

**NOTICE OF REGULAR MEETING  
COMMON COUNCIL OF THE CITY OF COOLIDGE  
MONDAY, JUNE 27, 2011 - 7:00 P.M.  
COUNCIL CHAMBERS – 911 S. ARIZONA BOULEVARD  
PINAL COUNTY, COOLIDGE, ARIZONA**

*Members of the City of Coolidge City Council will attend either in person or by telephone conference call or video communication.*

**CALL TO ORDER:**

1. Pledge of Allegiance
2. Roll Call

**PRESENTATIONS:**

3. Monthly report by the Coolidge Youth Coalition.

**CALL TO THE PUBLIC**

THE PROCEDURES TO FOLLOW IF YOU ADDRESS THE COUNCIL ARE: COUNCIL REQUESTS THAT YOU EXPRESS YOUR IDEAS IN FIVE MINUTES OR LESS AND REFRAIN FROM ANY PERSONAL ATTACKS OR DEROGATORY STATEMENTS ABOUT ANY CITY EMPLOYEE, A FELLOW CITIZEN, OR ANYONE ELSE WHETHER IN THE AUDIENCE OR NOT. THE MAYOR WILL LIMIT DISCUSSION WHENEVER HE DEEMS SUCH AN ACTION APPROPRIATE TO THE PROPER CONDUCT OF THE MEETING. AT THE CONCLUSION OF AN OPEN CALL TO THE PUBLIC, INDIVIDUAL MEMBERS OF THE COUNCIL MAY RESPOND TO CRITICISM MADE BY THOSE WHO HAVE ADDRESSED THE COUNCIL, MAY ASK STAFF TO REVIEW A MATTER OR MAY ASK THAT A MATTER BE PUT ON A FUTURE AGENDA. HOWEVER, MEMBERS OF THE COUNCIL SHALL NOT DISCUSS OR TAKE LEGAL ACTION ON ANY MATTERS DURING AN OPEN CALL TO THE PUBLIC UNLESS THE MATTERS ARE PROPERLY NOTICED FOR DISCUSSION AND LEGAL ACTION.

**BUSINESS:**

CONSENT AGENDA - ALL CONSENT ITEMS WERE REVIEWED INDIVIDUALLY. ALL CONSENT AGENDA ITEMS MAY BE ENACTED BY ONE MOTION AND APPROVED. ANY ITEM MAY BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED SEPARATELY IF A MEMBER OF THE COUNCIL SO REQUESTS. CONSENT ITEMS ARE MARKED WITH AN ASTERISK (\*).

4. \*Consider approval of minutes for the regular and special meetings held on May 9<sup>th</sup>; and the regular and special meetings held on May 23<sup>rd</sup>, 2011. **Discussion and action.**
5. \***Resolution No. 11-23;** A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, authorizing the City of Coolidge by and through the City of Coolidge Fire Department, to apply for Proposition 202 Grant Funds from the Tohono O'odham Nation. **Discussion and action.**
6. \***Resolution No. 11-24;** A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, approving submission of applications for grants from the Gila River Indian Community to the Coolidge Police Department for mobile police radios. **Discussion and action.**

7. **\*Resolution No. 11-25;** A Resolution of the Mayor and Council of the City of Coolidge, Arizona, declaring as a public record that certain document filed with the City Clerk and entitled “The 2010-11 Amendments to the Tax Code of the City of Coolidge”. **Discussion and action.**
8. **\*Ordinance No 11-07;** An Ordinance of the City of Coolidge, Arizona, relating to the Privilege License Tax; adopting “The 2010-11 Amendments to the Tax Code of the City of Coolidge” by reference; establishing and effective date; providing for severability and providing penalties for violations. **Discussion and action.**
9. **\*Resolution No. 11-26;** A Resolution of the City of Coolidge, Arizona, supporting another possible alignment for the Planned North-South Freeway and discouraging the use of eminent domain by authorizing Density Transfers for affected property owners dedicating land for the necessary rights-of-way. **Discussion and action.**
10. **Resolution No. 11-27;** A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, approving and adopting the Amendment to Pre-Annexation and Development Agreement between the City of Coolidge and SAC II, a Nevada Corporation, a wholly-owned subsidiary of Specialty Trust, Inc., a Maryland Corporation, successor-in-interest to Suggs Homes, Inc., and Arizona Corporation in compliance with A.R.S. §9-500-05. **Discussion and action.**
11. **Resolution No. 11-28;** A Resolution of the Mayor and City Council of the City of Coolidge, Pinal County, Arizona, approving and adopting the Pre-Annexation and Development Agreement between the City of Coolidge and DJ Point, LLC, an Arizona Limited Liability Company, Coolidge Property Investments, LLC, an Arizona Limited Liability Company, Lateott, LLC, an Arizona Limited Liability Company, and Fred’s Place, LLC, an Arizona Limited Liability Company, in compliance with A.R.S. §9-500.05, for a development known as “Attaway Ranch”. **Discussion and action.**
12. **Ordinance No. 11-08;** An Ordinance of the Mayor and City Council of the City of Coolidge, Arizona, extending and increasing the corporate limits of the City of Coolidge, Pinal County, State of Arizona, pursuant to the provisions of Title 9, Chapter 4, Article 7 Arizona Revised Statutes and amendments thereto, by annexing thereto certain territory contiguous to the existing city limits of the City of Coolidge consisting of 240 acres, more or less, and located in Sections 18 and 19, Township 6 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, known as the “**Circle R III Annexation**”. **Discussion and action.**
13. Consider approval of a Planned Area Development Conceptual Plan submitted by DJ Point, LLC, Coolidge Property Investments, LLC, Lateott, LLC, and Fred’s Place, LLC for a development known as “**Attaway Ranch North and South**”. **Discussion and action.**
14. Discussion on the intent to increase Recreation Fees for the Adult Softball League and Booth Vendor Fees. **Discussion only.**

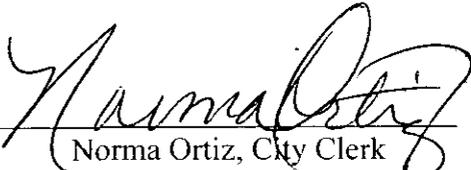
15. Consider approval of entering into a Strategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement to allow for the utilization of other agencies use of bids prepared for materials and services. **Discussion and action.**
16. Consider approval of waiving the bid process on the Randolph Roadway Asphalt Rubber Dust Palliative (ARDP) Improvement Project, utilizing Pinal County's material bids, work forces, and equipment through the Strategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement in the best interest of the City. **Discussion and action.**
17. Consider approval of continuing negotiations with Pima Maricopa Irrigation Project (PMIP) on Skousen Bridge Replacement in exchange for Signal Peak Closure and applying for High Risk Rural Road funds for the improvements of the intersection on Skousen Road at SR 87. **Discussion and action.**
18. **Resolution No. 11-29;** A Resolution of the Mayor and Council of the City of Coolidge, Pinal County, Arizona, through the League of Arizona Cities and Towns and its Municipal members, to call upon the Arizona State Legislature not to further reduce the Highway User Revenue fund allocations to Arizona Cities and Towns. Coolidge further advocates that the Arizona Legislature develop a plan to, at a minimum, restore HURF Funding to Arizona Cities and Towns to the Fiscal Year 2008 levels over the next 3 to 5 year period. **Discussion and action.**
19. Consider approval of the Letter of Engagement submitted by Colby & Powell, PLC to perform the FY 10/11 Audit. **Discussion and action.**
20. Consider approval of the Letter of Engagement submitted by Henry & Horne, LLP for the preparation of the financial statement for the FY 10/11 Comprehensive Annual Financial Report (Audit). **Discussion and action.**
21. Consider approval of a Fund Balance Policy necessary to comply with the Governmental Accounting Standards Board pronouncement referred to as GASB 54. **Discussion and action.**
22. Consider approval of the updates to the Capital Improvement Plan adopted on July 31, 2006. **Discussion and action.**

## REPORT FROM THE MAYOR-COUNCIL AND/OR CITY MANAGER

### ADJOURNMENT

THIS NOTICE IS POSTED IN ACCORDANCE WITH THE CITY CODE 2-4-1 OF THE CITY OF COOLIDGE AND A.R.S. §38-431, ET SEQ. ALL MEMBERS OF THE PUBLIC ARE INVITED TO ATTEND THIS MEETING.

DATED this 22<sup>nd</sup> day of June, 2011

  
Norma Ortiz, City Clerk

PERSONS WITH DISABILITIES NEEDING REASONABLE ACCOMMODATIONS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETERS, SHOULD CONTACT THE ADA COORDINATOR AT (520) 723-5361 OR TDD LINE (520) 723-4653 NO LATER THAN 10:00 A.M. JUNE 27, 2011.

**NOTICE TO PARENTS:** Parents and legal guardians have the right to consent before the City of Coolidge makes a video or voice recording of a minor child. A.R.S. §1-602.A.9. Coolidge Council Meetings are recorded and may be viewed on Channel 11 and the Coolidge website. If you permit your child to participate in the Council Meeting, a recording will be made. If your child is seated in the audience your child may be recorded, but you may request that your child be seated in a designated area to avoid recording. Please submit your request to the City Clerk at (520)723-5361, Ext. #6009.

*The Agenda and all supporting documents and materials pertaining to this Agenda together with Staff and Department Reports are available for viewing in City Hall and the Library during normal business hours.*

POST: 6-22-11

TIME: 5:00 P.M.

May 19, 2011

## 8<sup>th</sup> Annual Coolidge Youth Coalition & Coolidge High School "Safe & Sober" Grad Night Lock-in Event 2011

### Outcome and Needs Assessment Report

On May 19, Coolidge High School and the Coolidge Youth Coalition co-hosted its eighth annual Grad Night event at Bedroxx bowling in Tucson. Students attending the event were asked to complete a brief questionnaire assessing their opinions regarding underage drinking and drug use among their peers. They were also asked to rate the event.

#### Demographics

Seventy-nine (79) out of one hundred and two (102) students completed the questionnaire. Fifty-eight percent (58%) of the attendees were seniors, followed by sophomores (13.9%), juniors (10.1%) and freshmen (2.5%). The group was split evenly between males (50.7%) and females (49.3%). Students who self-identified as "Latino/Hispanic" represented the largest group (31.6%) followed by "Caucasian/White" (22.8%), African American (11.4%) and Native American (10.1%). The rest of the students were Asian or of Mixed ethnicity.

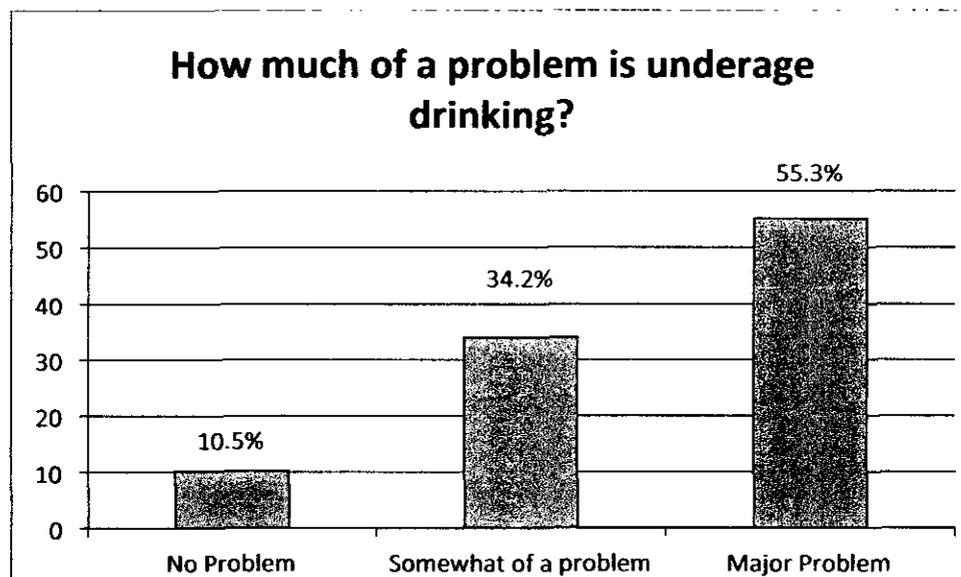
#### Satisfaction

100% percent of the students said "yes" when asked if they enjoyed the event.

#### Perception of Underage Drinking

Ninety percent (90%) of attendees stated that they feel that *underage drinking is a problem in Coolidge*. Over half of students indicated that underage drinking is a "major problem".

**Table 1. Students' Perception of Underage Drinking**

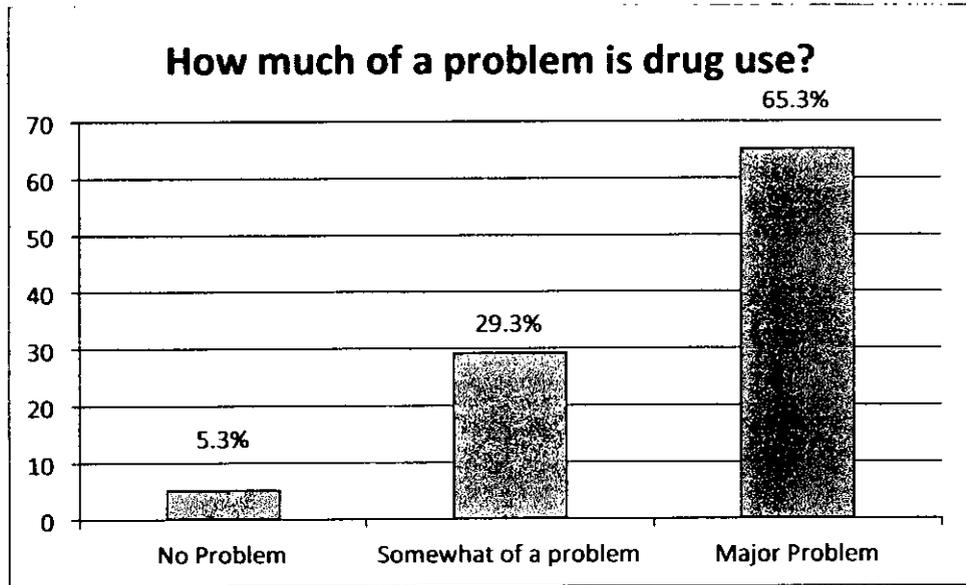


May 19, 2011

## Perception of Drug Use

Eighty-six percent (86%) of the students indicated that *drug use is a problem among their peers*.

**Table 1. Students' Perception of Drug Use**



## Most Commonly Abused Drugs

According to these students, the most commonly abused drug was *marijuana* followed by *prescription drugs*, *spice* and *ecstasy*.

## Comments about Prevention

The students were asked, "Who or what prevents you from drinking alcohol or taking drugs?"

The most common answer was "**My Family**". Some of the students were more specific such as "my mom", "my father", "my child" and "my fiancé". Other comments included: "myself", "my future", "the church", "the Marine Corps", "God" and "activities".

*Some notable quotes included:*

"I don't want to become an addict."

"All the messed up people I see in movies."

"Anyone who uses them looks dumb."

"I don't want to end up dead."

"Living life to the fullest and thinking positive."

"My parents are like GOD!"

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**Office Hours**

**May 9, 2011**

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**5:30 P.M.**

Office Hours with the Common Council of the City of Coolidge was held at the Council Chambers, 911 S. Arizona Boulevard, Coolidge, Arizona. Mayor Thomas Shope called the session to order at 5:36 p.m. and dispensed with the roll call. Those present in addition to Mayor Shope were Councilmembers Steve Hudson, Richard Lister, Les Curry, Jon Thompson, and Vice-Mayor Gilbert Lopez. Councilmember Judy Rotz-Lopez was absent. Also present were City Manager Robert Flatley, Acting City Attorney Tina Vannucci, City Clerk Norma Ortiz and G.M. Director Alton Bruce.

***Discussion on the North-South Freeway Corridor Potential Alignments.***

G.M. Director Bruce advised Council of another possible alignment for the proposed North-South Freeway Corridor which requires the City's support by Resolution before transmitting to the Arizona Department of Transportation and the Federal Highway Administration for their consideration. There was discussion.

Ms. Jordan Rose and Mr. Chris Webb with Rose Law Group gave a power point presentation on the potential alignment with the 1-mile deviation from the corridor alignments already proposed for Florence, Coolidge and Eloy, stating this new potential alignment better serves the needs of Coolidge and requested Council's support. There was discussion.

Mr. Rick Miller Interim E.D. Director for the City of Eloy; Mr. Nate Nathan with Nathan & Associates representing the City of Mesa; Mr. Jess Knudson, Deputy Town Manager with the Town of Florence and Mr. Doug Hansen, Pinal County Transportation Manager were all present to comment on the potential alignment being proposed. There was discussion.

**Office Hours**

**May 9, 2011**

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**ADJOURNMENT**

***MOTION*** was made by Councilmember Lister to adjourn the Office Hours at 6:42 p.m. ***SECOND*** was made by Councilmember Vice-Mayor Lopez and passed unanimously.

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Mayor

I, Norma Ortiz, City Clerk for the City of Coolidge, Pinal County, Arizona, do hereby certify that the above is a true and correct copy of the minutes of the Office Hours with the Common Council held on May 9, 2011. I further certify the meeting was duly called and held.

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Norma Ortiz, City Clerk

The above and foregoing was acknowledged before me by Norma Ortiz, who is the City Clerk for the City of Coolidge, Arizona.

My Commission Expires:

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Notary Public

**Regular Meeting**

**May 9, 2011**

**Page 1**

**7:00 P.M.**

A Regular Meeting of the Common Council of the City of Coolidge was held in the Council Chambers, 911 S. Arizona Boulevard, Coolidge, Arizona. Mayor Thomas Shope called the meeting to order at 7:04 p.m. Those present in addition to Mayor Shope were Councilmembers Steve Hudson, Richard Lister, Les Curry, Jon Thompson and Vice-Mayor Gilbert Lopez. Councilmember Judy Rotz-Lopez was absent. Also present were City Manager Robert Flatley, Acting City Attorney Tina Vannucci and City Clerk Norma Ortiz.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Shope.

**PRESENTATIONS**

**Recognition of Employees for their Years of Service with the City of Coolidge.**

HR Analyst Duran announced the city employees who were being recognized for 5, 10, 15, 25, and 30 years of service with the City of Coolidge, and Mayor Shope and Council presented the awards. There was discussion.

**Employee of the Quarter – Richard Petersen.**

Mayor Shope and Council congratulated Firefighter Richard Petersen with the Coolidge Fire Department for being selected as Employee of the Quarter for January, February, and March, 2011. There was discussion.

**10-Minute Recess for Special Recognition.**

Mayor Shope declared a 10-minute recess at 7:15 p.m. for refreshments. The meeting resumed at 7:25 p.m.

**Monthly report and “Business Spotlight Member” recognitions by the Coolidge Chamber of Commerce.**

Mr. Gabe Garcia recognized Affinity Physical Therapy for being selected as “Business Spotlight Member” for April; and recognized State Farm Insurance and Coolidge Cleaners for being selected as a “Business Spotlight Members” for the month of May. Mr. Will Humphries with Affinity Physical Therapy; Ms. Yolanda Manzanedo with State Farm Insurance; and Mr. Jim Tyus with Coolidge Cleaners were all present to comment on their place of business and to thank the community for their support and to thank the Chamber for the recognition. There was discussion.

**Regular Meeting**

**May 9, 2011**

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**CALL TO THE PUBLIC**

Ms. Lynn Parsons and Mr. Gabe Garcia then gave the monthly Chamber report for the month of April 2011; and advised of upcoming Chamber events for the month of May. There was discussion.

There were no comments made by the public.

**BUSINESS**

**\*Consider approval of the minutes for the regular meeting held on March 28<sup>th</sup>; the regular and special meetings held on April 11<sup>th</sup>; and the regular and special meetings held on April 25<sup>th</sup>, 2011.**

\*Consent Item.

**\*Ratification of Municipal Property Corporation Officers for FY 11/12.**

\*Consent Item.

**\*Consider re-appointments to the Parks & Recreation Advisory Board.**

Council considered approval of Consent Items #6 through #8. There was no discussion. **MOTION** was made by Councilmember Thompson to approve Consent Items #6 through #8 as presented. **SECOND** was made by Vice-Mayor Lopez and passed unanimously.

**Consider approval of awarding the bid to either Cool-Image Dance & Gymnastics or the Academy of Excellence to lease "The Old Recreation Center; authorizing staff to negotiate a Lease Agreement to bring back to Council for approval.**

P&R Director LaPaglia advised of the bid process used to seek bids for lease of "The Old Recreation Center", stating two bids were received from Cool-Image Dance & Gymnastics and the Academy of Excellence. There was much discussion. **MOTION** was made by Councilmember Curry to award the bid to Cool-Image Dance & Gymnastics to lease "The Old Recreation Center", authorizing staff to negotiate a Lease Agreement to bring back to Council for approval. **SECOND** was made by Councilmember Thompson and passed with five (5) **YES** votes and one (1) **NO** vote by Mayor Shope.

**Presentation by the Coolidge Chamber of Commerce on their Fiscal Year 2011-2012 Budget Proposal.**

Mr. Gabe Garcia, Director with the Coolidge Chamber of Commerce gave a short presentation on their proposed budget for FY 2011/2012 requesting \$35,000 from the City. There was discussion. **MOTION** was made by Vice-Mayor Lopez to accept the presentation by the Coolidge Chamber of Commerce for their request of \$35,000 in funding for their Fiscal Year 2011-

**Resolution No. 11-12; A Resolution of the City of Coolidge, Arizona, supporting possible alignments for the planned North-South Freeway and discouraging the use of eminent domain by authorizing density transfers for affected property owners dedicating land for the necessary rights-of-way.**

**To receive public comments on the implementation of the "Home Detention and Electronic Monitoring Program" for the Coolidge City Court.**

2012 Budget. **SECOND** was made by Councilmember Lister and passed unanimously.

G.M. Director Bruce advised Council of Resolution No. 11-12; which supports another possible alignment for the proposed North-South Freeway Corridor. There was discussion. **MOTION** was made by Vice-Mayor Lopez to adopt Resolution No. 11-12; A Resolution of the City of Coolidge, Arizona, supporting possible alignments for the planned North-South Freeway and discouraging the use of eminent domain by authorizing density transfers for affected property owners dedicating land for the necessary rights-of-way; with Exhibit 1 showing that the northern part of the alignment be established on Clemans Road as shown by the yellow hash marks versus Valley Farms Road; and that the rest of the alignment follow the yellow line that goes down until it meets Eloy and within the Coolidge spear of influence. **SECOND** was made by Councilmember Lister and passed unanimously by roll call vote.

City Manager Flatley advised Council of Judge Garcia's absence due to illness. Police Chief Brugman commented on the Home Detention and Electronic Monitoring Program which would assist the City Court in a cost savings, if implemented. Mayor Shope inquired about the defendant not having money to do this program. Chief Brugman advised that the defendant would have to go through the company who would then determine the fees for each individual. Councilmember Hudson inquired if this program was for DUI offenders only. Chief Brugman advised that it could possibly be, but not sure. Councilmember Hudson then inquired about child predators. City Manager Flatley stated he thinks it will also cover domestic violence, but, not sure about child predators. Councilmember Thompson commented on Pinal County using the same type of program for DUI offenders, domestic violence and sex offenders, stating he doubts that the City will use it for any other offenses, but, that it will mainly be used for DUI cases. He also stated that the program is beneficial as a cost savings to the City and that he supports the program. Councilmember Curry

**Resolution No. 11-13; A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, declaring as a public record that certain document filed with the City Clerk and entitled "Home Detention and Electronic Monitoring Program".**

**Ordinance No. 11-03; An Ordinance of the Mayor and City Council of the City of Coolidge, Arizona, adopting that certain document known as "Home Detention and Electronic Monitoring Program" by reference as Article 6-4 of the Code of the City of Coolidge and providing for severability and the effective date thereof.**

**Consider approval of entering into an Intergovernmental Agreement between Pinal County and the City of Coolidge to define responsibilities for roadway**

inquired about any costs to the City. Chief Brugman advised that the cost falls on the offender. Councilmember Thompson stated that based on his own observation with the County, most individuals do come up with the money. Councilmember Curry then inquired about the anticipated savings over the years. Chief Brugman stated he was not able to say at this time because of not having accurate numbers. City Manager Flatley then advised that an individual who signs up for the program will be allowed to leave for outside employment with permission. There being no further comments made by the public or Council, Mayor Shope closed the public hearing at 8:40 p.m.

Council considered adoption of Resolution No. 11-13; which declares the Home Detention and Electronic Monitoring Program as a public record. There was no discussion. *MOTION* was made by Vice-Mayor Lopez to adopt Resolution No. 11-13; A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, declaring as a public record that certain document filed with the City Clerk and entitled "Home Detention and Electronic Monitoring Program". *SECOND* was made by Councilmember Curry and passed unanimously by roll call vote.

Council considered adoption of Ordinance No. 11-03; which adopts the Home Detention and Electronic Monitoring Program for the City. There was no discussion. *MOTION* was made by Vice-Mayor Lopez to adopt Ordinance No. 11-03; An Ordinance of the Mayor and City Council of the City of Coolidge, Arizona, adopting that certain document known as "Home Detention and Electronic Monitoring Program" by reference as Article 6-4 of the Code of the City of Coolidge and providing for severability and the effective date thereof. *SECOND* was made by Councilmember Thompson and passed unanimously by roll call vote.

P.W. Director Struble advised Council of the Intergovernmental Agreement with Pinal County for the roadway improvements to Attaway, Martin Road and Nafziger Roads. There was

**Regular Meeting**

**May 9, 2011**

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**improvements to Attaway Road, from Bartlett Road north to Starview Avenue; Martin Road, from Attaway Road to Nafziger Road, both lanes; Martin Road, from Christensen Road east for approximately 2,500 feet, north lane only; Nafziger Road, from Kenilworth Road south for approximately 300 feet, both lanes.**

**Consider approval of lifting the hiring freeze to fill one (1) vacant full-time Transit Driver position for the Transit Department.**

**Consider approval of lifting the hiring freeze to fill one (1) vacant part-time Records Clerk position in the Police Department.**

**Consider approval of the claims for the month of April, 2011.**

**REPORTS FROM THE MAYOR-COUNCIL AND/OR CITY MANAGER**

**Report from Mayor:**

discussion. **MOTION** was made by Councilmember Thompson to approve of entering into an Intergovernmental Agreement between Pinal County and the City of Coolidge to define responsibilities for roadway improvements to Attaway Road, from Bartlett Road north to Starview Avenue; Martin Road, from Attaway Road to Nafziger Road, both lanes; Martin Road, from Christensen Road east for approximately 2,500 feet, north lane only; Nafziger Road, from Kenilworth Road south for approximately 300 feet, both lanes. **SECOND** was made by Vice-Mayor Lopez and passed unanimously.

Transit Manager Hoffman advised Council of the need to lift the hiring freeze to fill one (1) vacant full-time transit driver position due to a resignation. There was discussion. **MOTION** was made by Councilmember Lister to approve of lifting the hiring freeze to fill one (1) vacant full-time Transit Driver position for the Transit Department. **SECOND** was made by Vice-Mayor Lopez and passed unanimously.

Police Chief Brugman advised Council of the need to lift the hiring freeze to fill one (1) vacant part-time records clerk position due to a resignation. There was discussion. **MOTION** was made by Vice-Mayor Lopez to approve of lifting the hiring freeze to fill one (1) vacant part-time Records Clerk position in the Police Department. **SECOND** was made by Councilmember Thompson and passed unanimously.

Council considered approval of the claims for the month of April, 2011. There was no discussion. **MOTION** was made by Councilmember Thompson to approve the claims for the month of April, 2011. **SECOND** was made by Vice-Mayor Lopez and passed unanimously.

Mayor Shope reminded the public about "Movie in the Park" on Friday, May 13<sup>th</sup> at the San Carlos Park; commented on attending the ribbon-

cutting for TransCanada on May 4<sup>th</sup>; and wished the 8<sup>th</sup> grade promoters and High School Graduates good luck on their upcoming graduations.

**Reports from Council:**

Councilmember Hudson commented on attending the last Airport Fly-In on May 7<sup>th</sup>, stating this event is a great asset for the Coolidge Airport and that you get a great meal for a great price.

Councilmember Lister commented on attending the TransCanada ribbon-cutting.

Councilmember Thompson had nothing to report.

Councilmember Curry also invited the public to attend "Movie in the Park" and asked the public to participate and attend the 1<sup>st</sup> Amateur Fight Night at the Gallopin Goose on Saturday, May 14<sup>th</sup>, stating there are still tickets for sale; and asked the community to keep a watch and report anyone doing graffiti throughout the City.

Vice-Mayor Lopez commented on attending the dinner held by TransCanada; that he will be attending the Executive Committee Meeting, stating he will update the City on the legislation report that stopped a lot of powerful Bills from going through.

**Report from City Manager:**

City Manager Flatley recognized Jacque Hendrie-Henry for her 35 years of service to the City; and advised that he and Councilmember Thompson will be attending the CAAG Regional Meeting on May 11<sup>th</sup> in Marana; that he will be attending the CAREDF Meeting on May 12<sup>th</sup> in Casa Grande; the Pinal Partnership Breakfast on Solar Energy on May 20<sup>th</sup> at Gold Canyon; and the Alliance of Cities Meeting on May 20<sup>th</sup> in Casa Grande.

**ADJOURNMENT**

**MOTION** was made by Councilmember Thompson to adjourn the meeting at 9:00 p.m. **SECOND** was made by Councilmember Curry and passed unanimously.

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Mayor

**Regular Meeting**

**May 9, 2011**

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I, Norma Ortiz, City Clerk of the City of Coolidge, Pinal County, Arizona, do hereby certify that the above is a true and correct copy of the minutes of the Regular Meeting of the Common Council held on May 9, 2011. I further certify the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
Norma Ortiz, City Clerk

The above and foregoing was acknowledged before me by Norma Ortiz, who is the City Clerk for the City of Coolidge, Arizona.

My Commission expires:

\_\_\_\_\_  
Notary Public

**5:30 P.M.**

A Special Meeting with the Common Council of the City of Coolidge was held at the Council Chambers, 911 S. Arizona Boulevard, Coolidge, Arizona. Mayor Thomas Shope called the session to order at 5:36 p.m. and dispensed with the roll call. Those present in addition to Mayor Shope were Councilmembers Judy Rotz-Lopez, Steve Hudson, Richard Lister, Les Curry, Jon Thompson and Vice-Mayor Gilbert Lopez. Also present were City Manager Robert Flatley, City Attorney Denis Fitzgibbons, City Clerk Norma Ortíz, Finance Director Lisa Pannella, G.M. Director Alton Bruce, Building Official James Myers and Fire Chief Mickey McHugh.

**DISCUSSION:**

**Discuss Council interest on new budget and revenue issues for Fiscal Year 2011/2012.**

Finance Director Pannella advised that this was continued discussion on the new budget and revenue issues for FY 11/12 Budget. There was discussion.

G.M. Director Bruce and Building Official Myers presented their proposed budget for Animal Control and the need to fill an Animal Control Officer position for next fiscal year. There was discussion.

Fire Chief McHugh discussed the possibility of offering City Ambulance services for the community. There was discussion.

Finance Director Pannella then briefed on the updated changes to the FY 11/12 Budget to include restoring the 5% reduction in pay and doing away with furloughs, which would affect the maximum accrual of 320 hours on vacation leave; to add the Longevity Program back in, and the Smartworks Program; she then gave an update on the revenues to date for FY 10/11, and gave an update on the projected revenues for FY 11/12. There was discussion.

Finance Director Pannella then asked Council for direction on continuing or doing away with furloughs. Council expressed their opinions and direction was given to restore the 5% back and do away with furloughs and to leave the maximum accrual for vacation leave at 320 hours.

Special Meeting

May 23, 2011

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**ADJOURNMENT**

*MOTION* was made by Councilmember Lister to adjourn the special meeting at 7:51 p.m. *SECOND* was made by Vice-Mayor Lopez and passed unanimously.

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Mayor

I, Norma Ortiz, City Clerk of the City of Coolidge, Pinal County, Arizona, do hereby certify that the above is a true and correct copy of the minutes of the Special Meeting with the Common Council held on May 23, 2011. I further certify the meeting was duly called and held.

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Norma Ortiz, City Clerk

The above and foregoing was acknowledged before me by Norma Ortiz, who is the City Clerk for the City of Coolidge, Arizona.

My Commission Expires:

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Notary Public

**7:00 P.M.**

A Regular Meeting of the Common Council of the City of Coolidge was held in the Council Chambers, 911 S. Arizona Boulevard, Coolidge, Arizona. Mayor Thomas Shope called the meeting to order at 7:03 p.m. Those present in addition to Mayor Shope were Councilmembers Judy Rotz-Lopez, Steve Hudson, Richard Lister, Les Curry, Jon Thompson and Vice-Mayor Gilbert Lopez. Also present were City Manager Robert Flatley, City Attorney Denis Fitzgibbons and City Clerk Norma Ortiz.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Shope.

**PRESENTATIONS**

**Proclamation – “Click It or Ticket”.**

Mayor Shope read and proclaimed May 23<sup>rd</sup> through June 5<sup>th</sup>, 2011, as “Click It or Ticket” mobilization in Coolidge, Arizona, and urged all citizens to always wear seat belts when driving or riding on our roadways. Police Chief Brugman commented on this effort being nationwide and thanked everyone for their support. There was discussion.

**Monthly report by the Coolidge Youth Coalition.**

CYC Director Sharon Boyd reported on the Rx Drop Box located in the Police Department doing great, stating that they will continue to promote this program; that “Grad Night” held on May 19<sup>th</sup> was a big success and thanked all the businesses and supporters for their contributions and donations to make this event safe and successful; and advised that a survey was given to about 100 students who attended the “Grad Night”, stating she will come back next month to share the results of the survey. Mayor Shope also thanked all the businesses for their support of this event. There was discussion.

**CALL TO THE PUBLIC**

There were no comments made by the public.

**BUSINESS**

**Consider approval of entering into an Intergovernmental Use Agreement between the City of Coolidge and Central Arizona Valley Institute of Technology for shared use of facilities, training, equipment and personnel in relation to fire services.**

Fire Chief McHugh advised Council of the Intergovernmental Use Agreement with the Central Arizona Valley Institute of Technology (CAVIT) which allows for joint use of facilities, training, equipment and personnel in relation to fire services. There was discussion. **MOTION** was made by Councilmember Lister to approve of entering into an Intergovernmental Use Agreement between the City of Coolidge and Central Arizona Valley Institute of Technology for shared use of facilities, training, equipment and personnel in relation to fire services. **SECOND** was made by Councilmember Rotz-Lopez and passed unanimously.

**Consider award of bid to Gen-Tech in the amount of \$29,992.05 for the purchase and installation of an Emergency Generator & Automatic Transfer Switch for the Fire Department.**

Fire Chief McHugh advised Council of the bid process used to seek bids for the purchase and installation of an emergency generator for the Fire Department. There was discussion. **MOTION** was made by Councilmember Curry to award the bid to Gen-Tech in the amount of \$29,992.05 for the purchase and installation of an Emergency Generator & Automatic Transfer Switch for the Fire Department. **SECOND** was made by Vice-Mayor Lopez and passed unanimously.

**Consider approval of entering into a Second Amendment to Escrow Account Agreement and Instructions between the City of Coolidge, Coolidge 160 Holdings, LLC and Pioneer Title Agency for the purpose of assuring that the Escrow Agreement include an expiration date not less than ninety (90) days beyond the last improvement estimated completion date of the Onsite Improvements for the Desert Ranches Development.**

G.M. Director Bruce advised Council of the 2<sup>nd</sup> Amendment to the Escrow Agreement which assures financial assurances on the "Desert Ranches" Development. There was discussion. **MOTION** was made by Vice-Mayor Lopez to approve of entering into a Second Amendment to Escrow Account Agreement and Instructions between the City of Coolidge, Coolidge 160 Holdings, LLC and Pioneer Title Agency for the purpose of assuring that the Escrow Agreement include an expiration date not less than ninety (90) days beyond the last improvement estimated completion date of the Onsite Improvements for the Desert Ranches Development. **SECOND** was made by Councilmember Curry and passed unanimously.

**Regular Meeting**

**May 23, 2011**

**Page 3**

**Consider approval of appointing Alvin Brent Kempton to the Planning and Zoning Commission for a two-year term.**

G.M. Director Bruce advised Council of the three (3) vacancies on the Planning and Zoning Commission and recommended appointing Alvin Brent Kempton as a member for a 2-year term. There was discussion. **MOTION** was made by Councilmember Thompson to appoint Alvin Brent Kempton to the Planning and Zoning Commission for a two-year term. **SECOND** was made by Councilmember Rotz-Lopez and passed unanimously.

**Consider approval of entering into a Lease Agreement between the City of Coolidge and Cool Image Dance and Gymnastics, LLC for lease of the Old Recreation Center located at 670 W. Pima Avenue, for a period of one year commencing on June 1, 2011 and ending May 31, 2012.**

P&R Director LaPaglia advised Council of the Lease Agreement with Cool Image Dance and Gymnastics, LLC to lease the Old Recreation Center for a period of one year. There was discussion. **MOTION** was made by Councilmember Lister to approve of entering into a Lease Agreement between the City of Coolidge and Cool Image Dance and Gymnastics, LLC for lease of the Old Recreation Center located at 670 W. Pima Avenue, for a period of one year commencing on June 1, 2011 and ending May 31, 2012. **SECOND** was made by Councilmember Curry and passed unanimously.

**Consider approval of entering into an Agreement between the City of Coolidge and Valley Collection Services for the purpose of providing collection services on the City's Liquid and Solid Waste delinquent accounts.**

Finance Director Pannella advised Council of the Agreement with Valley Collection Service for the purpose of providing the City collection services on the City's Liquid and Solid Waste delinquent accounts. There was much discussion. **MOTION** was made by Councilmember Rotz-Lopez to approve of entering into an Agreement between the City of Coolidge and Valley Collection Services for the purpose of providing collection services on the City's Liquid and Solid Waste delinquent accounts. **SECOND** was made by Vice-Mayor Lopez and passed with six (6) **YES** votes and one (1) **NO** vote by Councilmember Lister.

**Consider approval of changing the City's Medical Insurance Provider to Aetna HMO and PPO; and keeping the same provider for Dental, Short Term Disability and Life.**

H.R. Analyst Duran advised Council of the recommendation made to change the City's Medical Insurance Plan to Aetna HMO, as a better plan for employees and a cost savings to the City. There was discussion. **MOTION** was made by Councilmember Thompson to approve

**To receive public comments regarding the FY 2011 Community Development Block Grant (CDBG) Regional and State Special Project (SSP) applications for CDBG funding.**

**Resolution No. 11-14; A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, authorizing the adoption of the Owner Occupied Housing Rehabilitation Guidelines dated May 2010, in relation to applications for FY 2011 State Community Development Block Grant funds for a Housing Rehabilitation Program.**

approve of changing the City's Medical Insurance Provider to Aetna HMO; and keeping the same provider for Dental, Short Term Disability and Life. **SECOND** was made by Councilmember Curry and passed unanimously.

Asst. City Manager Dusenberry advised this was a public hearing to obtain input on the FY 2011 CDBG applications and to give the public another opportunity to comment. She then advised that the City was eligible to receive approximately \$140,000 in CAAG Regional CDBG Funds and up to \$300,000 in CDBG State Special Project Funds, which would also have to cover administrative costs. Asst. City Manager Dusenberry reviewed the top six (6) projects that were prioritized by Council this year, stating that the Owner Occupied Housing Rehabilitation Program ranked number one, stating the City will move forward with applying for funds to continue the Housing Rehabilitation Program. There being no further comments made by the public or Council, Mayor Shope closed the public hearing at 7:58 p.m.

Asst. City Manager Dusenberry advised Council of Resolution No. 11-14; which adopts the Owner Occupied Housing Rehabilitation Guidelines dated May 2010, required to apply for FY 2011 Regional and State Special Project CDBG Funds. There was discussion. **MOTION** was made by Vice-Mayor Lopez to adopt Resolution No. 11-14; A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, authorizing the adoption of the Owner Occupied Housing Rehabilitation Guidelines dated May 2010, in relation to applications for FY 2011 State Community Development Block Grant funds for a Housing Rehabilitation Program. **SECOND** was made by Councilmember Lister and passed unanimously by roll call vote.

**Regular Meeting**

**May 23, 2011**

**Page 5**

**Resolution No. 11-15; A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, authorizing the submission of an application for FY 2011 State Community Development Block Grant Funds, Regional Account Projects, certifying that said application meets the community's previously identified housing and community development needs and the requirements of the State CDBG Program, and authorizing all actions necessary to implement and complete the activities outlined in said applications.**

**Resolution No. 11-16; A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, authorizing the submission of an application for FY 2011 State Community Development Block Grant Funds, State Special Projects, certifying that said application meets the community's previously identified housing and community development needs and the requirements of the State CDBG Program, and authorizing all actions necessary to implement and complete the activities outlined in said applications.**

Asst. City Manager Dusenberry advised Council of Resolution No. 11-15; which authorizes the submission of an application for FY 2011 CDBG Regional Account Funds to continue the Owner Occupied Housing Rehabilitation Program. There was discussion. **MOTION** was made by Councilmember Thompson to adopt Resolution No. 11-15; A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, authorizing the submission of an application for FY 2011 State Community Development Block Grant Funds, Regional Account Projects, certifying that said application meets the community's previously identified housing and community development needs and the requirements of the State CDBG Program, and authorizing all actions necessary to implement and complete the activities outlined in said applications. **SECOND** was made by Councilmember Rotz-Lopez and passed unanimously by roll call vote.

Asst. City Manager Dusenberry advised Council of Resolution No. 11-16; which authorizes the submission of an application for FY 2011 CDBG State Special Project Funds to continue the Owner Occupied Housing Rehabilitation Program. There was discussion. **MOTION** was made by Councilmember Rotz-Lopez to adopt Resolution No. 11-16; A Resolution of the Mayor and City Council of the City of Coolidge, Arizona, authorizing the submission of an application for FY 2011 State Community Development Block Grant Funds, State Special Projects, certifying that said application meets the community's previously identified housing and community development needs and the requirements of the State CDBG Program, and authorizing all actions necessary to implement and complete the activities outlined in said applications. **SECOND** was made by Councilmember Lister and passed unanimously by roll call vote.

**REPORTS FROM THE MAYOR-  
COUNCIL AND/OR CITY MANAGER**

**Report from Mayor:**

Mayor Shope commented on attending the meeting with APS regarding Solar Energy; that he was glad to see so many families attending "Movie in the Park"; people having a great time at the Fight Night at the Gallopin Goose; and that he took part in the 8<sup>th</sup> Grade and High School Graduation ceremonies.

**Reports from Council:**

Councilmember Rotz-Lopez had nothing to report.

Councilmember Hudson commented on attending the Fight Night at the Gallopin Goose, stating Les Curry, Lynn Parsons and Barry Dunn did a great job on this event.

Councilmember Lister commented on visiting the Coolidge Airport, stating that it was looking very well, that the north wall on the Hanger was rebuilt, that new hangers are also being built, and that he's glad to see the Airport is moving along.

Councilmember Thompson had nothing to report.

Councilmember Curry commented on the "Movie in the Park" event being well attended with over 200 people and thanked Cox Communications, Parks & Recreation and the Chamber for a great job; that the Fight Night at the Gallopin Goose had over 300 people in attendance, stating it was a good event and that another event would be held next quarter, thanking the City of Coolidge Police and Fire Departments, the Gallopin Goose and the Chamber of Commerce and the Economic Development Committee.

Vice-Mayor Lopez commented on the attending the NLC Economic Development Committee Steering Meeting which was held in Ventura California, stating they discussed some interesting topics on Economic Development

Block Grants, Economic Development Corporations raising private funds for economic developments; and a great incubator program which loans money to small businesses, which could be a good idea to look into for investments to fund projects at the Coolidge Airport.

**Report from City Manager:**

City Manager Flatley advised Council of the groundbreaking at the Imagine Schools, stating this event was not posted, so, if planning to attend, that it could only be limited to 3 council members; that the State League of Cities & Towns Conference is being held in the fall in Tucson for anyone interested in attending; and that this upcoming year the Council has the opportunity to attend the NLC Congress of Cities Conference being held in Phoenix, Arizona, in 2012, stating travel and training money is available in the budget for those interested in attending.

**ADJOURNMENT**

**MOTION** was made by Councilmember Thompson to adjourn the meeting at 8:15 p.m. **SECOND** was made by Vice-Mayor Lopez and passed unanimously.

---

Mayor

I, Norma Ortiz, City Clerk of the City of Coolidge, Pinal County, Arizona, do hereby certify that the above is a true and correct copy of the minutes of the Regular Meeting of the Common Council held on May 23, 2011. I further certify the meeting was duly called and held and that a quorum was present.

---

Norma Ortiz, City Clerk

The above and foregoing was acknowledged before me by Norma Ortiz, who is the City Clerk for the City of Coolidge, Arizona.

My Commission expires:

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Notary Public

**CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM**

<b>SUBJECT: Resolution to apply for Proposition 202 Funds from Tohono O'odham Community.</b>	<b>STAFF PRESENTER: Mickey McHugh, Fire Chief</b>
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**RECOMMENDATION:**

Staff recommends that the Mayor and City Council approve the Resolution to apply for Proposition 202 funding from the Tohono O'odham Indian Community.

**DISCUSSION:**

The grant proposal is for the replacement of safety equipment, (Bunker Coats, Pants & Boots) for Fire Department personnel.

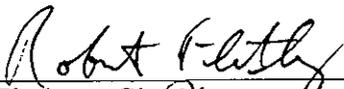
**FISCAL IMPACT:**

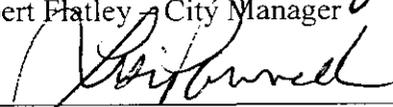
A cost savings of \$73,250 to the City of Coolidge if awarded the funds.

**ATTACHMENT/S**

Resolution  
Grant Proposal

**REVIEWED BY:**

  
Robert Flatley - City Manager

  
Lisa Pannella - Finance Director

**PREPARED BY:**

  
Mickey McHugh - Fire Chief

**Reviewed via Email**

Denis Fitzgibbons - City Attorney

**RESOLUTION No. 11-23**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, AUTHORIZING THE CITY OF COOLIDGE, BY AND THROUGH THE CITY OF COOLIDGE FIRE DEPARTMENT, TO APPLY FOR PROPOSITION 202 GRANT FUNDS FROM THE TOHONO O'ODHAM NATION.**

**WHEREAS**, the Tohono O'odham Nation is seeking proposals from local agencies for projects relating to public safety; and

**WHEREAS**, the City of Coolidge, Arizona, through the Fire Department, is interested in submitting projects to be considered for funding from Proposition 202 funds through the Tohono O'odham Nation.

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

1. That the City of Coolidge, by and through the City of Coolidge Fire Department, is authorized to submit projects for consideration in the Tohono O'odham Nation Grant program for 2011.

2. That Mickey McHugh, Fire Chief, is appointed as the agent for the City of Coolidge, Arizona, to conduct all negotiations and to execute and submit all documents and any other necessary or desirable instruments in connection with such grant.

**PASSED AND ADOPTED** by the Mayor and City Council of the City of Coolidge, Arizona, this 27<sup>th</sup> day of June, 2011.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney



CITY OF COOLIDGE FIRE DEPARTMENT  
Mailing Address: 130 W. Central Avenue Coolidge, AZ. 85128  
Station 1-103 W. Pinkley Avenue  
Phone: 520-723-6015 Fax: 520-723-6018  
Fire Chief Mickey McHugh

---

The Coolidge Fire Department, a public safety provider, is requesting to upgrade and replace 30 sets of existing turnout gear, which consists of bunker coats, bunker pants and bunker boots. The current turnout gear used to protect our firefighters during emergency responses is beginning to show wear due to use and aging, this creates an exposure to personnel with the risk of injury. Fire departments report yearly to the National Fire Protection Association, that a significant number of injuries on the fire ground are sprains, strains, cuts, bruises and burns. Because our department is volunteer, any injury creates potential problems to the City, the firefighter and their employer due to insurance costs, lost wages and lost productivity.

The City of Coolidge consists of residential, commercial, industrial, and farming, it covers approximately 65 square miles with a population of 11,825 citizens which are of low to moderate income. The Coolidge Fire Department is funded from the City of Coolidge general fund which consists of sales tax and State of Arizona State Shared Revenues. The City of Coolidge has had to transfer the Capital Sales Tax funds to the general fund thus eliminating availability of funds for the replacement of turnouts. There have been no cost of living raises for several years and for fiscal year 2010-2011 a 5% across the board reduction in pay for all departments has been instituted. The City of Coolidge has recognized the needs of the Fire Department for new and replacement equipment in the past and would be receptive to replacement of the turnout gear if funding were available.

Our operations would continue with the existing equipment until deemed unsafe, unusable or such time that another funding source was located. If funding is not located the worst case scenario would be restricted fire scene activity due to the lack of protective equipment.

The Tohono O'odham Nation awarded \$20,000.00 in 2005 and the Gila River Indian Community awarded \$50,000.00 in 2010 for an emergency backup generator for station #1. No other sources for funding have been applied for.

Designated contact person: Mickey McHugh, Fire Chief  
130 W. Central Ave.  
Coolidge, AZ 85128  
(520) 723-6015 (Phone)  
(520) 560-5902 (Cellular)  
(520) 723-6018 (Fax)  
[mickeym@coolidgeaz.com](mailto:mickeym@coolidgeaz.com)

Alternate contact person: Jill Dusenberry  
Assistant City Manager  
130 W. Central Avenue  
Coolidge, Arizona 85128  
(520) 723-6014 (Phone)  
(520) 723-6067 (Fax)  
[jilld@coolidgeaz.com](mailto:jilld@coolidgeaz.com)

CITY OF COOLIDGE

6/6/2011

ANNUAL BUDGET			
Fund Name			Number
TOHONO O'ODHAM-TURNOUT GEAR-PROP 202			20575
NARRATIVE 2011-2012			
Account #	Description		Amount
911	CAPITAL EQUIPMENT		73,250
	Bunker Coats (30 @ 1,100.00)	33,000	
	Bunker Pants (30 @ 875.00)	26,250	
	Bunker Boots (30 @ 280.00)	8,400	
	Tax & Shipping	5,600	
	TOTAL		73,250

#6

**CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM**

**SUBJECT: Resolution to apply for Grants from the Gila River Indian Community.**

**STAFF PRESENTER: Joe Brugman, Police Chief**

**RECOMMENDATION:**

Staff recommends that the Mayor and City Council approve the Resolution to apply for grant funding from the Gila River Indian Community.

**DISCUSSION:**

The grant proposal is to fund the replacement of the Police Department's mobile police radios to improve communications and the safety of the residents of Coolidge and its police officers.

**FISCAL IMPACT:**

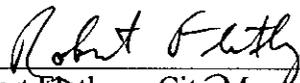
A savings of \$87,697.00 to the City of Coolidge.

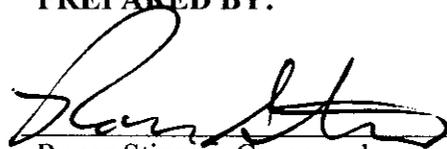
**ATTACHMENT/S**

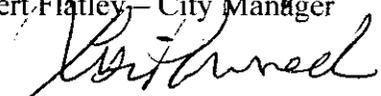
Resolution  
Grant Proposal

**REVIEWED BY:**

**PREPARED BY:**

  
Robert Flatley – City Manager

  
Roger Stinson, Commander

  
Lisa Pannella – Finance Director

**Reviewed Via Email**

Denis Fitzgibbons – City Attorney

**RESOLUTION No. 11-24**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, APPROVING SUBMISSION OF APPLICATIONS FOR GRANTS FROM THE GILA RIVER INDIAN COMMUNITY TO THE COOLIDGE POLICE DEPARTMENT FOR MOBILE POLICE RADIOS.**

**WHEREAS**, the City of Coolidge and Coolidge Police Department are focused on providing quality services to the residents of the community; and

**WHEREAS**, the City of Coolidge supports the Coolidge Police Departments efforts to improve Public Safety Communications; and

**WHEREAS**, the Coolidge Police Department has identified the safety of its Police Officers as well as residents of the community as its highest priority.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Coolidge, Arizona, that the City of Coolidge hereby:

Approves the City of Coolidge/Coolidge Police Department submitting an application to fund the replacement of the police department's mobile police radios to improve communications and the safety of the residence of Coolidge and its Public Safety Officers.

**PASSED AND ADOPTED** by the Mayor and City Council of the City of Coolidge, Arizona, this 27<sup>th</sup> day of June, 2011.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

## Gila River Indian Community Grant Application Cover Sheet

Date of Application: June 6, 2011
Name of City, Town or County: City of Coolidge
Mayor or Board of Supervisor's Chairman: Thomas R. Shope
Mailing Address: 130 W. Central Ave.
City: Coolidge State: AZ Zip Code: 85128
Contact Person/Title*: Roger Stinson / Commander
Organization or Dept. Coolidge Police Department
Mailing Address: 911 S. Arizona Blvd. Coolidge, AZ 85128
Phone Number: 520 7235311 Fax Number: 520 7234016
E-mail Address: rogers@coolidgeaz.com

\*The individual listed here will be our direct point of contact for grant-related questions or requests for information. Duplicates of all grant correspondence will be sent to the contact person.

Program or Project Name: Mobile Radio Replacement
Purpose of Grant (one sentence): To replace all Coolidge Police Department mobile radios with new Narrowband and P25 compliant radios.
Beginning and Ending Dates of Program or Project: 7/1/2011 thru 6/30/2012
Amount Requested: \$87,697.00 Total Project Cost: \$87,697.00
Geographic Area Served: City of Coolidge and all surrounding areas

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Mayor or County Chairperson: \_\_\_\_\_

Typed Name and Title: Thomas R. Shope / Mayor

**COOLIDGE POLICE DEPARTMENT  
GILA RIVER INDIAN COMMUNITY GRANT  
2011**

**PROJECT DESCRIPTION**

**A. NARRATIVE**

**1.) Purpose of Grant**

**a) Describe the proposed program or project**

The Coolidge Police Department's project is to purchase:

(26) Motorola XTL 2500 Mobile Police Radios that are Narrowband and P25 Compliant.

**b) Describe how the proposed program or project satisfies one or more of the "priority areas" identified by the Gila River Indian Community**

The acquisition of the above item will benefit the citizens of Coolidge and the Coolidge Police Department, as a Public Safety activity as listed by the Community for priority funding.

**c) Identify the needs/problems to be addressed, target population and number of people to be served by the project**

The Coolidge Police Department has an immediate need to upgrade our mobile/vehicle radios. The current police department mobile radios are not P25 compliant and have exceeded their service life with some being over nine or ten years old. The FCC has mandated that in the near future all public safety radios will be both Narrowband Capable and P25 compliant. If awarded these funds would be used to purchase (26) new Motorola Radios that are both Narrowband and P25 compliant. These radios would be used by police officers in the field when responding to emergency calls for service throughout the City of Coolidge and all surrounding areas. The Department currently serves a population of 12,300 and covers approximately 63 square miles; 10 additional square miles are currently being processed for annexation. This project would serve the entire City of Coolidge population as well as all citizens of the surrounding areas where we assist other police agencies with calls for service.

**d) Describe the project goals and objectives, and your plan to meet them**

The goal of this project is to increase the level of safety to our officers, the public, and any other regional agency responder in our area. This will be done by replacing our current 26 mobile radios with new current Narrowband and P25 compliant radios.

**e) Define the project as a new or continuing program**

This is a new project that the city does not have current funding for.

**f) Identify other organizations, partners or funders participating in the project and their roles**

There are none.

**g) Indicate any application to and/or awards made by a Tribe other than the Gila River Indian Community for state shared revenues for this and/or any other projects/programs**

The Coolidge Police Department has no other current Tribal funding applications pending.

The Coolidge Fire Department is working on submitting a grant to the Tohono O'odham Community to replace fire safety equipment.

**h) Provide a timetable for implementation**

The purchase of the requested items would begin as soon as funding is made available; the purchasing would be complete in fiscal year 2011/2012.

**i) Identify long-term funding resources**

The Coolidge Police Department has implemented a five year schedule for life expectancy of its radios and each year the schedule is updated and radios that will be reaching the end of their serviceable life will be added to the following years capital budget for replacement.

**2.) Reports**

The Police Department will record when the invoices for the equipment were received and paid, and will track how the equipment is being maintained and used. We will provide this information to the Community in a timely manner, or as required by the Community.

## **B. ATTACHMENTS**

1. The Resolution is attached
2. The budget is attached along with a copy of the quote from Motorola for the radios requested.
3. There are no additional funders nor amounts committed or requested.

## **A. HEADING**

Budget Period: July 1, 2011 to June 30, 2012

## **B. EXPENSES**

Proposed Budget (list each budget item)	Amount Requested from GRIC	Amount secured From other Funders	In Kind Expense	Total Budget
(26) Mobile Radios	\$ 87,697.00	\$	\$	\$ 87,697.00
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total Budget	\$ 87,697.00			\$ 87,697.00

**RESOLUTION**

**CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM**

<b>SUBJECT: 2011 Model City Tax Code Amendments</b>	<b>STAFF PRESENTER: Lisa Pannella, Finance Director</b>
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**RECOMMENDATION:**

Adopt **Resolution** No. 11-25 ; a Resolution of the Mayor and Council of the City of Coolidge, Arizona, declaring as a public record that certain document filed with the City Clerk and entitled "The 2011 Amendments to the Tax Code of the City of Coolidge".

Adopt **Ordinance** No. 11-07 ; an Ordinance of the City of Coolidge, Arizona, relating to the Privilege License Tax; adopting "The 2011 Amendments to the Tax Code of the City of Coolidge" by reference; establishing an effective date; providing for severability and providing penalties for violations.

**DISCUSSION:**

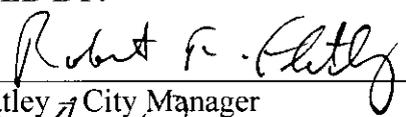
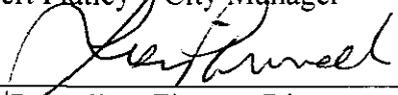
These are the most recent amendments to the Tax Code. These amendments are a product of new legislation which we are required to adopt. Attached is an explanation of the changes and the code.

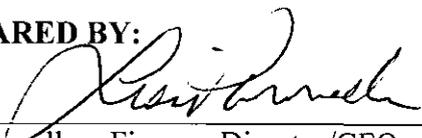
**FISCAL IMPACT:**

None.

**Attachments**

- Resolution No. 11-25
- Ordinance No. 11-07
- Explanation of changes
- Revised Tax Code

**REVIEWED BY:**  
  
\_\_\_\_\_  
Robert Flatley - City Manager  
  
\_\_\_\_\_  
Lisa Pannella - Finance Director

**PREPARED BY:**  
  
\_\_\_\_\_  
Lisa Pannella - Finance Director/CFO

**RESOLUTION No. 11-25**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "THE 2010-11 AMENDMENTS TO THE TAX CODE OF THE CITY OF COOLIDGE".**

**WHEREAS**, pursuant to Ordinance No. 09-18, the City of Coolidge previously adopted that certain document known as The 2009 Amendments to the Tax Code of the City of Coolidge, Arizona, based on the League of Arizona Cities and Towns Model Tax Code; and

**WHEREAS**, in April 2011 the Municipal Tax Code Commission approved the 2010-2011 Tax Code Amendments; and

**WHEREAS**, the City Council believes that declaring such document a public record and adopting its provisions by reference will be in the City's best interest.

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

That certain document entitled "THE 2010-11 AMENDMENTS TO THE TAX CODE OF THE CITY OF COOLIDGE," three (3) copies of which are on file in the office of the City Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

**PASSED AND ADOPTED** by the Mayor and Council of the City of Coolidge, Arizona, this 27<sup>th</sup> day of June, 2011.

\_\_\_\_\_  
Thomas R. Shope, Mayor

Attest:

Approved as to Form: .

\_\_\_\_\_  
Norma Ortiz, City Clerk

\_\_\_\_\_  
Denis Fitzgibbons, City Attorney

**ORDINANCE NO. 11-07**

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, RELATING TO THE PRIVILEGE LICENSE TAX; ADOPTING THAT CERTAIN DOCUMENT KNOWN AS "THE 2010-11 AMENDMENTS TO THE TAX CODE OF THE CITY OF COOLIDGE" BY REFERENCE; ESTABLISHING AN EFFECTIVE DATE; PROVIDING FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.**

**WHEREAS**, the certain document known as The 2010-2011 Amendments to the Tax Code of the City of Coolidge was adopted as public record by Resolution No. 11-25 on June 27, 2011; and

**WHEREAS**, the Mayor and City Council of the City of Coolidge believe, after consultation with its staff, that adopting The 2010-2011 Amendments to the Tax Code of the City of Coolidge would be in the best interest of the City of Coolidge; and

**WHEREAS**, A.R.S. §9-802 allows a City to adopt a public record by Ordinance as a means to reduce publication costs while ensuring that the public gets fair notice and opportunity to review its operative provisions.

**NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, AS FOLLOWS:**

Section 1: Pursuant to A.R.S. §9-802, that certain document known as "The 2010-11 Amendments to the Tax Code of the City of Coolidge," three copies of which are on file in the office of the City Clerk of the City of Coolidge, Arizona, which document was made a public record by Resolution No. 11-25 of the City of Coolidge, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

Section 2: Any person found guilty of violating any provision of these amendments to the tax code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as herein above described.

Section 3: If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the tax code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 4: The provisions of section 1 of this ordinance shall be effective from and after June 1, 2011. The provisions of section 2 through 5 of this ordinance shall be effective from and after July 29, 2010. The provisions of section 6 of this ordinance shall be effective from and after September 30, 2009.

**PASSED AND ADOPTED** by the Mayor and Council of the City of Coolidge, Arizona, this 27<sup>th</sup> day of June, 2011.

\_\_\_\_\_  
Thomas R. Shope, Mayor

Attest:

Approved as to Form:

\_\_\_\_\_  
Norma Ortiz, City Clerk

\_\_\_\_\_  
Denis Fitzgibbons, City Attorney

## OUTLINE OF CHANGES TO MODEL CITY TAX CODE

The attached Model City Tax Code changes, summarized below, were approved by the Municipal Tax Code Commission in April 2011.

### **Section 1**

This section adds language to the existing definitions of "Food" and "Prosthetic", and creates a new definition for the phrase "Medical marijuana". These changes were made for the purpose of specifically excluding medical marijuana from those definitions, and thus excluding sales of medical marijuana from the related exemptions available under the Retail classification of the Model City Tax Code (MCTC). The additional language makes it clear that medical marijuana sales are taxable at the regular Retail tax rate in all cities and towns. This section shall be effective from and after June 1, 2011.

### **Sections 2-4**

The changes in these sections are to comply with the 2010 regular legislative session passage of HB 2700. HB2700 changed the sunset date under Contracting in A.R.S. 42-5075(B)(14) for installed solar energy devices, extending the deadline from January 1, 2011 to 2017. The three affected sections of the MCTC have the same language and these changes align the sunset date in the MCTC with the State statute. A technical correction adding reference to the Arizona Revised Statutes is also being added to the exemption for development fees in each section. These sections shall be effective from and after July 29, 2010.

### **Section 5**

New subsection 445(s) is added to incorporate HB2510, passed during the 2010 regular legislative session, which prohibited cities and towns from taxing commercial rentals between two corporations when either the landlord or lessor corporation owns at least 80% of the voting stock of the other corporation. Also allows exemption if a third corporation owns 80% of both the landlord and the lessor corporations, and treats a "reciprocal insurer" as if it were a "corporation" for purposes of the exemption. This section shall be effective from and after July 29, 2010.

### **Section 6**

The changes in this section were made based on cooperation and compromise between the Unified Audit committee and banking interests. The changes address the treatment of successor privilege tax liability in the event of a foreclosure. The new language allows for the deferral of payment of the delinquent privilege tax until after the creditor subsequently sells the property, aligning the cash flow related to the property with payment of the tax liability.

In addition, this amendment will allow for the creditor's tax base to be based on their subsequent selling price, and also provides for tax credits in the event the debtor comes forward to pay their liability after the creditor's payment. This section shall be effective from and after May 1, 2010.

### **Section 7**

During the 2009 regular legislative session, SB1196 created a use tax exemption for school districts and charter schools which was not previously incorporated into the MCTC. This preemption in A.R.S. 42-6004(F) exempts the storage, use, or consumption of tangible personal property by a school district or charter school. This section shall be effective from and after September 30, 2009

**2010-2011 AMENDMENTS TO THE  
TAX CODE OF THE CITY OF COOLIDGE**

**Section 1. Section 9-1-100 of the Tax Code of the City of Coolidge is amended to read:**

**Sec. 9-1-100. General definitions.**

For the purposes of this Chapter, the following definitions apply:

"Assembler" means a person who unites or combines products, wares, or articles of manufacture so as to produce a change in form or substance of such items without changing or altering component parts.

"Broker" means any person engaged or continuing in business who acts for another for a consideration in the conduct of a business activity taxable under this Chapter, and who receives for his principal all or part of the gross income from the taxable activity.

"Business" means all activities or acts, personal or corporate, engaged in and caused to be engaged in with the object of gain, benefit, or advantage, either direct or indirect, but not casual activities or sales.

"Business Day" means any day of the week when the Tax Collector's office is open for the public to conduct the Tax Collector's business.

"Casual Activity or Sale" means a transaction of an isolated nature made by a person who neither represents himself to be nor is engaged in a business subject to a tax imposed by this Chapter. However, no sale, rental, license for use, or lease transaction concerning real property nor any activity entered into by a business taxable by this Chapter shall be treated, or be exempt, as casual. This definition shall include sales of used capital assets, provided that the volume and frequency of such sales do not indicate that the seller regularly engages in selling such property.

"Combined Taxes" means the sum of all applicable Arizona Transaction Privilege and Use Taxes; all applicable transportation taxes imposed upon gross income by this County as authorized by Article III, Chapter 6, Title 42, Arizona Revised Statutes; and all applicable taxes imposed by this Chapter.

"Commercial Property" is any real property, or portion of such property, used for any purpose other than lodging or lodging space, including structures built for lodging but used otherwise, such as model homes, apartments used as offices, etc.

"Communications Channel" means any line, wire, cable, microwave, radio signal, light beam, telephone, telegraph, or any other electromagnetic means of moving a message.

"Construction Contracting" refers to the activity of a construction contractor.

"Construction Contractor" means a person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development, or improvement to real property, or to do any part thereof. "Construction contractor" includes subcontractors, specialty contractors, prime contractors, and any person receiving consideration for the general supervision and/or coordination of such a construction

project except for remediation contracting. This definition shall govern without regard to whether or not the construction contractor is acting in fulfillment of a contract.

"Delivery (of Notice) by the Tax Collector" means "receipt (of notice) by the taxpayer".

"Delivery, Installation, or Other Direct Customer Services" means services or labor, excluding repair labor, provided by a taxpayer to or for his customer at the time of transfer of tangible personal property; provided further that the charge for such labor or service is separately billed to the customer and maintained separately in the taxpayer's books and records.

"Engaging", when used with reference to engaging or continuing in business, includes the exercise of corporate or franchise powers.

"Equivalent Excise Tax" means either:

- (1) a Privilege or Use Tax levied by another Arizona municipality upon the transaction in question, and paid either to such Arizona municipality directly or to the vendor; or
- (2) an excise tax levied by a political subdivision of a state other than Arizona upon the transaction in question, and paid either to such jurisdiction directly or to the vendor; or
- (3) an excise tax levied by a Native American Government organized under the laws of the federal government upon the transaction in question, and paid either to such jurisdiction directly or to the vendor.

"Federal Government" means the United States Government, its departments and agencies; but not including national banks or federally chartered or insured banks, savings and loan institutions, or credit unions.

"Food" means any items intended for human consumption as defined by rules and regulations adopted by the Department of Revenue, State of Arizona, pursuant to A.R.S. Section 42-5106. Under no circumstances shall "food" include alcoholic beverages or tobacco, or food items purchased for use in conversion to any form of alcohol by distillation, fermentation, brewing, or other process. UNDER NO CIRCUMSTANCES SHALL "FOOD" INCLUDE AN EDIBLE PRODUCT, BEVERAGE, OR INGREDIENT INFUSED, MIXED, OR IN ANY WAY COMBINED WITH MEDICAL MARIJUANA OR AN ACTIVE INGREDIENT OF MEDICAL MARIJUANA.

"Hotel" means any public or private hotel, inn, hostelry, tourist home, house, motel, rooming house, apartment house, trailer, or other lodging place within the City offering lodging, wherein the owner thereof, for compensation, furnishes lodging to any transient, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facilities.

"Jet Fuel" means jet fuel as defined in A.R.S. Section 42-5351.

"Job Printing" means the activity of copying or reproducing an article by any means, process, or method. "Job printing" includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

"Lessee" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Lessor" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Licensing (for Use)" means any agreement between the user ("licensee") and the owner or the owner's agent ("licensor") for the use of the licensor's property whereby the licensor receives consideration, where such agreement does not qualify as a "sale" or "lease" or "rental" agreement.

"Lodging (Lodging Space)" means any room or apartment in a hotel or any other provider of rooms, trailer spaces, or other residential dwelling spaces; or the furnishings or services and accommodations accompanying the use and possession of said dwelling space, including storage or parking space for the property of said tenant.

"Manufactured Buildings" means a manufactured home, mobile home or factory built building, as defined in A.R.S. Section 41-2142.

"Manufacturer" means a person engaged or continuing in the business of fabricating, producing, or manufacturing products, wares, or articles for use from other forms of tangible personal property, imparting to such new forms, qualities, properties, and combinations.

"MEDICAL MARIJUANA" MEANS "MARIJUANA" USED FOR A "MEDICAL USE" AS THOSE TERMS ARE DEFINED IN A.R.S. SECTION 36-2801.

"Mining and Metallurgical Supplies" means all tangible personal property acquired by persons engaged in activities defined in Section 9-1-432 for such use. This definition shall not include:

- (1) janitorial equipment and supplies.
- (2) office equipment, office furniture, and office supplies.
- (3) motor vehicles licensed for use upon the highways of the State.

"Modifier" means a person who reworks, changes, or adds to products, wares, or articles of manufacture.

"Nonprofit Entity" means any entity organized and operated exclusively for charitable purposes, or operated by the Federal Government, the State, or any political subdivision of the State.

"Occupancy (of Real Property)" means any occupancy or use, or any right to occupy or use, real property including any improvements, rights, or interests in such property.

"Out-of-City Sale" means the sale of tangible personal property and job printing if all of the following occur:

- (1) transference of title and possession occur without the City; and
- (2) the stock from which such personal property was taken was not within the corporate limits of the City; and
- (3) the order is received at a permanent business location of the seller located outside the City; which location is used for the substantial and regular conduct of such business sales activity. In no event shall the place of business of the buyer be determinative of the situs of the receipt of the order.

For the purpose of this definition it does not matter that all other indicia of business occur within the City, including, but not limited to, accounting, invoicing, payments, centralized purchasing, and supply to out-of-City storehouses and out-of-City retail branch outlets from a primary storehouse within the City.

"Out-of-State Sale" means the sale of tangible personal property and job printing if all of the following occur:

- (1) The order is placed from without the State of Arizona; and
- (2) the property is delivered to the buyer at a location outside the State; and
- (3) the property is purchased for use outside the State.

"Owner-Builder" means an owner or lessor of real property who, by himself or by or through others, constructs or has constructed or reconstructs or has reconstructed any improvement to real property.

"Person" means an individual, firm, partnership, joint venture, association, corporation, estate, trust, receiver, syndicate, broker, the Federal Government, this State, or any political subdivision or agency of this State. For the purposes of this Chapter, a person shall be considered a distinct and separate person from any general or limited partnership or joint venture or other association with which such person is affiliated. A subsidiary corporation shall be considered a separate person from its parent corporation for purposes of taxation of transactions with its parent corporation.

"Prosthetic" means any of the following tangible personal property if such items are prescribed or recommended by a licensed podiatrist, chiropractor, dentist, physician or surgeon, naturopath,

optometrist, osteopathic physician or surgeon, psychologist, hearing aid dispenser, physician assistant, nurse practitioner or veterinarian:

- (1) any man-made device for support or replacement of a part of the body, or to increase acuity of one of the senses. Such items include: prescription eyeglasses; contact lenses; hearing aids; artificial limbs or teeth; neck, back, arm, leg, or similar braces.
- (2) insulin, insulin syringes, and glucose test strips sold with or without a prescription.
- (3) hospital beds, crutches, wheelchairs, similar home health aids, or corrective shoes.
- (4) drugs or medicine, including oxygen.
- (5) equipment used to generate, monitor, or provide health support systems, such as respiratory equipment, oxygen concentrator, dialysis machine.
- (6) durable medical equipment which has a Federal Health Care Financing Administration common procedure code, is designated reimbursable by Medicare, can withstand repeated use, is primarily and customarily used to serve a medical purpose, is generally not useful to a person in the absence of illness or injury and is appropriate for use in the home.

(7) UNDER NO CIRCUMSTANCES SHALL "PROSTHETIC" INCLUDE MEDICAL MARIJUANA REGARDLESS OF WHETHER IT IS SOLD OR DISPENSED PURSUANT TO A PRESCRIPTION, RECOMMENDATION, OR WRITTEN CERTIFICATION BY ANY AUTHORIZED PERSON.

"Qualifying Community Health Center"

(1) means an entity that is recognized as nonprofit under Section 501(c)(3) of the United States Internal Revenue Code, that is a community-based, primary care clinic that has a community-based board of directors and that is either:

- (a) the sole provider of primary care in the community.
- (b) a nonhospital affiliated clinic that is located in a federally designated medically underserved area in this State.

(2) includes clinics that are being constructed as qualifying community health centers.

"Qualifying Health Care Organization" means an entity that is recognized as nonprofit under Section 501(c) of the United States Internal Revenue Code and that uses, saves or invests at least eighty percent (80%) of all monies that it receives from all sources each year only for health and medical related educational and charitable services, as documented by annual financial audits prepared by an independent certified public accountant, performed according to generally accepted accounting standards and filed annually with the Arizona Department of Revenue.

Monies that are used, saved or invested to lease, purchase or construct a facility for health and medical related education and charitable services are included in the eighty percent (80%) requirement.

"Qualifying Hospital" means any of the following:

- (1) a licensed hospital which is organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
- (2) a licensed nursing care institution or a licensed residential care institution or a residential care facility operated in conjunction with a licensed nursing care institution or a licensed kidney dialysis center, which provides medical services, nursing services or health related services and is not used or held for profit.
- (3) a hospital, nursing care institution or residential care institution which is operated by the federal government, this State or a political subdivision of this State.
- (4) a facility that is under construction and that on completion will be a facility under subdivision (1), (2) or (3) of this paragraph.

"Receipt (of Notice) by the Taxpayer" means the earlier of actual receipt or the first attempted delivery by certified United States mail to the taxpayer's address of record with the Tax Collector.

"Remediation" means those actions that are reasonable, necessary, cost-effective and technically feasible in the event of the release or threat of release of hazardous substances into the environment such that the waters of the State are or may be affected, such actions as may be necessary to monitor, assess and evaluate such release or threat of release, actions of remediation, removal or disposal of hazardous substances or taking such other actions as may be necessary to prevent, minimize or mitigate damage to the public health or welfare or to the waters of the State which may otherwise result from a release or threat of release of a hazardous substance that will or may affect the waters of the State. Remediation activities include the use of biostimulation with indigenous microbes and bioaugmentation using microbes that are nonpathogenic, nonopportunistic and that are naturally occurring. Remediation activities may include community information and participation costs and providing an alternative drinking water supply.

"Rental Equipment" means tangible personal property sold, rented, leased, or licensed to customers to the extent that the item is actually used by the customer for rental, lease, or license to others; provided that:

- (1) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and

(2) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Rental Supply" means an expendable or nonexpendable repair or replacement part sold to become part of "rental equipment", provided that:

(1) the documentation relating to each purchased item so claimed specifically itemizes to the vendor the actual item of "rental equipment" to which the purchased item is intended to be attached as a repair or replacement part; and

(2) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and

(3) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Repairer" means a person who restores or renews products, wares, or articles of manufacture.

"Resides within the City" means in cases other than individuals, whose legal addresses are determinative of residence, the engaging, continuing, or conducting of regular business activity within the City.

"Restaurant" means any business activity where articles of food, drink, or condiment are customarily prepared or served to patrons for consumption on or off the premises, also including bars, cocktail lounges, the dining rooms of hotels, and all caterers. For the purposes of this Chapter, a "fast food" business, which includes street vendors and mobile vendors selling in public areas or at entertainment or sports or similar events, who prepares or sells food or drink for consumption on or off the premises is considered a "restaurant", and not a "retailer".

"Retail Sale (Sale at Retail)" means the sale of tangible personal property, except the sale of tangible personal property to a person regularly engaged in the business of selling such property.

"Retailer" means any person engaged or continuing in the business of sales of tangible personal property at retail.

"Sale" means any transfer of title or possession, or both, exchange, barter, conditional or otherwise, in any manner or by any means whatsoever, including consignment transactions and auctions, of property for a consideration. "Sale" includes any transaction whereby the possession of such property is transferred but the seller retains the title as security for the payment of the price. "Sale" also includes the fabrication of tangible personal property for consumers who, in whole or in part, furnish either directly or indirectly the materials used in such fabrication work.

"Solar Daylighting" means a device that is specifically designed to capture and redirect the visible portion of the solar beam, while controlling the infrared portion, for use in illuminating interior building spaces in lieu of artificial lighting.

"Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination of the foregoing by means of collecting and transferring solar generated energy into such uses either by active or passive means, including wind generator systems that produce electricity. Solar energy systems may also have the capability of storing solar energy for future use. Passive systems shall clearly be designed as a solar energy device, such as a trombe wall, and not merely as a part of a normal structure, such as a window.

"Speculative Builder" means either:

(1) an owner-builder who sells or contracts to sell, at any time, improved real property (as provided in Section 9-1-416) consisting of:

A)(a) custom, model, or inventory homes, regardless of the stage of completion of such homes; or

B)(b) improved residential or commercial lots without a structure; or

(2) an owner-builder who sells or contracts to sell improved real property, other than improved real property specified in subsection (1) above:

A)(a) prior to completion; or

B)(b) before the expiration of twenty-four (24) months after the improvements of the real property sold are substantially complete.

"Substantially Complete" means the construction contracting or reconstruction contracting:

1. has passed final inspection or its equivalent; or
2. certificate of occupancy or its equivalent has been issued; or
3. is ready for immediate occupancy or use.

"Supplier" means any person who rents, leases, licenses, or makes sales of tangible personal property within the City, either directly to the consumer or customer or to wholesalers, jobbers, fabricators, manufacturers, modifiers, assemblers, repairers, or those engaged in the business of providing services which involve the use, sale, rental, lease, or license of tangible personal property.

"Tax Collector" means the city clerk or his designee or agent for all purposes under this Chapter.

"Taxpayer" means any person liable for any tax under this Chapter.

"Telecommunication Service" means any service or activity connected with the transmission or relay of sound, visual image, data, information, images, or material over a communications channel or any combination of communications channels.

"Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days.

"Utility Service" means the producing, providing, or furnishing of electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers

**Section 2. Section 9-1-415 of the Tax Code of the City of Coolidge is amended to read:**

**Sec. 9-1-415. Construction contracting: construction contractors.**

(a) The tax rate shall be at an amount equal to four percent (4%) of the gross income from the business upon every construction contractor engaging or continuing in the business activity of construction contracting within the City.

(1) However, gross income from construction contracting shall not include charges related to groundwater measuring devices required by A.R.S. Section 45-604.

(2) (Reserved)

(3) gross income from construction contracting shall not include gross income from the sale of manufactured buildings taxable under Section 9-1-427.

(4) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this Section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(b) Deductions and exemptions.

(1) Gross income derived from acting as a "subcontractor" shall be exempt from the tax imposed by this Section.

(2) All construction contracting gross income subject to the tax and not deductible herein shall be allowed a deduction of thirty-five percent (35%).

(3) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(A) Section 9-1-465, subsections (g) and (p)

(B) Section 9-1-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(4) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 9-1-110, that is deducted from the retail classification pursuant to Section 9-1-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(A) to be incorporated into real property.

(B) to become so affixed to real property that it becomes part of the real property.

(C) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(5) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(6) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 9-1-465, subsection (g) shall be exempt from the tax imposed under this Section.

(7) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this State for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(8) The gross proceeds of sales or gross income received from a post construction contract to perform post-construction treatment of real property for termite and general pest control, including wood destroying organisms, shall be exempt from tax imposed under this section.

(9) Through December 31, 2009, the gross proceeds of sales or gross income received from a contract for constructing any lake facility development in a

commercial enhancement reuse district that is designated pursuant to A.R.S. § 9-499.08 if the contractor maintains the following records in a form satisfactory to the Arizona Department of Revenue and to the City:

(A) The certificate of qualification of the lake facility development issued by the City pursuant to A.R.S. § 9-499.08, subsection D.

(B) All state and local transaction privilege tax returns for the period of time during which the contractor received gross proceeds of sales or gross income from a contract to construct a lake facility development in a designated commercial enhancement reuse district, showing the amount exempted from state and local taxation.

(C) Any other information considered to be necessary.

(10) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer. For the purposes of this paragraph:

(A) the attributable amount shall not exceed the value of the development fees actually imposed.

(B) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(C) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(11) For taxable periods beginning from and after July 1, 2008 and ending before January 1, ~~2011~~2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(c) "Subcontractor" means a construction contractor performing work for either:

(1) a construction contractor who has provided the subcontractor with a written declaration that he is liable for the tax for the project and has provided the subcontractor his City Privilege License number.

(2) an owner-builder who has provided the subcontractor with a written declaration that:

(A) the owner-builder is improving the property for sale; and

(B) the owner-builder is liable for the tax for such construction contracting activity; and

(C) the owner-builder has provided the contractor his City Privilege License number.

(3) a person selling new manufactured buildings who has provided the subcontractor with a written declaration that he is liable for the tax for the site preparation and set-up; and provided the subcontractor his City Privilege License number.

Subcontractor also includes a construction contractor performing work for another subcontractor as defined above.

**Section 3. Section 9-1-416 of the Tax Code of the City of Coolidge is amended to read:**

**Sec. 9-1-416. Construction contracting: speculative builders.**

(a) The tax shall be equal to four percent (4%) of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the City.

(1) The gross income of a speculative builder considered taxable shall include the total selling price from the sale of improved real property at the time of closing of escrow or transfer of title.

(2) "Improved Real Property" means any real property:

(A) upon which a structure has been constructed; or

(B) where improvements have been made to land containing no structure (such as paving or landscaping); or

(C) which has been reconstructed as provided by Regulation; or

(D) where water, power, and streets have been constructed to the property line.

(3) "Sale of Improved Real Property" includes any form of transaction, whether characterized as a lease or otherwise, which in substance is a transfer of title of, or equitable ownership in, improved real property and includes any lease of the property for a term of thirty (30) years or more (with all options for renewal being included as a part of the term). In the case of multiple unit projects, "sale" refers to the sale of the entire project or to the sale of any individual parcel or unit.

(4) "Partially Improved Residential Real Property", as used in this Section, means any improved real property, as defined in subsection (a)(2) above, being developed for sale to individual homeowners, where the construction of the residence upon such property is not substantially complete at the time of the sale.

(b) Exclusions.

(1) In cases involving reconstruction contracting, the speculative builder may exclude from gross income the prior value allowed for reconstruction contracting in determining his taxable gross income, as provided by Regulation.

(2) Neither the cost nor the fair market value of the land which constitutes part of the improved real property sold may be excluded or deducted from gross income subject to the tax imposed by this Section.

(3) (Reserved)

(4) A speculative builder may exclude *gross income* from the sale of partially improved residential real property as defined in (a)(4) above to another speculative builder only if all of the following conditions are satisfied:

(A) The speculative builder purchasing the partially improved residential real property has a valid City privilege license for construction contracting as a speculative builder; and

(B) At the time of the transaction, the purchaser provides the seller with a properly completed written declaration that the purchaser assumes liability for and will pay all privilege taxes which would otherwise be due the City at the time of sale of the partially improved residential real property; and

(C) The seller also:

(i) maintains proper records of such transactions in a manner similar to the requirements provided in this chapter relating to sales for resale; and

(ii) retains a copy of the written declaration provided by the buyer for the transaction; and

(iii) is properly licensed with the City as a speculative builder and provides the City with the written declaration attached to the City privilege tax return where he claims the exclusion.

(5) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(c) Tax liability for speculative builders occurs at close of escrow or transfer of title, whichever occurs earlier, and is subject to the following provisions, relating to exemptions, deductions and tax credits:

(1) Exemptions.

(A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(i) Section 9-1-465, subsections (g) and (p)

(ii) Section 9-1-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 9-1-465, subsection (g) shall be exempt from the tax imposed under this

section.

(D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(E) any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this paragraph:

(i) the attributable amount shall not exceed the value of the development fees actually imposed.

(ii) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(iii) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(2) Deductions.

(A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).

(B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 9-1-110, that is deducted from the retail classification pursuant to Section 9-1-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of

any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(i) to be incorporated into real property.

(ii) to become so affixed to real property that it becomes part of the real property.

(iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(C) For taxable periods beginning from and after July 1, 2008 and ending before January 1, ~~2011~~2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

**(3) Tax credits.**

The following tax credits are available to owner-builders or speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

(A) A tax credit equal to the amount of city privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

(B) A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.

(C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

**Section 4. Section 9-1-417 of the Tax Code of the City of Coolidge is amended to read:**

**Sec. 9-1-417. Construction contracting: owner-builders who are not speculative builders.**

(a) At the expiration of twenty-four (24) months after improvement to the property is substantially complete, the tax liability for an owner-builder who is not a speculative builder shall be at an amount equal to four percent (4%) of:

(1) the gross income from the activity of construction contracting upon the real property in question which was realized by those construction contractors to whom the owner-builder provided written declaration that they were not responsible for the taxes as prescribed in subsection 9-1-415(c)(2); and

(2) the purchase of tangible personal property for incorporation into any improvement to real property, computed on the sales price.

(b) For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

(c) The tax liability of this Section is subject to the following provisions, relating to exemptions, deductions and tax credits:

(1) Exemptions.

(A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(i) Section 9-1-465, subsections (g) and (p)

(ii) Section 9-1-660, subsections (g) and (p)

shall be exempt or deductible, respectively, from the tax imposed by this Section.

(B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

(C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 9-1-465, subsection (g) shall be exempt from the tax imposed under this Section.

(D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.

(E) Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this paragraph:

(i) the attributable amount shall not exceed the value of the development fees actually imposed.

(ii) the attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(iii) "development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, A.R.S. Section 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

(2) Deductions.

(A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).

(B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 9-1-110, that is deducted from the retail classification pursuant to Section 9-1-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

(i) to be incorporated into real property.

(ii) to become so affixed to real property that it becomes part of the real property.

(iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(C) For taxable periods beginning from and after July 1, 2008 and ending before January 1, ~~2011~~2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the department of revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the department of revenue and the city, as applicable, for examination.

(3) Tax credits.

The following tax credits are available to owner-builders and speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

(A) A tax credit equal to the amount of city privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

(B) A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.

(C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

(d) The limitation period for the assessment of taxes imposed by this Section is measured based upon when such liability is reportable, that is, in the reporting period that encompasses the twenty-fifth (25th) month after said unit or project was substantially complete. Interest and penalties, as provided in Section 9-1-540, will be based on reportable date.

(e) (Reserved)

**Section 5. Section 9-1-445 of the Tax Code of the City of Coolidge is amended to read:**

**Sec. 9-1-445. Rental, leasing, and licensing for use of real property.**

(a) The tax rate shall be at an amount equal to three percent (3%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing or renting real property located within the City for a consideration, to the tenant in actual possession, or the licensing for use of real property to the final licensee located within the City for a consideration including any improvements, rights, or interest in such property; provided further that:

(1) Payments made by the lessee to, or on behalf of, the lessor for property taxes, repairs, or improvements are considered to be part of the taxable gross income.

(2) Charges for such items as telecommunications, utilities, pet fees, or maintenance are considered to be part of the taxable gross income.

(3) However, if the lessor engages in telecommunication activity, as evidenced by installing individual metering equipment and by billing each tenant based upon actual usage, such activity is taxable under Section 9-1-470.

(b) If individual utility meters have been installed for each tenant and the lessor separately charges each single tenant for the exact billing from the utility company, such charges are exempt.

(c) Charges by a qualifying hospital, qualifying community health center or a qualifying health care organization to patients of such facilities for use of rooms or other real property during the course of their treatment by such facilities are exempt.

(d) Charges for joint pole usage by a person engaged in the business of providing or

furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services are exempt from the tax imposed by this Section.

(e) (Reserved)

(f) A person who has less than three (3) apartments, houses, trailer spaces, or other lodging spaces rented, leased or licensed or available for rent, lease, or license within the State and no units of commercial property for rent, lease, or license within the State, is not deemed to be in the rental business, and is therefore exempt from the tax imposed by this Section on such income. However, a person who has one (1) or more units of commercial property is subject to the tax imposed by this Section on rental, lease and license income from all such lodging spaces and commercial units of real estate even though said person may have fewer than three (3) lodging spaces.

(g) (Reserved)

(h) (Reserved)

(i) (Reserved)

(j) Exempt from the tax imposed by this Section is gross income derived from the activities taxable under Section 9-1-444 of this code.

(k) (Reserved)

(l) (Reserved)

(m) (Reserved)

(n) Notwithstanding the provisions of Section 9-1-200(b), the fair market value of one (1) apartment, in an apartment complex provided rent free to an employee of the apartment complex is not subject to the tax imposed by this Section. For an apartment complex with more than fifty (50) units, an additional apartment provided rent free to an employee for every additional fifty (50) units is not subject to the tax imposed by this Section.

(o) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this Section.

(p) Charges by any hospital, any licensed nursing care institution, or any kidney dialysis facility to patients of such facilities for the use of rooms or other real property during the course of their treatment by such facilities are exempt.

(q) Charges to patients receiving "personal care" or "directed care", by any licensed assisted living facility, licensed assisted living center or licensed assisted living home as defined and licensed pursuant to Chapter 4 Title 36 Arizona Revised Statutes and Title 9 of the Arizona Administrative Code are exempt.

(r) Income received from the rental of any "low-income unit" as established under Section 42 of the Internal Revenue Code, including the low-income housing credit provided by IRC Section 42, to the extent that the collection of tax on rental income causes the "gross rent" defined by IRC Section 42 to exceed the income limitation for the low-income unit is exempt. This exemption also applies to income received from the rental of individual rental units subject to statutory or regulatory "low-income unit" rent restrictions similar to IRC Section 42 to the extent that the collection of tax from the tenant causes the rental receipts to exceed a rent restriction for the low-income unit. This subsection also applies to rent received by a person other than the owner or lessor of the low-income unit,

including a broker. This subsection does not apply unless a taxpayer maintains the documentation to support the qualification of a unit as a low-income unit, the "gross rent" limitation for the unit and the rent received from that unit.

(S) THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM A COMMERCIAL LEASE IN WHICH A RECIPROCAL INSURER OR A CORPORATION LEASES REAL PROPERTY TO AN AFFILIATED CORPORATION. FOR THE PURPOSES OF THIS PARAGRAPH:

(1) "AFFILIATED CORPORATION" MEANS A CORPORATION THAT MEETS ONE OF THE FOLLOWING CONDITIONS:

(A) THE CORPORATION OWNS OR CONTROLS AT LEAST EIGHTY PER CENT OF THE LESSOR.

(B) THE CORPORATION IS AT LEAST EIGHTY PER CENT OWNED OR CONTROLLED BY THE LESSOR.

(C) THE CORPORATION IS AT LEAST EIGHTY PER CENT OWNED OR CONTROLLED BY A CORPORATION THAT ALSO OWNS OR CONTROLS AT LEAST EIGHTY PER CENT OF THE LESSOR.

(D) THE CORPORATION IS AT LEAST EIGHTY PER CENT OWNED OR CONTROLLED BY A CORPORATION THAT IS AT LEAST EIGHTY PER CENT OWNED OR CONTROLLED BY A RECIPROCAL INSURER.

(2) FOR THE PURPOSES OF SUBSECTION (1), OWNERSHIP AND CONTROL ARE DETERMINED BY REFERENCE TO THE VOTING SHARES OF A CORPORATION.

(3) "RECIPROCAL INSURER" HAS THE SAME MEANING AS PRESCRIBED IN A.R.S. SECTION 20-762.

**Section 6. Section 9-1-595 of the Tax Code of the City of Coolidge is amended to read:**

**Sec. 9-1-595. Collection of taxes when there is succession in and/or cessation of business.**

(a) In addition to any remedy provided elsewhere in this City Code that may apply, the Tax Collector may apply the provisions of subsections (b) through (d) below concerning the collection of taxes when there is succession in and/or cessation of business.

(b) The taxes imposed by this Chapter are a lien on the property of any person subject to this Chapter who sells his business or stock of goods, or quits his business, if the person fails to make a final return and payment of the tax within fifteen (15) days after selling or quitting his business.

(c) Any person who purchases, or who acquires by foreclosure, by sale under trust deed or warranty deed in lieu of foreclosure, or by any other method, improved real property or a portion of improved real property for which the Privilege Tax imposed by this Chapter has not been paid shall be responsible for payment of such tax as a speculative builder or owner builder, as provided in Sections 9-1-416 and 9-1-417.

(1) ANY PERSON WHO IS A CREDITOR OR AN AFFILIATE OF CREDITOR. WHO ACQUIRES IMPROVED REAL PROPERTY DIRECTLY

OR INDIRECTLY FROM THE CREDITOR'S DEBTOR BY ANY MEANS SET FORTH IN THIS SUBSECTION, SHALL PAY THE TAX BASED ON THE AMOUNT RECEIVED BY THE CREDITOR OR ITS AFFILIATE IN A SUBSEQUENT SALE OF SUCH IMPROVED REAL PROPERTY TO A PARTY UNRELATED TO THE CREDITOR, REGARDLESS OF WHEN SUCH SUBSEQUENT SALE TAKES PLACE. SUCH TAX SHALL BE DUE IN THE MONTH FOLLOWING THE MONTH IN WHICH THE SALE OF THE IMPROVED REAL PROPERTY BY THE CREDITOR OR ITS AFFILIATE OCCURS. NOTWITHSTANDING THE FOREGOING, IF THE REAL PROPERTY MEETS THE DEFINITION OF PARTIALLY IMPROVED RESIDENTIAL REAL PROPERTY IN SECTION 9-1-416(A)(4) AND ALL OF THE REQUIREMENTS OF SECTION 9-1-416(B)(4) ARE MET BY THE PARTIES TO THE SUBSEQUENT SALE TRANSACTION, THEN THE TAX SHALL NOT APPLY TO THE SUBSEQUENT SALE.

(2) IN THE EVENT A CREDITOR OR ITS AFFILIATE USES THE ACQUIRED IMPROVED REAL PROPERTY FOR ANY BUSINESS PURPOSE, OTHER THAN OPERATING THE PROPERTY IN THE MANNER IN WHICH IT WAS OPERATED, OR WAS INTENDED TO BE OPERATED, BEFORE THE ACQUISITION OR IN ANY OTHER MANNER UNRELATED TO SELLING THE PROPERTY, THE TAX SHALL BE DUE. THE GROSS INCOME UPON WHICH THE TAX SHALL BE DETERMINED PURSUANT TO SECTIONS 9-1-416 AND 9-1-417 SHALL BE THE FAIR MARKET VALUE OF THE IMPROVED REAL PROPERTY AS OF THE DATE OF ACQUISITION. THE TAX SHALL BE DUE IN THE MONTH FOLLOWING THE MONTH IN WHICH SUCH FIRST BUSINESS USE OCCURS. WHEN APPLICABLE, THE CREDIT BID SHALL BE DEEMED TO BE THE FAIR MARKET VALUE OF THE PROPERTY AS OF THE DATE OF ACQUISITION.

(3) ONCE THE SUBSEQUENT SALE BY THE CREDITOR OR ITS AFFILIATE HAS OCCURRED AND THE CREDITOR OR ITS AFFILIATE HAS PAID THE TAX DUE FROM IT PURSUANT TO THIS SUBSECTION, NEITHER THE CREDITOR NOR ITS AFFILIATE, NOR ANY FUTURE OWNER, SHALL BE LIABLE FOR ANY OUTSTANDING TAX, PENALTIES OR INTEREST THAT MAY CONTINUE TO BE DUE FROM THE DEBTOR BASED ON THE TRANSFER FROM THE DEBTOR TO THE CREDITOR OR ITS AFFILIATE.

(4) IF THE TAX LIABILITY IMPOSED BY EITHER SECTION 9-1-416 OR SECTION 9-1-417 ON THE TRANSFER OF THE IMPROVED REAL PROPERTY TO THE CREDITOR OR ITS AFFILIATE, OR ANY PART THEREOF, IS PAID TO THE TAX COLLECTOR BY THE DEBTOR SUBSEQUENT TO PAYMENT OF THE TAX BY THE CREDITOR OR ITS AFFILIATE, THE AMOUNT SO PAID MAY CONSTITUTE A CREDIT, AS EQUITABLY DETERMINED BY THE TAX COLLECTOR IN GOOD FAITH, AGAINST THE TAX IMPOSED ON THE CREDITOR OR ITS AFFILIATE BY EITHER PARAGRAPH 1 OR PARAGRAPH 2 OF THIS SUBSECTION.

(5) NOTWITHSTANDING ANYTHING IN THIS CHAPTER TO THE CONTRARY, IF A CREDITOR OR ITS AFFILIATE IS SUBJECT TO TAX AS DESCRIBED IN PARAGRAPH 1 OR PARAGRAPH 2 OF THIS SUBSECTION AND SUCH CREDITOR OR AFFILIATE HAS NOT PREVIOUSLY BEEN REQUIRED TO BE LICENSED, SUCH CREDITOR OR AFFILIATE SHALL BECOME LICENSED NO LATER THAN THE DATE ON WHICH THE TAX IS DUE.

(d) A person's successors or assignees shall withhold from the purchase money an amount sufficient to cover the taxes required to be paid, and interest or penalties due and payable, until the former owner produces a receipt from the Tax Collector showing that all City tax has been paid or a certificate stating that no amount is due as then shown by the records of the Tax Collector. The Tax Collector shall respond to a request from the seller for a certificate within fifteen (15) days by either providing the certificate or a written notice stating why the certificate cannot be issued.

(1) If a subsequent audit shows a deficiency arising before the sale of the business, the deficiency is an obligation of the seller and does not constitute a liability against a buyer who has received a certificate from the Tax Collector.

(2) If the purchaser of a business or stock of goods fails to obtain a certificate as provided by this Section, he is personally liable for payment of the amount of taxes required to be paid by the former owner on account of the business so purchased, with interest and penalties accrued by the former owner or assignees.

**Section 6. Section 9-1-660 of the Tax Code of the City of Coolidge is amended to read:**

**Sec. 9-1-660. Use tax: exemptions.**

The storage or use in this City of the following tangible personal property is exempt from the Use Tax imposed by this Article:

(a) tangible personal property brought into the City by an individual who was not a resident of the City at the time the property was acquired for his own use, if the first actual use of such property was outside the City, unless such property is used in conducting a business in this City.

(b) tangible personal property, the value of which does not exceed the amount of one thousand dollars (\$1,000) per item, acquired by an individual outside the limits of the City for his personal use and enjoyment.

(c) charges for delivery, installation, or other customer services, as prescribed by Regulation.

(d) charges for repair services, as prescribed by Regulation.

(e) separately itemized charges for warranty, maintenance, and service contracts.

(f) prosthetics.

(g) income-producing capital equipment.

(h) rental equipment and rental supplies.

(i) mining and metallurgical supplies.

(j) motor vehicle fuel and use fuel which are used upon the highways of this State and upon which a tax has been imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes.

(k) tangible personal property purchased by a construction contractor, but not an owner-builder, when such person holds a valid Privilege License for engaging or continuing in the business of construction contracting, and where the property acquired is incorporated into any structure or improvement to real property in fulfillment of a construction contract.

(l) sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.

(m) tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.

(n) rental, leasing, or licensing for use of film, tape, or slides by a theater or other person taxed under Section 9-1-410, or by a radio station, television station, or subscription television system.

(o) food served to patrons for a consideration by any person engaged in a business properly licensed and taxed under Section 9-1-455, but not food consumed by owners, agents, or employees of such business.

(p) tangible personal property acquired by a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property is in fact used in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(q) food purchased with food stamps provided through the food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 Stat. 958.7 U.S.C. Section 2011 et seq.) or purchased with food instruments issued under Section 17 of the Child Nutrition Act (P.L. 95-627; 92 Stat. 3603; and P.L. 99-669; Section 4302; 42 United States Code Section 1786).

(r)(Reserved)

(1) (Reserved)

(2) (Reserved)

(3) (Reserved)

(4) (Reserved)

(s) groundwater measuring devices required by A.R.S. Section 45-604.

(t) (Reserved)

(u) aircraft acquired for use outside the State, as prescribed by Regulation.

(v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.

(w) (Reserved)

(x) (Reserved)

(y) (Reserved)

(z) tangible personal property used or stored by this City.

(aa) tangible personal property used in remediation contracting as defined in Section 9-1-100 and Regulation 9-1-100.5.

(bb) materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university

libraries or federal, state, county or municipal libraries for use by the public as follows:

- (1) printed or photographic materials.
- (2) electronic or digital media materials.

(cc) food, beverages, condiments and accessories used for serving food and beverages by a commercial airline, as defined in A.R.S. § 42-5061(A)(49), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(dd) wireless telecommunication equipment that is held for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 9-1-470.

(ee) (Reserved)

(ff) alternative fuel as defined in A.R.S. § 1-215, by a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.

(gg) food, beverages, condiments and accessories purchased by or for a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(hh) personal hygiene items purchased by a person engaged in the business of and subject to tax under Section 9-1-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.

(ii) the diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.

(jj) food, beverages, condiments and accessories purchased by or for a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(kk) sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

(LL) THE STORAGE, USE OR CONSUMPTION OF TANGIBLE PERSONAL PROPERTY IN THE CITY OR TOWN BY A SCHOOL DISTRICT OR CHARTER SCHOOL.

**RESOLUTION No. 11-26**

**A RESOLUTION OF THE CITY COOLIDGE, ARIZONA, SUPPORTING ANOTHER POSSIBLE ALIGNMENT FOR THE PLANNED NORTH-SOUTH FREEWAY AND DISCOURAGING THE USE OF EMINENT DOMAIN BY AUTHORIZING DENSITY TRANSFERS FOR AFFECTED PROPERTY OWNERS DEDICATING LAND FOR THE NECESSARY RIGHTS-OF-WAY.**

**WHEREAS**, the Arizona Department of Transportation (ADOT) and the Federal Highway Administration (FHWA) have already started a formal corridor study to evaluate potential routes for a proposed transportation facility connecting Interstate 10 to US Highway 60 through Pinal County (North-South Freeway); and

**WHEREAS**, ADOT and FHWA have conducted extensive public outreach, including a public meeting in Coolidge, to both provide information to and receive feedback from the City and its residents concerning the North-South Freeway; and

**WHEREAS**, the study corridor that has been identified for the alignment of the North-South Freeway runs through part of the City of Coolidge and its planning area; and

**WHEREAS**, the proposed North-South Freeway will provide significant opportunities for enhancement of the City's economy; and

**WHEREAS**, ADOT and FHWA are still considering a number of proposed alignments but have not yet approved a single alignment for the North-South Freeway nor have they completed a final Environmental Impact Statement; and

**WHEREAS**, the City of Coolidge wishes to respect the desires of the residents and property owners who will be most directly affected by the location of this facility; and

**WHEREAS**, the North-South Freeway will affect traffic patterns in and around the City, and the City wants to have input into the alignment in the hope that ADOT and FHWA identify an alignment that best serves the needs of our residents and property owners; and

**WHEREAS**, the City Council finds that the proposed alignment advances the public health, safety and welfare in a number of ways including but not limited to: 1) enhancing the community's infrastructure and transportation; 2) providing opportunities for commercial and residential development, and 3) promoting the City's development goals; and

**WHEREAS**, it is preferable and more cost effective if private property owners voluntarily transfer property for the required Rights-of-Way rather than being compelled to do so through eminent domain; and

**WHEREAS**, the City has previously adopted **Resolution 08-18** which supports density transfers in cases where owners voluntarily dedicate property for required Rights-of-Way for such transportation improvements; and

**WHEREAS**, the City has previously adopted Resolution No. 11-12; which supports another possible alignment.

**NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, A MAJORITY OF ITS MEMBERS CONCURRING THAT:**

Section 1. The City supports alignments generally consistent with the ones shown in Resolution No. 11-12 and Resolution No. 11-26.

Section 2. The City encourages private property owners to voluntarily transfer land to ADOT for the North-South Freeway thereby minimizing the need to apply eminent domain processes.

Section 3. The City authorizes the City Manager to negotiate appropriate density transfers consistent with the language and intent of **Resolution 08-18** with property owners who voluntarily make such land transfers.

Section 4. This Resolution shall become effective thirty (30) days following its passage.

**PASSED AND ADOPTED** by the Mayor and City Council of the City of Coolidge, Arizona, this 27<sup>th</sup> day of June, 2011.

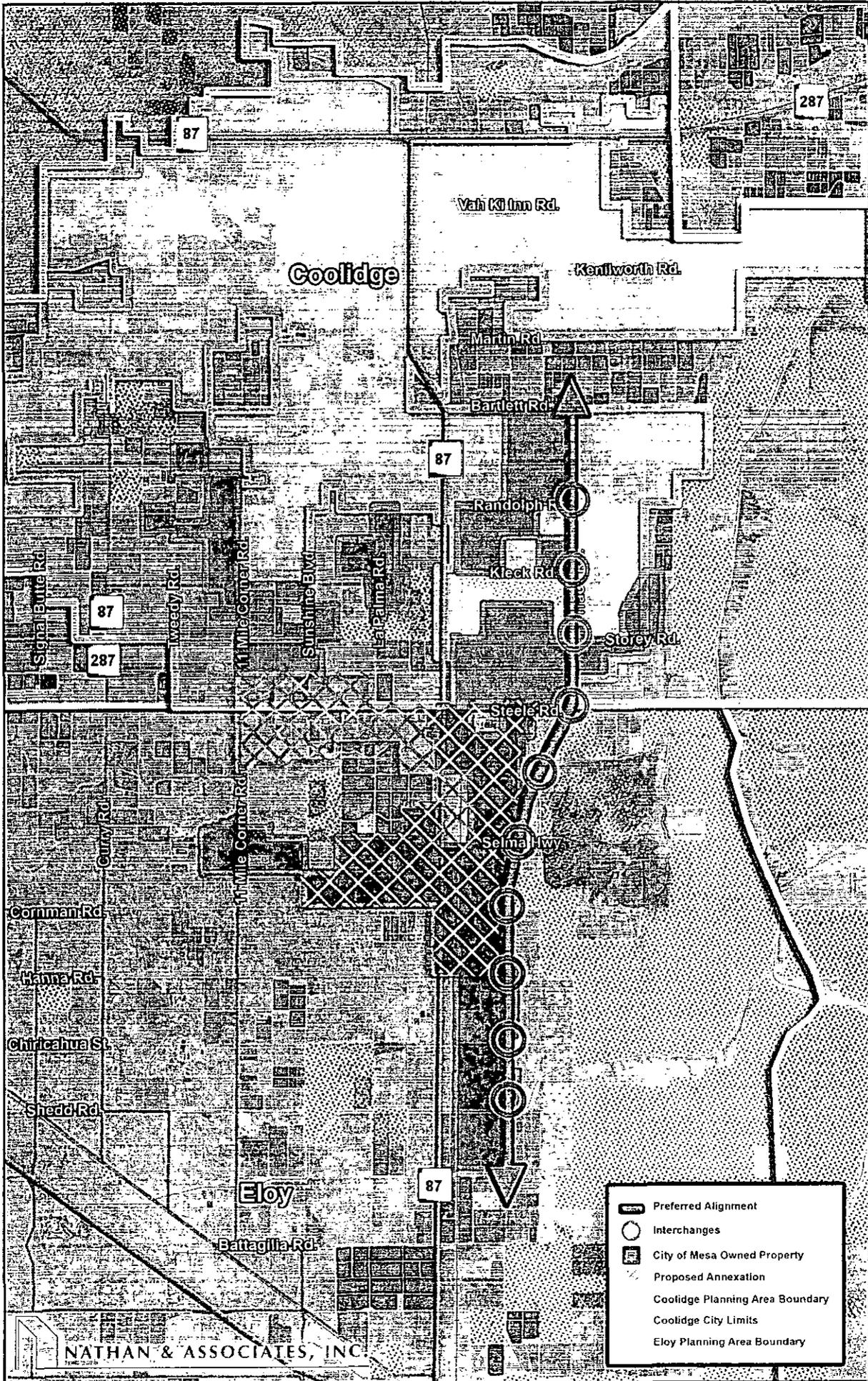
\_\_\_\_\_  
Thomas R. Shope, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Norma Ortiz, City Clerk

\_\_\_\_\_  
Denis Fitzgibbons, City Attorney



This map was produced using data from private and governmental sources deemed to be reliable. The information herein is provided without representation or warranty.

**CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM**

**SUBJECT: Extension of Development Agreement for Coolidge Crossroads**

**STAFF PRESENTER: C. Alton Bruce**

**RECOMMENDATION:**

Staff recommends that Council re-approve the Amendment and Extension to the Development Agreement for Coolidge Crossroads.

**DISCUSSION:**

On June 13, 2011, the Council adopted the referenced Amendment and Extension to the Development Agreement for Coolidge Crossroads. That agreement was between the City of Coolidge and Specialty Trust, Inc. Subsequent to the meeting, Beus Gilbert, the attorneys who approached the City of this issue became aware and informed us that the title to the property and, consequently, the appropriate party to the Amendment was a company called SAC II, a wholly owned subsidiary of Specialty Trust. This Amendment and Extension is being brought back before the correct this oversight.

The only difference between the attached agreement and the one adopted on June 13 is that it clarifies that the owner of the property and the party to the Agreement is this subsidiary of Specialty Trust rather than the parent company.

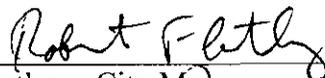
**FISCAL IMPACT:**

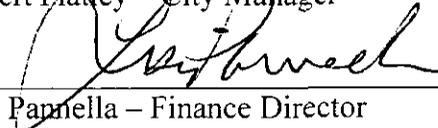
None anticipated in the near future.

**Attachments**

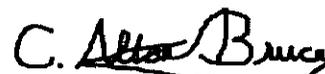
Resolution No. 11-27 with Revised Amendment to PADA for Coolidge Crossroads

**REVIEWED BY:**

  
Robert Flatley – City Manager

  
Lisa Pannella – Finance Director

**PREPARED BY:**

  
C. Alton Bruce – Growth Mgmt. Director

RESOLUTION No. 11-27

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, APPROVING AND ADOPTING THE AMENDMENT TO PRE-ANNEXATION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COOLIDGE AND SAC II, A NEVADA CORPORATION, A WHOLLY-OWNED SUBSIDIARY OF SPECIALTY TRUST, INC., A MARYLAND CORPORATION, SUCCESSOR-IN-INTEREST TO SUGGS HOMES, INC., AN ARIZONA CORPORATION IN COMPLIANCE WITH A.R.S. §9-500.05.**

**WHEREAS**, pursuant to A.R.S. §9-500.05, the City of Coolidge and Suggs Homes, Inc., an Arizona corporation, entered into that certain Pre-Annexation and Development Agreement recorded on November 6, 2000 at Fee No. 2000-046329 in the Official Records of Pinal County Recorder (the "Original Agreement").

**WHEREAS**, the Amendment to the Original Agreement approved by Resolution No. 11-21 on June 13, 2011 did not include SAC II, a Nevada corporation, as the owner or developer.

**WHEREAS**, the City of Coolidge believes that it is in the best interest of the City to amend the Original Agreement and enter into this corrected Amendment to Pre-Annexation and Development Agreement.

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

**Section 1.** The City of Coolidge by the requisite vote of its City Council hereby approves and adopts, and authorizes and instructs its Mayor on behalf of the City of Coolidge to enter into the Amendment to Pre-Annexation and Development Agreement with SAC II, a Nevada corporation, a wholly-owned subsidiary of Specialty Trust, Inc., a Maryland corporation, successor-in interest to Suggs Homes, Inc., an Arizona corporation, in the form attached to and made a part of this Resolution.

**Section 2.** Pursuant to A.R.S. §9-500.05(G), the provisions of this Resolution are not enacted as an emergency measure and shall not be effective for thirty (30) days.

**PASSED AND ADOPTED** by the Mayor and City Council of the City of Coolidge, Arizona, this 27<sup>th</sup> day of June, 2011.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

WHEN RECORDED, RETURN TO:

City Clerk  
City of Coolidge  
130 W. Central Avenue Coolidge, Arizona 85128

**AMENDMENT TO PRE-ANNEXATION AND DEVELOPMENT AGREEMENT**

This Amendment dated this \_\_\_\_ day of June, 2011 (“Amendment”) to the Pre-Annexation and Development Agreement dated October 26, 2000 by and between the CITY OF COOLIDGE, an Arizona municipal corporation (the “City”) and SAC II, a Nevada corporation (“Developer”), a wholly-owned subsidiary of SPECIALTY TRUST, INC., a Maryland corporation, and successor-in-interest to SUGGS HOMES, INC., an Arizona corporation (“Suggs Homes”).

**RECITALS**

A. On or about October 26, 2000, the City entered into a Pre-Annexation and Development Agreement (“Agreement”) with Suggs Homes covering approximately 214 acres, more or less, more specifically described in Exhibit A attached hereto and made a part hereof (the “Property”), of which approximately 67.4 acres were located within the City (“City Property”) and approximately 149.5 acres were located in the County of Pinal (“County Property”).

B. Among its terms, the Agreement called for the annexation of the County Property and on November 13, 2000, the City Council of the City approved Ordinance No. 00-19 annexing the County Property into the City.

C. On November 27, 2000, pursuant to Ordinance No. 00-20, the City reaffirmed the rezoning of the Property to Planned Area Development.

D. Subsequently, Developer acquired the Property and requested that the City Council extend the terms of the Agreement, which the City Council agreed to do on January 10, 2011, subject to the negotiation of this Amendment by the City's staff.

## AGREEMENT

NOW, THEREFORE, the City and Developer agree to amend the Agreement as follows:

1. Capitalized Terms. All capitalized terms not otherwise defined herein shall have the same meaning as in the Agreement.

2. Application of the Agreement. As annexation of the County Property has occurred, the Agreement as amended by this Amendment and the PAD are operative as to the entire Property.

3. Term. Notwithstanding anything to the contrary contained in the Agreement, the parties acknowledge that the term of the Agreement shall be extended until January 31, 2021. Thus, the phrase "within ten (10) years of annexation of the County Property into the corporate limits of the City" in Section 1.1(b) is hereby deleted and the phrase "by January 31, 2021" inserted and the phrase "until the date ten (10) years from the date of this Agreement" in Section 1.3(a) is hereby deleted and the phrase "until January 31, 2021" is inserted and the phrase "ten (10) years from the date of this Agreement" in Section 1.4 is hereby deleted and the phrase "until January 31, 2021" is hereby inserted.

4. Fire Station Payments. The following provisions are added as Section 2.13 to the Agreement:

### **2.13 Fire Station Payments.**

(a) The Property requires fire service to be provided by a fire station (the "Serving Fire Station"). City and Developer agree that the initial Developer's fee for fire service from the Serving Fire Station for the Property shall be Twenty Five Thousand Six Hundred Eighty and no/100 Dollars (\$25,680.00) payable for the first year as follows: Twelve Thousand Eight Hundred Forty and no/100 Dollars (\$12,840.00) on receipt of the grading permit for the Property; and Twelve Thousand Eight Hundred Forty and no/100 Dollars (\$12,840.00) payable on the six month anniversary date of the issuance of the first grading permit for the Property.

(b) Beginning on the one (1) year anniversary date of the issuance of the first residential building permit for the Property, the City and Developer agree the Developer's payment for service from the Serving Fire Station shall be calculated and paid on the basis of Two Hundred Forty and no/100 Dollars (\$240.00) per gross acre of the Property (the "Fire Service Payment"). The Fire Service Payment for the Property shall be paid annually in two (2) equal installments on the anniversary date of the issuance of the first residential building permit for the Property and six (6) months thereafter. The Property's Fire Service Payment may be allocated to residential development projects on the Property ("Project") on a per gross acre basis and thereafter the residential homebuilder for the

Project shall be liable to pay (on the same basis and at the same times as set forth above) the Project's pro rata share of the Fire Service Payment. A Project's obligation to pay the Fire Service Payment shall be reduced as set forth hereafter:

(i) Upon the issuance by the City of certificates of occupancy for 35% of the Total Lot Count (as defined hereafter) for the Property, the amount of each semi-annual installment payment of the Fire Service Payment for that Property, shall be reduced by 30%; and

(ii) Upon the issuance by the City of certificates of occupancy for 50% of the Total Lot Count for the Property, the amount of each semi-annual installment payment of the Fire Service Payment for that Property, shall be reduced by 45%; and

(iii) Upon the issuance by the City of certificates of occupancy for 80% of the Total Lot Count for the Property, the amount of each semi-annual installment payment of the Fire Service Payment for that Property, shall be reduced by 75%; and

(iv) Upon the issuance by the City of certificates of occupancy for 90% of the Total Lot Count for the Property, the Developer or the owner of the Property, as applicable, shall be released from its obligation to pay any Fire Service Payment set forth in this Amendment.

(v) "Total Lot Count" shall mean, with respect to the Property, the total number of residential lots established for the Property as set forth in any approved amendment to the PAD Plan or approved plat, provided however, such total may be reduced to the number of lots shown on an approved plat if such number is less than the number of lots shown in the previously approved PAD Plan.

(vi) In no event shall Developer's Fire Service Payment in any one year exceed \$55,000.

(vii) Failure by the Developer of the Property to promptly pay the amount owed pursuant to this Section 2.13, will constitute a breach of this Amendment and the City may collect such amounts owing by utilizing the remedies set forth in Section 3.3 of the Agreement, and further may withhold the issuance of building permits for improvements on the Property until such amount is paid.

5. Developer Representative. The parties acknowledge that the “Developer Representative” shall be that person whom the Developer designates to the City by written notice in accordance with Section 4.1 of the Agreement.

6. Developer as Successor to Suggs Homes, Inc. The City recognizes and acknowledges that Developer and its successors and assigns have succeeded to the rights and obligations of Suggs Homes, Inc. as the “Developer” under the Agreement.

7. Notices. All Notices to Developer are to go to SAC II, a Nevada corporation, 6160 Plumas Street, Reno, Nevada 89059, Attention: President, with a copy to Beus Gilbert PLLC, 4800 North Scottsdale Road, Suite 6000, Scottsdale, Arizona 85251, Attention: Paul E. Gilbert, Esq.

8. General Provisions.

(a) Conflicts. In the event the provisions of this Amendment conflict with the Agreement, the provisions of this Amendment shall govern and shall take precedence over the terms of the Agreement.

(b) Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or the Developer of the breach of any covenant of this Amendment shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Amendment.

(c) Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all parties may be physically attached to a single document.

(d) Headings. The descriptive headings of the paragraphs of this Amendment are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

(e) Exhibits and Recitals. Any exhibit attached hereto and the recitals set forth herein shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof.

(f) Further Acts. Each of the parties hereto shall promptly and expeditiously execute and deliver all such documents, and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Amendment.

(g) Future Effect.

(i) Time of Essence and Successors. Time is of the essence of this Amendment. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto pursuant to A.R.S. §9-000.05(D), except as provided below; provided, however, the Developer's rights and obligations may only be assigned to a

person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, whereby Developer expressly assigns such rights and obligations. If Developer desires to make an assignment to a person who is not an affiliate of Developer, then such assignment shall be subject to the approval of the City, such approval to not be unreasonably withheld or delayed. Upon Assignment, Developer's assign(s) shall be responsible for its direct and pro-rata share of all sums expended pursuant hereto and City hereby releases Developer from all obligations contained herein, monetary or otherwise.

(ii) Termination Upon Sale to Public. This Amendment shall not impose any obligations upon and shall terminate without the execution or recordation of any further document or instrument as to any lot which has been finally subdivided and sold with a completed home thereon for which a certificate of occupancy or equivalent has been issued and thereupon such lot shall be released from and no longer be subject to or burdened by the provisions of this Amendment.

(h) Entire Agreement. This Amendment constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

(i) Authority. Each of the parties represents and warrants to the other that the individual(s) executing this Amendment on behalf of the respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

(j) Severability. If any provision of this Amendment is declared void or unenforceable, such provision shall be severed from this Amendment, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits the City or the Developer from undertaking any contractual commitment to perform any act hereunder, this Amendment shall remain in full force and effect, but if the provision requiring such action is deemed material by either party, they shall be entitled to terminate this Amendment. (This provision shall be in addition to any other remedies provided herein and shall not be construed in any way to restrict either party's right to any other remedy provided for herein).

(k) Governing Law; Venue. This Amendment is entered into in Arizona and shall be construed and interpreted under the laws of Arizona. In particular, this Amendment is subject to the provisions of A.R.S. § 38-511. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Amendment shall be tried in a court of competent jurisdiction in Pinal County, Arizona. The parties hereby waive any provisions of law providing for a change of venue in such proceeding to any other county.

(l) Recordation. This Amendment shall be recorded in its entirety in the Official Records of Pinal County, Arizona not later than ten (10) days after this Amendment is executed by the City and the Developer.

(m) No Developer Representations. Nothing contained herein or in the PAD Plan shall be deemed to obligate the City or the Developer to complete any part or all of the development of the Property in accordance with the PAD Plan or any other plan, and the PAD Plan shall not be deemed a representation or warranty by the Developer of any kind whatsoever.

(n) Agreement Remains in Full Force and Effect. Except as amended by this Amendment, the terms of the Agreement shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment to be effective on the date and at the time a resolution approving this Amendment is approved by the City Council of the City of Coolidge.

**CITY:**

CITY OF COOLIDGE, an Arizona municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM AND AUTHORITY**

The foregoing Amendment has been reviewed by the undersigned attorney, who has determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the City of Coolidge.

\_\_\_\_\_  
Attorney for City of Coolidge

**DEVELOPER:**

SAC II, a Nevada corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

State of Arizona )  
 ) ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, the \_\_\_\_\_ of the City of Coolidge, an Arizona municipal corporation, on behalf of the City.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

State of Arizona )  
 ) ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, the \_\_\_\_\_ of SAC II, a Nevada corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

87279-0001

June 16, 2011

**VIA CERTIFIED MAIL –**  
**RETURN RECEIPT REQUESTED**

Denis Fitzgibbons, Esq.  
Fitzgibbons Law Office, P.L.C.  
1115 East Cottonwood Lane, Suite 150  
Casa Grande, AZ 85122

Re: Amendment to Pre-Annexation and Development Agreement

Dear Mr. Fitzgibbons:

On June 13, 2010, the City of Coolidge approved entering into an Amendment (“Amendment”) to the Pre-Annexation and Development Agreement (“Agreement”) between the City of Coolidge and Specialty Trust, Inc., successor in interest to Suggs Homes, Inc. Subsequent to the City’s approval, it was determined that the current owner of the property that is subject to the Agreement as amended is not Specialty Trust, Inc. but rather its wholly-owned subsidiary, SAC II, a Nevada corporation. I am enclosing copies of the most recent deeds showing the ownership of the property in the name of SAC II.

SAC II became the owner of the property as the result of foreclosures under deeds of trust wherein Specialty Trust Inc. was the beneficiary. Specialty Trust, Inc. itself never held title to the property.

I am also enclosing a revised Amendment to the Pre-Annexation and Development Agreement executed by SAC II for re-presentation to the City Council at its next meeting on June 27, 2011 in order to clarify the true ownership of the property and the correct parties to the Amendment.

Please do not hesitate to contact me with any questions or comments you may have. Thank you.

Very truly yours,

BEUS GILBERT PLLC

Steven W. Bienstock

Enclosures

WHEN RECORDED, RETURN TO:

City Clerk  
City of Coolidge  
130 W. Central Avenue Coolidge, Arizona 85128

### **AMENDMENT TO PRE-ANNEXATION AND DEVELOPMENT AGREEMENT**

This Amendment dated this \_\_\_\_ day of June, 2011 ("Amendment") to the Pre-Annexation and Development Agreement dated October 26, 2000 by and between the CITY OF COOLIDGE, an Arizona municipal corporation (the "City") ~~and "City"~~ and SAC II, a Nevada corporation ("Developer"), a wholly-owned subsidiary of SPECIALTY TRUST, INC., a Maryland corporation ("Specialty Trust", and successor-in-interest to SUGGS HOMES, INC., an Arizona corporation ("Suggs Homes"). ~~Specialty Trust is hereinafter referred to as the Developer."~~

### **RECITALS**

A. On or about October 26, 2000, the City entered into a Pre-Annexation and Development Agreement ("Agreement") with Suggs Homes covering approximately 214 acres, more or less, more specifically described in Exhibit A attached hereto and made a part hereof (the "Property"), of which approximately 67.4 acres were located within the City ("City Property") and approximately 149.5 acres were located in the County of Pinal ("County Property").

B. Among its terms, the Agreement called for the annexation of the County Property and on November 13, 2000, the City Council of the City approved Ordinance No. 00-19 annexing the County Property into the City.

C. On November 27, 2000, pursuant to Ordinance No. 00-20, the City reaffirmed the rezoning of the Property to Planned Area Development.

D. Subsequently, ~~Specialty Trust~~Developer acquired the Property and requested that the City Council extend the terms of the Agreement, which the City Council agreed to do on January 10, 2011, subject to the negotiation of this Amendment by the City's staff.

## AGREEMENT

NOW, THEREFORE, the City and Developer agree to amend the Agreement as follows:

1. Capitalized Terms. All capitalized terms not otherwise defined herein shall have the same meaning as in the Agreement.

2. Application of the Agreement. As annexation of the County Property has occurred, the Agreement as amended by this Amendment and the PAD are operative as to the entire Property.

3. Term. Notwithstanding anything to the contrary contained in the Agreement, the parties acknowledge that the term of the Agreement shall be extended until January 31, 2021. Thus, the phrase "within ten (10) years of annexation of the County Property into the corporate limits of the City" in Section 1.1(b) is hereby deleted and the phrase "by January 31, 2021" inserted and the phrase "until the date ten (10) years from the date of this Agreement" in Section 1.3(a) is hereby deleted and the phrase "until January 31, 2021" is inserted and the phrase "ten (10) years from the date of this Agreement" in Section 1.4 is hereby deleted and the phrase "until January 31, 2021" is hereby inserted.

4. Fire Station Payments. The following provisions are added as Section 2.13 to the Agreement:

### **2.13 Fire Station Payments.**

(a) The Property requires fire service to be provided by a fire station (the "Serving Fire Station"). City and Developer agree that the initial Developer's fee for fire service from the Serving Fire Station for the Property shall be Twenty Five Thousand Six Hundred Eighty and no/100 Dollars (\$25,680.00) payable for the first year as follows: Twelve Thousand Eight Hundred Forty and no/100 Dollars (\$12,840.00) on receipt of the grading permit for the Property; and Twelve Thousand Eight Hundred Forty and no/100 Dollars (\$12,840.00) payable on the six month anniversary date of the issuance of the first grading permit for the Property.

(b) Beginning on the one (1) year anniversary date of the issuance of the first residential building permit for the Property, the City and Developer agree the Developer's payment for service from the Serving Fire Station shall be calculated and paid on the basis of Two Hundred Forty and no/100 Dollars (\$240.00) per gross acre of the Property (the "Fire Service Payment"). The Fire Service Payment for the Property shall be paid annually in two (2) equal installments on the anniversary date of the issuance of the first residential building permit for the Property and six (6) months thereafter. The Property's Fire Service Payment may be allocated to residential development projects on the Property ("Project") on a per gross acre basis and thereafter the residential homebuilder for the

Project shall be liable to pay (on the same basis and at the same times as set forth above) the Project's pro rata share of the Fire Service Payment. A Project's obligation to pay the Fire Service Payment shall be reduced as set forth hereafter:

(i) Upon the issuance by the City of certificates of occupancy for 35% of the Total Lot Count (as defined hereafter) for the Property, the amount of each semi-annual installment payment of the Fire Service Payment for that Property, shall be reduced by 30%; and

(ii) Upon the issuance by the City of certificates of occupancy for 50% of the Total Lot Count for the Property, the amount of each semi-annual installment payment of the Fire Service Payment for that Property, shall be reduced by 45%; and

(iii) Upon the issuance by the City of certificates of occupancy for 80% of the Total Lot Count for the Property, the amount of each semi-annual installment payment of the Fire Service Payment for that Property, shall be reduced by 75%; and

(iv) Upon the issuance by the City of certificates of occupancy for 90% of the Total Lot Count for the Property, the Developer or the owner of the Property, as applicable, shall be released from its obligation to pay any Fire Service Payment set forth in this Amendment.

(v) "Total Lot Count" shall mean, with respect to the Property, the total number of residential lots established for the Property as set forth in any approved amendment to the PAD Plan or approved plat, provided however, such total may be reduced to the number of lots shown on an approved plat if such number is less than the number of lots shown in the previously approved PAD Plan.

(vi) In no event shall Developer's Fire Service Payment in any one year exceed \$55,000.

(vii) Failure by the Developer of the Property to promptly pay the amount owed pursuant to this Section 2.13, will constitute a breach of this Amendment and the City may collect such amounts owing by utilizing the remedies set forth in Section 3.3 of the Agreement, and further may withhold the issuance of building permits for improvements on the Property until such amount is paid.

5. Developer Representative. The parties acknowledge that the “Developer Representative” shall be that person whom the Developer designates to the City by written notice in accordance with Section 4.1 of the Agreement.

6. Specialty Trust Developer as Successor to Suggs Homes, Inc. The City recognizes and acknowledges that ~~Specialty Trust, Inc.~~ Developer and its successors and assigns have succeeded to the rights and obligations of Suggs Homes, Inc. as the “Developer” under the Agreement.

7. Notices. All Notices to Developer are to go to ~~Specialty Trust, Inc.~~ SAC II, a Nevada corporation, 6160 Plumas Street, Reno, Nevada 89059, Attention: President, with a copy to Beus Gilbert PLLC, 4800 North Scottsdale Road, Suite 6000, Scottsdale, Arizona 85251, Attention: Paul E. Gilbert, Esq.

8. General Provisions.

(a) Conflicts. In the event the provisions of this Amendment conflict with the Agreement, the provisions of this Amendment shall govern and shall take precedence over the terms of the Agreement.

(b) Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or the Developer of the breach of any covenant of this Amendment shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Amendment.

(c) Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all parties may be physically attached to a single document.

(d) Headings. The descriptive headings of the paragraphs of this Amendment are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

(e) Exhibits and Recitals. Any exhibit attached hereto and the recitals set forth herein shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof.

(f) Further Acts. Each of the parties hereto shall promptly and expeditiously execute and deliver all such documents, and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Amendment.

(g) Future Effect.

(i) Time of Essence and Successors. Time is of the essence of this Amendment. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto pursuant to A.R.S. §9-000.05(D), except as provided

below; provided, however, the Developer's rights and obligations may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, whereby Developer expressly assigns such rights and obligations. If Developer desires to make an assignment to a person who is not an affiliate of Developer, then such assignment shall be subject to the approval of the City, such approval to not be unreasonably withheld or delayed. Upon Assignment, Developer's assign(s) shall be responsible for its direct and pro-rata share of all sums expended pursuant hereto and City hereby releases Developer from all obligations contained herein, monetary or otherwise.

(ii) Termination Upon Sale to Public. This Amendment shall not impose any obligations upon and shall terminate without the execution or recordation of any further document or instrument as to any lot which has been finally subdivided and sold with a completed home thereon for which a certificate of occupancy or equivalent has been issued and thereupon such lot shall be released from and no longer be subject to or burdened by the provisions of this Amendment.

(h) Entire Agreement. This Amendment constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

(i) Authority. Each of the parties represents and warrants to the other that the individual(s) executing this Amendment on behalf of the respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

(j) Severability. If any provision of this Amendment is declared void or unenforceable, such provision shall be severed from this Amendment, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits the City or the Developer from undertaking any contractual commitment to perform any act hereunder, this Amendment shall remain in full force and effect, but if the provision requiring such action is deemed material by either party, they shall be entitled to terminate this Amendment. (This provision shall be in addition to any other remedies provided herein and shall not be construed in any way to restrict either party's right to any other remedy provided for herein).

(k) Governing Law; Venue. This Amendment is entered into in Arizona and shall be construed and interpreted under the laws of Arizona. In particular, this Amendment is subject to the provisions of A.R.S. § 38-511. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Amendment shall be tried in a court of competent jurisdiction in Pinal County, Arizona. The parties hereby waive any provisions of law providing for a change of venue in such proceeding to any other county.

(l) Recordation. This Amendment shall be recorded in its entirety in the Official Records of Pinal County, Arizona not later than ten (10) days after this Amendment is executed by the City and the Developer.

(m) No Developer Representations. Nothing contained herein or in the PAD Plan shall be deemed to obligate the City or the Developer to complete any part or all of the development of the Property in accordance with the PAD Plan or any other plan, and the PAD Plan shall not be deemed a representation or warranty by the Developer of any kind whatsoever.

(n) Agreement Remains in Full Force and Effect. Except as amended by this Amendment, the terms of the Agreement shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment to be effective on the date and at the time a resolution approving this Amendment is approved by the City Council of the City of Coolidge.

**CITY:**

CITY OF COOLIDGE, an Arizona municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

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

Attest:

\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM AND AUTHORITY**

The foregoing Amendment has been reviewed by the undersigned attorney, who has determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the City of Coolidge.

\_\_\_\_\_  
Attorney for City of Coolidge

**DEVELOPER:**

~~SPECIALTY TRUST, INC. SAC II~~, a ~~Maryland~~Nevada corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

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

State of Arizona )  
 ) ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, the \_\_\_\_\_ of the City of Coolidge, an Arizona municipal corporation, on behalf of the City.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_  
State of Arizona )  
 ) ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, the \_\_\_\_\_ of ~~SPECIALTY TRUST, INC. SAC II~~, a ~~Maryland~~Nevada corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

Document comparison by Workshare Professional on Thursday, June 16, 2011 4:19:44 PM

<b>Input:</b>	
Document 1 ID	PowerDocs://BGD/118320/3
Description	BGD-#118320-v3-Amendment_to_Pre-Annexation_and_Development_Agreement
Document 2 ID	PowerDocs://BGD/118320/4
Description	BGD-#118320-v4-Amendment_to_Pre-Annexation_and_Development_Agreement
Rendering set	standard

<b>Legend:</b>	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

<b>Statistics:</b>	
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Deletions	49
Moved from	0
Moved to	0
Style change	0
Format changed	0

Total changes	97
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CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM

SUBJECT: Request from DJ POINT, LLC, COOLIDGE PROPERTY INVESTMENTS, LLC, LATEOTT, LLC, and FRED'S PLACE, LLC to enter into a Pre-Annexation Development Agreement for the Attaway Ranch Project.

STAFF PRESENTER: C. Alton Bruce

**RECOMMENDATION:**

Staff recommends approval of this item.

**DISCUSSION:**

The Circle R Annexation represents a portion of a much larger pair of planned communities known as Attaway Ranch North and South. These properties are the subject of Planned Area Development Conceptual Plan which was presented to Council in October of 2009 and which is up for adoption later in this meeting. This Pre-annexation Development Agreement addresses the design of those properties and follows the format of other primarily residential Development Agreements that the City has signed in the past.

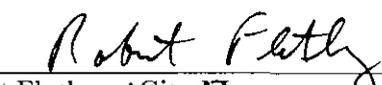
**FISCAL IMPACT:**

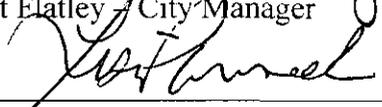
If this project succeeds, there is the potential for additional property and sales tax revenue for the City as well as permit fees, impact fees and contributions to the Fire Operating fund.

**Attachments**

Resolution No. 11-28 with Attaway Ranch Pre-Annexation and Development Agreement

**REVIEWED BY:**

  
Robert Elatley - City Manager

  
Lisa Pannella - Finance Director

**PREPARED BY:**

  
C. Alton Bruce - Growth Mgmt. Director

**RESOLUTION No. 11-28**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COOLIDGE, PINAL COUNTY, ARIZONA, APPROVING AND ADOPTING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COOLIDGE AND DJ POINT, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, COOLIDGE PROPERTY INVESTMENTS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, LATEOTT, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND FRED'S PLACE, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, IN COMPLIANCE WITH A.R.S. §9-500.05, FOR A DEVELOPMENT KNOWN AS "ATTAWAY RANCH".**

**WHEREAS**, pursuant to A.R.S. §9-500.05, **DJ POINT, LLC**, an Arizona limited liability company, **COOLIDGE PROPERTY INVESTMENTS, LLC**, an Arizona limited liability company, **LATEOTT, LLC**, an Arizona limited liability company, and **FRED'S PLACE, LLC**, an Arizona limited liability company are collectively referred to herein as the "*Owner*", requested that the City of Coolidge enter into a Pre-Annexation and Development Agreement in the form which is attached to this Resolution and by this reference made a part hereof for a development known as "Attaway Ranch"; and

**WHEREAS**, the City of Coolidge believes that it is in the best interest of the City to enter into this Pre-Annexation and Development Agreement in order to facilitate the proper municipal zoning designation and development of the property subject to the Pre-Annexation and Development Agreement by providing for, among other things: (i) conditions, terms, restrictions and requirements for the construction and installation of public services/infrastructure improvements; (ii) the permitted uses for the Property; (iii) the density of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Coolidge, Pinal County, Arizona, as follows:

Section 1. The City of Coolidge by the requisite vote of its City Council hereby approves and adopts, and authorizes and instructs its Mayor on behalf of the City of Coolidge to enter into the Attaway Ranch Pre-Annexation and Development Agreement with the Owner for the development known as "Attaway Ranch" in the form attached hereto as Exhibit A and made a part of this Resolution.

Section 2. Pursuant to A.R.S. §9-500.05(G), the provisions of this Resolution are not enacted as an emergency measure and shall not be effective for thirty (30) days.

**PASSED AND ADOPTED** by the Mayor and City Council of the City of Coolidge, Arizona, this 27<sup>th</sup> day of June, 2011.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

**EXHIBIT A**

**ATTAWAY RANCH PRE-ANNEATION AND DEVELOPMENT AGREEMENT**

[see following pages]

**When recorded return to:**

City Clerk  
City of Coolidge  
130 West Central Avenue  
Coolidge, Arizona 85228

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT  
(DJ POINT; COOLIDGE PROPERTY; LATEOTT; AND FRED'S PLACE)**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT ("*Agreement*") is entered into by and between the **CITY OF COOLIDGE**, an Arizona municipal corporation (the "*City*") and **DJ POINT, LLC**, an Arizona limited liability company, **COOLIDGE PROPERTY INVESTMENTS, LLC**, an Arizona limited liability company, **LATEOTT, LLC**, an Arizona limited liability company, and **FRED'S PLACE, LLC**, an Arizona limited liability company (collectively as "*Owner*"). The City and the Owner are sometimes referred to herein individually as a "*Party*" and collectively as the "*Parties*".

**RECITALS**

A. Owner owns that certain real properties located in Pinal County, Arizona, a portion of Section 18, Township 5 South, Range 9 East of the Gila and Salt River Base and Meridian; and a portion of Section 13, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, consisting of (i) approximately 543 acres generally located at the northwest and northeast corners of Vah Ki Inn Road and Attaway Road and legally described and depicted on **Exhibit A and Exhibit A-1**, attached hereto and incorporated herein by this reference (the "*Vah Ki Inn Property*") and a portion of Section 25, Township 5 South, Range 8 East of the Gila and Salt River Base and Meridian, consisting of (ii) approximately 160 acres generally located at the northeast corner of Nafziger Road and Martin Road and legally described and depicted on **Exhibit B and Exhibit B-1**, attached hereto and incorporated herein by this reference (the "*Nafziger Property*"). The Vah Ki Inn Property and the Nafziger Property are collectively referred to herein as the "*Property*."

B. In accordance with this Agreement, Owner plans to develop the Vah Ki Inn Property as a mixed use master planned community with single family dwelling units, multi-family dwelling units and commercial zones in appropriate locations.

C. In accordance with this Agreement, Owner plans to develop the Nafziger Property as a mixed use master planned community with single family dwelling units, multi-family dwelling units and commercial zones in appropriate locations.

D. Owner intends to apply to the City for the following: (i) a rezoning of the Vah Ki Inn Property to a zoning classification with a maximum overall residential density of no more than 8.0 dwelling units per acre, with multi-family and commercial uses in appropriate locations, with Planned Area Development (“PAD”) zoning (the “*Vah Ki Inn Rezoning*”); and (ii) a rezoning of the Nafziger Property to a zoning classification with a maximum overall residential density of no more than 8.0 dwelling units per acre, with multi-family and commercial uses, with PAD zoning (the “*Nafziger Rezoning*”). The Vah Ki Inn Rezoning and the Nafziger Rezoning are collectively referred to herein as the “*Rezoning*.”

E. In the event the City approves the Rezoning to allow for a (i) maximum residential density of 8.0 dwelling units per acre, with multi-family and commercial uses in appropriate locations for the Vah Ki Inn Property and (ii) maximum residential density of 8.0 dwelling units per acre, with multi-family and commercial uses for the Nafziger Property, the Parties acknowledge that the zoning for the Property will be consistent with the City’s General Plan designation for the Property.

F. Owner and the City desire that Parcel No. 2 and Parcel No. 3 of the Vah Ki Inn Property, as legally described and depicted on Exhibit A and Exhibit A-1, be annexed into the corporate limits of the City and be developed as an integral part of the City. The annexation of Parcel No. 2 and Parcel No. 3 of the Vah Ki Inn Property, the development of the Property pursuant to this Agreement, and the Planned Area Development zoning (the “*PAD Zoning*”), is acknowledged by the Parties hereto to be consistent with the City’s General Plan, and will operate to the benefit of the City, the Owner and the general public. The annexation of Parcel No. 2 and Parcel No. 3 of the Vah Ki Inn Property would allow the City to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the City.

G. Owner and the City are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“*A.R.S.*”) § 9-500.05 in order to facilitate the annexation of the Property and the proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of Parcel No. 2 and Parcel No. 3 of the Vah Ki Inn Property by the City; (ii) conditions, terms, restrictions and requirements for the construction and installation of public services/infrastructure improvements; (iii) the permitted uses for the Property; (iv) the density of such uses; and (v) other matters related directly or indirectly to the development of the Property.

H. A blank annexation petition was filed on January 19, 2011, with Pinal County and a public hearing was held on February 14, 2011 in connection with the annexation of Parcel No. 2 and Parcel No. 3 of the Vah Ki Inn Property into the City.

I. City and Owner acknowledge that the development of the Property pursuant to this Agreement and the PAD Zoning will have planning and economic impacts to the City by: (i) encouraging investment in and commitment to comprehensive planning, which will result in

efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the City's General Plan and the PAD Zoning; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property; (iv) increasing tax and other revenues to the City based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; (vi) creating improved housing and other uses for citizens of the City; and (vii) increasing the demand for City services during and after the development of the Property. The City and Owner acknowledge that the development of the Property pursuant to this Agreement will result in benefits to Owner by *providing certainty* in order to avoid the waste of resources, including assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PAD Zoning.

J. Among other things, development of the Property in accordance with this Agreement and the PAD Zoning will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

K. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, also are needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property. Given the regional significance of such public services/infrastructure improvements and development of the Property, the City is willing to facilitate the utilization of payback agreements as provided in this Agreement.

L. Notwithstanding any public financing utilized for public infrastructure as set forth herein, the City and the Owner each acknowledge that the Owner is required to construct the public services/infrastructure improvements necessary for the development of the Property.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the Parties hereto state, confirm and agree as follows:

### **AGREEMENT**

1. **Incorporation of Recitals.**

The foregoing Recitals are hereby incorporated into this Agreement by reference as though fully restated.

2. **Annexation.**

The Parties acknowledge that a blank annexation petition meeting the requirements of A.R.S. § 9-471 has been on file in the office of the County Recorder and the City has duly noticed and conducted the hearing as required by law. Concurrently with the execution and delivery of this Agreement by the City and Owner, Owner will deliver to the City an appropriate

Petition for Annexation duly executed by all necessary property owners after the thirty day waiting period, that satisfies the applicable statutory requirements (the “*Annexation Petition*”). Upon receipt of the Annexation Petition, the City shall comply with the provisions of A.R.S. § 9-471 *et seq.* and, if determined to be in the best interest of the City, adopt a final ordinance annexing the Annexation Property into the corporate limits of the City (the “*Annexation Ordinance*”). The Annexation Ordinance shall contain a provision requiring, upon Owner’s written request made prior to the effective date, the immediate rescission and termination of the Annexation Ordinance by the City if: (a) any person or entity, other than a Party to this Agreement, files (i) a valid petition appearing (A) to be in proper form and (B) to have the requisite number of valid signatures to cause a referendum challenging this Agreement, the Annexation Ordinance, or the PAD Zoning, (ii) litigation in a court of proper jurisdiction or (iii) petition pursuant to A.R.S. § 9-471(C) challenging the validity or approval of the Annexation Ordinance; or (b) the City does not, at the same City meeting in which the Annexation Ordinance is adopted, approve the PAD Zoning. The City makes no representations as to the enforceability of the rescission and termination of the Annexation Ordinance pursuant to clause (a) and (b) above, but agrees to use its best efforts to accomplish the intent of this Section 2, even if a special meeting of the City Council must be called for the purpose of repealing the Annexation Ordinance and the PAD Zoning. The City shall schedule a Council Meeting for this purpose at the latest date reasonably possible prior to the Annexation Ordinance becoming final and effective and shall use its best efforts to perform in accordance with this Section 2. The City and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the City’s annexation of Parcel No. 2 and Parcel No. 3 of the Vah Ki Inn Property does not become effective and final pursuant to A.R.S. § 9-471(D) on or before July 13, 2011.

3. **PAD Zoning.**

(a) **Rezoning.** Upon annexation, the Parties hereto agree to follow the prescribed procedures under State statutes and City ordinances to rezone the Property to the PAD Zoning. The Rezoning of the Property to PAD Zoning shall establish vested rights only with respect to the land uses and densities as described in the PAD Plan, and those matters set forth on **Exhibit C** hereto (collectively, such land uses, density and matters on **Exhibit C** shall be referred to as the “*Vested Rights*”). The PAD Zoning shall be subject to and development of the Property shall be bound by all of the City’s Rules (as defined in Section 6 of this Agreement) of the City as set forth and permitted by Section 6 of this Agreement. The City and Owner agree the only rights vested by this Agreement and the rezoning to PAD Zoning are the Vested Rights, all other rights, standards and requirements pertaining to the development of the Property are not vested by this Agreement and are subject to the changes caused by any changes to the Rules or enactment of Rules permitted pursuant to Section 6 of this Agreement; the PAD Zoning, as applicable, shall control as to any issues not addressed by the Rules.

The Owner on behalf of itself and all other parties having an interest in the Property intend to encumber the Property with the following agreements and waivers. The Owner agrees and consents to all the conditions imposed by this Agreement, and the PAD Zoning, and by signing this Agreement waive any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property that the Owner of the Property may have now or in

the future under the provisions of A.R.S. Sections 12-1134 through and including 12-1136 resulting from this Agreement, the PAD Zoning, or from any "land use law" (as such term is defined in the aforementioned statute sections) permitted by this Agreement to be enacted, adopted or applied by the City now or hereafter. The Owner acknowledges and agrees the terms and conditions set forth in this Agreement, and the PAD Zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the City to the Property. This Agreement shall control as to any inconsistency between the PAD Zoning and this Agreement.

(b) **Development.**

(i) The Owner shall have a right to develop the Property consistent with the Vested Rights and the PAD Zoning, subject to the Rules and any changes to the Rules as permitted by Section 6 of this Agreement, but in no event shall the Rules be changed that will materially and adversely limit or change the development of the Property consistent with the Vested Rights described in this Agreement.

(ii) The City acknowledges that Owner plans to develop the Property in phases. Owner may develop within the phases concurrently or out of order from the numbering set forth in the PAD Zoning approval as long as Owner constructs or causes to be constructed and installed any and all portions of the Infrastructure Plan (as defined hereafter) that relate to the segments of the Property being developed by Owner; provided, however, that the City Engineer may require that the Owner construct portions of the Infrastructure Plan not directly related to the request being constructed by the Owner if, in the City Engineer's reasonable discretion, he determines that the construction sequence requested by the Owner will be detrimental to the City or the public.

(iii) The City agrees that the density cap of 8.0 dwelling units ("DU") per gross acre is a project-wide cap. The Parties, therefore, acknowledge that any given phase or subphase within the Property may develop with a higher density than the density cap of 8.0 dwelling units per gross acre, as long as (A) the overall residential density of the Property is not greater than 8.0 DU per gross acre and (B) no phase or subphase shall contain a density greater than 24.0 DU per gross acre.

(iv) The Parties acknowledge that a rapid transit system corridor is being planned within close proximity to the Property. The Parties also acknowledge that intense and efficient use of land such as mixed land uses and higher residential densities are desired to improve access to transportation and housing choices, increase ridership of the rapid transit system, promote alternate modes of transportation, and correspondingly reduce negative impacts of automobile travel on the environment. In the event that final design of the rapid transit system identifies the corresponding transportation route within one-mile of the Property, then any given phase or subphase within the Property may develop with a higher density than the density cap of 8.0 dwelling units per gross acre, as long as no phase or subphase shall contain a density greater than 24.0 DU per gross acre. In the event that final design of the rapid transit system identifies the corresponding transportation route within 2,000 linear feet of the Property, then any given

phase or subphase within the Property may develop at a density of greater than 24.0 DU per gross acre.

(v) The Parties agree that any given phase within the Property may develop with less than 15% open space, if approved by the City's Planning and Zoning Director, provided that the overall Property Open Space is not less than 15%. For purposes of this Agreement, the term "*Open Space*" shall mean any area of land or water permanently dedicated or designated for use for active or passive recreation areas, landscape buffers, flood control, storm water retention, or resource management; or, land areas dedicated for school purposes that are intended for open space, recreation or sports activities.

(vi) Owner may redistribute lots, open space, school sites and streets up through approval of the relevant final plat for the particular phase or subphase of the Property, as may be approved by the City's Planning and Zoning Director, as long as such changes are in conformity with the Vested Rights and the Rules.

(c) **Zoning Changes.** For the duration of this Agreement, the City shall not initiate any changes or modifications to the PAD Zoning as applicable to the Property, except at the request of the Owner of the portion of the Property for which such change is sought. Any such request for change shall be processed in the manner then set forth in the City's zoning ordinance for amendments. Any changes or modifications initiated by the City to the PAD Zoning designation as applicable to any part of the Property in which the Owner has an interest in fee or beneficial title initiated by the City shall become effective only upon Owner's consent. Nothing set forth in this paragraph shall be deemed to require City approval of future changes to the PAD Zoning designation as applicable to the Property after the effective date of this Agreement.

#### 4. **Development Standards.**

(a) **Commercial Standards.** Commercial development on the Vah Ki Inn Property shall comply with the standards contained in the PAD Zoning, and those matters set forth on **Exhibit C.**

(b) **Residential Design Guidelines.** Residential development on the Property shall comply with the standards contained in the PAD Zoning, and those matters set forth on **Exhibit C.**

#### 5. **Additional Property.**

Upon the request of the Owner and the submission of a planned area development plan for the additional property hereafter referenced, the City hereby agrees to consider, and, if in the best interest of the City as determined by the City and in accordance with typically applicable notice and public hearing requirements, to incorporate into this Agreement the whole or any portion of additional property adjacent to or proximate to the Property (the "*Additional Property*") if and when Owner acquires such Additional Property. The City and the Owner agree that if Owner elects to request from City the incorporation of such Additional Property or portions thereof and if the City consents: (a) thereafter, such Additional Property shall be

included in the Property and shall be subject to and shall benefit from all provisions of this Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, provided however, the planned area development plan approved by the City for such Additional Property shall be the planned area development plan for such Additional Property; (b) the City and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PAD Zoning required to approve the planned area development plan for the Additional Property; and (c) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. **Regulation of Development.**

(a) **The Applicable Rules.** With respect to the development of the Property as contemplated by this Agreement, the code, ordinances, rules, regulations, permit requirements, exactions, fees, development fees (as defined in A.R.S. Section 9-463.05) other requirements and/or official policies of the City (collectively, the “Rules”) which apply to the development of the Property, shall mean those Rules in existence from time to time. The City reserves, exercising its sole and absolute discretion, the right to amend existing or to adopt new Rules and such Rules as amended or adopted shall be applicable to and binding on the Property. Notwithstanding the foregoing, any change in the Rules in existence on the date of this Agreement or any Rules enacted after the date of this Agreement shall not be enforced against any development of the Property if such enforcement would materially and adversely limit or change the development of the Property consistent with the Vested Rights described in this Agreement.

(b) **The Permissible Additions to the Rules Impacting Vested Rights.**

Notwithstanding the provisions of Section 6(a) above, the City may change, enact and enforce Rules against the Property and development thereof which have an adverse impact on the Vested Rights upon the occurrence of any one of the following provisions:

(i) Rules which the Owner may agree in writing apply to the development of the Property. In the event that a federal grant, subsidy or other financial award or form of financial assistance would become available to the City (whether directly from a federal agency or department or indirectly from a federal agency or department through the State of Arizona or Pinal County), and if such award or form of assistance is only available if the City were to adopt certain land use ordinances, rules, regulations and permit requirements, the City may request that the Owner approve such adoption, which approval shall not be unreasonably withheld;

(ii) Rules of the City enacted as necessary to comply with mandatory requirements imposed on the City by the state or federal governments, including court decisions, and other similar superior external authorities beyond the control of the City, provided that in the event any such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law, such affected provisions of this Agreement shall be modified as may be necessary to achieve the minimum permissible compliance with such mandatory requirement;

(iii) Rules of the City reasonably necessary to alleviate threats to public health and safety, provided such Rules shall be applied uniformly and not arbitrarily to all areas that are subject to the similar threat;

(iv) Future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, dangerous building, and similar construction and safety related codes, such as the Uniform Building Code, which updates and amendments are generated by a nationally recognized construction/safety organization, or by the county, state or federal governments or by the Central Arizona Association of Governments, provided, such code updates and amendments shall be applied uniformly and not arbitrarily; or

(v) Amendments to such construction and safety codes generated by the City for the purposes of conforming such codes to the conditions generally existing in the City, provided that such code amendments shall be applied uniformly and not arbitrarily.

7. **Anti-Moratorium.**

The Parties hereby acknowledge and agree that the PAD Zoning contemplates and provides for the development of the Property over a period of twenty (20) years and that for the term of this Agreement as defined in Section 34 below, no moratorium shall be imposed except as permitted by A.R.S. § 9-463.06, as of the date of this Agreement and attached hereto as **Exhibit D**. The City agrees, to the extent permitted by law, that if subsequent law changes or repeals the standards or language of A.R.S. Section 9-463.06, as set forth in **Exhibit D** hereto, such standards set forth in **Exhibit D** shall continue to apply to the Property.

8. **Vested Rights.**

The City agrees that, for the term of this Agreement, Owner shall have a vested right to develop the Property in accordance with this Agreement and the Vested Rights set forth in this Agreement. Further, subject to the Rules and any permitted changes to the Rules as permitted by Section 6 of this Agreement, Owner may develop the Property in accordance with the PAD Zoning. The determinations of the City memorialized in this Agreement, together with the assurances provided to Owner in this Agreement are provided pursuant to and as contemplated by A.R.S. § 9-500.05.

9. **Infrastructure.**

(a) **Infrastructure Plan.** The City hereby approves the infrastructure plan, which includes drainage, sewer, and traffic circulation plans for the major infrastructure (the "*Infrastructure Plan*"). Except as otherwise provided in this Agreement and subject to the Rules, the Infrastructure Plan shall authorize Owner, so long as Owner proceeds with the development of the Property, to implement and phase the infrastructure improvements to the Property in conformance with the Infrastructure Plan (the "*Infrastructure Improvements*"). In the event it becomes necessary for Owner to install certain road improvements not directly adjacent to the Property to complete the Infrastructure Plan and such improvements benefit other Property, the City agrees that these actual improvement costs are eligible for a credit from applicable impact

or development fees, but only to the extent such improvement costs were included in the basis for the applicable impact or development fee. The Parties hereto acknowledge and agree that, to the extent Owner develops the Property, it shall have the right and obligation at any time after the effective date to construct or cause to be constructed, and installed, all portions of the Infrastructure Plan related to the developing segments of the Property.

(b) **Infrastructure Plan Amendment.** The City and the Owner acknowledge that amendments to the Infrastructure Plan may be necessary from time to time. Unless otherwise required by law, minor changes shall only require the approval of the City's Public Works Director. City and Owner shall cooperate in good faith to agree upon, to process any amendments to the Infrastructure Plan. The Owner and the City agree that any such amendments shall be incorporated by this reference into this Agreement with the same force and effect as if set forth herein and shall not require corresponding amendment to this Agreement.

(c) **Construction.**

(i) The Parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with the Rules and all other applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Improvements that relate to the phase or portion of the Property to be developed by Owner at any given time. Owner shall cause the Infrastructure Improvements to be constructed and installed in a good and workmanlike manner and in compliance with the Rules and all other applicable requirements, standards, codes, rules or regulations of the City. Construction of the Infrastructure Improvements in phases shall be based on subsequently submitted technical studies as required and approved by the City Engineer.

(ii) Owner, its agents, and employees, shall have the additional right, upon receipt from the City of an appropriate encroachment permit, to enter and remain upon and cross over any City easements or rights-of-way to the extent reasonably necessary to facilitate such construction, or to perform necessary maintenance or repairs of such public Infrastructure Improvements. Owner's use of such easements and rights-of-way, pursuant to an encroachment permit, shall not impede or adversely affect the City's use and enjoyment thereof.

(iii) Owner shall restore such City easements and rights-of-way, used pursuant to the encroachment permit, to their condition prior to Owner's entry upon completion of such construction, repairs, or maintenance. Owner, its agents, and employees, also shall have the right, upon receipt from the City of an appropriate encroachment permit, to enter and remain upon and cross over any City easements or rights-of-way to the extent reasonably necessary to install and maintain landscaping material within the portion of the City right-of-way not used for vehicular travel.

(d) **Infrastructure Assurance.** The Parties hereto acknowledge and agree that the City, prior to recording the final plat for each subdivision, shall require the Owner and/or its designees, grantees or buyers under contract, to provide appropriate assurances in such form and

amount as required by the Rules to assure that the installation of Infrastructure Improvements within that subdivision or other Infrastructure Improvements directly related to such building permit or permits will be completed (“*Infrastructure Assurance*”). In such case, the Owner may elect, with the approval of the City, which approval shall not be unreasonably withheld, any one or combination of the following methods of Infrastructure Assurance. All assurances provided by the Owner shall comply with the applicable provisions of the City’s subdivision ordinance relating to such assurances. The options, in forms reasonably acceptable to the City (each, an “*Acceptable Assurance*”), are as follows:

- (i) Owner and/or its assignees, designees, grantees and purchasers under contract are required to file with the City a performance bond; or
- (ii) Owner and/or its assignees, designees, grantees and purchasers under contract are required to deliver to the City an irrevocable and unconditional letter of credit which, if necessary, will be acknowledged by the City in accordance with the appropriate lender’s requirements; or
- (iii) A letter of financial assurance from Owner’s lender or the lender of Owner’s assignees, designees, grantees and purchasers under contract; or
- (iv) Third party trust agreement; or
- (v) Dual Beneficiary Letter of Credit; or
- (vi) Cash or certified check; or
- (vii) Such other assurance mechanism as may be approved by the City.

Once the Owner required Infrastructure Assurances have been complied with, the Owner (or, as applicable, the Owner’s assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the City, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other form of Acceptable Assurance, as set forth above. If a discrete and self-sustaining portion of the Infrastructure Improvements for which an appropriate assurance has been delivered is dedicated to and approved by the City, the City agrees to release, within twenty (20) business days from such approval by the City, the portion of the assurance that relates to the Infrastructure Improvement so completed. The City agrees that within twenty (20) business days from the last to occur of dedication or City approval of the particular completed Infrastructure Improvements for which the City has required and the Owner has provided Infrastructure Assurance, the City shall release such Infrastructure Assurance, in whole or in part as may be appropriate under the circumstances, in the manner provided in the Rules.

(e) **Acceptance.** Upon completion, including punch list items, of the installation and construction of the public Infrastructure Improvements or a portion thereof relating to a completed phase, Owner shall convey, at no cost to the City, the completed public Infrastructure Improvements to the City lien and debt free. The phrase "at no cost to the City" in the preceding

sentence shall not prevent Owner from receiving credits or reimbursements as may be available to Owner pursuant to the Rules or Sections 12 and 13 of this Agreement. Owner shall give the City written notice ("*Notice to Confirm*") promptly following completion of public Infrastructure Improvements or any portion thereof so long as any portion of completed public Infrastructure Improvements is a discrete portion relating to a completed phase and its suitability for its purpose can be adequately determined. Within thirty (30) business days after its receipt of the Notice, the City shall inspect the Infrastructure identified therein as to whether it has been constructed in accordance with the City-approved plans and specifications. Upon completion of the inspection, the City shall deliver written notice to Owner within 30 business days of the inspection either (1) approving construction and agreeing to accept conveyance of such public Infrastructure Improvements ("*Final Acceptance*"); or (2) identifying, through a punch list, any other items that are not in accordance with the City-approved plans and specifications and that are to be corrected by Owner. Acceptance of any Infrastructure Improvement is expressly conditioned upon a warranty for such Infrastructure Improvement, as provided in subsection (g), below. Except as provided in subsection (g) below, or according to the terms of any applicable Service Agreement, after acceptance of any Infrastructure Improvements, the City thereafter shall maintain, repair and operate such Infrastructure Improvements at their own cost. Owner, at no cost to City, shall dedicate, convey or obtain, as applicable all rights-of-way, rights of entry, easements and/or other use rights, wherever located as necessary for the construction, installation, operation and maintenance of the Infrastructure Improvements as required by the City.

(f) **Warranty.** Owner or its Assignee shall give to the City a one-year warranty for all Infrastructure Improvements, which warranty shall begin on the date that the City accepts the Infrastructure Improvements as provided in this section or on such other date as set forth in the Service Agreement. Any material deficiencies in material or workmanship identified by City staff during the one-year warranty period shall be brought to the attention of the Owner or its Assignee who provided the warranty, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of the City's staff. Continuing material deficiencies in a particular portion of the Infrastructure Improvements shall be sufficient grounds for the City to require (i) an extension of the warranty for an additional one-year period or, (ii) the proper repair of, or (iii) the removal and reinstallation of that portion of the Infrastructure Improvements that is subject to such continuing deficiencies. Regardless of whether the one-year warranty period has expired, the Owner agrees to repair any damage to the Infrastructure Improvements caused by Owner's or homebuilder's construction activities on the Property. Nothing contained herein shall prevent the City or Owner from seeking recourse against any other third party for damage to the Infrastructure Improvements caused by such third party.

(g) **Necessary Easements.** It shall be a condition precedent to the obligation of Owner to construct the public Infrastructure Improvements herein specified or otherwise required to service the Property, that Owner shall have obtained any and all easements, rights of entry, and/or other use rights on or about all real property other than the Property upon, through or under which will be installed all or any portion of said public Infrastructure Improvements, as useful or necessary for Owner to enter and to properly perform all activities incident to Owner's construction obligations hereunder (collectively, the "*Easements*"). Owner shall use reasonable efforts to obtain the Easements; provided, however, that if despite the exercise of such

reasonable efforts, Owner is unable to obtain any necessary Easements, upon request by Owner, the City will consider using its reasonable efforts to obtain said necessary Easements through the City's power of condemnation and the obtaining of immediate possession, all in accordance with applicable law. Such costs of obtaining the Easements (including, without limitation, the costs of condemnation including legal fees and court costs) shall be paid by Owner and shall be included in the costs of any and all public Infrastructure Improvements for which Owner is entitled to a Development Impact Fee credit, as hereinafter specified.

(h) **Private Streets.** The Owner will have the right to retain ownership to all interior local streets and other rights-of-way located within the Property ("*Private Rights-of-Way*"). The Private Rights-of-Way shall be conveyed to one or more homeowner associations created by the Owner for this and other purposes. The Owner shall have the right to install manned and/or unmanned access control structures within the medians of the Private Rights-of-Way at any portions of the Property. The Owner shall grant to the City an easement for police, fire, ambulance, garbage collection, wastewater, storm drain line installation and repair, and other public purposes, on, under, above and through the Private Rights-of-Way, and shall permit access to the City through any access control structures for such public purposes. Owner, its successors and assigns shall, at their sole cost and expense, maintain the Private Rights-of-Way to City standards, as determined by the City Public Works Director.

(i) **Water.**

(i) The Property is within the water service area certificated to Arizona Water Company ("*AWC*"), a private water company. Owner shall contract with AWC for the terms and provisions of water service to the Property.

(ii) During all times that a portion of the Property is served by AWC, the Owner shall have no obligation to pay any City water system Development Impact Fee or any water resource fee for that portion of the Property.

(j) **Traffic Signals.** Owner shall be responsible for paying its pro rata share for the installation of traffic signals installed by the City at those intersections adjacent to and abutting the Property as required by the traffic study submitted with preliminary plats and approved by the City Engineer (the "*Traffic Study*") or as otherwise required by the Public Works Director. Prior to issuance of the first certificate of occupancy for the Property, the Owner shall deposit with the City an Acceptable Assurance in the amount determined by the City Public Works Director to be the Owner's pro-rata share of the estimated cost of all traffic signals serving the Property. Owner acknowledges and understands that the estimated pro-rata share may be less than the Owner's actual pro-rata share at the time of construction. The City shall install each traffic signal when the traffic calculations have met the warrants delineated in the Traffic Study for each traffic signal, or as reasonably determined by the City Public Works Director. Owner's payment for each traffic signal shall be within thirty (30) days of notification by the City that a contract has been awarded by the City for such construction. Owner agrees to provide any necessary easements or rights-of-way necessary for the installation and operation of the traffic signals.

(k) **Fiber Easement.** Owner may reserve prior to dedication to the City, in any public street on the Property, an easement for the installation, operation, and maintenance of any public or private fiber optics or telecommunications facilities (“*Fiber Easement*”). Owner and City shall enter into an agreement that establishes the procedures for coordinating the location of facilities in the Fiber Easement and nearby public easements and the procedures and standards for maintenance and report of facilities located in the Fiber Easement. Any construction or maintenance activities conducted within the Fiber Easement shall be subject to obtaining any necessary encroachment permit from the City. Owner agrees that, although the Fiber Easement will be established prior to dedication of the public right-of-way, each Party shall be required to restore to substantially original condition any facilities damaged by the other in exercising their respective rights to use, in Owner’s case, the Fiber Easement, and, in the City’s case, the public rights-of-way. The City agrees that it will not take any action that may frustrate Owner’s ability to utilize the Fiber Easement for the installation, operation and maintenance of any public or private fiber optics or telecommunications facilities located in the Fiber Easement, and agrees that such facilities may connect to facilities external to the Property. Owner shall have the exclusive right to select providers of fiber optics and telecommunications services for the Property, provided however, all selected providers shall be required to obtain from the City a franchise or license agreement with respect to its activities in the City. To the extent that the City, pursuant to statute and applicable law, adopts any franchise fees, sales taxes or other rates, taxes, assessments or charges (“*City Fees*”), which the City imposes on an operator or franchisee providing fiber optics and telecommunications services on a City-wide basis including the Property, this subparagraph shall not operate to prohibit the City from collecting such City Fees from such franchisee or operator relating to such operations and services on the Property; provided, however, that nothing contained herein shall constitute contractual authority for imposition of such City Fees.

(l) **Roadway Improvements.** Owner shall dedicate and construct a 65-foot half-street right-of-way for the portion of Vah Ki Inn Road adjacent to the Vah Ki Inn Property. Owner shall dedicate and construct a 65-foot half-street right-of-way for the portion of Nafziger Road adjacent to the Nafziger Property. Owner shall also dedicate and construct a 65-foot half-street right-of-way for the portion of Martin Road adjacent to the Nafziger Property. The City covenants to abandon and Owner agrees to accept and maintain, pursuant to the provisions of A.R.S. § 28-7215, free and clear of liens and encumbrances, any roadway easements or rights-of-way within or adjacent to the Property which are not located in the ultimate locations of the rights-of-way and not included in the Infrastructure Improvements described in the Infrastructure Plan. The abandonment shall become final and effective no later than the date Owner records a plat for the Property.

10. **Community Facilities District Financing.**

(a) **Community Facilities District.** The City in accordance with its Community Facilities Guidelines adopted on December 13, 2004, as amended from time to time, will consider any requests by Owner to form a community facilities district (“*CFD*”) comprised of the Property and such other property within the City, that in the aggregate totals more than 600 acres, in order to aid in financing the cost of the *Infrastructure Improvements*. Nothing

contained herein shall be construed to compel the City to form a CFD or for the CFD, if formed, to finance any Infrastructure Improvements.

(b) **CFD Agreement.** Immediately upon formation and as a condition of formation of a CFD, the City, Owner, and any owner of the Property, and CFD shall enter into a CFD Development Agreement in substantially the form of the most recent forms utilized by the City with respect to other CFD's in the City. Any CFD shall cause to be levied a CFD operation and maintenance tax on Property within the district and Owner shall provide additional funds for CFD operation as provided for in the CFD Development Agreement. The City agrees to cooperate and pursue intergovernmental agreements with other public bodies, as applicable, to secure the ownership, operation and maintenance of completed public infrastructure acquired or constructed with CFD funds that are typically not owned, operated and maintained by the City. Owner may request that the City and any community facilities district establish a means of collecting reimbursements from Owner or other real property owner for the CFD's and/or Owner's costs of financing, designing and installing public facilities that are of the size, length or capacity greater than that needed to serve or mitigate the impacts of development of the Property and which will serve other property in the City.

11. **City Services.**

(a) **Sewer, Water, Trash Collection, Police and Fire.** Upon annexation, City shall provide all City services to the Property, including but not limited to, sewer, trash collection, police and fire protection and all other services typically provided by the City to its residents to the same extent and upon the same terms and conditions as those services are being provided to other similarly situated property throughout the City. Owner intends to obtain potable water services for the Property from the private water provider serving the Property. The City agrees to assess and collect user fees or rates for each municipal service provided by the City consistent with the fees or rates established by the City and applied for other similarly-situated property and projects (residential property and projects greater than five acres) in areas of the City receiving similar municipal services. Failure by the Owner to promptly pay any amount owed, including but not limited to the obligations set forth in this Section 11, will constitute a breach of this Agreement and the City may collect such amounts owing by utilizing the remedies set forth in Section 20 of this Agreement, and further may withhold the issuance of building permits for improvements on the Property until such amount is paid.

(b) **Fire Service Payment.**

(i) The Property requires fire service to be provided by a fire station (the "Serving Fire Station"). City and Owner agree the Owner's payment for fire service from the Serving Fire Station (the "*Fire Service Payment*") shall be \$240.00 per Developing Acreage within a developing phase. The Fire Service Payment represents the Owner's pro-rata share of the actual annual operating cost of the Serving Fire Station (initially estimated at \$600,000 per fiscal year for a single shift, increasing thereafter as shifts are added, but in no event to exceed \$1.8 Million annually excepted as permitted in Section 11(c)(iv) below). For purposes of this Agreement, the term "*Developing Acreage*" shall mean the gross acreage within a developing phase of the Property. The Developing Acreage within any phase of the Property and its

corresponding portion of the Fire Service Payment may be allocated to residential development projects within such phase (“*Project*”) on a per gross acre basis and thereafter the residential homebuilder for the Project shall be liable to pay (on the same basis and at the same times as set forth herein) the Project’s pro rata share of the Fire Service Payment. Owner’s, or if allocated to a residential builder, the residential builder’s obligation to pay the Fire Service Payment shall be paid and further reduced as follows:

(A) The first payment of the Fire Service Payment shall be made by Owner or residential builder, as applicable, upon the issuance of the first grading permit for the Property or Project (pro-rated from July 1 to account for the partial year), as may be reduced as set forth below, and thereafter the Fire Service Payment shall be payable to the City on May 1 of each year.

(B) Upon the issuance by the City of certificates of occupancy for 35% the total number of residential lots established for the Property, or Project, as applicable, as set forth in the PAD Zoning, provided however, such total may be reduced to the number of lots shown on an approved plat if such number is less than the number of lots shown in the PAD Zoning (the “*Total Lot Count*”), the amount of each annual installment payment of the Fire Service Payment set forth above shall be reduced by 30%.

(C) Upon the issuance by the City of certificates of occupancy for 50% of the Total Lot Count for the Property or Project, as applicable, the amount of each annual installment payment of the Fire Service Payment set forth above shall be reduced by 45%.

(D) Upon the issuance by the City of certificates of occupancy for 80% of the Total Lot Count for the Property or Project, as applicable, the amount of each annual installment payment of the Fire Service Payment set forth above shall be reduced by 75%.

(E) Upon the issuance by the City of certificates of occupancy for 90% of the Total Lot Count for the Property or Project, as applicable, the Owner shall be released from their obligation to pay any Fire Service Payment set forth in this Agreement.

(ii) The City agrees to use its best reasonable efforts to obligate other served property to pay the Fire Service Payment of the Serving Fire Station on a substantially similar basis as the Owner’s obligation to pay as set forth in this Section. The obligation to be imposed on other served property to pay a proportionate share of the Fire Service Payment of the Serving Fire Station shall require the first annual payment to the City not later than the final approval by the City of the first final plat for such other served property.

(iii) The Parties agree that it is not the intent of the City to collect revenue from the Owner greater than that necessary to pay for that Owner’s share of the Fire Service Payment. Therefore the Owner, at its sole discretion and cost, may at any time prior to the issuance by the City of certificates of occupancy for 90% of the Total Lot Count for the Property, commission a study to analyze the assessment and collection of user fees or rates for Fire Operations provided by the City to determine if those user fees or rates collected are sufficient to cover the costs for the Fire Operations to serve the Property. The City shall timely review the

study, and if it is determined by the City that the study has proven the sufficiency of user fees or rates to pay for Fire Operations, the Owner shall be released from their obligation to pay for Fire Operations as set forth in this Agreement.

(iv) The maximum amount of actual annual operating costs of the Serving Fire Station of \$1.8 million shall be increased annually, each April 1st commencing April 1, 2012, based on increases in the Consumer Price Index as follows:

On April 1 of each year, the annual operating costs for the succeeding year shall increase by the same percentage increase in the U.S. CPI – All Items – U.S. City Average, All Urban Consumers (the base year reference period is 1982 – 1984 = 100) as published by the Bureau of Labor Statistics of the U.S. Department of Labor. In the event of discontinuance of the CIP as currently reported, a comparable index of price changes shall be substituted.

(v) Failure of the Owner to promptly pay the amount owed pursuant to this Section II shall constitute a breach of this Agreement and the City may collect such amounts owing by utilizing the remedies set forth in this Agreement and further may withhold the issuance of building permits for improvements on the Property until such amount is paid.

## 12. Development Fees and Credits.

(a) Development Fees. Subject to the provisions of this Agreement, Owner agrees to pay all current and future enacted development or impact fees provided such development or impact fee is generally and uniformly applicable to the City and is consistent with the provisions of A.R.S. § 9-463.05. Notwithstanding any contrary provision of this Agreement, if Owner provides, dedicates or pays for any public sites or public infrastructure, including through the use of community facilities district financing, the value or costs of which are included as a component of a development fee or impact fee pursuant to A.R.S. § 9-463.05, Owner shall receive a credit equal to the value or cost of such public site or infrastructure (the “*Development Fee Credit*”), to be applied in lieu of existing or future development or impact fees imposed by the City which relate to or otherwise apply to the Property. In no event may the Development Fee Credits in each category of development fees exceed the actual development fees paid or to be paid by or in connection with development on the Property.

(b) Credits. Wherever this Agreement provides that Owner shall be entitled to a Development Fee Credit against any development fee or impact fee imposed by the City, the Development Fee Credit shall be credited to Owner in increments equal to one hundred percent (100%) of the particular development fee or impact fee otherwise applicable to each building permit issued with respect to a home or building or structure to be constructed on the Property, up to the maximum total credit provided for in this Agreement.

## 13. Oversizing.

(a) Credits. Notwithstanding any contrary provision of this Agreement, if Owner provides or pays for any dedicated public sites or public infrastructure (a “*Payback*”

*Improvement*”) that will directly benefit property or developments other than the Property and the developments thereon (the “*Benefited Non-Property Land/Development*”) (i.e., “oversized” or designed to provide public infrastructure to an area larger than, but encompassing, the Property), then Owner shall receive a credit to be applied in lieu of existing or future impact or development fees imposed by the City which were meant to cover the category of public infrastructure or sites paid for or provided by Owner. (For example, but not by way of limitation, if Owner installs and dedicates sewer lines and/or facilities that will benefit Benefited Non-Property Land/Development, Owner shall be entitled to a Development Fee Credit against existing and any future sewer collection line portion of the sewer development fee, but not wastewater treatment portion of the Development Fees payable with respect to the Property.)

(b) **Payback Agreements.** To the extent that Owner exhausts its Development Fee Credits with respect to any “oversizing”, the remaining oversizing cost, shall be eligible to be repaid to Owner through payback agreements with the owner of the Benefited Non-Property Land/Developments (a “*Payback Agreement*”). Any Payback Agreement entered into in accordance with this section shall provide for payments to begin within thirty (30) days of the issuance of a grading permit or recordation of a final plat on the Benefited Non-Property Land. Payback Agreements shall not be required after the expiration of ten (10) years from the date of acceptance of the Payback Improvement, unless the Payback Improvement is comprised of oversized regional sanitary sewer infrastructure in which case the payback period shall extend to twenty (20) years. Any Payback Agreement for a Payback Improvement shall be required by the City, if permitted by law and may be reasonably imposed, as a condition of annexation, zoning, or plat approval, for any Benefited Non-Property Land/Developments.

(c) **Allocation of Costs.** The Benefited Non-Property Land/Developments shall reimburse the Owner on a per-front foot basis for roadway Payback Improvements and on a per-acre basis for sanitary sewer Payback Improvements. The Parties shall agree on the reimbursement basis for Benefited Non-Property Land/Developments for types of Payback Improvements other than roadways and sewers during the review of the preliminary plat phase, but in any case the basis for reimbursement of each Benefited Non-Property Land/Development’s proportional share of the incremental oversizing cost of the Payback Improvement to which it connects shall be the relative area or demand of the beneficial property to the entire assessable area or demand served by the Payback Improvement to which it connects. The Payback Fees shall be collected from the Benefited Non-Property Land/Development and be approximately equal to its proportionate fair share of the aforementioned oversizing costs through participation in a proportionate benefit reimbursement mechanism. To the extent that the City does not have an ordinance allowing for such a Payback Agreement, the City agrees that it will establish such an ordinance to allow the Payback Agreement to function as described below. For a period of ten (10) years (twenty (20) years in the case of regional sanitary sewer improvements) from the acceptance of each Payback Improvement by the City, the Owner shall receive reimbursement up to a maximum of the original proportionate share of the oversizing cost of the Payback Improvement relating to the Benefited Non-Property Land/Developments.

(d) **Survival of Term.** Notwithstanding anything contained in this paragraph to the contrary, this provision and the obligation of the City require the Benefited Non-Property

Land/Developments to pay Payback Fees shall survive the term of this Agreement in the event this Agreement terminates prior to the expiration dates set forth in Sections 13(b) and (c) above.

14. **Plans Submittal.**

Owner shall submit all plats and plans to City Staff concurrent with Owner's submittal of said plans to the County, if applicable, unless otherwise directed by the City. Owner shall incorporate City comments into plans provided to the County, if applicable, in order to ensure that City master plan and design standards are met for the City's residential design and development standards *including, but not limited to*, such items as on site parking, setbacks, access to dwellings, on-site infrastructure, City streets, sewer lines and storm drainage. Development of the property cannot occur until the City has concurred that that plans comply with the above standards.

15. **Agriculture Use.**

Owner shall have the right to use or grant rights to use the undeveloped part of the Property for agriculture purposes, including livestock grazing, but not dairy or feed lot operations, until such time as development begins on at least fifteen (15%) percent of that part of the Property provided such uses do not constitute a nuisance to the developed areas of the Property. However, Owner shall use fences, setbacks and other physical buffers to adequately separate the agricultural uses from other uses, and Owner shall utilize agricultural practices to control dust, odors and water runoff and other resulting conditions from the agricultural uses to ensure that such agricultural uses comply with the Rules that apply to such agricultural uses.

16. **City's Failure to Perform.**

Except as otherwise permitted pursuant to Section 3 and Section 6 above, if the City does not allow the subject Property to be developed in accordance with this Agreement or any approved preliminary plats consistent with the PAD Zoning and this Agreement, then the Owner shall be entitled to petition an arbitrator in accordance with Section 20 of this Agreement to specifically enforce the provisions of this Agreement.

17. **Community Identification Signs and Homeowner Association.**

(a) Owner may construct and maintain community identification signs in accordance with the City's sign code, rules and regulations. Owner may not lease any community identification signs to third parties or use the signs for any purpose other than community identification.

(b) Prior to the submittal of the first application for a residential building permit to the City and pursuant to a declaration of Covenants, Conditions, and Restrictions ("CC&Rs") by the Owner, the Owner shall form a master Homeowner's Association ("HOA") that governs the single family residential portion of the Property. The CC&Rs shall incorporate the requirements of this Agreement and further provide that either the HOA, a sub-association, or the Owner (until such time as Owner, as "*Declarant*," relinquishes control of the HOA to the property owner, as provided in the CC&Rs) shall maintain the trails, drainage facilities, landscaping along rights-of-

way, and private open spaces and private common areas within the Property.

18. **City Decisions and Inspections.**

(a) **Decisions.** The Parties agree that if at any time an impasse has been reached with the City Staff on any issue affecting the Property, the Owner shall have the right to appeal to the City Representative (for purposes of this Agreement the City Representative shall be the City Planning and Zoning Director) for a decision pursuant to this paragraph. If the issue on which an impasse has been reached is an issue where a final decision can be reached by the City Staff, the City Representative shall give the Owner a final decision within fifteen (15) business days after the request for a decision is made. If the issue on which an impasse has been reached is one where a final decision requires action by the City Council, the City Representative shall use his/her best reasonable efforts to schedule the matter for a City Council hearing within four (4) weeks after the request for an expedited decision is made; provided, however, that if the issue is appropriate for review by the City Manager, the matter shall be submitted to the City Manager first, and then to the City Council. Adverse decisions of the City Staff pursuant to the development review and approval process as set forth in the applicable City ordinances and state law may be submitted by the Owner to the City Council, or to the City Manager first, if appropriate, for its consideration, review and decision.

(b) **Reviews and Inspections.** In the event the City does not have a sufficient number of personnel to administer the development review process or the land development and construction inspection services in a reasonably prompt manner, Owner, upon the approval of the City, may elect to pay the costs incurred or to be incurred by the City for such private, independent consultants and advisors which may be retained by the City, as necessary, to assist the City in the review and/or inspection process; provided, however, that such consultants shall take instructions from, be controlled by, and be responsible to, the City and not Owner.

City does and will from time to time, at the election of City use the assistance of private independent attorneys, accountants, architects, engineers, inspectors and other outside professionals and consultants to assist City in the process of administering the development of Property within the boundaries of City, including the Property. If the City retains additional outside professionals and consultants in connection with the Property, Owner shall reimburse City for all reasonable fees and costs of the professionals and consultants. Although City shall have the right to retain and control the professionals and consultants, City, prior to such selection, shall consider Owner's recommendation in connection with the selection of the additional professionals and consultants.

19. **Defaults.**

Failure or unreasonable delay by either Party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of fifteen (15) days after written notice thereof from the other party ("*Cure Period*"), shall constitute a default under this Agreement; provided, however, that if the failure or delay is such that more than fifteen (15) days would reasonably be required to perform such action or comply with any term or provision hereof, then such party shall have such additional time as may be necessary to perform or comply so long as

such party commences performance or compliance within said fifteen (15) day period and diligently proceeds to complete such performance or fulfill such obligation. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, the non-defaulting party shall have all rights and remedies that are set forth in Section 20 of this Agreement. In addition to the dispute resolution process and remedies set forth in Section 20 of this Agreement and Exhibit E hereto and notwithstanding anything in this Agreement to the contrary, City shall have the right to withhold the issuance of building permits for improvements on the Property affected by such default (regardless of Property ownership) until the Default is cured by Owner. Nothing contained in this section shall prevent City from using any remedies or imposing any fines available to it under the Rules for a violation or breach by Owner of any Rules.

20. **Dispute Resolution Remedies.**

With respect to all disputes, claims or allegations of default under this Agreement, the parties shall be limited to the remedies and dispute resolution process set forth in Exhibit E and in this Section. Any dispute, controversy, claim, or cause of action arising out of or relating to this Agreement shall be governed by Arizona law. The Owner and the City agree that any award rendered by the arbitrator (as defined in Exhibit E) pursuant to the provisions of Exhibit E shall be binding on both parties, and if either party does not abide by the award rendered by the arbitrator, the provisions of Exhibit E shall apply.

21. **Waiver.**

No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

22. **Time is Essence and Successors.**

Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the City agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement may be assigned to one or more homeowners associations to be established by the Owner. The Owner agrees to provide the City with written notice of any assignment of the Owner's rights or obligations within fifteen (15) days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. As a condition precedent to the release of the Owner as

contemplated by this Section 22, the City shall determine, exercising its reasonable discretion, that the homeowner's association is capable of performing and paying for the obligations assigned to it. Nothing in this Agreement shall operate to restrict the Owner's ability to assign any of its rights and obligations under this Agreement to those entities that acquire any portion of the Property.

23. **No Owner Representations.**

Nothing contained herein or in the PAD Zoning shall be deemed to obligate the City or the Owner to complete any part or all of the development of the Property in accordance with the PAD Plan or any other plan, and the PAD Zoning shall not be deemed a representation or warranty by the Owner of any kind whatsoever.

24. **Good Standing; Authority.**

Each of the Parties and their assigns represents (and will represent) and warrants to the other that, as applicable: (i) it is duly formed and validly existing under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the City (ii) that Owner is an Arizona corporation or limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the Party on whose behalf each such individual is signing.

25. **Entire Agreement.**

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

26. **Amendment.**

No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the City. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

27. **Severability.**

If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the City from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the City to take such action at its discretion, if such a construction is permitted by law. If, however, the City fails to take the actions described herein, the Owner shall be entitled to terminate this Agreement

and initiate de-annexation procedures.

28. **Governing Law.**

This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona. The provision of A.R.S. § 38-511 are incorporated herein and made a part hereof.

29. **Zoning Amendment.**

(a) **Major Amendments.** Unless otherwise required by the Rules, the following changes shall be considered major amendments to the PAD Zoning and shall require City Council approval: (i) if the PAD Zoning includes provision for commercial uses and the change involves an increase or decrease in the total number of acres devoted to commercial uses if the acreage devoted to commercial uses changes more than five (5) acres within the Vah Ki Inn Property; (ii) any change to a higher residential classification if such change results in an increase of more than one classification; (iii) any increase in the total number of residential units to be developed on the Property (as set forth in the PAD Zoning); or (iv) the reallocation of residential dwelling units within planning phases from one planning phase to another in a manner that results in any of the following, as measured against the original land use density set forth in the PAD Zoning: (1) an increase in the number of residential dwelling units for any one particular planning phase of greater than ten (10%) of the total number allocated to such planning unit in the PAD Zoning; or (2) a reduction in the number of residential dwelling units for any one particular planning phase by an amount greater than twenty-five percent (25%) of the total number allocated to such planning phase in the PAD Zoning.

(b) **Minor Amendments.** Unless required specifically by the Rules, minor modifications and amendments to the PAD Zoning shall not necessitate approval by the City Council, but shall be approved by the City Planning Director and recorded in the official records of the Pinal County Recorder. Unless otherwise required by the Rules, the following changes shall be considered *minor modifications* and amendments to the PAD Zoning: (i) any increase or decrease in the total number of acres devoted to commercial uses if the acreage devoted to commercial uses does not rise or fall below five (5) acres within the Vah Ki Inn Property; (ii) any change to a higher residential classification if such change does not result in an increase of more than one (1) classification; (iii) any reallocation of the number residential dwelling phases within one planning phase to another planning phase so long as such reallocation does not constitute a major amendment under the provisions of Subsection 29(a); (iv) any relocation of street layouts, and any parks and trails on the Property in response to changed market conditions and in conformance with the City's General Plan; (v) any minor alteration to the list of permitted land uses of the Property set forth in the PAD Zoning, as reasonably deemed to be minor by the Planning Director; (vi) a material deletion or change in the Infrastructure Improvements of the Owner's obligation to construct such Infrastructure Improvements; or (vii) any other modification or change to the PAD Zoning which does not constitute a major amendment under the terms of Section 29(a).

(i) No change or addition is to be made to this Agreement except by written amendment executed by the Owner and by either the City Council approved signatory or the City Planning Director as dictated by Section 29(a) and (b).

(ii) The City shall record in the Official Records of Pinal County, any amendment to this Agreement within ten (10) days following execution by the Parties.

(iii) Upon amendment of this Agreement as established herein, references to "Agreement" or "Development Agreement" shall mean the Agreement as amended by any subsequent, duly processed amendment.

(iv) The effective date of any duly processed amendment shall be the date on which the last representative for the parties executes the Agreement.

If, after the effective date of any amendment(s), the Parties find it necessary to refer to this Agreement in its original, unamended form, they shall refer to it as the "*Original Development Agreement*." When the Parties mean to refer to any specific amendment to the Agreement which amendment is unmodified by any subsequent amendments, the Parties shall refer to it by the number of the amendment as well as its effective date.

30. **Recordation.**

This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the City and the Owner.

31. **Notices and Requests.**

Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered to the party at the address set forth below, (b) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (c) given to a recognized and reputable overnight delivery service, to the address set forth below or (d) delivered by facsimile transmission to the number set forth below:

**The City:**

City Manager  
City of Coolidge  
130 West Central Avenue  
Coolidge, Arizona 85228-4406  
(520) 723-5361 (Telephone)  
(520) 723-7910 (Fax)

**With Copy To:**

City Attorney for Coolidge  
Mr. Denis Fitzgibbons  
Fitzgibbons Law Offices PLC  
P. O. Box 11208  
711 E. Cottonwood, Suite E  
Casa Grande, Arizona 85230-1208  
(520) 426-3824 (Telephone)  
(520) 426-9355 (Facsimile)

**The Owners:**

DJ POINT, LLC  
6658 S. St. Andrews Ct.  
Gilbert, AZ 85298  
Attn: Donna Ricke  
(480) 632-7272 (Telephone)  
(480) 632-7550 (Facsimile)

COOLIDGE PROPERTY INVESTMENTS, LLC  
2152 S. Vineyard St. #205  
Mesa, Arizona 85210  
Attn: Gerald J. Ricke  
(480) 632-7272 (Telephone)  
(480) 632-7550 (Facsimile)

LATEOTT, LLC  
P.O. Box 1236  
Gilbert, AZ 85299  
Attn: Jeff Foshee  
(602) 722-8892 (Telephone)  
(480) 892-2810 (Facsimile)

FRED'S PLACE, LLC  
9402 S. 157<sup>th</sup> Place  
Gilbert, AZ 85234  
Attn: Fred Gieszl  
(480) 633-9600 (Telephone)  
(480) 988-9483 (Facsimile)

**With Copy to:**

IPLAN CONSULTING  
4387 E. Capricorn Place  
Chandler, Arizona 85249  
Attn: Mario Mangiamele, AICP  
(480) 313-8144 (Telephone)  
(480) 807-8337 (Facsimile)

or at such other address, and to the attention of such other person or officer, as any Party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (a) when delivered to the Party, (b) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (c) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (d) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a Party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a Party shall mean and refer to the date on which the Party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

32. **Exhibits and Recitals.**

Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof. The Recitals set forth at the beginning of this agreement are hereby acknowledged and incorporated herein and the parties hereby confirm the accuracy thereof.

33. **Term.**

The term of this Agreement shall commence on the date and at the time an ordinance approving and adopting this Agreement is approved by the City Council, and shall automatically terminate on the twentieth (20th) anniversary of such date. However, if any of the Property is still subject to this Agreement twenty (20) years after the effective date of this Agreement, this Agreement shall automatically extend without the necessity of any notice, agreement, or recording by or between the Parties an additional ten (10) years, for a total of thirty (30) years, at which time this Agreement shall automatically terminate as to the Property without the necessity of any notice, agreement, or recording by or between the Parties. Notwithstanding the foregoing, if no material portion of the Infrastructure Plan has been constructed within eight (8) years from the date of this Agreement, at any time thereafter this Agreement shall automatically terminate as to the Property upon notice of such termination being given by the City to the Owner and recording of a notice of termination by the City.

34. **Effective Date.**

This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the City Council of this document.

35. **Indemnity.**

To the extent permitted by law, Owner shall pay, defend, indemnify and hold harmless the City and its Council members, officers, officials, agents, volunteers, and employees for, from and against any and all claims, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgments, liabilities, and suits (including attorneys fees, experts fees and court costs associated) which arise from or relate in any way to any act or omission by Owner, or its

employees, contractors, subcontractors, agents or representatives, undertaken in fulfillment of Owner's obligations under this Agreement or otherwise arising from or relating to the performance of Owner's obligations under this Agreement including with respect to the Property. The provisions of this Section, however, shall not apply to loss or damage or claims therefore which are attributable solely to acts or omissions of the City, its Council members, officers, officials, agents, employees, volunteers, contractors, subcontractors or representatives.

36. **Proposition 207 Waiver.**

Owner agrees, understands and acknowledges that City is entering into this Agreement in good faith and at the specific request of Owner, and further with the understanding that, if City acts consistently with the terms and conditions herein, it will not be subject to a claim for diminished value of the Property from Owner. Owner, on behalf of it and its successors and assigns, intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action Owner may have now or in the future under the provisions of A.R.S. §§ 12-1134 through and including 12-1136 (but specifically excluding any provisions included therein relating to eminent domain) and resulting from the development of the Property consistent with this Agreement or from any "land use law" (as such term is defined in the aforementioned statute sections) permitted by this Agreement to be enacted, adopted or applied by City now or hereafter. Owner acknowledges and agrees to the terms and conditions set forth in this Agreement, and Owner acknowledges that such terms and conditions cause the fair market value of the Property to equal or exceed the fair market value of the Property in the absence of this Agreement and such "land use laws."

**[Remainder of Page Left Intentionally Blank]**

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates written below:

**CITY:**

**CITY OF COOLIDGE, ARIZONA**, a municipal corporation

By: \_\_\_\_\_  
Thomas R. Shope, Mayor for City of Coolidge

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

Attest:

\_\_\_\_\_  
Norma Ortiz, Clerk for the City of Coolidge

APPROVED AS TO FORM AND AUTHORITY  
The foregoing Agreement has been reviewed by the undersigned attorney, who has determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the City of Coolidge.

\_\_\_\_\_  
Attorney for City of Coolidge

STATE OF ARIZONA     )  
  )ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by Thomas R. Shope, the Mayor of the CITY OF COOLIDGE, an Arizona municipal corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

**OWNER:**

DJ POINT, LLC

\_\_\_\_\_

STATE OF ARIZONA     )  
  )ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_, by \_\_\_\_\_, as \_\_\_\_\_, of DJ POINT, LLC.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**OWNER:**

COOLIDGE PROPERTY INVESTMENTS, LLC

---

STATE OF ARIZONA     )  
  )ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_, by \_\_\_\_\_, as \_\_\_\_\_, of Coolidge Property Investments, LLC.

---

Notary Public

My Commission Expires:

---

**OWNER:**

LATEOTT, LLC

---

STATE OF ARIZONA     )  
  )ss.  
County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_, by \_\_\_\_\_, as \_\_\_\_\_, of Lateott, LLC.

---

Notary Public

My Commission Expires:

---



## EXHIBITS

- Exhibit A - Legal Description of Vah Ki Inn Property
- Exhibit A-1 - Legal Description Exhibit of Vah Ki Inn Property
- Exhibit B - Legal Description of Nafziger Property
- Exhibit B-1 - Legal Description Exhibit of Nafziger Property
- Exhibit C - Vested Rights
- Exhibit D - Moratorium Law
- Exhibit E - Dispute Resolution/Remedies

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**EXHIBIT A  
TO  
DJ POINT; COOLIDGE PROPERTY; LATEOTT; AND FRED'S PLACE  
PRE-ANNEXATION AND  
DEVELOPMENT AGREEMENT**

**[Legal Description of Vah Ki Inn Property]**

**[Remainder of Page Left Intentionally Blank]**

# EXHIBIT A

THAT CERTAIN PARCEL OF LAND, AS RECORDED IN DOCUMENT NUMBER 2006--017008, RECGRDS OF PINAL COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTH HALF OF SECTION 13, TOWNSHIP 5 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE INDIAN RANCH WELL SITE, AS LOCATED ON FEBRUARY 26, 1935, LOCATED IN THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 13.

U:\Circle C\03128 Attorney Ranch\Survey\03128 Attorney Ranch Section 13.dwg, Jun 06, 2011, 3:56pm, abecerra



# EXHIBIT A

THAT CERTAIN PARCEL OF LAND, AS RECORDED IN DOCUMENT NUMBER 2004--023578, RECORDS OF PINAL COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL NO 1:

AN UNDIVIDED HALF INTEREST IN AND TO THAT PORTION THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 5 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 18;

THENCE SOUTH 89 DEGREES 36 MINUTES 14 SECONDS WEST, 82.52 FEET ALONG THE EAST-WEST MID SECTION LINE;

THENCE NORTH 00 DEGREES 03 MINUTES 40 SECONDS WEST, 130.53 FEET PARALLEL TO THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 18;

THENCE NORTH 89 DEGREES 36 MINUTES 14 SECONDS EAST, 82.52 FEET PARALLEL TO THE EAST-WEST MID-SECTION LINE;

THENCE SOUTH 00 DEGREES 03 MINUTES 40 SECONDS EAST, 130.53 FEET ALONG THE NORTH-SOUTH MID-SECTION LINE TO THE POINT OF BEGINNING.

PARCEL NO 2:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; AND THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 5 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

U:\Client\030226-Attorney Research\eng\030226-Attorney Hours, Status, 11 Aug 10, 2011 1:38pm.doc



# EXHIBIT A

PARCEL NO 3:

THE SOUTHEAST QUARTER OF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 5 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 18;

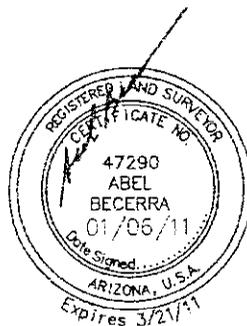
THENCE SOUTH 89 DEGREES 36 MINUTES 14 SECONDS WEST, 82.52 FEET ALONG THE EAST-WEST MID SECTION LINE;

THENCE NORTH 00 DEGREES 03 MINUTES 40 SECONDS WEST, 130.53 FEET PARALLEL TO THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 18;

THENCE NORTH 89 DEGREES 36 MINUTES 14 SECONDS EAST, 82.52 FEET PARALLEL TO THE EAST-WEST MID-SECTION LINE;

THENCE SOUTH 00 DEGREES 03 MINUTES 40 SECONDS EAST, 130.53 FEET ALONG THE NORTH-SOUTH MID-SECTION LINE TO THE POINT OF BEGINNING.

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**EXHIBIT A-1  
TO  
DJ POINT; COOLIDGE PROPERTY; LATEOTT; AND FRED'S PLACE  
PRE-ANNEXATION AND  
DEVELOPMENT AGREEMENT**

**[Legal Description Exhibit of Vah Ki Inn Property]**

**[Remainder of Page Left Intentionally Blank]**



# EXHIBIT A-1

## SUPPORTING DOCUMENT LIST

- |                                 |                                    |
|---------------------------------|------------------------------------|
| 1. DOC. NO. 2004-023578, P.C.R. | 5. DOC. NO. 98-02138, P.C.R.       |
| 2. DOC. NO. 2006-017008 P.C.R.  | 6. DOC. NO. 95-032516, P.C.R.      |
| 3. DOCKET 375 PAGE 572, P.C.R.  | 7. DOC. NO. 95-032515, P.C.R.      |
| 4. BOOK 16, PAGE 89, P.C.R.     | 8. DKT. 1380, PAGE 335-340, P.C.R. |
| 5. DOC. NO. 04-025207, P.C.R.   |                                    |

## ACREAGE

GROSS AREA APN 209-15-004B =13,075,903 SQUARE FEET, OR 300.18 ACRES, MORE OR LESS

NET AREA=9,627,390 SQUARE FEET, OR 221.01 ACRES, MORE OR LESS (NET AREA EXCLUDES PIMA LATERAL CANAL R/W & DECLARED ROADWAY R/W)

GROSS AREA APN 202-26-006=7,064,829 SQUARE FEET OR 162.183 ACRES, MORE OR LESS

NET AREA=6,890,609 SQUARE FEET OR 158.186 ACRES, MORE OR LESS (NET AREA EXCLUDES DECLARED ROADWAY R/W)

GROSS AREA APN 202-26-005=3,534,451 SQUARE FEET OR 81.139 ACRES, MORE OR LESS

NET AREA=3,491,200 SQUARE FEET OR 80.146 ACRES, MORE OR LESS (NET AREA EXCLUDES DECLARED ROADWAY R/W)

## LEGEND

P.C.R.	PINAL COUNTY RECORDS		BOUNDARY LINE
APN	ASSESSOR PARCEL NUMBER		SECTION LINE
R/W	RIGHT OF WAY		R/W LINE

## SURVEYOR'S NOTE

SECTION 18, OF TOWNSHIP 5 SOUTH, RANGE 9 EAST, G&SRM IS A GLO LOTTED SECTION ALONG THE ENTIRE WEST LINE. THE LEGAL DESCRIPTION OF ANY PORTION ALONG THAT LINE SHOULD BE DESCRIBED AS A GLO LOT OR A PORTION OF A GLO LOT, NOT AN ALIQUOT PART DESCRIPTION. A DILIGENT EFFORT WAS MADE TO REVEAL HOW AND WHEN APN 202-26-005 WAS FIRST DESCRIBED AS AN ALIQUOT PART, BUT DATA WAS UNAVAILABLE AT THE TIME OF PRODUCING THIS EXHIBIT. THIS SURVEYOR RESERVES THE RIGHT TO MODIFY THIS EXHIBIT IF PREVIOUSLY UNAVAILABLE DATA REVEALS THE NEED FOR CHANGES.



2152 SOUTH VINEYARD, SUITE 123  
MESA, ARIZONA 85210  
TEL 480.768.8600 • FAX 480.768.8609  
[www.sunrise-eng.com](http://www.sunrise-eng.com)

**EXHIBIT B  
TO  
DJ POINT; COOLIDGE PROPERTY; LATEOTT; AND FRED'S PLACE  
PRE-ANNEXATION AND  
DEVELOPMENT AGREEMENT**

**[Legal Description of Nafziger Property]**

**[Remainder of Page Left Intentionally Blank]**

# EXHIBIT B

THAT CERTAIN PARCEL OF LAND, AS RECORDED IN DOCUMENT NUMBER 2005-183669, RECORDS OF PINAL COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 25;

THENCE EASTERLY ALONG THE NORTH BOUNDARY LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 1098.00 FEET;

THENCE SOUTHERLY AND PARALLEL TO THE WEST BOUNDARY LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 248.00 FEET;

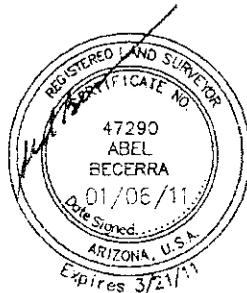
THENCE WESTERLY AND PARALLEL TO THE NORTH BOUNDARY LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 248.00 FEET;

THENCE NORTHERLY AND PARALLEL TO THE WEST BOUNDARY LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 218.00 FEET;

THENCE WESTERLY, APPROXIMATELY 850.00 FEET TO A POINT ON THE WEST BOUNDARY LINE OF SAID SOUTHWEST QUARTER;

THENCE NORTHERLY ALONG THE WEST BOUNDARY LINE OF SAID SOUTHWEST QUARTER, APPROXIMATELY 30.00 FEET TO THE POINT OF BEGINNING.

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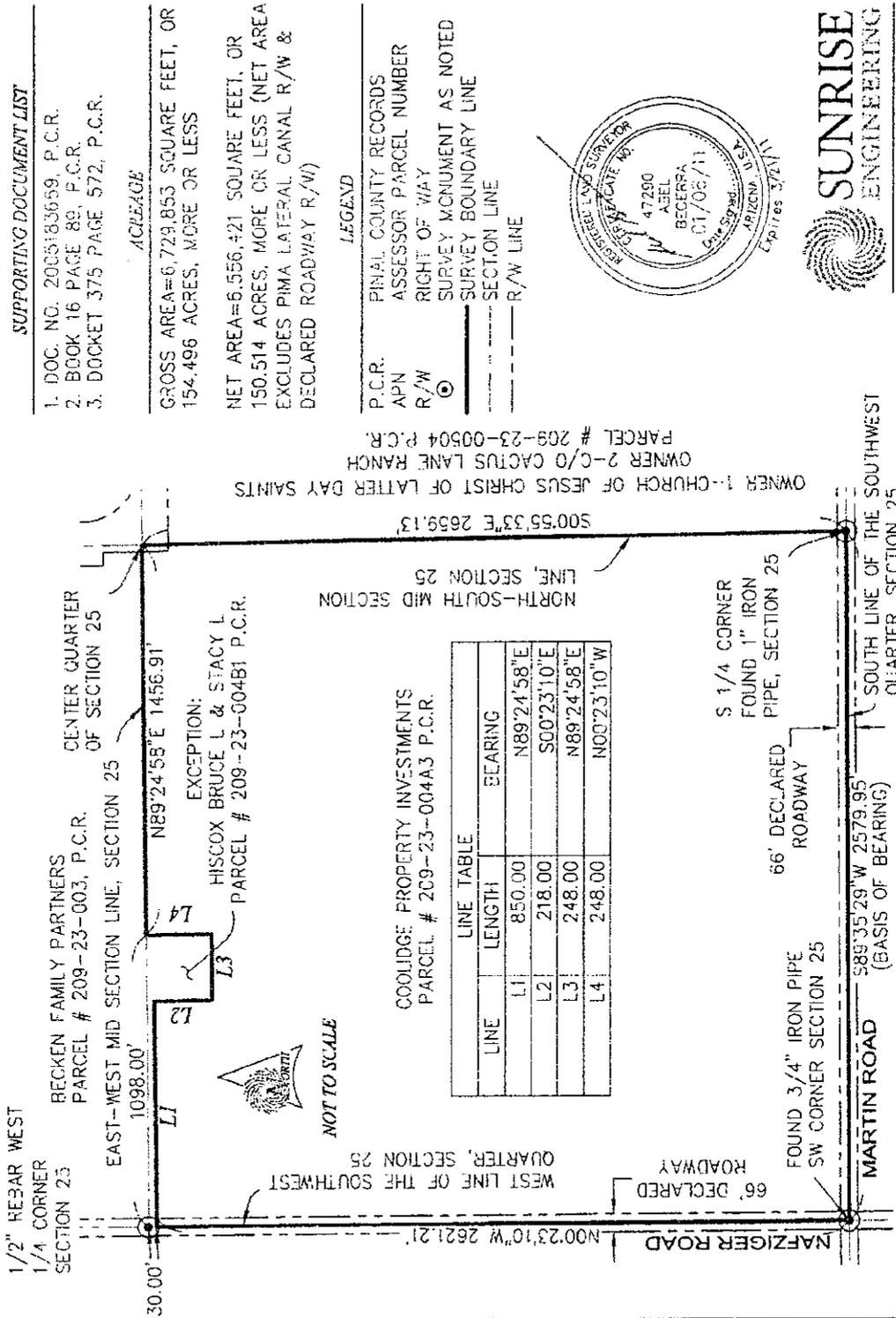


**EXHIBIT B-1  
TO  
DJ POINT; COOLIDGE PROPERTY; LATEOTT; AND FRED'S PLACE  
PRE-ANNEXATION AND  
DEVELOPMENT AGREEMENT**

**[Legal Description Exhibit of Nafziger Property]**

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# EXHIBIT B-1



**EXHIBIT C  
TO  
DJ POINT; COOLIDGE PROPERTY; LATEOTT; AND FRED'S PLACE  
PRE-ANNEXATION AND  
DEVELOPMENT AGREEMENT**

**[Vested Rights]**

**SITE DEVELOPMENT REGULATIONS – RESIDENTIAL**

<i>Standard</i>	<i>Zoning (Density Range)</i>			
	<i>LDR (1.0 - 4.0 du/ac)</i>	<i>MDR (4.1 - 8.0 du/ac)</i>	<i>MHDR (8.01 - 15.0 du/ac)</i>	<i>HDR (8.01 - 24.0 du/ac)</i>
Minimum Lot Area (sq.ft.)	5,200	2,000	1,800 / unit	n/a
Minimum Lot Width (ft.)	48	35	n/a	n/a
Minimum Lot Depth (ft.)	110	n/a	n/a	n/a
Setbacks (ft.)				
Front <sup>1</sup>	20 / 15	10	10	10
Side (Interior) <sup>2,3</sup>	5 / 8	0 or 5	0 or 5	10
Side (Corner - livable)	20	10	10	10
Rear <sup>4</sup>	20	3	3	10
Max. Lot Coverage	60%	80%	n/a	n/a
Max. Bldg. Height (ft.)	30	36	36	n/a

1. LDR: 20-foot setback to front entry garage; 15-foot setback to livable areas of dwelling units and side entry garages; 10-foot setback to front porch.
2. LDR: Side Setbacks: fireplaces, pop-outs and roof projections may project up to 2-feet into the 8-foot minimum side yards only.
3. MHDR; HDR: 10-foot setback between buildings.
4. LDR: Patio covers may encroach up to 5-feet into the required rear yard setback for single story homes.

**[Remainder of Page Left Intentionally Blank]**

**SITE DEVELOPMENT REGULATIONS – COMMERCIAL**

<i>Standards</i>	<i>Zoning</i>
	Commercial (C)
Minimum Lot Width (ft.)	100 / 150 (Corner Lots)
Minimum Building Setback (ft.)	
Front	20
Side (Interior)	15
Side (Street)	20
Side (Residential)	45
Rear	15
Rear (Residential)	45
Minimum Parking Setback (ft.)	
Front	20
Side (Interior)	3
Side (Street)	10
Side (Residential)	3
Rear	3
Rear (Residential)	3
Maximum Building Height (ft.)	35

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**EXHIBIT D  
TO  
DJ POINT; COOLIDGE PROPERTY; LATEOTT; AND FRED'S PLACE  
PRE-ANNEXATION AND  
DEVELOPMENT AGREEMENT**

**[Moratorium Law - A.R.S. § 9-463.06]**

9-463.06. Standards for enactment of moratorium; land development; limitations; definitions

A. A city or town shall not adopt a moratorium on construction or land development unless it first:

1. Provides notice to the public published once in a newspaper of general circulation in the community at least thirty days before a final public hearing to be held to consider the adoption of the moratorium.

2. Makes written findings justifying the need for the moratorium in the manner provided for in this section.

3. Holds a public hearing on the adoption of the moratorium and the findings that support the moratorium.

B. For urban or urbanizable land, a moratorium may be justified by demonstration of a need to prevent a shortage of essential public facilities that would otherwise occur during the effective period of the moratorium. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. A showing of the extent of need beyond the estimated capacity of existing essential public facilities expected to result from new land development, including identification of any essential public facilities currently operating beyond capacity and the portion of this capacity already committed to development, or in the case of water resources, a showing that, in an active management area, an assured water supply cannot be provided or, outside an active management area, a sufficient water supply cannot be provided, to the new land development, including identification of current water resources and the portion already committed to development.

2. That the moratorium is reasonably limited to those areas of the city or town where a shortage of essential public facilities would otherwise occur and on property that has not received development approvals based upon the sufficiency of existing essential public facilities.

3. That the housing and economic development needs of the area affected have been accommodated as much as possible in any program for allocating any remaining essential public facility capacity.

C. A moratorium not based on a shortage of essential public facilities under subsection B of this section may be justified only by a demonstration of compelling need for other public facilities, including police and fire facilities. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. For urban or urbanizable land:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city or town are not unreasonably restricted by the adoption of the moratorium.

(c) Stating the reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(d) That the city or town has determined that the public harm that would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands and the overall impact of the moratorium on population distribution.

(e) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

2. For rural land:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) Stating the reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(c) That the moratorium is sufficiently limited to ensure that lots or parcels outside the affected geographical areas are not unreasonably restricted by the adoption of the moratorium.

(d) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

D. Any moratorium adopted pursuant to this section does not affect any express provision in a development agreement entered into pursuant to section 9-500.05 or as defined in section 11-1101 governing the rate, timing and sequencing of development, nor does it affect rights

acquired pursuant to a protected development right granted according to chapter 11 of this title or title 11, chapter 9. Any moratorium adopted pursuant to this section shall provide a procedure pursuant to which an individual landowner may apply for a waiver of the moratorium's applicability to its property by claiming rights obtained pursuant to a development agreement, a protected development right or any vested right or by providing the public facilities that are the subject of the moratorium at the landowner's cost.

E. A moratorium adopted under subsection C, paragraph 1 of this section shall not remain in effect for more than one hundred twenty days, but such a moratorium may be extended for additional periods of time of up to one hundred twenty days if the city or town adopting the moratorium holds a public hearing on the proposed extension and adopts written findings that:

1. Verify the problem requiring the need for the moratorium to be extended.
2. Demonstrate that reasonable progress is being made to alleviate the problem resulting in the moratorium.
3. Set a specific duration for the renewal of the moratorium.

F. A city or town considering an extension of a moratorium shall provide notice to the general public published once in a newspaper of general circulation in the community at least thirty days before a final hearing is held to consider an extension of a moratorium.

G. Nothing in this section shall prevent a city or town from complying with any state or federal law, regulation or order issued in writing by a legally authorized governmental entity.

H. A landowner aggrieved by a municipality's adoption of a moratorium pursuant to this section may file, at any time within thirty days after the moratorium has been adopted, a complaint for a trial de novo in the superior court on the facts and the law regarding the moratorium. All matters presented to the superior court pursuant to this section have preference on the court calendar on the same basis as condemnation matters and the court shall further have the authority to award reasonable attorney fees incurred in the appeal and trial pursuant to this section to the prevailing party.

I. In this section:

1. "Compelling need" means a clear and imminent danger to the health and safety of the public.
2. "Essential public facilities" means water, sewer and street improvements to the extent that these improvements and water resources are provided by the city, town or private utility.
3. "Moratorium on construction or land development" means engaging in a pattern or practice of delaying or stopping issuance of permits, authorizations or approvals necessary for the subdivision and partitioning of, or construction on, any land. It does not include denial or

delay of permits or authorizations because they are inconsistent with applicable statutes, rules, zoning or other ordinances.

4. “Rural land” means all property in the unincorporated area of a county or in the incorporated area of the city or town with a population of two thousand nine hundred or less persons according to the most recent United States decennial census.

5. “Urban or urbanizable land” means all property in the incorporated area of a city or town with a population of more than two thousand nine hundred persons according to the most recent United States decennial census.

6. “Vested right” means a right to develop property established by the expenditure of substantial sums of money pursuant to a permit or approval granted by the city, town or county.

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**EXHIBIT E  
TO  
DJ POINT; COOLIDGE PROPERTY; LATEOTT; AND FRED'S PLACE  
PRE-ANNEXATION AND  
DEVELOPMENT AGREEMENT**

**[Dispute Resolution/Remedies]**

- A. The dispute resolution process ("Process") and remedies set forth herein shall not apply to an action by the City to condemn or acquire by inverse condemnation all or any portion of the Property, and in the event of any such action by the City, Owner shall have all rights and remedies available to it at law or in equity.
- B. If an event of default is not cured within the Cure Period, as defined at Section 19 of this Agreement, the non-defaulting party may institute the Process, pursuant to Paragraph C below.
- C. Any controversy or claim subject to the Process shall be settled by an arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules ("Rules") (except that the terms of this Agreement and this Exhibit shall control over conflicting rules), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
- D. The dispute shall be heard by a single arbitrator from a panel of qualified arbitrators located within the Phoenix metropolitan area.
- E. The place of arbitration shall be Coolidge, Arizona unless the parties agree to another location.
- F. The parties agree that the remedies available for the award by the arbitrator shall be limited to specific performance and declaratory relief and that under no circumstances shall the arbitrator issue an award of monetary damages, whether characterized as actual, consequential or otherwise, provided, however, the arbitrator may award the payment of an amount owed, or enjoin the withholding of amounts due pursuant to this Agreement.
- G. The parties have structured this Process with the goal of providing for the prompt and efficient resolution of all disputes falling within the purview of this Process. The hearing of any dispute shall be expedited and will commence as soon as practicable, but no later than forty-five (45) days after selection of the arbitrator. This deadline can be extended only with the consent of both parties to the dispute, or by decision of the arbitrator upon a showing of emergency circumstances.
- H. The arbitrator shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence consistent with the deadlines provided herein, and

the parties' objective that the disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The arbitrator, upon proper application, shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary, or sensitive materials or information from public disclosure or other misuse.

- I. In order to effectuate the parties' goals, the hearing, once commenced, will proceed from business day to business day until concluded, absent a showing of good cause.
- J. The arbitrator shall, within thirty (30) days from the conclusion of the hearing, issue the award.
- K. The arbitrator may determine how the costs and expenses of the arbitration shall be allocated between the parties, and may award attorneys' fees to either party.
- L. The award of the arbitrator shall be accompanied by a reasoned opinion.
- M. The award of the arbitrator shall be final and binding. Except as otherwise provided in this Agreement, this Exhibit and the Commercial Arbitration Rules of the AAA, the Process shall be subject to the provisions of the Arizona Arbitration Act (A.R.S. §§ 12-1501 through and including 12-1518). In the event a party seeks confirmation of an award, or if there is a failure to abide by any award, either party may seek any remedy at law or equity for failure to comply with the award, but in no event shall the award be reviewed de novo or consequential monetary damages be ordered by the court.

CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM

**SUBJECT:** Circle R III Annexation  
**STAFF PRESENTER:** C. Alton Bruce

**RECOMMENDATION:** Approval

**DISCUSSION:** This annexation is at the request of the property owner. The owner has plans to develop this land in the future in a manner consistent with the City's General Plan. No specific plan has been developed at this time.

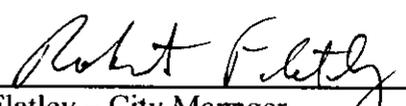
**FISCAL IMPACT:**

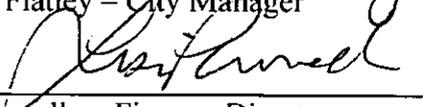
Minimal. The annexation area is vacant (farm) land with a total assessed value of \$138,406. The City would assume maintenance of approximately 900 feet of paved roadway on Vah Ki Inn Rd.

**Attachments**

Circle R III Annexation Ordinance

**REVIEWED BY:**

  
\_\_\_\_\_  
Robert Flatley – City Manager

  
\_\_\_\_\_  
Lisa Pannella – Finance Director

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PREPARED BY:**

  
\_\_\_\_\_  
Tim Hansen – GIS Coordinator

\_\_\_\_\_  
\_\_\_\_\_

**ORDINANCE No. 11-08**

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COOLIDGE, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF COOLIDGE, PINAL COUNTY, STATE OF ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, ARTICLE 7 ARIZONA REVISED STATUTES AND AMENDMENTS THERETO, BY ANNEXING THERETO CERTAIN TERRITORY CONTIGUOUS TO THE EXISTING CITY LIMITS OF THE CITY OF COOLIDGE CONSISTING OF 240 ACRES, MORE OR LESS, AND LOCATED IN SECTIONS 18 AND 19, TOWNSHIP 6 SOUTH, RANGE 9 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, KNOWN AS THE "CIRCLE R III ANNEXATION".**

**WHEREAS**, a petition in writing accompanied by a map or plot of said real property, having been filed and presented to the Mayor and Council of the City of Coolidge, Arizona, signed by the owners of more than one-half in value of the real and personal property and more than one-half of the persons owning real and personal property as would be subject to taxation by the City of Coolidge, Arizona in the event of annexation within the territory and land hereinafter described as shown by the last assessment of said property, which said territory is contiguous to the City of Coolidge, Arizona, and not now embraced within its limits, asking that the property more particularly hereinafter described be annexed to the City of Coolidge, Arizona, and to extend and increase the corporate limits of the City of Coolidge, Arizona so as to embrace the same; and

**WHEREAS**, the Mayor and Council of the City of Coolidge, Arizona are desirous of complying with said petition and extending and increasing the corporate limits of the City of Coolidge, Arizona to include said territory; and

**WHEREAS**, the said petitions sets forth a true and correct description of all the exterior boundaries of the entire area proposed to be annexed to the City of Coolidge, Arizona, and had attached thereto at all times an accurate map of the territory desired to be annexed; and

**WHEREAS**, no alterations increasing or reducing the territory sought to be annexed have been made after the said petition had been signed by any owner of real and personal property in such territory; and

**WHEREAS**, the provisions of A.R.S. §9-471, and amendments thereto, have been fully observed; and

**WHEREAS**, proper and sufficient certification and proof of the foregoing facts are now on file in the office of the City Clerk of the City of Coolidge, Arizona together with a true and correct copy of the original petition referred to herein, which is on file in the office of the County Recorder of Pinal County, Arizona.

**NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF COOLIDGE, ARIZONA AS FOLLOWS:**

**SECTION 1.** That the following described territory be, and the same hereby is, annexed to the City of Coolidge, Arizona, and that the present corporate limits be, and the same hereby are, extended and increased to include the following described territory contiguous to the present City Limits, to wit:

**Legal Description  
Circle R III**

Portions of land located in Sections 18 and 19, Township 5 South, Range 9 East, of the Gila and Salt River Base and Meridian, Pinal County, more particularly described as follows:

**Section 18, T58, R9E**

The South half of the Northwest quarter of Section 18. EXCEPT the West 33 feet AND the Southwest quarter of Section 18. EXCEPT the West 33 feet;

**Section 19, T58, R9E**

The North 33 feet of the West 594.78 feet of the East 908.36 feet of the Northwest quarter of Section 19 AND the North 50 feet of the East 313.58 feet of the Northwest quarter of Section 19;

TOTAL ANNEXED AREA = 240.98 +/- Acres

**SECTION 2.** That a copy of this ordinance, together with an accurate map of the territory hereby annexed to the City of Coolidge, Arizona, certified by the Mayor of the said City be forthwith filed and recorded in the office of the County Recorder of Pinal County, Arizona.

**PASSED AND ADOPTED** by the Mayor and City Council of the City of Coolidge, Arizona, on this 27th day of June, 2011.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

**CERTIFICATION OF MAP**

I, Thomas R. Shope, Mayor of the City of Coolidge, Arizona, do hereby certify that the foregoing map is a true and correct map of the territory annexed under and by virtue of the petition of the real and personal property owners in the said territory and by Ordinance No. 11-08, annexing the territory described in Ordinance No. 11-08 and as shown on said map as a part of the territory to be included within the corporate limits of the City of Coolidge, Arizona.

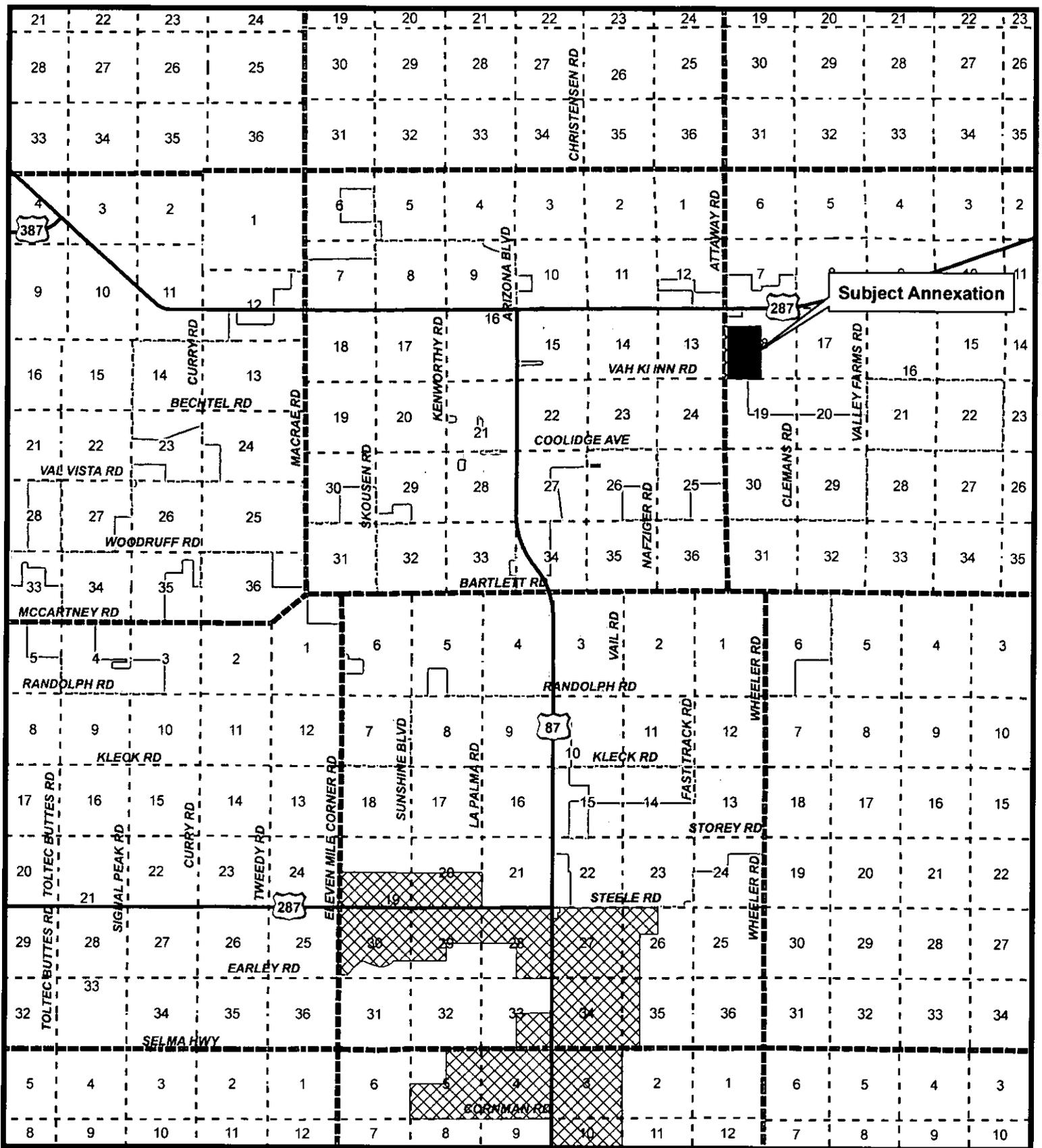
\_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_

City Clerk



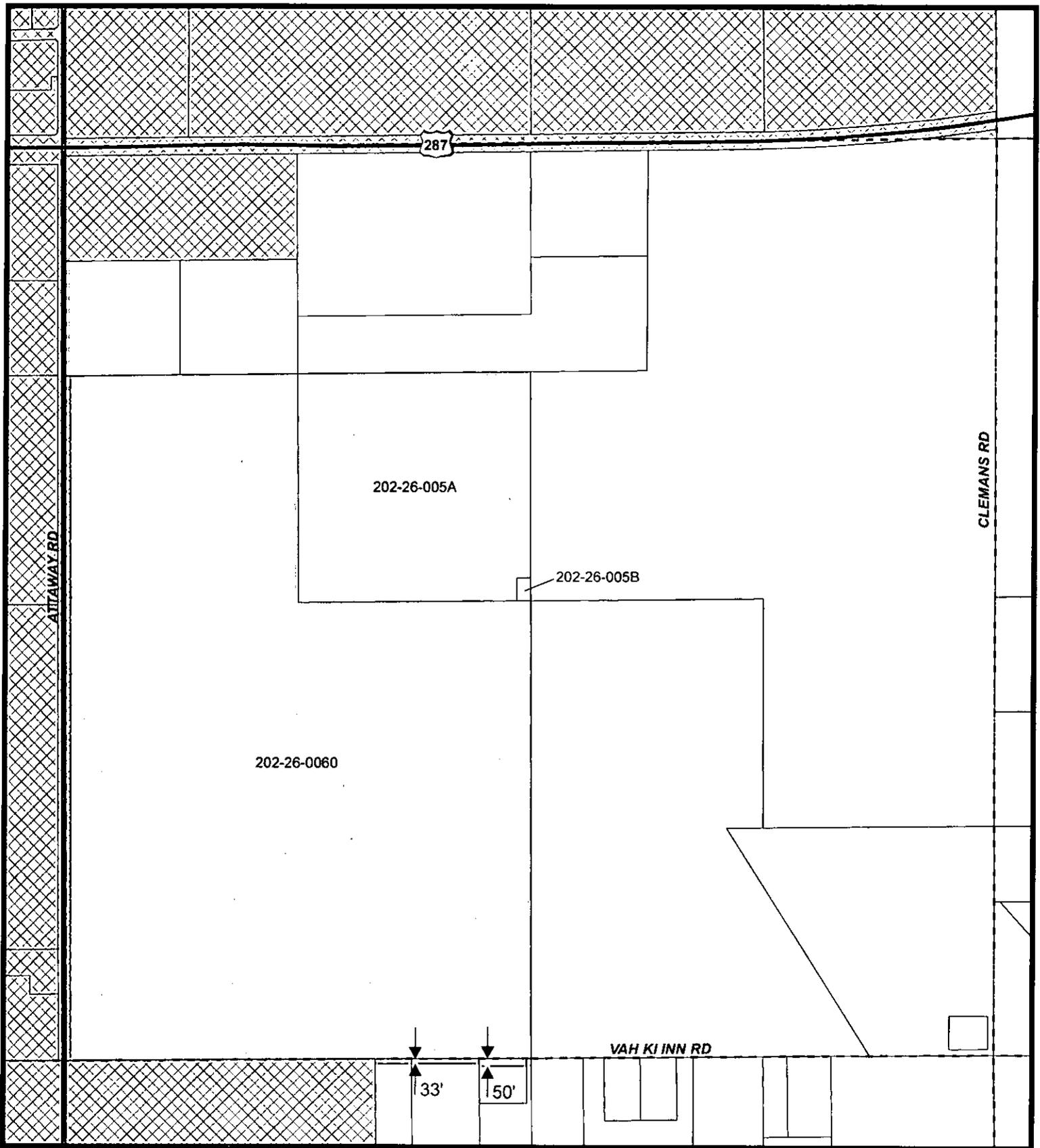
- Township Line
- Section Line
- Parcels
- Proposed Annexation
- Existing City Limits
- Pending Annexations

## General Location Map of Annexation Area

# CIRCLE 'R' III ANNEXATION

February 2011





-  Township Line
-  Section Line
-  Parcels
-  Proposed Annexation
-  Existing City Limits

## Detail Map of Annexation Area

# CIRCLE 'R' III ANNEXATION



February 2011



**CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM**

**SUBJECT:** Request from DJ POINT, LLC, COOLIDGE PROPERTY INVESTMENTS, LLC, LATEOTT, LLC, and FRED'S PLACE, LLC to approve a Conceptual Planned Area Development Plan for Attaway Ranch North and South

**STAFF PRESENTER:** C. Alton Bruce

**RECOMMENDATION:**

Staff recommends approval of this item.

**DISCUSSION:**

These properties are the subject of Planned Area Development Conceptual Plan which was presented to Council and the public in October of 2009. Attached are copies of the staff reports submitted to Council at that public hearing.

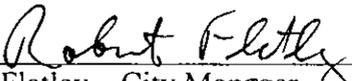
**FISCAL IMPACT:**

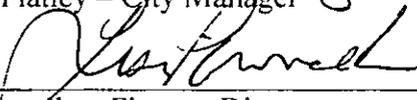
If this project succeeds, there is the potential for additional property and sales tax revenue for the City as well as permit fees, impact fees and contributions to the Fire Operating fund.

**Attachments**

October 2009 Staff Reports for Attaway Ranch North and South  
Attaway Ranch Planned Area Development Documents

**REVIEWED BY:**

  
\_\_\_\_\_  
Robert Flatley – City Manager

  
\_\_\_\_\_  
Lisa Pannella – Finance Director

**PREPARED BY:**

  
\_\_\_\_\_  
C. Alton Bruce – Growth Mgmt. Director

## MEMORANDUM

**TO:** MAYOR AND CITY COUNCIL  
**FROM:** SUE LAYBOURN, SENIOR PLANNER  
**DATE:** JULY 9<sup>th</sup>, 2009  
**RE:** ATTAWAY RANCH SOUTH PLANNED AREA DEVELOPMENT

**Site:** The site comprises, approximately, 155 acres and is located of north of Martin Road and east of Nafziger Road.

**History:** No recent, relevant history.

**Proposal:** To provide a Planned Area Development, comprising:

436 single family homes on 109 acres – 16%  
328 medium density single family homes on 41 acres – 6%  
Approximately 20 acres Open Space/School site.

**Discussion:** Section 513 of the City's Zoning Code states that:

*“ ... As an alternative to conventional zoning and development approaches and processes, the Planned Area Development (PAD) procedures are set forth to enhance the City's growth and development, public health, safety and general welfare as Coolidge increasingly urbanizes: to encourage innovations in residential, commercial and industrial development so that greater opportunities for better housing, recreation, shopping and employment may extend to all citizens and residents of Coolidge; to reflect changes in the technology of land development; to encourage a more creative approach in the utilization of land in order to accomplish a more efficient, aesthetic and desirable development which may be characterized by special features of the geography, topography, size or shape of a particular property; and to a compatible and stable development environment in harmony with that of the surrounding area ... ”*

*“ ... The PAD shall consist of a harmonious selection of uses and groupings of buildings, parking areas, circulation and open spaces, and shall be designed as an integrated unit, in such manner as to constitute a safe, efficient and convenient urban area development ... ”*

The main issues here are whether the proposed PAD complies with the Zoning Code and the General Plan. It should be noted that the application was submitted prior to the

adoption of the new Zoning Code and, therefore, is being considered against the criteria of the previous Zoning Code.

Conformance with the General Plan - The site is designated as Medium Density Single Family Residential in the General Plan. The land to the south, east and west of this site is also designated as Medium Density Single Family Residential and the land to the north is Low Density Single Family Residential. The proposed density of 5.1 units per acre is at the low end of the Medium Density range.

Residential Density in PADs – As stated above, the proposed density is 5.1 units per acre. The proposed development standards are as follows:

Single Family Residential:

Minimum lot area	5,200 square feet
Minimum lot width	48 feet
Front set backs	20/15 (1)
Side set back (interior)	5/8 (2) (3)
Side set back (corner)	20
Rear set back	20 (4)

- (1) 20 feet to garage, 15 feet to liveable areas and side-entry garages, 10 feet to front porch;
- (2) (2) 2 foot projections – fireplaces, pop-outs, roof projects on 8 foot side set back only
- (3) In Medium Density single family residential 10 feet between buildings
- (4) 20' rear set back for two story homes and 15' for single story homes.

Medium Density Single Family Residential:

Minimum lot area	2,000 square feet
Minimum lot width	35 feet
Minimum lot depth	n/a
Front set back	10 feet
Side set back (interior)	0 or 5 feet
Side set back (corner)	10 feet
Rear set back	3 feet

Architectural Style and Appearance:

Examples of possible layouts and housing products are included in the submission document.

Phasing of Development:

There will be multiple phases which will be clarified at the platting stage.

Open Space Provision:

There will be a minimum of 15%, comprising:

- Landscape tracts along arterial and collectors
- Landscaped entries
- Centralized neighborhood parks with passive and active amenities

Open space will be HOA maintained.

The PAD proposal is conceptual at this stage. It was considered appropriate to seek zoning clearance from the Planning and Zoning Commission and the Mayor and City Council prior to a Development Agreement being signed.

The proposed PAD complies with the adopted General Plan and with the City Zoning Code.

**Report from Planning and Zoning Commission:**

Commissioner Williams made a motion to recommend approval to the Mayor and City Council. Commissioner White seconded the motion which was passed unanimously.

## MEMORANDUM

**TO:** MAYOR AND CITY COUNCIL

**FROM:** SUE LAYBOURN, SENIOR PLANNER

**DATE:** JULY 9<sup>th</sup>, 2009

**RE:** ATTAWAY RANCH NORTH PLANNED AREA DEVELOPMENT

**Site:** The site comprises, approximately, 545 acres and is located north of Vah Ki Inn Road and east of Nafziger Road. It is presently in unincorporated Pinal County.

**History:** No recent, relevant history.

**Proposal:** To provide a Planned Area Development, comprising:

572 single family homes on 143 acres – 20%  
1,728 medium density single family homes on 216 acres – 31%  
1,740 medium high density residential on 116 acres – 16%  
C-3 Commercial – 41 acres  
Open space – 80 acres.

**Discussion:** Section 513 of the City's Zoning Code states that:

*" ... As an alternative to conventional zoning and development approaches and processes, the Planned Area Development (PAD) procedures are set forth to enhance the City's growth and development, public health, safety and general welfare as Coolidge increasingly urbanizes: to encourage innovations in residential, commercial and industrial development so that greater opportunities for better housing, recreation, shopping and employment may extend to all citizens and residents of Coolidge; to reflect changes in the technology of land development; to encourage a more creative approach in the utilization of land in order to accomplish a more efficient, aesthetic and desirable development which may be characterized by special features of the geography, topography, size or shape of a particular property; and to a compatible and stable development environment in harmony with that of the surrounding area ... "*

*" ... The PAD shall consist of a harmonious selection of uses and groupings of buildings, parking areas, circulation and open spaces, and shall be designed as an integrated unit, in such manner as to constitute a safe, efficient and convenient urban area development ... "*

The main issues here are whether the proposed PAD complies with the Zoning Code and the General Plan. It should be noted that the application was submitted prior to the adoption of the new Zoning Code and, therefore, is being considered against the criteria of the previous Zoning Code.

Conformance with the General Plan - The site is designated as Master Planned Community in the General Plan. This is defined as:

*Denotes areas that are appropriate for development as a master planned community. Master planned community areas have the potential to provide mixed land use opportunities, a range of housing choices and densities, open space and recreational opportunities and an appropriate transportation system connected to school, parks, retail and employment areas. Residential development within a master planned community area will promote a variety of residential densities to promote a diversity of housing choices for residents of the community. Master planned communities shall also provide commercial and employment land uses to provide for residents of the area.*

The proposed PAD complies with this designation. The proposal complements surrounding General Plan designations and would act as a buffer between lower density land to the south and master planned community and mixed use designations to the north.

Residential Density in PADs – The proposed density is 8.05 units per acre. The proposed development standards are as follows:

Single Family Residential:

Minimum lot area	5,200 square feet
Minimum lot width	48 feet
Front set backs	20/15 (1)
Side set back (interior)	5/8 (2) (3)
Side set back (corner)	20
Rear set back	20 (4)

- (1) 20 feet to garage, 15 feet to liveable areas and side-entry garages, 10 feet to front porch;
- (2) (2) 2 foot projections – fireplaces, pop-outs, roof projects on 8 foot side set back only
- (3) In Medium Density single family residential 10 feet between buildings
- (4) 20' rear set backs for two story homes and 15' for single story homes.

Medium Density Single Family Residential:

Minimum lot area	2,000 square feet
Minimum lot width	35 feet
Minimum lot depth	n/a
Front set back	10 feet

Side set back (interior)	0 or 5 feet
Side set back (corner)	10 feet
Rear set back	3 feet

Medium High Density Multi-family residential

Minimum lot area	1,800/unit
Front set back	10 feet
Side set back (interior)	0'/5'
Side set back (corner)	10'
Rear set back	3'

Architectural Style and Appearance:

Examples of possible layouts and housing products are included in the submission document.

Phasing of Development:

There will be multiple phases which will be clarified at the platting stage.

Open Space Provision:

There will be a minimum of 15% comprising:

- Landscape tracts along arterial and collectors
- Landscaped entries
- Centralized neighborhood parks with passive and active amenities
- Larger centralized park

Open space will be HOA maintained.

The PAD proposal is conceptual at this stage. It was considered appropriate to seek zoning clearance from the Planning and Zoning Commission and the Mayor and City Council prior to a Development Agreement being signed.

The proposed PAD complies with the adopted General Plan and with the City Zoning Code.

**Report from Planning and Zoning Commission:**

Senior Planner Sue Laybourn said that the proposal was conceptual at this stage, that the property is due to be annexed and that there was also a development agreement in play. She said that a more detailed submission will come before the Commission and City Council at a time closer to development. She said that the proposal was for 545 acres, to include a mix of residential densities. It had been designated as Master Planned

Community in the General Plan. She added that the proposal complies with both the adopted General Plan and the old Zoning Code. She reminded Commissioners that, because this was submitted prior to the new Zoning Code coming into use, that the proposal had to be considered against the old Code.

Chairman Bob Marsh asked if, when the applicant comes back with a more detailed proposal, would they have to comply with the Design Guidelines. Ms. Laybourn replied that certain things would be protected by the Development Agreement. Commissioner Hudson asked when the application was submitted. Ms. Laybourn said that it had been submitted on March 28<sup>th</sup>. Chairman Marsh asked whether the Public Works Director and Fire Chief had been consulted on the proposal. Ms. Laybourn stated that, because the plan was only conceptual at this stage, they had not. Commissioner Hiscox asked Mr. Mario Mangiamele, representing the applicant, whether the proposed road cross-sections applied to both developments. Mr. Mangiamele gave a brief presentation on the proposal for both Attaway Ranch North and Attaway Ranch South. He said that the annexation would be for 243 acres north east of Vah Ki Inn Road and Attaway Road. Work has not yet started on the Development Agreement. The property owners wish to ensure that the City is okay with a broad-brush concept prior to investing in more detailed designs. He said that the two large areas of open space on Attaway Ranch North could accommodate one or two elementary schools, depending on what the School District wants. He said that there is no school site proposed on Attaway Ranch South but that it does have the same central community park concept. He added that Attaway Ranch South would have a lower density because of the need to comply with the General Plan designation. He explained the street-sections. The Rural Local Street would be used where there are half acre to 1 acre lots. He said that one of the developers, Circle G, tend to do that, ribbon curb, no sidewalks. Commissioner Hiscox asked whether this road type would only apply to the larger lots. Mr. Mangiamele said that would be the case. Commissioner Hiscox asked Mr. Mangiamele to explain the Local Street section. Mr. Mangiamele said that they would be fifty (50) feet wide with fifteen (15) foot travel lanes, ten (10) feet sidewalk and landscape. Commissioner Hiscox asked what Minor Collector roads were for. Mr. Mangiamele explained that they feed into local streets, they are wider with wider sidewalks and wider landscape strips. Chairman Marsh asked for clarification on the Local Street Section, whether it is thirty (30) feet back of curb to back of curb. Mr. Mangiamele said that it was to the face of curb although, typically, it is measured to the back of curb. Chairman Marsh asked about on-street parking provision. Mr. Mangiamele said that he wasn't sure. Chairman Marsh asked how on-street parking would be regulated, whether the HOA would be responsible. Ms. Tina Vanucci, representing the City Attorney's office, said that the HOA would be responsible. Mr. Mangiamele agreed that it would be for the HOA to enforce. Ms. Vanucci added that an HOA can levy a fine, unless the car in question belongs to a visitor. If the streets within the community are public streets then the Police Department would enforce on-street parking laws. Commissioner Hiscox asked whether the Local Street would be sufficient to accommodate on-street parking. Mr. Mangiamele said that the proposed street width could be modified to address the issue. Commissioner Hiscox asked Ms. Laybourn if she believed that the proposed thirty (30) feet front of curb width would be wide enough to accommodate on-street parking. Ms. Laybourn replied that, in her personal opinion, it

would be. Chairman Marsh asked that, when more detailed plans were prepared, that the applicant consider the City's new guidelines regarding road widths. Commissioner Hiscox asked what the new requirement was. Chairman Marsh advised him that it was thirty-six (36) feet back of curb to back of curb. Mr. Mangiamele stated that they will take a look at that. He added that it was a long range project which probably won't happen for, at least, a year. He said that Circle G were responsible for al Vista Lakes. He said that the early submission was not intended as a way of sidestepping the new Zoning Code. It will be a long process and the applicant would be back many times. He then continued the presentation and showed examples of housing types.

Chairman Marsh asked about building heights, he noticed that the proposal showed thirty-six feet for the higher density products. Ms. Laybourn said that this issue had come up in an earlier PAD proposal and that she would check to see how the heights were addressed in that proposal. Commissioner Williams asked about access to open space if a school was there. Mr. Mangiamele said that the intention was to work out a joint-use agreement with the School District about shared access to open space. Chairman Marsh asked whether the open space dedication/reservation could be addressed in the Development agreement. Mr. Mangiamele said that he will look into it.

Commissioner White made a motion to recommend approval to the Mayor and City Council. Commissioner Williams seconded the motion which was passed unanimously.

**CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM**

<b>SUBJECT:</b> Discussion of Recreation Fees	<b>STAFF PRESENTER:</b> Ricky LaPaglia, Parks and Recreation Director
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**RECOMMENDATION:**

The Parks and Recreation Department recommends raising fees for Adult Softball and for vendors at Coolidge Days, and ask that all proposed fee changes be posted on our website for the required minimum of 60 days.

**DISCUSSION:**

Adult Softball fees need to increase if we wish to ensure that the registration fees collected will cover the cost to operate the league. Also, in many cases the City is lagging behind in our vendor fees for Coolidge Days.

**FISCAL IMPACT:**

It will be at no additional cost to the city. The city will stand to on average \$525 more for every Adult Softball League, and up to \$1900 more for our Coolidge Days Celebration.

**Attachments**

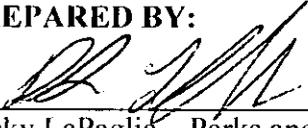
Breakdown of current and proposed fees.

**REVIEWED BY:**

  
Robert Flatley – City Manager

  
Lisa Pannella – Finance Director

**PREPARED BY:**

  
Ricky LaPaglia – Parks and Recreation Director

Denis Fitzgibbons – City Attorney

## ADULT SOFTBALL

Average Registration Money Received	\$5,250
-------------------------------------	---------

### Expenses

Equipment and Awards	\$610
Umpires	\$2,410
Lights and Field Prep	\$1,600
<u>Full and Part Time Staff</u>	<u>\$1,050</u>
<b>Total</b>	<b>\$5,670</b>

**(\$420)**

Current Registratation Fee	\$250
----------------------------	-------

Proposed Registration Fee	\$275
---------------------------	-------

With an average of 21 teams per season raising the registration fee \$25 per team would be the minimum we could increase fees to cover the cost of operating our Adult Softball Leagues.

## COOLIDGE DAYS VENDORS

### Current Fees

Food Vendor	\$120
Arts 'n' Crafts	\$40-\$65

### Proposed Fees

Food Vendors	\$200
Arts 'n' Crafts	\$75-\$100

### Cotton Days

Food Vendors	\$350
Arts 'n' Crafts	\$200-\$250

### Surrounding Areas

Food Vendors	\$0-\$400
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CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM

**SUBJECT: SAVE Cooperative Purchasing Agreement and waive bidding requirements for Randolph Road ARDP**

**STAFF PRESENTER: Susanna R. Struble, Director of Public Works**

**RECOMMENDATION:**

**Recommend the City Council approve waive the bidding for Randolph Roadway ARDP improvements and approve the signing of the Strategic Alliance For Volume Expenditures (SAVE) Cooperative Purchasing Agreement. All use of the SAVE will follow the City's procurement procedures.**

**DISCUSSION:**

Per the City of Coolidge's procedures for purchasing of materials an allowance has been made for the utilization of bids from other governmental agencies. The Strategic Alliance For Volume Expenditures (SAVE) Cooperative Purchasing Agreement is one mechanism utilized by over 225 agencies within the state for this procurement.

The SAVE agreement allows for the utilization of other agencies use of bids prepared for materials and services by participating cooperative members. Bids are prepared by a lead agency that compiles quantity estimates, prepares the bid or proposal solicitation, receives bid or proposals and awards a contract for use by all participating members. The cooperative use of bids or proposals obtained by a party to this Agreement are required to be in accordance with the terms and conditions of the bid or proposal, except as modification of those terms and conditions otherwise allowed by law. The SAVE agreement has been reviewed and accepted by the City attorney.

Pinal County utilizes this cooperative agreement for many of its materials and services contracts so that other members of the SAVE entities can benefit from there bidding and procurement to improve competition, quality, services, provide lower prices for materials and services, and avoid duplication of efforts. Several of our surrounding communities utilize the County bids for road improvement materials and services.

Currently the Public Works is interested in capitalizing on the use of this agreement for improvements to Randolph Road from SR87 to Vail Road and potentially other maintenance type roadway efforts as it relates to seal coats and chip seal. In order to utilize the County bid process for this work the City of Coolidge would be required to sign the SAVE agreement and then determine quantities and prices for the required work. All work over \$25,000 will be required to have Council action prior to final agreement with the County awarded contracts.

The Randolph Road Asphalt Rubber Dust Palliative (ARDP) project will provide a two lane chip seal/ARDP surface. The Public Works Department is interested in the use of both the material bids and the County forces and equipment for grading and compaction for this project. The City will be providing work forces and equipment in conjunction with the County forces for grading and

compaction. The County can perform the work as they complete other projects in the area i.e.; Attaway Road and Martin Road in July and August 2011.

The County has agreed to determine quantities on the project for use of the materials bids and provide estimates for County work forces through our joint lease agreement. At the writing of this Council Action Form we are still awaiting the total quantities and costs for the work from the County. The Public Works Department is requesting that the Council approve waiving the bid process for the Randolph Road ARDP project so we can further our discussion with the County for completion of the Randolph Road ARDP project.

In conjunction with that waiving of the bidding process we also ask for approval of entering into the SAVE agreement for cooperative purchasing. This joint approval by Council will allow for staff to negotiate the final cost for the Randolph Road project with the County and return to the Council for final approval of the costs. Any other use of the SAVE agreement will be done in accordance with the City of Coolidge procurement procedure.

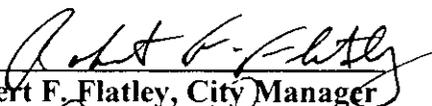
**FISCAL IMPACT:**

No costs are approved with this action. Cost for Randolph Road will be assessed to the fees exacted from developments along Randolph Roadway and approved at a later date.

**ATTACHMENTS:**

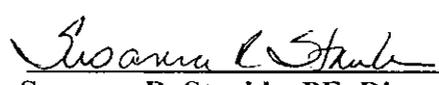
SAVE Agreement and Appendix "A"

**REVIEWED BY:**

  
Robert F. Flatley, City Manager

  
Lisa Pannella, Finance Director

**PREPARED BY:**

  
Susanna R. Struble, PE, Director, PW

**STRATEGIC ALLIANCE FOR VOLUME EXPENDITURES (SAVE)  
COOPERATIVE PURCHASING AGREEMENT**

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between school districts and governmental jurisdictions in the State of Arizona, as listed in Appendix "A" through their duly authorized representative to form a cooperative purchasing agreement named "STRATEGIC ALLIANCE FOR VOLUME EXPENDITURES" (S.A.V.E.)

WHEREAS, voluntary purchasing agreements between and among public agencies in the State of Arizona have been shown to improve competition, quality, services, provide lower prices for materials and services, and avoid duplication of efforts; and

WHEREAS, the parties hereto desire the free exchange of information, technology, and other services that may assist in improving the efficiency or economy of the procurement of necessary materials and services and,

WHEREAS, cooperative purchasing results from written agreements wherein lead agencies volunteer to purchase specified materials and services for themselves and participating cooperative members by compiling quantity estimates, preparing the bid or proposal solicitation, receiving bid or proposals and awarding a contract for use by all participating members. And, wherein the lead agency is responsible for placing, receipt and payment of its own orders only, while individual procuring parties separately process and pay for their own requirements; and

WHEREAS, the Cooperative Purchasing Agreement will serve these ends;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for the mutual benefits to result therefrom, the parties agree as follows:

1. The purpose of the Agreement is a cooperative purchase agreement for the procurement of materials and or services.
2. Receipt, inspection, acceptance and payment for materials and services ordered under this Agreement shall be the exclusive obligation of the ordering entity.
3. The exercise of any rights or remedies by a procuring entity shall be the exclusive obligation of such procuring entity.
4. In this Agreement, failure of an entity to secure performance under its purchase order, does not necessarily require another entity to exercise its own rights or remedies.
5. The cooperative use of bids or proposals obtained by a party to this Agreement shall be in accordance with the terms and conditions of the bid or proposal, except as modification of those terms and conditions otherwise allowed by law.
6. The participation in a specific bid or proposal will be at the option of the individual entity, except that procuring entities and their requirements specifically identified within a bid or proposal shall be required to participate in the Agreement unless the resulting contract is canceled, as provided for within the terms and conditions of the specific bid or proposal.
7. That lead entity of the bid or proposal will comply with the competitive procurement and contract requirements of the procurement rules and laws.
8. The parties will make available, upon reasonable request and subject to convenience, necessity and, in appropriate circumstance a reasonable fee or charge, any information, technology, or other service, which may assist in improving the efficiency or economy of each party's procurement or disposal of material or service.
9. A procuring party will make timely payments to the vendor for materials and services received in accordance with the terms and conditions of the procurement. Payment for materials, services, inspections, acceptance of materials and services ordered by the procuring party shall be the exclusive obligation of such procuring party.
10. The procuring party shall not use this Agreement as a method for obtaining additional concessions or reduced prices for similar materials and services.

11. The procuring party shall be responsible for the ordering of materials or services under this Agreement. A non-procuring party shall not be liable in any fashion for any violation by a procuring party, and the procuring party shall hold non-procuring party harmless from any liability, which may arise from action or inaction of the procuring party.
12. Any procurement unit may terminate without notice this Agreement if another eligible procurement unit fails to comply with the terms of this Agreement.
13. This Agreement is exempt from the provisions of A.R.S. 11-952.
14. This Agreement shall remain in effect until participation has been terminated by all but one of the parties. Except as provided in Paragraph 12, any party to this Agreement may terminate their participation in this Agreement by giving 30 day written notice to all other parties to this Agreement.
15. This Agreement shall take effect after execution by participating parties. Pursuant to A.R.S. Section 41-2632 and Subsection R7-2-1191 of A.A.C. R7-2-1001 this Agreement need not be filed with the County Recorder or the Secretary of State to be effective, except as may be required by the laws, rules and/or regulations of a participating public agency.
16. This Agreement may be canceled pursuant to provisions of A.R.S. Section 38-511 which provisions are incorporated herein by this reference.
17. This Cooperative Purchasing Agreement shall become effective upon approval and execution by the authorized representative of all public agencies listed in Appendix "A".
18. The parties to this Agreement hereby agree that other agencies may be added to this Cooperative Purchasing Group.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective the date written below.

JURISDICTION: < NAME OF AGENCY >

THIS AGREEMENT IS HEREBY EXECUTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

# Strategic Alliance for Volume Expenditures

S.A.V.E. --- Cooperative Purchasing Agreements

The following **244** agencies have signed the Cooperative Purchasing Agreement with the S.A.V.E. association as of **May 27, 2011**.

## Municipalities

City of Apache Junction  
City of Avondale  
City of Bullhead City  
City of Casa Grande  
City of Chandler  
City of Cottonwood  
City of Douglas  
City of Eloy  
City of Flagstaff  
City of Glendale  
City of Goodyear  
City of Maricopa  
City of Mesa  
City of Page  
City of Peoria  
City of Prescott  
City of Safford  
City of Scottsdale  
City of Sierra Vista  
City of Somerton  
City of Surprise  
City of Tempe  
City of Tucson  
City of Winslow  
City of Yuma  
Town of Buckeye  
Town of Camp Verde  
Town of Cave Creek  
Town of Florence  
Town of Fountain Hills  
Town of Gila Bend  
Town of Gilbert  
Town of Marana  
Town of Oro Valley  
Town of Paradise Valley  
Town of Prescott Valley  
Town of Queen Creek  
Town of Sahuarita  
Town of Superior

## Counties

Apache County  
Cochise County  
Coconino County  
Gila County  
Graham County  
La Paz County  
Maricopa County  
Mohave County  
Navajo County  
Pima County  
Pinal County  
Santa Cruz County  
Yavapai County

Yuma County

## Higher Education

Arizona State University  
Arizona Western College  
Central Arizona College  
Central Arizona Valley Institute of Technology (CAVIT)  
Cochise County Community College District  
Coconino County Community College District  
Dinè College  
Maricopa Community College District  
Mohave Community College  
Northern Arizona University  
Pima Community College  
Pima Prevention Partnership dba Pima Partnership  
Academy, Pima Partnership High School &  
Phoenix Collegiate High School  
University of Arizona  
Yavapai College

## Political Agencies

Arizona Supreme Court  
Central Arizona Project  
Central Arizona Water Conservation District (CAWCD)  
Central Yavapai Fire District  
Drexel Heights Fire District  
Maricopa Association of Governments  
Maricopa Integrated Health System  
Mountain Institute JTED  
Mt. Lemmon Fire District  
North Country Community Health Center  
Pima County Joint Technology District #11 (JTED)  
Pima County School Reserve Fund  
Superior Court of Arizona, Maricopa County  
Superstition Mtn Community Facilities District  
Tucson Airport Authority  
Valley Metro Regional Public Transit Authority  
Phoenix-Mesa Gateway Airport Authority

## School Districts

Agua Fria Union High School District # 216  
Alhambra Elementary School District # 68  
Altar Valley School District #51  
Amphitheater Unified School District #10  
Antelope Union High School #50  
Apache Junction Unified School District # 43  
Arlington Elementary School District #47  
Avondale Elementary School District #44  
Balsz Elementary School District #31  
Beaver Creek School District #26  
Benson Unified School District #9  
Bisbee Unified School District #2  
Blue Ridge Unified School District #32  
Bonita School District #6

Buckeye Elementary School District #33  
 Buckeye Union High School District #201  
 Bullhead City Elementary School District #15  
 Camp Verde Unified School District #28  
 Cartwright Elementary School District #83  
 Casa Blanca Middle School dba Vah Ki Middle School  
 Casa Grande Elementary School District  
 Casa Grande Union High School District  
 Catalina Foothills Unified School District #16  
 Cave Creek Unified School District #93  
 Cedar Unified School District #25  
 Chandler Unified School District # 80  
 Chinle Unified School District #24  
 Chino Valley Unified School District #51  
 Clarkdale-Jerome School District #3  
 Coconino County Regional Accommodation District #99  
 Colorado River Union High School District  
 Continental Elementary School District #39  
 Coolidge Unified School District #21  
 Cottonwood-Oak Creek School District #6  
 Crane Elementary School District # 13  
 Deer Valley Unified School District #97  
 Double Adobe Elementary School District #45  
 Douglas Unified School District #27  
 Dysart Unified School District # 89  
 East Valley Institute of Technology  
 Eloy Elementary School District #11  
 Elfrida Elementary School District #12  
 Flagstaff Unified School District # 1  
 Florence Unified School District # 1  
 Flowing Wells Unified School District #8  
 Fort Huachuca Accommodation School District  
 Fort Thomas Unified School District #7  
 Fountain Hills Unified School District #98  
 Fowler Elementary School District #45  
 Gadsden Elementary School District # 32  
 Ganado Unified School District #20  
 Gila Bend Unified Schools  
 Gilbert Unified School District #41 (Gilbert Pub. Schools)  
 Glendale Elementary School District #40  
 Glendale Union High School District  
 Globe Unified School District #1  
 Grand Canyon Unified School District #4  
 Hackberry Elementary School District #3  
 Heber-Overgaard Unified School District #6  
 Higley Unified School District #60  
 Holbrook Unified School District #3  
 Humboldt Unified School District #22  
 Hyder Elementary School District #6  
 Indian Oasis-Baboquivari School District #40  
 Isaac Elementary School District # 5  
 J.O. Combs Elementary School District #44  
 Joseph City Unified School District #2  
 Kayenta Unified School District #27  
 Kingman Unified School District #20  
 Kyrene Elementary School District #28  
 Lake Havasu Unified School District # 1  
 Laveen Elementary School District #59  
 Liberty Elementary School District #25  
 Litchfield Elementary School District #79  
 Littlefield Unified School District #9

Littleton Elementary School District #65  
 Madison Elementary School District #38  
 Maine Consolidated School District  
 Mammoth-San Manuel Unified School District #8  
 Marana Unified School District #6  
 Maricopa Regional School District #509  
 Maricopa Unified School District  
 Mayer Unified School District #43  
 Mesa Unified School District # 4  
 Mobile Elementary School District #86  
 Mohave Valley Elementary School District #16  
 Mohawk Valley School District # 17  
 Morenci Unified School District #18  
 Murphy Elementary School District #21  
 Naco Unified School District #9  
 Nadaburg Elementary District #81  
 Nogales Unified School District # 1  
 Northeast AZ Tech Institute of Voc Ed  
 Osborn Elementary School District #8  
 Page Unified School District #8  
 Paradise Valley Unified School District #69  
 Parker Unified School District #27  
 Patagonia Elementary School District #6  
 Patagonia Union High School District #92  
 Payson Unified School District #10  
 Peach Springs Unified School District #8  
 Pendergast School District #92  
 Peoria Unified School District #11  
 Phoenix Elementary School District # 1  
 Phoenix Union High School District #210  
 Picacho Elementary School District #33  
 Pima Unified School District #6  
 Pine Strawberry Elementary School District #12  
 Pinon Unified School District #4  
 Prescott Unified School District #1  
 Quartzsite Elementary School District #4  
 Queen Creek Unified School District # 95  
 Riverside Elementary School District #2  
 Roosevelt Elementary School District # 66  
 Round Valley Unified School District #10  
 Sacaton Elementary School District #18  
 Saddle Mountain Unified School District #90  
 Safford Unified School District #1  
 Sahuarita Unified School District #30  
 Sanders Unified School District #18  
 Santa Cruz Valley Unified School District #35  
 Santa Cruz Valley Union High School District #840  
 Scottsdale Unified School District # 48  
 Sedona-Oak Creek Unified School District #9  
 Sentinel Elementary School District #71  
 Show Low Unified School District #10  
 Sierra Vista Unified School District # 68  
 Snowflake Unified School District #5  
 Somerton Elementary School District #11  
 Stanfield Elementary School District #24  
 St. David Unified School District #21  
 St. Johns Unified School District  
 Sunnyside Unified School District #12  
 Superior Unified School District #15  
 Tanque Verde Unified School District #13  
 Tempe Elementary School District # 3

Tempe Union High School District # 213  
Thatcher Unified Schools  
Toltec Elementary School District #22  
Tolleson Elementary School District #17  
Tolleson Union High School District # 214  
Tombstone Unified School District #1  
Tuba City Unified School District #15  
Tucson Unified School District  
Union Elementary School District #62  
Vail Unified School District #20  
Valley Union High School District #22  
Washington Elementary School District # 6

Wellton Elementary School District #24  
West-MEC District #402  
Whiteriver Unified School District #20  
Wickenburg Unified School District #9  
Willcox Unified School District  
Williams Unified School District #2  
Wilson Elementary School District #7  
Window Rock Unified School District #8  
Winslow Unified School District #1  
Young Public School District  
Yuma Elementary School District # 1  
Yuma Union High School District # 70

CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM

SUBJECT: Skousen Bridge and Signal Peak  
Closure by PMIP

STAFF PRESENTER: Susanna R. Struble,  
Director of Public Works

**RECOMMENDATION:**

Recommend the City Council approve continuing negotiations with Pima Maricopa Irrigation Project (PMIP) on Skousen Bridge Replacement in exchange for Signal Peak closure and application for High Risk Rural Road funds for the Intersection improvements on Skousen Road at SR87.

**DISCUSSION:**

With the continued degradation of the bridge at Skousen and the Pima Lateral canal the PW department has been researching opportunities for the replacement of Skousen Bridge. Options have included:

1. Bridge Repair through replacement of the grating in the center portion of the bridge.
2. Replacement of bridge through PMIP
  - a. Replacement with bridge used by RL Borsomar as temporary bypass
  - b. New bridge
3. New bridge utilizing Highway Bridge Rehabilitation and Replacement (HBRR) funds through ADOT for new bridge.

**Replacement of Grating:** Initial thoughts were to research the availability and costs for the replacement of the failing grating in the center of the bridge. After researching suppliers inclusive of Stinger welding of a comparable grate, a manufacturer of the grating was found in California; L.B. Foster. We sought out a quote, which was received in March at a cost of \$39,400 for 5 grates with a minimum of 14 weeks for delivery time frame. This cost does not include delivery or removal and placement of the grate. Delivery is estimated at \$20,000.

City staff is not adequately equipped to do the install in house. PMIP was contacted to discuss option in having their contractor support the removal of the center portion of grating and then placing the new grates. PMIP agreed to have their contractor R.L. Brosamer contact us on the bridge repair work. R. L. Brosamer supplied a price of \$11,500 to remove and replace the grating. Work can be done during the fall dry-up.

Total Cost of the Grate replacement: Center grate - **\$70,900.00.**  
2 lane bridge grate replacement approximately - **\$210,000**

**Pro:** Bridge grate replaced within 4 months during October/November dry-up 2011.  
No environmental clearance issues if work done by PMIP contractor.  
Least costly.

**Con:** City would be responsible for design and material ordering.  
Only addresses center portion of bridge, additional panels will cost approximately \$8,000.  
Assumes substructure is adequate for the new grating.  
Only two lane bridge provided.  
Will require road closure during work.  
No change in Load limit.

**Replacement of Bridge through PMIP:** Two options are available through PMIP.

- RL Brosamer did offer to provide a newer bridge with a bridge they utilized as a temporary bypass on a freeway in California.
- Also PMIP has offered to replace the bridge with a ConArch in exchange for the Signal Peak Road closure during the Southside Canal crossing work next fall

**R.L. Brosamer:** During discussion with R.L. Brosamer on the grate removal and replacement work, an offer was made that they could replace the existing bridge with one they used in California as a temporary bypass. The bridge would include the install of 52foot by 6 foot wide bridge girders at the total width required by the City. RL Brosamer would be responsible for footing design, removal of old grated bridge and placement of the girders with guardrail. The bridge appears to be adequate to handle heavier loading and can be placed at a 4 lane width. .

Total Costs for RL Brosamer Bridge:    **2 lane - \$200,000**  
  **3 lane - \$275,000**  
  **4 lane - \$350,000**

**Pro:** Bridge replaced during October/November dry-up 2011.  
Costs are reasonable for the square footage.  
Can specify width of bridge.  
Can increase load limit on bridge.  
No environmental clearance issues

**Con:** Would require review of existing girder design and proposed footing design, as well as inspection of girders.  
Costs assume girders do not require paving over them. Paving may create an issue with grade onto SR87 and/or cracking at each 6 foot girder.  
Using a structure that was not specifically designed for the crossing.  
Will require Skousen Road closure for work.

**CONARCH Bridge:** On May 11<sup>th</sup>, David Dejong of the PMIP south-side canal project requested a meeting to discuss the planned improvements on Signal Peak Road scheduled for replacement during the fall dry-up of the canal in October and November this year. The primary focus of this discussion was to determine the City's requirements for the closure. After discussion of the challenges the City would have with a complete closure of Signal Peak due to the lack of paved detour routes, PMIP offered to look into options for resolving the detour issue and allow them the ability of a full closure on Signal Peak as they do the crossing.

Options would require that a closure would require a paved detour capable of carrying truck traffic and the amount of traffic Signal Peak carries. Options included replacement of Skousen Bridge and or paving roadways such as Curry or Macrae and upgrading Vah Kin Inn Road between Skousen and Macrae. PMIP returned a verbal offer to replace Skousen Bridge with a cost share from the City of everything over \$100,000. The bridge would be a new Con Arch that would match existing grade and be capable of carrying H-20 loading. They offered a three lane bridge for approximately \$300,000. It was requested to receive a price for a 4-lane bridge however at this time we have not received the information. In either case PMIP would supply bridge design and construction, environmental clearance up to \$100,000 cost share in exchange for closure of Signal Peak roadway in fall of 2012.

Total Costs for ConArch Bridge:        **3 lane - \$300,000 (\$200,000 City)**  
  **4 lane – estimated \$400,000 (estimated \$300,000 City)**

**Pro:** Bridge replaced during October/November dry-up 2011.  
Costs are reasonable for the square footage.

Can specify width of bridge.  
Can increase load limit on bridge.  
No environmental clearance issues.  
PMIP perform design, construction and construction inspection.

**Con:** Requires review of bridge/ConArch design  
Costs assume only 2 lane roadway replacement over Con Arch.  
Work will require closure of Skousen during replacement  
Requires acceptance of a complete closure of Signal Peak in fall of 2012.

**HBRR Funded Bridge Replacement:** ADOT has a bridge replacement fund (HBRR) available to local governments at a maximum amount of \$1,000,000 with a 5.7% match for bridges that are no longer structural adequate or are functionally obsolete. Structural adequacy is determined through a bridge inspection. The City has had bridge inspections performed by ADOT for the past several years. Skousen Bridge has shown to be structurally adequate through this inspection process however has been identified as a bridge which needs some repair and rehabilitation work performed on it. In April, the ADOT Local Government's Director indicated that although structurally sufficient the bridge could qualify under the functionally obsolete category. Estimated costs for this project through ADOT to include the design, environmental clearances and bridge removal and replacement of a 4-lane bridge are \$1,350,000. \$350,000 is in excess of the allowed HBRR funds for the project.

Further investigation with ADOT indicated that if the project was combined with safety improvements to the intersection additional funds through the High Risk Rural Road (HRR) funds may also be available for the project. Due to the significant crash data at this intersection Skousen Road intersection improvements qualify this project for HRR funds. HRR would fund widening of Skousen to four lanes with right and left turn lanes from SR87 to approximately 1000 feet south to accommodate a taper back to a two lane road. Costs for the widening of Skousen are estimated at \$600,000 to include design, construction and environmental clearance. The \$350,000 from the bridge replacement above is an allowable addition under these funds. The city will be required to provide a 5.7% match of the HRR funds. ADOT currently has excess HRR funds award is on a competitive first come first serve basis. Completion of this project is estimated to be fall of 2014 due to ADOT standard time frame for design, environmental clearance and construction.

Total Costs for HBRR and HRR project: **\$1,950,000 (City match of \$104,000)**

**Pro:** Can specify width of bridge.  
Will provide fully improved roadway and bridge to 4 lanes  
Will increase load limit on bridge.  
PMIP perform design, construction and construction inspection.

**Con:** 3 year delayed bridge replacement (October/November dry-up 2014).  
Requires new environmental clearance.  
Have to deal with ADOT process for design and construction.  
No guarantee of funding through HRR process. If not available may cost the City an additional \$350,000 to replace bridge.

Based upon the options it is recommended that the Council approve further negotiations with PMIP for the fall 2011 replacement of Skousen Bridge, provided PMIP agrees to provide up to \$100,000 in funds towards the project as well as the design construction and inspection of the bridge. It is also recommended we request funds for HRR funds from ADOT for the widening of Skousen Road at the intersection to 4 lanes.

**FISCAL IMPACT:**

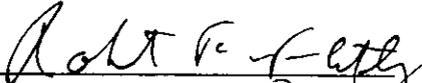
Costs for the Bridge project will be approximately \$300,000 funded through \$100,000 Pinal County Road Tax funds and \$200,000 transportation impact fees.

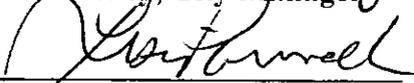
Costs for Skousen Road widening will be a maximum of \$57,000 funded through Pinal County Road Tax.

**ATTACHMENTS:**

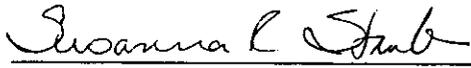
LB Foster quote on grate  
R&L Brosamer quote on replacement bridge  
PMIP email on verbal offer for bridge replacement

**REVIEWED BY:**

  
\_\_\_\_\_  
Robert E. Flatley, City Manager

  
\_\_\_\_\_  
Lisa Rannella, Finance Director

**PREPARED BY:**

  
\_\_\_\_\_  
Susanna R. Struble, PE, Director, PW

Quote #: JPOR01559T-1

Page 1 of 4

# LB Foster

Construction Products

To: All Bidding Contractors

Attn: Felix Reyes

Attention: Estimating

## Mailing Address:

L. B. Foster Company  
32970 Alvarado-Niles Rd, Suite 736  
Union City, CA 94587

Phone: (510) 471-9840

Mobile: (510) 301-4713

Fax: (510) 471-9847

Date: 03/24/2011

Re: 329-11

AZ City of Coolidge

Shipping Location: Coolidge, AZ

We are pleased to offer the following items, material only, excluding field measurements, installation and taxes for the referenced project.

Qty	Description	Price / UOM	Extended Price
306.00 SF	5-3/16" Open 4-Way Steel Grid Decking. (A709 gr 50 material Galvanized) Main bars spaced at 7 1/2" centers.	\$103.0000 / SF	\$31,518.00

Price is based on furnishing four blank panels 7'-7 1/2" wide by 8'-0" long.

Price excludes all other trims, attachments, shims, fill plates and hardware.

Need 5 grates.

Total: \$31,518.00

**FOB:** Shipping point, freight allowed to job site, full truckload basis only.

**Terms:** Net 30 with Credit Approval.

**Shipment:** Shipment may begin approximately 14 weeks after receipt of approval drawings.

**Notes:** This quote will remain in effect for 30 days. The quotation is based on current scrap surcharges and mill base prices. We reserve the right to adjust our quoted price at the time of an order, unless extended or withdrawn by Seller.

This quotation is based on material availability from the mill or warehouse sources. Availability subject to allocation from the mill could result in delivery delays to the contractor and/or owner. Any delays caused by the mills will not be the responsibility of LB Foster. Material availability from the warehouse sources is subject to prior sale.

Where the price of materials increases significantly during the term of the purchase order through no fault of LB Foster, the purchase order sum shall be equitably adjusted by change order. A significant price increase means a change in price from date of purchase order execution to the date of performance by an amount exceeding 7.5 percent. Such Price increases shall be documented by vendor quotes, invoices, catalogs, receipts or other documents of commercial use.

Price assumes shipment by 2/28/12 after which Seller may, at its discretion, revise prices upward.

Price excludes shims and caulking compound.

Price is tentative and was based on partial plans, FAX information or oral communications. Firm price will be subject to review of full set of contract plans and specifications.

Due to the galvanizing process panels may have some distortion and side sweep which will require adjustment in the field during installation. The cost for this adjustment is the responsibility of the installer.



May 16, 2011

CITY OF COOLIDGE PUBLIC WORKS DEPARTMENT  
355 S 1st St.  
COOLIDGE, AZ 85128

Job No: 210081  
Ltr No: COC-001

Attention: Susanna Struble

Reference: Contract No. C4315  
PMIP - PIMA Canal Reach BW-1A

Subject: Skousen Road Bridge Repair or Replacement

Dear Mrs. Struble,

Per your request here is the three different options that we have priced up for the Skousen Road bridge:

1. Install 4 concrete bridge girders each measuring 52' long and 6' wide for a total width of 24' which matches the existing bridge width. These would be used sections from a previous R & L Brosamer project. The girders would be placed onto abutments located outside of the existing abutments that would remain in place. The abutments are assumed to be 2' wide, 8' deep and 26' long reinforced concrete which would be bank poured, no forming. Concrete barriers (K-Rail) would then be placed along each side of the bridge. Total = \$200,000.00
2. Install 6 concrete bridge girders each measuring 52' long and 6' wide for a total width of 36'. These would be used sections from a previous R & L Brosamer project. The girders would be placed onto abutments located outside of the existing abutments that would remain in place. The abutments are assumed to be 2' wide, 8' deep and 38' long reinforced concrete which would be bank poured, no forming. Guardrail would then be mounted along each side of the bridge. Total = \$275,000.00
3. Remove and replace center section of existing metal decking. Material provided by City of Coolidge. Total = \$11,500.00

If you have any questions or comments, please contact me at 623-518-0214.

Sincerely,  
R&L Brosamer, Inc.

A handwritten signature in black ink, appearing to read 'Josh Wilson', is written over a horizontal line.

Josh Wilson  
Assistant Project Manager

---

Corporate Office:	1777 Oakland Blvd., Suite 300	Walnut Creek, CA 94596	925-627-1700	Fax: 925-935-1700
Job Office:	1016 N Arizona Blvd	Coolidge, AZ 85128	520-723-7009	Fax: 520-723-5233

## Susanna Struble

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**From:** DeJong, David [DDeJong@gilariver.com]  
**Sent:** Friday, June 10, 2011 10:06 AM  
**To:** Susanna Struble  
**Subject:** This morning's meeting regarding SKousne and Signal Peak

Susanna:

I am summarizing what we discussed this morning and what I will propose to the Governor assuming the City agrees to proceed as we discussed.

Shane Lindstrom and I met with you, Bob Flatley, and Luis Ramirez. Thank you for your time and the continued positive cooperation between the Community and the City of Coolidge. Per our discussion:

1. We all agreed that time is of the essence since P-MIP is going to bid on the remaining portion of the Southside Canal in July and we would need to know whether or not Signal Peak is closing this fall or next fall.
2. The City expressed interest in the Con Arch bridge at Skousen Road and is scheduling time with the City Council on June 27 to consider City approval.
3. P-MIP will provide a cost estimate for the construction of a 4 lane Con Arch crossing at Skousen Road. We are soliciting a detailed cost estimate that will include:
  - The cost for a 4 lane bridge as a permanent solution for the City
  - A detailed description of the specifications (i.e., H 20 loading, length of guard rail, asphalt and asphalt thickness, road width, etc.)
  - Enough data so the City can make an informed decision
4. Per our discussion, the City will contribute \$200,000 for a 3-lane bridge with P-MIP paying the difference up to \$100,000. Depending on the cost of a 4-lane bridge, the City will pay all additional costs.
5. We agreed that the City would transfer the \$200,000 in 2011 and the remainder could transfer in fiscal year 2012, assuming that the City can not find the additional dollars this year. We would put language in the IGA to this effect.
6. The City agreed that in exchange for this P-MIP contribution, Signal Peak could be closed during construction. However, we cannot close Signal Peak and Skousen concurrently. This means Signal Peak would likely not be constructed until the fall of 2012.
7. The City also agreed that P-MIP would not be responsible for any work on Macrae Road (i.e., paving or dust control/watering).
8. P-MIP and the Community's sole responsibility would be to contribute to the Skousen Road crossing (up to \$100,000) and oversee construction management.
9. P-MIP has already paid for the environmental work and all cultural work and will conduct all CM and will absorb these costs as part of our work on the Pima Canal or Southside Canal project.
10. We also spoke about the rights-of-way for the JW laterals. The City confirmed that P-MIP is free to declare the 80' ROW on the laterals and that when development occurs in the future the City will require developers to accommodate such ROW by slightly realigning the Kenworthy, Skousen and Macrae roads to the east. P-MIP intends to complete the ROW this summer and file them with the County yet this year.

I believe this cooperation is a win-win for all parties, and I trust the City concurs.

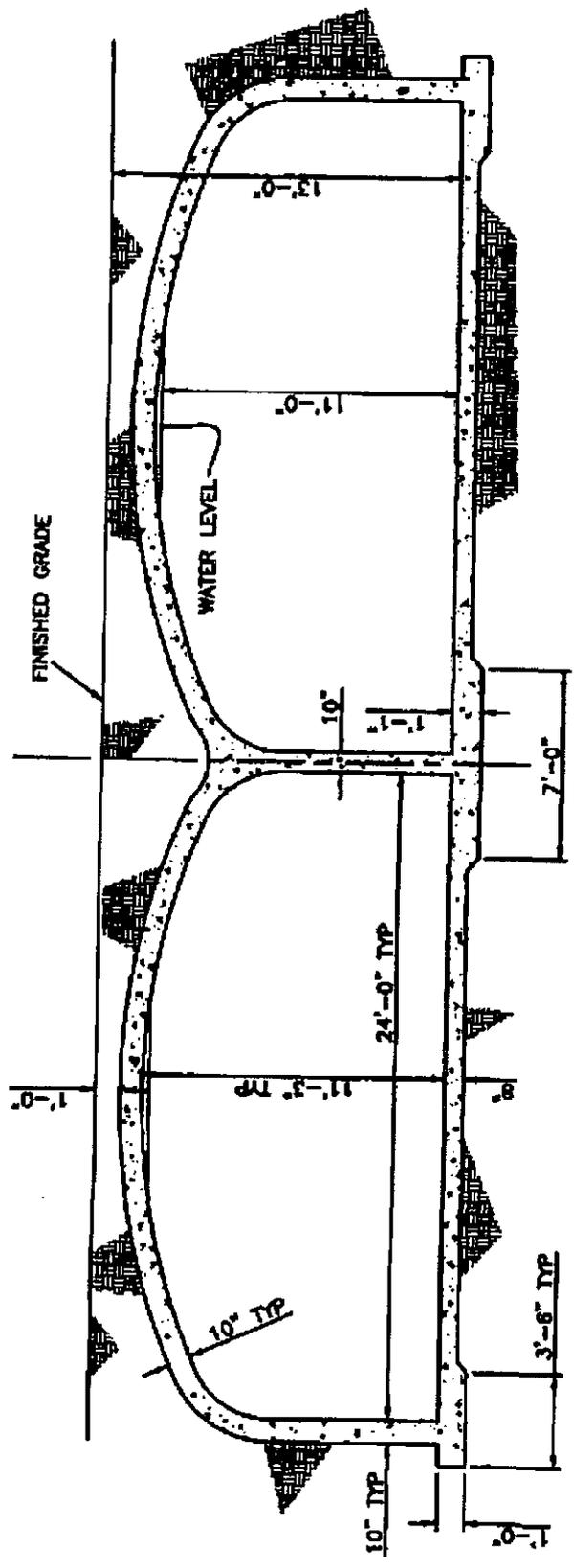
Regards,

David H. DeJong, Ph.D.  
 Project Director

6/20/2011



# Skousen Road Preliminary Design



**CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM**

<b>SUBJECT:</b> Resolution in support of restoring HURF funding	<b>STAFF PRESENTER:</b> Lisa Pannella, Finance Director/CFO <b>COMPANY</b> <b>CONTACT:</b>
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**RECOMMENDATION:**

Resolution No. 11-29 ; A Resolution of the Mayor and City Council of the City of Coolidge, Pinal County, Arizona, through the League of Arizona Cities and Towns and its Municipal members, call upon the Arizona State Legislature not to further reduce the Highway User Revenue fund allocations to Arizona Cities and Towns, Coolidge further advocates that the Arizona Legislature develop a plan to at a minimum, restore HURF funding to Arizona Cities and Towns to the Fiscal Year 2008 levels over the next 3 to 5 year period.

**DISCUSSION:**

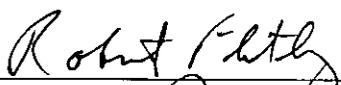
During the State's budget process they decided to reduce the share of Highway User Funds to the Cities and Towns by 25%. Arizona Revised Statutes mandate that HURF funds be used solely for construction, maintenance, repair and reconstruction of local streets and roads. It specifically prohibits the use of Highway User revenues for the enforcement of traffic laws or the administration of traffic safety programs. Yet, they plan to use the funds for operations of the Arizona Department of Public Safety (DPS). The City of Douglas has requested that the Cities support them and the League of AZ Cities and Towns in an effort to get the State of Arizona not to further reduce the Highway User Revenue Fund allocations to AZ Cities and Towns, and further advocate that the AZ Legislature develop a plan to restore HURF funding to AZ Cities and Towns to the Fiscal Year 2008 levels over the next 3 to 5 year period.

**FISCAL IMPACT:**

The City of Coolidge lost \$93,620 in the allocation for Fiscal Year 11-12.

**Attachments**

- Resolution 11-29
- HURF Reduction Spreadsheet

**REVIEWED BY:**  
  
\_\_\_\_\_  
Robert Flaherty - City Manager  
  
\_\_\_\_\_  
Lisa Pannella - Finance Director

**PREPARED BY:**  
  
\_\_\_\_\_  
Lisa Pannella - Finance Director/CFO  
  
*Approved via e-mail*  
\_\_\_\_\_  
Denis Fitzgibbons - City Attorney

**RESOLUTION NO. 11-29**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF COOLIDGE, PINAL COUNTY, ARIZONA, THROUGH THE LEAGUE OF ARIZONA CITIES AND TOWNS AND ITS MUNICIPAL MEMBERS, TO CALL UPON THE ARIZONA STATE LEGISLATURE NOT TO FURTHER REDUCE THE HIGHWAY USER REVENUE FUND ALLOCATIONS TO ARIZONA CITIES AND TOWNS. COOLIDGE FURTHER ADVOCATES THAT THE ARIZONA LEGISLATURE DEVELOP A PLAN TO, AT A MINIMUM, RESTORE HURF FUNDING TO ARIZONA CITIES AND TOWNS TO THE FISCAL YEAR 2008 LEVELS OVER THE NEXT 3 TO 5 YEAR PERIOD.**

**WHEREAS**, the State of Arizona is mandated under ARS 28-6540 to distribute revenues collected on sales of motor vehicle fuel to Arizona Cities and Counties based upon a distribution formula; and

**WHEREAS**, Article IX Section 14 of the State Constitution mandates all Highway User Revenues be used solely for construction, maintenance, repair and reconstruction of local streets and roads; and

**WHEREAS**, the Arizona Highway User Fund was set up as a method of sharing State gas tax revenues with Arizona municipalities; and

**WHEREAS**, the State of Arizona has swept 25% of these revenues from Arizona Municipalities to fund the operations of the Arizona Department of Public Safety (DPS); and

**WHEREAS**, additional losses of State Shared Revenue have made General Fund revenues insufficient to subsidize road repair; and

**WHEREAS**, the City of Coolidge will no longer be able to do either minor or major future local road construction, reconstruction or maintenance; and

**WHEREAS**, as local streets decline, public and private sector construction jobs are lost and economic growth suffers; and

**WHEREAS**, the City will be forced to seek higher local taxation to replace swept and lost State revenues for street repair or allow it's transportation infrastructure to fall into further disrepair; and

**WHEREAS**, local residents have endured increases in local taxes and user fees to cover losses of State Shared revenue to pay for the operation of State departments and balance the State budget.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and Council of the City of Coolidge supports the submission of a resolution to the Arizona League of Cities and Towns that would require the State of Arizona Executive and Legislative Branch to 1) freeze or discontinue future sweeps of municipal HURF and 2) restore HURF sweeps to 2008 levels over a three to five year period beginning with the State FY 2012/2013.

**PASSED AND ADOPTED** by the Mayor and Council of the City of Coolidge, Arizona, this 27<sup>th</sup> day of June, 2011.

\_\_\_\_\_  
Thomas R. Shope, Mayor

Attest:

Approved as to Form:

\_\_\_\_\_  
Norma Ortiz, City Clerk

\_\_\_\_\_  
Denis Fitzgibbons, City Attorney

# FY 2011-2012 HURF Reductions and DWR Fee Final State Budget

CITY/TOWN	2010	HURF	HURF	Difference	State Budget
	CENSUS	Pre-Budget	State Budget		DWR Fee
	POP				
APACHE JUNCTION	35,840	\$2,350,222	\$2,066,472	(\$283,751)	(\$49,949)
AVONDALE	76,238	\$4,365,715	\$3,838,627	(\$527,088)	(\$106,251)
BENSON	5,105	\$369,485	\$324,876	(\$44,609)	(\$7,115)
BISBEE	5,575	\$403,502	\$354,786	(\$48,716)	(\$7,770)
BUCKEYE	50,876	\$2,913,378	\$2,561,636	(\$351,742)	(\$70,904)
BULLHEAD CITY	39,540	\$3,247,511	\$2,855,428	(\$392,083)	(\$55,106)
CAMP VERDE	10,873	\$771,387	\$678,254	(\$93,132)	(\$15,153)
CAREFREE	3,363	\$192,580	\$169,329	(\$23,251)	(\$4,687)
CASA GRANDE	48,571	\$3,185,063	\$2,800,519	(\$384,544)	(\$67,692)
CAVE CREEK	5,015	\$287,180	\$252,508	(\$34,672)	(\$6,989)
CHANDLER	236,123	\$13,521,418	\$11,888,930	(\$1,632,488)	(\$329,078)
CHINO VALLEY	10,817	\$767,414	\$674,761	(\$92,653)	(\$15,075)
CLARKDALE	4,097	\$290,662	\$255,570	(\$35,093)	(\$5,710)
CLIFTON	3,311	\$255,165	\$224,358	(\$30,807)	(\$4,614)
COLORADO CITY	4,821	\$395,960	\$348,154	(\$47,806)	(\$6,719)
★ COOLIDGE	11,825	\$775,429	\$681,809	(\$93,620)	(\$16,480)
COTTONWOOD	11,265	\$799,197	\$702,707	(\$96,490)	(\$15,700)
DEWEY-HUMBOLDT	3,894	\$276,260	\$242,907	(\$33,354)	(\$5,427)
DOUGLAS	17,378	\$1,257,769	\$1,105,914	(\$151,855)	(\$24,219)
DUNCAN	696	\$53,638	\$47,162	(\$6,476)	(\$970)
EAGAR	4,885	\$886,860	\$779,787	(\$107,074)	(\$6,808)
EL MIRAGE	31,797	\$1,820,833	\$1,600,997	(\$219,835)	(\$44,315)
ELOY	16,631	\$1,090,584	\$958,914	(\$131,670)	(\$23,178)
FLAGSTAFF	65,870	\$6,781,840	\$5,963,045	(\$818,795)	(\$91,801)
FLORENCE	25,536	\$1,674,533	\$1,472,361	(\$202,172)	(\$35,589)
FOUNTAIN HILLS	22,489	\$1,287,817	\$1,132,334	(\$155,483)	(\$31,342)
FREDONIA	1,314	\$135,287	\$118,953	(\$16,334)	(\$1,831)
GILA BEND	1,922	\$110,062	\$96,774	(\$13,288)	(\$2,679)
GILBERT	208,453	\$11,936,914	\$10,495,729	(\$1,441,185)	(\$290,515)
GLENDALE	226,721	\$12,983,019	\$11,415,534	(\$1,567,485)	(\$315,974)
GLOBE	7,532	\$706,524	\$621,223	(\$85,301)	(\$10,497)
GOODYEAR	65,275	\$3,737,927	\$3,286,634	(\$451,293)	(\$90,972)
GUADALUPE	5,523	\$316,271	\$278,086	(\$38,184)	(\$7,697)
HAYDEN	662	\$62,098	\$54,600	(\$7,497)	(\$923)
HOLBROOK	5,053	\$605,421	\$532,326	(\$73,095)	(\$7,042)
HUACHUCA CITY	1,853	\$134,115	\$117,923	(\$16,192)	(\$2,582)
JEROME	444	\$31,500	\$27,697	(\$3,803)	(\$619)
KEARNY	1,950	\$127,872	\$112,434	(\$15,438)	(\$2,718)
KINGMAN	28,068	\$2,305,289	\$2,026,964	(\$278,326)	(\$39,118)
LAKE HAVASU CITY	52,527	\$4,314,163	\$3,793,299	(\$520,864)	(\$73,205)
LITCHFIELD PARK	5,476	\$313,579	\$275,720	(\$37,860)	(\$7,632)
MAMMOTH	1,426	\$93,511	\$82,221	(\$11,290)	(\$1,987)
MARANA	34,961	\$2,304,063	\$2,025,885	(\$278,177)	(\$48,724)
MARICOPA	43,482	\$2,851,349	\$2,507,096	(\$344,253)	(\$60,600)
MESA	439,041	\$25,141,374	\$22,105,969	(\$3,035,406)	(\$611,878)
MIAMI	1,837	\$172,316	\$151,512	(\$20,804)	(\$2,560)

# FY 2011-2012 HURF Reductions and DWR Fee Final State Budget

CITY/TOWN	2010	HURF	HURF	Difference	State Budget
	CENSUS	Pre-Budget	State Budget		DWR Fee
	POP				
NOGALES	20,837	\$1,977,051	\$1,738,355	(\$238,696)	(\$29,040)
ORO VALLEY	41,011	\$2,702,781	\$2,376,464	(\$326,316)	(\$57,156)
PAGE	7,247	\$746,136	\$656,053	(\$90,084)	(\$10,100)
PARADISE VALLEY	12,820	\$734,128	\$645,494	(\$88,634)	(\$17,867)
PARKER	3,083	\$969,481	\$852,433	(\$117,049)	(\$4,297)
PATAGONIA	913	\$86,627	\$76,168	(\$10,459)	(\$1,272)
PAYSON	15,301	\$1,435,278	\$1,261,992	(\$173,286)	(\$21,325)
PEORIA	154,065	\$8,822,424	\$7,757,262	(\$1,065,162)	(\$214,716)
PHOENIX	1,445,632	\$82,783,100	\$72,788,408	(\$9,994,692)	(\$2,014,735)
PIMA	2,387	\$173,027	\$152,137	(\$20,890)	(\$3,327)
PINETOP-LAKESIDE	4,282	\$513,044	\$451,102	(\$61,942)	(\$5,968)
PRESCOTT	39,843	\$2,826,667	\$2,485,394	(\$341,273)	(\$55,528)
PRESCOTT VALLEY	38,822	\$2,754,232	\$2,421,704	(\$332,528)	(\$54,105)
QUARTZSITE	3,677	\$1,156,271	\$1,016,670	(\$139,601)	(\$5,125)
QUEEN CREEK	26,361	\$1,509,544	\$1,327,292	(\$182,253)	(\$36,739)
SAFFORD	9,566	\$693,414	\$609,695	(\$83,718)	(\$13,332)
SAHUARITA	25,259	\$1,664,664	\$1,463,683	(\$200,981)	(\$35,203)
ST. JOHNS	3,480	\$631,786	\$555,508	(\$76,278)	(\$4,850)
SAN LUIS	25,505	\$1,827,446	\$1,606,813	(\$220,634)	(\$35,546)
SCOTTSDALE	217,385	\$12,448,399	\$10,945,461	(\$1,502,939)	(\$302,963)
SEDONA	10,031	\$711,651	\$625,731	(\$85,920)	(\$13,980)
SHOW LOW	10,660	\$1,277,218	\$1,123,015	(\$154,203)	(\$14,857)
SIERRA VISTA	43,888	\$3,176,485	\$2,792,977	(\$383,508)	(\$61,165)
SNOWFLAKE	5,590	\$669,761	\$588,898	(\$80,863)	(\$7,791)
SOMERTON	14,287	\$1,023,671	\$900,080	(\$123,591)	(\$19,911)
SOUTH TUCSON	5,652	\$372,488	\$327,516	(\$44,972)	(\$7,877)
SPRINGERVILLE	1,961	\$356,015	\$313,032	(\$42,983)	(\$2,733)
STAR VALLEY	2,310	\$216,685	\$190,524	(\$26,161)	(\$3,219)
SUPERIOR	2,837	\$186,037	\$163,576	(\$22,461)	(\$3,954)
SURPRISE	117,517	\$6,729,528	\$5,917,049	(\$812,479)	(\$163,780)
TAYLOR	4,112	\$492,676	\$433,193	(\$59,482)	(\$5,731)
TEMPE	161,719	\$9,260,725	\$8,142,645	(\$1,118,080)	(\$225,383)
THATCHER	4,865	\$352,651	\$310,074	(\$42,577)	(\$6,780)
TOLLESON	6,545	\$374,795	\$329,545	(\$45,250)	(\$9,122)
TOMBSTONE	1,380	\$99,880	\$87,821	(\$12,059)	(\$1,923)
TUCSON	520,116	\$34,277,618	\$30,139,162	(\$4,138,456)	(\$724,870)
TUSAYAN	558	\$57,451	\$50,514	(\$6,936)	(\$778)
WELLTON	2,882	\$206,497	\$181,566	(\$24,931)	(\$4,017)
WICKENBURG	6,363	\$364,373	\$320,381	(\$43,992)	(\$8,868)
WILLCOX	3,757	\$271,921	\$239,091	(\$32,830)	(\$5,236)
WILLIAMS	3,023	\$311,242	\$273,665	(\$37,577)	(\$4,213)
WINKELMAN	353	\$33,112	\$29,115	(\$3,998)	(\$492)
WINSLOW	9,655	\$1,156,805	\$1,017,140	(\$139,665)	(\$13,456)
YOUNGTOWN	6,156	\$352,519	\$309,958	(\$42,561)	(\$8,579)
YUMA	93,064	\$6,668,084	\$5,863,023	(\$805,061)	(\$129,701)
TOTALS	5,022,708	313,859,443	\$275,966,100	\$37,893,343	\$7,000,000

CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM

<b>SUBJECT:</b> Selection of FY 10/11 Auditor	<b>STAFF PRESENTER:</b> Lisa Pannella, Finance Director/CFO <b>COMPANY</b> <b>CONTACT:</b>
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**RECOMMENDATION:**

I am requesting that Council approve the letter of engagement with Colby & Powell for performing the FY 10/11 Audit.

**DISCUSSION:**

In June of 2009 bids were sought for preparation of the financial statements and audit services for the City of Coolidge. Colby & Powell were awarded the bid. Per the Request for Proposals the City has the opportunity to extend the award in one year intervals. This will be the third year that Colby & Powell perform the City's audit. They have agreed not to increase the fee for FY 10/11. It will remain at \$15,500.

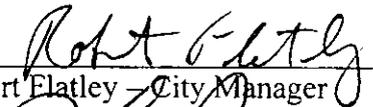
**FISCAL IMPACT:**

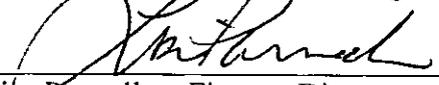
The amount of \$15,500 is budgeted under the Finance Department Budget.

**Attachments**

*FY 10/11 Engagement Letter & Addendum*

**REVIEWED BY:**

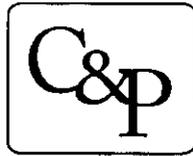
  
Robert Flatley – City Manager

  
Lisa Pannella – Finance Director

**PREPARED BY:**

  
Lisa Pannella – Finance Director/CFO

*Approved via e-mail*  
Denis Fitzgibbons – City Attorney



**COLBY &  
POWELL, PLC**

CERTIFIED PUBLIC ACCOUNTANTS

1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

May 27, 2011

City of Coolidge, Arizona  
130 West Central Avenue  
Coolidge, AZ 85228

We are pleased to confirm our understanding of the services we are to provide the City of Coolidge, Arizona for the year ended June 30, 2011. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of the City of Coolidge, Arizona as of and for the year ended June 30, 2011. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the City of Coolidge, Arizona's basic financial statements. As part of our engagement, we will apply certain limited procedures to the City of Coolidge, Arizona's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.

Supplementary information other than RSI also accompanies the City of Coolidge, Arizona's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Schedule of Expenditures of Federal Awards (if required).

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on –

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for monitoring ongoing activities, to help ensure that appropriate goals and objectives are met. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Coolidge, Arizona and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities also include, including identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

## **Audit Procedures-General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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

## **Audit Procedures-Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

### **Audit Procedures-Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Coolidge, Arizona's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City of Coolidge, Arizona's major programs. The purpose of these procedures will be to express an opinion on the City of Coolidge, Arizona's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

### **Audit Administration, Fees, and Other**

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

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

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Colby & Powell, PLC, and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to cognizant or oversight agencies or their designees, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Colby & Powell, PLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the cognizant or oversight agency for the audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately October 14, 2011, and to issue a draft of our reports for your review no later than November 11, 2011. Our fee for these services will be \$15,000 for the Audit Report and \$500 for the Expenditure Limitation Report. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2006 peer review report accompanies this letter.

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

Very truly yours,

*Colby + Powell PLC*

Colby & Powell, PLC

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RESPONSE:

This letter correctly sets forth the understanding of the City of Coolidge, Arizona.

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

## **Addendum to Colby & Powell, PLC Engagement Letter**

The following provisions are added to and made a part of the Engagement Letter ("Agreement") between the City of Coolidge, Arizona and Colby & Powell, PLC dated May 27, 2011.

Federal Regulation: Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Colby & Powell, PLC acknowledges, by signature to this Agreement, that: Colby & Powell, PLC is not currently suspended or debarred from contracting with the federal government or any of its agencies or the State of Arizona or any of its political subdivisions; Colby & Powell, PLC's principals are not currently suspended or debarred from contracting with the federal government or any of its agencies or the State of Arizona or any of its political subdivisions.

Undocumented Workers: Colby & Powell, PLC understands and acknowledges the applicability to it of the Immigration Reform and Control Act of 1986. Under the provisions of A.R.S. ..41-4401, Colby & Powell, PLC hereby warrants to the City that Colby & Powell, PLC and each of its subcontractors, if any, will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. ..23-214(A).

Conflict of Interest. This Agreement is subject to the conflict of interest provisions set forth in A.R.S. Section 38-511.

Scrutinized Business Operations. In signing this Agreement, Colby & Powell, PLC certifies pursuant to ARS §35-391 that it does not have scrutinized business operations in the Sudan and pursuant to ARS §35-393 that it does not have scrutinized business operations in Iran.

City of Coolidge

Colby & Powell, PLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Mayor

Its: \_\_\_\_\_

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

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

CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM

**SUBJECT:** FY 10/11 Financial Statement preparation for FY 10/11 Comprehensive Annual Financial Report (Audit)

**STAFF PRESENTER:** Lisa Pannella, Finance Director/CFO  
**COMPANY**  
**CONTACT:**

**RECOMMENDATION:**

I am requesting that Council approve the letter of engagement with Henry and Horne for preparation of the financial statements for the FY 10/11 Comprehensive Annual Financial Report (Audit).

**DISCUSSION:**

In June of 2009 bids were sought for preparation of the financial statements and audit services for the City of Coolidge. Henry & Horne were awarded the bid. Per the Request for Proposals the City has the opportunity to extend the award in one year intervals. This will be the third year that Henry & Horne will be preparing the financial statements. They have agreed not to increase the fee for FY 10/11. It will remain at \$9,500. Henry & Horne have a local office in the City of Coolidge.

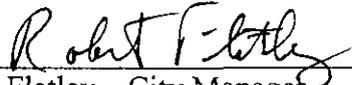
**FISCAL IMPACT:**

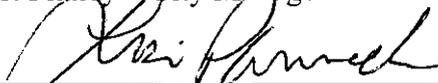
The amount of \$9,500 is budgeted under the Finance Department Budget.

**Attachments**

*FY 10/11 Engagement Letter & Addendum*

**REVIEWED BY:**

  
Robert Flatley – City Manager

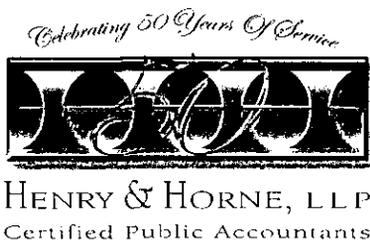
  
Lisa Pannella – Finance Director

**PREPARED BY:**

  
Lisa Pannella – Finance Director/CFO

*Approved via e-mail*

Denise Fitzgibbons – City Attorney



June 8, 2011

City of Coolidge  
Lisa Pannella, Director of Finance  
130 W Central Avenue  
Coolidge, AZ 85228

Dear Lisa:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will compile, from information you provide, the governmental activities, the business-type activities, each major fund and the aggregate remaining funds information of the City of Coolidge for the year ended June 30, 2011 and issue an accountant's report thereon in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The objective of a compilation is to assist you in presenting financial information in the form of financial statements. We will utilize information that is your representation without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for:

- a) the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- b) designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- c) preventing and detecting fraud.
- d) identifying and ensuring that the company complies with the laws and regulations applicable to its activities.
- e) the selection and application of accounting principles.
- f) making all financial records and related information available to us and for the accuracy and completeness of that information.

We will conduct our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Tempe  
2055 E. Warner Road  
Suite 101  
Tempe, AZ 85284-3487  
(480) 839-4900  
Fax (480) 839-1749

Scottsdale  
7098 E. Cochise Road  
Suite 100  
Scottsdale, AZ 85253-4517  
(480) 483-1170  
Fax (480) 483-7126

Casa Grande  
1115 E. Cottonwood Lane  
Suite 100  
Casa Grande, AZ 85122-2950  
(520) 836-8201  
Fax (520) 426-9432

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion or provide any assurance regarding the financial statements being compiled.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our compilation procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

If, for any reason, we are unable to complete the compilations of your financial statements, we will not issue a report on such statements as a result of this engagement.

You are responsible for making all management decisions and performing all management functions, and for designating an individual who possesses suitable skill, knowledge, or experience to oversee any bookkeeping services, tax services, or other services we provide. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Marilyn Mays is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. We estimate that our fees will be \$ 9,500 for the compilation of the financial statements for the year ended June 30, 2011.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. In certain circumstances involving the identification of high risk factors such as questions about the Company's ability to continue as a going-concern or the existence of unusual transactions, additional fees may be warranted. In such circumstances, we will discuss these matters with you. We reserve the right to increase or decrease our fees based on the value of the services rendered. If, for any reason, we are unable to complete our engagement of these financial statements, we will not issue a report on them, but the City of Coolidge will still be responsible for the time spent and expenses incurred by our firm in performing the engagement.

Billings become delinquent if not paid within thirty days of the invoice date. If billings are past due, we will stop all work until your account is brought current or withdraw from this engagement. The City of Coolidge acknowledges and agrees that we are not required to continue work in the event of the City of Coolidge's failure to pay on a timely basis for services rendered as required by this engagement letter. The City of Coolidge further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of the City of Coolidge's failure to pay on a timely basis for services rendered as required by this engagement letter, we

will not be liable to the City of Coolidge for any damages that occur as a result of our ceasing to render services.

It is our policy to keep records related to this engagement for seven years. However, Henry & Horne, LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the seven-year period Henry & Horne, LLP shall be free to destroy our records related to this engagement.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

It is not the policy of this firm to voluntarily disclose to third parties any non-public information obtained from or about your Company during or as a result of this engagement absent your express consent to do so. Indeed, as professionals, we are obligated to preserve the confidential nature of such information in our possession. However, such information may not be protected from disclosure by an absolute privilege, and therefore, we may be compelled by law or legal process, with or without your consent, to produce documents or testify about facts and circumstances that have come into our possession, or become known to us, during or as a result of this engagement. You should consult with legal counsel to obtain a thorough understanding of the extent and limitations of the confidentiality of information in our possession.

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include our report or a disclaimer on the financial presentations that we so specify. Further, you agree to provide us with a printer's proof or master of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name or the name of an employee of the firm and a financial presentation(s) for our approval before it is distributed.

During our engagement, certain members of our staff will be assisting you. If you offer one of our staff working on your engagement employment and they choose to accept, we would incur a significant fee to find replacement personnel, and therefore, we would expect reimbursement for such costs. Customarily, the fee approximates 25 – 35% of the first year's salary. In the event that you do hire one of our staff, you agree to reimburse 25% of the first year's salary for the placement service.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. We will be pleased to discuss this letter with you at any time.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Sincerely,

*Henry & Horne, LLP*

Henry & Horne, LLP

RESPONSE:

I am currently the \_\_\_\_\_ for the City of Coolidge and I have authority to execute this agreement on behalf of the City. I agree that this letter correctly describes the terms and conditions under which your firm agrees to perform services for the City of Coolidge and the objectives as well as limitations of the services requested by the City of Coolidge that your firm has agreed to perform.

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

Title: \_\_\_\_\_

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

## **Addendum to Henry & Horne, LLP Engagement Letter**

The following provisions are added to and made a part of the Engagement Letter ("Agreement") between the City of Coolidge, Arizona and Henry & Horne, LLP dated June 8, 2011.

Federal Regulation: Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Henry & Horne, LLP acknowledges, by signature to this Agreement, that: Henry & Horne, LLP is not currently suspended or debarred from contracting with the federal government or any of its agencies or the State of Arizona or any of its political subdivisions; Henry & Horne, LLP's principals are not currently suspended or debarred from contracting with the federal government or any of its agencies or the State of Arizona or any of its political subdivisions.

Undocumented Workers: Henry & Horne, LLP understands and acknowledges the applicability to it of the Immigration Reform and Control Act of 1986. Under the provisions of A.R.S. ..41-4401, Henry & Horne, LLP hereby warrants to the City that Henry & Horne, LLP and each of its subcontractors, if any, will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. ..23-214(A).

Conflict of Interest. This Agreement is subject to the conflict of interest provisions set forth in A.R.S. Section 38-511.

Scrutinized Business Operations. In signing this Agreement, Henry & Horne, LLP certifies pursuant to ARS §35-391 that it does not have scrutinized business operations in the Sudan and pursuant to ARS §35-393 that it does not have scrutinized business operations in Iran.

City of Coolidge

Henry & Horne, LLP

By: \_\_\_\_\_

By: \_\_\_\_\_

Mayor

Its: \_\_\_\_\_

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

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

CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM

SUBJECT: Fund Balance Policy

STAFF PRESENTER: Lisa Pannella, Finance  
Director/CFO  
COMPANY  
CONTACT:

**RECOMMENDATION:**

I am requesting that Council approve the Fund Balance Policy.

**DISCUSSION:**

The Fund Balance policy is necessary to comply with the Governmental Accounting Standards Board pronouncement referred to as GASB 54, which requires City's to identify the fund type for fund balances.

Fund Balances identified as **Unassigned** are set forth in this policy. Example: \$500,000 retained as reserve for emergencies in the General Fund.

Fund Balances identified as **Assigned** are set forth during the budget process and approved by Council. Example: In fiscal year 11/12 we plan to use some of the General Fund -fund balance for transfers to the Airport and Transit.

Fund Balances identified as **Restricted** are restricted by an outside source. Example: Highway Users (HURF) is directed by the Arizona State Revised Statutes.

**FISCAL IMPACT:**

None

**Attachments**

*Fund Balance Policy*

**REVIEWED BY:**

  
Robert Flatley – City Manager

**PREPARED BY:**

  
Lisa Pannella – Finance Director/CFO

*Via e-mail*

Marilyn Mays – Henry & Horne LLP

# CITY OF COOLIDGE



<b>POLICY TITLE:</b> FUND BALANCE POLICY	<b>EFFECTIVE DATE:</b>
<b>RESPONSIBLE DEPARTMENT:</b> FINANCE	<b>AP / RESOLUTION No.:</b>
<b>APPROVAL:</b> <input type="checkbox"/> CITY MANAGER    SIGNATURE: _____ <input checked="" type="checkbox"/> CITY COUNCIL    DATE APPROVED: _____	<b>REFERENCES:</b>

## 1.0 Purpose

This Policy identifies the fund type for fund balances and sets levels of fund balance reserves for emergencies, debt service, capital reserves, and unencumbered funds; provides a minimum level of fund balance necessary to maintain the City's credit worthiness and for economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy; provides cash flow requirements; and eliminates inconsistencies in standards for fund balance reporting and use of governmental fund types.

## 2.0 Scope

This Policy applies to all financial reporting for the City of Coolidge. The City of Coolidge follows GASB 54 for establishment and implementation of Governmental Fund Balance Types and Fund Balance Reporting.

## 3.0 Responsibilities

The Finance Department is responsible for the development, coordination, enforcement, and documentation of this Policy. The Finance Department is responsible for establishing funds, and for Fund Balance Reporting.

The City Manager and Finance Director are responsible for **Assigned** fund balance.

## 4.0 Policy

### 4.1 Fund Balance

The Fund Balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

#### 4.11 General Fund

4.111 The General Fund must retain an emergency fund balance of \$500,000.

- 4.112 10% of operating revenues are reserved for operational reserve.

Exclusions from operating revenues:

- Operating Transfers In
- Interest Income from Investments
- One Time Revenues
- Carry Over

- 4.113 Emergency Fund balance and 10% reserve are designated as **Unassigned** Fund Balance. Use of Unassigned fund balance shall be of an emergency nature as approved by the City Council.

- 4.114 Fund Balance that is budgeted in the following fiscal year will be designated as **Assigned** Fund Balance.

#### 4.12 **Capital Sales Tax Fund**

- 4.121 Fund Balance in the Capital Sales Tax Fund is designated as **Committed** Fund Balance to be used solely for expenditures for capital equipment and improvements, per City Council Ordinances 85-15 and 86-04, that remain in effect unless specified otherwise by Council action.

#### 4.13 **Highway User Fund**

- 4.131 Fund balance is designated as **Restricted** Fund Balance and may only be used as directed by the Arizona State Revised Statutes. Use of fund balance shall be approved by the City Council for HURF related expenditures.

#### 4.14 **Pinal County Road Tax Fund**

- 4.141 Fund balance is designated as **Restricted** Fund Balance and may only be used as directed by the Arizona State Revised Statutes. Use of fund balance shall be approved by the City Council for transportation related expenditures.

#### 4.15 **Enterprise Fund Balance**

- 4.151 Enterprise Funds are **Restricted** as indicated in debt service covenants.

### 5.0 **Procedures**

No procedures are contained in this Policy.

## 6.0 Definitions

**Assigned Fund Balance:** intended for purposes set by governing body or by person or body delegated to exercise such authority. All remaining balances in funds, other than general fund (except negative balances), do not require formal action to Un-assign.

**Unassigned Fund Balance:** A residual balance. Positive balance in general fund only. Deficits in other funds.

**Capital Projects Funds:** used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities and other capital assets. Capital Projects Funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

**Committed Fund Balance:** Constraints on spending that government imposes on itself by high-level formal action prior to the close of the period. Council action by ordinance, resolution, or policy must commit program revenues to a specific project. Committed Fund Balance requires same formal action to uncommit.

**GASB:** General Accounting Standards Board

**General Fund:** Fund used to account for all financial resources not accounted for in another fund.

**Special Revenue Fund:** Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. One or more specific restricted or committed revenues shall be the foundation for a special revenue fund. The proceeds from these special revenue sources shall be expected to continue to comprise a substantial portion of inflows (revenues that are recorded into the fund). Special revenue funds should discontinue reporting if a substantial portion of revenues derived from restricted revenue sources will no longer be expected.

**Stabilization Fund:** a reserve of surplus revenues to be used for the purposes of: covering revenue shortfalls, covering state or local losses of federal funds, or for any event that threatens the health, safety, or welfare of the people or the fiscal stability of the City or any of its political subdivisions. The fund is sometimes referred to as a "rainy day fund," serving as a source of financial support for the budget in times of slow or declining revenue growth and as the primary source of protection against having to make drastic cuts in City services in periods of economic downturns.

Has a restricted or committed fund balance. Cannot use Special Revenue Fund unless derived from specific restricted committed revenue source. These funds are restricted by the City Council or committed by the covenants of the revenue source. May be spent only when specific circumstances exist. Specific circumstances are determined by the City Council, or by the City Manager in cases of emergencies.

**Debt Service Fund:** used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

**Permanent Fund:** used to account for and report resources legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs-that is, for the benefit of the City or its citizenry. Permanent Funds do not include private-purpose trust funds that should be used to report situations in which the City is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

**Nonspendable Fund Balance:** not available for spending because of the form of asset or permanent legal restrictions. Examples of nonspendable fund balance include inventories, long-term portion of loans and notes receivable (if proceeds are not restricted, committed, or assigned), property acquired for resale (if not near-term sale and if proceeds are not restricted, committed or assigned), and amounts retained in perpetuity.

**Restricted fund balance:** has constraints on spending legally enforceable by outside parties. Examples of restricted fund balance include externally imposed by creditors, grantors, contributors, or laws or regulations of other governments such as bond covenants and grant agreements; and imposed by law through constitutional provisions or enabling legislations such as the Highway User Fund. May only be unassigned when the debt is paid in full, grant is released from obligation. Law is rescinded or as indicated in other documents.

## 7.0 Supplements

No Supplements are contained in this Policy.

CITY OF COOLIDGE  
CITY COUNCIL ACTION FORM

<b>SUBJECT:</b> Approve updates to the Capital Improvement Plan	<b>STAFF PRESENTER:</b> Lisa Pannella, Finance Director/CFO <b>COMPANY</b> <b>CONTACT:</b>
---	--

**RECOMMENDATION:**

Approve updates to the Capital Improvement Plan adopted on July 31, 2006.

**DISCUSSION:**

This is the annual update to the Capital Improvement Plan for FY 11/12 discussed during the budget sessions in April. I have included a copy of the summary pages. I e-mailed the updated CIP in its entirety to you in April.

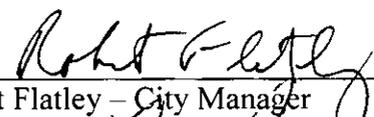
**FISCAL IMPACT:**

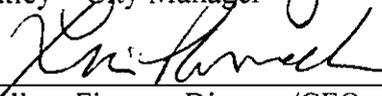
Items listed under FY 11/12 are included in the budget. Any project budgeted under the Capital Sales Tax fund is frozen unless brought to the Council for approval at a Council meeting.

**Attachments**

*All Department Section Summaries*

**REVIEWED BY:**

  
\_\_\_\_\_  
Robert Flatley – City Manager

  
\_\_\_\_\_  
Lisa Pannella – Finance Director/CFO

**PREPARED BY:**

  
\_\_\_\_\_  
Lisa Pannella – Finance Director/CFO

CITY OF COOLIDGE  
GENERAL GOVERNMENT  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
GG-01 (2006 CIP Ranking 80)	Caselle Financial Software	Finance						\$0
GG-03 (2006 CIP Ranking 96)	City Hall Copier	Finance		\$16,000				\$16,000
GG-05 (2006 CIP Ranking 64)	Upgrade Phone System	City Hall		\$35,000				\$35,000
GG-06 (2006 CIP Ranking 95)	Repair Existing Facility	Judicial Court		\$50,000				\$50,000
GG-07 (2006 CIP Ranking 06)	Update Impact Fees Study	Financial Services						\$0
GG-08 (2006 CIP Ranking 36)	Government Facilities	City Hall	\$1,000,000	\$7,125,000	\$7,125,000	\$1,170,000	\$1,170,000	\$17,590,000
GG-09 (2006 CIP Ranking 56)	Office for Development Services	Growth Management						\$0
GG-10 (2006 CIP Ranking 78)	1S Vehicle	Information Services						\$0
GG-11 (2006 CIP Ranking 95)	New Channel 11 Equipment	Parks & Recreation						\$0
GG-12 (2006 CIP Ranking 87)	Video Station Network	Parks & Recreation						\$0
GG-13 (2006 CIP Ranking 92)	Channel 11 Vehicle	Parks & Recreation		\$20,000				\$20,000
GG-17 (2006 CIP Ranking None)	Public Works Facility	Public Works		\$600,000	\$2,500,000	\$153,260	\$153,260	\$3,406,520
GG-18 (2006 CIP Ranking None)	Police / City Council Chambers Payment	City Hall	\$286,150	\$284,050	\$281,750	\$284,150	\$285,996	\$1,422,096
GG-19 (2006 CIP Ranking None)	Transit Facility	Transit Facility	\$450,000					\$450,000
GG-20	New Truck 2007	Growth Management						\$0
GG-21	New Truck 2007	Growth Management						\$0
GG-22	Color Copier	Growth Management						\$0
GG-23	Wide Format Copier	Growth Management			\$15,000			\$15,000
GG24	Vehicle Maintenance Truck	Public Works		\$50,000				\$50,000
GG-25	Building Maintenance Truck	Public Works		\$40,000				\$40,000
GG-26	Repair Existing Facility	City Hall		\$50,000				\$50,000
GG28	Transit Facility Shop	Transit Shop						\$0
GG29	Demolition/Growth Mgmt. Bldg.	Growth Management						\$0
GG30	Color Copier	Transit						\$0
GG31	Fare Boxes	Transit		\$72,000				\$72,000
GG32	Update City's General Plan	Growth Management		\$100,000				\$100,000
GG33	Bus Stop Shelters	Transit	\$40,000					\$40,000
GG34	Energy Efficiency - buildings	Public Works	\$119,368					\$119,368
<b>TOTAL PROJECT COST</b>			<b>\$1,895,518</b>	<b>\$8,442,050</b>	<b>\$9,921,750</b>	<b>\$1,607,410</b>	<b>\$1,609,256</b>	<b>\$23,475,984</b>

CITY OF COOLIDGE  
LIBRARY  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
LIBR-01 (2006 CIP Ranking 89)	Book Mobile	Library			\$0			\$0
LIBR-06	Design New Main Library	Library	\$401,170					\$401,170
LIBR-07	New Main Library Build	Library		\$4,500,000				\$4,500,000
LIBR-05 (2006 CIP Ranking 44)	New Library Sandia Project	Library					\$2,570,000	\$2,570,000
<b>TOTAL PROJECT COST</b>			\$401,170	\$4,500,000	\$0	\$0	\$2,570,000	\$7,471,170

PROJECT FUNDING								
General Fund								\$0
Capital Sales Tax					\$0			\$0
Transportation Fund								\$0
Enterprise Fund								\$0
Liquid Waste Fund								\$0
Solid Waste Fund								\$0
*Airport Fund								\$0
Grants / Donations								\$0
Private Sector Contributions								\$0
Pre Paid Impact Fees								\$0
Impact Fee Credits							\$2,570,000	\$2,570,000
Developer Contribution								\$0
Bonding								\$0
Impact Fees:								\$0
General Government								\$0
Library			\$401,170	\$4,500,000	\$0			\$4,901,170
Police Department								\$0
Fire Department								\$0
Liquid Waste								\$0
Solid Waste								\$0
Transportation								\$0
Parks & Recreation								\$0
<b>TOTAL PROJECT FUNDING</b>			\$401,170	\$4,500,000	\$0	\$0	\$2,570,000	\$7,471,170

\* Subsidized by General Fund

CITY OF COOLIDGE  
PARKS AND RECREATION  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY12/13	FY 13/14	FY14/15	FY15/16	TOTAL
P&R 01 (2006 CIP Ranking 71)	New San Carlos Bathroom and Build Outside Amphitheater	Parks & Recreation						\$0
P&R 02 (2006 CIP Ranking 75)	New Swimming Pool	Parks & Recreation					\$6,000,000	\$6,000,000
P&R 06 (2006 CIP Ranking 29)	East Side Park Project	Parks & Recreation	\$232,676	\$232,677	\$232,672	\$232,675	\$232,673	\$1,163,373
P&R 07 (2006 CIP Ranking 72)	Playground Equipment	Parks & Recreation	\$30,000					\$30,000
P&R 08 (2006 CIP Ranking 82)	Replace Park Maintenance Vehicle	Parks & Recreation		\$0				\$0
P&R 09 (2006 CIP Ranking 61)	Parks & Recreation Master Plan	Parks & Recreation		\$125,000				\$125,000
P&R 10 (2006 CIP Ranking 90)	Land Acquisition for Parking Lot	Parks & Recreation						\$0
P&R 11 (2006 CIP Ranking 81)	Walker Park Restrooms	Parks & Recreation		\$50,000				\$50,000
P&R 12 (2006 CIP Ranking 65)	Pool Deck Resurfacing	Parks & Recreation						\$0
P&R 13 (2006 CIP Ranking 97)	Bucket Truck	Parks & Recreation			\$0			\$0
P&R 14	Lawn Mower	Parks & Recreation		\$16,000	\$16,000	\$16,000	\$16,000	\$64,000
P&R 15	Design West Side Park	Parks & Recreation		\$400,000				\$400,000
P&R 16	Pave Parking Lots	Parks & Recreation		\$100,000				\$100,000
P&R 17	Multi-generational Center	Parks & Recreation					\$7,000,000	\$7,000,000
P&R 18	Sports Complex	Parks & Recreation					\$4,000,000	\$4,000,000
P&R 19	Pool Lift	Parks & Recreation						\$0
P&R 20	Fiber to Old Rec Bldg.	Parks & Recreation	\$262,676	\$943,677	\$248,672	\$248,675	\$13,248,673	\$18,952,373
<b>TOTAL PROJECT COSTS</b>								

**PROJECT FUNDING**

General Fund								\$0
Capital Sales Tax			\$0	\$117,250	\$16,000	\$16,000	\$16,000	\$165,250
Transportation Fund								\$0
Enterprise Funds								\$0
Liquid Waste Fund								\$0
Solid Waste Fund								\$0
*Airport Fund								\$0
Grants / Donations			\$30,000				\$250,000	\$280,000
Private Sector Contributions								\$0
Pre Paid Impact Fees								\$0
Impact Fee Credits								\$0
Developer Contribution								\$0
Bonding								\$0
Impact Fees:								\$0
General Government								\$0
Library								\$0
Police Department								\$0
Fire Department								\$0
Liquid Waste								\$0
Solid Waste								\$0
Transportation								\$0
Parks & Recreation			\$232,676	\$826,427	\$232,672	\$232,675	\$16,982,673	\$18,507,123
<b>TOTAL PROJECT FUNDING</b>			\$262,676	\$943,677	\$248,672	\$248,675	\$17,248,673	\$18,952,373

\*Subsidized by General Fund

CITY OF COOLIDGE  
POLICE  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
POL 01 (2006 CIP Ranking 50)	Replace Server Equipment	Police						\$0
POL 02 (2006 CIP Ranking 47)	Police Service Dog Vehicle	Police						\$0
POL 03 (2006 CIP Ranking 3)	Upgrade CENTRACOM analog dispatch system	Police						\$0
POL 04 (2006 CIP Ranking 8)	Towers and Repeater on West Side of Town	Police						\$0
POL 05 (2006 CIP Ranking 85)	Police Substation (Land Only)	Police	\$300,000					\$300,000
POL 06 (2006 CIP Ranking 70)	DUI Enforcement / Accident Investigation	Police	\$70,000					\$70,000
POL 07 (2006 CIP Ranking 66)	Mobile Data	Police						\$0
POL 08 (2006 CIP Ranking 76)	Mobile Command Center	Police		\$90,000				\$90,000
POL 09 (2006 CIP Ranking 46)	Police Vehicle Program	Police	\$151,812	\$439,400	\$514,098	\$594,060	\$679,613	\$2,378,983
POL 10 (2006 CIP Ranking 77)	Shooting Range Relocation	Police		\$150,000				\$150,000
POL 11 (2006 CIP Ranking 54)	Police Facility Plan	Police				\$125,000		\$125,000
POL 12	Automatic Vehicle Locator (AVL) System	Police		\$30,450				\$30,450
POL 13	GPS Tracking System	Police		\$15,000				\$15,000
POL 14	Voice Logging Recorder	Police		\$40,000				\$40,000
POL 15	Trailer Mounted Light	Police		\$13,000				\$13,000
<b>TOTAL PROJECT COSTS</b>			\$221,812	\$687,850	\$904,098	\$719,060	\$679,613	\$3,212,433

PROJECT FUNDING								
General Fund								\$0
Capital Sales Tax								\$2,242,389
Transportation Fund								\$0
Enterprise Funds								\$0
Liquid Waste Fund								\$0
Solid Waste Fund								\$0
*Airport Fund								\$0
Grants / Donations			\$169,000					\$169,000
Private Sector Contributions								\$0
Pre Paid Impact Fees								\$0
Impact Fee Credits								\$0
Developer Contribution			\$300,000					\$300,000
Bonding								\$0
Impact Fees:								\$0
General Government								\$0
Library								\$0
Police Department			\$52,812	\$54,925	\$102,122	\$184,406	\$61,783	\$456,048
Fire Department					\$45,000			\$45,000
Liquid Waste								\$0
Solid Waste								\$0
Transportation								\$0
Parks & Recreation								\$0
<b>TOTAL PROJECT FUNDING</b>			\$221,812	\$687,850	\$904,098	\$719,060	\$679,613	\$3,212,433

\* Subsidized by General Fund

CITY OF COOLIDGE  
FIRE  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
F 01 (2006 CIP Ranking 49)	Brush Truck	Fire Dept.			\$350,000			\$350,000
F 02 (2006 CIP Ranking 7)	Sub-Station	Fire Dept.	\$2,500,000					\$2,500,000
F 03 (2006 CIP Ranking 10)	Sub-Station	Fire Dept.				\$2,500,000		\$2,500,000
F 04 (2006 CIP Ranking 32)	Main Station	Fire Dept.					\$6,000,000	\$6,000,000
F 05 (2006 CIP Ranking 31)	Apparatus 2006(Dev)	Fire Dept.			\$600,000			\$600,000
F 06 (2006 CIP Ranking 25)	Apparatus 2007(Dev)	Fire Dept.					\$800,000	\$800,000
F 07 (2006 CIP Ranking 27)	Apparatus 2008(Dev)	Fire Dept.					\$800,000	\$800,000
F 08 (2006 CIP Ranking 38)	Apparatus 2009	Fire Dept.	\$500,000					\$500,000
F 09 (2006 CIP Ranking 39)	Apparatus 2010	Fire Dept.					\$600,000	\$600,000
F 11 (2006 CIP Ranking 55)	Station Remodel	Fire Dept.			\$250,000			\$250,000
F 12 (2006 CIP Ranking 55)	Apparatus 2008	Fire Dept.				\$600,000		\$600,000
F 13	SCBA Upgrade	Fire Dept.			\$100,000			\$100,000
F 14	Station/Storage Bldg	Fire Dept.	\$124,060					\$124,060
F 15	Turnout Gear	Fire Dept.	\$50,000					\$50,000
F 16	Generator	Fire Dept.	\$174,060	\$3,000,000	\$1,300,000	\$3,100,000	\$8,400,000	\$15,974,060
<b>TOTAL PROJECT COSTS</b>								

CT FUNDING	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
General Fund						\$0
Capital Sales Tax						\$850,000
Transportation Fund	\$500,000		\$350,000			\$850,000
Enterprise Fund						\$0
Liquid Waste Fund						\$0
Solid Waste Fund						\$0
Airport Fund	\$174,060					\$174,060
Grants / Donations						\$0
Private Sector Contributions						\$0
Pre Paid Impact Fees						\$0
Impact Fee Credits	\$2,500,000		\$600,000	\$2,500,000	\$2,400,000	\$8,000,000
Developer Contribution					\$6,000,000	\$6,000,000
Bonding						\$0
Impact Fees:						\$0
General Government						\$0
Library						\$0
Police Department						\$0
Fire Department			\$350,000	\$600,000		\$950,000
Liquid Waste						\$0
Solid Waste						\$0
Transportation						\$0
Parks & Recreation						\$0
<b>TOTAL PROJECT FUNDING</b>	\$174,060	\$3,000,000	\$1,300,000	\$3,100,000	\$8,400,000	\$15,974,060

CITY OF COOLIDGE  
AIRPORT  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
AIR-02 (2006 CIP Ranking 53)	Light X (11-12)	Airport		\$32,000				\$32,000
AIR-03 (2006 CIP Ranking 53)	Light X (13-14)	Airport			\$32,000			\$32,000
AIR-05 (2006 CIP Ranking 53)	Main Hanger Improvements	Airport						\$0
AIR-07 (2006 CIP Ranking 42)	Design RWY 5-23 Rehab/Reconst, TXY & REIL	Airport		\$825,000				\$825,000
AIR-10 (2006 CIP Ranking 40)	Acquire Security Equipment and install perimeter fencing (Phase 1); 15,000 linear feet	Airport				\$150,000		\$150,000
AIR-12 (2006 CIP Ranking 48)	New Taxiway	Airport			\$967,032			\$967,032
AIR-15	APMS Runway	Airport		\$245,361	\$547,536			\$792,897
AIR -16	Masterplan	Airport						\$0
AIR -17	Design and Install Weather Reporting Equipment (AWOS)	Airport	\$157,894					\$157,894
AIR -18	Design: TXY extension S. of TXY A, east RWY 17/35	Airport	\$136,000					\$136,000
AIR -19	Design: Reconst/Rehab Rwy 17/35, TXYs, MRL & PAP	Airport		\$347,000				\$347,000
AIR -20	Construction: Taxiway extension (AIR - 17)	Airport		\$969,000				\$969,000
AIR -22	Reconst/rehab RWY 17/35, TXYs to 75 feet	Airport		\$2,380,000				\$2,380,000
AIR -23	Construct portions of AIR-07	Airport			\$6,211,000			\$6,211,000
AIR -24	Install MRL, PAP on RWY 17/35	Airport				\$281,000		\$281,000
AIR -25	Install REIL on RWY 5/23	Airport				\$110,000		\$110,000
<b>TOTAL PROJECT COST</b>			\$293,894	\$4,798,361	\$7,757,568	\$541,000	\$0	\$13,390,823
<b>PROJECT FUNDING</b>								
General Fund			\$0	\$0	\$0	\$0	\$0	\$0
Capital Sales Tax			\$0	\$0	\$0	\$0	\$0	\$0
Transportation Fund			\$0	\$0	\$0	\$0	\$0	\$0
Enterprise Fund			\$0	\$0	\$0	\$0	\$0	\$0
Liquid Waste Fund			\$0	\$0	\$0	\$0	\$0	\$0
Solid Waste Fund			\$0	\$0	\$0	\$0	\$0	\$0
*Airport Fund			\$7,347	\$172,961	\$225,139	\$13,525	\$0	\$418,972
Grants / Donations			\$286,547	\$4,625,400	\$7,532,428	\$527,475	\$0	\$12,971,851
Private Sector Contributions			\$0	\$0	\$0	\$0	\$0	\$0
Pre Paid Impact Fees			\$0	\$0	\$0	\$0	\$0	\$0
Impact Fee Credits			\$0	\$0	\$0	\$0	\$0	\$0
Developer Contribution			\$0	\$0	\$0	\$0	\$0	\$0
Bonding			\$0	\$0	\$0	\$0	\$0	\$0
Impact Fees:			\$0	\$0	\$0	\$0	\$0	\$0
General Government			\$0	\$0	\$0	\$0	\$0	\$0
Library			\$0	\$0	\$0	\$0	\$0	\$0
Police Department			\$0	\$0	\$0	\$0	\$0	\$0
Fire Department			\$0	\$0	\$0	\$0	\$0	\$0
Liquid Waste			\$0	\$0	\$0	\$0	\$0	\$0
Solid Waste			\$0	\$0	\$0	\$0	\$0	\$0
Transportation			\$0	\$0	\$0	\$0	\$0	\$0
Parks & Recreation			\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL PROJECT FUNDING</b>			\$293,894	\$4,798,361	\$7,757,568	\$541,000	\$0	\$13,390,823

\* Subsidized by General Fund

CITY OF COOLIDGE  
LIQUID WASTE  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
LW 01	(2006 CIP Ranking 5) Wastewater Treatment Plant Improvements	Public Works WW Opns	\$146,182	\$146,145	\$146,107	\$146,067	\$35,146,026	\$35,730,527
LW 02	(2006 CIP Ranking 4) Wastewater Treatment Plant Improvements	Public Works WW Opns	\$42,574	\$42,552	\$42,529	\$42,504	\$42,478	\$212,637
LW 03	(2006 CIP Ranking 6) Wastewater Treatment Plant Improvements	Public Works WW Opns						\$0
LW 05	(2006 CIP Ranking 74) Front Loader / Backhoe	Public Works WW Opns		\$85,000				\$85,000
LW 07	(2006 CIP Ranking 63) 20 CY Dump Truck	Public Works WW Opns		\$93,500	\$23,500	\$23,500	\$23,500	\$164,000
LW 08	(2006 CIP Ranking 80) Full Size Pick-up	Public Works WW Opns						\$0
LW 09	(2006 CIP Ranking 88) 2 Full Size Pick-ups	Public Works WW Opns						\$0
LW 10	(2006 CIP Ranking 93) 2 Full Size Pick-ups	Public Works WW Opns				\$50,000	\$50,000	\$100,000
LW 11	Relocate Sewer Main Eastside Sewer Master plan	Public Works WW Opns						\$0
LW 13	Aerator Replacement	Public Works WW Opns	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$90,000
<b>TOTAL PROJECT COSTS</b>			\$206,756	\$385,197	\$230,136	\$280,071	\$35,280,004	\$36,382,164
<b>PROJECT FUNDING</b>								
General Fund								\$0
Capital Sales Tax								\$0
Transportation Fund								\$0
Enterprise fund								\$0
Liquid Waste Fund			\$206,756	\$385,197	\$230,136	\$255,071	\$255,004	\$1,332,164
Solid Waste Fund								\$0
*Airport Fund								\$0
Grants / Donations							\$16,500,000	\$16,500,000
Private Sector Contributions								\$0
Pre Paid Impact Fees								\$0
Impact Fee Credits								\$0
Developer Contribution							\$16,500,000	\$16,500,000
Bonding								\$0
Impact Fees:								\$0
General Government								\$0
Library								\$0
Police Department								\$0
Fire Department								\$0
Liquid Waste						\$25,000	\$2,025,000	\$2,050,000
Solid Waste								\$0
Transportation								\$0
Parks & Recreation								\$0
<b>TOTAL PROJECT FUNDING</b>			\$206,756	\$385,197	\$230,136	\$280,071	\$35,280,004	\$36,382,164

\* Subsidized by General Fund

CITY OF COOLIDGE  
SOLID WASTE  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
SW 01 (2006 CIP Ranking 46)	Garbage Trucks	Public Works Solid Waste		\$200,000		\$200,000		\$400,000
SW 02 (2006 CIP Ranking 34)	Garbage Containers	Public Works Solid Waste	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000	\$80,000
SW 03 (2006 CIP Ranking 60)	City Landfill Closure	Public Works Solid Waste	\$100,000					\$100,000
SW 04 (2006 CIP Ranking None)	Recycling / Privatization Study - Phase 2	Public Works Solid Waste		\$150,000				\$150,000
SW 05 (2006 CIP Ranking None)	2 Brush Trucks	Public Works Solid Waste		\$80,000	\$80,000			\$160,000
SW 06 (2006 CIP Ranking None)	Front Loader	Public Works Solid Waste	\$110,000		\$100,000	\$220,000	\$20,000	\$890,000
<b>TOTAL PROJECT COSTS</b>								

PROJECT FUNDING								
General Fund								\$0
Capital Sales Tax								\$0
Transportation Fund								\$0
Enterprise Funds								\$0
Liquid Waste Fund			\$110,000	\$340,000	\$10,000	\$10,000	\$10,000	\$480,000
Solid Waste Fund								\$0
* Airport Fund				\$100,000				\$100,000
Grants / Donations								\$0
Private Sector Contributions								\$0
Pre Paid Impact Fees								\$0
Impact Fee Credits								\$0
Developer Contribution								\$0
Bonding								\$0
Impact Fees:								\$0
General Government								\$0
Library								\$0
Police Department								\$0
Fire Department								\$0
Liquid Waste					\$90,000	\$210,000	\$10,000	\$310,000
Solid Waste								\$0
Transportation								\$0
Parks & Recreation								\$0
<b>TOTAL PROJECT FUNDING</b>			\$110,000	\$440,000	\$100,000	\$220,000	\$20,000	\$890,000

\*Subsidized by General Fund

CITY OF COOLIDGE  
TRANSPORTATION  
CAPITAL IMPROVEMENT PROJECT

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
TRANS 01	Small Area Transportation Study (SATS)	Growth Management						\$0
TRANS 02	Traffic Signal Skousen Rd. & Marlin Rd.	Public Works Streets			\$450,000			\$450,000
TRANS 04	Street Sweeper	Public Works Streets		\$200,000				\$200,000
TRANS 05	two 5 CY Dump Truck	Public Works Streets		\$50,000	\$50,000			\$100,000
TRANS 06	Martin Road Reconstruction, 1/2 Street (West)	Public Works Streets				\$200,000	\$1,000,000	\$1,200,000
TRANS 07	Kenworthy Road Reconstruction	Public Works Streets				\$75,000	\$500,000	\$575,000
TRANS 08	Vah Ki Inn Road South Lanes from appx 9th St. to 10th Pl 1/4 mile	Growth Management						\$0
TRANS 09	Vah Ki Inn Road North Side Lanes from appx 10th Pl to Kenworthy 1/4 mile	Growth Management		\$660,000				\$660,000
TRANS 10	Vah Ki Inn Road From Kenworthy to Skousen	Growth Management		\$1,250,000	\$2,500,000			\$3,750,000
TRANS 11	Road Improvements Coolidge Ave - South Side from Kenworthy to Skousen 1-Mile	Growth Management			\$1,250,000			\$1,250,000
TRANS 12	Road Improvements Coolidge Ave from 9th to Kenworthy - 1/2 mile	Growth Management			\$2,500,000			\$2,500,000
TRANS 13	Road Improvements Randolph Rd. Highway 87 to Vail Rd 1 Mile	Growth Management	\$3,000,000					\$3,000,000
TRANS 14	Road Improvements Martin Road from 9th St. to McCrae Rd. 2.5 Mile	Growth Management				\$12,500,000		\$12,500,000
TRANS 15	Road Improvements Main St from Vah Ki Inn to Coolidge Ave	Growth Management				\$3,666,000		\$3,666,000
TRANS 16	Road Improvements Coolidge Airport Rd. Coolidge Ave to Bartlett Alignment 2 Miles	Growth Management				\$9,000,000		\$9,000,000

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
TRANS 17	Road Improvements Attaway Road from Coolidge to N City Limits 2.5 Miles	Growth Management				\$12,500,000		\$12,500,000
TRANS 18	Roadway Improvements Woodruff Rd. from Signal Peak Rd. to Curry Rd. 1 Mile	Growth Management			\$5,000,000			\$5,000,000
TRANS 19	Roadway Improvements Woodruff Rd. from Signal Peak Rd. to Toltec Buttes 1 Mile	Growth Management				\$5,000,000		\$5,000,000
TRANS 20	Roadway Improvements Woodruff Rd. from Curry to McCrae 1.5 Mile	Growth Management				\$7,500,000		\$7,500,000
TRANS 21	Modified Signal Peak/Curry Alignment through Pivotal from Hwy 87 to Woodruff	Growth Management			\$17,000,000			\$17,000,000
TRANS 22	Roadway Improvements Skousen Rd. from Hwy 87 to Va Kl Inn Rd. 1 Mile	Growth Management		\$8,000,000				\$8,000,000
TRANS 62	Cotton Express Bus System buses	Transit	\$200,000	\$131,000	\$131,000	\$131,000	\$131,000	\$724,000
TRANS 63	Streets Drainage Study	Public Works Streets		90,000				\$90,000
TRANS 64	Reconstruct Christensen Road Bridge	Public Works Streets						\$0
TRANS 65	Martin Road Reconstruction, AZ Blvd to Picacho (East)	Public Works Streets						\$0
TRANS 66	Traffic Signal AZ BLVD --Safeway	Public Works Streets		\$600,000				\$600,000
TRANS 67	Rail Spurr(Kleck & Randolph Rds)	Growth Management						\$0
TRANS 68	Coolidge Ave. Reconstruction	Public Works Streets	\$1,981,632					\$1,981,632
TRANS 69	Central Ave Reconstruction and Enhancement	Public Works Streets	\$1,476,080	\$0	\$0	\$0		\$1,476,080
TRANS 70	Main Street Reconstruction Project	Public Works Streets	\$0	\$0			\$1,060,000	\$1,060,000
TRANS 71	Skousen Bridge Grate Replacement	Public Works Streets	\$300,000	\$0				\$300,000

PROJECT NO.	PROJECT TITLE	PROJECT LOCATION	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	TOTAL
TRANS 72	Palo Verde/4th St. Reconstruction (Transit)	Transit	\$450,000	\$0				\$450,000
TRANS 73	Hwy Safety & Improvement Program Citywide Signing and Striping)	Public Works Streets	\$280,000	\$0	\$0	\$0	\$0	\$280,000
TRANS 74	ADRP - Dirt Road Program	Public Works Streets	\$100,500	\$120,000	\$120,000	\$120,000	\$120,000	\$560,500
TRANS 75	Skousen Rd. Intersection Widening	Public Works Streets	\$1,057,000	\$0	\$0	\$0	\$0	\$1,057,000
<b>TOTAL PROJECT COSTS</b>			<b>\$8,845,212</b>	<b>\$11,101,000</b>	<b>\$29,001,000</b>	<b>\$50,692,000</b>	<b>\$2,811,000</b>	<b>\$102,450,212</b>