Contract

i. The Contractor shall not use, advertise, or promote information for commercial benefit concerning this contract without the prior written approval of the Area Agency President/CEO or designee.

ii. Any advertisement, publication, or other media of promotion of contracted services must include the following statement: *Services are funded in part by Area Agency on Aging, Region One, Incorporated.*

iii. The Contractor shall provide to Area Agency for review and approval all reports or publications (written, visual or sound) which are funded or partially funded under this contract, a minimum of fifteen (15) calendar days prior to public release.

iv. All reports and publications whether written, visual or verbal shall contain the following statement: *This program is funded through a contract with the Area Agency on Aging, Region One Incorporated. Any points of view are those of the author and do not necessarily represent the official position or polices of the Area Agency or related funders.*

o. Ownership of Intellectual Property

i. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the Area Agency shall be considered the creator of such Intellectual Property. The Area Agency in requesting the issuance of this contract shall

own (for and on behalf of the Area Agency) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the Area Agency, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the Area Agency and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the Area Agency. The Intellectual Property shall not be disclosed by Contractor or its subcontractor(s) to any entity not the Area Agency without the express written authorization of the Area Agency President/CEO.

ii. Intellectual Property developed by the Contractor that is already in the public domain is exempt from this requirement.

p. Transfer of Knowledge The contractor shall, whenever feasible, share strategies and techniques with the Area Agency to transfer the skills and knowledge acquired in the delivery of the contracted service.

q. Transition of Activities In the event that a contract is awarded to a new contractor for services similar to those being performed by Contractor under this contract, there shall be a transition of services period. During this period, the Contractor, under this contract, shall work closely with the new contractor's personnel and/or Area Agency staff to ensure a smooth and complete transfer of duties and responsibilities. Area Agency's authorized representative will coordinate all transition activities. A transition plan will be developed in conjunction with the existing Contractor to assist the new contractor and/or Area Agency staff to implement the transfer of duties. Area Agency reserves the right to determine which projects/service delivery nearing completion will remain with the current Contractor of record.

r. Federal Immigration and Nationality Act

i. By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The Area Agency shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Area Agency President/CEO upon request. These warranties shall remain in effect through the term of the contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract.

ii. Area Agency may request verification of compliance for any Contractor or subcontractor performing work under the contract. Should the Area Agency determine that the Contractor or any subcontractors be found noncompliant, Area Agency may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

s. Offshore Performance of Work Prohibited Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the Area Agency shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by subcontractors at all tiers.

t. Pandemic Contractual Performance

i. The State shall require a written plan that illustrates how the Contractor shall perform up to contractual standards in the event of a pandemic. Area Agency may require a copy of the plan at any time prior or post award of a contract. At a minimum, the pandemic performance plan shall include:

1. Key succession and performance planning if there is a sudden significant decrease in Contractor's workforce.
2. Alternative methods to ensure there are services or products in the supply chain.
3. An up to date list of company contacts and organizational chart.

ii. In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the Area Agency shall have the following rights:

1. After the official declaration of a pandemic, Area Agency may temporally void the contract(s) in whole or specific sections if the Contractor cannot perform to the standards agreed upon in the initial terms.
2. Area Agency shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director of the Arizona Department of Administration per A.R.S. §41-2537 as may be amended of the Arizona Procurement Code.
3. Once the pandemic is officially declared over and/or the Contractor can demonstrate the ability to perform, Area Agency, at its sole discretion, may reinstate the temporarily voided contract(s).

4. Contract Costs and Compensation

a. Availability of Funds

i. The provisions of this contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor, as herein provided, are actually available to the Area Agency for disbursement. The Area Agency President/CEO shall be the authority in determining the availability of funds under this contract and the Area Agency shall keep the Contractor fully informed as to the availability of funds.

ii. If any action is taken by any county, state agency, federal department, or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligation under, or in connection with this Contract, the Area Agency may reduce funding, rates, and/or services or terminate this contract without further recourse, obligation, or penalty in the event that insufficient funds are appropriated or allocated.

iii. The Area Agency President/CEO shall have the sole and unfettered discretion in determining the availability of funds.

iv. Area Agency and the Contractor may mutually agree to reduce reimbursement to the Contractor when the payment type is Fixed Price with Price Adjustment by executing a contract amendment.

v. Availability of Funds for the Current Fiscal Year Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State and/or the Area Agency may take any of the following actions:

1. Reduce payments or units authorized;
2. Accept a decrease in price offered by the Contractor;
3. Cancel the Contract; or
4. Cancel the Contract and re-solicit the requirements

vi. Availability of Funds for the Next Fiscal Year Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State or the Area Agency for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract.

b. Contract Payment Types Payments regarding this contract shall be made according to the type of payment indicated with the check mark (√) and as identified on the Contract Summary page(s) and defined as follows:

i. **n/a** Rate or Fixed Price – The Contractor is paid a specified amount for each unit of service or deliverable as designated in the Contract Summary, not to exceed the maximum number of units if indicated by the Area Agency for each contract service/deliverable. Area Agency may authorize units and adjust funding based on those authorized units throughout the term of the contract by amending the contract.

ii. √ Fixed Price With Price Adjustment - Reimbursement to the Contractor is in accordance with actual, allowable costs incurred consistent with each Contract Budget and/or Contract Summary not to exceed the service reimbursement ceiling. The Contractor shall furnish Area Agency with an accounting of actual costs incurred consistent with the categories set forth in the Contract Budget. Budget categories, to include cost items in a category, may be deleted, added, or modified by approval from Area Agency. Such modifications shall follow protocols as set forth in the Notices and Amendments sections of these Terms and Conditions.

c. Contract Payment Provisions

i. Reimbursement to the Contractor shall be in accordance with actual allowable costs incurred consistent with each service budget, budget summary, or Fixed Price, not to exceed the service reimbursement ceiling. The Contractor shall furnish Area Agency with an accounting of actual costs incurred consistent with the categories set forth in the service budget(s).

ii. The Contractor shall report to the Area Agency in the manner prescribed by ***Section 13.q. Reporting Requirements*** of these Terms and Conditions and Service Specifications or other Area Agency directives. Upon receipt of applicable, accurate, and complete records, Area Agency shall authorize payment or reimbursement in accordance with the type of payment indicated by this contract.

iii. If the Contractor is in any manner in default in the performance of any obligation under this contract, or if audit exceptions are identified, Area Agency may, at its option and in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or exception.

iv. If Contractor's performance is less than 90% of contracted service levels or projecting to be less than 90% of contracted service levels; Area Agency may, at its option, reduce contracted funds up to an equal percentage of services provided.

v. Under no circumstances shall Area Agency make payment to the Contractor:
   1. That exceeds the unit authorized without an amendment to this contract;
   2. That exceeds the service reimbursement ceiling as stated in the Contract Summary or Contract Budget without an amendment to this contract; or
   3. For services performed prior to or after the term of the contract without timely extension or renewal of the contract.

vi. Failure to submit required financial and programmatic reports by the approved due date(s) may result, at the option of Area Agency, in the assessment of a penalty equal to one percent (1%) of Area Agency reimbursement ceiling for each occurrence. Failure to provide such report within forty-five (45) days following the end of a month may result, at the option of Area Agency, in a forfeiture of such payment. Should a penalty be assessed, the level of service shall remain unchanged.

vii. The Contractor may offer a price reduction adjustment at any time during the term of the contract. Any price reduction shall be executed by a contract amendment.

viii. Payments shall comply with requirements of A.R.S. Title 35 and 41. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the Area Agency.

ix. In order to receive payment, the Contractor shall have a current IRS w-9 form on file with the Area Agency unless not required by law.

d. Compensation for Rate or Fixed Price

i. Subject to the availability of funds and during the period of this contract, the Area Agency shall pay the fixed unit prices for each unit of service authorized and delivered to each client in accordance with the Contract Summary.

ii. The Contractor shall not be entitled to bill the Area Agency, nor shall the Area Agency honor any claim for payment for any client services performed in the development of, or review of a client's plan of care.

iii. The rates per unit of service as stated in the Contract Summary shall be considered payment in full for all services and supplies rendered or provided under the terms of this contract. The Contractor agrees that it will not bill or charge clients, their families, guardian or conservators for services provided under this contract without prior approval of the Area Agency. The provisions of this section shall not be construed as restricting the right of the Contractor to bill Medicare for allowable costs, and/or to bill clients for other services rendered that are not covered by this contract.

iv. The Contractor shall be entitled to bill the Area Agency only for those units of service that have been performed in accordance with the Scope of Work and Service Specifications of this contract and where the Contractor has obtained a valid client signature each time services were provided.

v. The Area Agency, working from the Contractor's billing, shall determine the payments to be made to the Contractor for services. If a discrepancy exists between the Contractor's billing and the Area Agency's record of authorized clients and units of service, the amount of the discrepancy will be disallowed and the remainder of the claim processed for payment. The Contractor shall be notified in writing of the amount and reasons for any disallowance and shall be afforded the opportunity to document the appropriateness of the disallowed costs and to resubmit a billing for payment within thirty (30) days of the original due date.

vi. The Area Agency President/CEO shall be the sole determiner of the availability of funds.

e. Compensation for Fixed Price with Price Adjustment

i. Subject to the availability of funds, Area Agency shall compensate the Contractor for delivery of the contract services designated within the Service Specifications, provided that the services are delivered during the term of the contract and in accordance with the terms and conditions set forth in this contract. The maximum reimbursement ceiling for all Fixed Price with Price Adjustment services provided during the term of this contract is stated in the Contract Summary.

ii. At least a ten percent (10%) non-federal match is required for each Area Agency dollar awarded. This non-federal match may be either cash or in-kind.

iii. If at contract termination the total number of eligible units of service delivered for any contracted service is less than ninety percent (90%) of the contracted units, Area Agency reserves the right to adjust payments to the Contractor proportionally.

iv. The Area Agency shall not be obligated to compensate the Contractor for delivery of contracted services at a ratio greater than the time remaining in the contract year. The schedule of compensation shall be applied quarterly; therefore, a Contractor may not exceed compensation greater than 25%, 50%, 75% based on the period of the contract year served. Area Agency shall have sole and unfettered discretion to deviate from this schedule.

f. Applicable Taxes

i. The Contractor shall be responsible for paying all applicable taxes.

ii. The State of Arizona and the Area Agency is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

iii. Contractor and all subcontractors shall pay all Federal, state, and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State of Arizona, Area Agency, and it's funders harmless

from any responsibility for taxes, damages, and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Workmen's Compensation.

5. Indemnification

a. Indemnification

i. Contractor/Vendor Indemnification (Not Public Agency): The parties to this contract agree that the Area Agency and the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the Contractor for the vicarious liability of the Area Agency or the State as a result of entering into this contract. However, the parties further agree that the Area Agency and the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

ii. Public Agency Language Only: To the extent permitted by law, each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers.

b. Indemnification Clause The parties to this contract agree that the Area Agency, State of Arizona and the Department of Economic Security (DES) shall be indemnified and held harmless by Contractor for the vicarious liability of the Area Agency and/or State as a result of entering into this contract. However, the parties further agree that the Area Agency, State of Arizona and DES shall each be responsible for its own negligence. Each party to this contract is responsible for its own negligence. *This indemnity shall not apply if the Contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*

c. Indemnification for Subcontractor In addition, the Contractor shall cause its contractor(s) and subcontractor(s), if any, to indemnify, defend, save and hold harmless the Area Agency and State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as Indemnitee) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as Claims) for bodily injury or personal injury (including death), or loss or damage or tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Contractor or any of the directors, officers, agents, or employees or subcontractors of such Contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such Contractor to the extent permitted by law, from and against any and all claims. It is agreed that such Contractor will be responsible for primary loss investigation, defense and judgement costs where this indemnification is applicable.

d. Indemnification – Patent and Copyright To the extent permitted by law, the Contractor shall indemnify and hold harmless both Area Agency and the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of contract performance or use by the Area Agency or the State of materials furnished by Contractor or work performed under this contract by Contractor. The Area Agency shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph

6. Insurance

a. Insurance Requirements Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The Area Agency and State of Arizona, in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

b. Additional Insured Requirements For the purposes of this contract, the identified agencies and specific language shall be identified as additional insured for all contract required insurance policies. The policies shall include or be endorsed to include the following provisions:

i. Required Agencies

√ Area Agency on Aging, Region One Incorporated

√ State of Arizona and Department of Economic Security

n/a Bridgeway Health Solutions

n/a United Health Care

n/a Maricopa County Public Health Department

n/a Mercy Care

n/a Total Transit Enterprises, LLC / Total Transit, Inc. / Veyo, LLC

ii. The policy shall be endorsed to include the following Additional Insured language: *"The Additional Insured agencies, their departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insured with respect to liability arising out of the activities performed by or on behalf of the Contractor and including involvement of owned, leased, hired, or borrowed vehicles by the Contractor".*

iii. The Additional Insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this contract.

iv. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

v. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this contract.

vi. The Additional Insured endorsement(s), where applicable to liability policies required under these provisions, and which extend policy rights to the Area Agency, shall insure only the vicarious liability to the extent stated in the Indemnification Clause.

c. Minimum Scope and Limits of Insurance Contractor shall provide coverage with limits of liability not less than those stated below.

i. Commercial General Liability – Occurrence Form Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

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

1. The policy shall be endorsed to include coverage for sexual abuse and molestation.
2. Policy shall contain a waiver of subrogation against all agencies identified as Additional Insureds, their departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising

from work performed by or on behalf of the Contractor. This requirement may be satisfied with a policy combining General and Professional Liability, provided that the General Liability section of the policy is written on an occurrence basis, and includes coverage for contractual liability.

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

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

1. The policy shall be endorsed to include the following additional insured language: *The Additional Insured shall be named as additional insured with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.*
2. Policy shall contain a waiver of subrogation against the Additional Insured, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
3. This section, Business Automobile Liability, shall not be applicable in the event the Contractor (or its subcontractors) does not utilize a vehicle in any manner in the performance of this contract or if the utilization is used only for commuting purposes. In the event the Contractor (or its subcontractors) subsequently utilizes any vehicle in the performance of the contract or utilizes it for other than commuting purposes, this section, Business Automobile Liability, shall be fully applicable, effective the date the utilization is changed.

iii. Workers Compensation and Employers' Liability

1. Workers' Compensation Statutory
2. Employers' Liability
   a. Each Accident $ 500,000
   b. Disease – Each Employee $ 500,000
   c. Disease – Policy Limit $1,000,000
3. Policy shall contain a waiver of subrogation against Additional Insureds, their departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
4. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. §23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

iv. Professional Liability (Errors and Omissions Liability)

1. Requirements as follows
   d. Each Claim $1,000,000
   e. Annual Aggregate $2,000,000
2. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
3. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work and Service Specifications, work definitions, and other performance statements of this contract.

v. Fidelity Bond or Crime Insurance

- Bond Policy Limit $100,000

1. The bond or policy shall be issued with minimum limits of $100,000.

2. The bond or policy shall include coverage for all directors, officers, agents and employees of the Contractor.
3. The bond or policy shall include coverage for third party fidelity.
4. The bond or policy shall include coverage for theft and mysterious disappearance.
5. The bond or policy shall contain no requirement for arrest and conviction.
6. The bond or policy shall cover loss outside the premises of the Named Insured.

d. Notice of Cancellation Each insurance policy required by the insurance provisions of this contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the Area Agency. Such notice shall be sent directly to the Area Agency Contracts Department and shall be sent by certified mail, return receipt requested.

e. Acceptability of Insurers Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The Area Agency in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency. If the Contractor utilizes the Social Service Contractors Indemnity Pool (SSCIP) or other approved insurance pool for insurance coverage, SSCIP or the other approved insurance pool is exempt from the A.M. Best's rating requirements listed in this contract. If the Contractor or subcontractor chooses to use SSCIP, AMRRP, or another approved insurance pool as its insurance provider, the contract/subcontract would be considered as meeting the insurance requirements relating to the A.M. Best rating requirements. Contractors or subcontractors submitting certificates of Insurance identifying SSCIP, AMRRP, or another approved insurance pool will be considered as meeting the insurance requirements including those related to sexual abuse and molestation.

f. Verification of Coverage
   i. Contractor shall furnish the Area Agency with certificates of insurance (ACORD form or equivalent form approved by Area Agency) and endorsement pages of each policy as required by this contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
   ii. All certificates and endorsements are to be received and approved by the Area Agency before work commences. Each insurance policy required by this contract must be in effect at or prior to commencement of work under this contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this contract, or to provide evidence of renewal, is a material breach of contract.
   iii. All certificates required by this Contract shall be sent directly to Area Agency Contracts Department. The Area Agency contract number and contract description shall be noted or referenced on the certificate of insurance. The Area Agency reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

g. Subcontractors Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the Area Agency separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified within this contract.

h. Approval Any modification or variation from the Insurance Requirements in this contract shall be made by the Area Agency, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

i. Exceptions
   i. In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.
   ii. In the event that Contractor determines that it may not be able to comply fully with the insurance requirements set forth in this section and contract, the Contractor may request

that the insurance requirements be modified pursuant to paragraph ***6.h. <u>Approval</u> of this section***, provided that such request be delivered in writing to Area Agency at least ten (10) days prior to contract execution. Contractor shall include with such request Contractor's justification for the modification with supporting documentation.

1. As provided in paragraph ***6.h. <u>Approval</u> of this section***, the Area Agency President/CEO shall decide whether such modification may be permitted.
2. Modifications that are approved will be done so on a case-by-case basis and shall not affect the insurance requirements of other Contractors for whom modifications have not been approved. If a Contractor's request has not been approved or a Contractor fails to deliver its request prior to the applicable deadline, then the Contractor shall be required to comply fully with the insurance requirements set forth fully in this ***Section 6 Insurance***.

7. Risk and Liability

a. <u>Force Majeure</u>

i. Except for payments of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

ii. Force Majeure shall not include the following occurrences:

1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

iii. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

iv. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is cause by force majeure.

b. <u>Third Party Antitrust Violations</u> The Contractor assigns to the Area Agency any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor toward fulfillment of this contract.

8. Warranties

a. <u>Suspension and Debarment</u>: The Contractor warrants that the corporation has not been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity. If the Contractor is a sub-entity, franchise, or a DBA (doing-business-as) entity of another corporation or entity, Contractor makes the same warrant of suspension and debarment for the other corporation(s). If a Contractor has, prior to or during this contract, been debarred,

suspended or otherwise lawfully prohibited from participating in any public procurement activity, the Contractor shall disclose that information to Area Agency in writing within ten (10) days of such debarment.

b. Services The Contractor warrants that all services provided under this contract shall conform to the requirements stated herein and any amendments hereto. The Area Agency's acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Area Agency President/CEO may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.

c. Liens The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

d. Quality Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the Area Agency of the materials, they shall be
    i. Of a quality to pass without objection in the trade under the contract description;
    ii. Fit for the intended purposes for which the materials are used;
    iii. Within the variations permitted by the contract and are of even kind, quantity, and quality within each unit and among all units;
    iv. Adequately contained, packaged, and marked as the contract may require; and
    v. Conform to the written promises or affirmations of fact made by the Contractor.

e. Fitness The Contractor warrants that any material supplied to the Area Agency shall fully conform to all requirements of the contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the contract.

f. Inspection/Testing The warranties set forth in subparagraphs Liens, Quality, and Fitness of this section are not affected by inspection or testing of or payment for the materials by the Area Agency.

g. Compliance with Applicable Laws
    i. The materials and services supplied under this contract shall comply with all applicable federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements. Any changes in the governing laws, rules and regulations during the term of this contract shall apply but do not require an amendment to this contract.
    ii. Contractor shall comply with the laws, rules, regulations and standards contained within the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) including Section 2352 "Title XX Block Grants;" Title 45 Code of Federal Regulations Parts 74 and 96; and the Arizona Title XX Social Services Plan.
    iii. Contractor shall comply with the laws, rules, regulations and standards contained within Title III of the Older Americans Act, as amended; Title 45 Code of Federal Regulations, Part 74 (except Subpart N); Title 45 of the Code of Federal Regulations parts 1320, 1321, 1324, and 1326. In accordance with Title 45 Code of Federal Regulations, Part 1321.51, the Area Agency shall afford the Contractor an opportunity for a hearing when required by the provisions of this part.
    iv. Contractor shall comply with the provisions of A.R.S. Sections §46-251 through §46-253, Supplemental Payments Program.
    v. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this contract and any disputes there under. Any action relating to this contract shall be brought in Arizona court.
    vi. The Contractor shall comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and all applicable implementing Federal regulations. The Contractor shall notify Area Agency no later than one hundred and twenty (120) days prior to any required compliance date if the Contractor is unwilling to or anticipates that it will be unable to meet these requirements. Receipt by the Area Agency of a notice of anticipated inability or unwillingness to comply with these requirements constitutes grounds for the termination of this contract.

h. Survival of Rights and Obligations after Contract Expiration or Termination

i. Contractor's Representations and Warranties: All representations and warranties made by the Contractor under this contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. §12-510, except as provided in A.R.S. §12-529, the Area Agency or State are not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

ii. Purchase Orders: The Contractor shall, in accordance with all terms and conditions of the contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Area Agency President/CEO including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this contract.

iii. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

9. Contractual Remedies

a. Right to Assurance If Area Agency in good faith has reason to believe that the Contractor does not intend to or is unable to perform or continue performing under this contract, the Area Agency President/CEO may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may at Area Agency's option, be the basis for terminating the contract under the Terms and Conditions or other rights and remedies available by law or provided by the contract. For designated agencies, termination shall comply with the Older American's Act legislation.

b. Stop Work Order

i. The Area Agency, at any time, by written order to the Contractor, may require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the Area Agency after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

ii. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Area Agency President/CEO shall make an equitable adjustment in the delivery schedule or contract price, or both, and the contract shall be amended in writing accordingly.

c. Non-Exclusive Remedies The rights and the remedies of the Area Agency under this contract are not exclusive.

d. Non-Conforming Tender Materials or services supplied under this contract shall fully comply with the contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services the Area Agency may terminate the contract for default under applicable termination clauses in the contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

e. Right of Offset Area Agency shall be entitled to offset, against any sums due the Contractor, any expenses or costs incurred by the Area Agency or damages assessed by the Area Agency concerning the Contractor's nonconforming performance or failure to perform the contract, including expenses, costs and damages.

10. Contract Termination

a. Mutual Agreement This contract may be terminated by mutual agreement of the parties at any time during the term of this agreement.

b. Cancellation for Conflict of Interest Pursuant to A.R.S §38-511 as may be amended, Area Agency may cancel this contract within three (3) years after contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Area Agency is or becomes at any time while the contract or an extension of the contract is in effect an employee of or a consultant to any other party to this contract with respect to the subject matter of the contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this contract as provided in A.R.S §38-511 as may be amended.

c. Gratuities The Area Agency may, by written notice to the Contractor, terminate this contract in whole or in part if Area Agency determines that employment or a gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the Area Agency for the purpose of influencing the outcome of the procurement or securing the contract, an amendment to the contract, or favorable treatment concerning the contract, including the making of any determination or decision about contract performance. The Area Agency, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the gratuity offered by the Contractor.

d. Suspension or Debarment Either party may, by written notice, immediately terminate this contract if either party has determined to have been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the Area Agency as identified in ***Section 8.a. Suspension and Debarment***.

e. Termination for Convenience The Area Agency reserves the right to terminate the contract, in whole or in part at any time, when in the best interests of the Area Agency without penalty or recourse. In addition, the Area Agency has the right to terminate the contract upon the Contractor's noncompliance which does or may jeopardize any Area Agency fund source requirements, standards, or expectations. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the Area Agency. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the contract shall become the property of and be delivered to Area Agency upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply. The Contractor may terminate this contract per this provision by providing at least sixty (60) days written notice to the Area Agency President/CEO.

f. Termination for Default

   i. In addition to the rights reserved under the contract, Area Agency may terminate the contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the contract. The Area Agency President/CEO shall provide written notice of the termination and the reasons for it to the Contractor.

   ii. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the contract shall become the property of and be delivered to the Area Agency on demand.

   iii. This contract is voidable and subject to immediate termination by Area Agency upon the Contractor becoming insolvent or filing proceedings in bankruptcy or reorganization under the United States Code, or upon assignment or delegation of the contract and/or

any rights there under without Area Agency's prior written approval.

iv. Area Agency may, upon termination of this contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this contract. The Contractor shall be liable to the Area Agency for any excess costs incurred by the Area Agency in procuring materials or services in substitution for those due from the Contractor.

v. Area Agency may immediately terminate this contract if the Area Agency determines that the health or welfare or safety of service recipients is endangered.

vi. For designated agencies, termination shall comply with the Older American's Act legislation.

g. Continuation of Performance Through Termination Area Agency and the Contractor shall continue to perform, in accordance with the requirements of the contract, up to the date of termination, as directed in the termination notice.

h. Termination for Any Reason

i. In the event the contract is terminated, with or without cause, or expires, the parties, shall assist each other in the transition of services or eligible persons to other contractors. Such assistance and coordination shall include, but not be limited to, the forwarding of program and other records as may be necessary to assure the smoothest possible transition and continuity of services. The cost of reproducing and forwarding such records and other materials shall be borne by the Contractor. The Contractor must make provisions for continuing all management/administrative services until the transition of services or eligible persons is complete and all other requirements of this contract are satisfied.

ii. In the event of early termination for any reason, any funds advanced to the Contractor shall be returned to Area Agency within ten (10) days after the date of termination of the contract or upon receipt of notice of termination of the contract, whichever is earlier.

11. **Services**

a. Services The Contractor shall provide the services as identified in the Contract Summary of this contract in accordance with the following:

i. Scope of Work(s);

ii. Service Specification(s);

iii. Specific Terms

iv. Approved Methodology(s);

v. Documents referenced or included in the solicitation

vi. Approved Budget or Rate;

vii. Approved Outreach Plan(s), if applicable; and

viii. Other Area Agency manuals, policies, procedures, and directives.

b. Delivery of Services Contractor shall notify and obtain prior approval from Area Agency for modifications affecting the delivery of services which may include but is not limited to the following:

i. Increase or decrease in the number of days of operations to existing facilities;

ii. Increase or decrease in the number of facilities where services are provided; or

iii. Changes to the Methodologies.

c. Levels of Service

i. For designated non-case managed services, if the Contractor determines service recipient eligibility, the Contractor shall maintain and regulate the units or services set forth in this contract to ensure continuity and availability of services to eligible persons during the term of this contract and during any transition to a subsequent Contractor.

ii. Area Agency makes no guarantee to purchase specific quantities of goods or services, or to refer eligible persons as may be identified or specified herein.

iii. Further, it is understood and agreed that this contract is for the sole convenience of the Area Agency and that the Area Agency reserves the right to obtain like goods or services from other sources when such need is determined necessary by the Area Agency.

iv. Area Agency makes no guarantee to purchase all of the service units contracted or to provide any number of referrals. If quantities of units are specified, they are estimates only and the Area Agency may decrease and/or increase them by providing written notice to the Contractor.
v. Any administration within the Area Agency may obtain services under this contract.
vi. Contract services may be moved or expanded to other site locations within the geographic area awarded only by a written contract amendment.
vii. When the method of compensation for the service is Fixed Price with Price Adjustment**,** the contract may be amended, by mutual agreement, to purchase additional services by increasing the contract service budget and/or budget summary.
    1. It is expected that the Contractor will serve in excess of contract authorized, case managed, units by as much as 10% without obligation for an Area Agency funding increase.
    2. Contractor is expected to serve, at least, within 90% of contracted levels of service. The Area Agency reserves the right to amend the contract funding and units within the contract to correspond with projected levels of service.

12. **Area Agency Responsibility**
    a. Technical Assistance Area Agency may, but shall not be obligated to, provide technical assistance to the Contractor in the administration of contract services, or relating to the terms and conditions, policies and procedures governing this contract. Notwithstanding the foregoing, the Contractor shall not be relieved of full responsibility and accountability for the provision of contract services in accordance with the terms and conditions set forth herein.

13. **Contractor Responsibility**
    a. Audit
        i. In compliance with the Federal Single Audit Act (31 U.S.C. per. 7501-7507 as may be amended and as OMB documents may be consolidated, renamed, or reconfigured), Contractors designated as sub-recipients, as described in the Office of Management and Budget (OMB) Circular A-133, expending federal funds from all sources totaling $750,000 or more, shall have a yearly audit conducted in accordance with the audit and reporting standards as prescribed in OMB Circular A-133 as may be amended. As outlined in A-133. the Audit Reporting Package shall include:
            1. Financial statements and a schedule of Expenditures of Federal Awards (SEFA)
            2. Summary schedule of prior audit findings
            3. Auditors Reports (detailed in the A-133)
            4. Corrective Action Plan
        ii. The Area Agency's contract numbers and award amounts must be included on the SEFA. A copy of the Single Audit Reporting Package and Management Letter, if issued, shall be submitted to the Area Agency's Chief Finance Officer within thirty (30) days after completion of the audit or nine (9) months after the audited period and to the Area Agency's Contracts Department.
        iii. All Contractors are subject to the programmatic and fiscal monitoring requirements of Area Agency to ensure accountability of the delivery of all goods and services, as required under the Federal Single Audit Act. A minimum fiscal requirement for all Contractors designated as vendors is an annual financial audit which includes Area Agency contract numbers and award amounts. The Audit Report, Management Letter and Auditor's Opinion must be submitted to Area Agency within thirty (30) days after the completion of the audit.
        iv. As prescribed in OMB Circular A-133, for-profit sub-recipients are subject to compliance requirements established by the Area Agency. Methods to ensure compliance for Federal awards made to for-profit sub-recipients may include pre-award audits, Area Agency monitoring during the contract, and post-award audits.
        v. Audits of non-profit corporations receiving federal or state monies required pursuant to

federal or state law must be conducted as provided in 31 U.S.C. Section 7501 et seq. and A.R.S. §35-181.03 as may be amended and any other applicable statutes, rules, regulations and standards.

b. Background Checks for Employment through the Central Registry If providing direct services to children or vulnerable adults, the following shall apply:
   i. The provisions of A.R.S. §8-804 (as may be amended) are hereby incorporated in its entirety as provisions of this contract.
   ii. The Contractor will conduct Central Registry Background Checks using the Area Agency contract number: ADES15-089127.
   iii. The Contractor will use the information contained in the Central Registry as a factor to determine qualifications for positions that provide direct service to children or vulnerable adults for:
      1. All employees of a Contractor;
      2. A subcontractor of a Contractor and the subcontractor's employees; and
      3. Prospective employees of the contractor or subcontractor at the request of the prospective employer.
   iv. Volunteers who provide direct services to children or vulnerable adults shall have a Central Registry Background Check which is to be used as a factor to determine qualifications for volunteer positions.
   v. A person who is disqualified because of a Central Registry Background Check may apply to the Board of Fingerprinting for a Central Registry exception pursuant to A.R.S. §41-619.57. A person who is granted a Central Registry exception pursuant to A.R.S. §41-619.57 is not entitled to a contract, employment, licensure, certification or other benefit because the person has been granted a Central Registry exception.
   vi. Before being employed or volunteering in a position that provides direct services to children or vulnerable adults, persons shall certify on forms provided by Area Agency whether an allegation of abuse or neglect was made against them and was substantiated. The completed forms are to be maintained as confidential.
   vii. A person awaiting receipt of the Central Registry Background Check may provide direct services to Area Agency clients after completion and submittal of the Direct Service Position certification form if the certification states:
      1. The person is not currently the subject of an investigation of child abuse or neglect in Arizona or another state or jurisdiction; and
      2. The person has not been the subject of an investigation of child abuse or neglect in Arizona, or another state or jurisdiction, which resulted in a substantiated finding.
   viii. If the Central Registry Background Check specifies any disqualifying act and the person does not have a Central Registry exception, the person shall be prohibited from providing direct services to Area Agency clients.
   ix. Contractors will conduct re-checks of any staff or volunteers:
      1. Upon request from Area Agency;
      2. In conjunction with the fingerprint clearance card renewal; and
      3. If the staff/volunteer person has had a period of one (1) year interrupted from employment/service or interrupted from performing direct services.
   x. The Contractor shall maintain the Central Registry Background Check results and any related forms or documents in a confidential file for five (5) years after termination of the contract.
   xi. Assistance:
      1. The Request for Search of Central Registry for Background Check form is located at: https://www.des.az.gov/file/3219/download
      2. The Certification of Direct Service Position is located at: https://www.des.az.gov/file/5808/download

c. Books and Records

i. The Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the contract for a period of five years after the completion of the contract. All records shall be subject to inspection and audit by Area Agency at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

ii. Contract service records will be maintained in accordance with this contract amendment(s), scope(s) of service, service specification(s), and any other Area Agency policies and directives. Records shall, as applicable, include but not be limited to meeting the following standards:

1. Adequately identify the service provided and each service recipient's application for contract and subcontract activities;
2. Include personnel records which contain applications for employment, job titles and descriptions, hire and termination dates, a copy of the fingerprinting clearance card, wage rates, and effective dates of personnel actions affecting any of these items;
   a. Specific to staff/volunteers providing transportation services, records must include a copy of a valid driver's license based on the vehicle to be driven and the initial physical exam and subsequent physical exams per contract requirements.
   b. Specific to staff/volunteers providing home delivered meals, records must include a copy of a valid driver's license based on the vehicle to be driven.
3. Include time and attendance records for individual employees to support all salaries and wages paid;
4. Include records of the source of all receipts and the deposit of all funds received by the Contractor;
5. Include original copies of invoices, statements, sales tickets, billings for services, deposit slips, etc., and a cash disbursement journal and cancelled checks to reflect all disbursements applicable to the contract;
6. Include a complete general ledger and accounts for the collection of all costs and/or fees applicable to the contract; and
7. Include copies of lease/rental agreements, mortgages and/or any other agreements that in any way may affect contract expenditures.

iii. Any such records not maintained shall mandate an audit exception in the amount of the inadequately documented expenditures.

iv. Contractor shall preserve and make available all records for a period of five (5) years from the date of final payment under this contract or if subject to Health Insurance Portability & Accountability Act which is six (6) years from the date of final payment.

v. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five (5) years from the date of any such termination.

vi. Records which relate to disputes, litigation or the settlement of claims arising out of the performance of this contract, or costs and expenses of this contract to which exception has been taken by the Area Agency, shall be retained by the Contractor until such disputes, litigations, claims or exceptions have been disposed of.

d. Certification of Cost or Pricing Data By submittal of an offer, the contract, contract amendment or other official form, the Contractor certifies that, to the best of the Contractor's knowledge and belief, any cost or pricing data submitted is accurate, complete and current as of the date submitted or other mutually agreed upon date. Furthermore, the price to the Area Agency shall be adjusted to exclude any significant amounts by which the Area Agency finds the price was increased because the Contractor-furnished cost or pricing data was inaccurate, incomplete or not current as of the date of submittal. Such adjustment by the Area Agency may include overhead, profit, or fees.

e. Certification of Rate and/or Budget Contractor certifies the following:

i. The contract Rate or Budget set forth in this contract was prepared in accordance with applicable Area Agency guidelines and procedures;
ii. The information which was provided to Area Agency by the Contractor for use as a basis in approving the compensation budget or rate is accurate and in accordance with ***Section 13.s, Unallowable Costs*** of these Terms and Conditions;
iii. Similar types of costs were accorded consistent accounting treatment in the development of the compensation section; and
iv. No costs are included as both direct and indirect costs.
v. The Contractor agrees that the funds received under this contract will be expended to achieve the purposes of this contract and to meet costs defined as allowable in applicable federal or state laws, rules, regulations and guidelines. For contracts where costs are reimbursed, any costs deemed unallowable as determined by a financial audit shall be subject to recoupment pursuant to ***Section 13.p, Payment Recoupment*** of these Terms and Conditions. The Contractor shall be entitled to appeal such determination through Area Agency's appeal process.

f. Conflict of Interest Contractor is responsible to ensure that volunteers and staff do not engage in any extraneous, for hire, or non-contractual service tasks or otherwise engage in a conflict of interest relationship with a service recipient. Contractor shall have a specific Conflict of Interest policy to include staff training and monitoring system to ensure compliance.

g. Gratuities Contractor and all representatives, staff, and volunteers shall not accept any form of gratuity including but not limited to cash, promise of cash, property, gifts, or services from service recipients. Contractor shall have a specific Gratuity Policy including staff training and monitoring system to ensure compliance.

h. Code of Conduct The Contractor shall avoid action that might create or result in the appearance of:
i. Inappropriate use or divulging of information gathered or discovered pursuant to the performance of its duties under the contract;
ii. Acting on behalf of the Area Agency or contracted funding sources, without appropriate authorization;
iii. Provide favorable or unfavorable treatment to anyone;
iv. Make a decision on behalf of the Area Agency that exceeds Contractor's authority that could result in partiality, or have a political consequence for the Area Agency or contracted funding sources.
v. Misrepresent or otherwise impede the efficiency, authority, actions, policies, or adversely affect the confidence of the public or integrity of the Area Agency or contracted funding sources.
vi. Loss of impartiality when advising the Area Agency or contracted funding sources.

i. Competitive Bidding Contractor is authorized to purchase the supplies and equipment itemized in the contract or specified in an amendment for utilization in the delivery of contract services. Contractor shall procure all such supplies and equipment at the lowest practicable cost and shall purchase all non-expendable items, having a useful life of more than one year and an acquisition cost of $5,000 or more, through generally accepted and reasonable competitive bidding processes. Any procurement in violation of this provision shall be considered a financial audit exception. The documentation of bids and bid acceptance decision must be maintained by the Contractor and made available to Area Agency for review upon written request.

j. Disaster Preparedness Contractor will develop and implement and emergency preparedness plan describing agency protocols to assist clients in the event of an emergency/disaster. The plan should include agency methods of coordination with state and/or local emergency response agencies. Contractor agrees to conduct staff training on the implementation of the emergency preparedness plan.

k. Equipment
i. If the Contractor is authorized, specifically by the Area Agency, to purchase equipment, it shall be itemized in the contract or in the Terms of the amendment for utilization in the delivery of contract services. If equipment is purchased as authorized by this contract,

the Contractor shall maintain complete and up-to-date inventory records for all equipment purchased hereunder. Equipment specifically designated within this contract, to be purchased in whole or part with Area Agency funds, shall be reported in accordance with Area Agency Finance Manual inventory policies and procedures. The Contractor shall report equipment purchased with contract funds to Area Agency within thirty (30) days of purchase, perform an annual inventory of all equipment purchased with Area Agency funds and submit the equipment inventory to the Area Agency.

ii. Reimbursement claims for equipment must include the detailed receipt identifying the equipment item, cost including taxes, shipping, and installation, and the type(s) of funds used from the Area Agency.

iii. The Area Agency and its funding sources shall retain an equitable interest equal to the purchase price paid, or a fair estimate or appraisal of current market value, whichever is greater, in all equipment purchased or assigned to the Contractor under this contract. Area Agency shall be included as a co-insured on any insurance policy which covers equipment purchased under this contract.

iv. The Contractor shall not dispose of any equipment purchased or assigned under this contract without the prior written consent of Area Agency during and after the contract term. Such consent, if given, may include direction as to the means of disposition and the utilization of proceeds, including any necessary adjustments to the contract.

v. Upon termination of this contract, any equipment purchased or assigned under this contract shall be disposed of as directed by Area Agency and, if sold, Area Agency shall be compensated in the amount of its equitable interest.

vi. Under a Fixed Price contract, ***Section i.*** and ***Section v.*** do not apply unless specifically required by federal or state law.

l. <u>E-Verify</u>

i. In accordance with A.R.S. §41-4401 as may be amended, Contractor warrants compliance with all federal immigration laws and regulations relating to employees and warrants to compliance with section A.R.S. §23-214, Subsection A as may be amended which reads: *"After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program and shall keep a record of the verification for the duration of the employee's employment or at least three (3) years whichever is longer."*

ii. A breach of a warrant regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the contract.

iii. Failure to comply with an Area Agency audit process to randomly verify the employment records of the Contractor and subcontractors shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the contract.

iv. Area Agency retains the legal right to inspect the papers of any employee who works on the contract to ensure that the Contractor or subcontractor is complying with the warranty statement herein.

m. <u>Fingerprinting</u>

i. Contractor shall comply with, and shall ensure that all of Contractor's employees, independent contractors, subcontractors, volunteers and other agents comply with all applicable (current and future) legal requirements relating to fingerprinting, fingerprint clearance cards, certifications regarding pending or past criminal matters, and criminal records checks that relate to contract performance.

ii. Applicable legal requirements relating to fingerprinting, certification, and criminal background checks may include, but are not limited, to the following: A.R.S. §§36-594.01, 36-3008, 41-1964, and 46-141. All applicable legal requirements relating to fingerprinting, fingerprint clearance cards, certifications regarding pending or past criminal matters, and criminal records checks are hereby incorporated in their entirety as provisions of this contract. The contractor is responsible for knowing which legal

requirements relating to fingerprinting, fingerprint clearance cards, certifications regarding pending or past criminal matters, and criminal records checks relate to contract performance.

iii. "Certifications regarding pending or past criminal matters" as identified above may be satisfied through the submission of the Criminal History Self Disclosure Affidavit by staff/volunteers. Such use of this form cannot be construed as the only manner or the best manner to obtain certifications regarding pending or past criminal matters. The Criminal History Self Disclosure affidavit form is located at:

1. https://www.des.az.gov/file/8584/download English
2. https://www.des.az.gov/file/3226/download Spanish

iv. To the extent A.R.S. §46-141 as may be amended, is applicable to contract performance or the services provided under this contract, the following provision apply:

1. Personnel who are employed by the Contractor, whether paid or not, and who are required or allowed to provide services directly to juveniles or vulnerable adults shall have a valid fingerprint clearance card or shall apply for fingerprint clearance card within seven working days of employment. The Contractor is required to maintain complete documentation of all fingerprint clearance cards to demonstrate all personnel have clearance.
2. Except as provided in A.R.S. §46-141, this contract may be cancelled or terminated immediately if a person employed by the Contractor and who has contact with juveniles or vulnerable adults certifies pursuant to the provisions of A.R.S. §46-141 as may be amended, that the person is awaiting trial or has been convicted of any of the offenses listed therein in this State, or of acts committed in another state that would be offenses in this State, or if the person does not possess or is denied issuance of a valid fingerprint clearance card.
3. Federally recognized Indian tribes or military bases may submit and the Department of Economic Security shall accept certifications that state that no personnel who are employed or who will be employed during the contract term have been convicted of, have admitted committing, or are awaiting trial on any offense as described in A.R.S. §46-141 (H) (as may be amended).

v. Contractor is solely responsible for maintaining and providing upon request documentation verifying all aspects of this section.

n. IT 508 Compliance Unless specifically authorized in the contract, any electronic or information technology offered to the Area Agency under this contract shall comply with A.R.S. §41-3531 and §3532 as may be amended, and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public with disabilities shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

o. Payment Indemnification The Contractor shall be responsible for issuing payment for services performed by the Contractor's employees, subcontractors, suppliers, or any other third party incurred in the furtherance of the performance or the arising out of the contract and will indemnify and save the Area Agency harmless for all claims whatsoever out of the lawful demands of such parties. The Contractor shall, at the Area Agency's request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.

p. Payment Recoupment Contractor shall reimburse Area Agency upon demand or Area Agency may deduct from future payments for the items below.

i. Any amounts received by the Contractor from Area Agency for contract services which have been inaccurately reported or are found to be unsubstantiated;

ii. Any amounts paid by the Contractor to a subcontractor not authorized in writing by Area Agency;

iii. Any amount or benefit paid directly or indirectly to an individual or organization not in accordance with the ***Section 3.k, Substantial Interest Disclosure*** and/or ***Section 10.b. Cancellation for Conflict of Interest*** of these Terms and Conditions;

iv. Any amounts paid by Area Agency for services which duplicate services covered or reimbursed by other specific grants, contracts, or payments;
v. Any amounts expended for items or purposes determined unallowable by Area Agency when this contract provides for the reimbursement of costs, see the ***Section 13.s, Unallowable Costs*** section of these Terms and Conditions;
vi. Any amounts paid by Area Agency for which the Contractor's books, records, and other documents are not sufficient to clearly substantiate that those amounts were used by the Contractor to perform contract services;
vii. Any amounts received by the Contractor from Area Agency which are identified as a financial audit exception;
viii. Any amounts received by the Contractor from Area Agency which are identified as a financial audit exception;
ix. Any amounts paid or reimbursed in excess of the contract or service reimbursement ceiling;
x. Any amounts paid to the Contractor which are subsequently determined to be defective pursuant to ***Section 13.d, Certification of Cost or Pricing Data*** of these Terms and Conditions;
xi. Any payments made for services rendered before the contract begin date or after the contract termination date.

q. Reporting Requirements
i. Unless otherwise provided in this contract and specifically excluding the last reporting month of the contract term, reporting shall adhere to the following schedule: no later than the tenth (10th) day following each month during the contract term the Contractor shall submit to Area Agency programmatic and financial reports in the form set forth in the contract or by Area Agency directive. Failure to submit accurate and complete reports by the tenth (10th) day following the end of each month may result, at the option of Area Agency, in assessing available penalties as allowed in ***Section 4.c.vi Contract Payment Provision*** of these Terms and Conditions.
ii. No later than the twenty-fifth (25th) day following end of each contract term, or other date specified by Area Agency, the Contractor shall submit to Area Agency a final program and fiscal report.
iii. Failure to submit the final program and fiscal report within the above time period may result, at the option of Area Agency, in forfeiture of final payment.

r. Supporting Documents and Information In addition to any documents, reports or information required by any other section of this contract, Contractor shall furnish Area Agency with any further documents and information deemed necessary by Area Agency. Upon receipt of a request for information from Area Agency, the Contractor shall provide complete and accurate information no later than fifteen (15) days after the receipt of the request.

s. Unallowable Costs The cost principles set forth in the Code of Federal Regulations, 48 CFR, Chapter 1, Subchapter e, Part 31, (October 1, 1991), including later amendments and editions, on file with the Arizona Secretary of State and incorporated by this reference, shall be used to determine the allow ability of incurred costs for the purpose of reimbursing costs under contract provisions that provide for the reimbursement of costs. Those costs which are specifically defined as unallowable therein will not be submitted for reimbursement by the Contractor and may not be reimbursed with Area Agency funds. In addition, the Contractor shall comply with the following publications (including subsequent revisions) as applicable:
i. OMB Circular A-87 for State, local and Indian Tribal Governments.
ii. OMB Circular A-122 for private nonprofit organizations other than institutions of higher education, hospitals or others specified in A-122.
iii. OMB Circular A-21 for educational institutions.
iv. OMB Circular A-133 for audits of institutions of higher education and other non-profit institutions.

14. Contract Performance Terms

a. Evaluation Area Agency may evaluate and the Contractor shall cooperate in the monitoring, assessing, and evaluation of contract services. Evaluation may assess the quality and impact of contract services, either in isolation or in comparison with other similar services, and assess the Contractor's progress and/or success in achieving the goals, objectives and deliverables set forth in this contract. As requested by the Area Agency, the Contractor shall participate in third party evaluations relative to contract impact in support of Area Agency and contract goals. Evaluations shall include access to all subcontractor services if applicable.

b. Monitoring Area Agency may monitor the Contractor and/or subcontractor and they shall cooperate in the monitoring of services delivered, facilities and records maintained and fiscal practices.

c. Non-Discrimination

i. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act.

ii. Unless exempt under federal law, the Contractor shall comply with Title VII of the Civil Rights Act of 1964 as amended. Contractor shall comply with the Age Discrimination in Employment Act. The Contractor shall comply with the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap. The Contractor shall comply with the requirements of the Fair Labor Standards Act of 1938, as amended.

iii. If Contractor is an Indian Tribal government, Contractor shall comply with the Indian Civil Rights Act of 1968. It shall be permissible for an Indian Tribal Contractor to engage in Indian preference in hiring.

iv. The Contractor shall comply with Title VI of the Civil Rights Act of 1964, which prohibits the denial of benefits of or participation in contract services on the basis of race, color, or national origin. The Contractor shall comply with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap, in delivering contract services and with Title II of the Americans with Disabilities Act, and the Arizona Disability Act, which prohibit discrimination on the basis of physical or mental disabilities in the provision of contract programs, services, and activities.

v. The following shall be included in all publications, forms, flyers, etc. that are distributed to recipients of contract services:

"Under Titles VI and VII of the Civil Rights Act of 1964 (Title VI and VII) and the Americans with Disabilities Act of 1990 (ADA) Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, [insert Contractor name here] prohibits discrimination in admissions, programs, services, activities or employment based on race, color, religion, sex, national origin, age, and disability. The [insert Contractor name here] must make a reasonable accommodation to allow a person with a disability to take part in a program, service, or activity. Auxiliary aids and services are available upon request to individuals with disabilities. For example, this means that if necessary, the [insert Contractor name here] must provide sign language interpreters for people who are deaf, a wheelchair accessible location, or enlarged print materials. It also means that the [insert Contractor name here] will take any other reasonable action that allows you to take part in and understand a program or activity, including making reasonable changes to an activity. If you believe that you will not be able to understand or take part in a program or activity because of your disability, please let us know of your disability needs in advance if at all possible. To request this document in alternative format or for further information about this policy please contact [insert Contractor contact person and phone number here]. Para obtener este documento en otro formato u obtener informacion adicional sobre esta politica, contact [insert Contractor contact person and phone number here]."

d. Personnel The Contractor's personnel shall satisfy all qualifications, carry out all duties, and work the hours set forth in this contract.

e. Professional Standards The Contractor shall deliver contract services in a humane and respectful manner and in accordance with any and all applicable professional accreditation standards. Levels of staff qualifications, professionalism, numbers of staff and individuals identified by name must be maintained as presented in the contract.

f. Visitation, Inspection, and Copying

   i. Contractor's or subcontractor's facilities, services and individuals served, books and records pertaining to the contract shall be available for visitation, inspection and copying by Area Agency and any other appropriate agent of a funding source or the state or federal government. At the discretion of Area Agency, visitation, inspection and copying may be at any time during regular business hours, announced or unannounced. If Area Agency deems it to be an emergency situation, it may at any time visit and inspect the Contractor's or subcontractor's facilities, services, and individuals served, as well as inspect and copy their contract-related books and records.

   ii. Facilities Inspection and Materials Testing The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this contract. The Area Agency shall also have the right to test, at its own cost, the materials to be supplied under this contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the Area Agency determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the Area Agency for testing and inspection.

15. **Programmatic Terms**

a. Client Contributions, Fees, and Program Income The Contractor shall impose no fees or charges of any kind upon recipients of contract services without written approval from the Area Agency President/CEO. The Contractor shall solicit voluntary contributions from recipients/clients for services received. The Contractor shall not deny or affect levels, delivery, quality of service to any client solely because he/she refuses to make a contribution. Any contributions generated and received by the Contractor as a result of contract services must be directly allocated to the contracted service and shall be disposed of and reported in accordance with the Area Agency Finance Manual.

b. Confidentiality

   i. Contractor shall observe and abide by all applicable State and Federal statues, rules, and regulations regarding the use or disclosure of information including, but not limited to, information concerning applicants for and recipients of contract services. To the extent permitted by law, the Contractor shall release information to the Area Agency and/or the Attorney General's Office as required by the terms of this contract, by law, or upon their request.

   ii. The contractor shall comply with the requirements of Arizona Address Confidentiality Program, A.R.S. 41-161 e. seq. Area Agency will advise the Contractor as to the applicable policies and procedures the State and/or DES have adopted for such compliance.

   iii. Notwithstanding the foregoing, Contractor may release public records redacting confidential and personal identifying information in response to a valid public records request pursuant to the Arizona Public Records Law (A.R.S. §39-121 te seq.), provided, that in the event such a public records request is received, Contractor shall immediately notify Area Agency and thereafter permit Area Agency (or any counterpart of the Area Agency to whom the records or information subject to the request belongs or concerns) to intervene in order to secure a protective order or other appropriate relief from a court of competent jurisdiction. The protective action described in the preceding sentence shall be undertaken (if at all) in sole discretion of Area Agency and/or its counterparties, and a protective order or other appropriate relief must be obtained within ten (10) business days

from the date that notification of the public records request is delivered by Contractor to Area Agency. Contractor shall not, under any circumstances, be responsible for securing a protective order or other relief enjoining the release of records, nor shall Contractor be in any way financially responsible for any costs associated with securing such an order.

c. Fair Hearings and Service Recipients' Grievances
    i. The Contractor shall advise all applicants for and recipients of contract services of their right, at any time and for any reason, to present to the Contractor and to Area Agency any grievances arising from the delivery of contract services, including but not limited to ineligibility determination, reduction of services, suspension or termination of services, or quality of services. The Area Agency may assert its jurisdiction to hear the grievance or refer the matter to the appropriate authority.
    ii. The Contractor, whenever authorized by law, shall maintain a formal system acceptable to and approved by the Area Agency for reviewing and adjudicating grievances by service recipients or subcontractors arising from this contract.

d. Outcome Measurement Participation The Contractor shall participate with the Area Agency in efforts to comply with federal and state mandated requirements regarding the tracking of outcome measurement performance data and standards. Measurement data may be developed through joint planning efforts between the Contractor and the Area Agency or required as a result of mandates from federal or state fund sources.

17.0 CONGREGATE MEALS

17.1 Purpose Statement

17.1.1 The service help to increase the nutrient intake of participants to prevent or reduce the risk of chronic diseases, preserve and promote health, and improve nutritional status.

17.2 Service Description

17.2.1 Taxonomy Definition – A service that provides for a nutritious meal containing at least 1/3 of the Recommended Dietary Allowance for an individual in a congregate setting.

17.2.3 Congregate nutrition services:

1. Provide for meal planning, preparation and service.
2. Provide staff training, nutrition education and social interaction.
3. Links older adults with community-based services and provide resources that give participants choices for physical and health interventions, where available.

17.2.4 The Older Americans Act as amended in 2006 adopted 1/3 of Dietary Reference Intakes as the meal standard.

17.2.5 Eligibility Requirements – The Contractor shall ensure services are provided to individuals that meet the eligibility requirements described in chapter 3100 of the DAAS Policy and Procedure Manual, as may be amended.
https://www.azdes.gov/common.aspx?menu=36&menuc=28&id=8252

17.3 Service Requirements – The Contractor shall provide:

17.3.1 Menu planning

1. Develop cycle menus to be used on a semi-annual basis (every 6 months). A cycle menu is a six or more week menu that will be rotated throughout the period.
2. Keep menus, as served, available for audit inspection for at least one year after the meals have been served. Menus shall also be kept for at least one year at the meal preparation site and the location where the meal was served.
3. Ensure a mechanism is in place to solicit the advice and expertise of:
   a. a dietitian or other individual described in paragraph in 17.3.1.11
   b. meal participants, and
   c. other individuals knowledgeable with regard to the needs of older individuals as stated in DAAS Policy and Procedure Manual, Chapter 3200
4. Write menus in the dominant language or languages of the participant group for each site.
5. Incorporate ethnic and cultural preferences of participants when planning menus.
6. Plan, prepare, provide and serve meals in accordance with the Arizona Department of Economic Security Division of Aging and Adult Services "Nutrition, Food Service, and Wellness Manual (2008)" and as amended.
7. Ensure that each meal contains at least one-third (1/3) of the current Dietary Reference Intakes for nutrients as may be amended, as established by the Food and Nutrition Board of the National Academy of Science – National Research Council.
   i. Each meal must contain a specified number of calories as defined in DAAS policies and procedures.
   Ii. Plan the menu with a majority as hot meals.
   iii. A few cold meals may be planned, such as once a week during the summer, to add variety to the menu. Examples include chef salad, sub sandwich or deli plate.
8. Submit menus per the DAAS Policy and Procedures Manual, as may be amended on a standardized menu form and secure the approval of a Registered Dietitian (R.D.), Nutritionist, Dietetic Technician Registered (DTR), or Certified Dietary Manager (CDM) prior to serving.

i. The R.D., Nutritionist, DTR, or CDM shall verify this by computerized nutritional analysis of at least one meal per week of the menu cycle and adherence to menu requirements in the Arizona Department of Economic Security Division of Aging and Adult Services "Nutrition, Food Service, and Wellness Manual" and as may be amended from time to time.

9. Plan menus to reduce the frequent use of foods high in sugar, salt, and saturated fats.
10. Plan menus considering the availability of foods during seasons when they are most plentiful.

17.3.2 Provide meal preparation and service

1. Prepare or arrange for preparation and service of meals, and adhere to menus as written. Substitutions which shall be made because of a temporary inability to obtain certain foods shall be selected from the same food group, for example, ½ cup carrots for ½ cup green beans. Substitution menus for holidays and special occasions must meet menu requirements. All substitutions shall be documented on the menu for site review.
2. Purchase and receive food contributions only from an approved source, such as grocery stores and food vendors. The following shall not be used: cans which are bulging, dented, leaking, rusty, or which spurt liquid when opened; food with an off-odor; food which shows signs of mold; food prepared or canned in the home.
3. Prepare and serve meals for persons needing diabetic or sodium-restricted diets, etc. (when appropriate and feasible) with written approval from the individual's physician, e.g., diet order. All special diet menus shall be approved by a Registered Dietitian or Nutritionist.
4. Maintain a distinct and physical separation of dining facilities from food preparation facilities.
5. Use facilities and equipment that are suitable and accessible for use by aged and disabled individuals when providing congregate meals.
6. Allow adequate aisle space between tables for the use of wheelchairs, or to allow persons with canes or other support devices to walk with ease.
7. Post monthly menus at the site at least one week in advance, in a location at the site that is clearly accessible and visible to individuals attending the congregate meals site.
8. Obtain the individual's signature and date for each meal served and maintain the signatures in a central file.
9. Document the number of meals provided each month.
10. Review food service expenditures in order to further cost effective management.
11. Develop and implement an emergency plan to be used when a meal cannot be prepared or is unsuitable for consumption. This includes a one-day emergency menu with supplies on hand for implementation.
12. Give participants an opportunity to contribute towards the cost of the meal in accordance with the DAAS Policy and Procedure Manual Chapter 3200, as may be amended.
13. Prepare and serve congregate meals in compliance with all municipal, county, state, and federal requirements related to the food service operation.

17.3.3 Staff Training

1. Provide food safety and sanitation training for all new food service personnel within the first month of employment to include at a minimum, but not limited to: personal hygiene, proper attire for food service workers, cleaning and sanitizing, correct use of gloves, proper hot and cold food temperatures, proper use of a thermometer, food delivery procedures and correct disposal and/or storage of left-overs.
2. Ensure that all food handlers pass a course in food safety and sanitation as specified by their County Health Department, within one month of employment. The site manager or the appropriate management staff shall have additional training such as ServSafe or other course approved by their County Health Department.
3. Provide training on a periodic basis to persons preparing meals. Training is encouraged in the areas of food safety and sanitation, storage, food preparation and

service, cost effective management, purchasing, menu planning, equipment operation and safety.

4. Document staff training in personnel files.

17.3.4 Nutrition Education

1. Plan, develop, and implement a written nutrition education program that includes at least two sessions/activities each quarter.
2. Nutrition education includes written materials, demonstrations, audio-visual presentations, lectures, and small group discussions.
3. Nutrition education pertains to nutritionally related topics that are culturally sensitive such as: dietary guidelines for older adults, modified meals and chronic disease, food and drug interaction, physical fitness health information as it relates to nutrition, meal planning and preparation, budgeting, shopping, and sanitation.
4. Nutrition information shall be backed by credible research. Only materials from reputable sources shall be used such as The American Dietetic Association, United State Department of Agriculture, United States Food and Drug Administration, National Institutes of Health, Centers for Disease Control, Administration on Aging, and the National Institute on Aging.
5. Post and advertise nutrition education sessions/activities in advance.
6. Ensure that each center/site site submits to the Contractor an outline of the proposed nutrition education program annually.
7. Document the date, topic covered, name of the presenter and the number of people who attended the nutrition education. Keep documentation available for audit inspection for at least one year at the center/site.
8. Ensure that every participant is given the Nutrition Screening Survey initially, and annually thereafter. Those at high nutritional risk with a score of six or higher are referred to a healthcare professional for nutrition-related counseling.

17.3.5 Social Interaction

a. Provide activities that encourage social interaction, e.g., recreation and group activities.

17.3.6 Site Monitoring

iii. Monitor on an annual basis the centers/sites for compliance.

iv. Establish timeframes (not to exceed 30 days) for centers/sites to respond to monitoring reports and to initiate corrective actions.

17.4 Licensure/Certification Requirements – The Contractor shall ensure that:

17.4.1 Registered Dietitians and Registered Dietetic Technicians meet the requirements for membership in the American Dietetic Association, have successfully completed the examination for registration, and meet continuing education requirements.

17.4.2 Nutritionists hold a Bachelor's or Master's degree in food and nutrition.

17.4.3 Certified Dietary Managers meet the requirements for certification as identified by the Certifying Board of Dietary Managers of the Dietary Managers Association, in good standing with the Board, and meet continuing education requirements.

17.4.4 Staffing Standards

1. Newly hired employees providing congregate meals shall submit three (3) references from persons other than their family members. All references, whether verbal or written, shall be contacted and results documented in the personnel record.

17.5 Performance Measures

17.5.1 Number of congregate meals served annually.

17.6 Reporting Unit

17.6.1 One unit of service equals one meal.

28.0 MULTIPURPOSE CENTER OPERATIONS

28.1 Purpose Statement

28.1.1 The service is to help foster social, emotional, mental and physical well-being and reduce the social isolation of eligible individuals as well as providing beneficial intergenerational opportunities.

28.2 Service Description

28.2.1 Taxonomy Definition - A service that operates facilities and maintains activities necessary for the delivery of services.

28.2.2 Multipurpose centers are community facilities utilized for the organization and provision of a broad spectrum of services for older adults.

28.2.3 Activities and services are planned based on the participant's needs and preferences.

28.2.4 Centers provide:

1. An array of physical activities on a daily or weekly basis which may include but not limited to, chair exercises, aerobics, balance exercises, yoga, and Tai Chi.
2. Opportunities for socialization through group activities such as games, discussions, special events, crafts, and lectures
3. Required nutrition education activities such as food demonstrations, guest speakers, discussions, and videos
4. Other educational and recreational activities such as gardening, computer training, dancing
5. Outreach to the community on the available programs and services.
6. Assistance and information for available services such as housing, transportation, and legal services

28.2.5 Centers that serve as nutrition sites provide meals that meet 1/3 of the Dietary Reference Intakes.

28.2.6 Eligibility Requirements - The Contractor shall provide services to individuals that meet the eligibility requirements described Chapter 3100 of the DAAS Policy and Procedure Manual, as may be amended.
https://www.azdes.gov/common.aspx?menu=36&menuc=28&id=8252

28.3 Service Requirements – The Contractor shall provide:

28.3.1 Operations

1. Provide services to meet the cultural and language needs of those being served.
2. Employ bilingual staff in centers whose participants have limited English proficiency
3. Maintain records (e.g., client participation, financial, staffing, activities).
4. Establish and post a contribution policy for services.
5. Train staff on services related to the elderly.
6. Establish and maintain project/site councils.
7. Involve participants in program planning and implementation.

28.3.2 Information on available services

1. Maintain and update a resource file of currently available services and resource referrals.
2. Provide written and verbal information on the following as available: housing, transportation, legal services, governmental programs, physical and mental health related services, food assistance, financial assistance, support groups, residential repair, energy assistance, and other relevant information.

28.3.3 Referral and assistance in accessing the services.

1. Assess/determine the services needed by individuals and groups.
2. Contact agencies providing the identified services.

3. Provide/arrange for transportation of individuals and groups to services when necessary.
4. Provide or arrange for assistance when the individual is handicapped or has limited English abilities.
5. Provide follow-up with individual and with agency providing service to ensure contact was made by the agency.

28.3.4 Outreach

1. Conduct outreach to ensure the participation of economically and socially needy individuals and of minorities.
2. Provide written and verbal information to community groups on services available at the center and offered by other agencies.
3. Conduct home visits to home-bound elderly in the community to conduct wellness checks.

28.3.5 Education

1. Provide educational opportunities that assist older individuals with their economic and personal needs including the following topics: consumer and continuing education, retirement and financial planning.
2. Provide or arrange a variety of health promotion and disease prevention sessions designed to maintain and/or improve the physical and mental health status of older individuals.
3. Provide written information on health promotion, disease prevention, mental and physical health to include home bound individuals.
4. Develop and maintain on-going physical activity programs.
5. Coordinate with local community resources to provide health screening and health risk assessments.
6. Provide training on the self-management of chronic conditions.
7. Develop and distribute a monthly calendar for educational activities.

28.3.6 Volunteer Opportunities

1. Designate a volunteer coordinator to provide meaningful volunteer opportunities for older individuals.
2. Develop a volunteer recruitment system.
3. Provide job descriptions for volunteers.
4. Provide training for volunteers.

28.3.7 Recreational Activities

1. Provide recreational activities appropriate to the physical and emotional needs of older individuals.
2. Develop and distribute a monthly calendar for recreational activities that may include, but not limited to entertainment, arts and crafts, field trips, special interest classes, and table games.

28.3.8 Intergenerational Programs

1. Provide intergenerational programs of mutual benefit that includes input from all age groups involved.

28.4 Licensure/Certification Requirements

28.4.1 All facilities used for Multipurpose Center Operations shall comply with Federal, State and local laws regarding public facilities, fire and sanitary codes and licensures, as may be amended.

28.5 Performances Measure

28.5.1 Participants needs and preferences will be met at least 90% of the time as measured through client satisfaction surveys conducted annually.

28.6 Reporting Unit

28.6.1 One unit of service equals 60 minutes of service time.

Multipurpose Center Operations Service Cluster

41.0 SOCIALIZATION AND RECREATION

41.1 Purpose Statement

41.1.1 This service promotes the improvement in social, emotional, mental and physical well-being of older adults.

41.2 Service Description

41.2.1 Taxonomy Definition - A service that promotes mentally and emotionally healthy interaction between participants and that may be organized around leisure activities.

41.2.2 This service is to increase or maintain the functional independence of the eligible individuals by providing purposeful activities appropriate to the participants' preferences and needs.

41.2.3 Preferences and needs of the individuals, as well as the group, are evaluated and activities are planned accordingly.

41.2.4 The service may include physical activities such as chair exercises, balance exercises, dancing, and walking; developmental activities such as writing, drawing, reading, crafts, and sewing; emotional activities such as support groups and discussions; cognitive activities such as games, and puzzles that promote memory and thinking; and social activities such as group events (e.g., singing, dancing, trips to museums, theater, and parks.

41.2.5 Services include a variety of individual and group activities.

41.2.6 Target Population – The Contractor shall provide services in accordance with Chapter 3100 of the DAAS Policy and Procedure Manual, as may be amended.

41.3 Service Requirements – The Contractor shall provide one or more of the following:

41.3.1 Assess the preferences and needs of the participants individually and/or as a group.

41.3.2 Develop and implement an activity plan in conjunction with the program participants.

41.3.3 Establish and maintain working relationships with community resources.

41.3.4 Utilize community resources for the provision of services.

41.3.5 Provide training and instruction in techniques necessary for individuals to participate in program activities and to independently choose and perform a variety of leisure-time activities.

41.3.6 Actively enlist participation of individuals in the service.

41.3.7 Provide a variety of recreational activities.

41.3.8 Document those activities in which the individual participated.

41.3.9 Providing training to paid and volunteer staff.

41.3.10 Solicit input from Site Councils, where available.

41.4 Performances Measure

41.4.1 Number of participants attending recreational activities.

41.5 Reporting Unit

41.5.1 One unit of service equals 60 minutes of staff time.

MULTIPURPOSE CENTER OPERATION
SOCIALIZATION & RECREATION

1. ADDITIONAL REPORTING UNIT DEFINITIONS
   Area Agency recognizes two forms of units for this service:
   a. Activity: a unit shall be one activity in the categories of health promotion and exercise.
   b. Staff hour: the staff reporting time is limited to the following categories:
      i. program planning.
      ii. conducting activities.
      iii. providing social services.
      iv. conducting outreach.
      v. volunteer coordination to include recruitment, supervision, recognition.
      vi. staff training provided to contractor staff / volunteers.
      vii. continuing education for staff / volunteers.

2. SERVICE STANDARDS
   Contractor shall comply with the following minimum standards:
   a. Health Promotion
      Conduct a minimum of two (2) health promotion activities per month that may include (but not be limited to) health screening, disease information, nutrition education, home safety, and education sessions that will emphasize the benefits of physical exercise and activity.
   b. Exercise
      Conduct a minimum of two (2) exercise classes per week. Exercise classes should be geared to a variety of skill levels to encourage participation from as many participants as possible.

3. SERVICE REQUIREMENTS FOR SOCIALIZATION AND RECREATION
   Contractor will comply with all of the services as outlined in the Arizona DES Scope of Work, 41.3.

4. REPORTING REQUIREMENTS
   Contractor shall comply with all Area Agency policies, procedures, and directives regarding billing as follows:
   a. all health promotion and exercise sessions must be reported using the Pharos™ software.
   b. reports and documentation must be reported as follows:
      i. program report for activities.
      ii. program report for MCO units.
      iii. calendar of activities.
      iv. financial statement.

FACILITY LOCATION

Contract services shall be delivered only at facilities and locations specified below and will be available during the hours and days of operation indicated:

AGENCY INFORMATION Facility / Site Name Address, City, State, Zip Telephone # Fax # (list corporate office, then any site office)	**CONTRACTED SERVICES BY SITE**	**SUBCONTRACT**	**DAYS OF WEEK & HOURS OF OPERATION BY SITE**	**GEOGRAPHIC SERVICE AREA** (service area by PSA, City(s) & communities or north, south, east, west boundaries)	**ADULT DAY HEALTH CARE TRANSPORTATION** or **HOME DELIVERED MEALS DELIVERY AREA** (specific north, south, east, west boundaries)
City of Surprise 16000 N Civic Ctr Plz Surprise, AZ 85374	Administrative				
City of Surprise Senior Center 15832 N. Hollyhock St Surprise, AZ 85378 623-222-1500 623-222-1501 fax	Congregate Meals Multipurpose Center Ops	n/a	Mon-Friday 8am – 4pm	PSA 1	n/a

HOLIDAY OBSERVANCES

A √ indicates the **HOLIDAYS** that the facility(s) listed above will not be open:

√	New Year's Day	√	Labor Day	Other Holidays:	
√	Martin Luther King Day		Columbus Day	√	July Staff In-Service
√	President's Day	√	Veteran's Day		
	Good Friday	√	Thanksgiving Day(s): **2**		
√	Memorial Day	√	Christmas Day(s): **1**		
√	Independence Day		HOLIDAYS marked are administrative only; services are provided 24/7		

CERTIFICATE REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements
The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

CITY OF SURPRISE

Signature and Date

Seth Dyson, Director,
Human Services & Community Vitality

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION

Lower tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549-Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participant's responsibilities. The regulations were published as Part VII of the May 28, 1988 Federal Register (pages 19160 - 19211).

1. By signing this certificate, the prospective recipient of federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in this transaction by an Federal department or Agency.
2. Contractor is providing the certification as set out below.
3. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the Department of Labor (DOL) may pursue available remedies, including suspension and/or debarment.
4. The prospective recipient of federal assistance funds shall provide immediate written notice to the Area Agency President/CEO if at any time the prospective recipient of federal assistance funds learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," " proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
6. The prospective recipient of federal assistance funds agrees by signing this certification, that should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department of Labor (DOL).
7. The prospective recipient of federal assistance funds further agrees by signing this certification that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the List of Parties Excluded from Procurement or Non-Procurement Programs.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the DOL may pursue available remedies including suspension and/or debarment.

CITY OF SURPRISE

_____

Signature and Date

Seth Dyson, Director,
Human Services & Community Vitality

COMMUNICATION PAGE

(not an integral page of the Contract)

6/1/2017 EMAILED TO: seth.dyson@surpriseaz.gov
joe.gladieux@surpriseaz.gov

RFLS NO:	5711
SUBMIT DATE:	6/1/2017

SURPRISE CITY ATTORNEY

REQUEST FOR LEGAL SERVICES

Please retain form with document throughout the entire process.

Requestor:	Deborah Perry
Department & Extension:	Human Service and Community Vitality, Ext. 21623
Contract Title:	Res 2017-72 for COS to Accept Grant Funding
Date of Contract, Event/Performance:	6/5/2017
Description of Legal Services Requested:	Please review resolution and grant for 6/20 Council
Vendor Name, Address & Phone:	
To Council?	Yes, with Resolution
If Yes, Council Meeting Date:	06/20/2017

**********City Attorney's Office Use**********

RFLS Status: Approved

Attorney Comment:

Sorry, so much going on. I will ask Sherry to make sure you can get this on the ocnsent agenda for 20th.

CINDY.COEN	6/6/2017
City Attorney's Office	**Date**

6/6/2017 12:31:20 PM

6/6/2017 12:31:20 PM

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Warren Bert, Information Technology/GIS
Submitting Department:	IT	District:	Citywide
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to an Intergovernmental Agreement with Maricopa County and through the Office of Enterprise Technology for GIS data and Imagery data sharing; Resolution # 2017-74.

Motion:

I move to approve Resolution # 2017-74.

Background:

The aerial agreement covers the entire 2035 Planning Area with SPA 1 thru 3 having an aerial resolution of four (4) inches and SPA 4 thru 6 having a resolution of nine (9) inches. This agreement allows for cost sharing with the current 24 members of the Aerial Consortium within Maricopa County, distributing the cost for Aerials and reducing City of Surprise costs. This agreement allows the City of Surprise to receive further benefits from the RFP Serial 15056 contract and share data with Maricopa County and partners.

Objective Analysis:

This action will allow the GIS Department to continue to provide current GIS data and imagery for the entire 2035 Planning Area to City of Surprise departments for site plan overlays for commercial and developments and to aide in identifying assets such as signs, water, sewer, facilities, storm, impervious surfaces, telecommunication assets.

Policy Compliant:

This action is compliant with City and Council policies.

Financial Impact:

The ongoing cost associated with the GIS and imagery data sharing through the IGA is approximately $6,000 per year.

Budget Impact:

Funding is included within Information Technology's General Fund base operating budget for both FY2017 and FY2018.

FTE Impact:

This item does not impact the overall full time equivalent count.

ATTACHMENTS:

Click to download

- Resolution #2017-74
- IGA GIS Imagery

RESOLUTION # 2017-74

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN MARICOPA COUNTY BY AND THROUGH THE OFFICE OF ENTERPRISE TECHNOLOGY AND THE CITY OF SURPRISE

WHEREAS, Maricopa County Office of Enterprise Technology has requested an Intergovernmental Agreement (IGA) with the City of Surprise for imagery services defined in RFP Serial 15056 and GIS data sharing;

WHEREAS, pursuant to Arizona Revised Statutes §11-951 the City of Surprise has the authority to enter into IGAs with other governmental entities; and

WHEREAS, the City has provided notice and conducted a public hearing in compliance with A.R.S. § 9-507(B).

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The City of Surprise hereby agrees to enter into the Intergovernmental Agreement for Aerial Photography and data sharing between Office of Enterprise Technology of Maricopa county and the City of Surprise.

APPROVED AND ADOPTED this _____day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

INTERGOVERNMENTAL AGREEMENT (IGA)
BETWEEN
MARICOPA COUNTY BY AND THROUGH THE OFFICE OF ENTERPRISE TECHNOLOGY
AND
THE CITY OF SURPRISE

1.0 PARTIES

1.1 This Intergovernmental Agreement (IGA) provides a binding agreement between Maricopa County by and through the Office of Enterprise Technology (collectively, "County") and the City of Surprise (hereinafter referred to as the Surprise) for GIS data and Imagery Services through cost sharing. Maricopa County is authorized to enter into this IGA under A.R.S. § 11-952 for the purposes of exercising joint powers or contracting for services. Surprise is empowered by A.R.S. § 11-951 *et seq*., as amended, to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of Surprise. County and Surprise may collectively at times hereinafter be referred to as the "Parties," or each individually as a "Party."

2.0 PURPOSE

2.1 This Agreement outlines the responsibilities of each of the Parties for the request and delivery of GIS data and Imagery Services through the County RFP Serial 15056 listed in Attachment A. The Parties agree to cooperate and assist each other in meeting the mutual obligations and duties of each office because it is good public policy and benefits the citizens of Maricopa County and of the City of Surprise.

3.0 DEFINITIONS

3.1 Cost Sharing includes the City agreeing to the cost of identified services listed with the County RFP Serial 15056 that will not exceed the listed cost of these services. As multiple jurisdictions participate in purchasing the same listed services the cost benefit to the County and the City can be less than the stated service cost.

3.2 Imagery Services are defined within the County RFP Serial 15056 listed in Attachment A and includes a description of all services and their costs.

3.3 GIS Data includes Geographic Information Systems data that Maricopa County and the City maintain under their normal job duties. This data will be identified at a later date, based on mutual agreement and cost between the County's Geographic Information Officer and the City's Enterprise GIS Supervisor.

3.4 Imagery Flight is defined as the time the County contracts with a vendor to fly and to deliver imagery services over a given period defined by the County.

4.0 TERM OF AGREEMENT:

4.1 This Agreement shall become effective upon approval and execution by the Parties for a period of 18 months or until the next Imagery Flight, with the option to renew by mutual agreement for an agreed upon term.

5.0 RESPONSIBILITIES OF PARTIES

5.1 **COUNTY Responsibilities:**

5.1.1 Coordinate the Imagery Services project and provide updates with the vendor and CITY.

5.1.2 Represent the COUNTY and CITY interests for Imagery services with the vendor.

5.1.3 Provide CITY with necessary instructions and documentation related to services performed and GIS Data shared.

5.1.4 Provide timely and accurate quotes and billing for all services performed.

5.2 **CITY Responsibilities:**

5.2.1 Have requests come from the GIS Manager to ensure coordination of all requests and delivery of all Imagery Services and GIS Data.

5.2.2 Provide COUNTY with appropriate and timely GIS Data to be delivered to the vendor of requested areas for Imagery Services.

5.2.3 Comply with all requests from COUNTY made in good faith, related to providing delivery of requested Imagery Services and GIS Data.

5.2.4 Notify COUNTY as soon as possible about any conflicts that might arise causing CITY to cancel their request for Imagery Services and GIS Data.

5.2.5 Promptly, within thirty (30) calendar days of receipt, pay invoices submitted by COUNTY. If any portion of an invoice is disputed, CITY shall remit the undisputed amount.

6.0 TERMINATION

6.1 This IGA is subject to cancellation as provided by A.R.S. § 38-511.

6.2 In the event any conflict or dispute arises, the Parties agree to make every effort to reconcile conflicts and make reasonable provisions to ensure neither party will suffer as a consequence of conflict.

6.3 Either Party may terminate this IGA at any time upon delivering a written notice of termination to the other Party one (1) month in advance of the requested date of termination. Such notice shall be given by personal delivery or by Registered or Certified mail.

6.4 Either Party may terminate this agreement if funds available to participate in the intergovernmental agreement are no longer available by virtue of an act of the County Board of Supervisors or the City of Surprise.

7.0 FUNDING

7.1.1 County shall invoice and receive reimbursement from the City for the costs identified through a quote received and accepted by City from the County based on Imagery services and GIS Data requested.

8.0 AMENDMENTS:

8.1.1 Any changes to this agreement shall be implemented by a written amendment signed by both Parties.

9.0 NOTICES:

9.1 Communication and details concerning this IGA shall be directed to the following contract representatives:

Maricopa County

David Moss – Geographic Information Officer
Office of Enterprise Technology
301 S. 4th Ave, Suite 200
Phoenix, Arizona 85003
----------@mail.maricopa.gov
(602) 506-5143

City of Surprise:

Warren Bert, GIS Manager
Information Technology
16000 N. Civic Center Plaza
Surprise, AZ 85374
Warren.Bert@surpriseaz.gov
(623) 222-7531

10.0 EMPLOYMENT DISCLAIMER

10.1 This Agreement is not intended to constitute, create, give rise to, or otherwise recognize a joint venture agreement, partnership or other formal business association or organization of any kind, and the rights and obligations of the Parties shall be only those expressly set forth in this Agreement.

11.0 INDEMNIFICATION

11.1 Each Party (as "Indemnitor") agrees to the extent allowed by law, indemnify, defend, and hold harmless the other Party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorneys' fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury (including death) of any person or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

12.0 COMPLIANCE WITH APPLICABLE LAWS

Each Party shall comply with all applicable laws, ordinances, Executive Orders, rules, regulations, standards, and codes of the Federal, State, and Local governments whether or not specifically referenced herein. Specifically, the following apply:

12.1 Unless exempt under Federal law, both Parties shall comply with Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, and State Executive Order No. 75-5, as updated in State Executive Order No. 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin, or political affiliation, shall have equal access to employment opportunities. Both Parties shall comply with the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment of qualified persons because of physical or mental disability. Both Parties shall comply with the requirements of the Fair Labor Standards Act of 1938, as amended.

12.2 Both Parties shall comply with Title VI of the Civil Rights Act of 1964, which prohibits the denial of benefits of, or participation in, contract services on the basis of race, color, or national origin. Both Parties shall comply with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of disability, in delivering contract services; and with Title II of the Americans with Disabilities Act, and the Arizona Disability Act, which prohibits discrimination on the basis of physical or mental disabilities in the provision of contract programs, services, and activities.

FOR AND ON BEHALF OF CITY:

_____

_____
Date

FOR AND ON BEHALF OF MARICOPA COUNTY:

_____
Denny Barney, Chairman
Board of Supervisors

_____
Date

Attested to:

_____
Fran McCarroll, Clerk of the Board

_____
Deputy County Attorney

Pursuant to A.R.S. § 11-952, the Maricopa County Attorney's Office has determined that this Intergovernmental Agreement is within the powers and authority granted under the laws of the State of Arizona.

ATTACHMENT A

The below contract was renewed by the County for the 2017 fiscal year.

CONTRACT PURSUANT TO RFP

SERIAL 15056-RFP

This Contract is entered into this 21st day of October, 2015 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Pictometry International Corp, a Delaware corporation ("Contractor") for the purchase of imagery services.

1.0 DEFINTIONS: For the purposes of this Contract and in addition to the terms defined throughout this Contract, the following terms shall have the meanings specified in this Section 1.0:

1.1 "Contractor License Terms" means the Pictometry Delivered Content Terms and Conditions of Use, the Pictometry Software Agreement, the Pictometry Online Services General Terms and Conditions of Use and Pictometry Web Visualization Offering Terms and Conditions, all of which set forth the rights granted to County in the Products and the terms and conditions of the County's access to and use of the Products. The Contractor License Terms are attached collectively hereto as Exhibit "B."

1.2 "Final Completion" means the date upon which all Products purchased via a Purchase Order have been delivered to the County, including physical and electronic form where applicable.

1.3 "Products" means the products set forth and described in Exhibit "A" being made available by Contractor to Customer pursuant to this Contract and a validly issued Purchase Order at the fees set forth in Exhibit "A."

2.0 PURCHASE ORDERS:

2.1 From time to time the County may issue a purchase order ("Purchase Order") to purchase access to and use of Products pursuant to the terms and conditions of this Contract. Any such Purchase Order shall: (i) identify this Contract and the terms and conditions of this Contract as controlling; (ii) identify the specific Products in Exhibit A that County is purchasing access to and use of; and (iii) state payments to be made to Contractor pursuant to the pricing set forth in Exhibit A and any other applicable economic terms.

2.2 Any Purchase Order submitted by the County to Contractor shall become a valid and binding component of this Contract. Notwithstanding the foregoing, any additional terms and conditions set forth in a Purchase Order beyond those set forth in this Contract

are solely for the County's internal administrative purposes and any such terms and conditions shall be of no force or effect as between the parties unless explicitly agreed to by Contractor in writing.

3.0 CONTRACT TERM:

3.1 This Contract is for a term of one (1) year, beginning on the 21st day of October, 2015 and ending the 31st day of October, 2016 ("Contract Term").

3.2 The County may, at its option and with the written agreement of the Contractor, renew the term of this Contract for additional terms up to a maximum of four (4) years, (or at the County's sole discretion, extend the contract on a month-to-month basis for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least sixty (60) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

4.0 FEE ADJUSTMENTS:

4.1 Any request for a fee adjustment must be submitted sixty (60) days prior to the current Contract expiration. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted fee, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

5.0 PAYMENTS:

5.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum(s) stated in a validly issued Purchase Order at the prices set forth in Exhibit "A."

5.2 Payment shall be made upon the County's receipt of a properly completed invoice.

5.3 INVOICES:

5.3.1 The Contractor shall submit one (1) legible copy of their detailed invoice before payment(s) can be made. Incomplete invoices will not be processed. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract Serial Number
- County purchase order number
- Invoice number and date
- Payment terms
- Date of service or delivery
- Quantity (number of days or weeks)
- Contract Item number(s)
- Description of Purchase (product or services)
- Pricing per unit of purchase
- Freight (if applicable)

- Extended price
- Arrival and completion time (if applicable)
- Total Amount Due

5.3.2 Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order.

5.3.3 Payment shall be made to the Contractor by the County through the Maricopa County Vendor Express Payment Program

5.3.4 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

5.4 PAYMENT RETENTION:

5.4.1 Fifty percent (50%) of monies paid for Delivered Content (as defined in the attached Pictometry Delivered Content Terms and Conditions of Use) earned by Contractor related to a Purchase Order shall be retained by County until an initial delivery, including in electronic form, of the Delivered Content is made by Contractor. Upon said initial delivery, County shall release to Contractor fifty percent (50%) of the monies owed for the Delivered Content. County shall then release twenty-five percent (25%) of the remaining monies owed to Contractor for Delivered Content upon Final Completion. The remaining twenty-five percent (25%) of the monies due to Contractor shall be paid within three (3) months of Final Completion. All monies owed to Contractor by County for Delivered Content shall be paid in full within three (3) months of Final Completion.

5.4.2 The County may elect to release specific retention payments based on mutually agreed milestones, but in no case shall retention be released prior to Final Completion. All other payment terms and conditions shall not be affected by the retention. In the event of termination or cancellation of this Contract by County through no fault of Contractor, Contractor shall be entitled to the refund of any funds in the retention account.

5.4.3 After fifty percent (50%) of the Products have been delivered, the County may reduce the retainage to five percent (5%) of all monies previously earned and all monies earned thereafter. Any reduction in retainage shall be in the discretion of the County. Any interest earned on retainage shall accrue solely to the benefit of County.

5.4.4 The payment retention set forth in this Section 5.4 does not apply to payment for online services or web visualization services. Monies for said products are earned upon activation of said products. Payment for said products is due within thirty (30) days of the County's receipt of a properly submitted invoice.

5.5 APPLICABLE TAXES:

5.5.1 **Payment of Taxes:** The Contractor shall pay all applicable taxes for which Contractor is legally responsible. Unless evidence of sales tax exemption is provided, the County is responsible for and shall pay all applicable sales taxes. With respect to any installation labor on items that are not attached to real property performed by Contractor under the terms of this Contract, the installation labor cost and the gross receipts for materials provided shall be listed separately on the Contractor's invoices.

5.5.2 **State and Local Transaction Privilege Taxes:** The County is subject to all applicable state and local transaction privilege taxes. To the extent any state and local transaction privilege taxes apply to sales made under the terms of this Contract it is the responsibility of the Contractor to collect and remit all applicable taxes to the proper taxing jurisdiction of authority.

5.5.3 **Tax Indemnification:** Contractor and all subcontractors shall pay all Federal, state, and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the County harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

6.0 AVAILABILITY OF FUNDS:

6.1 The provisions of this Contract relating to payment for Products shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this Contract. County shall keep the Contractor fully informed as to the availability of funds. The parties agree that the County's issuance of a Purchase Order constitutes the County's acknowledgment that the funds to pay for the Products set forth in a Purchase Order have been appropriated and are available for disbursement to Contractor.

6.2 If any action is taken by any state agency, Federal department or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this Contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this Contract as set forth in Sections 8.5, 8.6, 8.7 and 8.8 below.

7.0 DUTIES:

7.1 The Contractor shall perform all duties stated in Exhibit "A" with respect to Products as ordered by the County by issuance of a Purchase Order or as otherwise agreed to in writing by both parties.

7.2 During the Contract Term, County may provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

8.0 TERMS and CONDITIONS:

8.1 INDEMNIFICATION:

To the fullest extent permitted by law, and to the extent that claims, damages, losses or expenses are not covered and paid for by insurance purchased by the Contractor, the Contractor shall defend indemnify and hold harmless the County (as Owner), its agents, representatives, agents, officers, directors, officials, and employees from and against all claims, damages, losses, expenses (including, but not limited to attorneys' fees, court costs, expert witness fees, and the costs of attorneys' fees for appellate proceedings) arising out of, or alleged to have resulted from the negligent acts, errors, omissions, or mistakes of Contractor, its agents, representatives, officers, directors, officials and employees, relating to the performance of this Contract.

Contractor's duty to defend, indemnify, and hold harmless the County, its agents, representatives, agents, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss, or expense that is attributable to bodily injury, sickness, disease, death or injury to, impairment of, or destruction of tangible property, including loss of use resulting there from, caused by negligent acts, errors, omissions, or mistakes in the performance of this Contract, but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, any one directly or indirectly employed by them, or anyone for whose acts they may be liable.

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.

The scope of indemnification does not extend to the negligence of County.

8.2 INSURANCE:

8.2.1 Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++ or higher. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

8.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

8.2.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.

8.2.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

8.2.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

8.2.6 The insurance policies required by this Contract, except Workers' Compensation and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

8.2.7 The policies required hereunder, except Workers' Compensation and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.

8.2.8 **Commercial General Liability.**

Commercial General Liability insurance ("CGL") and, if necessary, Commercial Umbrella insurance with a limit of not less than $2,000,000 for each occurrence, $4,000,000 Products/Completed Operations Aggregate, and $4,000,000 General Aggregate Limit. The policy shall include coverage for premises liability, bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provisions which would serve to limit third party action over claims. There shall be no endorsement or modifications of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

8.2.9 **Automobile Liability.**

Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services or use or maintenance of the Premises under this Contract.

8.2.10 **Workers' Compensation.**

Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than $1,000,000 for each accident, $1,000,000 disease for each employee, and $1,000,000 disease policy limit.
Contractor, its contractors and its subcontractors waive all rights against Contract and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor, its contractors and its subcontractors pursuant to this Contract.

8.2.11 **Errors and Omissions (Professional Liability) Insurance.**

Errors and Omissions (Professional Liability) insurance and, if necessary, Commercial Umbrella insurance, which shall insure and provide coverage for errors or omissions or professional liability of the **CONTRACTOR**, with limits of no less than $2,000,000 for each claim.

8.2.12 **Professional Liability.**

Contractor shall maintain Professional Liability insurance which shall provide coverage for any and all acts arising out of the work or services performed by the Contractor under the terms of this Contract, with a limit of not less than $1,000,000 for each claim, and $3,000,000 aggregate claims.

8.2.13 **Aviation:**

CONTRACTOR shall maintain Aviation Liability Insurance and, if necessary, Commercial Umbrella Insurance with a combined single limit for bodily injury and property damage of no less than $1,000,000, each occurrence, with respect to **CONTRACTOR'S** aircraft (including owned, hired, non-owned), assigned to or used in the performance of this Contract.

8.2.14 Certificates of Insurance.

8.2.14.1 Contractor shall furnish the County with valid and complete certificates of insurance or formal endorsements as required by this Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number and title.

8.2.14.2 In the event any insurance policy (ies) required by this Contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

8.2.14.3 If a policy does expire during the Contract Term, Contractor shall furnish a renewal certificate to County fifteen (15) days' prior to the expiration date.

8.2.15 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

8.3 WARRANTY OF SERVICES:

Contractor warrants that the Products shall be true and usable copies as of the date of capture. Upon notice to Contractor of any breach of that warranty, Contractor shall use commercially reasonable efforts to correct the problem to ensure that the image products and related data are usable for the general purposes intended. If Contractor is in breach,

and has failed to cure that breach, this Contract may be terminated, all licensed products returned to Contractor and all monies paid to Contractor by the County with respect to the affected Products shall be returned. This provision shall not limit County's right to pursue any other legal remedies as a result of Contractor's breach hereunder.

The County shall notify Contractor within six (6) months from the date of capture if any Product provided is unusable or corrupted. If necessary, in the sole discretion of the County, Contractor shall replace the unusable or corrupted Product with useable copies. This shall include replacing unacceptable images with new images if the images are determined to be unsalvageable.

8.4 INSPECTION OF SERVICES:

8.4.1 Complete records of all inspection work performed by the Contractor shall be maintained and made available to County during contract performance and for as long afterwards as this Contract requires, as set forth in Section 8.22 hereunder.

8.4.2 County has the right to inspect and test all Products called for by a Purchase Order for up to three (3) months after Final Completion ("Inspection Period") County shall perform inspections and tests in a manner that will not unduly delay the work. Unless otherwise notified in writing during the Inspection Period of specific defects in the Products, the Products shall be deemed automatically accepted by the County upon expiration of the Inspection Period.

8.4.3 If any of the Products do not conform to Contract requirements, County may require the Contractor to re-deliver the Products again in conformity with Contract requirements, at no cost to the County. When the defects in Products cannot be corrected by re-performance or re-delivery, County may:

8.4.3.1 Require the Contractor to take necessary action to ensure that future Products conform to Contract requirements; and

8.4.3.2 Reduce the Purchase Order price to reflect the reduced value of the Products delivered.

8.4.4 If the Contractor fails to promptly provide the Products again or to take the necessary action to ensure future Products in conformity with Contract requirements, County may:

6.4.4.1 By contract or otherwise, perform the services and charge to the Contractor, through direct billing or through payment reduction, any cost incurred by County that is directly related to the performance of such service; or

6.4.4.2 Terminate this Contract for default.

8.5 REQUIREMENTS CONTRACT:

8.5.1 Contractor acknowledges that this Contract does not guarantee any minimum or maximum number of purchases will be made. . Purchase Orders will only be placed when the County identifies a need and proper authorization and documentation have been approved.

8.5.2

County and Contractor agree that any Purchase Order issued by County to Contractor during the Contract Term will be performed under the terms of this Contract. . The County accepts and agrees to the Contractor License Terms with respect to the County's use of and access to the Products.

8.5.3 County reserves the right to cancel Purchase Orders with written notice to Contractor at least ten (10) days prior to the commencement of a flight, provided, however the County shall compensate Contractor for any products in County's possession for which Contractor has not been fully compensated and the County agrees to reimburse the Contractor for actual and documentable costs incurred by the Contractor in response to the Purchase Order. Costs shall include but are not limited to the following: contracting, flight planning, computer time, processing, labor, etc. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc. Should any Purchase Order be terminated by the County with less than said 10 days' written notice, the County shall pay Contractor the full contracted for amount of the applicable flight.

8.5.4 Contractors agree to accept verbal notification of cancellation of Purchase Orders from the County ; provided however written notification of such cancellation must be received by Contractor at least ten (10) days prior the commencement of a flight.

8.6 Suspension of Work

The County may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of a Purchase Order for the period of time that the County determines appropriate for the convenience of the County. No adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor. No request for adjustment under this clause shall be granted unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under this Contract.

8.6.1 If the County suspends a flight with written notice to Contractor at least ten (10) days prior to the commencement of a flight, the County shall compensate Contractor for any products in County's possession for which Contractor has not been fully compensated and the County agrees to reimburse the Contractor for actual and documentable costs incurred by the Contractor in response to suspension of work. Costs shall include but are not limited to the following: contracting, flight planning, computer time, processing, labor, etc. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of the suspension, or for lost profits, shipment of product subsequent to the issuance of the suspension, etc.; provided however should any suspension, delay or interruption be ordered by the County with less than ten (10) days' written notice prior to the commencement of a flight, the County shall pay Contractor the full contracted amount of the applicable flight.

8.7 Stop Work Order

8.7.1 The County may, at any time, by written notice to the Contractor, require the Contractor to stop all, or any part, of the work called for by a Purchase Order for a period of 90 days after the Purchase Order is delivered to the Contractor, and for any further period to which the parties may agree. Such notice shall be specifically identified as a stop work order issued under this clause ("Stop Work Order"). Upon receipt of a Stop Work Order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of 90 days after a Stop-Work Order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the County shall either—

a. Cancel the Stop-Work Order; or
b. Terminate the Purchase Order covered by the Stop Work Order as provided in the Default, or the Termination for Convenience of the County, clause of this Contract.

8.7.2 The County may make an equitable adjustment in the delivery schedule and/or contract price, or otherwise, and the Purchase Order shall be modified, in writing, accordingly, if the Contractor demonstrates that the Stop Work Order resulted in an increase in costs to the Contractor.

8.7.3 If the County issues a Stop Work Order that affects a previously scheduled flight, the County shall compensate Contractor for any Products in County's possession for which Contractor has not been fully compensated and the County agrees to reimburse the Contractor for actual and documentable costs incurred by the Contractor in response to the Stop Work Order. Costs shall include but are not limited to the following: contracting, flight planning, computer time, processing, labor, etc. The County will not reimburse the Contractor for any costs incurred after receipt of a Stop Work Order, or for lost profits, shipment of product subsequent to issuance of the suspension, etc.; provided however should any Stop Work Order be given by the County to the Contractor with less than ten (10) days' written notice to the Contractor prior the commencement of a flight, the County shall pay Contractor the full contracted for amount of the applicable flight.

8.8 UNCONDITIONAL TERMINATION FOR CONVENIENCE OF THIS CONTRACT:

The County may terminate this Contract for convenience by providing sixty (60) calendar days advance written notice to the Contractor. A termination of this Contract would also include the termination of any outstanding Purchase Order(s).

Should the County terminate this Contract, the County shall compensate Contractor for any products in County's possession for which Contractor has not been fully compensated and the County agrees to reimburse the Contractor for actual and documentable costs incurred by the Contractor in response to any outstanding Purchase Order(s). Costs shall include but are not limited to the following: contracting, flight planning, computer time, processing, labor, etc. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance the outstanding Purchase Order(s), etc.

Should any Purchase Order be terminated by the County with less than said 10 days' written notice, the County shall pay Contractor the full contracted for amount of the applicable flight.

8.9 TERMINATION FOR DEFAULT:

8.9.1 The County may, by written notice of default to the Contractor, terminate this Contract in whole or in part if the Contractor fails to:

Deliver the Products or to perform the services within the time specified in a Purchase Order or any extension;

a. Make progress, so as to endanger performance of this Contract or a Purchase Order; or

b. Perform any of the other provisions of this Contract.

8.9.2 The County's right to terminate this Contract under these subparagraphs may be exercised if the Contractor does not cure such failure in a manner deemed accepted to the County within ten (10) days (or more if authorized in writing by the County) after receipt of the notice from the County specifying the failure.

8.10 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel any Contract without penalty or further obligation within three years after execution of the Contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the County from any other party to the Contract arising as the result of the Contract.

8.11 CONTRACTOR LICENSE REQUIREMENT:

8.11.1 The Contractor shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of its/his/her business, and as necessary to complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. Contractor shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both the Procurement Officer of any and all changes concerning permits, insurance or licenses.

8.11.2 If Contractor furnishes finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, Contractor shall possess any licenses required. Contractor will not be relieved of its

obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Contractor shall notify the Procurement Officer which license(s), if any, the Arizona Registrar of Contractors, Chief of Licensing requires for performance of the Contract.

8.12 SUBCONTRACTING:

8.12.1 Except for the subcontractors identified in Exhibit A, the Contractor may not assign to another contractor or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

8.12.2 A subcontractor's rate for the job shall not exceed that of the Contractor's rate, as set forth in Exhibit A, unless the Contractor is willing to absorb any higher rates or the County has approved the increase. A subcontractor's invoice shall be invoiced directly to the Contractor, who in turn shall pass-through the costs to the County as set forth in Exhibit A.A copy of a subcontractor's invoice must accompany the Contractor's invoice.

8.13 AMENDMENTS:

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Office of Procurement Services shall be responsible for approving all amendments for the County.

8.14 ADDITIONS/DELETIONS OF SERVICE:

8.14.1 The County reserves the right to add and/or delete products, materials and services to the Contract. If additional products, materials or services are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

8.14.2 The County reserves the right of final approval on proposed staff for all Purchase Orders. Also, upon request by the County, the Contractor will be required to remove any employees working on County projects and substitute personnel based on the discretion of the County within two business days, unless previously approved by the County.

8.15 SEVERABILITY:

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

8.16 COUNTY'S USE OF AND ACCESS TO PRODUCTS; RIGHTS IN DATA:

8.16.1 The County accepts and agrees to the Contractor License Terms (attached hereto as Exhibit B) with respect to the County's , its Authorized Users' and Authorized Subdivisions' (as those terms are defined in the Contractor License Terms) use of and access to the Products. Notwithstanding any other provision set forth in this Contract or Exhibit B or attachment hereto, the County shall own the copies

of the orthogonal imagery and LiDAR products delivered to the County pursuant to the contract (the "Transferred Deliverables"). As such, the County is free to use, reproduce and redistribute copies of the Transferred Deliverables in any manner without any accounting to Contractor. Contractor shall own those copies of the Transferred Deliverables that remain in Contractor's possession. As such, Contractor is free to use, reproduce and redistribute copies of the Transferred Deliverables in any manner without any accounting to the County.

8.16.2 All inventions, discoveries, improvements, technology, designs, works of authorship, patents, copyrights, technical information, data, databases, software, business information and other information used to create the Transferred Deliverables remain the sole and exclusive property of the Contractor.

8.16.3 All other Products not specifically mentioned in this section 8.16 that are provided pursuant to this Contract and a Purchase Order remain the exclusive property of Contractor.

8.16.4 In the event of any conflict between this section and Section 8.31 or the terms of any other Exhibit or attachment hereto, the terms of Section 8.16 shall prevail.

8.17 NON-DISCRIMINATION:

Contractor agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive order 99-4 and amends Executive order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website http://azmemory.azlibrary.gov/cdm/singleitem/collection/execorders/id/680/rec/1 which is hereby incorporated into this Contract as if set forth in full herein. During the performance of this Contract, Contractor shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

8.18 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

8.18.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor
is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statues or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

have not within a 3-year period preceding this Contract had one or more public transaction(s) (Federal, State or local) terminated for cause of default.

8.18.2 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

8.19 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:

8.19.1 By entering into this Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using E-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of this Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.

8.19.2 The County retains the legal right to inspect Contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 6.20.1 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County shall consider this a material breach of the Contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

8.20 INFLUENCE

As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct may be grounds for Disbarment or Suspension under MC1-902. An attempt to influence includes, but is not limited to:

8.20.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type valuable contribution or subsidy,

8.20.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

If a Person attempts to influence any employee or agent of the County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

8.21 CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS.

8.21.1 The parties agree that this Contract and employees working on this Contract will be subject to the whistleblower rights and remedies in the pilot program on contractor employee whistleblower protections established at 41 U.S.C. § 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112–239) and section 3.908 of the Federal Acquisition Regulation;

8.21.2 Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. § 4712, as described in Section 3.908 of the Federal Acquisition Regulation. Documentation of such employee notification must be kept on file by Contractor and copies provided to County upon request.

8.21.3 Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold ($150,000 as of September 2013).

8.22 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW:

8.22.1 In accordance with section MCI 371 of the Maricopa County Procurement Code the Contractor agrees to retain all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is latest. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

8.22.2 If the Contractor's books, records , accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

8.22.3 If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future invoices, request for credit, request for a check or deduction from current billings

Submitted by the Contractor by the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

8.23 AUDIT DISALLOWANCES:

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

8.24 OFFSET FOR DAMAGES:

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance of the contract.

8.25 PUBLIC RECORDS:

Under Arizona law, all Offers submitted and opened are public records and must be retained by the Records Manager at the Office of Procurement Services. Offers shall be open to public inspection and copying after Contract award and execution, except for such Offers or sections thereof determined to contain proprietary or confidential information by the Office of Procurement Services. If an Offeror believes that information in its Offer or any resulting Contract should not be released in response to a public record request under Arizona law, the Offeror shall indicate the specific information deemed confidential or proprietary and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise from disclosure. The Records Manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

8.26 PRICES:

Except for the products and services provided by subcontractors to Contractor, Contractor warrants that prices extended to County under this Contract are no higher than those paid by any other customer for these or similar services for areas similar in geography, topography, population size and density, and climate as the County.

8.27 INTEGRATION:

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

8.28 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, co-employee, partnership, principal and agent, or joint venture between the County and the Contractor.

8.29 GOVERNING LAW:

This Contract shall be governed by the laws of the State of Arizona. Venue for any actions or lawsuits involving this Contract shall be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona.

8.30 ORDER OF PRECEDENCE:

In the event of a conflict among any of the contract components comprising this Contract, order of precedence for resolving such conflict shall be, from highest (i.e., supersedes all others) to lowest (i.e., subordinate to all others): the provision of this Contract; Exhibit B; Exhibit A; and Exhibit C.

8.31 SCHEDULE OF CONSORTIUM PARTNERS AND LIMITATIONS ON RESALE

8.31.1 There shall be a 270 day limitation on resale/distribution of Products by Contractor to any of the identified Consortium Partners in this section effective beginning from earlier of the date of full (100%) payment of Products by the County or expiration of the Inspection Period. In the event the County exercises a flight renewal, the 270 day limitation on resale/distribution shall apply to each specific project thereafter. The County shall document the contribution amounts for any semi-governmental entity (as identified below), provide such documentation to Contractor and require each semi-governmental entity to purchase a separate Connect account directly from Contractor.

8.31.2 For purposes of this Section 8.31, the term Consortium Partners shall mean any of the following:

Arizona State Land Department
Apache Junction
Avondale
Chandler
El Mirage
Fountain Hills
Gilbert
Gila Bend AFB
Glendale
Luke AFB
MAG
Mesa
Peoria
Phoenix
Queen Creek
Scottsdale

SRP (semi-governmental entity)
SRPMIC
Surprise
APS (semi-governmental entity)
Tempe
Phoenix-Mesa Gateway Airport
AK-Chin Indian Community
USGS

8.31.3 Consortium Members shall be deemed Authorized Subdivisions as that term is defined in the Contractor License Terms.

8.32 DELIVERY

Delivery of imagery Products pursuant to the first Purchase Order issued by the County under this Contract shall be as follows:

- Imagery shall be made available to the County via Connect Early Access (*see* Exhibit A for detailed product description) by January 1, 2016 and will remain available to the County until said imagery is made available through Connect Image Service (*see* Exhibit A for detailed product description), as set forth below;
- The initial delivery of orthomosaics shall be made to the County by February 25, 2016 via Connect Image Service (*see* Exhibit A for detailed product description) and hard drive; and
- Final delivery of all Products shall be made by May 26, 2016.

8.33 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract:

8.33.1 Exhibit A, Pricing, Product Descriptions and Product Parameters

8.33.2 Exhibit B, Contractor License Terms

8.33.3 Exhibit C, Office of Procurement Services Travel and Per Diem Policy

NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Office of Procurement Services
ATTN: Contract Administration
320 West Lincoln Street
Phoenix, Arizona 85003-2494

For Contractor:

Pictometry International Corp.
Attn: General Counsel
25 Methodist Hill Drive
Rochester, New York 14623

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

Linda K. Salpini, Senior Vice President, Finance
PRINTED NAME AND TITLE

25 Methodist Hill Drive, Rochester, NY 14623
ADDRESS

October 12, 2015
DATE

MARICOPA COUNTY

CHAIRMAN, BOARD OF SUPERVISORS

OCT 2 3 2015
DATE

ATTESTED:

CLERK OF THE BOARD 102115

OCT 2 3 2015
DATE

APPROVED AS TO FORM:

LEGAL COUNSEL

October 20, 2015
DATE

EXHIBIT A

PRODUCTS, PRODUCT DESCRIPTIONS, PRICING AND PRODUCT PARAMETERS & SPECIFICATIONS

For the purposes of this Exhibit A, the term "Pictometry" shall have the same meaning as Contractor and the term "Customer" shall have the same meaning as the County.

QTY	PRODUCT NAME	PRODUCT DESCRIPTION	PRICE
1	3D Model - Platinum - 3, 4 or 6 inch GSD imagery (sq km)	Platinum Level 3D Model built from 3, 4 or 6 inch GSD Pictometry Imagery. Model can be provided in up to 3 formats) Additional formats can be delivered for a fee. Minimum square kilometers required.	$5,995-$4,995 per km2[i]
1	3D Orthodrape - 3, 4 or 6 inch GSD imagery (sq km)	3D Orthodrape built from 3, 4 or 6 inch GSD Pictometry Imagery.	$500.00
1	ChangeFinder - Building Outlines with Customer's Electronic Parcel Files	Outlines will be generated off the data source indicated in the Product Parameters. For Pictometry imagery – the most nadir orthorectified orthogonal frame image within the associated Data Source indicated in the Product Parameters will be used for processing by default. CDO tiles will be used by default if purchased with the associated Data Source indicated in the Product Parameters. Building Outline delivery will be provided in polygon shapefile and .gdb format. The final parcel count for this order will be based on the total record count of the final parcel file provided by Customer at the time the project is initiated. The Customer will be invoiced for any additional costs based on the final number of parcels, including any changes in tiered pricing as a result of a change in volume, at the time of shipment of the deliverable.	See tiered pricing below [ii]
1	ChangeFinder - Change Detection with Customer's Electronic Parcel Files	Building Outline data from this order OR from an approved Data Source will be updated and categorized against the Imagery Data Source indicated in the Product Parameters. For Pictometry imagery – the most nadir orthorectified orthogonal frame image within the associated Data Source indicated in the Product Parameters will be used for processing by default. CDO tiles will be used by default if purchased with the associated Data Source indicated in the Product Parameters. An updated Building Outline delivery will be provided in polygon shapefile and .gdb format. The final parcel count for this order will be based on the total record count of the final parcel file provided by Customer at the time the project is initiated. The Customer will be invoiced for any additional costs based on the final number of parcels, including any changes in tiered pricing as a result of a change in volume, at the time of shipment of the deliverable.	See tiered pricing below[ii]
1	CONNECT ImageService CA	Connect Image Service - CA (Custom Access) provides access via a secure web mapping service to existing orthomosaics available within Customer's Connect account. This service allows use by Customer each calendar month of a total number of image request transactions equal to the product resulting from multiplying (a) the number of concurrent users authorized to use the Connect Image Service pursuant to this Agreement, by (b) 1500 (such product being the "Monthly Image Request Limit"). To the extent use of	$5,000.00[iii]

		the Connect Image Service pursuant to this Agreement results in a total number of image request transactions in excess of the Monthly Image Request Limit, Pictometry may review the usage with Customer, increase the price for Customer's Connect Image Service with Customer's consent or, in Pictometry's discretion, suspend further access by Customer to the Connect Image Service. This offering is provided solely for internal use within Customer's organization. Customer must maintain an active paid Pictometry Connect account in order to utilize the Connect Image Service.	
1	Critical 360 Solution - Initial Building of Project	Critical 360 Solution - Initial Building of Project provides with respect to the first building of a project (up to maximum of 250,000 sq. ft. of floor area of that building) the following deliverables: 1) floor plan (geo-referenced vector format DWG files and corresponding SketchUp (SKP) and PDF files); 2) geo-referenced indoor image capture, 360 degree panoramic file from such capture (GeoTIFF files) and LiDAR scan of building interior (LAS files); 3) linking from floor plan to ancillary Customer-provided data or data feeds (e.g., MSDS sheets (pdf documents); live video feed URL's hyperlinked to floor plan) to the extent (a) specified by Customer in writing as part of the order, and (b) made available by Customer at or prior to the time of processing the floor plan; 4) integrated oblique/360 image viewing software for use by Customer and local governments and government agencies and districts having responsibilities with respect to the subject building; 5) portable digital media containing all deliverables for project; and 6) project administration, including setup, coordination of data capture, equipment transportation to initial building, equipment operators (including their travel) and web-based training for Customer staff and other authorized users. This product does not include hosting or subscription fees for Pictometry CONNECT or other online hosting services for the deliverables which, if required, must be separately purchased. Timely completion of the project at stated per building price requires the following assistance from Customer representatives: - Providing contact information for on-site building project coordinator having knowledge of and access to all areas of each building in project; - Organizing a pre-capture meeting with Customer and all building stakeholders prior to data collection efforts; - Providing copies of existing floor plans for each building for planning purposes, if available; - Providing letter of authorization to facilitate on-site data collection; - Assistance with day to day collection coordination; and - Review of incremental project deliverables.	$22,000.00
1	Critical 360 Solution - Single Building Additional	Critical 360 Solution - Single Building Additional Coverage provides with respect to any one building for which this	$3,000.00

	Coverage	service has been ordered coverage of up to 250,000 sq. ft. of additional incremental floor area and provision of the same deliverables as ordered with respect to the initial area of the building. Units of Single Building Additional Coverage must be purchased as necessary to provide total coverage for each building.	
1	Critical 360 Solution - Subsequent Building	Critical 360 Solution - Subsequent Building provides with respect to any subsequent building (up to maximum of 250,000 sq. ft. of floor area of that subsequent building) of a project located within the same county or district as the initial building the following deliverables: 1) floor plan (geo-referenced vector format DWG files and corresponding SketchUp (SKP) and PDF files); 2) geo-referenced indoor image capture, 360 degree panoramic file from such capture (GeoTIFF files) and LiDAR scan of building interior (LAS files); 3) linking from floor plan to ancillary Customer-provided data or data feeds (e.g., MSDS sheets (pdf documents); live video feed URL's hyperlinked to floor plan) to the extent (a) specified by Customer in writing as part of the order, and (b) made available by Customer at or prior to the time of processing the floor plan; 4) integrated oblique/360 image viewing software for use by Customer and local governments and government agencies and districts having responsibilities with respect to the subject building; 5) portable digital media containing all deliverables for project; and 6) project administration, including setup, coordination of data capture, equipment transportation to initial building, equipment operators (including their travel) and web-based training for Customer staff and other authorized users. This product does not include hosting or subscription fees for Pictometry CONNECT or other online hosting services for the deliverables which, if required, must be separately purchased. Timely completion of the project at stated per building price requires the following assistance from Customer representatives: - Providing contact information for on-site building project coordinator having knowledge of and access to all areas of each building in project; - Organizing a pre-capture meeting with Customer and all building stakeholders prior to data collection efforts; - Providing copies of existing floor plans for each building for planning purposes, if available; - Providing letter of authorization to facilitate on-site data collection; - Assistance with day to day collection coordination; and - Review of incremental project deliverables.	$19,000.00
1	Critical 360 Solution - 3D Model	Critical 360 Solution - 3D Model provides 3D Model of one project building exterior and immediate vicinity (1 sq. km) for terrain visualization, evacuation planning and tactical	$3,000.00

		planning.	
1	Critical 360 Solution - Onsite Training Sessions	Critical 360 Solution - Onsite Training provides one day of onsite end-user training for authorized users of the Critical 360 Solution.	$2,400.00
1	Electronic Field Study (EFS)	One copy of Electronic Field Study software, latest version.	$0.00
1	Existing Imagery	Refer to Product Parameters for details on existing imagery to be provided. Access to Existing Imagery via Connect only. Customer shall have access to Existing Imagery so long as they maintain an active Connect account.	$0.00
1	Feature Mapping & Attribution	Feature Mapping & Attribution Services: Pictometry will provide Customer-specific feature mapping and attribution in accordance with the scope of work determined at the time of project initiation and set forth in a Purchase Order.	Custom pricing dependent upon scope of work.
1	FutureView Conference Only Registration	Conference registration to advanced training designed to maximize deployment. Includes event registration (no airfare or hotel). Must be redeemed within three years of agreement execution date.	$599.00 [iv]
1	FutureView Full Conference Registration	Full conference registration to advanced training designed to maximize deployment. Includes airfare, hotel room for up to three nights, event registration, and round-trip airfare up to $500. Customer will be provided with discount code to complete FutureView registration. (Air Travel Restrictions - 30 day advance purchase for airfare, Continental US only, per person round trip airfare at standard coach class rates through Pictometry's travel provider only.) Must be redeemed within three years of agreement execution date.	$2,500.00
1	IMAGERY - Color Digital Orthophotography - 3 inch GSD - Industry-Standard Delivery Format - per square mile	Product includes: Color Digital Orthophotography - 3 inch GSD ("CDO") consists of 3-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix 1 for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Contrract (the "CDO Deliverables"), notwithstanding anything in this Contract to the contrary. Pictometry shall retain copies of the CDO Deliverables and shall own those copies. Requires minimum purchase of 1,000 contiguous square miles.	$195.00 [v]
1	IMAGERY - Color Digital Orthophotography - 4 inch GSD - Industry-Standard Delivery Format - per square mile	Product includes: Color Digital Orthophotography - 4 inch GSD ("CDO") consists of 4-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix 1 for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Contract (the "CDO Deliverables"), notwithstanding anything in this Contract to the contrary. Pictometry shall retain copies of the CDO Deliverables and shall own those copies. Requires minimum purchase of 1,000 contiguous square miles.	$135.00 [v]
1	IMAGERY - Color Digital	Product includes: Color Digital Orthophotography - 6 inch GSD ("CDO") consists of 6-inch GSD ortho mosaics	$90.00 [v]

	Orthophotography - 6 inch GSD - Industry-Standard Delivery Format - per square mile	delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix 1 for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Agreement (the "CDO Deliverables"), notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the CDO Deliverables and shall own those copies. Requires minimum purchase of 1,000 contiguous square miles.	
1	IMAGERY - Color Digital Orthophotography - 9 inch GSD - Industry-Standard Delivery Format - per square mile	Product includes: Color Digital Orthophotography - 9 inch GSD ("CDO") consists of 9-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix 2 for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Agreement (the "CDO Deliverables"), notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the CDO Deliverables and shall own those copies. Requires minimum purchase of 1,000 contiguous square miles.	$50.00 v .
1	IMAGERY - Color Digital Orthophotography Four Band - 3 inch GSD - Industry-Standard Delivery Format - per square mile	Product includes: Color Digital Orthophotography Four Band - 3 inch GSD ("CDO4") consists of 3-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix 3 for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO4 delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Agreement (the "CDO4 Deliverables"), notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the CDO4 Deliverables and shall own those copies. Requires minimum purchase of 1,000 contiguous square miles.	$206.25 v
1	IMAGERY - Color Digital Orthophotography Four Band - 4 inch GSD - Industry-Standard Delivery Format - per square mile	Product includes: Color Digital Orthophotography Four Band - 4 inch GSD ("CDO4") consists of 4-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix 3 for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO4 delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Agreement (the "CDO4 Deliverables"), notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the CDO4 Deliverables and shall own those copies. Requires minimum purchase of 1,000 contiguous square miles.	$146.25 v
1	IMAGERY - Color Digital Orthophotography Four Band - 6 inch GSD - Industry-Standard Delivery Format - per square mile	Product includes: Color Digital Orthophotography Four Band - 6 inch GSD ("CDO4") consists of 6-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix 3 for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO4 delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Agreement (the "CDO4 Deliverables"), notwithstanding	$98.00 v

		anything in this Agreement to the contrary. Pictometry shall retain copies of the CDO4 Deliverables and shall own those copies. Requires minimum purchase of 1,000 contiguous square miles.	
1	IMAGERY - Color Digital Orthophotography Four Band - 9 inch GSD - Industry-Standard Delivery Format - per square mile	Product includes: Color Digital Orthophotography Four Band - 9 inch GSD ("CDO4") consists of 9-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix 4 for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO4 delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Agreement (the "CDO4 Deliverables"), notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the CDO4 Deliverables and shall own those copies.	$57.50 [v]
1	IMAGERY - NEIGHBORHOOD - 4-way (N5) (3in) Per Sector	Product includes: 3-inch GSD oblique frame images (4-way), 3-inch GSD orthogonal frame images, 1-meter GSD ortho mosaic sector tiles and one area-wide 1-meter GSD mosaic (ECW format). Orthogonal GSD: 0.25 feet/pixel; Nominal Oblique GSD (all values +/-10%): Front Line: 0.24 feet/pixel, Middle Line: 0.28 feet/pixel, Back Line: 0.34 feet/pixel. Requires minimum purchase of 500 contiguous square miles.	$300.00 [vi]
1	IMAGERY - NEIGHBORHOOD - 4-way (N5) (4in) Per Sector	Product includes 4-inch GSD oblique frame images (4-way), 4-inch GSD orthogonal frame images, 1-meter GSD ortho mosaic sector tiles and one area-wide 1-meter GSD mosaic (ECW format). Orthogonal GSD: 0.32 feet/pixel; Nominal Oblique GSD (all values +/-10%): Front Line: 0.33 feet/pixel, Middle Line: 0.36 feet/pixel, Back Line: 0.44 feet/pixel. Requires minimum purchase of 500 contiguous square miles.	$280.00 [vi]
1	IMAGERY - NEIGHBORHOOD - 4-way (N5) (6in) Per Sector	Product includes 6-inch GSD oblique frame images (4-way), 6-inch GSD orthogonal frame images, 1-meter GSD ortho mosaic sector tiles and one area-wide 1-meter GSD mosaic (ECW format). Orthogonal GSD: 0.5 feet/pixel; Nominal Oblique GSD (all values +/-10%): Front Line: 0.46 feet/pixel, Middle Line: 0.51 feet/pixel, Back Line: 0.60 feet/pixel. Requires minimum purchase of 500 contiguous square miles.	$225.00 [v]
1	Integrated Pictometry Application	Integrated Pictometry Applications are web based technologies that allow a developer to embed a web instance into a product / application that connects to a customers Licensed Pictometry-hosted imagery. Currently supports JavaScript / iFrame applications for both Visualization (External or Public Facing) use and/or Analytics (Internal with Measurement Tools) use. Requires a Pictometry Connect or Pictometry Connect PFW / View Account depending on use type.	$0.00
1	Pictometry for Esri Web AppBuilder	Pictometry for Esri Web AppBuilder is a server based widget for installation on Customer's server that allows users with valid Pictometry Connect accounts to access oblique and orthogonal imagery within web applications authored using Web AppBuilder for ArcGIS (Developer Edition) available separately from Esri. Requires a Pictometry Connect account.	$1,990.00
1	LiDAR Based Mapping -	Additional LiDAR Based Mapping. Pictometry will provide Customer-specific LiDAR Based Mapping in accordance with	Custom pricing dependent

	Misc (sq mi)	the scope of work determined at the time of project initiation and set forth in a Purchase Order.	upon scope of work.
1	LIDAR DEM - Pictometry (sq mi)	Available with qualifying LiDAR purchase. Gridded bare earth DEM in ArcGIS GRID format. Refer to Appendix 5. Requires minimum purchase of 500 contiguous square miles.	$35.00 [v]
1	LiDAR Quality Control Assessment USGS (sq mi)	Available with qualifying LiDAR purchase. Quality Control Assessment compliant with USGS LiDAR Base Specification Version 1.2, November 2014. Does not include survey to support accuracy assessment and does not convey qualification for USGS 3DEP funding. Requires minimum purchase of 500 contiguous square miles.	$25.00 [vii]
1	Survey - Ground Control Points - non-specific	Survey of Ground Control Points (GCPs) performed by appropriately licensed surveyor.	$45,000.00
1	LiDAR-Custom Classification	Product includes: Additional classification of LiDAR ("LiDAR Deliverables"). See Appendix 6 for specifications and selected delivery format. Customer shall own the copy of LiDAR Deliverables delivered to Customer pursuant to this Agreement, notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the LiDAR Deliverables and shall own those copies. Requires minimum purchase of 500 contiguous square miles.	$25.00 [v] .
1	LIDAR-DEM and 1ft Contours (sq mi)	Available with qualifying LiDAR purchase. Gridded bare earth DEM in ArcGIS GRID format and tiled contours at a 1-foot interval in ESRI Polyline Feature Class format. Refer to Appendix 5. Requires minimum purchase of 500 contiguous square miles.	$55.00 [v]
1	LIDAR-DEM and 2ft Contours (sq mi)	Available with qualifying LiDAR purchase. Gridded bare earth DEM in ArcGIS GRID format and tiled contours at a 2-foot interval in ESRI Polyline Feature Class format. Refer to Appendix 5. Requires minimum purchase of 500 contiguous square miles.	$50.00 [v]
1	LiDAR-LICENSED-0.5m postings (sq mi) Custom Area	LiDAR data delivered in tiled LAS format, nominal raw post spacing of 0.5m, vertical accuracy sufficient to support optional generation of 1-ft contours (available separately). Refer to Appendix 5. Requires minimum purchase of 500 contiguous square miles.	$250.00 [v]
1	LIDAR-LICENSED-0.7m postings (sq mi) Custom Area	LiDAR data delivered in tiled LAS format, nominal raw post spacing of 0.7m, vertical accuracy sufficient to support optional generation of 1-ft contours (available separately). Refer to Appendix 5. Requires minimum purchase of 500 contiguous square miles.	$175.00 [v]
1	LIDAR-LICENSED-1.0m postings (sq mi) Custom Area	LiDAR data delivered in tiled LAS format, nominal raw post spacing of 1.0m, vertical accuracy sufficient to support optional generation of 2-ft contours (available separately). Refer to Appendix 5. Requires minimum purchase of 500 contiguous square miles.	$110.00 [v]
1	LiDAR-PURCHASED-USGS QL1 (sq mi) Custom Area	Product includes: LiDAR data ("LiDAR Deliverables") delivered in tiled LAS format, aggregate nominal post spacing (ANPS) of 0.35m or less (equivalent to density of 8 ppm or more), vertical accuracy 10cm RMSEz; deliverables and	$450.00 [v]

		specifications in accordance with USGS LiDAR Base Specification Version 1.2, November 2014 (the "Base Specification"). Refer to Base Specification for further details. Check point and production ground surveys are not included with the LiDAR Deliverables and must be provided by the Customer or purchased separately. Customer shall own the copy of LiDAR Deliverables delivered to Customer pursuant to this Agreement, notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the LiDAR Deliverables and shall own those copies. Requires minimum purchase of 500 contiguous square miles.	
1	Media Drive Capacity 1.862T- Drive Model 2.0T - EXTPOWER	External USB 2.0 / eSATA Externally Powered. Delivery media prices include copying a complete image library onto media. Sub-warehousing extra. Applicable to County delivery.	$0.00
1	Media Drive Capacity 931G - Drive Model 1T - EXTPOWER	External USB 2.0 / eSATA Externally Powered. Delivery media prices include copying a complete image library onto media. Sub-warehousing sold separately. Applicable to Consortium Partner deliveries and includes a copy of the applicable imagery.	$750.00
1	Mosaic - Area Wide in Esri ArcGIS Raster Catalog	Orthogonal imagery delivered as ESRI Raster Catalog. To the extent Customer provides Pictometry with any non-Pictometry imagery, Customer represents and warrants that it has the necessary rights, power and authority to do so and authorizes Pictometry to use such non-Pictometry imagery.	$10,000.00
1	Oblique Imagery Bundle with One (1) Year of EFS Maintenance & Support	Includes digital copy of the Licensed Documentation for the License Software, two (2) End User Training Sessions, one (1) Advanced User Technical Training, one (1) Administration / IT Training Session, five (5) hours of telephone support, one copy of Pictometry Electronic Field Study (EFS) software, latest version, on the storage media specified herein, and access to download updated versions of the EFS Licensed Software for a period of one years from the initial date of shipment of the EFS software, along with a copy of the updated documentation.	$0.00
1	Pictometry Connect - CA - 1000	Pictometry Connect - CA - 1000 (Custom Access) provides up to 1000 concurrent authorized users the ability to login and access the Pictometry-hosted custom imagery libraries specified elsewhere in this Agreement via a web-based, server-based or desktop integration. The default deployment is through web-based Pictometry Connect. Term commences on date of activation. **License Term:** 1 Year(s)	$15,000.00[viii]
1	Pictometry Connect - Early Access	Pictometry Connect - Early Access provides authorized users the ability to login and access imagery captured as part of a specific Project immediately following preliminary processing and quality control checks and prior to final processing of the imagery from the Project. Imagery will be posted to Pictometry Connect - Early Access incrementally as captured and processed, typically within two weeks following capture, and will remain available until final, fully processed imagery for the entire Project is made available through other access means. This offering requires purchase of imagery	$0.00

		Project and an active Pictometry Connect Account.	
1	Pictometry Connect - Third Party Sourced Orthomosaic	Processing of an existing single continuous third party orthomosaic for ingestion into Customer's Connect account as a discrete image library. This offering requires an existing third party orthomosaic, evidence satisfactory to Pictometry of copyright clearance for this use of the third party orthomosaic and an active Pictometry Connect account. Maximum library size may apply.	$1,500.00
1	Pictometry Connect View - CA	Pictometry Connect View - CA (Custom Access) provides visualization-only access to the Pictometry-hosted custom imagery libraries specified elsewhere in this Agreement via a web application or server based integration. Requires a customer-provided web application or server based application. With respect to imagery available through this product to third parties or the Public, Pictometry reserves the right to reduce the resolution of the imagery available. Term commences on date of activation. Term ends upon the earlier to occur of (i) the expiration of the term specified elsewhere in this Agreement, or (ii) the volume of geocode requests submitted through the application exceeding 10,000. **License Term:** 1 Year(s)	$500.00[ix]
1	Pictometry CONNECTAssessment	Pictometry CONNECTAssessment allows a user the ability to log in and access Pictometry ChangeFinder data and Pictometry-hosted imagery libraries, which have been licensed to the Customer and specified elsewhere in this Agreement, via a web-based application. The number of concurrent authorized users is specified in Customer's existing Connect agreement. Access runs concurrent with last activation (and scheduled expiration) of the Customer's existing Connect account. This offering requires an active Pictometry CONNECT account.	$0.00
1	Pictometry Gateway - CA	Pictometry Gateway - CA (Custom Access) provides web access to Pictometry-hosted custom imagery libraries via API for machine-to-machine access. Pictometry Gateway - CA retrieves for any location either the most recent imagery available for that location or, at the user's option, an alternative date or GSD for that location. This product requires an active Pictometry Connect - CA account. A Pictometry Connect View - CA account is required for public access to the imagery. The custom imagery libraries available for access conforms to Customer's Pictometry Connect - CA account geofence.	$2,000.00
1	RapidAccess - Disaster Response Program	RapidAccess - Disaster Response Program is an emergency response program offering flights after an emergency or disaster. See detailed description of the Disaster Response Program below. Available with purchase of imagery.	$0.00 [x]

[i] Discounts can be applied based upon volume and continuity of the area to be modeled.
[ii] Pricing based upon the following tiers:

Building Footprints & Change Detection Pricing

Parcels	**Footprints**	**Change Detection**	**BOTH**
1-25,000	$0.35	$0.40	$0.75
25,001-50,000	$0.35	$0.37	$0.72
50,001-75,000	$0.32	$0.35	$0.67
75,001-100,000	$0.30	$0.32	$0.62
100,001-200,000	$0.27	$0.30	$0.57
200,001-300,000	$0.25	$0.25	$0.50
300,001-400,000	$0.24	$0.24	$0.48
400,001-1,000,000	$0.23	$0.23	$0.46
more than 1,000,000	$0.22	$0.22	$0.44

[iii] Connect Image Service fee waived with annual imagery purchase.
[iv] Fee waived for two registrations for one-time FutureView attendance.
[v] Requires minimum purchase as set forth in the product description. Pricing for areas below the minimum will vary depending upon the scope of work.
[vi] Requires minimum purchase of 500 contiguous square miles. Pricing contingent upon simultaneous purchase of correspondencing CDO or CDO4 of the same area. Pricing for areas less than 500 contiguous square miles or without the correspondencing CDO or CDO4 purchase will vary depending upon the scope of work.
[vii] Requires minimum purchase of 500 contiguous square miles. Pricing contingent upon simultaneous purchase of correspondencing DEM of the same area. Pricing for areas less than 500 contiguous square miles or without the correspondencing DEM purchase will vary depending upon the scope of work.
[viii] Prices will vary for an increase in the number of concurrent users of Connect.
[ix] Fee waived for first year.
[x] **RapidAccess—Disaster Response Program (DRP)**

The County shall be eligible for Contractor's Disaster Response Program (DRP) described below from the effective date through the second anniversary of the initial project delivery. Following payment to Contractor of amounts due with respect to each subsequent project, the County would be eligible for the then-current DRP for a period of two years from delivery of such subsequent project. The County must be in good-standing with Contractor to maintain eligibility for DRP.

A. Disaster Coverage Imagery at No Additional Charge – Contractor will, upon request of the County and at no additional charge, provide standard quality imagery of up to 200 contiguous square miles of affected areas (as determined by Contractor) upon the occurrence of any of the following events during any period the County is eligible for the DRP:

- Hurricane: areas affected by hurricanes of Category II and higher
- Tornado: areas affected by tornados rated EF4 and higher
- Terrorist: areas affected by damage from terrorist attack

- Earthquake: areas affected by damage to critical infrastructure resulting from earthquakes measured at 6.0 or higher on the Richter scale

- Tsunami: areas affected by damage to critical infrastructure resulting from tsunamis

B. Discounted Rate – Coverage for areas affected by the events set forth above exceeding 200 square miles shall be, subject to Contractor resource availability, offered to the County at the then current DRP rates. Also, coverage for areas affected by hurricanes below Category II, tornadoes below EF4 or earthquakes rated below 6.0 on the Richter scale shall be, subject to Contractor resource availability, offered to the County at the then current DRP rates. Weather and available aircraft permitting, disaster imagery of up to 200 contiguous square miles of areas of the County affected by floods shall be captured at a reduced cost during the Contract Term.

PRODUCT PARAMETERS

IMAGERY

Product:	**Existing Imagery**
Elevation Source:	USGS
Leaf:	Less than 30% leaf cover (Off)
Special Instructions:	2006 Data Set
Product:	**IMAGERY - NEIGHBORHOOD - 4-way (N5) (3in) Per Sector**
Elevation Source:	USGS
Leaf:	Less than 30% leaf cover (Off)
Special Instructions:	
Product:	**IMAGERY - NEIGHBORHOOD - 4-way (N5) (4in) Per Sector**
Elevation Source:	USGS
Leaf:	Less than 30% leaf cover (Off)
Special Instructions:	
Product:	**IMAGERY - NEIGHBORHOOD - 4-way (N5) (6in) Per Sector**
Elevation Source:	USGS
Leaf:	Less than 30% leaf cover (Off)
Special Instructions:	

CONNECT

Product:	**Pictometry Connect - CA - 1000**
Admin User:	David Moss
Admin User Email:	mossd004@mail.maricopa.gov
Requested Activation:	Upon Authorization
Special Instructions:	
Product:	**Pictometry Connect View - CA**
Admin User:	David Moss
Admin User Email:	mossd004@mail.maricopa.gov
Requested Activation:	Upon Authorization
Special Instructions:	
Geofence:	AZ Maricopa

CONNECT-SERVER INTEGRATION

Product:	**Pictometry Gateway - CA**
Server Integration:	Gateway (Internal Only)
Special Instructions:	
Product:	**Integrated Pictometry Application**
Server Integration:	IPA (Both Visualization & Analytics)
Special Instructions:	
Technical Contact:	David Moss
Company Name:	Maricopa County, AZ
Phone Number:	(602) 506-5143
Email Address:	mossd004@mail.maricopa.gov

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Donna Miller, Assistant Director - Community & Recreation Services
Submitting Department:	CRS	District:	Citywide
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of a fiscal year 2018 budget amendment by reallocating appropriations of $68,200 from contingency within the Grants Fund and $101,800 within the General Capital Projects Fund from the Community Recreation Services (CRS) Asset Replacement project to establish the Clubhouse Flooring project for the installation of weight room flooring in the stadium clubhouses; Resolution # 2017-69.

Motion:

I move to approve Resolution # 2017-69.

Background:

The flooring in the clubhouse weight rooms require replacement. The city is receiving a reimbursement from the flooring vendor from the clubhouse renovation project in the amount of $68,200. The city will utilize additional funding from the CRS Asset Replacement project to complete the project.

Objective Analysis:

The current flooring is defective and requires replacement.

Policy Compliant:

This action is compliant with city and council policy.

Financial Impact:

Total costs for the Clubhouse Flooring project is $170,000. The City will be receiving a reimbursement from the flooring vendor in the amount of $68,200 which will be utilized to complete the flooring in the stadium clubhouses. The remaining $101,800 needed for the Clubhouse Flooring project will be reallocated from the CRS Asset Replacement project thus reducing the amount available for FY2018 asset replacement needs within CRS.

Budget Impact:

This action reallocates appropriation in the amount of $68,200 from contingency within the Grants Fund and $101,800 within the General Capital Projects Fund from the CRS Asset Replacement project to establish the Clubhouse Flooring project for the installation of weight room flooring in the clubhouses without exceeding the approved total annual budget for FY2018.

FTE Impact:

No FTE Impact.

ATTACHMENTS:

Click to download

- Resolution 2017-69

RESOLUTION # 2017-69

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2018 BUDGET BY REALLOCATING APPROPRIATIONS OF $68,200 FROM CONTINGENCY WITHIN THE GRANTS FUND AND $101,800 WITHIN THE GENERAL CAPITAL PROJECTS FUND FROM THE ASSET REPLACEMENT-CRS PROJECT TO ESTABLISH A PROJECT FOR THE INSTALLATION OF WEIGHT ROOM FLOORING IN THE STADIUM CLUBHOUSES.

WHEREAS, the multi-purpose flooring in the clubhouse weight rooms has become defective and requires replacement;

WHEREAS, the City will be receiving a reimbursement from the flooring vendor from the Clubhouse Renovation project in the amount of $68,200;

WHEREAS, the City will utilize additional funding in the amount of $101,800 by reallocating funds from the Community Recreation Services Asset Replacement project to complete the Clubhouse Flooring project;

WHEREAS, the FY2018 budget was adopted by Council Resolution #2017-64 on June 6, 2017;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2017 through June 30, 2018.

Section 2. The Mayor and Council hereby authorize the City Manager, or his designees, to enter into contracts, conduct negotiations, and to execute and submit all documents and other necessary or desirable instruments in connection with this project.

SIGNATURES ON THE FOLLOWING PAGE

APPROVED AND ADOPTED this _____day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

RESOLUTION # 2017-69
Exhibit A

The FY2018 Annual Budget is amended by reallocating appropriations among lawfully available appropriations to ensure the continued operations of the City of Surprise in the payment of necessary expenditures. These allocations do not represent an actual transfer of funds, but only a transfer of spending authority. Additionally, these reallocations do not increase or decrease the total budget.

Fund Dept. / Category or Project	Current Appropriation	Increase (Decrease)	Amended Appropriation
Revenues:			
General Capital Projects Fund / Clubhouse Flooring #P54061	$0	$68,200	$68,200
Grants / General Operations / Other Revenue	$13,000,000	($68,200)	$12,931,800
	$13,000,000	$0	$13,000,000
Expenditures:			
General Capital Projects Fund / Clubhouse Flooring #P54061	$0	$170,000	$170,000
Grants Fund / General Operations / Contingency	$13,000,000	($68,200)	$12,931,800
General Capital Fund Projects / Asset Replacement-CRS #A54010	$1,855,100	($101,800)	$1,753,300
	$14,855,100	$0	$14,855,100

The fund changes are as follows:

- The amendment reallocates appropriation in the amount of $68,200 from contingency within the Grants Fund and $101,800 within the General Capital Projects Fund from the Asset Replacement-CRS project to establish the Clubhouse Flooring Project for the installation of weight room flooring in the clubhouses without exceeding the approved total annual budget for FY2018.

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Eric Fitzer - Community Development
Submitting Department:	CD	District:	Internal
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of an amendment to the fiscal year 2017 and 2018 budgets by reallocating appropriations of $55,000 from the Original Town Site Land Acquisition project and $49,200 from contingency within the Grants Fund for moving and related operating expenses of DoNorma RV Park; Resolution #2017-75.

Motion:

I move to approve Resolution # 2017-75.

Background:

On March 31st, 2017 the City of Surprise purchased the Donorma RV park within the Original Town Site. As part of the purchase the City allocated $50,000 for closing costs associated with the closing of the property purchase. During the purchase rents that were paid by residents of the RV park prior to closing were deducted from the purchase price in the amount of approximately $7,900.

As part of the purchase the City took on permanent residents that have been living at the RV park for a number of years. Therefore if federal funds were to be used to construct or build facilities on the property the City purchased, the inclusion of any federal funding would fall under the Uniform Act. The Uniform Act, passed by Congress in 1970, is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms.

Also upon further meetings with the residents many of these residents do not have the means to pay both rent and moving costs. As such in accordance with the Uniform Act the City is proposing to pick up some qualified costs associated with moving expenses for residents. The City is qualifying these moving expenses through receipts, invoices and other. The City will be closing out the operations of the RV park which is slated to be closed by September 30, 2017.

Objective Analysis:

Potential Positive Impacts include: closing out the operations of the RV park; allowing residents the

necessary funds to relocate

Potential negative impacts: qualifying moving costs and some costs may not be qualified.

Policy Compliant:

The action is policy compliant in that the Council has determined that development in the OTS is a priority.

Financial Impact:

For FY2017 and FY2018, the City will receive revenue of approximately $49,200 from tenants as well as incur operating costs associated with the purchased property until the land is vacated. The OTS Land Acquisition project has a total remaining balance of $55,000. Approval of this item will allow the remaining project funds to be used for moving and related operating expenses of the RV Park.

Budget Impact:

Approval of this item will allow for the reallocation of FY2017 appropriations in the amount of $55,000 within the General Capital Projects Fund from the OTS Land Acquisition project to the RV Park Operations project and $25,300 from contingency within the Grants Fund to the General Fund, Community Development operating budget for moving and related operating expenses of the RV Park. In addition, approval of this item will also allow for the reallocation of FY2018 appropriations in the amount of $23,900 from contingency within the Grants Fund to the General Fund, Community Development operating budget for moving and related operating expenses of the RV Park. These reallocations do not increase or decrease the total budgets for FY2017 or FY2018.

FTE Impact:

This item will not generate a need for any FTE.

ATTACHMENTS:

Click to download

- Resolution #2017-75

RESOLUTION # 2017-75

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2017 AND 2018 BUDGET BY REALLOCATING APPROPRIATIONS WITHIN THE GENERAL FUND, GENERAL CAPITAL FUND, AND GRANTS FUND; ESTABLISHING A NEW PROJECT; AND REALLOCATING APPROPRIATIONS BETWEEN TWO PROJECTS TO FACILITATE THE ACQUISITION OF REAL PROPERTY WITHIN THE ORIGINAL TOWNSITE.

WHEREAS, Resolution #2017-22 was adopted on February 21, 2017, 5.84 acres of real property within the Original Townsite located at 15627 North Nash Street, Surprise, Arizona, DoNorma RV Park was purchased;

WHEREAS, the City intends to use the property purchased for a new purpose;

WHEREAS, Title 49 Part 24 of the Code of Federal Regulations states that the Agency (the City) that displaces a tenant is required to pay for reasonable moving and related expenses;

WHEREAS, the establishment of a new project and movement of spending authority between projects is necessary to support payment of moving and related expenses;

WHEREAS, the City will incur operating costs in FY2017 and FY2018 until the property is vacated;

WHEREAS, these amendments will allow the City to have current and updated budgetary amounts and help departments manage their projects and line item expenditures;

WHEREAS, the FY2017 budget was adopted by Council Resolution #2016-81 on June 21, 2016;

WHEREAS, the FY2018 budget was adopted by Council Resolution #2017-64 on June 6, 2017;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2016 through June 30, 2017.

Section 2. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2017 through June 30, 2018 and any appropriate carry forwards.

Section 3. The Mayor and Council hereby authorize the City Manager, or his designees, to enter into contracts, conduct negotiations, and to execute and submit all documents and other necessary or desirable instruments in connection with this project.

APPROVED AND ADOPTED this _____day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

RESOLUTION # 2017-75
Exhibit A

The FY2017 and FY2018 Annual Budget are amended by reallocating appropriations among lawfully available appropriations to ensure the continued operations of the City of Surprise in the payment of necessary expenditures. These allocations do not represent an actual transfer of funds, but only a transfer of spending authority. Additionally, these reallocations do not increase or decrease the total budget.

1. Fiscal Year 2017

A new project has been created to monitor the expenditures for the relocation of tenants located on the purchased property. Unforeseen revenue has been incurred from rent received from tenants residing on the purchased property. Additional budget authority is needed to account for the revenue and expenses associated with operating the RV park until the land is vacated.

Fund/Project, Department, or Program/Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Capital Fund/ OTS Land Acquisition #P42010/ Land	$1,350,000	($55,000)	$1,295,000
General Capital Fund/ RV Park Operations #N42010/ Operations	$0	$55,000	$55,000
General Fund/ Community Development/ Rent Revenue	$0	$25,300	$25,300
Grants Fund/ General Operations/ Unforeseen Revenue	$11,676,100	($25,300)	$11,650,800
General Fund/ RV Park/ Operations	$0	$25,300	$25,300
Grants Fund/ General Operations/ Contingency	$17,213,200	($25,300)	$17,187,900
	$30,239,300	$0	$30,239,300

The fund changes are as follows:

- The amendment reallocates appropriations in the amount of $55,000 within the General Capital Fund from Project #P42010 to Project #N42010 to pay for moving expenses without exceeding the approved total annual budget for FY2017. Any amount not used in FY2017 will be carried forward to FY2018.
- The amendment reallocates appropriations in the amount of $25,300 from the Grants Fund to the General Fund for rental revenue and reallocates appropriations in the amount of $25,300 from Grants Fund contingency to the General Fund for operating expenses.

2. Fiscal Year 2018

Unforeseen revenue will be incurred from rent received from tenants residing on the purchased property. Additional budget authority will be needed to cover the expenses associated with operating the RV park until the land is vacated.

Fund/Project, Department, Program/Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Fund/ Community Development/ Rent Revenue	$0	$23,900	$23,900
Grants Fund/ General Operations/ Unforeseen Revenue	$13,000,000	($23,900)	$12,976,100
General Fund/ RV Park/ Operations	$0	$23,900	$23,900
Grants Fund/ General Operations/ Contingency	$13,000,000	($23,900)	$12,976,100
	$26,000,000	$0	$26,000,000

The fund changes are as follows:

- The amendment reallocates appropriations in the amount of $23,900 from the Grants Fund to the General Fund for rental revenue and reallocates appropriations in the amount of $23,900 from Grants Fund contingency to the General Fund for operating expenses.

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Sergio Angulo - Community Development
Submitting Department:	CD	District:	3
Staff Recommendations:	None		

Consent	Regular	Public Hearing	x	Report/Discussion

Agenda Wording:

Consideration and action pertaining to a major zoning amendment to the Cotton Gin Planned Area Development (PAD) to allow multi-family residential as a permitted land use on the 10.8 acres (approx.) parcel located on the northeast corner of Waddell road and Reems road; Ordinance #2017-12.

Motion:

I move to approve Ordinance #2017-12.

Background:

Brian Greathouse with Burch and Cracchiolo PA. submitted a request for a Major Amendment to the Cotton Gin Planned Area Development (PAD) to allow multi-family residential as a permitted land use on the 10.8 acres (approx.) parcel located on the northeast corner of Waddell road and Reems road. On June 1, 2017 the Planning and Zoning Commission passed a motion to recommend approval of the Major Amendment to the Cotton Gin PAD, Case FS16-551, to the Mayor and City Council.

Objective Analysis:

This proposed PAD Amendment will allow for the development of 127 single-story attached and detached rentals units on the subject site.

Policy Compliant:

The proposed project is consistent with City and Council Policy.

Financial Impact:

All activity related to ongoing development of the City of Surprise has an economic and fiscal impact on the city and the region.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

Click to download

- 00 - FS16-551 - Avilla - Zoning Amendment - Staff Report
- 01 - FS16-551 - Avilla - Zoning Amendment - Vicinity Maps
- 02 - FS16-551 - Avilla - Zoning Amendment - Zoning Map
- 03 - FS16-551 - Avilla - Zoning Amendment - Zoning Amendment Document
- 04 - FS16-551 - Avilla - Zoning Amendment - Citizen Participation Report 1st Meeting
- 05 - FS16-551 - Avilla - Zoning Amendment - Citizen Participation Report 2nd Meeting
- 06 - FS16-551 - Avilla - Zoning Amendment - Luke AFB Comments
- 07 - FS16-551 - Avilla - Zoning Amendment - ADOT Comments
- 08 - FS16-551 - Avilla - Zoning Amendment - MWD Comments
- 09 - FS16-551 - Avilla - Zoning Amendment - Dysart Unfied School District Correspondence
- 10 - FS16-551 - Avilla - Zoning Amendment - Presentation
- 11 - Ordinance 2017-12 Avilla Zoning Amendment

ZONE CHANGE

REPORT TO THE CITY COUNCIL

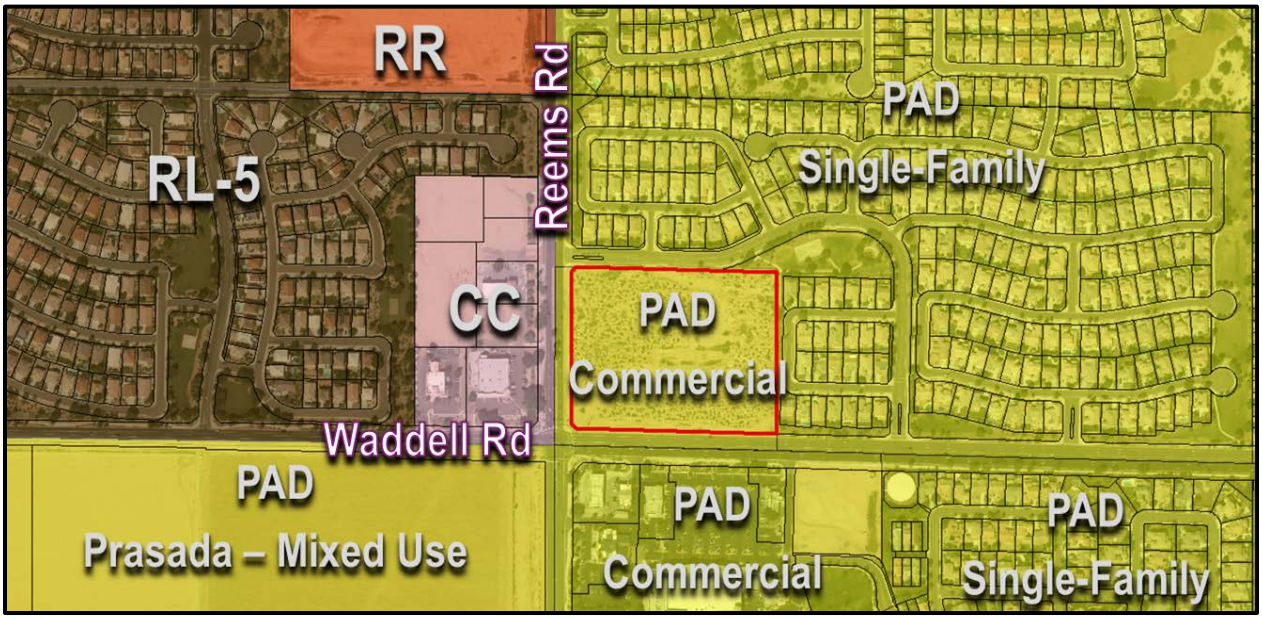
Case:	**FS16-551**
Project Name:	Avilla
Council District:	3 – Mesquite
Meeting Date:	**June 20, 2017**
Planner:	Sergio Angulo

Owner:	NEC Waddell And Reems LLC/ETAL
Applicant:	Brian Greathouse with Burch and Cracchiolo PA
Request:	The applicant, on behalf of the owner, requests an Major Amendment to the Cotton Gin Planned Area Development (PAD) to allow multi-family residential as a permitted land use on the 10.8 acres (approx.) parcel located on the northeast corner of Waddell road and Reems road.
Site Location:	Northeast corner of Waddell Road and Reems Road.
Site Size:	Approximately 10.8 acres
General Plan Conformance:	The proposal is consistent with the Surprise General Plan 2035.
Support/Opposition:	Both support and opposition was encountered during the Citizen Review meeting and are expanded upon in the Citizen Participation Report.
Recommendation:	On June 1, 2017 the Planning and Zoning Commission passed a motion to recommend approval of the Major Amendment to the Cotton Gin PAD, Case FS16-551, to the Mayor and City Council.

Project Description:

Brian Greathouse, on behalf of NEC Waddell And Reems LLC/ETAL, requests an amendment to the Cotton Gin Planned Area Development (PAD) to allow multi-family residential as a permitted land use on the 10.8 acres (approx.) parcel located on the northeast corner of Waddell road and Reems road. The applicant is also proposing to create new development standards for multi-family residential uses.

Surrounding Land Zoning:



Community Commercial	Cotton Gin PAD Single-Family	Cotton Gin PAD Single-Family
Community Commercial	**Cotton Gin PAD Commercial**	Cotton Gin PAD Single-Family
Prasada PAD Mixed Use	Marley Park PAD Commercial	Marley Park PAD Commercial

Background:

September 10, 1998: The subject property was annexed into the City of Surprise by the Mayor and City Council.

October 11, 2001: The Mayor and City Council approved the Cotton Gin Planned Area Development.

October 27, 2016: A Concept Review meeting was held for the current proposal under case CR16-442.

December 14, 2016: The applicant filed a related request for a Major PAD Amendment under case FS16-551, the subject case.

January 26, 2017: The applicant held a citizen outreach meeting to discuss the project.

March 30, 2017: The applicant held a second citizen outreach meeting to discuss the changes proposed to the project.

June 1, 2017: The Planning and Zoning Commission held a Public Hearing for the subject case. At this hearing the Planning and Zoning Commission passed a motion to recommend approval of the subject case to the Mayor and City Council.

Citizen Outreach:

The site was posted and advertised for a Citizen Outreach meeting in accordance with the SUDC. The applicant held the first meeting for the proposed PAD Amendment at the Holiday Inn Express located at 16540 N. Bullard Ave. at 6:00pm on January 26, 2017. Residents from the Sanalina community and from around the subject parcel attended and voiced their concerns in regards to the proposed project. At first, the majority of the attendees were in great opposition to the project and the biggest concerns were in regards to a multi-story apartment complex, increased traffic on Ludlow Drive, increase in crime, pricing of rental units, impacts on property values, security and maintenance, future residents using the HOA park without contributing to the HOA, and the removal of commercial. Due to the concerns raised at this meeting the applicant decided that it would be beneficial to conduct a second Citizen Outreach meeting.

The second Citizen Outreach meeting was held at the Surprise Church of Christ located on 14925 W. Silverleaf Way at 6:00pm on March 30, 2017. At this meeting the applicant summarized the main concerns from the first meeting and also explained how they propose to address those concerns. At the end of the second Citizen Outreach meeting the residents that attended were pleased that the applicant heard the neighbors' concerns and that they put an effort into modifying the site design to accommodate the neighbors' concerns.

Analysis and Discussion:

The subject parcel is a 10.8 acre (approx.) vacant parcel located at the northeast corner of Waddell Road and Reems Road. The subject parcel is currently zoned PAD with a Commercial land use designation. The site is surrounded by an existing residential subdivision to the north and east, a commercial development to the south which includes Bashas' Grocery Store, and to the west is the Waddell Square commercial subdivision which includes a Walgreens, a Wells Fargo Bank, and an Auto Zone. This proposed PAD Amendment will include Multi-Family Residential as a permitted land use in the subject parcel to allow for 127 single-story attached and detached rentals units.

EXISTING LAND USE

PROPOSED LAND USE

The Cotton Gin PAD is a 79.8 acre (approx.) development that consists of 210 low density single-family residential units and the subject 10.8 acre (approx.) commercial parcel. Currently the maximum allowed density is 3.1 dwelling units per acre and the applicant is requesting to increase the maximum allowed density to 4.23 which will allow the development of the proposed 127 single-story attached and detached rentals units.

Currently, the Cotton Gin PAD does not include development standards for Multi-Family Residential uses. With this PAD Amendment the applicant is proposing to create new development standards for Multi-Family Residential uses. At the first citizen outreach meeting the neighbors expressed that they did not want a multi-story apartment complex on the subject parcel, therefore the applicant has proposed the following development standards:

	EXISTING (Commercial)	**PROPOSED (Multi-Family)**
North Setback	20’	10’
West Setback	20’	20’
South Setback	20’	20’
East Setback	20’	10’
Max Building Height	45’	25’ – Leasing Office 18’ – Residential Units
Landscape Setback	N/A	East Side – 0’ All Other Sides – 8’
Minimum Open Space	25%	25%

The maximum building height has been reduced from 45’ to 25’ for the leasing office building and 18’ feet for the residential units; this will help limit the development to single-story buildings. The building setbacks from Reems Road(west) and Waddell Road(south) will remain at 20’, and the building setbacks from Ludlow Drive(north) and east side have been reduced from 20’ to 10’. The applicant also proposes an 8’ landscape setback on the north, west, and south side, the reason why this does not apply to the east side is because there is already an existing landscape tract on the east side of the property. Even though this PAD Amendment proposes a new land use on the subject parcel the applicant is proposing to provide the same amount of open space as currently required by the Cotton Gin PAD.

This Major PAD Amendment application is in conjunction with a related Site Plan for a multi-family residential development that proposes 127 single-story attached and detached rental units. The related Site Plan is being processed under the same case number and it is considered not approved until this Major PAD Amendment is approved by the City Council and it takes effect.

<u>Surprise General Plan 2035:</u>

The Surprise General Plan 2035 shows the subject property as lying within the Neighborhood Character Area, which in a suburban neighborhood supports residential development between two and eight dwelling units per acre (2-8 DU/Ac). The proposed PAD Amendment proposes a density of 4.23 DU/Ac which demonstrates consistency with this land use category.

Reviewing Agencies:

In addition to the standard city reviewing agencies, who indicate no objections to the requests, Luke Air Force Base, ADOT, Maricopa Water District, and Dysart School District were included in the routing of this case.

Summary:

The proposed Major PAD Amendment will include Multi-Family Residential as a permitted land use on 10.8 acres (approx.) located on the northeast corner of Waddell Road and Reems Road. This PAD Amendment will also be creating development standards for the new use and increasing the density in the Cotton Gin development from 3.1 to 4.23 dwelling units per acre.

Findings:

- The proposed land use change is consistent with the Surprise General Plan 2035.
- The proposed density change is consistent with the Surprise General Plan 2035.

Recommendation:

On June 1, 2017 the Planning and Zoning Commission passed a motion to recommend **approval** of the Major Amendment to the Cotton Gin PAD, Case **FS16-551**, to the Mayor and City Council.

However, should the Mayor and City Council wish to recommend denial of the request, the Mayor and City Council should make its own findings and base its decision on those alternative findings.

Attachments:

01 - Vicinity Maps
02 – Zoning Map
03 - PAD Amendment Document
04 - Citizen Participation Report – 1st Meeting
05 - Citizen Participation Report – 2nd Meeting
06 - Luke AFB comments
07 - ADOT comments
08 - MWD comments
09 – Dysart Unified School District Correspondence

VICINITY MAP

VICINITY MAP

SURPRISE
ARIZONA

FS16-551
Avilla
Major PAD Amendment

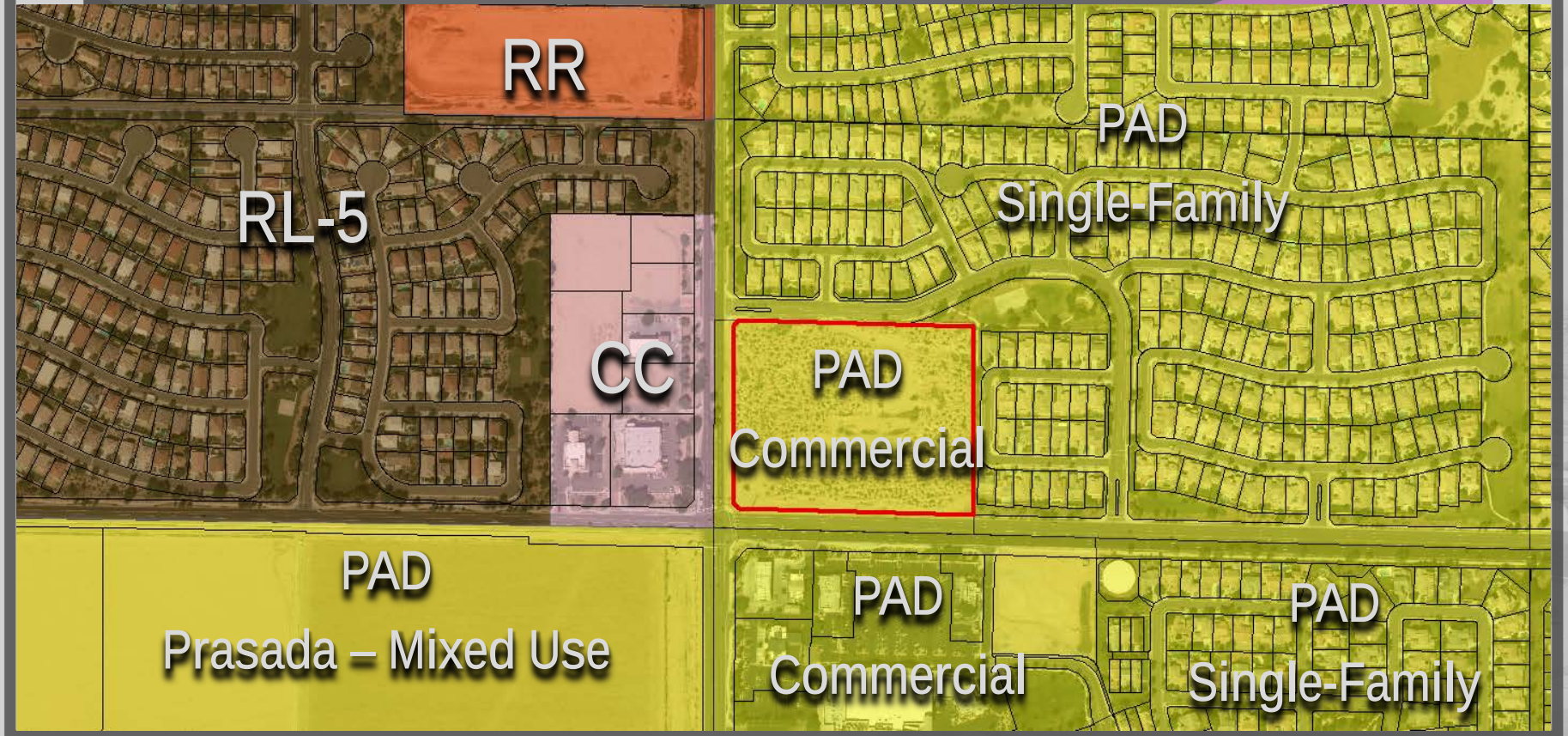
City Council

June 20, 2017

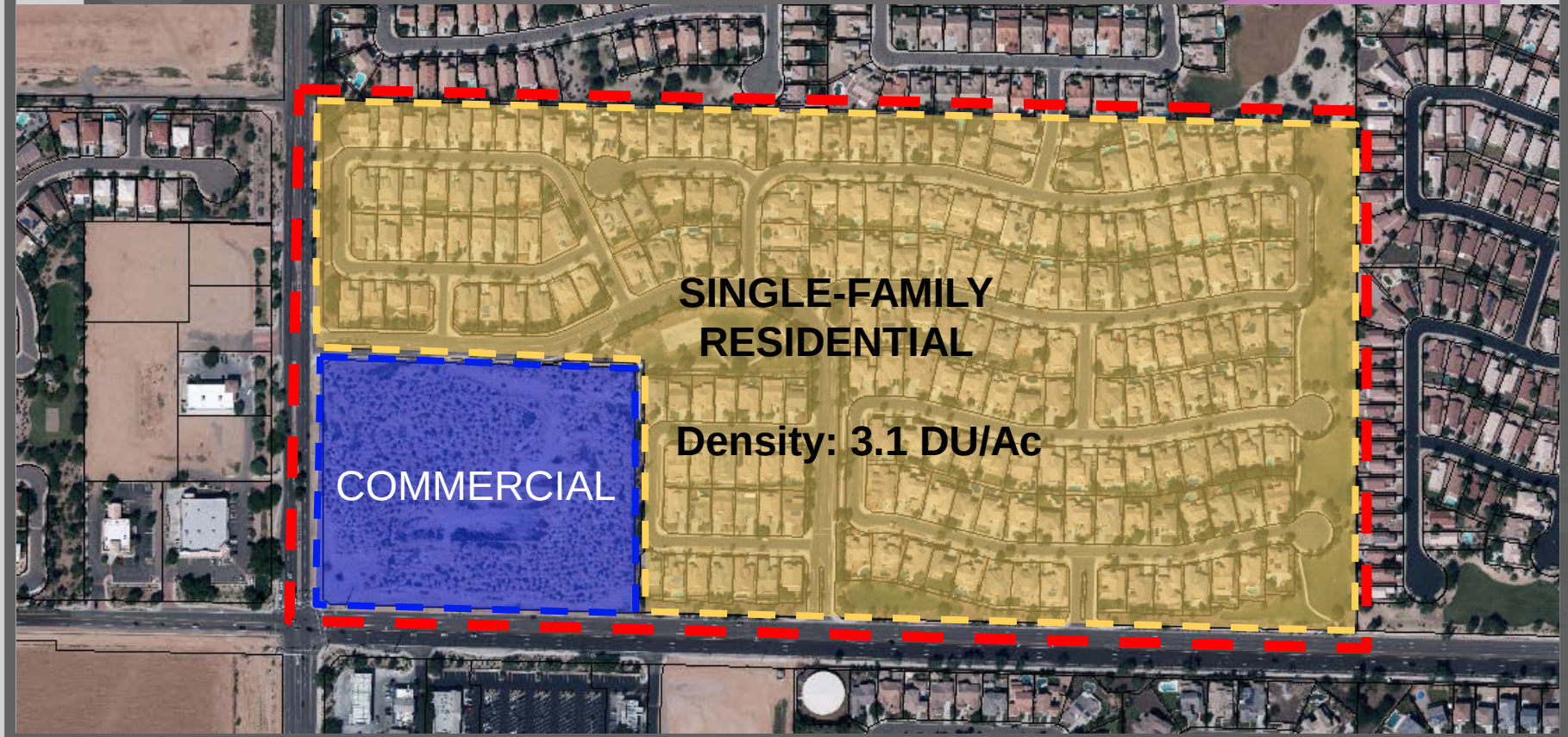
VICINITY MAP

VICINITY MAP

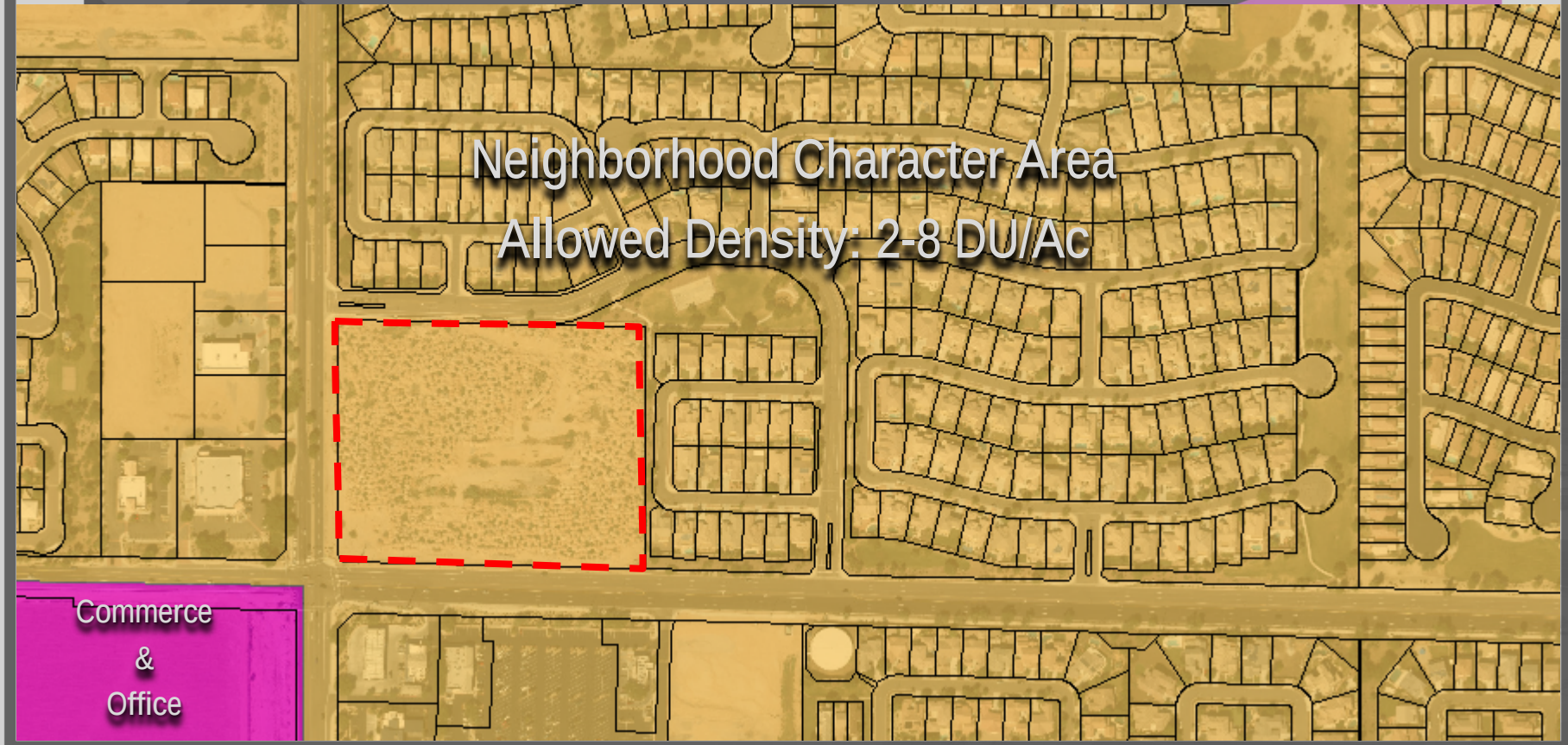
SURROUNDING ZONING



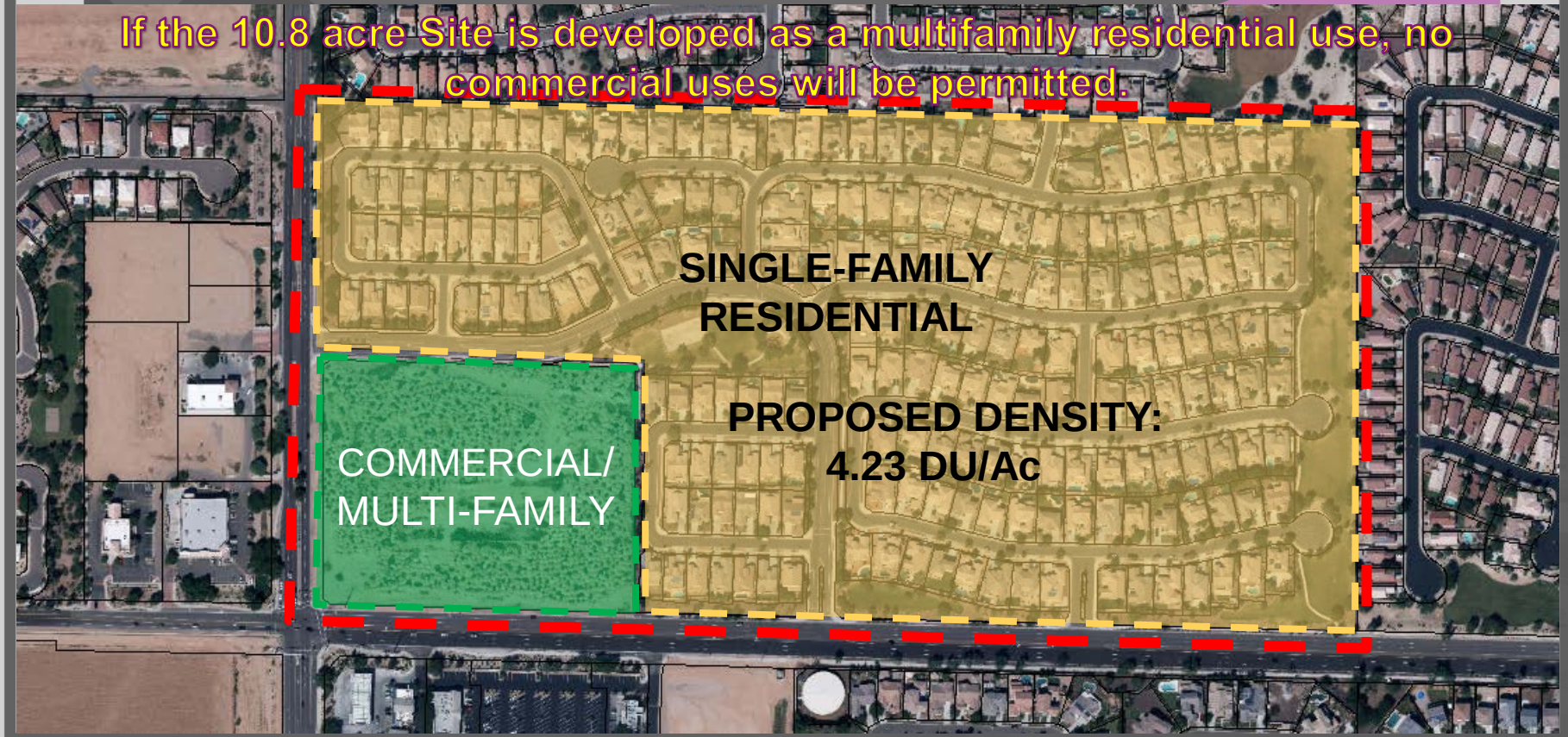
EXISTING ZONING



GENERAL PLAN LAND USE



PROPOSED ZONING



Development Standards

	EXISTING (Commercial)	PROPOSED (Multi-Family)
North Setback	20’	10’
West Setback	20’	20’
South Setback	20’	20’
East Setback	20’	10’
Max Building Height	45’	25’ – Leasing Office 18’ – Residential Units
Landscape Setback	N/A	East Side – 0’ All Other Sides – 8’
Minimum Open Space	25%	25%

CITIZEN OUTREACH

1st Citizen Outreach Meeting

- January 26, 2017 (175+)

Comments/Concerns

- Don't want to lose Commercial
- Increase Traffic on Ludlow
- Traffic increase on Waddell west of Reems
- Increase in Crime Rates
- Multi-Story Complex

2nd Citizen Outreach Meeting

- March 30, 2017 (27)

Comments/Concerns

- Appreciation that applicant listened to the communities concerns.
- Traffic on Waddell west of Reems. Issues will improve once Prasada Develops

Traffic - Ludlow/153rd

153rd and Ludlow

DO

Dana Owsiany <Dana.Owsiany@surpriseaz.gov>
Thursday, March 16, 2017 at 1:18 PM
To: Lloyd Abrams
: summary.pdf (54.3 KB) Preview

Attached is the information that we received from the police trailer. 85% speed was 26 mph. When we looked into this soon after I started, we looked at the data, conducted a field review and since there wasn't a speeding problem, we chose to install the Playground Warning signs. These were the only types of signs that I found that were applicable and approved in the MUTCD.

Speed humps are not an option. Volumes do not warrant stop signs and stop signs do not deter speeding.

Please let me know if you need any additional information.

Dana Owsiany, PE
Traffic Engineering Manager
City of Surprise · Public Works Department
16000 N Civic Center Plaza, Surprise, AZ 85374
Direct (623) 222-1732 · Cell (602) 790-7734

Traffic - Ludlow/153rd

Surprise Police Department
14250 W Statler Plaza
Surprise, AZ 85374
Traffic Survey Summary

Location: 153rd Ave NB @ Redfield
Start Date: 07-03-14
End Date: 07-10-14

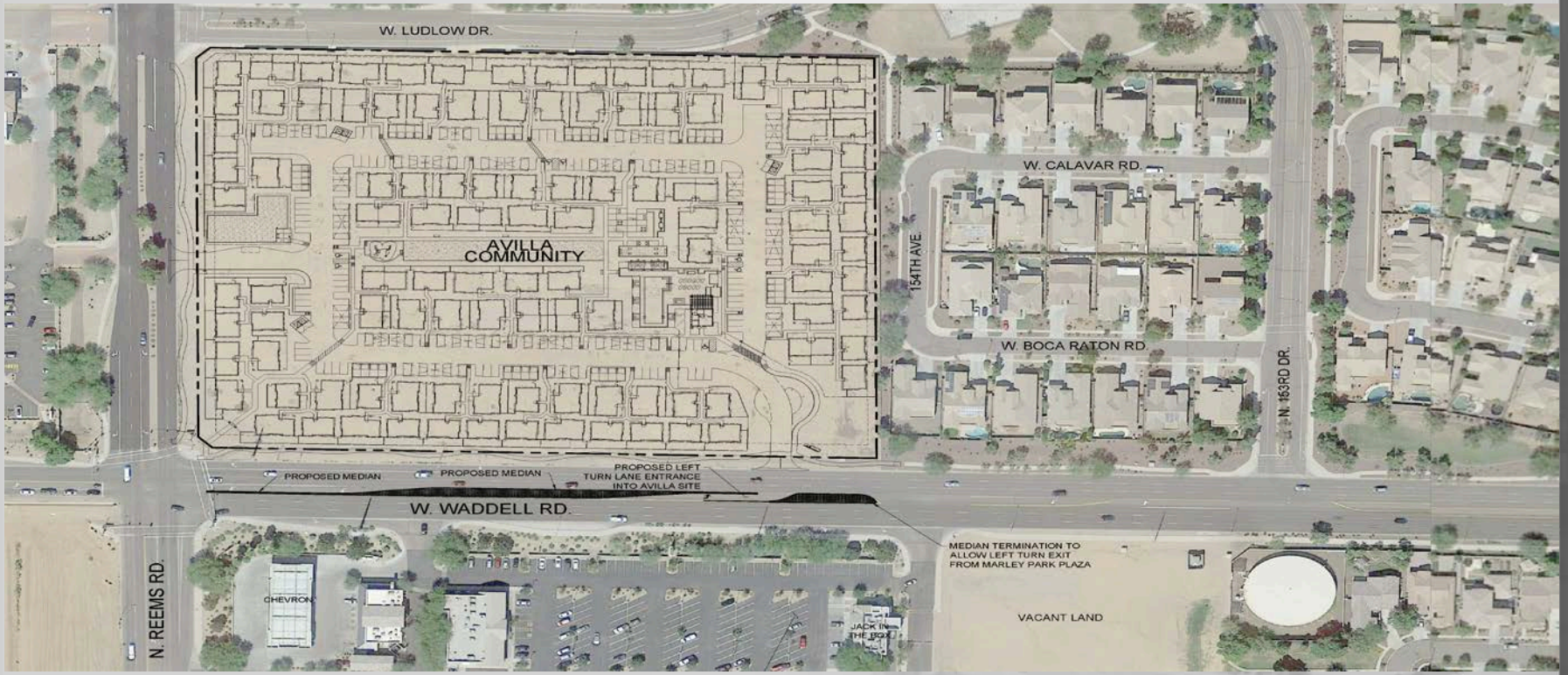
Zone: Residential
Start Time: 07:18:31
End Time: 07:07:29
Travel Direction: N

Speed	1 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 - 69	70 - 999
Volume	2912	619	634	192	14	0	0	0	0	0	0	0
% of Total	66.62%	14.16%	14.5%	4.39%	0.32%	0%	0%	0%	0%	0%	0%	0%
									Total Vehicles: 4371			

Speed Statistics		10 MPH Pace		Number Exceeding Limit				
Posted	25	Pace Speed	8 to 17	Speed	25+	35+	45+	Total
#At/Under Limit	3675	# in Pace	2482	Number	691	5	0	696
# Over Limit	696	% in Pace	56.78%	Percen	15.8%	0.11%	0%	15.92%
Average Speed	17.04	85% Percentile	26					

07-10-2014, 09:29:04

Traffic - Waddell Rd.



W. LUDLOW DR.
55' R.O.W.
TRASH ENCLOSURE (TYP.)
TENANT GARAGES (TYP.)
N. REEMS RD.
(DOG PARK)
VEHICULAR EXIT ONLY GATE
(EMERGENCY ACCESS)
PLAYGROUND
(COMMUNITY LAWN)
BAG TOSS
BBQ AREA
HAMMOCKS
FIRE PIT
(POOL)
LEASING OFFICE
COVERED PARKING (TYP.)
ENTRY/EXIT GATES
PEDESTRIAN GATE
6' WIDE SIDEWALK
65' R.O.W.
W. WADDELL RD.
120' BUILDING SETBACK
SIGHT VISIBILITY TRIANGLE (TYP.)
ENTRANCE/SIGN MONUMENT (TYP.)

RECOMMENDATION

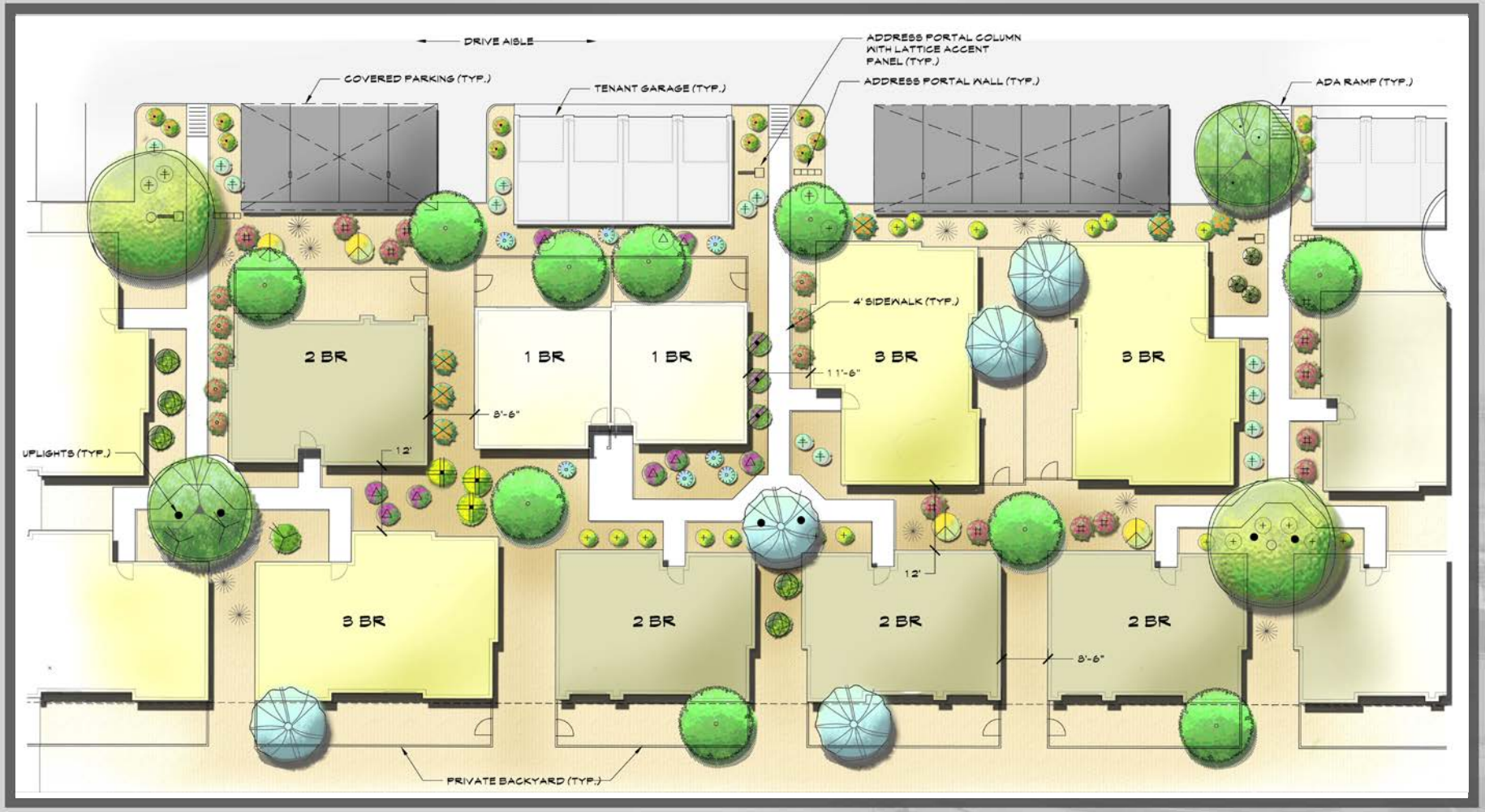
<u>P&Z Recommendation</u>:

- June 1, 2017 Recommended Approval to the Mayor & City Council

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You


DRIVE AISLE
COVERED PARKING (TYP.)
TENANT GARAGE (TYP.)
ADDRESS PORTAL COLUMN WITH LATTICE ACCENT PANEL (TYP.)
ADDRESS PORTAL WALL (TYP.)
ADA RAMP (TYP.)
4' SIDEWALK (TYP.)
2 BR
1 BR
1 BR
3 BR
3 BR
11'-6"
8'-6"
12'
UPLIGHTS (TYP.)
12'
3 BR
2 BR
2 BR
2 BR
8'-6"
PRIVATE BACKYARD (TYP.)

1 Bedroom – Duplex

Front Elevation

Front Elevation

Left Elevation

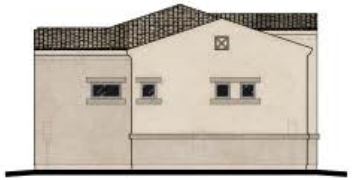
Rear Elevation

Right Elevation

2 Bedroom Unit

Front Elevation

Front Elevation

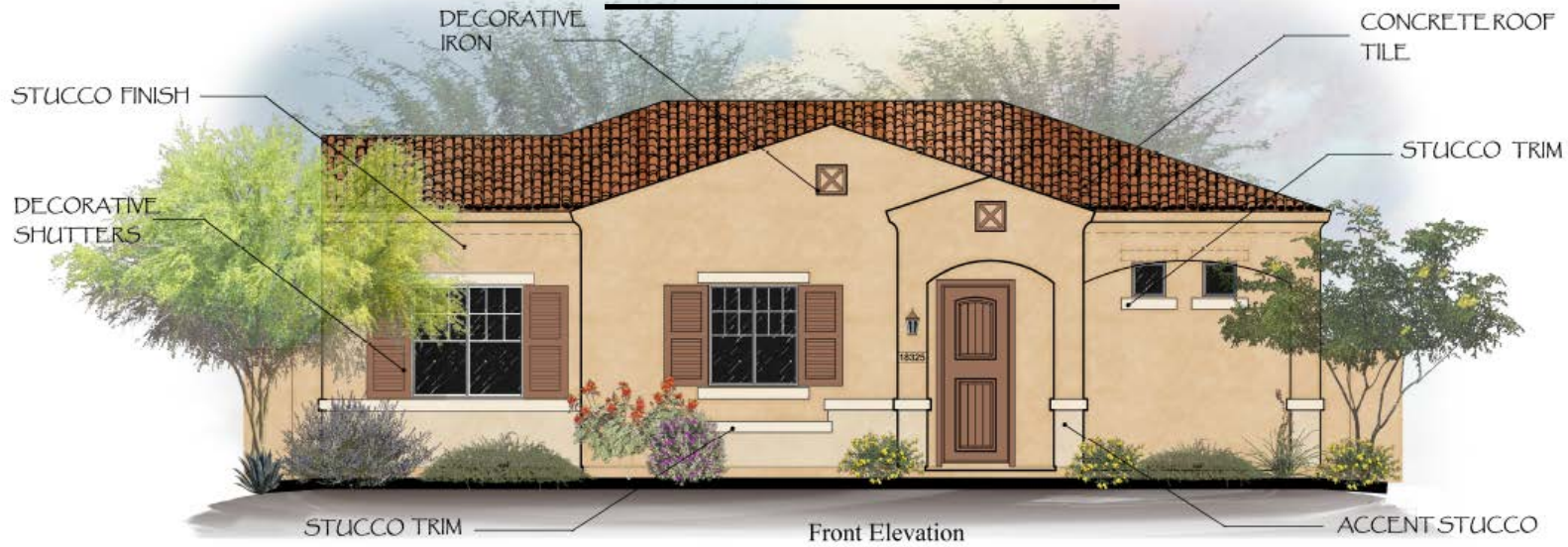


Left Elevation

Rear Elevation

Right Elevation

3 Bedroom Unit



Front Elevation

Front Elevation

Left Elevation

Rear Elevation

Right Elevation

Parking Garage

Front Elevation

Front Elevation

Left Elevation

Rear Elevation

Right Elevation

ORDINANCE 2017-12

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, APPROVING A PLANNED AREA DEVELOPMENT (PAD) AMENDMENT TO THE COTTON GIN PAD TO ALLOW MULTI-FAMILY RESIDENTIAL AS A PERMITTED LAND USE ON THE 10.8 ACRE PARCEL LOCATED ON THE NORTHEAST CORNER OF WADDELL ROAD AND REEMS ROAD.

WHEREAS, this Ordinance was properly noticed for public hearing and the necessary hearings and opportunity for public input were completed;

WHEREAS, the subject site is located on the northeast corner of Waddell Road and Reems Road;

WHEREAS, the subject site is zoned Planned Area Development (PAD);

WHEREAS, the land use designation of the subject site is Commercial;

WHEREAS, this PAD amendment will allow Multi-Family Residential as an additional permitted use on the subject site;

WHEREAS, this PAD amendment will establish specific development standards for Multi-Family Residential uses;

WHEREAS, if the subject site develops as a Multi-Family Residential use, no Commercial uses will be permitted;

WHEREAS, the proposed use of the subject site requires modification of the applicable zoning regulations;

WHEREAS, the proposed PAD Amendment satisfies the requirements set forth in Chapter 122 of the Surprise Municipal Code;

WHEREAS, this PAD Amendment is in harmony with the purposes and intent of the zoning ordinance and the Surprise General Plan; and

WHEREAS, on June 1, 2017, the Planning and Zoning Commission recommended approval of the Major PAD Amendment for Avilla.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. *Rezoning.* The parcel legally described on Exhibit A and depicted on Exhibit B, known as "Cotton Gin" is rezoned from Planned Area Development – Commercial to Planned Area Development – Commercial/Multi-Family Residential, is amended to be consistent with that document attached hereto as Exhibit C, entitled Addendum #1 Avilla dated 4/25/2017. This PAD Amendment also adds the following development standards for multi-family residential uses:

	EXISTING (Commercial)	ADDITIONAL (Multi-Family)
North Setback	20'	10'
West Setback	20'	20'
South Setback	20'	20'
East Setback	20'	10'
Max Building Height	45'	25'-Leasing Office 18'-Residential Units
Landscape Setback	N/A	East side-0' All Other Sides-8'
Minimum Open Space	25%	25%

Section 2. *Amendment of Zoning Map.* The City of Surprise zoning map is herewith amended to reflect the change in districts referred to in Section 1 above.

Section 3. *Codification.* This Ordinance is not of a general nature and shall not be codified.

Section 4. *Repeal of Conflicting Ordinances.* All ordinances or parts of ordinances in conflict with the provisions of this ordinance or any part of the code adopted herein by reference are hereby repealed, upon the effective date of this Ordinance.

Section 5. *Severability.* If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 6. *Effective Date.* This ordinance shall become effective at the time and in the manner prescribed by law.

SIGNATURES ON THE FOLLOWING PAGE

PASSED AND ADOPTED this _____ day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

EXHIBIT A

Legal Description
For
Avilla – Waddell & Reems

Located in the Southwest Quarter of Section 8, Township 3 North, Range 1 West, Gila and Salt River Meridian, Maricopa County, Arizona;

All of Lot 210 as shown on the Final Plat of "Cotton Gin", as recorded in Book, 658, Page 40, Maricopa County Records more particularly described as follows:

Commencing a the Southwest Corner of said Section 8;

Thence South 88°46'42" East, along the South line of said Southwest Quarter, a distance of 79.36 feet;

Thence departing said South line, North 01°13'18" East, a distance of 65.00 feet to the most Southerly, Southwest corner of said Lot 210 and the Point of Beginning;

Thence North 44°30'32" West, a distance of 22.91 feet;

Thence North 00°15'03" West, a distance of 577.40 feet;

Thence North 45°29'33" East, a distance of 22.34 feet;

Thence South 88°46'43" East, a distance of 759.26 feet;

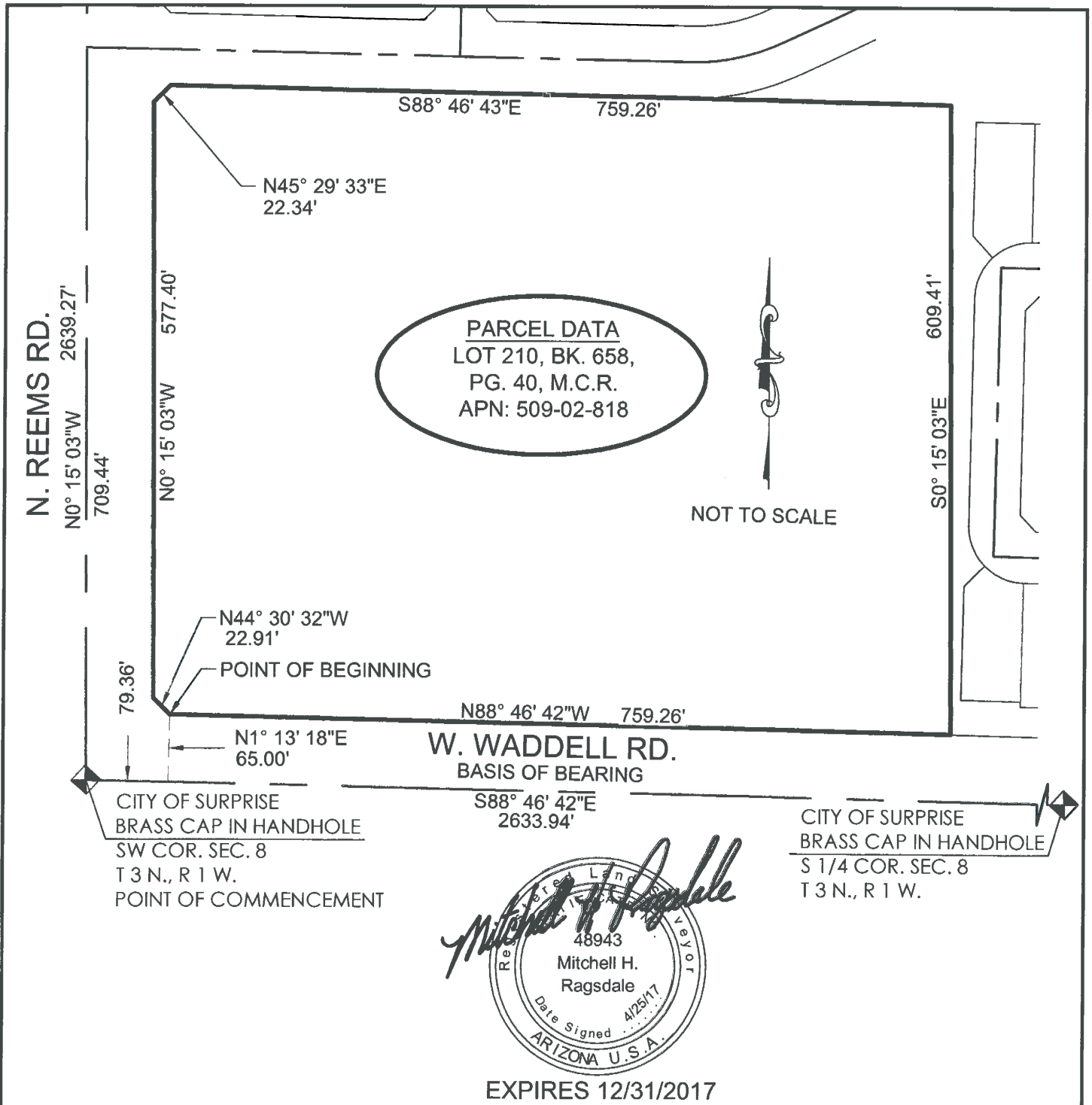
Thence South 00°15'03" East, a distance of 609.41 feet;

Thence North 88°46'42" West, a distance of 759.26 feet to the Point of Beginning.

Contains 472,030.27 square feet or 10.84 acres, more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO
48943
MITCHELL H
RAGSDALE
Date Signed 4.25.17
ARIZONA U.S.A.
Expires: 12.31.17

Terrascapeconsulting.com



Registered Land Surveyor
48943
Mitchell H.
Ragsdale
Date Signed 4/25/17
ARIZONA U.S.A.

EXPIRES 12/31/2017

AREA = 472,030.27 S.F. OR 10.84 ACRES

consulting Terrascape
civil engineering • surveying • urban planning

1102 East Missouri Ave,
Phoenix, Arizona 85014

575 West Chandler Blvd. #123,
Chandler, Arizona 85225

P:602.297.8732 • F:602.230.8458

Zoning Exhibit

AVILLA - WADDELL & REEMS

CITY OF SURPRISE, AZ

Project No. 0680 Date: 04/25/17

Plotted: 04/25/17 - 9:01 AM, By: mragsdale
File: M:\0680 NexMetro - Avilla Waddel & Reems- Surprise\Survey\0680 - Basemap.dwg, --> Zoning Exhibit

EXHIBIT B – DEPICTION OF THE PROPERTY TO BE RE-ZONED

EXHIBIT C

COTTON GIN PLANNED AREA DEVELOPMENT AMENDMENT 4/25/17

ADDENDUM #1 - AVILLA

I. Project Description

NexMetro Development, LLC ("NexMetro") is requesting the City of Surprise ("City") to amend the Cotton Gin Planned Area Development ("Cotton Gin PAD" or "PAD") to allow NexMetro to develop a new residential community known as "Avilla" on approximately 10.8 acres located at the northeast corner of Reems Road and Waddell Road ("Site"). A Regional Aerial of the Site is provided at **Exhibit 1**. A Legal Description of the Site is provided at **Exhibit 2**. The current zoning on the Site is PAD. The PAD currently caps the maximum allowed residential density to 3.1 du/ac within the residential areas of the 80-acre development. NexMetro is requesting to increase the allowed residential density to 4.23 du/ac to allow additional residential units to be developed within the 10.8 acre Commercial area of the 80 acre development. Further, the permitted use within the 10.8 acre commercial parcel under the existing PAD are the land uses allowed under the City's C-2 Zoning District. As an alternative land use on the Site, NexMetro is requesting Multifamily be added to the list of permitted uses. If a Multifamily use is developed on the Site, commercial uses will not be permitted on the Site. An Existing Zoning Map is provided at **Exhibit 3.** A Proposed Zoning Map is provided at **Exhibit 4**.

Existing vs. Proposed: List of Permitted Land Uses

Existing	Proposed
C-2 Zoning District	C-2 Zoning District & Multifamily

Existing vs. Proposed: Development Standards

Existing (Commercial)

Front Setbacks:	35'
Side Setbacks:	15'
Rear Setbacks:	15'
Maximum Building Height:	45'
Minimum Open Space:	25%*
Perimeter Setbacks (front & side):	20'
Parking Requirements:	As per City Code

* Includes setback areas

Proposed (Multifamily)

Minimum Perimeter Building Setbacks:

North	10’
West	20’
South	20’
East	10’

Perimeter Landscape Setbacks:

East	0’
Other	8’

Maximum Building Height:	25’ Leasing Office Only
	18’ Residential Units
Minimum Open Space:	25%
Parking Requirements:	As per City Code

II. Surrounding Land Uses

The Site is located at the northeast corner of Waddell and Reems Roads, within the 80 acre Cotton Gin PAD area. The residential portion of the Cotton Gin development is known as Sanalina. The Sanalina community is fully developed with residential homes, neighborhood park and other common areas.

The Site is currently vacant land. The Site is bordered on the north by Ludlow Drive and east by the Sanalina residential homes (the Site is buffered from by the homes to the east by 154th Avenue and a common area tract). The Site is bordered on the west by Reems Road, then the Tash community, which is mostly residential with existing commercial uses located on the northwest corner of Waddell and Reems Roads. Waddell Road is located south of the Site, and the property south of Waddell is within the Marley Park PAD, which contains commercial and residential uses.

Avilla is compatible with the existing residential developments to the north and east and provides its residents with pedestrian connections to nearby shopping opportunities, which is desired by residents looking for a healthy lifestyle.

III. PAD Zoning –Multifamily Uses

This Addendum allows Multifamily Residential Uses within the 10.8 acre Site previously designated for Commercial C-2 uses. In addition to the previously allowed C-2 uses, this Addendum allows the following additional permitted uses: single-story attached and detached rental units, open spaces and other accessory uses allowed in the RM-12 Zoning District.

IV. Land Plan

The Site is located on 10.8 acres at the northeast corner of Reems Road and Waddell Road, which are two major arterial roads. This Site is intended for high quality, single-story, detached and attached residential "Casita" style homes within a gated community. Community amenities will be provided for the multifamily community, such as a community pool, tot lot, and other gathering areas for residents and their guests. Pedestrian access to Reems and Waddell Roads will be provided. Additionally, vehicular access will be primarily provided to/from Waddell Road and an exit only access will be provided to Reems Road.

If the 10.8 acre Site is developed as a multifamily residential use as described above, no commercial uses will be permitted.

V. General Plan Requirements and Standards

The Surprise General Plan 2035 designates the Site as Suburban Neighborhood in the Neighborhood Character Area, which suggests a density range of 2-8 du/ac. The proposed overall residential density of 4.23 du/ac is consistent with the Surprise General Plan 2035.

VI. PAD Land Use Summary

Land Use	**Acres**	**% of Total**	**Units**	**Density**
Single Family Detached	53.78	67.4	210	
Open Space	9.32	11.7		
Arterial Roads	5.81	7.3		
GROSS SINGLE FAMILY RESIDENTIAL DENSITY	68.91		210	3.1
Commercial/Multifamily	10.84	13.6	127	11.7
Totals	**79.75**	**100**	**337**	**4.23**

Exhibit 1

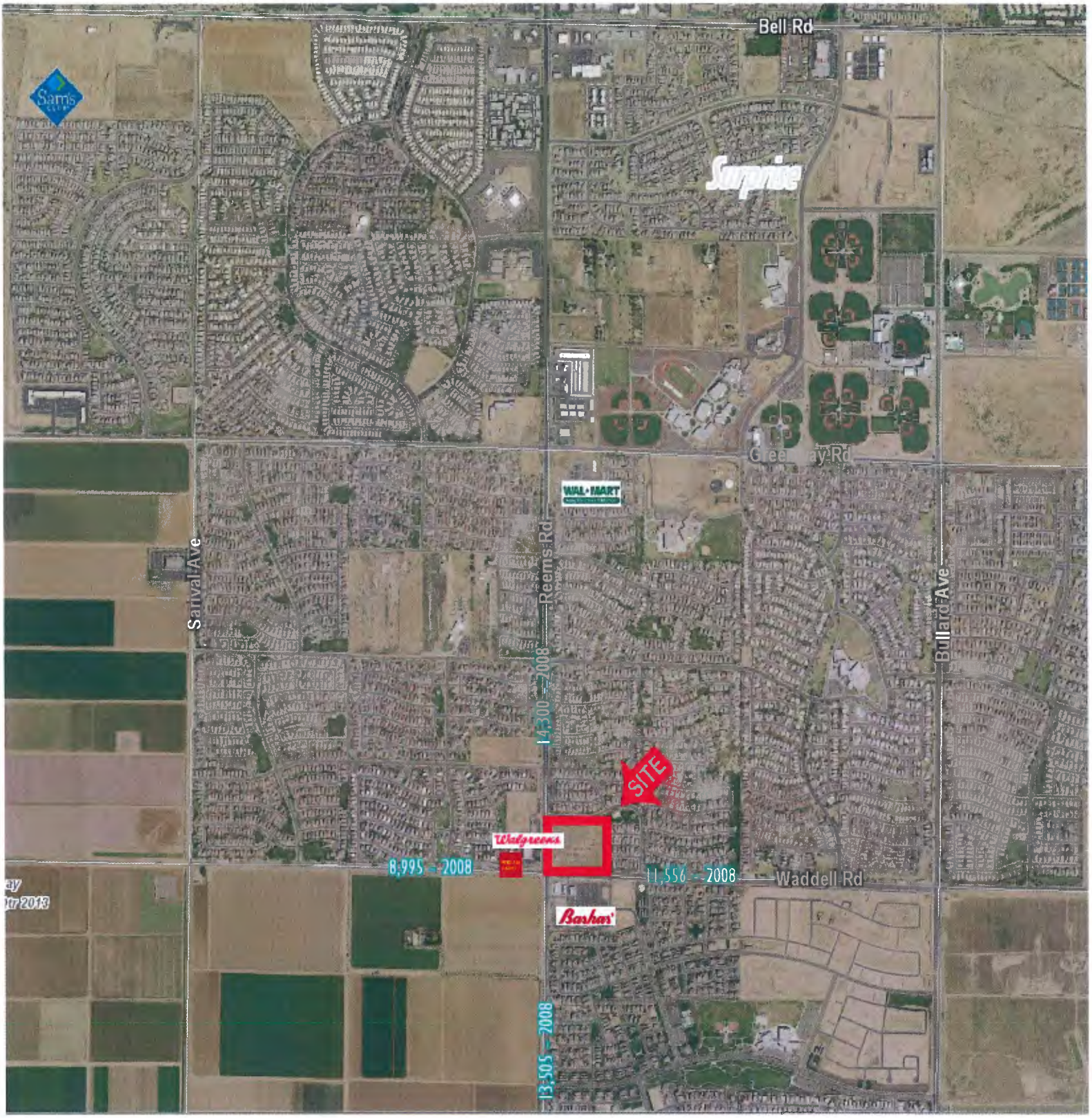

Bell Rd
Sam's
Surprise
Greenway Rd
WAL-MART
Sarival Ave
Reems Rd
14,300 - 2008
SITE
Walgreens
8,995 - 2008
11,556 - 2008
Waddell Rd
Bullard Ave
Barbas
13,505 - 2008

Exhibit 2

Legal Description
For
Avilla – Waddell & Reems

Located in the Southwest Quarter of Section 8, Township 3 North, Range 1 West, Gila and Salt River Meridian, Maricopa County, Arizona;

All of Lot 210 as shown on the Final Plat of "Cotton Gin", as recorded in Book, 658, Page 40, Maricopa County Records more particularly described as follows:

Commencing a the Southwest Corner of said Section 8;

Thence South 88°46'42" East, along the South line of said Southwest Quarter, a distance of 79.36 feet;

Thence departing said South line, North 01°13'18" East, a distance of 65.00 feet to the most Southerly, Southwest corner of said Lot 210 and the Point of Beginning;

Thence North 44°30'32" West, a distance of 22.91 feet;

Thence North 00°15'03" West, a distance of 577.40 feet;

Thence North 45°29'33" East, a distance of 22.34 feet;

Thence South 88°46'43" East, a distance of 759.26 feet;

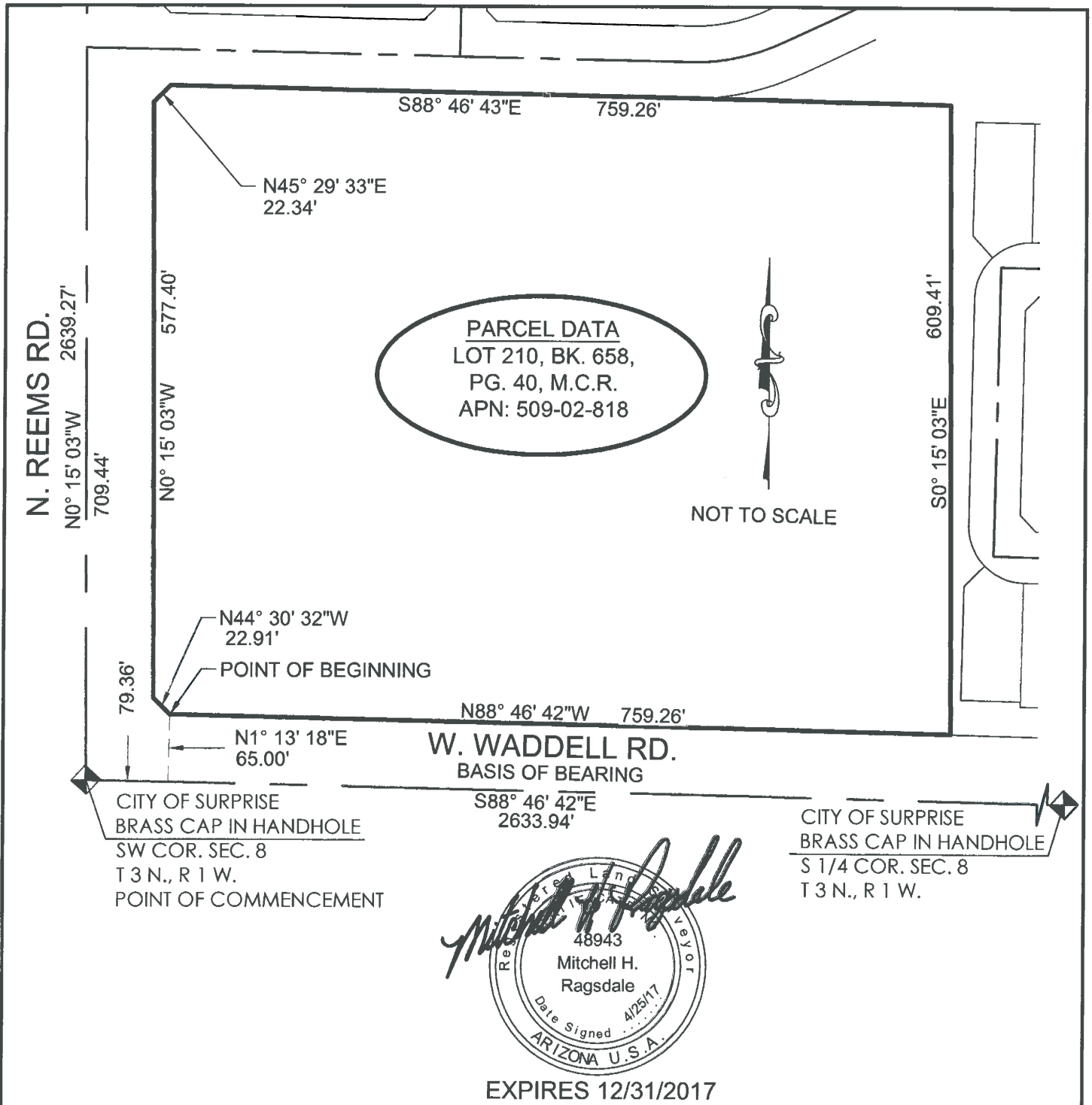
Thence South 00°15'03" East, a distance of 609.41 feet;

Thence North 88°46'42" West, a distance of 759.26 feet to the Point of Beginning.

Contains 472,030.27 square feet or 10.84 acres, more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO
48943
MITCHELL H
RAGSDALE
Date Signed 4.25.17
ARIZONA U.S.A.
Expires: 12.31.17

Terrascapeconsulting.com



Registered Land Surveyor
48943
Mitchell H.
Ragsdale
Date Signed 4/25/17
ARIZONA U.S.A.

EXPIRES 12/31/2017

AREA = 472,030.27 S.F. OR 10.84 ACRES

consulting Terrascape
civil engineering • surveying • urban planning

1102 East Missouri Ave,
Phoenix, Arizona 85014

575 West Chandler Blvd. #123,
Chandler, Arizona 85225

P:602.297.8732 • F:602.230.8458

Zoning Exhibit

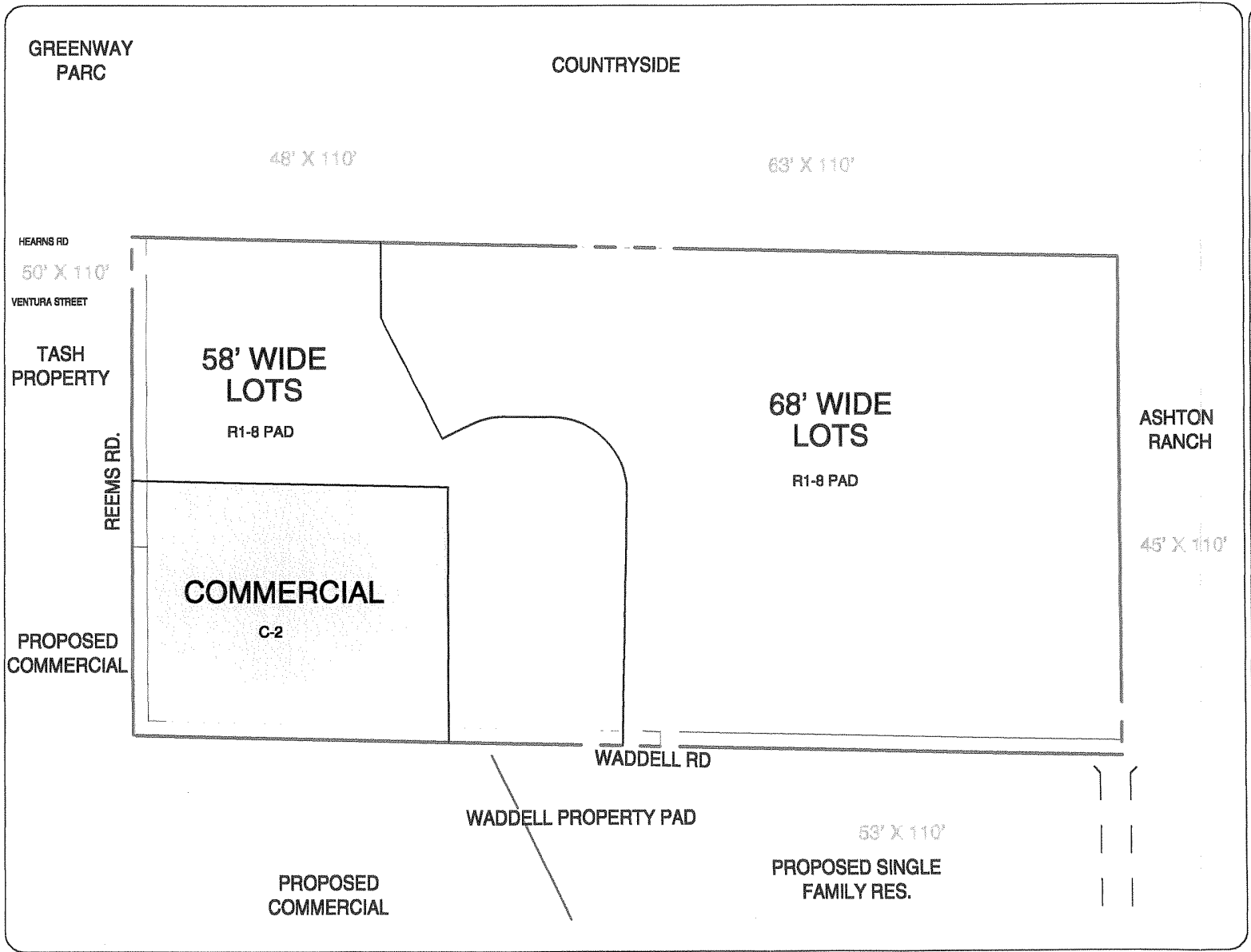
AVILLA - WADDELL & REEMS

CITY OF SURPRISE, AZ

Project No. 0680 Date: 04/25/17

Plotted: 04/25/17 - 9:01 AM, By: mragsdale
File: M:\0680 NexMetro - Avilla Waddel & Reems- Surprise\Survey\0680 - Basemap.dwg, --> Zoning Exhibit

Exhibit 3



Cotton Gin

ZONING EXHIBIT

(EXISTING)

N.T.S.

CVL JOB # 00-0068

DATE: 5-8-01

CVL

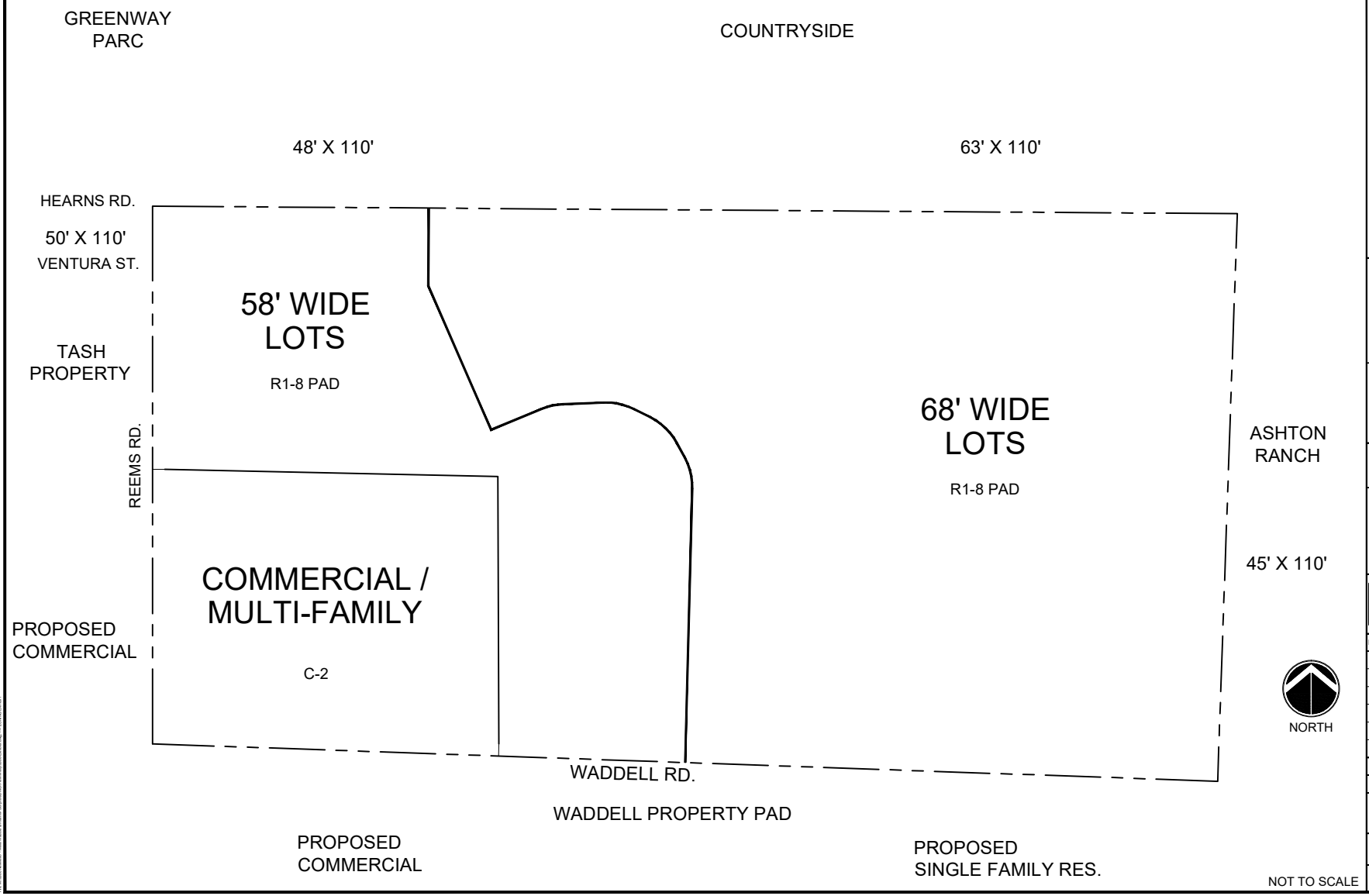
EXHIBIT C

Exhibit 4

Proposed Zoning Exhibit

COTTON GIN

CITY OF SURPRISE, ARIZONA



consulting Terrascape civil engineering • surveying • urban planning

AVILLA

WADDELL & REEMS

COTTON GIN PLANS

NEXMETRO DEVELOPMENT, LLC

2355 E. CAMELBACK RD., SUITE 805
PHOENIX, ARIZONA 85016

ARIZONA 811

DATE:	DESCRIPTION
12/08/16	PRELIMINARY SITE PLAN

CHECKED BY: DMS

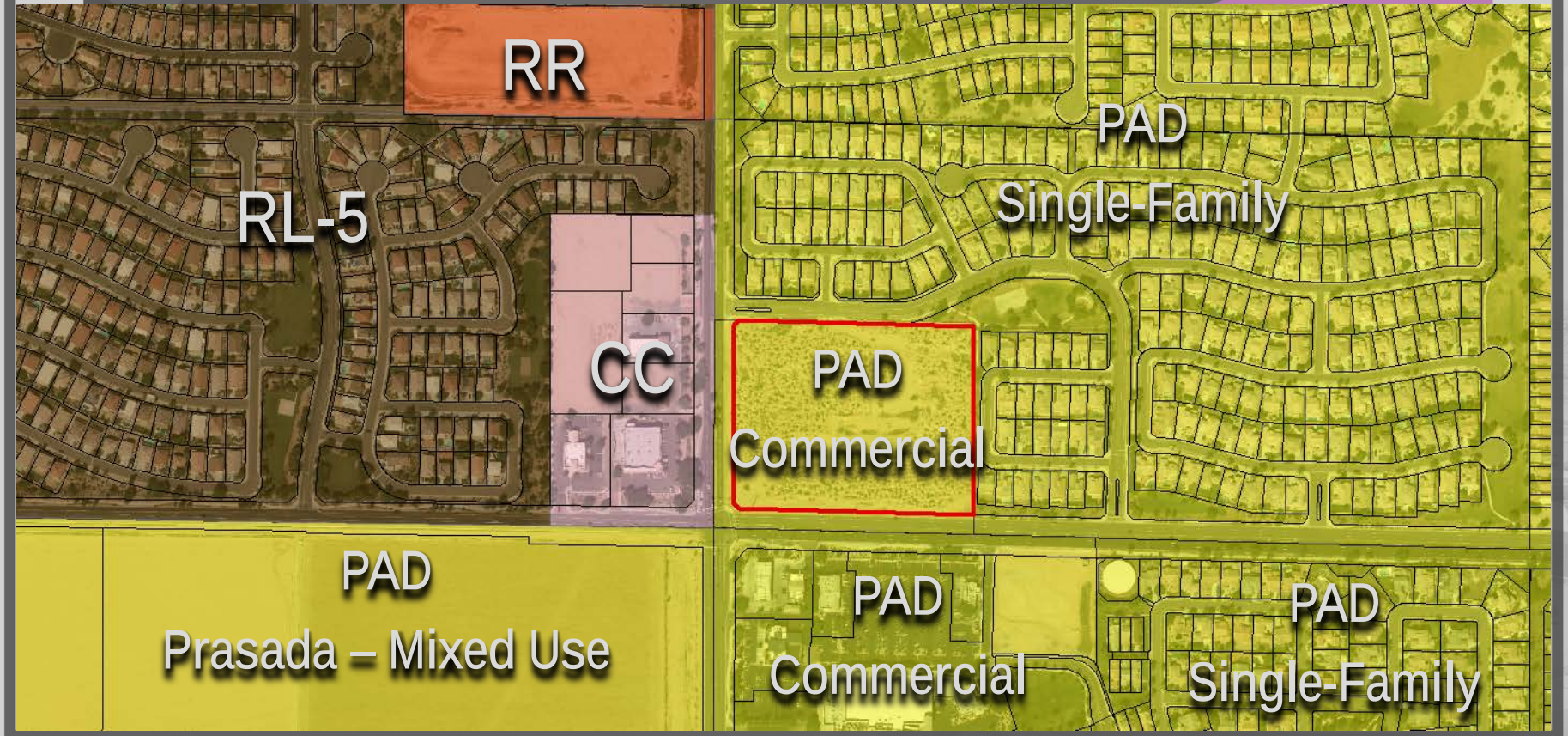
DRAWN BY: TAT

TITLE: ZONING EXHIBIT

SHEET No. 1 of 1

PROJECT No. 0680

SURROUNDING ZONING



ADDENDUM #1 - AVILLA

I. Project Description

NexMetro Development, LLC ("NexMetro") is requesting the City of Surprise ("City") to amend the Cotton Gin Planned Area Development ("Cotton Gin PAD" or "PAD") to allow NexMetro to develop a new residential community known as "Avilla" on approximately 10.8 acres located at the northeast corner of Reems Road and Waddell Road ("Site"). A Regional Aerial of the Site is provided at **Exhibit 1**. A Legal Description of the Site is provided at **Exhibit 2**. The current zoning on the Site is PAD. The PAD currently caps the maximum allowed residential density to 3.1 du/ac within the residential areas of the 80-acre development. NexMetro is requesting to increase the allowed residential density to 4.23 du/ac to allow additional residential units to be developed within the 10.8 acre Commercial area of the 80 acre development. Further, the permitted use within the 10.8 acre commercial parcel under the existing PAD are the land uses allowed under the City's C-2 Zoning District. As an alternative land use on the Site, NexMetro is requesting Multifamily be added to the list of permitted uses. If a Multifamily use is developed on the Site, commercial uses will not be permitted on the Site. An Existing Zoning Map is provided at **Exhibit 3.** A Proposed Zoning Map is provided at **Exhibit 4**.

Existing vs. Proposed: List of Permitted Land Uses

Existing	Proposed
C-2 Zoning District	C-2 Zoning District & Multifamily

Existing vs. Proposed: Development Standards

Existing (Commercial)	
Front Setbacks:	35'
Side Setbacks:	15'
Rear Setbacks:	15'
Maximum Building Height:	45'
Minimum Open Space:	25%*
Perimeter Setbacks (front & side):	20'
Parking Requirements:	As per City Code

* Includes setback areas

Proposed (Multifamily)

Minimum Perimeter Building Setbacks:

North	10’
West	20’
South	20’
East	10’

Perimeter Landscape Setbacks:

East	0’
Other	8’

Maximum Building Height:	25’ Leasing Office Only
	18’ Residential Units
Minimum Open Space:	25%
Parking Requirements:	As per City Code

II. Surrounding Land Uses

The Site is located at the northeast corner of Waddell and Reems Roads, within the 80 acre Cotton Gin PAD area. The residential portion of the Cotton Gin development is known as Sanalina. The Sanalina community is fully developed with residential homes, neighborhood park and other common areas.

The Site is currently vacant land. The Site is bordered on the north by Ludlow Drive and east by the Sanalina residential homes (the Site is buffered from by the homes to the east by 154th Avenue and a common area tract). The Site is bordered on the west by Reems Road, then the Tash community, which is mostly residential with existing commercial uses located on the northwest corner of Waddell and Reems Roads. Waddell Road is located south of the Site, and the property south of Waddell is within the Marley Park PAD, which contains commercial and residential uses.

Avilla is compatible with the existing residential developments to the north and east and provides its residents with pedestrian connections to nearby shopping opportunities, which is desired by residents looking for a healthy lifestyle.

III. PAD Zoning –Multifamily Uses

This Addendum allows Multifamily Residential Uses within the 10.8 acre Site previously designated for Commercial C-2 uses. In addition to the previously allowed C-2 uses, this Addendum allows the following additional permitted uses: single-story attached and detached rental units, open spaces and other accessory uses allowed in the RM-12 Zoning District.

IV. Land Plan

The Site is located on 10.8 acres at the northeast corner of Reems Road and Waddell Road, which are two major arterial roads. This Site is intended for high quality, single-story, detached and attached residential "Casita" style homes within a gated community. Community amenities will be provided for the multifamily community, such as a community pool, tot lot, and other gathering areas for residents and their guests. Pedestrian access to Reems and Waddell Roads will be provided. Additionally, vehicular access will be primarily provided to/from Waddell Road and an exit only access will be provided to Reems Road.

If the 10.8 acre Site is developed as a multifamily residential use as described above, no commercial uses will be permitted.

V. General Plan Requirements and Standards

The Surprise General Plan 2035 designates the Site as Suburban Neighborhood in the Neighborhood Character Area, which suggests a density range of 2-8 du/ac. The proposed overall residential density of 4.23 du/ac is consistent with the Surprise General Plan 2035.

VI. PAD Land Use Summary

Land Use	**Acres**	**% of Total**	**Units**	**Density**
Single Family Detached	53.78	67.4	210	
Open Space	9.32	11.7		
Arterial Roads	5.81	7.3		
GROSS SINGLE FAMILY RESIDENTIAL DENSITY	68.91		210	3.1
Commercial/Multifamily	10.84	13.6	127	11.7
Totals	**79.75**	**100**	**337**	**4.23**

Exhibit 1

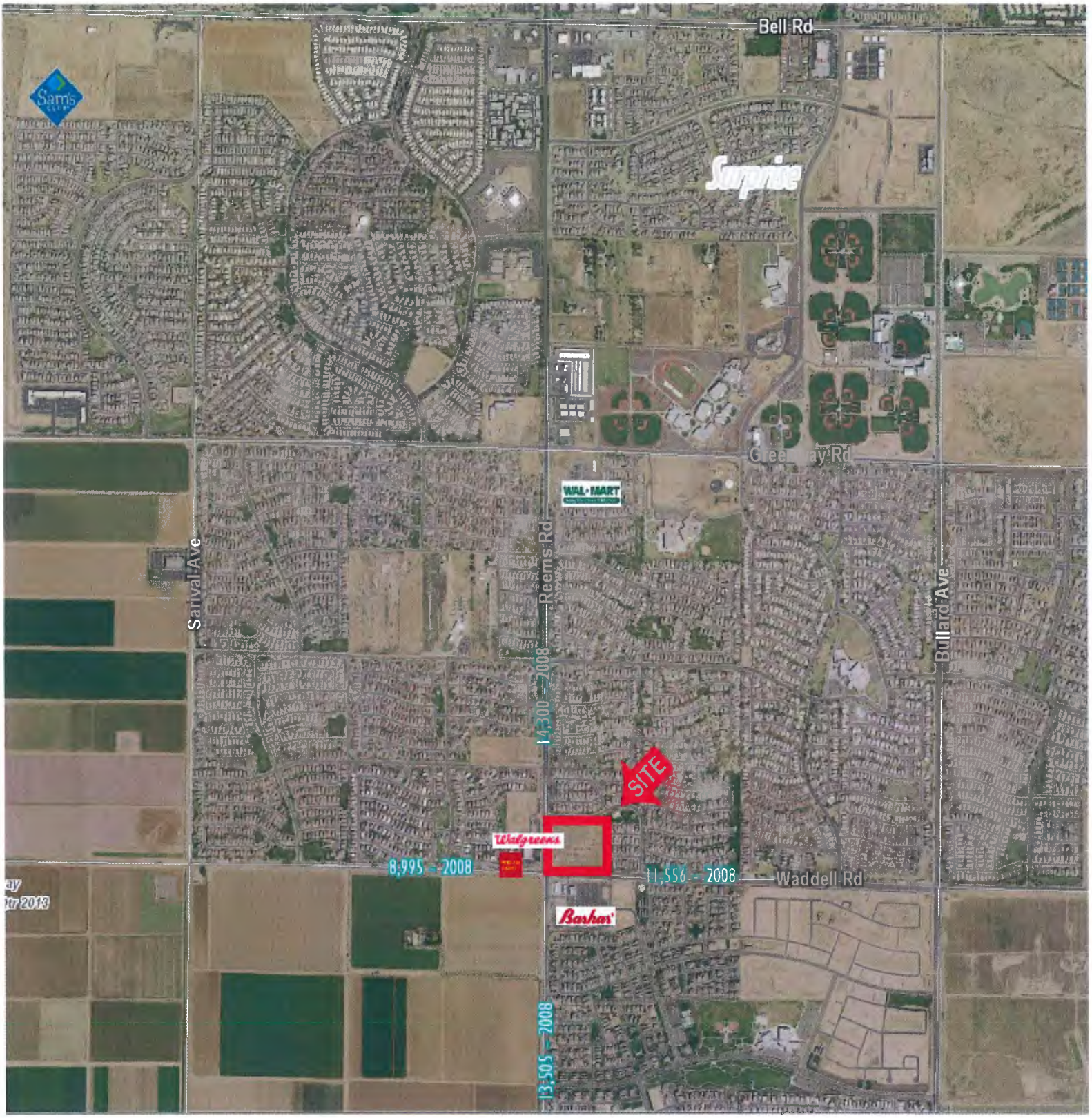

Bell Rd
Sam's
Surprise
Greenway Rd
WAL-MART
Sarival Ave
Reems Rd
14,300 - 2008
SITE
Walgreens
8,995 - 2008
11,556 - 2008
Waddell Rd
Bullard Ave
Barbas
13,505 - 2008

Exhibit 2

Legal Description
For
Avilla – Waddell & Reems

Located in the Southwest Quarter of Section 8, Township 3 North, Range 1 West, Gila and Salt River Meridian, Maricopa County, Arizona;

All of Lot 210 as shown on the Final Plat of "Cotton Gin", as recorded in Book, 658, Page 40, Maricopa County Records more particularly described as follows:

Commencing a the Southwest Corner of said Section 8;

Thence South 88°46'42" East, along the South line of said Southwest Quarter, a distance of 79.36 feet;

Thence departing said South line, North 01°13'18" East, a distance of 65.00 feet to the most Southerly, Southwest corner of said Lot 210 and the Point of Beginning;

Thence North 44°30'32" West, a distance of 22.91 feet;

Thence North 00°15'03" West, a distance of 577.40 feet;

Thence North 45°29'33" East, a distance of 22.34 feet;

Thence South 88°46'43" East, a distance of 759.26 feet;

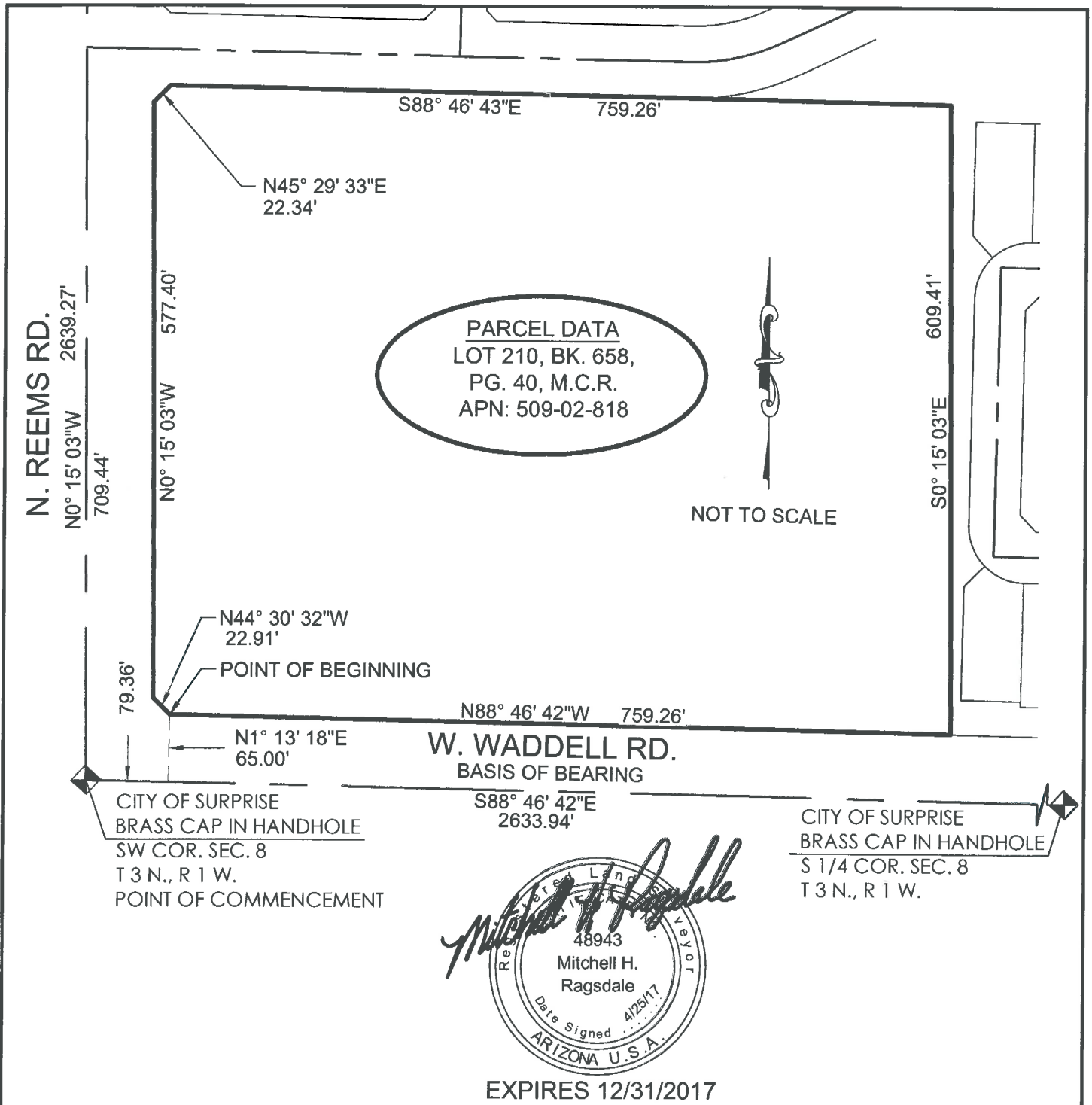
Thence South 00°15'03" East, a distance of 609.41 feet;

Thence North 88°46'42" West, a distance of 759.26 feet to the Point of Beginning.

Contains 472,030.27 square feet or 10.84 acres, more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO
48943
MITCHELL H
RAGSDALE
Date Signed 4.25.17
ARIZONA U.S.A.
Expires: 12.31.17

Terrascapeconsulting.com



Registered Land Surveyor
48943
Mitchell H.
Ragsdale
Date Signed 4/25/17
ARIZONA U.S.A.

EXPIRES 12/31/2017

AREA = 472,030.27 S.F. OR 10.84 ACRES

consulting Terrascape
civil engineering • surveying • urban planning

1102 East Missouri Ave,
Phoenix, Arizona 85014

575 West Chandler Blvd. #123,
Chandler, Arizona 85225

P:602.297.8732 • F:602.230.8458

Zoning Exhibit

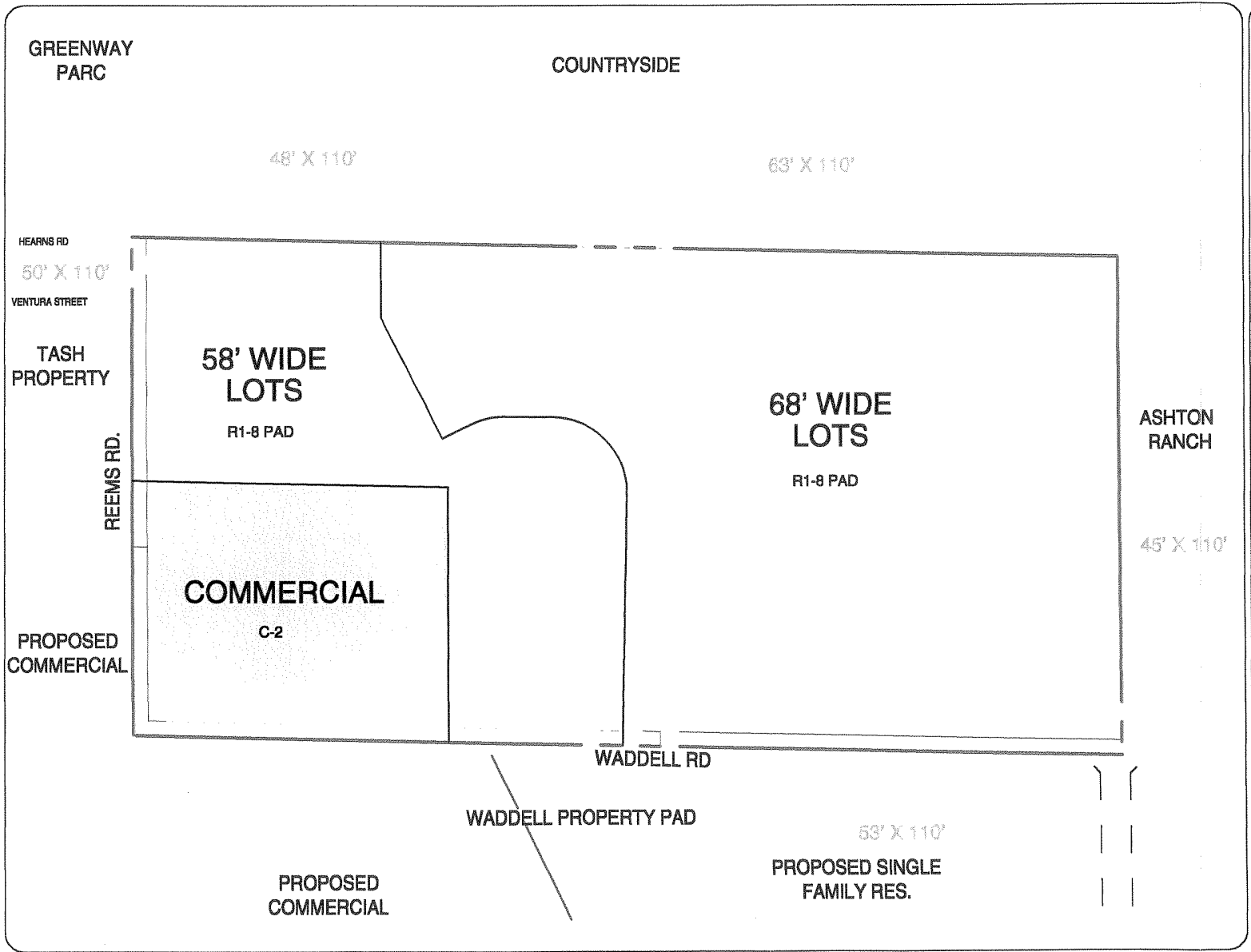
AVILLA - WADDELL & REEMS

CITY OF SURPRISE, AZ

Project No. 0680 Date: 04/25/17

Plotted: 04/25/17 - 9:01 AM, By: mragsdale
File: M:\0680 NexMetro - Avilla Waddel & Reems- Surprise\Survey\0680 - Basemap.dwg, --> Zoning Exhibit

Exhibit 3



Cotton Gin

ZONING EXHIBIT

(EXISTING)

N.T.S.

CVL JOB # 00-0068

DATE: 5-8-01

CVL

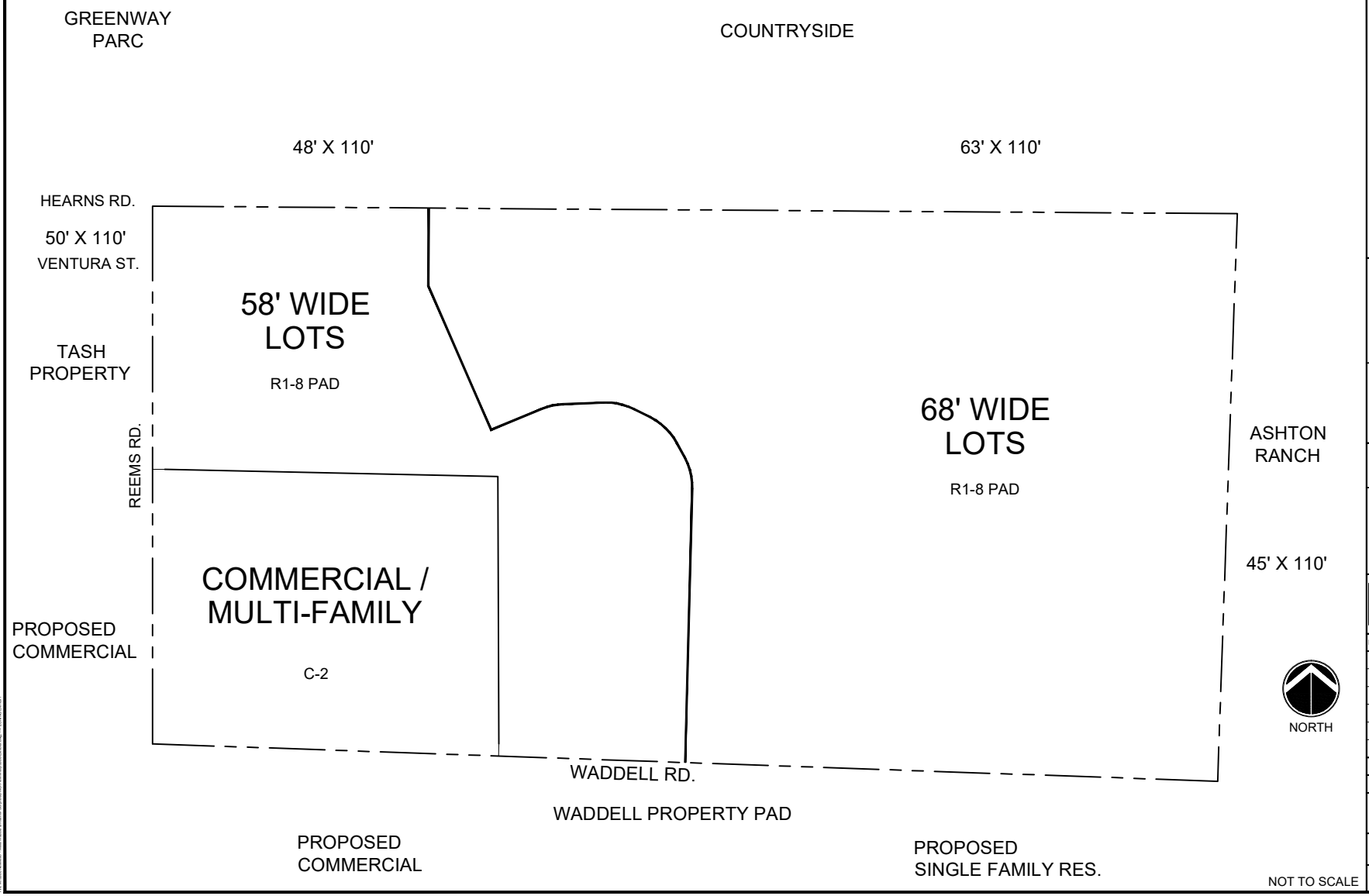
EXHIBIT C

Exhibit 4

Proposed Zoning Exhibit

COTTON GIN

CITY OF SURPRISE, ARIZONA



consulting Terrascape civil engineering • surveying • urban planning

AVILLA

WADDELL & REEMS

COTTON GIN PLANS

NEXMETRO DEVELOPMENT, LLC

2355 E. CAMELBACK RD., SUITE 805
PHOENIX, ARIZONA 85016

ARIZONA 811

DATE:	DESCRIPTION
12/08/16	PRELIMINARY SITE PLAN

CHECKED BY: DMS

DRAWN BY: TAT

TITLE: ZONING EXHIBIT

SHEET No. 1 of 1

PROJECT No. 0680

1/26/17 Neighborhood Meeting Summary
NexMetro—NEC Reems & Waddell Roads

Attendees
Brian Rosenbaum, NexMetro
Jared Geisler, NexMetro
Dave Soltysik, Terrascape Consulting
Tyler Thompson, Terrascape Consulting
Nick Adamson, McGough Group
Chris Williams, Southwest Traffic Engineering
Brennan Ray, Burch & Cracchiolo
Brian Greathouse, Burch & Cracchiolo
Ricki Horowitz, Burch & Cracchiolo
Lloyd Abrams, City of Surprise Community Development
Sergio Angulo, City of Surprise Community Development
155 +/- neighbors (see sign-in sheets)

Introduction

- We will be holding another neighborhood meeting
- NexMetro is proposing to develop the site with one-story, predominately detached, rental casitas. The concept originated in Tucson in the 1990s.
- The residences are high quality and are a lifestyle choice. Demographically, occupants are typically young professionals who can afford homeownership but just do not choose it. Approximately 40% are above 40 years of age, and approximately 75% are single women due to the security/privacy factor enjoyed by residents.
- Identified numerous Avilla developments throughout the valley. Have a proven track record of success.
- Not 2 & 3 story apartments.
- All single-story, predominately detached casitas. Approximately 80% of the buildings are detached and approximately 20% are one-bedroom casitas in a duplex building.
- Site is part of the Cotton Gin PAD that was approved in 2001. These 11 acres were identified as C-2 uses. Read a list of uses permitted under the C-2 zoning District.
- Maximum building height for Commercial/PAD is 45'. Avilla is proposing one-story casitas at 18'.
- Proposing 133 units. Because we are proposing 12.3 du/ac, it is considered HDR because it is over 12.0 du/ac. Medium density goes up to 12 du/ac while HDR starts at 12 du/ac.
- Explained process. This is one of a series of steps. Filed application, receive Staff's comments, and schedule the neighborhood meeting. Depending on the outcome of the NH meeting, could move forward or schedule another NH meeting. PC and CC dates not established yet. Neighbors will get future notifications if they signed in. There will also be signs posted on the site with hearing dates.
- There will be 1, 2 & 3 bedroom units. One bedroom units will be approximately 625-650sf, 2-bedroom approximately 925-950sf, and 3-bedroom approximately 1,100sf.
- The interiors of the residences include stainless steel appliances, granite countertops, 10-foot ceilings, high quality materials and design, and are maintenance free. The development will have maintenance workers and a concierge-like trash service.
- Casitas will have pitched roofs. Will incorporate materials/theming from surrounding subdivision.
- Each residence has its own private rear yard. Garages are provided on a limited basis for an additional fee.
- Gated community.

1/26/17 Neighborhood Meeting Summary
NexMetro—NEC Reems & Waddell Roads

Questions, Answers, and Comments

1. Is this stoppable?
    a. Yes. Your voices will be heard.
2. Who are you? This is just a sales pitch.
    a. Explained the neighborhood meeting is part of the rezoning process..
3. Some neighbors were not concerned about the buyer profile or did not want to hear any background information. After Brian Greathouse read off the entire C-2 list of uses, one neighbor said he would take all those commercial uses over apartments.
4. One neighbor thought City only wanted 9 du/ac, which would mean 81 units.
5. A neighbor requested everyone go to the Council meeting tomorrow and let their opinions be known.
    a. The Council member said there was no meeting tomorrow night and suggested the neighbors communicate with all the council members.
6. What are the open space requirements? Thinks we need to have 20% open space. His front yard isn't counted in the open space.
    a. 2.1 acres is required; 4.65 is provided.
7. Does this factor in retention?
    a. The landscape plan with the open space was shown.
8. Folks want to voice their opinions. Will the City get this information?
    a. The notes from this meeting will be summarized and given to the City. The summary will be included in the Staff Report that goes to the PC & CC.
9. Does NexMetro own the site?
    a. NexMetro is under contract with the owner and it is based on the rezoning.
10. Will these be low income rentals?
    a. No nor will they be section 8 rentals. At today's dollars, the 1-bedroom casitas will rent for $1,000, 2-bedroom 1,250 and 3-bedroom up to $1,600. The annual household income for the residents is estimated at $70-85k.
11. How long are the leases for? Can you rent month-to-month?
    a. Leases are a minimum of one year. Average lease length is typically 28 months.
12. Where is the access?
    a. Main entry is on Waddell. A median is being put in so the main entry will have right in/right out and left in only. No left out. There will be an exit only on Ludlow.
13. Will the wall on the north property line be removed?
    a. Yes. Will be removing the wall to move it south, away from the street. The sidewalk will remain, there will be landscaping and then the wall.
14. What is the size of the rear yards?
    a. Rear yards will be a minimum of 10' around the perimeter. Typical depth is 8' on the interior.
15. Can something else be constructed instead of this development?
    a. If the Council approves the development, this is the only residential development that may be built. It is not a bait and switch deal. We have narrowed the wording and plans to allow this exact development. If there were substantial changes to the plan, it would need to go through a public hearing process again.
16. The traffic will be horrible in our neighborhood. It will be used for cut-through.
    a. Currently the site is approved for commercial. Traffic counts from the 2001 traffic study for the residential portion of the 80 acres (Sanalina homes) includes 2,000 trips/weekday– 9 trips/home. The 11 acre commercial site showed a 100,000sf

commercial center with 6,800 trips/weekday. There would be 160 vehicles/hour during peak hours of 7-9 a.m., and 625 vehicles/hour during peak hours of 4-6 p.m. According to the current ITE standards, apartments would have 884 trips/weekday compared to 6,800 trips/weekday (2001 study) for a commercial center. The approved 2001 traffic circulation plan showed access on Reems, Waddell and Ludlow.

17. People will use Ludlow if they cannot make a left at the main entrance. That is what the neighbors are worried about.
    a. A traffic study was submitted to the City and is in for review.
18. What is the benefit to the neighbors?
    a. The neighbors would need to decide whether or not they want residential or commercial. If it was Brennan, he would take the residential so would not have to deal with grease traps, dumpsters, loading docks, traffic, etc. This will be a high-quality development, you know what you are getting, and it is a very compatible use.
19. How will you control who you rent to?
    a. Renters go through screening and background checks. The development will also be compliant with crime prevention techniques.
20. Is there anything on line regarding this case?
    a. We will work with City to get something on line.
21. Why is this considered high density residential?
    a. Because the density is at 12.3 du/ac rather than at 12.0, we are considered HDR instead of MDR.
22. Are these homes strictly for rental or for sale too?
    a. Homes are for rent only.
23. Will have an impact on the 2-lane section of Waddell. Has anyone looked at traffic at Waddell to the 303?
    a. Have not looked at traffic on Waddell near the 303 because we are in the lowest trip generation and were only required to do a Class 1 traffic statement.
24. When will a traffic study be done on Waddell?
    a. This is not part of our process. It would be a City issue.
25. Has a demographic study been done? Area has one of the lower purchases prices. Why wouldn't people buy homes? Why not put in 30 houses instead?
    a. NexMetro is not a single family homebuilder. They only develop rental casitas.
26. What about our property values?
    a. Based on discussions with Real Estate professionals, it is believed that the "fear of the unknown" has a greater impact on property values. No data out there can predict this impact—good or bad.
27. How many apartments has NexMetro built and flipped? How long in business?
    a. NM has been in business since 2012**.** Have not sold any developments in the last 3 years.
28. Will NexMetro be able to sell in 5-10 years later for single family residential?
    a. Believe that changing from "for rent" to single family homes would require a rezoning (which was confirmed by City Staff).
29. Will development have a playground?
    a. No, based on demographics of the development. Expect 2 kids/10 units.
30. With an exit on Ludlow, can speed bumps be installed?
    a. Will check with City.
31. Can a market analysis be done?
    a. A market analysis has not be done. There are no plans to do so.
32. How wide are the interior drive aisles?

    a. 26'

33. Can we get a copy of the meeting summary notes? Can notes be downloaded?
    a. The summary will be part of the Staff Report that goes to the PC & CC.
34. There have been 32 (one neighbor said 73) accidents (1 fatal) at Waddell & Reems in the past year.
35. How many parking spaces proposed?
    a. Code requires 269, proposing 271 parking spaces.
36. Where will the dumpsters be located?
    a. Dumpsters are located along internal drive aisle.
37. How are we going to stage construction?
    a. Have not gotten that far yet. Normally stage on site according to one of the neighbors.
38. If approved, when will it be built?
    a. Expect 3-4 months to Council, 6-9 months for CDs, and move dirt about the end of the year or first quarter of next year.
39. Will the median on Waddell be solid and where will it end.
    a. Median will end before the residential neighborhood to the east. Surprise roadway system always showed a median at this location. Currently, proposed median ends at the Site's east property boundary.
40. Will the gated entrance have a security booth?
    a. No manned security booth. Will have a key pad for resident/guest access.
41. Will rear yards be fenced?
    a. The private rear yards will be fenced.
42. Will there be a clubhouse?
    a. No clubhouse. There will be a leasing office with restrooms, etc.
43. Don't buy 2 kids/10 houses. The kids will come to our neighborhood and use our parks and will walk dogs in our neighborhood.
    a. We have a dog park.
44. How many 3 bedrooms?
    a. 39 3-bedrooms, 62 2-bedrooms and 34 1-bedroom.
45. Will the community have a security company on board?
    a. Do not have an answer. Will need to check.
46. Are there restrictions on number of people living in one unit?
    a. Do not have an answer. Will need to check. Typically, there are definitions re what a "family" is in a City's Zoning Ordinance.
47. Once all units are rented, will there always be someone in the leasing office? Where can neighbors go to complain?
    a. A person from the management office will be there 5 days a week during normal business hours.
48. How will you control the number of cars/unit?
    a. Do not have an answer. Will need to check.
49. One neighbor lives on Ventura. There's always cars racing through, lots of school buses, and used as a cut-through. Difficult to get out at 153rd Street. Will she be able to make a right?
    a. Not changing anything at 153rd Street and Waddell. Will have another exhibit at the next meeting that shows this intersection. Will look at cut-through traffic.
50. "Can put lipstick on a pig but it's still a pig." Will put 100s of cars and people in their neighborhood. Will have a 64% increase in the number of cars and people. Property values will decrease. Told it was going to be commercial – great; apartments – negative.

1/26/17 Neighborhood Meeting Summary
NexMetro—NEC Reems & Waddell Roads

51. What happens if the maintenance workers miss some trash or the residents don't put their trash out on the correct day?
    a. Trash gets picked up five days per week.
52. If you can't rent the units, will you drop prices? Have you done this at your other locations?
    a. Generally property management companies offer an incentive rather than drop the price per month (i.e. rent now get $200 off your first month).
53. Will you consider an exit/entry off of Reems Road?
    a. Will look into it.
54. Why no park in the development?
    a. Will look into it.
55. One neighbor said the neighborhood should consider the options. If it goes commercial, it will really "suck."
56. Why build here?
    a. Land is for sale and thinks this type of use would be compatible to the area. NexMetro will have a $30-$40M investment in the development and want it to be successful.
57. What is the advantage of rezoning? Is NexMetro getting it for a "steal"?
    a. For the same reasons why the neighbors live here, is why NexMetro wants to build here.
58. 2 main concerns – exit on Ludlow and using their parks. Before this meeting, he thought it was going to be shacks.
59. Looks like a good project. Suggests meeting with their HOA.
    a. We agree to meet with the HOA.
60. Where will the school buses pick up? Their pick up is in front of the playground.
    a. Do not know. Will need to look into it.
61. Will apartment community pay the HOA back for using their parks and picking up the apartment people's dog poop? Will we consider subsidizing their park? One neighbor said their parks have drug issues.
    a. Will look into it.
62. Who will take care of the maintenance?
    a. They have a 24-hour hot line
63. Their community has rules. How will this apartment development abide by rules?
    a. Lease agreements spell out what can/cannot do. The management company enforces the rules. Management company enforces the rules and is there 5 days/week (7 days/week during the leasing phase) and have a 24-hour hot line.
64. Will the development have any impact on the existing infrastructure – water, sewer, etc.
    a. No. There is adequate service out there. Currently have water and sewer to property. Will just need to tap into the existing service.
65. Does not like the pedestrian gate. Afraid kids will also be jumping their fences. We cannot get into the apartment community because it is gated. Why should you come into our development?
    a. General plan encourages walking and biking around the community. The access will be to the public sidewalk.
66. Would NexMetro considering put an age restriction on the community?
    a. NexMetro does not age restrict their communities. Typically their communities have approximately 40% over age 40 and 75% are women.
67. Where will these people work? There's nothing out here. They will have to go somewhere else to work. If it was commercial, do not believe there would be a payday loan in the center.

    a. Many of our residents will come from single-family homes in the surrounding area, people who want to downsize, grandparents that want to be close to families, split families. Their demographics draws from the surrounding area.

68. Should have a focus group so they can give input and meet on a smaller scale. She thinks we are very aggressive. Questions why we should have a second meeting. Why accept this? Wants to wait for a single family option.
    a. Holding a neighborhood meeting is part of the rezoning process. We need to have a second meeting to answer neighbors questions that we do not have answers to tonight.
69. One neighbor said his community should think what could go on the site (i.e., title loan) if it was commercial.
70. Has a concern with 28 months leases being transient and maintenance of the units.
    a. The maintenance obligations will rest with the maintenance company.
71. What about taxes? Wouldn't City make out better with commercial development compared to apartments?
    a. With apartments, still will need to pay impact fees, permit fees, construction fees. Cities prefer commercial/employment.
72. Is there a high school going in around here?
    a. Charter high school is looking at 3 sites.
73. Can be support if the number of homes is reduced, a park is put in, the rules are enforced, there is access on Reems, and if maintenance/management is available 7-days/week because most of the issues occur on the weekends.

End of Meeting

3/30/17 Neighborhood Meeting Summary
NexMetro—NEC Reems & Waddell Roads

Attendees
Brian Rosenbaum, NexMetro
Jared Geisler, NexMetro
Dave Soltysik, Terrascape Consulting
Pim van der Giessen, Terrascape Consulting
Nick Adamson, McGough Group
Brennan Ray, Burch & Cracchiolo
Ricki Horowitz, Burch & Cracchiolo
Sergio Angulo, City of Surprise Community Development
26 +/- neighbors (see sign-in sheets)

Introduction and Review

- Identified the color coding on the exhibit boards – which exhibits were old and which exhibits were revised or new because of the changes that have been made since the last neighborhood meeting and the meeting with the Sanalina HOA board.
- Neighbors received a handout of the 1/26/17 neighborhood meeting issues (enclosed), which were going to be discussed at this meeting. The issues discussed included:
    - Reduce number of units. Eliminated 6 units. Went from 133 to 127. Development is no longer considered HDR; now MDR. Density went from 12.2 du/ac to 11.7 du/ac.
    - Pedestrian gate to Ludlow. Eliminated pedestrian gate on Ludlow.
    - Community park. A park area has been created for the proposed development so the occupants will not use the neighboring park. There will be a playground with a tot lot.
    - Dog park. The dog park has been moved numerous time. It is now located next to the entrance on Reems.
    - School bus pick up/drop off. Contacted the school and they had no record of buses coming through the Sanalina area. (The neighbors at the meeting said it was stopped about 1 – 1 ½ years ago because the residences lived less than a mile from the school.)
    - On-line information. The City will upload information about the application as it gets closer to the hearings. Also can get general information about Avilla housing product and communities on NexMetro's website.
    - Number of people allowed in one unit. It is the same regarding if it is a MF or SF unit. Family is defined as people related by blood, marriage, adoption, etc. There is no limitation of how much family can be in one unit. Another definition of family is 5 or less unrelated people.
    - Crime. Had an exhibit of everything that is done for a background check. The CPTD criteria has been met. CPTM requires background checks for tenants and NM employees. NM can also regulate lease provisions and what goes into their lease. Are able to get tenants out if they are doing something wrong within 24 hours.
    - Leasing office/staffing. The leasing office will be about 25' tall. There will be no 2nd story or mezzanine. While the development is being leased, office will be open during normal business hours, 7 days a week. When the property is fully leased, then normal business hours 5 days a week. On-Site maintenance guy walks around the site. Will have concierge trash service 5 days/week. Have a 24 hour hot line for residents to call.
    - Security. - Security cameras are on the gates main entrance and are looking into putting in cameras at the Reems access.
    - Reducing rental prices. NM has no interest in reducing rental prices. Instead, they may offer incentives (i.e., extra month free). Reducing rental rates has not been done at their other developments.

3/30/17 Neighborhood Meeting Summary
NexMetro—NEC Reems & Waddell Roads

- Condo conversion. NM has not developed any of their developments to condos as condos are not their business model. To convert to condos, Sergio said it would be a public hearing process to go through pre-plat and final plat.
- Traffic. Ludlow is a problem and will continue to be a problem. Ludlow is a collector street and "collects" traffic and funnels the traffic through the neighborhood. Waddell access – will have right in, right out and left in (no left out). We will also be putting in a median. Reems will be an emergency access for exit only and it will be right out only. Because of the separation distances between intersection and driveways, it would not be safe to make a left onto Reems from the development.
- Traffic. Reviewed trip comparison tables that were done using ITE data. Total daily trips for multi-family would be 884 trips based on 133 units. There would be 1,268 trips/day for 133 single-family homes, and 4,270 trips/day for a shopping center development. There is also a good chance the existing curb cut to Ludlow would be used if it remained a shopping center
- Traffic. Transportation Department will not support speed humps. We looked into putting in stop signs along Ludlow. City did a study in 2014 on Ludlow for one week. Found that 85% of the time, the speed of the cars was at 26 mph. City will not support stop signs on Ludlow. There is no perfect solution; however, we believe the proposed residential use will have less of an impact on the neighborhood.

<u>Questions, Answers, and Comments</u>

1. One neighbor started by saying that some of his neighbors got the whole neighborhood hyped up. They handed out flyers with misinformation and made the developer look bad. Some of the neighbors apologized for the behavior of some of their neighbors at the previous meeting.
2. If there are 5 different people in a unit, who signs the lease?
    a. All would need to sign the lease. NM does not sublease.
3. Would they all get a background check?
    a. Yes.
4. What's the start to finish time frame?
    a. Approximately one year from start to finish. The perimeter wall will be one of the first things to go up.
5. Will it be built all at one?
    a. It is a phased construction plan. Build about 6 units/week.
6. What is the chance of the development not built the way it's shown?
    a. We are required to submit plans. The plans will be stipulated to and the application will go through PC & CC hearings. Planning Commissioner Eric Cultum also went through the process and encouraged neighbors to go online to surpriseaz.gov. He said Surprise's process are very transparent and open.
7. First was against the development when it was first proposed. Now is in support. He is worried what the neighborhood might get if it remained commercial.
8. Two other neighbors said they thought the development was beautiful. They went to look and toured the Avilla development in Goodyear.
9. Some neighbors felt that the neighbors that complained so much at the first meeting should be here at this meeting.
10. Has access issues. Feels that all our tenants will exit Reems to Ludlow to 153rd Avenue and turn left onto Waddell.
    a. We cannot guarantee that will not occur; however, if the site remains a shopping center, there would be a lot more traffic.

3/30/17 Neighborhood Meeting Summary
NexMetro—NEC Reems & Waddell Roads

11. If it remains a shopping center, there would likely be full access on Waddell so people could turn left. He recalls that there was a bowling alley proposed on the site.
    a. We are not aware of previous commercial development attempts on the Site.
12. The neighbors will need to use Ludlow if they want to shop at the Bashas on the south side of Waddell.
    a. They can go north on Reems and make a U-turn to get to Bashas or go out 153rd Avenue and head west to the Bashas.
13. One neighbor really likes the proposal and thanked us for putting up with his neighborhood at the last meeting. He likes the revisions that we have made and feels like we bent over backwards to work with the neighbors. Many other neighbors agreed.
    a. We appreciate his comments and trying to make this a win/win for everyone.
14. What is the design of the island on Waddell?
    a. Design has been preliminarily discussed with Traffic. Believe it is appropriately designed.
15. One neighbor volunteers with the police to direct traffic and he said that the best laid plans will not work here. There will be accidents. He would like to see a community garden. He agrees the site should be something other than dirt. He is worried about the clientele.
16. How much is NM paying for the property?
    a. Between $3-$7/foot. Property is valued on a per foot basis.
17. What is the rental tax rate?
    a. Do not know.
18. How tall will the perimeter wall be?
    a. The wall will be 6'. Will keep the existing wall on the east side of the site.
19. Will there be a decel lane on Waddell into the development?
    a. No because there will be less than 40 trips/hour.
20. What is the rest of the schedule?
    a. We would like to resubmit the plans next week. City will take at least 2 weeks to review. Hope to go to Commission in May or June and Council in June or July. CDs could take another 4-6 months. Maybe break ground at end of year.
21. What will the construction hours be?
    a. Whatever is allowed by City Code.
22. What about our property values?
    a. Do not know. There are not enough studies done. What really affects property values is the fear of the unknown. Commissioner Cultum spoke about how other cities have a variety of housing choices, which helps create a tax base. The City did a presentation about two months ago that showed with more home options, property values increased.
23. Their park was underwater when they had a huge rainstorm a while back. What impact will rain have on our site?
    a. A G&D study was done. Will have underground retention tanks. Will meet the 100 year, 2 hour flood storm. Our water will be retained on our site.

End of Meeting

DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND

16 December 2016

Mr. James R. Mitchell
Director, Community Initiatives Team
56th Fighter Wing
14185 West Falcon Street
Luke AFB AZ 85309-1629

Ms. Heather Donaldson
Development Services Specialist
City of Surprise Planning Department
16000 N. Civic Center Plaza
Surprise AZ 85374

Re: FS16-551; Avilla

Dear Ms. Donaldson

Thank you for the opportunity to provide comments on the Major Zoning Amendment and Site Plan Application for Avilla. The site is located on, 10.8 acres and is part of the larger 80 acres Cotton Gin PAD, which is generally located at the NEC of Waddell and Reems Roads in Surprise AZ. The parcel is located approximately 1.6 miles outside the 1988 JLUS 65 Ldn noise contour, "high noise or accident potential zone" as identified by A.R.S. § 28-8461 and is within the "territory in the vicinity of a military airport" also defined by A.R.S. § 28-8461.

Currently the site is zoned Commercial, this request is to amend the current PAD to allow Multifamily Residential as a permitted uses. Additionally, the Cotton Gin PAD residential density is caped at maximum of 3.1 du/ac (210 single family homes/lots) within the 80 acre Cotton Gin development, this request will add 133 additional multifamily residential units, which will increase the residential density within the PAD to 4.3 du/ac.

In an effort to promote a more compatible co-existence Luke AFB follows the guidelines of the Graduated Density Concept (GDC). The GDC proposes, in the absence of a more restrictive state, county or municipal general or comprehensive plan, a maximum of 2 du/acre from the 65 Ldn to 1/2 mile, a maximum of 4 du/acre from 1/2 mile to 1 mile and a maximum of 6 du/acre from 1 to 3 miles. The above density of 4.3 du/ac falls within these guidelines.

As described, the change in zoning and the increased density at the location stated above, will not negatively impact the flying operations at Luke AFB. However, without a precise Plan of Development we request the opportunity to make comments on the development during the permit application process. This will ensure that detailed features and aspects of the development, as it matures, will not negatively impact our flying operations.

Since Avilla will be located within the "territory in the vicinity of a military airport," it will be subjected to approximately 165 over flights a day, with some as low as 1,500 feet above ground level. We recommend you review the sound attenuation requirements found in A.R.S. § 28-8482. In addition, a strong notification program on the part of the applicant is essential to inform potential residents about Luke AFB operations.

If you have any questions, please contact my Community Planner, Ms. Barbara Plante at (623) 856-9981.

Sincerely

JAMES R. MITCHELL

cc:
Colonel David G. Shoemaker, Vice Commander, 56th Fighter Wing
Ms. Cindy L. Calderon, GS-13, General and Environmental Law Attorney, 56th Fighter Wing

From:	Michael Wilson
To:	Heather Donaldson
Cc:	Peter Eno; Vanessa Nunez; Michael Wilson
Subject:	FW: FS16-551 - Avilla Electronic Submittal
Date:	Friday, December 16, 2016 8:49:10 AM
Attachments:	image002.jpg image001.jpg 201612160838.pdf

Heather,

ADOT has reviewed the proposed site use change and zoning amendment. ADOT has no concerns with the proposed change from commercial use to multi-family use, for the subject property. The site is located 1.5 miles (+/-) from ADOT's nearest route (303) and this proposal creates no adverse effects to that roadway system. We neither support or oppose the rezoning/use change, and have no concerns. Thank you for the opportunity to comment.

Mike

Mike Wilson, SR/WA
ADOT ROW Project Coordinator
LPA (Local Public Agency) R/W Coordination
Right of Way Agent III
205 S. 17th Ave. MD: 612E
Phoenix, AZ 85007
602-712-7175
WWW.AZDOT.GOV

From: Vanessa Nunez
Sent: Thursday, December 15, 2016 3:17 PM
To: Peter Eno; Michael Wilson
Subject: FW: FS16-551 - Avilla Electronic Submittal

Red Letter – SR303L
Please respond accordingly, thank you.

Vanessa Nuñez
Administrative Assistant II
205 South 17th Avenue
MD 612E, Room 302
Phoenix, Arizona 85007-3212
602.712.7184
www.azdot.gov

From: Heather Donaldson [mailto:Heather.Donaldson@surpriseaz.gov]
Sent: Thursday, December 15, 2016 3:08 PM
To: 'Chris Cain - MWD'; 'Denise Lacey'; Donna Miller; 'Eric Hitchcock'; 'Jack Eaton'; Mark A. Coronado; 'Paul Jackson'; Redletter; 'Theresa Tysiak - USPS'; Timothy Klarkowski; 'Vern Wolfley - MAG'
Cc: Sergio Angulo; Jamie Sullivan
Subject: RE: FS16-551 - Avilla Electronic Submittal

Please use the following password to download the file.

U8JESPA

Thank you,

Heather Donaldson
Planning Project Coordinator
City of Surprise | Community Development
16000 N. Civic Center Plaza | Surprise AZ | 85374

www.surpriseaz.gov
623.222.3133 **t**
623.222.3001 **f**

From: Debbie Trasancos
To: Heather Donaldson
Cc: Chris Cain; Leslie Jarrell
Subject: RE: FS16-551 - Avilla Electronic Submittal
Date: Thursday, December 15, 2016 2:27:51 PM

Heather,

Thank you for providing the Electronic Submittal for Avilla (FS16-551).

Maricopa Water District (MWD) has reviewed this submittal and determined this lies outside the current boundaries of MWD.

Thanks again,

Debbie Trasancos
Property & Contracts Specialist
Maricopa Water Disrict
14825 W. Grand Ave.
Surprise, AZ 85374
623/546-8266
fax 623/584-2536
debbiet@mwdaz.com

From: Heather Donaldson [mailto:Heather.Donaldson@surpriseaz.gov]
Sent: Thursday, December 15, 2016 1:56 PM
To: 'Angie - Nadaburg' <amason@nadaburgsd.org>; 'Barbara Plante - Luke' <barbara.plante@us.af.mil>; 'Ben - Nadaburg' <bgoodman@nadaburgsd.org>; 'Brad Finke - EPCOR' <bfinke@epcor.com>; Bryce Christo (bchristo@cityofelmirage.org) <bchristo@cityofelmirage.org>; Chris Cain <ChrisC@mwdaz.com>; Christina Betz <Christina.Betz@surpriseaz.gov>; 'Corey Rosipko - Cox' <corey.rosipko@cox.com>; Debbie Trasancos <DebbieT@mwdaz.com>; 'Denise Lacey' <deniselacey@mail.maricopa.gov>; Donna Miller <Donna.Miller@surpriseaz.gov>; 'Eric Hitchcock' <eric.hitchcock@centurylink.com>; 'Jack Eaton' <jack.eaton@dysart.org>; 'Jorge Gastelum - El Mirage' <jgastelum@cityofelmirage.org>; 'Judy Lopez - Beardsley Water Company' <jlopez2027@aol.com>; 'Kerre - Nadaburg' <klaabs@nadaburgsd.org>; Leslie Jarrell <LeslieJ@mwdaz.com>; Mark A. Coronado <Mark.Coronado@surpriseaz.gov>; 'Paul Jackson' <paul.j.jackson@usps.gov>; 'Project Coordinator' <redletter@azdot.gov>; 'Richard Hammitt' <Richard.Hammitt@aps.com>; 'Rick Stephen ' <rstephen@nadaburgsd.org>; 'Theresa Tysiak - USPS' <theresa.a.tysiak@usps.gov>; Timothy Klarkowski <Timothy.Klarkowski@surpriseaz.gov>; 'Vern Wolfley - MAG' <vwolfley@azmag.gov>; 'Yvonne Aguirre' <yvonne.aguirre@swgas.com>
Cc: Jamie Sullivan <Jamie.Sullivan@surpriseaz.gov>; Sergio Angulo <Sergio.Angulo@surpriseaz.gov>
Subject: RE: FS16-551 - Avilla Electronic Submittal

Please use the following password to download the file.

M9HZ2FJ

Thank you,

Heather Donaldson
Planning Project Coordinator
City of Surprise | Community Development
16000 N. Civic Center Plaza | Surprise AZ | 85374

www.surpriseaz.gov
623.222.3133 **t**
623.222.3001 **f**

Brian Greathouse

From:	Eaton, Jack <jack.eaton@dysart.org>
Sent:	Tuesday, November 22, 2016 4:51 PM
To:	Brian Greathouse
Subject:	Re: DUSD / Cotton Gin Donation Agreement
Attachments:	FY1617 Developer Donation CASH TEMPLATE.pdf

Brian,

I reviewed our Donation Agreements that were completed in 2000-2006. The following donation schedule was in effect during that time:

Single Family	$1,000
Condo	$ 750
Apartment	$ 400

If the development concept you are proposing is approved and developed as rental units (apartment-like), I would agree to the $400 per unit donation amount.

Attached is our current Developer Donation Agreement (Cash) Template. Section 3 will be amended to reflect the rental unit amount ($400).

Please provide me with the necessary information (see blank underlined areas), so I can have the agreement reviewed by legal. I will need to present this to our Governing Board for approval. Our only December 2016 meeting is on December 14th. Normally we meet on the 2nd and 4th Wednesday each month. I need final docs at least 1 week prior to a scheduled meeting in order to get it on that meeting's agenda.

Happy Thanksgiving!

Jack Eaton
Executive Director
Business Services

Dysart Unified School District
15802 N. Parkview Place
Surprise, AZ 85374
623-876-7008
jack.eaton@dysart.org

CONFIDENTIALITY NOTICE: This email message and any accompanying data are confidential and intended only for the individual(s) to which it is addressed. This electronic message should not be forwarded or copied in any form without the sender's written permission. If you are not the intended recipient(s), you are hereby notified that the dissemination, distribution, and or copying of this message is strictly prohibited. If you receive this message in error, or are not the named recipient(s), please notify the sender at the email address above, delete this email from your computer, and destroy any copies in

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Sherry Ann Aguilar, City Clerk
Submitting Department:		District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action to appoint the following members to fill Board/Commission Vacancies: William Coniam to the Board of Trustees to serve the remainder of a term June 30, 2018; Renee Pastor to the Board of Trustees (4) year term with term expiration of June 30, 2021; Kathryn Chandler to the Disability Advisory Commission for a 4 year term with term expiration of June 30, 2021; Edward Hanzel to the Judicial Selection Advisory Commission 4 year term with term expiration of June 30, 2021 and Marco Daleo to the Tourism Commission to represent Hotels to complete the remainder of a term to expire June 30, 2019. all positions are for four (4) year terms ending on June 30, 2021. The City Clerk will administer the oath of office.

Motion:

I move to approve appointing the following members to fill Board/Commission Vacancies: William Coniam to the Board of Trustees to serve the remainder of a term June 30, 2018; Renee Pastor to the Board of Trustees (4) year term with term expiration of June 30, 2021; Kathryn Chandler to the Disability Advisory Commission for a 4 year term with term expiration of June 30, 2021; Edward Hanzel to the Judicial Selection Advisory Commission 4 year term with term expiration of June 30, 2021 and Marco Daleo to the Tourism Commission to represent Hotels to complete the remainder of a term to expire June 30, 2019. all positions are for four (4) year terms ending on June 30, 2021. The City Clerk will administer the oath of office.

Background:

The above listed request follows the City of Surprise City Code relating to Boards/Commission Vacancies.

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

Click to download

- Vacancy Applications

Date/Time/Initials Received by Clerk's Office: 5/8/17 @ 8:30A

SURPRISE
ARIZONA

City of Surprise

APPOINTMENT APPLICATION FOR ALL SURPRISE COMMISSIONS

Name: T. William Coniam Date Submitted: 5/8/17

Address: _____ Zip Code: _____

Phone (Home): _____ Cell: _____

E: Mail Address: _____

Resident of Surprise: X Yes _____ No Number of Years: 8

Board/Commission(s) you are applying for? Board of Trustees

Education: Arizona State University - Bachelor of Interdisciplinary Studies, Concentration in Sociology and Political Science. CPCU - Chartered Property and Casualty Underwriter CFPS - Certified Fire Protection Specialist, AU and AINS

EMPLOYMENT BACKGROUND:

Present Employer/Position: Verisk Analytics/Insurance Services Office - Field Analyst (Insurance/Finance)

Previous Employer(s)/Position (Last 5 Years): USAA - Claims Adjuster, Member Service (Insurance/Finance)

Special Qualifications (Include list of Surprise activities or organizations you have participated in and dates):
Bullard Task Force (2015-Present), Dysart USD Superintendent's Parent Council (2015-16)

Dysart USD Parent Student Handbook Revision Committee (2015)

(Continued on Reverse Side)

Do you currently serve, or have you previously served on any other City of Surprise Commissions? If yes, which one(s):

N/A

Statement as to why you want to serve as a Commission Member for the City of Surprise:

I am a devoted husband and father of two young children. I was raised to have a strong sense of civic duty and desire to serve my community and nation. It was because of these values that I served in the United States Marine Corps for 8 years, honorably discharged as a Sergeant in 2012. I continue to serve our community today. I have been an Arizona resident (northwest valley) since I was 8 months old, and have lived in Surprise since 2009.

Additional Information/Comments:

I, T. William Coniam certify that to the best of my knowledge, all information given herewith is true and correct. I understand that any falsification or misrepresentation of facts will be cause for dismissal from the position if I am appointed by the City Council.

Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200

Please note that applications are accepted on an open rolling basis and shall be maintained as an active application for future vacancies.

4/21/2017

SURPRISE
ARIZONA

City of Surprise

APPOINTMENT APPLICATION FOR ALL SURPRISE COMMISSIONS

Name: Renee Pastor Date Submitted: April 21, 2017

Addre Zip Code: 85388

Phone (Home). Cell:

E: Mail Address:

Resident of Surprise: X Yes _____ No Number of Years: 10+ years

Board/Commission(s) you are applying for? Workers' Compensation and Health Trust Board

Education: In process of completion of BA in Business Administration due to change in major.

EMPLOYMENT BACKGROUND:

Present Employer/Position: Industrial Commission of Arizona 1999 - present

Previous Employer(s)/Position (Last 5 Years): Industrial Commission of Arizona 1999 - present

Special Qualifications (Include list of Surprise activities or organizations you have participated in and dates):

I have participated in training and have over 18 years experience in the following: Financial Analyst-including investments, Claims Administration-including reserve setting, Actuarial Analysis interpretation and implementation for financial reporting and rate projection purposes, Trust Fund development and implementation, Insurance Premium Calculations, Governmental Accounting pursuant to GASB, Financial Accounting pursuant to FASB, Negotiable instrument management-including letters of credit and surety bond collections, Insurance Carrier insolvency and Bankrupt Self-Insured Employer-management/negotiations/estate discharge, creation of Arizona legislation and the Arizona Administrative Code (rule writing and implementation), Management of Arizona's self-insured employer program, Arizona Premium Workers' Compensation Tax calculation Contract development, HIPPA and ACA knowledge.

Do you currently serve, or have you previously served on any other City of Surprise Commissions? If yes, which one(s):
No

(Continued on Reverse Side)

Statement as to why you want to serve as a Commission Member for the City of Surprise:

I want to give back to the City I live in. I want to partner with the City and utilize my experience, skills and knowledge in the area of trust fund management for health care benefits and workers' compensation benefits and insurance, actuarial reporting interpretation and claims administration.

Additional Information/Comments:

I have a proficient working knowledge and many years of experience in Trust Fund development, implementation, investment strategies for both workers' compensation and health care benefits, as well as administration of workers' compensation claim and the laws that govern them.

I, Renee Pastor, certify that to the best of my knowledge, all information given herewith is true and correct. I understand that any falsification or misrepresentation of facts will be cause for dismissal from the position if I am appointed by the City Council.

Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
Or e-mail to: clerk@surpriseaz.gov

Please note that applications are accepted on an open rolling basis and shall be maintained as an active application for future vacancies.

THE INDUSTRIAL COMMISSION OF ARIZONA
OFFICE OF THE DIRECTOR

DALE L. SCHULTZ, CHAIRMAN
JOSEPH M. HENNELLY, JR., VICE CHAIR
SCOTT P. LEMARR, MEMBER
ROBIN S. ORCHARD, MEMBER

P.O. Box 19070
Phoenix, Arizona 85005-9070

JAMES ASHLEY, DIRECTOR
PHONE: (602) 542-4411
FAX: (602) 542-7889

April 21, 2017

To Whom It May Concern,

Renee Pastor would be an added asset to the City of Surprise Workers' Compensation and Health Trust Board. She has many years of experience and is very knowledgeable in governmental accounting, as well as having many years of experience and knowledge in workers' compensation and health care benefit administration, including claim management, trust funds, insurance and actuarial information interpretation. She also has knowledge and experience in bankruptcies, insurance premium calculations, creating and amending legislation and rules.

I have worked with her and I have found that she is a self-starter who is tempered and disciplined by her concern for accuracy and quality of work. Renee has a strong sense of commitment and is exacting; always striving to do things better, with greater precision. Her approach to anything she does, or is responsible for is carefully thought out, based on thorough analysis and detailed knowledge of all pertinent facts. She has confidence in her professional knowledge and ability to get things done quickly and correctly. She has an aptitude to spot trends in data or figure out complex systems and/or reporting. She quickly notices technical problems and applies technical solutions. She is also extremely resourceful in overcoming obstacles.

Renee is strongly independent, and is confident in putting forth her own ideas, which are innovative and original, and if implemented will change an organization for the better.

Dale L. Schultz
Chairman, Industrial Commission of Arizona

Date/Time/Initials Received by Clerk's Office: 5-5-17

SURPRISE
ARIZONA

City of Surprise

APPOINTMENT APPLICATION FOR ALL SURPRISE COMMISSIONS

Name: Kathryn Chandler Date Submitted: May 5, 2017

Address: _____ Zip Code: _____

Phone (Home): _____ Cell: _____

E: Mail Address: _____

Resident of Surprise: X Yes ____ No Number of Years: 2

Board/Commission(s) you are applying for? Disability Advisory Commission

Education: **Some college – no degree**

EMPLOYMENT BACKGROUND:

Present Employer/Position: **Executive Director/ Northwest Valley Connect**

Previous Employer(s)/Position (Last 5 Years): Northern Arizona Intergovernmental Transportation Authority in Flagstaff AZ – Paratransit and Mobility Manager 2004-2014

Special Qualifications (Include list of Surprise activities or organizations you have participated in and dates):

- Four years as a Disability Awareness Commissioner in Flagstaff (one year as Chair)
- Surprise Leadership Class – 2016
- Surprise regional Chamber of Commerce -2 years

(Continued on Reverse Side)

Do you currently serve, or have you previously served on any other City of Surprise Commissions? If yes, which one(s):

No

Statement as to why you want to serve as a Commission Member for the City of Surprise:

I grew up in a culture of volunteerism. I have always been involved in my Community – as a PTA and site effectiveness team members at our children's school District, Girl Scout Leader for almost 20 years, coached a softball team in Flagstaff, Disability Awareness Commission for the city of Flagstaff and the Appeals Board for Coconino County. My interest is in working with the awareness, education and improvement of access and communication for Surprise community members with disabilities.

Additional Information/Comments:

My current and past jobs have involved improving and coordinating more accessible transportation for those who need it.

I, Kathryn Chandler certify that to the best of my knowledge, all information given herewith is true and correct. I understand that any falsification or misrepresentation of facts will be cause for dismissal from the position if I am appointed by the City Council.

Kathy Chandler

Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200

Please note that applications are accepted on an open rolling basis and shall be maintained as an active application for future vacancies.

Date & Time Received by City Clerk's Office: 5-28-17

SURPRISE
ARIZONA

City of Surprise

APPOINTMENT APPLICATION FOR ALL SURPRISE BOARDS AND COMMISSIONS

Name: Marco Daleo Date Submitted: _____

Address: 14783 W Grand AVE Zip Code: 85374

Phone (Home): _____

E: Mail Address: _____

Resident of Surprise: _____ Yes X No Number of Years: _____

Board/Commission Applying For: _____

Education: Hospitality Degree

EMPLOYMENT BACKGROUND:

Present Employer/Position: V.P. Operations

Previous Employer(s)/Position (Last 5 Years): Truest Hampton LLC – (Hampton Inn & Suites)

Special Qualifications (Include list of Surprise activities or organizations you have participated in and dates):

(Continued on Reverse Side)

Do you currently serve, or have you previously served on any other City of Surprise Boards/Commissions? If yes, which one(s):

NO

Statement as to why you want to serve as a Board Member for the City of Surprise:

I would appreciate the opportunity to serve as a Board Member for the City of Surprise because it will be a meaningful and a significant way to participate in civil life and input into the future of this community. One of my main motivations to become a Board Member is that you can truly make a positive impact on our city.

My years of experience in the hospitality industry have thought me the great value of teamwork, effective communication and commitment. Sharing my skills and different point of views are a rewarding way to give back. I expect to express myself while offering my opinion on the solutions to this community.

Additional Information/Comments:

I, Marco Dalea certify that to the best of my knowledge, all information given herewith is true and correct. I understand that any falsification or misrepresentation of facts will be cause for dismissal from the position if I am appointed by the City Council.

Applicant's Signature

6-8-17 Int.
JSAC

Received 06-05-17
AG

SURPRISE
ARIZONA

City of Surprise

APPOINTMENT APPLICATION FOR ALL SURPRISE COMMISSIONS

Name: Edward J. Hanzel Date Submitted: 5 June, 2017

Address: Zip Code:

Phone (Home):

E: Mail Address:

Resident of Surprise: X Yes ____ No Number of Years: 13

Board/Commission(s) you are applying for? Judicial Selection Advisory Commission

Education: BBA Information Systems, National University

Masters studies in Software Engineering and International Economics.

EMPLOYMENT BACKGROUND:

Present Employer/Position: Retired
Litchfield Manor HOA, Secretary for last 10 years

Previous Employer(s)/Position (Last 5 Years): Oceanside Unified School Disrict
Network Engineer/Analyst, High School Teacher.

Special Qualifications (Include list of Surprise activities or organizations you have participated in and dates): Warrant Officer, US Army, Executive officer of 400 man Unit, and organized a Military Law Office which included a law library and a Court Room, certified for all forms of Courts Martial up to and including General (Felony level). 25 Years as a boy scout leader and adult Trainer. Coached Pop Warner Football, Umpired in Little League.

(Continued on Reverse Side)

Do you currently serve, or have you previously served on any other City of Surprise Commissions? If yes, which one(s):

No

Statement as to why you want to serve as a Commission Member for the City of Surprise:

I Have always been deeply involved in the Community. Now that I have the time, I am serving as HOA Secretary, as well as member of Architectural Committee, and Landscape Committee. I have been involved with the City of Surprise, speaking on many occasions To express concerns that I and fellow residents have. I am always searching for more ways To serve, and this is an excellent opportunity.

Additional Information/Comments:

I am most proud of my 3 Eagle Scout Sons, and my marriage of 53 years. My wife and I both believe in commitment.

I, Edward J Hanzel, certify that to the best of my knowledge, all information given herewith is true and correct. I understand that any falsification or misrepresentation of facts will be cause for dismissal from the position if I am appointed by the City Council.

Applicant's Signature

Please return to:

City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374

Please note that applications are accepted on an open rolling basis and shall be maintained as an active application for future vacancies.

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Sherry Ann Aguilar, City Clerk
Submitting Department:		District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action to reappoint the following Board/Commission Members for 4 year terms as follows: David Sanders, Mark Brown and Ron Jensen for the Community & Recreation Services Commission; Robert Monahan for the Disability Advisory Commission and Kristin Peck and DeAngelo Hall for the Tourism Commission and Brooke Gaunt, State Bar Representative for the Judicial Selection Advisory Commission all with terms to expire on June 30, 2021. The City Clerk will administer the oath of office.

Motion:

I move to approve reappointment the following Board/Commission Members for 4 year terms as follows: David Sanders, Mark Brown and Ron Jensen for the Community & Recreation Services Commission; Robert Monahan for the Disability Advisory Commission and Kristin Peck and DeAngelo Hall for the Tourism Commission all with terms to expire on June 30, 2021 and to direct the City Clerk to issue the oath of office.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

Click to download

- Reappt. Applications

CRS

SURPRISE
ARIZONA

City of Surprise

REAPPOINTMENT APPLICATION FOR ALL SURPRISE BOARDS/COMMISSIONS

Name: DAVID SANDERS

Date Submitted: 4/20/17

Address:

Zip Code:

Phone (Home):

Cell:

E: Mail Address:

Resident of Surprise: X Yes ____ No

Number of Years: 9

Board/Commission(s) you are seeking reappointment for:

CRS

Does the above information reflect any changes from your original application?

Yes ___ No X

If Yes, please explain?

I, DAVID SANDERS acknowledges that all information given herewith is true and correct and understand that with completion of the Reappointment Application, you hereby verify that you are interested in serving on the same Board/Commission for an additional 4 year term scheduled to expire June 30, 2021 **subject to Council approval.**

Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200
clerk@surpriseaz.gov

Received by the City Clerk's Office

Date/Time: 4-19-17 Initials:

Applicant - You can submit your application in person, by mail or scan and send electronically but your application must contain your signature. Please submit no later than **Wednesday, April 26, 2017 – *5:00 p.m.***

CRS

SURPRISE
ARIZONA

City of Surprise

REAPPOINTMENT APPLICATION FOR ALL SURPRISE BOARDS/COMMISSIONS

Name: RONALD JENSEN

Date Submitted: 4-19-17

Address: [illegible]

Zip Code: 85374

Phone (Home): [illegible]

Ce... [illegible]

E: Mail Address: [illegible]

Resident of Surprise: ✓ Yes ____ No

Number of Years: 18

Board/Commission(s) you are seeking reappointment for:

Community & Recreation Services

Does the above information reflect any changes from your original application?

Yes ___ No ✓

If Yes, please explain?

I, RONALD R. JENSEN acknowledges that all information given herewith is true and correct and understand that with completion of the Reappointment Application, you hereby verify that you are interested in serving on the same Board/Commission for an additional 4 year term scheduled to expire June 30, 2021 **subject to Council approval.**

Ronald R. Jensen
Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200
clerk@surpriseaz.gov

Received by the City Clerk's Office

Date/Time: 4-19-17 2:32 Initials: [illegible]

Applicant - You can submit your application in person, by mail or scan and send electronically but your application must contain your signature. Please submit no later than **Wednesday, April 26, 2017 – *5:00 p.m.***

CRS

SURPRISE
ARIZONA

City of Surprise

REAPPOINTMENT APPLICATION FOR ALL SURPRISE BOARDS/COMMISSIONS

Name: MARK BROWN

Date Submitted: 4-6-17

Address:

Zip Code: 85379

Phone (Home): N/A

Cell:

E: Mail Address:

Resident of Surprise: ✓ Yes ____ No

Number of Years: 11

Board/Commission(s) you are seeking reappointment for:

COMMUNITY AND RECREATION ADVISORY BOARD

Does the above information reflect any changes from your original application?

Yes ___ No ✓

If Yes, please explain?

I, MARK BROWN acknowledges that all information given herewith is true and correct and understand that with completion of the Reappointment Application, you hereby verify that you are interested in serving on the same Board/Commission for an additional 4 year term scheduled to expire June 30, 2021 **subject to Council approval.**

Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200
clerk@surpriseaz.gov

Received by the City Clerk's Office

Date/Time: 4-6-17 1:48 pm Initials: UMO

Applicant - You can submit your application in person, by mail or scan and send electronically but your application must contain your signature. Please submit no later than **Wednesday, April 26, 2017 – *5:00 p.m.***

DAC

Date: 4-11-17
Time: 12:02
Served by:
Badge No.:
Accepted by:
LIT/NOC No.:

Date/Time/Initials Received by Clerk's Office:

SURPRISE
ARIZONA

City of Surprise

APPOINTMENT APPLICATION FOR ALL SURPRISE COMMISSIONS

Name: Robert Monahan Date Submitted: 4/11/17

Address: ip Code: 85387

Phone (Home): None Cell:

E: Mail Address:

Resident of Surprise: ✓ Yes ____ No Number of Years: 1

Board/Commission(s) you are applying for? Disability Advisory Commission

Education: BS-Social Work, BS. Education
MS- Public Policy

EMPLOYMENT BACKGROUND:

Present Employer/Position: retired

Previous Employer(s)/Position (Last 5 Years): Social Security
Admin. Dis Employment Coordinator

Special Qualifications (Include list of Surprise activities or organizations you have participated in and dates):

(Continued on Reverse Side)

Do you currently serve, or have you previously served on any other City of Surprise Commissions? If yes, which one(s):

yes - Disability Commission - 3/15

Statement as to why you want to serve as a Commission Member for the City of Surprise:

renewal

Additional Information/Comments:

resume attached

I, Robert Monahan certify that to the best of my knowledge, all information given herewith is true and correct. I understand that any falsification or misrepresentation of facts will be cause for dismissal from the position if I am appointed by the City Council.

Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200

Please note that applications are accepted on an open rolling basis and shall be maintained as an active application for future vacancies.

Robert Monahan

Objective

Part time employment or volunteer activity that allows me to use my skills and experience in contributing to the success of people with disabilities.

Experience

Panel Chair - SSA WIPA Federal Grants Process - 2015

Technical Resource/Training and Resource Materials Writer
2013 VCU National Training Center – Independent Contractor

Area Work Incentives Coordinator
2003 - 2012 Social Security Administration, Madison, WI

- Assisted in development and implementation of eWork Work Review software
- Assisted in development and implementation of 4-State Offset Demonstration Pilot

Employment Support Representative/Technical Expert
2000 - 2003 Social Security Administration, Madison, WI

Social Insurance Representative
1978 - 1999 Social Security Administration, Flint, MI/Madison, WI

Outreach Coordinator
1977 Mental Health Association, Cedar Rapids, IA

Education

University of Wisconsin, Madison, WI
1985 - 1989 MS – Public Policy and Administration

Minnesota State University, Mankato, MN
1971 – 1976 BS – Social Work, BS – Education

Community and Volunteer Activities

Commissioner and Officer
1996 - 2010 Commission on People with Disabilities, Madison, WI

Committee Member
2003 - 2009 Equal Opportunities Employment Committee, Madison, WI

Board Member and President
1982 – 1992 Access to Independence, Madison, WI

Steward, Officer and Negotiator
1980 – 1999 American Federation of Government Employees, Madison, WI

News Reader 2008 – 2012 WORT Community Radio, Madison, WI

Docent/Receptionist 2012 – 2013 Las Cruces Museum of Art

References

References available on request.

Tourism

SURPRISE
ARIZONA

City of Surprise

REAPPOINTMENT APPLICATION FOR ALL SURPRISE BOARDS/COMMISSIONS

Name: Deangelo D Hall

Date Submitted: 4-12-17

Address: [illegible]

Zip Code: 85379

Phone (Home): _____

Cell: _____

E: Mail Address: [illegible]

Resident of Surprise: ✓ Yes ____ No

Number of Years: 6

Board/Commission(s) you are seeking reappointment for:

Tourism Advisory Commission

Does the above information reflect any changes from your original application?

Yes ___ No ✓

If Yes, please explain?

_____

I, Deangelo D Hall acknowledges that all information given herewith is true and correct and understand that with completion of the Reappointment Application, you hereby verify that you are interested in serving on the same Board/Commission for an additional 4 year term scheduled to expire June 30, 2021 **subject to Council approval.**

Deangelo D. Hall
Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200
clerk@surpriseaz.gov

Received by the City Clerk's Office

Date/Time: 4-12-17@ 11:43 Initials: [illegible]

Applicant - You can submit your application in person, by mail or scan and send electronically but your application must contain your signature. Please submit no later than **Wednesday, April 26, 2017 – *5:00 p.m.***

Tourism

City of Surprise

REAPPOINTMENT APPLICATION FOR ALL SURPRISE BOARDS/COMMISSIONS

Name: Kristin Peck

Date Submitted: 4/24/17

Address:

Zip Code: 85379

Phone (Home): N/A

Cell:

E: Mail Addres

Resident of Surprise: X Yes ____ No

Number of Years: 16

Board/Commission(s) you are seeking reappointment for:

Tourism Commission

Does the above information reflect any changes from your original application?

Yes ___ No X

If Yes, please explain?

I, Kristin Peck acknowledges that all information given herewith is true and correct and understand that with completion of the Reappointment Application, you hereby verify that you are interested in serving on the same Board/Commission for an additional 4 year term scheduled to expire June 30, 2021 **subject to Council approval.**

Kristin Peck
Applicant's Signature

Please return to:
City Clerk's Office
16000 N. Civic Center Plaza
Surprise, AZ. 85374
623-222-1200
clerk@surpriseaz.gov

Received by the City Clerk's Office

Date/Time: 4-24-17 @ 2:31 pm Initials: [illegible]

Applicant - You can submit your application in person, by mail or scan and send electronically but your application must contain your signature. Please submit no later than **Wednesday, April 26, 2017 – *5:00 p.m.***

STATE BAR OF ARIZONA

Please type responses in the boxes provided.

APPLICATION FOR City of Surprise Judicial Selection Advisory Commission
(position for which you are applying)

The purposes of this form are (1) to assist in making inquiries concerning the qualifications of candidates and (2) to obtain general information for use in public releases about the selected candidates.

	Last Name	First Name	M.I.	State Bar No.
Name	Gaunt	Brooke	A	021312

	Street	City	ST	Zip +4	County
Legal Residence					
Business Address		Phoenix	AZ	85004-2531	Maricopa

Residence Telephone _____ Business Telephone _____

Email _____ Ethnicity *(optional)* _____

Date you became a member of the State Bar of Arizona 10/2001

Other affiliations/Dates of admission N/A

Required if applying for one of the Judicial Nominating Commissions

Political Party Affiliation _____

I reside in Supervisorial District _____ (1, 2, 3, 4 or 5)
To find out what district you reside in, contact the County Elections Department.

POST-HIGH SCHOOL EDUCATION: *(provide attachment if you need additional space)*

Colleges/Universities/ Special Courses	Location	Dates	Degree
Newcomb College of Tulane University	New Orleans, LA	8/1994-5/1998	B.A.(Psychology)
Drake University College of Law	Des Moines, IA	8/1998-5/2001	J.D., with Honors

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Lindsey Duncan, Finance Director and Jared Askelson, Assistant Finance Director
Submitting Department:	Finance Dept	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action levying a certain sum of money for FY2018 to be assessed against the valuation of property for primary and secondary tax purposes; Resolution # 2017-68.

Motion:

I move to approve Resolution # 2017-68 (In accordance with A.R.S. Section 42-17107(A)(4), this motion must be by roll call vote).

Background:

On June 6, 2017, the Mayor and City Council held a public hearing on the proposed levy of property taxes, and a roll call vote was held concerning the intention of passage of the primary property tax levy. At that time, the City Council identified $0.7591 per $100 of assessed valuation as the proposed levy. This hearing was published and advertised in accordance with state law. Adoption of Resolution # 2017-68 will set the primary tax levy.

Objective Analysis:

This is the final step in the adoption process.

Policy Compliant:

This item is consistent with City and Council policies.

Financial Impact:

For FY2018, a primary property tax rate of $0.7591 per $100 of assessed value will be levied upon property, both real and personal, within the City and will generate a total of $7,431,400.

Budget Impact:

Adoption of primary property tax levies will allow for the collection of these revenues, which are an

integral part of the adopted fiscal year 2018 budget. The proposed primary property tax rate is $0.7591 per $100 of assessed value and will generate approximately $7,431,400.

FTE Impact:

The number of full time equivalents (FTE) is not impacted by this item.

ATTACHMENTS:

Click to download

- Resolution 2017-68
- Primary Property Tax Presentation

RESOLUTION # 2017-68

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF PROPERTY WITHIN THE CITY A CERTAIN SUM OF MONEY FOR FISCAL YEAR 2018 TO BE ASSESSED AGAINST THE VALUATION OF REAL AND PERSONAL PROPERTY FOR PRIMARY AND SECONDARY TAX PURPOSES.

WHEREAS, the City Council is required by A.R.S. §42-17253 to adopt an annual tax levy based upon the rate to be assessed per each One Hundred Dollars ($100.00) of assessed valuation of property within the City;

WHEREAS, the primary and secondary tax levy for Fiscal Year 2018 beginning July 1, 2017 must be adopted by resolution prior to the third Monday in August, and not less than fourteen days after adoption of the municipal budget;

WHEREAS, the municipal budget of the City of Surprise was adopted at a special meeting of the City Council held on June 6, 2017, at least fourteen days prior to the adoption of this Resolution; and

WHEREAS, the City has computed tax rates at $0.7591 per One Hundred Dollars ($100.00) of assessed valuation to be levied and collected as primary taxes.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That there is hereby levied, as a primary property tax, $0.7591 per each One Hundred Dollars ($100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City, except such property as may be by law exempt from taxation, a primary property tax rate sufficient to raise the sum of seven million, four hundred thirty-one thousand, four hundred dollars ($7,431,400.00) for the fiscal year ending on June 30, 2018.

Section 2. Any failure by the Maricopa County officials to properly return the delinquent tax list, irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings nor invalidate any title conveyed by any tax deed, any sale or proceeding pursuant thereto, the validity of the assessment or levy of taxes, nor the judgment of sale by which the collection of taxes may be enforced. All actions by officers de facto shall be valid as if performed by officers de jure.

SIGNATURES ON THE FOLLOWING PAGE

APPROVED AND ADOPTED this _____day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

SURPRISE
ARIZONA

Primary Property Tax Levy

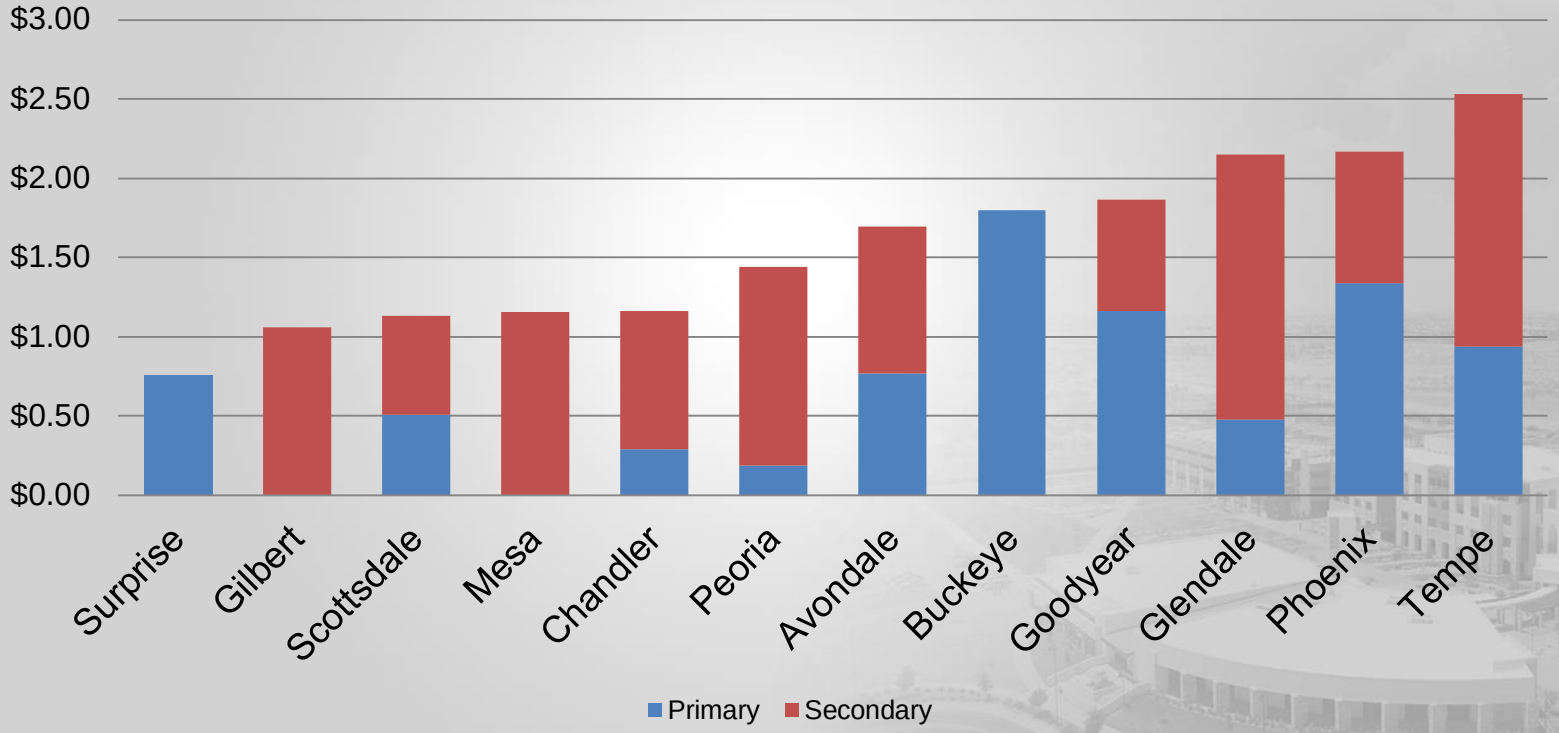
City Council Meeting

June 20, 2017

FY 2018 Primary Property Tax

	Levy Rate	Levy Amount	$ Increase	% Increase
FY2017	$0.7591	$7,051,300	-	-
Proposed FY2018	$0.7591	$7,431,400	$380,100	5.4%
	New Construction		*111,900*	*1.7%*
	Appreciation of Current		*268,200*	*3.7%*

Property Tax Rate Comparison



SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Lindsey Duncan, Finance Director and Jared Askelson, Assistant Finance Director
Submitting Department:	Finance Dept	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to the Comprehensive Financial Management Policies.

Motion:

I move to approve the Comprehensive Financial Management Policies as recommended by staff.

Background:

Comprehensive financial policies are an important element of a solid financial structure and long-term financial planning. These polices are reviewed and updated annually. The policies cover the areas of Operating Management, Capital Management, Debt Management, Minimum Fund Balance, and Financial Reporting.

For FY2018, finance staff is recommending the following edits to the financial policies:

1. Revise Operating Management Policy 3 to clarify that the City budget is adopted by department within each fund and by project in the capital funds.

2. Revise Operating Management Policy 4 to clarify that the full-time equivalent (FTE) position count is adopted by department within each fund.

3. The addition of Operating Management Policy 5 related to the City Council's authority to amend the adopted budget for movement between funds or departments, a change to the total budget of an individual grant or capital project, and any change to the full-time equivalent count or count of full-time positions.

4. The addition of Operating Management Policy 6 related to the City Manager's authority to amend the adopted budget for use of the Emergency Reserve.

5. The addition of Operating Management Policy 7 related to the Finance Director's authority to amend the adopted budget for targeted savings and carryforward reductions.

6. The addition of Capital Management Policy 36 requiring that any donations of capital assets to the City must be approved by City Council.

7. The removal of Minimum Fund Balance Policy 44 regarding the presentation of minimum fund balance requirements in the Comprehensive Annual Financial Report (CAFR). The recommendation to remove this policy is based on the changes made to the policy regarding the General Fund reserve.

8. Revise Minimum Fund Balance policy 48 (a) to change the minimum fund balance requirements for the General Fund Emergency Reserve, Operating Reserve, and Budget Stabilization Reserve.

9. Revise Minimum Fund Balance policy 49 (a) and (b) to identify the minimum spendable net position balance for the Stormwater Fund.

10. The addition of Minimum Fund Balance Policy 49 (e) to establish the minimum spendable net position balance for the Workers' Compensation Internal Service Fund.

Objective Analysis:

The City's comprehensive financial policies provide the roadmap for financial operations and demonstrate the City's commitment to sound financial management practices.

Policy Compliant:

This item is compliant with City and Council policies.

Financial Impact:

None at this time.

Budget Impact:

Budgetary impacts resulting from revisions to the Comprehensive Financial Management Policies have been incorporated as part of the FY2018 budget.

FTE Impact:

This item does not impact the overall full-time equivalent count.

ATTACHMENTS:

Click to download

- Comprehensive Financial Management Policies- Red Lined
- Comprehensive Financial Management Policies- Presentation
- Comprehensive Financial Management Policies- Final

CITY OF SURPRISE, ARIZONA
COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES
EFFECTIVE JULY 1, 201~~6~~7

Introduction

The City Council's Strategic Plan Framework, goals, and objectives provide the foundation for the comprehensive financial management policies. The City's comprehensive financial policies provide the roadmap to achieve financial resiliency and demonstrate the City's commitment to sound financial management practices. As defined by the Government Finance Officers Association (GFOA), the City Council strives to build a financially resilient government through financial policies and long-term financial planning. The GFOA has identified eight characteristics of a financially resilient government:

1. Diversity: Avoid reliance on a single solution.
2. Redundancy: Avoid having only one path of rescue.
3. Decentralization: Centralized systems look strong, but failure is catastrophic.
4. Transparency: Make it easier to figure out where a problem may lie. Share plans and listen when people point out flaws.
5. Collaboration: Working together to become stronger.
6. Fail Gracefully: Failure happens. Make sure failure won't make things worse.
7. Flexibility: Be ready to change when plans aren't working. Don't expect stability.
8. Foresight. Think and prepare.

Financial policies contribute to increased public confidence and trust as well as provide clear direction to City staff concerning the diligence and stewardship with which public monies are to be managed. Adopted financial policies show our citizens, the credit rating industry, and prospective investors (bond buyers) the City's commitment to financial resiliency. These policies are presented in the following five areas:

1. Operating Management
2. Capital Management
3. Debt Management
4. Minimum Fund Balance
5. Financial Reporting

Operating Management Policies

1. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial resiliency.

2. The budget shall be considered balanced if revenues plus use of fund balance are equal to or exceed total expenses, by fund. The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints.

3. The City Budget is adopted by department within ~~the General~~each f~~F~~und and~~,~~ by project in the capital funds~~, and by fund in total for all other funds~~.

4. The full-time equivalent (FTE) ~~position~~ count and number of full-time positions is adopted by department within ~~the General F~~each fund ~~and by fund in total for all other funds~~.

5. City Council has the authority to amend the adopted budget for movement between funds or departments, any change to grant or capital projects, and any change to the full-time equivalent (FTE) count.

Formatted: List Paragraph, Left, No bullets or numbering

Formatted: List Paragraph, Left, No bullets or numbering

6. The City Manager has the authority to amend the adopted budget for use of the Emergency Reserve. The City Manager shall provide a summary report to the City Council on the movement of these funds who will then take official action on the necessary budget amendment.

4.7. The Finance Director has the authority to amend the adopted budget related to targeted savings and carryforward reductions. The Finance Director shall provide a summary report to the City Council on the movement of these funds who will then take official action on the necessary budget amendment.

5.8. Long-range financial plans will be prepared to guide the City and ensure the delivery of needed services due to changes in the economy, service demands, and capital improvements.

6.9. Regional considerations and intergovernmental relationships will be evaluated to fund both operating services and capital projects.

7.10. The City Council will consider citizen input and review the operating and capital budget recommendations from an outcome and goals perspective.

8.11. A diversified revenue system will be developed to protect City services.

9.12. The City Council will set the amount to be received from primary property taxes annually. The amount is limited to one-hundred and two percent (102%) of the prior fiscal year's maximum allowable levy plus new construction and reimbursement for the prior calendar year's tort liability payments.

10.13. To ensure that the City does not become overly reliant on "one-time" revenues for operating needs, the first $1.25 million received in revenues from the two and two-tenths percent (2.2%) transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in General Capital Fund and will be used to fund the Capital Improvement Plan.

11.14. The City currently imposes an additional one and one-half percent (1.5%) transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the Transportation Improvement Fund and will be used to fund transportation projects in the Capital Improvement Plan.

12.15. The City currently imposes a four and fifty-two hundredths percent (4.52%) transaction privilege tax on transient lodging. The four and fifty-two hundredths percent (4.52%) tax rate is then split, with three and fifty-two hundredths percent (3.52%) recorded in the Tourism Fund to be used for promoting tourism and one percent (1.0%) recorded in the General Fund. The three and fifty-two hundredths percent (3.52%) recorded in the Tourism Fund has been committed by City Council to be used for promoting tourism. This percentage exceeds the two and fifty-two hundredths percent (2.52%) required by A.R.S § 9-500.06. Of the amount recorded in the Tourism Fund, the Tourism Advisory Board has designated that seventy-five percent (75%) is spent for sports tourism facility development and improvement and twenty-five percent (25%) on marketing, studies, and special events.

13.16. Water, Wastewater, Storm-Wwater, and Solid Waste user fees and charges will be examined annually to ensure they recover all direct and indirect costs of service and will be approved by the City Council.

14.17. All user fees (excluding water, wastewater, storm-water, and solid waste) will be examined periodically to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.

15.18. Grant funding will be considered to leverage City funds and requires City Council approval prior to acceptance. In situations where the timing does not permit City Council approval prior to acceptance, the grant funding will be approved by the City Manager.

~~16.~~19. Cash and investment programs will be maintained in accordance with the s~~S~~tate law and the adopted investment policy and will ensure that proper controls and safeguards are maintained. City funds will be managed with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.

~~17.~~20. Employee compensation and benefits will be administered in accordance with the policy given by the City Council. Healthcare costs will be shared between the City and employees and this allocation will be evaluated annually.

~~18.~~21. The Healthcare Self-Insurance Trust Fund was created under the authority of Arizona Revised Statute §~~Section~~ 11-981. The Board of Trustees is charged to administer the trust fund and "make recommendations to the City Council regarding trust fund programs, including amount of appropriations to assure stability and security of the trust fund."

~~19.~~22. An actuarial evaluation will be performed annually to determine the Incurred but Not Reported (IBNR) claim liability. This amount is required by accounting practices and represents the cost of unpaid claims (claims run-out), assuming the City stops being self-insured.

~~20.~~23. The City will optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.

~~21.~~24. The City will maintain a methodology for allocating the City's indirect costs to service departments. A consultant will be hired to update the plan periodically.

~~22.~~25. All cash transfers between funds must be approved by City Council. Transfers to record capital assets within operating funds are not presented to the City Council as these are administrative in nature.

~~23.~~26. All initial inter-fund loans must be approved by City Council.

~~24.~~27. All use of budgetary contingency accounts must be approved by City Council prior to being expended.

Capital Management Policies

~~25.~~28. The City shall use an integrated approach to capital planning and financing in preparing a five-year Capital Improvement Plan. Only the first year of the plan will be adopted by the City Council.

~~26.~~29. The Capital Improvement Plan will include funding to support repair and replacement of capital equipment and infrastructure. A high priority should be placed on those items where deferring maintenance will result in greater cost to restore or replace.

~~27.~~30. Proposed capital projects will be prioritized based on the City Council's goals and objectives, the General Plan, and master plans.

~~28.~~31. Future operating, maintenance, and replacement costs associated with new capital improvements will be included as a schedule within the annual budget document. Capital projects will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

~~29.~~32. The first $1.25 million received in revenues from the two and two-tenths percent (2.2%) transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in General Capital Fund and will be used to fund the Capital Improvement Plan.

~~30.~~33. The City currently imposes an additional one and one-half percent (1.5%) transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the Transportation Improvement Fund and will be used to fund transportation projects in the Capital Improvement Plan.

~~31.~~34. As permitted by ~~S~~state law, the City shall maintain a financial structure to ensure future development pays for itself and is not a burden on existing residents (i.e. "growth pays for growth"). Elements of this financial structure include impact fees, development agreements, Improvement Districts (IDs) and Community Facility Districts (CFDs).

35. Impact fees for infrastructure attributable to new development will be reviewed at least every other year to ensure that fees recover all direct and indirect development-related expenses, as permitted by state law, and will be approved by the City Council.

~~32.~~36. Any capital assets dedicated or donated to the City such as infrastructure, land, right-of-ways, easements, etc. must be approved by the City Council which must include a valuation of the assets.

Formatted: List Paragraph, Left, No bullets or numbering

Debt Management Policies

~~33.~~37. The City shall periodically report measurable steps taken in striving towards achieving and maintaining the highest possible bond ratings. This will minimize borrowing costs, optimize access to credit, and demonstrate excellent financial stewardship on behalf of our residents.

~~34.~~38. An analysis showing how a new debt issue combined with current outstanding debt impacts the City's debt capacity and conformance with City debt policies will accompany every proposal.

~~35.~~39. General Obligation debt, which is supported by property tax revenues, will be utilized as authorized by voters. Other types of voter-approved debt (e.g. water and wastewater) may also be utilized when they are supported by dedicated revenue sources (e.g. fees and user charges).

~~36.~~40. Municipal Property Corporation, trust agreements, and contractual debt, all of which are non-voter approved, will be utilized only when approved by City Council.

~~37.~~41. Improvement District (ID) and Community Facility District (CFD) bonds shall be permitted only when there is a general City benefit as defined and approved by the City Council.

~~38.~~42. Utility rates will be established to ensure the ratio of revenue to debt service meets bond indenture requirements.

~~39.~~43. The Arizona Constitution provides that the general obligation bonded indebtedness for a city may not exceed twenty percent (20%) of the net secondary assessed valuation of the taxable property of the city for projects for purposes of water, wastewater, artificial light, open space preserves, parks and recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities. Outstanding general obligation bonded indebtedness for all other purposes may not exceed six percent (6%) of the City's net secondary assessed valuation

~~40.~~44. The City will follow appropriate procedures with regard to obligations under continuing disclosure undertakings as identified by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

~~41.~~45. The City will follow appropriate procedures with regard to tax exempt obligations as identified by the Internal Revenue Code of 1986.

Minimum Fund Balance Policies

~~42.~~46. Minimum fund balances are not intended to be spent. The purpose of the minimum fund balance is to ensure the City has adequate resources to meet its needs. If the necessity arises to draw down a fund balance below the minimum requirements that have been set, a plan to replenish the minimum fund balance will be presented to the City Council for approval.

~~43.~~47. Minimum fund balance requirements will be evaluated annually for long-term adequacy and use requirements.

~~There is no effect on the presentation of fund balance on the face of the financial statements within the Comprehensive Annual Financial Report (CAFR). The minimum fund balance policy will be disclosed within the notes of the CAFR.~~

~~44.~~

48. The City has formally adopted a minimum fund balance policy for the following ~~governmental funds~~governmental funds:
~~45.~~

~~The minimum spendable fund balance in the General Fund is updated annually by calculating an average of budgeted personnel, supplies and services expenses over a two month period for that year's Council Adopted Budget for the General Fund and the Highway User's Revenue Fund.~~

a. The General Fund will have a three-part reserve as follows:

i. The City will maintain an "Emergency Reserve" in the General Fund of one and sixty-seven hundredths percent (1.67%) of the average of budgeted personnel, supplies, and services expenses over a ~~two-month~~two-month period for that year's Council Adopted Budget for the General Fund and the Highway User Revenue Fund. The Emergency Reserve is for unexpected, large-scale expenses resulting from events where immediate, remedial action must be taken to protect the health and safety of residents ~~(e.g. floods, fires, storm damage)~~, all unassigned fund balance has been exhausted, and no amount previously appropriated by the City Council is otherwise available. Any use of the Emergency Reserve must be appro~~priat~~vee~~d~~ by the City Manager or designee. When this occurs, the City Manager shall provide a summary report to the City Council as soon as practical on the usage of these funds and have City Council approve any necessary budget amendments. At that time, the City Manager will also present a plan to restore ~~In~~ the ~~event these~~ "Emergency Reserve" ~~funds are used, the City shall strive to restore the General Fund Emergency Reserve~~ to the one and sixty-seven hundredths percent (1.67%) level within the next fiscal year following the fiscal year in which the event occurred.

ii. The City will maintain an additional General Fund "Operating Reserve" ~~with an upper goal of an additional~~in the amount of ten percent (10%) of the average of budgeted personnel, supplies, and services expenses over a ~~two-month~~two-month period for that year's Council Adopted Budget for the General Fund and the Highway User Revenue Fund. The Operating Reserve is ~~intended to be a reserve for~~for unexpected events such as failure of the ~~S~~state to remit revenues to the City, loss of ~~S~~state ~~S~~shared revenues, or other impairment of a significant funding source for the remainder of the fiscal year. The Operating Reserve may also be used for unexpected mandates or other events that cause the City to incur unplanned expenses.~~,~~ The Operating Reserve allows for the ~~unexpected loss of State Shared revenues, continuance~~continuance of critical City services due to these unanticipated events and is done

Formatted: List Paragraph, Left, No bullets or numbering

Formatted: No bullets or numbering

Formatted: Indent: Left: 0.5", No bullets or numbering

Formatted: Indent: Left: 1", No bullets or numbering

Formatted

Formatted

so after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available. , or to offset the unexpected loss of a significant funding source for the remainder of the fiscal year. Any use of the Operating Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan that projects to restore the Operating Reserve to the ten percent (10%) level within two fiscal years following the fiscal year in which the event occurred.

iii. The City will maintain an additional General Fund "Budget Stabilization Reserve" with an upper goalin the amount of an additional five percent (5%) of the average of budgeted personnel, supplies, and services expenses over a two monthtwo-month period for that year's Council Adopted Budget for the General Fund and the Highway User Revenue Fund. The Budget Stabilization Reserve may beis used to provide funding to offset reductions in revenues resulting from to deal with fluctuations in the economic fiscal cycles that cannot be otherwise and operating requirements that cannot be otherwise absorbed by the operating budget. The reserve funds will provide time for the City to restructure its operations in a deliberate manner to ensure continuance of critical City activities and is used after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available.. Any use of the Budget Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Budget Stabilization Reserve to the five percent (5%) level within the three fiscal years following the fiscal year in which the event occurred.

Formatted

b. General Capital Fund of $1.0M

c. Transportation Improvement Fund of $0.5M

d. Street Light Improvement Districts (SLIDs). SLIDs have a maximum levy limit of $1.20 per $100 of assessed valuation in accordance with A.R.S. § 48-616. To the extent that the levy limit has not been exceeded, taxes will be levied at a rate that will approach an individual ending fund balance reserve of five percent (5%) of its budgeted annual expenses.

e. Tourism Fund of $5,000.

f. The Spring Training Ticket Surcharge Fund will have a minimum fund balance of $600,000. Any excess fund balance remaining as of June 30 shall be remitted to the General Fund.

a.

Formatted: Indent: Left: 1", No bullets or numbering

General Capital Fund of $1.0M

b.

Formatted: Indent: Left: 1", No bullets or numbering

c. Transportation Improvement Fund of $0.5M

d. Street Light Improvement Districts (SLIDs). SLIDs have a maximum levy limit of $1.20 per $100 of assessed valuation in accordance with A.R.S. 48-616. To the extent that the levy limit has not been exceeded, taxes will be levied at a rate that will approach an individual ending fund balance reserve of 5% of its budgeted annual expenses.

e. Tourism Fund of $5,000.

f. The Spring Training Ticket Surcharge Fund will have a minimum fund balance of $600,000. Any excess fund balance remaining as of June 30 shall be remitted to the General Fund.

46.49. Minimum spendable net asset position balances for the proprietary funds:

a. Within the Water, Waste ~~w~~Water, Storm ~~W~~water, and Solid Waste Funds, spendable net ~~assets~~ position ~~are~~ is to be maintained at an amount equal to the average budgeted personnel, supplies and services expenses over a ~~two month~~two-month period for that year's Council Adopted Budget.

b. Within the Water, Waste ~~w~~Water, Storm ~~W~~water, and Solid Waste Funds, an amount will be maintained for repair and replacement at a minimum of two percent (2%) of all tangible capital assets of the system.

c. The Risk Management Fund will maintain spendable net ~~assets~~ position at an amount that, together with purchased insurance policies, will adequately indemnify the City. An actuarial evaluation will be performed periodically to recommend appropriate funding levels, which will be approved by the City Council.

d. The Healthcare Self-Insurance Trust Fund will maintain net ~~assets~~ position at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The City has established an Adverse Times Reserve. The purpose of this reserve is to address cash flow needs caused by periods in which claim payments exceed projections. The target amount of this reserve is at least twenty-five percent (25%) of expected annual claims.

e. The Workers' Compensation Self-Insurance Trust Fund will maintain net position at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The target amount of this reserve is at least twice the amount of the budgeted claims.
~~d.~~

Formatted: List Paragraph, Left, No bullets or numbering

Formatted: Indent: Left: 1", No bullets or numbering

Financial Reporting Policies

~~47.~~50. The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, ~~g~~Generally ~~a~~Accepted ~~A~~accounting ~~p~~Principles (GAAP) and the standards of the Governmental Accounting Standards Board (GASB).

~~48.~~51. An annual audit will be performed by an independent public accounting firm. The City will prepare a Comprehensive Annual Financial Report (CAFR) with the objective of receiving an unqualified ("clean") audit opinion. The independent auditor will present and discuss audit findings regarding internal controls and operational issues at a public meeting.

CAFR Fund Balance Reporting

1. The hierarchy from least spendable to most spendable fund balance for governmental funds of the City shall be: non-spendable, restricted, committed, assigned and unassigned. When funds are available from multiple classifications of fund balance to meet the City's obligations, it is the City's policy to charge the least spendable fund balance available.

2. Non-spendable and restricted fund balances are determined solely by the nature of the fund balance itself.
3. Committed fund balance represents amounts that have been constrained to a specific use by the formal action of the City's highest level of decision-making authority, the City Council. A majority vote of the City Council is necessary to establish, modify, or rescind a fund balance commitment.

4. The City has elected the following commitments of fund balance to be standardized from year to year.

a. A commitment for repair and replacement of general government vehicles and other rolling stock will be maintained based upon lifecycle replacement plans prepared annually. This commitment shall be maintained in the Vehicle Replacement Fund.

b. A commitment of a one and one-half percent (1.5%) construction sales tax to be used solely for the purposes of paying costs related to new roadways and to refurbish existing transportation corridors, to be maintained in the Transportation Improvement Fund (Ordinance No. 05-13).

c. In addition to the two and fifty-two hundredths percent (2.52%) transient lodging tax restricted by state statute, a commitment of an additional 1.0% transient lodging tax for a total of three and fifty-two hundredths percent (3.52%) will be used to promote tourism and be maintained in the Tourism Fund (Ordinance No. 2010-04).

5. In order to be reported as committed fund balance in the CAFR the City Council must approve the commitments prior to June 30th. However, the amount of the commitment may be determined after June 30th.

6. Amounts that have been constrained by the City's intent to be used for a specific purpose and are neither restricted nor committed are reported as assigned fund balance. The City Council has designated the authority to assign amounts to be used for specific purposes to the Chief Financial Officer (CFO).

~~49.~~52. The City's CAFR will be submitted to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.

~~50.~~53. The City's Budget will be submitted to the Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.

~~51.~~54. A monthly financial report will be presented to the City Council.

SURPRISE
ARIZONA

Comprehensive Financial Management Policies

City Council Meeting
June 20, 2017

FY2018 RECOMMENDED POLICY CHANGES

- **Operating Management**
  - Budget Adoption
    - Budget is adopted by department within each fund and by project in the capital funds
    - Policy #3
  - FTE Adoption
    - FTE count is adopted by department within each fund
    - Policy #4

FY2018 RECOMMENDED POLICY CHANGES

- **Operating Management continued…**
  - City Council Budget Amendment Authority
    - Movement between funds/departments, grant/capital projects, and any change to FTE count
    - New Policy #5
  - City Manager Budget Amendment Authority
    - Emergency reserve
    - Report to City Council for official action
    - New Policy #6

FY2018 RECOMMENDED POLICY CHANGES

- **Operating Management continued…**
  - Finance Director Budget Amendment Authority
    - Targeted savings and carryforward reductions
    - Report to City Council for official action
    - New Policy #7
- **Capital Management**
    - Require City Council approval for donations of capital assets to the City
    - New Policy #36

FY2018 RECOMMENDED POLICY CHANGES

- **Minimum Fund Balance**
  - Remove presentation of minimum fund balance requirements in the CAFR
    - Policy #44
  - Identify minimum fund balance requirements for reserve
    - Emergency Reserve 1.67%, Operating Reserve 10%, Budget Stabilization Reserve 5%
    - Replenishment and reporting
    - Policy #48 (a)

FY2018 RECOMMENDED POLICY CHANGES

- **Minimum Fund Balance continued…**
  - Identify minimum spendable net position balance for Stormwater Fund
    - 2 months of budgeted personnel, supplies, and services
    - 2% of all tangible capital assets for repair and replacement
    - Policy #49 (a) and (b)

FY2018 RECOMMENDED POLICY CHANGES

- **Minimum Fund Balance continued…**
  - Establish the minimum spendable net position balance for the Workers' Compensation Fund
    - 2x the amount of budgeted claims
    - Policy #49 (e)

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE, ARIZONA
COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES
EFFECTIVE JULY 1, 2017

Introduction

The City Council's Strategic Plan Framework, goals, and objectives provide the foundation for the comprehensive financial management policies. The City's comprehensive financial policies provide the roadmap to achieve financial resiliency and demonstrate the City's commitment to sound financial management practices. As defined by the Government Finance Officers Association (GFOA), the City Council strives to build a financially resilient government through financial policies and long-term financial planning. The GFOA has identified eight characteristics of a financially resilient government:

1. Diversity: Avoid reliance on a single solution.
2. Redundancy: Avoid having only one path of rescue.
3. Decentralization: Centralized systems look strong, but failure is catastrophic.
4. Transparency: Make it easier to figure out where a problem may lie. Share plans and listen when people point out flaws.
5. Collaboration: Working together to become stronger.
6. Fail Gracefully: Failure happens. Make sure failure won't make things worse.
7. Flexibility: Be ready to change when plans aren't working. Don't expect stability.
8. Foresight. Think and prepare.

Financial policies contribute to increased public confidence and trust as well as provide clear direction to City staff concerning the diligence and stewardship with which public monies are to be managed. Adopted financial policies show our citizens, the credit rating industry, and prospective investors (bond buyers) the City's commitment to financial resiliency. These policies are presented in the following five areas:

1. Operating Management
2. Capital Management
3. Debt Management
4. Minimum Fund Balance
5. Financial Reporting

Operating Management Policies

1. All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial resiliency.

2. The budget shall be considered balanced if revenues plus use of fund balance are equal to or exceed total expenses, by fund. The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints.

3. The City Budget is adopted by department within each fund and by project in the capital funds.

4. The full-time equivalent (FTE) count and number of full-time positions is adopted by department within each fund.

5. City Council has the authority to amend the adopted budget for movement between funds or departments, any change to grant or capital projects, and any change to the full-time equivalent (FTE) count.

6. The City Manager has the authority to amend the adopted budget for use of the Emergency Reserve. The City Manager shall provide a summary report to the City Council on the movement of these funds who will then take official action on the necessary budget amendment.
7. The Finance Director has the authority to amend the adopted budget related to targeted savings and carryforward reductions. The Finance Director shall provide a summary report to the City Council on the movement of these funds who will then take official action on the necessary budget amendment.

8. Long-range financial plans will be prepared to guide the City and ensure the delivery of needed services due to changes in the economy, service demands, and capital improvements.

9. Regional considerations and intergovernmental relationships will be evaluated to fund both operating services and capital projects.

10. The City Council will consider citizen input and review the operating and capital budget recommendations from an outcome and goals perspective.

11. A diversified revenue system will be developed to protect City services.

12. The City Council will set the amount to be received from primary property taxes annually. The amount is limited to one-hundred and two percent (102%) of the prior fiscal year's maximum allowable levy plus new construction and reimbursement for the prior calendar year's tort liability payments.

13. To ensure that the City does not become overly reliant on "one-time" revenues for operating needs, the first $1.25 million received in revenues from the two and two-tenths percent (2.2%) transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in General Capital Fund and will be used to fund the Capital Improvement Plan.

14. The City currently imposes an additional one and one-half percent (1.5%) transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the Transportation Improvement Fund and will be used to fund transportation projects in the Capital Improvement Plan.

15. The City currently imposes a four and fifty-two hundredths percent (4.52%) transaction privilege tax on transient lodging. The four and fifty-two hundredths percent (4.52%) tax rate is then split, with three and fifty-two hundredths percent (3.52%) recorded in the Tourism Fund to be used for promoting tourism and one percent (1.0%) recorded in the General Fund. The three and fifty-two hundredths percent (3.52%) recorded in the Tourism Fund has been committed by City Council to be used for promoting tourism. This percentage exceeds the two and fifty-two hundredths percent (2.52%) required by A.R.S § 9-500.06. Of the amount recorded in the Tourism Fund, the Tourism Advisory Board has designated that seventy-five percent (75%) is spent for sports tourism facility development and improvement and twenty-five percent (25%) on marketing, studies, and special events.

16. Water, Wastewater, Stormwater, and Solid Waste user fees and charges will be examined annually to ensure they recover all direct and indirect costs of service and will be approved by the City Council.

17. All user fees (excluding water, wastewater, stormwater, and solid waste) will be examined periodically to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.

18. Grant funding will be considered to leverage City funds and requires City Council approval prior to acceptance. In situations where the timing does not permit City Council approval prior to acceptance, the grant funding will be approved by the City Manager.

19. Cash and investment programs will be maintained in accordance with the state law and the adopted investment policy and will ensure that proper controls and safeguards are maintained. City funds will be managed with an emphasis on safety of principal, liquidity, and financial return on principal, in that order.

20. Employee compensation and benefits will be administered in accordance with the policy given by the City Council. Healthcare costs will be shared between the City and employees and this allocation will be evaluated annually.

21. The Healthcare Self-Insurance Trust Fund was created under the authority of Arizona Revised Statute § 11-981. The Board of Trustees is charged to administer the trust fund and "make recommendations to the City Council regarding trust fund programs, including amount of appropriations to assure stability and security of the trust fund."

22. An actuarial evaluation will be performed annually to determine the Incurred but Not Reported (IBNR) claim liability. This amount is required by accounting practices and represents the cost of unpaid claims (claims run-out), assuming the City stops being self-insured.

23. The City will optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.

24. The City will maintain a methodology for allocating the City's indirect costs to service departments. A consultant will be hired to update the plan periodically.

25. All cash transfers between funds must be approved by City Council. Transfers to record capital assets within operating funds are not presented to the City Council as these are administrative in nature.

26. All initial inter-fund loans must be approved by City Council.

27. All use of budgetary contingency accounts must be approved by City Council prior to being expended.

Capital Management Policies

28. The City shall use an integrated approach to capital planning and financing in preparing a five-year Capital Improvement Plan. Only the first year of the plan will be adopted by the City Council.

29. The Capital Improvement Plan will include funding to support repair and replacement of capital equipment and infrastructure. A high priority should be placed on those items where deferring maintenance will result in greater cost to restore or replace.

30. Proposed capital projects will be prioritized based on the City Council's goals and objectives, the General Plan, and master plans.

31. Future operating, maintenance, and replacement costs associated with new capital improvements will be included as a schedule within the annual budget document. Capital projects will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

32. The first $1.25 million received in revenues from the two and two-tenths percent (2.2%) transaction privilege tax on construction will be retained in the General Fund. Any additional amount will be recorded in General Capital Fund and will be used to fund the Capital Improvement Plan.

33. The City currently imposes an additional one and one-half percent (1.5%) transaction privilege tax on construction dedicated to the construction of new roadways and to refurbishing existing transportation corridors. The revenue is recorded in the Transportation Improvement Fund and will be used to fund transportation projects in the Capital Improvement Plan.

34. As permitted by state law, the City shall maintain a financial structure to ensure future development pays for itself and is not a burden on existing residents (i.e. “growth pays for growth”). Elements of this financial structure include impact fees, development agreements, Improvement Districts (IDs) and Community Facility Districts (CFDs).

35. Impact fees for infrastructure attributable to new development will be reviewed at least every other year to ensure that fees recover all direct and indirect development-related expenses, as permitted by state law, and will be approved by the City Council.

36. Any capital assets dedicated or donated to the City such as infrastructure, land, right-of-ways, easements, etc. must be approved by the City Council which must include a valuation of the assets.

Debt Management Policies

37. The City shall periodically report measurable steps taken in striving towards achieving and maintaining the highest possible bond ratings. This will minimize borrowing costs, optimize access to credit, and demonstrate excellent financial stewardship on behalf of our residents.

38. An analysis showing how a new debt issue combined with current outstanding debt impacts the City’s debt capacity and conformance with City debt policies will accompany every proposal.

39. General Obligation debt, which is supported by property tax revenues, will be utilized as authorized by voters. Other types of voter-approved debt (e.g. water and wastewater) may also be utilized when they are supported by dedicated revenue sources (e.g. fees and user charges).

40. Municipal Property Corporation, trust agreements, and contractual debt, all of which are non-voter approved, will be utilized only when approved by City Council.

41. Improvement District (ID) and Community Facility District (CFD) bonds shall be permitted only when there is a general City benefit as defined and approved by the City Council.

42. Utility rates will be established to ensure the ratio of revenue to debt service meets bond indenture requirements.

43. The Arizona Constitution provides that the general obligation bonded indebtedness for a city may not exceed twenty percent (20%) of the net secondary assessed valuation of the taxable property of the city for projects for purposes of water, wastewater, artificial light, open space preserves, parks and recreational facilities, public safety, law enforcement, fire and emergency services facilities, streets, and transportation facilities. Outstanding general obligation bonded indebtedness for all other purposes may not exceed six percent (6%) of the City's net secondary assessed valuation

44. The City will follow appropriate procedures with regard to obligations under continuing disclosure undertakings as identified by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

45. The City will follow appropriate procedures with regard to tax exempt obligations as identified by the Internal Revenue Code of 1986.

Minimum Fund Balance Policies

46. Minimum fund balances are not intended to be spent. The purpose of the minimum fund balance is to ensure the City has adequate resources to meet its needs. If the necessity arises to draw down a fund balance below the minimum requirements that have been set, a plan to replenish the minimum fund balance will be presented to the City Council for approval.
47. Minimum fund balance requirements will be evaluated annually for long-term adequacy and use requirements.

48. The City has formally adopted a minimum fund balance policy for the following governmental funds:

    a. The General Fund will have a three-part reserve as follows:

        i. The City will maintain an Emergency Reserve in the General Fund of one and sixty-seven hundredths percent (1.67%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund and the Highway User Revenue Fund. The Emergency Reserve is for unexpected, large-scale expenses resulting from events where immediate, remedial action must be taken to protect the health and safety of residents, all unassigned fund balance has been exhausted, and no amount previously appropriated by the City Council is otherwise available. Any use of the Emergency Reserve must be approved by the City Manager or designee. When this occurs, the City Manager shall provide a summary report to the City Council as soon as practical on the usage of these funds and have City Council approve any necessary budget amendments. At that time, the City Manager will also present a plan to restore the Emergency Reserve to the one and sixty-seven hundredths percent (1.67%) level within the next fiscal year following the fiscal year in which the event occurred.

        ii. The City will maintain an additional General Fund Operating Reserve in the amount of ten percent (10%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund and the Highway User Revenue Fund. The Operating Reserve is for unexpected events such as failure of the state to remit revenues to the City, loss of state shared revenues, or other impairment of a significant funding source for the remainder of the fiscal year. The Operating Reserve may also be used for unexpected mandates or other events that cause the City to incur unplanned expenses. The Operating Reserve allows for the continuance of critical City services due to these unanticipated events and is done so after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available. Any use of the Operating Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan that projects to restore the Operating Reserve to the ten percent (10%) level within two fiscal years following the fiscal year in which the event occurred.

        iii. The City will maintain an additional General Fund Budget Stabilization Reserve in the amount of five percent (5%) of the average of budgeted personnel, supplies, and services expenses over a two-month period for that year's Council Adopted Budget for the General Fund and the Highway User Revenue Fund. The Budget Stabilization Reserve is used to provide funding to offset reductions in revenues resulting from fluctuations in the economic cycle that cannot be otherwise absorbed by the operating budget. The reserve funds will provide time for the City to restructure its operations in a deliberate manner to ensure continuance of critical City activities and is used after all unassigned fund balance has been exhausted and no amount previously appropriated by the City Council is otherwise available. Any use of the Budget Stabilization Reserve, and associated budget amendments, must be approved by the City Council and include a repayment plan, based on a multi-year financial projection, that plans to restore the Budget Stabilization Reserve to the five percent (5%) level within the three fiscal years following the fiscal year in which the event occurred.

    b. General Capital Fund of $1.0M

    c. Transportation Improvement Fund of $0.5M

d. Street Light Improvement Districts (SLIDs). SLIDs have a maximum levy limit of $1.20 per $100 of assessed valuation in accordance with A.R.S. § 48-616. To the extent that the levy limit has not been exceeded, taxes will be levied at a rate that will approach an individual ending fund balance reserve of five percent (5%) of its budgeted annual expenses.

e. Tourism Fund of $5,000.

f. The Spring Training Ticket Surcharge Fund will have a minimum fund balance of $600,000. Any excess fund balance remaining as of June 30 shall be remitted to the General Fund.

49. Minimum spendable net position balances for the proprietary funds:

a. Within the Water, Waste Water, Stormwater, and Solid Waste Funds, spendable net position is to be maintained at an amount equal to the average budgeted personnel, supplies and services expenses over a two-month period for that year's Council Adopted Budget.

b. Within the Water, Waste Water, Stormwater, and Solid Waste Funds, an amount will be maintained for repair and replacement at a minimum of two percent (2%) of all tangible capital assets of the system.

c. The Risk Management Fund will maintain spendable net position at an amount that, together with purchased insurance policies, will adequately indemnify the City. An actuarial evaluation will be performed periodically to recommend appropriate funding levels, which will be approved by the City Council.

d. The Healthcare Self-Insurance Trust Fund will maintain net position at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The City has established an Adverse Times Reserve. The purpose of this reserve is to address cash flow needs caused by periods in which claim payments exceed projections. The target amount of this reserve is at least twenty-five percent (25%) of expected annual claims.

e. The Workers' Compensation Self-Insurance Trust Fund will maintain net position at a level which, together with purchased insurance policies (individual and aggregate stop loss), will adequately indemnify the City. The target amount of this reserve is at least twice the amount of the budgeted claims.

Financial Reporting Policies

50. The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, Generally Accepted Accounting Principles (GAAP) and the standards of the Governmental Accounting Standards Board (GASB).

51. An annual audit will be performed by an independent public accounting firm. The City will prepare a Comprehensive Annual Financial Report (CAFR) with the objective of receiving an unqualified ("clean") audit opinion. The independent auditor will present and discuss audit findings regarding internal controls and operational issues at a public meeting.

CAFR Fund Balance Reporting

1. The hierarchy from least spendable to most spendable fund balance for governmental funds of the City shall be: non-spendable, restricted, committed, assigned and unassigned. When funds are available from multiple classifications of fund balance to meet the City's obligations, it is the City's policy to charge the least spendable fund balance available.

2. Non-spendable and restricted fund balances are determined solely by the nature of the fund balance itself.

3. Committed fund balance represents amounts that have been constrained to a specific use by the formal action of the City's highest level of decision-making authority, the City Council. A majority vote of the City Council is necessary to establish, modify, or rescind a fund balance commitment.

4. The City has elected the following commitments of fund balance to be standardized from year to year.

    a. A commitment for repair and replacement of general government vehicles and other rolling stock will be maintained based upon lifecycle replacement plans prepared annually. This commitment shall be maintained in the Vehicle Replacement Fund.

    b. A commitment of a one and one-half percent (1.5%) construction sales tax to be used solely for the purposes of paying costs related to new roadways and to refurbish existing transportation corridors, to be maintained in the Transportation Improvement Fund (Ordinance No. 05-13).

    c. In addition to the two and fifty-two hundredths percent (2.52%) transient lodging tax restricted by state statute, a commitment of an additional 1.0% transient lodging tax for a total of three and fifty-two hundredths percent (3.52%) will be used to promote tourism and be maintained in the Tourism Fund (Ordinance No. 2010-04).

5. In order to be reported as committed fund balance in the CAFR the City Council must approve the commitments prior to June 30th. However, the amount of the commitment may be determined after June 30th.

6. Amounts that have been constrained by the City's intent to be used for a specific purpose and are neither restricted nor committed are reported as assigned fund balance. The City Council has designated the authority to assign amounts to be used for specific purposes to the Chief Financial Officer (CFO).

52. The City's CAFR will be submitted to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program.

53. The City's Budget will be submitted to the Government Finance Officers Association (GFOA) Distinguished Budget Presentation program.

54. A monthly financial report will be presented to the City Council.

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Lindsey Duncan, Finance Director and Jared Askelson, Assistant Finance Director
Submitting Department:	Finance Dept	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action setting forth the FY2018 levy of property tax rates for Street Light Improvement Districts (SLID) within the City; Resolution # 2017-67.

Motion:

I move to approve Resolution # 2017-67 (In accordance with A.R.S. Section 42-17107(A)(4), this motion must be by roll call vote).

Background:

On June 6, 2017, the Mayor and City Council held a public hearing on the proposed FY2018 SLID tax levy. Per Arizona Revised Statute 42-17107, a public hearing was held to receive public comment on the proposed SLID tax levies for fiscal year 2018. This hearing was published and advertised in accordance with State law. Adoption of Resolution # 2017-67 will set said SLID property tax levies.

Objective Analysis:

The Street Light Improvement Districts are established to levy a property tax within specific geographic areas to pay for costs of providing street lighting. These costs would otherwise be paid for through other operating sources.

Policy Compliant:

This item is consistent with City and Council policy as well as Arizona Revised Statutes.

Financial Impact:

For FY2018, a property tax will be levied upon the assessed valuation of property for Street Light Improvement Districts (SLID) at an amount up to the maximum rate of $1.20 per $100 of assessed value for each SLID. The levies will generate $2,549,900 of revenue in total. The funds will be used to pay for electricity, maintenance, and administration fees associated with each SLID.

Budget Impact:

The proposed SLID tax levies are included as a part of the FY2018 Final Budget which was approved by Council on June 6, 2017.

FTE Impact:

No FTE impact will occur with this item.

ATTACHMENTS:

Click to download

- Resolution 2017-67
- SLID Presentation

RESOLUTION # 2017-67

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, SETTING FORTH THE LEVY OF PROPERTY TAX RATES FOR STREET LIGHTING IMPROVEMENT DISTRICTS.

WHEREAS, the provisions of Arizona Revised Statutes § 48-616 require the governing body to levy taxes upon all property in municipal street lighting improvement districts necessary to pay the annual expenses of said districts;

WHEREAS, the City Council is required by Arizona Revised Statutes § 42-17103 *et seq.,* to hold a public hearing on or before the fourteenth day before the day on which it levies taxes, and the City council held such hearing on June 6, 2017; and

WHEREAS, the City has computed tax rates for Street Lighting Improvement Districts up to the maximum rate of $1.20 for each One Hundred Dollars ($100.00) of assessed valuation, as set forth on *Exhibit A* attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. For each Street Lighting Improvement District as set forth in *Exhibit A*, attached and incorporated herein, there is hereby levied an amount not to exceed the maximum rate of $1.20 on each One Hundred Dollars ($100.00) of assessed valuation, to be collected as provided by law and for the purpose provided by law.

APPROVED AND ADOPTED this _____day of _____, 2017.

Sharon R. Wolcott, Mayor

Attest:

Sherry Aguilar, City Clerk

Approved as to form:

Robert Wingo, City Attorney

EXHIBIT “A”

Street Light Improvement Districts

Expense Estimates and Levy Rates

Fiscal Year 2018

Street Light Improvement Districts
Expense Estimates and Levy Rates
Fiscal Year 2018

County Number / City District Name by Assessment Type		Net Assessed Value [1]	Estimated Expenses	Levy Amount	Levy Rate[2]
Ad Valorem					
23667	Asante Parcel 1.16	38,792	1,100	400	1.0311
23641	Asante Phase 1	3,085,349	46,600	37,000	1.1992
23183	Ashton Ranch I	2,563,555	12,600	12,300	0.4798
23238	Ashton Ranch II	2,978,036	14,100	13,700	0.4600
23355	Ashton Ranch III	2,724,559	15,700	15,400	0.5652
23358	Ashton Ranch IV	2,696,517	11,400	11,100	0.4116
23698	Autoshow East 1 #126 (Coulter Nissan)	804,197	700	0	0.0000
23682	Autoshow NW #114 SLID	2,681,065	1,700	0	0.0000
23830	Autoshow West 1 #150	1,319,096	1,200	2,500	0.1895
23836	Autoshow West 2 #152	58,345	0	0	0.0000
23468	Bell Pointe I	4,508,391	21,700	21,300	0.4725
23193	Bell West Ranch	1,854,322	7,400	7,200	0.3883
23323	Bell West Ranch 1A	2,455,527	10,400	10,300	0.4195
23351	Bell West Ranch 1B	1,518,274	7,100	7,100	0.4676
23424	Bell West Ranch II	2,668,952	9,700	9,400	0.3522
23461	Bell West Ranch III	2,463,651	9,800	9,500	0.3856
23660	Cactus Ward LDS NONTAX	0	0	0	0.0000
23194	Canyon Ridge West	9,082,217	12,200	12,000	0.1321
23537	City @ Surprise Ph 1	2,296,653	7,700	7,400	0.3222
23125	Continental at Kingswood Parke	4,097,099	11,700	11,400	0.2782
23456	Cotton Gin	2,982,444	14,600	14,300	0.4795
23330	Countryside	7,845,462	30,900	30,300	0.3862
23590	Desert Oasis Lancer 5 A5B14A	2,876,071	28,000	27,300	0.9492
23450	Desert Oasis No. 1	5,277,849	19,100	18,700	0.3543
23700	Desert Oasis Pcl 13A	352,617	7,000	4,200	1.1911
23706	Desert Oasis Pcl 14C	1,705,525	7,900	12,400	0.7270
23258	Greenway Parc #1	3,171,554	18,200	17,700	0.5581
23329	Greenway Parc #2	2,760,716	15,300	15,000	0.5433
23268	Greenway Parc #3	732,806	5,700	5,700	0.7778
23525	Greer Ranch North Ph1	6,721,839	33,500	33,000	0.4909
23555	Greer Ranch North PH2	4,979,188	11,700	11,400	0.2290
23460	Greer Ranch South	10,958,758	41,700	40,400	0.3687
23644	Johnson Townhomes	452,945	1,200	1,100	0.2429
23469	Kenly Farms	3,241,977	11,200	10,900	0.3362
13980	Kingswood Parke	9,728,437	34,800	33,900	0.3485
23319	Legacy Parc	5,876,102	23,800	23,300	0.3965
23356	Legacy Parc G,H,I	2,510,681	14,200	13,900	0.5536
23419	Legacy Parc Parcels e, f, & j	2,957,156	10,000	9,900	0.3348
23449	Litchfield Manor	13,407,989	50,700	49,600	0.3699
23457	Marley Park I, p 1-4	6,204,166	26,900	26,100	0.4207
23521	Marley Park Ph 1, P 5, 6	3,973,111	16,500	16,200	0.4077
23512	Marley Park Ph 1, P 7, 8	3,177,210	10,400	11,900	0.3745
23566	Marley Park Ph 2, 9,11,12	3,492,563	13,800	13,400	0.3837
23135	Mountain Vista	7,166,705	18,500	18,100	0.2526
23191	Mountain Vista II	6,809,114	11,400	11,200	0.1645
23239	Mountain Vista III	4,949,873	17,100	16,800	0.3394

Street Light Improvement Districts
Expense Estimates and Levy Rates
Fiscal Year 2018

County Number / City District Name by Assessment Type		Net Assessed Value [1]	Estimated Expenses	Levy Amount	Levy Rate[2]
Ad Valorem					
23267	Northwest Ranch #1	3,904,872	8,300	8,100	0.2074
23335	Northwest Ranch II	5,050,275	23,400	22,900	0.4534
23409	Orchards 1,2,3,4,5	7,433,617	28,200	27,300	0.3673
23686	Paradise #117 NONTAX	54	0	0	0.0000
23417	Parke Row	746,815	2,900	2,900	0.3883
23661	Quick Trip # 410	276,681	800	0	0.0000
23390	Rancho Gabriella - Phase I	8,526,522	27,300	26,800	0.3143
23401	Rancho Gabriella 2,3,4A-B	18,504,250	56,900	55,800	0.3016
23487	Rancho Gabriella Ph 2 pcl 11	1,062,982	3,500	3,400	0.3199
23536	Rancho Gabriella PH 3 pcl 17	1,188,976	3,500	3,500	0.2944
23336	Roseview Units 1-6	8,071,618	35,100	34,500	0.4274
23333	Roseview Units 5, 5a, 7, 8	4,979,215	18,800	18,500	0.3715
23542	Royal Ranch Unit 2, P7	1,897,442	6,400	6,500	0.3426
23524	Royal Ranch Unit 2, pcl 8	1,243,598	5,500	5,200	0.4181
23506	Royal Ranch Unit II, pcl 5,6,9	6,150,202	19,100	18,100	0.2943
23673	Santa Fe Ave #111	644,150	1,300	1,200	0.1863
23591	Sarah Ann Ranch	14,893,401	57,400	55,900	0.3753
23455	Sierra Montana Parcel 12	1,300,840	8,000	7,800	0.5996
23668	Sierra Montana Parcel 14	2,126,937	10,000	9,800	0.4608
23581	Sierra Montana Parcel 7	1,144,666	3,500	3,500	0.3058
23811	Sierra Montana Phase 1 Parcel G #141	413,223	4,300	4,900	1.1858
23448	Sierra Montana Phase II	12,157,139	37,400	36,600	0.3011
23510	Sierra Verde Parcel 4	1,337,270	3,300	3,100	0.2318
23467	Sierra Verde Ph I	7,992,542	36,100	35,200	0.4404
23458	Summerfield @ Litchfields	1,220,432	5,000	5,100	0.4179
23110	Sun City Grand (DW)	41,042,093	269,100	261,800	0.6379
23174	Sun City Grand II	111,482,236	465,400	461,600	0.4141
23184	Sun City Grand III	5,623,018	30,900	30,100	0.5353
23338	Sun City Grand IV	79,540,901	154,300	151,000	0.1898
23414	Surprise Farms 1A	11,800,995	39,400	38,600	0.3271
23444	Surprise Farms 1B	13,227,192	58,100	56,700	0.4287
23498	Surprise Farms Ph 2	10,610,918	42,800	41,800	0.3939
23517	Surprise Farms Ph 3	7,866,046	35,800	35,100	0.4462
23582	Surprise Farms PH 4, Par 1-6	9,563,267	30,600	29,700	0.3106
23654	Surprise Farms Phase 5	5,139,228	13,900	13,600	0.2646
23683	Surprise Medical Plaza SLID	672,770	3,200	3,100	0.4608
23645	Surprise Pointe Comml Subdivision	10,690,257	12,300	11,400	0.1066
23653	Surprise Valley Station (Trader Joe's)	787,063	1,100	1,000	0.1271
23563	Sycamore Estates Par 13	3,835,092	24,100	23,800	0.6206
23841	Sycamore Farms Parcel 12 Ph2 #138	108,546	0	0	0.0000
23405	Tash/Western Meadows	3,113,762	13,600	13,300	0.4271
23470	Veramonte	4,727,170	24,400	24,100	0.5098
23663	Westfield Commons	1,635,875	0	0	0.0000
23124	WestPoint Towne Center	16,002,050	67,700	66,600	0.4162
Total Ad Valorem			**2,389,600**	**2,334,600**	

Street Light Improvement Districts
Expense Estimates and Levy Rates
Fiscal Year 2018

County Number / City District Name by Assessment Type		# of Taxable Parcels[1]	Estimated Expenses	Levy Amount	Levy Rate[2]
Equal Apportionment					
23838	Austin Ranch Parcel 1	2	0	0	0.00
23834	Austin Ranch West Parcel 4 #139	148	0	0	0.00
23708	Autoshow East 2 #127 (L Miller Dodge)	1	800	0	0.00
23670	Commerce Park East #109 SLID	59	3,800	5,000	84.74
23671	Coyote Lakes #95 SLID	761	34,100	33,600	44.15
23662	Crescent Crown #82	2	2,100	2,000	1,000.00
23819	Desert Oasis Parcel 11	71	3,900	10,200	143.66
23829	Desert Oasis Parcel 13B #151	116	0	0	0.00
23842	Desert Oasis Parcel L10 Sanverno	106	0	0	0.00
23676	Kingswood Parke #105 SLID	47	1,700	1,700	36.17
23809	Mariposa Acres #135	2	0	0	0.00
23666	Marley Park Parcel 12	156	12,400	26,500	169.87
23810	Marley Park Ph 4, #140	2	3,000	300	150.00
23790	Marley Park Phase 3	572	19,400	4,600	8.04
23665	Marley Park Plaza #91	9	1,300	1,200	133.33
23702	OTS Commercial B #123	4	2,100	2,000	500.00
23693	OTS Market Street #121	0	0	0	0.00
23674	Parkview Place #112	8	2,300	2,300	287.50
23434	Royal Ranch Unit I	545	20,000	19,500	35.77
23418	Sierra Montana Phase 1a	1,453	71,400	78,900	54.30
23692	Skyway Business Park #92	68	15,900	15,400	226.47
23669	Stadium Village Small A #107	8	7,100	6,800	850.00
23672	Stonebrook #103	164	4,700	4,600	28.04
23659	Surprse Farm Chrch 84 NONTAX	0	0	0	0.00
23808	Sycamore Farms Parcel 12 North #146	162	0	0	0.00
23694	Westgate #122	1	700	700	700.00
23807	Zanjero Trails PH 2 #133	343	0	0	0.00
Total Equal Apportionment			**206,700**	**215,300**	
Grand Total			**2,596,300**	**2,549,900**	

[1] Net Assessed Value based on Maricopa County Assessor's Office 2017 February State Abstract report.

[2] Levy rate per $100 of assessed value for Ad Valorem assessments. Dollar levy per parcel for Equal Apportionment assessments.

SURPRISE
ARIZONA

Street Light Improvement District Property Tax

Special City Council Meeting

June 20, 2017

FY2018 SLID Property Tax

- Special districts that levy property tax to pay for costs associated with street lighting within the district
- Total levy amount of $2,549,900
- 119 districts throughout the City
  - 104 active with expenses
  - 99 with levy amount for FY2018

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Jeanine Jerkovic, Economic Development Director
Submitting Department:	Econ Development	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to an amendment of the fiscal year 2017 budget by reallocating appropriations of $2,000,000 within the General Capital Projects Fund from the Higher Education Facilities project to a new project to cover costs related to public infrastructure on or near city controlled property at City Center, which will enhance the ability to develop. Resolution #2017-73.

Motion:

I move to approve Resolution #2017-73.

Background:

The FY2017 General Capital Projects Fund Project P61350: Higher Education Facilities, was approved for $4,000,000. The project was created to support Goal 3 of the Education Initiative within the City Council Strategic Plan which identifies the facilitation of a 4-year liberal arts college campus at City Center. Resolution #2017-73 will reallocate appropriations of $2,000,000 into a separate project within the General Capital Projects Fund which will be utilized to prepare the site for development of the Higher Education Project and will also enhance the ability to develop other projects within City Center. The project will contain the same elements of the original project P61350 with a focus on the public infrastructure as it is the priority for development. Items related to public infrastructure may include (water, sewer, drainage, gas, power, telecom, lighting) and shared public facilities (fields, restrooms, parking, sidewalks). Subject to the budget, priority will be given to water, sewer, drainage and power improvements.

Objective Analysis:

The objective is to enhance site readiness on or near city controlled property at City Center by providing public infrastructure improvements which will aid in the advancement of a university campus.

Policy Compliant:

This action item is consistent with Council policy including the adopted City Council strategic plan on Education.

Financial Impact:

Approval of this item will authorize the reallocation of appropriations of $2,000,000 to be used to enhance site readiness through public infrastructure improvements at City Center.

Budget Impact:

The FY2017 annual budget includes funding in the amount of $4,000,000 within the General Capital Project Fund for the Higher Education Facilities project. Approval of this item will authorize the reallocation of appropriations in the amount of $2,000,000 within the General Capital Projects Fund from the Higher Education Facilities project to establish a project for public infrastructure at City Center. The reallocation does not increase or decrease the total budget for FY2017.

FTE Impact:

The number of full time equivalents (FTE) is not impacted by this item.

ATTACHMENTS:

Click to download

- Resolution - #2017-73

RESOLUTION # 2017-73

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2017 BUDGET BY REALLOCATING APPROPRIATIONS OF $2,000,000 WITHIN THE GENERAL CAPITAL PROJECTS FUND FROM THE HIGHER EDUCATION FACILITIES PROJECT FOR THE PURPOSE OF ESTABLISHING A PROJECT TO COVER COSTS RELATED TO PUBLIC INFRASTRUCTURE AT CITY CENTER.

WHEREAS, the FY2017 adopted budget includes funding in the amount of $4,000,000 within the General Capital Projects Fund for the Higher Education Facilities project;

WHEREAS, the City Council Strategic Plan update approved by City Council in March 2013 includes a goal to facilitate the development of a 4-year liberal arts college campus;

WHEREAS, an investment in the amount of $2,000,000 in public infrastructure will enhance site readiness for development at City Center for higher education and other projects;

WHEREAS, it is necessary to reallocate appropriations of $2,000,000 within the General Capital Projects Fund from the Higher Education Facilities project to establish a new project to cover the costs of public infrastructure on or near city controlled property at City Center;

WHEREAS, the FY2017 budget was adopted by Council Resolution #2016-81 on June 21, 2016;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That the statements and schedules attached as Exhibit A and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2016 through June 30, 2017.

Section 2. The Mayor and Council hereby authorize the City Manager, or his designees, to enter into contracts, conduct negotiations, and to execute and submit all documents and other necessary or desirable instruments in connection with this project.

APPROVED AND ADOPTED this _____day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

RESOLUTION # 2017-73
Exhibit A

The FY2017 Annual Budget is amended by reallocating appropriations among lawfully available appropriations to ensure the continued operations of the City of Surprise in the payment of necessary expenditures. Additionally, these reallocations do not increase or decrease the total budget.

1. **Expenditures** – The allocations below represent a reallocation of appropriations in the amount of $2,000,000 within the General Capital Projects Fund from the Higher Education Facilities project to establish a project for public infrastructure at City Center. These allocations do not represent an actual transfer of funds, but only a transfer of spending authority.

Fund / Dept. / Category or Project	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Capital Projects Fund Higher Education Facilities #P61350	$4,000,000	($2,000,000)	$2,000,000
General Capital Projects Fund City Center Public Infrastructure #P61420	0	2,000,000	2,000,000
	$4,000,000	$0	$4,000,000

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Eric Fitzer, Community Development
Submitting Department:	CD	District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action declaring the document entitled, "Amendments To Surprise City Code Chapter 42 and 58, May 31, 2017" a public record and ordering that three copies remain on file with the City Clerk; Resolution # 2017-70.

Motion:

I move to approve Resolution # 2017-70.

Background:

This action declares amendments to the Surprise Municipal Code, which are memorialized in an eighteen page document entitled, "Amendments to Surprise City Code Chapters 42 and 58 May 31, 2017" a public record. This accomplishes the ability to adopt the amendments via ordinance without publishing the entire eighteen page document.

Objective Analysis:

Declaring this document as a public record ensures that it is disseminated in the most cost efficient manner and that it remains on file with the City Clerk's Office. Negative impacts are as follows: the City may have to tract reimbursements for a number of years.

Policy Compliant:

This action is policy compliant in that it complies with the Arizona Revised Statutes' publishing requirements and at the same time efficiently utilizes limited city resources.

Financial Impact:

All activity related to ongoing development of the City of Surprise has an economic and fiscal impact on the city and the region.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

Click to download

- 17.05.31 Resolution 201-70 Declaring a Public Record
- 17.05.31 Amendments to SMC Chapter 42 and 58

RESOLUTION # 2017-70

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA DECLARING DOCUMENT A PUBLIC RECORD THAT DOCUMENT ENTITLED "AMENDMENTS TO SURPRISE CITY CODE CHAPTER 42 AND 58, MAY 31, 2017."

WHEREAS, pursuant to A.R.S. 9-802, the City Council may declare a document a public record and therefore enact same without setting forth the public record in the adopting ordinance; and

WHEREAS, this is an efficient and cost effective procedure for adopting large text amendments.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That certain document entitled "Amendments to Surprise City Code Chapters 42 and 58, May 31, 2017" of the City of Surprise, Arizona," three copies of which are on file in the office of the City Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

APPROVED AND ADOPTED this _____day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

AMENDMENTS TO SURPRISE CITY CODE CHAPTERS 42 AND 58

MAY 31, 2017

Chapter 42 - STREETS, SIDEWALKS AND OTHER PUBLIC PLACES

ARTICLE I. - IN GENERAL

Sec. 42-1. - Maricopa Association of Governments (MAG) uniform code adopted.

The current edition of that certain document entitled "MAG Uniform Standard Specifications for Public Works and Construction," produced by the Maricopa Association of Governments, and current supplements also produced by the Maricopa Association of Governments, except as modified by the City of Surprise Engineering Development Standards, current edition are adopted as the uniform standard specifications for public works and construction of the city, and made part of this article the same as though said code was specifically set forth in full in this article, and at least three copies of said documents shall be filed in the office of the city clerk and kept available for public use and inspection.

(Code 2007, § 12.04.010; Ord. No. 09-37, § 1, 11-12-09)

State Law reference— Adoption by reference, A.R.S. § 9-801 et seq.

Sec. 42-2. - Violation; penalty.

Any person violating any of the provisions of the current edition of the MAG Uniform Standard Specifications for Public Works and Construction, the current supplements, or the City of Surprise Engineering Development Standards, current edition, shall, upon conviction thereof, be deemed guilty of a class 1 misdemeanor.

(Code 2007, § 12.04.030; Ord. No. 09-37, § 1, 11-12-09)

State Law reference— Adoption by reference, A.R.S. § 9-801 et seq.

Sec. 42-3. - Public improvement repayments and assessments—Definitions.

The following words, terms and phrases, when used in sections 42-3 through 42-10, shall have the meanings set forth below, unless the context clearly indicates a different meaning:

(a) *Assessment* means the amount of the lien that may be fixed, levied, and assessed by the city, pursuant to A.R.S. § 9-243, §9-500.05 and this chapter, against real property abutting streets and sidewalks constructed by the city, where the owner or its predecessors in interest did not construct or pay for any of the costs of construction. ASSESSMENT ALSO MEANS THE AMOUNT OF THE LIEN THAT MAY BE FIXED, LEVIED, AND ASSESSED BY THE CITY

FOR ANY SPECIAL PUBLIC IMPROVEMENT CONSTRUCTED BY EITHER CITY OR DEVELOPER.

(b) *Benefited party* means the person or entity creating a demand for or otherwise utilizing special public improvements resulting in a special benefit for which the benefited party has not specifically contributed to the costs in providing such special public improvements.

(c) *City* means City of Surprise, Arizona.

(d) *Costs* means the actual cost of:

(1) Right-of-way or easement acquisition;

(2) Construction of the special public improvements as determined by ~~the construction contract price or by~~ the actual costs, such construction to include, but shall not be limited to construction and installation of water lines, reclaim water lines, sewer lines, storm sewer lines and systems, asphaltic and concrete paving, curb, gutter and sidewalks, street lights, traffic signals and public landscaping.

(3) Inspection, testing and permit fees;

(4) Engineering and design fees required for preparation of plans and specifications;

~~(5) Administrative charges paid to the city by the developer or owner;~~

(~~6~~5) Incidental fees, expenses and charges, including but not limited to capitalized interest required to complete the improvements.

(~~7~~6) FINANCING COSTS TO CITY, WHERE APPLICABLE.

(e) *DEVELOPER* MEANS THE PARTY THAT INCURS THE COSTS AND INSTALLS THE SPECIAL PUBLIC IMPROVEMENTS.

(~~e~~f) *Development agreement* means an agreement between one or more parties and the city pursuant to A.R.S. § 9-500.05.

(~~f~~g) *General public benefit* means that portion of the ~~expense of the~~ special public improvement that BENEFITS THE PROPERTY OWNER IN THE SAME WAY OR AMOUNT AS THE PUBLIC AT LARGE.~~is for general public benefit and does not specially benefit the property subject to reimbursement or assessment for special public improvements.~~ THIS IS IN CONTRAST TO A SPECIAL BENEFIT THAT IS NECESSARY FOR DEVELOPMENT OF THE PROPERTY BEING ASSESSED.

(h) *PUBLIC IMPROVEMENT* MEANS THE CONSTRUCTION, ENLARGEMENT, EXTENSION OR OTHER CONSTRUCTION OF A FACILITY INTENDED FOR DEDICATION TO THE CITY, INCLUDING BUT NOT LIMITED TO ANY STREET, SIDEWALK, DRAINAGE, WATER, SEWER IMPROVEMENT OR FACILITIES OR ANY OTHER IMPROVEMENTS INTENDED TO BE

DEDICATED TO PUBLIC OWNERSHIP AND USE, INCLUDING THE LAND UPON WHICH THE IMPROVEMENT IS CONSTRUCTED.

(~~g~~i) *Reimbursement amount* means the PORTION OF THE COSTS THAT MUST BE PAID TO THE DEVELOPER PURSUANT TO A REPAYMENT AGREEMENT AND IMPOSED UPON THE BENEFITED PARTIES. ~~charge which must be paid to the city pursuant to a repayment agreement and imposed upon the owner or developer of property which has or will receive the benefit of special public improvements benefiting their property.~~

(~~h~~j) ~~*Special benefit*~~ *REIMBURSEMENT SHARE* means a BENEFITED PARTY'S SHARE OF THE REIMBURSEMENT AMOUNT BASED ON ONE OF THE FOLLOWING: ~~benefit to a specific parcel of real property from a special public improvement based on:~~

(1) A ~~calculation of~~ COST apportioned BY traffic volume generated as the result of the special public improvement;

(2) The cost apportioned per frontage foot of the special public improvement;

(3) The cost apportioned per acre of all properties that UTILIZE A ~~receive a special benefit from the~~ special public improvement;~~ or~~

(4) THE COST APPORTIONED BY DEMAND OF THE SPECIAL PUBLIC IMPROVEMENTS; OR

(~~4~~5) The cost apportioned based on the assessed valuation of all properties that receive a special benefit from the special public improvement.

(k) *REPAYMENT AGREEMENT* MEANS A DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER AND THE CITY PURSUANT TO A.R.S. § 9-500.05 THAT ADDRESSES THE REPAYMENT OF THE REIMBURSEMENT AMOUNT BY THE BENEFITED PARTIES.

(~~i~~l) *Special public improvement~~s~~* MEANS ANY PUBLIC IMPROVEMENT WITHIN A SPECIFIED ASSESSMENT BOUNDARY THAT THE CITY COUNCIL HAS DETERMINED IS ELIGIBLE FOR REPAYMENT BECAUSE THE IMPROVEMENT IS IN EXCESS OF THOSE NORMAL AND CUSTOMARY IMPROVEMENTS NECESSARY TO DEVELOP AND SUPPORT THE PROJECT FOR WHICH THEY ARE BEING CONSTRUCTED. ~~mean any publicly dedicated rights-of-way, any street, sidewalks, drainage, water or sewer improvements or facilities or any other improvements financed by bonds, general funds, water utility funds, sewer utility funds, private funds that are completed after the effective date of this ordinance.~~

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09; Ord. No. 2016-06, § 1(Att. A), 3-15-16)

State Law reference— A.R.S. § 9-243 and A.R.S. § 9-500.05.

Sec. 42-4. ~~- Same —~~Policy.

Sections 42-3 through 42-10 intend to provide for the completion and extension of special public improvements within developed areas and into undeveloped areas of the city by encouraging the completion or extension of such improvements and providing for the reimbursement of the costs of such improvements other than those costs which are for general public benefit by the BENEFITING PARTIES. ~~owners of parcels which specifically benefit from such improvements and which are not subject to any other special assessments or special charges for the benefit which they receive from the special public improvement.~~

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09; Ord. No. 2016-06, § 1(Att. A), 3-15-16)

Sec. 42-5. - ~~Same —~~Construction of special public improvements.

~~Prior to a permit being issued~~ BEFORE THE CITY WILL ISSUE A PERMIT for construction of special public improvements by a ~~property owner~~ DEVELOPER for which repayment of a reimbursement amount is being requested, the following requirements shall be met:

(a) A diagram describing all property which will be benefited by any special public improvements to be installed shall be provided to the city engineer or designee.

(b) The field engineering, plans and specifications required for the special public improvement may be prepared by the ~~owner~~ DEVELOPER or the city. If prepared by the ~~owner~~ DEVELOPER, they must be approved by the city engineer or designee prior to construction. The engineering costs for preparation of plans and staking of the special public improvements only, which are incurred by the person, may be included as determined by the city engineer or his designee in the agreed construction costs as provided in this section.

~~(c) For any special public improvements which are constructed, the owner shall furnish and install to city specifications all facilities within the boundary of the designated area of the development.~~

(~~d~~c) Detailed plans and specifications for special public improvements which are extensions to existing public facilities must be approved by the city engineer prior to construction. The costs for the preparation of plans and specifications, diagrams and other information required by the ~~owner~~ DEVELOPER to comply with sections 42-3 through 42-10 shall be assumed by the ~~owner~~ DEVELOPER.

(~~e~~d) The project shall be bid in accordance with the provisions pertaining to public works projects contained in A.R.S. title 34 and city code. The construction costs shall be determined prior to the commencement of construction and shall be approved by the city. In the event that the agreed upon construction costs increase, the repayment agreement may be amended BY THE CITY MANAGER IN AN AMOUNT NOT EXCEEDING $50,000 INDIVIDUALLY OR CUMULATIVELY WITH OTHER AMENDMENTS upon approval of the

additional construction costs by the city ENGINEER. ANY OTHER AMENDMENTS INCREASING THE AGREED UPON COST IN AN AMOUNT EXCEEDING $50,000 MUST BE APPROVED BY CITY COUNCIL.

(~~e~~f) The city will perform the ~~inspection~~ REVIEW, APPROVAL OF PLANS AND INSPECTIONS during THE DESIGN AND construction and shall charge the ~~owner~~ DEVELOPER for the PLAN REVIEW AND inspectionS of the special public improvements. ~~The costs of such inspections may be included in any repayment agreement.~~

(f~~g~~) The ownership of all special public improvements upon COMPLETION, inspection, and acceptance ~~as meeting city standards~~ BY THE CITY shall be vested in the city.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09; Ord. No. 2016-06, § 1(Att. A), 3-15-16)

State Law reference— A.R.S. § 34-201.

Sec. 42-6. - ~~Same—~~Authorization of repayment agreements.

(a) Upon development of any property within the city or outside of the city limits that may be subsequently annexed into the city for which a special public improvement~~s~~ ~~project~~ will be constructed, the developer ~~or owner paying the cost~~ of the special public improvement~~s~~ may request the city manager or his designee on behalf of the city to enter into a ~~reimbursement~~ REPAYMENT agreement to collect A reimbursement amount~~s~~ from the BENEFITED PARTIES ~~developers and owners of parcels specially benefited by the project~~ located within the city or outside the city limits that may be subsequently annexed into the city.

(b) Upon construction of special public improvements the cost of which were financed by bonds issued by the city, including improvement or assessment bonds, the city may impose upon and collect reimbursement amounts pursuant to the terms of section 42-8.

(c) The city manager shall be authorized to enter into AMENDMENTS TO repayment agreements ~~under this chapter.~~ FOR THE LIMITED PURPOSES SET FORTH IN SECTION 42-5. Such agreements shall be recorded in the Office of the Maricopa County Recorder.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09; Ord. No. 2016-06, § 1(Att. A), 3-15-16)

Sec. 42-7. - ~~Same—~~Repayment agreements; terms; collections; and costs.

(a) The repayment agreement shall designate the parcels, THE BENEFITED PARTIES, THE REIMBURSEMENT AMOUNT AND THE REIMBURSEMENT SHARE. ~~and persons who are entitled to reimbursement amounts and~~ THE REPAYMENT AGREEMENT shall include a diagram of the BENEFITED PARTIES' PARCELS

AND THE METHOD FOR CALCULATING REIMBURSEMENT SHARES. ~~properties and respective amounts from which reimbursement amounts may be collected.~~ In the event bonds of the city, including improvement district or assessment bonds, have been issued to finance the construction of the special public improvements and related facilities, the city shall receive all reimbursement amounts and apply such amounts to the debt service funds of the applicable bond issue.

(b) The repayment agreement shall set forth the total of the reimbursement amount ~~to be paid to the city, which agrees to repay such reimbursement amounts to the owner. The total of such reimbursement amounts~~ WHICH shall not exceed ~~that portion of the agreed construction~~ APPROVED costs of the special public improvementS, LESS DEVELOPER'S SHARE OF THE COSTS~~. allotted to property outside the area of the owner. The repayment agreement shall terminate in 15 years or when the total amount provided for by this chapter is repaid, whichever is earlier.~~

(c) The TERM OF THE REPAYMENT AGREEMENT WILL BECOME EFFECTIVE UPON SIGNATURE OF ALL PARTIES AND RECORDATON OF THE AGREEMENT. THE AGREEMENT WILL END: ~~approved construction costs as described in section 42-3 will be used for calculation of all reimbursement amounts.~~

(1) TEN (10) YEARS AFTER THE FIRST ASSESSMENT PAID ON BEHALF OF A BENEFITED LOT OR PROPERTY, OR WHEN THE REIMBURSEMENT AMOUNT HAS BEEN REPAID, WHICHEVER IS EARLIER, IT THE AREA BENEFITING FROM THE SPECIAL PUBLIC IMPROVEMENTS IS LESS THAN 800 ACRES OR THE COSTS OF THE SPECIAL PUBLIC IMPROVEMENTS IS LESS THAN $10,000,000.

(2) TWENTY (20) YEARS AFTER THE FIRST ASSESSMENT PAID ON BEHALF OF A BENEFITED LOT OR PROPERTY, OR WHEN THE REIMBURSEMENT AMOUNT HAS BEEN REPAID, WHICHEVER IS EARLIER, IF THE AREA BENEFITING FROM THE SPECIAL PUBLIC IMPROVEMENTS IS MORE THAT 800 ACRES OR THE COSTS OF THE SPECIAL PUBLIC IMPROVEMENTS IS MORE THAN $10,000,000.

(3) THE TERMS ESTABLISHED IN SUBSECTIONS (1) OR (2) ABOVE MAY BE EXTENDED FOR NOT MORE THAN TWO CONSECUTIVE FIVE YEAR EXTENSIONS, UPON A CITY FINDING THAT:

(i) DEVELOPMENT WITHIN THE ASSESSMENT BOUNDARY IS ONGOING OR IMMINENT; AND

(ii) THE PARTIES WITHIN THE ASSESSMENT BOUNDARY WILL BE SERVED BY THE IMPROVEMENTS FOR WHICH THEY WILL BE ASSESSED.

(d) Upon entry into a repayment agreement with the city, the ~~owner~~ DEVELOPER shall have the right to connect into the special public improvement in consideration for their entry into the repayment agreement.

(e) ~~The field engineering, plans and specifications required for a special public improvement shall be prepared by the developer and approved by the city prior to construction.~~ The engineering costs for preparation of plans and siting of the special public improvements on the property which are incurred by the owner may be included as determined by the city in the agreed construction costs as provided in this section. ~~The city will perform the inspections during construction.~~

(f) The city shall have sole and exclusive control of connections to the special public improvement. Connections to the special public improvement may only be made upon issuance of a written permit from the city. It shall be unlawful to make a connection to a special public improvement without a permit. Such connections may be removed by the city and the costs of removal assessed to the party making the connection.

(g) Prior to ALOWING A BENEFITED PARTY TO CONNECT TO OR TO USE A SPECIAL PUBLIC IMRPOVEMENT, OR AT AN EARLIER TIME AS IDENTIFIED IN THE REPAYMENT AGREEMENT (E.G. PRIOR TO APPROVING A FINAL PLAT), CITY SHALL VERIFY THAT THE BENEFITED PARTY HAS PAID ITS REIMBURSEMENT SHARE TO THE DEVELOPER. ~~the inspection and acceptance of the special public improvement by the city, all reimbursement amounts due by an owner for repayment of the benefit which their property received from the special public improvements shall be paid to the city.~~

(h) ~~An annual charge will be assessed by the city for the administration of each repayment agreement. The annual charge shall be calculated based on actual cost incurred by the city for the administration of the agreement, however, the annual charge shall not be less than $500.00 per year.~~ THE DEVELOPER SHALL ADMINISTER THE REPAYMENT AGREEMENT AND COLLECT THE REIMBURSEMENT AMOUNT FROM THE BENEFITED PARTIES. DEVELOPER SHALL ALSO PROMPTLY NOTIFY THE CITY, IN WRITING, EACH TIME A BENEFITED PARTY PAYS ITS REIMBURSEMENT SHARE.

(i) Any ~~owner~~ DEVELOPER may assign the benefits arising out of any ~~reimbursement~~ REPAYMENT agreement with the city. SUCH ASSIGNMENT SHALL BE LIMITED TO THE PROPORTIONAL AMOUNT OF BENEFITS ASSOCIATED WITH A SALE OF THE FEE INTEREST OF ALL OR A PORTION OF THE BENEFITED LAND. Such assignments shall not relieve the ~~owner~~ DEVELOPER from their duties and obligations under the agreement UNLESS THE NEW PROPERTY OWNER EXECUTES A WRITTEN ACCEPTANCE OF THE RIGHTS AND DUTIES OF DEVELOPER UNDER THE REPAYMENT AGREEMENT FOR THE NEWLY P[URCHASED PROPERTY. ~~The~~ ANY assignment shall require written approval of the city.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09)

Sec. 42-8. - ~~Same~~ —Reimbursement amounts ~~payable to city~~.

~~(a)~~ When a special public improvement is constructed by the city or its contractors, THE CITY MAY REQUIRE THE BENEFITTED PARCELS TO REIMBURSE THE CITY PRIOR TO THE COUNCIL APPROVAL OF A FINAL PLAT..~~to provide service or benefit to a parcel or an owner, which owner or their predecessors in interest did not pay for any of the costs of the special public improvement, the city may impose and collect a reimbursement amount. The reimbursement amount shall be based on the benefited parcel's share of the benefit received as compared to the total cost of the special public improvement. The reimbursement amount shall be paid to the city prior to the issuance of a building permit or the issuance of an encroachment permit to access city right of way for the purpose of connecting to the special public improvement.~~

(b) It shall be unlawful for any ~~person~~ BENEFITED PARTY to extend service from a special public improvement to ~~their~~ ITS property ~~for which a reimbursement amount has been imposed~~ without first paying ~~the~~ ITS reimbursement ~~amount~~ SHARE and obtaining a permit issued by the engineering division OR FINAL PLAT APPROVAL BY THE CITY.

(c) The repayment obligation WILL REMAIN IN EFFECT DURING THE TERMS ESTABLISHED ABOVE IN SECTION 42-7(c). ~~under this section shall terminate in 15 years or when the total amount provided for by this chapter is repaid, whichever is sooner.~~ THE REPAYMENT OBLIGATION SHALL TERMINATE UPON THE TERMINATION OF THE REPAYMENT AGREEMENT.

(d) The city shall collect A reimbursement AMOUNT for any special public improvements financed by improvement district or assessment district bonds, water utility funds, sewer utility funds, development fee funds and general obligation bond funds which were specifically designated as subject to reimbursement from special public improvement repayments. Any owner who has paid all or part of the debt service upon any bonds, the proceeds of which were used to finance special public improvements shall have no claim to the reimbursement amounts repaid to the city under this chapter.

(e) Those portions of ~~special~~ public improvements ~~constructed under this chapter which~~ THAT are for ~~general public~~ THE SPECIFIC benefit OF DEVELOPER OR THE DEVELOPMENT IN QUESTION, shall not be subject to repayment under the provisions of this chapter.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09)

Sec. 42-9. - ~~Same~~ Notice of intention to approve special public improvements.

(a) Upon the determination of the city engineer or designee that the public health, safety, welfare and/OR convenience requires the construction of special public improvements prior to the development of the adjacent property but for which the adjacent property will ~~be specially benefited~~ RECEIVE A BENEFIT, a map establishing the boundaries of the ~~zone~~ BENEFITED PARTIES' PARCELS and indicating EACH BENEFITED PARTY'S REIMBURSEMENT SHARE OF

the ~~amount of charges for~~ special public improvement~~s~~ ~~on each parcel~~ shall be prepared by the CITY ~~e~~Engineer~~ing~~ ~~director~~ OR DESIGNEE and filed in the office of the city clerk. The map for the special public improvement shall contain:

(1) A description of the special public improvement.

(2) A general description of the estimated total cost and cost per frontage foot or cost per acre of the proposed special public improvement.

(3) A description of the special public improvement project area and a map and list of THE BENEFITED PARCELS AND LOTS. ~~all owners of real property who will be receiving a special benefit from the construction of the special public improvement.~~

(4) A determination of that portion of the COSTS OF THE special public improvement ~~which is for~~ THAT SHALL BE ALLOCATED TO THE general public benefit, IF ANY. ~~and that portion which is for special benefit of the owner.~~

(5) A preliminary estimate of the portion of the special public improvement which will be financed with general obligation bonds, development fees, special assessments or improvement district assessments and the portion which will be financed with repayments for special public improvements.

(b) ~~Those owners of real property within the area subject to repayment for special public improvements~~ THE BENEFITED PARTIES shall receive notice in writing of the proposed charges for special public improvements.

(c) The map for the special public improvement (inclusive of parcel numbers) shall be recorded with the Maricopa County Recorder. ~~concurrently with the owners of the real property within the area subject to repayment for special public improvements receiving written notice of the proposed charges for special public improvements.~~

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09)

Sec. 42-10. - ~~Same—~~Assessment districts, improvement districts; general obligation bond projects; cost apportionment.

(a) Upon collection of A reimbursement SHARE ~~amounts pursuant to any special public improvement ordered under section 42-9, which is located in municipal improvement district and financed assessments,~~ such funds shall be deposited with the finance department. The funds shall be applied against the outstanding indebtedness for which ~~improvement district~~ bonds OR ASSESSMENTS were issued.

(b) Reimbursements for special public improvements pursuant to section 42-9 may be used in combination with a general obligation bond issue, provided that the general obligation bond issue question submitted to the qualified electors indicates that such reimbursements may be required of benefited ~~property owners~~ PARTIES. All amounts collected from such reimbursements shall be deposited in the general obligation bond fund from which the special public improvement project is financed.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09)

State Law reference— A.R.S. § 48-571.

Sec. 42-11. ~~- Same—~~Assessments for streets and sidewalks constructed by the city.

(a) In accordance with A.R.S. § 9-243, as amended, the city council may ~~pass~~ ADOPT an ordinance providing for the construction of streets and sidewalks. The ordinance shall briefly describe ~~and state~~ the location of the streets and sidewalks to be constructed. The ordinance shall order and direct that the construction of the streets and sidewalks shall be made by the owners of the abutting property and also that, in the event of the failure of the abutting property owners to construct such streets and sidewalks, the city shall do the work and the expense shall be charged to the abutting property owners.

(b) The ordinance shall state that the public health, safety, welfare and convenience requires construction of the streets and/or sidewalks prior to the development of abutting properties, and direct the city engineer or designee to prepare a map establishing the boundaries of the area showing the width and location of the proposed streets and sidewalks to be filed in the office of the city clerk. The map shall contain:

(1) A description of the streets and sidewalks to be constructed.

(2) A general description of the estimated total cost and cost per frontage foot of the proposed street and sidewalk improvements.

(3) A list of all parcels (including parcel numbers) depicted on the map.

(4) A determination of that portion of the estimated total cost of the public improvement which is for general public benefit and that portion which would specially benefit the listed properties.

(c) The map (inclusive of parcel numbers) shall be recorded with the Maricopa County Recorder concurrently with the owners of the real property within the subject area receiving written notice of the proposed assessments.

(d) The city engineer or designee shall apportion the estimated total construction costs to be assessed against each listed property based on the linear foot frontages of the streets and sidewalks OF EACH OF THE BENEFITED PARCELS.

(e) Within 14 business days of the filing of the map in the office of the city clerk, the city shall provide each owner of the parcels listed and shown on the map a written notice accompanied by a copy of the map setting forth the following:

(1) A statement that the property owner shall obtain a civil construction permit from the city for construction of the streets and sidewalks within 60 days from the date of the notice.

(2) A statement that if the property owner does not obtain a construction permit within 60 days from the date of the notice, the city will proceed to make the

improvements and the apportioned cost of constructing the street and sidewalk improvements abutting the property shall become a lien upon the property.

(3) A statement of the apportioned cost of constructing the street and sidewalk improvements for the abutting property and how the amount was determined.

(f) It shall be the duty of the owner of any lot or parcel abutting upon any proposed street and sidewalk to proceed to construct such streets and sidewalks as provided by the terms of the ordinance of the city council. ~~If the owner fails to comply with the ordinance and the notice provided in the preceding section, the city shall have the right to construct the streets and sidewalks and assess the costs and expenses thereof to the abutting property owner.~~

(g) No special public improvements constructed pursuant to this chapter shall be subject to both ~~reimbursement~~ REPAYMENT agreements under this chapter and assessments imposed pursuant to this ~~chapter~~ SECTION 42-11.

(h) Any assessment under this ~~chapter~~ SECTION 42-11 shall abate if the property has not been developed within ten years of the assessment.

(Ord. No. 2016-06, § 1(Att. A), 3-15-16)

CHAPTER 58 – UTILITIES

ARTICLE IV – WATER SERVICE

DIVISION 3. - EXTENSIONS

Sec. 58-206. - Service area.

(a) The maximum area to be served by the proposed water supply main extension and its ultimate extensions shall be determined by the city based on local topography and intended land use. In the event the area to be served by the developer is less in size than the maximum area to be serviced by the proposed water main extension and its ultimate extensions, the water main extension shall be designed, engineered and constructed to serve the maximum area described.

(b) Except as provided in subsection (c) of this section, no water supply service shall be provided outside the city's corporate limits.

(c) Water supply service may be provided outside the cities corporate limits where:

(1) Such water supply service is for the purpose of serving city facilities; or

(2) The owner of property for which the water supply service is requested executes an agreement as follows:

a. The property owner shall agree to pay all costs for temporary connection, pending construction of a future water main extension;

b. The property owner shall agree to pay the cost of extending a water supply main to his property.

(Ord. No. 2012-06, § 1, 5-8-2012)

Secs. 58-207, 58-208. - Reserved.

Sec. 58-209. - Specifications.

(a) All water supply mains must be built to comply with the most current City Standards and Guidelines as determined in the sole discretion of city of a size that is sufficient to afford adequate service to the designated area during peak demand. In the event booster pumps are necessary to maintain adequate pressure in mains, such booster pumps and related storage facilities shall be built to city specifications at the expense of the developer, and shall become the property of the city upon completion, of warrantee and final acceptance.

(b) All drinking water mains shall be interconnected (looped) in a pattern for maintenance of adequate pressure and as providing for future extension to the maximum area to be serviced.

(c) Water supply mains shall be installed only in dedicated streets or alleys or in dedicated rights-of-way along such streets or alleyways, and in dedicated utility easements for such purpose accepted by the city.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-210. - Reserved.

Sec. 58-211. - Right to install; costs.

(a) The city reserves the right to install any water supply main extension.

(b) The developer causing an extension of water supply mains shall pay in full for the rights-of-way, the construction and installation of the lines, pipes and mains and all other features necessary for the extension; and upon acceptance of the improvements by the city, the developer shall relinquish his entire interest to the improvements and rights-of-way.

~~(c) In cases in which an improvement district is not formed and a water supply main extension shall benefit properties of more than one owner, the city may elect to provide such extension and shall apportion the cost thereof to those who derive benefit, as indicated in this section:~~

~~(1) The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection (c)(1), except where the context clearly indicates a different meaning:~~

~~*Benefit* means the potential of the availability of water service from the water supply main under consideration, excluding therefore any property to which~~

~~service from the new main cannot be extended by reason of intervening private property.~~

~~(2) Apportionment of cost shall be on the basis of the area benefited, exclusive of dedicated streets or rights-of-way, and the cost apportioned to a parcel shall be the larger of:~~

~~a. The prorated share of the total cost of the project in the ratio of the area of the parcel to the total area benefited by the project;~~

~~b. A per-square-foot fee to be established by resolution of the council;~~

~~(3) Costs apportioned to lands under the provisions of this subsection (c) shall be collected by the city from each owner as a prior condition to issuing a building permit, approving a final plat or providing water service to the property, whichever occurs first.~~

(c) In the event the city elects not to provide either directly or through its agent an extension that benefits properties of more than one owner, but requires installation of water supply service mains that may benefit future developers who will desire to obtain service from the main, the city will ENTER INTO A REPAYMENT AGREEMENT WITH DEVELOPER TO CONSTRUCT THE WATER SUPPLY MAINS SUBJECT TO THE TERMS IN SECTION 42-3 THROUGH 42-11 OF THE THIS CODE.

~~(1) Enter into an agreement, with the subsequent developer who desires to connect to a water supply main, which will establish a just, reasonable and equitable charge for connection to the main. Such charge shall be made on a basis in conformity with subsection (c)(2) of this section.~~

~~(2) Pay 90 percent of such connection charge to the original developer for repayment of costs such developer incurred by reason of the city's requirement that lines be installed which exceed in capacity the demand caused by the original developer's project. Any such repayments made pursuant to contracts entered into by the city after November 10, 2004, shall be limited in duration for a period of not more than ten years and shall be limited to a maximum amount that repays such additional costs of the original developer. The city shall be entitled to retain ten percent of all such connection charges as costs of administration.~~

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-212. - Replacement or repair.

All persons or other entities who create, cause to be built, or build any such extensions of any services as contemplated in this article, shall also pay for any and all such replacement of street surfacing, curbing, sidewalk and the like as becomes necessary as a direct or indirect result of the creation, building or construction of such extensions. All such work shall be accomplished in accordance with all state, county and the city standard details and specifications in force at the time of construction as

adopted from the Maricopa Association of Government (MAG) Uniform Standard Specification adopted by the city.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-213. - Responsibility for costs.

Any person causing an extension of water supply mains shall pay in full for construction permit fees, installation of mains, lines and pipes, and applicable city and state transaction privilege taxes, and necessary rights-of-way and all other fees and appurtenances necessary for the extension.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-214. - Inspection and acceptance.

The city council, if satisfied that the extension is in the public interest and suitable and conforming to the existing system in the city, may, by motion, accept and approve the same and authorize the use thereof; provided that the extension shall be first conveyed to the city free and clear of any and all encumbrances.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-215. - Meter location.

The city shall have exclusive control of connections to water supply main extensions. Meters of customers serviced by such water mains shall be located in dedicated streets or alleyways or in dedicated rights-of-way along such streets or alleyways, or in dedicated easements for such purposes accepted by the city. The city reserves the right and assumes full responsibility of costs for repair or maintenance of water mains, and of lines connecting such mains to a customer's meter, except in cases in which, prior to November 10, 2004, customers' meters have been placed in locations other than described in this article, the city reserves the right to maintain or repair water supply lines connecting water supply mains and such customers' meters with the cost to be borne by the customer in an amount which does not exceed such cost as would be incurred were the meter in the location described in this article.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-216. - Connection required; separation required.

(a) All real or personal properties in connection with which drinking water is used, and which lie adjacent to streets or alleyways, or rights-of-way in which drinking water mains are or have been extended, shall be serviced by such drinking water mains except that properties in connection with which irrigation water is the only water used shall not be required to be serviced by such city drinking water mains.

(b) In the event that, in keeping with the provisions of this article, any properties are serviced both by city and noncity water supply systems, then no component part of one such system shall be closer than ten feet-from any component part of such other system.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-217. - Prohibited acts.

It is unlawful for any person to excavate or cause an excavation to be made for the purpose of laying water supply lines or pipes in the public streets, alleyways or in easements accepted by the city for such water supply lines or upon the property of the city without first complying with the provisions of this article.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-218. - Permit required.

(a) Any person who excavates or causes an excavation to be made for the purpose of laying any water supply lines or pipes in the public streets, alleyways, or upon the property of the city without first acquiring a city construction permit and complying with the provisions in this article, shall be guilty of a civil or criminal charge.

(b) Applications for permits to construct water supply distribution facilities or water supply main extensions within the city service area are required and shall be granted if such permits have been prepared in accordance with the terms of this article.

(c) City permits do not release such person of any permitting or approval requirements deemed necessary by any state or county agency. All city, state, county, and federal requirements must be met by such person and documentation must be provided to the city prior to project release. If a person does not acquire all necessary approvals and permits as required by other agencies said project will not be approved.

(Ord. No. 2012-06, § 1, 5-8-2012)

~~Sec. 58-219. - Water; repayments.~~

~~(a) This section shall apply where a water supply main is extended by one owner and connected to at a later date by one or more additional parties.~~

~~(b) In the event that it is found necessary to extend water mains to a distant point in order to serve a proposed new project, the cost of the main extension, will be included in a separate agreement. The city will limit the maximum size of the water supply main in accordance with the provisions established by this Code. For purposes of repayment, a 16-inch water supply distribution line may be considered~~

~~to be a line extension at the determination of the city, if it is in the best interest of the city and necessary to preserve the public health, safety and welfare.~~

~~(c) The city reserves the right to increase the diameter of the water supply main above the standards in this chapter if it deems advisable, but under this condition, the city will assume the additional cost above that which the owner would incur for the water main under the standards required by this Code.~~

~~(d) The final detailed plans and specifications for the water supply main extension must be approved by the city prior to construction. The engineering costs for the preparation of plans, specifications and staking of the water main incurred in by the developer may be included in the agreed construction costs as provided for in this section. The costs of distribution mains within the boundary of the project shall not be eligible for repayment.~~

~~(e) An annual charge in an amount provided by the city code will be assessed by the city for the administration of each repayment agreement.~~

~~(f) Repayment agreements under this chapter shall designate the area subject to connection charges pursuant to a water supply main extension approved by engineering.~~

(Ord. No. 2012-06, § 1, 5-8-2012)

CHAPTER 58 - UTILITIES

ARTICLE V. SEWER AND SEWAGE DISPOSAL

DIVISION 5. - EXTENSIONS

Sec. 58-418. - Rights of city reserved; cost recovery.

(a) The city reserves the right to install any sewer system or reclaimed water distribution system.

(b) The city desires to facilitate the development of infrastructure to serve undeveloped areas through repayment of extra costs incurred in the construction of sewer mains that are necessary to serve new developments, in order to distribute the costs of extending such mains between two or more property owners. Sections 42-3~~ 58-418~~ THROUGH 42-11 ~~58-418.3~~ shall apply where a sewer main extension was constructed and financed by one person or entity and connected to or utilized at a later date by one or more persons or entities. For purposes of sewers and sewer disposal, a sewer main is defined as a main extended beyond the limits of the project or a main larger than 15 inches constructed through the project or a main constructed along the frontage or boundary of the development with the capacity to serve additional developments. The owner must pay all the costs for engineering design and construction of main sewers of such size as to afford adequate capacity and service for specific service areas to be served by city trunk sewers or a sewer

that receives sewage from many tributary main sewers and serves as an outlet for a large territory.

(c) The city shall base the classification of an extension main on whether the size of the main is the maximum size required to serve all developments serviced by the extension main, including but not limited to that of the owner.

~~(d) The field engineering, plans and specifications required shall be prepared by the owner and approved by the city prior to construction. The engineering costs for preparation of plans and staking of the main sewer only, which are incurred by the person, may be included as determined by the city in the agreed construction costs, as provided in this section.~~

~~(e) In new subdivisions, shopping centers, industrial tracts or similar developments, the owner shall furnish and install to city specifications all branch, and main sewers, manholes and related facilities within the boundary of the designated area of the development.~~

~~(f) Costs of branch sewers and their appurtenances will not be included in the main sewer project agreement.~~

~~(g) The design and engineering shall be in accordance with the specifications of the city and must be approved by the city prior to construction. The construction shall meet city specifications, requirements and approval will be subject to inspection by the city during construction.~~

~~(h) The city may require the construction of the main sewer to meet such additional specifications and requirements as determined in the best interest of the city and to protect the public health, safety and welfare~~.

(Ord. No. 2012-06, § 1, 5-8-2012)

(Ord. No. 2012-06, § 1, 5-8-2012)

~~Sec. 58-418.3. - Sewer extensions prior to a municipal improvement district or community facilities district.~~

~~(a) The owner may enter into an agreement with the city for the extension of sewer lines to serve their property which is located in an area designated by the city for future installation of sewer lines and related facilities by a municipal improvement district or community facilities district.~~

~~(b) In order to qualify for payment, the sewer lines to be installed must be usable by a future assessment district, and the owner must agree that the assessable area of any parcel or parcels immediately adjacent to and served by such lines will be included in the assessment district and will receive an assessment for which the owner will be liable, regardless of whether he sells part or all of the property to be assessed.~~

~~(c) The owner shall pay all construction costs, including engineering services. The design, location and construction must be approved by the city, and a permit must be secured from the city. The contractor shall be duly licensed.~~

~~(d) The sewer lines installed by the owner will be held in trust by the city for a municipal improvement district or community facilities district. The agreed construction cost not to exceed the actual cost for the lines; will be written into the construction bid as a lump sum item and will become part of the construction cost for the municipal improvement district or community facilities district.~~

(Ord. No. 2012-06, § 1, 5-8-2012)

Secs. 58-419—58-422. - Reserved.

Sec. 58-423. - Connection required; separate services.

All property which generates sewage, and which lies adjacent to streets or alleyways, or rights-of-way in which sewage trunk lines or mains are or have been extended, shall be serviced by such mains.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-424. - Prohibited acts.

It is unlawful for any person to excavate or cause an excavation to be made for the purpose of laying sewer system lines or pipes on the public streets, alleyways, or in easements accepted by the city for such lines, or upon the property of the city without first complying with the provisions of this article.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-425. - Permit required.

(a) Any person who excavates or causes an excavation to be made for the purpose of laying any sewage lines or pipes in the public streets, ROW, alleyways, or upon the property of the city without first acquiring a city construction permit and complying with the provisions in this article, is guilty of a class 1 misdemeanor.

(b) Applications for permits to construct sewer system extensions within the city service area shall be made to the city.

(Ord. No. 2012-06, § 1, 5-8-2012)

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Eric Fitzer - Community Development
Submitting Department:	CD	District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to a Surprise Municipal Code amendment of Chapter 42, Article 1, Section 42-3 through 42-11 Streets, Sidewalks and other Public Places; Chapter 58 Utilities, Article IV, Division 3 Water Extensions, Sections 58-211 and 58-219; and Chapter 58, Article V, Division 5 Sewer Extensions, Sections 58-418 and 418.03; for the purpose of revising the repayment of oversized infrastructure; Ordinance # 2017-08.

Motion:

I move to approve Ordinance # 2017-08.

Background:

The City has entered into multiple Development Agreements. Some of these agreements require developers to design, bid and construct qualified public improvements which are outside of their development. Under the current code the statutory requirements cited limit the amount of years that the City may reimburse, or by other means, allow developers to be paid back for qualified public infrastructure. The amendments to the code clean up same ambiguity as well as allow the City flexibility when working with developers to design, construct, and reimburse for public infrastructure.

Objective Analysis:

Positive impacts are as follows: The city may have the ability to obtain qualified public infrastructure; investments in public infrastructure in the City of Surprise may be reimbursed. Negative impacts are as follows: the City may have to track reimbursements for a number of years.

Policy Compliant:

The action is policy compliant in that any future agreements will have to come before the City Council for approval and that development should pay its fair share.

Financial Impact:

There are operational costs for administering the reimbursements of public infrastructure. However these

costs are on a case by case basis and would need to be negotiated as part of future agreements.

Budget Impact:

At this time there is no budgetary impact. However there is a potential of budgetary impacts in the future depending on how and if agreements are entered into between the City and a developer or owner.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

Click to download

- 17.05.31 Amendments to SMC Chapter 42 and 58
- Ordinance 2017-08

AMENDMENTS TO SURPRISE CITY CODE CHAPTERS 42 AND 58

MAY 31, 2017

Chapter 42 - STREETS, SIDEWALKS AND OTHER PUBLIC PLACES

ARTICLE I. - IN GENERAL

Sec. 42-1. - Maricopa Association of Governments (MAG) uniform code adopted.

The current edition of that certain document entitled "MAG Uniform Standard Specifications for Public Works and Construction," produced by the Maricopa Association of Governments, and current supplements also produced by the Maricopa Association of Governments, except as modified by the City of Surprise Engineering Development Standards, current edition are adopted as the uniform standard specifications for public works and construction of the city, and made part of this article the same as though said code was specifically set forth in full in this article, and at least three copies of said documents shall be filed in the office of the city clerk and kept available for public use and inspection.

(Code 2007, § 12.04.010; Ord. No. 09-37, § 1, 11-12-09)

State Law reference— Adoption by reference, A.R.S. § 9-801 et seq.

Sec. 42-2. - Violation; penalty.

Any person violating any of the provisions of the current edition of the MAG Uniform Standard Specifications for Public Works and Construction, the current supplements, or the City of Surprise Engineering Development Standards, current edition, shall, upon conviction thereof, be deemed guilty of a class 1 misdemeanor.

(Code 2007, § 12.04.030; Ord. No. 09-37, § 1, 11-12-09)

State Law reference— Adoption by reference, A.R.S. § 9-801 et seq.

Sec. 42-3. - Public improvement repayments and assessments—Definitions.

The following words, terms and phrases, when used in sections 42-3 through 42-10, shall have the meanings set forth below, unless the context clearly indicates a different meaning:

(a) *Assessment* means the amount of the lien that may be fixed, levied, and assessed by the city, pursuant to A.R.S. § 9-243, §9-500.05 and this chapter, against real property abutting streets and sidewalks constructed by the city, where the owner or its predecessors in interest did not construct or pay for any of the costs of construction. ASSESSMENT ALSO MEANS THE AMOUNT OF THE LIEN THAT MAY BE FIXED, LEVIED, AND ASSESSED BY THE CITY

FOR ANY SPECIAL PUBLIC IMPROVEMENT CONSTRUCTED BY EITHER CITY OR DEVELOPER.

(b) *Benefited party* means the person or entity creating a demand for or otherwise utilizing special public improvements resulting in a special benefit for which the benefited party has not specifically contributed to the costs in providing such special public improvements.

(c) *City* means City of Surprise, Arizona.

(d) *Costs* means the actual cost of:

(1) Right-of-way or easement acquisition;

(2) Construction of the special public improvements as determined by ~~the construction contract price or by~~ the actual costs, such construction to include, but shall not be limited to construction and installation of water lines, reclaim water lines, sewer lines, storm sewer lines and systems, asphaltic and concrete paving, curb, gutter and sidewalks, street lights, traffic signals and public landscaping.

(3) Inspection, testing and permit fees;

(4) Engineering and design fees required for preparation of plans and specifications;

~~(5) Administrative charges paid to the city by the developer or owner;~~

(~~6~~5) Incidental fees, expenses and charges, including but not limited to capitalized interest required to complete the improvements.

(~~7~~6) FINANCING COSTS TO CITY, WHERE APPLICABLE.

(e) *DEVELOPER* MEANS THE PARTY THAT INCURS THE COSTS AND INSTALLS THE SPECIAL PUBLIC IMPROVEMENTS.

(~~e~~f) *Development agreement* means an agreement between one or more parties and the city pursuant to A.R.S. § 9-500.05.

(~~f~~g) *General public benefit* means that portion of the ~~expense of the~~ special public improvement that BENEFITS THE PROPERTY OWNER IN THE SAME WAY OR AMOUNT AS THE PUBLIC AT LARGE.~~is for general public benefit and does not specially benefit the property subject to reimbursement or assessment for special public improvements.~~ THIS IS IN CONTRAST TO A SPECIAL BENEFIT THAT IS NECESSARY FOR DEVELOPMENT OF THE PROPERTY BEING ASSESSED.

(h) *PUBLIC IMPROVEMENT* MEANS THE CONSTRUCTION, ENLARGEMENT, EXTENSION OR OTHER CONSTRUCTION OF A FACILITY INTENDED FOR DEDICATION TO THE CITY, INCLUDING BUT NOT LIMITED TO ANY STREET, SIDEWALK, DRAINAGE, WATER, SEWER IMPROVEMENT OR FACILITIES OR ANY OTHER IMPROVEMENTS INTENDED TO BE

DEDICATED TO PUBLIC OWNERSHIP AND USE, INCLUDING THE LAND UPON WHICH THE IMPROVEMENT IS CONSTRUCTED.

(~~g~~i) *Reimbursement amount* means the PORTION OF THE COSTS THAT MUST BE PAID TO THE DEVELOPER PURSUANT TO A REPAYMENT AGREEMENT AND IMPOSED UPON THE BENEFITED PARTIES. ~~charge which must be paid to the city pursuant to a repayment agreement and imposed upon the owner or developer of property which has or will receive the benefit of special public improvements benefiting their property.~~

(~~h~~j) ~~*Special benefit*~~ *REIMBURSEMENT SHARE* means a BENEFITED PARTY'S SHARE OF THE REIMBURSEMENT AMOUNT BASED ON ONE OF THE FOLLOWING: ~~benefit to a specific parcel of real property from a special public improvement based on:~~

(1) A ~~calculation of~~ COST apportioned BY traffic volume generated as the result of the special public improvement;

(2) The cost apportioned per frontage foot of the special public improvement;

(3) The cost apportioned per acre of all properties that UTILIZE A ~~receive a special benefit from the~~ special public improvement;~~ or~~

(4) THE COST APPORTIONED BY DEMAND OF THE SPECIAL PUBLIC IMPROVEMENTS; OR

(~~4~~5) The cost apportioned based on the assessed valuation of all properties that receive a special benefit from the special public improvement.

(k) *REPAYMENT AGREEMENT* MEANS A DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER AND THE CITY PURSUANT TO A.R.S. § 9-500.05 THAT ADDRESSES THE REPAYMENT OF THE REIMBURSEMENT AMOUNT BY THE BENEFITED PARTIES.

(~~i~~l) *Special public improvement~~s~~* MEANS ANY PUBLIC IMPROVEMENT WITHIN A SPECIFIED ASSESSMENT BOUNDARY THAT THE CITY COUNCIL HAS DETERMINED IS ELIGIBLE FOR REPAYMENT BECAUSE THE IMPROVEMENT IS IN EXCESS OF THOSE NORMAL AND CUSTOMARY IMPROVEMENTS NECESSARY TO DEVELOP AND SUPPORT THE PROJECT FOR WHICH THEY ARE BEING CONSTRUCTED. ~~mean any publicly dedicated rights-of-way, any street, sidewalks, drainage, water or sewer improvements or facilities or any other improvements financed by bonds, general funds, water utility funds, sewer utility funds, private funds that are completed after the effective date of this ordinance.~~

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09; Ord. No. 2016-06, § 1(Att. A), 3-15-16)

State Law reference— A.R.S. § 9-243 and A.R.S. § 9-500.05.

Sec. 42-4. ~~- Same —~~Policy.

Sections 42-3 through 42-10 intend to provide for the completion and extension of special public improvements within developed areas and into undeveloped areas of the city by encouraging the completion or extension of such improvements and providing for the reimbursement of the costs of such improvements other than those costs which are for general public benefit by the BENEFITING PARTIES. ~~owners of parcels which specifically benefit from such improvements and which are not subject to any other special assessments or special charges for the benefit which they receive from the special public improvement.~~

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09; Ord. No. 2016-06, § 1(Att. A), 3-15-16)

Sec. 42-5. - ~~Same —~~Construction of special public improvements.

~~Prior to a permit being issued~~ BEFORE THE CITY WILL ISSUE A PERMIT for construction of special public improvements by a ~~property owner~~ DEVELOPER for which repayment of a reimbursement amount is being requested, the following requirements shall be met:

(a) A diagram describing all property which will be benefited by any special public improvements to be installed shall be provided to the city engineer or designee.

(b) The field engineering, plans and specifications required for the special public improvement may be prepared by the ~~owner~~ DEVELOPER or the city. If prepared by the ~~owner~~ DEVELOPER, they must be approved by the city engineer or designee prior to construction. The engineering costs for preparation of plans and staking of the special public improvements only, which are incurred by the person, may be included as determined by the city engineer or his designee in the agreed construction costs as provided in this section.

~~(c) For any special public improvements which are constructed, the owner shall furnish and install to city specifications all facilities within the boundary of the designated area of the development.~~

(~~d~~c) Detailed plans and specifications for special public improvements which are extensions to existing public facilities must be approved by the city engineer prior to construction. The costs for the preparation of plans and specifications, diagrams and other information required by the ~~owner~~ DEVELOPER to comply with sections 42-3 through 42-10 shall be assumed by the ~~owner~~ DEVELOPER.

(~~e~~d) The project shall be bid in accordance with the provisions pertaining to public works projects contained in A.R.S. title 34 and city code. The construction costs shall be determined prior to the commencement of construction and shall be approved by the city. In the event that the agreed upon construction costs increase, the repayment agreement may be amended BY THE CITY MANAGER IN AN AMOUNT NOT EXCEEDING $50,000 INDIVIDUALLY OR CUMULATIVELY WITH OTHER AMENDMENTS upon approval of the

additional construction costs by the city ENGINEER. ANY OTHER AMENDMENTS INCREASING THE AGREED UPON COST IN AN AMOUNT EXCEEDING $50,000 MUST BE APPROVED BY CITY COUNCIL.

(~~e~~f) The city will perform the ~~inspection~~ REVIEW, APPROVAL OF PLANS AND INSPECTIONS during THE DESIGN AND construction and shall charge the ~~owner~~ DEVELOPER for the PLAN REVIEW AND inspectionS of the special public improvements. ~~The costs of such inspections may be included in any repayment agreement.~~

(f~~g~~) The ownership of all special public improvements upon COMPLETION, inspection, and acceptance ~~as meeting city standards~~ BY THE CITY shall be vested in the city.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09; Ord. No. 2016-06, § 1(Att. A), 3-15-16)

State Law reference— A.R.S. § 34-201.

Sec. 42-6. - ~~Same—~~Authorization of repayment agreements.

(a) Upon development of any property within the city or outside of the city limits that may be subsequently annexed into the city for which a special public improvement~~s~~ ~~project~~ will be constructed, the developer ~~or owner paying the cost~~ of the special public improvement~~s~~ may request the city manager or his designee on behalf of the city to enter into a ~~reimbursement~~ REPAYMENT agreement to collect A reimbursement amount~~s~~ from the BENEFITED PARTIES ~~developers and owners of parcels specially benefited by the project~~ located within the city or outside the city limits that may be subsequently annexed into the city.

(b) Upon construction of special public improvements the cost of which were financed by bonds issued by the city, including improvement or assessment bonds, the city may impose upon and collect reimbursement amounts pursuant to the terms of section 42-8.

(c) The city manager shall be authorized to enter into AMENDMENTS TO repayment agreements ~~under this chapter.~~ FOR THE LIMITED PURPOSES SET FORTH IN SECTION 42-5. Such agreements shall be recorded in the Office of the Maricopa County Recorder.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09; Ord. No. 2016-06, § 1(Att. A), 3-15-16)

Sec. 42-7. - ~~Same—~~Repayment agreements; terms; collections; and costs.

(a) The repayment agreement shall designate the parcels, THE BENEFITED PARTIES, THE REIMBURSEMENT AMOUNT AND THE REIMBURSEMENT SHARE. ~~and persons who are entitled to reimbursement amounts and~~ THE REPAYMENT AGREEMENT shall include a diagram of the BENEFITED PARTIES' PARCELS

AND THE METHOD FOR CALCULATING REIMBURSEMENT SHARES. ~~properties and respective amounts from which reimbursement amounts may be collected.~~ In the event bonds of the city, including improvement district or assessment bonds, have been issued to finance the construction of the special public improvements and related facilities, the city shall receive all reimbursement amounts and apply such amounts to the debt service funds of the applicable bond issue.

(b) The repayment agreement shall set forth the total of the reimbursement amount ~~to be paid to the city, which agrees to repay such reimbursement amounts to the owner. The total of such reimbursement amounts~~ WHICH shall not exceed ~~that portion of the agreed construction~~ APPROVED costs of the special public improvementS, LESS DEVELOPER'S SHARE OF THE COSTS~~. allotted to property outside the area of the owner. The repayment agreement shall terminate in 15 years or when the total amount provided for by this chapter is repaid, whichever is earlier.~~

(c) The TERM OF THE REPAYMENT AGREEMENT WILL BECOME EFFECTIVE UPON SIGNATURE OF ALL PARTIES AND RECORDATON OF THE AGREEMENT. THE AGREEMENT WILL END: ~~approved construction costs as described in section 42-3 will be used for calculation of all reimbursement amounts.~~

(1) TEN (10) YEARS AFTER THE FIRST ASSESSMENT PAID ON BEHALF OF A BENEFITED LOT OR PROPERTY, OR WHEN THE REIMBURSEMENT AMOUNT HAS BEEN REPAID, WHICHEVER IS EARLIER, IT THE AREA BENEFITING FROM THE SPECIAL PUBLIC IMPROVEMENTS IS LESS THAN 800 ACRES OR THE COSTS OF THE SPECIAL PUBLIC IMPROVEMENTS IS LESS THAN $10,000,000.

(2) TWENTY (20) YEARS AFTER THE FIRST ASSESSMENT PAID ON BEHALF OF A BENEFITED LOT OR PROPERTY, OR WHEN THE REIMBURSEMENT AMOUNT HAS BEEN REPAID, WHICHEVER IS EARLIER, IF THE AREA BENEFITING FROM THE SPECIAL PUBLIC IMPROVEMENTS IS MORE THAT 800 ACRES OR THE COSTS OF THE SPECIAL PUBLIC IMPROVEMENTS IS MORE THAN $10,000,000.

(3) THE TERMS ESTABLISHED IN SUBSECTIONS (1) OR (2) ABOVE MAY BE EXTENDED FOR NOT MORE THAN TWO CONSECUTIVE FIVE YEAR EXTENSIONS, UPON A CITY FINDING THAT:

(i) DEVELOPMENT WITHIN THE ASSESSMENT BOUNDARY IS ONGOING OR IMMINENT; AND

(ii) THE PARTIES WITHIN THE ASSESSMENT BOUNDARY WILL BE SERVED BY THE IMPROVEMENTS FOR WHICH THEY WILL BE ASSESSED.

(d) Upon entry into a repayment agreement with the city, the ~~owner~~ DEVELOPER shall have the right to connect into the special public improvement in consideration for their entry into the repayment agreement.

(e) ~~The field engineering, plans and specifications required for a special public improvement shall be prepared by the developer and approved by the city prior to construction.~~ The engineering costs for preparation of plans and siting of the special public improvements on the property which are incurred by the owner may be included as determined by the city in the agreed construction costs as provided in this section. ~~The city will perform the inspections during construction.~~

(f) The city shall have sole and exclusive control of connections to the special public improvement. Connections to the special public improvement may only be made upon issuance of a written permit from the city. It shall be unlawful to make a connection to a special public improvement without a permit. Such connections may be removed by the city and the costs of removal assessed to the party making the connection.

(g) Prior to ALOWING A BENEFITED PARTY TO CONNECT TO OR TO USE A SPECIAL PUBLIC IMRPOVEMENT, OR AT AN EARLIER TIME AS IDENTIFIED IN THE REPAYMENT AGREEMENT (E.G. PRIOR TO APPROVING A FINAL PLAT), CITY SHALL VERIFY THAT THE BENEFITED PARTY HAS PAID ITS REIMBURSEMENT SHARE TO THE DEVELOPER. ~~the inspection and acceptance of the special public improvement by the city, all reimbursement amounts due by an owner for repayment of the benefit which their property received from the special public improvements shall be paid to the city.~~

(h) ~~An annual charge will be assessed by the city for the administration of each repayment agreement. The annual charge shall be calculated based on actual cost incurred by the city for the administration of the agreement, however, the annual charge shall not be less than $500.00 per year.~~ THE DEVELOPER SHALL ADMINISTER THE REPAYMENT AGREEMENT AND COLLECT THE REIMBURSEMENT AMOUNT FROM THE BENEFITED PARTIES. DEVELOPER SHALL ALSO PROMPTLY NOTIFY THE CITY, IN WRITING, EACH TIME A BENEFITED PARTY PAYS ITS REIMBURSEMENT SHARE.

(i) Any ~~owner~~ DEVELOPER may assign the benefits arising out of any ~~reimbursement~~ REPAYMENT agreement with the city. SUCH ASSIGNMENT SHALL BE LIMITED TO THE PROPORTIONAL AMOUNT OF BENEFITS ASSOCIATED WITH A SALE OF THE FEE INTEREST OF ALL OR A PORTION OF THE BENEFITED LAND. Such assignments shall not relieve the ~~owner~~ DEVELOPER from their duties and obligations under the agreement UNLESS THE NEW PROPERTY OWNER EXECUTES A WRITTEN ACCEPTANCE OF THE RIGHTS AND DUTIES OF DEVELOPER UNDER THE REPAYMENT AGREEMENT FOR THE NEWLY P[URCHASED PROPERTY. ~~The~~ ANY assignment shall require written approval of the city.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09)

Sec. 42-8. - ~~Same~~ —Reimbursement amounts ~~payable to city~~.

~~(a)~~ When a special public improvement is constructed by the city or its contractors, THE CITY MAY REQUIRE THE BENEFITTED PARCELS TO REIMBURSE THE CITY PRIOR TO THE COUNCIL APPROVAL OF A FINAL PLAT..~~to provide service or benefit to a parcel or an owner, which owner or their predecessors in interest did not pay for any of the costs of the special public improvement, the city may impose and collect a reimbursement amount. The reimbursement amount shall be based on the benefited parcel's share of the benefit received as compared to the total cost of the special public improvement. The reimbursement amount shall be paid to the city prior to the issuance of a building permit or the issuance of an encroachment permit to access city right of way for the purpose of connecting to the special public improvement.~~

(b) It shall be unlawful for any ~~person~~ BENEFITED PARTY to extend service from a special public improvement to ~~their~~ ITS property ~~for which a reimbursement amount has been imposed~~ without first paying ~~the~~ ITS reimbursement ~~amount~~ SHARE and obtaining a permit issued by the engineering division OR FINAL PLAT APPROVAL BY THE CITY.

(c) The repayment obligation WILL REMAIN IN EFFECT DURING THE TERMS ESTABLISHED ABOVE IN SECTION 42-7(c). ~~under this section shall terminate in 15 years or when the total amount provided for by this chapter is repaid, whichever is sooner.~~ THE REPAYMENT OBLIGATION SHALL TERMINATE UPON THE TERMINATION OF THE REPAYMENT AGREEMENT.

(d) The city shall collect A reimbursement AMOUNT for any special public improvements financed by improvement district or assessment district bonds, water utility funds, sewer utility funds, development fee funds and general obligation bond funds which were specifically designated as subject to reimbursement from special public improvement repayments. Any owner who has paid all or part of the debt service upon any bonds, the proceeds of which were used to finance special public improvements shall have no claim to the reimbursement amounts repaid to the city under this chapter.

(e) Those portions of ~~special~~ public improvements ~~constructed under this chapter which~~ THAT are for ~~general public~~ THE SPECIFIC benefit OF DEVELOPER OR THE DEVELOPMENT IN QUESTION, shall not be subject to repayment under the provisions of this chapter.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09)

Sec. 42-9. - ~~Same~~ Notice of intention to approve special public improvements.

(a) Upon the determination of the city engineer or designee that the public health, safety, welfare and/OR convenience requires the construction of special public improvements prior to the development of the adjacent property but for which the adjacent property will ~~be specially benefited~~ RECEIVE A BENEFIT, a map establishing the boundaries of the ~~zone~~ BENEFITED PARTIES' PARCELS and indicating EACH BENEFITED PARTY'S REIMBURSEMENT SHARE OF

the ~~amount of charges for~~ special public improvement~~s~~ ~~on each parcel~~ shall be prepared by the CITY ~~e~~Engineer~~ing~~ ~~director~~ OR DESIGNEE and filed in the office of the city clerk. The map for the special public improvement shall contain:

(1) A description of the special public improvement.

(2) A general description of the estimated total cost and cost per frontage foot or cost per acre of the proposed special public improvement.

(3) A description of the special public improvement project area and a map and list of THE BENEFITED PARCELS AND LOTS. ~~all owners of real property who will be receiving a special benefit from the construction of the special public improvement.~~

(4) A determination of that portion of the COSTS OF THE special public improvement ~~which is for~~ THAT SHALL BE ALLOCATED TO THE general public benefit, IF ANY. ~~and that portion which is for special benefit of the owner.~~

(5) A preliminary estimate of the portion of the special public improvement which will be financed with general obligation bonds, development fees, special assessments or improvement district assessments and the portion which will be financed with repayments for special public improvements.

(b) ~~Those owners of real property within the area subject to repayment for special public improvements~~ THE BENEFITED PARTIES shall receive notice in writing of the proposed charges for special public improvements.

(c) The map for the special public improvement (inclusive of parcel numbers) shall be recorded with the Maricopa County Recorder. ~~concurrently with the owners of the real property within the area subject to repayment for special public improvements receiving written notice of the proposed charges for special public improvements.~~

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09)

Sec. 42-10. - ~~Same—~~Assessment districts, improvement districts; general obligation bond projects; cost apportionment.

(a) Upon collection of A reimbursement SHARE ~~amounts pursuant to any special public improvement ordered under section 42-9, which is located in municipal improvement district and financed assessments,~~ such funds shall be deposited with the finance department. The funds shall be applied against the outstanding indebtedness for which ~~improvement district~~ bonds OR ASSESSMENTS were issued.

(b) Reimbursements for special public improvements pursuant to section 42-9 may be used in combination with a general obligation bond issue, provided that the general obligation bond issue question submitted to the qualified electors indicates that such reimbursements may be required of benefited ~~property owners~~ PARTIES. All amounts collected from such reimbursements shall be deposited in the general obligation bond fund from which the special public improvement project is financed.

(Ord. No. 08-15, § 1, 3-13-08; Ord. No. 09-19, § 1, 4-23-09)

State Law reference— A.R.S. § 48-571.

Sec. 42-11. ~~- Same—~~Assessments for streets and sidewalks constructed by the city.

(a) In accordance with A.R.S. § 9-243, as amended, the city council may ~~pass~~ ADOPT an ordinance providing for the construction of streets and sidewalks. The ordinance shall briefly describe ~~and state~~ the location of the streets and sidewalks to be constructed. The ordinance shall order and direct that the construction of the streets and sidewalks shall be made by the owners of the abutting property and also that, in the event of the failure of the abutting property owners to construct such streets and sidewalks, the city shall do the work and the expense shall be charged to the abutting property owners.

(b) The ordinance shall state that the public health, safety, welfare and convenience requires construction of the streets and/or sidewalks prior to the development of abutting properties, and direct the city engineer or designee to prepare a map establishing the boundaries of the area showing the width and location of the proposed streets and sidewalks to be filed in the office of the city clerk. The map shall contain:

(1) A description of the streets and sidewalks to be constructed.

(2) A general description of the estimated total cost and cost per frontage foot of the proposed street and sidewalk improvements.

(3) A list of all parcels (including parcel numbers) depicted on the map.

(4) A determination of that portion of the estimated total cost of the public improvement which is for general public benefit and that portion which would specially benefit the listed properties.

(c) The map (inclusive of parcel numbers) shall be recorded with the Maricopa County Recorder concurrently with the owners of the real property within the subject area receiving written notice of the proposed assessments.

(d) The city engineer or designee shall apportion the estimated total construction costs to be assessed against each listed property based on the linear foot frontages of the streets and sidewalks OF EACH OF THE BENEFITED PARCELS.

(e) Within 14 business days of the filing of the map in the office of the city clerk, the city shall provide each owner of the parcels listed and shown on the map a written notice accompanied by a copy of the map setting forth the following:

(1) A statement that the property owner shall obtain a civil construction permit from the city for construction of the streets and sidewalks within 60 days from the date of the notice.

(2) A statement that if the property owner does not obtain a construction permit within 60 days from the date of the notice, the city will proceed to make the

improvements and the apportioned cost of constructing the street and sidewalk improvements abutting the property shall become a lien upon the property.

(3) A statement of the apportioned cost of constructing the street and sidewalk improvements for the abutting property and how the amount was determined.

(f) It shall be the duty of the owner of any lot or parcel abutting upon any proposed street and sidewalk to proceed to construct such streets and sidewalks as provided by the terms of the ordinance of the city council. ~~If the owner fails to comply with the ordinance and the notice provided in the preceding section, the city shall have the right to construct the streets and sidewalks and assess the costs and expenses thereof to the abutting property owner.~~

(g) No special public improvements constructed pursuant to this chapter shall be subject to both ~~reimbursement~~ REPAYMENT agreements under this chapter and assessments imposed pursuant to this ~~chapter~~ SECTION 42-11.

(h) Any assessment under this ~~chapter~~ SECTION 42-11 shall abate if the property has not been developed within ten years of the assessment.

(Ord. No. 2016-06, § 1(Att. A), 3-15-16)

CHAPTER 58 – UTILITIES

ARTICLE IV – WATER SERVICE

DIVISION 3. - EXTENSIONS

Sec. 58-206. - Service area.

(a) The maximum area to be served by the proposed water supply main extension and its ultimate extensions shall be determined by the city based on local topography and intended land use. In the event the area to be served by the developer is less in size than the maximum area to be serviced by the proposed water main extension and its ultimate extensions, the water main extension shall be designed, engineered and constructed to serve the maximum area described.

(b) Except as provided in subsection (c) of this section, no water supply service shall be provided outside the city's corporate limits.

(c) Water supply service may be provided outside the cities corporate limits where:

(1) Such water supply service is for the purpose of serving city facilities; or

(2) The owner of property for which the water supply service is requested executes an agreement as follows:

a. The property owner shall agree to pay all costs for temporary connection, pending construction of a future water main extension;

b. The property owner shall agree to pay the cost of extending a water supply main to his property.

(Ord. No. 2012-06, § 1, 5-8-2012)

Secs. 58-207, 58-208. - Reserved.

Sec. 58-209. - Specifications.

(a) All water supply mains must be built to comply with the most current City Standards and Guidelines as determined in the sole discretion of city of a size that is sufficient to afford adequate service to the designated area during peak demand. In the event booster pumps are necessary to maintain adequate pressure in mains, such booster pumps and related storage facilities shall be built to city specifications at the expense of the developer, and shall become the property of the city upon completion, of warrantee and final acceptance.

(b) All drinking water mains shall be interconnected (looped) in a pattern for maintenance of adequate pressure and as providing for future extension to the maximum area to be serviced.

(c) Water supply mains shall be installed only in dedicated streets or alleys or in dedicated rights-of-way along such streets or alleyways, and in dedicated utility easements for such purpose accepted by the city.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-210. - Reserved.

Sec. 58-211. - Right to install; costs.

(a) The city reserves the right to install any water supply main extension.

(b) The developer causing an extension of water supply mains shall pay in full for the rights-of-way, the construction and installation of the lines, pipes and mains and all other features necessary for the extension; and upon acceptance of the improvements by the city, the developer shall relinquish his entire interest to the improvements and rights-of-way.

~~(c) In cases in which an improvement district is not formed and a water supply main extension shall benefit properties of more than one owner, the city may elect to provide such extension and shall apportion the cost thereof to those who derive benefit, as indicated in this section:~~

~~(1) The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection (c)(1), except where the context clearly indicates a different meaning:~~

~~*Benefit* means the potential of the availability of water service from the water supply main under consideration, excluding therefore any property to which~~

~~service from the new main cannot be extended by reason of intervening private property.~~

~~(2) Apportionment of cost shall be on the basis of the area benefited, exclusive of dedicated streets or rights-of-way, and the cost apportioned to a parcel shall be the larger of:~~

~~a. The prorated share of the total cost of the project in the ratio of the area of the parcel to the total area benefited by the project;~~

~~b. A per-square-foot fee to be established by resolution of the council;~~

~~(3) Costs apportioned to lands under the provisions of this subsection (c) shall be collected by the city from each owner as a prior condition to issuing a building permit, approving a final plat or providing water service to the property, whichever occurs first.~~

(c) In the event the city elects not to provide either directly or through its agent an extension that benefits properties of more than one owner, but requires installation of water supply service mains that may benefit future developers who will desire to obtain service from the main, the city will ENTER INTO A REPAYMENT AGREEMENT WITH DEVELOPER TO CONSTRUCT THE WATER SUPPLY MAINS SUBJECT TO THE TERMS IN SECTION 42-3 THROUGH 42-11 OF THE THIS CODE.

~~(1) Enter into an agreement, with the subsequent developer who desires to connect to a water supply main, which will establish a just, reasonable and equitable charge for connection to the main. Such charge shall be made on a basis in conformity with subsection (c)(2) of this section.~~

~~(2) Pay 90 percent of such connection charge to the original developer for repayment of costs such developer incurred by reason of the city's requirement that lines be installed which exceed in capacity the demand caused by the original developer's project. Any such repayments made pursuant to contracts entered into by the city after November 10, 2004, shall be limited in duration for a period of not more than ten years and shall be limited to a maximum amount that repays such additional costs of the original developer. The city shall be entitled to retain ten percent of all such connection charges as costs of administration.~~

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-212. - Replacement or repair.

All persons or other entities who create, cause to be built, or build any such extensions of any services as contemplated in this article, shall also pay for any and all such replacement of street surfacing, curbing, sidewalk and the like as becomes necessary as a direct or indirect result of the creation, building or construction of such extensions. All such work shall be accomplished in accordance with all state, county and the city standard details and specifications in force at the time of construction as

adopted from the Maricopa Association of Government (MAG) Uniform Standard Specification adopted by the city.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-213. - Responsibility for costs.

Any person causing an extension of water supply mains shall pay in full for construction permit fees, installation of mains, lines and pipes, and applicable city and state transaction privilege taxes, and necessary rights-of-way and all other fees and appurtenances necessary for the extension.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-214. - Inspection and acceptance.

The city council, if satisfied that the extension is in the public interest and suitable and conforming to the existing system in the city, may, by motion, accept and approve the same and authorize the use thereof; provided that the extension shall be first conveyed to the city free and clear of any and all encumbrances.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-215. - Meter location.

The city shall have exclusive control of connections to water supply main extensions. Meters of customers serviced by such water mains shall be located in dedicated streets or alleyways or in dedicated rights-of-way along such streets or alleyways, or in dedicated easements for such purposes accepted by the city. The city reserves the right and assumes full responsibility of costs for repair or maintenance of water mains, and of lines connecting such mains to a customer's meter, except in cases in which, prior to November 10, 2004, customers' meters have been placed in locations other than described in this article, the city reserves the right to maintain or repair water supply lines connecting water supply mains and such customers' meters with the cost to be borne by the customer in an amount which does not exceed such cost as would be incurred were the meter in the location described in this article.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-216. - Connection required; separation required.

(a) All real or personal properties in connection with which drinking water is used, and which lie adjacent to streets or alleyways, or rights-of-way in which drinking water mains are or have been extended, shall be serviced by such drinking water mains except that properties in connection with which irrigation water is the only water used shall not be required to be serviced by such city drinking water mains.

(b) In the event that, in keeping with the provisions of this article, any properties are serviced both by city and noncity water supply systems, then no component part of one such system shall be closer than ten feet-from any component part of such other system.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-217. - Prohibited acts.

It is unlawful for any person to excavate or cause an excavation to be made for the purpose of laying water supply lines or pipes in the public streets, alleyways or in easements accepted by the city for such water supply lines or upon the property of the city without first complying with the provisions of this article.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-218. - Permit required.

(a) Any person who excavates or causes an excavation to be made for the purpose of laying any water supply lines or pipes in the public streets, alleyways, or upon the property of the city without first acquiring a city construction permit and complying with the provisions in this article, shall be guilty of a civil or criminal charge.

(b) Applications for permits to construct water supply distribution facilities or water supply main extensions within the city service area are required and shall be granted if such permits have been prepared in accordance with the terms of this article.

(c) City permits do not release such person of any permitting or approval requirements deemed necessary by any state or county agency. All city, state, county, and federal requirements must be met by such person and documentation must be provided to the city prior to project release. If a person does not acquire all necessary approvals and permits as required by other agencies said project will not be approved.

(Ord. No. 2012-06, § 1, 5-8-2012)

~~Sec. 58-219. - Water; repayments.~~

~~(a) This section shall apply where a water supply main is extended by one owner and connected to at a later date by one or more additional parties.~~

~~(b) In the event that it is found necessary to extend water mains to a distant point in order to serve a proposed new project, the cost of the main extension, will be included in a separate agreement. The city will limit the maximum size of the water supply main in accordance with the provisions established by this Code. For purposes of repayment, a 16-inch water supply distribution line may be considered~~

~~to be a line extension at the determination of the city, if it is in the best interest of the city and necessary to preserve the public health, safety and welfare.~~

~~(c) The city reserves the right to increase the diameter of the water supply main above the standards in this chapter if it deems advisable, but under this condition, the city will assume the additional cost above that which the owner would incur for the water main under the standards required by this Code.~~

~~(d) The final detailed plans and specifications for the water supply main extension must be approved by the city prior to construction. The engineering costs for the preparation of plans, specifications and staking of the water main incurred in by the developer may be included in the agreed construction costs as provided for in this section. The costs of distribution mains within the boundary of the project shall not be eligible for repayment.~~

~~(e) An annual charge in an amount provided by the city code will be assessed by the city for the administration of each repayment agreement.~~

~~(f) Repayment agreements under this chapter shall designate the area subject to connection charges pursuant to a water supply main extension approved by engineering.~~

(Ord. No. 2012-06, § 1, 5-8-2012)

CHAPTER 58 - UTILITIES

ARTICLE V. SEWER AND SEWAGE DISPOSAL

DIVISION 5. - EXTENSIONS

Sec. 58-418. - Rights of city reserved; cost recovery.

(a) The city reserves the right to install any sewer system or reclaimed water distribution system.

(b) The city desires to facilitate the development of infrastructure to serve undeveloped areas through repayment of extra costs incurred in the construction of sewer mains that are necessary to serve new developments, in order to distribute the costs of extending such mains between two or more property owners. Sections 42-3~~ 58-418~~ THROUGH 42-11 ~~58-418.3~~ shall apply where a sewer main extension was constructed and financed by one person or entity and connected to or utilized at a later date by one or more persons or entities. For purposes of sewers and sewer disposal, a sewer main is defined as a main extended beyond the limits of the project or a main larger than 15 inches constructed through the project or a main constructed along the frontage or boundary of the development with the capacity to serve additional developments. The owner must pay all the costs for engineering design and construction of main sewers of such size as to afford adequate capacity and service for specific service areas to be served by city trunk sewers or a sewer

that receives sewage from many tributary main sewers and serves as an outlet for a large territory.

(c) The city shall base the classification of an extension main on whether the size of the main is the maximum size required to serve all developments serviced by the extension main, including but not limited to that of the owner.

~~(d) The field engineering, plans and specifications required shall be prepared by the owner and approved by the city prior to construction. The engineering costs for preparation of plans and staking of the main sewer only, which are incurred by the person, may be included as determined by the city in the agreed construction costs, as provided in this section.~~

~~(e) In new subdivisions, shopping centers, industrial tracts or similar developments, the owner shall furnish and install to city specifications all branch, and main sewers, manholes and related facilities within the boundary of the designated area of the development.~~

~~(f) Costs of branch sewers and their appurtenances will not be included in the main sewer project agreement.~~

~~(g) The design and engineering shall be in accordance with the specifications of the city and must be approved by the city prior to construction. The construction shall meet city specifications, requirements and approval will be subject to inspection by the city during construction.~~

~~(h) The city may require the construction of the main sewer to meet such additional specifications and requirements as determined in the best interest of the city and to protect the public health, safety and welfare~~.

(Ord. No. 2012-06, § 1, 5-8-2012)

(Ord. No. 2012-06, § 1, 5-8-2012)

~~Sec. 58-418.3. - Sewer extensions prior to a municipal improvement district or community facilities district.~~

~~(a) The owner may enter into an agreement with the city for the extension of sewer lines to serve their property which is located in an area designated by the city for future installation of sewer lines and related facilities by a municipal improvement district or community facilities district.~~

~~(b) In order to qualify for payment, the sewer lines to be installed must be usable by a future assessment district, and the owner must agree that the assessable area of any parcel or parcels immediately adjacent to and served by such lines will be included in the assessment district and will receive an assessment for which the owner will be liable, regardless of whether he sells part or all of the property to be assessed.~~

~~(c) The owner shall pay all construction costs, including engineering services. The design, location and construction must be approved by the city, and a permit must be secured from the city. The contractor shall be duly licensed.~~

~~(d) The sewer lines installed by the owner will be held in trust by the city for a municipal improvement district or community facilities district. The agreed construction cost not to exceed the actual cost for the lines; will be written into the construction bid as a lump sum item and will become part of the construction cost for the municipal improvement district or community facilities district.~~

(Ord. No. 2012-06, § 1, 5-8-2012)

Secs. 58-419—58-422. - Reserved.

Sec. 58-423. - Connection required; separate services.

All property which generates sewage, and which lies adjacent to streets or alleyways, or rights-of-way in which sewage trunk lines or mains are or have been extended, shall be serviced by such mains.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-424. - Prohibited acts.

It is unlawful for any person to excavate or cause an excavation to be made for the purpose of laying sewer system lines or pipes on the public streets, alleyways, or in easements accepted by the city for such lines, or upon the property of the city without first complying with the provisions of this article.

(Ord. No. 2012-06, § 1, 5-8-2012)

Sec. 58-425. - Permit required.

(a) Any person who excavates or causes an excavation to be made for the purpose of laying any sewage lines or pipes in the public streets, ROW, alleyways, or upon the property of the city without first acquiring a city construction permit and complying with the provisions in this article, is guilty of a class 1 misdemeanor.

(b) Applications for permits to construct sewer system extensions within the city service area shall be made to the city.

(Ord. No. 2012-06, § 1, 5-8-2012)

ORDINANCE 2017-08

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING CHAPTER 42, ARTICLE 1, SECTION 42-3 THROUGH 42-11, STREETS, SIDEWALKS AND OTHER PUBLIC PLACES; CHAPTER 58 UTILITIES, ARTICLE IV, DIVISION 3, WATER EXTENSIONS SECTIONS 58-211, 58-219; AND CHAPTER 58, ARTICLE V, DIVISION 5, SEWER EXTENSIONS SECTIONS 58-418, 58-418.3; TO REVISE THE REPAYMENT OF OVERSIZED INFRASTRUCTURE; INCLUDING SEVERABLITY; ESTABLISHING AN EFFECTIVE DATE; AND REPEALING CONFLICTING ORDINANCES.

WHEREAS, the City desires to allow the extension of City services constructed by developers without getting involved as a pass through financially;

WHEREAS, the City desires to establish a method of repayment among developers prior to authorization of site plans, final plats or building permit by the City; and

WHEREAS, by revising Sections 42-3 through 42-11, 58-211 through 58-219, and 59-418 through 58-418.03, the City is clarifying the repayment process.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Surprise, Arizona, as follows:

Section 1. Chapter 42, Article 1, Section 42-3 through 42-11; Chapter 58, Article IV, Division 3, Sections 58-211 and 58-219; and Chapter 58, Article V, Division 5, Sections 58-418 and 58-418.03 of the Surprise Municipal Code is hereby amended as described on attached Exhibit A, and incorporated by this reference.

Section 2. All ordinances, resolutions or codes in conflict with the provisions of this Ordinance or Code adopted by this Ordinance are repealed.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of these amendments to the municipal code adopted herein is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision will not be read to affect the validity of the remaining portions thereof.

Section 4. This ordinance will become effective at the time and manner prescribed by law.

SIGNATURES ON THE FOLLOWING PAGE

PASSED AND ADOPTED this _____ day of _____, 2017.

_____
Sharon R. Wolcott, Mayor

Attest:

_____
Sherry Aguilar, City Clerk

Approved as to form:

_____
Robert Wingo, City Attorney

EXHIBIT A

AMENDMENTS TO CHAPTERS 42 AND 58 OF SMC

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Eric Fitzer - Community Development
Submitting Department:	CD	District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of the Rancho Mercado Supplement Development Agreement; Resolution # 2017-71.

Motion:

I move to approve Resolution # 2017-71.

Background:

William Lyons Homes and City of Surprise entered into to the Rancho Mercado Pre-Annexation Development Agreement which was recorded in the Maricopa County Recorder's Office on July 12, 2007. The agreement addresses, among other things, the design and construction of various regional improvements necessary to facilitate the development of the Rancho Mercado project, as well as the reimbursement mechanisms for these regional improvements. During the time that has elapsed since the execution of the Development Agreement some of the regional improvements needed to facilitate the development of the Rancho Mercado project have changed, and certain methods of reimbursement needed to be revised. As such the purpose of this Agreement is to supplement the Development Agreement.

This agreement addresses regional improvements that benefit not only William Lions Homes and those associated with the Rancho Mercado Development but other property owners in the area due to the fact the improvements are regional in nature. The following improvements are covered in the agreement including the design and construction:

- Water System Improvements: including but not limited to the water campus, water storage tank, arsenic treatment, wells, well transmission lines, booster pumps and the main water distribution lines.
- Well Site Improvements: includes well two well sites together with the associated well transmission lines for each of the well sites.
- Sewer System Improvements: including but not limited to the main sewer trunk lines.
- Happy Valley Road West Improvements: including but not limited to the right-of-way acquisition for Happy Valley Road from 163rd Avenue to 149th Avenue, the intersection improvements to

163rd Avenue the street improvements to Happy Valley Road from 163rd Avenue to 149th Avenue and the drainage facilities within the street improvements.

- Happy Valley Road East Improvements: including but not limited to the right of way acquisition for Happy Valley Road from the Litchfield Road alignment to Granada Blvd., street improvements for Happy Valley Road from the Litchfield Road alignment to Granada Blvd. and the bridge/drainage facilities within the street improvements.

Being that the regional improvements benefit other parties, which are currently not contributing to the infrastructure William Lions Homes will be constructing regional infrastructure that benefit other property owners (benefited parties) which are currency not contributing to the cost of design and construction of such improvements. The agreement shows the areas in which the benefited parties are located. Each improvement has a different benefited area as well as fee associated with the benefited area. Each Buy-in Fee is a little unique and has a different benefited area. An example of this is the "Water Buy-in Fee" the fee is calculated by be assessed on a million gallons per day (MGD) basis (using average day demand) and each component within the Water System Improvements has varying amounts of available capacity; therefore, the Water Buy-in Fee is further broken down by component.

In the original Development Agreement the City was required to administer all of these costs, fees and so forth and thus would have presented a large administrative burden to the City as the administrator of these fees. Through the negotiations of this Agreement City staff and the developer were able to agree that William Lions Homes would administer the agreements and the City is required to do the following:

- Notifying William Lions Homes each time an application is received by the City within the Benefited Area for annexation, zoning, platting, site planning or a building permit, as applicable.
- Including as a condition of approval for any annexation or zoning application within the Benefited Area a stipulation that requires the applicant to show evidence of payment of all applicable Regional Improvements Buy-in Fees.
- Require a Notice of Payment.

Objective Analysis:

Potential Positive Impacts Include: Growth is paying for itself; the City is not fully administrating the fees; infrastructure is being built in an area of the City needing public infrastructure.

Potential Negative Impacts: The City will be required to operate and maintain more infrastructure.

Policy Compliant:

The action is compliant with Council policy relative to growth paying for itself.

Financial Impact:

Per the agreement, William Lyon Homes will be responsible for the design, construction, and installation of the regional improvements as listed in section 1 of the agreement. The City will be responsible for the operating and maintenance costs of the public infrastructure upon acceptance. The acceptance of infrastructure increases the City's asset base and adds to future maintenance commitments.

Budget Impact:

None at this time; however the anticipated incremental additional maintenance expense associated with the public infrastructure will be incorporated in future budgets.

FTE Impact:

No new FTEs would be required due to this item.

ATTACHMENTS:

Click to download

- 17.05.31 Res 2017-71 Rancho Mercado Supplemental DA
- 17.06.05 RM Overlay Agreement

RESOLUTION # 2017-71

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, APPROVING THE RANCHO MERCADO SUPPLEMENTAL DEVELOPMENT AGREEMENT PERTAINING TO THE PROPERTY GENERALLY LOCATED NORTH OF PINNACLE PEAK ROAD AND EAST OF 151ST AVENUE.

WHEREAS, the City is authorized to enter into development agreements pursuant Arizona Revised Statutes §9.500.05;

WHEREAS, the Rancho Mercado development, generally located north of Pinnacle Peak Road, East of 151st Avenue, south of Jomax Road and west of 135th Avenue was the subject of a previously adopted development agreement by council on May 25, 2007; and

WHEREAS, the City of Surprise and William Lyon Homes, developer of Rancho Mercado now desire to establish repayment of the regional of improvements for the development with a new agreement which allows repayment directly to developer through the City's repayment ordinance.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. The Mayor and Council hereby approve of the development agreement between the City of Surprise and William Lyon Homes, consisting of the "Rancho Mercado Supplemental Development Agreement" and exhibits A through G, and which is incorporated by reference.

Section 2. The Mayor is hereby directed to execute the agreement and any other documents necessary to effectuate the intent of this Resolution.

APPROVED AND ADOPTED this _____day of _____, 2017.

Sharon R. Wolcott, Mayor

Attest:

Sherry Aguilar, City Clerk

Approved as to form:

Robert Wingo, City Attorney

After recording, return to:
City Clerk
City of Surprise, Arizona
12425 W. Bell Road
Suite D-100
Surprise, AZ 85374

With a copy to:
Jeffrey M. Blilie
Beus Gilbert PLLC
701 N. 44th Street
Phoenix, AZ 85008

RANCHO MERCADO SUPPLEMENTAL DEVELOPMENT AGREEMENT
(Regional Improvements Overlay Agreement)

THIS RANCHO MERCADO SUPPLEMENT DEVELOPMENT AGREEMENT ("**Overlay Agreement**") is entered into by and between the City of Surprise, an Arizona municipal corporation ("**City**") and William Lyon Homes, Inc., a California corporation ("**WLH**"), as of the date the last party signs and dates this Overlay Agreement.

RECITALS:

A. WLH and City are both parties to the Rancho Mercado Pre-Annexation Development Agreement, recorded in the Maricopa County Recorder's Office on July 12, 2007, as No. 2007-0794202 ("**Development Agreement**").

B. The Development Agreement addresses, among other things, the design and construction of various regional improvements necessary to facilitate the development of the Rancho Mercado project, as well as the reimbursement mechanisms for these regional improvements.

C. During the time that has elapsed since the execution of the Development Agreement some of the regional improvements needed to facilitate the development of the Rancho Mercado project have changed, and certain methods of reimbursement need to be revised.

D. The purpose of this Overlay Agreement is to supplement the Development Agreement and to supersede those provisions within the Development Agreement dealing with the Regional Improvements (defined in Paragraph 1).

E. Because WLH will be the party responsible for designing, constructing and installing the Regional Improvements, only the City and WLH are parties to this Overlay Agreement.

F. Both WLH and the City recognize that the following parties: Brent V. Collins,

Estrella Freeway/Lake Pleasant Limited Partnership, Rancho Mercado Investment Limited Partnership, Sunbelt Land Investment Limited Partnership, Bob Johnson Estate and Jeffrey McGuire (herein referred to collectively as the "**Participating Owners**") were also parties to the Development Agreement and that there were certain provisions within the Development Agreement addressing some of the Regional Improvements and reimbursement mechanisms; therefore, for purposes of such Regional Improvements and reimbursement mechanisms the applicable terms within the Development Agreement will be restated and remain in effect until the expiration of the Development Agreement with respect to the Participating Owners.

G. The Arizona State Land Department is also a party to the Development Agreement; however, Paragraph 6.1 of the Development Agreement states that the obligations and provisions within the Development Agreement are not applicable to the Arizona State Land Department and therefore, the Arizona State Land Department shall not be included as one of the Participating Owners.

H. A depiction and legal description of the entire area benefited by some or all of the Regional Improvements is attached hereto as Exhibit A ("**Benefited Area**").

I. The City and WLH desire to enter into this Overlay Agreement for the purpose of outlining and setting forth certain obligations and commitments relative to the Regional Improvements, intending this document to be a "Development Agreement" within the meaning of ARS § 9-500.05.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises set forth in this Overlay Agreement, the City and WLH state, confirm and agree as follows:

1. **Regional Improvements**. WLH shall be responsible for designing, constructing and installing the following regional improvements (referred to herein individually as a "**Regional Improvement**" and collectively as the "**Regional Improvements**").

a. Water System Improvements: including but not limited to the water campus, water storage tank, arsenic treatment, wells, well transmission lines, booster pumps and the main water distribution lines.

b. Well Site Improvements: includes well site A3 ("**Well Site A3**") and well site F2 ("**Well Site F2**"), together with the associated well transmission lines for each of the well sites.

c. Sewer System Improvements: including but not limited to the main sewer trunk lines.

d. Happy Valley Road West Improvements: including but not limited to the right-of-way acquisition for Happy Valley Road from 163rd Avenue to 149th Avenue, the intersection improvements to 163rd Avenue the street

improvements to Happy Valley Road from 163rd Avenue to 149th Avenue and the drainage facilities within the street improvements.

e. Happy Valley Road East Improvements: including but not limited to the right of way acquisition for Happy Valley Road from the Litchfield Road alignment to Granada Blvd., street improvements for Happy Valley Road from the Litchfield Road alignment to Granada Blvd. and the bridge/drainage facilities within the street improvements.

2. **Design and Construction Costs**. The term "**Design and Construction Costs**" shall mean the costs of labor, materials and supplies, architectural, engineering, design and consultant fees and costs, blue printing services, construction, drilling, construction staking, demolition, soil amendments or compaction, right-of-way acquisition costs (including costs associated with purchasing right-of-way from the Arizona State Land Department), legal and engineering services required to obtain permits, costs of insurance and bonds, warranty costs, any corrections, changes or additions to work required by the City of Surprise or necessitated by site conditions, state, county and City of Surprise sales taxes imposed in connection with the construction, City of Surprise permit, plan review and inspection fees and a construction management fee of three and one half percent (3.5%). WLH may provide the construction management either through "in-house" construction management or by hiring a third party construction manager.

3. **Water System Improvements**

3.1 Budget. The estimated budget for the Water System Improvements is attached hereto as Exhibit B-1. The budget has been reviewed and approved by the City and includes a more comprehensive description of the Water System Improvements. The budget may be amended from time to time by WLH, subject to the review and approval of the City (such review and approval not to be unreasonably conditioned, delayed or withheld), and shall thereafter be deemed to have been incorporated into this Overlay Agreement.

3.2 Benefited Area. The benefited area for the Water System Improvements is attached hereto as Exhibit B-2 ("**Water Buy-in Fee Area**"). The Water Buy-in Fee Area is broken down into a low pressure zone and a high pressure zone. The City acknowledges that all property within the Water Buy-in Fee Area shall be required to utilize the Water System Improvements to the extent there remains capacity in the Water System Improvements.

3.3 Buy-In Fee. Any person developing property within the Water Buy-in Fee Area shall be required to pay a buy-in fee for the portion of the Water System Improvements being used by such person's development ("**Water Buy-in Fee**"). The Water Buy-in Fee shall be assessed on a million gallons per day (MGD) basis (using average day demand) and each component within the Water System Improvements has varying amounts of available capacity; therefore, the Water Buy-in Fee is further broken down by component. The Water Buy-in Fee shall be calculated using the spreadsheet attached hereto as Exhibit B-3, which takes into account the available capacity of each component within the Water System Improvements. The initial Water Buy-in Fee is based upon the estimated budget for the Water System Improvements and is

subject to change upon completion of the Water System Improvements and the determination of the actual Design and Construction Costs for the Water System Improvements.

3.4 Water Related Development Fees. The Parties acknowledge and agree that the water system development impact fee and the well portion of the water resource development impact fee shall not be collected or assessed within the Rancho Mercado Project or the Water Buy-in Fee Area.

4. **Well Site Improvements**.

4.1 Budget. The estimated budget for Well Site A3 and Well Site F2 is attached hereto as Exhibit C-1. The budget has been reviewed and approved by the City and includes a more comprehensive description of the Well Site Improvements for each well site. The budget may be amended from time to time by WLH, subject to the review and approval of the City (such review and approval not to be unreasonably conditioned, delayed or withheld), and shall thereafter be deemed to have been incorporated into this Overlay Agreement.

4.2 Benefited Area. Any person developing property in the Water Buy-in Fee Area and needing to develop a well shall be required by the City to utilize either Well Site A3 or Well Site F2. A depiction of Well Site A3 and Well Site F2 is attached hereto as Exhibit C-2.

4.2 Buy-In Fee. The person utilizing either Well Site A3 or Well Site F2 shall be required to pay a buy-in fee for the well site being utilized ("**Well Site Buy-in Fee**"). The Well Site Buy-in Fee shall be assessed on a lump sum basis, with the person utilizing Well Site A3 paying the entire portion of the Well Site Buy-in Fee for Well Site A3, and the person utilizing Well Site F2 paying the entire portion of the Well Site Buy-in fee for Well Site F2. The Well Site Buy-in Fee for each well site shall be calculated using the spreadsheet attached hereto as Exhibit C-3. The initial Well Site Buy-in Fee for each well site is based upon the estimated budget for Well Site A3 and Well Site F2 and is subject to change upon completion of the well transmission lines associated with each well site and the determination of the actual Design and Construction Costs for the Well Site Improvements.

5. **Sewer System Improvements**.

5.1 Budget. The estimated budget for the Sewer System Improvements is attached hereto as Exhibit D-1. The budget has been reviewed and approved by the City and includes a more comprehensive description of the Sewer System Improvements. The budget may be amended from time to time by WLH, subject to the review and approval of the City (such review and approval not to be unreasonably conditioned, delayed or withheld), and shall thereafter be deemed to have been incorporated into this Overlay Agreement.

5.2 Benefited Area. The benefited area for the Sewer System Improvements is attached hereto as Exhibit D-2 ("**Sewer Buy-in Fee Area**"). The Sewer Buy-in Fee Area is broken down into six (6) service areas.

5.3 Buy-In Fee. Any persons developing property within the Sewer Buy-in

Fee Area shall be required to pay a buy-in fee for its proportionate share of the portion of the Sewer System Improvements being used by such person's development ("**Sewer Buy-in Fee**"). The Sewer Buy-in Fee shall be assessed on a per gross acre basis measured to the adjacent roadway/right-of-way centerline. The Sewer Buy-in Fee shall be calculated using the spreadsheet attached hereto as Exhibit D-3. The initial Sewer Buy-in Fee is based upon the estimated budget for the Sewer System Improvements and is subject to change upon completion of the Sewer System Improvements and the determination of the actual Design and Construction Costs for the Sewer System Improvements.

6. **Happy Valley Road West Improvements**.

6.1 Budget. The estimated budget for the Happy Valley Road West Improvements is attached hereto as Exhibit E-1. The budget has been reviewed and approved by the City and includes a more comprehensive description of the Happy Valley Road West Improvements. The budget may be amended from time to time by WLH, subject to the review and approval of the City (such review and approval not to be unreasonably conditioned, delayed or withheld), and shall thereafter be deemed to have been incorporated into this Overlay Agreement.

6.2 Benefited Area. The benefited area for the Happy Valley Road West Improvements is attached hereto as Exhibit E-2 ("**HVW Buy-in Fee Area**").

6.3 Buy-In Fee. Any person developing property within the HVW Buy-in Fee Area shall be required to pay a buy-in fee for the portion of the Happy Valley Road West Improvements located adjacent to such person's development ("**HVW Buy-in Fee**"). The HVW Buy-in Fee shall be assessed on a per lineal foot basis. The HVW Buy-in Fee shall be calculated using the spreadsheet attached hereto as Exhibit E-3. The initial HVW Buy-in Fee is based upon the estimated budget for the Happy Valley Road West Improvements and is subject to change upon completion of the Happy Valley Road West Improvements and the determination of the actual Design and Construction Costs for the Happy Valley Road West Improvements.

7. **Happy Valley Road East Improvements**.

7.1 Budget. The estimated budget for the Happy Valley Road East Improvements is attached hereto as Exhibit F-1. The budget has been reviewed and approved by the City and includes a more comprehensive description of the Happy Valley Road East Improvements. The budget may be amended from time to time by WLH, subject to the review and approval of the City (such review and approval not to be unreasonably conditioned, delayed or withheld), and shall thereafter be deemed to have been incorporated into this Overlay Agreement.

7.2 Benefited Area. The benefited area for the Happy Valley Road East Improvements is attached hereto as Exhibit F-2 ("**HVE Buy-in Fee Area**").

7.3 Buy-In Fee. Any person developing property within the HVE Buy-in Fee Area shall be required to pay a buy-in fee for its proportionate share of the Happy Valley Road

East Improvements ("**HVE Buy-in Fee**"). The HVE Buy-in Fee shall be assessed on a per gross acre basis measured to the adjacent roadway/right-of-way centerline. The HVE Buy-in Fee shall be calculated using the spreadsheet attached hereto as Exhibit F-3. The initial HVE Buy-in Fee is based upon the estimated budget for the Happy Valley Road East Improvements and is subject to change upon completion of the Happy Valley Road East Improvements and the determination of the actual Design and Construction Costs for the Happy Valley Road East Improvements.

8. **City Duties and Obligations**. The City shall be responsible for the following duties and obligations, to the extent permitted by law.

a. Notifying WLH each time an application is received by the City within the Benefited Area for annexation, zoning, platting, site planning or a building permit, as applicable. The notification shall include the name, address, phone number and email address of the applicant, as well as a general description of the project, including but not limited to its location and size.

b. Including as a condition of approval for any annexation or zoning application within the Benefited Area a stipulation that requires the applicant to show evidence of payment of all applicable Regional Improvements Buy-in Fees (defined in Paragraph 9.1). The following is a sample stipulation: "Prior to the City approving a final plat, site plan or building permit within the property, applicant shall provide the City with a Notice of Payment from WLH that the HVE Buy-in Fee and the Water Buy-in Fee, all as described in the Rancho Mercado Supplemental Development Agreement (Regional Improvements Overlay Agreement), have been paid."

c. Requiring a Notice of Payment, a sample of which is attached hereto as Exhibit G, of all applicable Regional Improvements Buy-in Fees by any person developing property in the Benefited Area ("**Benefited Owner**") prior to approving such Benefited Owner's final plat, site plan or building permit.

d. Reviewing and approving the Design and Construction Costs for each Regional Improvement. The City shall have thirty (30) days to review and approve the Design and Construction Costs for each Regional Improvement. Failure by the City to approve or provide WLH with any written feedback on the Design and Construction Costs for a Regional Improvement within the thirty (30) day period shall be deemed the City's approval of such Design and Construction Costs. If the City has an issue or concern with the Design and Construction Costs, the City shall immediately notify WLH, and the City and WLH agree to work in good faith to resolve the issue or concern. If the issue or concern cannot in good faith be resolved by the City and WLH, then the unresolved issue or concern shall be submitted to a qualified engineer for a final determination. Any costs associated with employing a qualified engineer to make a final determination shall be borne equally by the City and WLH.

e. Requiring any person developing property in the Water Buy-in Fee Area and

needing to develop a well to utilize either Well Site A3 or Well Site F2, i.e. the City shall not allow any person to develop an alternate well site within the Water Buy-in Fee Area if either Well Site A3 or Well Site F2 is still available.

9. **Regional Improvements Buy-in Fees**.

9.1 Interest. The Water Buy-in Fee, the Well Site Buy-in Fee, the Sewer Buy-in Fee, the HVW Buy-in Fee and the HVE Buy-in Fee (referred to herein individually as a "**Regional Improvement Buy-in Fee**" and collectively as the "**Regional Improvements Buy-in Fees**") shall all accrue interest at the prime rate (as reported by the Wall Street Journal) plus three percent (3%). Interest shall be compounded annually and shall begin accruing for each Regional Improvement Buy-in Fee upon WLH's completion and the City's or Maricopa County's acceptance (as the case may be) of the associated Regional Improvement. The applicable interest rate shall be calculated annually using the prime interest rate in effect on January 1 of each calendar year.

9.1.1 Participating Owners. Notwithstanding Paragraph 9.1, for purposes of calculating the Sewer Buy-in Fee and the Happy Valley Road Crossing (as defined in the Development Agreement) portion of the HVE Buy-in Fee for the Participating Owners the interest rate shall be prime plus two percent (2%) until May 25, 2027. Any Participating Owner making a Sewer Buy-in Fee payment or an HVE Buy-in Fee payment after May 25, 2027 shall pay interest in accordance with Paragraph 9.1.

9.2 Calculating the Buy-in Fees. WLH shall calculate the Regional Improvements Buy-in Fees using the spreadsheets attached hereto as Exhibits B-3, C-3, D-3, E-3 and F-3. These exhibits reflect a static picture of the each spreadsheet, and each spreadsheet includes a series of formulas for accurately and equitably calculating each Regional Improvement Buy-in Fee, including the appropriate interest. Prior to executing this Overlay Agreement the City reviewed and approved the methodology and formulas used in each spreadsheet, and confirmed that each spreadsheet accurately and equitably calculates the Regional Improvements Buy-in Fees, including the appropriate interest.

9.2.1 Review of Calculation Methodology. Upon written request from a Benefited Owner, WLH shall promptly provide such Benefited Owner with an excel file copy of the requested Regional Improvements Buy-in Fees spreadsheets (Exhibits B-3, C-3, D-3, E-3 and F-3, as applicable).

9.3 Collecting the Buy-in Fees. WLH shall provide each Benefited Owner with an invoice showing each of the Regional Improvements Buy-in Fees such Benefited Owner is required to pay as a condition of developing property in the Benefited Area. WLH shall direct each Benefited Owner to remit payment of its Regional Improvements Buy-in Fees directly to WLH. Upon receipt of a Benefited Owner's Regional Improvements Buy-in Fees, WLH shall provide such Benefited Owner with a Notice of Payment.

9.3.1 Timing of Collection. The Regional Improvements Buy-in Fees shall be collected from a Benefited Owner not utilizing either Well Site A3 or Well Site F2 at the

earliest stage of the entitlement or development process, beginning with the final plat, site plan or building permit, as applicable. The Regional Improvements Buy-in Fees shall be collected from a Benefited Owner utilizing either Well Site A3 or Well Site F2 at the earliest stage of the entitlement or development process, or at the time such Benefited Owner begins utilizing either Well Site A3 or Well Site F2, whichever is the first to occur. WLH shall collect the Regional Improvements Buy-in Fees for all Regional Improvements, even Regional Improvements that have not yet been completed by WLH. The Regional Improvement Buy-in Fee for a Regional Improvement that has not yet been completed by WLH shall be the initial Regional Improvement Buy-in Fee identified in this Overlay Agreement, which is based on the estimated budget for such Regional Improvement.

9.3.1.1 Holding Buy-in Fees. Regional Improvements Buy-in Fees collected by WLH for Regional Improvements that have been completed and accepted by the City or Maricopa County may be deposited into WLH's general account. Regional Improvements Buy-in Fees collected by WLH for Regional Improvements not yet completed or accepted by the City or Maricopa County shall be held by WLH in an interest bearing escrow account to be opened by WLH with [INSERT TITLE COMPANY]. Regional Improvements Buy-in Fees deposited into an escrow account may be withdrawn by WLH once construction has begun on the associated Regional Improvement.

9.3.2 Repayment Term. The repayment term for each Regional Improvement Buy-in Fee shall be twenty (20) years beginning on the date the City has approved the construction of some portion of the associated Regional Improvement. The repayment term may be extended for two (2) additional five (5) year extension terms provided development within the benefited area is ongoing and the Benefited Owner is receiving a benefit from the completed improvements. By way of example the repayment term for the Regional Improvement Buy-in Fee for the Sewer System Improvements would begin on the date the City approved the construction of the ASLD West portion of the Sewer System Improvements (assuming such is the first completed portion of the Sewer System Improvements).

9.3.3 Notification to City. WLH shall notify the City and provide the City with a copy of the Notice of Payment each time a Benefited Owner pays its Regional Improvements Buy-in Fees. The Notice of Payment shall include a statement of whether or not all Regional Improvements Buy-in Fees have been paid. The City shall promptly acknowledge receipt of each Notice of Payment and return a signed copy to WLH. WLH shall promptly forward an updated copy of the Notice of Payment with the City's signature to the applicable Benefited Owner.

9.4 Updating Costs. Upon completion of each Regional Improvement, WLH shall promptly provide the City with written evidence of the Design and Construction Costs incurred by WLH to complete each Regional Improvement. Following the City's approval of the Design and Construction Costs for a Regional Improvement, WLH shall promptly update the associated Regional Improvement Buy-in Fee spreadsheet to reflect the actual Design and Construction Costs.

9.4.1 Reconciling Buy-in Fees. Following the completion of a Regional

Improvement and the approval of its Design and Construction Costs, WLH shall "true-up" any Regional Improvements Buy-in Fees paid prior to the completion of such Regional Improvement.

a. Overpayment. In the event a Benefited Owner paid a Regional Improvement Buy-in Fee greater than what the Regional Improvement Buy-in Fee should have been when based on the actual Design and Construction Costs, then WLH shall calculate the amount of the overpayment and promptly refund such amount plus any earned interest to the Benefited Owner.

b. Underpayment. In the event a Benefited Owner paid a Regional Improvement Buy-in Fee less than what the Regional Improvement Buy-in Fee should have been when based on the actual Design and Construction Costs, then WLH shall calculate the amount of the underpayment and promptly notify both the Benefited Owner and the City of the balance due. The City agrees to treat the balance due just as it would any unpaid Regional Improvement Buy-in Fee and to require Notice of Payment by the Benefited Owner prior to approving such Benefited Owner's final plat, site plan or building permit.

10. **Term**. This Overlay Agreement shall become effective on the date the last party executes this Overlay Agreement and shall automatically terminate on expiration of the final Regional Improvements Buy-in Fee repayment term.

11. **Public Bidding**. WLH shall not be required to publicly bid or comply with the requirements of ARS, Title 34, in order to be reimbursed for Regional Improvements if the reimbursement mechanism is solely through the collection of a Regional Improvement Buy-in Fee. However, any Regional Improvements that WLH will be seeking reimbursement through either crediting of on-site impact fees or remittance of off-site impact fees shall be publicly bid in accordance with ARS, Title 34.

12. **Recordation**. This Overlay Agreement shall be recorded in its entirety in the Official Records of Maricopa County, Arizona, not later than ten (10) days after its full execution.

13. **Notices and Filings**. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally, emailed or sent by first-class United States Mail to:

City: City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374
Attn: Community Development Director
Email: Eric.fitzer@surpriseaz.gov
Phone: 623.222.3020

With Copy to: City of Surprise

16000 N. Civic Center Plaza
Surprise, AZ 85374
Attn: City Attorney
Email: Robert.wingo@surpriseaz.gov
Phone: 623.222.1124

WLH: William Lyon Homes, Inc
8840 E. Chaparral Road, Suite 200
Scottsdale, AZ 85250
Attn: Julie Collins
Email: julie.collins@lyonhomes.com
Phone: 480.893.1000

William Lyon Homes, Inc
4965 MacArthur Ct, 8th Floor
Newport Beach, CA 92660
Attn: Rick Robinson
Email: rick.robinson@lyonhomes.com

With Copy to: Beus Gilbert LLC
701 N. 44th Street
Phoenix, AZ 85008
Attn: Jeffrey Blilie
Email: jblilie@beusgilbert.com
Phone: 480.429.3030

or to such other address or addresses as may hereafter be specified by notice given by any of the above for itself to the others. Any notice or other communication directed to either party shall become effective upon the earliest of the following: (a) actual receipt by that party; or (b) thirty-six (36) hours after deposit with the United States Postal Service, addressed to the party.

14. **Default**. Failure or unreasonable delay by either party to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Overlay Agreement. Any breach not cured within thirty (30) days after written notice is received from a non-breaching party, shall constitute a default under this Overlay Agreement; provided, however, that if the failure is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then the breaching party shall have such additional time as may be necessary to perform or comply so long as the breaching party commences performance or compliance within said thirty (30) day period and diligently proceeds to complete such performance or fulfill such obligation. Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. The thirty (30) day period shall not apply where an ordinance or statute requires City to perform or otherwise act in a period in excess of thirty (30) days. In the event a breach remains uncured following the thirty (30) day period, the only remedy permitted shall be specific performance, except as specifically allowed within this Overlay Agreement.

15. **Dispute Resolution**. In the event that there is a dispute hereunder which the parties cannot resolve between themselves, the parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by the parties. In the event that the parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, the parties shall request the presiding judge of the Superior Court in and for the County of Maricopa, Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5) years' experience in mediating or arbitrating disputes relating to development. The cost of any such mediation shall be divided equally between the parties. The results of the mediation shall be nonbinding on the parties, and either party shall be free to initiate litigation subsequent to the moratorium.

16. **Choice of Law, Venue and Attorneys' Fees**. Any dispute, controversy, claim or cause of action arising out of or related to this Overlay Agreement shall be governed by Arizona law. The venue for any such dispute shall be Maricopa County, Arizona, and each party waives the right to object to venue in Maricopa County for any reason. No party shall be entitled to recover any of its attorneys' fees nor other costs from any other party incurred in any such dispute, controversy, claim or cause of action, but each party shall bear its own attorneys' fees and costs, whether the same is resolved through arbitration, litigation in a court, or otherwise.

17. **Good Standing and Authority**. The parties represent and warrant that each is duly formed and validly existing under Arizona laws and that the individuals executing this Overlay Agreement on behalf of their respective party are authorized and empowered to bind the party on whose behalf each such individual is signing.

18. **Assignment**. The provisions of this Overlay Agreement are binding upon and shall inure to the benefit of the parties, and all of their successors in interest and assigns. This Overlay Agreement may be assigned in whole or in part by WLH. In the event of a complete or partial assignment by WLH, all or a portion of WLH's rights and obligations hereunder shall terminate effective upon the assumption by WLH's assignee of such rights and obligations.

19. **Third Parties**. It is not intended by this Overlay Agreement to, and nothing contained in this Overlay Agreement shall, create any partnership, joint venture or other agreement between the parties. No term or provision of this Overlay Agreement is intended to, or shall be for the benefit of any person or entity not a party hereto, and no such other person or entity shall have any right or cause of action hereunder.

20. **Waiver**. No delay in exercising any right or remedy shall constitute a waiver thereof; and no waiver of any breach shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant, or condition of this Overlay Agreement. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

21. **Further Documentation**. The parties agree in good faith to execute such further or additional instruments and documents and to take such further acts as may be necessary or appropriate to fully carry out the intent and purpose of this Overlay Agreement.

22. **Fair Interpretation**. The parties have been represented by counsel in the negotiation and drafting of this Overlay Agreement and this Overlay Agreement shall be construed according to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the party who drafted a provision shall not be employed in interpreting this Overlay Agreement.

23. **Headings**. The headings of this Overlay Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Overlay Agreement.

24. **Counterparts**. This Overlay Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all parties may be physically attached to a single document.

25. **Computation of Time**. Any reference to a "day" in this Overlay Agreement shall mean calendar day unless otherwise noted. In computing any period of time under this Overlay Agreement, the date of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so completed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday. The time for performance of any obligation or taking any action under this Overlay Agreement shall be deemed to expire at 5:00 p.m. (Arizona time) on the last day of the applicable time period provided herein.

26. **Conflict of Interest**. This Overlay Agreement is subject to the terms of ARS § 38-511.

27. **No Obligation to Develop**. Nothing contained herein shall be deemed to obligate WLH to complete any part of the development of the Rancho Mercado project, and the responsibility to design and construct the Regional Improvements is contingent upon WLH moving forward with the development of the Rancho Mercado Project.

28. **Entire Agreement**. This Overlay Agreement, together with the following Exhibits attached hereto (which are incorporated herein by this reference) constitutes the entire Overlay Agreement between the parties.

a. Exhibit A: Legal description and depiction of the Benefited Area
b. Exhibit B-1: Water System Improvements' Budget
c. Exhibit B-2: Depiction of the Water Buy-in Fee Area
d. Exhibit B-3: Water Buy-in Fee Spreadsheet
e. Exhibit C-1: Well Site Improvements' Budget
f. Exhibit C-2: Depiction of Well Site A3 and Well Site F2

g. Exhibit C-3: Well Site Buy-in Fee Spreadsheet
h. Exhibit D-1: Sewer System Improvements' Budget
i. Exhibit D-2: Depiction of the Sewer Buy-in Fee Area
j. Exhibit D-3: Sewer Buy-in Fee Spreadsheet
k. Exhibit E-1: Happy Valley Road West Improvements' Budget
l. Exhibit E-2: Depiction of the HVW Buy-in Fee Area
m. Exhibit E-3: HVW Buy-in Fee Spreadsheet
n. Exhibit F-1: Happy Valley Road East Improvements' Budget
o. Exhibit F-2: Depiction of the HVE Buy-in Fee Area
p. Exhibit F-3: HVE Buy-in Fee Spreadsheet
q. Exhibit G: Sample Notice of Payment

30. **Conflicts with the Development Agreement**. Except as otherwise superseded by similar provisions within this Overlay Agreement, all of the terms and provisions of the Development Agreement shall remain in full force and effect. In the event of any conflict between this Overlay Agreement and the Development Agreement, the provisions of this Overlay Agreement shall control.

IN WITNESS WHEREOF, the parties have executed this Overlay Agreement on the date(s) written below.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

CITY:
CITY OF SURPRISE, an Arizona municipal corporation

By:_____
Sharon Wolcott, Mayor

ATTEST:

_____
Sherry Ann Aguilar, City Clerk

APPROVED AS TO FORM:

_____
Robert Wingo, City Attorney

STATE OF ARIZONA
County of Maricopa

On this _____ day of _____, 2017, before me personally appeared Sharon Wolcott, the Mayor of the City of Surprise, an Arizona municipal corporation, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above/attached document.

[Affix notary seal here]

_____
Notary Public

WLH:
WILLIAM LYON HOMES, INC., a California corporation

By:_____
Name: Julie E. Collins
Title: Senior Vice President

By:_____
Name:_____
Title:_____

STATE OF ARIZONA
County of Maricopa

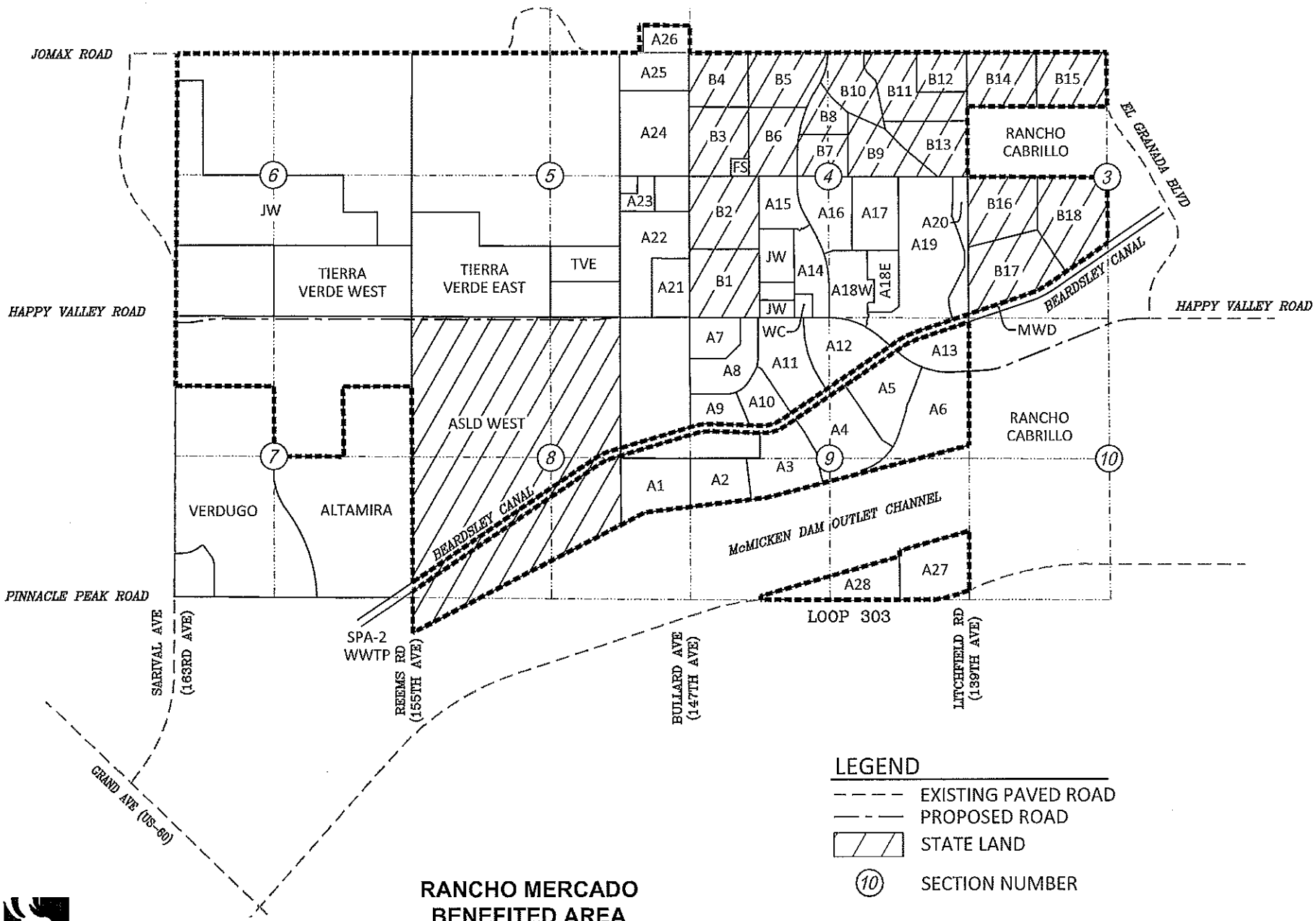
On this _____ day of _____, 2017, before me personally appeared Julie E. Collins, Senior Vice President of William Lyon Homes, Inc., a California corporation, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above/attached document.

_____
[Affix notary seal here] Notary Public

STATE OF ARIZONA
County of Maricopa

On this _____ day of _____, 2017, before me personally appeared _____, _____ of William Lyon Homes, Inc., a California corporation, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above/attached document.

_____
[Affix notary seal here] Notary Public



LEGEND

- EXISTING PAVED ROAD
- PROPOSED ROAD
- STATE LAND
- (10) SECTION NUMBER

William Lyon Homes

RANCHO MERCADO BENEFITED AREA EXHIBIT A

SEPTEMBER 8, 2016

2500 0 2500

SCALE: 1" = 2,500'

ATWELL

EXHIBIT A
LEGAL DESCRIPTION
Benefited Fee Area

The following described portions of lands represent the area to be called the "Benefited Fee Area", being a portion of the following Sections 3 thru 9 and 17 of Township 4 North, Range 1 West and a portion of Section 32 Township 5 North, Range 1 West all of the Gila and Salt River Base and Meridian, Maricopa County, Arizona; being more particularly described as follows:

All of the North half of the Northwest quarter of said Section 3;

A portion of the Southwest quarter of said of said Section 3 lying North of the Beardsley Canal;

All of said Sections 5 and 6;

All of the North half of the North half and the Southwest quarter of the Northeast quarter of said Section 7;

All of said Sections 4, 8 and 9 lying North of the Beardsley Canal and portions of said Section 8 and 9 lying South of the Beardsley Canal and North of McKicken Outlet Channel as defined by of the Maricopa Flood Control District;

A portion of the South half of said Section 9 lying South of said McKicken Outlet Channel and North of SR 303;

A portion of the North half of said Section 17 lying North of said McKicken Outlet Channel;

Together with the following described portion of said Section 32;

The East two-thirds of G.L.O. Lot 4 of said Section 32, Except the North 526 feet.

Prepared by: Atwell, LLC
4700 E. Southern Ave
Mesa, AZ 85206
Project No. 09001944
September 8, 2016

EXHIBIT B-1

BUDGET - WATER RESERVOIR

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	5.0%	%	$ 1,800,000.00	$ 90,000.00
Other Consultants	0.5%	%	$ 1,800,000.00	$ 9,000.00
Review & Recording Fees	1.0%	%	$ 1,800,000.00	$ 18,000.00
Environmental/Remediation	0.0%	%	$ 1,800,000.00	$ -
Construction Permits	2.5%	%	$ 1,800,000.00	$ 45,000.00
MCESD Fees	0.5%	%	$ 1,800,000.00	$ 9,000.00
Dust Control Permit & Sign	0.5%	%	$ 1,800,000.00	$ 9,000.00
Staking/Survey	1.5%	%	$ 1,800,000.00	$ 27,000.00
Soils Reports/Testing	1.5%	%	$ 1,800,000.00	$ 27,000.00
Engineer of Record	1.5%	%	$ 1,800,000.00	$ 27,000.00
Performance Bond	1.0%	%	$ 1,800,000.00	$ 18,000.00
Warranty Bond	1.0%	%	$ 180,000.00	$ 1,800.00
Reproduction	0.5%	%	$ 1,800,000.00	$ 9,000.00
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1.414**	**MG**	**$ 204,986.74**	**$ 289,800.00**
Taxes included in line items above				
Tank No. 1 (16 VFt), complete	1.740	MG	$ 1,034,482.76	$ 1,800,000.00
Tank No. 1 (16 VFt)	1.740	MG		
less Dead Storage (2 VFt)	(0.218)	MG		
less Freeboard (1 VFt)	(0.109)	MG		
Total Hard Costs	**1.414**	**MG**	**$ 1,273,209.55**	**$ 1,800,000.00**
TOTAL COSTS	**1.414**	**MG**	**$ 1,478,196.29**	**$ 2,089,800.00**
Contingency	15%	%	$ 2,089,800.00	$ 313,470.00
Project Management	3.5%	%	$ 2,089,800.00	$ 73,143.00
TOTAL PROJECT COSTS	**1.414**	**MG**	**$ 1,751,662.60**	**$ 2,476,413.00**
Taxes included in line items above				
Usable Storage = 30% of Max. Day Demand	1.414	MG	$ 1,751,662.60	$ 2,476,413.00
less Fire Flow (Both Zones)	(0.270)	MG	$ 1,751,662.60	$ (472,948.90)
DEMAND STORAGE = 30% OF MAX. DAY DEMAND	**1.144**	**MG**	**$ 1,751,662.60**	**$ 2,003,464.10**
Ave. Day Demand = Max. Day Demand / (2 x 30%)	1.667	(30% MDD = 2 x 30% ADD)		
BUY IN - DEMAND STORAGE (AVE. DAY DEMAND)	**1.906**	**MGD**	**$ 1,050,997.56**	**$ 2,003,464.10**

EXHIBIT B-1

BUDGET - WATER CAMPUS (NET OF RESERVOIR & PUMPS)

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	5.0%	%	$ 2,885,638.00	$ 144,281.90
Other Consultants	0.5%	%	$ 2,885,638.00	$ 14,428.19
Review & Recording Fees	1.0%	%	$ 2,885,638.00	$ 28,856.38
Environmental/Remediation	0.0%	%	$ 2,885,638.00	$ -
Construction Permits	2.5%	%	$ 2,885,638.00	$ 72,140.95
MCESD Fees	0.5%	%	$ 2,885,638.00	$ 14,428.19
Dust Control Permit & Sign	0.5%	%	$ 2,885,638.00	$ 14,428.19
Staking/Survey	1.5%	%	$ 2,885,638.00	$ 43,284.57
Soils Reports/Testing	1.5%	%	$ 2,885,638.00	$ 43,284.57
Engineer of Record	1.5%	%	$ 2,885,638.00	$ 43,284.57
Performance Bond	1.0%	%	$ 2,885,638.00	$ 28,856.38
Warranty Bond	1.0%	%	$ 288,563.80	$ 2,885.64
Reproduction	0.5%	%	$ 2,885,638.00	$ 14,428.19
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1**	**LS**	**$ 464,587.72**	**$ 464,587.72**
Site Work, Piping, Electrical, Complete	1	LS	$ 2,000,000.00	$ 2,000,000.00
D.O. Feed Back, complete	1	LS	$ 200,000.00	$ 200,000.00
Land @ FMV (Campus & Well Site E1)	2.88	Net. Ac.	$ 27,500.00	$ 79,200.00
20" Water - HVW (WC to Bullard)	2,319	LF	$ 123.00	$ 285,237.00
16" Water - HV Ph 4 (Bullard to 149th)	1,313	LF	$ 89.00	$ 116,857.00
16" Water - HVW (149th to 150th)	656	LF	$ 89.00	$ 58,384.00
16" Water - HVW (150th to 155th x 50%)	3,280	LF	$ 44.50	$ 145,960.00
Tanks No. 1 & 2 (2 x 16 VFt)	3.480	MG		
less Dead Storage (2 x 2 VFt)	(0.435)	MG		
less Freeboard (2 x 1 VFt)	(0.218)	MG		
Total Hard Costs	**2.828**	**MG**	**$ 1,020,561.63**	**$ 2,885,638.00**
TOTAL COSTS	**2.828**	**MG**	**$ 1,184,872.05**	**$ 3,350,225.72**
Taxes included in line items above				
Contingency	15%	%	$ 3,350,225.72	$ 502,533.86
Project Management	3.5%	%	$ 3,350,225.72	$ 117,257.90
TOTAL PROJECT COSTS	**2.828**	**MG**	**$ 1,404,073.38**	**$ 3,970,017.48**
Taxes included in line items above				
Usable Storage = 30% of Max. Day Demand	2.828	MG	$ 1,404,073.38	$ 3,970,017.48
less Fire Flow from Tank No. 1 (Both Zones)	(0.270)	MG	$ (1,751,662.60)	$ 472,948.90
DEMAND STORAGE = 30% OF MAX. DAY DEMAND	**2.558**	**MG**	**$ 1,737,230.26**	**$ 4,442,966.38**
Ave. Day Demand = Max. Day Demand / (2 x 30%)	1.667	(30% MDD = 2 x 30% ADD)		
BUY IN - DEMAND STORAGE (AVE. DAY DEMAND)	**4.263**	**MGD**	**$ 1,042,338.15**	**$ 4,442,966.38**

EXHIBIT B-1

BUDGET - WELL E1 & ARSENIC TREATMENT

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	5.0%	%	$ 3,600,000.00	$ 180,000.00
Other Consultants	0.5%	%	$ 3,600,000.00	$ 18,000.00
Review & Recording Fees	1.0%	%	$ 3,600,000.00	$ 36,000.00
Environmental/Remediation	0.0%	%	$ 3,600,000.00	$ -
Construction Permits	2.5%	%	$ 3,600,000.00	$ 90,000.00
MCESD Fees	0.5%	%	$ 3,600,000.00	$ 18,000.00
Dust Control Permit & Sign	0.5%	%	$ 3,600,000.00	$ 18,000.00
Staking/Survey	1.5%	%	$ 3,600,000.00	$ 54,000.00
Soils Reports/Testing	1.5%	%	$ 3,600,000.00	$ 54,000.00
Engineer of Record	1.5%	%	$ 3,600,000.00	$ 54,000.00
Performance Bond	1.0%	%	$ 3,600,000.00	$ 36,000.00
Warranty Bond	1.0%	%	$ 360,000.00	$ 3,600.00
Reproduction	0.5%	%	$ 3,600,000.00	$ 18,000.00
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1,500**	**GPM**	**$ 386.40**	**$ 579,600.00**
Well E1, Pumps & Equip	1	LS	$ 700,000.00	$ 700,000.00
Well E1, Drill & Develop	1	LS	$ 800,000.00	$ 800,000.00
Well E1 As Treatment Vessels, 3 Each	1,650	GPM	$ 1,272.73	$ 2,100,000.00
Land @ FMV (Included)	0.00	Net. Ac.	$ 27,500.00	$ -
12" Transmission Main - Well E1 (Included)	0	LF	$ 61.00	$ -
Well Pump Rate (E1) =	1,500	GPM		
Total Hard Costs	**1,500**	**GPM**	**$ 2,400.00**	**$ 3,600,000.00**
TOTAL COSTS	**1,500**	**GPM**	**$ 2,786.40**	**$ 4,179,600.00**
Taxes included in line items above				
Contingency	15%	%	$ 4,179,600.00	$ 626,940.00
Project Management	3.5%	%	$ 4,179,600.00	$ 146,286.00
TOTAL PROJECT COSTS	**1,500**	**GPM**	**$ 3,301.88**	**$ 4,952,826.00**
Taxes included in line items above				
WELL PUMP RATE (MAX. DAY DEMAND)	**1,500**	**GPM**	**$ 3,301.88**	**$ 4,952,826.00**
Ave. Day Demand = GPM x 60 * 24 / 10^6 / 2	0.000720	(Capacity = Max. Day Demand)		
BUY IN - SYSTEM DEMAND (AVE. DAY DEMAND)	**1.080**	**MGD**	**$ 4,585,950.00**	**$ 4,952,826.00**

EXHIBIT B-1

BUDGET - BOOSTER PUMPS - LO ZONE

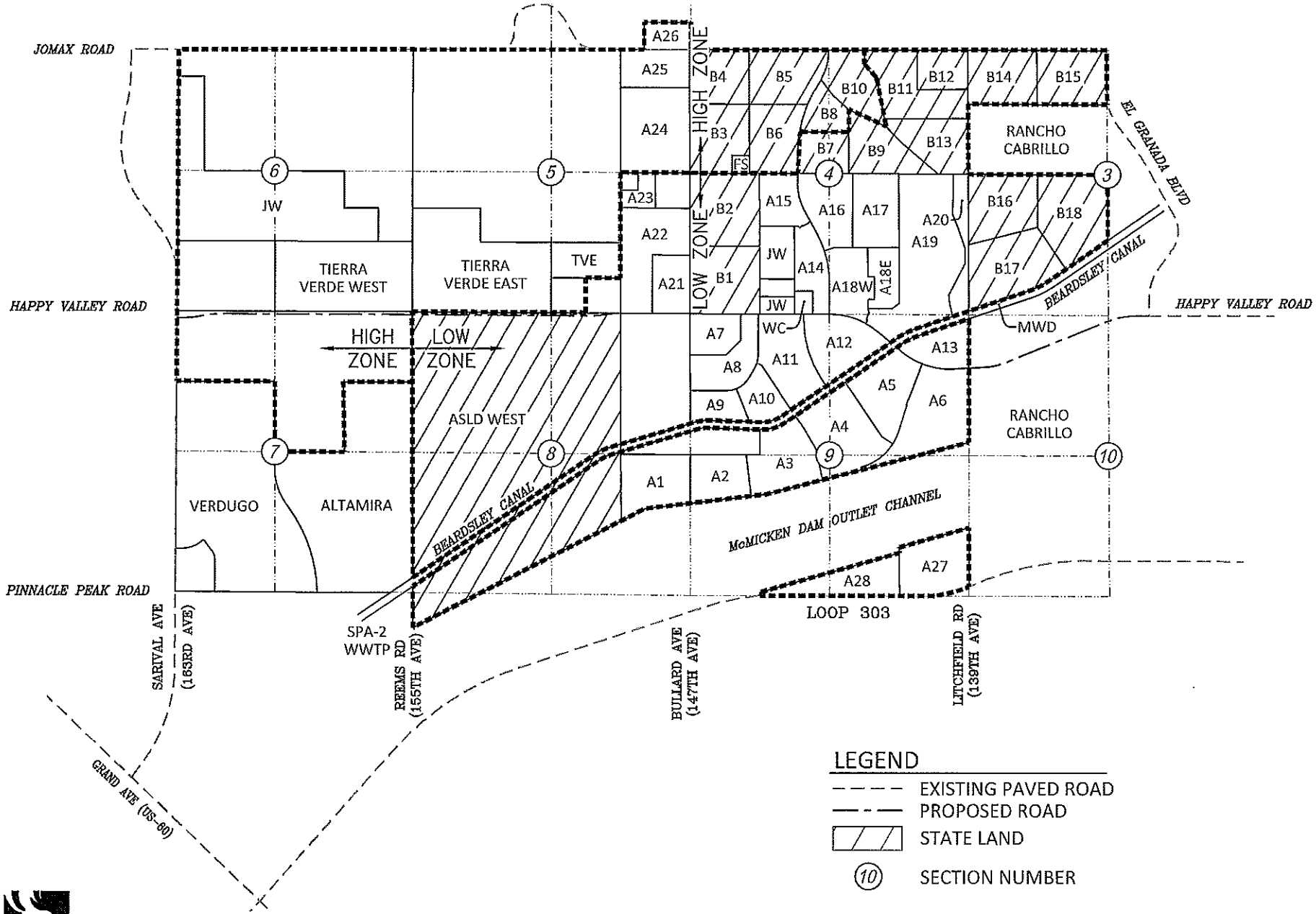
ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	5.0%	%	$ 504,347.83	$ 25,217.39
Other Consultants	0.5%	%	$ 504,347.83	$ 2,521.74
Review & Recording Fees	1.0%	%	$ 504,347.83	$ 5,043.48
Environmental/Remediation	0.0%	%	$ 504,347.83	$ -
Construction Permits	2.5%	%	$ 504,347.83	$ 12,608.70
MCESD Fees	0.5%	%	$ 504,347.83	$ 2,521.74
Dust Control Permit & Sign	0.5%	%	$ 504,347.83	$ 2,521.74
Staking/Survey	1.5%	%	$ 504,347.83	$ 7,565.22
Soils Reports/Testing	1.5%	%	$ 504,347.83	$ 7,565.22
Engineer of Record	1.5%	%	$ 504,347.83	$ 7,565.22
Performance Bond	1.0%	%	$ 504,347.83	$ 5,043.48
Warranty Bond	1.0%	%	$ 50,434.78	$ 504.35
Reproduction	0.5%	%	$ 504,347.83	$ 2,521.74
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1,450**	**LF**	**$ 56.00**	**$ 81,200.02**
Booster Pumps (4 @ 1,150 gpm)	4,600	GPM	$ 347.83	$ 1,600,000.00
Fire Flow	(2,000)	GPM	$ 347.83	$ (695,652.17)
Back Up Pump - Spare	(1,150)	GPM	$ 347.83	$ (400,000.00)
Total Hard Costs	**1,450**	**GPM**	**$ 347.83**	**$ 504,347.83**
TOTAL COSTS				**$ 585,547.85**
Taxes included in line items above				
Contingency	15%	%	$ 585,547.85	$ 87,832.18
Project Management	3.5%	%	$ 585,547.85	$ 20,494.17
TOTAL PROJECT COSTS				**$ 693,874.20**
LO ZONE DEMAND (MAX. DAY DEMAND)	**1,450**	**GPM**	**$ 478.53**	**$ 693,874.20**
Ave. Day Demand = GPM x 60 x 24 / 10^6 / 2	0.000720	(30% MDD = 2 x 30% ADD)		
BUY IN - LO ZONE DEMAND (AVE. DAY DEMAND)	**1.044**	**MGD**	**$ 664,630.46**	**$ 693,874.20**

Taxes included in line items above

EXHIBIT B-1

BUDGET - FIRE FLOW & SPARE PUMP - LO ZONE

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	5.0%	%	$ 1,095,652.17	$ 54,782.61
Other Consultants	0.5%	%	$ 1,095,652.17	$ 5,478.26
Review & Recording Fees	1.0%	%	$ 1,095,652.17	$ 10,956.52
Environmental/Remediation	0.0%	%	$ 1,095,652.17	$ -
Construction Permits	2.5%	%	$ 1,095,652.17	$ 27,391.30
MCESD Fees	0.5%	%	$ 1,095,652.17	$ 5,478.26
Dust Control Permit & Sign	0.5%	%	$ 1,095,652.17	$ 5,478.26
Staking/Survey	1.5%	%	$ 1,095,652.17	$ 16,434.78
Soils Reports/Testing	1.5%	%	$ 1,095,652.17	$ 16,434.78
Engineer of Record	1.5%	%	$ 1,095,652.17	$ 16,434.78
Performance Bond	1.0%	%	$ 1,095,652.17	$ 10,956.52
Warranty Bond	1.0%	%	$ 109,565.22	$ 1,095.65
Reproduction	0.5%	%	$ 1,095,652.17	$ 5,478.26
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1,150**	**LF**	**$ 153.39**	**$ 176,399.98**
Fire Flow	2,000	GPM	$ 348	$ 695,652.17
Back Up Pump - Spare	1,150	GPM	$ 348	$ 400,000.00
Total Hard Costs				**$ 1,095,652.17**
TOTAL COSTS				**$ 1,272,052.15**
Taxes included in line items above				
Contingency	15%	%	$ 1,272,052.15	$ 190,807.82
Project Management	3.5%	%	$ 1,272,052.15	$ 44,521.83
TOTAL PROJECT COSTS				**$ 1,507,381.80**
Taxes included in line items above				
LO ZONE DEMAND (MAX. DAY DEMAND)	**4.853**	**MGD**	**$ 310,609.77**	**$ 1,507,381.80**
Ave. Day Demand = Max. Day Demand / 2	0.50	(Max. Day Demand = 2 Ave. Day Demand)		
BUY IN - LO ZONE DEMAND (AVE. DAY DEMAND)	**2.426**	**MGD**	**$ 621,219.53**	**$ 1,507,381.80**



William Lyon Homes

RANCHO MERCADO WATER EXHIBIT B-2

10–21–2016

ATWELL

EXHIBIT B-3
WATER BUY-IN FEE
Buy In Draw No. 000

Buy In Agreement Terms				
Initial Prime %	Additional %	Effective Date	Term, Yrs.	Expires On
3.50%	3.00%	2/1/2017	30	2/1/2047

Project	2/1/2017	= Purchase Date
[Project Name]	0.000	= Lo Zone Demand (MGD)
	0.000	= Hi Zone Demand (MGD)

Potable Water Campus - Hi & Lo Zones	Available Capacity (MGD)	Initial Buy In Fee (Cost Per MGD)	Initial Reimburse Amount	Purchased Capacity (MGD)	Remaining Capacity (MGD)	Prime + 3% Fee Adjustment	Adjusted Fee per MGD	Buy-in Quantity (MGD)	Buy-in Amount	Remaining Capacity (MGD)
Campus (Excluding Storage Tank, Well, Arsenic Treatment and Booster Pumps) - **Hi & Lo Zones**	4.263	$ 1,042,338	$ 4,442,966	0.000	4.263	100.0%	$ 1,042,338	0.000	$ -	4.263
Storage Tank - **Hi & Lo Zones**	1.906	$ 1,050,998	$ 2,003,464	0.000	1.906	100.0%	$ 1,050,998	0.000	$ -	1.906
Well E1, Transmission Mains & Arsenic Treatment - **Hi & Lo Zones**	1.080	$ 4,585,950	$ 4,952,826	0.000	1.080	100.0%	$ 4,585,950	0.000	$ -	1.080
Booster Pumps (Excluding Spare Pump & Fire Flow) **Lo Zone**	1.044	$ 664,630	$ 693,874	0.000	1.044	100.0%	$ 664,630	0.000	$ -	1.044
Spare Booster Pump & Fire Flow **Lo Zone**	2.426	$ 621,220	$ 1,507,382	0.000	2.426	100.0%	$ 621,220	0.000	$ -	2.426
TOTALS			**$ 13,600,512**						**$ -**	

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment
2/1/2017	2/1/2017	0.0000	6.50%	100.0%

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment

EXHIBIT C-1

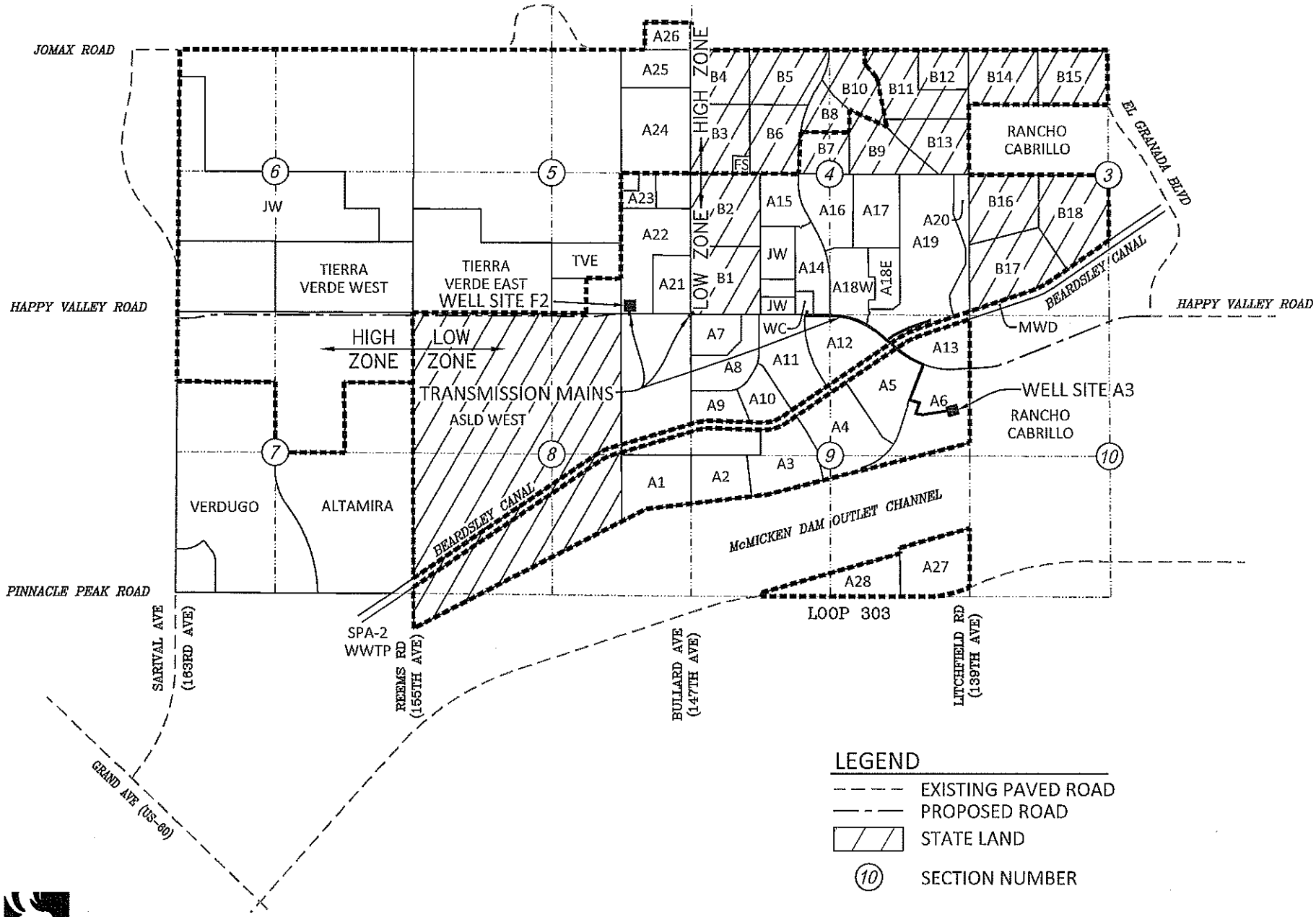
BUDGET - WELL A3

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	5.0%	%	$ 683,387.00	$ 34,169.35
Other Consultants	0.5%	%	$ 683,387.00	$ 3,416.94
Review & Recording Fees	1.0%	%	$ 683,387.00	$ 6,833.87
Environmental/Remediation	0.0%	%	$ 683,387.00	$ -
Construction Permits	2.5%	%	$ 683,387.00	$ 17,084.68
MCESD Fees	0.5%	%	$ 683,387.00	$ 3,416.94
Dust Control Permit & Sign	0.5%	%	$ 683,387.00	$ 3,416.94
Staking/Survey	1.5%	%	$ 683,387.00	$ 10,250.81
Soils Reports/Testing	1.5%	%	$ 683,387.00	$ 10,250.81
Engineer of Record	1.5%	%	$ 683,387.00	$ 10,250.81
Performance Bond	1.0%	%	$ 683,387.00	$ 6,833.87
Warranty Bond	1.0%	%	$ 68,338.70	$ 683.39
Reproduction	0.5%	%	$ 683,387.00	$ 3,416.94
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1,500**	**GPM**	**$ 73.35**	**$ 110,025.35**
Well A3, Develop, Pumps & Equip	0	LS	$ 1,300,000.00	$ -
Well A3, Drill	1	LS	$ 200,000.00	$ 200,000.00
Well A3 Site, Walls & Landscape	1	LS	$ 100,000.00	$ 100,000.00
Well A3 As Treatment Vessels, 3 Each	0	GPM	$ 1,272.73	$ -
Land @ FMV	0.59	Net Ac.	$ 27,500.00	$ 16,225.00
16" Transmission Main - Well A3 - HV Ph1	0	LF	$ 83.00	$ -
16" Transmission Main - Well A3 - HV Ph2	1,966	LF	$ 83.00	$ 163,178.00
12" Transmission Main - Well A3 - Parcel A6	903	LF	$ 61.00	$ 55,083.00
12" Transmission Main - Well A3 - McMicken	720	LF	$ 61.00	$ 43,920.00
12" Transmission Main - Well A3 - HV Ph3 Incl. MWD Xing	721	LF	$ 61.00	$ 43,981.00
12" Transmission Main - Well B - HV to Padlelford Wash	1,000	LF	$ 61.00	$ 61,000.00
Well Pump Rate (A3) =	1,500	GPM		
Total Hard Costs	**1,500**	**GPM**	**$ 455.59**	**$ 683,387.00**
TOTAL COSTS	**1,500**	**GPM**	**$ 528.94**	**$ 793,412.35**
Taxes included in line items above				
Contingency	15%	%	$ 793,412.35	$ 119,011.85
Project Management	3.5%	%	$ 793,412.35	$ 27,769.43
TOTAL PROJECT COSTS	**1,500**	**GPM**	**$ 626.80**	**$ 940,193.63**
WELL PUMP RATE (MAX. DAY DEMAND)	**1,500**	**GPM**	**$ 626.80**	**$ 940,193.63**
Ave. Day Demand = GPM x 60 * 24 / 10^6 / 2	0.000720	(Capacity = Max. Day Demand)		
BUY IN - SYSTEM DEMAND (AVE. DAY DEMAND)	**1.080**	**MGD**	**$ 870,549.66**	**$ 940,193.63**

EXHIBIT C-1

BUDGET - WELL F2

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	5.0%	%	$ 40,850.00	$ 2,042.50
Other Consultants	0.5%	%	$ 40,850.00	$ 204.25
Review & Recording Fees	1.0%	%	$ 40,850.00	$ 408.50
Environmental/Remediation	0.0%	%	$ 40,850.00	$ -
Construction Permits	2.5%	%	$ 40,850.00	$ 1,021.25
MCESD Fees	0.5%	%	$ 40,850.00	$ 204.25
Dust Control Permit & Sign	0.5%	%	$ 40,850.00	$ 204.25
Staking/Survey	1.5%	%	$ 40,850.00	$ 612.75
Soils Reports/Testing	1.5%	%	$ 40,850.00	$ 612.75
Engineer of Record	1.5%	%	$ 40,850.00	$ 612.75
Performance Bond	1.0%	%	$ 40,850.00	$ 408.50
Warranty Bond	1.0%	%	$ 4,085.00	$ 40.85
Reproduction	0.5%	%	$ 40,850.00	$ 204.25
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1,500**	**GPM**	**$ 4.38**	**$ 6,576.85**
Well F2, Drill, Develop, Pumps & Equip	0	LS	$ 1,500,000.00	$ -
Well F2 Site, Walls & Landscape	0	LS	$ -	$ -
Well F2 As Treatment Vessels, 3 Each	0	GPM	$ 1,272.73	$ -
Land @ FMV	0.66	Net Ac.	$ 27,500.00	$ 18,150.00
16" Transmission Main - Well F2	200	LF	$ 83.00	$ 16,600.00
12" Transmission Main - Well F2 to HV	100	LF	$ 61.00	$ 6,100.00
Well Pump Rate (A3) =	1,500	GPM		
Total Hard Costs	**1,500**	**GPM**	**$ 27.23**	**$ 40,850.00**
TOTAL COSTS	**1,500**	**GPM**	**$ 31.62**	**$ 47,426.85**
Taxes included in line items above				
Contingency	15%	%	$ 47,426.85	$ 7,114.03
Project Management	3.5%	%	$ 47,426.85	$ 1,659.94
TOTAL PROJECT COSTS	**1,500**	**GPM**	**$ 37.47**	**$ 56,200.82**
WELL PUMP RATE (MAX. DAY DEMAND)	**1,500**	**GPM**	**$ 37.47**	**$ 56,200.82**
Ave. Day Demand = GPM x 60 * 24 / 10^6 / 2	0.000720	(Capacity = Max. Day Demand)		
BUY IN - SYSTEM DEMAND (AVE. DAY DEMAND)	**1.080**	**MGD**	**$ 52,037.80**	**$ 56,200.82**



LEGEND

- EXISTING PAVED ROAD
- PROPOSED ROAD
- STATE LAND
- (10) SECTION NUMBER

William Lyon Homes

RANCHO MERCADO WELL SITE EXHIBIT C-2

10–21–2016

2500 0 2500

SCALE: 1" = 2,500'

ATWELL

EXHIBIT C-3
WATER BUY-IN FEE
Buy In Draw No. 000

Buy In Agreement Terms				
Initial Prime %	Additional %	Effective Date	Term, Yrs.	Expires On
3.50%	3.00%	2/1/2017	30	2/1/2047

Project	2/1/2017	= Purchase Date
[Project Name]	0.000	= Total Demand (MGD)

Well A3 & Transmission Mains	Available Capacity (MGD)	Initial Buy In Fee (Cost Per MGD)	Initial Reimburse Amount	Purchased Capacity (MGD)	Remaining Capacity (MGD)	Prime + 3% Fee Adjustment	Adjusted Fee per MGD	Buy-in Quantity (MGD)	Buy-in Amount	Remaining Capacity (MGD)
Well Site A3 & Transmission Mains - **Hi & Lo Zones**	1.080	$ 870,550	$ 940,194	0.000	1.080	100.0%	$ 870,550	0.000	$ -	1.080
TOTALS			**$ 940,194**						**$ -**	

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment
2/1/2017	2/1/2017	0.0000	6.50%	100.0%

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment

EXHIBIT C-3
WATER BUY-IN FEE
Buy In Draw No. 000

Buy In Agreement Terms				
Initial Prime %	Additional %	Effective Date	Term, Yrs.	Expires On
3.50%	3.00%	2/1/2017	30	2/1/2047

Project	2/1/2017	= Purchase Date
[Project Name]	0.000	= Total Demand (MGD)

Well F2 & Transmission Mains	Available Capacity (MGD)	Initial Buy In Fee (Cost Per MGD)	Initial Reimburse Amount	Purchased Capacity (MGD)	Remaining Capacity (MGD)	Prime + 3% Fee Adjustment	Adjusted Fee per MGD	Buy-in Quantity (MGD)	Buy-in Amount	Remaining Capacity (MGD)
Well Site F2 & Transmission Mains - **Hi & Lo Zones**	1.080	$ 52,038	$ 56,201	0.000	1.080	100.0%	$ 52,038	0.000	$ -	1.080
TOTALS			**$ 56,201**						**$ -**	

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment
2/1/2017	2/1/2017	0.0000	6.50%	100.0%

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment

EXHIBIT D-1

SUMMARY - SEWER SERVICE LINES

SEWER LINE	QTY	UNIT	UP	EXTENSION
BUDGET - ASLD OFFSITE	1,879.6	Gr. Ac.	$ 1,118.95	$ 2,103,125.68
BUDGET - McMICKEN PH 1	960.6	Gr. Ac.	$ 678.07	$ 651,372.36
BUDGET - McMICKEN PH 2	813.3	Gr. Ac.	$ 829.28	$ 674,409.18
BUDGET - BULLARD PH 1	790.1	Gr. Ac.	$ 469.98	$ 371,328.51
BUDGET - BULLARD PH 2	629.8	Gr. Ac.	$ 628.27	$ 395,668.75
BUDGET - LITCHFIELD	522.1	Gr. Ac.	$ 322.66	$ 168,469.79
GRAND TOTAL - SEWER LINES				**$ 4,364,374.27**

SUMMARY - SEWER SERVICE AREAS

SERVICE AREA B	QTY	UNIT	UP	EXTENSION
ASLD Offsite			$ 1,118.95	
McMicken Ph 1			$ 678.07	
McMicken Ph 2			$ 829.28	
Litchfield			$ 322.66	
TOTAL - SERVICE AREA B	**522.1**	**Gr. Ac.**	**$ 2,948.96**	**$ 1,539,738.39**

SERVICE AREA C	QTY	UNIT	UP	EXTENSION
ASLD Offsite			$ 1,118.95	
McMicken Ph 1			$ 678.07	
McMicken Ph 2			$ 829.28	
TOTAL - SERVICE AREA C	**291.1**	**Gr. Ac.**	**$ 2,626.30**	**$ 764,567.67**

SERVICE AREA D	QTY	UNIT	UP	EXTENSION
ASLD Offsite			$ 1,118.95	
McMicken Ph 1			$ 678.07	
TOTAL - SERVICE AREA D	**147.4**	**Gr. Ac.**	**$ 1,797.02**	**$ 264,826.94**

SERVICE AREA F	QTY	UNIT	UP	EXTENSION
ASLD Offsite			$ 1,118.95	
Bullard Ph 1			$ 469.98	
Bullard Ph 2			$ 628.27	
TOTAL - SERVICE AREA F	**629.8**	**Gr. Ac.**	**$ 2,217.19**	**$ 1,396,340.27**

SERVICE AREA G	QTY	UNIT	UP	EXTENSION
ASLD Offsite			$ 1,118.95	
Bullard Ph 1			$ 469.98	
TOTAL - SERVICE AREA G	**160.3**	**Gr. Ac.**	**$ 1,588.92**	**$ 254,736.03**

SERVICE AREA H	QTY	UNIT	UP	EXTENSION
ASLD Offsite			$ 1,118.95	
TOTAL - SERVICE AREA H	**128.8**	**Gr. Ac.**	**$ 1,118.95**	**$ 144,164.97**

GRAND TOTAL - SEWER SERVICE AREAS	**1,879.6**	**Gr. Ac.**	**$ 2,322.02**	**$ 4,364,374.27**

EXHIBIT D-1

BUDGET - ASLD OFFSITE

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 1,504,543.00	$ 45,136.29
Other Consultants	0.5%	%	$ 1,504,543.00	$ 7,522.72
Review & Recording Fees	1.0%	%	$ 1,504,543.00	$ 15,045.43
Environmental/Remediation	0.0%	%	$ 1,504,543.00	$ -
Construction Permits	2.5%	%	$ 1,504,543.00	$ 37,613.58
MCESD Fees	0.5%	%	$ 1,504,543.00	$ 7,522.72
Dust Control Permit & Sign	0.5%	%	$ 1,504,543.00	$ 7,522.72
Staking/Survey	1.5%	%	$ 1,504,543.00	$ 22,568.15
Soils Reports/Testing	1.5%	%	$ 1,504,543.00	$ 22,568.15
Engineer of Record	1.5%	%	$ 1,504,543.00	$ 22,568.15
Performance Bond	1.0%	%	$ 1,504,543.00	$ 15,045.43
Warranty Bond	1.0%	%	$ 150,454.30	$ 1,504.54
Reproduction	0.5%	%	$ 1,504,543.00	$ 7,522.72
ROW/Easement Acquisition	1	LS	$ 58,106.00	$ 58,106.00
Total Soft Costs	**5,667**	**LF**	**$ 47.69**	**$ 270,246.60**
36" PVC F-679 Pipe, in place	5,667	LF	$ 215.00	$ 1,218,405.00
5' Dia Manhole	14	EA	$ 13,200.00	$ 184,800.00
5' Dia Manhole Adjustment/Collar	14	EA	$ 500.00	$ 7,000.00
Connect/Plug	3	EA	$ 5,000.00	$ 15,000.00
MWD Bore	-	LS	$ -	$ -
SWPPP	5,667	LF	$ 5.00	$ 28,335.00
Construction Water	5,667	LF	$ 3.00	$ 17,001.00
Revegitation/Stabilization	5,667	LF	$ 2.50	$ 14,167.50
Repairs/Warranty	5,667	LF	$ 3.50	$ 19,834.50
Total Hard Costs	**5,667**	**LF**	**$ 265.49**	**$ 1,504,543.00**
TOTAL COSTS	**5,667**	**LF**	**$ 313.18**	**$ 1,774,789.60**
Taxes included in line items above				
Contingency	15%	%	$ 1,774,789.60	$ 266,218.44
Project Management	3.5%	%	$ 1,774,789.60	$ 62,117.64
TOTAL PROJECT COSTS	**5,667**	**LF**	**$ 371.12**	**$ 2,103,125.68**
BUY IN	**1,879.6**	**Gr. Ac.**	**$ 1,118.95**	**$ 2,103,125.68**
Taxes included in line items above				

EXHIBIT D-1

BUDGET - McMICKEN PH 1

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 481,754.00	$ 14,452.62
Other Consultants	0.5%	%	$ 481,754.00	$ 2,408.77
Review & Recording Fees	1.0%	%	$ 481,754.00	$ 4,817.54
Environmental/Remediation	0.0%	%	$ 481,754.00	$ -
Construction Permits	2.5%	%	$ 481,754.00	$ 12,043.85
MCESD Fees	0.5%	%	$ 481,754.00	$ 2,408.77
Dust Control Permit & Sign	0.5%	%	$ 481,754.00	$ 2,408.77
Staking/Survey	1.5%	%	$ 481,754.00	$ 7,226.31
Soils Reports/Testing	1.5%	%	$ 481,754.00	$ 7,226.31
Engineer of Record	1.5%	%	$ 481,754.00	$ 7,226.31
Performance Bond	1.0%	%	$ 481,754.00	$ 4,817.54
Warranty Bond	1.0%	%	$ 48,175.40	$ 481.75
Reproduction	0.5%	%	$ 481,754.00	$ 2,408.77
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**3,261**	**LF**	**$ 20.83**	**$ 67,927.31**
24" PVC F-679 Pipe, in place	3,261	LF	$ 100.00	$ 326,100.00
5' Dia Manhole	10	EA	$ 10,000.00	$ 100,000.00
5' Dia Manhole Adjustment/Collar	10	EA	$ 500.00	$ 5,000.00
Connect/Plug	1	EA	$ 5,000.00	$ 5,000.00
MWD Bore	-	LS	$ -	$ -
SWPPP	3,261	LF	$ 5.00	$ 16,305.00
Construction Water	3,261	LF	$ 3.00	$ 9,783.00
Revegitation/Stabilization	3,261	LF	$ 2.50	$ 8,152.50
Repairs/Warranty	3,261	LF	$ 3.50	$ 11,413.50
Total Hard Costs	**3,261**	**LF**	**$ 147.73**	**$ 481,754.00**
TOTAL COSTS	**3,261**	**LF**	**$ 168.56**	**$ 549,681.31**
Taxes included in line items above				
Contingency	15%	%	$ 549,681.31	$ 82,452.20
Project Management	3.5%	%	$ 549,681.31	$ 19,238.85
TOTAL PROJECT COSTS	**3,261**	**LF**	**$ 199.75**	**$ 651,372.36**
BUY IN	**960.6**	**Gr. Ac.**	**$ 678.07**	**$ 651,372.36**
Taxes included in line items above				

EXHIBIT D-1

BUDGET - McMICKEN PH 2

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 498,792.00	$ 14,963.76
Other Consultants	0.5%	%	$ 498,792.00	$ 2,493.96
Review & Recording Fees	1.0%	%	$ 498,792.00	$ 4,987.92
Environmental/Remediation	0.0%	%	$ 498,792.00	$ -
Construction Permits	2.5%	%	$ 498,792.00	$ 12,469.80
MCESD Fees	0.5%	%	$ 498,792.00	$ 2,493.96
Dust Control Permit & Sign	0.5%	%	$ 498,792.00	$ 2,493.96
Staking/Survey	1.5%	%	$ 498,792.00	$ 7,481.88
Soils Reports/Testing	1.5%	%	$ 498,792.00	$ 7,481.88
Engineer of Record	1.5%	%	$ 498,792.00	$ 7,481.88
Performance Bond	1.0%	%	$ 498,792.00	$ 4,987.92
Warranty Bond	1.0%	%	$ 49,879.20	$ 498.79
Reproduction	0.5%	%	$ 498,792.00	$ 2,493.96
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**3,123**	**LF**	**$ 22.52**	**$ 70,329.67**
21" PVC F-679 Pipe, in place	3,123	LF	$ 90.00	$ 281,070.00
5' Dia Manhole	8	EA	$ 10,000.00	$ 80,000.00
5' Dia Manhole Adjustment/Collar	8	EA	$ 500.00	$ 4,000.00
Connect/Plug	1	EA	$ 5,000.00	$ 5,000.00
MWD Bore	1	LS	$ 85,000.00	$ 85,000.00
SWPPP	3,123	LF	$ 5.00	$ 15,615.00
Construction Water	3,123	LF	$ 3.00	$ 9,369.00
Revegitation/Stabilization	3,123	LF	$ 2.50	$ 7,807.50
Repairs/Warranty	3,123	LF	$ 3.50	$ 10,930.50
Total Hard Costs	**3,123**	**LF**	**$ 159.72**	**$ 498,792.00**
TOTAL COSTS	**3,123**	**LF**	**$ 182.24**	**$ 569,121.67**
Taxes included in line items above				
Contingency	15%	%	$ 569,121.67	$ 85,368.25
Project Management	3.5%	%	$ 569,121.67	$ 19,919.26
TOTAL PROJECT COSTS	**3,123**	**LF**	**$ 215.95**	**$ 674,409.18**
BUY IN	**813.3**	**Gr. Ac.**	**$ 829.28**	**$ 674,409.18**
Taxes included in line items above				

EXHIBIT D-1

BUDGET - BULLARD PH 1

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 274,634.00	$ 8,239.02
Other Consultants	0.5%	%	$ 274,634.00	$ 1,373.17
Review & Recording Fees	1.0%	%	$ 274,634.00	$ 2,746.34
Environmental/Remediation	0.0%	%	$ 274,634.00	$ -
Construction Permits	2.5%	%	$ 274,634.00	$ 6,865.85
MCESD Fees	0.5%	%	$ 274,634.00	$ 1,373.17
Dust Control Permit & Sign	0.5%	%	$ 274,634.00	$ 1,373.17
Staking/Survey	1.5%	%	$ 274,634.00	$ 4,119.51
Soils Reports/Testing	1.5%	%	$ 274,634.00	$ 4,119.51
Engineer of Record	1.5%	%	$ 274,634.00	$ 4,119.51
Performance Bond	1.0%	%	$ 274,634.00	$ 2,746.34
Warranty Bond	1.0%	%	$ 27,463.40	$ 274.63
Reproduction	0.5%	%	$ 274,634.00	$ 1,373.17
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1,431**	**LF**	**$ 27.06**	**$ 38,723.39**
24" PVC F-679 Pipe, in place	1,431	LF	$ 100.00	$ 143,100.00
5' Dia Manhole	3	EA	$ 10,000.00	$ 30,000.00
5' Dia Manhole Adjustment/Collar	3	EA	$ 500.00	$ 1,500.00
Connect/Plug	1	EA	$ 5,000.00	$ 5,000.00
MWD Bore	1	LS	$ 75,000.00	$ 75,000.00
SWPPP	1,431	LF	$ 5.00	$ 7,155.00
Construction Water	1,431	LF	$ 3.00	$ 4,293.00
Revegitation/Stabilization	1,431	LF	$ 2.50	$ 3,577.50
Repairs/Warranty	1,431	LF	$ 3.50	$ 5,008.50
Total Hard Costs	**1,431**	**LF**	**$ 191.92**	**$ 274,634.00**
TOTAL COSTS	**1,431**	**LF**	**$ 218.98**	**$ 313,357.39**
Taxes included in line items above				
Contingency	15%	%	$ 313,357.39	$ 47,003.61
Project Management	3.5%	%	$ 313,357.39	$ 10,967.51
TOTAL PROJECT COSTS	**1,431**	**LF**	**$ 259.49**	**$ 371,328.51**
BUY IN	**790.1**	**Gr. Ac.**	**$ 469.98**	**$ 371,328.51**

EXHIBIT D-1

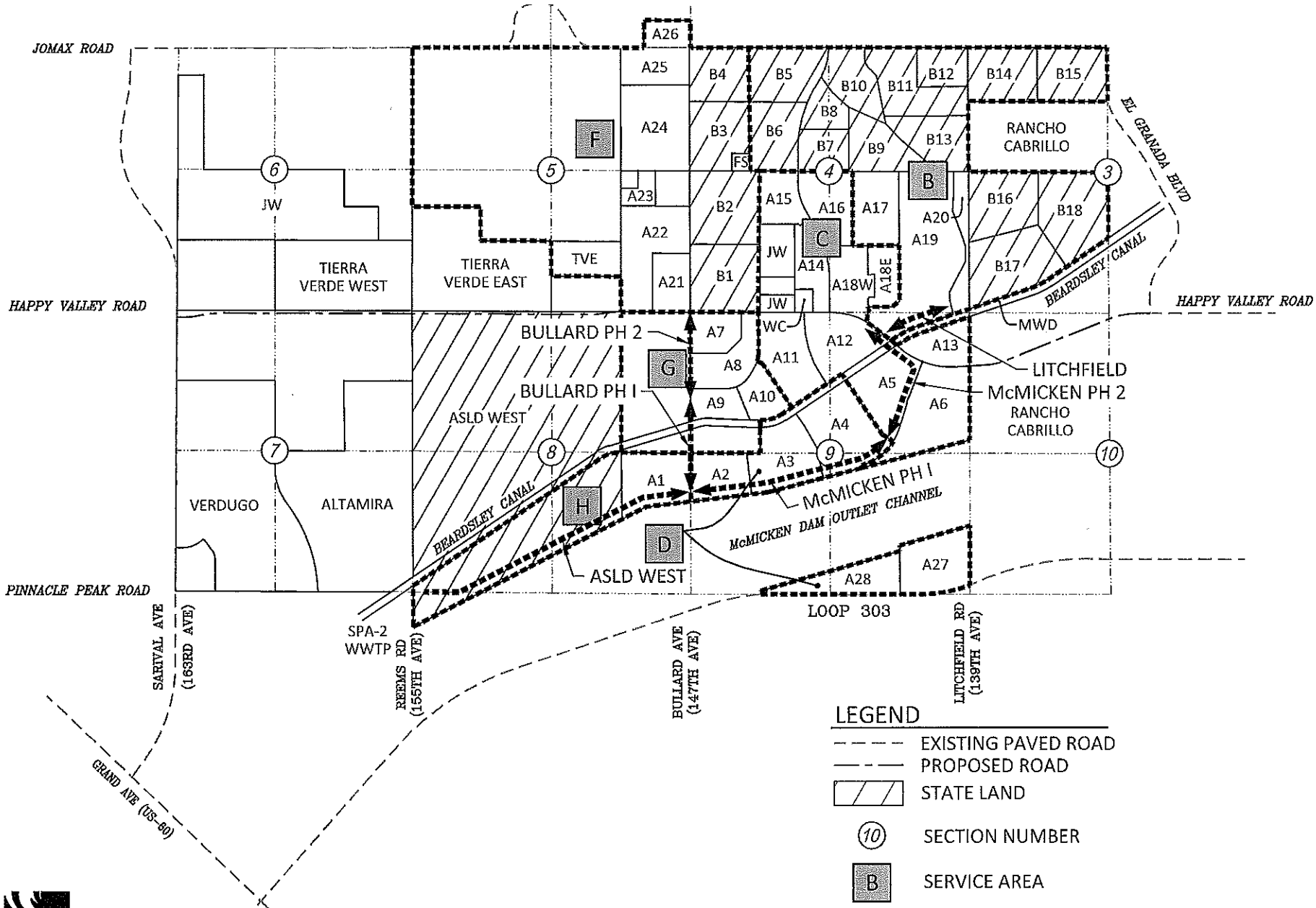
BUDGET - BULLARD PH 2

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 292,636.00	$ 8,779.08
Other Consultants	0.5%	%	$ 292,636.00	$ 1,463.18
Review & Recording Fees	1.0%	%	$ 292,636.00	$ 2,926.36
Environmental/Remediation	0.0%	%	$ 292,636.00	$ -
Construction Permits	2.5%	%	$ 292,636.00	$ 7,315.90
MCESD Fees	0.5%	%	$ 292,636.00	$ 1,463.18
Dust Control Permit & Sign	0.5%	%	$ 292,636.00	$ 1,463.18
Staking/Survey	1.5%	%	$ 292,636.00	$ 4,389.54
Soils Reports/Testing	1.5%	%	$ 292,636.00	$ 4,389.54
Engineer of Record	1.5%	%	$ 292,636.00	$ 4,389.54
Performance Bond	1.0%	%	$ 292,636.00	$ 2,926.36
Warranty Bond	1.0%	%	$ 29,263.60	$ 292.64
Reproduction	0.5%	%	$ 292,636.00	$ 1,463.18
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**2,059**	**LF**	**$ 20.04**	**$ 41,261.68**
21" PVC F-679 Pipe, in place	2,059	LF	$ 90.00	$ 185,310.00
5' Dia Manhole	7	EA	$ 10,000.00	$ 70,000.00
5' Dia Manhole Adjustment/Collar	7	EA	$ 500.00	$ 3,500.00
Connect/Plug	1	EA	$ 5,000.00	$ 5,000.00
MWD Bore	-	LS	$ -	$ -
SWPPP	2,059	LF	$ 5.00	$ 10,295.00
Construction Water	2,059	LF	$ 3.00	$ 6,177.00
Revegitation/Stabilization	2,059	LF	$ 2.50	$ 5,147.50
Repairs/Warranty	2,059	LF	$ 3.50	$ 7,206.50
Total Hard Costs	**2,059**	**LF**	**$ 142.13**	**$ 292,636.00**
TOTAL COSTS	**2,059**	**LF**	**$ 162.16**	**$ 333,897.68**
Taxes included in line items above				
Contingency	15%	%	$ 333,897.68	$ 50,084.65
Project Management	3.5%	%	$ 333,897.68	$ 11,686.42
TOTAL PROJECT COSTS	**2,059**	**LF**	**$ 192.17**	**$ 395,668.75**
BUY IN	**629.8**	**Gr. Ac.**	**$ 628.27**	**$ 395,668.75**

EXHIBIT D-1

BUDGET - LITCHFIELD

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 124,600.00	$ 3,738.00
Other Consultants	0.5%	%	$ 124,600.00	$ 623.00
Review & Recording Fees	1.0%	%	$ 124,600.00	$ 1,246.00
Environmental/Remediation	0.0%	%	$ 124,600.00	$ -
Construction Permits	2.5%	%	$ 124,600.00	$ 3,115.00
MCESD Fees	0.5%	%	$ 124,600.00	$ 623.00
Dust Control Permit & Sign	0.5%	%	$ 124,600.00	$ 623.00
Staking/Survey	1.5%	%	$ 124,600.00	$ 1,869.00
Soils Reports/Testing	1.5%	%	$ 124,600.00	$ 1,869.00
Engineer of Record	1.5%	%	$ 124,600.00	$ 1,869.00
Performance Bond	1.0%	%	$ 124,600.00	$ 1,246.00
Warranty Bond	1.0%	%	$ 12,460.00	$ 124.60
Reproduction	0.5%	%	$ 124,600.00	$ 623.00
ROW/Easement Acquisition	-	LS	$ -	$ -
Total Soft Costs	**1,000**	**LF**	**$ 17.57**	**$ 17,568.60**
15" PVC F-679 Pipe, in place	1,000	LF	$ 75.00	$ 75,000.00
5' Dia Manhole	3	EA	$ 9,700.00	$ 29,100.00
5' Dia Manhole Adjustment/Collar	3	EA	$ 500.00	$ 1,500.00
Connect/Plug	1	EA	$ 5,000.00	$ 5,000.00
MWD Bore	-	LS	$ -	$ -
SWPPP	1,000	LF	$ 5.00	$ 5,000.00
Construction Water	1,000	LF	$ 3.00	$ 3,000.00
Revegitation/Stabilization	1,000	LF	$ 2.50	$ 2,500.00
Repairs/Warranty	1,000	LF	$ 3.50	$ 3,500.00
Total Hard Costs	**1,000**	**LF**	**$ 124.60**	**$ 124,600.00**
TOTAL COSTS	**1,000**	**LF**	**$ 142.17**	**$ 142,168.60**
Taxes included in line items above				
Contingency	15%	%	$ 142,168.60	$ 21,325.29
Project Management	3.5%	%	$ 142,168.60	$ 4,975.90
TOTAL PROJECT COSTS	**1,000**	**LF**	**$ 168.47**	**$ 168,469.79**
BUY IN	**522.1**	**Gr. Ac.**	**$ 322.66**	**$ 168,469.79**



William Lyon Homes

RANCHO MERCADO SEWER EXHIBIT D-2

10–21–2016

2500 0 2500

SCALE: 1" = 2,500'

ATWELL

EXHIBIT D-3
SEWER BUY-IN FEE
Buy In Draw No. 000

Buy In Agreement Terms				
Initial Prime %	Additional %	Effective Date	Term, Yrs.	Expires On
3.50%	3.00%	2/1/2017	30	2/1/2047

Project	2/1/2017	= Purchase Date
[Project Name]		

Sanitary Sewer System - Phase 1	Benefit Area (Acres)	Initial Buy In Fee (Cost Per Acre)	Initial Reimburse Amount	Purchased Area (Acres)	Remaining Benefit Area (Acres)	Prime + 3% Fee Adjustment	Adjusted Fee per Acre	Buy-in Area (Acres)	Buy-in Amount	Remaining Benefit Area (Acres)
Sewer Service Area B	522.13	$ 2,949	$ 1,539,738	0.00	522.13	100.0%	$ 2,949	0.0	$ -	522.13
Sewer Service Area C	291.12	$ 2,626	$ 764,568	0.00	291.12	100.0%	$ 2,626	0.0	$ -	291.12
Sewer Service Area D	147.37	$ 1,797	$ 264,827	0.00	147.37	100.0%	$ 1,797	0.0	$ -	147.37
Sewer Service Area H	128.84	$ 1,119	$ 144,165	0.00	128.84	100.0%	$ 1,119	0.0	$ -	128.84
TOTALS			**$ 2,713,298**						**$ -**	

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment
2/1/2017	2/1/2017	0.0000	6.50%	100.0%

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment

EXHIBIT D-3
SEWER BUY-IN FEE
Buy In Draw No. 000

Buy In Agreement Terms				
Initial Prime %	Additional %	Effective Date	Term, Yrs.	Expires On
3.50%	3.00%	2/1/2017	30	2/1/2047

Project	2/1/2017	= Purchase Date
[Project Name]		

Sanitary Sewer System - Phase 2	Benefit Area (Acres)	Initial Buy In Fee (Cost Per Acre)	Initial Reimburse Amount	Purchased Area (Acres)	Remaining Benefit Area (Acres)	Prime + 3% Fee Adjustment	Adjusted Fee per Acre	Buy-in Area (Acres)	Buy-in Amount	Remaining Benefit Area (Acres)
Sewer Service Area F	629.78	$ 2,217	$ 1,396,340	0.00	629.78	100.0%	$ 2,217	0.0	$ -	629.78
Sewer Service Area G	160.32	$ 1,589	$ 254,736	0.00	160.32	100.0%	$ 1,589	0.0	$ -	160.32
TOTALS			**$ 1,651,076**						**$ -**	

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment
2/1/2017	2/1/2017	0.0000	6.50%	100.0%

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - 163RD INTERSECTION

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 453,500.00	$ 13,605.00
Other Consultants	0.5%	%	$ 453,500.00	$ 2,267.50
Review & Recording Fees	1.0%	%	$ 453,500.00	$ 4,535.00
Environmental/Remediation	0.0%	%	$ 453,500.00	$ -
Construction Permits	2.5%	%	$ 453,500.00	$ 11,337.50
MCESD Fees	0.5%	%	$ 453,500.00	$ 2,267.50
Dust Control Permit & Sign	0.5%	%	$ 453,500.00	$ 2,267.50
Staking/Survey	1.5%	%	$ 453,500.00	$ 6,802.50
Soils Reports/Testing	1.5%	%	$ 453,500.00	$ 6,802.50
Engineer of Record	1.5%	%	$ 453,500.00	$ 6,802.50
Performance Bond	1.0%	%	$ 453,500.00	$ 4,535.00
Warranty Bond	1.0%	%	$ 45,350.00	$ 453.50
Reproduction	0.5%	%	$ 453,500.00	$ 2,267.50
Total Soft Costs				**$ 63,943.50**
Traffic Signal	1	EA	$ 275,000.00	$ 275,000.00
163rd Intersection	1	LS	$ 150,000.00	$ 150,000.00
Total Hard Costs				**$ 425,000.00**
Weed Control	-	AC	$ 1,000.00	$ -
SWPPP Erosion Control	1	LS	$ 15,000.00	$ 15,000.00
Construction Water	1	LS	$ 5,000.00	$ 5,000.00
Repairs & Warranty (Hard Costs)	2.0%	%	$ 425,000.00	$ 8,500.00
Total Misc. Costs				**$ 28,500.00**
TOTAL COSTS				**$ 517,443.50**
Taxes included in line items above				
Contingency	15%	%	$ 908,801.26	$ 136,320.19
Project Management	3.5%	%	$ 908,801.26	$ 31,808.04
TOTAL INTERSECTION COSTS	**16,822**	**FFt**	**$ 40.75**	**$ 685,571.73**
BUY IN - GROSS FRONT FOOT	16,822	**FFt**	**$ 40.75**	**$ 685,571.73**

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - WATERLINE

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 796,495.40	$ 23,894.86
Other Consultants	0.5%	%	$ 796,495.40	$ 3,982.48
Review & Recording Fees	1.0%	%	$ 796,495.40	$ 7,964.95
Environmental/Remediation	0.0%	%	$ 796,495.40	$ -
Construction Permits	2.5%	%	$ 796,495.40	$ 19,912.39
MCESD Fees	0.5%	%	$ 796,495.40	$ 3,982.48
Dust Control Permit & Sign	0.5%	%	$ 796,495.40	$ 3,982.48
Staking/Survey	1.5%	%	$ 796,495.40	$ 11,947.43
Soils Reports/Testing	1.5%	%	$ 796,495.40	$ 11,947.43
Engineer of Record	1.5%	%	$ 796,495.40	$ 11,947.43
Performance Bond	1.0%	%	$ 796,495.40	$ 7,964.95
Warranty Bond	1.0%	%	$ 79,649.54	$ 796.50
Reproduction	0.5%	%	$ 796,495.40	$ 3,982.48
Total Soft Costs				**$ 112,305.86**
Water - 16" - DIP	8,511	LF	$ 70.00	$ 595,770.00
Water - 12" - DIP	200	LF	$ 50.00	$ 10,000.00
Water - 8" - C909 Cl 150	-	LF	$ 17.00	$ -
Valve - 16"	11	EA	$ 9,200.00	$ 101,200.00
Valve - 12"	4	EA	$ 3,400.00	$ 13,600.00
Valve - 8"	-	EA	$ 2,700.00	$ -
Firehydrant Assembly	15	EA	$ 1,300.00	$ 19,500.00
Blow Off, Install or Remove	8	EA	$ 2,650.00	$ 21,200.00
Total Water				**$ 761,270.00**
Weed Control	-	AC	$ 1,000.00	$ -
SWPPP Erosion Control	1	LS	$ 15,000.00	$ 15,000.00
Construction Water	1	LS	$ 5,000.00	$ 5,000.00
Repairs & Warranty (Hard Costs)	2.0%	%	$ 761,270.00	$ 15,225.40
Total Misc. Costs				**$ 35,225.40**
TOTAL COSTS				**$ 908,801.26**
Taxes included in line items above				
Contingency	15%	%	$ 908,801.26	$ 136,320.19
Project Management	3.5%	%	$ 908,801.26	$ 31,808.04
TOTAL WATERLINE COSTS	**8,411**	**LF**	**$ 128.04**	**$ 1,076,929.49**
COSTS PER GROSS FRONT FOOT	16,822	**FFt**	**$ 64.02**	**$ 1,076,929.49**
less ASLD Lo Zone Frontage	(3,936)	**FFt**	**$ 64.02**	**$ (251,979.22)**
less Roadruck Lo Zone Frontage	(656)	**FFt**	**$ 64.02**	**$ (41,996.54)**
BUY IN - GROSS FRONT FOOT	**12,230**	**FFt**	**$ 64.02**	**$ 782,953.73**

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - ADJACENT WAYS

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 2,697,365.55	$ 80,920.97
Other Consultants	0.5%	%	$ 2,697,365.55	$ 13,486.83
Review & Recording Fees	1.0%	%	$ 2,697,365.55	$ 26,973.66
Environmental/Remediation	0.0%	%	$ 2,697,365.55	$ -
Construction Permits	2.5%	%	$ 2,697,365.55	$ 67,434.14
MCESD Fees	0.5%	%	$ 2,697,365.55	$ 13,486.83
Dust Control Permit & Sign	0.5%	%	$ 2,697,365.55	$ 13,486.83
Staking/Survey	1.5%	%	$ 2,697,365.55	$ 40,460.48
Soils Reports/Testing	1.5%	%	$ 2,697,365.55	$ 40,460.48
Engineer of Record	1.5%	%	$ 2,697,365.55	$ 40,460.48
Performance Bond	1.0%	%	$ 2,697,365.55	$ 26,973.66
Warranty Bond	1.0%	%	$ 269,736.56	$ 2,697.37
Drainage Easement Acquisition	6.00	AC	$ 27,500.00	$ 165,000.00
Reproduction	0.5%	%	$ 2,697,365.55	$ 13,486.83
Total Soft Costs				**$ 545,328.56**
Clear, Grubb & Pre-Wet	24.33	AC	$ 1,000.00	$ 24,330.00
Cut and Fill	-	CY	$ 3.50	$ -
Subgrade Prep	22,429	SY	$ 4.50	$ 100,930.50
Import	51,000	CY	$ 13.50	$ 688,500.00
RCB Outfall Channel	4,300	LF	$ 50.00	$ 215,000.00
Construction Water	48.66	AF	$ 1,000.00	$ 48,660.00
Total Grading				**$ 1,077,420.50**
36" RGRCP, 70' Crossing		EA	$ 9,450.00	$ -
3-8'x4'x92' RCB, complete	92	LF	$ 1,296.00	$ 119,232.00
4-10'x4'x92' RCB, complete	92	LF	$ 1,944.00	$ 178,848.00
1-4'x4'x92' RCB, complete	92	LF	$ 487.00	$ 44,804.00
4-10'x4'x92' RCB, complete	92	LF	$ 1,944.00	$ 178,848.00
7-10'x4'x92' RCB, complete	92	LF	$ 3,157.00	$ 290,444.00
Headwall	-	EA	$ 2,150.00	$ -
Rip Rap		SY	$ 30.00	$ -
Manhole, 5' Dia		EA	$ 4,500.00	$ -
Catch Basin		EA	$ 2,800.00	$ -
Dry Well & Test (0.2 cfs)		EA	$ 12,400.00	$ -
Total Drainage				**$ 812,176.00**

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - ADJACENT WAYS (CONTINUED)

ITEM	QTY	UNIT	UP	EXTENSION
Curb & Gutter, Roll & Vertical	8,411	LF	$ 8.25	$ 69,390.75
Sidewalk		SF	$ 2.15	$ -
Parkway Grading	16,822	LF	$ 0.70	$ 11,775.40
Valley Gutters & Aprons, Intersection		EA	$ 2,000.00	$ -
HC Ramps		EA	$ 600.00	$ -
Paving, 3" AC on 13" AB	22,429	SY	$ 26.00	$ 583,154.00
Paving - MAG Edge	8,411	LF	$ 5.00	$ 42,055.00
Remake Subgrade	22,429	SY	$ 0.75	$ 16,821.75
Street Sign Bases & Signs		EA	$ 500.00	$ -
Barricade, Install or Remove		LF	$ 25.00	$ -
Adjust Manhole		EA	$ 400.00	$ -
Adjust Water Valve	30	EA	$ 370.00	$ 11,100.00
Survey Monument	12	EA	$ 135.00	$ 1,620.00
Misc - R&R Signs, Fence, Etc.		LS	$ -	$ -
Striping	33,644	LF	$ 1.00	$ 33,644.00
Total Concrete & Paving				**$ 769,560.90**
Weed Control	-	AC	$ 1,000.00	$ -
SWPPP Erosion Control	24.33	AC	$ 1,000.00	$ 24,330.00
Repairs & Warranty (Curb & Sidewalk)	20%	%	$ 69,390.75	$ 13,878.15
Total Misc. Costs				**$ 38,208.15**
TOTAL COSTS				**$ 3,242,694.11**
Taxes included in line items above				
Contingency	15%	%	$ 3,242,694.11	$ 486,404.12
Project Management	3.5%	%	$ 3,242,694.11	$ 113,494.29
TOTAL ADJACENT WAYS COSTS	**8,411**	**LF**	**$ 456.85**	**$ 3,842,592.52**
BUY IN - GROSS FRONT FOOT	8,411	**FFt**	**$ 456.85**	**$ 3,842,592.52**

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - WB ROW (ACE) APN 503-55-004

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 31,350.00	$ 783.75
Other Consultants	1.0%	%	$ 31,350.00	$ 313.50
Review & Recording Fees	0.5%	%	$ 31,350.00	$ 156.75
Staking/Survey	1.5%	%	$ 31,350.00	$ 470.25
Legal Fees	10.0%	%	$ 31,350.00	$ 3,135.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	1.14	AC	$ 27,500.00	$ 31,350.00
ROW Acquisition - South	-	AC	$ 27,500.00	$ -
Total Costs				**$ 36,209.25**
Contingency	15%	%	$ 36,209.25	$ 5,431.39
Project Management	3.5%	%	$ 36,209.25	$ 1,267.32
TOTAL ROW COSTS	**1.14**	**AC**	**$ 37,638.56**	**$ 42,907.96**
BUY IN - GROSS FRONT FOOT	**538**	**FFt**	**$ 79.75**	**$ 42,907.96**

BUDGET - HAPPY VALLEY WEST - WB ROW (BANK) APN 503-55-016

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 76,175.00	$ 1,904.38
Other Consultants	1.0%	%	$ 76,175.00	$ 761.75
Review & Recording Fees	0.5%	%	$ 76,175.00	$ 380.88
Staking/Survey	1.5%	%	$ 76,175.00	$ 1,142.63
Legal Fees	10.0%	%	$ 76,175.00	$ 7,617.50
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	2.77	AC	$ 27,500.00	$ 76,175.00
ROW Acquisition - South	-	AC	$ 27,500.00	$ -
Total Costs				**$ 87,982.14**
Contingency	15%	%	$ 87,982.14	$ 13,197.32
Project Management	3.5%	%	$ 87,982.14	$ 3,079.37
TOTAL ROW COSTS	**2.77**	**AC**	**$ 37,638.57**	**$ 104,258.83**
BUY IN - GROSS FRONT FOOT	**1,313**	**FFt**	**$ 79.41**	**$ 104,258.83**

BUDGET - HAPPY VALLEY WEST - WB ROW (TVW) APN 503-55-0015B/015A

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 152,350.00	$ 3,808.75
Other Consultants	1.0%	%	$ 152,350.00	$ 1,523.50
Review & Recording Fees	0.5%	%	$ 152,350.00	$ 761.75
Staking/Survey	1.5%	%	$ 152,350.00	$ 2,285.25
Legal Fees	10.0%	%	$ 152,350.00	$ 15,235.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	5.54	AC	$ 27,500.00	$ 152,350.00
ROW Acquisition - South	-	AC	$ 27,500.00	$ -
Total Costs				**$ 175,964.25**
Contingency	15%	%	$ 175,964.25	$ 26,394.64
Project Management	3.5%	%	$ 175,964.25	$ 6,158.75
TOTAL ROW COSTS	**5.54**	**AC**	**$ 37,638.56**	**$ 208,517.64**
BUY IN - GROSS FRONT FOOT	**2,624**	**FFt**	**$ 79.47**	**$ 208,517.64**

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - WB ROW (TVE) APN 503-55-0011B/012

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 152,350.00	$ 3,808.75
Other Consultants	1.0%	%	$ 152,350.00	$ 1,523.50
Review & Recording Fees	0.5%	%	$ 152,350.00	$ 761.75
Staking/Survey	1.5%	%	$ 152,350.00	$ 2,285.25
Legal Fees	10.0%	%	$ 152,350.00	$ 15,235.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	5.54	AC	$ 27,500.00	$ 152,350.00
ROW Acquisition - South	-	AC	$ 27,500.00	$ -
Total Costs				**$ 175,964.25**
Contingency	15%	%	$ 175,964.25	$ 26,394.64
Project Management	3.5%	%	$ 175,964.25	$ 6,158.75
TOTAL ROW COSTS	**5.54**	**AC**	**$ 37,638.56**	**$ 208,517.64**
BUY IN - GROSS FRONT FOOT	**2,624**	**FFt**	**$ 79.47**	**$ 208,517.64**

BUDGET - HAPPY VALLEY WEST - WB ROW (MAZIA) APN 503-55-013B

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 38,225.00	$ 955.63
Other Consultants	1.0%	%	$ 38,225.00	$ 382.25
Review & Recording Fees	0.5%	%	$ 38,225.00	$ 191.13
Staking/Survey	1.5%	%	$ 38,225.00	$ 573.38
Legal Fees	10.0%	%	$ 38,225.00	$ 3,822.50
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	1.39	AC	$ 27,500.00	$ 38,225.00
ROW Acquisition - South	-	AC	$ 27,500.00	$ -
Total Costs				**$ 44,149.89**
Contingency	15%	%	$ 44,149.89	$ 6,622.48
Project Management	3.5%	%	$ 44,149.89	$ 1,545.25
TOTAL ROW COSTS	**1.39**	**AC**	**$ 37,638.58**	**$ 52,317.62**
BUY IN - GROSS FRONT FOOT	**656**	**FFt**	**$ 79.75**	**$ 52,317.62**

BUDGET - HAPPY VALLEY WEST - WB ROW (ROADRUCK) APN 503-55-013A

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 38,225.00	$ 955.63
Other Consultants	1.0%	%	$ 38,225.00	$ 382.25
Review & Recording Fees	0.5%	%	$ 38,225.00	$ 191.13
Staking/Survey	1.5%	%	$ 38,225.00	$ 573.38
Legal Fees	10.0%	%	$ 38,225.00	$ 3,822.50
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	1.39	AC	$ 27,500.00	$ 38,225.00
ROW Acquisition - South	-	AC	$ 27,500.00	$ -
Total Costs				**$ 44,149.89**
Contingency	15%	%	$ 44,149.89	$ 6,622.48
Project Management	3.5%	%	$ 44,149.89	$ 1,545.25
TOTAL ROW COSTS	**1.39**	**AC**	**$ 37,638.58**	**$ 52,317.62**
BUY IN - GROSS FRONT FOOT	**656**	**FFt**	**$ 79.75**	**$ 52,317.62**

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - EB ROW (YARNELL) APN 503-56-001A

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 23,100.00	$ 577.50
Other Consultants	1.0%	%	$ 23,100.00	$ 231.00
Review & Recording Fees	0.5%	%	$ 23,100.00	$ 115.50
Staking/Survey	1.5%	%	$ 23,100.00	$ 346.50
Legal Fees	10.0%	%	$ 23,100.00	$ 2,310.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	-	AC	$ 27,500.00	$ -
ROW Acquisition - South	0.84	AC	$ 27,500.00	$ 23,100.00
Total Costs				**$ 26,680.50**
Contingency	15%	%	$ 26,680.50	$ 4,002.08
Project Management	3.5%	%	$ 26,680.50	$ 933.82
TOTAL ROW COSTS	**0.84**	**AC**	**$ 37,638.57**	**$ 31,616.40**
BUY IN - GROSS FRONT FOOT	**538**	**FFt**	**$ 58.77**	**$ 31,616.40**

BUDGET - HAPPY VALLEY WEST - EB ROW (163/HVR) APN 503-56-001B

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 56,375.00	$ 1,409.38
Other Consultants	1.0%	%	$ 56,375.00	$ 563.75
Review & Recording Fees	0.5%	%	$ 56,375.00	$ 281.88
Staking/Survey	1.5%	%	$ 56,375.00	$ 845.63
Legal Fees	10.0%	%	$ 56,375.00	$ 5,637.50
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	-	AC	$ 27,500.00	$ -
ROW Acquisition - South	2.05	AC	$ 27,500.00	$ 56,375.00
Total Costs				**$ 65,113.14**
Contingency	15%	%	$ 65,113.14	$ 9,766.97
Project Management	3.5%	%	$ 65,113.14	$ 2,278.96
TOTAL ROW COSTS	**2.05**	**AC**	**$ 37,638.57**	**$ 77,159.07**
BUY IN - GROSS FRONT FOOT	**1,313**	**FFt**	**$ 58.77**	**$ 77,159.07**

BUDGET - HAPPY VALLEY WEST - EB ROW (DAOUD) APN 503-56-002N

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 28,050.00	$ 701.25
Other Consultants	1.0%	%	$ 28,050.00	$ 280.50
Review & Recording Fees	0.5%	%	$ 28,050.00	$ 140.25
Staking/Survey	1.5%	%	$ 28,050.00	$ 420.75
Legal Fees	10.0%	%	$ 28,050.00	$ 2,805.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	-	AC	$ 27,500.00	$ -
ROW Acquisition - South	1.02	AC	$ 27,500.00	$ 28,050.00
Total Costs				**$ 32,397.75**
Contingency	15%	%	$ 32,397.75	$ 4,859.66
Project Management	3.5%	%	$ 32,397.75	$ 1,133.92
TOTAL ROW COSTS	**1.02**	**AC**	**$ 37,638.56**	**$ 38,391.33**
BUY IN - GROSS FRONT FOOT	**656**	**FFt**	**$ 58.52**	**$ 38,391.33**

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - EB ROW (PENSCO) APN 503-56-002S

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 28,050.00	$ 701.25
Other Consultants	1.0%	%	$ 28,050.00	$ 280.50
Review & Recording Fees	0.5%	%	$ 28,050.00	$ 140.25
Staking/Survey	1.5%	%	$ 28,050.00	$ 420.75
Legal Fees	10.0%	%	$ 28,050.00	$ 2,805.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	-	AC	$ 27,500.00	$ -
ROW Acquisition - South	1.02	AC	$ 27,500.00	$ 28,050.00
Total Costs				**$ 32,397.75**
Contingency	15%	%	$ 32,397.75	$ 4,859.66
Project Management	3.5%	%	$ 32,397.75	$ 1,133.92
TOTAL ROW COSTS	**1.02**	**AC**	**$ 37,638.56**	**$ 38,391.33**
BUY IN - GROSS FRONT FOOT	**656**	**FFt**	**$ 58.52**	**$ 38,391.33**

BUDGET - HAPPY VALLEY WEST - EB ROW (KUCZYK) APN 503-56-002H

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 28,050.00	$ 701.25
Other Consultants	1.0%	%	$ 28,050.00	$ 280.50
Review & Recording Fees	0.5%	%	$ 28,050.00	$ 140.25
Staking/Survey	1.5%	%	$ 28,050.00	$ 420.75
Legal Fees	10.0%	%	$ 28,050.00	$ 2,805.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	-	AC	$ 27,500.00	$ -
ROW Acquisition - South	1.02	AC	$ 27,500.00	$ 28,050.00
Total Costs				**$ 32,397.75**
Contingency	15%	%	$ 32,397.75	$ 4,859.66
Project Management	3.5%	%	$ 32,397.75	$ 1,133.92
TOTAL ROW COSTS	**1.02**	**AC**	**$ 37,638.56**	**$ 38,391.33**
BUY IN - GROSS FRONT FOOT	**656**	**FFt**	**$ 58.52**	**$ 38,391.33**

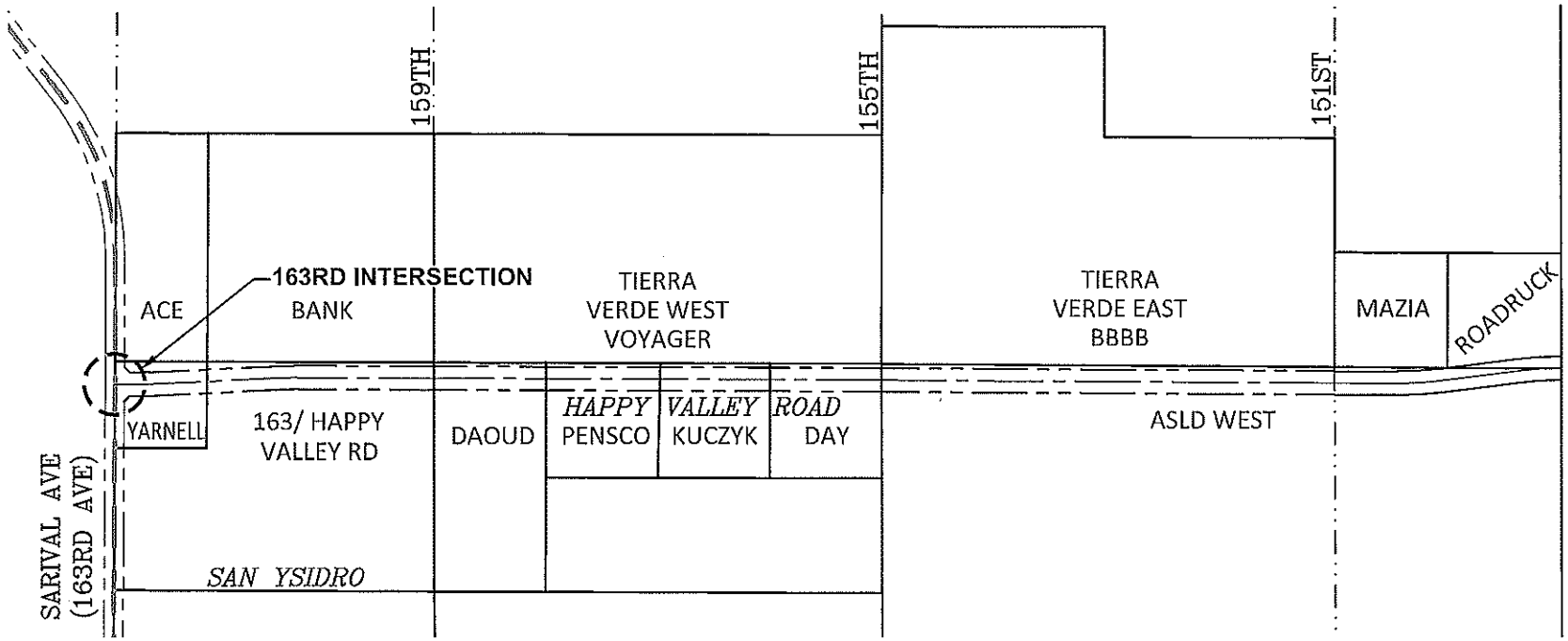
BUDGET - HAPPY VALLEY WEST - EB ROW (DAY) APN 503-56-002E

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 28,050.00	$ 701.25
Other Consultants	1.0%	%	$ 28,050.00	$ 280.50
Review & Recording Fees	0.5%	%	$ 28,050.00	$ 140.25
Staking/Survey	1.5%	%	$ 28,050.00	$ 420.75
Legal Fees	10.0%	%	$ 28,050.00	$ 2,805.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	-	AC	$ 27,500.00	$ -
ROW Acquisition - South	1.02	AC	$ 27,500.00	$ 28,050.00
Total Costs				**$ 32,397.75**
Contingency	15%	%	$ 32,397.75	$ 4,859.66
Project Management	3.5%	%	$ 32,397.75	$ 1,133.92
TOTAL ROW COSTS	**1.02**	**AC**	**$ 37,638.56**	**$ 38,391.33**
BUY IN - GROSS FRONT FOOT	**656**	**FFt**	**$ 58.52**	**$ 38,391.33**

EXHIBIT E-1

BUDGET - HAPPY VALLEY WEST - EB ROW (ASLD)

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	2.5%	%	$ 168,850.00	$ 4,221.25
Other Consultants	1.0%	%	$ 168,850.00	$ 1,688.50
Review & Recording Fees	0.5%	%	$ 168,850.00	$ 844.25
Staking/Survey	1.5%	%	$ 168,850.00	$ 2,532.75
Legal Fees	10.0%	%	$ 168,850.00	$ 16,885.00
Condemnation Costs	-	LS	$ 50,000.00	$ -
ROW Acquisition - North	-	AC	$ 27,500.00	$ -
ROW Acquisition - South	6.14	AC	$ 27,500.00	$ 168,850.00
Total Costs				**$ 195,021.75**
Contingency	15%	%	$ 195,021.75	$ 29,253.26
Project Management	3.5%	%	$ 195,021.75	$ 6,825.76
TOTAL ROW COSTS	**6.14**	**AC**	**$ 37,638.56**	**$ 231,100.77**
BUY IN - GROSS FRONT FOOT	**3,936**	**FFt**	**$ 58.71**	**$ 231,100.77**



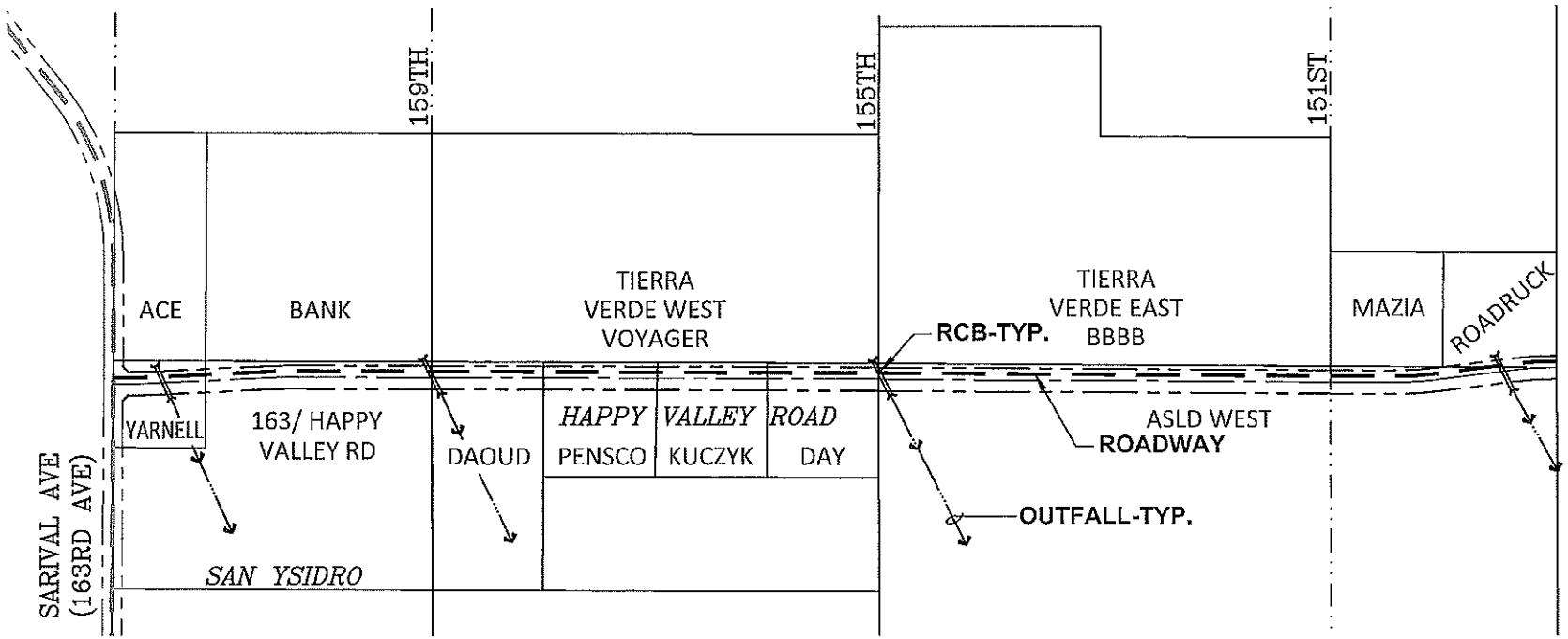
William Lyon Homes

RANCHO MERCADO
HAPPY VALLEY ROAD WEST (HVW) - 163RD INT.
EXHIBIT E-2

02–09–2017

1,000 0 1,000
SCALE: 1" = 1,000'

ATWELL



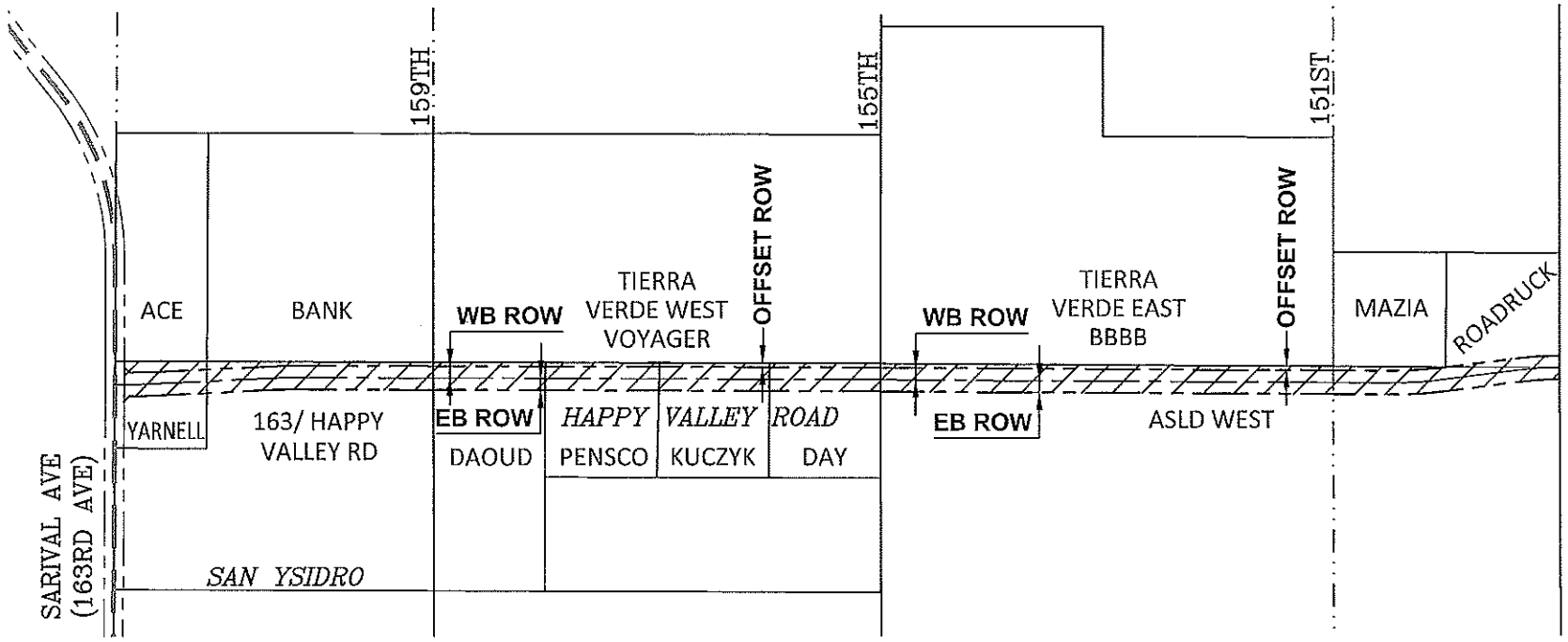
RANCHO MERCADO
HAPPY VALLEY ROAD WEST (HVW) - ROADWAY & DRAINAGE
EXHIBIT E-2

William Lyon Homes

02–09–2017

1,000 0 1,000
SCALE: 1" = 1,000'

ATWELL



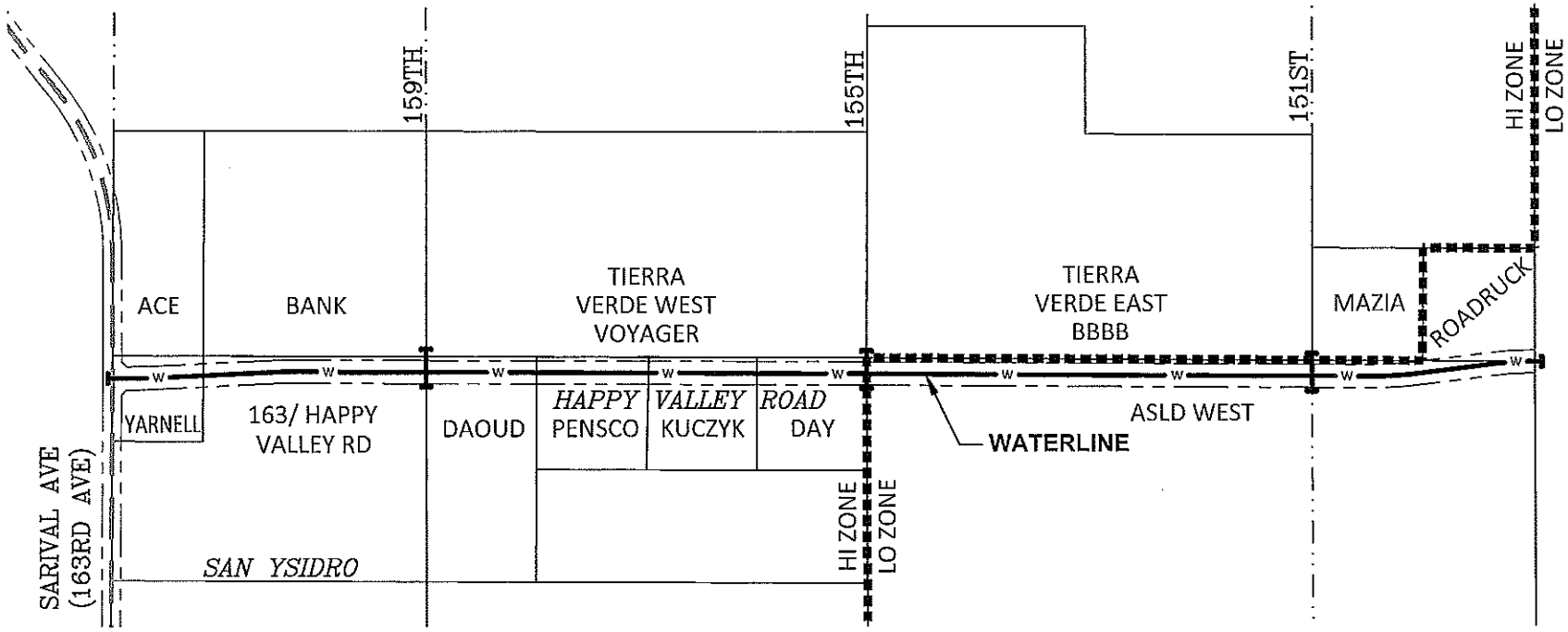
William Lyon Homes

RANCHO MERCADO
HAPPY VALLEY ROAD WEST (HVW) - ROW
EXHIBIT E-2

02–09–2017

1,000 0 1,000
SCALE: 1" = 1,000'

ATWELL



William Lyon Homes

RANCHO MERCADO
HAPPY VALLEY ROAD WEST (HVW) - WATERLINE
EXHIBIT E-2

02–09–2017

1,000 0 1,000
SCALE: 1" = 1,000'

ATWELL

EXHIBIT E-3 HVW BUY-IN FEE Buy In Draw No. 000	Buy In Agreement Terms				
	Initial Prime %	Additional %	Effective Date	Term, Yrs.	Expires On
	3.50%	3.00%	2/1/2017	30	2/1/2047

Project	2/1/2017	= Purchase Date
[Project Name]	0	= Adjacent Ways (FFt)
	0	= Hi Zone Waterline (FFt)

Happy Valley West - 149th to 163rd	Available Frontage (FFt.)	Initial Buy In Fee (Cost Per FFt.)	Initial Reimburse Amount	Purchased Frontage (FFt.)	Remaining Frontage (FFt.)	Prime + 3% Fee Adjustment	Adjusted Fee per FFt.	Buy-in Frontage (FFt.)	Buy-in Amount	Remaining Frontage (FFt.)
ROW - APN 503-56-002S (PENSCO)	656	$ 59	$ 38,391	0	656	100.0%	$ 59	0	$ -	656

EXHIBIT E-3
HVW BUY-IN FEE
Buy In Draw No. 000

Buy In Agreement Terms				
Initial Prime %	Additional %	Effective Date	Term, Yrs.	Expires On
3.50%	3.00%	2/1/2017	30	2/1/2047

Project	2/1/2017	= Purchase Date
[Project Name]	0	= Adjacent Ways (FFt)
	0	= Hi Zone Waterline (FFt)

Happy Valley West - 149th to 163rd	Available Frontage (FFt.)	Initial Buy In Fee (Cost Per FFt.)	Initial Reimburse Amount	Purchased Frontage (FFt.)	Remaining Frontage (FFt.)	Prime + 3% Fee Adjustment	Adjusted Fee per FFt.	Buy-in Frontage (FFt.)	Buy-in Amount	Remaining Frontage (FFt.)
ROW - APN 503-56-002H (Kuczyk)	656	$ 59	$ 38,391	0	656	100.0%	$ 59	0	$ -	656
ROW - APN 503-56-002E (Day)	656	$ 59	$ 38,391	0	656	100.0%	$ 59	0	$ -	656
ROW - Arizona State Land Dept.	3,936	$ 59	$ 231,101	0	3,936	100.0%	$ 59	0	$ -	3,936
TOTALS			**$ 6,473,397**						**$ -**	

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment
2/1/2017	2/1/2017	0.0000	6.50%	100.0%

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment

EXHIBIT F-1

BUDGET - HAPPY VALLEY EAST

ITEM	QTY	UNIT	UP	EXTENSION
Engineering Design	3.0%	%	$ 2,769,333.10	$ 83,079.99
Other Consultants	0.5%	%	$ 2,769,333.10	$ 13,846.67
Review & Recording Fees	1.0%	%	$ 2,769,333.10	$ 27,693.33
Environmental/Remediation	0.0%	%	$ 2,769,333.10	$ -
Construction Permits	2.5%	%	$ 2,769,333.10	$ 69,233.33
MCESD Fees	0.5%	%	$ 2,769,333.10	$ 13,846.67
Dust Control Permit & Sign	0.5%	%	$ 2,769,333.10	$ 13,846.67
Staking/Survey	1.5%	%	$ 2,769,333.10	$ 41,540.00
Soils Reports/Testing	1.5%	%	$ 2,769,333.10	$ 41,540.00
Engineer of Record	1.5%	%	$ 2,769,333.10	$ 41,540.00
Performance Bond	1.0%	%	$ 2,769,333.10	$ 27,693.33
Warranty Bond	1.0%	%	$ 276,933.31	$ 2,769.33
Reproduction	0.5%	%	$ 2,769,333.10	$ 13,846.67
ROW/Easement Acquisition	10.65	AC	$ 94,153	$ 1,002,728.95
Total Soft Costs				**$ 1,393,204.94**
Clear, Grubb & Pre-Wet	31.95	AC	$ 1,000.00	$ 31,950.00
Cut and Fill	68,000	CY	$ 3.50	$ 238,000.00
Subgrade Prep	15,858	SY	$ 4.50	$ 71,361.00
Padelford RCB Outfall Channel	1	LS	$ 200,000.00	$ 200,000.00
Wash #4 RCB Outfall Channel	1	LS	$ 100,000.00	$ 100,000.00
Wash 10 East (HVW) RCB Outfall Channel	-	LS	$ 150,000.00	$ -
Import		CY	$ 10.00	$ -
Export		CY	$ 5.00	$ -
Construction Water	63.90	AF	$ -	$ -
Total Grading				**$ 641,311.00**
Sewer - 15"	-	LF	$ 40.00	$ -
Sewer - 12"		LF	$ 30.00	$ -
Sewer - 8"	20	LF	$ 16.00	$ 320.00
Manhole, 5' Dia	1	EA	$ 5,000.00	$ 5,000.00
Plug, install or remove	3	EA	$ 105.00	$ 315.00
"T-Top" & Slurry Backfill		LF	$ 90.00	$ -
Hydro Vac & Camera	20	LF	$ 2.00	$ 40.00
2nd Pressure Test after Drys	20	LF	$ 1.00	$ 20.00
Total Sewer				**$ 5,695.00**
Water - 16" - DIP	-	LF	$ 70.00	$ -
Water - 12" - DIP		LF	$ 50.00	$ -
Water - 8" - C909 Cl 150	575	LF	$ 17.00	$ 9,775.00
Valve - 16"	-	EA	$ 3,400.00	$ -
Valve - 12"	-	EA	$ 2,700.00	$ -
Valve - 8"	3	EA	$ 1,300.00	$ 3,900.00
Firehydrant Assembly	2	EA	$ 2,650.00	$ 5,300.00
Blow Off, Install or Remove	4	EA	$ 850.00	$ 3,400.00
Total Water				**$ 22,375.00**

EXHIBIT F-1

BUDGET - HAPPY VALLEY EAST

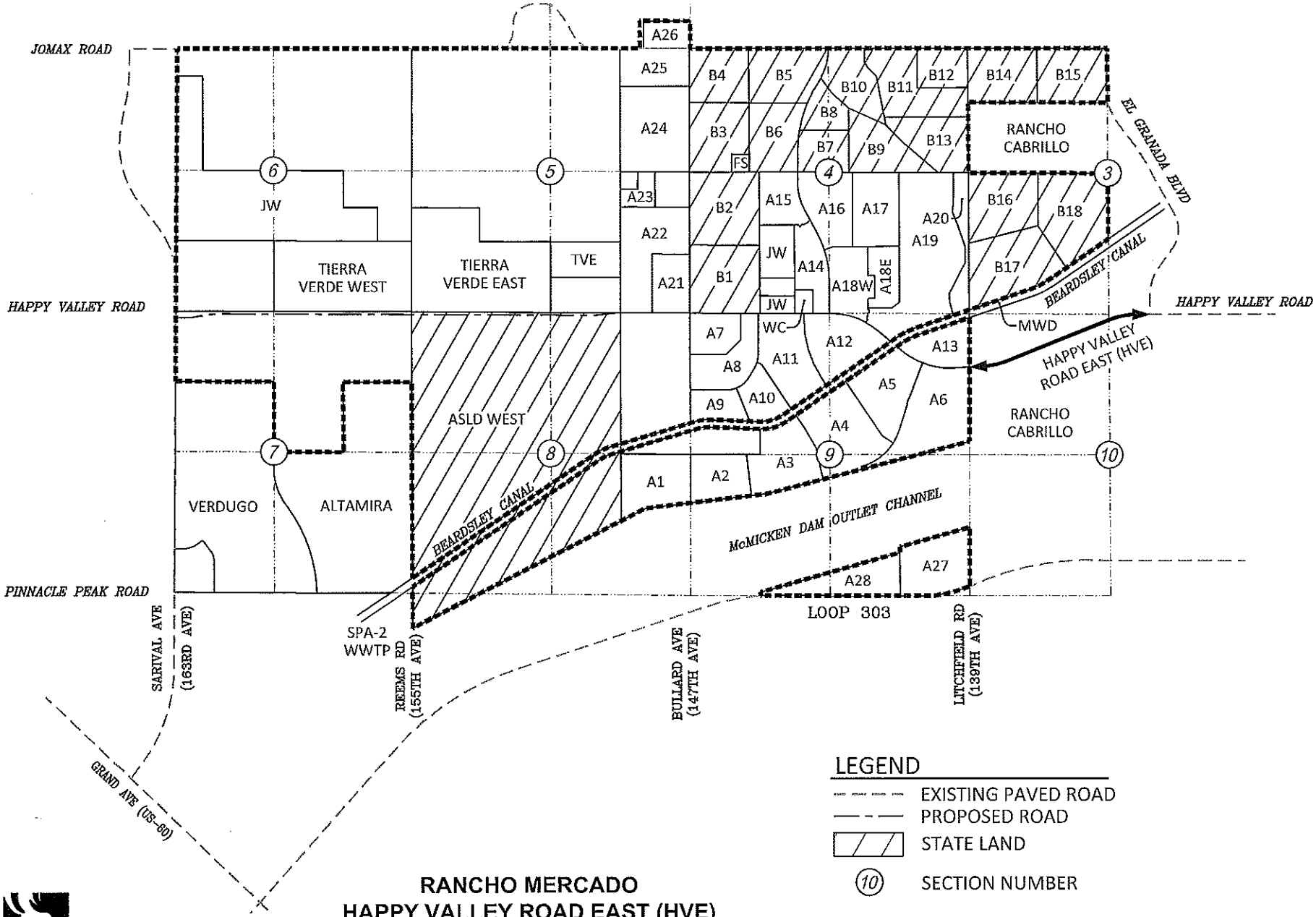
ITEM	QTY	UNIT	UP	EXTENSION
36" RGRCP		LF	$ 150.00	$ -
Headwall		EA	$ 2,150.00	$ -
Rip Rap		SY	$ 55.00	$ -
Manhole, 5' Dia		EA	$ 4,500.00	$ -
Catch Basin		EA	$ 2,800.00	$ -
8-8'x5' RCB, Complete with Headwall, Railing & Rip Rap	180	LF	$ 3,189.00	$ 574,020.00
12-10'x6' RCB, Complete with Headwall, Railing & Rip Rap	154	LF	$ 5,309.00	$ 817,586.00
7-10'x4' RCB, Complete with Headwall, Railing & Rip Rap	-	LF	$ 3,157.00	$ -
Dry Well & Test (0.2 cfs)		EA	$ 12,400.00	$ -
Total Drainage				**$ 1,391,606.00**
Curb & Gutter, Roll & Vertical	7,136	LF	$ 8.25	$ 58,872.00
Sidewalk	-	SF	$ 2.15	$ -
Parkway Grading	7,136	LF	$ 0.70	$ 4,995.20
Valley Gutters & Aprons, Intersection		EA	$ 2,000.00	$ -
HC Ramps		EA	$ 600.00	$ -
Paving, 3" AC on 13" AB	15,858	SY	$ 26.00	$ 412,308.00
Paving - MAG Edge	7,136	LF	$ 5.00	$ 35,680.00
Remake Subgrade	15,858	SY	$ 0.75	$ 11,893.50
Street Sign Bases & Signs		EA	$ 500.00	$ -
Barricade, Install or Remove	54	LF	$ 25.00	$ 1,350.00
Adjust Manhole	1	EA	$ 400.00	$ 400.00
Adjust Water Valve	5	EA	$ 370.00	$ 1,850.00
Survey Monument	7	EA	$ 135.00	$ 945.00
Misc - R&R Signs, Fence, Etc.		LS	$ -	$ -
Striping	14,272	LF	$ 1.00	$ 14,272.00
Total Concrete & Paving				**$ 542,565.70**
APS Design - 12 KV		LF	$ 105.00	$ -
APS Design - Feeder	150	LF	$ 20.00	$ 3,000.00
Trench & Conduit - 12 KV		LF	$ 23.00	$ -
Trench & Conduit - Feeder	150	LF	$ 20.00	$ 3,000.00
SWG Design, non-refundable	1	LS	$ 100,000.00	$ 100,000.00
Trench Only - Gas	3,568	LF	$ 4.50	$ 16,056.00
APS "Shoe Box" - Arterial		EA	$ 1,100.00	$ -
APS "Shoe Box" - Collector		EA	$ 1,000.00	$ -
APS "Shoe Box" - Residential		EA	$ 900.00	$ -
Street Light Connection Fee		EA	$ 155.00	$ -
Total Dry Utilities				**$ 122,056.00**
Weed Control	31.95	AC	$ -	$ -
SWPPP Erosion Control	31.95	AC	$ 1,000.00	$ 31,950.00
Repairs & Warranty (Curb & Sidewalk)	20%	%	$ 58,872.00	$ 11,774.40
Total Misc. Costs				**$ 43,724.40**
TOTAL COSTS				**$ 4,162,538.04**

Taxes included in line items above

EXHIBIT F-1

BUDGET - HAPPY VALLEY EAST

ITEM	QTY	UNIT	UP	EXTENSION
Project Management	3.5%	%	$ 4,162,538.04	$ 145,688.83
TOTAL PROJECT COSTS				**$ 4,932,607.58**
BUY IN - GROSS ACRES	**3,014.6**	**Gr.Ac.**	**$ 1,636.26**	**$ 4,932,607.58**



William Lyon Homes

RANCHO MERCADO
HAPPY VALLEY ROAD EAST (HVE)
EXHIBIT F-2

10–21–2016

ATWELL

EXHIBIT F-3
HVE BUY-IN FEE
Buy In Draw No. 000

Buy In Agreement Terms				
Initial Prime %	Additional %	Effective Date	Term, Yrs.	Expires On
3.50%	3.00%	2/1/2017	30	2/1/2047

Project	2/1/2017	= Purchase Date
[Project Name]	0.00	= Project Area (Acres)

Happy Valley East - Litchfield to Granada	Benefit Area (Acres)	Initial Buy In Fee (Cost Per Acre)	Initial Reimburse Amount	Purchased Area (Acres)	Remaining Benefit Area (Acres)	Prime + 3% Fee Adjustment	Adjusted Fee per Acre	Buy-in Area (Acres)	Buy-in Amount	Remaining Benefit Area (Acres)
Roadway and drainage from Litchfield alignment to existing Granada Blvd.	3,014.6	$ 1,636	$ 4,932,608	0.0	3,014.6	100.0%	$ 1,636	0.00	$ -	3,014.6
TOTALS			**$ 4,932,608**						**$ -**	

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment
2/1/2017	2/1/2017	0.0000	6.50%	100.0%

Interest Start Date	Interest End Date	Interest Duration (Years)	Prime + 3% Annual Interst Rate	Purchase Date Interest Adjustment

EXHIBIT G

Sample Notice of Payment

_____ ("**Buyer**") has paid William Lyon Homes the following Regional Improvements Buy-in Fees. If the buy-in fee is based on the estimated budget it shall be subject to future "true-up" following the completion of the associated Regional Improvement.

		Based on Estimate
$_____	Water Buy-in Fee	YES/NO
$_____	Well Site Buy-in Fee	YES/NO
$_____	Sewer Buy-in Fee	YES/NO
$_____	HVW Buy-in Fee	YES/NO
$_____	HVE Buy-in Fee	YES/NO

[***INSERT THE FOLLOWING SENTENCE AND INITIAL IF ALL BUY-IN FEES HAVE BEEN PAID***]

_____ Buyer has paid all of its Regional Improvements Buy-in Fees.

[***INSERT THE FOLLOWING LANGAUGE AND INITIAL IF BUYER STILL HAS OUTSTANDING BUY-IN FEES***]

_____ Buyer still owes the following Regional Improvements Buy-in Fees.

$_____	Water Buy-in Fee
$_____	Sewer Buy-in Fee
$_____	Well Site Buy-in Fee
$_____	HVW Buy-in Fee
$_____	HVE Buy-in Fee

William Lyon Homes:_____

Name Date

City Acknowledgment:_____

Name Date

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Hobart Wingard - Community Development
Submitting Department:	CD	District:	1
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval on the preliminary plat entitled, "Bell Pointe II", dated May 16, 2017, an approximately 27.25 acre property generally located north of the intersection of Bell Road and Bell Pointe Boulevard.

Motion:

I move to approve the preliminary plat entitled "Bell Pointe II" and dated May 16, 2017.

Background:

Slater Hanifan Group, on behalf of Kerry Rose, seeks approval of a 141-lot, 11-tract Preliminary Plat located within the Bell Pointe II community. The sites are generally located in two (2) noncontiguous areas within the original Bell Pointe PAD located north of the intersection of Bell Road and Bell Pointe Boulevard on currently vacant land.

Objective Analysis:

The proposed subdivision is well designed and meets the requirements of the Bell Point II PAD and the SUDC. The amenities included will provide small-scale recreational opportunities and trails for the residents of the community.

Policy Compliant:

The action is consistent with City and Council Policy.

Financial Impact:

All activity related to ongoing development of the City of Surprise has an economic and fiscal impact on the city and the region.

Budget Impact:

There is no anticipated budget impact related to this item.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

Click to download

- 00 - FS17-041 - Bell Pointe II - Preliminary Plat - Staff Report
- 01 - FS17-041 - Bell Pointe II - Preliminary Plat - Vicinity Maps
- 02 - FS17-041 - Bell Pointe II - Preliminary Plat
- 03 - FS17-041 - Bell Pointe II - Preliminary Plat - Landscape Plan
- 04 - FS17-041 - Bell Pointe II - Preliminary Plat - Luke AFB Letter
- 05 - FS17-041 - Bell Pointe II - Preliminary Plat - Dysart Donation Agreement
- 06 - FS17-041 - Bell Pointe II - Preliminary Plat - Presentation

SURPRISE
ARIZONA

PRELIMINARY PLAT

REPORT TO THE MAYOR AND CITY COUNCIL

Case:	**FS17-041**
Project Name:	Bell Pointe II Preliminary Plat
Council District:	**1** - Acacia
Meeting Date:	**June 20, 2017**
Planner:	Hobart Wingard, 623-222-3156, hobart.wingard@surpriseaz.gov

---

Owner:	Kerry Rose
Applicant:	Slater Hanifan Group
Request:	Consideration of a 141-lot, 11-tract Preliminary Plat.
Site Location:	The Bell Pointe II Planned Area Development (PAD) is located in two (2) noncontiguous areas within the original Bell Pointe PAD located north of the intersection of Bell Road and Bell Pointe Boulevard.
Site Size:	Approximately 27.25 acres.
General Plan Conformance:	The proposal is consistent with the Surprise General Plan 2035.
Support/Opposition:	Neither support or opposition was encountered.

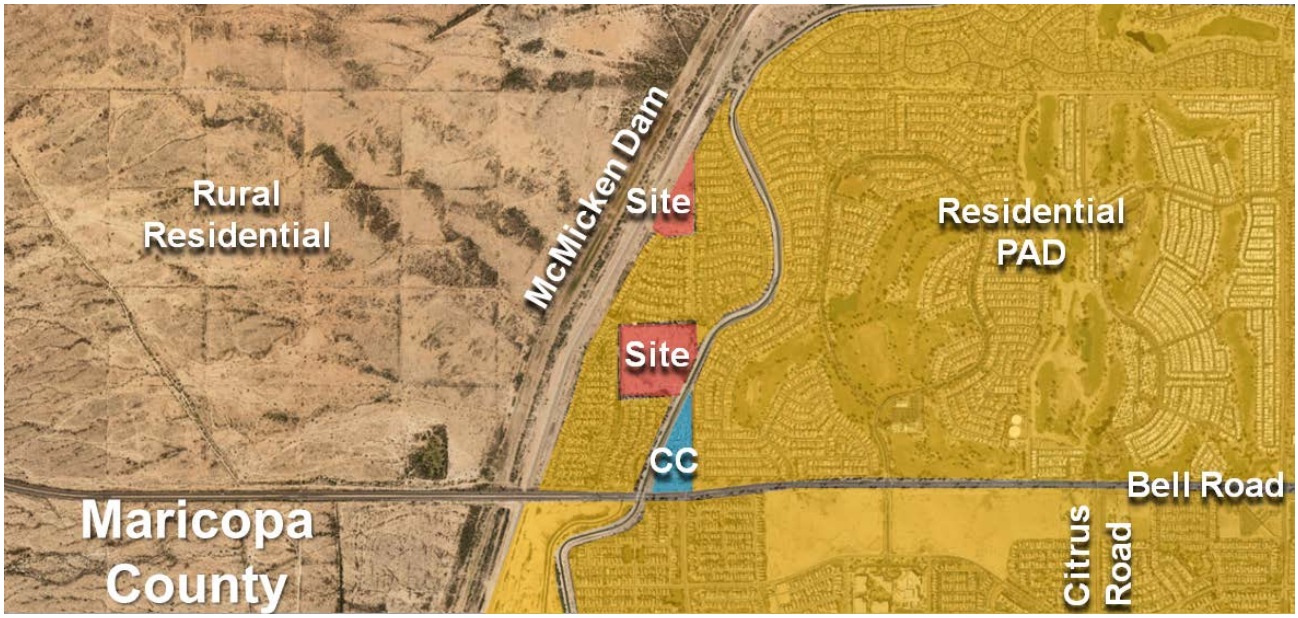
Project Description:

Slater Hanifan Group, on behalf of Kerry Rose, seeks approval of a 141-lot, 11-tract Preliminary Plat located within the Bell Pointe II community. The sites are generally located in two (2) noncontiguous areas within the original Bell Pointe PAD located north of the intersection of Bell Road and Bell Pointe Boulevard on currently vacant land.

Existing Zoning:

The following chart and associated map depict the existing zoning of the subject parcels and its surroundings:

<table>
<tr><td rowspan="3">Rural Residential
Flood Control District Facilities and/or
Bell Pointe PAD
Existing Single Family Residential</td><td>Rural Residential
Flood Control District Facilities and/or
Bell Pointe PAD
Existing Single Family Residential</td><td rowspan="3">Arizona Traditions PAD
Existing Single Family Residential</td></tr>
<tr><td>Bell Pointe II PAD
Vacant Single Family Residential</td></tr>
<tr><td>Bell Pointe PAD
Existing Single Family Residential</td></tr>
</table>



Background:

June 8, 1989: The subject lands associated with Bell Pointe II were annexed into the City of Surprise.

January 12, 2006: The Mayor and City Council approved a PAD for Bell Pointe II under Case PAD05-258.

August 11, 2016: Staff met with the applicant to discuss the subject project during a regularly scheduled Concept Review meeting under Case CR16-327.

January 18, 2017: The applicant filed a request for a Preliminary Plat and Minor Zoning Amendment under Case FS17-041, the subject case.

May 23, 2017: Staff approved a minor PAD Zoning Amendment under Case FS17-041, the subject case.

June 15, 2017: The Planning and Zoning Commission recommended approval of the Bell Pointe II Preliminary Plat under Case FS17-041, the subject case.

Analysis and Discussion:

The Bell Pointe II PAD was approved in 2006 with a medium density home product consisting of 'Z' lot type of development. 'Z' lots are a detached product that utilize a zig-zag side yard line with use and benefit easements to allow an increased density while optimizing yard space.

In 2007, the owner initiated the platting process to divide the medium density properties as described in the PAD. The economic downturn, initially felt by the housing market concurrent with the proposal, delayed the Preliminary Plat indefinitely. Currently, as the haze of the recession dissipates, a clearer picture of housing product has presented itself by the action of home buyers demanding a more conventional housing type. This market demand encouraged the owner of Bell Pointe II to modify the PAD zoning requirements of 'Z' lots to conventional residential model. Because design standards and density have remained consistent, the modification simply swapped out the housing layout.

The original design for 167 lots was never recorded. These lots generally were made up of 'Z' lots with dimensions of 39'-49' wide and 85'-110' deep. Street standards were approved that matched the surrounding Bell Pointe I development including 46' and 50' wide public streets. All developments surrounding the Project have been completed which includes Bell Pointe I and Arizona Traditions.

The current proposal generally conforms to the existing Bell Pointe II PAD as amended with only 144 lots proposed. Bell Pointe II North will include 38 lots and Bell Pointe II South will include 106 lots. The overall density is proposed to be 5.3 dwelling units per acre which is within the medium density range of five (5) to eight (8) dwelling units per acre.

Bell Point II North contains approximately 7.7 acres and would be developed with the extension of North Bell Pointe Boulevard which includes a 50 foot right-of-way. At the end of the cud-de-sac, a 30 foot wide emergency access easement will connect to Arizona Traditions to the east. Additional access is provided with the extension of North 183rd Avenue connecting to North Bell Pointe Boulevard.

Bell Pointe II South contains 19.5 acres and will have two (2) access points to North Bell Pointe Boulevard and access from the north and south at the eastern portion of the site from the extensions of North 183rd Lane. The internal street system would contain 46 foot wide right-of-ways as previously designed and extended to the site.

Central and connected open space features are provided including two (2) tot lots. Open Space is provided all along the north, east and west boundaries of the Project which conform to the previously approved plan. This includes a 15 foot wide landscape area along North Bell Pointe Boulevard and a 25 foot wide open space along the north property line and adjacent to the existing open space of Bell Pointe I. Open space tracts are also included along the east property line adjacent to Arizona Traditions and the Beardsley Canal. A trail system is included through the

central open space, along the eastern boundary and along the north property line to North 183rd Lane. The total open space for the Project is 4.5 acres or 16.5 percent.

Conformance with Adopted Plans:

Surprise General Plan 2035: The Surprise General Plan 2035 shows the subject property as lying within the Neighborhood Character area under the Scenic Lands Development District. The proposed Preliminary Plat demonstrates consistency with this land use category.

Reviewing Agencies:

In addition to the standard city reviewing agencies, who indicate no objections to the requests, Luke Air force Base, Maricopa Water District, and ADOT were included in the routing of this case.

Luke Air Force Base (LAFB): LAFB indicates no objections to the request, but advises the applicant review sound attenuation requirements and engage in a strong notification program with respect to the air base and its operations. The project is also located well outside of the noise contours for Luke AFB auxiliary field and meets the Graduated Density Concept.

Summary:

The proposed subdivision is well designed and meets the requirements of the Bell Pointe II PAD and the SUDC. The amenities included will provide small-scale recreational opportunities and trails for the residents of the community. Once developed, the population base generated by the subdivision will contribute to local schools enrollment, while providing incentive for much needed commercial services in the area.

Findings:

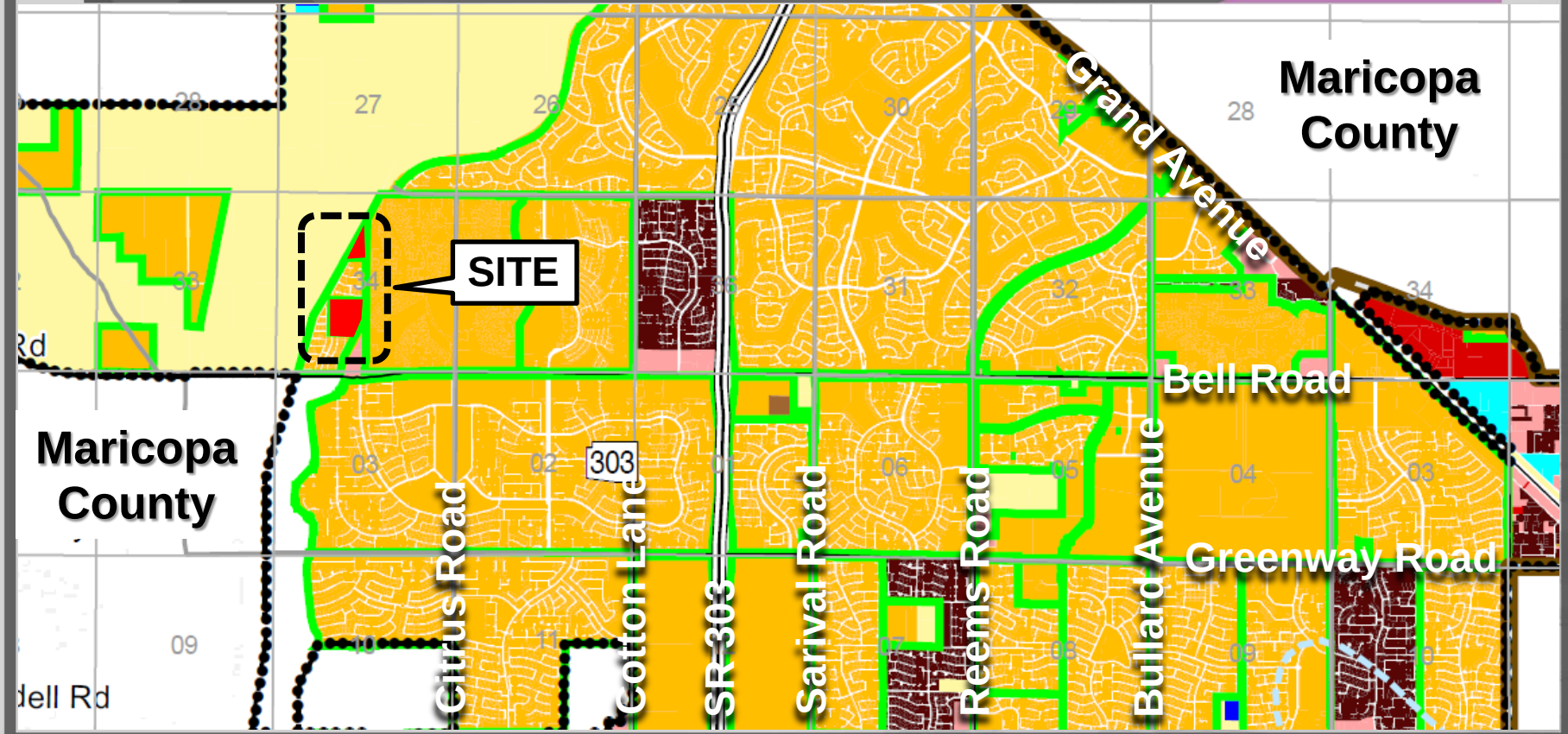
Preliminary Plat:

- The proposed Preliminary Plat is consistent with the Surprise General Plan 2035.
- The proposed Preliminary Plat is consistent with the Bell Pointe II PAD as amended.
- The reviewing agencies have indicated no objections to the request.
- The Planning and Zoning Commission recommended approval of the request.

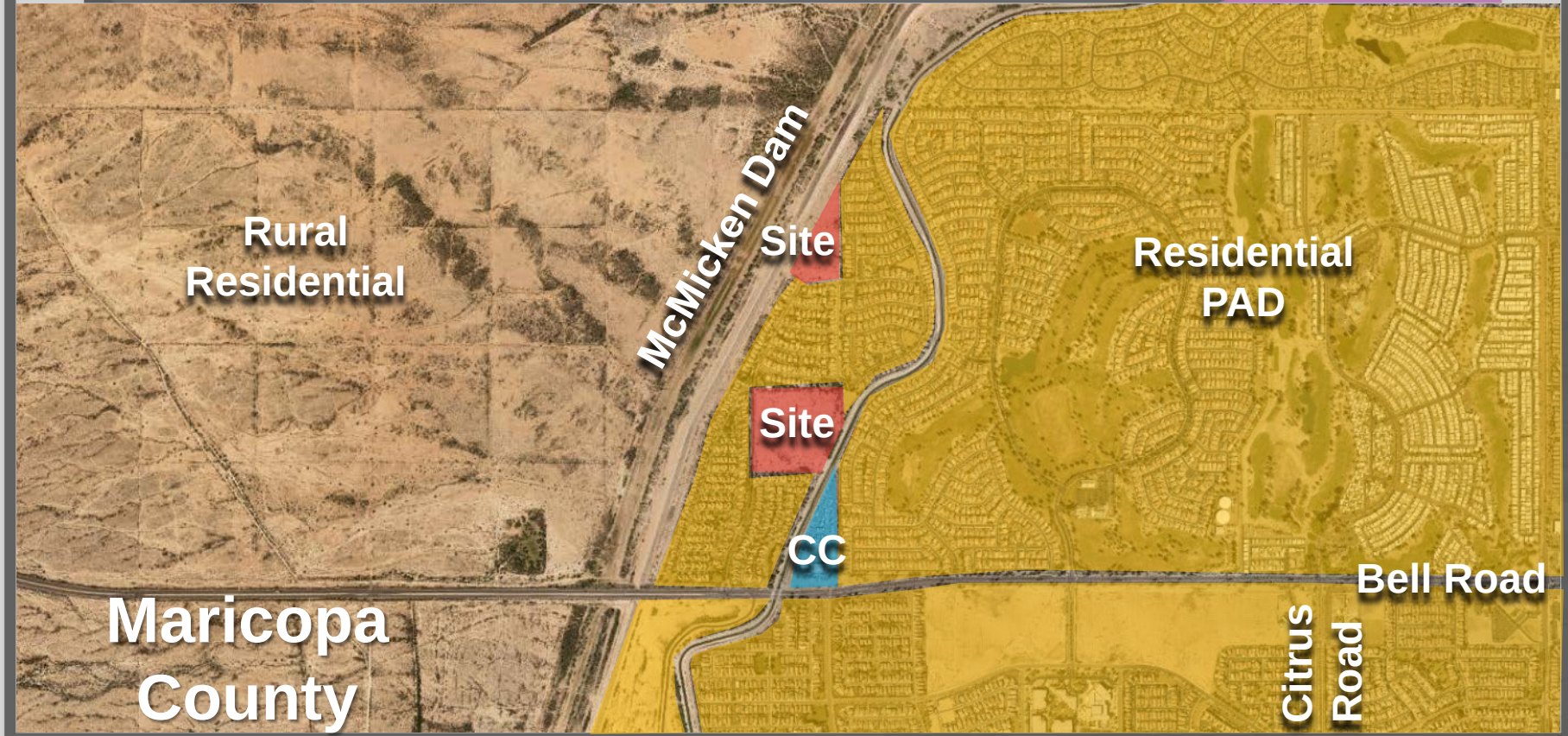
Attachments:

01 – Vicinity Maps
02 – Preliminary Plat
03 – Landscape Plans
04 – Luke AFB Letter
05 – Dysart School Donation Agreement

VICINITY MAP



VICINITY MAP



PRELIMINARY PLAT FOR
BELL POINTE II

A PORTION OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, CITY OF SURPRISE, MARICOPA COUNTY, ARIZONA

LEGAL DESCRIPTION
BELL POINTE II - NORTH

TRACT LL, OF BELL POINTE I, ACCORDING TO BOOK 670, PAGE 49, RECORDS OF MARICOPA COUNTY, ARIZONA, AND THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A 3-INCH MARICOPA COUNTY HIGHWAY DEPARTMENT BRASS CAP IN HANDHOLE, FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A 2-INCH MARICOPA COUNTY ALUMINUM CAP STAMPED "T4N R2W 1/4 S27 S34 RLS35832 2003" BEARS NORTH 00° 22' 21" EAST, A DISTANCE OF 5,272.75 FEET;

THENCE NORTH 00° 22' 21" EAST, ALONG THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 34, A DISTANCE OF 3,362.83 FEET TO THE SOUTHEAST CORNER OF TRACT LL OF BELL POINTE I, AS SHOWN IN BOOK 670, PAGE 49, RECORDS OF MARICOPA COUNTY, ARIZONA, SAID POINT BEING THE **POINT OF BEGINNING**;

THENCE LEAVING SAID NORTH-SOUTH MID-SECTION LINE, NORTH 89° 42' 15" WEST, ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF WEATHERBY DRIVE AS SHOWN ON SAID BELL POINTE I, A DISTANCE OF 392.30 FEET TO THE BEGINNING OF A TANGENT CURVE;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTHWESTERLY, A DISTANCE OF 19.52 FEET ALONG THE ARC OF SAID CURVE, BEING CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 75.00 FEET, THROUGH A CENTRAL ANGLE OF 14° 54' 44" TO A POINT OF COMPOUND CURVATURE;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTHWESTERLY, A DISTANCE OF 15.55 FEET ALONG THE ARC OF SAID CURVE, BEING CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 15.38 FEET, THROUGH A CENTRAL ANGLE OF 57° 54' 30" TO THE NORTHWEST CORNER OF SAID TRACT LL;

THENCE NORTH 89° 43' 13" WEST, ALONG THE NORTHERLY LINE OF SAID BELL POINTE I, A DISTANCE OF 172.90 FEET TO THE NORTHWEST CORNER OF SAID BELL POINTE I, SAID POINT LYING ON THE EASTERLY RIGHT-OF-WAY LINE OF TRILBY WASH, AS SHOWN IN BOOK 63 OF MAPS, PAGE 31, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE NORTH 28° 36' 30" EAST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1,258.21 FEET TO A CORNER OF ARIZONA TRADITIONS NORTH PARCEL XIV, AS SHOWN IN BOOK 806, PAGE 26, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE SOUTH 00° 22' 21" WEST, ALONG SAID NORTH-SOUTH MID-SECTION LINE, A DISTANCE OF 1,120.49 FEET TO THE **POINT OF BEGINNING.**

LEGAL DESCRIPTION
BELL POINTE II -SOUTH

PARCEL NO. 2:

A PORTION OF PARCEL NO. 2A, AS DESCRIBED IN QUIT CLAIM DEED, RECORDED IN DOCUMENT NO. 2000-0917693, RECORDS OF MARICOPA COUNTY, ARIZONA, BEING LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A 3-INCH MARICOPA COUNTY HIGHWAY DEPARTMENT BRASS CAP IN HANDHOLE, FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A 2-INCH MARICOPA COUNTY ALUMINUM CAP STAMPED "T4N R2W 1/4 S27 S34 RLS35832 2003" BEARS NORTH 00° 22' 21" EAST, A DISTANCE OF 5,272.65 FEET;

THENCE NORTH 00° 22' 21" EAST, ALONG THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 34, A DISTANCE OF 1,691.74 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF BEARDSLEY CANAL, AS SHOWN IN BOOK 584, PAGE 18, RECORDS OF MARICOPA COUNTY, ARIZONA, SAID POINT BEING THE **POINT OF BEGINNING**, FROM WHICH A FOUND 1/2-INCH REBAR BEARS SOUTH 25° 48' 29" WEST, A DISTANCE OF 1.85 FEET;

THENCE LEAVING SAID NORTH-SOUTH MID-SECTION LINE, SOUTH 25° 48' 29" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 538.85 FEET TO THE NORTHEAST CORNER OF TRACT A OF BELL POINTE I, AS SHOWN IN BOOK 670, PAGE 49, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE, NORTH 89° 42' 20" WEST, ALONG THE NORTHERLY LINE OF SAID TRACT A AND ITS WESTERLY PROLONGATION, A DISTANCE OF 768.73 FEET TO A CORNER OF SAID BELL POINTE I, LYING ON THE CENTERLINE OF BELL POINTE BOULEVARD AS SHOWN ON SAID BELL POINTE I, FROM WHICH A FOUND BRASS CAP FLUSH BEARS SOUTH 00° 20' 52" WEST, A DISTANCE OF 235.50 FEET;

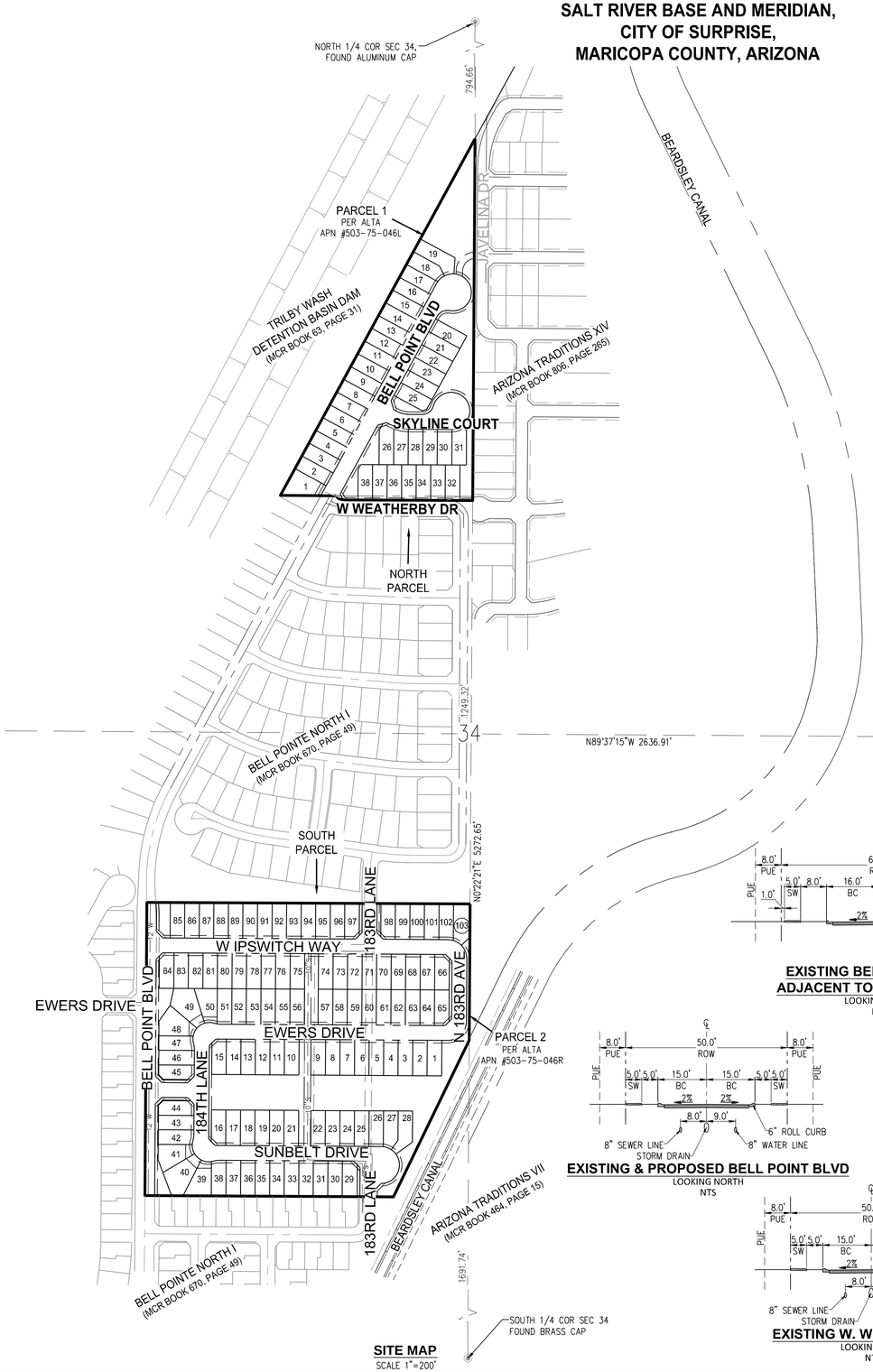
THENCE NORTH 00° 20' 52" EAST, ALONG SAID CENTERLINE OF BELL POINTE BOULEVARD, A DISTANCE OF 908.21 FEET TO A CORNER OF BELL POINTE 1, BEING MARKED BY A FOUND BRASS CAP FLUSH;

THENCE SOUTH 89° 41' 53" EAST, A DISTANCE OF 1,000.55 FEET TO THE SOUTHEAST CORNER OF TRACT I OF SAID BELL POINTE I;

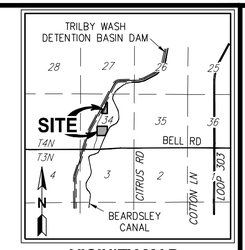
THENCE SOUTH 00° 22' 21" WEST, ALONG SAID NORTH-SOUTH MID-SECTION LINE, A DISTANCE OF 421.78 FEET TO THE **POINT OF BEGINNING.**

GENERAL NOTES

1. THIS IS NOT A CONSTRUCTION DOCUMENT.
2. LOT DIMENSIONS ARE APPROXIMATE, FINAL LOT DIMENSIONS SHALL BE PER THE FINAL PLAT.
3. ALL STREETS SHALL BE CONSTRUCTED TO CITY OF SURPRISE MINIMUM STANDARDS AS MODIFIED HEREIN.
4. THIS DEVELOPMENT WILL PROVIDE FOR INSTALLATION OF REQUIRED STREET LIGHTS.
5. THE HOMEOWNERS' ASSOCIATION WILL BE RESPONSIBLE FOR MAINTENANCE OF ALL LANDSCAPE TRACTS.
6. THE AREA PLATTED HEREIN LIES WITHIN THE DOMESTIC WATER SERVICE ARE OF EPCOR WATER WHICH IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION 45-576 ARIZONA REVISED STATUTES.
7. CORNER RADII DEDICATIONS COMPLY WITH 2016 CITY OF SURPRISE (COS) ENGINEERING DEVELOPMENT STANDARD (EDS) 3-15.
8. CUL-DE-SACS SHOWN HEREON COMPLY WITH 2016 COS EDS DETAIL 3-16.
9. LOCAL STREET SIGHT VISIBILITY TRIANGLES COMPLY WITH 2016 COS EDS DETAIL 4-02.



SITE MAP
SCALE 1"=200'



VICINITY MAP
NOT TO SCALE

LEGEND

	R/W LINE
	CENTER LINE
	PROPERTY LINE
	NEW EASEMENT
	EXIST R/W LINE
	EXIST CENTER LINE
	EXIST PROPERTY LINE
	EXIST EASEMENT
18" SD	NEW STORM DRAIN
8" W	NEW WATER MAIN
8" S	NEW SEWER MAIN
10" S	EXIST SEWER MAIN
12" W	EXIST WATER MAIN
16" IRRG.	EXIST REC. WATER MAIN
16" W	EXIST WATER NON-POTABLE
	NEW SURVEY MONUMENT
	EXIST SURVEY MONUMENT
	NEW FIRE HYDRANT
SS	NEW SEWER MANHOLE
	NEW WATER VALVE
	EXST FIRE HYDRANT
SS	EXST SEWER MANHOLE
	EXST WATER VALVE
EAE	EMERGENCY ACCESS EASEMENT
EOP	EDGE OF PAVEMENT
LS	LANDSCAPE
MED	MEDIAN
PUE	PUBLIC UTILITY EASEMENT
PAE	PRIVATE ACCESS EASEMENT
P/S	PRIVATE STREET
R/W	RIGHT OF WAY
VNAE	VEHICULAR NON-ACCESS ESMT.
SVT	SIGHT VISIBILITY TRIANGLE
SWE	SIDEWALK EASEMENT
SE	SEWER EASEMENT
T.P.O.B.	TRUE POINT OF BEGINNING
WE	WATER EASEMENT

OWNER
KERRY ROSE
PO BOX 45000
PHOENIX, AZ 85064
PHONE: (602) 321-9242
CONTACT: KERRY ROSE

LAND PLANNER
WALSH DESIGN GROUP
6106 E. ROSE CIRCLE DR.
PHOENIX, AZ 85013
PHONE: (602) 619-7581
CONTACT: JOE WALSH

SITE DATA
APN 503-75-046L
503-75-046R, 507-08-460
EXISTING ZONING: PAD

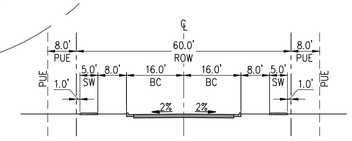
CIVIL ENGINEER
SLATER HANIFAN GROUP
11201 N. TATUM BLVD. STE 250
PHOENIX, AZ 85028
PHONE: (602) 687-9664
CONTACT: ROGER THEIS, P.E.

LAND SURVEYOR
OUTER LIMITS LAND SURVEYING
P.O. BOX 71967
PHOENIX, AZ 85050
PHONE: (602) 486-1154
CONTACT: BRIAN E. SEARAN, RLS

BASIS OF BEARING
THE NORTH-SOUTH MID SECTION LINE OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST OF THE GILA & SALT RIVER BASE. SAID LINE BEARS NORTH 00° 22' 21" EAST.

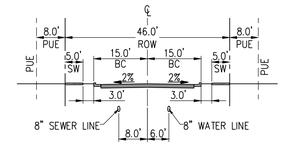
BENCHMARK
1-INCH BRASS PIN STAMPED "SURPRISE_G4-19820" SET ON NORTHEAST CORNER OF IRRIGATION VAULT ON SOUTH SIDE OF BELL ROAD, APPROXIMATELY 170' EAST OF 183RD AVENUE CENTERLINE.
NAVD88 ELEVATION(IFT) GEOID 12B: 1326.68

FLOOD ZONE
ACCORDING TO THE FLOOD INSURANCE RATE MAP #04013C1215L, DATED OCTOBER 16, 2013, THIS PROPERTY IS LOCATED IN FLOOD ZONE "X".

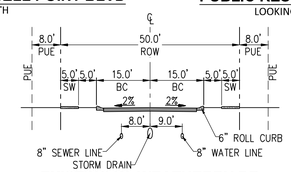


EXISTING BELL POINT BLVD ADJACENT TO SOUTH PARCEL
LOOKING NORTH
NTS

EXISTING & PROPOSED BELL POINT BLVD
LOOKING NORTH
NTS



PUBLIC RESIDENTIAL STREET
LOOKING WEST / NORTH
NTS



EXISTING W. WEATHERBY DR.
LOOKING WEST
NTS

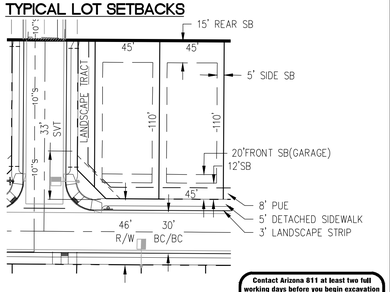
SHEET INDEX

1 ..... COVER SHEET
2 ..... PRELIMINARY PLAT (SOUTH)
3 ..... PRELIMINARY PLAT (NORTH)

DEVELOPMENT PARCEL INFO.

SITE DATA			
TYPE	NORTH	SOUTH	TOTAL
UNITS	38	103	141
GROSS AREA (AC)	7.69	19.56	27.25
GROSS DENSITY (DU/AC)	4.94	5.26	5.17
OPEN SPACE AREA (AC)	1.80	3.28	5.08
% GROSS OPEN SPACE	23.36%	16.76%	18.64%

TYPICAL LOT SETBACKS



Contact Arizona 811 at least two full working days before you begin excavation
ARIZONA 811
Call 811 or click Arizona811.com

SLATER HANIFAN GROUP
CONSULTING ENGINEERS & PLANNERS
11201 N. TATUM BOULEVARD #250, PHOENIX, AZ 85028
PHONE (602) 687-9664

NO.	DESCRIPTION	DATE	BY	APP. DATE	APP.

SURPRISE, ARIZONA

BELL POINTE II
PRELIMINARY PLAT
COVER SHEET

SECTION 34
TOWNSHIP 4 NORTH
RANGE 2 WEST

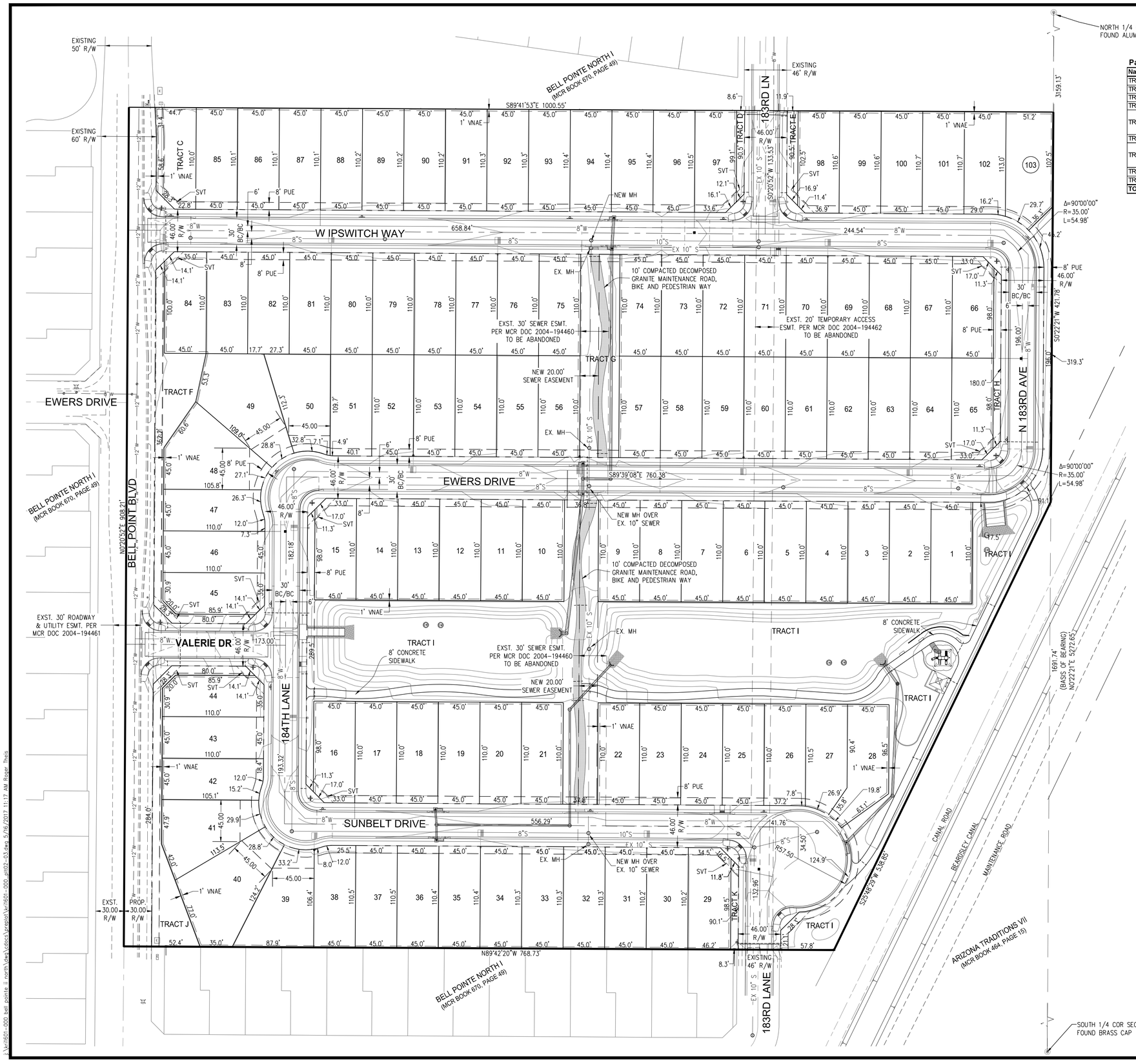
DATE: 5-16-2017
DRAFTER: SB
DESIGNER: JI/LB
CHECKED: RT
PROJECT NO.
KRI1601-000

REGISTERED PROFESSIONAL ENGINEER (CIVIL)
CERTIFICATE NO.
38805
Roger D. Theis
Date Signed 05/16/2017
ARIZONA U.S.A.
EXPIRES 3/31/2018

PP01
SHEET 1 OF 3

FS17-042

J:\kri1601-000 bell pointe ii north\dwg\cdocs\preplat\kri1601-000_pp01.dwg 5/16/2017 11:16 AM Roger Theis



Parcel 2 Tracts

Name	Area (sf)	Acres	Usage
TRACT C	4,541	0.10	OPEN SPACE, PUE
TRACT D	814	0.02	OPEN SPACE, PUE
TRACT E	1,153	0.03	OPEN SPACE, PUE
TRACT F	7,645	0.18	OPEN SPACE, PUE
TRACT G	9,323	0.21	OPEN SPACE, PUE, SEWER, STORM DRAIN, PEDESTRIAN ACCESS
TRACT H	1,504	0.03	OPEN SPACE, PUE
TRACT I	110,840	2.54	OPEN SPACE, PUE, RETENTION, SEWER, STORM DRAIN, PEDESTRIAN ACCESS
TRACT J	6,248	0.14	OPEN SPACE, PUE
TRACT K	785	0.02	OPEN SPACE, PUE
TOTAL	**142,853**	**3.28**	

Parcel 2 Lot Areas

Name	Area (sf)	Name	Area (sf)
LOT 1	4,950	LOT 53	4,950
LOT 2	4,950	LOT 54	4,950
LOT 3	4,950	LOT 55	4,950
LOT 4	4,950	LOT 56	4,950
LOT 5	4,950	LOT 57	4,950
LOT 6	4,950	LOT 58	4,950
LOT 7	4,950	LOT 59	4,950
LOT 8	4,950	LOT 60	4,950
LOT 9	4,950	LOT 61	4,950
LOT 10	4,950	LOT 62	4,950
LOT 11	4,950	LOT 63	4,950
LOT 12	4,950	LOT 64	4,950
LOT 13	4,950	LOT 65	4,878
LOT 14	4,950	LOT 66	4,878
LOT 15	4,878	LOT 67	4,950
LOT 16	4,878	LOT 68	4,950
LOT 17	4,950	LOT 69	4,950
LOT 18	4,950	LOT 70	4,950
LOT 19	4,950	LOT 71	4,950
LOT 20	4,950	LOT 72	4,950
LOT 21	4,950	LOT 73	4,950
LOT 22	4,950	LOT 74	4,950
LOT 23	4,950	LOT 75	4,950
LOT 24	4,950	LOT 76	4,950
LOT 25	4,943	LOT 77	4,950
LOT 26	4,951	LOT 78	4,950
LOT 27	4,955	LOT 79	4,950
LOT 28	5,532	LOT 80	4,950
LOT 29	4,881	LOT 81	4,950
LOT 30	4,953	LOT 82	4,950
LOT 31	4,955	LOT 83	4,950
LOT 32	4,958	LOT 84	4,900
LOT 33	4,960	LOT 85	4,956
LOT 34	4,962	LOT 86	4,958
LOT 35	4,965	LOT 87	4,961
LOT 36	4,967	LOT 88	4,964
LOT 37	4,969	LOT 89	4,966
LOT 38	4,939	LOT 90	4,969
LOT 39	6,535	LOT 91	4,971
LOT 40	8,241	LOT 92	4,974
LOT 41	6,493	LOT 93	4,977
LOT 42	4,885	LOT 94	4,979
LOT 43	4,950	LOT 95	4,982
LOT 44	4,800	LOT 96	4,985
LOT 45	4,800	LOT 97	4,915
LOT 46	4,950	LOT 98	4,966
LOT 47	4,831	LOT 99	4,996
LOT 48	7,169	LOT 100	4,999
LOT 49	7,896	LOT 101	5,002
LOT 50	5,939	LOT 102	5,016
LOT 51	4,949	LOT 103	5,898
LOT 52	4,950	**TOTAL**	**523,575**

SLATER HANIFAN GROUP
CONSULTING ENGINEERS & PLANNERS
11201 N. TATUM BOULEVARD #250, PHOENIX, AZ 85028
PHONE (602) 687-9664

NO.	DESCRIPTION	DATE	BY	APP. DATE	APP.

SURPRISE, ARIZONA

BELL POINTE II

SECTION 34
TOWNSHIP 4 NORTH
RANGE 2 WEST

PRELIMINARY PLAT
BELL POINT II - SOUTH

DATE: 5-16-2017
DRAFTER: SB
DESIGNER: JI/LB
CHECKED: RT

PROJECT NO.
KRI1601-000

REGISTERED PROFESSIONAL ENGINEER (CIVIL) CERTIFICATE NO. 38805 Roger D. Theis Date Signed 05/16/2017 ARIZONA U.S.A. EXPIRES 3/31/2018

PP02
SHEET 2 OF 3

Contact Arizona 811 at least two full working days before you begin excavation
ARIZONA 811
Call 811 or click Arizona811.com

FS17-042

z:\kri1601-000 bell pointe ii north\dwg\cdocs\preplat\kri1601-000_pl02-03.dwg 5/16/2017 11:17 AM Roger Theis

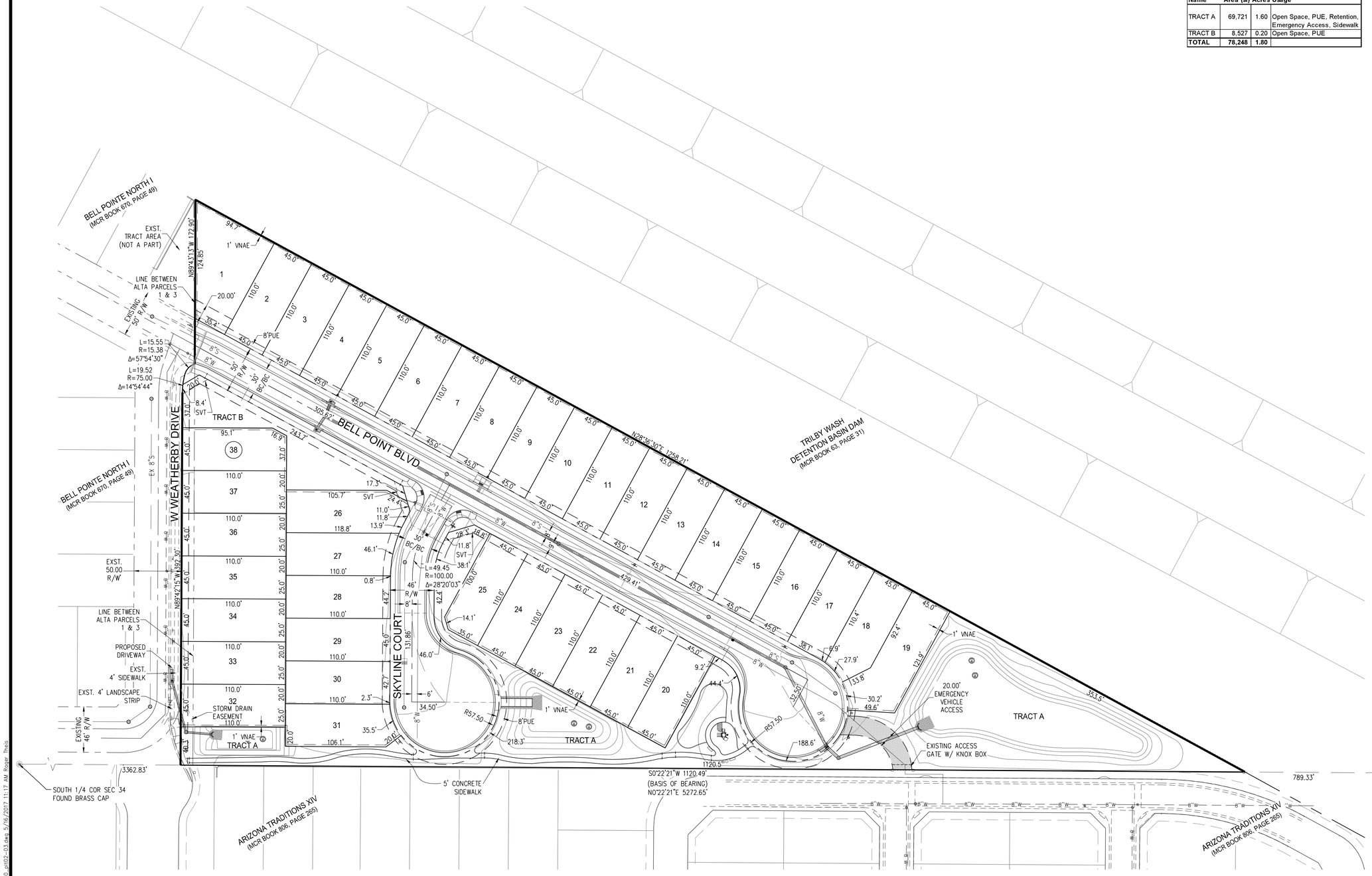
Parcel 1 Tracts

Name	Area (sf)	Acres	Usage
TRACT A	69,721	1.60	Open Space, PUE, Retention, Emergency Access, Sidewalk
TRACT B	8,527	0.20	Open Space, PUE
TOTAL	**78,248**	**1.80**	

Parcel 1 Lot Area

Name	Area (sf)
LOT 1	7,083
LOT 2	4,977
LOT 3	4,977
LOT 4	4,977
LOT 5	4,977
LOT 6	4,977
LOT 7	4,977
LOT 8	4,977
LOT 9	4,977
LOT 10	4,977
LOT 11	4,977
LOT 12	4,977
LOT 13	4,977
LOT 14	4,977
LOT 15	4,977
LOT 16	4,977
LOT 17	4,977
LOT 18	4,969
LOT 19	6,359

Name	Area (sf)
LOT 20	4,950
LOT 21	4,950
LOT 22	4,950
LOT 23	4,950
LOT 24	4,950
LOT 25	4,900
LOT 26	5,592
LOT 27	5,106
LOT 28	4,950
LOT 29	4,950
LOT 30	4,950
LOT 31	5,134
LOT 32	4,950
LOT 33	4,950
LOT 34	4,950
LOT 35	4,950
LOT 36	4,950
LOT 37	4,950
LOT 38	4,904
TOTAL	**192,973**



SCALE 50 0 50 100 FEET

Contact Arizona 811 at least two full working days before you begin excavation
Call 811 or click Arizona811.com

SLATER HANIFAN GROUP
CONSULTING ENGINEERS & PLANNERS
11201 N. TATUM BOULEVARD #250, PHOENIX, AZ 85028
PHONE (602) 687-9664

NO.	DESCRIPTION	DATE	BY	APP. DATE	APP.

SURPRISE, ARIZONA

BELL POINTE II

SECTION 34
TOWNSHIP 4 NORTH
RANGE 2 WEST

PRELIMINARY PLAT
BELL POINTE II - NORTH

DATE: 5-16-2017
DRAFTER: SB
DESIGNER: JI/LB
CHECKED: RT

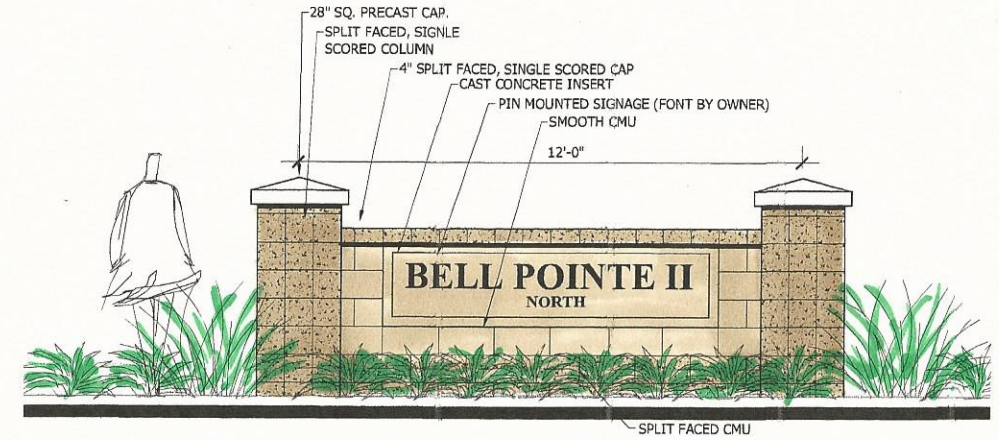
PROJECT NO.
KRI1601-000

REGISTERED PROFESSIONAL ENGINEER (CIVIL)
CERTIFICATE NO. 38805
Roger D. Theis
Date Signed 05/16/2017
ARIZONA U.S.A.
EXPIRES 3/31/2018

PP03
SHEET 3 OF 3

FS17-042

z:\kri1601-000 bell pointe ii north\dwg\cdocs\preplat\kri1601-000_pll02-03.dwg 5/16/2017 11:17 AM Roger Theis



(A) ENTRY SIGN ELEVATION

Scale: 1/2"=1'-0"

PLANT LEGEND

SYMBOL	BOTANICAL/COMMON NAME	SIZE
Trees:		
	Prosopis velutina Velvet Mesquite	15 Gal.
	Southern Live Oak Quercus virginiana	24" Box
	Desert Willow Chilopsis linearis	15 Gal.
	Desert Museum Palo Verde Cercidium hybrid 'Desiart Museum'	24" Box
	Palo Brea Parkinsonia praecox	24" Box
Shrubs:		
	Ruellia brittoniana British Ruellia	5 Gal.
	Chihuahuan Sage Leucophyllum laevigatum	5 Gal.
	Bougainvillea 'La Jolla' La Jolla Bougainvillea	5 Gal.
	Red Bird of Paradise Caesalpinia pulcherrima	5 Gal.
	Tecoma stans 'Yellow Bells' Yellow Bells	5 Gal.
	Erimophila maculata 'Valentine' Valentine Bush	5 Gal.

SYMBOL	BOTANICAL/COMMON NAME	SIZE
Accents:		
	Weber's Agave Agave weberi	5 Gal.
	'Nashville' Deer Grass Muhlenberghia rigida 'Nashville'	5 Gal.
	Hesperaloe funifera Giant Hesperaloe	5 Gal.
	Desert Spoon Dasylirion wheeleri	5 Gal.
Groundcovers:		
	Desert Marigold Baileya multiradiata	1 Gal.
	Lantana 'New Gold' New Gold Lantana	1 Gal.
	Ruellia brittoniana 'Katie' Katies Ruellia	1 Gal.
	Lantana montevidensis Purple Trailing Lantana	1 Gal.
	Convolvulus cneorum Bush Morning Glory	1 Gal.
	Acacia redolens 'Low Boy' Low Boy Acacia	1 Gal.
Materials:		
	3/4" Screened Granite	Cinnamon Brown
	Turf- Midiron Sod	
	Concrete Header	

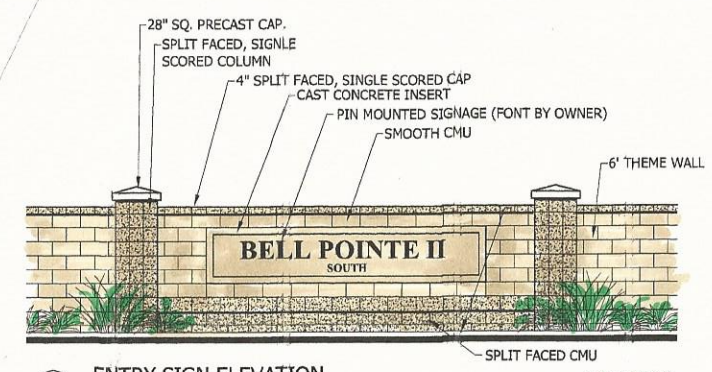
Surprise, Arizona

Bell Pointe II - North

CONCEPTUAL LANDSCAPE PLAN

0 50 100 200

May, 2017



(A) ENTRY SIGN ELEVATION

Scale: 1/4"=1'-0"

PLANT LEGEND

SYMBOL	BOTANICAL/COMMON NAME	SIZE
Trees:		
	Prosopis velutina Velvet Mesquite	15 Gal.
	Southern Live Oak Quercus virginiana	24" Box
	Desert Willow Chilopsis linearis	15 Gal.
	Desert Museum Palo Verde Cercidium hybrid 'Desert Museum'	24" Box
	Palo Brea Parkinsonia praecox	24" Box
Shrubs:		
	Ruellia brittoniana British Ruellia	5 Gal.
	Chihuahuan Sage Leucophyllum laevigatum	5 Gal.
	Bougainvillea 'La Jolla' La Jolla Bougainvillea	5 Gal.
	Red Bird of Paradise Caesalpinia pulcherrima	5 Gal.
	Tecoma stans 'Yellow Bells' Yellow Bells	5 Gal.
	Erimophila maculata 'Valentine' Valentine Bush	5 Gal.

SYMBOL	BOTANICAL/COMMON NAME	SIZE
Accents:		
	Weber's Agave Agave weberi	5 Gal.
	'Nashville' Deer Grass Muhlenberghia rigida 'Nashville'	5 Gal.
	Hesperaloe funifera Giant Hesperaloe	5 Gal.
	Desert Spoon Dasylirion wheeleri	5 Gal.
Groundcovers:		
	Desert Marigold Baileya multiradiata	1 Gal.
	Lantana 'New Gold' New Gold Lantana	1 Gal.
	Ruellia brittoniana 'Katie' Katies Ruellia	1 Gal.
	Lantana montevidensis Purple Trailing Lantana	1 Gal.
	Convolvulus cneorum Bush Morning Glory	1 Gal.
	Acacia redolens 'Low Boy' Low Boy Acacia	1 Gal.
Materials:		
No Symbol	3/4" Screened Granite	Cinnamon Brown
	Turf- Midiron Sod	
	Concrete Header	

Surprise, Arizona

Bell Pointe II - South

CONCEPTUAL LANDSCAPE PLAN

0 60 120 240 May, 2017

DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND

25 January 2017

Mr. James R. Mitchell
Director, Community Initiatives Team
56th Fighter Wing
14185 West Falcon Street
Luke AFB AZ 85309-1629

Ms. Heather Donaldson
Planning Project Coordinator
City of Surprise Planning Department
16000 N. Civic Center Plaza
Surprise AZ 85374

Re: FS17-041, 042 & 043; Bell Pointe II North and South

Dear Ms. Donaldson

Thank you for the opportunity to comment on the Preliminary Plat, Final Plat and Minor Zoning Amendment application for the Bell Pointe II North and South. The site is located on 27.2 acres north of intersection of W. Sun Valley Parkway and Bell Pointe Blvd. in Surprise AZ. The request is to construct 141 residential dwelling units (du) at 5.3 du/acre. This development is approximately 2.5 miles outside the Luke AFB Auxiliary Field #1 2004 65 Ldn, "high noise or accident potential zone." as defined by A.R.S. § 28-8461 and is within the "territory in the vicinity of a military airport" also defined by A.R.S. § 28-8461.

Luke AFB follows the guidelines in the Graduated Density Concept (GDC). The GDC proposes, in the absence of a more restrictive state, county or municipal general or comprehensive plan, graduating densities away from the 65 Ldn as follows: a maximum of 2 du/acre from the 65 Ldn to 1/2 mile, a maximum of 4 du/acre from 1/2 to 1 mile, and a maximum of 6 du/acre from 1 to 3 miles. The density of 5.3 du/acre meets these guidelines.

This request as stated in the applications will not negatively impact the flying operations at Luke AFB. Since Bell Pointe II will be located within the "territory in the vicinity of a military airport," it will be subjected to approximately 165 over flights a day, with some as low as 1,500 feet above ground level. We recommend you review the sound attenuation requirements found in A.R.S. § 28-8482. In addition, a strong notification program on the part of the applicant is essential to inform potential residents about Luke AFB operations.

If you have any questions, please contact my Community Planner, Ms. Barbara Plante at (623) 856-9981.

Sincerely

for Barbara S. Plante

JAMES R. MITCHELL

cc:
Colonel David G. Shoemaker, Vice Commander, 56th Fighter Wing
Ms. Cindy L. Calderon, GS-13, General and Environmental Law Attorney, 56th Fighter Wing

Dysart
Delivering the Dream

DYSART UNIFIED SCHOOL DISTRICT

BUSINESS AND TECHNOLOGY SERVICES

Mary Simmons, Administrative Assistant
11405 N. Dysart Road
El Mirage, AZ 85335
623.876.7008
FAX: 623.876.7046
masimmons@dysart.org

August 23, 2005

Mr. Kerry W. Rose
c/o Scott A. Rose
The Cavanagh Law Firm
1800 N. Central Avenue, Suite 2400
Phoenix, AZ 85004

Dear Mr. Rose:

Enclosed please find a copy of the fully executed Donation Agreement for the Bell Point II development with the Dysart Unified School District.

We have also enclosed for your files copies of the Governing Board agenda item and a copy of the Governing Board minutes indicating approval of the agreement.

If you have any questions or concerns, please don't hesitate to contact our office.

Sincerely,

Mary Simmons

Mary Simmons
Administrative Assistant to
Scott W. Thompson
Executive Director for Business Services

AUG 2005
RECEIVED
SAR

Enclosures: Donation Agreement
Agenda Item
Minutes

DYSART UNIFIED SCHOOL DISTRICT #89

TO: Governing Board

FROM: Dr. Mark Maksimowicz, Superintendent

DATE: August 3, 2005

X	Action
X	Discussion
	Information
	1st Reading

AGENDA ITEM: Recommendation to Approve Developer Donation Agreement for Bell Point II

INITIATED BY: Mr. Scott Thompson

SUBMITTED BY: Mr. Scott Thompson

GOVERNING BOARD POLICY REFERENCE OR STATUTORY CITATION: BBA

SUPPORTING DATA

The developer of Bell Point II subdivision in Surprise has offered to make cash donations to defray the expense to the District associated with an increase in the population of students. The developer has agreed to pay the following amount for each dwelling unit to be constructed on the property:

Type of Dwelling	Donation per Unit
House	$1,000
Condominium	$ 750
Apartment	$ 400
Mobile Home	$ 400

The City of Surprise is requesting that the District indicate whether the District has any objections to proposed developments. In light of the generous donation being made by the developer of Bell Point II, the attorney for the District has asked for authorization to advise the City of Surprise that the District has no objection to the Bell Point II development if the proposed Donation Agreement is accepted by the Board.

SUMMARY AND RECOMMENDATION

It is recommended the Governing Board accept the donation agreement with the developer of Bell Point II and authorize Mr. Don Peters, attorney for the District, to advise the City of Surprise that if the Board accepts the Donation Agreement, the District has no objection to the Bell Point II development.

Superintendent MS

ACTION BY BOARD Motion BB Second BL Vote UN

Agenda Item IV. 2

DONATION AGREEMENT

(Bell Pointe II)

THIS DONATION AGREEMENT ("Agreement") is made by and between Dysart Unified School District No. 89 of Maricopa County, Arizona, a political subdivision of the State of Arizona (the "District"), and Kerry W. Rose ("Developer"). The District and Developer are referred to herein collectively as "the parties."

RECITALS:

A. Developer owns certain real property in Surprise, Arizona (the "City"), to be used for a development known as Bell Pointe II, as more particularly described in Exhibit A, attached hereto (the "Property").

B. Development of the Property will increase the population of students attending public schools within the District, which in turn will increase the need for public school facilities within the District. The Developer is willing to make, and the District is willing to accept, cash donations to defray the expense to the District associated with an increase in the population of students.

AGREEMENT:

For and in consideration of the covenants contained herein, the District and Developer, intending to be legally bound, state, confirm and agree as follows:

1. Incorporation of Recitals. The Recitals stated above are true and correct and are incorporated herein by this reference. Developer warrants that it owns the Property and has the authority to make this agreement.

2. Conditions. It is a condition of the continuing effect and enforceability of this Agreement that, with regard to the Property, the District not have opposed any zoning or entitlement application or request of Developer, including without limitation, any preliminary or final plat application for the Property or a portion thereof; and that, if requested to do so by Developer or the governmental authority with jurisdiction, the District provide the governmental authority promptly and in a timely manner with written confirmation thereof.

3. Cash Donation by Developer to the District. Subject to the terms and conditions of this Agreement, Developer, for itself and its successors-in-ownership and assigns, including, without limitation, any affiliate of Developer and any homebuilder initially constructing or placing a dwelling unit on the Property, agrees to pay the following amount for each dwelling unit so constructed or placed on the Property:

Type of Dwelling	Donation (per unit)
House	$1,000
Condominium	$ 750
Apartment	$ 400
Mobile Home	$ 400

Developer shall contribute all donations as required under this paragraph no later than ninety days after the building permit for construction of the particular Dwelling Unit is issued by the City. No donation shall be payable in connection with any reconstruction or subsequent construction of a Dwelling Unit on a particular portion of the Property after the donation for such portion of the Property has been initially paid.

4. Future Development Fees. Notwithstanding the foregoing or anything herein to the contrary, Developer desires that it receive credit for the money donated to the District, if at any time in the future, any federal, state, county, municipal or any other governmental or quasi governmental authority with jurisdiction over the Property lawfully imposes any development fee, impact fee, dedication requirement, exaction or similar fee or charge on the Property (individually, a "Development Fee" and collectively, the "Development Fees") through the exercise of either its police power or its taxing power (other than secondary real estate taxes, general obligation bonds and school district override elections) in connection with or related to the acquisition, development, construction, improvement and operation of public school facilities within the District. While the District offers no assurances to the Developer that it is empowered or authorized to provide Developer with a credit against Development Fees which may be assessed on the Property, the District, to the extent it is permitted by law to do so, agrees to the contents of this Section.

(a) If the Development Fees imposed on the Property are less than the total donations required under this Agreement, then no Development Fees shall be due and payable by Developer to or for the benefit of the District (but the remainder of this Agreement shall continue in full force and effect); or

(b) If the Development Fees imposed on the Property are greater than the total donations required under this Agreement, then Developer shall receive a credit against the Development Fees in the amount of the total donations, and Developer shall only be obligated to pay to or for the benefit of the District an amount equal to the difference between the Development Fees and the total donations.

5. Default and Remedies. Developer acknowledges that the District intends to rely upon this Agreement in formulating its plans for growth and in other regards, and that such reliance is reasonable. In the event of any default under this Agreement, the non-defaulting party

shall have all rights and remedies provided at law or in equity, including without limitation specific performance and injunctive relief, and all such rights and remedies shall be cumulative. Developer acknowledges the sufficiency of the consideration for this agreement and irrevocably waives lack of consideration as a defense to the enforcement of this Agreement.

6. Notices. Any and all notices, consents or other communications required or permitted by this Agreement shall be given in writing and telecopied, personally delivered, sent by registered or certified mail, return receipt requested, postage prepaid, or sent by Federal Express, Airborne, U.P.S. or other similar nationally recognized overnight courier, addressed as follows:

To Developer:	Kerry W. Rose c/o Scott A. Rose The Cavanagh Law Firm 1800 N. Central Avenue, Suite 2400 Phoenix, AZ 85004
To the District:	Dysart Unified School District of Arizona No. 89 Attention: Superintendent 11405 North Dysart Road El Mirage, AZ 85338 (623) 876-7042 fax
With a copy to:	Miller LaSota & Peters, PLC Attention: Donald M. Peters 722 East Osborn, Suite 100 Phoenix, AZ 85014 (602) 248 2999 fax

or at any other address or telecopier number designated by any party hereto in writing. Any notice or communication shall be deemed to have been delivered and received (i) as of the date of receipt, if sent by telecopier (with written confirmation of error-free transmission) on or before 5:00 p.m., Phoenix time; (ii) as of the next day of receipt, if sent by telecopier (with written confirmation of the date and time of transmissions and receipt) after 5:00 p.m., Phoenix time; (iii) the date of delivery, if hand delivered or sent by nationally recognized overnight courier; (iv) three (3) days after the date of mailing, if mailed by registered or certified mail.

7. General.

(a) Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the District or Developer of any default under this Agreement shall be construed as a waiver of any preceding or succeeding default.

(b) Attorneys' Fees. In the event any party finds it necessary to bring any action at law or other proceeding against the other party to enforce any of the terms, covenants or

conditions hereof, or by reason of any default hereunder, the party prevailing in any such action or other proceeding shall be paid all reasonable costs and attorneys' fees by the other party, and in the event any judgment is secured by the prevailing party, all such costs and attorneys' fees shall be included therein, with the fees to be set by the court and not by jury.

(c) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from the counterparts and the signature pages may all be attached to a single instrument.

(d) Further Acts. Each of the parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

(e) Successors and Assigns. All of the provisions of this Agreement shall inure to the benefit of and be binding upon the District and the Developer and its successors-in-ownership and assigns. Upon the conveyance of all or any portion of the Property by Developer or its successors-in-ownership or assigns and the written assumption by such transferee of the obligations of the Developer under this Agreement with respect to the portion of the Property conveyed, Developer or its successors-in-ownership or assigns, as the case may be, shall be relieved of any further liability or obligations under this Agreement with respect to the portion of the Property conveyed but shall not be relieved or released from any liabilities or obligations incurred during the period of its ownership of the Property. The Developer shall provide the District written notice of any such conveyance and assumption of obligations within thirty (30) days after the conveyance. The liabilities and obligations of Developer and its successors-in-ownership and assigns are several obligations, and not joint and several obligations, and may only be enforced against the party then in default, and, notwithstanding any default by the owner of the portion of the Property, this Agreement shall remain in full force and effect with respect to the other owners of the Property.

(f) No Partnership and Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other similar arrangement between Developer and the District. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

(g) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

(h) Amendment. No change or additions may be made to this Agreement except by a written amendment executed by the parties hereto.

(i) Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Arizona.

(j) Conflicts of Interest. The parties acknowledge that this Agreement is subject to cancellation pursuant to A.R.S. § 38-511 or any successor statute.

(k) Severability. In the event that (a) the Attorney General of Arizona issues or affirms an opinion which finds any part of this Agreement to be illegal, invalid or unenforceable, or (b) any part of this Agreement is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remainder of the Agreement shall not be affected.

IN WITNESS WHEREOF, the parties have executed this Agreement.

DISTRICT:

DYSART UNIFIED SCHOOL DISTRICT NO. 89 OF MARICOPA COUNTY, ARIZONA, a political subdivision of the State of Arizona

By: Charles K. Ottermann
Its: Governing Board President
Date: 8.3.05

DEVELOPER:

KERRY W. ROSE

By:
Its: Property Owner
Date: 6/24/05

EXHIBIT A

Property legal description

PARCEL 1
THAT PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS;
COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 34;
THENCE N00°20'22"E ALONG THE NORTH-SOUTH MID-SECTION LINE A DISTANCE OF 3375.82 (R) FEET TO THE POINT OF BEGINNING;
THENCE N89°42'44"W A DISTANCE OF 593.84 (592.82 R) FEET;
THENCE N28°38'07"E A DISTANCE OF 1252.92 (1252.15 R) FEET TO A POINT ON THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 34;
THENCE S00°20'37"W ALONG SAID MID-SECTION LINE A DISTANCE OF 1102.68 (1102.19 R) FEET;
SAID DESCRIPTION CONTAINS 7.52 ACRES, MORE OR LESS.

PARCEL 2
THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, LYING WEST OF THE BEARDSLEY CANAL, DESCRIBED AS FOLLOWS;
COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 34;
THENCE N00°20'44"E ALONG THE NORTH-SOUTH MID-SECTION LINE A DISTANCE OF 1690.53 FEET;
THENCE N89°42'35"W A DISTANCE OF 231.31 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING N89°42'35"W A DISTANCE OF 768.31 FEET;
THENCE N00°21'20"E A DISTANCE OF 908.24 FEET;
THENCE S89°43'09"E A DISTANCE OF 999.37 FEET TO A POINT ON THE SAID MID-SECTION LINE;
THENCE S00°20'22"W ALONG SAID MID-SECTION LINE A DISTANCE OF 422.99 FEET;
THENCE S25°48'33"W A DISTANCE OF 537.89 FEET TO THE POINT OF BEGINNING.
SAID DESCRIPTION CONTAINS 19.55 ACRES, MORE OR LESS.

II.1

DYSART UNIFIED SCHOOL DISTRICT #89

MINUTES: **GOVERNING BOARD – REGULAR MEETING**

2005-2006 **August 3, 2005 - 5:30 p.m.** **Location:** Marley Park Elementary School

I. REGULAR MEETING - GENERAL FUNCTION

1. Mr. Charles Otterman called the meeting to order at 6:00 p.m. Governing Board members, constituting a quorum, were present; Mr. Otterman, Mr. Lipscomb, Ms. Bass, Ms. Boone and Mrs. Paulus.

2. Pledge of Allegiance - Mr. Otterman led the pledge of allegiance.

3. Student Awards/Presentations

   NONE

4. Approval of Regular Agenda Form and Consent Agenda
   On motion by Otterman/Bass, the Governing Board unanimously approved the Consent and Regular Agenda Form with the following exception; consent item II.5, II.9, II.17 and II.44 were moved to the Action/Discussion agenda. UNANIMOUS

5. Reports of Representatives to the Governing Board

   NONE

6. Board and Superintendent Update
   - Administrative Workshops / Trainings held July 15, 22 and 25th for the Administrative Council were very productive and successful.
   - New Teacher Induction - Hats off to the instructional coaches for their efforts in preparing the induction program for our 275 new teachers; it was very well received and successful.
   - Back to School
     - Mrs. Kay Paulus, Governing Board Member, announced her resignation as of Friday, August 5, 2005. Mrs. Paulus is moving out of state.
     - The Employee Welcome Back program will be held Friday, August 5th at Dysart High School at which time the Elements of a Premier School District will be rolled out.
     - The hiring of new teachers has reached 275 with more waiting for the hiring process; administration will continue to monitor enrollment and be proactive in developing contingency plans.
     - Mr. Scott Thompson provided the Governing Board with a brief construction update. The following represents issues and delays.
       - Dysart High School - Although substantially complete by 8/5/05, construction work on the Media Center will continue through part of the 2005-2006 school year.

II.1

- Surprise Elementary - Demolition of the old Surprise campus and the monsoon rains have delayed the opening of the physical plant. Surprise students will start school August 8th on the Rancho Gabriela campus. The Rancho campus is available for this purpose August 8-19, 2005. Rancho students start school on August 22nd.
- Dysart Elementary - Renovation of three classrooms has been delayed due to late steel deliveries.
- District Office - Rain delay
- Willow Canyon High School third Academic Building - Rain delay
- Ashton Ranch - Delivery/installation of portables delayed to mid-year.
- Kingswood - Work on the new gymnasium and library will continue throughout the year.

7. Audience with Individuals or Groups
Parent teacher organization members, Ms. Brenda Dautzenberg - Countryside PTO and Ms. Bobbi Patent - Marley Park PTA, as well as student, Kayla Mornson, expressed their desire to have the flexibility and authority to have special "dress down" days at the schools. This would be a time when students can dress in clothes other than uniforms i.e. spirit shirts, honor roll students in street clothes, wacky Fridays, twin days etc. Dr. Pletnick reported that the uniform committee will reconvene to consider "dress down" issues.

II. **CONSENT AGENDA** - The Governing Board, via the consent agenda:

1. Approval of Minutes
Approved the minutes of the Governing Board meetings held July 9, 2005, July 13, 2005 and July 26, 2005. UNANIMOUS

2. Recommendation for Approval for Four Key Club Members, Mr. Robert Kitchen and Ms. Susan Poland to Attend the Southwest Kiwanis District Convention
Approved the travel for four Key Club members, Mr. Robert Kitchen and Ms. Susan Poland to attend the Southwest Kiwanis District Convention, August 12-14, 2005 in Tucson, Arizona. UNANIMOUS

3. Recommendation for Approval of the Textbook Adoption for the New Advanced Placement Spanish Course
Approved the textbook adoption of *Understanding Psychology* published by Glencoe/McGraw-Hill for the Psychology class. UNANIMOUS

II.1

4. Addenda - Certified - 2005-2006 School Year
Approved additional compensation for the individuals listed for the 2005-2006 school year. UNANIMOUS
Michelle Albert, Bruce Bennett, Teresa Chase, Audrey Christians, Jennifer Dawn, Alexandra Felkins, Jen Fischer, Julie Galindo, Michelle Gliori, Jeanie Hamblen, Eileen Hosmer, Guadalupe Ingram, Claudia Jarrett, Jennifer Kemmer, Kristen Kleinfelter, Denise Lambrecht, Leticia Marquez, Jenny Mendez, Connie Miller, Karen Morrow, Paige Novak, Mary Jo Oeschslin, Michelle Pipke, Kathryn Reed, Kelly Ross, Aaron Shamblin, Kerri Sorensen, Laura Stevenson, Chressie Jo Sylvester, Cecilia Thorne, Traci Underwood, Mark Weber, Jacqueline Willis and Lisa Woodgate

5. Approval of Employee Benefits Supervisor Position and Job Description for the 2005-2006 School Year
Moved to the Action/Discussion Agenda UNANIMOUS

6. Approval of Increase in Staffing for the Dysart High School Early Childhood Education Center
Approved the increased staffing for the Dysart High School Early Childhood Education Center. UNANIMOUS

7. Approval of One Additional Title One Instructional Assistant Position for the Dysart High School for the 2005-2006 School Year
Approved the additional Title I Instructional Assistant position for Dysart High School for the 2005-2006 school year. UNANIMOUS

8. Approval of Revised Job Description for Preschool Specialist
Approved the revised job description for Preschool Specialist. UNANIMOUS

9. Approval of New Position and Job Description of Administrative Secretary II - Career and Technical Education
Moved to the Action/Discussion Agenda UNANIMOUS

10. Change of Assignment - Certified - 2005-2006 School Year
Approved the change of assignments as listed for the 2005-2006 school year. UNANIMOUS
Elizabeth Bloom, John Eberlein, Leticia Grabber, Julie Halleck, John Hemsley, Jennifer Mathews, Michelle Mazza, Danielle Moser and Valerie Nichols

11. Change of Assignment - Support Staff Exempt - 2005-2006 School Year
Approved the change of assignment for Ms. Sunshine Darby for the 2005-2006 school year. UNANIMOUS

12. Change of Assignment - Support Staff - 2005-2006 School Year
Approved the change of assignment for Ms. Stacey Carter, Ms. Laure Costello, Ms. Stefanie Enriquez, Ms. Laura Mabe, Ms. Patricia Robbins and Mr. Benjamin Walworth for the 2005-2006 school year. UNANIMOUS

13. Change of Salary - Certified - 2005-2006 School Year
Approved the change of salary for Ms. Lynne Sudinski and Ms. Jessica Vree for the 2005-2006 school year. UNANIMOUS

14. Correction to the Resignation - Support Staff Exempt for the 2005-2006 School Year
Approved correction to the resignation date of Ms. Suriani Huandra for the 2005-2006 school year. UNANIMOUS

15. New Hire - Certified - 2005-2006 School Year
Approved the employment of the individuals listed for the 2005-2006 school year. Appendix A UNANIMOUS

16. New Hire - Certified Guest Teachers - 2005-2006 School Year
Approved the employment of Ms. Joanna Brunner, Mr. Nicholas Figueroa, Ms. Rosita Hiscox, Ms. Kathleen Lawson, Ms. Fern Mattson, Ms. Valerie Nichols, Ms. Kristen Petric, Mr. Henry Pasinski, Ms. Eva Sanchez, Mr. Marlowe Skinner, Mr. Nicholas Swanson and Ms. Mariel Turner as certified guest teachers for the 2005-2006 school year. UNANIMOUS

17. New Hire - Support Staff Exempt - 2005-2006 School Year
Moved to the Action/Discussion Agenda UNANIMOUS

18. New Hire - Support Staff - 2005-2006 School Year
Approved the employment of the individuals as listed for the 2005-2006 school year. UNANIMOUS
Annabelle Acosta, Vanessa Ashley, Sharon Blaney, Kristi Carmichael, Veronica Espinosa, Tiffany Dunn, Donna Jacobs, Donna Litwin, Gabriel Loyer, Collean Lufkin, Guillermina Munoz, Olga Nabokina, Lorrie Perkins, Ronald Peters, Nicole Pulkrabek, Buford Royston, Valerie Raven, Barbara Standridge, John Stewart, Lynnette Swainston and Cindy Underdal

19. New Hire - Classified Substitutes - 2005-2006 School Year
Approved the employment of Ms. Nanette Miller and Ms. Silja Barajas as classified substitutes for the 2005-2006 school year. UNANIMOUS

20. Recommendation for Approval of Coaching Positions for the 2005-2006 School Year
Approved Elementary and Secondary coaching positions listed for the 2005-2006 school year. UNANIMOUS

21. Recommendation for the Issuance of Notice of Employment to Classified Employees for the 2005-2006 School Year
Approved the issuance of Notice of Employment for Ms. Patricia Rumsey for the 2005-2006 school year. UNANIMOUS

22. Recommendation for Rescission of Employment - Certified - 2005-2006 School Year
Approved the rescission of intent not to reemploy for Ms. Amy Rose for the 2005-2006 school year. UNANIMOUS

23. Recommendation for Rescission of Employment - Certified - 2005-2006 School Year
Approved the rescission of employment for Ms. Megan Andree, Ms. Zoe Bliss, Mr. Andre Cerna, Ms. Mary Davis, Ms. Kathleen Finn, Ms. Elizabeth Flores, Ms. Elizabeth Jahsman and Ms. Tara Moody for the 2005-2006 school year. UNANIMOUS

24. Request for Rescission of Resignation - Certified - 2005-2006 School Year
Approved the rescission of resignation of Ms. Angela Valencia-Meunier for the 2005-2006 school year. UNANIMOUS

25. Recommendation to Adjust Administrator Salary - 2005-2006 School Year
Approved the recommendation to adjust the salary of Mr. Robert Young as presented. UNANIMOUS

26. Recommendation to Approve Position of New Teacher Mentor and Job Description - 2005-2006 School Year
Approved the position and job description for New Teacher Mentor for the 2005-2006 school year. UNANIMOUS

27. Recommendation to Ratify Addenda - Certified - 2004-2005 School Year
Approved additional compensation for the individuals listed for the 2005-2006 school year. UNANIMOUS
Stephen Aiton, Lydia Aleshire, Christina Arviso, Marilynn Babyar, Claire Carter, Lynn Gilreath, Horacio Honne, Jaimi Jones, Jeriestell Leyva, Jennifer Malic, James Morey, Amy O'Neil, David Ostrus, James Redick, Jacqueline Ryan-Rojas, George Summers, Celeste Taylor, Cheryl Thompson and Janice Tiazkun

28. Recommendation to Ratify Addenda - Support Staff - 2004-2005 School Year
Approved payment for work completed prior to Governing Board approval as presented for Ms. Sherrie Klemmetson and Mr. Robert Portillo for the 2004-2005 school year. UNANIMOUS

29. Recommendation to Ratify Addenda - Certified - 2005-2006 School Year
Approved additional compensation for Ms. De Edra Farley, Ms. Rebecca Milobar, Ms. Celeste Taylor and Ms. Christine Wilfong for the 2005-2006 school year. UNANIMOUS

30. Recommendation to Ratify Addenda - Support Staff - 2005-2006 School Year
Approved payment for work completed prior to Governing Board approval as presented for Ms. Pat Flanagan, Ms. Lesha McFadden, Ms. Christine Parker and Ms. Christine Vosgier for the 2005-2006 school year. UNANIMOUS

31. Re-employment of Classified Substitutes for 2005-2007 School Year
Approved the re-employment of Mr. Victor Cardiel, Ms. Regina Carey, Ms. Paula Dominguez, Mr. Chrystopher Davis, Ms. Debra Gavette, Ms. Helen Gay, Mr. Gilbert Gradillas, Ms. Linda Koenig-Warren, Ms. Lauralynn Owens, Mr. Alvin Pennigton, Ms. Debbie Polzine, Ms. Merlinda Resendes, Ms. Monica Solis, Ms. Judy Taylor, Ms. Barbara Townsend and Ms. Pat Walker for the 2005-2006 school year. UNANIMOUS

32. Re-employment of Certified Guest Teachers, Homebound Teachers and Substitute Nurses for 2005-2006 School Year
Approved the re-employment of certified guest teachers, homebound teachers and substitute nurses as listed for the 2005-2006 school year. Appendix B UNANIMOUS

33. Request for Rescission of Resignation - Classified - 2005-2006 School Year
Approved the rescission of resignation of Ms. Gwendolyn Canty for the 2005-2006 school year. UNANIMOUS

34. Resignation - Guest Teachers - 2005-2006 School Year
Approved the resignations of the individuals listed for the 2005-2006 school year. Appendix C UNANIMOUS

35. Resignation - Support Staff Exempt for the 2004-2005 School Year
Approved the resignation of Mr. Stephen Wiley for the 2004-2005 school year. UNANIMOUS

36. Resignation - Support Staff Exempt for the 2005-2006 School Year
Approved the resignation of Ms. Cynthia Watson for the 2005-2006 school year. UNANIMOUS

37. Resignations - Support Staff for the 2005-2006 School Year
Approved the resignation of Ms. Altagracia Adame, Ms. Patricia Creighton and Ms. Sharon Crissinger for the 2005-2006 school year. UNANIMOUS

38. Resignation - Classified Substitutes - 2005-2006 School Year
Approved the resignations of Ms. Lois Anderson, Ms. Anna Bolejack, Mr. Alexander Elledge, Ms. Donna Fox, Ms. Gail Hjelmstad, Mr. Alejandro Perez, Ms. Patsy Phillips, Ms. Denis Poque, Ms. Jenna Russell and Ms. Marilyn South for the 2005-2006 school year. UNANIMOUS

39. Retirement - Certified - 2005-2006 School Year
Approved the payout of unused earned leave to Ms. Guiadalupe Ortiz for the 2005-2006 school year. UNANIMOUS

II.1

40. Recommendation for the Approval of the Intergovernmental Agreement Between the Westside Impact School Districts and Dysart Unified School District for the 2005-2006 School Year for Joint and cooperative Services to Member School Districts
Approved the Intergovernmental Agreement between Dysart Unified School District and the Westside Impact School Districts for the 2005-2006 school year to provide the joint and cooperative services to member school districts and authorized the Superintendent to sign the agreement. UNANIMOUS

41. Recommendation to Approve Outreach Participation Agreement Between the Arizona School Health Insurance Programs, Inc. and Dysart Unified School District
Approved the Outreach Participation Agreement between Arizona School Health Insurance Programs, Inc. and Dysart Unified School District. UNANIMOUS

42. Approval/Ratification of Payroll Vouchers
Approved/ratified payroll vouchers 7086, 7087, 7088, 7089, 1, 2, 3 and 4. UNANIMOUS

43. Approval/Ratification of Expense Vouchers
Approved/ratified expense vouchers 1080, 1081, 1083, 1000, 1001, 1002 and 1003. UNANIMOUS

44. Request for Rescission of Resignation - Administrative - 2005-2006 School Year
Moved to the Action/Discussion Agenda UNANIMOUS

III. INFORMATION ITEMS

1. Consideration of Parent Support Organization Guidelines for Operation and Financial Responsibility
Mr. Ken Hicks, Director of Finance, provided the Governing Board with newly created guidelines for the district parent support organizations (PTO/PTA/PTSO/Booster Clubs). Mr. Hicks will meet with district parent support organizations to discuss the guidelines. Organizations choosing to adopt the guidelines will be eligible for liability insurance through the district.

IV. ACTION/DISCUSSION ITEMS

II.5 Approval of Employee Benefits Supervisor Position and Job Description for the 2005-2006 School Year
After discussion a motion by Lipscomb/Boone was entered to approve the Employee Benefit Supervisor Position and job description as presented for the 2005-2006 school year. UNANIMOUS

II.9 Approval of New Position and Job Description of Administrative Secretary II - Career and Technical Education
After discussion, a motion by Lipscomb//Bass was entered to approve the new position and job description for Administrative Secretary II - Career and Technical Education. UNANIMOUS

II.17 New Hire - Support Staff Exempt - 2005-2006 School Year
After discussion, a motion by Lipscomb/Bass was entered to approve the employment of Mr. John Andrews for the 2005-2006 school year. UNANIMOUS

II.44 Request for Rescission of Resignation - Administrative - 2005-2006 School Year
After discussion, a motion by Lipscomb/Boone was entered to approve the rescission of resignation of Mr. Timothy Tait for the 2005-2006 school year. UNANIMOUS
Governing Board members asked that a policy/procedure be developed regarding rescission of resignation.

1. Recommendation to Approve Regulation for Governing Board Policy GCI
After discussion, a motion by Paulus/Lipscomb was entered to approve regulation GCI-R as presented for inclusion in the policy book of the Governing Board. UNANIMOUS

2. Recommendation to Approve Developer Donation Agreement for Bell Point II
After discussion, a motion by Boone/Lipscomb was entered to accept the donation agreement with the developer of Bell Point II and authorize Mr. Don Peters, attorney for the District, to advise the City of Surprise that if the Board accepts the donation agreement, the District has no objection to the Bell Point II development. UNANIMOUS

VII. ADJOURNMENT

On motion by Otterman/Bass and by a unanimous vote, the Regular meeting ended at 7:06 p.m.

VIII. SIGNING OF DOCUMENTS

Documents were signed as tendered by the Governing Board Secretary.

Signed: Date:

_____ August 24, 2005

BELL POINTE II
DUE DILIGENCE MATERIALS

1. Title commitment and Schedule B Items – Chicago Title Insurance Company (the "Title Commitment")

2. Survey dated May 2005 drawn by SNS Civil Design Group, Project No. 05-081 (the "Survey")

3. Phase I Environmental Report dated May 12, 2005 prepared by SNS Civil Design Group, (the "Phase I Report")

4. Soils Report dated December 16, 2005 prepared by Foree & Vann, Inc. (the "Soils Report")

5. Plat and PAD Book

6. Plat Maps

7. Surprise City Council Report on Preliminary Plat

8. Surprise City Council Report on PAD

9. Party Wall Agreement

10. Weatherby Street Agreement

11. Letter from SNS Civil Design Group regarding assumption of contract

12. Minutes of the December 6, 2005 Surprise Planning and Zoning meeting showing recommendation for approval of Plat and PAD

13. Minutes of the December 22, 2005 Surprise City Council meeting with first reading approval of PAD

14. Minutes of the January 12, 2006 Surprise City Council meeting showing approval of Plat and PAD

15. Dysart School Donation Letter dated August 3, 2005

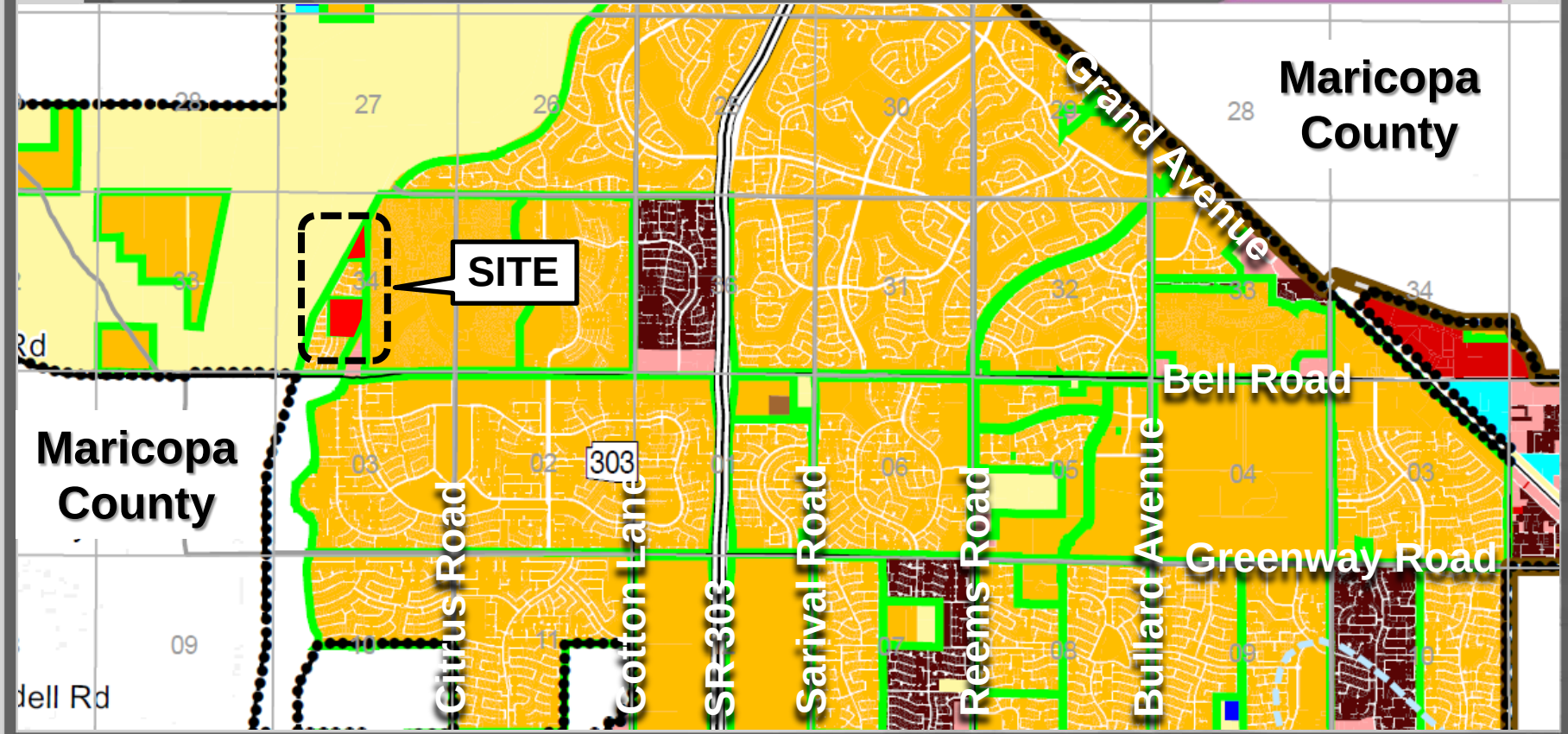
NOTE: THIS MAY NOT BE A COMPLETE LIST OF ALL MATERIALS AFFECTING THE PROPERTY.

SURPRISE
ARIZONA

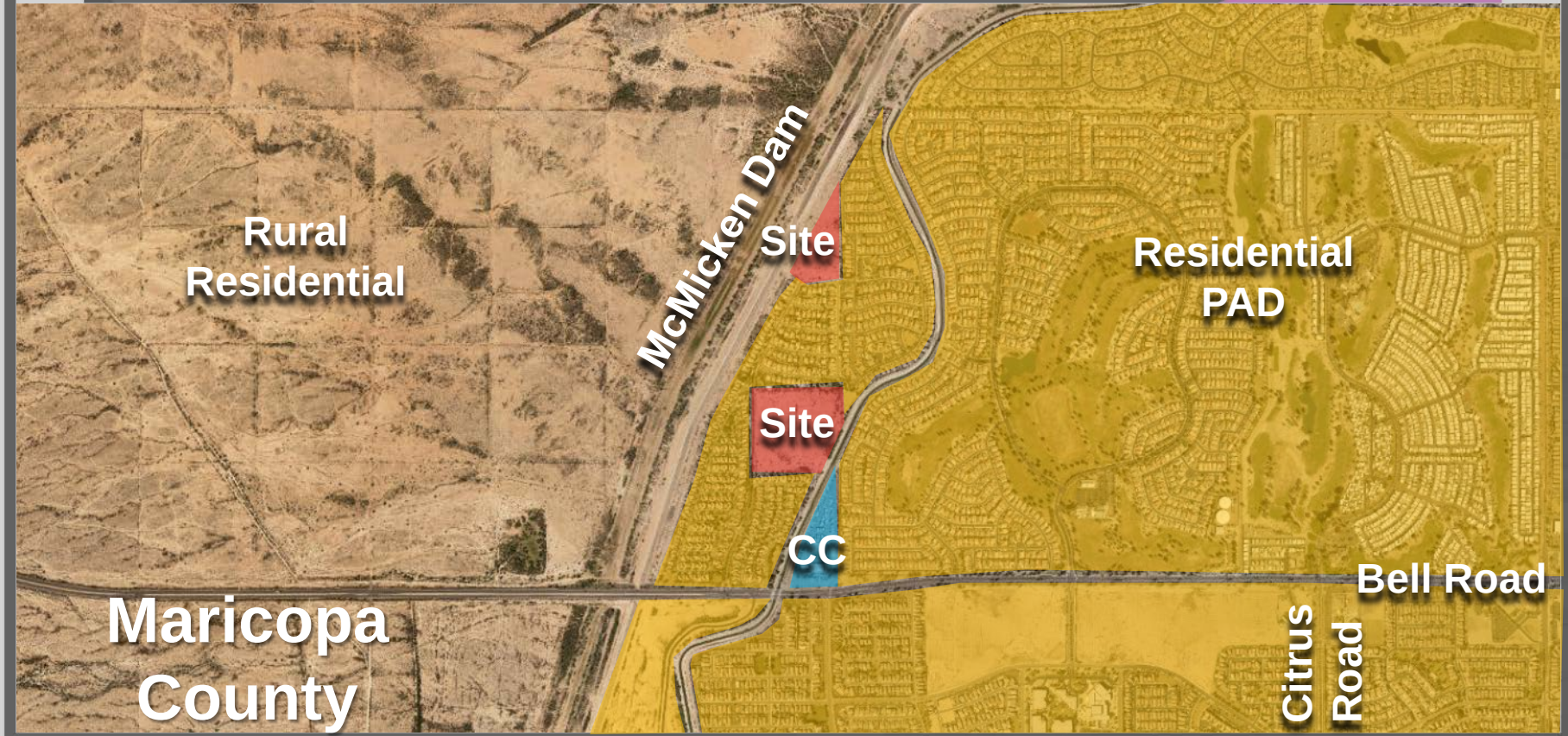
BELL POINTE II

Preliminary Plat – June 20, 2017

VICINITY MAP



VICINITY MAP



PRELIMINARY PLAT

PRELIMINARY PLAT FOR BELL POINTE II

A PORTION OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,
CITY OF SURPRISE,
MARICOPA COUNTY, ARIZONA

LEGAL DESCRIPTION
BELL POINTE II - NORTH

TRACT 11, OF BELL POINTE I, ACCORDING TO BOOK 670, PAGE 49, RECORDS OF MARICOPA COUNTY, ARIZONA, AND THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A 3-INCH MARICOPA COUNTY HIGHWAY DEPARTMENT BRASS CAP IN HANDHOLE, FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A 2-INCH MARICOPA COUNTY ALUMINUM CAP STAMPED "T4N R2W 1/4 S27 S34 R1S35B1S2 2003" BEARS NORTH 00° 22' 21" EAST, A DISTANCE OF 5,272.75 FEET;

THENCE NORTH 00° 22' 21" EAST, ALONG THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 34, A DISTANCE OF 2,362.83 FEET TO THE SOUTHEAST CORNER OF TRACT 11 OF BELL POINTE I, AS SHOWN IN BOOK 670, PAGE 49, RECORDS OF MARICOPA COUNTY, ARIZONA, SAID POINT BEING THE **POINT OF BEGINNING**;

THENCE LEAVING SAID NORTH-SOUTH MID-SECTION LINE, NORTH 89° 42' 11" WEST, ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF WEATHERBY DRIVE AS SHOWN ON SAID BELL POINTE I, A DISTANCE OF 392.30 FEET TO THE BEGINNING OF A TANGENT CURVE;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTHWESTERLY, A DISTANCE OF 35.52 FEET ALONG THE ARC OF SAID CURVE, BEING CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 75.00 FEET, THROUGH A CENTRAL ANGLE OF 14° 54' 48" TO A POINT OF COMPOUND CURVATURE;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, NORTHWESTERLY, A DISTANCE OF 15.55 FEET ALONG THE ARC OF SAID CURVE, BEING CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 35.38 FEET, THROUGH A CENTRAL ANGLE OF 12° 34' 30" TO THE NORTHWEST CORNER OF SAID TRACT11;

THENCE NORTH 89° 43' 33" WEST, ALONG THE NORTHERLY LINE OF SAID BELL POINTE I, A DISTANCE OF 172.96 FEET TO THE NORTHWEST CORNER OF SAID BELL POINTE I, SAID POINT LYING ON THE EASTERLY RIGHT-OF-WAY LINE OF TRUBY WASH, AS SHOWN IN BOOK 63 OF MAPS, PAGE 31, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE NORTH 28° 36' 30" EAST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1,758.21 FEET TO A CORNER OF ARIZONA TRADITIONS NORTH PARCEL 8X, AS SHOWN IN BOOK 806, PAGE 26, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE SOUTH 00° 22' 21" WEST, ALONG SAID NORTH-SOUTH MID-SECTION LINE, A DISTANCE OF 1,120.49 FEET TO THE **POINT OF BEGINNING.**

LEGAL DESCRIPTION
BELL POINTE II -SOUTH

PARCEL NO. 2:
A PORTION OF PARCEL NO. 2A, AS DESCRIBED IN QUIT CLAIM DEED, RECORDED IN DOCUMENT NO. 2000-0517693, RECORDS OF MARICOPA COUNTY, ARIZONA, BEING LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A 3-INCH MARICOPA COUNTY HIGHWAY DEPARTMENT BRASS CAP IN HANDHOLE, FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A 2-INCH MARICOPA COUNTY ALUMINUM CAP STAMPED "T4N R2W 1/4 S27 S34 R1S35B1S2 2003" BEARS NORTH 00° 22' 21" EAST, A DISTANCE OF 5,272.75 FEET;

THENCE NORTH 00° 22' 21" EAST, ALONG THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 34, A DISTANCE OF 1,615.74 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF BEARDSLEY CANAL, AS SHOWN IN BOOK 584, PAGE 38, RECORDS OF MARICOPA COUNTY, ARIZONA, SAID POINT BEING THE **POINT OF BEGINNING**, FROM WHICH A FOUND 1/2-INCH REBAR BEARS SOUTH 25° 48' 29" WEST, A DISTANCE OF 3.85 FEET;

THENCE LEAVING SAID NORTH-SOUTH MID-SECTION LINE, SOUTH 25° 48' 29" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 538.85 FEET TO THE NORTHEAST CORNER OF TRACT A OF BELL POINTE I, AS SHOWN IN BOOK 670, PAGE 49, RECORDS OF MARICOPA COUNTY, ARIZONA;

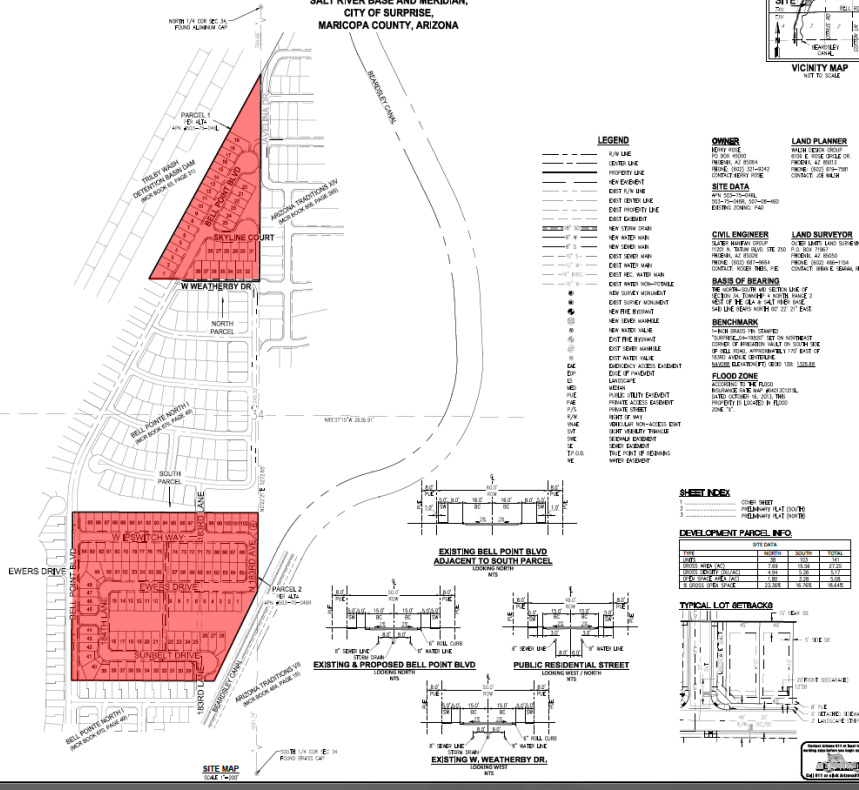
THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE, NORTH 89° 43' 20" WEST, ALONG THE NORTHERLY LINE OF SAID TRACT A AND ITS WESTERLY PROJUNGATION, A DISTANCE OF 766.71 FEET TO A CORNER OF SAID BELL POINTE I, LYING ON THE CENTERLINE OF BELL POINTE BOULEVARD AS SHOWN ON SAID BELL POINTE I, FROM WHICH A FOUND BRASS CAP FLUSH BEARS SOUTH 00° 20' 52" WEST, A DISTANCE OF 235.50 FEET;

THENCE NORTH 00° 20' 52" EAST, ALONG SAID CENTERLINE OF BELL POINTE BOULEVARD, A DISTANCE OF 908.21 FEET TO A CORNER OF BELL POINTE I, BEING MARKED BY A FOUND BRASS CAP FLUSH;

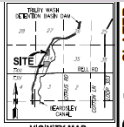
THENCE SOUTH 89° 43' 53" EAST, A DISTANCE OF 1,000.55 FEET TO THE SOUTHEAST CORNER OF TRACT I OF SAID BELL POINTE I;

THENCE SOUTH 00° 22' 21" WEST, ALONG SAID NORTH-SOUTH MID-SECTION LINE, A DISTANCE OF 421.78 FEET TO THE **POINT OF BEGINNING.**

GENERAL NOTES
1. THIS IS NOT A CONSTRUCTION DOCUMENT.
2. LOT DIMENSIONS ARE APPROXIMATE. FINAL LOT DIMENSIONS SHALL BE PER THE FINAL PLAT.
3. ALL STREETS SHALL BE CONSTRUCTED TO CITY OF SURPRISE MINIMUM STANDARDS AS NOTED HEREIN.
4. THIS DEVELOPMENT WILL PROVIDE FOR INSTALLATION OF REQUIRED STREET LIGHTS.
5. THE HOMEOWNERS' ASSOCIATION WILL BE RESPONSIBLE FOR MAINTENANCE OF ALL LANDSCAPE TRACTS.
6. THE AREA PLATTED HEREON DOES WITHIN THE DOMESTIC WATER SERVICE AREA OF EPCOR WATER WHICH IS DESIGNATED AS HAVING AN ADEQUATE WATER SUPPLY PURSUANT TO SECTION 45-576 ARIZONA REVISED STATUTES.
7. CORNER FACE DESIGNATIONS COMPLY WITH 2016 CITY OF SURPRISE CCRS ENGINEERING DEVELOPMENT STANDARD DETAIL 2-02.
8. CORNER R-CURVES SHOWN HEREON COMPLY WITH 2016 CCRS EDS DETAIL 3-01.
9. LOCAL STREET SIGHT VISIBILITY TRIANGLES COMPLY WITH 2016 CCRS EDS DETAIL 1-02.



SITE MAP
SCALE: 1"=200'



VICINITY MAP
NOT TO SCALE

LEGEND
R/W LINE
CENTER LINE
PROPERTY LINE
NEW EASEMENT
EXIST R/W LINE
EXIST CENTER LINE
EXIST PROPERTY LINE
EXIST EASEMENT
NEW STORM DRAIN
NEW WATER MAIN
NEW SEWER MAIN
EXIST SEWER MAIN
EXIST WATER MAIN
EXIST REC. WATER MAIN
NEW SURVEY MONUMENT
EXIST SURVEY MONUMENT
NEW FIRE HYDRANT
NEW SEWER MANHOLE
NEW WATER VALVE
EXIST FIRE HYDRANT
EXIST SEWER MANHOLE
EXIST WATER VALVE
EAE EMERGENCY ACCESS EASEMENT
EOP EDGE OF PAVEMENT
LS LANDSCAPE
MEDIAN
PUE PUBLIC UTILITY EASEMENT
PAE PRIVATE ACCESS EASEMENT
P/S PRIVATE STREET
R/W RIGHT OF WAY
VNAE VEHICULAR NON-ACCESS EDIT
SVT SIGHT VISIBILITY TRIANGLE
SWE SIDEWALK EASEMENT
SE SEWER EASEMENT
TP.O.B. TRUE POINT OF BEGINNING
WE WATER EASEMENT

EXISTING BELL POINT BLVD ADJACENT TO SOUTH PARCEL
LOOKING NORTH
NTS

EXISTING & PROPOSED BELL POINT BLVD
LOOKING NORTH
NTS

PUBLIC RESIDENTIAL STREET
LOOKING WEST / NORTH
NTS

EXISTING W. WEATHERBY DR.
LOOKING WEST
NTS

OWNER
KENNY HOSE
7135 E. CAMELBACK
PHOENIX, AZ 85064
PHONE: (602) 321-4242
CONTACT: KENNY HOSE

LAND PLANNER
WALSH DESIGN GROUP
7135 E. CAMELBACK, STE 325
PHOENIX, AZ 85251
PHONE: (602) 874-7981
CONTACT: JOE WALSH

SITE DATA
APN 503-75-048L
503-75-048K, 503-75-680
EXISTING ZONING: PAD

CIVIL ENGINEER
SLATER HANEAN GROUP
1020 N. TATUM BLVD. STE 250
PHOENIX, AZ 85028
PHONE: (602) 697-8884
CONTACT: ROBERT TREBELHORN, P.E.

LAND SURVEYOR
OTAK (UNITY LAND SURVEYING)
P.O. BOX 71967
PHOENIX, AZ 85050
PHONE: (602) 489-1154
CONTACT: BRIAN E. SEGRAVE, RLS

BASIS OF BEARING
THE NORTH-SOUTH MID-SECTION LINE OF SECTION 34, TOWNSHIP 4 NORTH, RANGE 2 WEST OF THE GILA & SALT RIVER BASE AND MERIDIAN, SAID LINE BEARS NORTH 00° 22' 21" EAST.

BENCHMARK
3-INCH BRASS TBL STAMPED "SURPRISE_04-1993" SET ON NORTHEAST CORNER OF IRRIGATION VALVE ON SOUTH SIDE OF BELL ROAD APPROXIMATELY 175' EAST OF 183RD AVENUE CENTERLINE.
NAVD88 ELEVATION=1170.1393 1.1316.66

FLOOD ZONE
ACCORDING TO THE FLOOD INSURANCE RATE MAP #04013C0191L DATED OCTOBER 16, 2013, THIS PROPERTY IS LOCATED IN FLOOD ZONE "X".

SHEET INDEX
1 ..... COVER SHEET
2 ..... PRELIMINARY PLAT (SOUTH)
3 ..... PRELIMINARY PLAT (NORTH)

DEVELOPMENT PARCEL INFO

SITE DATA			
TYPE	NORTH	SOUTH	TOTAL
UNITS	36	102	138
GROSS AREA (AC)	7.69	19.26	27.25
GROSS DENSITY (DU/AC)	4.68	5.30	5.17
OPEN SPACE (AC) (AC)	1.85	3.25	5.08
% GROSS OPEN SPACE	23.36%	16.76%	18.64%

TYPICAL LOT SETBACKS

Contact Arizona 811 at least two full working days prior to any excavation.
811
Call 811 or click Arizona811.com

SURPRISE, ARIZONA

BELL POINTE II
PRELIMINARY PLAT
COVER SHEET

CONSULTING ENGINEERS & PLANNERS
1020 N. TATUM BOULEVARD BEFA, PHOENIX, AZ 85028
PHONE (602) 697-8884

SLATER HANEAN GROUP

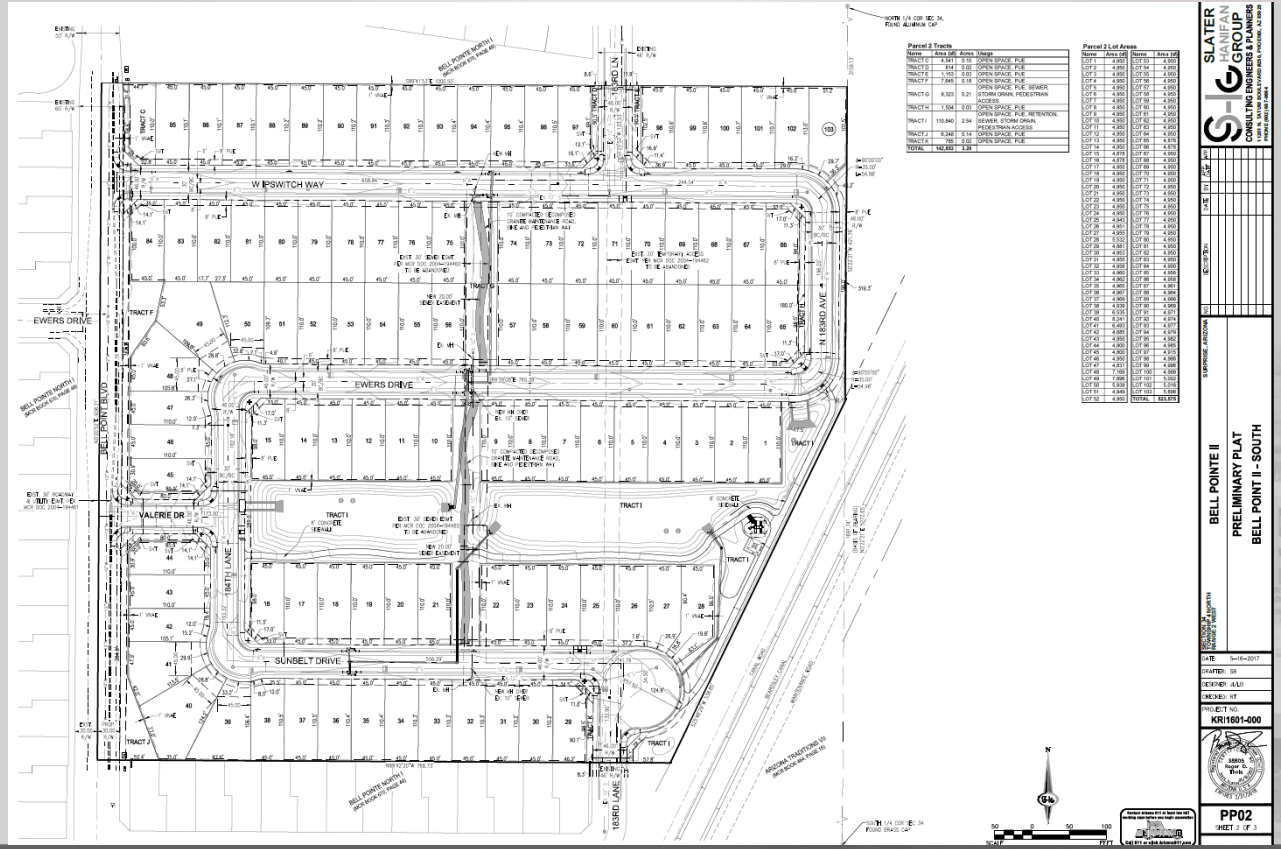
NO	DESCRIPTION	DATE	APP. BY
1			

DATE: 5-16-2017
DRAFTED: SB
DESIGNED: ALU
CHECKED: RT
PROJECT NO.: KRI1601-000

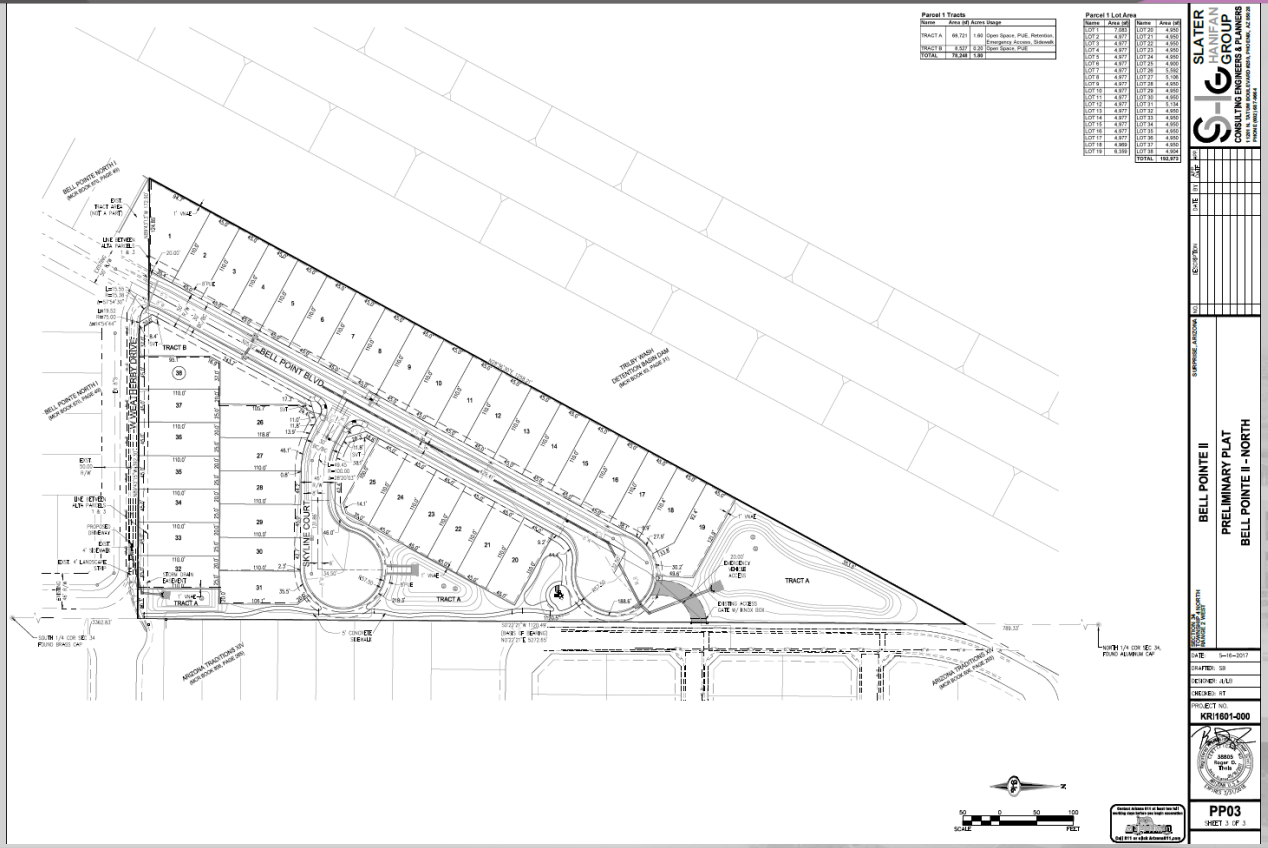
ROBERT TREBELHORN
Expires 12/31/2018
RECEIVED
MAY 16 2017
CITY OF SURPRISE
ENGINEERING

PP01
SHEET 1 OF 3

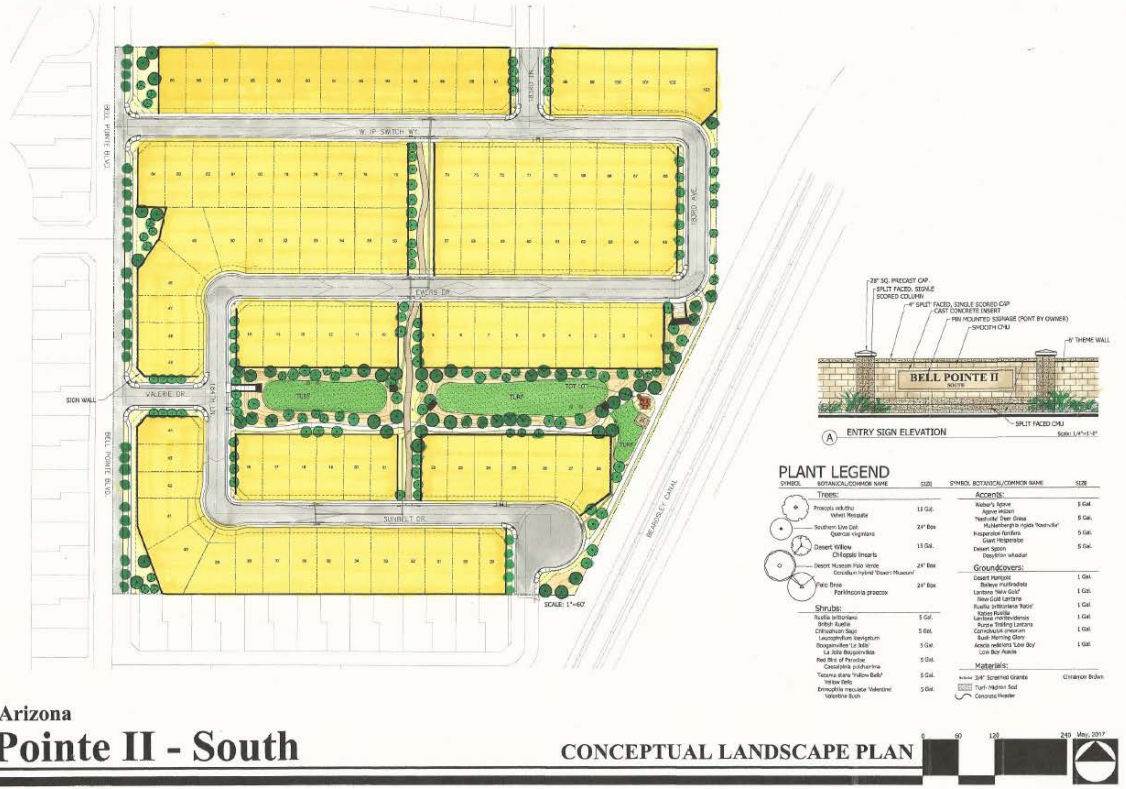
PRELIMINARY PLAT



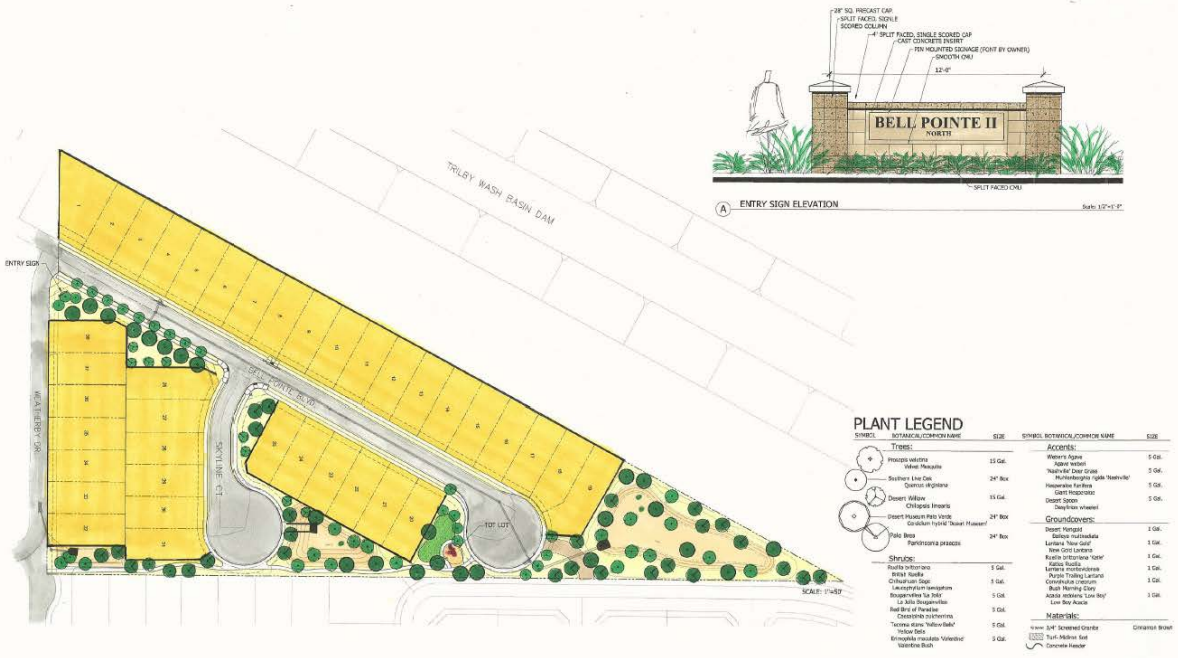
PRELIMINARY PLAT



LANDSCAPE


W. JP SWITCH RD.
BELL POINTE BLVD.
DEERE AVE.
EVANS DR.
VALERIE DR.
SUNBELT DR.
SIGN WALL
TURF
SOD LOT
BEARDSLEY CANAL
SCALE: 1"=60'
28" SQ. PRECAST CAP
SPLIT FACED, STONE SCORED COLUMN
4" SPLIT FACED, SINGLE SCORED CAP
CAST CONCRETE INSERT
PIN MOUNTED SIGNAGE (PONT BY OWNER)
SMOOTH CMU
6' THEME WALL
BELL POINTE II
SPLIT FACED CMU
A ENTRY SIGN ELEVATION
PLANT LEGEND
SYMBOL BOTANICAL/COMMON NAME SIZE
Trees:
Prosopis velutina Velvet Mesquite 15 Gal.
Southern Live Oak Quercus virginiana 24" Box
Desert Willow Chilopsis linearis 15 Gal.
Desert Museum Palo Verde Cercidium hybrid "Desert Museum" 24" Box
Palo Brea Parkinsonia praecox 24" Box
Shrubs:
Ruellia brittoniana British Ruellia 5 Gal.
Chihuahuan Sage Leucophyllum laevigatum 5 Gal.
Bougainvillea La Jolla Bougainvillea 5 Gal.
Red Bird of Paradise Caesalpinia pulcherrima 5 Gal.
Tecoma stans Yellow Bells 5 Gal.
Ermophila maculata Valentine Valentine Bush 5 Gal.
SYMBOL BOTANICAL/COMMON NAME SIZE
Accents:
Weber's Agave Agave weberi 5 Gal.
Nashville Deer Grass Muhlenbergia capillaris "Nashville" 5 Gal.
Hesperaloe funifera Giant Hesperaloe 5 Gal.
Desert Spoon Dasylirion wheeleri 5 Gal.
Groundcovers:
Desert Marigold Baileya multiradiata 1 Gal.
Lantana New Gold Lantana 1 Gal.
Ruellia brittoniana 'Katie' Katie Ruellia 1 Gal.
Purple Trailing Lantana Lantana montevidensis 1 Gal.
Blue Morning Glory Ipomoea indica 1 Gal.
Coral Bow Aloe Aloe Bow Aloe 1 Gal.
Materials:
3/4" Screened Granite Cinnamon Brown
Turf-Hybrid Sod
Concrete Header
Surprise, Arizona
Bell Pointe II - South
CONCEPTUAL LANDSCAPE PLAN
0 60 120 240
May, 2017

LANDSCAPE


TRILBY WASH BASIN DAM
ENTRY SIGN
BELL POINTE BLVD
SCULLY DR.
TOT LOT
SCALE: 1"=50'
BELL POINTE II
NORTH
SPLIT FACED CMU
ENTRY SIGN ELEVATION
PLANT LEGEND
SYMBOL
BOTANICAL/COMMON NAME
SIZE
Trees:
Prosopis velutina
Velvet Mesquite
15 Gal.
Southern Live Oak
Quercus virginiana
24" Box
Desert Willow
Chilopsis linearis
15 Gal.
Desert Museum Palo Verde
Cercidium hybrid 'Desert Museum'
24" Box
Palo Brea
Parkinsonia praecox
24" Box
Shrubs:
Ruellia brittoniana
Britton's Ruellia
5 Gal.
Chihuahuan Sage
Leucophyllum langmaniae
5 Gal.
Bougainvillea 'La Jolla'
La Jolla Bougainvillea
5 Gal.
Red Bird of Paradise
Caesalpinia pulcherrima
3 Gal.
"Tecoma stans 'Yellow Bells'
Yellow Bells
5 Gal.
Eremophila maculata 'Valentine'
Valentine Bush
3 Gal.
Accents:
Agave
Agave weberi
5 Gal.
Deer Grass
Muhlenbergia rigida 'Nashville'
5 Gal.
Hesperaloe
Hesperaloe funifera
Giant Hesperaloe
5 Gal.
Desert Spoon
Dasylirion wheeleri
5 Gal.
Groundcovers:
Desert Honeysuckle
Baileya multiradiata
1 Gal.
Lantana
Lantana 'New Gold'
New Gold Lantana
1 Gal.
Ruellia brittoniana 'Katie'
Katie Ruellia
1 Gal.
Purple Trailing Lantana
Lantana montevidensis
1 Gal.
Morning Glory
Convolvulus cneorum
1 Gal.
Acacia redolens 'Low Boy'
Low Boy Acacia
1 Gal.
Materials:
3/4" Screened Granite
Cinnamon Brown
Turf-Midiron Sod
Concrete Header
Surprise, Arizona
Bell Pointe II - North
CONCEPTUAL LANDSCAPE PLAN
0
50
100
200
May 2017

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Eric Fitzer - Community Development
Submitting Department:	CD	District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action on the Verizon Wireless Telecommunications Facilities Master Right of Way Master Lease Agreement.

Motion:

Move to approve the Verizon Wireless Telecommunications Facilities Master Right of Way Lease Agreement and direct the City Manager to execute all documents associated with the Master Lease Agreement.

Background:

On October 20, 2015 the City adopted Ordinance 2015-15. This ordinance amended Surprise Municipal Code, Chapter 122, Surprise Unified Development Code, Section 122-112, Wireless Communications, to conform to federal regulations and current technology. This amendment was required for the City to be in compliance with Section 6409 of the Spectrum Act (The Middle Class Tax Relief and Job Creation Act of 2012) and the Eligible Facility Request Rules. Due to that order, specifically Section 6409, required the City to adopt and implement local development and zoning regulations which were consistent with the Order.

In this Ordinance the City established three types of Wireless Telecommunications Facilities processes. One of these “Types”, Type 1 more specifically, established an administrative process for small cell sites. These small cell sites would be located in a broader range of areas as they will be higher in number and will focus on transferring large amounts of data. These applications include structure mounted facilities as well as facilities located in rights-of-ways such as light poles.

The City was then approached by Verizon Wireless to locate small cell sites at seven locations within the City. City staff met with multiple jurisdictions through this process to establish a Surprise specific Right of Way Master Lease Agreement. This is the current proposed lease agreement that the City has crafted and was planned to be utilized for all carriers looking to locate within the City of Surprise ROW. However, the Arizona Legislature has modified some of the applicable regulations so this is now an agreement for these sites only. This form will need to be revised before the next installations in city right of way to conform with the new law which will take effect in August, 2017.

Specific to the proposed lease agreement with Verizon Wireless the term of this agreement is five years. The lease rates are $2,340 annually for the use of the ROW but the fee is reduced if attached to a third

party owned pole, at $1,170 annually, paid as a lump sum in advance.

Objective Analysis:

Potential Positive Impacts Include: Additional revenue to the City; it will improve wireless capabilities and coverage in the City of Surprise.

Potential Negative Impacts Include: Additional infrastructure in the ROW; construction activity in the ROW.

Policy Compliant:

The action is policy compliant in that it increases residents access to wireless coverage and provides a new revenue stream to the City.

Financial Impact:

The city will obtain $2,340 annually or if a pole is owned by a third party $1,170 annually , for five years, per small cell site in the ROW.

Budget Impact:

Revenues of $2,340 or $1,170 per site will be obtained by the City, annually, for five years.

FTE Impact:

There is no change in the number of FTEs required due to this action.

ATTACHMENTS:

Click to download

- Verizon Mater Lease Agreement

SURPRISE
ARIZONA

DRAFT

Right-of-Way Use Agreement Between the

City of Surprise and Verizon Wireless (VAW) LLC, A Delaware limited liability company dba Verizon Wireless ("VZW") for

Pole-Attached Wireless Telecommunications Facilities

INDEX

1.	DEFINITIONS	3
2.	SCOPE	5
3.	INSTALLATION	6
4.	MAINTENANCE/MODIFICATION	8
5.	INTERFERENCE	9
6.	CITY RESERVED RIGHTS	10
7.	FEES	12
8.	RIGHT OF WAY USE REQUIREMENTS	13
9.	TRAFFIC CONTROL	14
10.	INSURANCE	14
11.	INDEMNITY	17
12.	LIMITATIONS ON LIABILITY	18
13.	TERM AND RENEWAL	19
14.	TERMINATION OF PERMISSION	19
15.	ASSIGNMENT/PLEDGE OF PWSFs	21
16.	PROTECTIONS AGAINST LIENS ON PROPERTY	22
17.	CONTRACTORS	22
18.	DEPOSIT	22
19.	HAZARDOUS SUBSTANCES	23
20.	NOTICES	23
21.	PENALTIES FOR VIOLATION OF TERMS	24
22.	GOVERNING LAW	24
23.	PARTIAL INVALIDITY	24
24.	NON-WAIVER	24
25.	REMEDIES NOT EXCLUSIVE	25
26.	DISPUTE RESOLUTION	25
27.	AMENDMENTS, MODIFICATIONS OR SUPPLEMENTS	25
28.	EXHIBITS	25
29.	SURVIVAL	25

DRAFT

POLE-ATTACHED WIRELESS TELECOMMUNICATIONS FACILITIES AGREEMENT

This master Right-of-Way Use Agreement for Pole-Attached Wireless Telecommunications Facilities ("Agreement") is effective as of the date of the City Council's approval and is between the City of Surprise, an Arizona municipal corporation ("City") and Verizon Wireless (VAW) LLC, dba Verizon Wireless ("VZW").

RECITALS

A. City owns public streets and alley rights-of-way and public utility easements within the corporate limits of the City of Surprise that are designated for use by utility companies for installation, operation and repair of water, electrical and other utilities pursuant to franchises, licenses or other agreements between utility companies and the City (collectively, the "Right-of-Way").

B. City has the responsibility for the management of the Right-of-Way within its corporate boundaries.

C. City owns various street lights, traffic signals, and signage at designated locations (referred to individually as a "Pole" or collectively as "Poles") within its jurisdiction.

D. City is entitled to fair and reasonable compensation for use of its Poles in its Right-of-Way.

E. VZW desires to install, own, operate and maintain a Wireless Telecommunications Facility in the general nature of: (i) VZW's antenna(s) on a Pole; (ii) an equipment cabinet on a pad for VZW's equipment; (iii) connection cables and conduits between VZW's antennas and the equipment cabinet, and to and/from utility connections; and/or (iv) such other components and designs as approved by City.

F. City is willing to allow, under the standard terms and conditions described herein and consistent with applicable law, VZW's Wireless Telecommunications Facilities to be within the Right-of-Way and/or occupy space on City Pole(s).

G. The Arizona Legislature passed significant changes in the law in April 2017 (the "2017 Legislation"), and the Parties have not had time to analyze all the changes. In the interest of getting those specific sites listed in Exhibit C constructed as soon as possible, VZW has offered to pay, and Surprise has agreed to accept, for these interim sites only: (i) $2,340.00 per year during the term of this Agreement if the City owns the Pole, and (ii) $1,170.00 per year for a third party owned pole located within the Right-of-Way.

Therefore, in consideration of the foregoing recitals, which are hereby incorporated herein, and the mutual promises contained in the document, the Parties agree as follows:

1. Definitions

Affiliate means any person or entity controlling, controlled by, or under the common control with VZW.

Claim(s) means and includes allegations, assessments, taxes, impositions, proceedings, liabilities, obligations, losses, claims of personal injury, bodily injury, sickness, disease, death, property damage,

DRAFT

destruction, loss of use, financial harm, or other impairment, penalties, fines, damages, suits, actions, payments, judgments, demands, expenses and costs, including, but not limited to, attorney's fees incurred through all appeals.

Communications Equipment means actual electronic equipment, cabinets for such equipment, the antennas and/or dishes to be used to communicate with cell telephones and similar radiofrequency or cellular devices and/or any antennas used to relay signals off-site in bulk, and related connections, conduits and cabling.

Contractor shall mean any person, firm, partnership, corporation, association or other organization, or a combination of any of them, that performs services or provides goods for VZW relating to this Agreement.

Enclosure shall mean the enclosure housing the electronic ground equipment shown on the site plan.

Hazardous Substance shall mean any substance, chemical or waste that is identified as hazardous or toxic in any applicable federal, state or local law or regulation, including but not limited to petroleum products and asbestos.

Parties shall collectively mean the City of Surprise and VZW.

Wireless Telecommunications Service means any Federal Communications Commission (FCC) licensed commercial wireless telecommunications services including cellular, personal communications services (PCS), specialized mobile radio (SMR), enhanced specialized mobile radio (ESMR), as well as unlicensed wireless services, and common carrier wireless exchange access services.

Wireless Telecommunications Facilities or "WTF" shall mean a facility for the provision of Wireless Telecommunications Services typically consisting of (i) VZW's antenna(s) on a Pole; (ii) an equipment cabinet on a pad for VZW's equipment; (iii) connection cables and conduits between VZW's antennas and the equipment cabinet, power pedestal and to/from point of utility connections as shown in the Site License; and/or (iv) such other components and designs as approved by City. This does not include any back up power supply or generator(s).

Pole shall mean a structure supporting street lights, traffic lights, and signage considered available by the City for the attachment of a WTF.

Right-of-Way ("ROW") shall mean the roads, streets and alleys and all other dedicated public utility easements of the City.

Unsuitable Pole shall mean any street light structure that may not be suitable for use to attach a WTF to because such street light is:
(a) historic or architecturally significant or decorative (unless allowed by City); or
(b) also a traffic signal pole (unless allowed by the City).

Use Area shall mean the portions of the Street Parcel designated on a Site Plan that VZW is allowed to use and/or occupy with the WTF and related Communications Equipment as authorized by an executed Site License (as defined below).

DRAFT

2. Scope

2.1 Whenever VZW seeks to attach a WTF to an existing City Pole or replace the existing City Pole to add a WTF or to place a WTF or any portion thereof within the City's ROW, VZW shall submit the proposed plans to City using the City's standard procedures.

2.1.1 Once the administrative site plan review process is approved by the City, a "Site License" substantially in the form of either Exhibit A1 (for City-owned Pole) or Exhibit B1 (for a third party owned pole) can then be executed by the Parties. The City Manager or designee will have the authority to negotiate and execute the Site Licenses. Any refinement or other change to the Site Plan after the Site License is executed is void unless VZW obtains City's approval of the change pursuant to plan approval processes and any applicable regulatory requirements.

2.1.2 The specific equipment and dimensions of anything that will be installed in the ROW as part of the WTF will be identified and attached as an exhibit to the Site License.

2.2 This Agreement gives VZW a non-exclusive right to have a WTF occupy space in the ROW and/or on a City Pole (including any replacement Pole) as shown by an approved location identified on an executed Site License and authorizes the use of the WTF for the installation, operation, use and maintenance of a telecommunications facility. VZW shall design, specify, and supply all material associated with the installation, operation and maintenance of the WTF. The WTFs shall be installed and maintained by the VZW at VZW's sole cost and expense. VZW shall not install any WTF or Communications Equipment or anything else unless it first: i) obtains the necessary City approvals and permits in accordance with local laws and/or any other applicable state and federal laws and regulations; and ii) obtains a Site License from the City. This Agreement does not provide VZW with any ownership interests in City Poles, Replacement Poles, real property, or ROW; nor does this Agreement constitute an assignment of any of City's rights to use the public property upon which the Pole(s) is/are located (other than expressly provided herein or in the Site License). Additionally, VZW acknowledges that this Agreement does not constitute or create a leasehold interest or right to the benefit of any City property or portion thereof. VZW accepts the Pole in its "AS IS" condition, without representation or warranty of any kind by the City, is officers, agents, or employees, and subject to all applicable laws, rules and ordinances governing the use of the Poles or ROW for VZW's intended purpose.

2.3 The determination under this Agreement of whether a City Pole or location is available or unavailable for the attachment or placement of a WTF shall be within City's sole, but reasonable discretion. City reserves the right to disallow the attachment of a WTF on any particular Pole or the placement of a WTF in the ROW for any reasonable reason including, but not limited to, insufficient capacity, insufficient square footage in the ROW, inability to maintain minimum offsets from proposed Pole and/ or equipment to existing underground utilities, safety, reliability or engineering concerns as well as concerns that would cause the Pole to fit within the definition of an Unsuitable Pole.

2.4 VZW shall not attach a WTF to any City Pole or put a WTF in the ROW without a Site License from the City to do so.

2.4.1 City's act or failure to act with regard to unauthorized use shall not be deemed a ratification or licensing of the unauthorized use; and any authorizations City subsequently gives

DRAFT

to VZW for the right to use the Pole shall not operate retroactively or constitute a waiver by City of any of its rights or privileges under this Agreement or otherwise.

2.4.2 City may require VZW to remove any unauthorized attachment to a Pole or unauthorized placement of a WTF within the ROW. If VZW has failed to remove VZW's WTF from City's Pole(s) within thirty (30) days after City notified VZW of the unauthorized attachment, City may remove VZW's WTF without liability to VZW, in which event VZW shall reimburse City upon demand for the cost City incurred in making such removal and except to the extent caused by the active negligence and willful misconduct of the City and its agents, employees and assigns, VZW shall defend, indemnify and hold City harmless from and against all loss, liability, or expense (including but not limited to claims of third parties) resulting from the removal of such unauthorized attachment. Placement of a WTF in the ROW without the City's express written permission shall constitute trespass.

2.5 This Agreement shall apply to only those locations listed on Exhibit C, and to no others. Exhibit C may be amended from time to time by substituting a replacement Exhibit C, dated and signed by both parties to this Agreement.

3. Installation

3.1 VZW or VZW's Contractor is required to order City inspections during and upon completion of installation of any WTFs. Installation will be inspected for adherence to applicable laws and regulations, plan specifications, safe operation, workmanship, aesthetics and/or interference with street, streetlight, or traffic light operations. Post-installation inspection of WTFs by City shall be performed within thirty (30) days of WTF installation. In the event that City objects to the installation for reasonable reasons stated, VZW will be required to remove the WTF and resubmit design/installation plan. The Pole may not be altered without the City's written permission.

3.2 Replacement Poles. When VZW and the City have agreed on an existing City Pole location as a suitable site for a WTF, but the existing Pole needs to be replaced to accommodate the WTF, then the following will apply:

3.2.1 VZW shall pay all costs related to Pole replacement, including but not limited to Pole replacement, transfer of all existing facilities, and removal and salvage of the existing pole to the City of Surprise. Payment of Pole replacement costs does not provide VZW with any ownership interest in the replaced Pole.

3.2.2 Any replacement Pole will need to conform to the height restrictions imposed by the City and the arm height of the street light or traffic light must conform to the existing arm height of the other street light or traffic light structures in the adjacent area. The Pole will also need to conform to the City of Surprise Supplement to the M.A.G. Uniform Standard Details and Specifications for Public Works Construction.

3.2.3 If the replacement Pole is damaged by VZW and needs to be replaced, VZW shall replace the Pole entirely at its expense within fourteen (14) days of the discovery of the damage. If the

damage is caused by a third party, VZW will replace the Pole within fourteen (14) days of the discovery of the damage and City will reimburse VZW for the cost of a standard Pole.

3.2.4 All performance required by VZW under this entire Section 3.2 shall be at VZW's expense. VZW shall then transfer ownership to City of the original pole and all replacement poles, without any warranties, express or implied.

3.2.5 The re-installation of a WTF shall be at VZW's sole cost and expense.

3.2.6 These requirements are in addition to the plans approval or any other requirements of this Agreement or any applicable Federal, state and local laws or rules..

3.3 VZW shall not be entitled to reimbursement from City of any amounts paid to City for Pole replacements nor for rearrangement of attachments on the City's Poles by reason of the use by City or other user(s) of any additional space resulting from such replacement or rearrangement.

3.4 Radio Frequency Compliance Requirements. VZW shall document, report and confirm its compliance with Federal communications Commission ("FCC") Radio Frequency Exposure Guidelines (FCC OET Bulletin 65) and all other applicable radio frequency emissions laws and regulations in effect from time to time (collectively, the FCC Rules) as follows:

3.4.1 VZW shall provide a written environmental EME report to the City as follows:

3.4.1.1 The EME report shall confirm that VZW's operation of the WTF and Communication Equipment is in compliance with the FCC rules. A statement from VZW declaring exemption from reporting to the FCC is not acceptable to comply with the requirements of this Section. Each WTF site will require a separate EME report.

3.4.1.2 VZW shall provide an EME report to City at the following times:

3.4.1.2.1 Within sixty (60) days of the initial operation of the Communications Equipment.

3.4.1.2.2 Prior to operating the Communications Equipment after any hardware or software modification, upgrade, repair, or other alteration that alters radio frequency emissions of the Communications Equipment.

3.5 Should City, or other authorized Pole user require access to the Pole and such access is restrained as a result of VZW's WTF; VZW shall work cooperatively to develop and support access requirements. Work shall be performed in accordance with City safety standards, which may require temporarily ceasing operations to comply with such standards.

3.6 VZW shall post a notice at each WTF site providing a twenty-four (24) hour contact number and, as applicable, radio frequency emission hazards warning to the extent required by law.

3.7 All VZW WTFs shall be installed and maintained in accordance with the requirements of the National Electric Code, the National Electrical Safety Code, the National Fire Protection Association Standards, the Occupational Safety and Health Administration and any other applicable federal, state, and

DRAFT

local laws. All fees, notices, permits, approvals, certifications and licenses required for the installation, maintenance and operation of VZW 's WTFs shall be obtained and paid for by VZW and proof of such shall be provided to City at no charge and upon request by City, prior to the start of work.

3.8 VZW shall install or cause to be installed a separate electric meter on the Pole and shall be responsible for all electricity charges related to the power usage of the WTF and street light.

4. Maintenance/Modifications

4.1 Maintenance of a WTF shall be performed by VZW at VZW 's sole cost and expense. VZW will need to obtain the appropriate permits for work in the ROW (Special Use Permit for work on WTF, Utility Permit for any work on ground mounted equipment) in order to access the Poles and will also need to submit for a Barricade Permit (traffic control permit issued by Traffic Engineering), if applicable.

4.2 VZW will perform routine maintenance and installation of a WTF on the Poles in accordance with all City ordinances, rules and regulations.

4.3 Each Party shall be responsible for its relocation/reinstallation costs associated with Pole replacement resulting from routine Pole maintenance.

4.4 Other than in connection with the replacement of an existing Pole for the initial installation of a WTF, in the event a City Pole containing a WTF is reasonably determined by the City as needing to be replaced due to damage caused by VZW or a third party, City will notify VZW and VZW agrees to replace the Pole within fourteen (14) days. During such time, however, VZW shall be allowed if necessary to place a temporary cell site and antenna structure on the ROW during replacement. City disclaims any and all liability to VZW for any loss of services as a result of the WTF being unable to function from its previous location on the Pole. The City will reimburse VZW for the cost of a standard Pole within forty five (45) days of City's receipt of an invoice, but VZW will be responsible for any cost of the Pole in excess of that amount. Once the Pole has been replaced, and VZW will be allowed to re-install the WTF on it at VZW's sole expense (and City will install its lighting apparatus and wiring at its sole cost). In the event of localized interruptions (e.g. motor vehicle accidents), City shall notify VZW of the incident after taking any required actions to clear and restore the site. VZW will be responsible for collection of any damages for damaged VZW equipment from a third party that caused the damage.

4.5 VZW shall be responsible for and reimburse the City for any and all damages to the Pole(s) caused by VZW and/or its Contractors and for any or all replacement cost therewith.

4.6 If VZW's WTF is not transferred and/or placed and maintained in accordance with the terms and conditions of this Agreement and VZW has not corrected any violation caused by VZW within thirty (30) days from its receipt of a written notice from City (or such longer time as may be reasonable under the circumstances), the City may, at its discretion, correct the violation at VZW's expense

4.7 Any upgrade and/or modification to the WTF and/or Communications Equipment, other than a like for like replacement, will need specific approval from the City and require VZW to submit the

information required by Section 2.1. Any approval required from the City must be obtained in writing from the City Manager or his designee.

5. Interference

5.1 VZW will use and operate the WTF in a manner that will not cause harmful interference including, but not limited to, blocking of access to the Pole, electrical interference, radio frequency (RF) interference, or mechanical interference to the City's and other users' use of the Pole, provided that such other users' installation predates the installation of such WTF. If applicable, City agrees to supply VZW with a list of other attachees or users on any Pole, which is to be used by VZW, together with the respective transmission frequencies thereof. VZW shall not install, operate, or allow the use of equipment, methodology or technology that may or would interfere with the optimum effective use or operation of City's existing or future fire, emergency or other communications equipment, methodology or technology (i.e., voice or other data carrying receiving or transmitting equipment). If such interference should occur, VZW shall immediately discontinue using the equipment, methodology or technology that causes the interference until VZW takes corrective measures to eliminate such interference. Any such corrective measures shall be made at no cost to City. VZW shall be responsible to ensure compliance with this Agreement by all persons using the ROW through or under VZW or this Agreement.

5.1.1 In the event any such interference occurs, VZW will (i) remedy such interference as soon as possible but no later than within seventy-two (72) hours after receipt of written notice from City, if required, or (ii) cease operation of the WTF until such interference can be eliminated with City's support, if required.

5.1.2 If such interference is not eliminated within said seventy-two (72) hour period, City will have the right, in addition to any other rights that it may have at law or in equity, to take all necessary and reasonable steps, at VZW's sole cost and expense, to disable the WTF to eliminate such interference (after giving reasonable prior notice to VZW of City's intent to do so). City shall have the right to terminate VZW's right to attach the WTF causing such interference by giving at least sixty (60) days' notice to VZW to remove the WTF permanently from the Pole, unless within such sixty (60) day period, VZW cures any interference.

5.2 Should City, VZW or other authorized users require access to a Pole and such access is restrained as a result of City's or VZW's operational equipment, City and VZW shall work cooperatively to develop and support access requirements. Work shall be performed in accordance with City's safety and traffic safety standards, which may require temporarily ceasing wireless operations to comply with such standards.

5.3 City agrees that City and/or any other subsequent user of the Pole or surrounding ROW within 500 feet of the Pole, will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of VZW. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

DRAFT

6. City's Reserved Rights

6.1 City reserves the right to maintain its Poles and to operate City facilities on City Poles in such manner as will best enable it to fulfill its own service requirements, including but not limited to attachment of additional facilities to City Poles so long as such requirements and additional facilities do not materially interfere with VZW's operations. City shall not have liability for any interference with the operation of VZW's equipment or of VZW's customer's equipment that may arise in any manner out of VZW's use of City Poles or ROW for its WTFs.

6.2 If City deems it necessary, in connection with the installation, operation, maintenance, replacement, relocation, or removal of City Poles or the facilities located on City Poles, to relocate VZW's WTF attached to City's Pole, the City may require VZW to relocate the WTF to another location on the ROW (the "Alternate Property") provided: (a) the Alternate Property is similar to VZW's current premises in size and is compatible for VZW's use; (c) City shall give VZW at least six (6) months written notice before requiring VZW to relocate; and (d) VZW shall be allowed if necessary to place a temporary cell site and antenna structure on the ROW during relocation.

6.2.1 VZW shall perform the relocation work at its own expense.

6.2.2 City or its Contractors may perform any part of the relocation work that has not been performed within the allotted time. VZW shall reimburse City for its actual costs in performing any relocation work. However, City has no obligation to move VZW facilities.

6.3 City reserves the right to abandon any of the City's Poles. City shall give VZW no less than one hundred eighty (180) days' notice of its intent to abandon a Pole. City may include in such notice an offer to sell the Pole to VZW at the then value thereof in place or such other equitable sum as the Parties may agree upon, in which case VZW shall have thirty (30) days from the date of such notice to purchase said Pole. If VZW has already paid for the Pole, there will be no charge for the Pole. If VZW does not purchase the Pole within the 30-day period, the City's permission to VZW to attach to such Pole shall terminate, and unless the City notifies VZW otherwise, VZW shall immediately remove VZW's WTF from the Pole. Failure to do so will result in City withdrawing actual costs from the Deposit (as defined below) provided by VZW under Section 18 – Deposit.

6.4 VZW shall at no time sublease, sublicense or rent any portion of the space on the Pole subject to this Agreement nor shall VZW permit others to attach equipment of any kind to the Poles or to VZW's WTF(s) attached to the Poles without submitting the appropriate wireless project application, getting prior written approval from City and paying any appropriate fees. If VZW is in violation of this provision, then City shall have the right to immediately terminate the permission granted to VZW to attach to the Poles involved in the violation and to require VZW to remove VZW's WTF(s) from such Poles.

6.5 All permits issued to VZW relating to this Agreement shall be subject to the privilege to use City Poles as granted by City to any third parties under prior permissions and City reserves the right to continue, modify, and extend such attachment privileges provided any such modification does not physically interfere with VZW's rights herein.

DRAFT

6.6 City reserves the right hereafter to enter into agreements permitting third parties to attach facilities to City Poles; provided, however, that such permission: (i) shall be terminated by City in the event that the facilities of such third party interferes with VZW's equipment; (ii) requires the third party to reimburse VZW for (a) the expense of altering VZW's WTF to accommodate the attachment of third party's facility, including the cost of relocating VZW's WTF from an existing Pole to a replacement Pole or (b) such third parties' pro rata share of all costs incurred by VZW or the purchase and installation of the Pole. VZW will not be liable for any portion of the cost of a replacement Pole necessitated by the attachment of a third party's facility made pursuant to an agreement entered into subsequent to the date of this Agreement.

6.7 Emergencies. The Parties shall notify each other of any emergency situation related to the Pole(s) or VZW's WTF. An emergency shall be any condition that poses an immediate threat to the safety or welfare of citizens or property on City owned property or within the right-of-way.

6.7.1 In the event of an emergency discovered by VZW, VZW shall immediately notify City, at (623) 222-4000 of any emergency situation related to the Pole(s) or VZW's WTF, at the emergency phone number which shall be kept updated and current between the parties on an as-needed basis.

6.7.2 In the event of an emergency discovered by City, City shall immediately notify VZW at its Network Operations Center at 800-264-6620 of any emergency situation related to the Pole(s) or VZW's WTF, at the emergency phone number which shall be kept updated and current between the parties on an as-needed basis.

6.7.3 City may remove, alter, tear out, relocate or damage portions of the Communications Equipment in the case of fire, disaster, or other emergencies if the City Manager or designee deems such action to be reasonably necessary under the circumstances. In such event, neither City nor any employee, agent, or Contractor shall be liable to VZW or its customers or third parties for any harm so caused to them or the Communications Equipment. When and if practical, City shall consult with VZW in advance to assess the necessity of such actions and to minimize to the extent practical under the circumstances damage to and disruption of operation of the Communications Equipment. In any event, City shall inform VZW after such actions. VZW's work to repair or restore the Communications Equipment shall be considered relocation work.

6.7.4 If the WTF and/or Communications Equipment or VZW activities present an immediate hazard or impediment to the public, to City, to City equipment or facilities, to other improvements or activities within the Use Area(s), or to City's ability to safely and conveniently manage the ROW or perform City's health, safety, or welfare function, then VZW shall immediately remedy the hazard and cooperate with City at no expense to City to remove any such hazard or impediment. VZW's work crews shall report to the Use Area(s) within four (4) hours of any request by City to do so.

6.8 Zoning and Similar Approval Process. Any applicable zoning processes, building permit processes, ROW management policies and similar regulatory requirements that apply to VZW's WTF and/or Communications and other Equipment are completely separate from the plans approval processes

DRAFT

under this Agreement or the Site License. VZW's satisfaction of any regulatory requirement does not substitute for compliance with any requirement of this Agreement or constitute approval of any plans for the purposes of this Agreement. VZW must make all submittals and communications regarding the requirements of this Agreement through the Land Services Division of the Public Works Department.

7. Fees

7.1 Upon the Commencement Date (as defined below) for any Site License, VZW shall pay City an initial fee as set forth in the Fee Schedule on Exhibit B attached hereto and incorporated herein (the "Fee") for permission to occupy space on the Pole and/or for the WTF in the ROW if such WTF and any associated ground equipment occupy less than fifty (50) cubic feet. Any WTF and associated ground equipment that exceeds fifty (50) cubic feet will be subject to an increased fee based on the most current fee schedule that is in effect for the amount of designated space occupied and will be set forth in the Site License. The annual fee paid per location is non-refundable and is due as provided in this Section.

7.1.1. The Fee for each Site License shall be paid in a onetime payment in advance for the entire duration of the Site License Term (as defined below), with such payment to be made within ninety (90) days of the Commencement Date. Such Fee shall equal the annual Fee multiplied by five (5).

7.1.2 WTFs and/or associated ground and other equipment installed will be subject to the appropriate permit fees in effect at the time of the installation on the Pole(s) and/or in the ROW.

7.1.3 VZW's billing address is:

180 Washington Valley Road
Bedminster, New Jersey 07921
Attention Network Real Estate
Site Name: _____

7.2 If payment is not timely made, and such failure continues for twenty (20) days following notice from the City, the City may impose interest at a rate of one and one-half percent (1.5%) percent per month commencing from the date payment should have been made and continuing until the payment is made. Fractions of a month shall be considered to constitute a full month for the purpose of computing interest. If the cause of failure to pay the fee or any portion thereof is determined by the City to be due to civil fraud or the evasion of the fee, VZW shall pay a penalty of fifty percent (50%) of the amount of deficiency. City's receipt of a late fee shall not result in a waiver of City's rights pursuant to this Agreement. Failure to pay any required Fee within sixty (60) days of the anniversary date of the particular Site License shall be considered to be a material breach of this Agreement and will be grounds for the City to terminate the Site License for that location upon ten (10) days' written notice to VZW unless within such ten (10) day period the amount due is paid.

7.3 All non-tax payments shall be made by check or money order and should reference the Verizon ROW Use Agreement and be sent to:

City of Surprise
ATTN: Finance Director
16000 Civic Center Plaza
Surprise, AZ 85374
623.222.1800

7.4 Taxes. VZW shall pay all applicable city, county and state taxes levied, assessed, or imposed by reason of this Agreement or those related to the VZW's WTF and/or provided services. Such taxes are in addition to any non-tax amounts owed by VZW to City pursuant to this Agreement. VZW consents to the disclosure of any and all information reported on VZW's transaction privilege tax returns submitted to the City by authorizing and allowing the City's tax collector to release such information to the City Manager or designees.

7.5 Electricity Charges. VZW will pay all actual electricity charges assessed by Arizona Public Service (APS) and/or other utility VZW for both installation and operation of WTFs attached to Poles used by the VZW.

DRAFT

8. Right-of-Way (ROW) Use Requirements

8.1 VZW shall submit the applicable permit application(s) together with the details, plans and specifications required for City review and approval, and pay all applicable application, review and inspection fees prior to any and all construction work performed pursuant to the rights granted under this Agreement. VZW and/or its Contractor(s) shall abide by all stipulations of all licenses and permits issued.

8.1.1 City will approve or deny such permits based on the availability of space at the location sought by VZW, safety and other considerations in accordance with the City's Code, applicable ROW construction regulations and other applicable law.

8.1.2 If VZW desires to change the location of any portion of the WTF, including any related facilities or equipment, from that set forth in the initial permit application, VZW shall apply for and obtain approval for an amendment to the permit prior to installation or construction.

8.2 Clean Up. VZW and/or its Contractor(s) shall, during installation or relocation or removal of the WTFs and upon completion of such work, remove all temporary construction facilities, debris, and unused materials provided for in the work, and put the work site and public ROW in a safe, neat and clean condition.

8.3 Safety. VZW and VZW's Contractor(s) shall be solely and completely responsible for the conditions of any job site where the WTFs are being placed, including safety of all persons (including employees) and property during performance of the work. This requirement shall apply continuously and not be limited to normal working hours. Safety provisions shall conform to all applicable federal (including OSHA), state, county, and local laws, ordinances, codes, and regulations. Where any of these are in conflict, the more stringent requirement shall be followed. VZW's failure to thoroughly familiarize itself with the aforementioned safety provisions shall not relieve VZW from compliance with these provisions.

8.4 Damage. If VZW damages City property, VZW shall promptly, at its own expense, and in a manner acceptable to the City, repair the damage.

8.5 Regulatory Changes. To the extent either the Arizona legislature or Federal governmental regulations currently enacted or enacted in the future requires modification of this Agreement, both parties reserve the right to modify this Agreement in order for the same to be in compliance with the same. In spite of the foregoing, in the interest of getting those specific sites listed in Exhibit C constructed as soon as possible, VZW agrees not to challenge City's right to receive the Fee payed to the City under this Agreement for those specific sites only. Nothing herein is intended to waive any right VZW may have to challenge any fee or rent imposed, requested or required under any current agreement (other than this Agreement), future agreement or in any future negotiations with City or any other third party, including without limitation, any city, county, other governmental department or agency.

9. Traffic Control

9.1 If applicable, VZW shall submit a Traffic Control Plan to Traffic Engineering for approval one week prior to beginning work under a Site License. VZW shall not begin work until the Traffic Control Plan is approved by the City. An approved Traffic Control Plan shall be maintained onsite during all phases of work, otherwise work will cease until the Traffic Control Plan is approved. All traffic shall be regulated in accordance with MAG standards; the City of Surprise Barricade Manual, latest edition, available through the City of Surprise Traffic Engineering; the Manual on Uniform Traffic Control Devices (MUTCD); and any Special Provisions included herein.

9.2 VZW shall have the full responsibility and liability for traffic control for work performed by VZW or their Contractors. In the event VZW or its Contractor(s) damages any traffic signal equipment, traffic signal conduit, loop detectors and/or circuits, it shall have them repaired immediately at its expense by an electrical Contractor that has had traffic signal experience which is pre-approved by the City. Any damage caused by VZW or its Contractor(s) that is repaired by the City will be billed to VZW at 2 times the cost.

9.3 To the extent reasonably possible, pedestrian access shall be maintained along the length of the project at all times per the requirements of the Americans with Disabilities Act and as approved by Traffic Engineering.

10. Insurance

A. Insurance Required: Prior to any access to Poles or City-owned property, VZW shall procure and maintain for the duration of the Agreement insurance against claims for i) bodily injury, sickness or disease, or death of any person other than VZW's employees; ii) damages insured by usual personal and advertising injury liability coverage; iii) damages because of injury to or destruction of tangible property, including loss of use resulting from; iv) products/completed operations; v) and damages involving contractual liability insurance applicable to VZW's indemnity obligations under this Agreement. Such insurance shall cover claims as may be occasioned by the operations, act, omission or negligence of VZW or its officers, agents, representatives, employees or Contractors

during all times that this Agreement is in effect and/or the WTFs are on the Poles. Insurance limits are inclusive of umbrella coverage.

B. Minimum Limits of Coverage: Without limiting any obligations or liabilities, VZW, at its sole expense, shall purchase and maintain the insurance specified below with companies duly licensed, authorized or permitted or otherwise approved by the State of Arizona, Department of Insurance and with forms satisfactory to the City. Each insurer shall have a current A.M. Best, Inc., rating of not less than A-VII.

i. Minimum Limits of Insurance. VZW shall maintain limits of:

a. *Commercial General Liability*

Commercial general liability insurance with a limit of $5,000,000 per occurrence, with a $5,000,000 general aggregate limit. The policy shall be primary and include coverage for bodily injury, property damage, personal and advertising injury, products, completed operations, and blanket contractual liability, which coverage will be at least as broad as Insurance Services Office Inc. policy form or equivalent thereof, including but not limited to severability of interests and waiver of subrogation clauses.

b. *Worker's Compensation*

VZW shall carry worker's compensation insurance in compliance with the statutory requirements of the state of operation and employer's liability insurance with a limit of $1,000,000 each accident, $1,000,000 disease each employee and $1,000,000 disease policy limit.

c. *Automobile Liability*

Commercial automobile liability insurance with a combined single limit for bodily injury and property damages of $2 million per each accident covering all owned, hired, and non-owned vehicles assigned to or used in performance of the VZW's work. Coverage shall be at least as broad as coverage Symbol 1 "any auto" (Insurance Service Office policy form CA 0001 or any replacements thereof).

d. *Special Risk Property Insurance*

Unless waived by the City's Risk Management Division in writing, all risk property insurance covering damage to or destruction of all real and personal improvements to the Right-of-Way, including without limitation, all improvements existing upon the Right-of-Way prior to this Agreement or hereafter constructed in an amount equal to full replacement costs of all such improvements. Such insurance shall be special causes of loss policy form including perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft, vehicles, riot, civil commotion, theft, vandalism, malicious mischief, collapse and flood.

C. Additional Insured. The insurance coverage, except for workers compensation and employer's liability, and property insurance, required by this Agreement, shall include

DRAFT

the City, its directors, officials, employees and officers, as additional insureds as their interest may appear under this Agreement, and shall be primary insurance, and that any program of self-insurance or insurance coverage carried by city or its employees shall not contribute to the coverages provided by VZW. This provision and inclusion of the City as an additional insured shall in no way be construed as giving rise to responsibility or liability of the City for applicable deductible amounts under such policy(s).

D. Coverage Term. All insurance required herein shall be maintained in full force and effect while any Site License is effective and until Licensee has completed all removal and restoration obligations hereunder. Failure to do so shall constitute a material breach of this Agreement and can be a cause for termination of this Agreement.

E. Primary Coverage. VZW's insurance shall be primary insurance to the City, and any insurance or self-insurance maintained by the City shall not contribute to it.

F. Claim Reporting. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect the City. VZW shall promptly furnish City's Risk Management Division with copies of any accident or incident report(s) sent to VZW's insurance carriers covering accidents/incident occurring in connection with and/or as a result of this Agreement.

G. Waiver. The policies, including workers' compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of VZW's acts, mistakes, omissions, work or services.

H. Deductible/Retention. The policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of VZW who shall be solely responsible for deductible and/or self-insurance retention.

I. Certificates of Insurance. Within ten (10) days after full execution of this Agreement, VZW shall furnish to the City certificates of insurance with blanket additional insured endorsements as required by the Agreement, issued by VZW's insurer(s) as evidence that policies providing the required coverages, conditions, and limits required by this Agreement are in full force and effect and obtain reasonable approval of such certificates from City. Notwithstanding the foregoing, no Site Licenses may be executed and VZW may not perform any work pursuant to this Agreement until such time as a certificate of insurance is provided to the City. Such certificates shall identify the Agreement name (Verizon ROW Use Agreement) and will include the blanket additional insured endorsement(s). Such certificates and all subsequent renewals that are required shall be sent directly to:

Procurement Manager
16000 N. Civic Center Plaza
Surprise, AZ 85374
Phone: 623.222.1857

DRAFT

J. Policy Limit Escalation. By written notice to, and review and approval by VZW, City may elect to increase the amount or type of any insurance to account for inflation, changes in risk, or any other factor that City reasonably determines to affect the reasonable amount of insurance to be provided.

K. Nothing containing in these insurance requirements is to be construed as limited the extent of either Party's responsibility for payment of damages resulting from either Party's use of the Pole or limiting, diminishing or waiving either Party's obligation to indemnify, defend and hold armless the other as set forth in the Indemnification Section 11 of this Agreement.

L. Upon receipt of notice from its insurer(s), VZW shall endeavor to provide the City with thirty (30) days' prior written notice of cancellation of any coverage required herein.

M. If a policy does expire during the term of this Agreement, a renewal certificate(s) must be sent directly to the City's Risk Management prior to the expiration date.

N. VZW shall require all Contractors to obtain and maintain substantially the same coverage with substantially the same limits as required of VZW and provide separate certificates of insurance and additional insured endorsements.

11. Indemnity

11.1 In addition to all other indemnities and other obligations hereunder, to the fullest extent permitted by law, throughout the term of this Agreement and until all obligations and performances under or related to this Agreement are satisfied and all matters described in this paragraph are completely resolved, VZW shall pay, indemnify, defend and hold harmless City and all other Additional Insureds for, from and against any and all Claims related to VZW's use of the Right-of-Way or the rights granted to VZW with respect to the Right-of-way or VZW's exercise of its rights under this Agreement (including, without limitation, the negligence or intentional misconduct of VZW and its employees, Contractors and agents in connection therewith) (collectively, the "Indemnity").

11.2 Without limitation, the Indemnity shall include and apply to any and all Claims that may arise in any matter out of any use by VZW or its Contractor of the Right-of-Way or other property related to this Agreement or any actions, acts, errors, mistakes or omissions relating to work or services in the performance of or related to this Agreement by VZW or its Contractor, including without limitation any injury or damages or cause of action claimed or caused by any employees, contractors, subcontractors, tenants, subtenants, agents or other persons upon or using the Right-of-Way or surrounding areas related to this Agreement, and including without limitation, Claims, liability, harm or damage caused in part by City or any other Additional Insured or anyone for whose mistakes, errors, omissions or negligence VZW or City may be liable.

11.3 As a condition to City's executing this Agreement, VZW specifically agrees that to the extent any provision of this paragraph is not fully enforceable against VZW for any reason whatsoever, this paragraph shall be deemed automatically reformed to the minimal extent necessary to cause it to be enforceable to the fullest extent permitted by law.

DRAFT

11.4 The Indemnity shall also include and apply to any environmental injury, personal injury or other liability relating to VZW's use of Right-of-Way or public real property under this Agreement or from VZW's non-compliance with the Site Plan.

11.5 Notwithstanding the foregoing, the Indemnity does not apply to:

11.5.1 Claims arising from the negligence or intentionally wrongful acts of City or its employees, agents or contractors.

11.5.2 Claims that the law prohibits from being imposed upon the indemnitor.

11.6 Subject to any legal protections for privilege and/or confidentiality, the Parties shall promptly notify each other in writing of any claims, demands, or lawsuits which may involve the City or VZW in relation to this Agreement and provide copies of all relevant accident reports, incident reports, statements or other documents that are relevant to the claims, demands, or lawsuits or which may lead to the discovery of relevant materials or information, in the possession of the other party, its employees, agents, contractors, and/or others.

11.7 Subject to any legal protections for privilege and/or confidentiality, both parties agree to make their employees, agents, and Contractors available to the other party to gather any relevant information relating to an incident, which results in a claim, demand, or lawsuit which may involve the City or VZW in relation to this Agreement.

11.8 It is the purpose of this section to provide maximum indemnification to the City under the terms and conditions expressed and, in the event of a dispute, this section shall be construed (to the greatest extent permitted by law) to provide for the indemnification of the City by VZW against any and all claims, demands or lawsuits. The sole exception shall be an express determination by a court of competent jurisdiction upon full adjudication of the case that the damages either arose only from the City's active negligence or intentional acts or that the City was comparatively at fault for the damages. Only in this event may VZW then commence an action against the City for damages related to that portion judicially determined to be the City's fault.

11.9 The amount and type of insurance coverage requirements set forth in this Agreement will in no way be construed as limiting the scope of the Indemnity in this Section.

11.10 The obligations set forth in this section shall survive completion of the work, termination or expiration of this Agreement.

12. Limitation of Liability

12.1 Neither Party shall be liable to the other, or any of their respective agents, representatives, employees, or customers for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence, strict liability or otherwise).

DRAFT

12.2 In addition, VZW expressly acknowledges that VZW's WTF(s) are exposed to many risks beyond the reasonable control of City, including acts of God or the public enemy, such as but not limited to, wind, rain, sleet, ice, floods, fire, riots, sabotage, expropriation or confiscation of facilities. Except as expressly provided in this Agreement, VZW shall assume all risk of loss to WTF(s) that may arise in connection with these hazards.

12.3 CITY HEREBY DISCLAIMS ANY REPRESENTATIONS AND/OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PRESENT OR FUTURE SUITABILITY OF THE POLE(S) FOR VZW'S INTENDED PURPOSE.

12.4 VZW acknowledges and agrees that VZW bears all risk of loss or damage to the WTF(s) installed on the Poles pursuant to this Agreement from any cause, except for the cost of repairs to damaged WTFs to the extent caused by the negligence or willful misconduct of the City and not covered by VZW's insurance. IN NO EVENT, HOWEVER, SHALL CITY BE LIABLE TO VZW FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES RESULTING FROM ANY LOSS OR DAMAGE TO VZW'S WTF(S), REGARDLESS OF WHETHER THE CITY WAS ADVISED OF, OR OTHERWISE SHOULD HAVE BEEN AWARE OF, THE POSSIBILITY OF SUCH DAMAGES, REGARDLESS OF THE LEGAL THEORY OR BASIS FOR SUCH CLAIM.

13. Term and Renewal

13.1 This Agreement shall be effective as of the date of approval of the Agreement by the City Council (the "Effective Date") and unless sooner terminated in accordance with the provisions of Section 14, shall continue in effect for a period of five (5) years ("Term").

13.2 The initial term for each particular Site License shall be the first day of the month following the full execution of each Site License (the "Commencement Date") and shall be for a term of five (5) years ("Site License Term"). Notwithstanding anything herein, after the expiration of this Agreement, its terms and conditions shall survive and govern with respect to any remaining Site License in effect until their expiration or termination.

13.4 VZW may terminate any Site License at any time during any Site License Term upon ninety (90) days prior written notice. However, VZW does not have the right to terminate any time after an event of default by VZW has occurred (or an event has occurred that would become a default after passage of time or giving of notice). Termination of any Site License shall not affect VZW's liabilities and obligations incurred under such Site License prior to the effective date of such termination.

14. Termination of Permission

14.1 City may, in addition to seeking any other remedy available to it, terminate this Agreement to occupy space in the ROW or the permission to attach to a particular Pole under a Site License if VZW neglects or refuses to comply with any of the provisions of this Agreement beyond all applicable cure periods and fails within thirty (30) days after written notice from City to correct such neglect, refusal or default. VZW shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and VZW commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to

DRAFT

completion. In the event any default is limited solely to one or more Site Licenses, but not the Agreement as a whole, the City's termination right shall be limited to those Site Licenses under which VZW is in default beyond any applicable cure period.

14.2 VZW's failure to maintain or procure the insurance policy(ies) as required by Sections 10 and 18 shall be cause for the City to terminate this Agreement and the applicable Site Licenses pursuant to Section 14.1.

14.3 VZW's failure to pay any amounts owed to the City after notice of such deficiency and the opportunity to cure as provided by this Agreement shall be cause for the City to terminate the applicable Site Licenses pursuant to Section 14.1.

14.4 VZW's failure to operate a WTF (except during specific periods expressly excused by this Agreement) once it is installed under any Site License for a period of six (6) months within any twelve (12) month period will be grounds for the termination of the Site License at that location upon sixty (60) days' notice to VZW, unless within such sixty (60) day period VZW commences the use of such WTF.

14.5 This Agreement shall terminate, without notice, (i) upon the institution by or against either Party of insolvency, receivership or bankruptcy proceeding or any other proceedings for the settlement of either Party's debts, (ii) upon either Party making an assignment for the benefit of creditors or (iii) upon either Party's dissolution or ceasing to do business.

14.6 Upon termination of the right to attach to Poles, neither Party will owe any further obligations to the other under this Agreement, except for the responsibility of the VZW to remove the WTFs from the Poles within ninety (90) days of such termination and to pay any fees associated with VZW's usage of the Poles for the time period during which WTFs were attached, the indemnities and hold harmless provisions contained throughout this Agreement, and VZW's obligation to reimburse City for all costs, expenses and losses properly incurred by City pursuant to this Agreement.

14.7 In the event of the termination of this Agreement, VZW shall have ninety (90) days to remove the WTFs; provided however, that VZW shall be liable for and pay all fees pursuant to the terms of this Agreement to City until VZW's WTFs are moved. VZW shall defend, indemnify and hold City harmless from and against all loss, liability or expense resulting from such removal, including but not limited to claims of third parties.

14.8 In the event that VZW fails to vacate the Pole(s) or fails to remove all of its WTFs in accordance with this Agreement, City shall have the right, after giving at least ten (10) days prior written notice to VZW, to remove the remaining WTFs, in which event such WTFs may be retained by City without accounting to VZW therefore, and the expense of such removal and repairs shall be charged to and paid by VZW without credit for the value, if any, of such WTFs. If the WTF is attached to a third-party owned pole, the City will only remove the non-pole-attached portions of the WTF. If VZW does not take possession of the WTF(s) and/or the non-pole-attached portions of the WTF within sixty (60) days from removal from the Pole(s), ownership of all portions of the WTF will transfer to the City, and the City will have the right to keep, sell or dispose of them.

DRAFT

14.9 VZW's failure to pay the charges imposed under Section 14.8 within fourteen (14) days of the City's invoice billing for the amount will entitle the City to immediately draw upon the Deposit for the amount owed.

14.10 Termination of either this Agreement and/or the permission to attach to City Poles pursuant to any provision herein shall be commenced by delivery of written notice to VZW by the City.

15. Assignment/Pledge of WTFs

15.1 This Agreement and the permission to attach a WTF to a City Pole are personal to VZW and Pole space allocated to VZW is for VZW's use only. VZW shall not lease, sublicense, share with, convey or resell to other any such space or rights granted hereunder. Violation of this subsection will be grounds for termination under Section 14.

15.2 VZW shall not transfer or assign this Agreement without City's prior written consent; provided, however, this Agreement may be sold, assigned or transferred by VZW without any approval or consent of the City to VZW's principal, affiliates, subsidiaries of its principal or to any entity which acquires all of VZW's assets in the market defined by the Federal Communications Commission in which the ROW is located by reason of a merger, acquisition or other business reorganization. Violation of this subsection will be grounds for termination under Section 14.

15.3 Any non-permitted transfer or assignment of the right to attach the WTFs to City Poles shall be void and not merely voidable. City, may, in its sole discretion and in additional to all other lawful remedies available to City under this Agreement and in any combination terminate this Agreement, collect any fees owed from VZW all without prejudicing any other right or remedy of City under this Agreement. No cure or grace periods shall apply to transfers or assignment prohibited by this Agreement or to the enforcement of any provision of this Agreement against a transferee or assignee who did not receive City's consent.

15.4 Any assignment of this Agreement will not be effective or considered approved by the City until the person or entity to whom VZW is assigning this Agreement signs and delivers to City a document in which said assignee shall assume responsibility for all of VZW's obligations under this Agreement.

15.5 In connection with any assignment/transfer requiring City's consent, VZW shall pay to City in advance the sum of Two Thousand Dollars ($2,000.00) as a nonrefundable fee for legal, administrative and other expenses related to every assignment/transfer.

15.6 This Section 15.6 shall not apply to any transfer and/or assignment pursuant to Section 15.2. VZW must give immediate notice to the City of any sale of the WTF or sale/leaseback transaction or transaction in which a third party gains a security interest in or any other type of ownership interest or financial claim to the WTF. Such transaction automatically revokes the permission the City has given to VZW to attach the WTFs to City Poles and will be grounds for termination under Section 14. If the new owner or the entity with the security interest in the WTF does not enter into an acceptable agreement with the City for permission to have the WTF attached to the City Pole within sixty (60) days of the sale or transfer of ownership or transaction that results in a security interest in the WTF, permits will need to be acquired to remove the WTF and removal of the WTF needs to be completed within thirty (30) days or within ninety (90) days of the transfer of ownership (whichever is earlier).

15.7 Payment of any outstanding fees and/or any applicable attachment fee will need to be paid either by VZW or the subsequent new owner before any permits will be issued. City reserves the right to draw upon the entire Deposit if such payment is not made by the end of the thirty (30) day period referenced in Section 15.6 above.

16. Protection against Liens on Property

16.1 VZW shall not do or allow or cause anything to be done whereby City's Poles may be encumbered by a construction lien or any other type of lien. Within forty-five (45) days after any lien is filed against City's Poles purporting to be for labor or materials furnished to VZW, VZW shall discharge or bond against such lien of record. Notice is hereby given that City will not be liable for any labor or materials furnished to VZW on credit and that no construction or other lien for any such labor or materials shall attach to or affect City's interest in and to City's Poles.

16.2 VZW shall indemnify, defend and hold harmless City from all claims, demands, costs and liabilities, including reasonable attorney's fees and costs, in connection with or arising out of any such lien or claim of lien.

16.3 Failure to remove any lien recorded against the Pole within forty-five (45) days of receipt of notice of recordation shall be considered a material breach of the applicable Site License and grounds for termination by the City, unless there has been a good faith attempt to remove the lien.

17. Contractors

17.1 Any Contractors performing work on City Poles or work within the ROW shall comply with the licensing requirements of the Arizona General Contractors.

17.2 Each Contractor shall have the same obligations with respect to its work as VZW would have if VZW performed the work. VZW shall be responsible for ensuring that the work of Contractors is performed consistent with this Agreement and other applicable law, shall be responsible for acts or omissions of Contractors under this Agreement to the same degree it is responsible for the acts of its employees, shall be responsible for promptly correcting acts or omissions by any Contractor, and shall implement a quality control program to ensure that the work contemplated by this Agreement is performed.

18. **Deposit**

18.1 Within forty five (45) days of the full execution of this Agreement, VZW shall provide a cash deposit or surety bond to the City in the initial-amount of Thirty Thousand Dollars ($30,000.00) as a security fund (the "Deposit"). Said Deposit shall be maintained with the City for the term of this Agreement as security for the faithful performance by VZW of all of the provisions of this Agreement, and compliance with all lawful orders, permits and directions of any department or office of the City having jurisdiction over its acts or defaults under this Agreement and any Site License issued pursuant thereto, and the payment by VZW of any fees, claims, liens and taxes due the City which arise by reason of the installation, operation or maintenance of the WTF, including the removal of VZW's WTF upon termination of any Site License and/or this Agreement. The Deposit shall remain with the City until all WTFs have been removed and all sums due to the City have been fully paid.

DRAFT

18.2 City shall have the full power of withdrawal of funds from the Deposit. No withdrawals shall be made from the Deposit without the prior written approval of the City Manager and no less than ten (10) business days prior written notice of intent to draw upon the Deposit sent to VZW.

18.3 Within twenty (20) days after notice to VZW that any amount has been withdrawn by City from the Deposit, VZW shall deposit with the City an additional amount so that the total amount of funds available to the City is Thirty Thousand Dollars ($30,000.00).

18.4 If VZW fails, within ten (10) business days of a notice of intent to draw on the Deposit, to either dispute the notice in writing; or pay City any taxes or fees due and unpaid; or fails to repay to City, within such ten (10) business days of such notice, any damages, costs or expenses which City shall be compelled to pay by reason of any act or default of VZW in connection with this Agreement; or fails, within thirty (30) days of such notice of failure by City to dispute the notice in writing, or comply with any provision of this Agreement which City reasonably determines can be remedied by an expenditure of funds from the Deposit, City may immediately withdraw the amount thereof. Upon such withdrawal, City shall notify VZW within ten (10) days thereafter of the amounts and date thereof.

18.5 Any funds that City erroneously or wrongfully withdraws shall be credited to the Deposit, with interest of one percent (1.0%) per month, within thirty (30) business days of such a determination.

18.6 Upon termination of the last remaining Site License, City will return the Deposit within sixty (60) days of VZW's request for return of the Deposit, but only after City reasonably determines that all obligations under this Agreement have been satisfied, including, but not limited to, any obligations to remove Equipment and restore the ROW to its prior condition.

19. Hazardous Substances

VZW agrees it will not produce, dispose, transport, treat, use, generate, store any Hazardous Substances on, under, about or within the area of the Pole and ROW in violation of the Arizona Hazardous Waste Management Act, A.R.S. § 49-901, et seq., the Resource Conservation and Recovery Act., 42 U.S.C. § 6901, et seq., or the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq. or any other federal, state, county, or local law or regulation. VZW may not use the ROW in a manner that would require a permit or approval related to Hazardous Substances from the Arizona Department of Health Services or any governmental agency other than the City. VZW will pay, indemnify, defend and hold City harmless against any loss or liability incurred by reason of any Hazardous Substance produced, disposed of, or used by VZW and must immediately notify City of any Hazardous Substance at any time discovered or existing upon the ROW. VZW will ensure that any on-site or off-site storage, treatment, transportation, disposal or other handling of Hazardous Substance will be performed by persons who are properly trained, authorized, licensed and otherwise permitted to perform those services.

20. Notices

20.1 City and VZW shall give any notice required or permitted to be given under the terms of this Agreement in writing by certified or registered U.S. mail. Each such notice shall be deemed to have been

DRAFT

given when mailed, as evidenced by the receipt for said mailing. Unofficial notice may also be given by e-mail to a designated representative of a Party.

Notice to City shall be given to:	City of Surprise ATTN: Community Development Director 16000 N. Civic Center Plaza Surprise, AZ 85374 (6230) 222-3000
Notice to VZW shall be given to:	Verizon Wireless (VAW) LLC, dba Verizon Wireless 180 Washington Valley Road Bedminster, New Jersey 07921 Attention Network Real Estate Site Name: _____

20.2 Either City or VZW may change the designated recipient of or address for such notice by giving the other written notice of such change.

21. Penalties for Violation of Terms

21.1 City may pursue any remedy at law, including but not limited to injunctive relief, civil trespass, and withholding other City permits and authorizations until VZW complies with the terms of the Agreement or the applicable law.

21.2 Such remedies are cumulative and may be pursued in the alternative.

22. Governing Law

It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted only in the courts located within Maricopa County, Arizona.

23. Partial Invalidity

If any section, paragraph, subdivision, clause, phrase or provision of this Agreement shall be adjudged invalid or unenforceable, or is preempted by federal or state laws or regulations, the same shall not affect the validity of this Agreement as a whole or any part of the provisions of this Agreement other than the part adjudged to be invalid, unenforceable or preempted.

24. Non-Waiver

VZW shall not be excused from complying with any of the terms and conditions of this Agreement by any failure of City upon any one or more occasions to insist upon or to seek compliance with any such terms or conditions.

DRAFT

25. Remedies Not Exclusive

The remedies set forth in this Agreement are not exclusive. Election of one remedy does not preclude the use of other remedies.

26. Dispute Resolution

26.1 If any dispute or claim arises out of the interpretation, performance or breach of this Agreement, the Parties agree that upon the written demand of either Party, they will meet within two (2) weeks of such demand to attempt in good faith to resolve the dispute. The meeting will be attended by representatives of both Parties having the authority to resolve the dispute.

26.2 If the Parties fail to resolve the dispute, then the Parties agree that the dispute may be resolved through mediation. If mediation is agreed to by the disputing Parties, the disputing Parties shall mutually agree upon the services of one (1) mediator. The costs of mediation, including any mediator's fees and the costs for the use of the facilities during the meetings (if any) shall be born equally by the Parties. Each Party's costs and expenses will be borne by the Party incurring them.

26.3 If the dispute is not resolved within a reasonable time, the disputing Parties shall be free to use other remedies such as nonbinding arbitration or litigation to resolve the dispute. Nothing herein is intended to limit either Parties right to seek equitable remedies.

27. Amendments, Modifications or Supplements

This Agreement may not be amended, modified or supplemented except by an authorized representative of each party in a written agreement signed by both Parties.

28. Exhibits

All Exhibits referred to in this Agreement and any addenda, attachments, and schedules which may, from time to time, be referred to in any duly executed amendment to this Agreement are by such reference incorporated in this Agreement and shall be deemed a part of this Agreement.

29. Survival

Upon termination of this Agreement, no new Site Licenses will be issued and permission for the WTFs to occupy space on the Poles will terminate at the end of individual Site License Term as applicable. However, all other terms and conditions of this Agreement shall survive and govern with respect to any remaining Site License in effect until their expiration or termination, including any Section of this Agreement that must survive termination to fulfill its essential purpose. Notwithstanding anything herein, after the expiration of this Agreement, its terms and conditions shall survive and govern with respect to any remaining Site License in effect until their expiration or termination.

DRAFT

This Agreement executed this ____ day of _____ 2017.

Verizon Wireless (VAW) LLC,
dba Verizon Wireless

By: _____
Name: _____
Title: _____
Date: _____

City of Surprise,
An Arizona municipal corporation

_____
Sharon Wolcott, Mayor

ATTEST:

_____
Sherry Ann Aguilar, City Clerk

APPROVED AS TO FORM:

_____
Robert Wingo, City Attorney

Exhibit A1 and Exhibit A2 – WTF Site License Templates
Exhibit B – Fee Schedule
Exhibit C – List of Sites

DRAFT

Exhibit A1
WTF Site License Template
(City-Owned Pole/Replacement Pole)

DRAFT

Company Name:

Verizon Wireless (VAW) LLC, dba Verizon Wireless

Site Identification Name or Number:

_____

Pole Attached Wireless Telecommunications Facilities Agreement

Right-of-Way Site License for Special Use

This Pole Attached Wireless Telecommunications Facilities Right-of-Way Site License for Special Use ("Site License") is effective this ___ day of _____, 20__, by and between City of Surprise, an Arizona municipal corporation ("City") and Verizon Wireless (VAW) LLC, dba Verizon Wireless, a Delaware limited liability company ("Company").

RECITALS

A. City and Company have entered into a master Pole Attached Wireless Telecommunications Facilities Agreement dated _____ ("ROW Use Agreement").
B. The ROW Use Agreement sets out certain defined terms and conditions for use of the ROW and attachment to Poles (as defined).
C. City holds an interest in a parcel of land (the "ROW Parcel") comprising street ROW located at _____.
D. This Site License allows Company to use certain limited portions of the ROW Parcel.
E. The portions of the ROW Parcel that this Site License allows Company to use ("Use Areas") are defined in the package of maps and related materials (the "Site Plan") attached hereto as Exhibit 1.
F. Company desires to install and operate on the Use Areas the WSF that is specified on the Site Plan subject to the requirements of the ROW Use Agreement and this Site License. Notwithstanding anything in this Site License to the contrary, the WSF excludes any item not shown on the Site Plan.
G. The volume of the Enclosure and the above ground portion of its pad as shown in the Site Plan is less than 50 cubic feet.
H. The ROW Parcel is currently improved with an approximately _____foot tall *[electrical] [light [street light] [antenna support] [other]* Pole owned by City.
I. In order to install the Communications Equipment, Company desires to construct supporting improvements and perform all other work shown on the Site Plan (collectively the "Project").
J. City desires to grant to Company a license for special use to install, maintain, operate and repair the Communications Equipment subject to the requirements of this Site License and the ROW Use Agreement.
K. City desires to reserve rights to construct and use and allow others to construct and use all manner of additional improvements upon the Use Areas and the ROW Parcel subject to the

requirements of this Site License and the ROW Use Agreement and the rights granted to Company under those.

Therefore, the Parties agree as follows:

1. Site License Terms

1.1 PWSF ROW Use Agreement Incorporated. To the extent applicable, the provisions of the PWSF ROW Use Agreement between the City and the Company are all incorporated here by reference as if set out in full. Capitalized terms used but not defined in this Site License shall have the meanings assigned by the ROW Use Agreement.

1.2 Site Plan. It is the Company's responsibility before signing this Site License to ensure that the Site Plan correctly shows the work that Company intends to perform, that the Site Plan correctly shows all improvements and equipment that Company intends to be located on the Use Areas, and that all areas of the ROW Parcel that will be occupied are identified. The elevations and locations actually occupied by any antennas and their supporting brackets must be identified, clearly defined and correctly labeled on the Site Plan. Any proposed generators of any type (whether permanent or temporary) must be identified, clearly defined as to specific dimensions and plan for usage and correctly labeled on the Site Plan. Any fiber optic cable routes shall be identified as to whether they will be within the Pole or underground and the placement as such must be approved by the City.

1.2.1 Any work, improvements or equipment not conforming to all the foregoing is prohibited, even if it is clearly shown on the Site Plan or discussed between the Parties.

1.2.2 Company does not have exclusive rights to any portion of the Use Areas, unless the City has specifically agreed to give such exclusive rights as shown by an exhibit to this Site License detailing the exclusive rights area(s).

1.2.3 Any refinement or other change to the Site Plan after the City executes this Agreement is void, unless the Company obtains City's approval of the change pursuant to the City's plan approval processes and pursuant to all applicable regulatory requirements.

1.3 Term of Agreement. The term of this Site License begins as of the date indicated above, which will be the first day of the month following the full execution of this Site License (the "Commencement Date") and shall be for an term of five (5) years ("Site License Term"). The City will have the ability to terminate this Site License as provided by Section 14 of the ROW Use Agreement.

1.4 Payments. Company shall pay to City the amount required by the ROW Use Agreement, which one time total amount for the entire Site License Term is $_____ (the "Fee"), as set forth in Exhibit B to the ROW Use Agreement.

1.5 Use Restrictions. Company shall comply with the use restrictions set out in the ROW Use Agreement.

1.6 Generators. Any generators in the Use Areas must be specifically approved by the City. Generators must be equipped with well-maintained mufflers and comply with all federal, state, and local laws and regulations. Exercising a fixed generator must be confined to not more than a single session of one (1) hour or less each calendar month between the hours of 9 a.m. and 6 p.m. on a day that is not a weekend or holiday. No portable generators can be used except when power to the Communications Equipment is down during an emergency. In such case, the portable generator will need to be removed within four (4) hours after the power has been restored.

1.7 No Land Rights. Company shall have no rights in adjacent land or ROW. Company's rights in the Use Areas are limited to the specific rights created by the ROW Use Agreement and this Site License.

1.8 Before performing any work in, on, above or under the ROW, Company shall obtain any other relevant permits and pay related fees, as applicable relating to work in the ROW.

2. **City's Notice Information**.

Unless and until City give notice otherwise, any notices relating to this Site License should be given to:

City of Surprise
ATTN: _____
_____
_____
_____

3. **Company's Notice Information.**

Unless and until Company gives notice otherwise:

3.1 Company's network operations center phone number shall be (800) 264-6620.

3.2 Company's address for notices shall be:

180 Washington Valley Road
Bedminster, New Jersey 07921
Attention: Network Real Estate
Site Name: _____

3.3 Company's billing address for routine billing invoices shall be:

180 Washington Valley Road

Bedminster, New Jersey 07921
Attention: Network Real Estate
Site Name: _____

This Site License has been executed as of the date signed by the City below.

Verizon Wireless (VAW) LLC,
dba Verizon Wireless,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

City of Surprise,
An Arizona municipal corporation

_____
Name: _____
Title: _____

Dated: _____

Exhibit 1 - Site Plan
Exhibit 2 – Copy of Certificate of Insurance

Exhibit 1

Site Plan

See attached.

Exhibit 2

Copy of Certificate of Insurance

See attached.

Exhibit A2
WTF Site License Template
(Third Party Owned Pole)

DRAFT

Company Name:
Verizon Wireless (VAW) LLC
dba Verizon Wireless
Site Identification Name or Number:
_____

Pole Attached Wireless Telecommunications Facilities Agreement

Right-of-Way Site License for Special Use

This Pole Attached Wireless Telecommunications Facilities Right-of-Way Site License for Special Use ("Site License") is effective this ___ day of _____, 20__, by and between City of Surprise, an Arizona municipal corporation ("City") and Verizon Wireless (VAW) LLC, dba Verizon Wireless, a Delaware limited liability company ("Company").

RECITALS

A. City and Company have entered into a master Pole Attached Wireless Telecommunications Facilities Agreement dated _____ ("ROW Use Agreement").
B. The ROW Use Agreement sets out certain defined terms and conditions for use of the ROW and attachment to Poles (as defined).
C. City holds an interest in a parcel of land (the "ROW Parcel") comprising street ROW located at _____.
D. This Site License allows Company to use certain limited portions of the ROW Parcel.
E. The portions of the ROW Parcel that this Site License allows Company to use ("Use Areas") are defined in the package of maps and related materials (the "Site Plan") attached hereto as Exhibit 1.
F. Company desires to install and operate on the Use Areas the WSF that is specified on the Site Plan subject to the requirements of the ROW Use Agreement and this Site License. Notwithstanding anything in this Site License to the contrary, the WSF excludes any item not shown on the Site Plan.
G. The volume of the Enclosure and the above ground portion of its pad as shown in the Site Plan is less than 50 cubic feet.
H. The ROW Parcel is currently improved with an approximately _____foot tall *[electrical] [light] [street light] [antenna support] [other]* pole.
I. The pole is owned by _____ ("Pole Owner") and is located on the ROW Parcel pursuant to a _____ (the "Pole Right-of-Way Agreement") between the Pole Owner and City dated _____, 20__ and recorded at document No. _____-_____ of the public records of Maricopa County, Arizona.
J. Company has entered into a certain _____ (the "Pole Attachment Agreement") with the Pole Owner to use the pole in the manner described in the Pole Attachment Agreement.

K. In order to install the Communications Equipment, Company desires to construct supporting improvements and perform all other work shown on the Site Plan (collectively the "Project").

L. City desires to grant to Company a license for special use to install, maintain, operate and repair the Communications Equipment subject to the requirements of this Site License and the ROW Use Agreement.

M. City desires to reserve rights to construct and use and allow others to construct and use all manner of additional improvements upon the Use Areas and the ROW Parcel subject to the requirements of this Site License and the ROW Use Agreement and the rights granted to Company under those.

Therefore, the Parties agree as follows:

1. Site License Terms

1.1 ROW Use Agreement Incorporated. To the extent applicable, the provisions of the ROW Use Agreement between the City and the Company are all incorporated here by reference as if set out in full. Capitalized terms used but not defined in this Site License shall have the meanings assigned by the ROW Use Agreement.

1.2 Site Plan. It is the Company's responsibility before signing this Site License to ensure that the Site Plan correctly shows the work that Company intends to perform, that the Site Plan correctly shows all improvements and equipment that Company intends to be located on the Use Areas, and that all areas of the ROW Parcel that will be occupied are identified. The elevations and locations actually occupied by any antennas and their supporting brackets must be identified, clearly defined and correctly labeled on the Site Plan. Any proposed generators of any type (whether permanent or temporary) must be identified, clearly defined as to specific dimensions and plan for usage and correctly labeled on the Site Plan. Any fiber optic cable routes shall be identified as to whether they will be within the Pole or underground and the placement as such must be approved by the City.

1.2.1 Any work, improvements or equipment not conforming to all the foregoing is prohibited, even if it is clearly shown on the Site Plan or discussed between the Parties.

1.2.2 Company does not have exclusive rights to any portion of the Use Areas, unless the City has specifically agreed to give such exclusive rights as shown by an exhibit to this Site License detailing the exclusive rights area(s).

1.2.3 Any refinement or other change to the Site Plan after the City executes this Agreement is void, unless the Company obtains City's approval of the change pursuant to the City's plan approval processes and pursuant to all applicable regulatory requirements.

1.3 Term of Agreement. The term of this Site License begins as of the date indicated above, which will be the first day of the month following the full execution of this Site License (the "Commencement Date") and shall be for a term of five (5) years ("Site License

Term"). The City will have the ability to terminate this Site License as provided by Section 14 of the ROW Use Agreement.

1.4 Payments. Company shall pay to City the amount required by the ROW Use Agreement, which one time total amount for the entire Site License Term is $_____ (the "Fee"), as set forth in Exhibit B to the ROW Use Agreement.

1.5 Use Restrictions. Company shall comply with the use restrictions set out in the ROW Use Agreement.

1.6 Generators. Any generators in the Use Areas must be specifically approved by the City. Generators must be equipped with well-maintained mufflers and comply with all federal, state, and local laws and regulations. Exercising a fixed generator must be confined to not more than a single session of one (1) hour or less each calendar month between the hours of 9 a.m. and 6 p.m. on a day that is not a weekend or holiday. No portable generators can be used except when power to the Communications Equipment is down during an emergency. In such case, the portable generator will need to be removed within four (4) hours after the power has been restored.

1.7 No Land Rights. Company shall have no rights in adjacent land or ROW. Company's rights in the Use Areas are limited to the specific rights created by the ROW Use Agreement and this Site License.

1.8 Before performing any work in, on, above or under the ROW, Company shall obtain any other relevant permits and pay related fees, as applicable relating to work in the ROW.

2. **City's Notice Information**.

Unless and until City give notice otherwise, any notices relating to this Site License should be given to:

City of Surprise
ATTN: _____
_____
_____
_____

3. **Company's Notice Information.**

Unless and until Company gives notice otherwise:

3.1 Company's network operations center phone number shall be (800) 264-6620.

3.2 Company's address for notices shall be:

180 Washington Valley Road

Bedminster, New Jersey 07921
Attention: Network Real Estate
Site Name: _____

3.3 Company's billing address for routine billing invoices shall be:

180 Washington Valley Road
Bedminster, New Jersey 07921
Attention: Network Real Estate
Site Name: _____

This Site License has been executed as of the date signed by the City below.

Verizon Wireless (VAW) LLC,
dba Verizon Wireless,
a Delaware limited liability company

By: _____
Name: _____
Title: Area Vice President Network

City of Surprise,
An Arizona municipal corporation

_____
Name: _____
Title: _____

Dated: _____

Exhibit 1

Site Plan

See attached.

Exhibit 2

Copy of Certificate of Insurance

See attached.

Exhibit B
Fee Schedule

The Fee for the initial year of each Site License shall be as set forth below. The fee shall be paid in advance, and such fee shall equal the annual Fee multiplied by 5, as set forth in Section 7 of this agreement.

	Fee Amount for Use of the ROW if attached to a City owned pole (replacement or otherwise)	**Reduced Fee Amount for Use of ROW if attached to a third party owned pole**
	$2,340 annually	$1,170 annually

DRAFT

Exhibit C

List of Sites

PHO Tender Care 1 SC
PHO Tender Care 2 SC
PHO Tender Care 3 SC
PHO Tender Care 4 SC
PHO Sun Village SC
PHO Surprise SC
PHO Surprise Farm SC
PHO Canyonridge ES SC
PHO WBola DR SC
PHO WSierra-Mountain SC

DRAFT

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Robert Wingo, City Attorney
Submitting Department:	Attorney's Office	District:	1
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to the approval of the Settlement Agreement with Centex/Pulte Homes for the continued reimbursement of development impact fees for installed water infrastructure.

Motion:

I move to approve the Settlement Agreement with Centex/Pulte Homes.

Background:

On November 1, 2016, Centex Homes/Pulte Homes filed a Complaint in the Maricopa Co. Superior Court against the City of Surprise. A settlement agreement has been negotiated which will resolve the litigation.

Objective Analysis:

The proposed settlement agreement memorializes the City's continued crediting and collection of Development Impact Fees to reimburse Centex/Pulte for installed water infrastructure; it basically maintains the "status quo" between the parties. Approval of the settlement will result in (1) the City remitting to Centex/Pulte pertinent Development Impact Fees collected by City [$110, 610.00] but not yet disbursed (2) the City continuing to credit and collect legally adopted Development Impact Fees pertaining to Centex/Pulte development and (3) dismissal of the lawsuit.

Policy Compliant:

The proposed settlement agreement is in accord with City policy and in accord with state law.

Financial Impact:

In conformance with the terms of the Development Agreement, the City and Owner agree that the original cost of the water system infrastructure dedicated to the City was $5,970,505, all of which is eligible for reimbursement through impact fee credits/reimbursements. The City and Owner also agree that $2,883,773 is the remaining balance of the Original Reimbursement Amount. The City will satisfy the remaining reimbursement amount with water system impact fees (all but the arsenic treatment portion) and the well portion of the Water Resource Impact Fee. The City will remit the currently

available Reimbursement fees ($110,610 at the time of drafting the Agreement).

Budget Impact:

The Fiscal Year 2017 Budget has a $290,000 estimate for water related Desert Oasis Reimbursements.
The Fiscal Year 2018 Budget has $152,300 estimated for water related Desert Oasis Reimbursements.

FTE Impact:

This item does not have an impact on current staff levels.

ATTACHMENTS:

Click to download

- Pulte Settlement Agreement

COMPROMISE SETTLEMENT AGREEMENT AND FULL AND FINAL RELEASE OF ALL CLAIMS

This *Compromise Settlement Agreement and Full and Final Release of All Claims* (hereinafter referred to as the "**Agreement**") is made and entered into this ____ day of June, 2017 ("**Effective Date**").

PARTIES

CITY OF SURPRISE,
an Arizona municipal corporation ("**City**")

AND

CENTEX HOMES, a Nevada general partnership ("**Centex**");
PULTE HOME COMPANY, LLC, a Michigan limited liability company, the successor upon conversion of PULTE HOME CORPORATION, a Michigan corporation and PULTEGROUP, INC., a Michigan corporation (collectively "**Pulte**")

Pulte is an affiliate of Centex and Centex and Pulte are referred to herein collectively as "Owner".
The City, Centex and Pulte are referred to herein collectively as the "Parties".

ATTORNEYS

The attorneys for the various Parties are as follows:

City: Robert Wingo, Esq.
City Attorney
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

Pulte: Jeffry Blilie, Esq.
Beus Gilbert PLLC
701 North 44th Street
Phoenix, AZ 85008

RECITALS

WHEREAS, the City and Owner entered into that certain *Pre-Annexation Development Agreement* (the Desert Oasis at Surprise) recorded in the official records of the Maricopa County Recorder's Office on November 2, 2000, at Document Number 2000-0844394 (the "**Development Agreement**"), which has since expired on November 2015;

WHEREAS, the Development Agreement covered the approximately 892 acres of real property generally bounded by Dynamite Road on the north, Happy Valley Road on the south, 163rd Avenue on the east and 179th Avenue on the west, and legally described in **Exhibit "A"** attached hereto (the "**Property**").

WHEREAS, pursuant to the Development Agreement, Owner constructed, installed, and dedicated to the City, the Well and Tank Land, the Wells, Well Improvements, Tanks, Connecting Water Lines, Water Distribution Lines, and Water Transmission Lines (collectively the "Water System Improvements");

WHEREAS, all of the actual costs of $5,970,505 for the Water System Improvements and the fair market value of the "Well Land" and "Tank Land" (both as defined in the Development Agreement) are "Reimbursable Costs" under the Development Agreement;

WHEREAS, the City initially believed that once the development agreement had expired, it was no longer obligated to repay Owner for the remaining Water System Improvements.

WHEREAS, the City then reversed its decision and continued to reimburse or credit Owner for the Water System Improvements;

WHEREAS, on November 1, 2016, Owner filed a Complaint alleging statutory violations, unjust enrichment, breach of contract, breach of good faith and fair dealing, and a taking against City in the Maricopa County Superior Court, Arizona, pending as CV2016-016818, complaint attached as Exhibit B, hereinafter referred to as "Lawsuit"; and

WHEREAS, the Parties desire to settle the dispute between them as asserted in the Lawsuit. To that end, the Parties have made this Agreement according to the terms, conditions, and provisions hereof.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, intending to be legally bound and in consideration of the mutual promises and covenants of the Parties, the receipt and sufficiency of which is hereby acknowledged by all Parties, and the performance of the terms and conditions hereinafter set forth, the Parties hereto agree to the following terms.

1. INCORPORATION OF RECITALS.

The Parties hereto agree that the Recitals set forth hereinabove are true and correct and are incorporated herein by reference.

2. FINANCIAL TERMS.

In conformance with the terms of the Development Agreement, the City and Owner agree that the original cost of water system infrastructure dedicated to the City was $5,970,505, all of which is eligible for reimbursement through impact fee credits/reimbursements hereinafter "Original Reimbursement Amount." The City and Owner also agree that $2,883,773 is the remaining balance of the Original Reimbursement Amount hereinafter "Remaining Reimbursement Amount."

The City will satisfy the Remaining Reimbursement Amount with Water System Impact Fees (all but the arsenic treatment portion) and the well portion of the Water Resource Impact

Fee (the "**Reimbursement Fee**"). In the event the City adopts a new Water System Impact Fee that includes the current well component of the Water Resource Impact Fee, then the City shall only use Water System Impact Fees (all but the arsenic treatment portion) to satisfy the Remaining Reimbursement Amount. The City shall use a combination of credits and collections/remittances to reimburse the Remaining Reimbursement Amount. The City shall provide impact fee credits equal to the Reimbursement Fee to Owner for each building permit pulled by Owner within the Property and the City shall collect the Reimbursement Fee with each building permit pulled by any other person either (i) developing within the Property or (ii) utilizing the Water System Improvements and remit such Reimbursement Fee to Owner. The City will remit the currently available Reimbursement Fees ($110,610 at the time of drafting this Agreement) to Owner within thirty (30) days from the Effective Date, and remit all future Reimbursement Fees collected to Owner on a semi-annually basis, on February 1 and August 1 of each year until the Remaining Reimbursement Amount has been satisfied. Upon Owner's request the City will provide Owner with an accounting of all Reimbursement Fees both credited and remitted to Owner. The Parties agree that the satisfaction of the Remaining Reimbursement Amount will occur on the earlier occurrence of either of the following events:

1) The Reimbursement Fees credited by City to Owner
   +
   The Reimbursement Fees remitted by City to Owner
   _____
   = the Remaining Reimbursement Amount **OR**

2) The last building permit is issued within the Property.

In the event the City repeals or reduces either the Water System Impact Fee and/or the Water Resource Impact Fee, which results in the Reimbursement Fee either being eliminated or reduced

then the City and Owner agree to meet and confer to establish a new or supplemental Reimbursement Fee.

3. COMPROMISE OF CLAIMS.

This Agreement is executed as a compromise of disputed claims, liability for which is expressly denied by the Parties. By this Agreement, the Parties do not admit any wrongdoing or liability, nor do the Parties intend it to be construed as such.

4. DISMISSAL OF THE LITIGATION WITH PREJUDICE.

The Parties have previously, by and through counsel, filed a *Notice of Conditional Settlement and Joint Motion* with the Maricopa County Superior Court pursuant to and consistent with *Arizona Rule of Civil Procedure* 5.1(d) and the applicable *Local Rules for Maricopa County*. Within five business days of the execution of this Agreement, counsel for the Parties shall execute and file with the Maricopa County Superior Court the *Stipulation and Joint Motion to Dismiss With Prejudice* (the "Stipulation") and *Proposed Order of Dismissal* both attached hereto as **Exhibit "B"**. The Stipulation will provide that the City and Owner shall bear their own attorneys' fees and costs. The Parties hereby instruct and authorize their respective attorneys to execute the Stipulation and proposed form of *Order of Dismissal With Prejudice* for and on their behalf and to promptly file the same with the Maricopa County Superior Court.

5. SUCCESSORS AND ASSIGNS.

This Agreement shall inure to the benefit and burden of the Parties' successors and assigns.

6. ACKNOWLEDGMENT AND WARRANTY OF AUTHORITY.

The Parties hereto warrant and covenant that they have full right, power, and authorization to enter into, execute, and perform this Agreement and that all necessary corporate

and/or governmental authorizations, approvals, and consents have been received to bind the respective Party.

7. RELEASE OF THE CITY.

As part of the consideration for execution and performance of this Agreement according to the terms specified herein, Owner, individually, and for and on behalf of its current and former principals, members, affiliates, related entities and persons, officers, directors, representatives, agents, servants, attorneys, consultants, heirs, executors, personal representatives, stockholders, shareholders, receivers, subsidiaries, predecessors-in-interest, successors-in-interest, employees, insurers and reinsurers, and successors and assigns, hereby fully, unconditionally and irrevocably releases, waives and forever discharges the City, its current and former agents, servants, principals, consultants, affiliates, related entities, elected officials (including but not limited to the current and former Mayor and Council), attorneys, members, representatives, employees, directors, officers, managers, affiliates, successors and assigns, insurers or reinsurers, from and against any and all obligations, demands, lawsuits, liabilities, damages, claims, causes of action, whether at law or in equity, matured or contingent, liquidated or unliquidated, asserted or unasserted, known or unknown, which, in whole or in part, arise out of or relate to the Lawsuit and the acts, omissions, transactions, and events (whether or not continuing) related to the Lawsuit which arose prior to the Effective Date of this Agreement.

8. RELEASE OF OWNER.

As part of the consideration for execution and performance of this Agreement according to the terms specified herein, the City, for and on behalf of itself, as well as its current and former elected officials (including but not limited to the current and former Mayor and Council), representatives, employees, consultants, agents, attorneys, heirs, affiliates, members, managers,

insurers and reinsurers, , directors, officers, successors, assigns, hereby fully, unconditionally and irrevocably releases, waives and forever discharges Owner, and its current and former members, agents, principals, shareholders, partners, representatives, managers, predecessors-in-interest, successors-in-interest, directors, officers, employees, subsidiaries, insurers and reinsurers, successors and assigns, from and against any and all obligations, demands, lawsuits, liabilities, damages, claims, causes of action, whether at law or in equity, matured or contingent, liquidated or unliquidated, asserted or unasserted, known or unknown, which, in whole or in part, arise out of or relate to the Lawsuit and the acts, omissions, transactions, and events (whether or not continuing) related to the Lawsuit which arose prior to the Effective Date of this Agreement.

9. TIME IS OF THE ESSENCE.

Time is of the essence of this Agreement and the terms, covenants and conditions herein shall extend to and be binding upon the respective Parties and their successors and assigns to the fullest extent allowed by law.

10. ENTIRE AGREEMENT.

This Agreement contains the entire integrated agreement of the Parties with respect to any matter mentioned herein. With respect to its subject matter, including without limitation all matters incorporated herein by reference, this Agreement is a final expression of the Parties' rights and duties, and there are no other agreements or understandings between the Parties to the contrary.

11. NO ORAL MODIFICATION.

This Agreement may only be altered, amended, and/or modified in a writing signed by the Parties hereto. There are no oral or written statements, representations, agreements or understandings which modify, amend or vary the terms of this Agreement.

12. ADDITIONAL DOCUMENTS.

The Parties hereto agree to execute, deliver, acknowledge and record, as applicable, any further or additional documents or instruments specifically set forth in this Agreement or as otherwise may be required or necessary to implement this Agreement according to its terms.

13. ARIZONA LAW.

This Agreement is made in Arizona and shall be governed solely by the laws of the State of Arizona, and in any lawsuit, action or proceeding instituted by any party hereto arising out of or with respect to this Agreement, jurisdiction and proper venue shall be deemed to be in Maricopa County, Arizona, and the Parties hereby waive any objection or defense based upon improper venue. In addition, the Parties hereby waive their respective right to a trial by jury of any claim, counterclaim, cross complaint or cause of action in any such action, proceeding, or hearing brought by either party against the other arising out of this Agreement.

14. NO REPRESENTATIONS.

This Agreement represents the full and complete understanding of the Parties and no party entering into this Agreement is relying upon any representations or warranties of any other party, except as specifically set forth in this Agreement.

15. AUTHORITY TO EXECUTE.

Each party executing this Agreement represents that it has full authority to execute for and bind the party for whom such party signs. Without limitation on the foregoing, Owner represents that the execution and delivery of this Agreement by it has been authorized and approved, in accordance with its constituent documents, by all members of Owner.

16. STATUTORY COMPLIANCE.

This Agreement is subject to the provisions of *A.R.S.* §38-511, which is incorporated herein by reference.

17. ENFORCEMENT.

The provisions of this Agreement shall be enforceable by either or both Owner and the City by any remedy now or hereafter available at law or in equity. Each Party shall be responsible for its respective expenses, including but not limited to attorneys' fees and costs.

18. SEVERABILITY.

In the event that any provision of this Agreement is determined to be invalid, illegal or otherwise unenforceable, the remaining provisions of the Agreement shall remain in full force and effect.

19. HEADINGS.

Headings of this Agreement are for the purpose of reference only and shall not limit or otherwise affect the meanings hereof.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts; all counterparts are deemed to constitute one and the same instrument, and each counterpart is deemed to be an original of that instrument.

21. NOTICES.

Any notice to be given pursuant to the terms of this Agreement or otherwise, shall be given by certified mail, return receipt requested, as follows:

CITY: Robert Wingo, Esq.
City Attorney
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

COPY TO: Mr. Bob Wingenroth
City Manager
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

OWNER: D.Christopher Ward
Area General Counsel
Pulte Home Company, LLC
16767 N. Perimeter Drive, Suite 100
Scottsdale, Arizona 85260
480.391.6157

COPY TO: Jeffrey Blilie
Beus Gilbert PLLC
701 N. 44th Street
Phoenix, AZ 85008
480.429.3030

THE UNDERSIGNED HAVE CAREFULLY READ THIS AGREEMENT, FULLY UNDERSTAND IT AND HAVE VOLUNTARILY AGREED TO EXECUTE THIS AGREEMENT.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and date as set forth below.

CITY OF SURPRISE,
an Arizona municipal corporation

By:_____

Its:_____

Dated: _____

ATTEST:

By:_____
City Clerk, City of Surprise

Date:_____

APPROVED AS TO FORM:

By:_____
Robert Wingo, Esq.
City Attorney

CENTEX HOMES,
a Nevada general partnership

By: Centex Real Estate Company, LLC,
a Nevada limited liability company,
its Managing Partner

By: D. Christopher Ward

Its: Vice President

Date: 5/24/17

PULTE HOME COMPANY, LLC
a Michigan limited liability company

By: [illegible]

Its: V.P. LAND

Date: 5/24/17

PULTEGROUP, INC
a Michigan corporation

By:_____

Its: D. Bryce Langen
Vice President & Treasurer

Date:_____

EXHIBIT A

Legal Description of the Property

(see following pages)

LEGAL DESCRIPTION : LANCER PROPERTY

PARCEL NO. 1:

ALL OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT BEGINNING 3273.5 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SECTION 35;

THENCE IN A SOUTHEASTERLY DIRECTION IN A STRAIGHT LINE ACROSS SAID SECTION 35 TO A POINT ON THE SOUTH LINE OF SAID SECTION 35, SAID POINT BEING 1866.75 EAST OF THE SOUTHWEST CORNER OF SAID SECTION 35;

THENCE WEST ALONG THE SOUTH LINE OF SAID SECTION 35 TO THE SOUTHWEST CORNER THEREOF;

THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 35 TO THE POINT OF BEGINNING;

EXCEPT ALL COAL AND OTHER MINERALS AS RESERVED TO THE UNITED STATES OF AMERICA IN PATENT TO SAID LAND.

PARCEL NO. 2:

THAT PART OF SECTION 26, TOWNSHIP 5 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE WEST ALONG THE NORTH LINE OF SAID SECTION 35, A DISTANCE OF 1200 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH, A DISTANCE OF 208 FEET TO A POINT;

THENCE WEST, A DISTANCE OF 208 FEET TO A POINT;

THENCE SOUTH, A DISTANCE OF 208 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 35;

THENCE EAST ALONG SAID NORTH LINE, A DISTANCE OF 208 FEET TO THE TRUE POINT OF BEGINNING;

EXCEPT ALL COAL AND OTHER MINERALS AS RESERVED TO THE UNITED STATES OF AMERICA IN PATENT TO SAID LAND.

PARCEL NO. 3:

THAT PART OF SECTION 26, TOWNSHIP 5 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 26;

THENCE EAST, ALONG THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 206 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH, PERPENDICULAR TO THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 465 FEET;

THENCE EAST, PARALLEL TO THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 126 FEET;

THENCE SOUTH, PERPENDICULAR TO THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 465 FEET TO THE SOUTH LINE OF SAID SECTION 26;

THENCE WEST, ALONG THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 126 FEET TO THE TRUE POINT OF BEGINNING;

EXCEPT ALL COAL AND OTHER MINERALS AS RESERVED TO THE UNITED STATES OF AMERICA IN PATENT TO SAID LAND.

PARCEL NO. 4:

THAT PART OF SECTION 26, TOWNSHIP 5 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 26;

THENCE EAST, ALONG THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 2527 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH, PERPENDICULAR TO THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 450 FEET;

THENCE EAST, PARALLEL TO THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 117 FEET;

THENCE SOUTH, PERPENDICULAR TO THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 450 FEET, TO THE SOUTH LINE OF SAID SECTION 26;

THENCE WEST, ALONG THE SOUTH LINE OF SAID SECTION 26, A DISTANCE OF 117 FEET TO THE TRUE POINT OF BEGINNING;

EXCEPT ALL COAL AND OTHER MINERALS AS RESERVED TO THE UNITED STATES OF AMERICA IN PATENT TO SAID LAND.

LEGAL DESCRIPTION : BAER PROPERTY

PARCEL NO. 1:

That portion of the Southeast quarter of Section 1, Township 4 North, Range 2 West of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Southeast corner of said Section 1, said point being the TRUE POINT OF BEGINNING;

thence North 00 degrees 05 mintes 34 seconds East (Record North) along the East line of said Section 1, a distance of 1620.00 feet to a point;

thence North 89 degrees 36 minutes 49 seconds West, a distance of 1763.49 feet , (North 89 degrees 42 minutes 30 seconds West a distance of 1763.63 feet record), parallel with the South line of said Section 1, to a point, said point being on a diagonal line extended from the Southeast corner of said Section 1 to the Northwest corner of said Section 1;

thence South 47 degrees 10 minutes 35 seconds East along said diagonal line, a distance of 2400.74 feet, (South 47 degrees 16 minutes 26 seconds East a distance of 2400.76 feet record), to the TRUE POINT OF BEGINNING;

EXCEPT all coal and other minerals as reserved in Patent from the United States of America.

PARCEL NO. 2:

That part of Section 1, Township 4 North, Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at the northeast corner of said Section 1;

Thence Westerly along the North line of said Section 1 to the Northwest corner thereof;

Thence Southeasterly to the Southeast corner of said Section 1;

Thence Northerly along the East line of said Section 1 to the POINT OF BEGINNING;

EXCEPTING THEREFROM that part of said Section 1, Township 4 North, Range 2 West of the Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at the Southeast corner of said Section 1, said point being the TRUE POINT OF BEGINNING;

thence North 00 degrees 05 minutes 34 seconds East (Record North) along the East line of said Section 1, a distance of 1620.00 feet to a point;

thence North 89 degrees 36 minutes 49 seconds West, a distance of 1763.49 feet, (North 89 degrees 42 minutes 30 seconds West a distance of 1763.63 feet record), parallel with the South line of said Section 1, to a point, said point being a a diagonal line extended from the Southeast corner of said Section 1 to the Northwest corner of said Section 1;

thence South 47 degrees 10 minutes 35 seconds East along said diagonal line, a distance of 2400.74 feet (South 47 degrees 16 minutes 26 seconds East a distance of 2400.76 feet record), to the TRUE POINT OF BEGINNING;

AND FURTHER EXCEPTING THEREFROM all coal and other minerals as reserved in Patent to said land.

(Record Bearings and Distances shown above are taken from Instrument recorded January 20, 1986 as Document 86-027816.)

EXHIBIT B

Stipulation and Joint Motion to Dismiss With Prejudice and Proposed Order of Dismissal

(see following pages)

BEUS GILBERT PLLC
ATTORNEYS AT LAW
701 NORTH 44TH STREET
PHOENIX, ARIZONA 85008-6504
TELEPHONE (480) 429-3000

Franklyn D. Jeans/004657
Cassandra H. Ayres/025937
fjeans@beusgilbert.com
cayres@beusgilbert.com

Attorneys for Plaintiffs

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

CENTEX HOMES, a Nevada general partnership; PULTE HOME CORPORATION, a Michigan corporation; and PULTEGROUP, INC., a Michigan corporation, Plaintiffs, vs. CITY OF SURPRISE, a municipal corporation, Defendant.	Case No.: CV2016-016818 **STIPULATION AND JOINT MOTION TO DISMISS WITH PREJUDICE** (Assigned to the Honorable David Gass)

Plaintiffs Centex Homes, Pulte Home Corporation and Pultegroup, Inc., jointly with the City of Surprise, have agreed to a settlement in this matter. The parties stipulate and request jointly that the Court dismiss this case with prejudice with each party to bear their own attorneys' fees and costs.

/ / /

/ / /

/ / /

DATED this ___ day of _____, 2017.

BEUS GILBERT PLLC

By_____

Franklyn D. Jeans
Cassandra H. Ayres
701 North 44th Street
Phoenix, AZ 85008-6504
Attorneys for Plaintiffs

SURPRISE CITY ATTORNEY'S OFFICE

By_____

Robert Wingo, City Attorney
16000 N. Civic Center Plaza
Surprise, AZ 85374
Attorneys for Defendant

ORIGINAL of the foregoing filed via AZ TurboCourt this ___ day of _____, 2017, with copy to:

Judge David Gass
Maricopa County Superior Court

_____

BEUS GILBERT PLLC
ATTORNEYS AT LAW
701 NORTH 44TH STREET
PHOENIX, ARIZONA 85008-6504
TELEPHONE (480) 429-3000

Franklyn D. Jeans/004657
Cassandra H. Ayres/025937
fjeans@beusgilbert.com
cayres@beusgilbert.com
Attorneys for Plaintiffs

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

CENTEX HOMES, a Nevada general partnership; PULTE HOME CORPORATION, a Michigan corporation; and PULTEGROUP, INC., a Michigan corporation, Plaintiffs, vs. CITY OF SURPRISE, a municipal corporation, Defendant.	Case No.: CV2016-016818 **ORDER GRANTING STIPULATION AND JOINT MOTION TO DISMISS WITH PREJUDICE** (Assigned to the Honorable David Gass)

Pursuant to the Stipulation and Joint Motion to Dismiss with Prejudice filed by Plaintiffs Centex Homes, Pulte Home Corporation and Pultegroup, Inc., and Defendant City of Surprise, and good cause appearing,

IT IS HEREBY ORDERED that the claims between Plaintiffs Centex Homes, Pulte Home Corporation, and Pultegroup, Inc., and Defendant City of Surprise are dismissed with prejudice, with each party to bear their own attorneys' fees and costs.

_____
Honorable David Gass
Judge of the Superior Court

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Robert Wingo, City Attorney
Submitting Department:		District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action to enter into executive session for discussion or consultation for legal advice with the City Attorney pertaining to the Settlement Agreement with Pulte Homes pursuant to A.R.S. 38-431.03(A)(5).

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

Click to download

No Attachments Available

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Skip Hall, PEL Chair
Submitting Department:		District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Tabled at the June 6, 2017 Regular City Council Meeting:

Consideration and action to enter into executive session to discuss evaluations and FY2018 performance goals of the City Manager, City Clerk and City Attorney pursuant to A.R.S. 38-431.03(A)(1).

Motion:

I move to recess into executive session for the noticed purpose.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

Click to download

No Attachments Available

CITY OF SURPRISE
Regular City Council Meeting

June 20, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	June 20, 2017	Contact Person:	Robert Wingo, City Attorney
Submitting Department:		District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Tabled at the June 6, 2017 Regular City Council Meeting:

Consideration and action to enter into executive session for discussion and consultation with the City Attorney and to receive legal advice and to consider its position and instruct the City Attorney pertaining to a development agreement with Surprise Center Development Company pursuant to A.R.S. 38-431.03 (A)(3) and (4).

Motion:

I move to approve entering into Executive Session for discussion and consultation with the City Attorney and to receive legal advice and to consider its position and instruct the City Attorney pertaining to a development agreement with Surprise Center Development Company pursuant to A.R.S. 38-431.03 (A)(3) and (4).

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

Click to download

No Attachments Available