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

Tuesday, February 21, 2017 @ 6:00 PM
COUNCIL CHAMBERS

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 Internal	Consideration and action pertaining to acceptance of an Arizona Department of Homeland Security (AZDOHS) grant in the amount of $9,000 and amending the Fiscal Year 2017 budget by reallocating same within the Grants Fund to purchase communication headsets for the Police Department's Tactical Team; Resolution # 2017-08.	None Bert Anzini, Lieutenant

2.	District Internal	Consideration and action pertaining to an amendment to the Fiscal Year 2017 budget by reallocating appropriations of $145,300 from the Neighborhood Revitalization Fund to the Contingency within the Grants Fund for the purpose of adjusting various grants within the Human Service & Community Vitality Department (HSCV); Resolution # 2017-013.	None Seth Dyson, Human Service & Community Vitality
3.	District Internal	Consideration and action pertaining to an amendment of the FY2017 budget by reallocating appropriations of $8,700 within the Grants Fund, $800 within the General Fund, and authorizing the addition of 0.2 full-time equivalent to support operations at the Surprise Resource Center; Resolution # 2017-014.	None Seth Dyson, Human Service & Community Vitality
4.	District Citywide	Consideration and action pertaining to establishment of the City of Surprise Workers' Compensation Trust and authorizing submission of the Request for Exemption from posting statutory deposit to the Industrial Commission of Arizona.	None Brian Carmichael, Risk Management
5.	District 6	Consideration and action pertaining to approval of the Intergovernmental Agreement (IGA) with the City of El Mirage for the Dysart Road medians and amending the Fiscal Year 2017 budget by reallocating appropriations and actual funds in the amount of $500,000 from the Economic Development Contingency Fund to the General Capital fund to establish the project; Resolution # 2017-12.	None Karl Zook, Public Works Department
6.	District Citywide	Consideration and action on the meeting minutes of February 7, 2017 Regular City Council Work Session and Regular City Council Meeting.	None Sherry Ann Aguilar, City Clerk

Regular Agenda Item - Public Hearing:

7.	District 3	Consideration and action pertaining to approval of a Major Amendment to the Sycamore Farms PAD, by amending, among other things, land uses, density, certain commercial development standards, and allowing off-premise signage, all within a 266.7 acre property generally bounded by West Cactus Road to the north, North Sarival Avenue to the east, West Peoria Avenue to the south, and North Cotton Road to the west; Ordinance # 2017-05.	None Hobart Wingard - Community Development

Regular Agenda Item - Non-Public Hearing:

8.	District 3	Consideration and action pertaining to approval of an annexation of a 3.34 acre portion of Peoria Avenue, a contiguous public roadway located between Sarival Avenue and Reems Road; Ordinance # 2017-06.	None Lloyd Abrams - Community Development
9.	District Citywide	Consideration and action pertaining to repealing the Bell and Grand Temporary Sign and Temporary Use Permit Policy; Resolution # 2017-21.	None Eric Fitzer - Community Development

10.	District Internal	Consideration and action pertaining to approving the purchase of 5.84 acres of real property within the Original Townsite commonly known as 15627 North Nash Street, Surprise, Arizona, and amending the Fiscal Year 2017 budget by reallocating appropriations of $1, 350, 000 from the Grant Fund to General Capital Projects Fund to facilitate the purchase; Resolution # 2017-22.	None Eric Fitzer - Community Development
11.	District Citywide	Consideration and action pertaining to repealing the City Wide Temporary Sign Policy; Resolution #2017-20.	None Eric Fitzer - Community Development
12.	District 1	Consideration and action pertaining to approval of a Fiscal Year 2017 budget amendment by reallocating appropriations and actually transferring $500,000 from the General Fund to the General Capital Projects Fund to provide funding for the Surprise Farms Landscaping and Fence Project; Resolution # 2017-24.	None Councilman Winters & Councilman Hayden
13.	District Citywide	Consideration and action pertaining to approval of a Fiscal Year 2017 budget amendment by reallocating appropriations and an actual transfer of $700,000 within the General Fund to the General Capital Projects Fund to facilitate the construction of eight additional Pickleball courts ($500,000) and recommended shade structures ($200,000); Resolution # 2017-02.	None VM Tande and CM Winters
14.	District Internal	Consideration and action pertaining to approval of a third amendment to the Surprise Center Compromise Settlement Agreement by extending certain performance deadlines to March 29, 2017.	None Robert Wingo, City Attorney

J. Other Business and Future Agenda Items:

K. Mayor/Council Reports:

L. Executive Session:

15.	District Internal	Consideration and action to enter into executive session with the City Attorney for discussion and consultation for legal advice pertaining to zoning of property within the vicinity of City Hall pursuant to A.R.S. 38-431.03(A)(3).	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.

Council Meeting Date:	February 21, 2017	Contact Person:	Bert Anzini, Lieutenant
Submitting Department:	Police	District:	Internal
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to acceptance of an Arizona Department of Homeland Security (AZDOHS) grant in the amount of $9,000 and amending the Fiscal Year 2017 budget by reallocating same within the Grants Fund to purchase communication headsets for the Police Department's Tactical Team; Resolution # 2017-08.

Motion:

I move to approve Resolution # 2017-08.

Background:

Funding for the purchase of the equipment associated with this grant is from the U.S. Department of Homeland Security, utilizing money that was not used during the FFY2015. The grant will provide for the purchase of 9 communication headsets.

Objective Analysis:

This grant allows the Police Department to purchase 9 communication headsets. There are no known negative outcomes regarding the equipment this grant provides.

Policy Compliant:

The grant objectives are consistent with the City and Council policy and practice of supplementing the General Fund budget through use of grant funds when reasonable to do so and is consistent with City and Council policy and practice of preparation.

Financial Impact:

This one-time grant award is $9,000 for the purchase of communication headsets and there is no City match requirement.

Budget Impact:

This action will reallocate appropriations in the amount of $9,000 from contingency to operating equipment, tools, and parts <$10,000 without exceeding the approved total annual budget for FY2017.

FTE Impact:

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

ATTACHMENTS:

Click to download

- FFY 2015 UASI Reallocations Funds Grant# 158022-02
- Resolution 2017-08 UASI Funds

State of Arizona
Department of Homeland Security

Governor Douglas A. Ducey

Director Gilbert M. Orrantia

December 27, 2016

Terry Young, Police Chief
Surprise Police Department
14250 W Statler Plz, Ste 103
Surprise, AZ 85374-7481

Subject: FFY 2015 Homeland Security Grant Program Award – REALLOCATION
Subrecipient Agreement Number: **150822-02**
Project Title: **FFY 2015 UASI Reallocated Funds Surprise PD**

Dear Chief Young,

The application that your agency submitted to the Arizona Department of Homeland Security (AZDOHS) for consideration under the Homeland Security Grant Program has been awarded. The project titled "**FFY 2015 UASI Reallocated Funds Surprise PD**" has been fully funded under the 2015 Urban Area Security Initiative Grant Program for **$9,000**. The grant performance period is ***January 1, 2017 to September 30, 2017***. This grant program is part of the U.S. Department of Homeland Security Grant Program and specifically is awarded under CFDA #97.067 (Catalog of Federal Domestic Assistance).

To access your award documentation:

- Log-in to azdohsgrants.az.gov/user. A username/password was provided to you/your staff during the application phase. If you no longer have your username/password, please contact your Strategic Planner for assistance.

To initiate the award process:
The following action items must be downloaded, completed, signed and returned to AZDOHS:

1. Project Administration Page - Print and sign one original.
2. Two Subrecipient Agreements – Print and sign two original Subrecipient Agreements
3. NIMS Compliance Certification – Complete and sign one original certification.
4. Environmental and Historic Preservation (EHP) required documentation, if applicable.

Hard copies of the Project Administration Page, Subrecipient Agreement, NIMS Compliance Certification and EHP letter will **not** be mailed to you. These items must be completed and on file at AZDOHS in order for your agency to be eligible for reimbursement. **If all documentation listed in numbers 1, 2, 3 and 4 (if applicable), above is not signed and received by AZDOHS on or before April 30, 2017, this award is rescinded and the funds will be reallocated.**

Additional grant requirements:

- Reimbursements are limited to approved quantities and funding thresholds.
- If your project requires an Environmental and Historic Preservation (EHP) review; this must be completed submitted and **approved** by FEMA/AZDOHS prior to any expenditure of funds.
- All radio equipment purchased with Homeland Security funds should be P25 capable, comply with SAFECOM Guidance, and the Land Mobile Radio Minimum Equipment Standards as approved by the Statewide Interoperability Executive Committee (SIEC), and be programmed in accordance with the Arizona State Interoperable Priority Programming Guide.
- Subrecipients are subject to the AZDOHS Site Monitoring Program.
- Quarterly programmatic reports must be submitted on the most recent form/template available on the AZDOHS website.
- Consultants/Trainers/Training Providers costs must be within the prevailing rates; must be obtained under

consistent treatment with the procurement policies of the subrecipient and 2 CFR 200; and shall not exceed the maximum of $450 per day per consultant/trainer/training provider unless prior written approval is granted by the AZDOHS.

- Terrorism Liaison Officer (TLO) Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) Response Vehicles purchased with Department of Homeland Security Grant Program funding must be assigned to and used by certified TLOs working with the Arizona Counter Terrorism Information Center (ACTIC).
  - Persons receiving TLO vehicles shall be available to respond to incidents and events on a "call out" basis and shall be available for regional and statewide deployment for TLO operations and training.
  - TLO equipment and/or services purchased or maintained with Department of Homeland Security Grant Program funding will be assigned to and used by certified TLOs working with the ACTIC TLO Program. This equipment may include: radios, computers, cell phones, cellular and satellite service fees, open source data services, cameras, GPS devices and any other equipment needed to complete the TLO mission.
- All reimbursements for personnel costs must be in compliance with AZDOHS Time and Effort Reporting requirements available on the AZDOHS website.
- Per 2 CFR 200 Subpart F, Subrecipients who expend $750,000 or more in Federal dollars in the previous fiscal year and subsequent years within the period of performance are required to submit an electronic copy of their annual Single Audit (formerly known as OMB Circular A-133 Audits of States, Local Governments and Nonprofit Organizations). Subrecipients shall submit their annual Single Audit to audits@azdohs.gov within 9 months after the close of the fiscal year. If a Subrecipient does not expend more than $750,000 a statement must be submitted in writing to audits@azdohs.gov identifying that they did not meet the threshold and therefore do not have to conduct a Single Audit. The AZDOHS reserves the right to withhold reimbursement payments or future subrecipient agreements until the Single Audit or statement has been received and, if applicable, an approved action plan for compliance has been completed.
- The FFY 2015 federal award date as indicated in the U.S. DHS award package is 8/10/2015 with a total amount of funding of $21,768,000. The Federal Award Identification Number is EMW-2015-SS-00084-S01.
- AZDOHS reserves the right to request additional documentation at any time.

If you should have any questions, please do not hesitate to contact your Strategic Planner.

Congratulations on your Homeland Security Grant Program award.

Sincerely,

Gilbert M. Orrantia

Gilbert M. Orrantia
Director

Cc: Bert Anzini

Governor Douglas A. Ducey

State of Arizona
Department of Homeland Security
State Homeland Security Program

Director Gilbert M. Orrantia

Equipment - Budget Detail Worksheet

Surprise Police Department **150822-02**

AEL #	*Item Description*	*Qty Requested*	*Total Requested*	*Qty Approved*	*Total Approved*
06CP-03-PRAC	Communications Headsets	9	$9,000	9	$9,000
TOTAL:			**$9,000**		**$9,000**

Displaying 1 - 1 of 1 Equipment Items

RESOLUTION # 2017-08

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, ACCEPTING AN ARIZONA DEPARTMENT OF HOMELAND SECURITY GRANT IN THE AMOUNT OF $9,000 AND AMENDING THE FISCAL YEAR 2017 BUDGET BY REALLOCATING APPROPRIATIONS OF $9,000 FROM CONTINGENCY WITHIN THE GRANTS FUND FOR THE RECEIPT OF THE GRANT.

WHEREAS, the State of Arizona, Department of Homeland Security has awarded the City of Surprise Police Department a reallocated funds grant in the amount of $9,000 to support the purchase of headsets for the Department's Tactical Team;

WHEREAS, it is in the best interests of the City and its residents that this grant be accepted thereby allowing the Police Department and the City to be better prepared to deal with incidents that are unusual and may require response by the Tactical Team;

WHEREAS, this grant award was not included as part of the FY2017 budget adopted by Council Resolution #2016-81 on June 21, 2016;

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. The City is hereby authorized to accept a grant in the amount of $9,000 from the State of Arizona, Department of Homeland Security as part of the UASI Reallocated funds grant program in support of the Homeland Security Grant Program.

Section 2. The, City Manager, or his designee, is authorized to conduct all negotiations and to execute and submit all documents and other necessary or desirable instruments in connection with said application and grant award.

Section 3. 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.

SIGNATURES ON 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 # 2017-08
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. 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.

Grants Fund Department / Project, Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
PD UASI Reallocation, Operating Equipment, Tools, and Parts <$10,000	$0	$9,000	$9,000
General Operations, Contingency	20,690,400	(9,000)	20,681,400
	$20,690,400	$0	$20,690,400
PD UASI Reallocation, Federal Grant Revenue	$0	$9,000	$9,000
General Operations, Other Grant Revenue	11,566,000	(9,000)	11,557,000
	$11,566,000	$0	$11,566,000

The fund changes are as follows:

- The amendment utilizes the Grants Fund contingency in the amount of $9,000 for operating equipment, tools, and parts <$10,000 without exceeding the approved total annual budget for FY2017.

Council Meeting Date:	February 21, 2017	Contact Person:	Seth Dyson, Human Service & Community Vitality
Submitting Department:	Human Service & Community Vitality	District:	Internal
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to an amendment to the Fiscal Year 2017 budget by reallocating appropriations of $145,300 from the Neighborhood Revitalization Fund to the Contingency within the Grants Fund for the purpose of adjusting various grants within the Human Service & Community Vitality Department (HSCV); Resolution # 2017-013.

Motion:

I move to approve Resolution # 2017-013.

Background:

The FY2017 adopted budget includes funding for the HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) programs. The estimates for FY2016 were utilized for the adoption of the FY2017 budget for both HOME and CDBG grant related projects and it is necessary to adjust those amounts by reallocating appropriations of $145,300 for various HOME and CDBG grants to allow the City to have current and updated budgetary amounts.

Objective Analysis:

This action will allow HSCV and the City to have current and updated budgetary amounts.

Policy Compliant:

This action follows City policy and general grant practices.

Financial Impact:

This action has no direct financial impact. The amendments included with this item are adjustments to budget authority and have no net financial impact across FY2016 and FY2017.

Budget Impact:

The adoption of the FY2017 budget occurred prior to the completion of FY2016. To ensure that the new fiscal year had enough budget authority for all potential expenditures, conservative FY2016 expenditure estimates were used and remaining balances for items such as grants were carried forward into FY2017 and included in the adopted budget. Adjustments to the FY2017 budget are necessary for these grants to allow for current and updated budgetary amounts. This action reallocates appropriation in the amount of $145,300 from the Neighborhood Revitalization Fund to contingency within the Grants Fund to adjust budget authority for HOME and CDBG grants without exceeding the approved total annual budget for FY2017.

FTE Impact:

This item does not impact the overall FTE count.

ATTACHMENTS:

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Resolution 2017-13 Grant Roll Over Balance

RESOLUTION # 2017-13

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2017 BUDGET BY REALLOCATING APPROPRIATIONS OF $145,300 FROM THE NEIGHBORHOOD REVITALIZATION FUND TO CONTINGENCY WITHIN THE GRANTS FUND FOR THE PURPOSE OF ADJUSTING BUDGET AUTHORITY FOR VARIOUS GRANTS.

WHEREAS, the FY2017 adopted budget includes funding for the HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) programs;

WHEREAS, estimates for FY2016 were utilized for the adoption of the FY2017 budget for both HOME and CDBG grant related projects;

WHEREAS, it is necessary to reallocate appropriations of $145,300 for various HOME and CDBG grants to allow the City to have current and updated budgetary amounts;

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, 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.

APPROVED AND ADOPTED this _____day of ___________, 2017.

____
Sharon R. Wolcott, Mayor

Attest: Approved as to form:

______________________________ ________________________________
Sherry Aguilar, City Clerk Robert Wingo, City Attorney

RESOLUTION # 2017-13
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. 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, Project, or Program, Dept., Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
Expenditures:			
Neighborhood Revitalization, 2012 HOME Funds	$17,500	$42,900	$60,400
Neighborhood Revitalization, 2013 HOME	67,700	(19,000)	48,700
Neighborhood Revitalization, FY14-15 HOME	133,500	6,900	140,400
Neighborhood Revitalization, 2013 CDBG Emergency Repair	100,000	40,100	140,100
Neighborhood Revitalization, FY14-15 CDBG Public Services	60,000	(36,000)	24,000
Neighborhood Revitalization, 2015 CDBG Sr Center Parking	32,000	(32,000)	0
Neighborhood Revitalization, Desert Sage	65,700	(65,700)	0
Neighborhood Revitalization, Sunny Lane	29,400	(29,400)	0
Neighborhood Revitalization, Jerry Street	53,100	(53,100)	0
Grants Fund, General Operations, Contingency	19,890,400	145,300	20,035,700
	$20,449,300	$0	$20,449,300
Revenues:			
Neighborhood Revitalization, 2012 HOME Funds	$17,500	42,900	60,400
Neighborhood Revitalization, 2013 HOME	67,700	(19,000)	48,700
Neighborhood Revitalization, FY14-15 HOME	133,500	6,900	140,400
Neighborhood Revitalization, 2013 CDBG Emergency Repair	100,000	40,100	140,100
Neighborhood Revitalization, FY14-15 CDBG Public Services	60,000	(36,000)	24,000
Neighborhood Revitalization, 2015 CDBG Sr Center Parking	32,000	(32,000)	0

(Continued)

Fund, Project, or Program, Dept., Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
Revenues:			
Neighborhood Revitalization, Desert Sage	66,400	(66,400)	0
Neighborhood Revitalization, Sunny Lane	30,100	(30,100)	0
Neighborhood Revitalization, Jerry Street	53,800	(53,800)	0
Grants Fund, General Operations, Other Grant Revenue	11,566,000	147,400	11,713,400
	$12,127,000	$0	$12,127,000

The fund changes are as follows:

- The amendment reallocates appropriations in the amount of $145,300 from the Neighborhood Revitalization Fund to contingency within the Grants Fund to adjust budget authority for HOME and CDBG grants without exceeding the approved total annual budget for FY2017.

Council Meeting Date:	February 21, 2017	Contact Person:	Seth Dyson, Human Service & Community Vitality
Submitting Department:	Human Service & Community Vitality	District:	Internal
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to an amendment of the FY2017 budget by reallocating appropriations of $8,700 within the Grants Fund, $800 within the General Fund, and authorizing the addition of 0.2 full-time equivalent to support operations at the Surprise Resource Center; Resolution # 2017-014.

Motion:

I move to approve Resolution # 2017-014.

Background:

The City of Surprise has an existing intergovernmental agreement (IGA) with Maricopa County for grant funding to support the Community Action Program (CAP) which operates out of the Surprise Resource Center. This agreement covers 91.38% of salaries for direct service providers of the CAP program. Currently a temporary employee is assisting at the Resource Center; however, due to the overwhelming demand for services, the Human Service and Community Vitality (HSCV) department has identified the need for a permanent part-time employee.

Objective Analysis:

This action will allow HSCV to operate the Resource Center more efficiently and ensure staff coverage during operating hours.

Policy Compliant:

This action follows City and Council policies.

Financial Impact:

This action will allow for the expenditure of $9,500 in part-time salary and benefits. The Maricopa County CAP grant will reimburse 91.38% for a total of $8,700 and the City match requirement of 8.62% will total $800 for the remainder of FY2017.

The ongoing FY2018 expenses are estimated at $30,500 of which $27,900 will be reimbursed by the grant and $2,600 will be a City match requirement.

Budget Impact:

This action will reallocate appropriations in the amount of $8,700 within the Grants Fund from the HSCV Admin program to the Community Resources program and $800 within the General Fund from the Senior Services program to the Community Resources program without exceeding the approved total annual budget for FY2017.

The FY2018 Recommended Budget will include $30,500 for the addition of this part-time position.

FTE Impact:

This action will authorize the addition of 0.2 full-time equivalent within the HSCV department.

ATTACHMENTS:

Click to download

- Resolution 2017-014

RESOLUTION # 2017-14

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2017 BUDGET BY REALLOCATING APPROPRIATIONS OF $8,700 WITHIN THE GRANTS FUND; $800 WITHIN THE GENERAL FUND; AND AUTHORIZING THE ADDITION OF 0.2 FULL-TIME EQUIVALENT TO SUPPORT OPERATIONS WITHIN THE SURPRISE RESOURCE CENTER.

WHEREAS, the Human Service & Community Vitality Department (HSCV) has identified the need for a permanent part-time employee in the Surprise Resource Center to assist with daily operations, intake appointments, and to provide advertised services;

WHEREAS, the City of Surprise has an existing intergovernmental agreement (IGA) with Maricopa County for grant funding to support the Community Action Program (CAP) which operates out of the Surprise Resource Center;

WHEREAS, the new part-time employee's salary and benefits qualify to be funded by the Maricopa County CAP grant up to 91.38% with a City match requirement of 8.62%;

WHEREAS, HSCV wishes to reallocate appropriations within this grant project for the addition of a permanent part-time employee;

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, 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.

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 # 2017-14
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. 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. **Personnel –** HSCV has identified the need for a permanent part-time employee in the Surprise Resource Center. The full-time equivalent (FTE) increase for the part-time employee is calculated by dividing the estimated hours worked by the number of hours for a standard full-time position (2,080 hours). The increase in FTE will result in an amended FTE amount of 15.4.

Department	Current FTE's	Increase (Decrease)	Amended FTE's
Human Service and Community Vitality	15.2	0.2	15.4

2. **Expenditures –** It is necessary to reallocate appropriations within the Grants Fund from HSCV Admin to Community Resources in the amount of $8,700 and $800 within the General Fund from Senior Services to Community Resources for the City match to support the addition of a permanent part time employee

Fund, Category, Program, Project	Current Appropriation	Increase (Decrease)	Amended Appropriation
Grants Fund, Personnel, Community Resources, FY17 CAP	$8,200	$8,700	$16,900
Grants Fund, Personnel, HSCV Admin, FY17 CAP	62,800	(8,700)	54,100
General Fund, Personnel, Community Resources, FY17 CAP	6,700	800	7,500
General Fund, Personnel, Senior Services	362,700	(800)	361,900
	$440,400	$0	$440,400

Council Meeting Date:	February 21, 2017	Contact Person:	Brian Carmichael, Risk Management
Submitting Department:	Human Resources	District:	Citywide
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to establishment of the City of Surprise Workers' Compensation Trust and authorizing submission of the Request for Exemption from posting statutory deposit to the Industrial Commission of Arizona.

Motion:

I move to approve the Workers' Compensation Trust Agreement and authorize submission of the Request for Exemption from Requirement to Post Statutory Deposit to the Industrial Commission of Arizona.

Background:

On January 3, 2017, Council approved by Resolution # 2017-003 the funding of a self-insured workers' compensation program. The City is now ready to formally establish the Trust and is required to file an application with the Industrial Commission of Arizona, which requires that a trust be established for associated claim expenditures. The Workers' Compensation Trust will use the existing Health Benefits Trust Committee to serve as required by statute and agreement. Additionally, the City is seeking authorization to submit a letter to the Industrial Commission of Arizona, signed by the majority of Council, requesting an exemption from the requirement to post securities for outstanding workers' compensation liabilities. This opportunity is afforded to public entities, via Arizona Administrative Code R-20-5-1114, which allows a waiver of security deposit for appropriately funded public entity workers' compensation programs.

Objective Analysis:

This action is legislative in nature and creates the City of Surprise Workers' Compensation Trust. It also obtains consent to submit an exemption letter to the State of Arizona Industrial Commission, seeking approval to waive the requirement to post a security deposit.

Policy Compliant:

The actions requested comply with all applicable statutes and codes and furthers the City Council's continuing agenda to be fiscally responsible and proactive.

Financial Impact:

On January 3, 2017, Council approved Resolution 2017-03 related to establishing and funding a self-insured workers' compensation program. The requested actions associated with this item are administrative in nature and have no direct financial impact.

For FY2017, expenditures for the Workers' Compensation Internal Service Fund are estimated to be $105,300 for personnel, supplies, and services. The ongoing FY2018 expenses are estimated at $767,100 for personnel, supplies, and services.

The transition from a guaranteed cost policy to a self-insured excess policy is projected to save over $700,000 per year via premium decreases and medical cost-containment measures.

Budget Impact:

The FY2017 adopted budget was amended per Resolution 2017-03 and includes funding in the amount of $105,300 within the Workers' Compensation Internal Service Fund for personnel, supplies, and services. The FY2017 annual budget also includes a total of $694,700 in contingency within the Workers' Compensation Internal Service Fund. Per the City's Budget Amendment Policies and Procedures, the use of contingency requires Council approval. Ongoing funding for the Workers' Compensation Internal Service Fund will be included as part of the FY2018 recommended budget.

FTE Impact:

No FTE impact associated with this action.

On January 3, 2017, Council approved Resolution 2017-003 relating to establishing and funding a self-insuring workers' compensation program which requires the addition of one full-time equivalent (FTE) in the Human Resources Department.

ATTACHMENTS:

Click to download

- Request for Exemption from Requirement of Statutory Deposit
- Surprise Workers' Compensation Trust Agreement

Risk Management
16000 N. Civic Center Plaza
Surprise, AZ 85374-7470
Phone: 623-222-3531
Fax: 623-222-3501

City of Surprise

COUNTY OF MARICOPA

I, Sherry Aguilar, City Clerk of the City of Surprise, Maricopa County, within the State of Arizona, do hereby attest that the attached is the original Request for Exemption from Requirement to Post Statutory Deposit for the City of Surprise in accordance with the Arizona Administrative Code and for its Self-insured Workers' Compensation Program, has been duly approved and signed by the City Council on _________________.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Surprise to be affixed hereunto this ___________ day of February 2017.

____
Sherry Aguilar, City Clerk of the City of Surprise

Request for Exemption from Requirement to Post Statutory Deposit

Pursuant to the Arizona Administrative Code, subsection R20-5-1114 (A & B), this document constitutes a certified statement from the City of Surprise, an Arizona Municipality, duly qualified and authorized Arizona Workers' Compensation Self-insurer.

The City of Surprise hereby requests the Industrial Commission of Arizona (ICA) approve an alternate (exemption) from the positing of a statutory deposit, of which the current approved types are as follows: Letter of credit; a surety bond; U.S. Treasury notes or establishing a local government investment pool (LGIP) account. This request is made in accordance with A.A.C. R20-5-1114 and shall cover the City of Surprise unpaid Workers' Compensation claims liability, as outlined in the foregoing statement.

The City of Surprise, Arizona states:

1. The City of Surprise has established a self-insurance trust pursuant to A.R.S. 11-981 (A-F), Section 4-4 of the Surprise Arizona Code of Ordinances, and expressed authorization by the Surprise City Council.
2. The City of Surprise shall conduct an actuary report on an annual basis. The City will attempt to maintain a Workers' Compensation Trust Fund reserve fund balance equivalent to 85% confidence interval of the projected total outstanding claims liability as recommended by the Workers' Compensation Trust. The fund balance will comply with the exemption mandate and not fall below the actuary recommended funding levels of 50-55 percent of the ultimate liability.
3. The Workers' Compensation Trust Fund is sufficient to cover actuarial liabilities for workers' compensation as determined by the self-insurer in accordance with Government Accounting Standards Board Statement #10 (replaced by GASB No. 34); and
4. The City of Surprise provides funding to the Workers' Compensation Trust Fund established pursuant to A.R.S. 11-981 (A-F) each year. The amount held for workers' compensation purposes within the trust is sufficient to cover actuarial liabilities for workers' compensation claims as determined by the self-insurer's actuary in accordance with Government Accounting Standards Board Statement #10 (replaced by GASB No. 34).
5. The City's governing body, or designee, shall immediately notify the ICA and provide security as provided by and in this Article, if the governing body, or designee, learns that the Workers' Compensation Trust Fund has insufficient funds to cover all workers' compensation liabilities of the City of Surprise.
6. Pursuant to items 1 through 4, the City of Surprise meets the conditions required under A.R.S. 11-981 (A-F) and the Arizona Administrative Code, Subsection R20-5-1114 (A&B).
7. The Signatures below represent a majority of the governing body (City Council) members.

Signed ________________________________ Date __________________

Signed ________________________________ Date __________________

Signed ________________________________ Date __________________

Signed ________________________________ Date __________________

Signed ________________________________ Date __________________

Signed ________________________________ Date __________________

Signed ______________________________________ Date ____________________

WORKERS' COMPENSATION
TRUST AGREEMENT

THIS WORKERS' COMPENSATION TRUST AGREEMENT (the "Trust Agreement") is made as of the _____ day of _________, 2017, by THE CITY OF SURPRISE, ARIZONA, as Trustor, and the Surprise Board of Trustees for the benefit of Eligible Participants.

ARTICLE I. GENERAL PROVISIONS

A. The trust created by this Agreement shall be known as the CITY OF SURPRISE WORKERS' COMPENSATION TRUST.
B. The Boards shall conduct business and act on behalf of the Trust in such name.
C. The Trust may sue or be sued in such name.

ARTICLE II. PURPOSE

The purpose of this Trust is to establish a distinct legal entity to self-fund Workers' Compensation Benefits in accordance with the provisions of Arizona law, and to authorize the management, funding, and administration of the fund for direct payment of benefits, losses, claims, or any combination of insurance direct payments for the benefit of Eligible Participants, in accordance with the Plan as authorized pursuant to Surprise Municipal Code Chapter 4, Claims Management.

ARTICLE III. DEFINITIONS

As used in this Agreement, the following terms shall have the indicated meanings:

"Board" means the initial Board of Trustees, and any individual that becomes a successor trustee pursuant to the Surprise Municipal Code Section 4-5.

"Workers' Compensation Benefits" means the benefits provided to Eligible Participants through the terms of the Plan established by this Trust Agreement and in accordance with Arizona law.

"Eligible Participant(s)" means any employee of the employer permitted by laws of the State of Arizona, or the City Code who has incurred a valid workers' compensation claim under the law of the State of Arizona and for whom the employer is obligated to make contributions to the Trust under any Plan established pursuant to this Trust Agreement.

"Plan" means the arrangement under which City provides self-insurance for obligations arising pursuant to the provisions of Title 11, Chapter 7, Article 5 and Title 23, Chapters 6 of the Arizona Revised Statutes and/or any other compensation due to a former or current City of Surprise employee which is in the nature of workers' compensation.

"Trust" means the legal entity hereby established as authorized pursuant to Surprise Municipal Code Chapter 4, Claims Management, and the laws of the State of Arizona.

ARTICLE IV. DUTIES OF TRUSTOR

The Trustor shall:

A. Open an account for the assets of the Trust.
B. Adequately fund the Trust.
C. Provide City staff as necessary to help the Board with the day-to-day operations of the Trust.
D. Maintain bonding for Trust Board members through the City's General Liability policy, as required by Arizona Revised Statute 11-981(B)(3) and Municipal Code Section 4-5(c)(3).
E. Take any other necessary action as may be required by law.

ARTICLE V. POWERS AND DUTIES OF THE BOARD.

In furtherance of the purpose of the Trust, as set forth in this Trust Agreement, the Board shall:

A. Observe the standard in dealing with the assets of the Trust that would be observed by a prudent man dealing with the property of another.

B. Comply with all applicable requirements of local, state and federal law relating to municipal self-insurance programs for the management and administration of employee workplace injury benefits, including but not limited to acquiring stop-loss insurance/excess policy.

C. Cause the Trust funds to be maintained by a bank or other financial institution with a Uniform Financial Institutions Ratings System (UFIRS) composite rating of 1, as the Board may reasonably require, consistent with the requirements of this Trust.

D. Cause the bank or other financial institution that maintains the Trust funds to make available to the Board a daily and a monthly statement, which identifies all Trust transactions made as of the date of the statement (in the case of a daily statement for the preceding business day, or in the case of a monthly statement for the preceding month) including such supporting documentation or detail as the Board or its authorized designee may reasonably request.

E. Have an annual audit of the Trust administered by the Board pursuant to A.R.S. §11-981(B), and for such interim audits as the Board deems necessary and appropriate. The cost of any such audit shall be paid by the Trust. Results of any audits shall be provided to the City Council and copies of such audits shall be provided to the City Clerk and regulatory bodies as required by law.

F. Delegate in writing the power and authority to staff made available by the Trustor to carry out the day-to-day administration of the Trust and to prepare the financial statement for the annual audit required by State law and provide to such staff all information necessary to prepare such statement in accordance with generally accepted accounting principles, and to otherwise comply with the oversight provisions set forth in this Trust Agreement and the Surprise Municipal Code, or as otherwise required by law.

G. Engage and oversee competent professionals and other staff to accomplish the purposes of the Trust as set forth in this Trust Agreement, in compliance with local, state or federal law, including professionals to provide accounting and auditing services, financial advisory services, and health care advisory services as the Board deems necessary and appropriate, and to delegate such administrative authority deemed necessary or convenient by the Board.

H. Provide input and recommendations to the City Council, along with City staff and consultants, regarding Trust funding levels in order to establish and maintain, from contributions or other appropriations, reserves necessary to provide stability and security of the Trust, in accordance with sound actuarial and underwriting principles.

I. Without further specific action of the Board, disburse or authorize disbursement of moneys from the Trust for any of the following purposes:

1. Payment to Workers' Compensation Benefits providers by wire or other transfer to the designated accounts of each such administrator, in accordance with the federal, state and local law and any agreement between the Trustor and such administrator.

2. Payment of money due and owing by reason of contract, bond, benefit plan, policy of insurance (including stop loss/excess insurance), obtained pursuant to this Trust Agreement or as may be required by law.

3. Payment of contributions or premiums due on fidelity, performance, errors and omissions, or other bonds and insurance which the Board is required to maintain.

4. Reasonable and necessary expenses incurred by the Board for such items as travel, meals, lodging, telephone calls, and other out-of-pocket expenses incurred in performing their duties shall be compensated in accordance

Except as specifically provided in this section, Trust funds administered by the Board shall not be disbursed, expended or obligated without express approval of the Board.

J. Maintain accurate records and accounts of all transactions, consistent with generally accepted accounting practices, which shall be available at all reasonable times for inspection in accordance with State law.

K. Have such other powers and authority necessary to implement all other obligations of the Board under this Trust Agreement, or as may be required by law.

L. Return all assets in the Trust Fund to the Trustor for deposit in its general fund upon dissolution of the Trust Fund as set forth in this Trust Agreement.

M. Cause all other appropriate actions to be taken in connection with the Trust and this Trust Agreement that is necessary to carry out its obligations hereunder or as may be required by law.

VI. INDEMNIFICATION

The Trustor agrees to and does, to the extent permitted by law, hereby indemnify and hold the Board harmless for, from and against any and all claims, expense, liens, judgments, liability or loss whatsoever, including reasonable legal fees and expenses relating to, or in any way arising in connection with this Trust Agreement and Trust. The right of the Board to indemnification from the Trustor shall not extend to claims, suits and actions successfully brought against the Board for, or losses, liabilities or expenses incurred as a result of, any of the Board's own bad faith, willful misconduct or breach of trust. The Trustor shall give notice to the Board of any event or condition that requires indemnification by the Trustor hereunder, or of any allegation of such event or condition, promptly upon obtaining knowledge thereof. To the extent that the Trustor makes or provides for payment to the satisfaction of the Board under the indemnity provisions hereof, the Trustor shall be subrogated to the rights of the Board with respect to such event or condition and shall have the right to determine the settlement of claims thereon, it being agreed that except to the foregoing extent, the Board shall have the right to determine such settlement. The Trustor shall pay all amounts due hereunder promptly upon notice thereof from the Board. In case any action, suit or proceeding is brought against the Board, by reason of any act or condition which requires indemnification by the Trustor hereunder, the Board shall notify the Trustor promptly of such action, suit or proceeding, and the Board may (and will upon the request of the Board), at the Trustor's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by the Trustor and approved by the Board. If the Board desires to participate in the defense of such action, suit or proceeding through its own counsel, it may do so at its own expense. These indemnity provisions shall survive dissolution of the Trust and termination of this Trust Agreement.

VII. DISSOLUTION AND TERMINATION.

In accordance with state and local law, if the Trustor determines that it will no longer provide the Workers' Compensation Benefits, any other fully self-insured or direct pay workers' compensation plan for the Eligible Participants, or a trust is no longer required by law for such plans, the Trustor may dissolve the Trust and terminate this Trust Agreement after payment of all valid outstanding liabilities or obligations, and upon notice of such dissolution and termination , the Board shall cause any remaining funds in the Trust to be transferred to the Trustor for deposit in its general fund.

VIII. MISCELLANEOUS.

A. Waiver. No waiver of any of the provisions of this Trust Agreement by the parties shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. No waiver by either party of any provision hereof shall be binding unless executed in writing by the Board or the Trustor, as appropriate.

B. Further Assurance. The parties agree in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Trust Agreement.

C. Amendments. This Trust Agreement may be amended at any time; provided, that, such amendment must be in writing and otherwise comply with applicable law.

D. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

E. Conflicts. In the event of a conflict among the terms of this Trust Agreement, the Surprise Municipal Code or state law, state law shall control. In the event of a conflict between the Surprise Municipal Code and this Trust Agreement, the Surprise Municipal Code shall control.

F, No Right, Title, or Interest. No individual, including but not limited to, Eligible Participants, trustees, or beneficiaries shall have any right, title, or interest in the Trust or any right to contributions to be made thereto, or any claim against the Trust on account thereof, except as expressly provided by this Trust Agreement or the Plan, and then only to the extent the benefits payable to such person under the Plan.

G. Non-alienation of Benefits. The Trust shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a spouse, former spouse or any relative, until such payment has been actually received by the Eligible Participant. Any attempt to anticipate, alienate, settle, transfer, assign, pledge, encumber, charge or otherwise dispose of the same shall be void. The Trust shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits under the Plan.

H. Service of Claims and Process. The Trust is declared to be a public entity for purposes of service of claims and process pursuant to Title 12 of the Arizona Revised Statutes. All claims and legal process must be served on the City Clerk of the City of Surprise in person, together with any other requirements of Title 12 of the Arizona Revised Statues.

IN WITNESS THEREOF, the parties have executed this Trust Agreement on the date set forth above.

TRUSTOR
CITY OF SURPRISE, a municipal corporation

By: ________________________________
Sharon Wolcott, Mayor

ATTEST:

____
Sherry Aguilar, City Clerk

APPROVED AS TO FORM:

____
Robert Wingo, City Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this __ day of ________________ 2017, by_____________________ the ______________________________ of the CITY OF SURPRISE, ARIZONA, a municipal corporation, on its behalf.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

____
Notary Public

Council Meeting Date:	February 21, 2017	Contact Person:	Karl Zook, Public Works Department
Submitting Department:	Public Works	District:	6
Staff Recommendations:	None		

Consent x	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of the Intergovernmental Agreement (IGA) with the City of El Mirage for the Dysart Road medians and amending the Fiscal Year 2017 budget by reallocating appropriations and actual funds in the amount of $500,000 from the Economic Development Contingency Fund to the General Capital fund to establish the project; Resolution # 2017-12.

Motion:

I move to approve Resolution # 2017-12.

Background:

A raised median along Dysart Rd. from Dysart High School south to Peoria Avenue is necessary to control the access points associated with the new Skyway Commons Development. The City of Surprise will be funding the construction of the median and the City of El Mirage will accept ownership and maintenance following construction completion.

Silagi Development & Management, who previously invested approximately $10 million of capital investment into the City of Surprise through the development of the 418,000 square foot speculative industrial building commonly known as Park Skyway, is seeking to develop an additional 30+ acres of speculative industrial buildings. Through a phased approach, the proposed Skyway Commons development will represent up to 7 buildings ranging from 30,000 square feet to 140,000 square feet.

Objective Analysis:

The objective of this project is to construct a new median along Dysart Rd. to control traffic access points to improve traffic flow and improve safety.

Policy Compliant:

This action is compliant with City and Council Policy.

Financial Impact:

The total project cost for the construction of the Median on Dysart Road will be $500,000. The City of El Mirage will be responsible for the operating and maintenance costs to include irrigation, landscaping, and electricity.

Budget Impact:

The FY2017 annual budget includes a total of $1.0 million of economic development contingency to be utilized for pursuing economic development opportunities. This action will reallocate a total of $500,000 of budget authority from the economic development contingency within the General Fund to the General Capital Projects Fund. The action will also result in an actual transfer of funds from the General Fund to the General Capital Projects Fund in the amount of $500,000

FTE Impact:

The number of full time equivalents (FTE) is not impacted by this item.

ATTACHMENTS:

Click to download

- Reso 2017-12
- Capital Project Scope
- IGA with El Mirage for Dysart Road median construction

RESOLUTION # 2017-12

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF EL MIRAGE; AMENDING THE FISCAL YEAR 2017 BUDGET BY REALLOCATING APPROPRIATIONS OF $500,000 FROM ECONOMIC DEVELOPMENT CONTINGENCY TO THE GENERAL CAPITAL PROJECTS FUND; AND AUTHORIZING A TRANSFER OF ACTUAL FUNDS OF $500,000 FROM THE GENERAL FUND TO THE GENERAL CAPITAL PROJECTS FUND FOR THE CONSTRUCTION OF THE MEDIAN ON DYSART ROAD.

WHEREAS, pursuant to Arizona Revised Statute §11-951, *et seq.,* the City of Surprise has the authority to enter into intergovernmental agreements with other governmental entities for the purposes set forth therein;

WHEREAS, the parties desire to enter into an intergovernmental agreement for the construction of the median on Dysart Road between Peoria Avenue and Cactus Road;

WHEREAS, this project will facilitate the controls for access points along Dysart Road and allow the City to attract more business development in the area;

WHEREAS, the FY2017 annual budget includes a total of $1.0 million of economic development contingency to be utilized for pursuing economic development opportunities;

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, 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. The City is hereby authorized to enter into an Intergovernmental Agreement with the City of El Mirage for the construction of the aforementioned project.

Section 2. The City Manager, or his designee, is hereby authorized to execute and submit all documents and other necessary or desirable instruments in connection with said agreement.

<u>Section 3</u>. 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.

APPROVED AND ADOPTED this _____day of ___________, 2017.

____
Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

____
Sherry Aguilar, City Clerk

____
Robert Wingo, City Attorney

RESOLUTION # 2017-12
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. 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 / Project or Dept. / Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Capital Projects Fund / Median Construction on Dysart Rd	$0	$500,000	$500,000
General Fund / General Operations / Economic Development Contingency	1,000,000	(500,000)	500,000
Total	$1,000,000	$0	$1,000,000

The allocations below represent an actual transfer of funds from the General Fund to the General Capital Projects Fund to support the reallocation of appropriations.

Fund / Category	Current Transfer Amount	Adjustment	Amended Transfer Amount
General Fund / Transfer Out	$13,757,200	$500,000	$14,257,200
General Capital Projects Fund / Transfer In	(7,778,100)	(500,000)	(8,278,100)
Total	$5,979,100	$0	$5,979,100

The fund changes are as follows:

- The amendment reallocates appropriation in the amount of $500,000 from Economic Development Contingency to the General Capital Projects Fund to establish a project for the construction of the median on Dysart Road without exceeding the approved total annual budget for FY2017.
- The amendment also reallocates actual funds in the amount of $500,000 from the General Fund to the General Capital Projects Fund.

City of Surprise

New Capital Project Scope

Council Meeting Date: 2/21/2017
Resolution: 2017-12

Department: 61-Public Works
Project Type: P - Capital Project
Project Name: Construction of Median on Dysart Rd

Project Description:
This project will include the construction of the median on Dysart Road between Peoria Avenue and Cactus Road. Per the IGA, the City of El Mirage will be responsible for maintaining the median. The developer will pay for the design.

Project Justification:
This project will facilitate the controls for access points along Dysart Road and allow the city to attract more business development in the area.

When recorded return to:

City Clerk
City of Surprise
16000 N. Civic Center Plaza
Surprise, AZ 85374

INTERGOVERNMENTAL AGREEMENT BETWEEN
CITY OF EL MIRAGE AND CITY OF SURPRISE
MEDIAN CONSTRUCTION IN DYSART ROAD
BETWEEN PEORIA AND CACTUS ROADS

This intergovernmental Agreement ("Agreement") is between the City of El Mirage ("El Mirage") and the City of Surprise ("Surprise"), both Arizona municipal corporations. El Mirage and Surprise may also be referred to as a Party or jointly as Parties in this Agreement.

This Agreement shall become effective as of the date it is filed with the Maricopa County Recorder pursuant to Arizona Revised Statutes § 11-952, as amended.

STATUTORY AUTHORIZATION

1. El Mirage and Surprise are empowered by Arizona Revised Statutes § 11-951, et. seq., to enter into this Agreement for the provision of services or for joint or cooperative action.

BACKGROUND

2. Dysart Road is under the jurisdiction of El Mirage. El Mirage desires the median to be improved in Dysart Road and the requirement falls on the development on the west side of the road which is within the jurisdiction of Surprise.

3. Surprise would like to move forward with the construction of this median in order to set the controls for access points along Dysart Road and to attract more business development in the area.

4. Surprise and El Mirage are currently working together on the design of the median. Construction of the median will not commence until the design plans are reviewed, approved and permitted by both agencies.

TERMS OF AGREEMENT

5. Responsibilities of the City of Surprise
   - 5.1 Construction of median per the permitted design plans and special provisions.
   - 5.2 Construction contractor procurement per A.R.S. Title 34.
   - 5.3 Provide civil construction inspection services.
   - 5.4 Fund the construction of the median.
   - 5.5 Provide a one (1) year warranty starting at the time of substantial construction completion.

6. Responsibilities of El Mirage
   - 6.1 Process no-fee civil and building permits.
   - 6.2 Not assess impact fee charges for landscape irrigation water meter.
   - 6.3 Allow Surprise to utilize its Civil Construction Inspectors for construction oversight.
   - 6.4 Provide oversight of all traffic control.
   - 6.5 Accept the operation and maintenance of the dedicated median improvements following completion of construction.

GENERAL TERMS AND CONDITIONS

7. By entering into this Agreement, the Parties agree that to the extent permitted by law, each Party will indemnify, defend and hold the other Party harmless, including any of the Parties' respective departments, agencies, officers, employees, elected officials or agents, from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the negligent performance or nonperformance by the indemnifying Party of any of the provisions of this Agreement. By entering into this Agreement, each Party indemnifies the other against all liability, losses and damages of any nature for or on account of any injuries or death of persons or damages to or destruction of property arising out of or in any way connected with the performance or nonperformance of this Agreement, except such injury or damage as shall have been caused or contributed to by the negligence of that other Party. The damages which are the subject of this indemnity shall include but not be limited to the damages incurred by any Party, its departments, agencies, officers, employees, elected officials or agents. In the event of an action, the damages which are the subject of this indemnity shall include costs, expenses of litigation and reasonable attorney's fees.

8. This Agreement shall be subject to the conflict of interest provisions of A.R.S. Section 38-511.

9. The Parties warrant that they are in compliance with A.R.S. Section 41-4401 and further acknowledge that:

   9.1 Any contractor or subcontractor who is contracted by a Party to perform work on the Project shall warrant their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. Section 23-214(A), 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.

9.2 Any breach of the warranty shall be deemed a material breach of the contract that is subject to penalties up to and including termination of the contract.

9.3 The Parties retain the legal right to inspect the papers of any contractor or subcontractor employee who works on the Project to ensure that the contractor or subcontractor is complying with the warranty above and that the contractor agrees to make all papers and employment records of said employee available during normal working hours in order to facilitate such an inspection.

9.4 Nothing in this Agreement shall make any contractor or subcontractor an agent or employee of the Parties to this Agreement.

10. Each Party to this Agreement warrants that neither it nor any contractor or vendor under contract with the Party to provide goods or services toward the accomplishment of the objectives of this Agreement is suspended or debarred by any federal agency which has provided funding that will be used in the Project described in this Agreement.

11. Each of the following shall constitute a material breach of this Agreement and an event of default ("Default") hereunder: A Party's failure to observe or perform any of the material covenants, conditions or provisions of this Agreement to be observed or performed by that Party ("Defaulting Party"), where such failure shall continue for a period of thirty (30) days after the Defaulting Party receives written notice of such failure from the non-defaulting Party provided, however, that such failure shall not be a Default if the Defaulting Party has commenced to cure the Default within such thirty (30) day period and thereafter is diligently pursuing such cure to completion, but the total aggregate cure period shall not exceed ninety (90) days unless the Parties agree in writing that additional time is reasonably necessary under such circumstances to cure such default. In the event a Defaulting Party fails to perform any of its material obligations under this Agreement and is in Default pursuant to this Section, the non-defaulting Party, at its option, may terminate this Agreement. Further, upon the occurrence of any Default and at any time thereafter, the non-defaulting Party may, but shall not be required to, exercise any remedies now or hereafter available to it at law or in equity.

12. All Notices required under this agreement to be given in writing shall be sent to:

El Mirage: City of El Mirage
Attn: Jorge Gastelum, City Engineer
10000 North El Mirage Rd.
El Mirage, AZ 85335

Surprise: City of Surprise
Attn: Karl Zook, City Engineer

16000 N. Civic Center Plaza
Surprise, AZ 875374

All notices required or permitted by this Agreement or applicable law shall be in writing and maybe delivered in person (by hand or courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, and shall be deemed sufficiently given if served in a manner specified in this paragraph. Either Party may by written notice to the other specify a different address for notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail, the notice shall be deemed given 72 hours after the notice is addressed as required in this paragraph and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given 24 hours after delivery of the notice to the Postal Service or courier.

13. This Agreement does not imply authority to perform any tasks, or accept any responsibility, not expressly stated in this Agreement.

14. This Agreement does not create a duty or responsibility unless the intention to do so is clearly and unambiguously stated in this Agreement.

15. This Agreement does not grant authority to control the subject roadway, except to the extent necessary to perform the tasks expressly undertaken pursuant to this Agreement.

16. Any funding provided for in this Agreement, other than in the current fiscal year, is contingent upon being budgeted and appropriated by the Surprise City Council in such fiscal year. This Agreement may be terminated by any Party at the end of any fiscal year due to non-appropriation of funds.

17. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assignees. Neither Party shall assign its interest in this Agreement without the prior written consent of the other Party.

18. This Agreement and all Exhibits attached to this Agreement set forth all of the covenants, promises, agreements, conditions and understandings between the Parties to this Agreement, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between the Parties other than as set forth in this Agreement, and those agreements which are executed contemporaneously with this Agreement. This Agreement shall be construed as a whole and in accordance with its fair meaning and without regard to any presumption or other rule requiring construction against the party drafting this Agreement. This Agreement cannot be modified or changed except by a written instrument executed by all of the Parties hereto. Each Party has reviewed this Agreement and has had the opportunity to have it reviewed by legal counsel.

19. The waiver by any Party of any right granted to it under this Agreement is not a waiver of

any other right granted under this Agreement, nor may any waiver be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

20. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be invalid or prohibited under the law, such provision shall be ineffective to the extent of such prohibition or invalidation but shall not invalidate the remainder of such provision or the remaining provisions.

21. Except as otherwise provided in this Agreement, all covenants, agreements, representations and warranties set forth in this Agreement or in any certificate or instrument executed or delivered pursuant to this Agreement shall survive the expiration or earlier termination of this Agreement for a period of one (1) year.

22. Nothing contained in this Agreement shall create any partnership, joint venture or other agreement between the Parties hereto. Except as expressly provided in this Agreement, no term or provision of this Agreement is intended or shall be for the benefit of any person or entity not a party to this Agreement, and no such other person or entity shall have any right or cause of action under this Agreement.

23. Time is of the essence concerning this Agreement. Unless otherwise specified in this Agreement, the term “day” as used in this Agreement means calendar day. If the date for performance of any obligation under this Agreement or the last day of any time period provided in this Agreement falls on a Saturday, Sunday or legal holiday, then the date for performance or time period shall expire at the close of business on the first day thereafter which is not a Saturday, Sunday or legal holiday.

24. Sections and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

25. 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 the same instrument. Faxed, copied and scanned signatures are acceptable as original signatures.

26. The Parties agree to execute and/or deliver to each other such other instruments and documents as may be reasonably necessary to fulfill the covenants and obligations to be performed by such Party pursuant to this Agreement.

27. The Parties hereby agree that the venue for any claim arising out of or in any way related to this Agreement shall be Maricopa County, Arizona.

28. This Agreement shall be governed by the laws of the State of Arizona.

29. This Agreement shall automatically terminate when each party has completed its duties under this Agreement, but in no case later than March 1, 2020.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

CITY OF EL MIRAGE		CITY OF SURPRISE	
Recommended by:		*Recommended by:*	
Jorge Gastelum City Engineer	Date	Karl Zook City Engineer	Date
Approved and Accepted by:		*Approved and Accepted by:*	
Lana Mook, Mayor	Date	Sharon R. Wolcott, Mayor	Date
Attest by:		*Attest by:*	
Sharon Antes City Clerk	Date	Sherry Aguilar City Clerk	Date

Attorney Determination: By signing below I am attesting that this Agreement is in proper form and is within the powers and authority granted under the laws of this state to the public agency that I represent.

Robert M. Hall City Attorney	Date	Robert Wingo City Attorney	Date

CITY OF SURPRISE
Regular City Council Meeting

February 21, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	February 21, 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 meeting minutes of February 7, 2017 Regular City Council Work Session 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
- Regular Mtg Minutes

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

Tuesday, February 7, 2017 @ 04:00 PM

<u>Call to Order</u>

<u>Roll Call</u>

Mayor Wolcott called the **Regular City Council Work Session** to order at 04:00 p.m. at Surprise City Hall Council Chamber, 16000 North Civic Center Plaza Surprise, Arizona 85374, on **Tuesday, February 7, 2017.** Also in attendance with Mayor Wolcott were Vice Mayor Tande, Council Member Winters, Council Member Hayden, Council Member Hall, Council Member Remley, and Council Member Williams.

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

Pledge of Allegiance

Call to the Public

Regular Agenda Item - Non-Public Hearing

<u>1 – Discussion and presentation pertaining to the fiscal year 2018 budget - NO ACTION</u>

Finance Director, Lindsey Duncan and Assistant Finance Director, Jared Askelson gave their 1st Fiscal Year 2018 Budget Presentation. A powerpoint presentation was reviewed in detail.

<u>2 – Presentation and Discussion of Bell Road and Grand Avenue Temporary Signage - NO ACTION</u>

Community Development Director, Eric Fitzer gave an overview of this item.   A history and timeline were discussed regarding temporary signage for Bell/Grand.

Council Member Hall - When will center get their permanent signage off of Bell/Grand?

Mr. Fitzer - Checking on status of permits.

Council Member Hall - We should repeal the Bell/Grand temporary sign policy when Grand opens. Grand should open on Monday, correct? 60 days after opening. I think we did the right thing at the time when the economy tanked and during Bell/Grand construction project, but now it's looking junked up.

Council Member Remley - Could you put up the previous slide that has the signs? I have no idea what the size of the signs are by looking at slides.

Mr. Fitzer - signs are 4" x 8".

Council Member Remley - Also, it didn't take them 60 days to get that clutter at Dysart and Bell, it should take them 60 days to clean them up. 60 days is really a long time. When you are referring to the Citywide, is that the A frames throughout the City, and we are working on a permanent sign policy, correct?

Council Member Winters - On the final signs, we have to assign a height to these, correct? I think the 60 days is a fair time to remove the signs. They are getting cluttered again.

Council Member Tande - I like what has been said, I wanted to do everything quick for the businesses. I am looking at we are opening the bridge on Feb. 16th, the soonest we can take action is the 1st meeting in March, can we add an item for action at the next meeting? Possible action on February 24th - sign policy.

Mr. Fitzer - If you allow A-Frames for anyone, then you need to allow for everyone according to statutes.

Council Member Williams - It's not a huge issue for me about the A-frames. Over time in the long run, I agree it's time to have this discussion again. In terms of Bell/Grand and the A-Frames, it's not about how they remove it, it's how they market their businesses. We need to give them adequate notice so they can prepare.

Mayor Wolcott - On the 4 x 8 signs, this is to actually add more to the retailers, correct?

Mr. Fitzer - The majority would be for the ones that lost signage all together. I would also like to know the square footage of the signs lost and the amount for signs being proposed in addition. What capacity is the parking lot as well.

Mayor Wolcott - I appreciate everyone's comments about the tent signs, we are making some big investments in our City and would like to change the tone. Finally, I just want to say how much I really enjoy driving across the bridge and a beautiful view and don't want to do anything to obstruct it.

Council Member Hall - What sign specifically we are replacing?

Executive Session

Adjournment

Council Member Hall made the motion to adjourn the Regular City Council Work Session of February 7, 2017 at 5:20. 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, February 7, 2017.**

Sherry Ann Aguilar, City Clerk

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

Tuesday, February 7, 2017 @ 06:00 PM

Call to Order

Roll Call

Mayor Wolcott called the **Regular 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, February 7, 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 107th birthday of the Boy Scouts of America on February 8th, 2017 and asking everyone to be like a scout and "Do a good turn daily".

Mayor Wolcott read aloud and presented a proclamation to local Boy Scout's group.

City Manager Report

Recognition of Shelby Caetano and Tabitha Caetano by Surprise Fire-Medical for their heroic actions while providing life saving measures.

1 - Fire Chief Abbott gave the introductions of Shelby and Tabitha. They were presented with certificates of appreciation for their efforts.

2 - Special guest Marty Wolfe, Artist at WHAM to present an award to members of the Surprise Police Department.

3 - Honor to recognize an extra ordinary student from Dysart - Willow Canyon High School - Makenna Breading-Goodrich a 2017 distinguished finalist, 31,000 that participated. The 1st time a student from Dysart has won this award. Collected thousands of coats, bottled water, and other supplies for the homeless.

City Attorney Report

City Clerk Report

Call to the Public

<u>Consent Agenda</u>

<u>1 – Consideration and action pertaining approval on a Map of Dedication of Deer Valley Road, 231st Avenue, Pinnacle Peak Road & 227th Avenue dated December 16, 2016, a property generally bounded by Happy Valley Road to the north, 235th Avenue to the west, Deer Valley Road to the South, and 223rd Avenue to the east - APPROVED</u>

Council Member Winters asked to have the item removed from consent agenda to ask questions.

Council Member Winters - Development coming in soon?

City Planner Wingard - 4 different developments coming in?

Council Member Winters - inquired about direct access to the developments.

Council Member Winters - How soon are these going to start?

Mr. Wingard - As fast as they can go once approved.

Council Member Winters made the motion to approve item #1. Council Member Williams seconded the motion. Seven yes votes, motion carried.

<u>2 – Consideration and action pertaining to acceptance of a Ford Motor Company grant in the amount of $5,000 and amending the FY2017 budget by reallocating appropriations from the Grants Fund to the Donations Fund to account for the acceptance; Resolution # 2017-09 - APPROVED</u>

<u>3 – Consideration and action pertaining to approval of the application for, and acceptance of, FY2017 Arizona Lottery Fund (ALF) funds in the amount of $344,813; Resolution #2017-11 - APPROVED</u>

4 – Consideration and action pertaining to an amendment to the Fiscal Year 2017 budget by reallocating appropriations of $30,000 within the Grants Fund for the purpose of adjusting budget authority related to an Assistance to Firefighter Grant (AFG); Resolution # 2017-10 - APPROVED

5 – Consideration and action pertaining to acceptance of two Victims of Crime Act (VOCA) Grants in the total amount of $82, 832 and a Victim's Rights Program (VRP) grant in the amount of $3,000; and amending the FY17 budget by reallocating appropriations within the General Fund and Grants Fund to account for the amount awarded; Resolution # 2017-04 - APPROVED

6 – Consideration and action on a Series 06 liquor license request by applicant, Susan Lynn Lister for Rumor's Sports Bar located at 16846 West Bell Road, Suite 100, Surprise, AZ. 85374 (License No. 06070646 - Interim Permit/Person Transfer) - APPROVED

7 – Consideration and action on the meeting minutes of January 17, 2017 Regular City Council Work Session and Regular City Council Meeting - APPROVED

8 – Consideration and action pertaining to approval of Amendment No.2 to the Intergovernmental Agreement dated February 21, 2008, between the City and Maricopa County Community College District; and authorizing the City Manager to approve an execute the Consent and a Non-Disturbance Agreement contained therein; Resolution # 2017-15 - APPROVED

Council Member Williams made the motion to approve the consent agenda, excluding item #1. Council Member Tande seconded the motion. Seven yes votes, motion carried.

Regular Agenda Item - Public Hearing

9 – Consideration and action pertaining to approval of a rezone of approximately 29.6 acres, located generally on the northwest corner of Peoria Avenue and Perryville Road, within the 879 acre Planned Area Development (PAD) known as Zanjero Trails from Multi-family (R-2) and Neighborhood Commercial (C-1) to Single Family Residential 3.5 Dwelling Units per acre; Ordinance # 2017-07 - APPROVED

City Planner Wingard reported on Ordinance 2017-07.

Council Member Winters - I have a concern about so many houses going up, so many rooftops, do we have enough commercial to support this.

Council Member Williams - I tend to agree but just to the south is Prasada development.

No public commenters were made on behalf of this item.

Council Member Williams made the motion to approve Ordinance 2017-07. Council Member Hall seconded the motion. Seven yes votes, motion carried.

10 – Consideration and action pertaining to rezoning approximately 181 acres of property generally located between Cotton Lane, 175th Avenue, Waddell Road and Cactus Road from Residential Ranch (RR) to Residential Medium Density 6 DU/Acre Planned Unit Development (RM-6 PUD), Residential Medium Density 9 DU/Acre Planned Unit Development (RM-9 PUD), Residential High Density Planned Unit Development (RH PUD) with Flex Zone, Regional Commercial Planned Unit Development (CR PUD) with and without Flex Zone; and from Residential High Density Planned Unit Development (RH PUD) to Residential Medium Density 9 DU/Acre Planned Unit Development; Ordinance # 2017-03 - RETURNED ITEM TO THE PLANNING AND ZONING COMMISSION

Council Member Williams made the motion to return items 10, 11, 12 and 13 to the Planning and Zoning Commission. Council Member Hall seconded the motion. Seven yes votes, motion carried.

11 – Consideration and action pertaining to rezoning approximately 9.9 acres of property generally located at the southeast corner of 175th Avenue and Sweetwater Road from Residential Ranch (RR) to Residential Medium Density 9 DU/Acre Planned Unit Development (RM-9 PUD); Ordinance # 2017-02 - RETURNED ITEM TO THE PLANNING AND ZONING COMMISSION

12 – Consideration and action pertaining to the Preliminary Plat entitled, "Magnolia" dated November 28, 2016, an approximately 174 acre property generally located between Cotton Lane, 175th Avenue, Waddell Road, and Cactus Road; Resolution # 2017-16 - RETURNED ITEM TO THE PLANNING AND ZONING COMMISSION

13 – Consideration and action pertaining to the Preliminary Plat entitled, "S.E.C. 175th Ave & Sweetwater" dated November 28, 2016, an approximate 10 acre property located at the southeast corner of 175th Avenue and Sweetwater Blvd; Resolution # 2017-17 - RETURNED ITEM TO THE PLANNING AND ZONING COMMISSION

Other Business

Council Member Williams - HOA's - look at options for maintaining our communities.

Mayor/Council Report

Mayor and Council attended and/or reported on the following:

Council Member Winters: Tohono O'odham Nation; Benevilla event at Wigwam; El Mirage city hall and Firefighter's Graduation in Phoenix, two new Firefighters in Surprise.

Council Member Hayden - Fire Academy.

Council Member Williams - Citizen's Outreach Meeting, Santalina.

Council Member Hall - Canyon Ridge Elementary - K-8/STEM Program.

Council Member Remley - Concert performance at Arts Center; Surprise POPs Band.

Vice Mayor Tande - new duties; Audit Committee; Westmarc; White Bridge opening on the 16th and Drivewise Surprise.

Mayor Wolcott - Education opportunities and first STEM school in Surprise.

Executive Session

Adjournment

Council Member Williams made the motion to adjourn the Regular City Council Meeting of February 7, 2017 at 6:46 PM. Council Member Hall 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, February 7, 2017.**

____
Sherry Ann Aguilar, City Clerk

Council Meeting Date:	February 21, 2017	Contact Person:	Hobart Wingard - Community Development
Submitting Department:	CD	District:	3
Staff Recommendations:	None		

Consent	Regular	Public Hearing	x	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of a Major Amendment to the Sycamore Farms PAD, by amending, among other things, land uses, density, certain commercial development standards, and allowing off-premise signage, all within a 266.7 acre property generally bounded by West Cactus Road to the north, North Sarival Avenue to the east, West Peoria Avenue to the south, and North Cotton Road to the west; Ordinance # 2017-05.

Motion:

I move to approve Ordinance # 2017-05.

Background:

Sustainability Engineering Group, on behalf Taylor Trust Farms LLC, seeks approval of an amendment to the zoning of the Sycamore Farms PAD to modify land uses and to adjust certain commercial development standards. These proposed amendments demonstrate the applicant's intent to develop the site in accordance with the proposed amendment to the Sycamore Farms PAD.

Objective Analysis:

The proposed Rezone should have a positive effect on the surrounding commercial and residential developments by providing more appropriate dwelling units and additional commercial services the surrounding residential properties.

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 - PAD Zoning Amendment for Sycamore Farms, FS16-231, Ordinance # 2017-05, RFLS 5466 - Staff Report
- 01 - Ordinance 2017-05 PAD Zoning Amendment for Sycamore Farms
- 02 - PAD Zoning Amendment for Sycamore Farms, FS16-231, Ordinance # 2017-05, RFLS 5466 - Location Maps
- 03 - PAD Zoning Amendment for Sycamore Farms, FS16-231, Ordinance # 2017-05, RFLS 5466 - Rezone Document
- 04 - PAD Zoning Amendment for Sycamore Farms, FS16-231, Ordinance # 2017-05, RFLS 5466 - Citizen Participation Report
- 05 - PAD Zoning Amendment for Sycamore Farms, FS16-231, Ordinance # 2017-05, RFLS 5466 - Public Engagement Form
- 06 - PAD Zoning Amendment for Sycamore Farms, FS16-231, Ordinance # 2017-05, RFLS 5466 - Presentation

SURPRISE
ARIZONA

PAD REZONE AMENDMENT

REPORT TO THE MAYOR AND CITY COUNCIL

Case:	**FS16-231**
Project Name:	Sycamore Farms Planned Area Development Rezone Amendment
Council District:	**3** - Mesquite
Meeting Date:	**February 21, 2017**
Planner:	Hobart Wingard, 623-222-3156, hobart.wingard@surpriseaz.gov

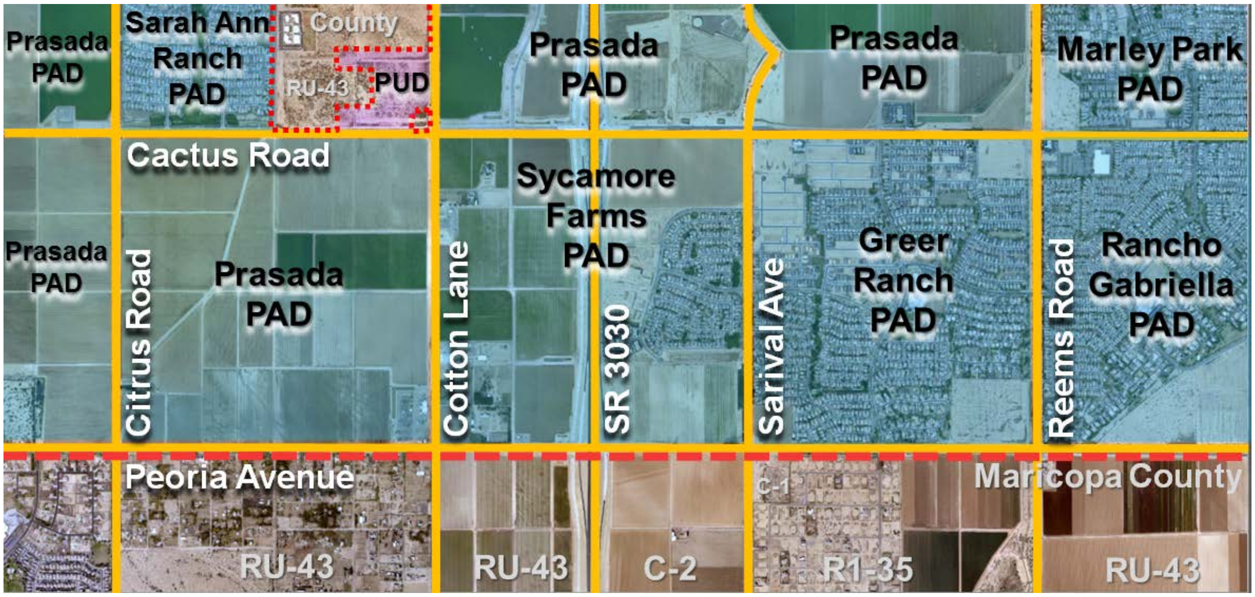
Owner:	Taylor Trust Farms LLC
Applicant:	Sustainability Engineering Group
Request:	Amend the zoning of the Sycamore Farms Planned Area Development (PAD) to allow changes in land use and certain commercial development standards.
Site Location:	Generally Bounded by West Cactus Road to the North, North Sarival Avenue to the east, West Peoria Avenue to the south, and North Cotton Road to the west.
Site Size:	Approximately 266.7 acres of the 637.4 acre Sycamore Farms PAD
General Plan Conformance:	The proposal is consistent with the Surprise General Plan 2035
Support/Opposition:	Many questions were provided by the public, but a general support of the project was perceived. The Citizen Participation Report details the interactions further.

Project Description:

Sustainability Engineering Group, on behalf Taylor Trust Farms LLC, seeks approval of an amendment to the zoning of the Sycamore Farms PAD to modify land uses and to adjust certain commercial development standards. These proposed amendments demonstrate the applicant's intent to develop the site in accordance with the proposed amendment to the Sycamore Farms PAD.

Existing Zoning:

The following chart and associated map depict the existing zoning of the subject PAD and its surroundings.



Prasada Commercial and Residential PAD	Prasada Commercial and Residential PAD	Prasada Commercial and Residential PAD
Prasada Commercial and Residential PAD	**Sycamore Farms Residential and Commercial PAD**	Greer Ranch Commercial and Residential PAD
Maricopa County Rural Residential	Maricopa County Commercial and Rural Residential	Maricopa County Commercial and Residential

Background:

July 22, 2004: The subject lands associated with Sycamore Farms were annexed into the City of Surprise.

July 22, 2004: The Mayor and City Council approved a PAD for the Sycamore Farms PAD under case PAD03-153.

December 3, 2015: Staff met with the applicant to discuss the subject project during a regularly scheduled Concept Review meeting under CR15-471.

May 18, 2016: The applicant filed a request for an amendment of the Sycamore Farms PAD under case FS16-231, the subject case.

September 14, 2016: The applicant held a neighborhood outreach meeting to discuss the proposed project.

January 19, 2017: The Planning and Zoning Commission held a public hearing for the subject project.

Citizen Review:

The initial Citizen Review Meeting was scheduled for August 10, 2016. Unfortunately, the required advertising was not published within regulations and had to be rescheduled for September 14, 2016. The site was posted and advertised for a Citizen Review meeting in accordance with the SUDC. The applicant held a meeting for the proposed amendment of the Sycamore Farms PAD at the Wyngate Apartments community Room within the Sycamore Farms PAD and it was well attended. The applicant, as well as City staff fielded many questions regarding the proposed rezone. The amendment was generally well received and details of the meeting can be found in the Citizen Participation report.

Analysis and Discussion:

The Sycamore Farms PAD is a partially developed 637.4 acre residential and commercial PAD generally Bounded by West Cactus Road to the North, North Sarival Avenue to the east, West Peoria Avenue to the south, and North Cotton Road to the west. The development is bifurcated by State Route 303 and borders the southern boundary of the City of Surprise.

The applicant is seeking to revise approximately 266.7 acres of the PAD to better represent the current needs of the residential and commercial development community that has transformed since the adoption of the Sycamore Farms PAD 16 years ago while maintaining a strong pedestrian component to the Development.

A change to the southeastern corner of the PAD involves the reorientation of the large commercial land use (Currently Parcel 10; Proposed to be Parcel 22). The applicant proposes to reorient this parcel to face Peoria Avenue instead of Sarival. Because this entire PAD is located under the Transit Oriented Development District as defined in the General Plan 2035, locating this use so that easier access to the SR303.

Modification of commercial setback lines (internal lot lines in particular) will allow for the creation of internal property lines and give smaller businesses to own the suites they occupy. Commercial setbacks are proposed as such:

Setback Side	Current Commercial Setbacks	Proposed Commercial Setbacks (Interior Parcels Only)
Front Setback	35 feet	0 feet
Interior Side	15 feet	0 feet

Corner Side	25 feet	0 feet
Rear	15 feet	0 feet

Other commercial setbacks will remain as regulated by the Sycamore Farms PAD.

Revise land uses at the southeast corner of the SR303 and Peoria Avenue. At the time of the adoption of the Sycamore Farms PAD, it was envisioned that either a large medical facility or a home to a higher education facility. Since that time, long range plans for these types of facilities indicate that these uses would be better located at more appropriate locations within the city. Replacing these uses would be commercial parcels along Peoria Road, medium-density residential parcels along SR303 and Sarival Avenue, and low-density residential towards the interior of the community.

The large 50-acre park originally proposed to travel through the bifurcated PAD is proposed to be located to the northwestern corner of the PAD. Public trails and neighborhood parks will be located throughout the eastern half of the PAD to provide pedestrian connectivity and adequate amenities for the residents on the eastern half of the PAD.

The northeastern corner of the PAD will be redesigned to provide a diverse land use (including Commercial, medium-density and low-density residential) that work together around a proposed central park that will provide many opportunities for recreation. Currently, much of this land is designated as mixed-use and is loosely defined in a way that provides flexibility that could either increase creativity of design or allow land uses to locate next to each other with little concern with compatibility.

Finally, this amendment to the Sycamore Farms PAD will allow for off premised signage for the currently permitted highway signage for SR303. Commercial locations, like the proposed commercial corner on Peoria and Sarival avenues.

The changes proposed will also affect the unit count of the PAD in its entirety by increasing the number of dwelling units by approximately 57 units. A revised matrix is as follows:

	Currently Approved PAD			**Proposed PAD Amendment**		
Land Use	**Acres**	**Residential Units**	**Density**	**Acres**	**Residential Units**	**Density**
Low-Density Residential	148.4	741	5 Du/Ac	177.1	885	5 Du/Ac
Medium-Density Residential	81.5	652	8 Du/Ac	161.9	971	6 Du/Ac
High-	21.1	738	35 Du/Ac	9.5	332	35 Du/Ac

Density Residential						
Commercial	96.4	0	NA	116	0	NA
Mixed-Use	140.9	Variable	16 Du/Ac	71.5	Variable	16 Du/Ac
Institutional	48.5	0	NA	14.2	0	NA
Parks and Trails	50.0	0	NA	36.6	0	NA
SR 303	50.6	0	NA	50.6	0	NA
Totals	637.4	2,131		637.4	2,188	

<u>Conformance with Adopted Plans:</u>

Surprise General Plan 2035: The Surprise General Plan 2035 shows the subject property as lying within the Neighborhood Character area under the Transit Oriented Development District. The proposed PAD Amendment and related Site Plan demonstrate consistency with this land use category.

<u>Reviewing Agencies:</u>

In addition to the standard city reviewing agencies, who indicate no objections to the requests, Luke Air force Base, Maricopa Water District, EPCOR Water, ADOT, and Maricopa Association of Governments (MAG) were included in the routing of this case.

<u>Summary:</u>

Staff believes the proposed amendment of the Sycamore Farms PAD will allow appropriate development to take place on the series of vacant sites within the Sycamore Farms PAD. The project is designed to integrate with the existing residential development while providing opportunity for commercial development to cultivate in a way that is consistent with the vision of the City's General Plan.

<u>Findings:</u>

Rezone PAD Amendment:

- The proposed Rezone PAD Amendment is consistent with the Surprise General Plan 2035.
- The reviewing agencies have indicated no objections to the request.

Recommendation:

Based on the findings noted above, should the Mayor and City Council move to approve case **FS16-231**, they should do so subject to stipulations 'a' through 'c' as outlined below:

a) Development and use of the PAD shall be in substantial conformance with the project narrative entitled "Sycamore Farms Planned Area Development Major Amendment for PAD03-153", prepared by Sustainability Engineering Group, consisting of 17 pages dated Revised: December 2016.

b) Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the provisions of Article XIV of the Surprise Unified Development Code.

c) The Property owner and successors waive claim for diminution in value if the City takes action to rescind approval of this zone change request due to non-compliance with the stipulations of approval.

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

Attachments:

01 - Ordinance # 2017-05
02 - Vicinity Maps
03 - Rezone PAD Amendment Document
04 - Citizen Participation Report
05 - Public Engagement Form

ORDINANCE 2017-05

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, APPROVING A REZONE OF 266.7 ACRES OF THE 637.4 ACRE PLANNED AREA DEVELOPMENT KNOWN AS SYCAMORE FARMS GENERALLY BOUNDED BY CACTUS ROAD TO THE NORTH, SARIVAL AVENUE TO THE EAST, PEORIA AVENUE TO THE SOUTH, AND COTTON ROAD TO THE WEST BY MODIFYING COMMERCIAL LOT SET-BACKS, MODIFYING THE PARKS AND TRAILS REQUIREMENT, MODIFYING SIGN REGULATIONS, AND MODIFYING THE LAND USE MIX BY DECREASING THE OVER ALL DENSITY AND INTENSITY.

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 bounded by West Cactus Road to the north, North Sarival Avenue to the east, West Peoria Avenue to the south, and North Cotton Road to the west;

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

WHEREAS, the proposed use of the subject site requires modification of the applicable zoning regulations but will continue with PAD zoning;

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

WHEREAS, this Rezone is in harmony with the purposes and intent of the zoning ordinance and the Surprise General Plan; and

WHEREAS, on January 19, 2017, the Planning and Zoning Commission recommended approval of the amendment to the Sycamore Farms PAD.

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 “Sycamore Farms Planned Area Development” is rezoned by retaining the PAD zoning and modifying the land uses, certain commercial development standards, parks and trails requirements, and sign regulations as set forth in that document entitled “Sycamore Farms Planned Area Development Major Amendment for PAD 03-153” dated “Revised December 2016,” subject to the following stipulations:

A. Development and use of the PAD shall be in conformance with the project narrative entitled “Sycamore Farms Planned Area Development Major Amendment for PAD03-153”, prepared by Sustainability Engineering Group, consisting of 17 pages dated Revised: December 2016.

B. Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the provisions of Article XIV of the Surprise Unified Development Code.

C. The Property owner and successors waive claim for diminution in value if the City takes action to rescind approval of this zone change request due to non-compliance with the stipulations of approval.

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.

APPROVED AND ADOPTED this_______day of ______________2017.

____
Sharon R. Wolcott, Mayor

Attest: Approved as to form:

_______________________ _______________________
Sherry Aguilar, City Clerk Robert Wingo, City Attorney

EXHIBIT A – LEGAL DESCRIPTION FOR PROPERTY

Pad Parcels
(East of SR 303)

A portion of the southeast quarter of Section 24, Township 3 North, Range 2 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the southeast corner of said Section 24, a Brass Cap Flush, from which the south quarter corner of said Section 24, a Brass Cap in Handhole, bears South 89 degrees 10 minutes 52 seconds West, a distance of 2631.55 feet;
Thence along the south line of said section, South 89 degrees 10 minutes 52 seconds West, a distance of 32.96 feet;
Thence leaving said south line, North 00 degrees 15 minutes 32 seconds East, a distance of 55.00 feet, to the northerly right of say line of Peoria Avenue and the **Point of Beginning;**
Thence along the northerly right of way line of Peoria Avenue, North 89 degrees 44 minutes 28 seconds West, a distance of 1225.30 feet;
Thence North 00 degrees 15 minutes 32 seconds East, a distance of 30.00 feet to the easterly right of way line of SR 303 as described in Document No. 2013-0473059, Maricopa County Records;
Thence along said easterly line, North 89 degrees 44 minutes 28 seconds West, a distance of 700.00 feet;
Thence North 01 degrees 14 minutes 30 seconds East, a distance of 25.00 feet;
Thence North 89 degrees 44 minutes 28 seconds West, a distance of 333.24 feet;
Thence North 12 degrees 45 minutes 01 seconds West, a distance of 41.18 feet;
Thence North 01 degrees 11 minutes 40 seconds West, a distance of 858.31 feet;
Thence North 06 degrees 40 minutes 23 seconds West, a distance of 472.08 feet;
Thence North 50 degrees 35 minutes 29 seconds West, a distance of 84.00 feet;
Thence North 03 degrees 12 minutes 21 seconds West, a distance of 5.80 feet;
Thence leaving said easterly right of way line, South 69 degrees 56 minutes 27 seconds East, a distance of 329.84 feet;
Thence North 55 degrees 43 minutes 57 seconds East, a distance of 439.57 feet;
Thence South 40 degrees 39 minutes 15 seconds East, a distance of 128.32 feet;
Thence South 49 degrees 01 minutes 57 seconds East, a distance of 192.03 feet;
Thence North 40 degrees 47 minutes 16 seconds East, a distance of 69.51 feet;
Thence South 49 degrees 12 minutes 55 seconds East, a distance of 104.27 feet;
Thence North 41 degrees 11 minutes 14 seconds East, a distance of 98.73 feet;
Thence North 00 degrees 14 minutes 16 seconds West, a distance of 124.35 feet;
Thence South 84 degrees 04 minutes 09 seconds East, a distance of 23.44 feet;
Thence North 00 degrees 18 minutes 05 seconds East, a distance of 77.10 feet;
Thence South 89 degrees 44 minutes 28 seconds East, a distance of 1299.34 feet, to the westerly right-of-way line of Sarival Road;
Thence along said westerly right of way line, South 00 degrees 18 minutes 05 seconds West, a distance of 1654.60 feet, to the **Point of Beginning.**

Containing 3,565,539.3 Square Feet or 81.854 Acres more or less.
Subject to easements, restrictions and rights of way of record.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
45377
DANIEL D.
ARMIJO
Date Signed 11.23.16
ARIZONA, U.S.A.
EXPIRES 12-31-18

Pad Parcels
(West of SR 303)

Lots 3044 (A-E), 3045 (A-E), 3046 (A-E), 3047 (A-E), 3048 (A-E), 3049 (A-E), 3050 (A-E), 3051 (A-E), 3068 (A-E), 3069 (A-E), 3070 (A-E), 3071 (A-E), 3072 (A-E), 3073 (A-E), 3074 (A-E), 3075 (A-E), 3076 (A-E), 3077 (A-E), 3078 (A-E), 3079 (A-E), 3080 (A-E), 3081 (A-E), 3082 (A-E), 3099 (A-E), 3100 (A-E), 3101 (A-E), 3103 (A-E), 3104 (A-E), 3105 (A-E) Inclusive and the west half of A of Lot 3106, as shown on the final plat of Unit 29 of Romola of Arizona Grapefruit Unit, recorded in Book 19 of Maps, Page 19, Maricopa County Records, lying within the northwest quarter of Section 24, Township 3 North, Range 2 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Excepting therefrom portions of Lots 3075, 3099, 3100, 3101, 3102, 3103, 3104, 3105 and the west half of A of Lot 3106 lying within State Route 303 Bob Stump Memorial Parkway as described in Document Number 2009-0786048, Maricopa County Records.

Containing 6,066,368.1 Square Feet or 139.26 Acres more or less.
Subject to easements, restrictions and rights of way of record.

Together with:

Lots 3052 (A-E), 3053 (A-E), 3054 (A-D), 3065 (A-D), 3066 (A-E), 3067 (A-E), 3083 (A-E), 3084 (A-E), 3085 (A-E), 3086 (A-E), 3095 (A-E), 3096 (A-E), 3097 (A-E) and 3098 (A-E) Inclusive as shown on the final plat of Unit 29 of Romola of Arizona Grapefruit Unit, recorded in Book 19 of Maps, Page 19, Maricopa County Records, lying within the southwest quarter of Section 24, Township 3 North, Range 2 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Excepting therefrom portions of Lots 3095, 3096, 3097 and 3098 lying within State Route 303 Bob Stump Memorial Parkway as described in Document Number 2013-0473059, Maricopa County Records.

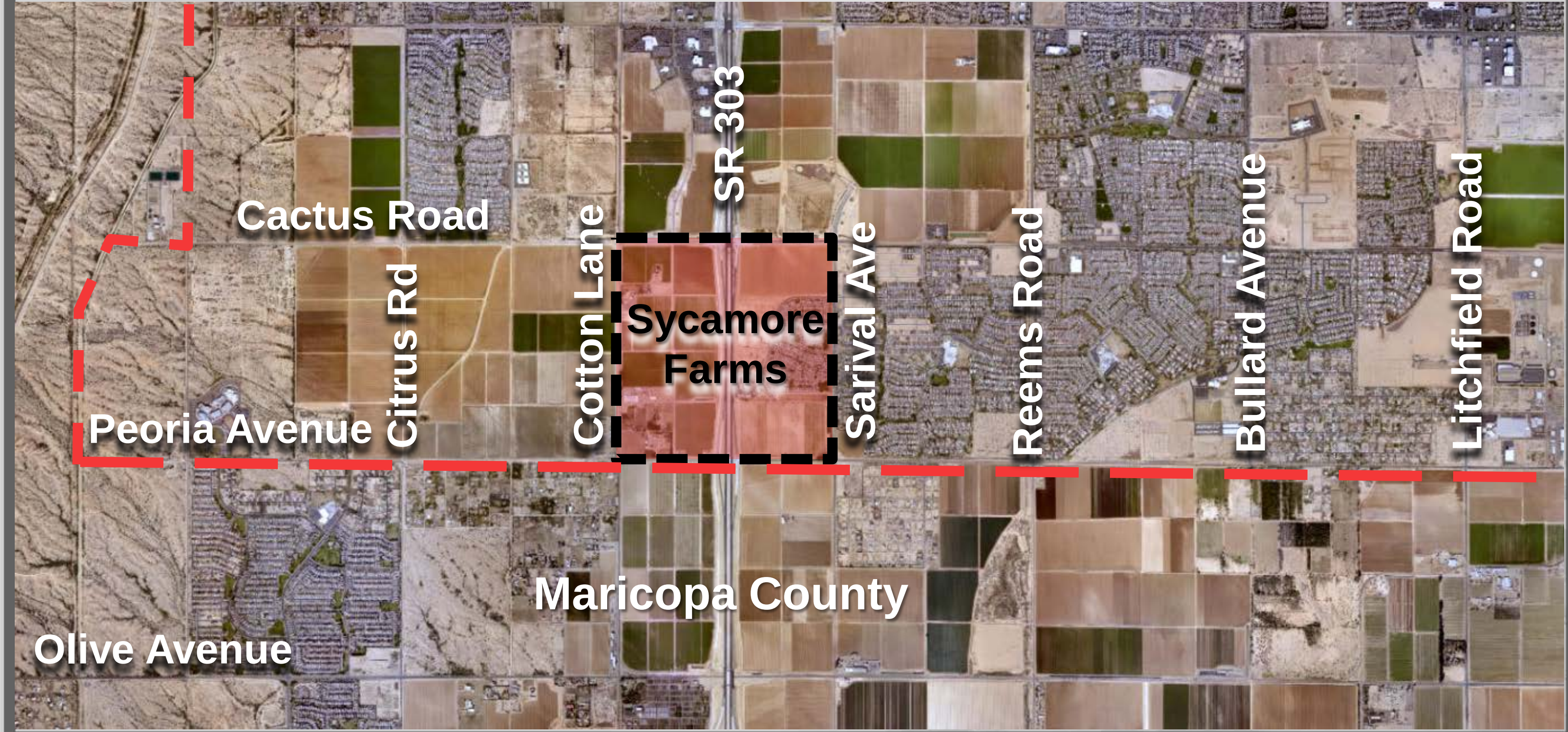
Containing 2,626,916.5 Square Feet or 60.306 Acres more or less.
Subject to easements, restrictions and rights of way of record.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
45377
DANIEL D.
ARMIJO
Date Signed 11-23
ARIZONA, U.S.A.
EXPIRES 12-31-18

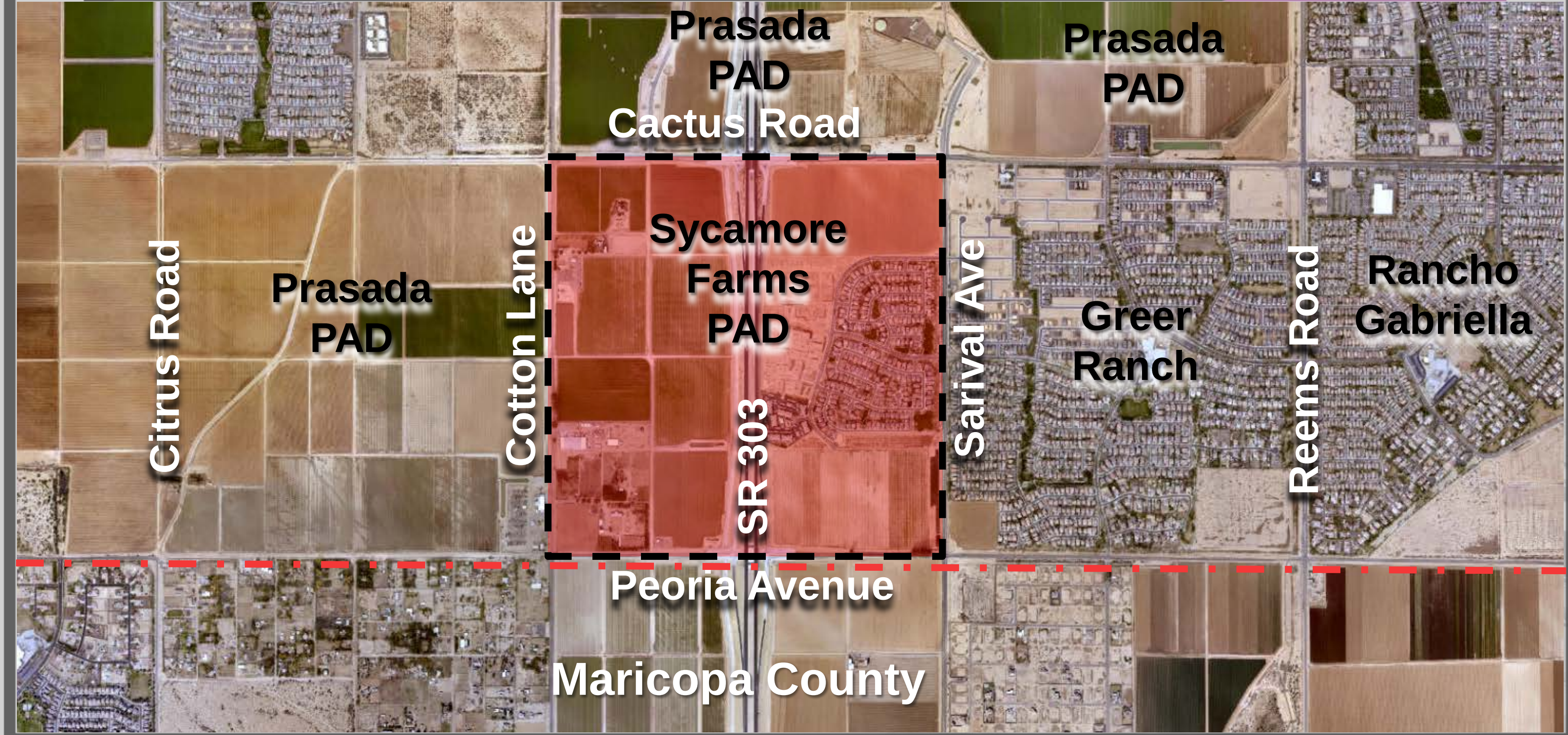
EXHIBIT B – DEPICTION OF THE PROPERTY TO BE RE-ZONED

Land Use Plan
Sycamore Farms

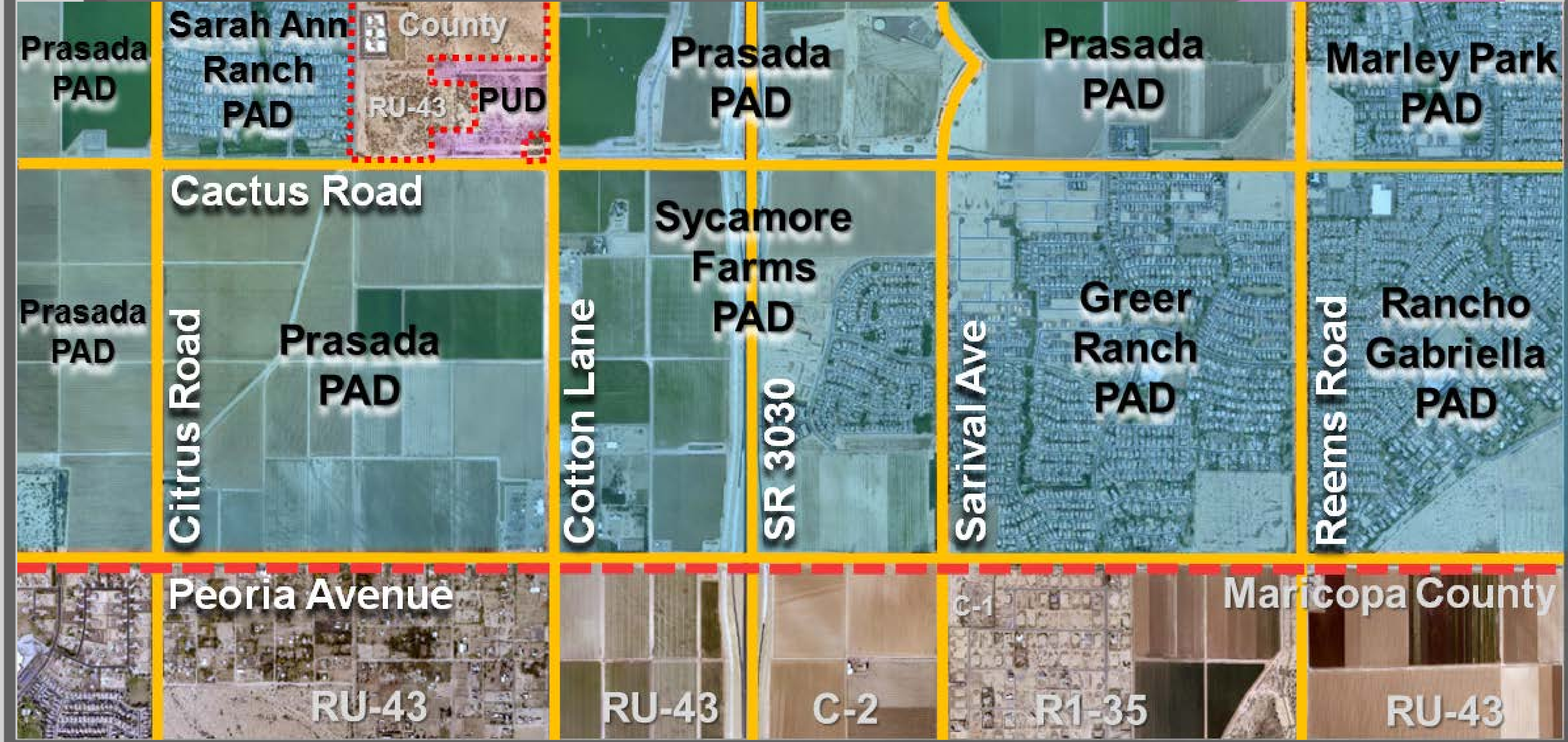
VICINITY MAP



LOCATION MAP



ADJACENT ZONING



SEG
SUSTAINABILITY
ENGINEERING
GROUP

"LEED®ing and Developing Smart Projects"

Sycamore Farms

Planned Area Development
Major Amendment for PAD03-153

Amending 266.7 Acres of the 637.4 Acre
Sycamore Farms PAD
Cactus Road, Sarival Avenue,
Peoria Avenue and Cotton Lane

Prepared For:
City of Surprise, Arizona
Submitted: April 2016
Revised: December 2016

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Scottsdale, AZ 85260
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Sycamore Farms
Development Team

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Moore Ranches, Inc.
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Phone: 623.521.4712

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Table of Contents

I. Introduction

The proposed Planned Area Development major amendment is for approximately 266.7 acres of the 637.4-acre Sycamore Farms PAD that was originally approved in 2004 (PAD 03-153). The amendment focuses on land uses in the northwest and southeast corners of the project's square mile – located within the boundaries of Cactus Road to the north, Sarival Avenue to the east, Peoria Avenue to the south and Cotton Lane to the west (see ***Exhibit 1 – Vicinity Map***).

The PAD will continue to benefit from a variety of land uses while integrating with the already developed neighborhoods of Sycamore Farms. The project will continue to include significant employment generating uses on the remaining mixed-use and commercial parcels while incorporating better design and composition on its residential parcels. Specifically, the amendment includes the following six components:

1) Re-orientate the commercial property at the corner of Peoria and Sarival Avenues so that the shopping center will face Peoria Avenue;
2) Modify the commercial development standards for internal parcel line setbacks to allow for the creation of parcels within the commercial development;
3) Allow off-premise freeway signage for commercial parcels within the PAD that are not contiguous to the Loop 303 freeway;
4) Replace the Institutional and remaining High Density Residential zoning districts with both Medium and Low Density Residential zoning districts;
5) Transfer the location of the large park area currently shown on the east side of the Loop 303 to the west side of the Loop 303;
6) Redesign of land uses on the north half of the PAD west of the 303 to include more diverse land use lots such as:
    - 5 - Low Density Residential lots
    - 7 - Medium Density Residential lots
    - 2 - Mixed Use lots
    - 2 - Open Space/Park lots

The narrative and exhibit attachments describe the proposed amended PAD. The new land use plan for this major PAD Amendment is shown parcel by parcel within the land use plan. The land uses are conceptually illustrated to show how the parcels could be developed and connect with one another (see ***Exhibit 4-Land Use Plan – Proposed Map***). The *Proposed Amendment Map*[1] is intended to show the potential land use combination that could occur with this Amendment in comparison to the Original PAD (see ***Exhibit 5-Land Use Plan - Comparison Maps***) for side by side viewing). The implementation of the planned land uses, layouts of buildings and other design features will vary when site plans and plats are approved for each parcel. The illustrative plan shows how the planned land uses can be linked with streets and multi-use trails, while also establishing a level of quality from which future site plans on parcels can be measured.

II. Project Location

The Sycamore Farms PAD is bisected by the Loop 303 freeway, occupying a half mile on either side between Peoria Avenue and Cactus Road. A large portion of Sycamore Farms is currently developed with residential development

[1] No changes are proposed to property already developed or to property under separate ownership as labeled on the land use exhibits.

in all three densities (low/medium/high) on the east side of the 303 freeway. The remaining portions of the project are undeveloped. Outside the PAD to the west of Cotton Lane lies vacant RU-43 parcels, undeveloped commercial parcels to the north and east, and undeveloped commercial parcels to the south of Peoria Avenue. Adjacent properties to the east and southeast are planned and zoned with a mixture of residential and commercial land uses including: Greer Ranch to the east - a one square-mile residential master planned community; and White Tank Vistas to the southeast, which is a 100+ acre retail and office master plan. Properties to the north and west are designed for residential master planned communities (see ***Exhibit 2 – Context Map***).

III. Conformance with the General Plan

The City of Surprise General Plan 2035 emphasizes the need for interconnected development that recognizes the unique needs of connections between land uses. The location of the PAD lies in the Transit Oriented Development District within the Neighborhood Character Pattern and therefore recognizes that neighborhoods and commercial developments should all connect with one another to provide ease of movement for all transportation types (vehicular and non-vehicular). The Sycamore Farms PAD Amendment hopes to accommodate this goal by better utilizing the 303 Highway corridor with a better composition of adjacent land uses that make use of the excellent access and visibility. The proposed development will continue connect to the residential subdivisions of Greer Ranch on the east, the White Tank Mountains on the west and the Luke Air Force Compatibility District to the south. Aside from the Loop 303 freeway, the other main transit corridors include: Cactus Road, Peoria Avenue, Cotton Lane and Sarival Avenue. Improvements to those major streets will be completed as development adjacent to them ensues.

IV. Parcels and Land Use

The modification of land uses within this Amendment will include deletion of some Mixed-Use acreage and all Institutional and remaining High Density Residential parcels. Since 2004, these parcels have proved difficult to develop and are less compatible with the existing neighborhoods than previously envisioned. Instead, an amended PAD will continue to offer a diverse range of land uses that will include somewhat more Low and Medium Density Residential development. The commercial parcel in the SEC of the PAD was already established in the original Sycamore Farms PAD. This amendment includes a resizing and orientation to Peoria Avenue. The goal is to utilize the excellent freeway access and focus peak traffic trips directly to Peoria Avenue and minimize impact on surrounding neighborhoods to the north and east. The following information will demonstrate each proposed land use:

	Current Approved PAD			**Proposed PAD Amendment**		
Land Use	**Acres**	**Units**	**Max Density**	**Acres**	**Units**	**Max Density**
Low Density Residential	148.4	741	5 Du/Ac	177.1	885	5 Du/Ac
Medium Density Residential	81.5	652	8 Du/Ac	161.9	971	6 Du/Ac
High Density Residential	21.1	738	35 Du/Ac	9.5	332	35 Du/Ac
Commercial	96.4	-	-	116.0	-	-
Mixed Use	140.9	Varies	16 Du/Ac	71.5	Varies	-
Institutional	48.5	-	-	14.2	-	-
Parks and Trails	50.0	-	-	36.6	-	-
Loop 303 R.O.W.	50.6	-	-	50.6	-	-
Total	**637.4**	**2,131**		**637.4**	**2,188**	

Commercial

The allowed commercial uses within the Sycamore Farms PAD will maintain conformity with the original approval. The amendment includes deviations to some development standards with the intent to allow the property to be subdivided into multiple parcels. This will allow the sale of parcels to commercial end users that prefer to own their property rather than lease it or simply own just the building on top of it. The amended development standards will allow development to ensue without the concern of a myriad of setbacks imposed within internal parcel boundaries in what will ultimately be an integrated shopping center.

Parcel 22 will also require freeway sign visibility to be placed on the parcel immediately west of this. Since this is considered off-premises, we are seeking a deviation to allow off-premise signage to be placed on the future freeway pylon signage for all commercial parcels within the PAD.

The proposed revised development standards are as follows for the internal parcel lines of commercial development (does not apply to perimeter setbacks to non-commercial property or adjacent streets):

	Original PAD Commercial Setbacks	**Proposed Amended Setbacks (interior parcel lines only)**
Front Setback	35'	0'
Side	15' Interior 25' Corner	0' 0'
Rear	15'	0'

Commercial District Dimensional Requirements – Perimeter of Commercial Development				
Zoning District	Minimum Lot Width	Minimum Front Yard Setback	Minimum Yard Setback (Side and Rear)	Maximum Building Height
PAD(CR)	100'	35'	24'	35'

Mixed-Use

The amendment area includes approximately 12.9 acres of Mixed-Use parcels. The proposal would reduce that down to 5 acres. The unchanged portions of the PAD will continue to contain 125.1 acres of Mixed-Use. No changes are proposed for the development standards or uses from the original approval.

Residential Land Uses

Approximately 187.8 -acres of residential development area will be amended by this Amendment. All residential parcels will continue to have access to the primary pedestrian trail system. The residential component of the Sycamore Farms Master Plan includes two different density categories: Low Density Residential and Medium Density Residential that provide for a range of detached single-family housing types. They only High Density Residential parcel proposed to remain in the development is already built-out with the Wyngate Sycamore Apartments on Parcel 11.

High Density Residential

As seen in ***Exhibit 5 – Land Use Comparison Maps***, the two remaining High Density Parcels (Parcels 4 & 9) originally planned for this PAD are proposed to be removed and replaced with Medium Density Residential parcels.

Low and Medium Density Residential

Low and Medium Density parcels have been thoughtfully designed east of the 303 to more adequately buffer adjacent development with parcels that will have similar densities. Low Density Residential is proposed adjacent to the existing single family development at Sycamore Estates. As the parcels extend towards the south and adjacent to the existing apartments, Medium Density Residential is proposed as it is more appropriate adjacent to commercial and High Density Residential than the Low Density Residential district. Interconnectivity of street networks and pedestrian pathways is maintained from the prior approval. A collector street is anticipated to connect immediately south east of the Wyngate Sycamore Apartments and alleviate congestion and circulation for the project. It is currently a "dead end" with a temporary turnaround.

V. Site Development

Development Standards and Design Guidelines

The original PAD included an extensive narrative that outlined development standards and design guidelines for the project. With the exception of the proposed commercial standards amendments, the remaining portions of the original PAD approval remain intact.

Landscape, Theme Walls, and Entry Features

Landscape development for the project shall conform to the already developed landscape themes within the Sycamore Farms PAD. The proposed architectural themes for the pylon sign has been submitted with this amendment for reference, but are preliminary in nature.

VI. Flood Control, Drainage, and Utilities

Master drainage reports and plans were prepared for the original approval of this project in 2004. Parcel developments have provided updates to these as construction drawings are prepared on a case by case basis. Ongoing development that will follow the approval of this PAD amendment will provide further updates to the original approvals. Detailed information regarding proposed water and sewer concepts for Sycamore Farms were approved through case PAD03-153 in 2004. No changes are proposed at this time.

VII. Circulation and Open Space

Streets and Circulation

All adjacent arterials (Cactus Road, Sarival Avenue, Peoria Avenue and Cotton Lane) will be constructed with paving, curb, gutter, sidewalk, street lighting and landscaping with half-width rights-of-way in accordance with City of Surprise Arterial street cross-sections. Collector and local streets will be constructed in accordance with approved City cross- section standards for the PAD. Special designs shall be submitted to and approved by the City of Surprise for the two roundabouts in the collector street system. Analysis of the one-quarter mile access points to the arterial streets will be conducted at the time of platting and/or site plan reviews to determine their exact locations and design configurations.

Circulation (Vehicular)

PAD - Southeast Section (East of 303)

The proposed redesign of street circulation systems in the southeast portion of the PAD will remain similar to the already approved PAD design. The collector street system will continue to incorporate a similar roundabout to create a unique environment that will facilitate continuous traffic flow, but also slow traffic speeds enough to allow safe pedestrian crossing opportunities near land uses that will have higher pedestrian traffic. The landscaped roundabouts will also create interesting vistas at the end of street sections.

PAD – Northwest Section (West of 303)

In the northwest portion of the PAD, the street circulation system will be altered to include one main collector street that will connect traffic from the main arterial roads of Cactus and Cotton Lane. This collector road will be curved to provide street connectivity to the inner Medium and Lower Density parcels with the northwest portion of the PAD

Circulation (Pedestrian)

The project will continue to focus on pedestrian connectivity and this will be accomplished with a series of multi-use trails located within landscape open spaces and future linear parks as part of individual projects. All trails within linear parks and trails in the primary trail system shall be designated for pedestrian and bicyclist use and be a minimum 10 feet wide and constructed of concrete. All pedestrian and bicycle facilities will meet the current city standards at the time of submittal. The major multi-use trails are planned to connect three linear park parcels located in the northwest portion of Sycamore Farms. The multi-use trails in the linear park and in the landscape open spaces along the freeway allows for easy secondary trail connections from nearly every land use parcel in the PAD. A multi-use trail can cross the 303 Freeway at the one-half mile point with a bridge crossing or at the Linear Park alignment by constructing either an underpass or a bridge, however any crossing will need to be publicly financed.

Development of parcels along the linear park and the multi-use trails shall provide site plans and building orientations to take full advantage of the trail system. No walls or fences, except to enclose yards for individual homes, are permitted between the subdivision and the park.

Residential and non-residential uses adjacent to the linear park or the open spaces along the 303 Freeway shall provide site plans that orient buildings, and not parking spaces, next to the park or open spaces. The site plans shall provide a secondary pedestrian connection to the multi-use trails within the park or open spaces. Non-residential projects shall provide opportunities for courtyards and/or plazas adjacent to the park or open spaces as part of the pedestrian link to the multi-use trails in the park or open spaces.

Parks and Open Space

This Amendment provides a new location for a public park with a primary multi-use trail system, in accordance with the City of Surprise General Plan, on the west side of Loop 303. The original PAD approval depicted this park on the east side of the freeway. Since that approval and through recent discussions with City officials, it has been suggested that the location of the park should be adjacent to the freeway on the west side of the Loop 303 as depicted in the land use exhibits. The acquisition, development, and facility details of this park will be determined through a separate Development Agreement. The park and multi-use trail system are complemented by a series of private open spaces, courtyards, plazas or recreational amenities within the mixed-use and residential parcels. All parcels shall have appropriate perimeter landscape tracts with connections to other open spaces and the trail system. Exact open space uses, sizes and locations within each parcel will be determined at the site plan or subdivision plat approval.

Exhibits

Exhibit 1

Vicinity Map

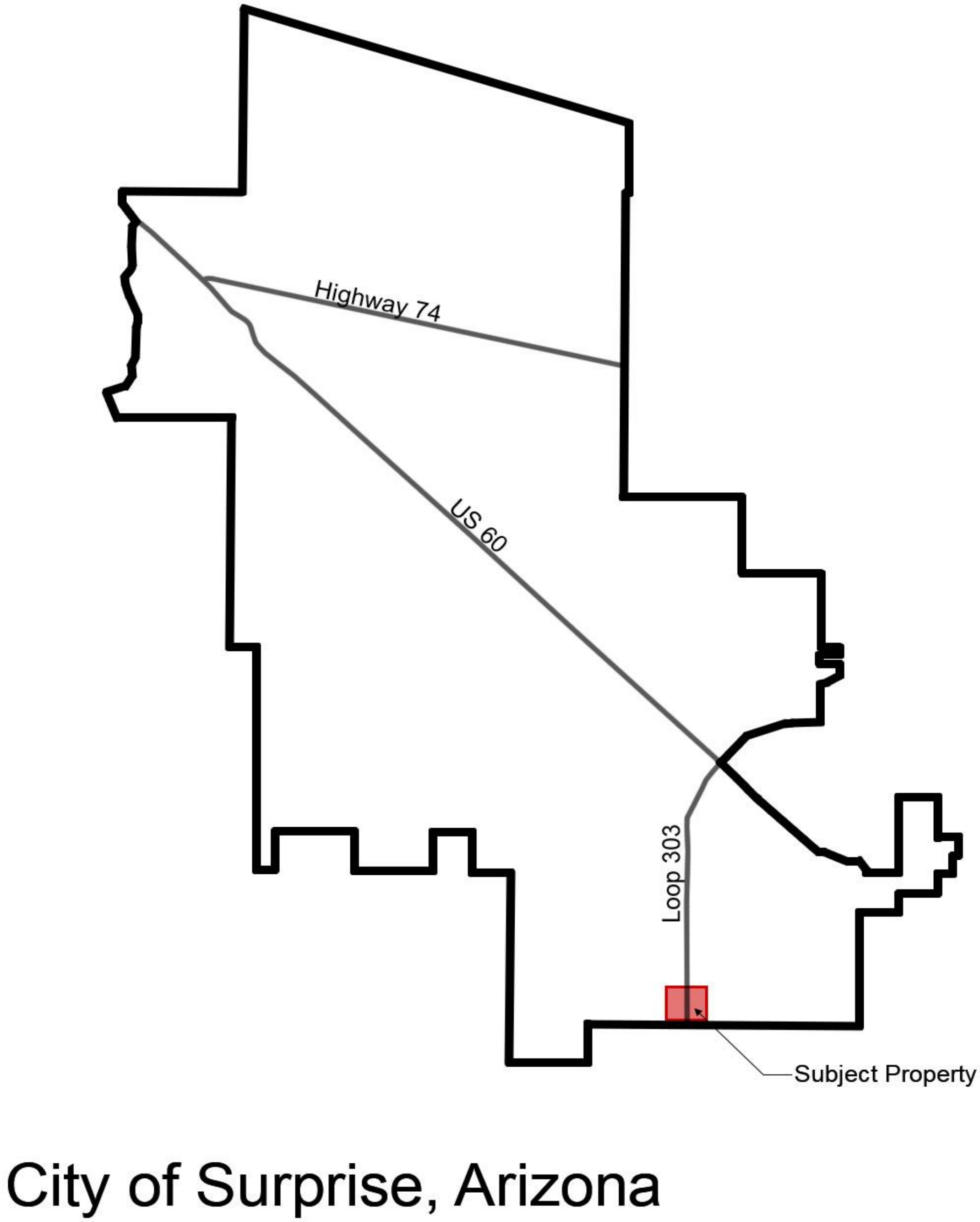
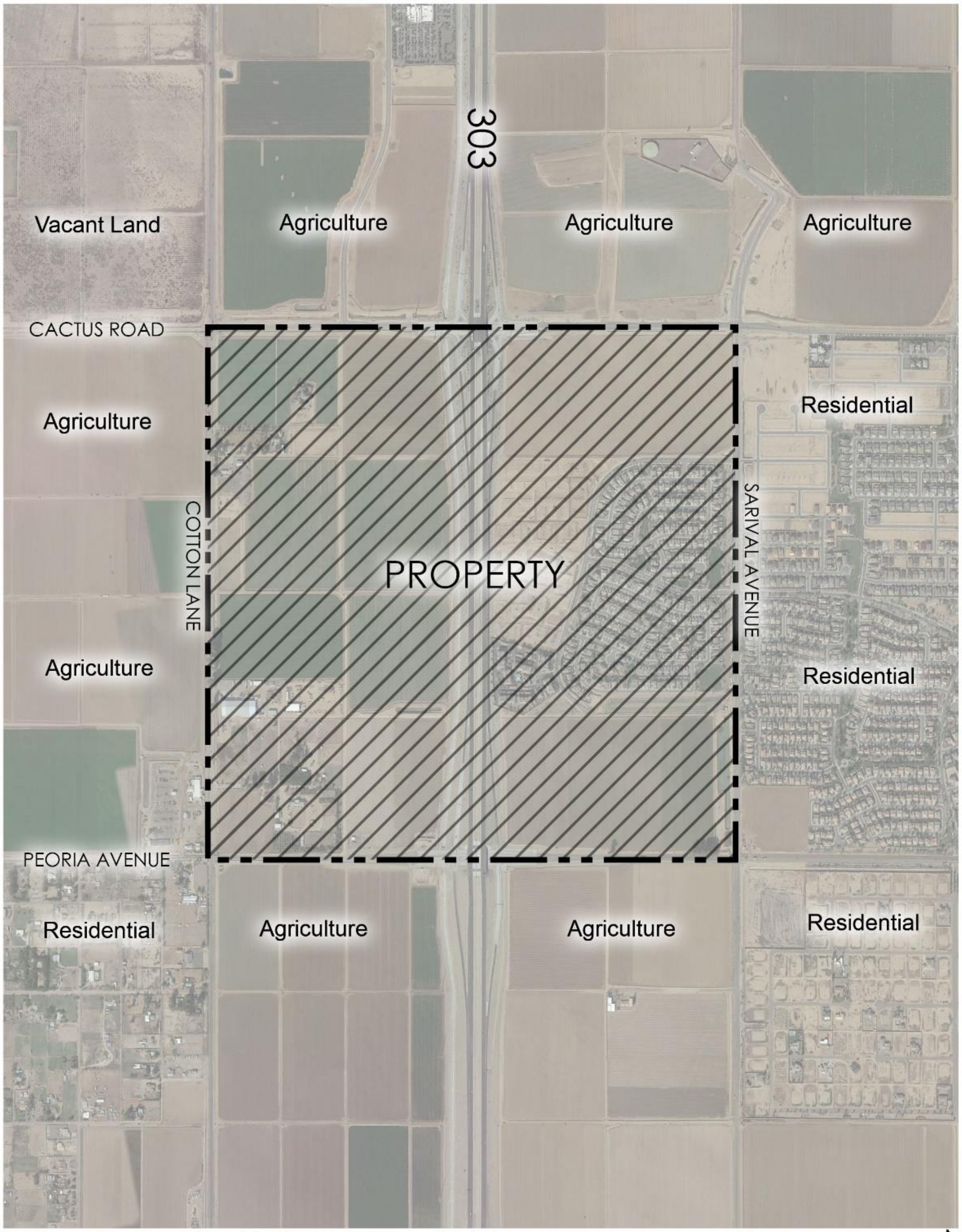


Exhibit 2
Context Map



Context Map

Sycamore Farms

GREEY|PICKETT

September 8, 2016

Exhibit 3

Land Use Plan – Original Map

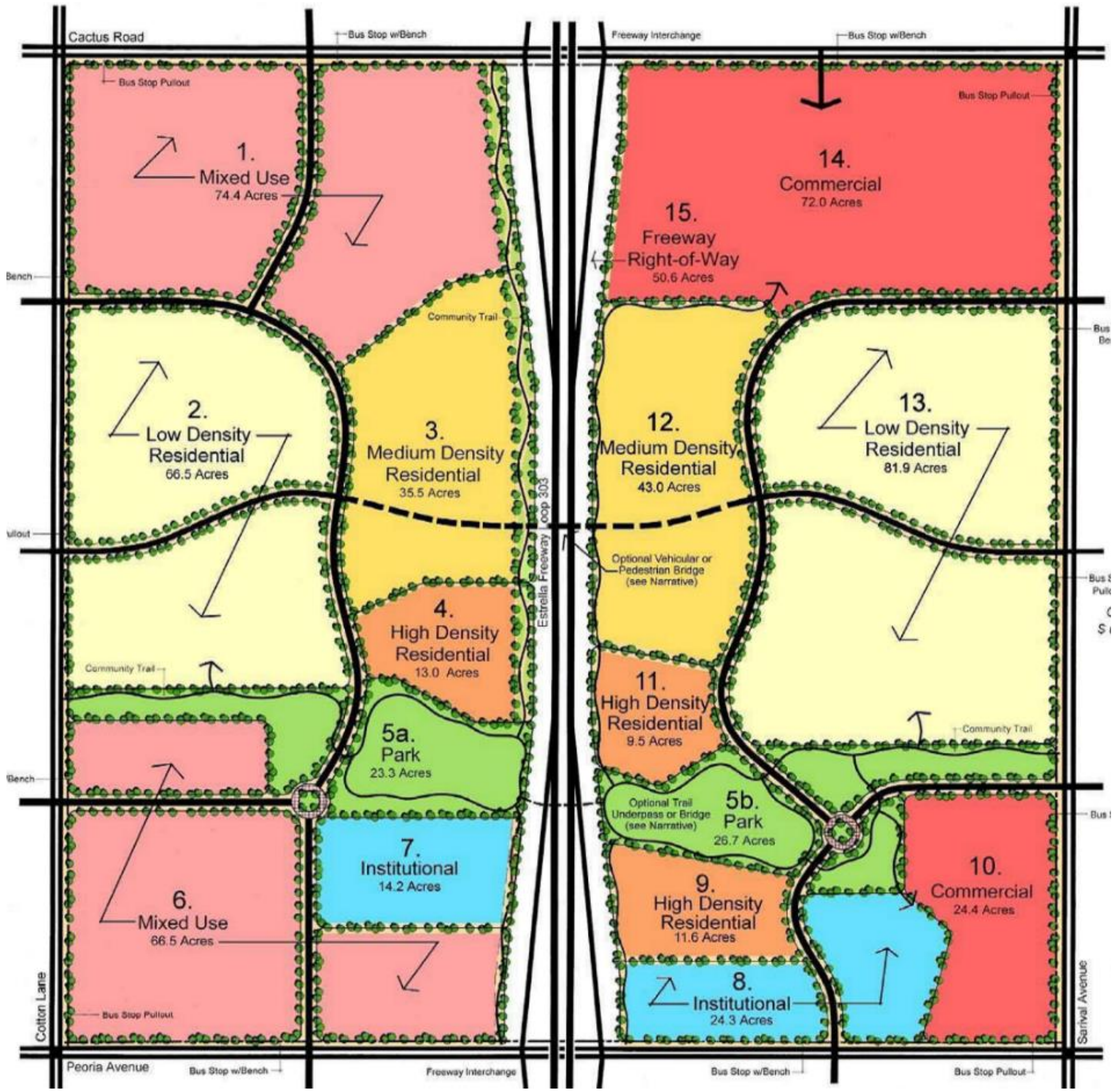
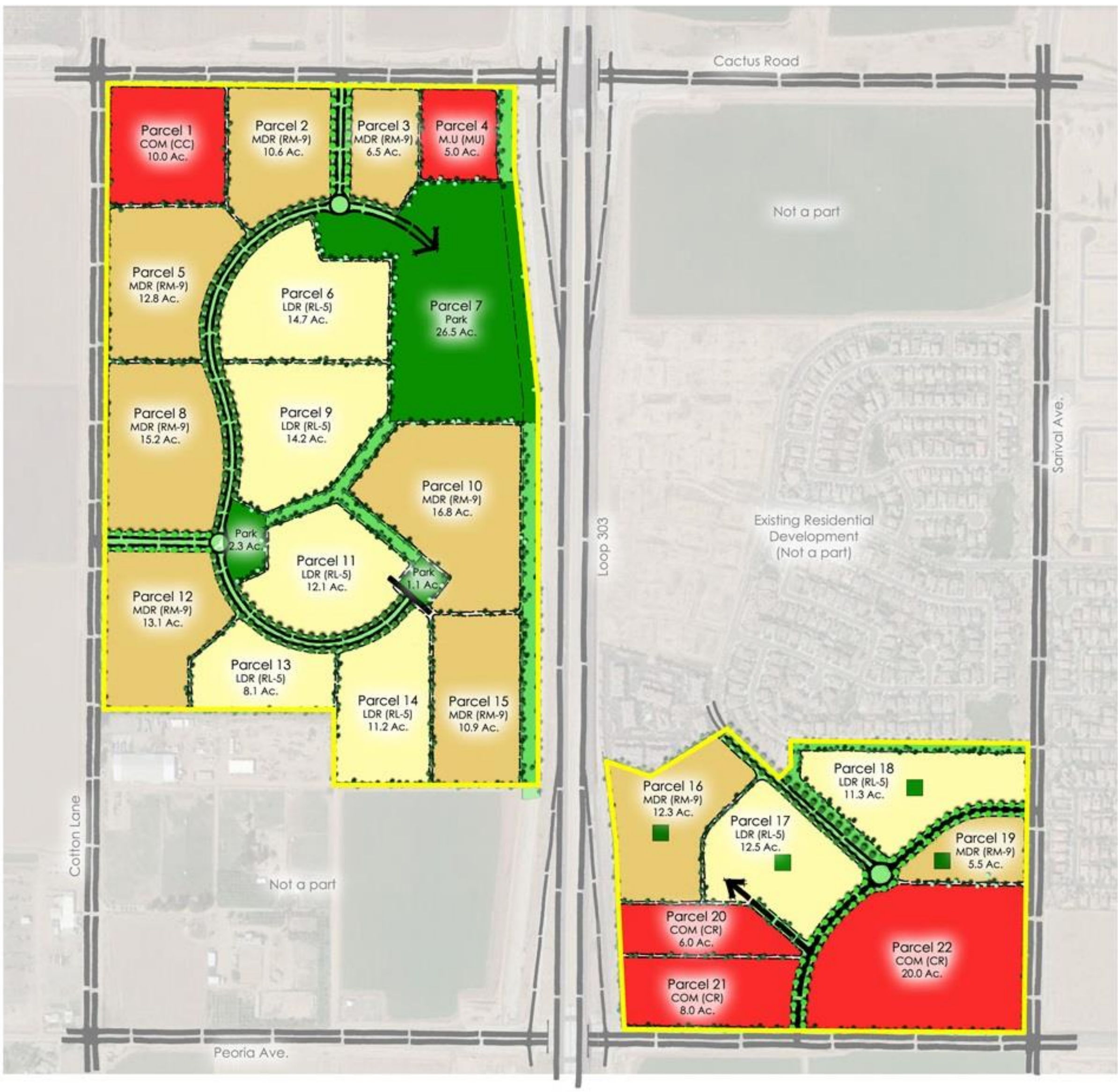


Exhibit 4

Land Use Plan – Proposed Amendment Map

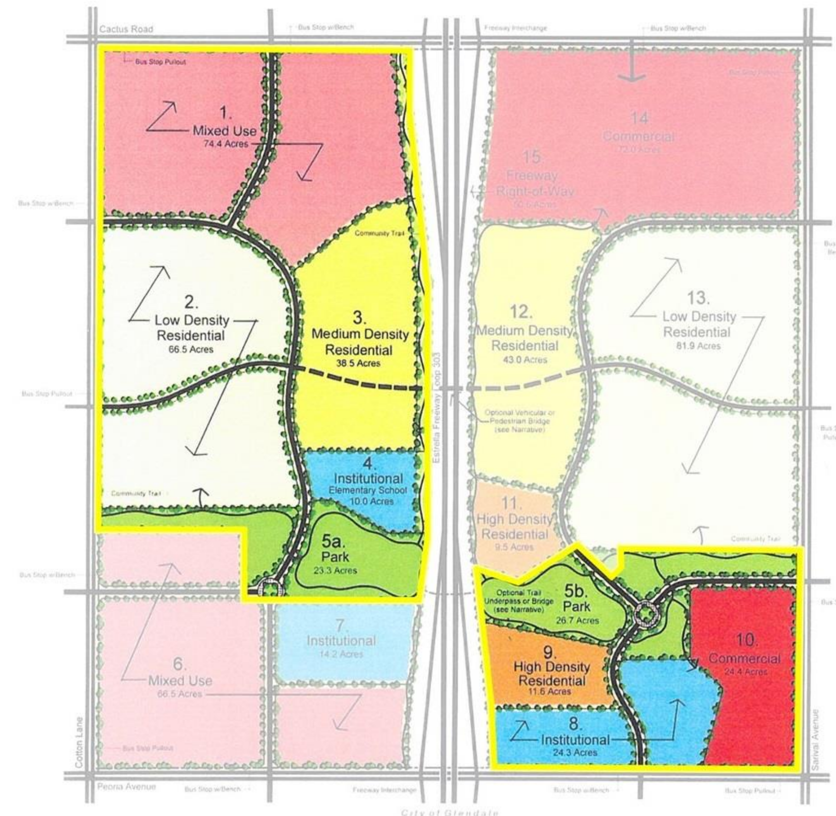


Land Use Plan

Sycamore Farms

Exhibit 5

Land Use Plan – Comparison Maps



Land Use Plan
Sycamore Farms

Approved Land Use Plan
Sycamore Farms

GREEY|PICKETT

Exhibit 6

Legal Descriptions

Pad Parcels
(East of SR 303)

A portion of the southeast quarter of Section 24, Township 3 North, Range 2 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the southeast corner of said Section 24, a Brass Cap Flush, from which the south quarter corner of said Section 24, a Brass Cap in Handhole, bears South 89 degrees 10 minutes 52 seconds West, a distance of 2631.55 feet;
Thence along the south line of said section, South 89 degrees 10 minutes 52 seconds West, a distance of 32.96 feet;
Thence leaving said south line, North 00 degrees 15 minutes 32 seconds East, a distance of 55.00 feet, to the northerly right of say line of Peoria Avenue and the **Point of Beginning;**
Thence along the northerly right of way line of Peoria Avenue, North 89 degrees 44 minutes 28 seconds West, a distance of 1225.30 feet;
Thence North 00 degrees 15 minutes 32 seconds East, a distance of 30.00 feet to the easterly right of way line of SR 303 as described in Document No. 2013-0473059, Maricopa County Records;
Thence along said easterly line, North 89 degrees 44 minutes 28 seconds West, a distance of 700.00 feet;
Thence North 01 degrees 14 minutes 30 seconds East, a distance of 25.00 feet;
Thence North 89 degrees 44 minutes 28 seconds West, a distance of 333.24 feet;
Thence North 12 degrees 45 minutes 01 seconds West, a distance of 41.18 feet;
Thence North 01 degrees 11 minutes 40 seconds West, a distance of 858.31 feet;
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Thence North 03 degrees 12 minutes 21 seconds West, a distance of 5.80 feet;
Thence leaving said easterly right of way line, South 69 degrees 56 minutes 27 seconds East, a distance of 329.84 feet;
Thence North 55 degrees 43 minutes 57 seconds East, a distance of 439.57 feet;
Thence South 40 degrees 39 minutes 15 seconds East, a distance of 128.32 feet;
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Thence North 00 degrees 14 minutes 16 seconds West, a distance of 124.35 feet;
Thence South 84 degrees 04 minutes 09 seconds East, a distance of 23.44 feet;
Thence North 00 degrees 18 minutes 05 seconds East, a distance of 77.10 feet;
Thence South 89 degrees 44 minutes 28 seconds East, a distance of 1299.34 feet, to the westerly right-of-way line of Sarival Road;
Thence along said westerly right of way line, South 00 degrees 18 minutes 05 seconds West, a distance of 1654.60 feet, to the **Point of Beginning.**

Containing 3,565,539.3 Square Feet or 81.854 Acres more or less.
Subject to easements, restrictions and rights of way of record.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
45377
DANIEL D.
ARMIJO
Date Signed 11-23-16
ARIZONA, U.S.A.
EXPIRES 12-31-18

Pad Parcels
(West of SR 303)

Lots 3044 (A-E), 3045 (A-E), 3046 (A-E), 3047 (A-E), 3048 (A-E), 3049 (A-E), 3050 (A-E), 3051 (A-E), 3068 (A-E), 3069 (A-E), 3070 (A-E), 3071 (A-E), 3072 (A-E), 3073 (A-E), 3074 (A-E), 3075 (A-E), 3076 (A-E), 3077 (A-E), 3078 (A-E), 3079 (A-E), 3080 (A-E), 3081 (A-E), 3082 (A-E), 3099 (A-E), 3100 (A-E), 3101 (A-E), 3103 (A-E), 3104 (A-E), 3105 (A-E) Inclusive and the west half of A of Lot 3106, as shown on the final plat of Unit 29 of Romola of Arizona Grapefruit Unit, recorded in Book 19 of Maps, Page 19, Maricopa County Records, lying within the northwest quarter of Section 24, Township 3 North, Range 2 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Excepting therefrom portions of Lots 3075, 3099, 3100, 3101, 3102, 3103, 3104, 3105 and the west half of A of Lot 3106 lying within State Route 303 Bob Stump Memorial Parkway as described in Document Number 2009-0786048, Maricopa County Records.

Containing 6,066,368.1 Square Feet or 139.26 Acres more or less.
Subject to easements, restrictions and rights of way of record.

Together with:

Lots 3052 (A-E), 3053 (A-E), 3054 (A-D), 3065 (A-D), 3066 (A-E), 3067 (A-E), 3083 (A-E), 3084 (A-E), 3085 (A-E), 3086 (A-E), 3095 (A-E), 3096 (A-E), 3097 (A-E) and 3098 (A-E) Inclusive as shown on the final plat of Unit 29 of Romola of Arizona Grapefruit Unit, recorded in Book 19 of Maps, Page 19, Maricopa County Records, lying within the southwest quarter of Section 24, Township 3 North, Range 2 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Excepting therefrom portions of Lots 3095, 3096, 3097 and 3098 lying within State Route 303 Bob Stump Memorial Parkway as described in Document Number 2013-0473059, Maricopa County Records.

Containing 2,626,916.5 Square Feet or 60.306 Acres more or less.
Subject to easements, restrictions and rights of way of record.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
45377
DANIEL D.
ARMIJO
Date Signed 11.23.14
ARIZONA, U.S.A.
EXPIRES 12.31.18

Citizen Participation Report
Sycamore Farms PAD Amendment
Neighborhood Meetings

1st Neighborhood Meeting (unofficial due to newspaper posting error)

The initial neighborhood meeting for this proposal was scheduled for August 10, 2016 and the neighborhood mailing was sent out on time. The newspaper unfortunately did not post the notice as scheduled, but as a courtesy to all of the neighbors that received written notice, we held the neighborhood meeting "informally" to answer questions. We also advised the neighbors that an additional notice would be sent out for the official meeting date in September. That meeting was held on September 14, 2016. A brief meeting summary is provided below to recap the highlights of neighbor concerns.

Introduction

The issues addressed were held for the general public in the areas surrounding the development site (N. Sarival to N. Cotton Ln and W. Peoria Ave to W. Cactus Rd) concerning the Sycamore Farms Mixed Use Development Pad Amendment Proposal. Attached are the following items:

1. Meeting MInutes
2. Meeting Sign-In sheet

MEETING MINUTES

Subject:	Sycamore Farms Mixed Use Development PAD Zoning Neighborhood Meeting (unofficial)
Location:	Wyngate Apartments, Surprise, AZ
Date:	August 10, 2016
Time:	6:00 pm

Development Team in attendance:

Mathew Berens, Berens, Kozub, Kloberdanz & Blonstein, PLC
Colby Fincham, Barclay Group
Mollie Zemer, Barclay Group
Steve Counsell, SEG
Joanna Bartholemew, SEG
Jason Sanks, SEC (Sanks and Associates)

City of Surprise representative:

District 3 Council Member – John Williams

Jason Sanks introduced himself and his team to the neighbors in attendance. He provided an introductory discussion of the overall project concept and intent. Major points of the project introduction included:

- The zoning for this project was originally approved in 2004. The project is now requesting an amendment to the original PAD. The original and new plans are available online at the City of Surprise.

- The new plan looks like the original plan proposed in 2003 with the same C-2 zoning. The commercial, mixed use portions and high density residential components of the original zoning are not being changed. The changes are: there will no longer be institutional use and the park will be relocated. The plan approved 12-years ago is outdated. The primary access to the commercial piece will now be from Peoria, no longer from Sarival. Mr. Sanks noted that the primary driver of the project was the intent of a major grocer to locate on the newly reconfigured commercial parcel.

The meeting was held in an open forum setting and most of the discussion began to occur in small groups around the exhibits displayed. Primary discussion points and responses were as follows:

- Citizen asked: Traffic and circulation are a problem for the neighborhood.
  - Response: We anticipate the new connection to the south connecting to Peoria Avenue therefore relieving some congestion within the neighborhood.
- Citizen asked: Where will the city park go?
  - Response: The park will be relocated to the other side of the Loop 303 where it can be better integrated into the proposed land plan. However, open space and trails will still be provided in the development proposed.
- Citizen asked: Will there be additional apartments proposed near our homes?
  - Response: No, the existing approved multi-family parcel is proposed to be eliminated and replaced with single-family development.
- Citizen asked: Will Peoria or Sarival be improved as part of this proposal?
  - Response: Half street roadway improvements will be provided where adjacent to approved development.
- Citizen asked: What will the lot sizes be like across from our homes (other side of Hope St).
  - Response: Although the exact lot sizes are not yet determined, they are anticipated to match the same lot size as your homes.
- Citizen asked: What type of stores and restaurants will we be getting in the commercial center?
  - Response: We anticipate a large grocer to locate there, along with a few fast food outlets and other typical inline shops as normally associated with this development type. Exact users are not known at this time.

The meeting ended at approximately 6:45pm.

Sycamore Farms PAD Amendment Citizen Review - Sign in Sheet

August 10, 2016 - Wyngate Apartments Clubhouse - 6:00pm

Name	Address	Email
Kindra Cooper	11146 N 165th Ave	pxpexepower96@aol.com
Debbie Burtnum	11206 N. 165th Ave	DBURT15430@AOL.com
Vicki Bejarano	11194 N. 165th AVE	bvbejarano@gmail.com
DWAYNE PAINTER	16392 W. HOPE DR	CHIEFDWAYNEP@AOL.COM
John Williams	17610 W. Hearn Rd	John.Williams@SurpriseAZ.gov
TRICIA MEYERS	16384 W. HOPE DR.	meyersrt@[illegible].com
George Haugen	8765 E. Bell Rd	george@haugencommercial.com

Sycamore Farms PAD Amendment Citizen Review - Sign in Sheet

August 10, 2016 - Wyngate Apartments Clubhouse - 6:00pm

Name	Address	Email
Susan Draper	11221 N 164th LN	sdraper7@cox.net
Gary Rogers	9665 W. Pinnacle Vista	gmanrogersaz@yahoo.com
[illegible]		
STEPHANIE LIBMAN	11218 N. 165th Ave	trulyblessed steph71@gmail.com

2nd Neighborhood Meeting (Official)

Introduction

This meeting was held in accordance with the City of Surprise's Citizen Participation Process. The issues addressed were held for the general public in the areas surrounding the development site (N. Sarival to N. Cotton Ln and W. Peoria Ave to W. Cactus Rd) concerning the Sycamore Farms Mixed Use Development Pad Amendment Proposal. Attached are the following items:

1. Meeting Minutes
2. Meeting Sign-In sheet

MEETING MINUTES

Subject:	Sycamore Farms Mixed Use Development PAD Zoning Neighborhood Meeting
Location:	Wyngate Apartments, Surprise, AZ
Date:	September 14, 2016
Time:	6:00 pm

Development Team in attendance:

Mathew Berens, Berens, Kozub, Kloberdanz & Blonstein, PLC
Colby Fincham, Barclay Group
Mollie Zemer, Barclay Group
Steve Counsell, SEG
Susan Houston, SEG

City of Surprise representative:
Hobart Wingard, Planner II

Matt Berens introduced himself on behalf of the landowner and other parties pursuing the zoning amendment; and Mr. Wingard who assisted in the discussion. He provided an introductory discussion of the overall project concept and intent. Major points of the project introduction included:

- The zoning for this project was originally approved in 2004. The project is now requesting an amendment to the original PAD. The original and new plans are available online at the City of Surprise.

- The new plan looks like the original plan proposed in 2003 with the same C-2 zoning. The commercial, mixed use portions and high density residential components of the original zoning are not being changed. The changes are: there will no longer be institutional use and the park will be relocated. The plan approved 12-years ago is outdated. The intent of the institutional use was a hospital which is no longer regionally necessary and the park will be relocated west of the 303 with trail connections to existing and proposed residential. The primary access to the commercial piece will now be from Peoria, no longer from Sarival.

- Existing residential development in the area is: Multifamily, apartments we're meeting in, Low density single family, developed by Taylor Morrison where most of the neighborhood attendees now live, and Richmond American/KB Homes recently re-approved Final Plats, not yet constructed.
- Proposed use of the site is planned to be a commercial center containing a grocery as the primary anchor, drive through restaurant(s), in line shopping, outlying pads and a potential gas station. Proposed residential will be low and medium density housing.

Matt opened the discussion to questions from the residents. Questions were answered by Matt, Hobart and Colby.

- Citizen asked: What is medium density?
  - Response: Medium density may be a variety of things: 4-packs, 6-pack both with shared driveways or 45-foot wide lots. The product depends on the builder's demand. Matt explained that the medium density will act as a buffer to the 303 for the low density neighborhoods.

- Citizens asked: In the northern, low density piece, what direction will the houses face along Hope Street? What will be between the existing subdivision and the proposed?
  - Response: The homes will face south. Residents to the north will see back yards. There is a sidewalk and street already built which will not be moved. There will be a trail to serve as a landscape buffer and the homes will most likely have a site wall on the north side. The homebuilder will submit a Final Plat to determine the internal streets. Residents will access the subdivision from the south.
  - Discussion ensued regarding the trail system: The trails may be sidewalks, gravel or landscaped areas. The purpose of the trails is to promote flow through the neighborhoods to the commercial development and park. Concern was expressed regarding maintenance of the trails.

- Citizens asked: What work will be done to Peoria and Sarival Streets and sidewalks?
  - Response: The developer will be responsible for all street improvements adjacent to the property. They will be required to put in sidewalks and whatever street improvements are mandated by the new TIA such as widening Peoria. There will most likely be a signal required at the intersection. These are engineering issues to be answered after the zoning is approved.

- Citizens asked: There are drainage issues in their neighborhood (to the north), specifically along Sarival. What will this development do to relieve this? Where will the new retention basin be?
  - Response: The subdivision to the north gets City water from Sarival's street, this development won't help that issue. All of the water falling on the new development has to be accounted for; design is for the 100-year, 2-hour storm per City requirements.

This is an engineering issue that is addressed at the site planning stage; there are no specific details yet. There are options such as underground and above ground retention on each parcel.

- Citizen asked: What is the timing for rezoning?
  - Response: Another application has to be made to the City. There will be public hearings with Planning & Zoning and City Council.

- Citizen asked: Do you have an estimate of the number of housing units that will be going in?
  - Response: We don't have that information today but we know that it is very close to what was originally planned.

- Citizen asked: Can you tell me how many jobs will be created?
  - Response: At the Site Plan phase, an Economic Development study will be done. There will be many jobs created.

- Citizen asked: Where will the sign go?
  - Response: Most likely on the south side, at Peoria. It is designed to be consistent throughout Sycamore Farms.

- Citizen asked: Have you developed a similar shopping center? Will the entire center be built all at once?
  - Response: Yes. The Fry's at Greenway and Cotton. We try to build it in all one phase. Once the anchor store is determined, additional shops, restaurants, etc. come on board. It's possible that there may be undeveloped portions temporarily.

- Citizen asked: Will this also be named "Sycamore" something?
  - Response: The entire square mile is Sycamore Farms. When we do Planning, we match what is there. The name "Sycamore" ties the entire development together. It will be like Marley Park, it's a cohesive development, you know you're there.

- Citizen asked: What grocery store will be going in?
  - Response: We can't tell you at this time. Before they build, they will certainly let you know. It's definitely not a Walmart.

- Citizen asked: What do you anticipate the impact will be regarding noise and light from the new commercial development?
  - Response: The proposed housing on the north side will act as a buffer. The City code has light restrictions. The noise will be mostly from traffic along Sarival and with newly paved rubberized asphalt, the traffic noise will decrease.

- Citizen asked: Who owns the parcel now and how long will it be farmed?
  - Response: The land is still owned by the Moore family, the original farmers. It will be farmed until it's entirely developed due to tax incentives. The timing will depend on

irrigation water accessibility. This will avoid dust nuisance and undeveloped pieces turning into weed patches.

The following non-related issues were discussed:

- Signage along the 303
- History of the Sycamore Farms Parcel and farming in the area.
- Economic downturns over the years
- Building permits issued
- How the 303 makes the area more developable
- Other shopping centers in the area
- Traffic and drainage issues in the area
- Bond Issues
- Commercial property to the north
- Development west of the 303
- City contact regarding code enforcement

The following are neighbor general concerns:

- Trails/Pedestrian Connectivity
- Single-loaded Street (Hope Drive) – What will be on the south side? North or south facing homes?
- Drainage/Retention – Will the issues be resolved? Who is responsible? Underground or On-Site?
- Traffic – Will the streets be widened? When? Will a traffic signal be installed?
- Housing unit projections & permitted densities
- Signage along 303 & the commercial – Where? When?
- Timing of the development
- When will the project be rezoned & what is the city council process?
- What will be done to mitigate the noise and light from the commercial project?
- Phasing – will pads sit empty?

Small group discussions ensued and citizens looked at the presentation graphics. Mr. Wingard encouraged citizens to contact the City with any and all concerns.

Meeting Concluded.

SEG
SUSTAINABILITY ENGINEERING GROUP

Meeting Sign-In Sheet

Meeting Purpose: **Neighborhood Meeting**
Sycamore Farms PAD
Location: **Wyngate Apartments - 11142 N 165th Dr, Surprise, AZ 85388**
Date: **September 14, 2016**

Name	Street Address	Phone	Email	Support YES	Support NO
Heidi Marshall	16379 W. Canterbury Dr.	623-773-9135	themarshalls_3@hotmail.com		
Susan Draper	11221 N 164th LN	206-962-0464	sdraper7@cox.net		
Hobart Wingard	City of Surprise	623.222.3156	hobart.wingard@surpriseaz.gov		
Steve Peru	16380 W Canterbury	928-699-7991	speru1@msn.com		
Jackie Khoo	16340 W Yucatan	—	—		
Jim & Mary Gomez	16421 W Yucatan Dr	602-295-7444	maryegomez@gmail.com		
Milan Shelden	11158 N. 165th Ave				
Joe & Judy Turchany	16348 W. Yucatan Dr	480-229-6044	JJTurchany@yahoo.com		
Shane Arnondson	11420 N. 165th Ave	909-563-0661	Sarnondson@yahoo.com		
C J Uebrank	16345 W. Sanmart	—	—		

8280 E. Gelding Dr., Suite 101
Scottsdale, AZ 85260
info@azSEG.com 480.588.7226 www.azSEG.com

SEG
SUSTAINABILITY ENGINEERING GROUP

Meeting Sign-In Sheet

Meeting Purpose: **Neighborhood Meeting**
Sycamore Farms PAD
Location: **Wyngate Apartments - 11142 N 165th Dr, Surprise, AZ 85388**
Date: **September 14, 2016**

Name	Street Address	Phone	Email	Support YES	Support NO
Johnson	11122 N 165th Ave		TWJohns01@Gmail	✓	
Paul Gregory	11605 N 163rd Dr.		700miscellaneous@gmail.com		
Tricia Meyers	16384 W. Hope Dr.		meyersrt@g.com		
Donna Meuse	16389 W. Cameron Dr.				
John Meuse					
Judy Tuddy	11574 N 165th Av		judydnew@gmail.com		

8280 E. Gelding Dr., Suite 101
Scottsdale, AZ 85260
info@azSEG.com 480.588.7226 www.azSEG.com

PUBLIC ENGAGEMENT FORM

PROJECT TITLE: Sycamore Farms Planned Area Development Rezone Amendment, FS16-231

OVERALL PUBLIC INVOLVEMENT LEVEL:

Citizen Review. Allows residents to input their opinions on the proposed rezone. The Public Hearing will allow another chance for the public to express their views on the proposal.

IDENTIFY STAKEHOLDERS:

Residents within the Planned Area Development (PAD); the public at-large; adjacent property owners.

OBJECTIVES:

The applicant seeks approval of an amendment to the zoning of the Sycamore Farms Planned Area Development (PAD) to allow changes in land use and certain commercial development standards.

PUBLIC ENGAGEMENT STRATEGIES & TOOLS:

Public Engagement & Project timeline:

Public outreach time frame (when to when) - September 15, 2016 at the Wyngate Apartments
Future Council Work Session/Meetings target dates - February 21, 2017
Election dates (if applicable) - Not aplicable
Project start/completion dates - To be determined

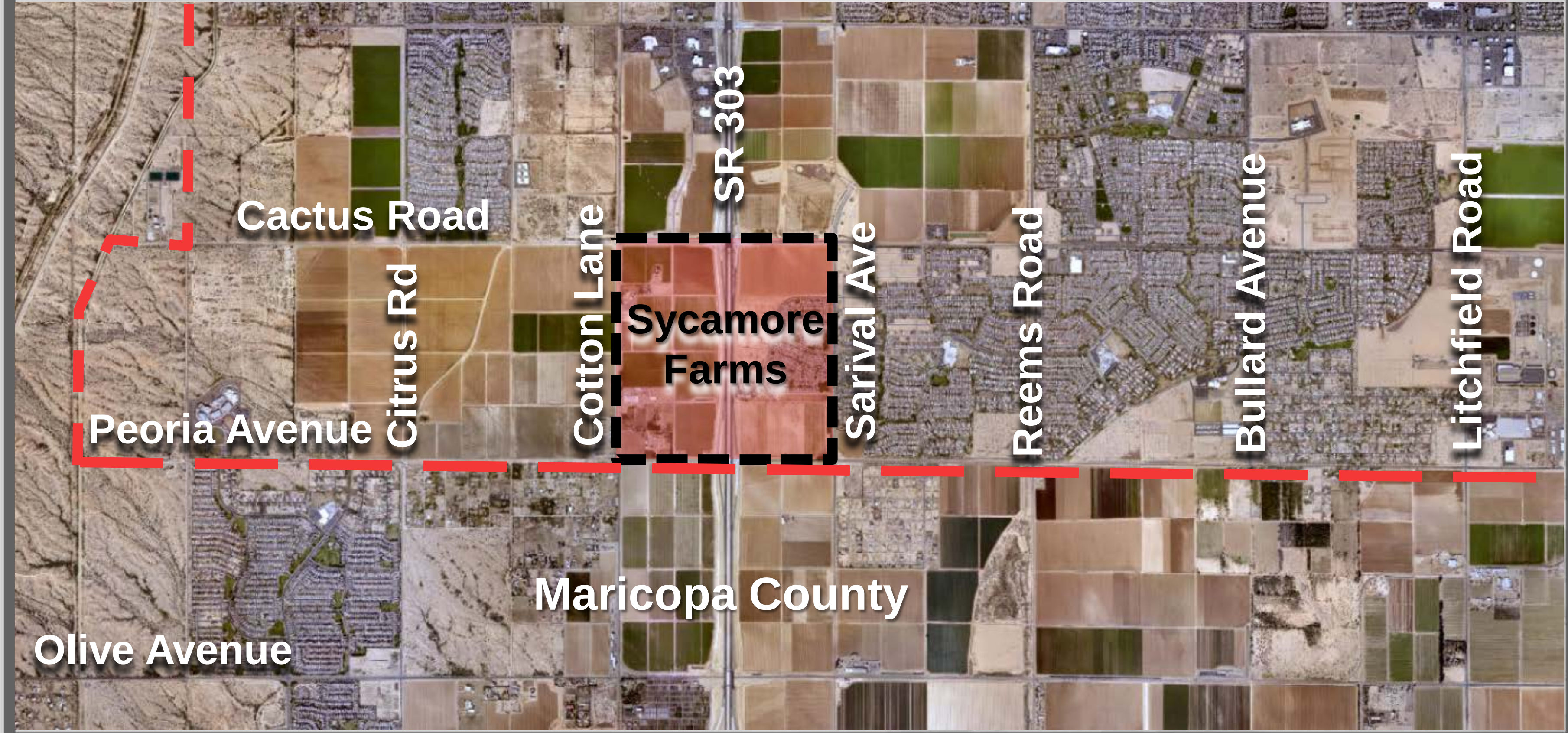
Communication Tools and Technique options: (which do you plan to use?)

- ☐ Press releases
- ☑ Public meetings (video/photos, poster boards, fact sheet(s) *do you need Spanish version?)
- ☑ Presentations to boards and commissions, other interested community partners/stakeholders
- ☐ Third-party consultant/moderator (pending budget)
- ☐ Survey (online/paper/both?)
- ☐ Social media
- ☑ Surprise 11
- ☐ Notify Me email/ Council newsletters (opt-in audience)
- ☑ Paid advertising (pending budget)
- ☐ Surprise Progress (mailed quarterly and tied to print deadlines)
- ☐ Booth at city events
- ☑ Paid mailings (pending budget)
- ☐ Creation of a subcommittee/task force
- ☐ Youth/adult activities, registration, or orientation (HOA Academy)
- ☑ Website updates

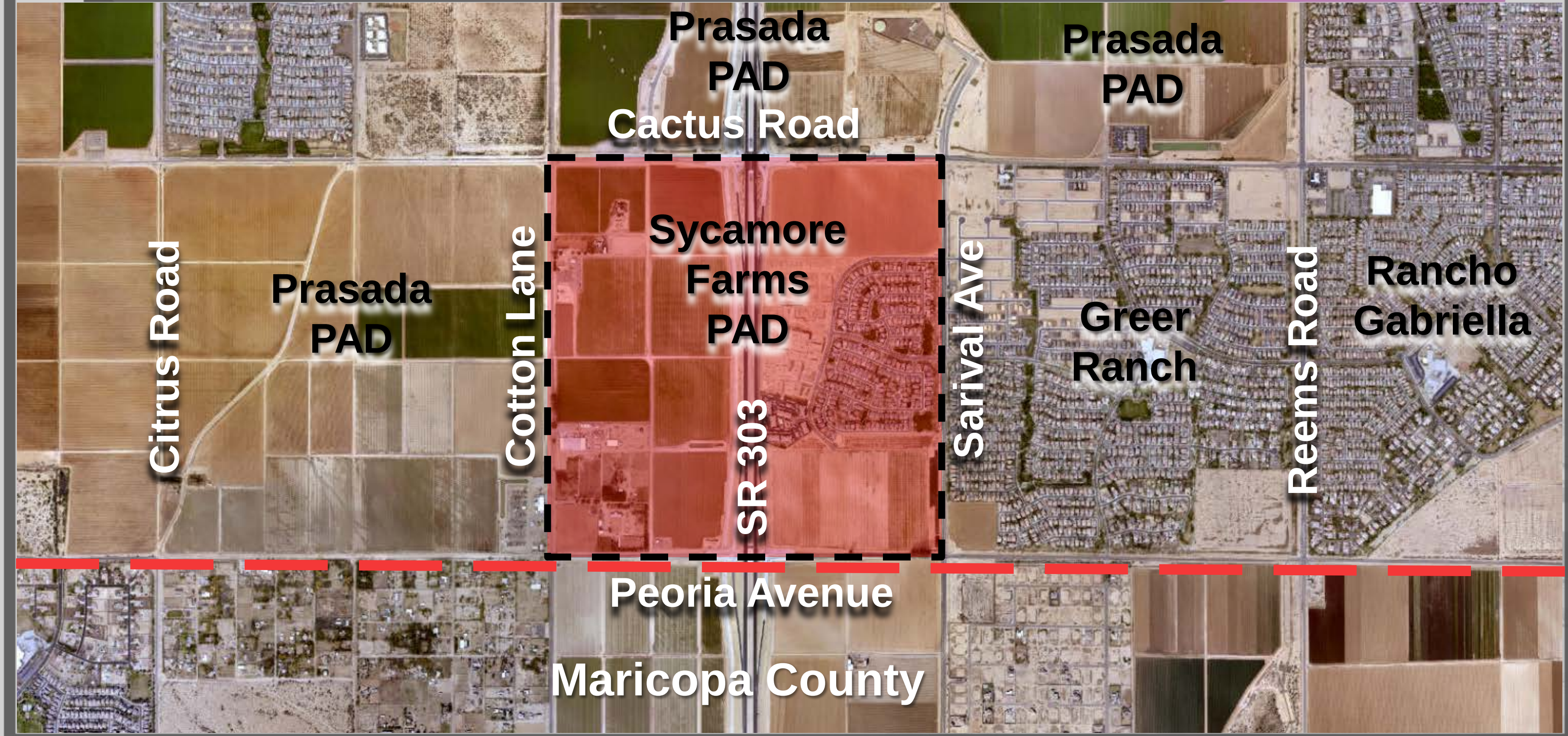
SYCAMORE FARMS

Amendment to PAD Zoning – February 21, 2017

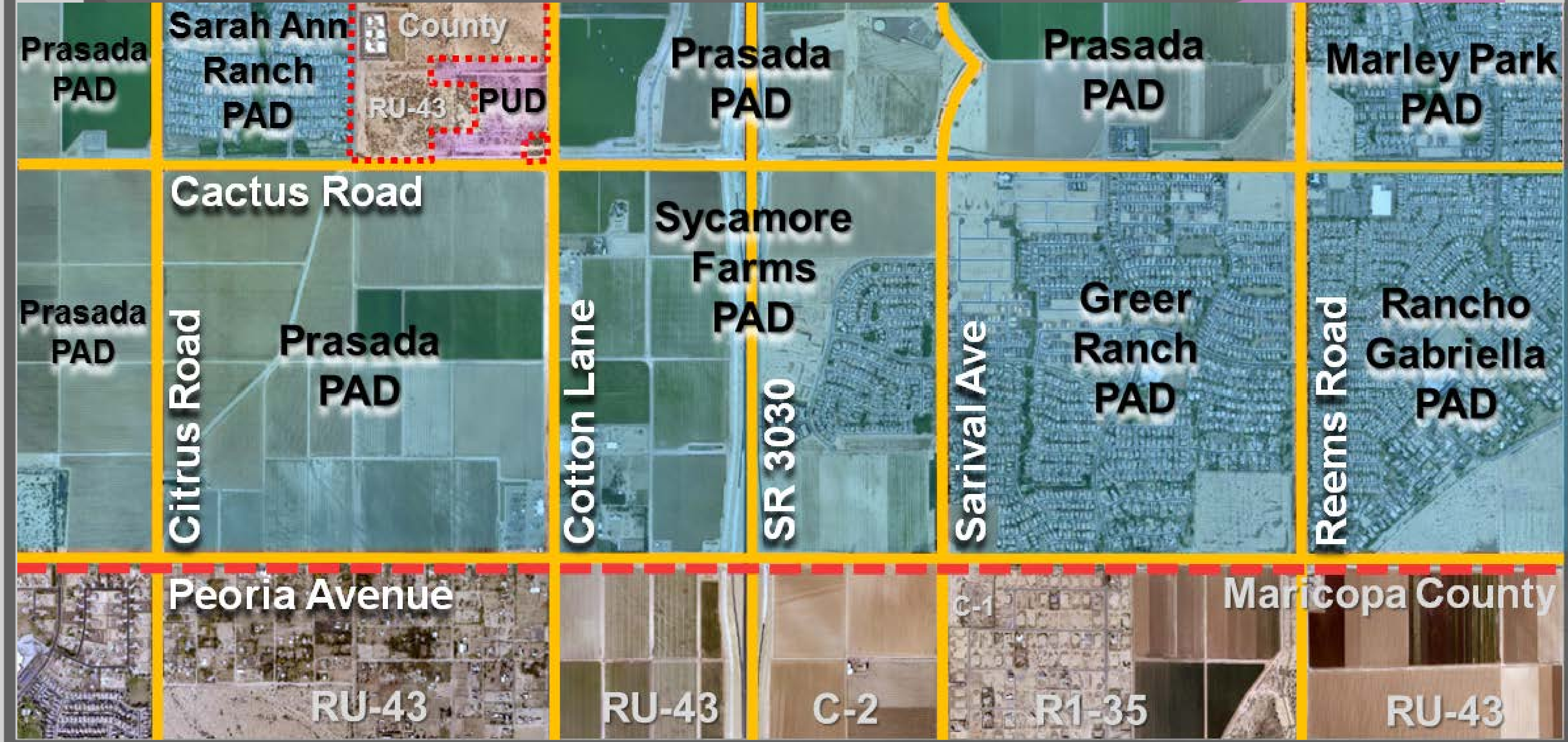
VICINITY MAP



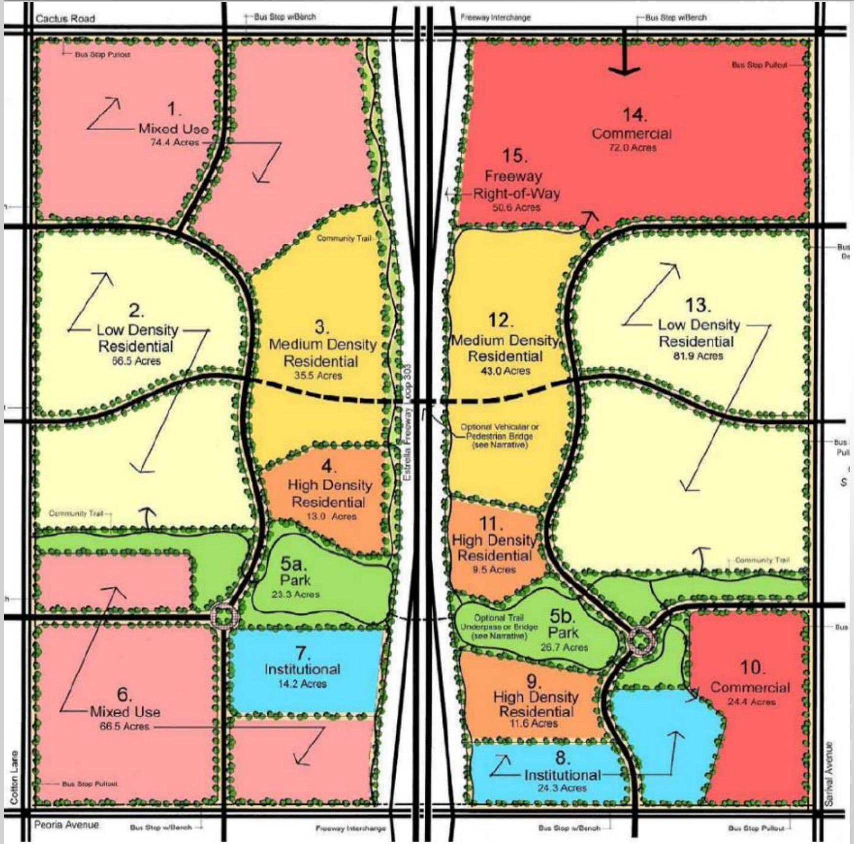
LOCATION MAP



ADJACENT ZONING



EXISTING ZONING



- Mixed Use
- Low-Density Residential
- Medium Density Residential
- High Density Residential
- Park
- Institutional
- Commercial

PROPOSED ZONING

– Low-Density Residential

– Medium Density Residential

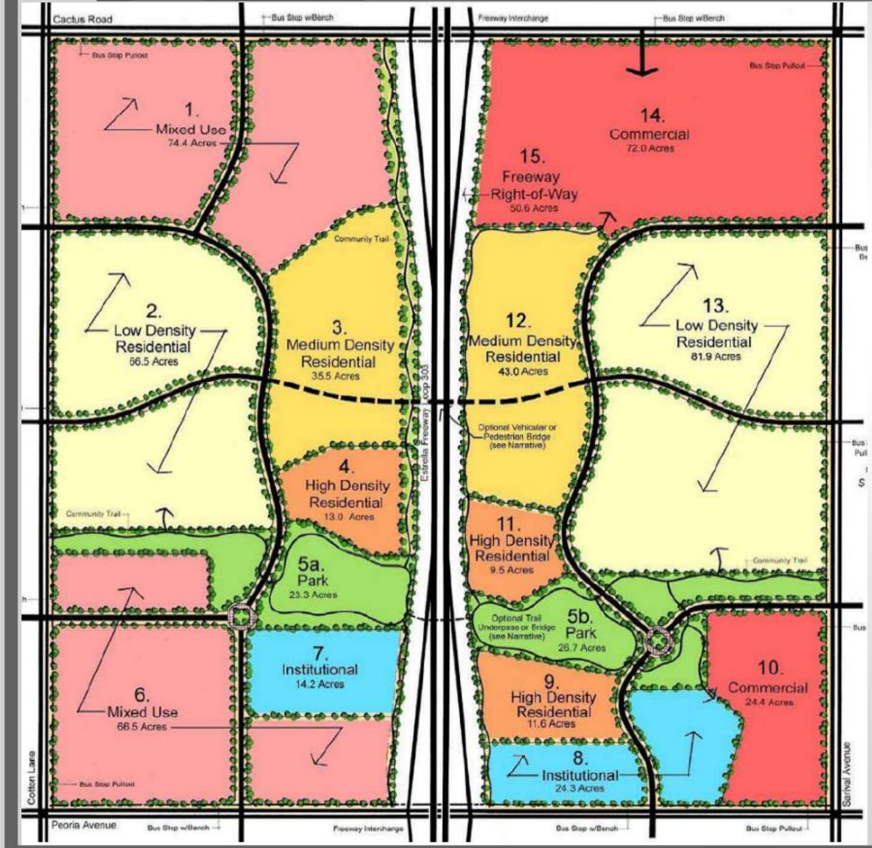
– Park

– Commercial

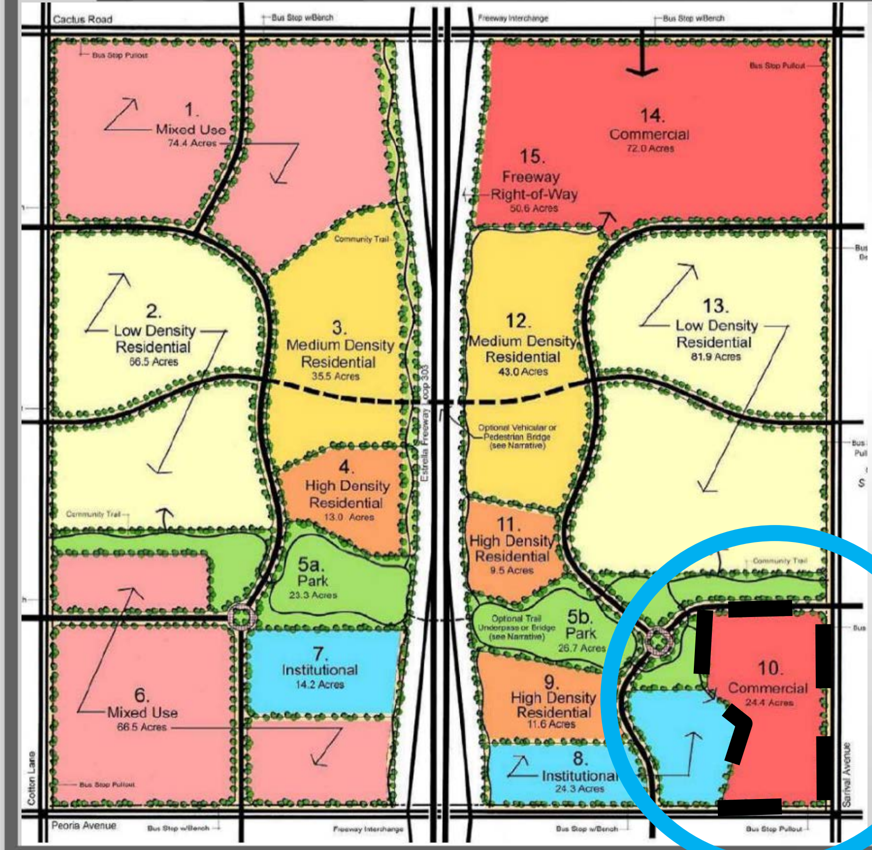
PAD REZONE AMENDMENT

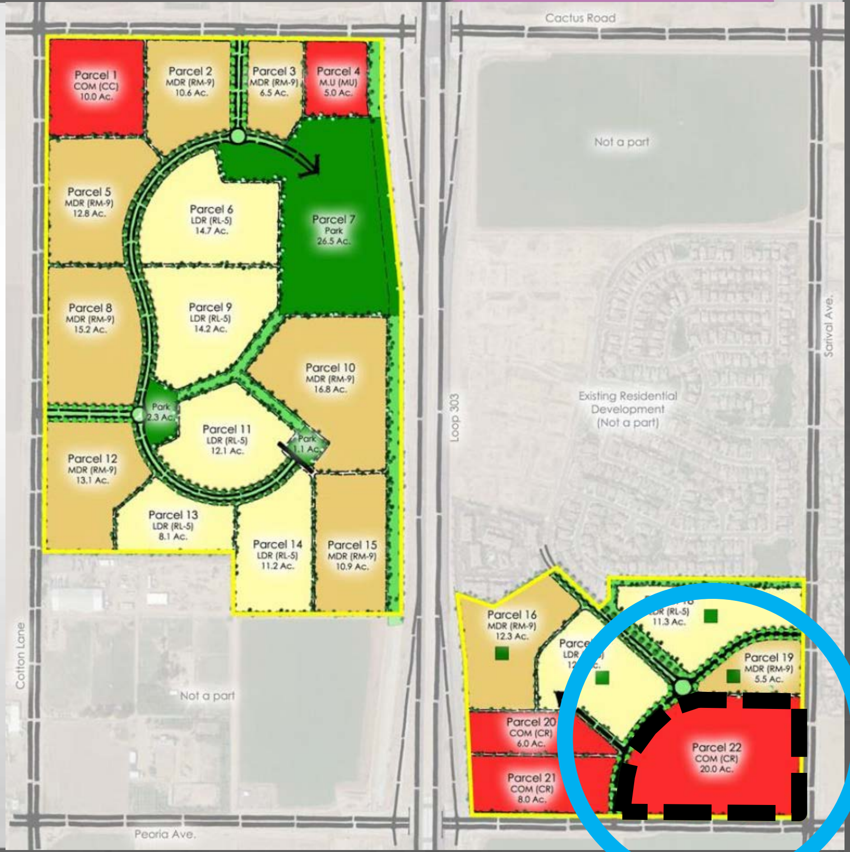
- Purpose:
  - Reorientation of Commercial Corner
  - Amend Internal Commercial Setbacks
  - Revise Uses at SR303 and Peoria Avenue
  - Relocation of Park
  - Redesign Northwest Corner of PAD
  - Signage Allowance

COMMERCIAL CORNER

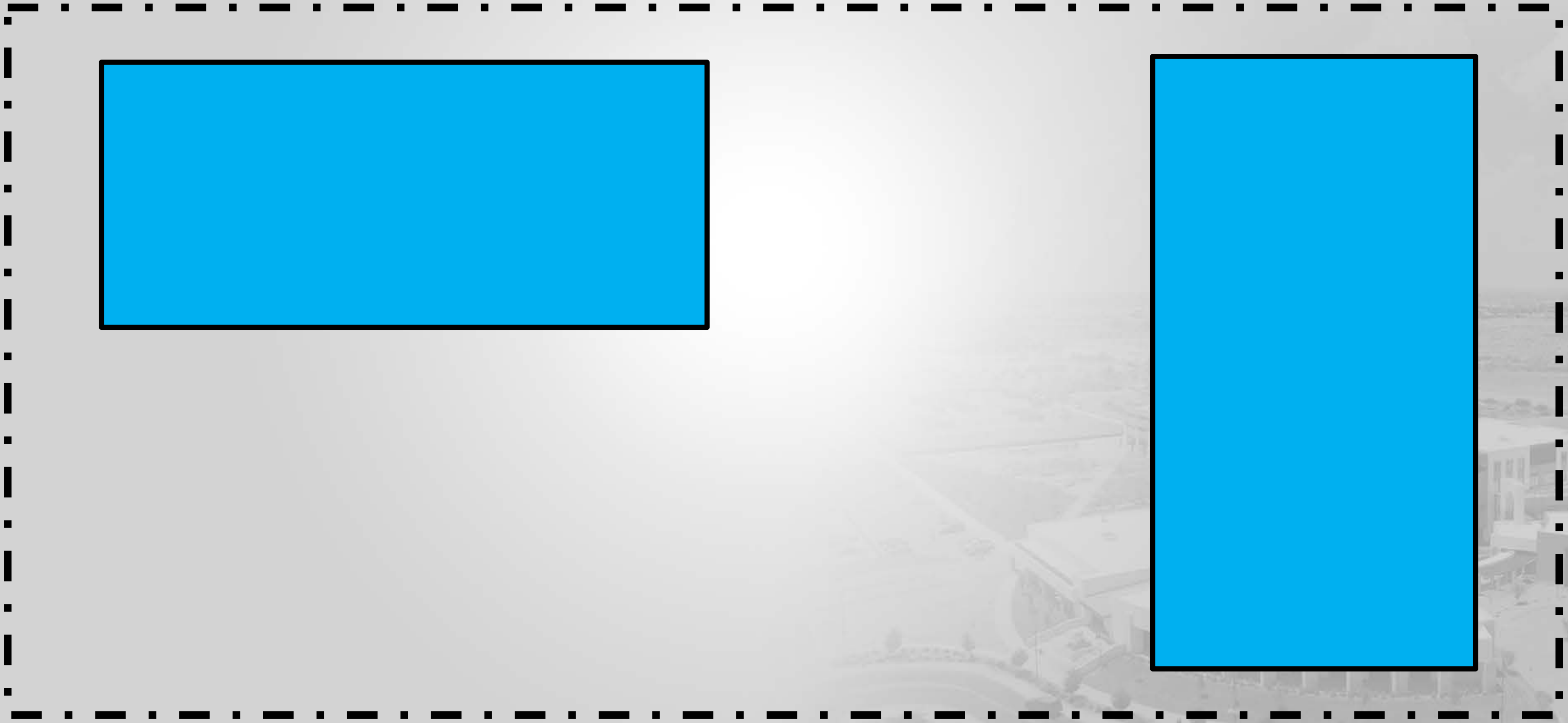


COMMERCIAL CORNER

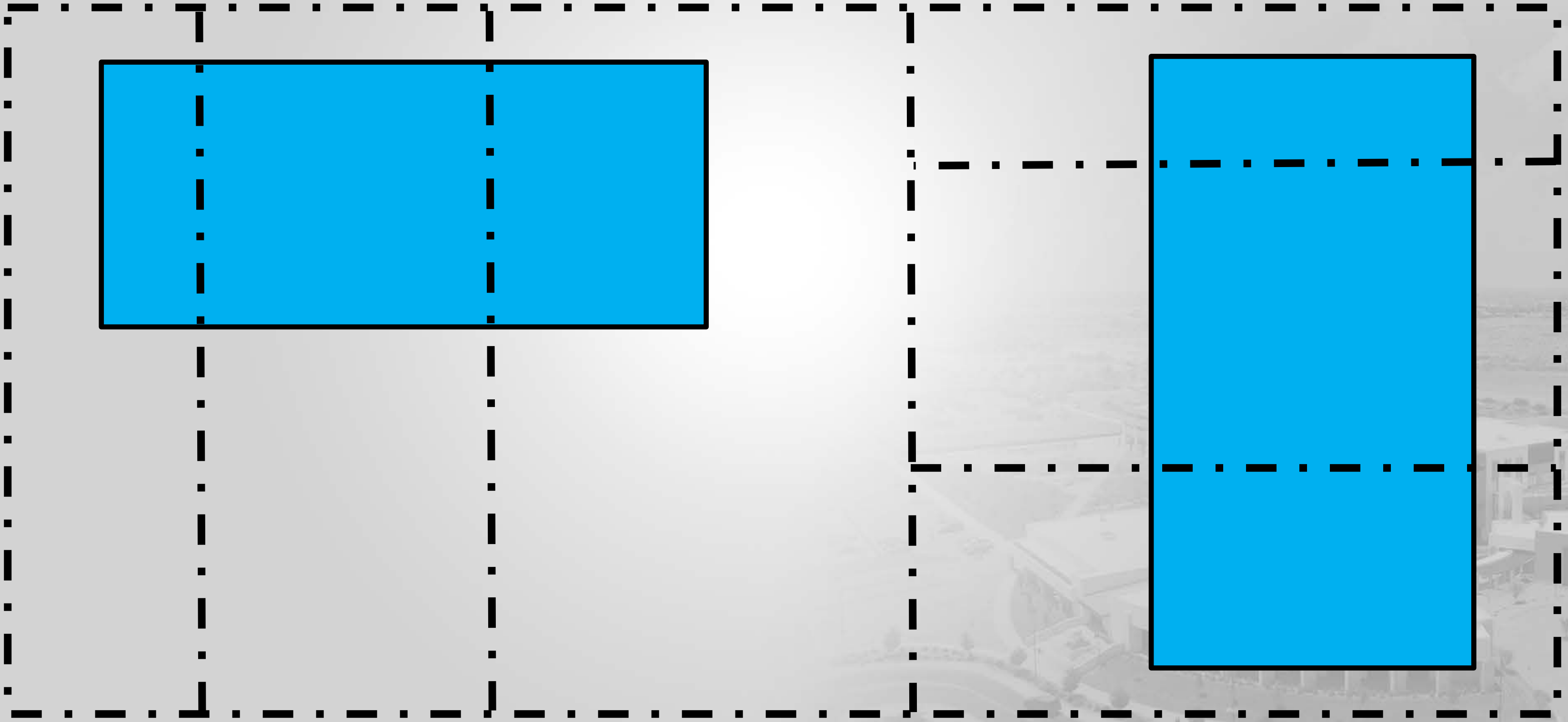




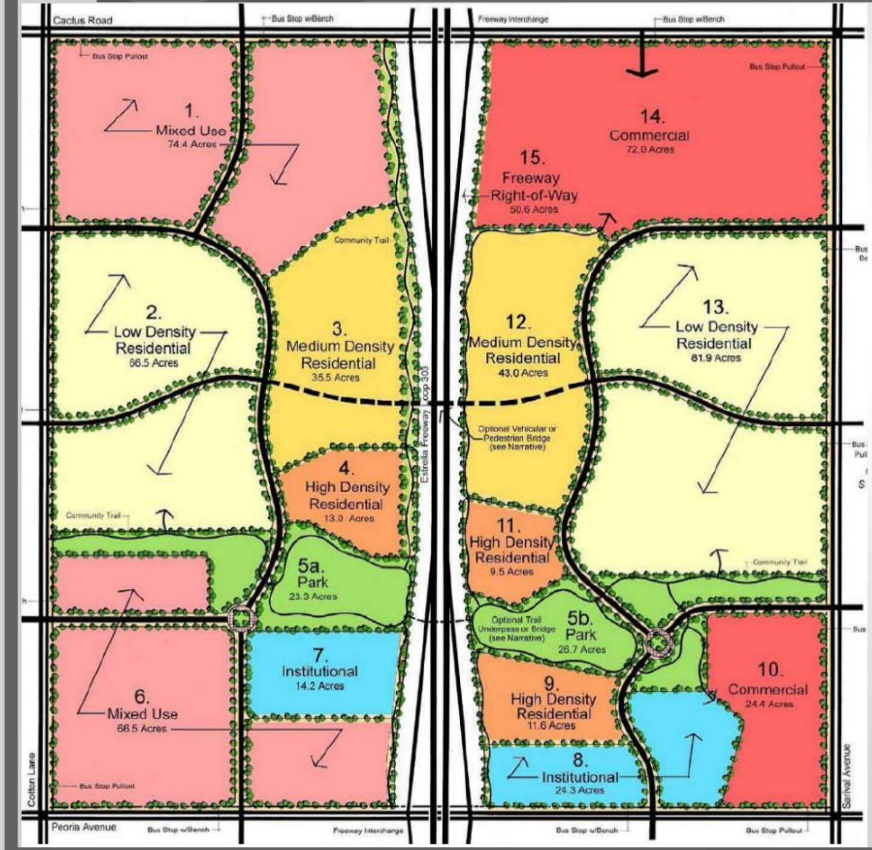
COMMERCIAL SETBACKS



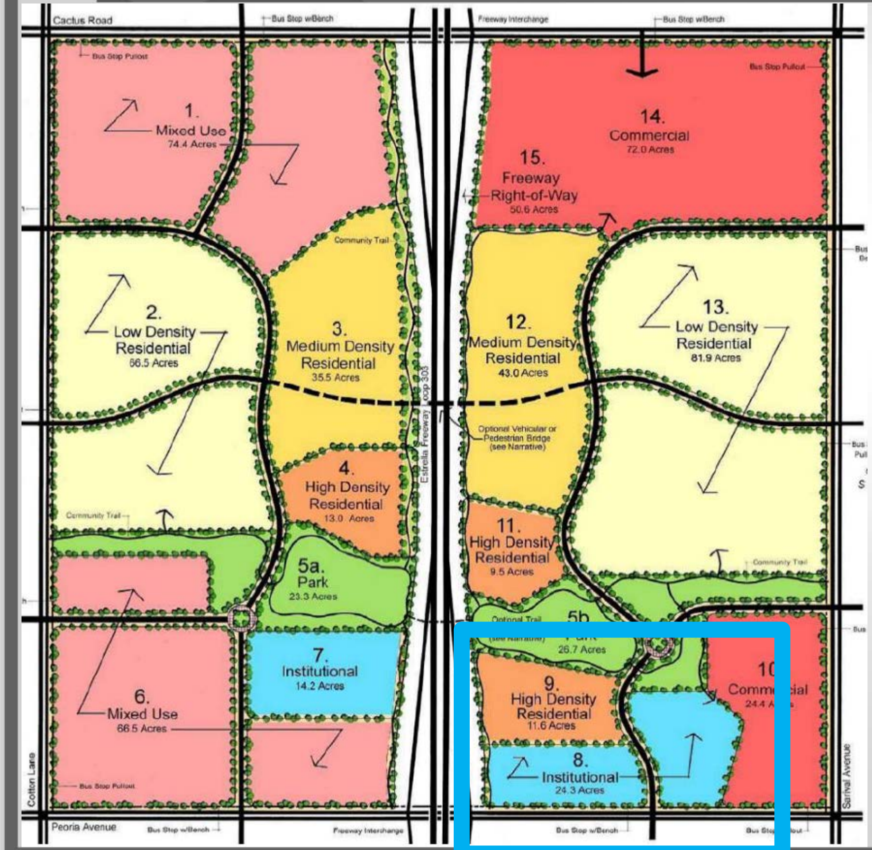
COMMERCIAL SETBACKS



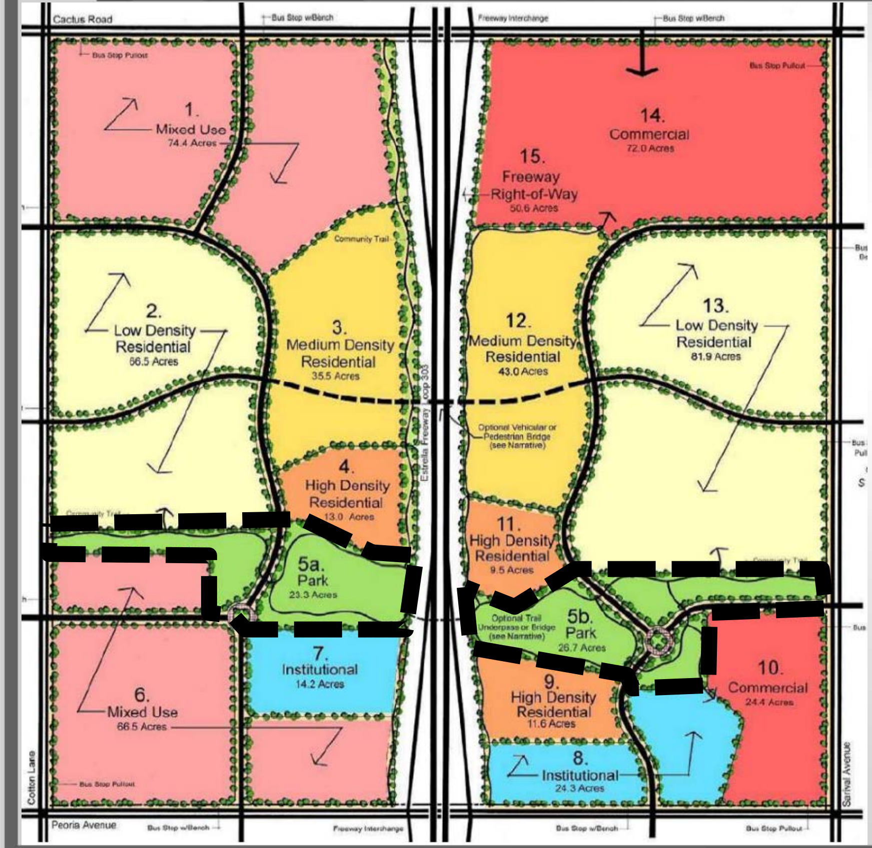
SR303 AND PEORIA



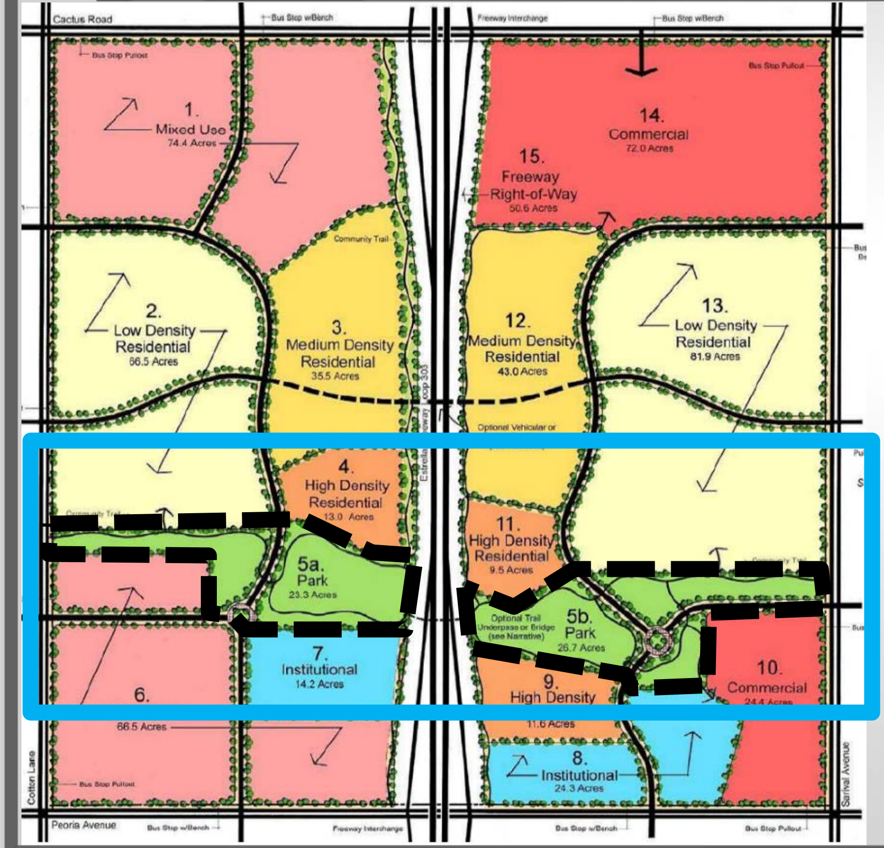
SR303 AND PEORIA



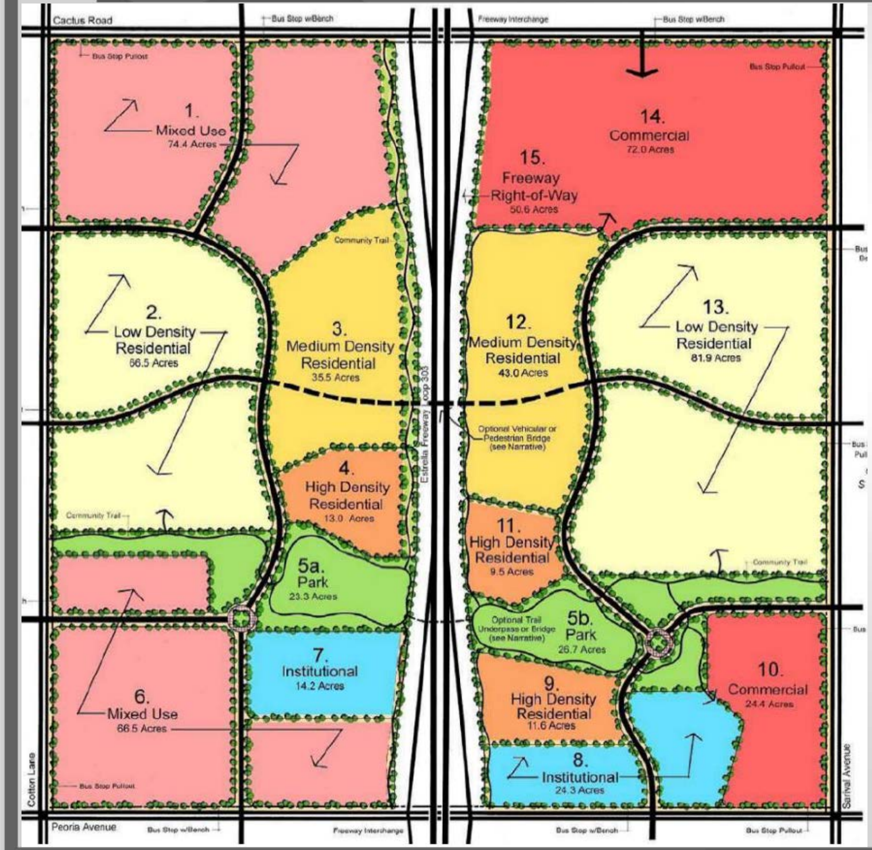
PARK RELOCATION



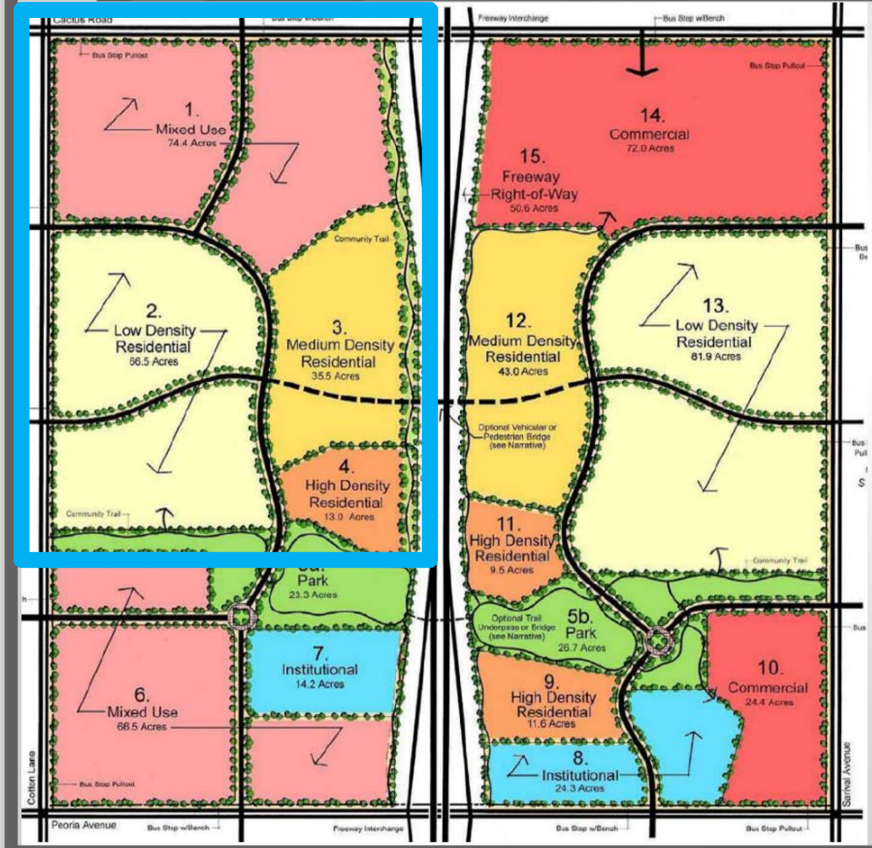
PARK RELOCATION



NORTHWEST CORNER

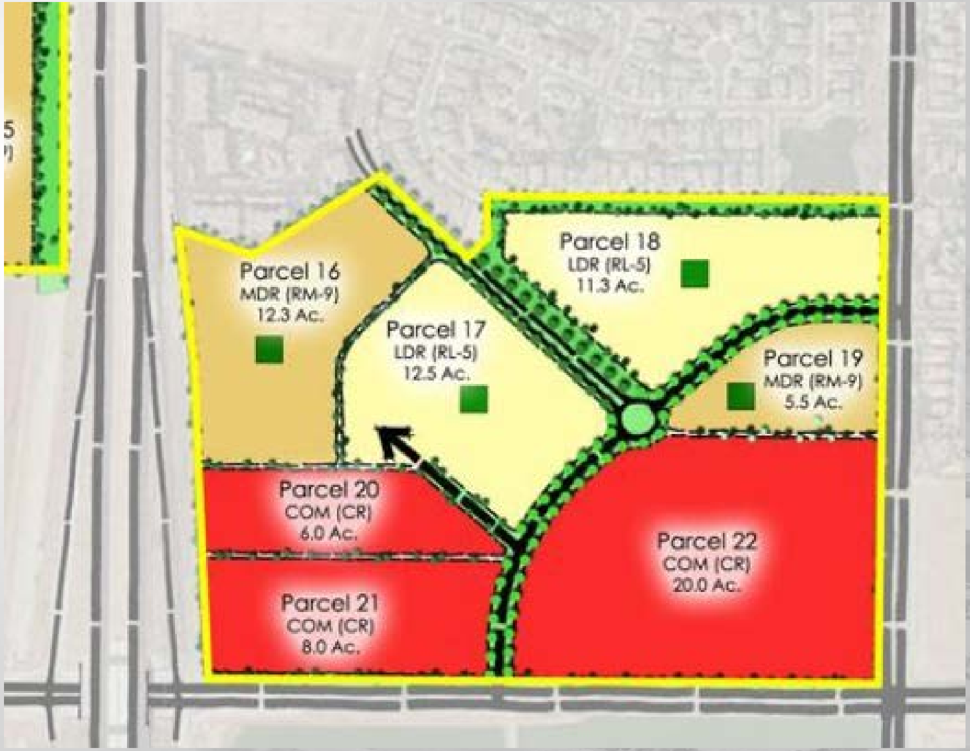


NORTHWEST CORNER



SIGNAGE ALLOWANCE

Allows For **Off Premise** Signage For A Freeway Monument Sign Currently Allowed By City Code



SIGNAGE ALLOWANCE

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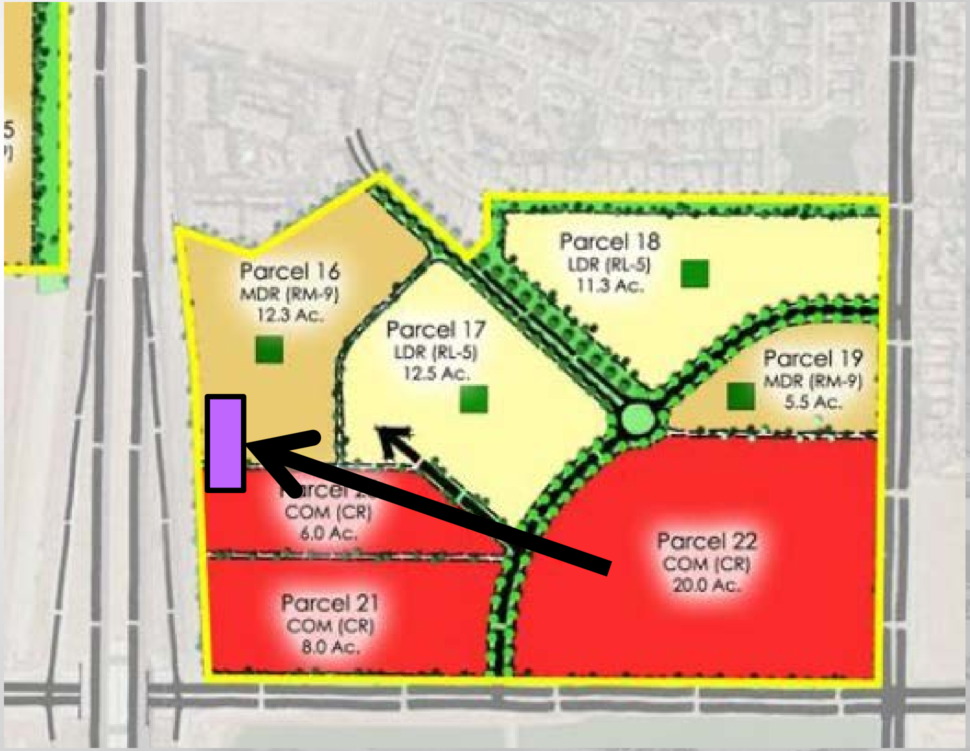


Revised Land Use Matrix

	Currently Approved PAD			Proposed PAD Amendment		
Land Use	Acres	Residential Units	Density	Acres	Residential Units	Density
Low-Density Residential	148.4	741	5 Du/Ac	177.1	885	5 Du/Ac
Medium-Density Residential	81.5	652	8 Du/Ac	161.9	971	6 Du/Ac
High-Density Residential	21.1	738	35 Du/Ac	9.5	332	35 Du/Ac
Commercial	96.4	0	NA	116	0	NA
Mixed-Use	140.9	Variable	16 Du/Ac	71.5	Variable	16 Du/Ac
Institutional	48.5	0	NA	14.2	0	NA
Parks and Trails	50.0	0	NA	36.6	0	NA
SR 303	50.6	0	NA	50.6	0	NA
Totals	637.4	2,131		637.4	2,188	

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

Council Meeting Date:	February 21, 2017	Contact Person:	Lloyd Abrams - Community Development
Submitting Department:	CD	District:	3
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of an annexation of a 3.34 acre portion of Peoria Avenue, a contiguous public roadway located between Sarival Avenue and Reems Road; Ordinance # 2017-06.

Motion:

I move to approve Ordinance # 2017-06.

Background:

Based on a previous Intergovernmental Agreement, Maricopa County expanded and constructed this proposed annexation section of Right-of-Way on the south side of Peoria Avenue between Reems Road and Sarival Avenue. This annexation will transfer ownership and maintenance to the City of Surprise.

Objective Analysis:

The proposed annexation will provide a safe transportation option and improve connectivity.

Policy Compliant:

The proposal is policy compliant by providing safe transportation connectivity within the community.

Financial Impact:

Per the Annexation Policy Manual – 2008 Revision, an annexation impact analysis has been conducted. Results of said analysis are that expenditures are estimated to be $8,700 annually, as this is a newly constructed road, it is not anticipated that maintenance costs will be incurred in the next few years. The expenditures will be absorbed by the Public Works Department. Any expenses related to the annexation process would be budgeted in the operating budget of the Community Development Department within the General Fund.

Budget Impact:

There is no budget impact associated with this item, however, the FY2017 capital improvement budget includes funding in the amount of $821,300 for the Peoria (Sarival to Reems) project which is located in the annexation.

FTE Impact:

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

ATTACHMENTS:

Click to download

- 00 - FS16-498 - Peoria Rd Annexation (RFLS # 5474) - Staff Report
- 01 - FS16-498 - Peoria Rd Annexation (RFLS # 5474) - Ordinance
- 02 - FS16-498 - Peoria Rd Annexation (RFLS # 5474) - Legal Description
- 03 - FS16-498 - Peoria Rd Annexation (RFLS # 5474) - Presentation
- Annexation_Analysis

ANNEXATION

REPORT TO THE CITY COUNCIL

Case:	**FS16-498**
Project Name:	Peoria Ave Public Roadway Annexation Ordinance# 2017-06
Council District:	3 – Mesquite
Meeting Date:	**February 7, 2017**
Planner:	Joshua Mike
Owner:	Maricopa County
Applicant:	City of Surprise
Request:	The City of Surprise Community Development Department requests consideration and action of the annexation of a County Public Roadway into the City of Surprise pursuant to A.R.S § 9-471 (N).
Site Location:	Peoria Avenue, east of North Sarival Avenue and west of Reems Road within Maricopa County
Site Size:	3.34 acres (approx.)
Density:	N/A
General Plan Conformance:	The proposal is consistent with the Surprise General Plan 2035
Support/Opposition:	None known
Staff Recommendation:	Staff recommends the City Council **approve** FS16-498 Peoria Avenue Public Roadway Annexation Ordinance# 2015-06.

PROJECT DESCRIPTION:

Pursuant to A.R.S. § 9-471(N), which is as follows:

> *As an alternative to the procedures established in this section, a county right-of-way or roadway may be transferred to an adjacent city or town by mutual consent of the governing bodies of the county and city or town if the property transferred is adjacent to the receiving city or town and if the city or town and county each approve the proposed transfer as a published agenda item at a regular public meeting of their governing bodies. A transfer of property made pursuant to this subsection shall be treated by the receiving city or town as if the transferred property was newly annexed territory.*

The City of Surprise is proposing to annex the south side of Peoria Avenue between Reems Road and Sarival Avenue. Per the statute nontaxable real property may be annexed to an adjacent city or town by mutual consent of the governing bodies of the county and city. The property proposed to be annexed is adjacent to the City of Surprise corporate limits for its entire length.

BACKGROUND:

The north side of Peoria Ave to the east and west of this section is owned and maintained Surprise Right-of-Way. The reason for this request is to provide continuity of along the southern border of the City. This will complete an Intergovernmental Agreement to annex and take over ownership and maintenance responsibilities after Maricopa County initially builds the roadway.

Pursuant to A.R.S. Section 9-471(H) (1), the proposed annexation territory conforms to contiguity requirements. Pursuant to A.R.S Section 9-471(A) (6), it has been determined that no part of the territory for which filing shall be made is already subject to an earlier filing

Staff recommends that Peoria Avenue between Sarival Avenue and Reems Road that is Maricopa County roadway, per ARS Section 9-471 N., be annexed into the city to facilitate the construction and maintenance of the same. The ordinance will also be placed on a Maricopa County Board of Supervisors agenda for the County Board approval of the ROW annexation.

RECOMMENDATION:

Based on the information above, staff recommends the City Council **approve** FS16-498 Annexation of the Peoria Avenue public roadway Ordinance 2017-06.

Attachments:

01 – Ordinance 2017-06
02 – Annexation Legal Description

ORDINANCE 2017-06

AN ORDINANCE OF THE CITY OF SURPRISE, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF SURPRISE, ARIZONA MARICOPA COUNTY, STATE OF ARIZONA BY ANNEXING A PORTION OF PEORIA AVENUE, EAST OF SARIVAL AVENUE AND WEST OF REEMS ROAD PURSUANT TO THE PROVISIONS OF ARIZONA REVISED STATUTES § 9-471 AND AMENDMENTS THERETO, BY ANNEXING CERTAIN ROADWAY CONTIGUOUS TO THE EXISTING CITY LIMITS OF THE CITY OF SURPRISE.

WHEREAS, Arizona law establishes a simplified procedure for annexing roadway in A.R.S. § 9-471 (N);

WHEREAS, the real property described in Exhibit A, attached hereto and incorporated herein by reference, and as illustrated on the map attached hereto as Exhibit B, which is likewise incorporated herein, is right-of-way (hereafter "right-of-way") dedicated to the public and located in Maricopa County;

WHEREAS, the City of Surprise, Arizona is desirous of extending and increasing the corporate limits of the City of Surprise, Arizona to include the right-of-way;

WHEREAS, the right-of-way is adjacent to the existing corporate limits of the City of Surprise, Arizona for the entire length of the proposed annexation;

WHEREAS, through this Ordinance, the Mayor and Council is requesting the governing body of Maricopa County, Arizona to give its mutual consent to the annexation of this right-of-way located within Maricopa County, Arizona; and

WHEREAS, by adoption of this ordinance, it is the intent and desire of the Mayor and Council of the City of Surprise, Arizona, to annex the right-of-way to the City of Surprise, Arizona, and to give their mutual consent thereto.

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

SECTION 1. That, subject to the concurrence of the Board of Supervisors of Maricopa County, Arizona, the territory in the Maricopa County right-of-way as described in Exhibits A and B attached hereto is hereby annexed to the City of Surprise, Arizona, and that the present corporate limits of the City of Surprise, Arizona are hereby extended and increased to include the Maricopa County right-of-way described in Exhibits A and B attached hereto, all of which such right-of-way is contiguous for the entire length thereof to the present corporate limits of the City of Surprise, Arizona.

SECTION 2. That a copy of this Ordinance, together with an accurate map of the territory hereby annexed, be forthwith filed and recorded in the office of the County Recorder of Maricopa County, Arizona.

SECTION 3. The annexation herein provided for shall become effective upon the last of the following to occur:

1. The effective date of this Ordinance, in the manner prescribed by law, or

2. The date that the consent of the governing body of Maricopa County, Arizona consenting the annexation herein enacted shall become effective in the manner provided by law.

PASSED AND ADOPTED by the Mayor and Council of the City of Surprise, Arizona this ______day of_____________, 2017.

____
Sharon R. Wolcott, Mayor

Attest: Approved as to form:

_______________________________ _______________________________
Sherry Aguilar, City Clerk Robert Wingo, City Attorney

EXHIBIT "A"

DESCRIPTION

PEORIA AVENUE ANNEXATION

A portion of Section 30 Township 3 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona described as follows:

BEGINNING at the northeast corner of said Section 30 being also the southeast corner of that real property as described in the City of Surprise Annexation Ordinance 02-15 as recorded in Instrument 2002-1392213, records of said County;

Thence along the east line of said Section 30 South 00°11'40" East 30.00 feet to a point on the north line of that real property as described in the City of Glendale Annexation Ordinance 1020 as recorded in Docket 12843 Page 767, records of said County;

Thence along said north line North 89°06'17" West 2640.22 feet to a point on the north-south midsection line of said Section 30;

Thence continuing along said north line North 89°11'11" West 2210.72 feet to a point on the west line of said Section 30;

Thence along said west line North 00°05'17" East 30.00 feet to the Northwest corner of said Section 30 being the southwest corner of the aforementioned City of Surprise Annexation Ordinance 02-15;

Thence along the north line of said Section 30 and the south line of said Ordinance 02-15 South 89°11'11" East 2210.55 feet to the north quarter corner of said Section 30;

Thence continuing along said north line and said south line South 89°06'17" East 2640.34 feet to the POINT OF BEGINNING.

Containing 3.34 acres, more or less.

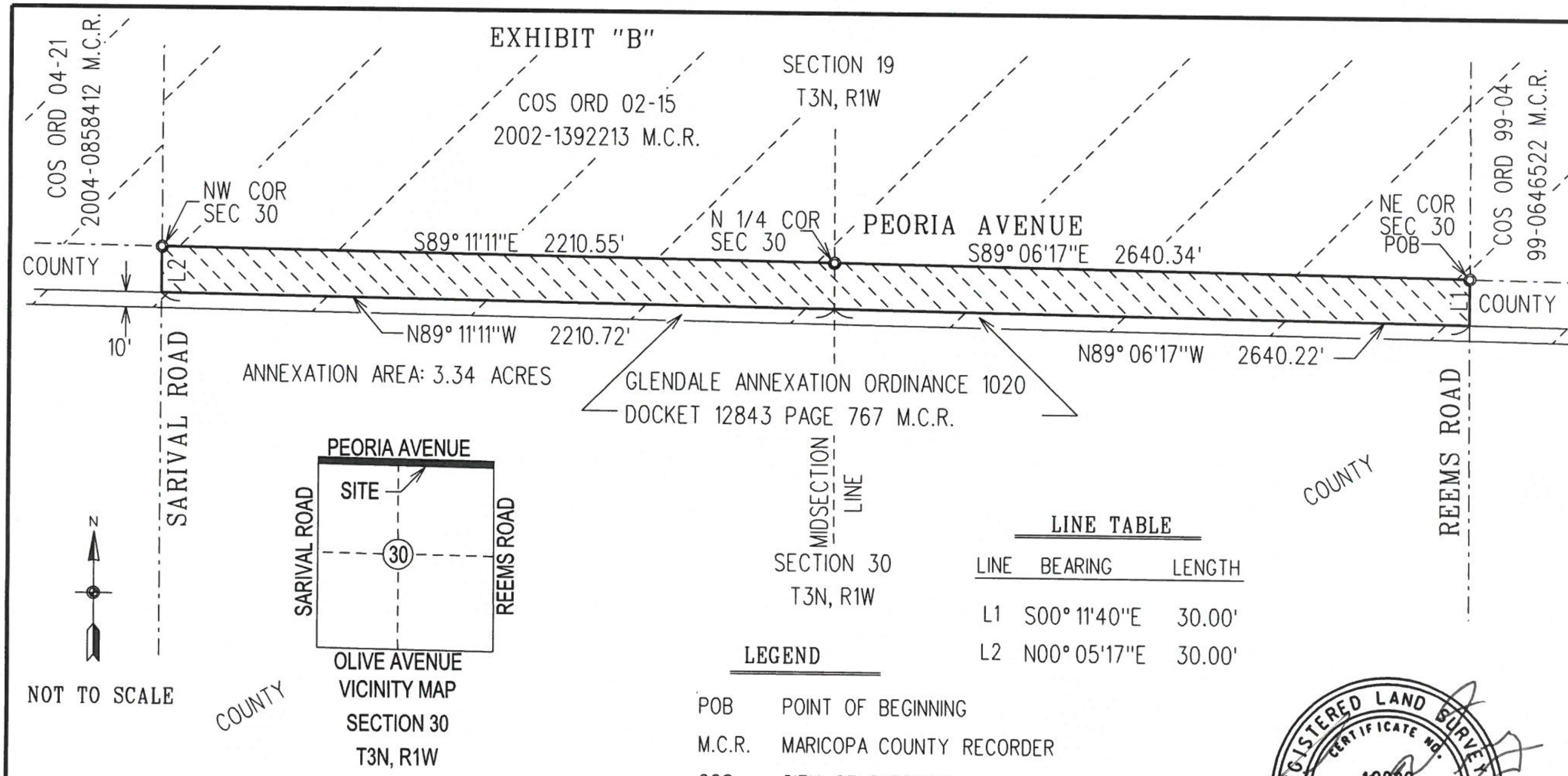
Attached is EXHIBIT "B" and by this reference is made a part hereof.

End of description

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
19820
RON DRY
Date Signed 11-07-16
ARIZONA, U.S.A.

EXPIRES 09-30-2017

EXHIBIT "B"



LINE TABLE

LINE	BEARING	LENGTH
L1	S00° 11'40"E	30.00'
L2	N00° 05'17"E	30.00'

LEGEND

POB	POINT OF BEGINNING
M.C.R.	MARICOPA COUNTY RECORDER
COS	CITY OF SURPRISE
ORD	ANNEXATION ORDINANCE
	SUBJECT ANNEXATION
	EXISTING ANNEXATIONS

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
19820
RON DRY
11-07-16
Date Signed
ARIZONA, U.S.A.

EXPIRES 09/30/17

BASIS OF BEARINGS

Maricopa County Low Distortion Projection
Linear unit: International foot
Geodetic Datum: NAD 1983
Projection type: Lambert Conformal Conic (single parallel)
Latitude of origin: 33° 15'00"N
Central meridian: 112° 15'00" W
False northing: 1,500,000.000 ift
False Easting: 2,500,000.000 ift
Standard parallel scale: 1.000045 (exact)

SURPRISE
ARIZONA

CITY OF SURPRISE
LAND SURVEY DEPARTMENT
16000 N. CIVIC CENTER PLAZA
SURPRISE AZ. 85374

PEORIA AVENUE ANNEXATION

PROJECT # 16030	DRAWN BY RCD	DATE 11-07-16	SHEET 1 OF 1

EXHIBIT "A"

DESCRIPTION

PEORIA AVENUE ANNEXATION

A portion of Section 30 Township 3 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona described as follows:

BEGINNING at the northeast corner of said Section 30 being also the southeast corner of that real property as described in the City of Surprise Annexation Ordinance 02-15 as recorded in Instrument 2002-1392213, records of said County;

Thence along the east line of said Section 30 South 00°11'40" East 30.00 feet to a point on the north line of that real property as described in the City of Glendale Annexation Ordinance 1020 as recorded in Docket 12843 Page 767, records of said County;

Thence along said north line North 89°06'17" West 2640.22 feet to a point on the north-south midsection line of said Section 30;

Thence continuing along said north line North 89°11'11" West 2210.72 feet to a point on the west line of said Section 30;

Thence along said west line North 00°05'17" East 30.00 feet to the Northwest corner of said Section 30 being the southwest corner of the aforementioned City of Surprise Annexation Ordinance 02-15;

Thence along the north line of said Section 30 and the south line of said Ordinance 02-15 South 89°11'11" East 2210.55 feet to the north quarter corner of said Section 30;

Thence continuing along said north line and said south line South 89°06'17" East 2640.34 feet to the POINT OF BEGINNING.

Containing 3.34 acres, more or less.

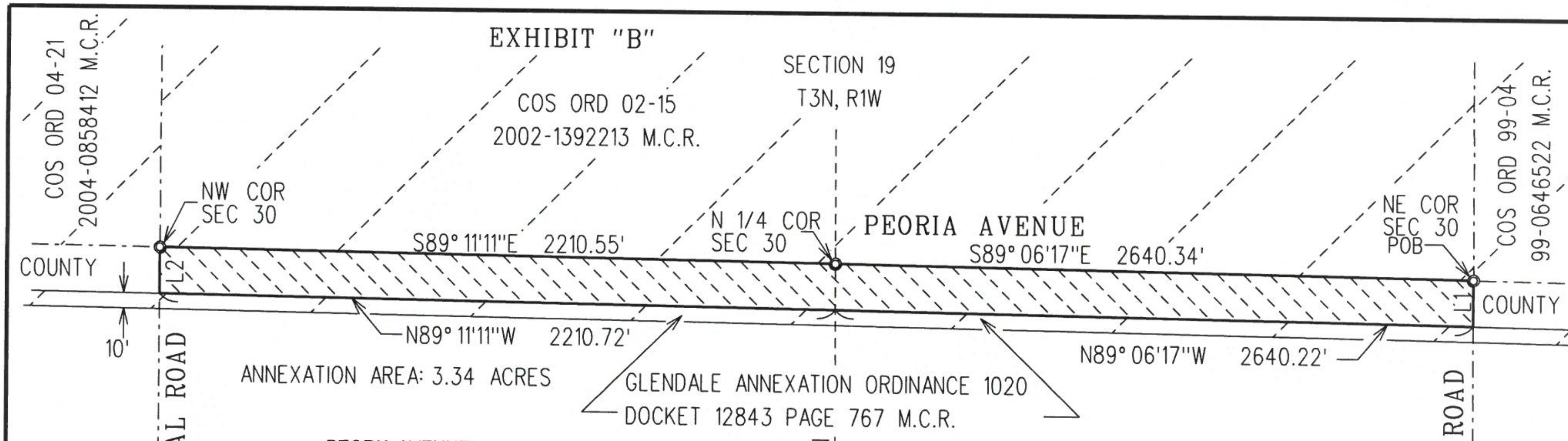
Attached is EXHIBIT "B" and by this reference is made a part hereof.

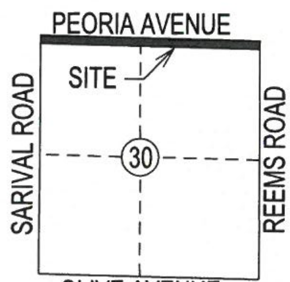
End of description

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
19820
RON DRY
11-07-16
Date Signed
ARIZONA, U.S.A.

EXPIRES 09-30-2017

EXHIBIT "B"





VICINITY MAP
SECTION 30
T3N, R1W

NOT TO SCALE

COUNTY

LINE TABLE

LINE	BEARING	LENGTH
L1	S00° 11'40"E	30.00'
L2	N00° 05'17"E	30.00'

LEGEND

POB	POINT OF BEGINNING
M.C.R.	MARICOPA COUNTY RECORDER
COS	CITY OF SURPRISE
ORD	ANNEXATION ORDINANCE
(crosshatched box)	SUBJECT ANNEXATION
(hatched box)	EXISTING ANNEXATIONS

BASIS OF BEARINGS

Maricopa County Low Distortion Projection
Linear unit: International foot
Geodetic Datum: NAD 1983
Projection type: Lambert Conformal Conic (single parallel)
Latitude of origin: 33° 15'00"N
Central meridian: 112° 15'00" W
False northing: 1,500,000.000 ift
False Easting: 2,500,000.000 ift
Standard parallel scale: 1.000045 (exact)

REGISTERED LAND SURVEYOR
CERTIFICATE NO. 19820
RON DRY
Date Signed 11-07-16
ARIZONA, U.S.A.

EXPIRES 09/30/17

SURPRISE
ARIZONA

CITY OF SURPRISE
LAND SURVEY DEPARTMENT
16000 N. CIVIC CENTER PLAZA
SURPRISE AZ. 85374

PEORIA AVENUE ANNEXATION

PROJECT # 16030	DRAWN BY RCD	DATE 11-07-16	SHEET 1 OF 1

Peoria Avenue Right-of-Way Annexation

City Council Meeting

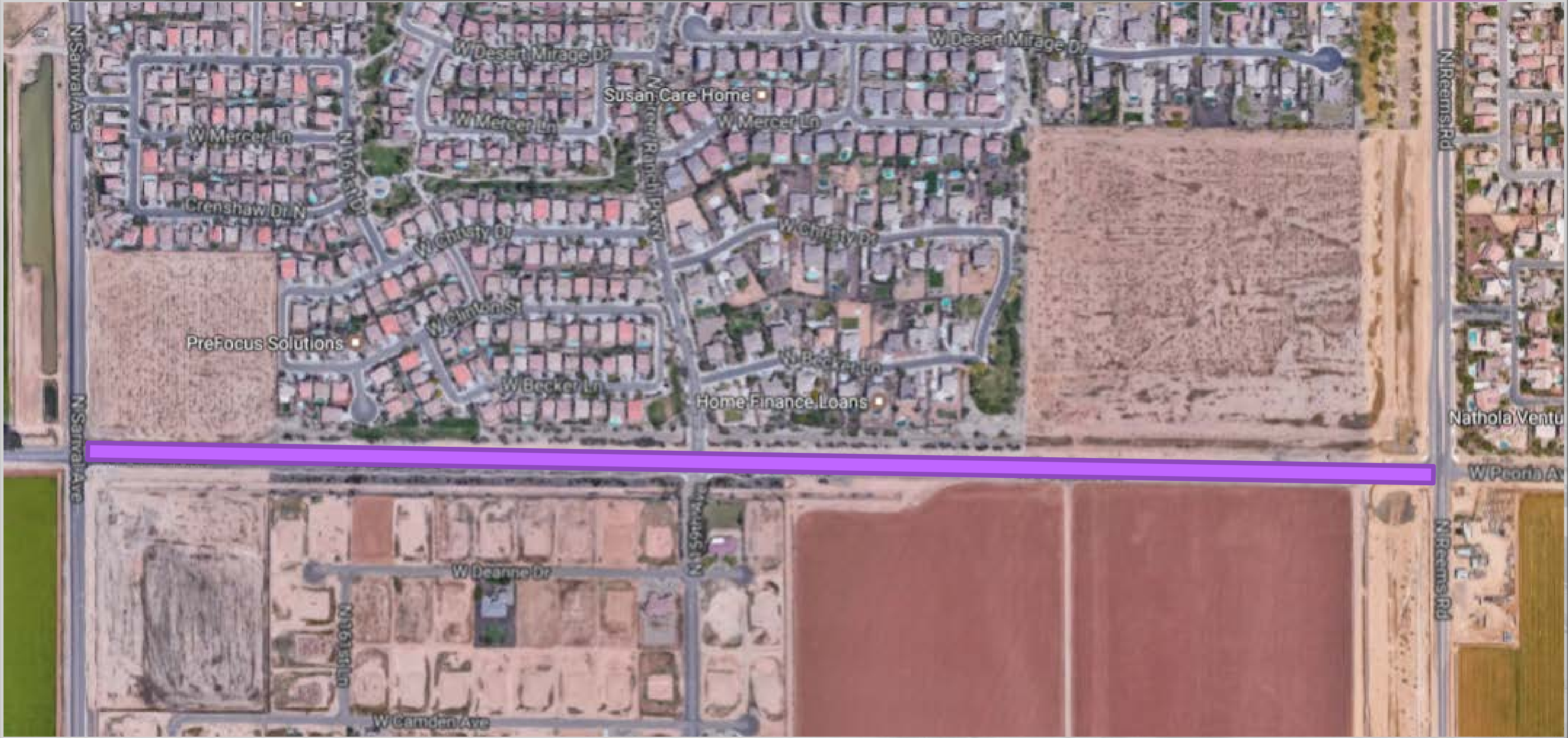
February 7, 2017

County Right-of-Way Annexation

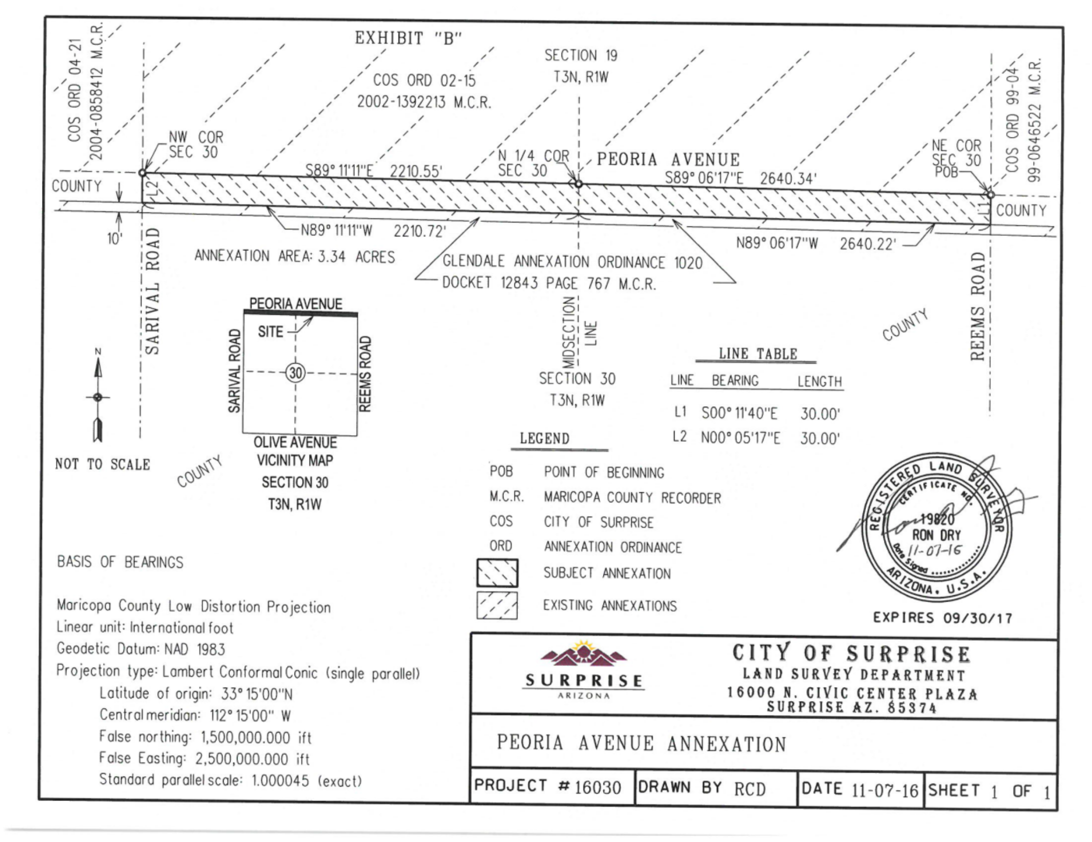
PEORIA AVENUE

- Located between Reems Road and Sarival Avenue
- Construction was funded by previous IGA with County
- Annexation is final step to complete IGA

SITE LOCATION



LEGAL DESCRIPTION



SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

Finance Department
Budget Division

SURPRISE
ARIZONA

Memorandum

To: Eric Fitzer, Community Development Director

From: Jennifer Medina, Financial Analyst - Senior

Date: February 10, 2017

Re: FS16-498 - Peoria Rd Annexation (RFLS # 5474)

Per the Annexation Policy Manual – 2008 Revision, an annexation impact analysis has been conducted utilizing the data provided by the Community Development Department. The data provided by the Community Development Department. The data provided assumes annexation of approximately 3.34 acres of right-of-way and approximately 2.00 lane miles at Peoria road from Reems Road and Sarival Avenue. Based on this information, the net financial impact to the City of Surprise is negative. Expenditures are estimated to be greater than revenue by approximately $174,600 over twenty years, an average of approximately $8,700 annually.

Council Meeting Date:	February 21, 2017	Contact Person:	Eric Fitzer - Community Development
Submitting Department:	CD	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to repealing the Bell and Grand Temporary Sign and Temporary Use Permit Policy; Resolution # 2017-21.

Motion:

I move to approve Resolution # 2017-21.

Background:

In order to assist businesses during the construction of the Bell and Grand Overpass Project the "Project", City staff developed the Bell and Grand Temporary Sign and Use Permit Policy. The policy is based upon Resolution 09-151 enacted in 2009 and then extended in 2012 for one year. The original resolution was approved by Council to help out businesses during the great recession.

The Temporary Sign portion of the proposal includes the signage as allowed in the previous Temporary Sign policy but also removes the requirement for the Temporary Use Permit to utilize a sign walker and also includes a provision to allow for directional signs which are placed as a way/finding signs and are used when the normal route to the business is not possible due to construction.

Recognizing that the businesses in the area need to promote themselves during construction, staff looked at how to allow business to promote through special events. In order to decrease the burden upon businesses and to promote special events the policy waives the requirement of obtaining a Temporary Use Permit for certain activities.

The construction of the project, while still underway, has allowed for the opening of Bell Road and the ramps from Grand Avenue to Bell Road. As such the substantial portion of the construction of the project has concluded.

Objective Analysis:

Positive impacts are that repealing the policy should alleviate sign clutter, obstructions of sidewalks, etc... A potential Negative impact is less additional signage allowed under the temporary policy for businesses.

Policy Compliant:

The Policy is compliant with City and Council policy of promoting clean uncluttered streetscapes within the City of Surprise.

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

- 17.02.10 Res 2017-21
- Amended Resolution 2016-42 Bell-Grand Temporary Sign Policy and Temporoary Use Permit 060716

RESOLUTION # 2017-21

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, REPEALING RESOLUTION 2016-42 REGARDING THE BELL AND GRAND TEMPORARY SIGN AND USE PERMIT POLICY.

WHEREAS, on March 15, 2016 the Surprise City Council Adopted a temporary signage and use permit policy to serve the needs and desires of citizens with the Bell and Grand area during construction of the Bell and Grand overpass; and

WHEREAS, the overpass has been completed.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, to hereby repeal Resolution 2016-42 and the associated Bell and Grand Temporary Signage and Temporary Use Permit Policy.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

AMENDING RESOLUTION # 2016-42

AN AMENDMENT TO A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, ADOPTING THE AMENDMENT TO THE BELL AND GRAND TEMPORARY SIGNAGE AND TEMPORARY USE PERMIT POLICY

WHEREAS, the Mayor and Council directed staff to prepare the Bell and Grand temporary signage and temporary use permit policy;

WHEREAS, it is beneficial to the city to implement the Bell and Grand temporary signage and temporary use permit policy that is better aligned to serve the needs and desires of business and citizens within the Bell and Grand area during the construction of the Bell and Grand overpass;

WHEREAS, the city is temporarily waive the enforcement of the Surprise Municipal Code related to temporary signs, generally §113-157 – Standards and regulations and § 113-158 – Development information temporary sign, as specified in the policy defined in attached Exhibit A, beginning immediately upon adoption of this resolution and expiring at the substantial completion of construction of the Bell Grand overpass project;

WHEREAS, the city would temporarily waive the enforcement of the Surprise Municipal Code Section 122-105 – Temporary Use Permits, as specified in the policy defined in attached Exhibit A, beginning immediately upon adoption of this resolution and expiring at the substantial completion of construction of the Bell Grand overpass project;

WHEREAS, the city would like to amend the policy by including the addition of Major Tenant Directional Signage and by including an Exhibit B ; and

WHEREAS, the Mayor and Council deem this an urgent matter and requested this resolution to be effective immediately upon its passage and adoption.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council

<u>Section 1.</u> That the Mayor and Council adopt the Bell and Grand Temporary Signage and Temporary Use Permit Policy as set forth in the attached Exhibit A.

<u>Section 2.</u> That the Bell and Grand Temporary Signage and Temporary Use Permit Policy Is enacted immediately upon passage of this Resolution.

<u>Section 3.</u> That this Resolution shall continue in effect until the substantial completion of construction of the Bell Grand overpass project occurs, and the Council repeals this Resolution.

APPROVED AND ADOPTED this _____day of ____________, 2016.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

Bell and Grand Temporary Signage and Temporary Use Permit Policy

March 15, 2016 to Substantial Completion of the Bell and Grand Overpass

Temporary Sign Policy:

The Surprise Mayor and Council have adopted by resolution that will allow businesses impacted by the Bell/Grand Overpass Project to promote their business with additional temporary signage.

Beginning March 15th, 2016, businesses located within the geographic boundary as defined in Exhibit A shall be allowed to display an A-frame sign, banner-style sign, and/or employ a sign walker along the adjacent roadway or roadway closest to their business subject to certain requirements set forth below.

Business will be allowed to display **one of each** of the following temporary signs in accordance with the standards listed:

- A-frame Sign
- Banner
- Sign Walker
- Directional Sign

Any sign displayed in a manner other than described in the code or this temporary policy shall be subject to the City of Surprise Sign Code.

No fees will be required for temporary signs allowed by this policy. any signs requiring a building permit will be subject to plan review and building permit fees.

A – Frame Sign

- Cannot be placed in any public or private street or sidewalk.
- Must be placed behind sidewalk. Cannot be placed between sidewalk and street curb.
- Sign cannot be placed within any visibility triangle (30’ from curb intersection).
- 12 square feet sign area. (two sided)
- 4 feet maximum height.
- Sign must be maintained in good order and repair.
- Sign copy must be legible.
- Sign may not display outdated copy.
- Sign must be properly anchored or weighted to prevent movement but shall not be chained or cabled.

- A-frame sign shall have the internal spacing between faces of 45 degrees. Each face shall be fabricated of a wood, hard plastic or metal material that is at least one-half inch thick with no unfinished, sharp or rough edges.

Banner

- Can only be placed on building.
- Banner must be attached properly to the building at each corner of the banner.
- Maximum size is 1 square foot per linear foot of lease front; not to exceed 500 square feet. (e.g. a store with 20 feet of lease front will be allowed a 20 square-foot banner-a 5' x 4' sign).
- Sign copy must be legible.
- Sign must be maintained in good order and repair.
- Sign may not display outdated information.
- Banner may not exceed 80% of lease frontage or building frontage of a single tenant building.

Sign Walker

- Sign walker is not allowed within 30 feet of any street or driveway inter-section.
- Sign walker is not allowed on the street, nor may they prohibit the safe passage of anyone using a public or private sidewalk.
- Sign walker is allowed in any zoning.

Directional Signs

Directional Signs are placed as a way/finding sign and are used when the normal route to your business is not possible due to construction. Directional Signs will not be permitted for the purpose of advertising on routes to your business. The business provides and installs these signs.

- Description - A sign placed on a side street to direct customers to your business. They will generally contain your business name and an arrow pointing toward your business.
- Maximum Size of sign - 48" x 48"
- Made of metal with no unfinished, sharp or rough edges.
- Sign must be maintained in good order and repair.
- Sign copy must be legible.
- Sign may not display outdated copy.
- Sign must be properly affixed to prevent movement but shall not be chained or cabled.
- Logo Allowed – Yes
- Placement - Placement should not conflict with existing traffic control or pedestrian access. The location must be approved by the City through the due diligence process.

Major Tenant Directional Signs

Major Tenants of one-hundred thousand square feet (100,000 sq ft) or more are eligible to have directional signs at locations as depicted on Exhibit B. Signs may include tenants equal to or greater than twenty thousand square feet (20,000 sq ft) so long as such tenant is not located on any other temporary directional signage and may only locate on one such sign. The business provides and installs these signs.

- A sign with all major tenants located at the following intersections:
    - Dysart Road and Grand Avenue;
    - Dysart Road and Greenway Road;
    - Litchfield Road and Greenway Road;
    - Litchfield Road and Bell Road
    - Litchfield and Grand Avenue
- Maximum Size of sign - 48" x 96"
- Maximum height 84”
- Made of wood or metal with no unfinished, sharp or rough edges.
- Sign must be maintained in good order and repair.
- Sign copy must be legible.
- Sign may not display outdated copy.
- Sign must be properly affixed to prevent movement but shall not be chained or cabled.
- Logos Allowed – Yes
- Placement - Placement should not conflict with existing traffic control or pedestrian access. The location must be approved by the City through the due diligence process.

Temporary Use Permit Policy:

The Surprise Mayor and Council have adopted a resolution that will allow businesses impacted by the Bell/Grand Overpass Project to promote their business with special events.

Beginning March 15th, 2016, businesses located within the geographic boundary as defined in Exhibit A shall be allowed to conduct:

- Special events;
- Retail sales of arts, crafts, souvenirs, gifts, food, and other goods;
- Retail sales of Christmas trees, or other seasonally related sales;
- Grand opening events, tent sales, sidewalk sales, and other events that include commercial activities;
- Religious/revival gatherings

Businesses conducting these activities will be allowed to conduct those and only those activities listed above without having to apply for a Temporary Use Permit from the City.

EXHIBIT A

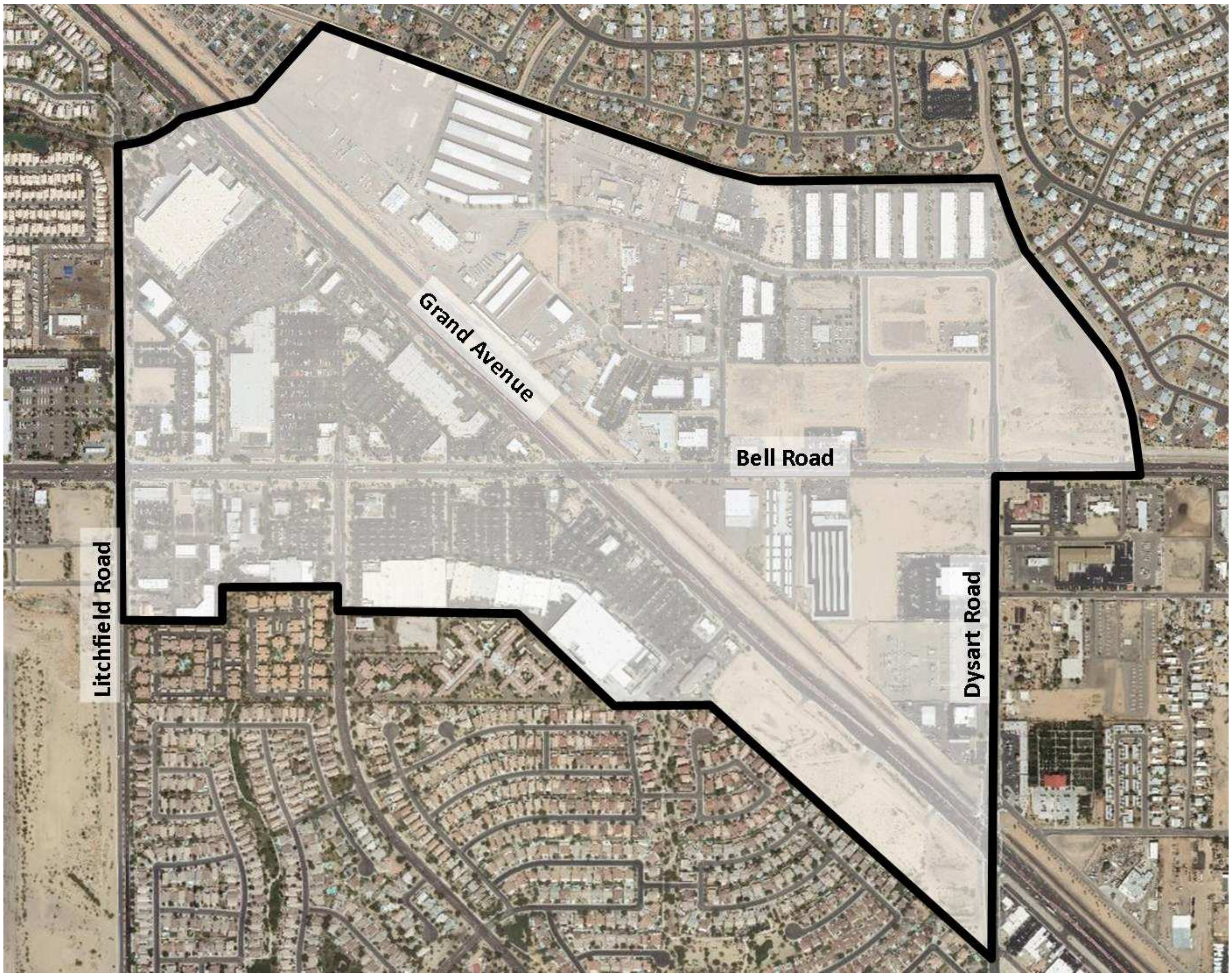
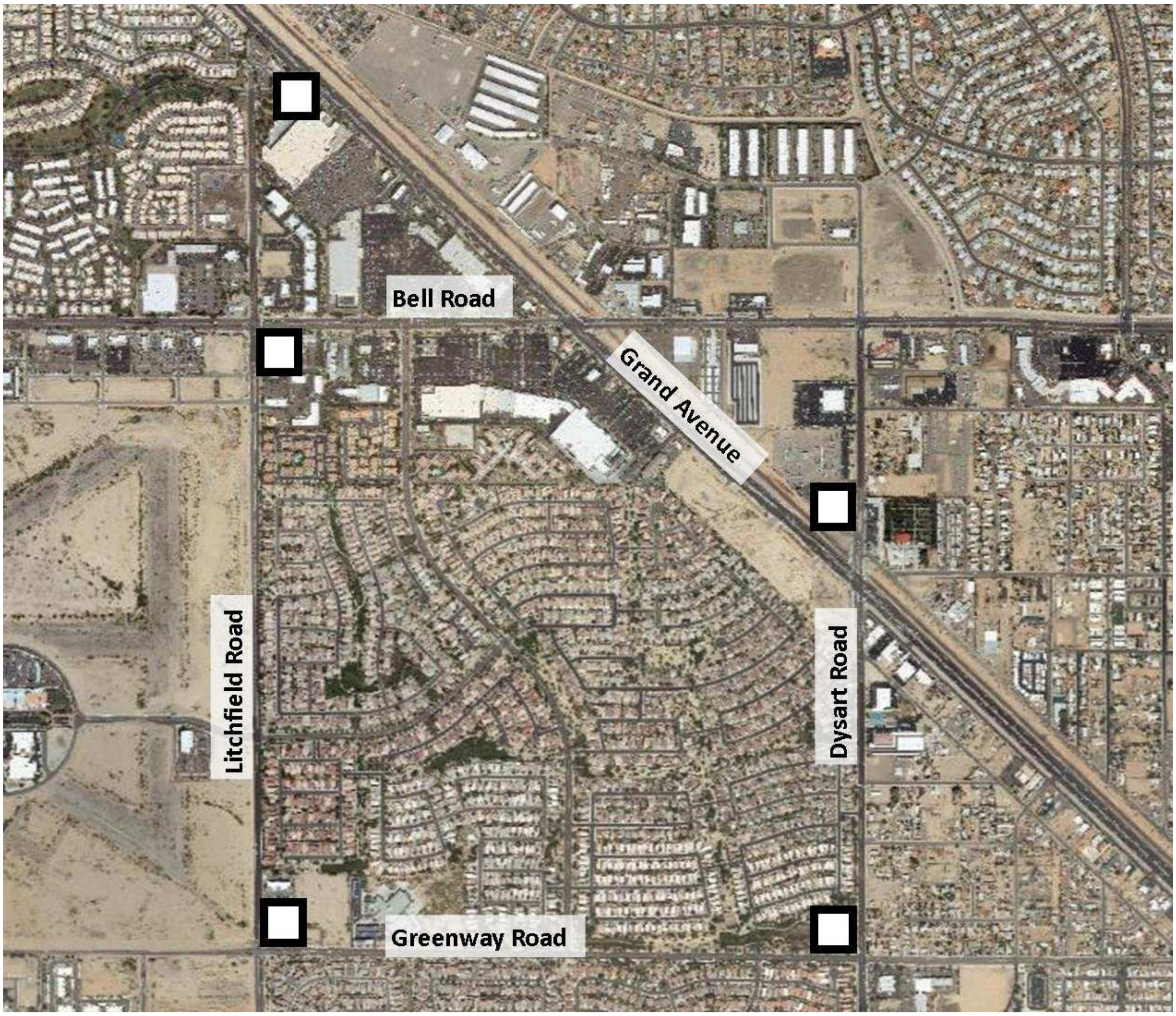


EXHIBIT B


Bell Road
Grand Avenue
Litchfield Road
Dysart Road
Greenway Road

Council Meeting Date:	February 21, 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 approving the purchase of 5.84 acres of real property within the Original Townsite commonly known as 15627 North Nash Street, Surprise, Arizona, and amending the Fiscal Year 2017 budget by reallocating appropriations of $1, 350, 000 from the Grant Fund to General Capital Projects Fund to facilitate the purchase; Resolution # 2017-22.

Motion:

I move to approve Resolution #2017-22.

Background:

The Do Norma RV Park is located at 15627 North Nash Street and 15637 North Norma Lane in Surprise, Maricopa County, Arizona; within the City of Surprise Original Townsite. The property was acquired by the current owner in December 2013.

The property is approximately 5.84 acres in size and has the following amenities: 61 RV spaces; a single family residence/office; and RV/Boat storage of approximately 50-55 spaces. The SFR/office is 1,692 square feet in size and was built in 1963. The park was constructed in 1977. There is also a 220 square foot laundry/restroom building and a 400 square foot barn building for storage. Current annual RV occupancy is at 31% but does not reflect seasonal fluctuations in occupancy.

The City Council has identified the Surprise Heritage District as an important area to the City's heritage and as such to place strategic city investments in. The City owns the majority or property surrounding the site and thus has identified the Do Norma property as a property to acquire as an investment for City services in the future.

City staff has conducted, through consultants, an Environmental Phase 1 and an Appraisal. The Environmental phase 1 came back favorable that no further environmental investigation of the subject property is required at this time. The City is also favorable and supports the offer of $1,300,000.

The City is also proposing a budgetary amendment from Grants Fund to General Capital to allow the City to move forward with the purchase.

Objective Analysis:

Purchase of the property will allow for the City to move forward with future planning of the City services in the Original Townsite. The environmental phase 1 was favorable and the City staff were able to negotiate a favorable offer price relative to the appraisal.

Potential negative impacts could be increased costs of property demolition that were unforeseen based upon the phase 1 environmental study. The City would not collect property taxes. Long term operations and maintenance of the property would be at the City's expense.

Policy Compliant:

The purchase of the property is compliant with the Council priority of reinvigorating and redeveloping the Original Town Site of the City of Surprise.

Financial Impact:

To acquire the property will cost the City $1,350,000 with potential closing costs; also costs associated with demolitions of buildings, RV sites etc. There will also be ongoing costs associated with operations and maintenance of the property for the for the foreseeable future.

Budget Impact:

This item was not included as a part of the FY2017 budget. This item amends the budget and creates a new Capital Improvements project in the amount of $1,350,000 within the General Capital Fund. Funds were made available with the return of $2,000,000 from the Arizona Community Foundation originally set aside for the Boys and Girls Club. Additional items that impact the budget may require future budget amendments or will be included as a part of the FY2018 budget.

FTE Impact:

No new FTEs will be acquired as a part of purchasing the property.

ATTACHMENTS:

Click to download

- Do Norma Purchase and Sale Agreement
- Do Morma Location Map Close Up
- Resolution #2017-22

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

Contract Date:	January _______, 2017
Seller:	Donorma RV Park, LLC, an Arizona limited liability company 1155 S. Power Road, Suite 114 Mesa, Arizona 85206 Attention: Charles Keith
Buyer:	City of Surprise, Arizona, an Arizona municipal corporation 16000 N. Civic Center Plaza Surprise, Arizona 85374 Attention: Gregory W. Seibt, Esq.
with a copy to:	Bergin, Frakes, Smalley & Oberholtzer, PLLC 4343 E. Camelback Road, Suite 210 Phoenix, Arizona 85018 Attention: Michael S. Smalley, Esq.
Escrow Agent:	Stewart Title Insurance Company 2930 E. Camelback Road, Suite 210 Phoenix, Arizona 85016 Attention: Rich Newton

THE TERMS LISTED IN BOLD ABOVE ARE DEFINED TERMS THAT ARE REFERRED TO THROUGHOUT THIS PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS.

ARTICLE I

AGREEMENT, PROPERTY, AND PRICE

Section 1.01. Binding Agreement. Upon the execution of this Purchase and Sale Agreement and Joint Escrow Instructions ("**Contract**" **or** "**Agreement**") by Seller and Buyer, it shall constitute a binding contract between Seller and Buyer for the purchase and sale of certain real property legally described on **Exhibit A** and depicted on **Exhibit B** attached hereto, (the "**Property**").

Section 1.02. Acceptance. This Agreement shall only be binding upon the parties hereto if this Agreement is executed, and when one fully executed copy, or executed counterparts thereof, have been delivered to Escrow Agent on or before **Opening of Escrow** as is defined in Section 1.06 herein.

Section 1.03. Inclusions in Property. The property ("**Property**") that is the subject matter of this Contract is commonly known as Donorma RV Park, and is located at 15627 North Nash Street, Surprise, Arizona, and is depicted and legally described on **Exhibit A**, along with certain improvements consisting of certain permanent structures utilized in the operation of the Property as an RV park (the "**Improvements**"). The Property includes all easements, licenses, interests, rights, privileges, and appurtenances held by Seller as of the Close of Escrow that in any way benefit the Property or relate to the ownership of the Property, including, without limitation: (i) any and all mineral, water, and irrigation rights running with or pertaining to the Property; (ii) all of Seller's interest in any road, street, or alleyway adjoining the Property; (iii) any rights or interests that may accrue to the benefit of Seller or the land as a result of the abandonment of any road, street, or alleyway adjoining the Property, (iv) any and all Improvements; (v) any and all replacements, renewals, substitutions, and additions of or to the Property that may be made or acquired after the Opening of Escrow; and (vi) all options or renewal rights associated with and appurtenant to any of the Property.

Section 1.04. Purchase Price. The total purchase price ("**Price**") to be paid by Buyer for the Property is One Million Three Hundred Thousand Dollars ($1,300,000.00). The Price shall be paid by Buyer to Seller as follows:

(a) Buyer will deposit Twenty Five Thousand Dollars ($25,000.00) ("**Earnest Money**") into the Escrow within three (3) business days after Escrow Agent's receipt of at least one original or telecopy counterpart of this Contract executed by Buyer and Seller.

(b) Buyer will pay the remaining balance after application of the Earnest Money ("**Closing Cash**") due on the Price to Seller through Escrow on the Closing Date.

Section 1.05. Earnest Money. The term "**Earnest Money**" means the Earnest Money and all interest earned on these amounts. Escrow Agent shall maintain the Earnest Money in an interest-bearing and federally insured account acceptable to Buyer and Seller, upon request by either Buyer or Seller. The requesting party shall pay any fees associated with the establishment of the interest bearing account. All interest on the Earnest Money will accrue for the benefit of the party entitled to the Earnest Money under this Contract. The Earnest Money shall remain in

Escrow until required to be distributed, credited or applied for the benefit of the party entitled to the Earnest Money under this Contract. If the Escrow closes, the Earnest Money will be credited and applied for the benefit of Buyer by Escrow Agent to the Price. If the Escrow does not close as a result of un-cured default by Buyer, then Seller shall be entitled to a distribution of the Earnest Money pursuant to Section 9.05 of this Contract.

Section 1.06. Opening of Escrow. The term "**Opening of Escrow**" means the date upon which Escrow Agent has in its possession at least one fully executed original or telecopy counterpart of this Contract and the Earnest Money and accepts this Contract as its escrow instructions. Escrow Agent shall indicate the date of the Opening of Escrow on Escrow Agent's Acceptance attached at the end of this Contract. Buyer shall take all reasonably necessary measures to ensure that the Escrow Agent receives a copy of the contract and opens escrow within three (3) business days of the mutual execution of this Purchase Agreement.

Section 1.07. Close of Escrow. Subject to the satisfaction of the conditions and the obligations of the parties set forth in this Agreement, the closing of the Escrow ("**Close of Escrow**" or "**Closing Date**") will occur on or before March 31, 2017.

Section 1.08. Escrow Instructions. This Contract will constitute the sole escrow instructions to Escrow Agent, and no standard form escrow instructions of Escrow Agent will be used for this Escrow. Any and all amendments to the escrow instructions shall be in writing, signed by the parties.

ARTICLE II

DUE DILIGENCE

Section 2.01. Title. Within five (5) business days after the Opening of Escrow, Escrow Agent shall provide Buyer with a preliminary title report or title commitment for the Property disclosing all matters of record and Escrow Agent's requirements for both closing the escrow created by this Agreement and issuing the policy of title insurance described in Section 7.02 hereof (the Commitment also shall be suitable to serve as the basis for the issuance of an ALTA extended form coverage lender's title insurance policy in the amount of the Purchase Price), and complete and legible copies of all instruments and documents referred to as exceptions to title or as title requirements ("**Report**"). The Report must be issued by Escrow Agent or an acceptable title insurance underwriter and must be dated with an effective date and time after the Opening of Escrow.

Section 2.02. Environmental. Seller and Buyer acknowledge that Seller has provided Buyer with a copy of the Phase I Environmental Site Assessment ("**ESA**") of the Property.

Section 2.03. Due Diligence Documents. Within five (5) business days of Opening of Escrow, Seller will deliver to Buyer copies of the documents listed on the attached **<u>Exhibit C</u>** (collectively, the "**Due Diligence Documents**"), or a statement that the item does not exist or is not in the actual possession of Seller. Buyer understands that failure to receive any of the items listed on **<u>Exhibit C</u>** shall not extend the Feasibility Date (as defined below). Any Due Diligence

Document provided by Seller to Buyer shall be given as a courtesy and without any representation or warranty as to accuracy or completeness.

ARTICLE III

INTERIM OBLIGATIONS

Section 3.01. Acts of Seller. From the Opening of Escrow until the Closing Date, Seller covenants to Buyer that Seller will not perform any act, fail to perform any act, or permit any act or omission to be made by any other party that would result in the breach or inaccuracy of any of Seller's warranties under this Contract.

Section 3.02. Interim Encumbrances. Seller shall not further encumber or permit the further encumbrance of the Property after the Opening of Escrow.

Section 3.03. Change of Use. Seller has not taken and will not take any action before any governmental authority that could change the present zoning or use of the Property, any portion of the Property, or change the potential use of the Property or its land use limitations.

Section 3.04. Indemnity. Subject to the limitations and other provisions contained in this Agreement, Seller agrees to indemnify, defend, and hold Buyer harmless for, from and against any liability, obligation, action, suit, judgment, fine, award, loss, claim, demand, or expense (including attorneys' fees) arising from any negligent act or omission of Seller pertaining in any manner to the Property during the period of time between Opening of Escrow and the Closing Date. Buyer is acquiring only the Real Property from Seller, and is not the successor of Seller, except as to the Service Contracts and the Leases, and as otherwise expressly set forth in writing in this Agreement. Buyer does not agree to assume any liability, encumbrance, or obligation of any kind or character whatsoever relating in any manner to all or any part of the Property: (i) except as expressly set forth in writing in this Agreement; and (ii) except that Buyer agrees to indemnify, defend, and hold Seller harmless for, from and against any liability, obligation, action, suit, judgment, fine, award, loss, claim, demand, or expense (including attorneys' fees) arising from any act or omission of Buyer, Buyer's agents and employees. Notwithstanding the foregoing, Buyer shall not be obligated to restore or to indemnify in connection with any damage, liability, or claim resulting from any negligence or willful misconduct of Seller, its agents, employees, and/or contractors. The provisions of this Paragraph shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement. Buyer's indemnification obligations shall not include Seller's lost profits, consequential or special damages, or lost opportunities.

Section 3.05. Liens. Buyer shall keep the Property free from any liens and shall pay when due all bills arising out of any work performed pursuant to Buyer's studies, inspections, and investigations on the Property. If Buyer fails to cause the release of record of any lien(s) filed against the Property (or any portion thereof) by payment of the lien amount or by obtaining and recording a "Release Bond" pursuant to applicable Arizona law within ten (10) days from the date of the lien filing(s), then Seller may, at Buyer's expense, cause such lien(s) to be released by any means Seller deems proper, including, but not limited to, payment of the claim giving rise to the lien(s) or obtaining and recording a Release Bond. All sums disbursed, deposited or incurred by Seller in connection with the release of the lien(s) shall be due and payable by Buyer to Seller on demand by Seller. Buyer's obligations under this Paragraph shall survive any termination of this Agreement.

ARTICLE IV

TITLE

Section 4.01. Buyer's Objections. Buyer shall have fifteen (15) days after receipt of the Commitment to object in writing to any matter shown in the Report ("**Buyer's Objections**"). However, if Buyer fails to object within such fifteen (15) day period, the condition of title to the Property shall be deemed approved by Buyer. If the Report is amended or revised to add a new matter, Buyer will have five (5) business days following its receipt of the amended or revised Report (including legible and complete copies of all new exceptions or requirements to title) to deliver Buyer's Objections to such new matter. If Buyer fails to timely deliver Buyer's Objections, Buyer will be deemed to have waived its right to deliver the Buyer's Objections to the Report, as applicable.

Section 4.02. Cure. Within seven (7) days after Seller's receipt of timely delivered Buyer's Objections, Seller shall send written notice ("**Response**") to Buyer specifying in detail which of Buyer's Objections Seller will or will not cure, it being understood and agreed that Seller shall have no obligation to cure any of Buyer's Objections, except as provided in Section 6.05. If Seller fails to deliver its Response in a timely fashion, Seller will be deemed to have delivered a Response electing not to cure any of Buyer's Objections. If Seller commits to removing any of Buyer's Objections and fails to do so by Closing, Seller will be in default under this Contract and Buyer, at Buyer's election, may pursue its remedies as established in this Contract. Within five (5) days after Buyer's receipt of the Response (or deemed Response) from Seller, Buyer may elect, by delivering written notice to Seller and Escrow Agent, to either: (i) proceed with the purchase and sale of the Property, and take title to the Property subject to such objected to matters; or (ii) terminate this Agreement and the Escrow. If Buyer exercises its cancellation remedy under subsection 4.02(a)(ii) above, this Contract and the Escrow shall be deemed cancelled as of the date of Buyer's notice. Such cancellation will be immediate, neither Seller nor Buyer will have any further obligation or responsibility to the other to perform under the Contract, and Escrow Agent will return promptly to Buyer all Earnest Money.

ARTICLE V

BUYER CONTINGENCIES

Section 5.01. Feasibility Date. The "**Feasibility Date**" shall be thirty (30) days from the Opening of Escrow (the "Due Diligence Period")

Section 5.02. Buyer Inspections. Buyer will have until the Feasibility Date within which to conduct its inspections of the Property (collectively, the "**Buyer Investigations**") deemed necessary by Buyer, in its sole discretion, to determine the economic, physical, mechanical, developmental, and operational feasibility of Buyer's purchase of the Property. Buyer's obligation to purchase the Property is conditioned on Buyer's approval of the results of the

Buyer Investigations and the Due Diligence Documents, in Buyer's sole discretion. If the Buyer Investigations or the Due Diligence Documents are not acceptable to Buyer, in Buyer's sole discretion, Buyer may deliver written notice terminating this Contract to Seller and Escrow Agent on or before the Feasibility Date, in which event this Contract and the related Escrow shall be deemed cancelled as of the date of Buyer's notice. Such cancellation will be immediate, neither Seller nor Buyer will have any further obligation or responsibility to the other to perform under the Contract, and Escrow Agent will return promptly to Buyer all Earnest Money.

Section 5.03. Right of Entry. During the term of this Agreement, Buyer and its agents shall be permitted to enter upon the Property upon reasonable notice to Seller to inspect the Property and to gather such information and conduct such tests as Buyer deems appropriate. Buyer shall indemnify, defend and hold Seller harmless for, from and against any and all claims and damages (including, but not limited to, reasonable attorneys' fees) resulting from or relating to Buyer's inspections under this Paragraph. Buyer's entry onto the Property is at Buyer's sole risk and expense. Buyer shall also keep the Property free from any mechanics' or materialmen's liens caused by Buyer's exercising its inspection rights under this Paragraph. During any such investigation or inspection Buyer and its agents shall refrain from any contact with the residents or employees on the Property and shall in no event indicate to such residents or employees that it is conducting such investigations or inspections to determine the feasibility of a purchase of the Property.

ARTICLE VI

CLOSING

Section 6.01. Non-Foreign Affidavit. At the Closing, Seller agrees to furnish to Buyer either a sworn affidavit stating, under penalty of perjury, that Seller is not a "foreign person" as defined in the Internal Revenue Code of 1986, as amended ("**Code**") or other appropriate evidence that Buyer is not required to withhold taxes under Section 1445(a) of the Code. If Seller does not furnish the sworn affidavit or other appropriate evidence deemed satisfactory by Buyer and Escrow Agent, Buyer may withhold or direct Escrow Agent to withhold from Seller's sale proceeds an amount equal to the amount required to be withheld pursuant to Section 1445 of the Code Any withheld funds will be deposited by Escrow Agent with the Internal Revenue Service as required by Section 1445(a) and any applicable regulations. The amount withheld, if any, will nevertheless be deemed to be part of the Price paid to Seller.

Section 6.02. Seller's Closing Deliveries. Seller, at the Close of Escrow, will deposit with Escrow Agent (for recordation, if applicable, and delivery to Buyer): (i) a Special Warranty Deed in the form attached as **Exhibit D** ("**Deed**"); (ii) an Affidavit of Title executed by Seller warranting that no outstanding mechanic's lien rights exist and that the Property is subject to no leases, liens or other claims or encumbrances of title except those specifically permitted pursuant to this Contract; (iii) if applicable, a Bill of Sale covering the items of personal property being sold to Buyer, executed by Seller; (iv) an assignment of Seller's interest in any service, utility, laundry, internet, telephone or maintenance contracts, and any automobile or other leases (the "**Service Contracts**"). A schedule of all such assignable contracts shall be set forth on **Exhibit E** attached hereto; (v) an assignment of Seller's interest as Lessor in and to any tenant rental agreements/leases (the "**Leases**"); (vi) keys to all locks on the Property, if available; (vii) a copy of the Seller's closing statement with the following statement set forth thereon directed to the Real Property Manager at the City of Surprise: "this is to certify this is a true and correct statement of the disbursement of funds collected from the City of Surprise." The Seller agrees to acknowledge in writing within one business day of the Closing its receipt of the amount shown on Seller's closing statement as due; and (viii) such other instruments and documents as may be reasonably necessary in order to carry out the purposes of this Contract

Section 6.03. Buyer's Closing Deliveries. Buyer, at the Close of Escrow, will deliver to Escrow Agent (for disbursement to Seller): (i) the Closing Cash, plus all additional sums necessary to pay Buyer's portion of the closing costs and prorations; (ii) countersigned originals of the assignment of Service Contracts and Leases; (iii) all other documents required pursuant to other provisions of this Contract to be executed and delivered by Buyer; and (iv) such other instruments and documents as may be reasonably required in order to carry out the purposes of this Contract.

Section 6.04. Possession. Seller must deliver exclusive possession of the Property to Buyer at Close of Escrow.

Section 6.05. Release of Monetary Matters. Seller, at Seller's sole cost and expense, shall fully pay and discharge and release the Property from any and all delinquent real property taxes and assessments, based upon the most recent assessments (see Section 7.01), recorded or unrecorded mortgages or deeds of trust, installment land contracts, judgments, tax liens, mechanics liens, lawsuits, or other monetary liens affecting or purporting to affect title to the Property, and Seller authorizes and directs Escrow Agent to pay all such items from Seller's proceeds from the Closing.

Section 6.06. Title Policy. Buyer's obligation to purchase the Property is conditioned upon: (i) Escrow Agent's issuance of (or the unconditional written commitment of Escrow Agent to issue) an ALTA Extended Owner's Policy of Title Insurance ("**Title Policy**") in an insured amount at least equal to the Price effective no earlier than the actual Close of Escrow and insuring Buyer's fee simple title to the Property, subject only to those matters approved by Buyer pursuant to Article IV.

ARTICLE VII

PRORATIONS AND COSTS

Section 7.01. Real Estate Taxes and Assessments. All non-delinquent real estate taxes on the Property will be prorated as of the Closing Date, based upon the most current information available. All delinquent real estate taxes will be paid in full by Seller on the Closing Date together with all penalties and redemption charges. No further adjustment in any tax figures shall occur following the Closing. Seller shall be entitled to receive any refunds or over-payments for taxes for tax years prior to the year in which the Closing occurs and a pro-rata share of any refunds or over-payments made in the tax year including the year of sale. All improvement liens, special taxing districts, or other special municipal or county assessments that affect the Property and that exist as of the Closing Date shall be prorated as of the Close of Escrow.

Section 7.02. Title Insurance. Buyer shall order a Title Insurance Commitment from Chicago Title Insurance Company. Seller shall pay the premium for a standard policy of title insurance with any endorsements thereto reasonably required in the full amount of the Price based upon Escrow Agent's standard filed rate or basic rate, insuring Buyer's title to Real Property, subject to the usual printed exceptions contained in such title insurance policies, those matters which appear as exceptions in Schedule B of the Title Report and which are not objected to or are waived in the manner described in this Agreement, and any other matters approved in writing by Buyer. Buyer shall pay any additional costs related to the issuance of an ALTA extended Coverage Owner's Title Insurance Policy and any endorsements thereto requested by Buyer, if the Buyer elects such additional coverage.

Section 7.03. Closing Costs. All costs and expenses of closing, including escrow fees and charges, are to be divided equally between Seller and Buyer or, if not dealt with under this Contract, according to the custom and practice of Escrow Agent. Seller shall pay any recording fees, all applicable transfer taxes and any documentary stamp taxes. Seller agrees that all closing costs and any other sums required to be paid by Seller will be paid in full at closing and may be deducted from the proceeds otherwise payable to Seller at Close of Escrow. Each party agrees to pay its own attorney fees. All prorations that are required to be made under this Contract will be made as of the 12:01 a.m. on the date of Closing on the basis of a three hundred sixty-five (365) day year. If any of the apportionments or prorations required above cannot be calculated accurately on the Closing Date or are miscalculated, then they shall be calculated or recalculated as soon as possible after the Closing Date. Either party owing the other party a sum of money based on such subsequent apportionments or prorations shall promptly pay said sum to the other party within ten (10) days after receipt of an invoice therefore. There shall be no further adjustments of such apportionments or prorations after the date that is sixty (60) days following the Closing Date.

Section 7.04. Rents. All rents received by Seller for amounts due on or prior to the Closing Date shall be the property of Seller. Any rents received by Buyer for amounts due after the Closing Date shall be the property of Buyer.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

Section 8.01. Seller Representations. Seller represents and warrants to Buyer as follows.

(a) **Title**. Seller is the owner of fee simple title to the Property.

(b) **Authority**. This Contract has been duly authorized and executed on Seller's behalf and constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms. Seller is not prohibited from consummating this transaction by the terms of its governing document or any judicial or governmental order or stay.

Section 8.02. Buyer Representations and Warranties. Buyer represents and warrants to Seller as follows:

(a) Buyer has the full power to execute, deliver, and carry out the terms and provisions of this Contract and has taken all necessary action to authorize the execution, delivery, and performance of this Contract;

(b) The individual executing this Contract on behalf of Buyer is and shall be duly authorized to sign the same on Buyer's behalf and to bind the Buyer thereto;

(c) The execution and delivery of this Contract is not prohibited by, will not conflict with, constitute grounds for termination of, or result in the breach of any Contracts or instruments to which Buyer is now a party or by which it is bound, or any order, rule, or regulation of any court or any other governmental agency or official; and

(d) This Contract constitutes the valid and binding agreement of Buyer, enforceable in accordance with its terms.

Section 8.03. Survival of Warranties. All representations and warranties contained in this Contract are true on and as of the date so made, will be true on and as of the Close of Escrow and will survive the Close of Escrow and the execution, delivery, and recordation of the Deed for a period of six (6) months and shall terminate and be of no further force or effect six (6) months following the Closing Date.

Section 8.04. NO REPRESENTATIONS; PURCHASE AS-IS; WAIVER AND RELEASE. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS CONTRACT, NEITHER SELLER, NOR ANYONE ACTING FOR OR ON BEHALF OF SELLER, HAS MADE ANY REPRESENTATION, WARRANTY, PROMISE OR STATEMENT, EXPRESS OR IMPLIED, TO BUYER, OR TO ANYONE ACTING FOR OR ON BEHALF OF BUYER, CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE USE OR DEVELOPMENT THEREOF. BUYER FURTHER REPRESENTS THAT, IN ENTERING INTO THIS CONTRACT, BUYER HAS NOT RELIED ON ANY REPRESENTATION, WARRANTY, PROMISE OR STATEMENT, EXPRESS OR IMPLIED, OF SELLER, OR ANYONE ACTING FOR OR ON BEHALF OF SELLER, OTHER THAN AS EXPRESSLY SET FORTH IN THIS CONTRACT, AND THAT ALL MATTERS CONCERNING THE PROPERTY HAVE BEEN OR SHALL BE INDEPENDENTLY VERIFIED BY BUYER PRIOR TO THE CLOSING, AND THAT BUYER SHALL PURCHASE THE PROPERTY BASED ON BUYER'S OWN PRIOR DUE DILIGENCE INVESTIGATIONS, INSPECTIONS AND EXAMINATIONS OF THE PROPERTY (OR BUYER'S ELECTION NOT TO DO SO); AND THAT BUYER IS PURCHASING THE PROPERTY IN AN "AS-IS" AND "WITH ALL FAULTS" PHYSICAL CONDITION AND IN AN "AS-IS" AND "WITH ALL FAULTS" STATE OF REPAIR. EXCEPT AS EXPRESSLY PROVIDED FOR IN THIS CONTRACT, BUYER DOES HEREBY WAIVE, AND SELLER DOES HEREBY DISCLAIM, ALL WARRANTIES OF ANY TYPE OR KIND WHATSOEVER WITH RESPECT TO THE PROPERTY, WHETHER EXPRESS OR IMPLIED, INCLUDING, BY WAY OF DESCRIPTION BUT NOT LIMITATION, THOSE OF FITNESS FOR A PARTICULAR PURPOSE AND USE, TENANTABILITY OR HABITABILITY. FURTHER, BUYER DOES HEREBY RELEASE

AND FOREVER DISCHARGE, AND WAIVE ITS RIGHTS TO RECOVER FROM, SELLER AND SELLER'S AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, (COLLECTIVELY, "SELLER PARTIES") OF AND FROM ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTIONS, DEMANDS, RIGHTS, LIABILITIES, DAMAGES, LOSSES, COSTS, EXPENSES, AND COMPENSATION WHATSOEVER, DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORSEEN, THAT BUYER AND ANY PERSON OR ENTITY CLAIMING BY, THROUGH OR UNDER BUYER, MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST SELLER AND/OR ANY OF SELLER PARTIES, ARISING FROM OR RELATED TO THIS CONTRACT OR THE PROPERTY (INCLUDING ANY CLAIM FOR DIMINUTION IN VALUE OF THE PROPERTY ARISING FROM THE CONDITION OF THE PROPERTY), EXCEPT TO THE EXTENT THE SAME RESULTS FROM, CONSTITUTES, OR ARISES FROM SELLER'S FRAUD, SELLER'S FAILURE TO DISCLOSE MATERIAL FACTS TO BUYER, SELLER'S MATERIAL MISREPRESENTATION, OR SELLER'S BREACH OF THIS AGREEMENT OR DEFAULT OF OR UNDER ANY OF THE MATTERS EXPRESSLY REPRESENTED BY SELLER HEREIN (PRIOR TO THE EXPIRATION OF SUCH REPRESENTATION). EXCEPT AS PROVIDED IN THE PREVIOUS SENTENCE, AND TO THE EXTENT PERMITTED BY LAW, BUYER EXPRESSLY WAIVES ITS RIGHTS UNDER ANY APPLICABLE STATUTE OR APPLICABLE RULE OF LAW THAT PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT BUYER DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MUST HAVE MATERIALLY AFFECTED ITS AGREEMENT TO RELEASE SELLER.

ARTICLE IX

GENERAL

Section 9.01. Brokerage. Seller is represented by Jeffrey Ferenz in regard to this transaction, and will be compensated by Seller pursuant to a separate agreement. Buyer has not been represented by a broker in this transaction.

Section 9.02. Binding Effect; Buyer's Right to Nominate and Assign. Buyer may not assign its rights under this Agreement in whole or in part without Seller's consent. If Seller provides such consent, then Buyer's successors in interest are to have all of the rights entitled to the Buyer under this Agreement, including all available remedies for Seller's breach. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 9.03. Risk of Loss. All risk of loss, damage, or taking of the Property that may occur prior to Close of Escrow will be borne by Seller. In the event of any loss, damage, or taking prior to Close of Escrow, Buyer, at Buyer's sole option and by written notice to Seller and Escrow Agent, will be entitled to cancel this Contract and the related Escrow. Upon Buyer's cancellation of this Contract under the preceding sentence, the cancellation will be immediate and neither Seller nor Buyer will have any further obligation or responsibility to the other to perform under the Contract, except as otherwise provided in this Contract, and Escrow Agent will return promptly to Buyer all Earnest Money.

Section 9.04. Seller's Default. If Seller breaches this Agreement or fails to perform any of its covenants or obligations under this Agreement, and fails to cure such breach or failure within ten (10) days after receipt of written notice from Buyer specifying such default, then Buyer as its sole and exclusive remedy shall have the right to elect, one of the following remedies: (a) Buyer, upon giving written notice to Seller and Escrow Agent, may terminate this transaction and Escrow, and receive the return of the Earnest Money (including any amounts previously released), following which neither party shall have any further obligation to the other, subject to any continuing indemnities contained herein; or (b) Close Escrow and waive such default by Seller and if Seller refuses to so Close Escrow, Buyer shall be entitled to file an action for specific performance of the terms and provisions of this Agreement (and no damages shall be awardable in any such proceeding). Under no circumstances can either party recover any special, consequential, exemplary or punitive damages.

Section 9.05. Buyer's Default. If Buyer breaches this Agreement or fails to perform any of its covenants or obligations under this Agreement, and fails to cure such breach or failure within ten (10) days after receipt of written notice from Seller specifying such default, Seller, as its exclusive and sole right and remedy, shall be entitled to cancel this Contract and related Escrow by giving Buyer and Escrow Agent written notice of cancellation, in which event Escrow Agent will immediately pay to Seller the Earnest Money as full liquidated damages of Seller. THE EARNEST MONEY SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT BY BUYER, ALL OTHER CLAIMS TO DAMAGES OR OTHER REMEDIES, INCLUDING WITHOUT LIMITATION ANY RIGHT WHICH SELLER MAY HAVE TO SPECIFIC PERFORMANCE, BEING HEREIN EXPRESSLY WAIVED BY SELLER. UPON DEFAULT BY BUYER, THIS AGREEMENT SHALL BE TERMINATED AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EACH TO THE OTHER, EXCEPT FOR THE RIGHT OF SELLER TO COLLECT SUCH LIQUIDATED DAMAGES FROM BUYER AND ESCROW HOLDER. Upon receipt by Seller of the Earnest Money as provided above, neither party shall have any further obligation or responsibility to the other hereunder, except as otherwise specifically established in this Contract.

Section 9.06. Attorneys' Fees. If there is any litigation or arbitration between Seller and Buyer to enforce or interpret any provisions or rights of this Contract, the unsuccessful party in such litigation or arbitration, as determined by the court or arbitrator, agrees to pay the successful party, as determined by the court, all costs, legal fees, and expenses (through trial and appeal), including, but not limited to, reasonable attorneys' fees incurred by the successful party.

Section 9.07. Notice. Except as otherwise required by law, any notice required or permitted under this Contract must be in writing and must be given either: (i) by personal delivery; (ii) by United States certified mail, return-receipt requested, postage prepaid, and properly addressed; or (iii) by any private overnight, "same day", or "next-day" delivery service, delivery charges prepaid with proof of receipt. Notice sent in any of the manners set forth above must be addressed or sent to Seller, Buyer, and/or Escrow Agent at the addresses set forth on the first page of this Contract. Any party may change its address for the purposes of delivery and receipt of notices by advising all other parties in writing of the change. Notice delivered in one of the foregoing manners will be deemed to be received: (I) on the date of delivery, if personally delivered; (II) on the date that is two days after deposit in the United States mail, if given by certified mail; or (III) on the day of deposit with an express delivery service, if given by overnight, “same day”, or “next-day” delivery service. No notice will be deemed effective unless sent in one of the manners described above.

Section 9.08. Waiver of Conditions. Except as otherwise provided in this Contract regarding any deemed waivers for a failure to promptly act or elect, Buyer’s contingencies or conditions precedent may be waived only by Buyer, and any waiver by Buyer may be done only in a writing signed by Buyer.

Section 9.09. Additional Acts. The parties agree to execute promptly any other documents and to perform promptly any other acts as may be reasonably necessary to carry out the purpose and intent of this Contract.

Section 9.10. Governing Law. This Contract will be governed by and construed and enforced in accordance with the laws of the State of Arizona.

Section 9.11. Construction. The terms and provisions of this Contract represent the results of negotiations between Seller and Buyer, neither of which have acted under any duress or compulsion, whether legal, economic, or otherwise. Consequently, the terms and provisions of this Contract should be interpreted and construed in accordance with their usual and customary meanings, and Seller and Buyer each waive the application of any rule of law that states that ambiguous or conflicting terms or provisions are to be interpreted or construed against the party whose attorney prepared the Contract or any earlier draft of the Contract.

Section 9.12. Time of Essence. Time is of the essence of this Contract. The time for the performance of any obligation or the taking of any action under this Contract will be deemed to expire at 5:00 p.m. (Mountain time) on the last day of the applicable time period established in this Contract. In calculating any time period in this Contract that commences upon the receipt of any notice, request, demand, or document, or upon the happening of an event (e.g., the Opening of Escrow), the date upon which the notice, request, demand, or document is deemed received, as determined above, or the date an event occurs (or is deemed to have occurred) is not included with the applicable time period, but the applicable time period will commence on the day immediately following. If the time for the performance of any obligation or taking any action under this Contract expires on a Saturday, Sunday, or legal holiday, the time for performance or taking such action will be extended to the next succeeding day that is not a Saturday, Sunday, or legal holiday and during which Escrow Agent is open for business.

Section 9.13. Interpretation. The terms of this Contract supersede all prior and contemporaneous oral or written agreements and understandings of Buyer and Seller, all of which will be deemed to be merged into this Contract. If there is any specific and direct conflict between, or any ambiguity resulting from, the terms and provisions of this Contract and the terms and provisions of any document, instrument, letter, or other agreement executed in connection with or in furtherance of this Contract, the term, provision, document, instrument, letter, or other agreement will be consistently interpreted in such manner as to give effect to the general purposes and intention as expressed in this Contract.

Section 9.14. Headings. The headings of this Contract are for reference only and do not limit or define the meaning of any provision of this Contract.

Section 9.15. Incorporation by Reference. All exhibits to this Contract are fully incorporated in the text of this Contract.

Section 9.16. Counterparts. This Contract may be executed in any number of counterparts, whether by original, copy, or telecopy signature, each of which, when executed and delivered, shall be deemed an original, but all of which when taken together will constitute one binding contract and instrument.

Section 9.17. Severability. If any one or more of the provisions of this Contract or the applicability in any provision to a specific situation is held to be invalid or unenforceable, the provision will be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Contract and all other applications of such provisions will not be affected by any such invalidity or unenforceability.

Section 9.18. Representations at the Close of Escrow. All of Buyer's representations contained in this Agreement shall be true and correct at the Close of Escrow as though made at and as of the Close of Escrow. All of Seller's representations contained in this Agreement shall be true and correct at the Close of Escrow as though made at and as of the Close of Escrow.

Section 9.19. Seller’s Knowledge. As used in this Contract, the phrase "Seller’s knowledge" or “to Seller’s knowledge”, or similar language, shall mean information that is personally and directly known by Charles Keith as of the Opening of Escrow without undertaking any independent investigation or inquiry for the purpose of making such statement.

Section 9.20. Seller’s Possession. As used in this Contract, the phrase "Seller’s possession", or similar language, shall mean the current actual possession of Seller as of the Opening of Escrow without requiring that Seller engage in any independent investigation or inquiry or act for the purpose of obtaining possession of any document or personal property or other item not in Seller’s current actual possession.

Section 9.21. Survival. Except as otherwise provided herein, any covenants, agreements, and/or representations set forth in this Agreement or in any certificate or instrument executed or delivered pursuant to this Agreement shall not survive the Closing and shall merge into any deed, assignment or other instrument executed or delivered pursuant hereto.

Section 9.22. IRS Real Estate Sales Reporting. Buyer and Seller hereby appoint Escrow Agent as, and Escrow Agent agrees to act as "the person responsible for closing" the transaction which is the subject of this Agreement, pursuant to Internal Revenue Code of 1986 Section 6045(e). Escrow Agent shall prepare and file the informational return (IRS Form 1099-B) required by and otherwise comply with the terms of IRS § 6045(e).

Section 9.23. Miscellaneous Definitions and Standards. The term “sole discretion” means that the act or decision of the party may be made in the party’s independent and individual choice of judgment, without regard to any objective or other standard of consideration. Except for those acts or decisions that may be made in a party’s “sole discretion”, all acts or decisions of any party to this Contract must be exercised with reasonable discretion. The term “will” denotes a mandatory obligation, and the term “may” is a permissive word denoting an option. All references in this Contract to the “Escrow Agent” will be deemed to include the applicable title insurance underwriter for the Title Policy.

Section 9.24. Tax-Deferred Exchange. Seller and Buyer agree to cooperate in a commercially reasonable manner with each other and any designated exchange intermediary or exchange accommodation titleholder in order to effectuate a tax deferred exchange of the Property under Section 1031 of the Internal Revenue Code. This obligation to cooperate does not include requiring the other party to take title to any other property to complete the exchange, to issue any legal opinions, to increase the potential liability of the non-exchange party, to extend any time for the exchanging party’s performance, to expend legal fees to review exchange documents, or to incur any additional costs, expenses or liabilities in this transaction as a result of or in connection with such exchange. Seller and Buyer agree to hold each other harmless from and against any liabilities, damages, or costs, including attorneys’ fees, that may arise from the non-exchanging party’s participation in the exchange.

Executed as of the Contract Date.

BUYER

THE CITY OF SURPRISE, ARIZONA
An Arizona municipal corporation

By: ______________________________

Name:____________________________

Its: ______________________________

STATE OF ______________________)
) ss.
County of ________________________)

This Purchase and Sale Agreement and Joint Escrow Instructions was acknowledged before me this _____ day of ________________, 2017, by ____________________________, the Mayor of the City of Surprise, an Arizona municipal corporation, on behalf of the municipal corporation.

____
Notary Public

My commission expires:

SELLER

DONORMA RV PARK, LLC
an Arizona limited liability company

By:_____________________________

Name: __________________________

Its:______________________________

STATE OF ______________________)
) ss.
County of _______________________)

This Purchase and Sale Agreement and Joint Escrow Instructions was acknowledged before me this _____ day of ________________, 2017, by ______________________________, the ___________________________ of Donorma RV Park, LLC, an Arizona limited liability company, on behalf of the Company.

____
Notary Public

My commission expires:

ESCROW AGENT'S ACCEPTANCE

By its execution below, Escrow Agent accepts this Contract as its sole escrow instructions and acknowledges receipt of at least one fully executed original or telecopy counterpart of the Contract executed by Buyer and Seller and Buyer's Initial Earnest Money described in the Contract. Upon its execution, Escrow Agent agrees to: (i) insert the relevant escrow number on the first page of this Contract; (ii) insert the date for the Opening of Escrow in the space below; and (iii) provide copies of the fully executed Contract to Buyer and Seller.

"**Escrow Agent**"

Stewart Title Insurance Company

____
Date of "**Opening of Escrow**"

By: ____________________________________

Name: __________________________________

Title: __________________________________

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date the last party signs.

For the City	**For Contractor**
By:_______________________________	By:_______________________________
Date:__________________________	Title:_________________________________
	Date:__________________________
By:_______________________________ Department Director	
Date:__________________________	

APPROVED AS TO FORM:

____
City Attorney's Office

EXHIBIT “A” TO
PURCHASE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

(LEGAL DESCRIPTION OF THE REAL PROPERTY)

EXHIBIT "B" TO
PURCHASE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

(DEPICTION OF REAL PROPERTY)

EXHIBIT "C" TO
PURCHASE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

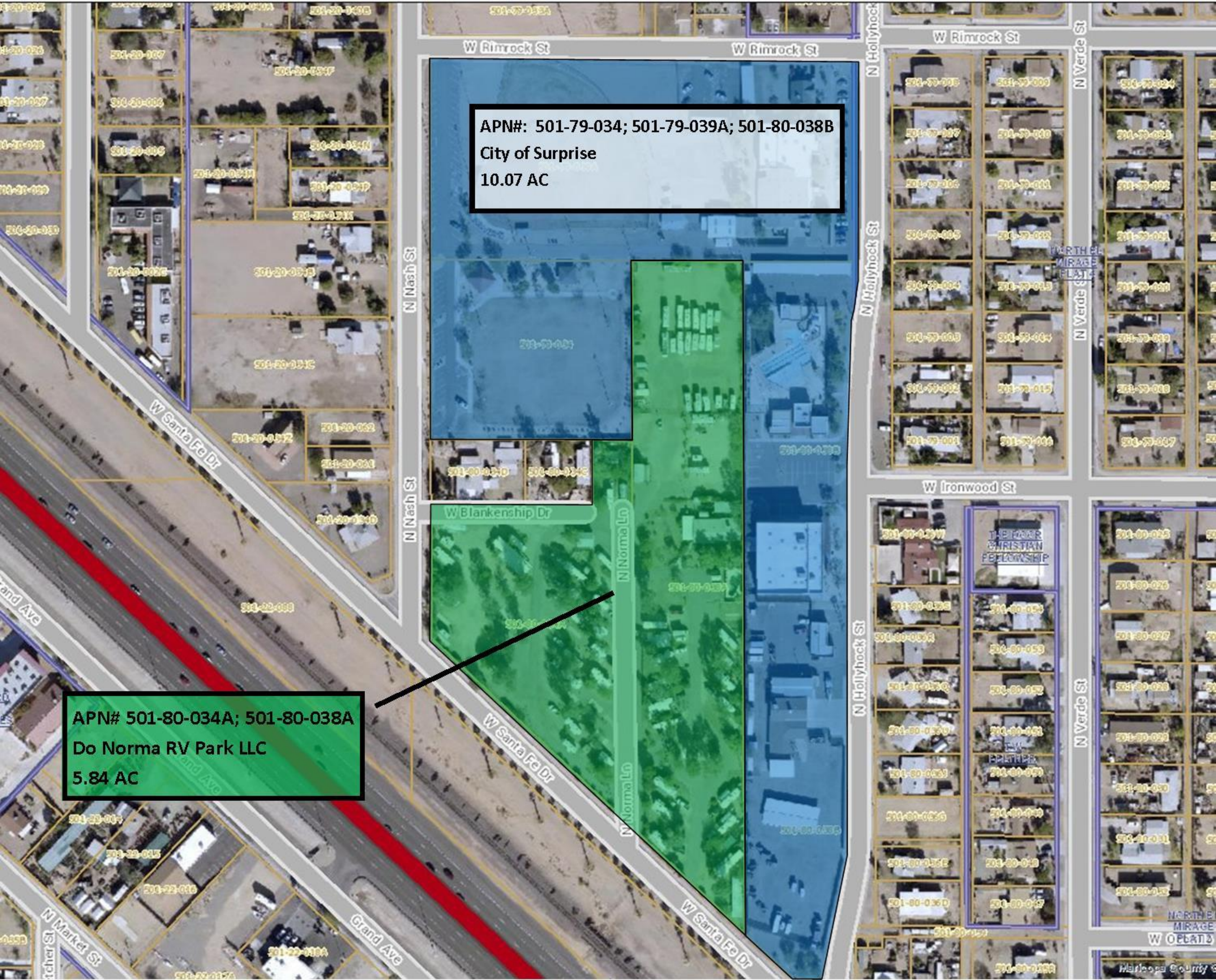
(DUE DILIGENCE DOCUMENTS)

EXHIBIT "D" TO
PURCHASE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

(SPECIAL WARRANTY DEED)

EXHIBIT "E" TO
PURCHASE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

(SERVICE CONTRACTS)


APN#: 501-79-034; 501-79-039A; 501-80-038B
City of Surprise
10.07 AC
APN# 501-80-034A; 501-80-038A
Do Norma RV Park LLC
5.84 AC
W Rimrock St
W Rimrock St
N Hollyhock St
N Verde St
N Nash St
W Santa Fe Dr
W Blankenship Dr
N Norma Ln
W Ironwood St
Grand Ave
N Market St

RESOLUTION # 2017-22

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH DONORMA RV PARK LLC AND AMMENDING THE FY2017 BUDGET BY REALLOCATING APPROPRIATIONS OF $1,350,000 FROM CONTINGENCY WITHIN THE GRANTS FUND TO THE GENERAL CAPITAL PROJECTS FUND FOR THE PURCHASE OF 5.84 ACRES OF LAND.

WHEREAS, pursuant to ARS § 9-241(A), a municipal corporation may purchase, receive, hold, lease and convey property, real and personal, as may be necessary or proper to carry out the purposes of the corporation, within or without its limits;

WHEREAS, Donorma RV Park LLC owns 5.84 acres of land located at 15627 North Nash Street and 15637 North Norma Lane, Surprise, Arizona;

WHEREAS, the City of Surprise has identified the property as a strategic investment within the City's Original Townsite;

WHEREAS, the City of Surprise procured a Phase 1 Environmental Site Assessment prepared by Landmark Environmental which when concluded found no evidence of adverse environmental impacts on the subject property, and further site due diligence concluded that no further environmental investigation of the subject property is required at this time;

WHEREAS, the City of Surprise commissioned an appraisal which was conducted by Appraisal Technology Inc., and which determined the property's current market value to be $1,385,000;

WHEREAS, based on the appraised value of the property and extensive negotiations between the parties, the City of Surprise has offered, and Donorma RV Park LLC has accepted, a sale price of $1,300,000, the additional $50,000 is for purchase related costs;

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, the City of Surprise administrative policies require 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. The City is hereby authorized to enter into a purchase and sale agreement with Donorma RV Park LLC for the purchase of 5.84 acres of land located in the City's Original Townsite for the agreed upon purchase price.

Section 2. The City Manager, or his designee, is hereby authorized to execute and submit all documents and other necessary or desirable instruments in connection with said agreement.

Section 3. 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,

Sharon R. Wolcott, Mayor

Attest:

Sherry Aguilar, City Clerk

Approved as to form:

Robert Wingo, City Attorney

RESOLUTION # 2017-22
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. 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 / Project or Dept. / Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Capital Projects Fund / OTS Land Acquisition	$0	$1,350,000	$1,350,000
Grants Fund / General Operations / Contingency	$19,938,100	($1,350,000)	$18,588,100
Total	$19,938,100	$0	$19,938,100

The fund changes are as follows:

- The amendment reallocates appropriation in the amount of $1,350,000 from contingency within the Grants Fund to the General Capital Projects Fund to establish a project for the purchase of 5.84 acres of land located in the City's Original Townsite without exceeding the approved total annual budget for FY2017.

Council Meeting Date:	February 21, 2017	Contact Person:	Eric Fitzer - Community Development
Submitting Department:	CD	District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to repealing the City Wide Temporary Sign Policy; Resolution #2017-20.

Motion:

I move to approve Resolution # 2017-20.

Background:

In order to assist businesses during the recession the City of Surprise enacted Resolution 09-151 in 2009 and then extended in 2012 for one year. Subsequently, the City enacted Resolution 2016-43 to continue this policy during the time the Bell and Grand project was underway.

The Temporary Sign portion of the proposal includes the signage as allowed in the previous Temporary Sign policy but also removes the requirements for sign walkers to acquire a No Fee permit.

The temporary policy has been in place for nearly eight years, the conditions which justified its adoption and continuation have subsided and City Council should consider whether continuation of the policy is warranted.

Objective Analysis:

Positive impact of repealing this policy is that it should alleviate sign clutter, obstructions of sidewalks, etc... A potential negative impact is that it will reduce additional signage allowed for businesses under the temporary policy.

Policy Compliant:

The Policy is compliant with City and Council policy of promoting clean uncluttered streetscapes within the City of Surprise.

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

- 17.02.10 Res 2017-20
- 16 03 21 Res 2016-43 City Wide Temporary Sign Policy-final

RESOLUTION # 2017-20

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, REPEALING RESOLUTION 2016-43 REGARDING A CITY-WIDE TEMPORARY SIGNAGE POLICY.

WHEREAS, on April 5, 2016 the Surprise City Council Adopted a City–Wide temporary signage policy.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, to hereby repeal Resolution 2016-43 and the associated City-Wide Temporary Signage Policy.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

RESOLUTION # 2016-43

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, ADOPTING THE CITYWIDE TEMPORARY SIGNAGE POLICY.

WHEREAS, the Mayor and Council directed staff to prepare the city wide temporary signage policy;

WHEREAS, it is beneficial to the city to implement the city wide temporary signage policy that is better aligned to serve the needs and desires of business and citizens within the City of Surprise;

WHEREAS, the city would temporarily waive the enforcement of the Surprise City Code Section 113-47 beginning immediately upon adoption and expiring when the city adopts a new sign code, as defined in Exhibit A; and

WHEREAS, the Mayor and Council deem this an urgent matter and requested this resolution to be effective immediately upon its passage and adoption.

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

Section 1. That the Mayor and Council adopt the City Wide Temporary Signage Permit Policy as defined in the attached Exhibit A.

Section 2. That the City Wide Temporary Signage Policy is enacted immediately upon passage of this Resolution.

Section 3. That this Resolution shall continue in effect until the Council repeals this Resolution.

APPROVED AND ADOPTED this _____day of ___________, 2016.

Sharon R. Wolcott, Mayor

Attest: Approved as to form:

Sherry Aguilar, City Clerk Robert Wingo, City Attorney

EXHIBIT A

Temporary Signage Policy – City Wide

Temporary Signage Policy – City Wide

April 5, 2016 until such time the City of Surprise adopts an updated sign code

The Surprise Mayor and Council have adopted, by resolution, a city wide temporary sign policy that will allow their business additional temporary signage.

Beginning April 5th, 2016 businesses shall be allowed to display a banner-style sign, and/or employ a sign walker along the adjacent roadway or roadway closest to their business subject to certain requirements set forth below.

Business will be allowed to display **one of each** of the following temporary signs in accordance with the standards listed in this brochure:

- A-Frame Sign
- Banner
- Sign Walker

Any sign displayed in a manner other than described in the code or this temporary policy shall be subject to the City of Surprise Sign Code.

No fees will be required for temporary signs allowed by this policy.

A – Frame Sign

- Cannot be placed in any public or private street or sidewalk.
- Must be placed behind sidewalk. Cannot be placed between sidewalk and street curb.
- Sign cannot be placed within any visibility triangle (30’ from curb intersection).
- 12 square feet sign area. (two sided)
- 4 feet maximum height.
- Sign must be maintained in good order and repair.
- Sign copy must be legible.
- Sign may not display outdated copy.
- Sign must be properly anchored or weighted to prevent movement but shall not be chained or cabled.
- A-frame sign shall have the internal spacing between faces of 45 degrees. Each face shall be fabricated of a wood, hard plastic or metal material that is at least one-half inch thick with no unfinished, sharp or rough edges.

Banner

- Can only be placed on building.
- Banner must be attached properly to the building at each corner of the banner.
- Maximum size is 1 square foot per linear foot of lease front; not to exceed 500 square feet. (e.g. a store with 20 feet of lease front will be allowed a 20 square-foot banner-a 5' x 4' sign).
- Sign copy must be legible.
- Sign must be maintained in good order and repair.
- Sign may not display outdated information.
- Banner may not exceed 80% of lease frontage or building frontage of a single tenant building .

Sign Walker

- Sign walker is not allowed within 30 feet of any street or driveway inter-section.
- Sign walker is not allowed on the street, nor may they prohibit the safe passage of anyone using a public or private sidewalk.
- Sign walker is allowed in any zoning.

Council Meeting Date:	February 21, 2017	Contact Person:	Councilman Winters & Councilman Hayden
Submitting Department:		District:	1
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of a Fiscal Year 2017 budget amendment by reallocating appropriations and actually transferring $500,000 from the General Fund to the General Capital Projects Fund to provide funding for the Surprise Farms Landscaping and Fence Project; Resolution # 2017-24.

Motion:

I move to approve Resolution # 2017-24.

Background:

Surprise Farms Park is a linear park in the area of 175th Avenue and West Surprise Farms Loop South (midway between Greenway and Bell Roads). The Park includes features such as open space, splash pad, skate park, basketball court, ball fields, and dog park. There remains one portion of the park that is not improved and is surrounded by a chain link fence backed with green webbing. The fenced area is considered an “eyesore” and is not open and available for use by Surprise Residents. The fence is meant to protect an irrigation pond which is used as a source for watering the turf in the entire park area.

This opportunity is intended to create eight and one half (8.5) acres of green open space to be used for a wide range of activities by Surprise residents, as well as remove the fence which detracts from the aesthetics of the overall recreation facility.

Construction related to this project will include the demolition of the existing perimeter fence, installation of a wrought iron fence and gate to surround the irrigation pond, grading, irrigation, and curbing. Construction is expected to cost $500,000.

The Home Owner's Association surrounding the park has offered to contribute $20,000 to the overall project, and has offered to maintain the turf (mowing, trimming, and fertilizing) for a period of three years. Staff is grateful for this partnership and commends the community for this significant improvement possible.

Objective Analysis:

Over eight acres of space is currently unavailable to the Community. The current chain fence detracts from the flow and beauty of the neighborhood. The cost of this project produces versatile recreation space for less than $60,000 per acre.

Policy Compliant:

This action is compliant with city and Council policy.

Financial Impact:

As a part of finalizing FY2016, additional funding within the General Fund was identified. Approval of this item will authorize the use of $500,000 of savings identified within the General Fund to provide funding for the creation of eight and one half acres of open space but will reduce the amount available for other unanticipated opportunities or needs.

Budget Impact:

This action will allocate a total of $500,000 of General Fund savings to fund Surprise Farms Landscaping and Fence project. As this additional fund balance was unforeseen during the FY2017 budget process, budget authority will be reallocated from contingency in the Grants fund normally reserved for unforeseen revenues such as this. The action will also result in an actual transfer of funds from the General Fund to the General Capital Projects Fund in the amount of $500,000 thus reducing the amount of funding available to support other projects or unforeseen future needs. If approved, the anticipated annual revenue and operating costs will need to be incorporated in the FY2018 budget.

FTE Impact:

No additional FTE will be required.

ATTACHMENTS:

Click to download

Resolution 2017-24

RESOLUTION # 2017-24

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2017 BUDGET BY REALLOCATING APPROPRIATIONS OF $500,000 FROM CONTINGENCY WITHIN THE GRANTS FUND TO THE GENERAL CAPITAL PROJECTS FUND AND A TRANSFER OF ACTUAL FUNDS OF $500,000 FROM THE GENERAL FUND TO THE GENERAL CAPITAL PROJECTS FUND FOR THE INSTALLATION OF A PERMANENT FENCE AND LANDSCAPING AT SURPRISE FARMS PARK.

WHEREAS, the Surprise Farms Park undeveloped area is currently not landscaped;

WHEREAS, this undeveloped area is perceived as an eyesore to the Surprise Farms community;

WHEREAS, the installation of a permanent fence along with landscaping would allow for the utilization of this area by residents of the City of Surprise, more specifically the Surprise Farms community;

WHEREAS, the General Fund ending fund balance for FY2016 is higher than estimated;

WHEREAS, the City of Surprise wishes to authorize the use of General Fund savings to provide funding for the installation of a permanent fence and landscaping of the undeveloped area at Surprise Farms Park;

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, 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.

APPROVED AND ADOPTED this _____day of ___________, 2017.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

RESOLUTION # 2017-24
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. 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 / Project or Dept. / Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Capital Projects Fund / Surprise Farms Landscaping & Fence #P54090	$0	$500,000	$500,000
Grants Fund / General Operations / Contingency	19,938,100	(500,000)	19,438,100
Total	$19,938,100	$0	$19,938,100

The allocations below represent an actual transfer of funds from the General Fund to the General Capital Projects Fund to support the reallocation of appropriations.

Fund / Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Fund / Transfer Out	$13,757,200	$500,000	$14,257,200
General Capital Projects Fund / Transfer In	(7,778,100)	(500,000)	(8,278,100)
Total	$5,979,100	$0	$5,979,100

The fund changes are as follows:

- The amendment reallocates appropriation in the amount of $500,000 from contingency within the Grants Fund to the General Capital Projects Fund for the installation of a permanent fence and landscaping of the undeveloped area at Surprise Farms Park without exceeding the approved total annual budget for FY2017.

- The amendment also reallocates actual funds in the amount of $500,000 from the General Fund to the General Capital Projects Fund.

Council Meeting Date:	February 21, 2017	Contact Person:	VM Tande and CM Winters
Submitting Department:		District:	Citywide
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of a Fiscal Year 2017 budget amendment by reallocating appropriations and an actual transfer of $700,000 within the General Fund to the General Capital Projects Fund to facilitate the construction of eight additional Pickleball courts ($500,000) and recommended shade structures ($200,000); Resolution # 2017-02.

Motion:

I move to approve Resolution # 2017-02.

Background:

In February 2015, City Council formed a Capital Improvement Funding Exploratory Committee to review potential use of general obligation bonds to fund specific capital improvements. Construction of eight additional lighted Pickleball Courts was included in the review of the committee. In April 2016, the Community and Recreation Services Advisory Commission also recommended the construction of eight additional lighted Pickleball courts. At the June 7, it was decided to remove the courts from the bond package and look for other sources to fund this $500,000 project.

The Surprise Pickleball Association has been a strong advocate for constructing the additional courts and the benefits it would bring to the Surprise community. The sport of Pickleball has had significant growth over the past few years and includes players of all ages. Construction of the eight additional courts adjacent to the existing courts will require the relocation of the sand volleyball courts at Community Park. Conservative estimated project completion would be August 2017.

Separately, over the years City Council approved the construction of a wide variety of Park and Recreation facilities including sports fields and courts, playgrounds, water features, dog parks, and open space. These facilities are a gathering place for all ages.

During much of the year, the heat from the shade makes it difficult to fully enjoy our facilities. Equipment is hot to the touch, flooring too hot for bare feet, and without shade of any kind, there is no way to find respite other than leaving the facility and heading inside.

Shade structures may be constructed throughout the city at a cost of $20,000 for a 30'x30' and $40,000 for a 40'x40'. If approved, staff would be prepared to specifically analyze the needs citywide and recommend the best mix of structures to maximize the benefit from a $200,000 investment in shade.

Objective Analysis:

The existing eight courts are currently at capacity. Adding eight additional courts would allow for more players to utilize the courts. In addition, increasing the number of courts creates a greater opportunity to bring in larger tournaments which will generate economic impact for the city of Surprise.

Similarly, adding shade to our existing outdoor facilities would provide residents an extended time to enjoy our public facilities during the hot, sunny days of the year.

Policy Compliant:

This action is compliant with city and council policy.

Financial Impact:

As a part of finalizing FY2016, additional funding within the General Fund was identified. Approval of this item will authorize the use of $700,000 of savings identified within the General Fund to provide funding for the Pickleball Courts and Shade Structures projects and reduce the amount available for other unanticipated opportunities or needs.

The total project cost for the construction of the eight additional Pickleball courts and the relocation of the sand volleyball courts will be $500,000. The estimated annual ongoing operating costs are approximately $31,400 for part-time staffing, maintenance, cleaning, electricity, and repairs. The estimated annual revenue from programs and tournaments generated by the addition of the Pickleball courts is approximately $7,600 annually.

The total project cost for the shade structures will be $200,000. The estimated annual ongoing operating costs to maintain the shade structures are approximately $10,000 per year.

The impact of the operating costs and revenues for these projects will be seen after the completion of the project in FY2018.

Budget Impact:

This action will allocate a total of $700,000 of General Fund savings to fund the Pickleball Courts project and the Shade Structures projects. As this additional fund balance was unforeseen during the FY2017 budget process, budget authority will be reallocated from contingency in the Grants fund normally reserved for unforeseen revenues such as this. The action will also result in an actual transfer of funds from the General Fund to the General Capital Projects Fund in the amount of $700,000 thus reducing the amount of funding available to support other projects or unforeseen future needs. If approved, the anticipated annual revenue and operating costs, to include staffing, will need to be incorporated in the FY2018 budget.

FTE Impact:

Construction of the eight additional courts will require part time staffing for cleaning and maintenance.

ATTACHMENTS:

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Resolution

RESOLUTION # 2017-02

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2017 BUDGET BY REALLOCATING APPROPRIATIONS OF $700,000 FROM CONTINGENCY WITHIN THE GRANTS FUND TO THE GENERAL CAPITAL PROJECTS FUND AND A TRANSFER OF ACTUAL FUNDS OF $700,000 FROM THE GENERAL FUND TO THE GENERAL CAPITAL PROJECTS FUND TO ESTABLISH TWO PROJECTS; THE PICKLEBALL COURTS AND THE SHADE STRUCTURE PROJECTS.

WHEREAS, City Council formed a Capital Improvement Funding Exploratory (CIFE) Committee in February 2015 to review and educate themselves on the potential use of general obligation bonds to fund specific capital improvement projects including the construction of eight additional lighted Pickleball Courts at Surprise Community Park;

WHEREAS, on April 25, 2016, the Parks and Recreation Advisory Commission recommended the parks and recreation projects to be considered for the potential 2016 bond election including the Pickleball Courts project;

WHEREAS, at the Regular City Council Meeting held on June 7, 2016, City Council decided to remove the Pickleball Courts project from the potential 2016 bond election package;

WHEREAS, the current courts are at maximum capacity and additional courts are needed to service the large number of users;

WHEREAS, a total of $200,000 is needed for shade structures to protect users from extreme hot temperatures and to allow for higher utilization of playgrounds, splash pads, and park areas;

WHEREAS, the General Fund ending fund balance for FY2016 is higher than estimated;

WHEREAS, the City of Surprise wishes to authorize the use of General Fund savings to provide funding for the Pickleball Courts and the Shade Structure projects;

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, 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.

<u>Section 1</u>. 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.

APPROVED AND ADOPTED this _____day of ___________, 2017.

Sharon R. Wolcott, Mayor

Attest: Approved as to form:

Sherry Aguilar, City Clerk Robert Wingo, City Attorney

RESOLUTION # 2017-02
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. 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 / Project or Dept. / Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Capital Projects Fund / Pickleball Courts #P54070	$0	$500,000	$500,000
General Capital Projects Fund / Shade Structures #P54080	0	200,000	200,000
Grants Fund / General Operations / Contingency	19,938,100	(700,000)	19,238,100
Total	$19,938,100	$0	$19,938,100

The allocations below represent an actual transfer of funds from the General Fund to the General Capital Projects Fund to support the reallocation of appropriations.

Fund / Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
General Fund / Transfer Out	$13,757,200	$700,000	$14,457,200
General Capital Projects Fund / Transfer In	(7,778,100)	(700,000)	(8,478,100)
Total	$5,979,100	$0	$5,979,100

The fund changes are as follows:

- The amendment reallocates appropriation in the amount of $700,000 from contingency within the Grants Fund to the General Capital Projects Fund to fund two projects. A total of $200,000 will be reallocated to establish the Shade Structures project and $500,000 for the Pickleball Courts project without exceeding the approved total annual budget for FY2017.
- The amendment also reallocates actual funds in the amount of $700,000 from the General Fund to the General Capital Projects Fund.

Council Meeting Date:	February 21, 2017	Contact Person:	Robert Wingo, City Attorney
Submitting Department:	Attorney's Office	District:	Internal
Staff Recommendations:	None		

Consent	Regular	Public Hearing	Report/Discussion

Agenda Wording:

Consideration and action pertaining to approval of a third amendment to the Surprise Center Compromise Settlement Agreement by extending certain performance deadlines to March 29, 2017.

Motion:

I move to approve the Third Amendment to the Compromise Settlement Agreement and Full and Final Release of All Claims.

Background:

On May 5, 2016, the City of Surprise and the Surprise Center Development Company LLC (SCDC) entered into a Compromise Settlement Agreement and Full and Final Release of All Claims ("Settlement Agreement") in order to resolve on-going litigation. The Settlement Agreement provided that the parties would, in good-faith, work together to finalize a drainage plan and a development incentive agreement by September 30, 2016. The Parties on September 20, 2016, amended the Settlement Agreement and on November 15, 2016, entered into a second amendment to the Settlement Agreement to extend the times of performance to February 10, 2017. Despite the Parties efforts to complete the incentive agreement, it is not ready to be finalized and additional time is needed.

The Parties have been working toward this goal, however, additional time is needed to finalize the drainage plan and development incentive agreement.

Objective Analysis:

This amendment would extend the performance time for finalizing the drainage plan and development incentive agreement until March 29, 2017. It also allows for future extensions, if necessary, by written agreement of the parties' attorneys.

Policy Compliant:

N/A

Financial Impact:

N/A. This action extends the timeframes of performance for finalization of a drainage plan and development incentive agreement.

Budget Impact:

N/A. This action extends the timeframes of performance for finalization of a drainage plan and development incentive agreement.

FTE Impact:

N/A. This action extends the timeframes of performance for finalization of a drainage plan and development incentive agreement.

ATTACHMENTS:

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Third Amendment Agreement

THIRD AMENDMENT
TO
COMPROMISE SETTLEMENT AGREEMENT AND FULL AND FINAL RELEASE OF ALL CLAIMS

This THIRD AMENDMENT TO THE COMPROMISE SETTLEMENT AGREEMENT AND FULL AND FINAL RELEASE OF ALL CLAIMS ("Third Amendment") is entered into by and between the City of Surprise, an Arizona municipal corporation (the "City") and Surprise Center Development Company L.L.C., an Arizona limited liability Company ("SCDC"). The City and SCDC are referred to herein collectively as the "Parties".

RECITALS

WHEREAS, on May 5, 2016, the Parties entered into the Compromise Settlement Agreement and Full and Final Release of All Claims (the "Agreement");

WHEREAS, Paragraph 7 of the Agreement provides, among other things, that the Parties "shall use Commercially Reasonable efforts to reach an acceptable master drainage plan to be executed and approved by the City on or before September 30, 2016";

WHEREAS, Paragraph 12 of the Agreement provides, among other things, that the Parties "will agree upon and execute on or before September 30, 2016, a Development Incentive Agreement";

WHEREAS, on September 20, 2016, the Parties entered into the First Amendment to the Agreement because they required additional time, beyond September 30, 2016, to finalize the master drainage plan and Development Incentive Agreement;

WHEREAS, on November 15, 2016, the Parties entered into the Second Amendment to the Agreement further modifying the dates of performance for entering into the master drainage and Development Incentive Agreement to February 10, 2017;

WHEREAS, the Parties again require additional time, beyond February 10, 2017, [a date which has already passed] to finalize the master drainage plan and Development Incentive Agreement.

THIRD AMENDMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and SCDC, intending to be legally bound, agree as follows:

1. The Recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated in this Third Amendment as fully as though set forth herein.

2. The last sentence of Paragraph 7 of the Agreement is hereby amended to read, "The City and SCDC shall use Commercially Reasonable efforts to reach an acceptable master drainage plan to be executed and approved by the City on or before March 29, 2017."

3. The first sentence of Paragraph 12 of the Agreement is hereby amended to read, "The City and SCDC will agree upon and execute on or before March 29, 2017, a Development Incentive Agreement."

4. Paragraph 21 of the Agreement is hereby amended to read, "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. Notwithstanding the foregoing, the dates of performance provided in Paragraphs 7 or 12 of this Agreement may be extended by informal written memorialization by the Parties' attorneys without formal amendment."

5. Except for the modification of the two dates of performance as expressly stated in Section 2 and 3 above, and the abbreviated scheme for further extensions of same, if needed, the provisions of the Agreement are otherwise hereby ratified and confirmed in all respects.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment on the date(s) written below, the latter being the effective date.

CITY:

CITY OF SURPRISE, an Arizona municipal corporation

By: ______________________________
Mayor

Date: ______________________________

APPROVED AS TO FORM:

By: ______________________________
City Attorney

ATTESTED:

By: ______________________________
City Clerk

SCDC:

SURPRISE CENTER DEVELOPMENT COMPANY L.L.C.,
an Arizona limited liability company

By: AIRFIELD CAPITAL PARTNERS L.L.C.,
an Arizona limited liability company
Its: Managing Member

By: Airfield Management Associates L.L.C., an
Arizona limited liability company
Its: Managing Member

By: TRW Partners LLC,
an Arizona limited liability company Its:
Member

By: West Management Limited Partnership, an
Arizona limited partnership
Its: Managing Member

By: The Richard West Co.,
an Arizona corporation,
Its: General Manager

By: ____________________________
Richard B. West, III,

Date: ______________________________

CITY OF SURPRISE
Regular City Council Meeting

February 21, 2017 @ 6:00:00 PM

Back Print

Council Meeting Date:	February 21, 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 with the City Attorney for discussion and consultation for legal advice pertaining to zoning of property within the vicinity of City Hall pursuant to A.R.S. 38-431.03(A)(3).

Motion:

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

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No Attachments Available