



Town of Chino Valley

MEETING NOTICE TOWN COUNCIL

**REGULAR MEETING
TUESDAY, APRIL 27, 2021
6:00 P.M.**

**Council Chambers
202 N. State Route 89
Chino Valley, Arizona**

A majority of the Councilmembers may attend a private invocation in the Council Conference Room immediately prior to the Council meeting. No Town business will be discussed.

AGENDA

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL**

2. **INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS**
 - a. **p.5** Presentation and update regarding the 9/11 Memorial Project. (Chuck Wynn, Police Chief)

 - b. **p.7** Presentation regarding Professional Clerks Week May 2 through May 8, 2021. (Erin N. Deskins, Town Clerk)

3. **CALL TO THE PUBLIC**

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism. Individuals who wish to speak, please state your first and last name and if you reside in Chino Valley Town Limits.

4. **CURRENT EVENT SUMMARIES AND REPORTS**

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

- a. Status reports by Mayor and Council regarding current events.
- b. Status report by Town Manager Cindy Blackmore regarding Town accomplishments, and current or upcoming projects.

5. **CONSENT AGENDA**

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

- a. **p.9** Consideration and possible action to approve the Service Contracts with Tri City Towing, ACT Towing, and Custom Towing and accept the amended dates of the current Contracts. (Chuck Wynn, Police Chief)
- b. **p.79** Consideration and possible action to approve the two-year extension of the protected development rights for Chino Valley Properties LLC located at 2144 North Road 1 East, to continue the development of their site for the cultivation of medical marijuana. (Will Dingee, Planner)
- c. **p.95** Consideration and possible action to approve the Financial Report for the nine months ending March 31, 2021. (Joe Duffy, Administrative Services Director)
- d. **p.105** Consideration and possible action to approve the March 16, 2021, budget retreat meeting minutes. (Erin N. Deskins, Town Clerk)
- e. **p.117** Consideration and possible action to approve the March 16, 2021, study session minutes. (Erin N. Deskins, Town Clerk)
- f. **p.127** Consideration and possible action to approve the March 23, 2021, regular meeting minutes. (Erin N. Deskins, Town Clerk)

6. **ACTION ITEMS**

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a. **p.135** Consideration and possible action to award a construction contract to Asphalt Paving & Supply, Inc. for the Road 2 North Paving Improvements Project in the amount of \$792,888.88. (Frank Marbury, Public Works Director/Town Engineer)

Recommended Action: Award a construction contract to Asphalt Paving & Supply, Inc. for the Road 2 North Paving Improvements Project in the amount of \$792,888.88.

- b. **p.137** Consideration and possible action to adopt ORD 2021-898 to rezone approximately 8.56 acres of real property from the AR-5 (Agricultural Residential 5-acre minimum) to SR-1 (Single Family Residential 1-Acre Minimum) in order to further subdivide the property. (Will Dingee, Planner)

Recommended Action: Adopt ORD 2021-898 to rezone approximately 8.56 acres of real property from the AR-5 to SR-1 in order to further subdivide the property with the stipulations recommended by staff.

7. **ADJOURNMENT**

**EXECUTIVE SESSION
TUESDAY, APRIL 27, 2021
6:30 P.M.**

**Council Chambers
202 N. State Route 89
Chino Valley, Arizona**

AGENDA

1. **CALL TO ORDER; ROLL CALL**
2. **p.153** An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding land-use exaction related to roadway standards. (Joshua Cook, Development Services Director)
3. **ADJOURNMENT**

Dated this 22nd day of April, 2021.

By: *Erin N. Deskins, Town Clerk*

The Town of Chino Valley endeavors to make all public meetings accessible to persons with disabilities. Please call 636-2646 (voice) or 711 (Telecommunications Arizona Relay Service) 48 hours prior to the meeting to request reasonable accommodation to participate in this meeting.

Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at <http://www.chinoaz.net/agendacenter>, and in the Public Library and Town Clerk's Office.

Council meetings are live-streamed on Town of Chino Valley Facebook page, and Zoom.

Join Zoom Webinar: <https://us02web.zoom.us/j/81326335529>

Telephone: 877 853 5247 (toll free) or 888 788 0099 (toll free)

iPhone one-tap:US: +13462487799,,81326335529# or +16699009128,,81326335529#

Webinar ID: 813 2633 5529

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date: _____ Time: _____ By: _____
Erin N. Deskins, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

2. a.

Meeting Date: 04/27/2021
Contact Person: Marrilee Easton, Civilian Officer
Phone: 928-636-4223 x-1283
Department: Police
Estimated length 10 minutes
of Staff Presentation:
Physical location of item: n/a

AGENDA ITEM TITLE:

Presentation and update regarding the 9/11 Memorial Project. (Chuck Wynn, Police Chief)

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

2. b.

Meeting Date: 04/27/2021
Contact Person: Erin Deskins, Town Clerk
 Phone: 928-636-2646 x-1208
Department: Town Clerk
Estimated length of Staff Presentation: 5 minutes
Physical location of item: N/A

AGENDA ITEM TITLE:

Presentation regarding Professional Clerks Week May 2 through May 8, 2021. (Erin N. Deskins, Town Clerk)

SITUATION & ANALYSIS:

This May will be the 52nd Annual Professional Municipal Clerks Week, initiated in 1969 by International Institute of Municipal Clerks (IIMC) and is endorsed by all of its members throughout the United States, Canada and 15 other countries. In 1984 and in 1994, Presidents Ronald Reagan and Bill Clinton, respectively, signed a Proclamation officially declaring Professional Municipal Clerks Week the first full week of May and recognizing the essential role Municipal Clerks play in local government.

TYPICAL RESPONSIBILITIES OF THE MUNICIPAL AND DEPUTY CLERK:

- Maintains the official council minutes, ordinance books and all records and documents.
- Indexes all official actions of council.
- Issue licenses and permits.
- Processes contracts and agreements.
- Keepers of community history and vital records.
- Receives, distributes and files correspondence from citizens and other governmental agencies.
- Administers elections, registration and voting.
- Acts as a key liaison between local government and its citizens.

Attachments

No file(s) attached.

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

5. a.

Meeting Date: 04/27/2021
Contact Person: Marrilee Easton, Civilian Officer
 Phone: 928-636-4223 x-1283
Department: Police
Estimated length of staff presentation: None
Physical location of item: n/a

AGENDA ITEM TITLE:

Consideration and possible action to approve the Service Contracts with Tri City Towing, ACT Towing, and Custom Towing and accept the amended dates of the Contracts. (Chuck Wynn, Police Chief)

RECOMMENDED ACTION:

Fiscal Impact

Fiscal Impact?: No
If Yes, Budget Code:
Available:
Funding Source:

Attachments

ACT Towing Service Agreement
 Custom Towing Service Agreement
 Tri City Towing Service Agreement

**SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
ACT TOWING, L.L.C.**

THIS SERVICES AGREEMENT (this "Agreement") is entered into as of May 26, 2021, between the Town of Chino Valley, an Arizona municipal corporation (the "Town"), and ACT Towing, L.L.C., an Arizona limited liability company (the "Contractor").

RECITALS

A. The Town is in need of towing services including, but not limited to, the removal of disabled vehicles from accident scenes, vehicles that constitute traffic hazards, or vehicles that may be evidence of a crime (the "Services").

B. Contractor possesses the skill and experience required to provide the Services.

C. The Mayor and Town Council have determined it is in the Town's best interest to enter into an Agreement with the Contractor to provide the Services on a rotational basis.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree as follows:

1. **Term of Agreement.**

1.1 **Initial Term.** This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until June 30, 2022 (the "Initial Term"), unless terminated as otherwise provided in this Agreement.

1.2 **Renewal Terms.** After the expiration of the Initial Term, this Agreement may be renewed for up to three successive one-year terms (each, a "Renewal Term") if (i) it is deemed in the best interests of the Town, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Contractor requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments), as evidenced by the signature of the Mayor or Town Manager thereon, which approval may be withheld by the Town for any reason. The Contractor's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Contractor, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

1.3 Non-Default. By requesting extension for a Renewal Term as set forth above, or by consenting to a Renewal Term in any manner, Contractor shall be deemed to affirmatively assert that (i) the Town is not currently in default, nor has been in default at any time prior to the Renewal Term, under any of the terms or conditions of the Agreement and (ii) any and all Contractor claims, known and unknown, relating to the Agreement and existing on or before the commencement date of the Renewal Term are forever waived.

2. Scope of Work. This is an indefinite quantity and indefinite delivery agreement for Services as described in the Scope of Work, attached hereto as Exhibit A and incorporated herein by reference. Services shall only be provided when the Town identifies a need and proper authorization and documentation have been approved. The Town does not guarantee any minimum or maximum amount of Services will be requested under this Agreement.

3. Compensation. The Town shall not be responsible for the payment of any fees or costs Contractor shall incur for performance of the Services. Contractor's sole compensation for the Services shall be from fees collected from the owners of the vehicles towed at the rates set forth in the Fee Schedule, attached hereto as Exhibit B and incorporated herein by reference. The Town reserves the right to revise its approved fees at any time, with or without notice to Contractor. If Contractor receives any fees from an owner of a towed vehicle that have been billed to and/or paid by the Chino Valley Police Department ("CVPD"), Contractor shall immediately remit such amounts to the CVPD.

4. Safety Plan. Contractor shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration ("OSHA"), American National Standards Institute and National Institute for Occupational Safety and Health standards. If, in the Contractor's sole determination, the Services to be provided do not require a safety plan, Contractor shall notify the Town, in writing, describing the reasons a safety plan is unnecessary. The Town reserves the right to request a safety plan following such notification.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town. The Town may use such documents for other purposes without further compensation to the Contractor; however, any reuse without written verification or adaptation by Contractor for the specific purpose intended will be at the Town's sole risk and without liability or legal exposure to Contractor.

6. Contractor Personnel. Contractor shall provide experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Contractor agrees to assign specific individuals to key positions. If deemed qualified, the Contractor is encouraged to hire Town residents to fill vacant positions at all levels. Contractor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Contractor shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Contractor's performance. The Contractor shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses. Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor. The Town has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement.

9. Materials; Equipment. Contractor shall provide, pay for and insure under the requisite laws and regulations all labor, materials, equipment, tools, transportation and other facilities and services necessary for the proper execution and completion of the Services.

10. Performance Warranty. In addition to any specific obligations set forth in Exhibit A, Contractor warrants that the Services rendered will conform to the requirements of this Agreement and shall be carried out with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

11. Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

12. Insurance.

12.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Contractor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to

demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Contractor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Contractor shall be solely responsible for any such deductible or self-insured retention amount. The Town may require Contractor to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Contractor shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and

insurance requirements set forth herein protecting the Town and Contractor. Contractor shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Contractor will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Contractor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate reference to this Agreement. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing this Agreement will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 04 13 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Contractor's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Contractor under this Agreement.

ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. Contractor shall provide the Town with the necessary endorsements to ensure Town is provided the insurance coverage set forth in this Section 13.

12.2 Required Insurance Coverage.

A. Commercial General Liability. Contractor shall maintain “occurrence” form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured’s clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 04 13, or equivalent, which shall read “Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of “your work” for that insured by or for you.” If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Contractor shall maintain Business Automobile Liability insurance with a combined single limit of \$1,000,000, and not less than \$100,000 for property damage, each occurrence, on Contractor’s owned, hired and non-owned vehicles assigned to or used in the performance of the Contractor’s Services under this Agreement. Coverage will be at least as broad as ISO coverage code “1” “any auto” policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

C. Workers’ Compensation Insurance. If Contractor employs anyone who is required by law to be covered by workers’ compensation insurance, Contractor shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Contractor’s employees engaged in the

performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

D. Garage Keepers Coverage. Contractor shall maintain Garage Keepers coverage in an amount deemed by Contractor to be adequate and shall provide the Town with proof of said coverage.

E. On Hook/Cargo Coverage. Contractor shall maintain On Hook/Cargo coverage in an amount not less than \$100,000 per occurrence.

12.3 Cancellation and Expiration Notice. Contractor shall provide at least 30 days prior written notice to the Town before insurance required herein expires, is canceled, or is materially changed.

13. Termination; Cancellation. The Town may, by written notice to Contractor as set forth in this Section, terminate this Agreement in whole or in part.

13.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause 60 days after receipt by Contractor of written notice by the Town. Upon termination for convenience, Contractor shall be paid for all undisputed Services performed to the termination date.

13.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Contractor for the undisputed portion of its fee due as of the termination date.

13.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Contractor in the event that the Services are permanently abandoned. If Contractor abandons the Services without the consent of the Town, Contractor shall be liable for all actual, incidental and consequential damages arising from or related to said abandonment, including, but not limited to: (A) the difference between the cost of a replacement Contractor to complete the Services and the contract price for Contractor under this Agreement; and (B) any additional charges, costs, fees or expenses for labor, materials or professional services incurred by the Town as a result of delays caused by abandonment of the Services by Contractor. The Town shall use its best efforts to replace Contractor within a reasonable time.

13.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

13.5 Gratuities. The Town may, by written notice to the Contractor, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Contractor an amount equal to 150% of the gratuity.

13.6 Obligations Upon Receipt of Termination Notice. Upon receipt of a notice of termination as set forth above, Contractor shall (A) immediately discontinue all Services affected (unless the notice directs otherwise), and (B) deliver to the Town copies of all data, reports, calculations, drawings, specifications and estimates entirely or partially completed, together with all unused materials supplied by the Town, related to the Services including any completed divisible part of the Services which can be deemed to stand alone (the completed divisible parts of the Services will be determined by both parties at the time of termination). Such termination shall not relieve Contractor of liability for errors and omissions. Any use of incomplete documents for the Services or for any other project without the specific written authorization by Contractor will be without liability or legal exposure to Contractor. Contractor shall appraise the work it has completed and submit the appraisal to the Town for evaluation.

14. Miscellaneous.

14.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Contractor, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. The Contractor, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Contractor meets the requirements of its agreed Scope of Work as set forth in Section 2 above and in Exhibit A. Contractor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Contractor do not intend to nor will they combine business operations under this Agreement.

14.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Yavapai County, Arizona.

14.3 Laws and Regulations. Contractor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Contractor is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations, (B) existing and future State and Federal laws, (C) existing and future OSHA standards and (D) all reporting requirements for towed vehicles.

14.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Contractor.

14.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

14.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Contractor without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Agreement by Contractor.

14.9 Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Contractor is responsible for performance under this

Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Contractor.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Contractor from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

14.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for damages that have been reduced to a judgment resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for delinquent fees, transaction privilege use taxes and property taxes, including any interest or penalties.

14.14 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 or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:	Town of Chino Valley 202 North State Route 89 Chino Valley, Arizona 86323 Attn: Cindy Blackmore, Town Manager
-----------------	--

With copy to: GUST ROSENFELD P.L.C.
 One East Washington Street, Suite 1600
 Phoenix, Arizona 85004-2553
 Attn: Andrew J. McGuire

If to Contractor: ACT Towing, L.L.C.
 3890 North Highway 89
 Chino Valley, Arizona 86323
 Attn: Manager

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 subsection. 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 or (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. 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.

14.15 Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor's duties under this Agreement. Persons requesting such information should be referred to the Town. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under this Agreement.

14.16 Records and Audit Rights. To ensure that the Contractor and its subcontractors are complying with the warranty under subsection 14.17 below, Contractor's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Contractor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Contractor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Contractor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 14.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Contractor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to

Contractor pursuant to this Agreement. Contractor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Contractor or its subcontractors reasonable advance notice of intended audits. Contractor shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

14.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Contractor's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

14.18 Israel. To the extent ARIZ. REV. STAT. § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of this Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in ARIZ. REV. STAT. § 35-393.

14.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, any Town-approved Purchase Order, or the Fee Schedule, the documents shall govern in the order listed herein.

14.20 Time is of the Essence. The timely completion of the Services is of critical importance to the economic circumstances of the Town.

14.21 Meaning of Terms. References made in the singular shall include the plural and the masculine shall include the feminine or the neuter.

14.22 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF CHINO VALLEY,
an Arizona municipal corporation

Jack W. Miller, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

“Vendor”

ACT TOWING, L.L.C.,
an Arizona limited liability company

By: hBoyle

Name: Rain Boyle

Title: Office Staff

EXHIBIT A
TO
SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
ACT TOWING, L.L.C.

[Scope of Work]

See following pages.

SCOPE OF WORK

Prior to Contractor being placed on the rotational tow list, CVPD must inspect and approve all of Contractor's equipment and facilities that will be used in providing the Services. Contractor shall notify the CVPD in writing prior to any change or substitution of the equipment or facilities. If prior notice is not possible due to an emergency situation, written notice within 10 days of any change is required. The Town has designated Randy Chapman as the "Town Representative," but the Town may designate a different person to serve in that role upon 24 hours' notice to the Contractor. All communications to the Town regarding this Agreement shall be through the Town Representative.

1. Requests for Services.

- 1.1 Contractor must be able to respond to requests for Services 24 hours per day, 365 days per year.
- 1.2 Contractor shall provide the Services when and as requested by the Town.
- 1.3 When called by the CVPD, Contractor shall dispatch its own truck; Contractor may not substitute another company to perform the Services.
- 1.4 Contractor shall tow the requested vehicle regardless of its condition or value.
- 1.5 Response time to the designated site shall not be more than 25 minutes, on average, from the receipt of the request from CVPD. Appropriate staffing shall be in place to accommodate this response time 24 hours each day. Average response time will be determined by adding up all of Contractor's recent consecutive response times (up to 15) and dividing by the number of responses.
- 1.6 Failure to respond to a request for Services within 25 minutes may result in: (A) suspension of Contractor from the rotational list; (B) Contractor being placed at the bottom of the rotational list; or (C) cancellation of this Agreement, at the discretion of Town. Extenuating circumstances for delays including, but not limited to, bad weather, severe traffic backup due to crash or additional accidents may be taken into consideration by the Town in its decision to take any action as a result of Contractor's failure to respond within 25 minutes.
- 1.7 Each call to Contractor shall constitute one turn on the rotational list. After each call, Contractor shall be placed at the bottom of the rotation. Contractor shall forfeit its turn and be moved to the bottom of the list if: (A) Contractor fails to answer its telephone, (B) Contractor is unable to respond or provide the Services, or (C) the call is cancelled due to excessive response time. If Contractor arrives more than 30 minutes from the time of the call (per Yavapai County Sheriff's Office "YCSO" record keeping), at the officer's discretion the Contractor may be required to forfeit its turn and be replaced by the next tow company on rotation.

2. Equipment.

2.1 Contractor shall have, at a minimum, the following vehicles available at all times, at least one of which is classified as a medium or heavy-duty wrecker:

- A. One power-operated wrecker.
- B. One rollback wrecker.

2.2 All towing vehicles shall:

- A. Have Contractor's name painted on both the driver and passenger sides of the vehicle in lettering at least three inches in height and shall display the current Arizona Department of Public Safety inspection seal.
- B. Have proper equipment that complies with ARIZ. REV. STAT. § 28-1108 in order to prevent damage to towed vehicles. This equipment includes, but is not limited to: dollies, chains, slings, and bumpers.
- C. Have the necessary equipment to clean accident scenes including, but not limited to, brooms, shovels and sand or an appropriate absorbent material to be used when sand does not adequately absorb spilled liquids/material.
- D. Have a functioning two-way radio system with 24-hour dispatching.
- E. Have the rates posted for all Services.

3. Storage Facilities.

3.1 Storage facilities must be located within the corporate limits of the Town of Chino Valley and meet all zoning requirements.

3.2 Each facility must be on record with the CVPD and either owned or leased for use by the Contractor. Proof of ownership or lessee status must be provided.

3.3 Contractor shall have a staff member on-site at its storage facility to assist customers during business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m., except for the following holidays:

- A. New Year's Day
- B. Memorial Day
- C. Independence Day
- D. Labor Day
- E. Thanksgiving Day
- F. Christmas Day

- 3.4 Contractor shall have a telephone number prominently posted at its storage facility for after-hours release of vehicles. The after-hours telephone number shall be answered and responded to at all times so that vehicles may be released after regular business hours, if necessary. Contractor shall maintain with CVPD an emergency phone number to facilitate the release of a vehicle.
 - 3.5 Vehicles shall be taken directly to the Contractor's storage facility unless the tow driver is advised otherwise by the CVPD or the vehicle's owner/driver.
 - 3.6 The storage facility shall not be located within a wrecking yard that is in the business of dismantling vehicles.
 - 3.7 Contractor shall provide a fenced storage area with a secure fence at least six feet in height plus outwardly slanted three-strand (or greater) barbed or razor wire that complies with the requirements of the Chino Valley Town Code and Unified Development Ordinance.
 - 3.8 The storage area shall be lit with at least 7.4 lumen light output level of electrical light for each square foot of storage area.
 - 3.9 The storage facility shall have a controlled access point and be locked when unattended. Contractor shall be responsible for the safekeeping of vehicles stored and for the items and personal property in the stored vehicles. Vehicles cannot be stored at any location other than those on record with the CVPD.
 - 3.10 Vehicles shall not be removed from the initial storage yard for a period of 10 calendar days unless requested by the owner or authorized agent. If, after a period of 10 calendar days, instructions have not been received from an owner or authorized agency, Contractor may remove the vehicle to an alternate storage lot outside the Town boundaries that meets the security requirements listed in this Section. Removal to an alternate lot may not result in any additional charge to the vehicle owner.
 - 3.11 A person whose vehicle is stored/impounded for reasons other than evidentiary purposes shall have the right to remove any personal property, perishables, or valuables prior to the release or payment of impound fees (excluding items attached to the vehicle; e.g., stereo equipment, etc.). All storage fees shall be assessed against the vehicle/owner and not against personal property.
 - 3.12 Upon reasonable notice, Contractor shall permit inspection of the storage facilities by any member of the CVPD during business hours.
4. Personnel.
- 4.1 Contractor shall have sufficient qualified personnel available for the operation of its vehicles at all times.

- 4.2 All drivers must have a current State of Arizona driver's license, with proper class, endorsements and medical qualifications.
- 4.3 Contractor's personnel (and owners) may not solicit or suggest a repair facility to the owner/driver of a damaged vehicle.
- 4.4 All drivers shall operate the vehicle used for towing in a safe and prudent manner and obey all laws and ordinances at all times.
- 4.5 Drivers shall wear safety vests any time they are in a roadway, including while hooking up vehicles to be towed and when cleaning debris from the scene.
- 4.6 Contractor shall be fully responsible for its drivers' actions.
- 4.7 While performing Services under this Agreement, Contractor's personnel shall refrain from acts of misconduct including, but not limited to, the following:
 - A. Rude or discourteous behavior, including profane and vulgar language.
 - B. Any act of sexual harassment or sexual impropriety.
 - C. Indication of alcohol and/or drug use or appearing at the scene with an alcohol odor emitting from the employee's breath. In such case, the employee shall submit to a preliminary alcohol screening test upon demand of the Town Representative.
 - D. Lack of service, selective service, or refusal to provide service which the employee(s) is capable of performing.

5. Information to be Provided by Contractor to Person Responsible for the Towed Vehicle.

- 5.1 Contractor's business card, which shall contain the following information:
 - A. Contractor's name, address and telephone number.
 - B. Hours of operation.
 - C. Telephone number for after-hours release of vehicles.
- 5.2 A brochure listing the rates, terms of this Agreement and clear instructions for retrieval of the vehicle.

6. Storage/Release of Vehicles.

- 6.1 When instructed by a Chino Valley Police officer to tow a vehicle pursuant to ARIZ. REV. STAT. § 28-3511, Contractor shall deliver the vehicle to the Town's

storage yard located at 1950 Voss Drive, Chino Valley, Arizona (the "Yard"). (See Paragraph 10 for additional requirements related to vehicles towed pursuant to ARIZ. REV. STAT. § 28-3511).

- 6.2 A vehicle towed pursuant to ARIZ. REV. STAT. § 28-3511 may be stored at the Contractor's impound lot in accordance to Section 11 (Exceptions to Impounding at CVPD).
 - 6.3 It is Contractor's sole responsibility to determine that the vehicle is being released to the actual owner/authorized agent and shall not release a vehicle until the owner/authorized agent has provided Contractor with a copy of the owner/authorized agent's valid driver's license, proof of insurance and current registration for the vehicle.
7. Site Cleanup. Contractor is responsible for cleaning up all debris at the scene of an accident, including all vehicle parts, broken glass, dirt, sand or any other matter left in the roadway as a result of an accident. Contractor is responsible for retention of and/or appropriate disposal of accident debris. **Failure to thoroughly clean up a roadway may result in the driver or company being issued a citation pursuant to ARIZ. REV. STAT. § 28-898(C) or charged with a class 3 misdemeanor pursuant to § 28-7056(A) and possible removal of Contractor from the rotational tow list.**
 8. Cancellation of Services Request. After Contractor has received a request for Services, CVPD may cancel the request at any time. If the cancellation is made prior to any portion of Contractor's equipment being physically attached to the vehicle to be towed, Contractor shall not charge for the Service. If cancellation is made subsequent to any portion of the tow vehicle's equipment being physically attached to the vehicle to be towed, Contractor may charge for the Service even if the vehicle is not towed.
 9. Records; Reports.
 - 9.1 Contractor shall maintain a record for one year on each vehicle towed at CVPD's request. The record shall contain, at minimum, the following information:
 - A. Make, model and year of the vehicle.
 - B. License plate number and state of issue.
 - C. Vehicle identification number.
 - D. Date and time the vehicle was picked up.
 - E. Location where the vehicle was picked up.
 - F. Location where the vehicle was taken (and other storage location(s) as applicable).

- G. Date and time the vehicle was released.
 - H. Name and address of the individual to whom the vehicle was released.
- 9.2 If the vehicle is sold at auction, Contractor shall document, in writing, the date of auction, and the name and address of the person purchasing the vehicle at auction.
 - 9.3 Contractor shall maintain records of itemized tow and storage billing statements.
 - 9.4 Within 10 days after release of a vehicle, Contractor shall notify YCSO Dispatch via facsimile at 928-771-3260.
 - 9.5 Upon reasonable notice, Contractor shall permit inspection of the records (and vehicles) required by this Agreement during business hours as well as an audit of the records at its place of business.
 - 9.6 Contractor shall submit all reports required by ARIZ. REV. STAT. §§ 28-4801 through 28-4884 to the Arizona Department of Transportation.
10. Vehicles Towed Pursuant to ARIZ. REV. STAT. § 28-3511. *The requirements set forth in this section apply only to vehicles towed pursuant to a request from a peace officer to remove and either immobilize or impound a vehicle pursuant to the provisions of ARIZ. REV. STAT. § 28-3511.*
- 10.1 Upon request from CVPD to tow a vehicle pursuant to ARIZ. REV. STAT. § 28-3511, Contractor shall tow, not drive, the vehicle to the Town's Yard. CVPD shall be liable for the vehicle and its contents while the vehicle is impounded at the Yard.
 - 10.2 Contractor shall submit a written invoice to CVPD at the time of delivery for each vehicle it tows to the Yard. CVPD shall retain the invoice and, if a hearing is held and the vehicle released, collect the towing fee from the vehicle owner. The Town shall notify Contractor of the release of the vehicle and shall remit Contractor's towing fee to Contractor within one month of collection.
 - 10.3 If a vehicle stored at the Yard is not released within 30 days of impoundment, the Town shall contact Contractor and Contractor shall tow the vehicle to Contractor's storage facility within one business day of such notice without charge to Town. If the owner subsequently contacts Contractor requesting release of the vehicle, Contractor shall advise the vehicle owner of the requirement for a hearing. If a hearing is held, the Town will collect its hearing fee and impound fees and notify Contractor that the vehicle is available for release. It is the responsibility of Contractor to collect its towing fee and any other impound fees incurred after removal from the Yard. The Town is not responsible and will not pay the towing fee for any vehicle that is not claimed by the owner and subsequently picked up by Contractor.

- 10.4 Failure to notify vehicle owner of the required hearing, prior to release of vehicle, will result in removal of the Contractor from rotational list for 30 calendar days. A second and subsequent violation of this will result in removal from the rotational list for at least one calendar year.
- 10.5 If Contractor obtains possession of any vehicle towed pursuant to ARIZ. REV. STAT. § 28-3511 (either through receipt of abandoned vehicle title or by virtue of the owner transferring title to Contractor), Contractor shall provide CVPD with the following information prior to disposing of the vehicle:
 - A. A complete description of the vehicle.
 - B. VIN number.
 - C. Department Report Number.
 - D. A clear copy of the title (front and back).

Upon receipt of this information, CVPD shall prepare a letter authorizing Contractor to take possession of the vehicle and dispose of it in compliance with ARIZ. REV. STAT. § 28-3515.

11. Exceptions to Impounding Vehicles at CVPD, Pursuant to ARIZ. REV. STAT. § 28-3511.

- 11.1 If, after the initial tow or due to collision, a vehicle qualifies for impoundment under ARIZ. REV. STAT. § 28-3511, CVPD may, at its discretion, notify Contractor and order the vehicle to be held under all conditions pursuant to ARIZ. REV. STAT. § 28-3511 at Contractor's approved storage yard.
- 11.2 Any vehicle impounded at Contractor's yard pursuant to ARIZ. REV. STAT. § 28-3511 shall remain at the facility for 30 days, unless written authorization for release is obtained from CVPD.
- 11.3 The vehicle shall not be released until Contractor has received a release from CVPD except as outlined in Section 10.
- 11.4 Contractor shall store the vehicle in accordance with ARIZ. REV. STAT. § 28-3511 and shall only charge the fees outlined in this Agreement.

EXHIBIT B
TO
SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
ACT TOWING, L.L.C.

[Fee Schedule]

See following page.

FEE SCHEDULE

(Subject to Change)

TYPE OF SERVICE	TASKS INCLUDED	FEE
Level 1 Service	Unlock Fuel delivery (customer pays for fuel) Tire change (up to 3/4 ton) Jump starts	\$55.00
Level 2 Tow*	Basic tow: Vehicle has keys. Wheels and tires are operable. Vehicle is under 9,000 lb. GVW.	\$95.00
Level 3 Tow*	Accident tow: No keys. Wheels and tires are inoperable. Winching is under 50 feet from tow truck access. Vehicle is under 9,000 lb. GVW.	\$185.00
Level 4 Tow	Vehicle is towed pursuant to A.R.S. § 28-3511. Vehicle is towed as requested by CVPD.	\$200.00
Large Vehicle Tows	9,001 – 16,000 lb. GVW. 16,001 – 26,000 lb. GVW. 26,001 – 80,000 lb. GVW.	\$95.00/hour port to port \$135.00/hour port to port \$175.00/hour port to port
Off-Road Recovery Rate/ Standby Rate***	After first 1/2 hour on scene or vehicle is greater than 50 feet from tow truck access; Vehicle is under 9,000 GVW.	\$95.00
Recovery, Large Vehicles	9,001 – 16,000 lb. GVW. 16,001 – 80,000 lb. GVW.	\$150.00/hour \$250.00/hour
Daily Storage	Regular tow after first full 24-hour period.	\$30.00
Daily Storage	Vehicles impounded pursuant to A.R.S. § 28-3511.	\$15.00
After Hours Gate Fee**		\$65.00
Cost Per Loaded Mile		\$4.50
Filing Fee		Not to exceed \$150.00
Fuel Surcharge	Rate will be recalculated based on EIA rates if diesel prices rise to \$4.50 per gallon or higher.	15% of total service bill

* Level 2 and 3 tows include towing the vehicle inside the boundaries of the Town of Chino Valley. When the vehicle owner or agent requests vehicle be towed to a location outside the Town limits, "Cost per loaded mile" may be charged from the Town limits to the requested destination.

** After Hours Gate Fee will be charged only when the owner or agent of a vehicle requests entrance to the impound facility after normal business hours. It will not be charged when a tow is performed outside normal business hours.

*** Off-road Recovery fee will be charged only when a vehicle has to be recovered more than 50 feet from tow truck access and will be charged at the rate commensurate with the vehicle's registered GVW.

No other miscellaneous charges are allowed. These services shall be considered to be part of the towing fee and include, but are not limited to, such things as Snatch Block, Skates, no key, driveshaft removal, etc.

**SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
CUSTOM RECOVERY, LLC
D/B/A CUSTOM TOWING**

THIS SERVICES AGREEMENT (this "Agreement") is entered into as of May 26, 2021, between the Town of Chino Valley, an Arizona municipal corporation (the "Town"), and Custom Recovery, LLC, an Arizona limited liability company, d/b/a Custom Towing (the "Contractor").

RECITALS

A. The Town is in need of towing services including, but not limited to, the removal of disabled vehicles from accident scenes, vehicles that constitute traffic hazards, or vehicles that may be evidence of a crime (the "Services").

B. Contractor possesses the skill and experience required to provide the Services.

C. The Mayor and Town Council have determined it is in the Town's best interest to enter into an Agreement with the Contractor to provide the Services on a rotational basis.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree as follows:

1. Term of Agreement.

1.1 Initial Term. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until June 30, 2022 (the "Initial Term"), unless terminated as otherwise provided in this Agreement.

1.2 Renewal Terms. After the expiration of the Initial Term, this Agreement may be renewed for up to three successive one-year terms (each, a "Renewal Term") if (i) it is deemed in the best interests of the Town, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Contractor requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments), as evidenced by the signature of the Mayor or Town Manager thereon, which approval may be withheld by the Town for any reason. The Contractor's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Contractor, elect to waive this requirement and renew this Agreement.

The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

1.3 Non-Default. By requesting extension for a Renewal Term as set forth above, or by consenting to a Renewal Term in any manner, Contractor shall be deemed to affirmatively assert that (i) the Town is not currently in default, nor has been in default at any time prior to the Renewal Term, under any of the terms or conditions of the Agreement and (ii) any and all Contractor claims, known and unknown, relating to the Agreement and existing on or before the commencement date of the Renewal Term are forever waived.

2. Scope of Work. This is an indefinite quantity and indefinite delivery agreement for Services as described in the Scope of Work, attached hereto as Exhibit A and incorporated herein by reference. Services shall only be provided when the Town identifies a need and proper authorization and documentation have been approved. The Town does not guarantee any minimum or maximum amount of Services will be requested under this Agreement.

3. Compensation. The Town shall not be responsible for the payment of any fees or costs Contractor shall incur for performance of the Services. Contractor's sole compensation for the Services shall be from fees collected from the owners of the vehicles towed at the rates set forth in the Fee Schedule, attached hereto as Exhibit B and incorporated herein by reference. The Town reserves the right to revise its approved fees at any time, with or without notice to Contractor. If Contractor receives any fees from an owner of a towed vehicle that have been billed to and/or paid by the Chino Valley Police Department ("CVPD"), Contractor shall immediately remit such amounts to the CVPD.

4. Safety Plan. Contractor shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration ("OSHA"), American National Standards Institute and National Institute for Occupational Safety and Health standards. If, in the Contractor's sole determination, the Services to be provided do not require a safety plan, Contractor shall notify the Town, in writing, describing the reasons a safety plan is unnecessary. The Town reserves the right to request a safety plan following such notification.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town. The Town may use such documents for other purposes without further compensation to the Contractor; however, any reuse without written verification or adaptation by Contractor for the specific purpose intended will be at the Town's sole risk and without liability or legal exposure to Contractor.

6. Contractor Personnel. Contractor shall provide experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Contractor agrees to assign specific individuals to key positions. If deemed qualified, the Contractor is encouraged to hire Town residents to fill vacant positions at all levels. Contractor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Contractor

shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Contractor's performance. The Contractor shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses. Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor. The Town has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement.

9. Materials; Equipment. Contractor shall provide, pay for and insure under the requisite laws and regulations all labor, materials, equipment, tools, transportation and other facilities and services necessary for the proper execution and completion of the Services.

10. Performance Warranty. In addition to any specific obligations set forth in Exhibit A, Contractor warrants that the Services rendered will conform to the requirements of this Agreement and shall be carried out with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

11. Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

12. Insurance.

12.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Contractor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Contractor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Contractor shall be solely responsible for any such deductible or self-insured retention amount. The Town may require Contractor to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Contractor shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the Town and Contractor. Contractor shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Contractor will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Contractor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate reference to this Agreement. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing this Agreement will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 04 13 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Contractor's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Contractor under this Agreement.

ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. Contractor shall provide the Town with the necessary endorsements to ensure Town is provided the insurance coverage set forth in this Section 13.

12.2 Required Insurance Coverage.

A. Commercial General Liability. Contractor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 04 13, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Contractor shall maintain Business Automobile Liability insurance with a combined single limit of \$1,000,000, and not less than \$100,000 for property damage, each occurrence, on Contractor's owned, hired and non-owned vehicles assigned to or used in the performance of the Contractor's Services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Workers' Compensation Insurance. If Contractor employs anyone who is required by law to be covered by workers' compensation insurance, Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Contractor's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

D. Garage Keepers Coverage. Contractor shall maintain Garage Keepers coverage in an amount deemed by Contractor to be adequate and shall provide the Town with proof of said coverage.

E. On Hook/Cargo Coverage. Contractor shall maintain On Hook/Cargo coverage in an amount not less than \$100,000 per occurrence.

12.3 Cancellation and Expiration Notice. Contractor shall provide at least 30 days prior written notice to the Town before insurance required herein expires, is canceled, or is materially changed.

13. Termination; Cancellation. The Town may, by written notice to Contractor as set forth in this Section, terminate this Agreement in whole or in part.

13.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause 60 days after receipt by Contractor of written notice by the Town. Upon termination for convenience, Contractor shall be paid for all undisputed Services performed to the termination date.

13.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Contractor for the undisputed portion of its fee due as of the termination date.

13.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Contractor in the event that the Services are permanently abandoned. If Contractor abandons the Services without the consent of the Town, Contractor shall be liable for all actual, incidental and consequential damages arising from or related to said abandonment, including, but not limited to: (A) the difference between the cost of a replacement

Contractor to complete the Services and the contract price for Contractor under this Agreement; and (B) any additional charges, costs, fees or expenses for labor, materials or professional services incurred by the Town as a result of delays caused by abandonment of the Services by Contractor. The Town shall use its best efforts to replace Contractor within a reasonable time.

13.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

13.5 Gratuities. The Town may, by written notice to the Contractor, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Contractor an amount equal to 150% of the gratuity.

13.6 Obligations Upon Receipt of Termination Notice. Upon receipt of a notice of termination as set forth above, Contractor shall (A) immediately discontinue all Services affected (unless the notice directs otherwise), and (B) deliver to the Town copies of all data, reports, calculations, drawings, specifications and estimates entirely or partially completed, together with all unused materials supplied by the Town, related to the Services including any completed divisible part of the Services which can be deemed to stand alone (the completed divisible parts of the Services will be determined by both parties at the time of termination). Such termination shall not relieve Contractor of liability for errors and omissions. Any use of incomplete documents for the Services or for any other project without the specific written authorization by Contractor will be without liability or legal exposure to Contractor. Contractor shall appraise the work it has completed and submit the appraisal to the Town for evaluation.

14. Miscellaneous.

14.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Contractor, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. The Contractor, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Contractor meets the requirements of its agreed Scope of Work as set forth in Section 2 above and in Exhibit A. Contractor is neither prohibited from

entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Contractor do not intend to nor will they combine business operations under this Agreement.

14.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Yavapai County, Arizona.

14.3 Laws and Regulations. Contractor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Contractor is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations, (B) existing and future State and Federal laws, (C) existing and future OSHA standards and (D) all reporting requirements for towed vehicles.

14.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Contractor.

14.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

14.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Contractor without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Agreement by Contractor.

14.9 Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Contractor is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Contractor.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Contractor from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

14.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for damages that have been reduced to a judgment resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for delinquent fees, transaction privilege use taxes and property taxes, including any interest or penalties.

14.14 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 or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:	Town of Chino Valley 202 North State Route 89 Chino Valley, Arizona 86323
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Attn: Cindy Blackmore, Town Manager

With copy to: GUST ROSENFELD P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Attn: Andrew J. McGuire

If to Contractor: Custom Recovery, LLC, d/b/a Custom Towing
1222 South Highway 89
Chino Valley, Arizona 86323
Attn: Thomas E. Cutlip

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 subsection. 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 or (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. 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.

14.15 Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor's duties under this Agreement. Persons requesting such information should be referred to the Town. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under this Agreement.

14.16 Records and Audit Rights. To ensure that the Contractor and its subcontractors are complying with the warranty under subsection 14.17 below, Contractor's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Contractor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Contractor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Contractor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 14.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Contractor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said

Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Contractor pursuant to this Agreement. Contractor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Contractor or its subcontractors reasonable advance notice of intended audits. Contractor shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

14.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Contractor's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

14.18 Israel. To the extent ARIZ. REV. STAT. § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of this Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in ARIZ. REV. STAT. § 35-393.

14.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, any Town-approved Purchase Order, or the Fee Schedule, the documents shall govern in the order listed herein.

14.20 Time is of the Essence. The timely completion of the Services is of critical importance to the economic circumstances of the Town.

14.21 Meaning of Terms. References made in the singular shall include the plural and the masculine shall include the feminine or the neuter.

14.22 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF CHINO VALLEY,
an Arizona municipal corporation

Jack W. Miller, Mayor

ATTEST:

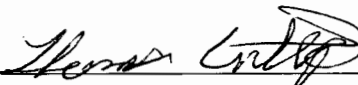
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

“Vendor”

CUSTOM RECOVERY, LLC,
an Arizona limited liability company, d/b/a
CUSTOM TOWING

By: 

Name: Tom Cantlip

Title: owner

EXHIBIT A
TO
SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
CUSTOM RECOVERY, LLC
D/B/A CUSTOM TOWING

[Scope of Work]

See following pages.

SCOPE OF WORK

Prior to Contractor being placed on the rotational tow list, CVPD must inspect and approve all of Contractor's equipment and facilities that will be used in providing the Services. Contractor shall notify the CVPD in writing prior to any change or substitution of the equipment or facilities. If prior notice is not possible due to an emergency situation, written notice within 10 days of any change is required. The Town has designated Randy Chapman as the "Town Representative," but the Town may designate a different person to serve in that role upon 24 hours' notice to the Contractor. All communications to the Town regarding this Agreement shall be through the Town Representative.

1. Requests for Services.

- 1.1 Contractor must be able to respond to requests for Services 24 hours per day, 365 days per year.
- 1.2 Contractor shall provide the Services when and as requested by the Town.
- 1.3 When called by the CVPD, Contractor shall dispatch its own truck; Contractor may not substitute another company to perform the Services.
- 1.4 Contractor shall tow the requested vehicle regardless of its condition or value.
- 1.5 Response time to the designated site shall not be more than 25 minutes, on average, from the receipt of the request from CVPD. Appropriate staffing shall be in place to accommodate this response time 24 hours each day. Average response time will be determined by adding up all of Contractor's recent consecutive response times (up to 15) and dividing by the number of responses.
- 1.6 Failure to respond to a request for Services within 25 minutes may result in: (A) suspension of Contractor from the rotational list; (B) Contractor being placed at the bottom of the rotational list; or (C) cancellation of this Agreement, at the discretion of Town. Extenuating circumstances for delays including, but not limited to, bad weather, severe traffic backup due to crash or additional accidents may be taken into consideration by the Town in its decision to take any action as a result of Contractor's failure to respond within 25 minutes.
- 1.7 Each call to Contractor shall constitute one turn on the rotational list. After each call, Contractor shall be placed at the bottom of the rotation. Contractor shall forfeit its turn and be moved to the bottom of the list if: (A) Contractor fails to answer its telephone, (B) Contractor is unable to respond or provide the Services, or (C) the call is cancelled due to excessive response time. If Contractor arrives more than 30 minutes from the time of the call (per Yavapai County Sheriff's Office "YCSO" record keeping), at the officer's discretion the Contractor may be required to forfeit its turn and be replaced by the next tow company on rotation.

2. Equipment.

- 2.1 Contractor shall have, at a minimum, the following vehicles available at all times, at least one of which is classified as a medium or heavy-duty wrecker:
 - A. One power-operated wrecker.
 - B. One rollback wrecker.
- 2.2 All towing vehicles shall:
 - A. Have Contractor's name painted on both the driver and passenger sides of the vehicle in lettering at least three inches in height and shall display the current Arizona Department of Public Safety inspection seal.
 - B. Have proper equipment that complies with ARIZ. REV. STAT. § 28-1108 in order to prevent damage to towed vehicles. This equipment includes, but is not limited to: dollies, chains, slings, and bumpers.
 - C. Have the necessary equipment to clean accident scenes including, but not limited to, brooms, shovels and sand or an appropriate absorbent material to be used when sand does not adequately absorb spilled liquids/material.
 - D. Have a functioning two-way radio system with 24-hour dispatching.
 - E. Have the rates posted for all Services.

3. Storage Facilities.

- 3.1 Storage facilities must be located within the corporate limits of the Town of Chino Valley and meet all zoning requirements.
- 3.2 Each facility must be on record with the CVPD and either owned or leased for use by the Contractor. Proof of ownership or lessee status must be provided.
- 3.3 Contractor shall have a staff member on-site at its storage facility to assist customers during business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m., except for the following holidays:
 - A. New Year's Day
 - B. Memorial Day
 - C. Independence Day
 - D. Labor Day
 - E. Thanksgiving Day
 - F. Christmas Day

- 3.4 Contractor shall have a telephone number prominently posted at its storage facility for after-hours release of vehicles. The after-hours telephone number shall be answered and responded to at all times so that vehicles may be released after regular business hours, if necessary. Contractor shall maintain with CVPD an emergency phone number to facilitate the release of a vehicle.
- 3.5 Vehicles shall be taken directly to the Contractor's storage facility unless the tow driver is advised otherwise by the CVPD or the vehicle's owner/driver.
- 3.6 The storage facility shall not be located within a wrecking yard that is in the business of dismantling vehicles.
- 3.7 Contractor shall provide a fenced storage area with a secure fence at least six feet in height plus outwardly slanted three-strand (or greater) barbed or razor wire that complies with the requirements of the Chino Valley Town Code and Unified Development Ordinance.
- 3.8 The storage area shall be lit with at least 7.4 lumen light output level of electrical light for each square foot of storage area.
- 3.9 The storage facility shall have a controlled access point and be locked when unattended. Contractor shall be responsible for the safekeeping of vehicles stored and for the items and personal property in the stored vehicles. Vehicles cannot be stored at any location other than those on record with the CVPD.
- 3.10 Vehicles shall not be removed from the initial storage yard for a period of 10 calendar days unless requested by the owner or authorized agent. If, after a period of 10 calendar days, instructions have not been received from an owner or authorized agency, Contractor may remove the vehicle to an alternate storage lot outside the Town boundaries that meets the security requirements listed in this Section. Removal to an alternate lot may not result in any additional charge to the vehicle owner.
- 3.11 A person whose vehicle is stored/impounded for reasons other than evidentiary purposes shall have the right to remove any personal property, perishables, or valuables prior to the release or payment of impound fees (excluding items attached to the vehicle; e.g., stereo equipment, etc.). All storage fees shall be assessed against the vehicle/owner and not against personal property.
- 3.12 Upon reasonable notice, Contractor shall permit inspection of the storage facilities by any member of the CVPD during business hours.

4. Personnel.

- 4.1 Contractor shall have sufficient qualified personnel available for the operation of its vehicles at all times.

- 4.2 All drivers must have a current State of Arizona driver's license, with proper class, endorsements and medical qualifications.
- 4.3 Contractor's personnel (and owners) may not solicit or suggest a repair facility to the owner/driver of a damaged vehicle.
- 4.4 All drivers shall operate the vehicle used for towing in a safe and prudent manner and obey all laws and ordinances at all times.
- 4.5 Drivers shall wear safety vests any time they are in a roadway, including while hooking up vehicles to be towed and when cleaning debris from the scene.
- 4.6 Contractor shall be fully responsible for its drivers' actions.
- 4.7 While performing Services under this Agreement, Contractor's personnel shall refrain from acts of misconduct including, but not limited to, the following:
 - A. Rude or discourteous behavior, including profane and vulgar language.
 - B. Any act of sexual harassment or sexual impropriety.
 - C. Indication of alcohol and/or drug use or appearing at the scene with an alcohol odor emitting from the employee's breath. In such case, the employee shall submit to a preliminary alcohol screening test upon demand of the Town Representative.
 - D. Lack of service, selective service, or refusal to provide service which the employee(s) is capable of performing.

5. Information to be Provided by Contractor to Person Responsible for the Towed Vehicle.

- 5.1 Contractor's business card, which shall contain the following information:
 - A. Contractor's name, address and telephone number.
 - B. Hours of operation.
 - C. Telephone number for after-hours release of vehicles.
- 5.2 A brochure listing the rates, terms of this Agreement and clear instructions for retrieval of the vehicle.

6. Storage/Release of Vehicles.

- 6.1 When instructed by a Chino Valley Police officer to tow a vehicle pursuant to ARIZ. REV. STAT. § 28-3511, Contractor shall deliver the vehicle to the Town's

storage yard located at 1950 Voss Drive, Chino Valley, Arizona (the "Yard"). (See Paragraph 10 for additional requirements related to vehicles towed pursuant to ARIZ. REV. STAT. § 28-3511).

- 6.2 A vehicle towed pursuant to ARIZ. REV. STAT. § 28-3511 may be stored at the Contractor's impound lot in accordance to Section 11 (Exceptions to Impounding at CVPD).
 - 6.3 It is Contractor's sole responsibility to determine that the vehicle is being released to the actual owner/authorized agent and shall not release a vehicle until the owner/authorized agent has provided Contractor with a copy of the owner/authorized agent's valid driver's license, proof of insurance and current registration for the vehicle.
7. Site Cleanup. Contractor is responsible for cleaning up all debris at the scene of an accident, including all vehicle parts, broken glass, dirt, sand or any other matter left in the roadway as a result of an accident. Contractor is responsible for retention of and/or appropriate disposal of accident debris. **Failure to thoroughly clean up a roadway may result in the driver or company being issued a citation pursuant to ARIZ. REV. STAT. § 28-898(C) or charged with a class 3 misdemeanor pursuant to § 28-7056(A) and possible removal of Contractor from the rotational tow list.**
 8. Cancellation of Services Request. After Contractor has received a request for Services, CVPD may cancel the request at any time. If the cancellation is made prior to any portion of Contractor's equipment being physically attached to the vehicle to be towed, Contractor shall not charge for the Service. If cancellation is made subsequent to any portion of the tow vehicle's equipment being physically attached to the vehicle to be towed, Contractor may charge for the Service even if the vehicle is not towed.
 9. Records; Reports.
 - 9.1 Contractor shall maintain a record for one year on each vehicle towed at CVPD's request. The record shall contain, at minimum, the following information:
 - A. Make, model and year of the vehicle.
 - B. License plate number and state of issue.
 - C. Vehicle identification number.
 - D. Date and time the vehicle was picked up.
 - E. Location where the vehicle was picked up.
 - F. Location where the vehicle was taken (and other storage location(s) as applicable).

- G. Date and time the vehicle was released.
 - H. Name and address of the individual to whom the vehicle was released.
- 9.2 If the vehicle is sold at auction, Contractor shall document, in writing, the date of auction, and the name and address of the person purchasing the vehicle at auction.
 - 9.3 Contractor shall maintain records of itemized tow and storage billing statements.
 - 9.4 Within 10 days after release of a vehicle, Contractor shall notify YCSO Dispatch via facsimile at 928-771-3260.
 - 9.5 Upon reasonable notice, Contractor shall permit inspection of the records (and vehicles) required by this Agreement during business hours as well as an audit of the records at its place of business.
 - 9.6 Contractor shall submit all reports required by ARIZ. REV. STAT. §§ 28-4801 through 28-4884 to the Arizona Department of Transportation.
10. Vehicles Towed Pursuant to ARIZ. REV. STAT. § 28-3511. *The requirements set forth in this section apply only to vehicles towed pursuant to a request from a peace officer to remove and either immobilize or impound a vehicle pursuant to the provisions of ARIZ. REV. STAT. § 28-3511.*
- 10.1 Upon request from CVPD to tow a vehicle pursuant to ARIZ. REV. STAT. § 28-3511, Contractor shall tow, not drive, the vehicle to the Town's Yard. CVPD shall be liable for the vehicle and its contents while the vehicle is impounded at the Yard.
 - 10.2 Contractor shall submit a written invoice to CVPD at the time of delivery for each vehicle it tows to the Yard. CVPD shall retain the invoice and, if a hearing is held and the vehicle released, collect the towing fee from the vehicle owner. The Town shall notify Contractor of the release of the vehicle and shall remit Contractor's towing fee to Contractor within one month of collection.
 - 10.3 If a vehicle stored at the Yard is not released within 30 days of impoundment, the Town shall contact Contractor and Contractor shall tow the vehicle to Contractor's storage facility within one business day of such notice without charge to Town. If the owner subsequently contacts Contractor requesting release of the vehicle, Contractor shall advise the vehicle owner of the requirement for a hearing. If a hearing is held, the Town will collect its hearing fee and impound fees and notify Contractor that the vehicle is available for release. It is the responsibility of Contractor to collect its towing fee and any other impound fees incurred after removal from the Yard. The Town is not responsible and will not pay the towing fee for any vehicle that is not claimed by the owner and subsequently picked up by Contractor.

- 10.4 Failure to notify vehicle owner of the required hearing, prior to release of vehicle, will result in removal of the Contractor from rotational list for 30 calendar days. A second and subsequent violation of this will result in removal from the rotational list for at least one calendar year.
- 10.5 If Contractor obtains possession of any vehicle towed pursuant to ARIZ. REV. STAT. § 28-3511 (either through receipt of abandoned vehicle title or by virtue of the owner transferring title to Contractor), Contractor shall provide CVPD with the following information prior to disposing of the vehicle:
- A. A complete description of the vehicle.
 - B. VIN number.
 - C. Department Report Number.
 - D. A clear copy of the title (front and back).

Upon receipt of this information, CVPD shall prepare a letter authorizing Contractor to take possession of the vehicle and dispose of it in compliance with ARIZ. REV. STAT. § 28-3515.

11. Exceptions to Impounding Vehicles at CVPD, Pursuant to ARIZ. REV. STAT. § 28-3511.

- 11.1 If, after the initial tow or due to collision, a vehicle qualifies for impoundment under ARIZ. REV. STAT. § 28-3511, CVPD may, at its discretion, notify Contractor and order the vehicle to be held under all conditions pursuant to ARIZ. REV. STAT. § 28-3511 at Contractor's approved storage yard.
- 11.2 Any vehicle impounded at Contractor's yard pursuant to ARIZ. REV. STAT. § 28-3511 shall remain at the facility for 30 days, unless written authorization for release is obtained from CVPD.
- 11.3 The vehicle shall not be released until Contractor has received a release from CVPD except as outlined in Section 10.
- 11.4 Contractor shall store the vehicle in accordance with ARIZ. REV. STAT. § 28-3511 and shall only charge the fees outlined in this Agreement.

EXHIBIT B
TO
SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
CUSTOM RECOVERY, LLC
D/B/A CUSTOM TOWING

[Fee Schedule]

See following page.

FEE SCHEDULE

(Subject to Change)

TYPE OF SERVICE	TASKS INCLUDED	FEE
Level 1 Service	Unlock Fuel delivery (customer pays for fuel) Tire change (up to 3/4 ton) Jump starts	\$55.00
Level 2 Tow*	Basic tow: Vehicle has keys. Wheels and tires are operable. Vehicle is under 9,000 lb. GVW.	\$95.00
Level 3 Tow*	Accident tow: No keys. Wheels and tires are inoperable. Winching is under 50 feet from tow truck access. Vehicle is under 9,000 lb. GVW.	\$185.00
Level 4 Tow	Vehicle is towed pursuant to A.R.S. § 28-3511. Vehicle is towed as requested by CVPD.	\$200.00
Large Vehicle Tows	9,001 – 16,000 lb. GVW. 16,001 – 26,000 lb. GVW. 26,001 – 80,000 lb. GVW.	\$95.00/hour port to port \$135.00/hour port to port \$175.00/hour port to port
Off-Road Recovery Rate/ Standby Rate***	After first 1/2 hour on scene or vehicle is greater than 50 feet from tow truck access; Vehicle is under 9,000 GVW.	\$95.00
Recovery, Large Vehicles	9,001 – 16,000 lb. GVW. 16,001 – 80,000 lb. GVW.	\$150.00/hour \$250.00/hour
Daily Storage	Regular tow after first full 24-hour period.	\$30.00
Daily Storage	Vehicles impounded pursuant to A.R.S. § 28-3511.	\$15.00
After Hours Gate Fee**		\$65.00
Cost Per Loaded Mile		\$4.50
Filing Fee		Not to exceed \$150.00
Fuel Surcharge	Rate will be recalculated based on EIA rates if diesel prices rise to \$4.50 per gallon or higher.	15% of total service bill

* Level 2 and 3 tows include towing the vehicle inside the boundaries of the Town of Chino Valley. When the vehicle owner or agent requests vehicle be towed to a location outside the Town limits, "Cost per loaded mile" may be charged from the Town limits to the requested destination.

** After Hours Gate Fee will be charged only when the owner or agent of a vehicle requests entrance to the impound facility after normal business hours. It will not be charged when a tow is performed outside normal business hours.

*** Off-road Recovery fee will be charged only when a vehicle has to be recovered more than 50 feet from tow truck access and will be charged at the rate commensurate with the vehicle's registered GVW.

No other miscellaneous charges are allowed. These services shall be considered to be part of the towing fee and include, but are not limited to, such things as Snatch Block, Skates, no key, driveshaft removal, etc.

**SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
TRI-CITY TOWING INC.**

THIS SERVICES AGREEMENT (this “Agreement”) is entered into as of May 26, 2021, between the Town of Chino Valley, an Arizona municipal corporation (the “Town”), and Tri-City Towing Inc., an Arizona corporation (the “Contractor”).

RECITALS

A. The Town is in need of towing services including, but not limited to, the removal of disabled vehicles from accident scenes, vehicles that constitute traffic hazards, or vehicles that may be evidence of a crime (the “Services”).

B. Contractor possesses the skill and experience required to provide the Services.

C. The Mayor and Town Council have determined it is in the Town’s best interest to enter into an Agreement with the Contractor to provide the Services on a rotational basis.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree as follows:

1. **Term of Agreement.**

1.1 **Initial Term.** This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until June 30, 2022 (the “Initial Term”), unless terminated as otherwise provided in this Agreement.

1.2 **Renewal Terms.** After the expiration of the Initial Term, this Agreement may be renewed for up to three successive one-year terms (each, a “Renewal Term”) if (i) it is deemed in the best interests of the Town, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Contractor requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments), as evidenced by the signature of the Mayor or Town Manager thereon, which approval may be withheld by the Town for any reason. The Contractor’s failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Contractor, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

1.3 Non-Default. By requesting extension for a Renewal Term as set forth above, or by consenting to a Renewal Term in any manner, Contractor shall be deemed to affirmatively assert that (i) the Town is not currently in default, nor has been in default at any time prior to the Renewal Term, under any of the terms or conditions of the Agreement and (ii) any and all Contractor claims, known and unknown, relating to the Agreement and existing on or before the commencement date of the Renewal Term are forever waived.

2. Scope of Work. This is an indefinite quantity and indefinite delivery agreement for Services as described in the Scope of Work, attached hereto as Exhibit A and incorporated herein by reference. Services shall only be provided when the Town identifies a need and proper authorization and documentation have been approved. The Town does not guarantee any minimum or maximum amount of Services will be requested under this Agreement.

3. Compensation. The Town shall not be responsible for the payment of any fees or costs Contractor shall incur for performance of the Services. Contractor's sole compensation for the Services shall be from fees collected from the owners of the vehicles towed at the rates set forth in the Fee Schedule, attached hereto as Exhibit B and incorporated herein by reference. The Town reserves the right to revise its approved fees at any time, with or without notice to Contractor. If Contractor receives any fees from an owner of a towed vehicle that have been billed to and/or paid by the Chino Valley Police Department ("CVPD"), Contractor shall immediately remit such amounts to the CVPD.

4. Safety Plan. Contractor shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration ("OSHA"), American National Standards Institute and National Institute for Occupational Safety and Health standards. If, in the Contractor's sole determination, the Services to be provided do not require a safety plan, Contractor shall notify the Town, in writing, describing the reasons a safety plan is unnecessary. The Town reserves the right to request a safety plan following such notification.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town. The Town may use such documents for other purposes without further compensation to the Contractor; however, any reuse without written verification or adaptation by Contractor for the specific purpose intended will be at the Town's sole risk and without liability or legal exposure to Contractor.

6. Contractor Personnel. Contractor shall provide experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Contractor agrees to assign specific individuals to key positions. If deemed qualified, the Contractor is encouraged to hire Town residents to fill vacant positions at all levels. Contractor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Contractor shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Contractor's performance. The Contractor shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses. Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor. The Town has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement.

9. Materials; Equipment. Contractor shall provide, pay for and insure under the requisite laws and regulations all labor, materials, equipment, tools, transportation and other facilities and services necessary for the proper execution and completion of the Services.

10. Performance Warranty. In addition to any specific obligations set forth in Exhibit A, Contractor warrants that the Services rendered will conform to the requirements of this Agreement and shall be carried out with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

11. Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

12. Insurance.

12.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Contractor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to

demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Contractor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Contractor shall be solely responsible for any such deductible or self-insured retention amount. The Town may require Contractor to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Contractor shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and

insurance requirements set forth herein protecting the Town and Contractor. Contractor shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Contractor will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Contractor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate reference to this Agreement. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing this Agreement will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 04 13 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Contractor's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Contractor under this Agreement.

ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. Contractor shall provide the Town with the necessary endorsements to ensure Town is provided the insurance coverage set forth in this Section 13.

12.2 Required Insurance Coverage.

A. Commercial General Liability. Contractor shall maintain “occurrence” form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured’s clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 04 13, or equivalent, which shall read “Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of “your work” for that insured by or for you.” If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Contractor shall maintain Business Automobile Liability insurance with a combined single limit of \$1,000,000, and not less than \$100,000 for property damage, each occurrence, on Contractor’s owned, hired and non-owned vehicles assigned to or used in the performance of the Contractor’s Services under this Agreement. Coverage will be at least as broad as ISO coverage code “1” “any auto” policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

C. Workers’ Compensation Insurance. If Contractor employs anyone who is required by law to be covered by workers’ compensation insurance, Contractor shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Contractor’s employees engaged in the

performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

D. Garage Keepers Coverage. Contractor shall maintain Garage Keepers coverage in an amount deemed by Contractor to be adequate and shall provide the Town with proof of said coverage.

E. On Hook/Cargo Coverage. Contractor shall maintain On Hook/Cargo coverage in an amount not less than \$100,000 per occurrence.

12.3 Cancellation and Expiration Notice. Contractor shall provide at least 30 days prior written notice to the Town before insurance required herein expires, is canceled, or is materially changed.

13. Termination; Cancellation. The Town may, by written notice to Contractor as set forth in this Section, terminate this Agreement in whole or in part.

13.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause 60 days after receipt by Contractor of written notice by the Town. Upon termination for convenience, Contractor shall be paid for all undisputed Services performed to the termination date.

13.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Contractor for the undisputed portion of its fee due as of the termination date.

13.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Contractor in the event that the Services are permanently abandoned. If Contractor abandons the Services without the consent of the Town, Contractor shall be liable for all actual, incidental and consequential damages arising from or related to said abandonment, including, but not limited to: (A) the difference between the cost of a replacement Contractor to complete the Services and the contract price for Contractor under this Agreement; and (B) any additional charges, costs, fees or expenses for labor, materials or professional services incurred by the Town as a result of delays caused by abandonment of the Services by Contractor. The Town shall use its best efforts to replace Contractor within a reasonable time.

13.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

13.5 Gratuities. The Town may, by written notice to the Contractor, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Contractor an amount equal to 150% of the gratuity.

13.6 Obligations Upon Receipt of Termination Notice. Upon receipt of a notice of termination as set forth above, Contractor shall (A) immediately discontinue all Services affected (unless the notice directs otherwise), and (B) deliver to the Town copies of all data, reports, calculations, drawings, specifications and estimates entirely or partially completed, together with all unused materials supplied by the Town, related to the Services including any completed divisible part of the Services which can be deemed to stand alone (the completed divisible parts of the Services will be determined by both parties at the time of termination). Such termination shall not relieve Contractor of liability for errors and omissions. Any use of incomplete documents for the Services or for any other project without the specific written authorization by Contractor will be without liability or legal exposure to Contractor. Contractor shall appraise the work it has completed and submit the appraisal to the Town for evaluation.

14. Miscellaneous.

14.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Contractor, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. The Contractor, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Contractor meets the requirements of its agreed Scope of Work as set forth in Section 2 above and in Exhibit A. Contractor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Contractor do not intend to nor will they combine business operations under this Agreement.

14.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Yavapai County, Arizona.

14.3 Laws and Regulations. Contractor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Contractor is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations, (B) existing and future State and Federal laws, (C) existing and future OSHA standards and (D) all reporting requirements for towed vehicles.

14.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Contractor.

14.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

14.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Contractor without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Agreement by Contractor.

14.9 Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Contractor is responsible for performance under this

Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Contractor.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Contractor from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

14.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for damages that have been reduced to a judgment resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for delinquent fees, transaction privilege use taxes and property taxes, including any interest or penalties.

14.14 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 or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:	Town of Chino Valley 202 North State Route 89 Chino Valley, Arizona 86323 Attn: Cindy Blackmore, Town Manager
-----------------	--

With copy to: GUST ROSENFELD P.L.C.
 One East Washington Street, Suite 1600
 Phoenix, Arizona 85004-2553
 Attn: Andrew J. McGuire

If to Contractor: Tri-City Towing Inc.
 P.O. Box 4105
 Chino Valley, Arizona 86323
 Attn: Jerry D. Clements

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 subsection. 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 or (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. 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.

14.15 Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor's duties under this Agreement. Persons requesting such information should be referred to the Town. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under this Agreement.

14.16 Records and Audit Rights. To ensure that the Contractor and its subcontractors are complying with the warranty under subsection 14.17 below, Contractor's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Contractor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Contractor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Contractor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 14.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Contractor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to

Contractor pursuant to this Agreement. Contractor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Contractor or its subcontractors reasonable advance notice of intended audits. Contractor shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

14.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Contractor's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

14.18 Israel. To the extent ARIZ. REV. STAT. § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of this Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in ARIZ. REV. STAT. § 35-393.

14.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, any Town-approved Purchase Order, or the Fee Schedule, the documents shall govern in the order listed herein.

14.20 Time is of the Essence. The timely completion of the Services is of critical importance to the economic circumstances of the Town.

14.21 Meaning of Terms. References made in the singular shall include the plural and the masculine shall include the feminine or the neuter.

14.22 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF CHINO VALLEY,
an Arizona municipal corporation

Jack W. Miller, Mayor

ATTEST:

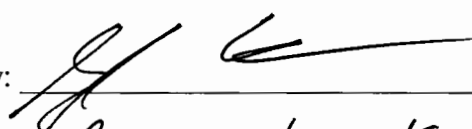
Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

“Vendor”

TRI-CITY TOWING INC.,
an Arizona corporation

By: 

Name: Bryce Clements

Title: General Manager

EXHIBIT A
TO
SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
TRI-CITY TOWING INC.

[Scope of Work]

See following pages.

SCOPE OF WORK

Prior to Contractor being placed on the rotational tow list, CVPD must inspect and approve all of Contractor's equipment and facilities that will be used in providing the Services. Contractor shall notify the CVPD in writing prior to any change or substitution of the equipment or facilities. If prior notice is not possible due to an emergency situation, written notice within 10 days of any change is required. The Town has designated Randy Chapman as the "Town Representative," but the Town may designate a different person to serve in that role upon 24 hours' notice to the Contractor. All communications to the Town regarding this Agreement shall be through the Town Representative.

1. Requests for Services.

- 1.1 Contractor must be able to respond to requests for Services 24 hours per day, 365 days per year.
- 1.2 Contractor shall provide the Services when and as requested by the Town.
- 1.3 When called by the CVPD, Contractor shall dispatch its own truck; Contractor may not substitute another company to perform the Services.
- 1.4 Contractor shall tow the requested vehicle regardless of its condition or value.
- 1.5 Response time to the designated site shall not be more than 25 minutes, on average, from the receipt of the request from CVPD. Appropriate staffing shall be in place to accommodate this response time 24 hours each day. Average response time will be determined by adding up all of Contractor's recent consecutive response times (up to 15) and dividing by the number of responses.
- 1.6 Failure to respond to a request for Services within 25 minutes may result in: (A) suspension of Contractor from the rotational list; (B) Contractor being placed at the bottom of the rotational list; or (C) cancellation of this Agreement, at the discretion of Town. Extenuating circumstances for delays including, but not limited to, bad weather, severe traffic backup due to crash or additional accidents may be taken into consideration by the Town in its decision to take any action as a result of Contractor's failure to respond within 25 minutes.
- 1.7 Each call to Contractor shall constitute one turn on the rotational list. After each call, Contractor shall be placed at the bottom of the rotation. Contractor shall forfeit its turn and be moved to the bottom of the list if: (A) Contractor fails to answer its telephone, (B) Contractor is unable to respond or provide the Services, or (C) the call is cancelled due to excessive response time. If Contractor arrives more than 30 minutes from the time of the call (per Yavapai County Sheriff's Office "YCSO" record keeping), at the officer's discretion the Contractor may be required to forfeit its turn and be replaced by the next tow company on rotation.

2. Equipment.

- 2.1 Contractor shall have, at a minimum, the following vehicles available at all times, at least one of which is classified as a medium or heavy-duty wrecker:
 - A. One power-operated wrecker.
 - B. One rollback wrecker.
- 2.2 All towing vehicles shall:
 - A. Have Contractor's name painted on both the driver and passenger sides of the vehicle in lettering at least three inches in height and shall display the current Arizona Department of Public Safety inspection seal.
 - B. Have proper equipment that complies with ARIZ. REV. STAT. § 28-1108 in order to prevent damage to towed vehicles. This equipment includes, but is not limited to: dollies, chains, slings, and bumpers.
 - C. Have the necessary equipment to clean accident scenes including, but not limited to, brooms, shovels and sand or an appropriate absorbent material to be used when sand does not adequately absorb spilled liquids/material.
 - D. Have a functioning two-way radio system with 24-hour dispatching.
 - E. Have the rates posted for all Services.

3. Storage Facilities.

- 3.1 Storage facilities must be located within the corporate limits of the Town of Chino Valley and meet all zoning requirements.
- 3.2 Each facility must be on record with the CVPD and either owned or leased for use by the Contractor. Proof of ownership or lessee status must be provided.
- 3.3 Contractor shall have a staff member on-site at its storage facility to assist customers during business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m., except for the following holidays:
 - A. New Year's Day
 - B. Memorial Day
 - C. Independence Day
 - D. Labor Day
 - E. Thanksgiving Day
 - F. Christmas Day

- 3.4 Contractor shall have a telephone number prominently posted at its storage facility for after-hours release of vehicles. The after-hours telephone number shall be answered and responded to at all times so that vehicles may be released after regular business hours, if necessary. Contractor shall maintain with CVPD an emergency phone number to facilitate the release of a vehicle.
 - 3.5 Vehicles shall be taken directly to the Contractor's storage facility unless the tow driver is advised otherwise by the CVPD or the vehicle's owner/driver.
 - 3.6 The storage facility shall not be located within a wrecking yard that is in the business of dismantling vehicles.
 - 3.7 Contractor shall provide a fenced storage area with a secure fence at least six feet in height plus outwardly slanted three-strand (or greater) barbed or razor wire that complies with the requirements of the Chino Valley Town Code and Unified Development Ordinance.
 - 3.8 The storage area shall be lit with at least 7.4 lumen light output level of electrical light for each square foot of storage area.
 - 3.9 The storage facility shall have a controlled access point and be locked when unattended. Contractor shall be responsible for the safekeeping of vehicles stored and for the items and personal property in the stored vehicles. Vehicles cannot be stored at any location other than those on record with the CVPD.
 - 3.10 Vehicles shall not be removed from the initial storage yard for a period of 10 calendar days unless requested by the owner or authorized agent. If, after a period of 10 calendar days, instructions have not been received from an owner or authorized agency, Contractor may remove the vehicle to an alternate storage lot outside the Town boundaries that meets the security requirements listed in this Section. Removal to an alternate lot may not result in any additional charge to the vehicle owner.
 - 3.11 A person whose vehicle is stored/impounded for reasons other than evidentiary purposes shall have the right to remove any personal property, perishables, or valuables prior to the release or payment of impound fees (excluding items attached to the vehicle; e.g., stereo equipment, etc.). All storage fees shall be assessed against the vehicle/owner and not against personal property.
 - 3.12 Upon reasonable notice, Contractor shall permit inspection of the storage facilities by any member of the CVPD during business hours.
4. Personnel.
- 4.1 Contractor shall have sufficient qualified personnel available for the operation of its vehicles at all times.

- 4.2 All drivers must have a current State of Arizona driver's license, with proper class, endorsements and medical qualifications.
- 4.3 Contractor's personnel (and owners) may not solicit or suggest a repair facility to the owner/driver of a damaged vehicle.
- 4.4 All drivers shall operate the vehicle used for towing in a safe and prudent manner and obey all laws and ordinances at all times.
- 4.5 Drivers shall wear safety vests any time they are in a roadway, including while hooking up vehicles to be towed and when cleaning debris from the scene.
- 4.6 Contractor shall be fully responsible for its drivers' actions.
- 4.7 While performing Services under this Agreement, Contractor's personnel shall refrain from acts of misconduct including, but not limited to, the following:
 - A. Rude or discourteous behavior, including profane and vulgar language.
 - B. Any act of sexual harassment or sexual impropriety.
 - C. Indication of alcohol and/or drug use or appearing at the scene with an alcohol odor emitting from the employee's breath. In such case, the employee shall submit to a preliminary alcohol screening test upon demand of the Town Representative.
 - D. Lack of service, selective service, or refusal to provide service which the employee(s) is capable of performing.
- 5. Information to be Provided by Contractor to Person Responsible for the Towed Vehicle.
 - 5.1 Contractor's business card, which shall contain the following information:
 - A. Contractor's name, address and telephone number.
 - B. Hours of operation.
 - C. Telephone number for after-hours release of vehicles.
 - 5.2 A brochure listing the rates, terms of this Agreement and clear instructions for retrieval of the vehicle.
- 6. Storage/Release of Vehicles.
 - 6.1 When instructed by a Chino Valley Police officer to tow a vehicle pursuant to ARIZ. REV. STAT. § 28-3511, Contractor shall deliver the vehicle to the Town's

storage yard located at 1950 Voss Drive, Chino Valley, Arizona (the "Yard"). (See Paragraph 10 for additional requirements related to vehicles towed pursuant to ARIZ. REV. STAT. § 28-3511).

- 6.2 A vehicle towed pursuant to ARIZ. REV. STAT. § 28-3511 may be stored at the Contractor's impound lot in accordance to Section 11 (Exceptions to Impounding at CVPD).
- 6.3 It is Contractor's sole responsibility to determine that the vehicle is being released to the actual owner/authorized agent and shall not release a vehicle until the owner/authorized agent has provided Contractor with a copy of the owner/authorized agent's valid driver's license, proof of insurance and current registration for the vehicle.
7. Site Cleanup. Contractor is responsible for cleaning up all debris at the scene of an accident, including all vehicle parts, broken glass, dirt, sand or any other matter left in the roadway as a result of an accident. Contractor is responsible for retention of and/or appropriate disposal of accident debris. **Failure to thoroughly clean up a roadway may result in the driver or company being issued a citation pursuant to ARIZ. REV. STAT. § 28-898(C) or charged with a class 3 misdemeanor pursuant to § 28-7056(A) and possible removal of Contractor from the rotational tow list.**
8. Cancellation of Services Request. After Contractor has received a request for Services, CVPD may cancel the request at any time. If the cancellation is made prior to any portion of Contractor's equipment being physically attached to the vehicle to be towed, Contractor shall not charge for the Service. If cancellation is made subsequent to any portion of the tow vehicle's equipment being physically attached to the vehicle to be towed, Contractor may charge for the Service even if the vehicle is not towed.
9. Records; Reports.
 - 9.1 Contractor shall maintain a record for one year on each vehicle towed at CVPD's request. The record shall contain, at minimum, the following information:
 - A. Make, model and year of the vehicle.
 - B. License plate number and state of issue.
 - C. Vehicle identification number.
 - D. Date and time the vehicle was picked up.
 - E. Location where the vehicle was picked up.
 - F. Location where the vehicle was taken (and other storage location(s) as applicable).

- G. Date and time the vehicle was released.
 - H. Name and address of the individual to whom the vehicle was released.
- 9.2 If the vehicle is sold at auction, Contractor shall document, in writing, the date of auction, and the name and address of the person purchasing the vehicle at auction.
 - 9.3 Contractor shall maintain records of itemized tow and storage billing statements.
 - 9.4 Within 10 days after release of a vehicle, Contractor shall notify YCSO Dispatch via facsimile at 928-771-3260.
 - 9.5 Upon reasonable notice, Contractor shall permit inspection of the records (and vehicles) required by this Agreement during business hours as well as an audit of the records at its place of business.
 - 9.6 Contractor shall submit all reports required by ARIZ. REV. STAT. §§ 28-4801 through 28-4884 to the Arizona Department of Transportation.
10. Vehicles Towed Pursuant to ARIZ. REV. STAT. § 28-3511. *The requirements set forth in this section apply only to vehicles towed pursuant to a request from a peace officer to remove and either immobilize or impound a vehicle pursuant to the provisions of ARIZ. REV. STAT. § 28-3511.*
- 10.1 Upon request from CVPD to tow a vehicle pursuant to ARIZ. REV. STAT. § 28-3511, Contractor shall tow, not drive, the vehicle to the Town's Yard. CVPD shall be liable for the vehicle and its contents while the vehicle is impounded at the Yard.
 - 10.2 Contractor shall submit a written invoice to CVPD at the time of delivery for each vehicle it tows to the Yard. CVPD shall retain the invoice and, if a hearing is held and the vehicle released, collect the towing fee from the vehicle owner. The Town shall notify Contractor of the release of the vehicle and shall remit Contractor's towing fee to Contractor within one month of collection.
 - 10.3 If a vehicle stored at the Yard is not released within 30 days of impoundment, the Town shall contact Contractor and Contractor shall tow the vehicle to Contractor's storage facility within one business day of such notice without charge to Town. If the owner subsequently contacts Contractor requesting release of the vehicle, Contractor shall advise the vehicle owner of the requirement for a hearing. If a hearing is held, the Town will collect its hearing fee and impound fees and notify Contractor that the vehicle is available for release. It is the responsibility of Contractor to collect its towing fee and any other impound fees incurred after removal from the Yard. The Town is not responsible and will not pay the towing fee for any vehicle that is not claimed by the owner and subsequently picked up by Contractor.

- 10.4 Failure to notify vehicle owner of the required hearing, prior to release of vehicle, will result in removal of the Contractor from rotational list for 30 calendar days. A second and subsequent violation of this will result in removal from the rotational list for at least one calendar year.
- 10.5 If Contractor obtains possession of any vehicle towed pursuant to ARIZ. REV. STAT. § 28-3511 (either through receipt of abandoned vehicle title or by virtue of the owner transferring title to Contractor), Contractor shall provide CVPD with the following information prior to disposing of the vehicle:
 - A. A complete description of the vehicle.
 - B. VIN number.
 - C. Department Report Number.
 - D. A clear copy of the title (front and back).

Upon receipt of this information, CVPD shall prepare a letter authorizing Contractor to take possession of the vehicle and dispose of it in compliance with ARIZ. REV. STAT. § 28-3515.

11. Exceptions to Impounding Vehicles at CVPD, Pursuant to ARIZ. REV. STAT. § 28-3511.

- 11.1 If, after the initial tow or due to collision, a vehicle qualifies for impoundment under ARIZ. REV. STAT. § 28-3511, CVPD may, at its discretion, notify Contractor and order the vehicle to be held under all conditions pursuant to ARIZ. REV. STAT. § 28-3511 at Contractor's approved storage yard.
- 11.2 Any vehicle impounded at Contractor's yard pursuant to ARIZ. REV. STAT. § 28-3511 shall remain at the facility for 30 days, unless written authorization for release is obtained from CVPD.
- 11.3 The vehicle shall not be released until Contractor has received a release from CVPD except as outlined in Section 10.
- 11.4 Contractor shall store the vehicle in accordance with ARIZ. REV. STAT. § 28-3511 and shall only charge the fees outlined in this Agreement.

EXHIBIT B
TO
SERVICES AGREEMENT
BETWEEN
THE TOWN OF CHINO VALLEY
AND
TRI-CITY TOWING INC.

[Fee Schedule]

See following page.

FEE SCHEDULE

(Subject to Change)

TYPE OF SERVICE	TASKS INCLUDED	FEE
Level 1 Service	Unlock Fuel delivery (customer pays for fuel) Tire change (up to 3/4 ton) Jump starts	\$55.00
Level 2 Tow*	Basic tow: Vehicle has keys. Wheels and tires are operable. Vehicle is under 9,000 lb. GVW.	\$95.00
Level 3 Tow*	Accident tow: No keys. Wheels and tires are inoperable. Winching is under 50 feet from tow truck access. Vehicle is under 9,000 lb. GVW.	\$185.00
Level 4 Tow	Vehicle is towed pursuant to A.R.S. § 28-3511. Vehicle is towed as requested by CVPD.	\$200.00
Large Vehicle Tows	9,001 – 16,000 lb. GVW. 16,001 – 26,000 lb. GVW. 26,001 – 80,000 lb. GVW.	\$95.00/hour port to port \$135.00/hour port to port \$175.00/hour port to port
Off-Road Recovery Rate/ Standby Rate***	After first 1/2 hour on scene or vehicle is greater than 50 feet from tow truck access; Vehicle is under 9,000 GVW.	\$95.00
Recovery, Large Vehicles	9,001 – 16,000 lb. GVW. 16,001 – 80,000 lb. GVW.	\$150.00/hour \$250.00/hour
Daily Storage	Regular tow after first full 24-hour period.	\$30.00
Daily Storage	Vehicles impounded pursuant to A.R.S. § 28-3511.	\$15.00
After Hours Gate Fee**		\$65.00
Cost Per Loaded Mile		\$4.50
Filing Fee		Not to exceed \$150.00
Fuel Surcharge	Rate will be recalculated based on EIA rates if diesel prices rise to \$4.50 per gallon or higher.	15% of total service bill

* Level 2 and 3 tows include towing the vehicle inside the boundaries of the Town of Chino Valley. When the vehicle owner or agent requests vehicle be towed to a location outside the Town limits, "Cost per loaded mile" may be charged from the Town limits to the requested destination.

** After Hours Gate Fee will be charged only when the owner or agent of a vehicle requests entrance to the impound facility after normal business hours. It will not be charged when a tow is performed outside normal business hours.

*** Off-road Recovery fee will be charged only when a vehicle has to be recovered more than 50 feet from tow truck access and will be charged at the rate commensurate with the vehicle's registered GVW.

No other miscellaneous charges are allowed. These services shall be considered to be part of the towing fee and include, but are not limited to, such things as Snatch Block, Skates, no key, driveshaft removal, etc.



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

5. b.

Meeting Date: 04/27/2021
Contact Person: Will Dingee, Planner
 Phone: 928-636-4427 x-1233
Department: Development Services
Estimated length of staff presentation: None
Physical location of item: 2144 North Road 1 East

AGENDA ITEM TITLE:

Consideration and possible action to approve the two-year extension of the protected development rights for Chino Valley Properties LLC located at 2144 North Road 1 East, to continue the development of their site for the cultivation of medical marijuana. (Will Dingee, Planner)

RECOMMENDED ACTION:

Approve the two-year extension of the protected development rights for Chino Valley Properties LLC located at 2144 North Road 1 East, to continue the development of their site for the cultivation of medical marijuana.

SITUATION AND ANALYSIS:

Town Council approved the Protective Development Rights (PDR) for the cultivation of medical marijuana for Chino Valley Properties LLC in February of 2016. It allowed for the 58.3 acres site to be developed for the cultivation of medical marijuana in conjunction with the approved development plan. The original PDR gave the applicant five (5) years to complete their development with the ability to ask for a two (2) year extension. The applicant is asking for the two year extension in order to complete the development.

Town Staff is forwarding a recommendation of approval to Town Council to approve the two-year extension of the protective development rights for Chino Valley Properties LLC to continue the development of their site for the cultivation of medical marijuana.

Other Pertinent Documents Available Upon Request:

See Attached

Fiscal Impact

Fiscal Impact?: N/A
If Yes, Budget Code:
Available:
Funding Source:

Attachments

Applicant Narrative
Original Site Plan 2016



14269 N. 87th Street #205
Scottsdale, AZ 85260

CHINO VALLEY PDR RENEWAL SUBMITTAL – COVER LETTER
2144 N. Road 1 East

Town of Chino Valley
Development Services
1982 Voss Drive
Chino Valley, AZ 86323
Will Dingee; 928-636-4427
wdingee@chinoaz.net

March 26, 2021

Dear Mr. Dingee,

My name is Bryan McLaren and I represent the company, Zoned Properties. Our subsidiary, Chino Valley Properties, LLC is the owner of the facility located within the Town of Chino Valley at 2144 N. Road 1 East (Parcels: 306-14-008N, 306-14-008F, 306-14-008K, & 306-14-008M) that has been under development by and is currently being operated by Broken Arrow Herbal Center, Inc. (DBA: Hana Meds) for their AZ State Licensed and Regulated Marijuana Facility. Over the past few years our team, including Hana Meds and our local General Contractor, Sid Matilla from Ridgeview Contracting, have been coordinating with representatives of Chino Valley regarding current and future expansion to the property and its State-regulated facilities.

The objective for this PDR Renewal and for this submittal package is to outline our current and future expansion plans for the site, and to work collaboratively with you and your office to identify any required development processes or strategies for this property, and to seek approval for the renewal of the PDR associated with this project. It is our intention to develop this property with sustainability principles in mind, which include maximizing the environmental, social, and economic value of both the property and the surrounding community.

Thank you for taking the time to review this submittal. Please feel free to contact me if you have any questions or comments. We would most appreciate being advised of any upcoming meetings or opportunities to work on this process together. At this time, we request your cooperation in the approval of this PDR Renewal and working together collaboratively to outline the development of this property in the future.

Sincerely,

Bryan McLaren
Bryan@zonedproperties.com



14269 N. 87th Street #205
Scottsdale, AZ 85260

**PROTECTED DEVELOPMENT RIGHTS (PDR) - RENEWAL
PLAN & PROJECT NARRATIVE
FOR ~47 ACRES**

SEC OF Arizona State Route 89 and Road 3 ½ North

Submitted on behalf of:
Broken Arrow Herbal Center, Inc. (Property Operator)
&
Chino Valley Properties, LLC (Property Owner)

Submitted by:
Bryan McLaren
Zoned Properties, Inc.,
c/o Chino Valley Properties, LLC
14269 N. 87th Street #205
Scottsdale, AZ 85260
877-360-8839
bryan@zonedproperties.com

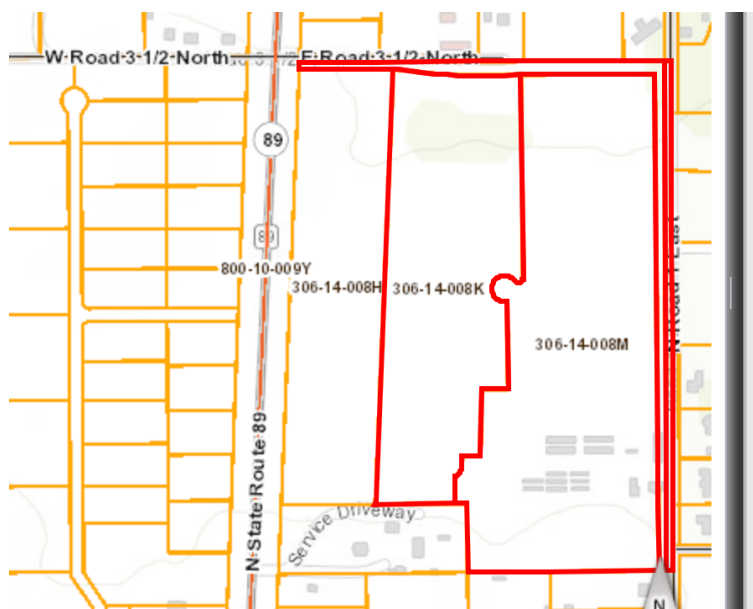
Submitted to:
The Town of Chino Valley ("Town")
Development Services
Planning and Zoning Division
1982 Voss Drive
Chino Valley, AZ 86323

Submitted: March 26, 2021

www.zonedproperties.com
877-360-8839

Purpose of Request

Zoned Properties, on behalf of Broken Arrow Herbal Center, Inc. and Chino Valley Properties, LLC ("Property Representatives"), is pleased to submit this project narrative to the Town of Chino Valley in support of the renewal of our Protected Development Rights plan ("PDR") on approximately 47 acres of property. The PDR includes this project narrative and all exhibits described herein. The Property, shown below in red, is commonly known as Yavapai County Parcels #306-14-008K and #306-14-008M, and the adjacent right-of-way parcels ("the Property"). Legal descriptions for the two primary parcels are attached under **Exhibit A** of this narrative. The Property Representatives are filing an application for PDR Renewal consistent with the enabling authority available to the Town of Chino Valley in A.R.S §9-1201 et seq. Pursuant to Arizona Revised Statutes §9-1202(C), a more detailed site plan for any future development phase of the PDR will be submitted for approval prior to development of each phase, as such has been properly completed during the initial 5-year period of the original PDR approved in 2016.



4 Parcels were found matching
'CHINO VALLEY PROPERTIES'

Please Select:

**Chino Valley Properties Llc -
 Scottsdale, AZ**

306-14-008N - N/a

**Chino Valley Properties Llc -
 Scottsdale, AZ**

306-14-008K - Address Unspecified

**Chino Valley Properties Llc -
 Scottsdale, AZ**

306-14-008F - Address Unspecified

**Chino Valley Properties Llc -
 Scottsdale, AZ**

306-14-008M - 2148 N Road 1 East



14269 N. 87th Street #205
Scottsdale, AZ 85260

Description of Current and Future Development

Property Representatives have been coordinating with local representatives from the Town of Chino Valley throughout the entire development of the Property. In February 2020, the Property was approved for its current phase of development shown in **Exhibit B** including the existing and planned expansion of a licensed marijuana facilities and structures within the enclosed and secured fence perimeter. Additional uses currently under operations include administrative and office support.

The Property Representatives anticipate that the current phase of development will be completed within the next few months. Any future development will be consistent with the approved Site Plan, as reflected in **Exhibit B** and any and all future development would proceed through the typical Town of Chino building approval and permitting process complying with applicable building codes.

Development Team

Property Owner:	Chino Valley Properties, LLC C/O: Zoned Properties, Inc. 14269 N. 87 th Street #205 Scottsdale, AZ 85260 Attn: Bryan McLaren 877-360-8839
Property Operator:	Broken Arrow Herbal Center, Inc. 2144 N. Road 1 East Chino Valley, AZ 86323 Attn: Delano Phillips or Val knight 480-248-6013

Conclusion & Request for Approval

Approval of the this PDR Renewal will allow for the continued development of a well-designed and operated Commercial enterprise in Chino Valley. The Property Representatives respectfully requests that the Mayor and Town Council approve the PDR Renewal related to the Property, and we look forward to continuing our work with the Town of Chino Valley.



14269 N. 87th Street #205
Scottsdale, AZ 85260

EXHIBIT A

Parcel Legal Descriptions

Escrow No. 68150794-068-BR

LEGAL DESCRIPTION

All that portion of the Southeast quarter of Section 10, Township 16 North, Range 2 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as described in Book 4644 of Official Records, Page 294, on file in the office of the Yavapai County Recorder and further shown on the Record of Survey recorded in Book 103 of Land Surveys, Page 81, on file in the office of the Yavapai County Recorder, said portion thereof being more particularly described as follows:

Commencing at the Southeast corner of said Section 10;

Thence North 00 degrees 12 minutes 00 seconds West, a distance of 686.48 feet to a point on the East line of said Section 10 and the centerline of Road 1 East in the Town of Chino Valley, Arizona;

Thence South 89 degrees 47 minutes 42 seconds West, a distance of 25.00 feet, to a point on the West right of way line of said Road 1 East;

Thence continuing South 89 degrees 47 minutes 42 seconds West, a distance of 761.32 feet;

Thence North 00 degrees 13 minutes 03 seconds West, a distance of 277.13 feet;

Thence South 89 degrees 57 minutes 43 seconds West, a distance of 47.73 feet, to the POINT OF BEGINNING;

Thence continuing South 89 degrees 57 minutes 43 seconds West, a distance of 304.32 feet;

Thence North 02 degrees 42 minutes 45 seconds East, a distance of 1659.41 feet, to the beginning of a non-tangent curve, concave to the Southwest, with a radius of 1304.26 feet, the radius point of which bears South 02 degrees 58 minutes 26 seconds West;

Thence Southeasterly along said curve, through a delta angle of 04 degrees 49 minutes 41 seconds, an arc distance of 109.91 feet, the chord bearing of which is South 84 degrees 36 minutes 43 seconds East, with a chord distance of 109.87 feet, to a point of reverse curve, concave to the Northeast, with a radius of 1382.26 feet, the radius point of which bears North 07 degrees 48 minutes 07 seconds East;

Thence Southeasterly along said curve, through a delta angle of 07 degrees 49 minutes 21 seconds, an arc distance of 188.72 feet, the chord bearing of which is South 86 degrees 06 minutes 33 seconds East, with a chord distance of 188.57 feet;

Thence North 89 degrees 58 minutes 46 seconds East, a distance of 193.04 feet;

Thence South 00 degrees 12 minutes 00 seconds East, a distance of 777.65 feet, to the beginning of a tangent curve, concave to the Northwest, with a radius of 15.50 feet, the radius point of which bears South 89 degrees 48 minutes 00 seconds West;

Thence Southwesterly along said curve, through a delta angle of 146 degrees 05 minutes 10 seconds, an arc distance of 39.52 feet, the chord bearing of which is South 72 degrees 50 minutes 35 seconds West, with a chord distance of 29.65 feet, to a point of reverse curve, concave to the Southeast, with a radius of 50.00 feet, the radius point of which bears South 55 degrees 53 minutes 10 seconds West;

Thence Southerly along said curve, through a delta angle of 246 degrees 36 minutes 10 seconds, an arc distance of 215.20 feet, the chord bearing of which is South 22 degrees 35 minutes 05 seconds West, with a chord distance of 83.58 feet;

Lgldescr

Thence South 00 degrees 12 minutes 00 seconds East, a distance of 335.33 feet;

Thence South 89 degrees 57 minutes 43 seconds West, a distance of 102.06 feet;

Thence South 01 degrees 05 minutes 30 seconds West, a distance of 255.06 feet;

Thence South 89 degrees 57 minutes 43 seconds West, a distance of 69.69 feet;

Thence South 02 degrees 43 minutes 15 seconds West, a distance of 31.98 feet, to the beginning of a tangent curve, concave to the Northwest, with a radius of 52.00 feet, the radius point of which bears North 87 degrees 16 minutes 45 seconds West;

Thence Southwesterly along said curve, through a delta angle of 60 degrees 35 minutes 42 seconds, an arc distance of 54.99 feet, the chord bearing of which is South 33 degrees 01 minutes 06 seconds West, with a chord distance of 52.47 feet;

Thence South 00 degrees 50 minutes 00 seconds West, a distance of 104.35 feet, to the POINT OF BEGINNING.

Lglidesor

Escrow No. 68150795-068-BR

LEGAL DESCRIPTION

All that portion of the Southeast quarter of Section 10, Township 16 North, Range 2 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as described in Book 4644 of Official Records, Page 294, on file in the office of the Yavapai County Recorder and further shown on the Record of Survey recorded in Book 103 of Land Surveys, Page 81, on file in the office of the Yavapai County Recorder, said portion thereof being more particularly described as follows:

Commencing at the Southeast corner of said Section 10;

Thence North 00 degrees 12 minutes 00 seconds West, 686.48 feet to a point on the East line of said Section 10 and the centerline of Road 1 East in the Town of Chino Valley, Arizona;

Thence South 89 degrees 47 minutes 42 seconds West, a distance of 25.00 feet, to a point on the West right-of-way line of said Road 1 East;

Thence continuing South 89 degrees 47 minutes 42 seconds West, a distance of 25.00 feet, to the POINT OF BEGINNING;

Thence North 00 degrees 12 minutes 00 seconds West, 25.00 feet West of and parallel to the said West right of way line of said Road 1 East, a distance of 1908.96 feet;

Thence South 89 degrees 58 minutes 46 seconds West, a distance of 513.66 feet;

Thence South 00 degrees 12 minutes 00 seconds East, a distance of 777.65 feet, to the beginning of a tangent curve, concave to the Northwest, with a radius of 15.50 feet, the radius point of which bears South 89 degrees 48 minutes 00 seconds West;

Thence Southwesterly along said curve, through a delta angle of 146 degrees 05 minutes 10 seconds, an arc distance of 39.52 feet, the chord bearing of which is South 72 degrees 50 minutes 35 seconds West, with a chord distance of 29.65 feet, to a point of reverse curve, concave to the Southeast, with a radius of 50.00 feet, the radius point of which bears South 55 degrees 53 minutes 10 seconds West;

Thence Southerly along said curve, through a delta angle of 246 degrees 36 minutes 10 seconds, an arc distance of 215.20 feet, the chord bearing of which is South 22 degrees 35 minutes 05 seconds West, with a chord distance of 83.58 feet;

Thence South 00 degrees 12 minutes 00 seconds East, a distance of 335.33 feet;

Thence South 89 degrees 57 minutes 43 seconds West, a distance of 102.06 feet;

Thence South 01 degrees 05 minutes 30 seconds West, a distance of 255.06 feet;

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Thence South 02 degrees 43 minutes 15 seconds West, a distance of 31.98 feet, to the beginning of a tangent curve, concave to the Northwest, with a radius of 52.00 feet, the radius point of which bears North 87 degrees 16 minutes 45 seconds West;

Thence Southwesterly along said curve, through a delta angle of 60 degrees 35 minutes 42 seconds, an arc distance of 54.99 feet, the chord bearing of which is South 33 degrees 01 minutes 06 seconds West, with a chord distance of 52.47 feet;

Lgldescr

Thence South 00 degrees 50 minutes 00 seconds West, a distance of 104.35 feet;

Thence North 89 degrees 57 minutes 43 seconds East, a distance of 47.73 feet;

Thence South 00 degrees 13 minutes 03 seconds East, a distance of 277.13 feet;

Thence North 89 degrees 47 minutes 42 seconds East, a distance of 736.32 feet, to the POINT OF BEGINNING.

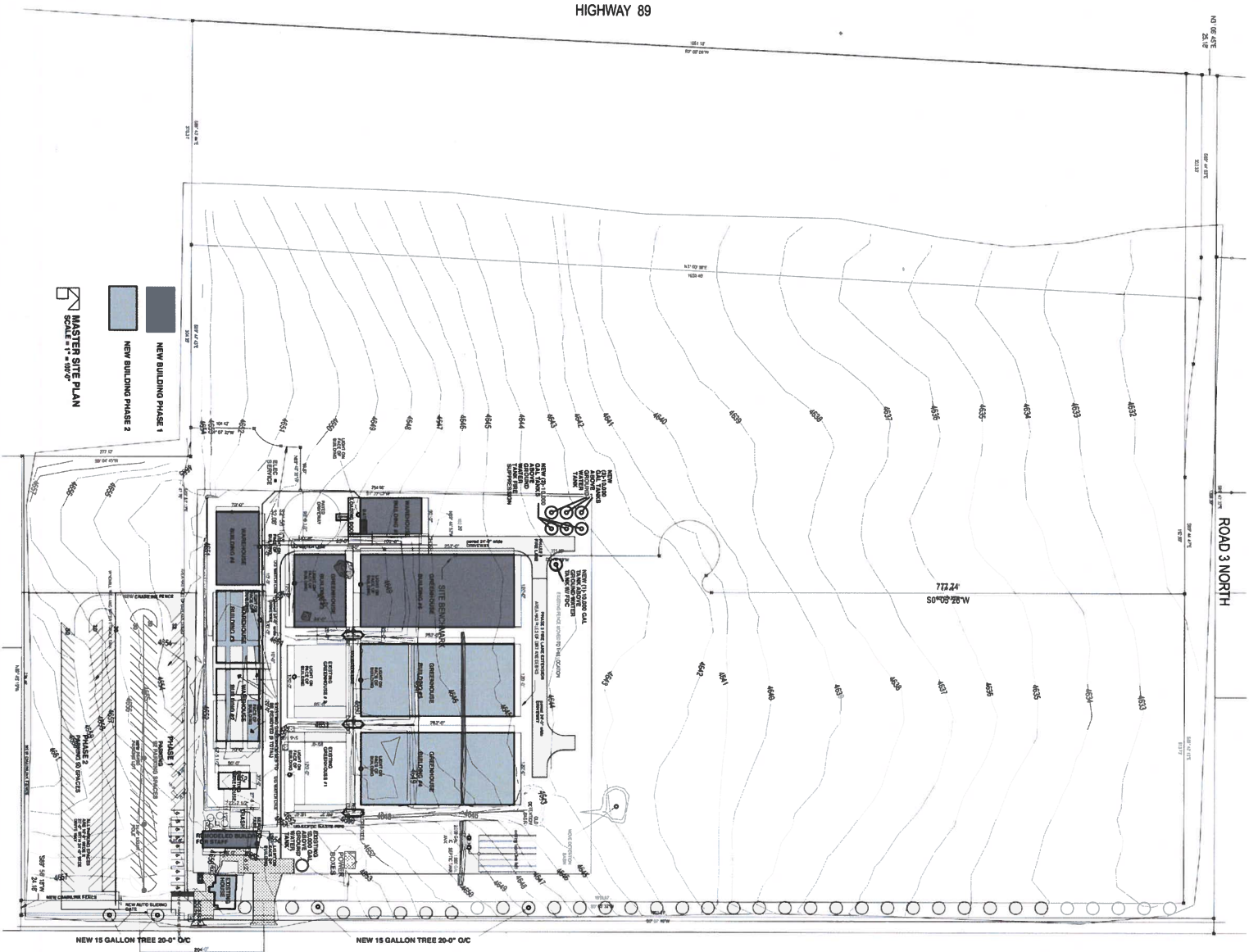
Lgldescr



14269 N. 87th Street #205
Scottsdale, AZ 85260

EXHIBIT B

Approved Expansion and Development Site Plan



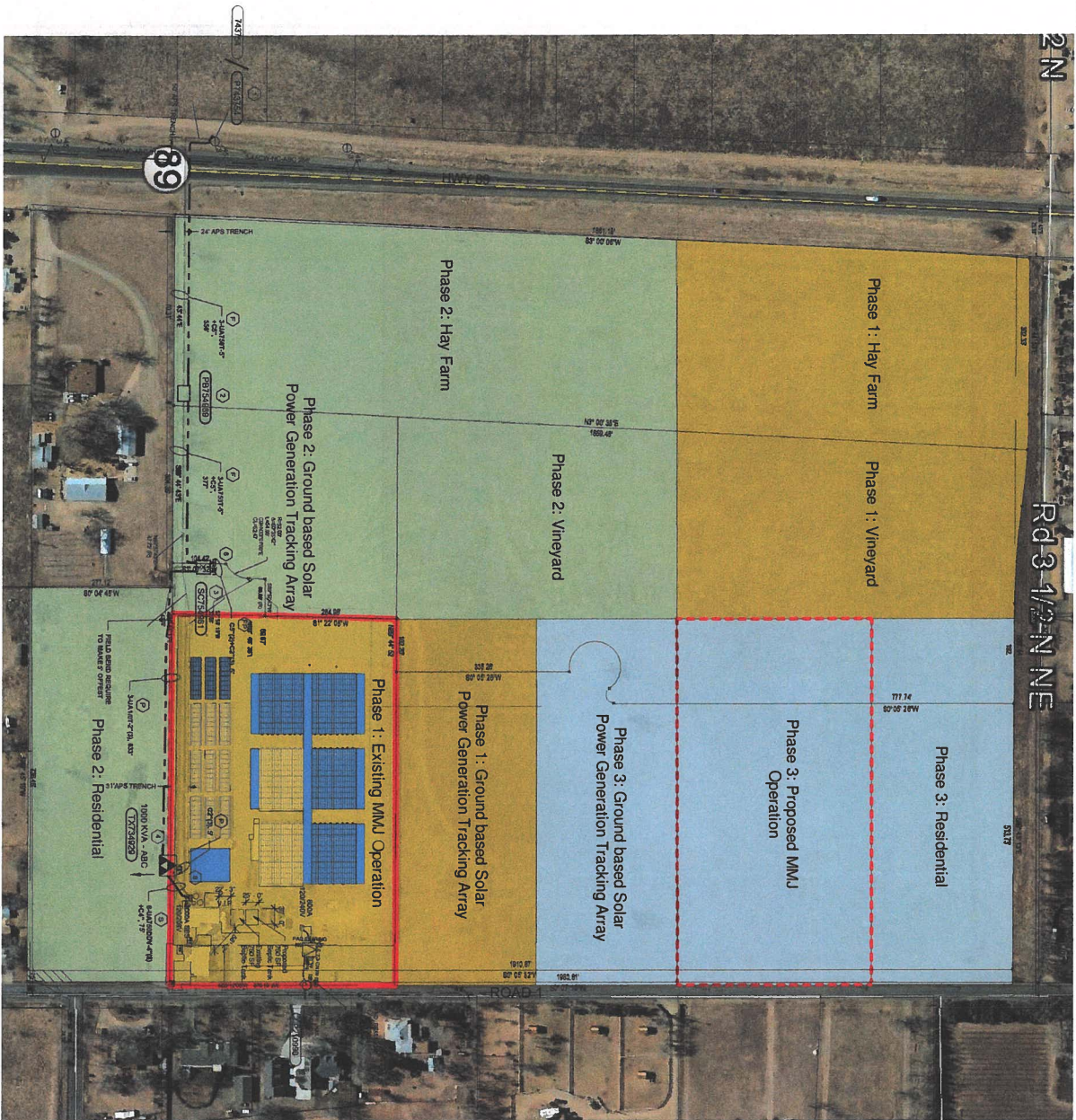
PROJECT DATA:	
SCOPE OF WORK:	
PHASE 1: BUILDINGS TO EXISTING CAMPUS, REPOSEL, ADMINISTRATION BUILDING AND ADD PARKING LOT WITH FENCING.	
PHASE 2: ADD 4 NEW BUILDINGS TO EXISTING CAMPUS	
OWNER:	
CHINO VALLEY PROPERTIES LLC	
ADDRESS:	
1428 N 8TH ST, STE 205	
SCOTTSDALE, AZ 85260	
ADDRESS:	
2148 NORTH ROAD 1 EAST	
CHINO VALLEY, AZ 85323	
ZONING:	
CL / AFS	
AREA:	
GREENHOUSE NO 1	
11,233 SF	
GREENHOUSE NO 2	
10,251 SF	
WAREHOUSE	
1,380 SF	
ADMIN BUILDING	
1,906 SF	
EXISTING GREENHOUSES (9)	
14,625 SF (TO BE REMOVED)	
TOTAL	
41,392 SF	
NEW PHASE 1	
WAREHOUSE NO 4	
8,400 SF	
WAREHOUSE NO 5	
7,200 SF	
GREENHOUSE NO 3	
10,000 SF	
GREENHOUSE NO 8	
30,240 SF	
TOTAL	
55,800 SF	
NEW PHASE 2	
WAREHOUSE NO 2	
10,000 SF	
WAREHOUSE NO 3	
10,000 SF	
GREENHOUSE NO 4	
30,240 SF	
TOTAL	
80,640 SF	
SITE AREA:	
48.44 ACRES OR 2,022,826 SQ. FT.	
LOT COVERAGE:	
PHASE 1: 120,000 SF / 55,120 / 2,022,826 SQ. FT. = 4.06%	
PHASE 2: 236,160 SF / 55,120 + 80,640 / 2,022,826 SQ. FT. = 8.03%	
OCCUPANCY: EXISTING 41,392 SQ. FT. = 83 OCCUPANTS	
PHASE 1: 55,800 SQ. FT. = 111 OCCUPANTS	
PHASE 2: 80,640 SQ. FT. = 162 OCCUPANTS	
TOTAL	
356 OCCUPANTS	
PARKING PROVIDED:	
EXISTING	
26,797 SF / 900 = 30 REQUIRED	
PHASE 1	
55,800 SF / 900 = 62 REQUIRED	
PHASE 2	
80,640 SF / 900 = 90 SPACES REQUIRED	
TOTAL	
136 SPACES (10 ACCESSIBLE)	
PROPOSED LANDSCAPE AREA: \$3,388 SF	
OR 2.8% LANDSCAPE OF WHOLE SITE	
PLUMBING FIXTURES:	
MEN 178 OOC	
WOMEN 178 OOC	
MEN 178 OOC	
WOMEN 178 OOC	
1400 SF / 1 SERVICE SINK	
PROVIDED	
MEN 1400 SF	
WOMEN 1400 SF	
1 DRINKING FOUNTAIN, 1 SERVICE SINK	

Full Site Plan by 1.
Approved By: [Signature]
Date: 2/10/20

- GENERAL NOTES:**
- A. ALL SUBMITTALS TO BE DESIGNED TO 2018 INTERNATIONAL BUILDING CODE, 2017 NATIONAL ELECTRICAL CODE, 2010 ADA STANDARDS FOR ACCESSIBLE DESIGN.
- B. BUILDING DESIGN CRITERIA: 30 LB ROOF SNOW LOAD (NON REDUCIBLE), 115 MPH WIND (3 SECOND GUST), SEISMIC ZONE C, EXPOSURE CATEGORY C
- C. STREET WIDTH SHALL BE 20'-0" WIDE, WITH 26 FEET WIDE AT FIRE HYDRANTS. PROVIDE NO PARKING SIGNS ON BOTH SIDES OF STREETS LESS THAN 26 FEET WIDE AND ON ONE SIDE OF THE STREET IF LESS THAN 32 FEET WIDE
- D. FIRE LANE ROADS SHALL SUPPORT THE WEIGHT OF 75,000 POUND APPARATUS AND SHALL BE OF AN ALL WEATHER SURFACE.
- E. EACH STRUCTURE SHALL BE INDIVIDUALLY MARKED TO ASSIST EMERGENCY RESPONSE. THESE NUMBERS OR LETTERS SHALL BE PROPORTIONATE TO THE BUILDING WITH A MINIMUM OF SIX INCHES IN HEIGHT AND A CONTRASTING COLOR ON THE BACKGROUND TO WHICH THEY ARE ATTACHED. CENTRAL ARIZONA FIRE SHALL APPROVE THE LOCATION OF THE ADDRESS NUMBERS.
- F. STRUCTURES GREATER THAN 5,000 SF REQUIRE FIRE FIRE SPRINKLERS AND FIRE ALARMS.
- G. FIRE PROTECTION SYSTEM PERMITS AND PLANS ARE DEFERRED SUBMITTING DIRECTLY TO CAFMA. (GREEN HOUSES THAT ARE NOT ENCLOSED STRUCTURES MAY BE EXEMPT FROM THIS REQUIREMENT)
- H. FIRE EXTINGUISHERS ARE REQUIRED.
- I. A FIRE DEPARTMENT CONNECTION IS REQUIRED ON THE WATER TANK. SET UP A SITE VISIT WITH CAFMA TO DETERMINE SECOND WATER TANK LOCATION AND DIRECTION FOR FIRE DEPARTMENT CONNECTION TO FACE.

CHINO VALLEY PROPERTIES LLC
2148 NORTH ROAD 1 EAST
CHINO VALLEY, AZ 86323
APN 306-14-008M, 306-14-008K, 306-14-008N





Property Owner / Parcel Number
(Zoning Designation):

ABA Enterprises, LLC / APN 306-14-008H
(Commercial Light/AR-5)
Chino Valley Properties, LLC / APN 306-14-008K
(Commercial Heavy)
Chino Valley Properties, LLC / APN 306-14-008M
(Commercial Light/AR-5)

Utility Provider:

Water Pumped Well Access
Sewer Septic
Electricity APS
Gas Southwest Gas
Cable Cable One
Telephone N/A
Police Chino Valley Police Department
Fire Chino Valley Fire Department

Legal Description:

See Exhibits A, B and C

General Notes:

Pursuant to A.R.S. §9-1202(C), a more detailed plan for each phase of the plan will be submitted prior to the development of each phase.

Land Use Schedule			
Proposed Use	Area	Acres	Percentage
Phase 1: Existing MMU Operation	66,598.19 SF	1.53	
Phase 1: Ground based Solar Power Generation Tracking Array	385,966.84 SF	8.86	
Phase 1: Hay Farm	254,484.78 SF	5.84	
Phase 1: Vineyard	229,381.73 SF	5.27	
P1	936,461.54 SF	21.50	
Phase 2: Ground based Solar Power Generation Tracking Array	172,232.32 SF	3.95	
Phase 2: Hay Farm	36,404.51 SF	0.83	
Phase 2: Residential	210,721.24 SF	4.84	
Phase 2: Vineyard	203,568.82 SF	4.67	
P2	547,936.89 SF	12.57	
Phase 3: Ground based Solar Power Generation Tracking Array	182,523.04 SF	4.12	
Phase 3: Hay Farm	267,107.46 SF	6.13	
Phase 3: Proposed MMU Operation	185,346.36 SF	4.24	
P3	635,050.86 SF	14.54	
Grand total: 14	4,509,944.30 SF	103.30	

- ☐ Proposed MMU Operation
- ☐ Existing MMU Operation
- ☐ Existing Building To Remain
- ☐ Proposed Building Expansion

Map Scale: 1" = 100' 0"



ZONED PROPERTIES INC.
P.O. Box 10000
Chino Valley, AZ 86303
Phone: 928-281-1000
Fax: 928-281-1001
Email: info@zonedproperties.com



No.	Description	Date
1	Phase 1: Existing MMU Operation	12/17/15
2	Phase 1: Ground based Solar Power Generation Tracking Array	12/17/15
3	Phase 1: Hay Farm	12/17/15
4	Phase 1: Vineyard	12/17/15
5	Phase 2: Ground based Solar Power Generation Tracking Array	12/17/15
6	Phase 2: Hay Farm	12/17/15
7	Phase 2: Residential	12/17/15
8	Phase 2: Vineyard	12/17/15
9	Phase 3: Ground based Solar Power Generation Tracking Array	12/17/15
10	Phase 3: Hay Farm	12/17/15
11	Phase 3: Proposed MMU Operation	12/17/15

CHINO VALLEY PROPERTIES, LLC
Chino Valley PCHP Drawings

Exhibit D
Phased Protected
Development Right Plan
5 Year

C1

Drawn by: [Name]
Checked by: [Name]
Date: 12/17/15

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

5. c.

Meeting Date: 04/27/2021
Contact Person: Joe Duffy, Finance Director
 Phone: 928-636-2646 x-1211
Department: Finance
Estimated length of staff presentation: None
Physical location of item: N/A

AGENDA ITEM TITLE:

Consideration and possible action to approve the Financial Report for the nine months ending March 31, 2021. (Joe Duffy, Administrative Services Director)

RECOMMENDED ACTION:

Approve Financial Report for the nine months ending March 31, 2021.

SITUATION AND ANALYSIS:

The Finance Department prepares Financial Reports for the Mayor, Council, Staff and Community.

Upon Council approval, the reports will be posted on the Town's website.

The report includes the following sections:

Revenue and Expense Summary - This section details the Revenues and Expenditures of each fund. Comparing the year to date figures to the current year's annual budget and the prior year's month to date figures.

Major Revenue Summary - This section details the year to date figures for the Town's eight major revenue sources that account for 75% of the Town's Revenue.

Other Information - This section details other pertinent financial and statistical information including the amount of Contingencies Fund that have been allocated this fiscal year and a debt summary.

The Finance Director will supplement these reports with periodic presentations and other information throughout the fiscal year.

Fiscal Impact

Fiscal Impact?: No

If Yes, Budget Code:

Town of Chino Valley

Arizona

Financial Report



To The Town Council

For the Nine Months Ending March 31, 2021 75% of the Fiscal Year*

* Tentative and Preliminary prior to annual audit

Town of Chino Valley						
Revenue and Expense Summary						
For the Nine Months Ending March 31, 2021 75% of the Fiscal Year*						
			Actual vs Prior Year			
	Actual Year to Date FY 2019-20	Actual Year to Date FY 2020-21	Amount	% FY 2020-21/ FY 2019-20	Annual Budget FY 2020/21	% of Budget YTD
GENERAL FUND						
General Fund Revenues by Category						
Franchise Taxes	\$ 68,043	\$ 69,120	\$ 1,077	2%	\$ 129,000	54%
Tax Revenues	\$ 4,222,038	\$ 5,075,727	\$ 853,689	20%	\$ 5,642,000	90%
Licenses & Permits	\$ 361,318	\$ 471,489	\$ 110,171	30%	\$ 464,000	102%
Intergovernmental	\$ 2,846,218	\$ 3,804,522	\$ 958,304	34%	\$ 3,957,500	96%
Charges for Services	\$ 69,484	\$ 36,172	\$ (33,312)	-48%	\$ 136,500	26%
Fines and Forfeitures	\$ 92,919	\$ 109,897	\$ 16,978	18%	\$ 183,000	60%
Other Revenues	\$ 12,990	\$ 8,148	\$ (4,842)	-37%	\$ 6,000	136%
Contributions and Donations	\$ 1,828	\$ -	\$ (1,828)	-100%	\$ 1,500	0%
Investment Earnings	\$ 90,390	\$ 3,207	\$ (87,183)	-96%	\$ 121,000	3%
Transfers In	\$ 300,000	\$ 300,000	\$ -	0%	\$ 400,000	75%
Total Revenues	\$ 8,065,228	\$ 9,878,282	\$ 1,813,054	22%	\$ 11,040,500	89%
Total revenues for the General Fund are up \$1,813,054 or 22% over the previous fiscal year. Total Tax Revenues are up 20% primary due to increased sales tax collections. Intergovernmental Revenues are up 34% due to the Arizona Cares Act receipt of \$503,460. Licenses and Permits are up reflecting and increase in Building Permits and Plan Check Fees. Charges for Services are down due to not opening the Aquatic Center and Investment Earnings are down due to reduced returns from the State Treasurer's Office.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Nine Months Ending March 31, 2021 75% of the Fiscal Year*						
			Actual vs Prior Year			
	Actual Year to Date FY 2019-20	Actual Year to Date FY 2020-21	Amount	% FY 2020-21/ FY 2019-20	Annual Budget FY 2020/21	% of Budget YTD
General Fund Expenditures by Department						
Prosecutor	\$ 88,486	\$ 88,374	\$ (112)	0%	\$ 127,800	69%
Town Clerk	\$ 147,422	\$ 195,753	\$ 48,331	33%	\$ 287,200	68%
Town Manager	\$ 325,245	\$ 354,912	\$ 29,667	9%	\$ 443,700	80%
Human Recourses	\$ 181,685	\$ 193,419	\$ 11,734	6%	\$ 267,200	72%
Municipal Court	\$ 212,345	\$ 221,418	\$ 9,073	4%	\$ 318,100	70%
Finance	\$ 342,219	\$ 354,271	\$ 12,052	4%	\$ 472,400	75%
Management Information Systems	\$ 200,402	\$ 180,469	\$ (19,933)	-10%	\$ 314,300	57%
Mayor and Council	\$ 32,038	\$ 35,610	\$ 3,572	11%	\$ 51,200	70%
Planning	\$ 146,618	\$ 120,805	\$ (25,813)	-18%	\$ 260,800	46%
Building Inspection	\$ 233,919	\$ 209,608	\$ (24,311)	-10%	\$ 323,500	65%
Police	\$ 2,579,601	\$ 2,588,830	\$ 9,229	0%	\$ 3,449,700	75%
Animal Control	\$ 98,905	\$ 110,382	\$ 11,477	12%	\$ 166,600	66%
Recreation	\$ 128,025	\$ 88,667	\$ (39,358)	-31%	\$ 158,800	56%
Library	\$ 234,164	\$ 256,549	\$ 22,385	10%	\$ 385,300	67%
Senior Center	\$ 252,642	\$ 225,904	\$ (26,738)	-11%	\$ 333,200	68%
Parks Maintenance	\$ 465,320	\$ 360,353	\$ (104,967)	-23%	\$ 580,700	62%
Aquatic Center	\$ 116,975	\$ 42,989	\$ (73,986)	-63%	\$ 293,700	15%
Facilities Maintenance	\$ 282,312	\$ 548,450	\$ 266,138	94%	\$ 508,100	108%
Fleet Maintenance	\$ 162,110	\$ 128,281	\$ (33,829)	-21%	\$ 277,400	46%
Engineering	\$ 353,474	\$ 350,689	\$ (2,785)	-1%	\$ 487,000	72%
Customer Service	\$ 70,016	\$ 66,814	\$ (3,202)		\$ 94,200	71%
Non Departmental	\$ 713,979	\$ 2,398,294	\$ 1,684,315	236%	\$ 1,939,600	124%
Total Expenditures	\$ 7,367,902	\$ 9,120,841	\$ 1,752,939	24%	\$ 11,540,500	79%
Total Revenue Over (Under) Total Expenditures	\$ 697,326	\$ 757,441	\$ 60,115		\$ (500,000)	
GENERAL FUND (Continued)						
Total General Fund Expenditures are up \$1,752,939 or 24% compared to last fiscal year due to the Az Cares Act Transfer to the HURF Fund of \$1,420,731. Each department should be under 75% of budget. Town Manager is up due to the hiring of the new Town Manager. Facilities Maintenance is up to due to the Memory Park Restroom expenses. In total General Fund Departments are at 79% of their budget.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Nine Months Ending March 31, 2021 75% of the Fiscal Year*						
				Actual vs Prior Year		
	Actual Year to Date FY 2019-20	Actual Year to Date FY 2020-21	Amount	% FY 2020-21/ FY 2019-20	Annual Budget FY 2020/21	% of Budget YTD
HIGHWAY USER REVENUE FUND						
Total Revenues	\$ 1,088,689	\$ 2,793,942	\$ 1,705,253	157%	\$ 1,031,000	271%
Transfers From General Fund					\$ 675,000	
Expenditures						
Road Maintenance	\$ 1,113,213	\$ 666,923	\$ (446,290)	-40%	\$ 1,706,000	39%
Total Revenue Over (Under) Total Expenditures	\$ (24,524)	\$ 2,127,019	\$ 2,151,543		\$ -	
Total Hurf Fund Revenues are up 157% over the prior fiscal year due to the Az Cares Act Transfer from the General Fund. Expenditures are down 40% but will be up once the Road 2 North project is completed for \$1,104,000.						
WATER ENTERPRISE FUND						
Water Revenues	\$ 687,497	\$ 776,458	\$ 88,961		\$ 784,000	
Total Revenues	\$ 687,497	\$ 776,458	\$ 88,961	13%	\$ 784,000	99%
Expenditures						
Water Utility Operations	\$ 403,297	\$ 668,235	\$ 264,938		\$ 680,700	
Debt Service/Reserve	\$ 18,813	\$ 62,738	\$ 43,925		\$ 70,500	
Water System Acquisition						
Total Expenditures	\$ 422,110	\$ 730,973	\$ 308,863	73%	\$ 751,200	97%
Total Revenue Over (Under) Total Expenditures	\$ 265,387	\$ 45,485	\$ (219,902)		\$ 32,800	
Total Water Enterprise Fund Revenues are up 13% due to a 20% increase in water service fee revenue and a 8% increase in Water Buy in fees compared to last fiscal year. Total expenditures are up 73% due to continued work on the new building.						
SEWER ENTERPRISE FUND						
Total Revenue	\$ 1,570,292	\$ 1,598,445	\$ 28,153	2%	\$ 2,355,000	68%
Expenditures						
Sewer	\$ 487,810	\$ 1,156,016	\$ 668,206		\$ 1,449,600	
Debt Service/Reserve/Capital	\$ 132,185	\$ 105,849	\$ (26,336)		\$ 1,381,100	
Total Expenditures	\$ 619,995	\$ 1,261,865	\$ 641,870	104%	\$ 2,830,700	45%
Total Revenue Over (Under) Total Expenditures	\$ 950,297	\$ 336,580	\$ (613,717)		\$ (475,700)	
Total Sewer Enterprise Fund Revenues are up 2% primarily due to an increase in the number of sewer accounts. Total expenditures are up due to continued work on the new building.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Nine Months Ending March 31, 2021 75% of the Fiscal Year*						
			Actual vs Prior Year			
	Actual Year to Date FY 2019-20	Actual Year to Date FY 2020-21	Amount	% FY 2020-21/ FY 2019-20	Annual Budget FY 2020/21	% of Budget YTD
CAPITAL IMPROVEMENT FUND						
Sales Tax Revenue	\$ 1,407,347	\$ 1,691,909	\$ 284,562	20%	\$ 1,887,000	
Transfer From General Fund	\$ 322,950	\$ -	\$ (322,950)			
Misc. Capital Projects	\$ -				\$ 2,000,000	
Yavapai Drainage District					\$ 130,000	
Total Revenues	\$ 1,730,297	\$ 1,691,909	\$ (38,388)	-2%	\$ 4,017,000	42%
Yavapai Drainage District	\$ 4,735	\$ 121,311	\$ 116,576			
Capital Improvements	\$ 620,763	\$ 518,931	\$ (101,832)		\$ 3,550,000	
Transfers	\$ 968,250	\$ 1,029,744	\$ 61,494		\$ 1,373,000	
Total Expenditures	\$ 1,589,013	\$ 1,548,675	\$ (40,338)	-3%	\$ 4,923,000	31%
Total Revenue Over (Under) Total Expenditures	\$ 141,284	\$ 143,234	\$ 1,950		\$ (906,000)	
Capital Improvement Fund Tax Revenues are up 20% over last fiscal year. Expenditures are down 3%. Transfers are up in line with the amount budgeted this fiscal year.						

Town of Chino Valley						
Revenue and Expense Summary						
For the Nine Months Ending March 31, 2021 75% of the Fiscal Year*						
				Actual vs Prior Year		
	Actual Year to Date FY 2019-20	Actual Year to Date FY 2020-21	Amount	% FY 2020-21/ FY 2019-20	Annual Budget FY 2020/21	% of Budget YTD
OTHER MINOR FUNDS						
Other Minor Funds -Revenues						
CDBG Grant	\$ 318,600		\$ (318,600)			
Grants Fund	\$ 133,628	\$ 528,888	\$ 395,260		\$ 3,500,000	
Special Revenue Fund Court	\$ 21,547	\$ 16,873	\$ (4,674)		\$ 26,100	
Capital Asset Replacement	\$ 9,008	\$ 7,771	\$ (1,237)		\$ 14,000	
Special Revenue Fund PD	\$ 7,045	\$ 985	\$ (6,060)		\$ 12,000	
CVSLID Districts	\$ 3,901	\$ 2,529	\$ (1,372)		\$ 4,200	
Total Revenues	\$ 493,729	\$ 557,046	\$ 63,317	13%	\$ 3,556,300	16%
CDBG Grant	\$ 318,600		\$ (318,600)			
Grants Funds	\$ 96,297	\$ 478,306	\$ 382,009		\$ 3,500,000	
Special Revenue Fund - Court	\$ 15,278	\$ 9,705	\$ (5,573)		\$ 43,500	
Capital Replacement Fund	\$ 29,446	\$ 14,664	\$ (14,782)		\$ 150,000	
Special Revenue Fund PD	\$ 3,232	\$ 1,317	\$ (1,915)		\$ 34,000	
CVSLID Districts	\$ 2,842	\$ 2,869	\$ 27		\$ 4,000	
Total Expenditures	\$ 465,695	\$ 506,861	\$ 41,166	9%	\$ 3,731,500	14%
Total Revenue Over (Under) Total Expenditures	\$ 28,034	\$ 50,185	\$ 22,151		\$ (175,200)	
TOTAL ALL FUNDS						
Total Revenue All Funds	\$ 13,635,732	\$ 17,296,082	\$ 3,660,350	27%	\$ 22,783,800	76%
Total Expenditures All Funds	\$ 11,577,928	\$ 13,836,138	\$ 2,258,210	20%	\$ 25,482,900	54%
Total Revenue Over (Under) Total Expenditures All Funds	\$ 2,057,804	\$ 3,459,944	\$ 1,402,140		\$ (2,699,100)	
(1) Budget does not include Carryover Amounts from Prior Fiscal Years						
(2) Year to date amounts include actual expenditures paid to date.						

Town of Chino Valley
Major Revenue Summary
For the Nine Months Ending March 31, 2021 75% of the Fiscal Year*

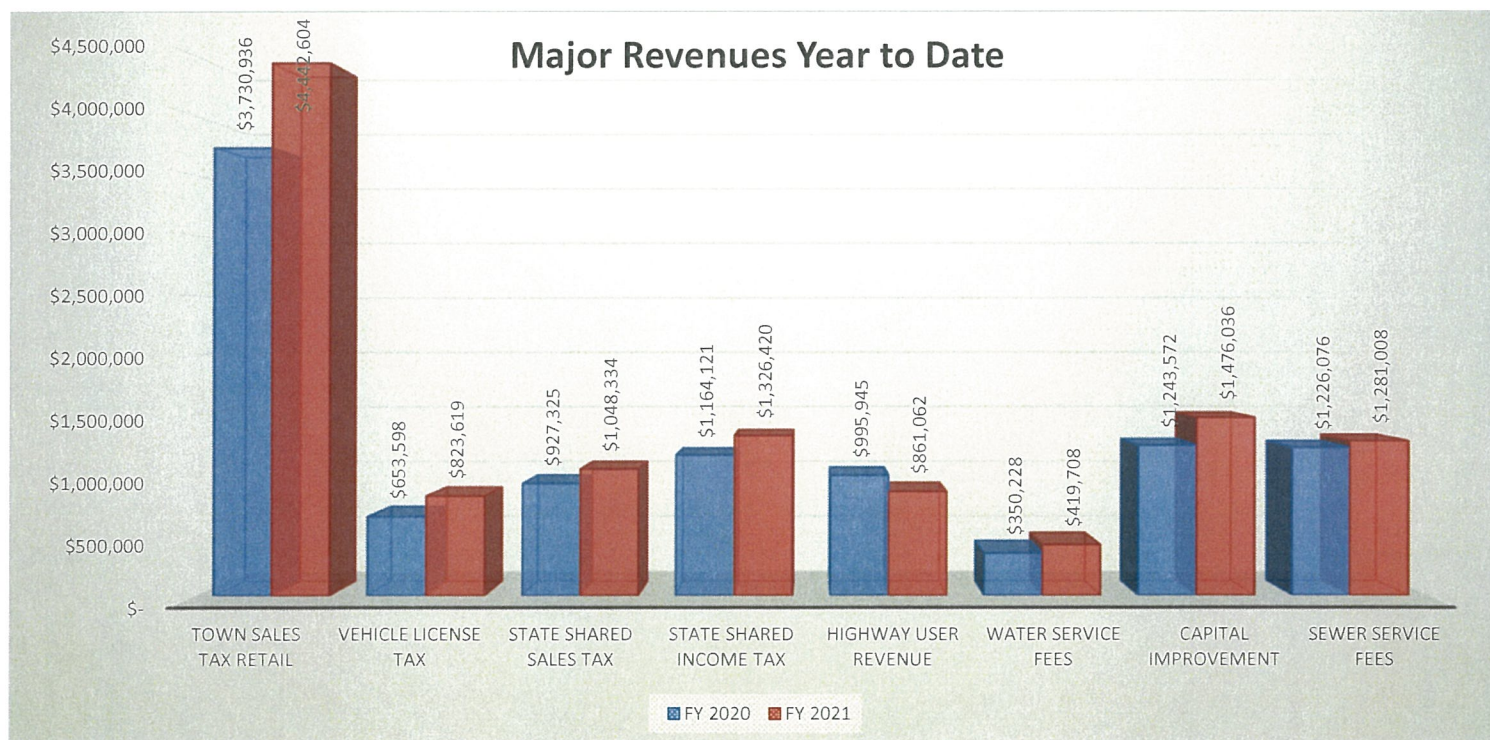
					Actual vs Prior Year	
	Actual Year to Date FY 2019-20	Annual Budget FY 2020-21	Actual Year to Date FY 2020-21	% of Budget YTD	Amount	%
Town Sales Tax Retail	\$ 3,730,936	\$ 5,000,000	\$ 4,442,604	89%	\$ 711,668	19%
Vehicle License Tax	\$ 653,598	\$ 890,000	\$ 823,619	93%	\$ 170,021	26%
State Shared Sales Tax	\$ 927,325	\$ 1,275,000	\$ 1,048,334	82%	\$ 121,009	13%
State Shared Income Tax	\$ 1,164,121	\$ 1,600,000	\$ 1,326,420	83%	\$ 162,299	14%
Highway User Revenue	\$ 995,945	\$ 1,020,000	\$ 861,062	84%	\$ (134,883)	-14%
Water Service Fees	\$ 350,228	\$ 523,000	\$ 419,708	80%	\$ 69,480	20%
Capital Improvement	\$ 1,243,572	\$ 1,675,000	\$ 1,476,036	88%	\$ 232,464	19%
Sewer Service Fees	\$ 1,226,076	\$ 1,677,000	\$ 1,281,008	76%	\$ 54,932	4%
Major Revenues Y.T.D.	\$ 10,291,801	\$ 13,660,000	\$ 11,678,791	85%	\$ 1,386,990	13%
Total Revenue All Funds	\$ 13,635,732	\$ 22,783,800	\$ 17,296,082	76%	\$ 3,660,350	27%

75%

60%

68%

The Major Revenues are up \$1,386,990 or 13% over the prior fiscal year. Highway User Revenue is down do to a one time payment of \$197,802 last fiscal year. Town Sales Tax Retail is up 19% . Water Service Fees are up 20% and Sewer Service Fees are up 4%. Total combined revenue for all funds are up 27% or \$3,660,350 over last fiscal year primarily due to the Az Cares Act Funding and increases total Sales Tax collections.



Contingency Funds Budget					
For the Nine Months Ending March 31, 2021 75% of the Fiscal Year*					
	Actual Year to Date FY 2020-21	Annual Budget FY 2020-21			
General Fund Budget	\$ -	\$ 500,000			
Town Manager Recruitment	\$ 14,364				
PSPRS Annual Contribution	\$ 300,000				
Replace Playground Equipment	\$ 175,000				
General Fund Balance	\$ 489,364	\$ 500,000			
HURF Fund Budget	\$ -	\$ 60,000			
Water Fund Budget	\$ -	\$ 40,000			
Sewer Fund Budget	\$ -	\$ 75,000			
Total Contingency Fund	\$ -	\$ 675,000			
Town of Chino Valley					
Annual Debt Service Summary By Fund					
Fiscal Year Ended June 30, 2021					
Debt Issue	Date Issued	Original Amount	Outstanding Amount as of June 30, 2020	FY 2021 Principal	FY 2021 Interest
General Government					
National Bank GADA Refi	7/1/2016	\$ 3,346,000	\$ 2,397,000	\$ 326,000	\$ 41,724
US Bank Series 2010	12/15/2010	\$ 7,280,000	\$ 6,925,000	\$ 280,000	\$ 306,238
		\$ 10,626,000	\$ 9,322,000	\$ 606,000	\$ 347,962
Water Enterprise Fund					
US Bank Series 2010	12/15/2010	\$ 745,000	\$ 370,000	\$ 55,000	\$ 15,475
Sewer Enterprise Fund					
WIFA 2007	1/10/2007	\$ 1,580,000	\$ 678,777	\$ 89,236	\$ 16,260
WIFA 2008	1/11/2008	\$ 4,853,000	\$ 2,457,393	\$ 278,178	\$ 61,324
WIFA 2014	12/30/2014	\$ 2,963,671	\$ 2,329,413	\$ 134,602	\$ 44,116
WIFA 2015	11/23/2015	\$ 4,259,646	\$ 3,731,485	\$ 145,503	\$ 84,056
WIFA 2016	11/23/2015	\$ 50,354	\$ 10,282	\$ 10,282	\$ -
WIFA 2017	2/27/2017	\$ 292,659	\$ 257,755	\$ 11,624	\$ 5,919
		\$ 13,999,330	\$ 9,465,105	\$ 669,425	\$ 211,675
Total Town of Chino Valley Debt		\$ 25,370,330	\$ 19,157,105	\$ 1,330,425	\$ 575,112

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

5. d.

Meeting Date: 04/27/2021

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type:

AGENDA ITEM TITLE:

Consideration and possible action to approve the March 16, 2021, budget retreat meeting minutes. (Erin N. Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the March 16, 2021, budget retreat meeting minutes.

Attachments

03/16/21 draft mins

DRAFT

MINUTES OF THE BUDGET RETREAT/SPECIAL MEETING OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

**TUESDAY, MARCH 16, 2021
1:00 P.M.**

**CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ**

1) CALL TO ORDER; ROLL CALL

Present: Mayor Jack Miller; Vice-Mayor Corey Mendoza; Councilmember Tom Armstrong;
Councilmember Eric Granillo; Councilmember Cloyce Kelly; Councilmember Annie Perkins

Absent: Councilmember Lon Turner

Staff Town Manager Cindy Blackmore; Town Attorney Andrew McGuire (remotely); Finance

Present: Director Joe Duffy; Police Chief Chuck Wynn; Public Works Director/Town Engineer Frank Marbury; Development Services Director Joshua Cook; Community Services Director Scott Bruner; Economic Development Project Manager Maggie Tidaback; Lieutenant Joshua McIntire; Lieutenant Randy Chapman; IT Manager Spencer Guest (Videographer); Audio Video Technician Laurence Digges (Videographer); Town Clerk Erin Deskins (recorder)

Mayor Miller called the meeting to order at 1:13 p.m.

2) Consideration and discussion regarding fiscal year 2021/2022 Town Budget. (Joe Duffy, Administrative Services Director)

Cindy Blackmore began the meeting by explaining the format of the meeting to the Council and introducing Administrative Services Director Joe Duffy, who would be presenting information for the annual budget retreat meeting.

Joe Duffy presented the following:

- Staff looked at a snapshot of where the Town currently was financially and projected revenues through the end of June 30, 2021. He did not have the State Shared Revenues, which would be available some time in March. He also did not have department requests, but departments were putting their data requests together. The snapshot would change through the budget process.
- Overall, the revenues had been strong even though last year it was unclear where the Town would be at year's end. Town had made cutbacks and was very conservative about revenue estimates. The State Shared Revenues were stronger than originally projected.
- The sales tax revenues had gone up 20% year to date, which equated to over \$1 million. The Town was doing better than they had the previous year with community retail sales.

This was due to people staying home and shopping locally. There was also an increase in online sales.

- There was strong home construction sales tax activity, which was one of the Town's largest revenues. This was also adding to the water and sewer fund accounts.
- There were several major projects planned within the Town that included new apartments, subdivisions and new retail businesses coming.
- Staff made charts to visually break out future fiscal years' revenue and expenditures that showed projections for ongoing expenses and revenues as well as one-time revenues and expenses.

General Fund Overview

- The chart's gold bar represented ongoing revenues collected annually, which included state sales tax, state shared revenues, recreation fees, etc.
- One-time revenues, represented by a green bar, included the construction sales tax and building permit. Only half the revenue was represented because even if the economy was weak, they would still collect some revenue from these sources.
- The general fund revenues were fairly stable year by year.
- The gold bar represented the fund balance less the reserve. It was the money the Town had in the bank year by year, and the red reserves line represented the amount that the Town was required to have. The gold bar represented the money the Town could spend on one-time items such as capital improvement projects. The reserves were 25% of the Town's annual expenditures, and the Town's policy was not to spend the reserve funds.
- The blue bar represented the Town's ongoing annual expenses, which included salaries, electric, utilities, etc. The ongoing revenue needed to be higher than the ongoing expenses.
- One-time expenditures were represented by a gray bar. There were currently very few one-time expenditures because department requests had not yet been received for the upcoming year. Staff anticipated that once all the department requests had been received, the one-time gray expenditure bar would go into the reserves. The Council would determine how much they wanted to budget for these items and what types of things they wanted to fund.
- In order to have a structured balanced budget, the Town needed to stay within normal parameters, but because the reserves were so strong, that money could be used for some of those department requests.

HURF Fund Overview

- The CARES Act funding was represented by a green bar. The gray bar showed onetime expenditures, which was for Road 2 North and road maintenance.
- The HURF Fund typically stayed consistently even year after year.

Capital Improvement Fund Overview

- The fund was one percent of the Town's sales tax revenue that was moved to capital improvements.
- The fund was to be used for items like debt service, recreational facilities and one-time capital projects.
- It was high for the upcoming year because \$5.5 million dollars in loan funding for the Police facility had been added to the revenue and \$6 million dollars in expenditure had also been added. Expenditures also included work at Old Home Manor (OHM) and Economic Development projects.
- As with other funds, spending should stay out of the red bar so that a healthy reserve balance could be maintained.

Water Enterprise Fund Overview

- This was a small fund with about \$1 million dollars per year.
- The Town would spend more in the upcoming year than the ongoing revenue and fund balance because of the upgraded building. Within the next year, it would start to catch up and by 2023 through 2025, it would even out. The cost of the building had been split in half between the water and sewer fund. The Town made an investment and would get back to profitability or cash flow positive within the next couple of years.

Sewer Enterprise Fund Overview

- It was the same as the water fund, with the building cost impacting the fund.
- The green bar, representing one time revenue, was the WIFA fund that was used for repair and replacement. The building was getting older, and the work completed was exactly how the WIFA fund was intended to be used.
- The reserve balance was strong and above what was required.

Cares Act Funding Overview

- The Town had received \$1.4 million from the CARES Act Fund, which paid for the Police Department labor and time. This freed money from the General Fund, which was used for Road work.
- The Town would receive additional stimulus payments in the amount of \$2.9 million. One payment could be received before June 30th. There was currently no guidance on how the money could be used, but staff thought it would be similar to the last payment. The payment would be in two equal payments.
- Council would need to decide where the money would go once staff provided further details. It should be discussed whether the money was used all at once or used as a down payment on the Police Department. Staff assumed it would free up General Fund money, which would give the Town a nice nest egg over the next couple of years.

Budget Versus Actual Funds

- The Town's financial condition had improved significantly
- At the end of fiscal year 2020, the Town assumed that the fund balances would end with a certain amount in each fund. Due to the CARES Act funding, additional sales tax funds, and cutting expenses, the Town ended up starting the current year with over \$1.8 million in additional funding in the General Fund. Without the CARES Act funding, it was approximately \$500,000 in additional funding.
- The other Funds followed the same pattern except for the Sewer Enterprise Fund.
- Based on the way the Town budgeted for the current year, projections for the end of the fiscal year followed the same pattern as the previous fiscal year.
- The General fund projection showed excess revenue of over \$4 million due to expense cutting and strong revenues through the CARES Act and sales tax funds.
- Other projections show the following surplus revenue:
 - Capital Improvement Fund - \$500,000
 - HURF Fund - \$160,000
 - Water Enterprise - \$170,000
 - Sewer Enterprise - \$385,000
- All the funds had improved more than was projected. The financial position of the Town was getting better and better.
- This would allow the Town to get some projects completed.
- The Town's cash balance had been going up as well.

Major Revenue Recap

- The Towns retail sales tax, not including construction or bed tax, went from \$2.3 million in 2020 to \$2.9 million in 2021.
- The vehicle license tax, sales tax, and income tax (State Shared Revenue) had all increased.
- The HURF Fund had a one-time payment of \$160,000, and the fund would most likely be flat for the current year.
- Water service fees, capital improvement and sewer fees were projected to increase. This was the actual growth for the year.
- All major revenues, which were 60% of the total revenues, continued to be strong.
- A review of the actual numbers was provided to the Members. All the revenues were up, and combined revenue was up a total of 20%.
- The bottom line was that the Town was financially healthy, had stable growth and had the ability to do projects.

Cindy Blackmore presented the following:

- She wanted to recognize Mr. Duffy's efforts in the budget process.
- It was reemphasized the need for a structurally balanced budget that only funded ongoing expenses with ongoing revenues. This included expenses such as employee compensation costs, benefits, staffing needs and new and existing programs, funded with revenues that the Town expected year after year. This was something staff had already done and the Town would continue to emphasize.
- There was a very large fund balance, which was good, but it needed to be balanced with the needs of the community. The Town shouldn't continue to take money without putting it to good use. Staff would seek guidance from Council on how the funds should be spent.
- There were things that staff believed were in the pipeline and wanted Council to consider in their discussions. Items that had been identified as needs included:
 - General Plan Update - An update was required by State Statute every 10 years. The Town needed their next update by 2024. Staff explained that it was outdated, and that it was a guiding document that lasted the Town 10 years. General Plan updates could be expensive with a cost of up to \$250,000. Staff did not think the current version reflected the true vision of the community and should be re-written. The plan could take a year to be completed because public input was required, and the maps and elements all needed to be updated.
 - Master plans should be put in place for water and sewer
 - The capital improvement plan should be formalized. She was pleased that staff members had been working on putting capital improvement plans together, but there was no formalized document yet.
 - Vehicle replacement fund. The Town had been replacing vehicles one at a time, but it needed to be formalized. Staff had already been working on that, but nothing had been formalized.
 - OHM was a big project that would be further discussed at the study session.
 - Possible events included the 50th anniversary and the Fourth of July.
 - Department requests included staffing and service level programs. The department requests were due in the upcoming weeks and although not everything could be funded, staff would come up with a good, recommended budget for the Council to consider.
- These items may not be able to be fully funded, but it was important to get it started and have a plan in place to get them funded over the next few years.
- Discussion items that had been areas of focus in the Strategic Plan for the Council to

consider included:

- Water
- OHM prioritization
- Roads and maintenance
- Infrastructure and Town utilities
- Maintaining the rural community and business friendly environment
- CARES Act Funding

Staff needed guidance and Councilmembers would determine the priorities and direct staff on how funding should be used.

Councilmembers and staff discussed the following:

Cares Act Funds

- Staff confirmed that the projected budget had a surplus of \$4 million and an additional \$3 million in CARES Act money, for a total of \$7 million in surplus funds. Staff explained that theoretically the Town could use the surplus funds to build the Police building. The annual payments were estimated at \$300,000-\$400,00 annually, with \$120,000 to \$150,000 in interest annually for 25 years. It would be approximately \$2 million in interest by the time the loan was paid off, but the loan could also be paid down faster after 10 years. A down payment of half the cost could also be applied. If the Town wanted to spend all the reserve money on the Police Building, they could but nothing else could be funded.
- Staff was unaware of what the constraints would be on the CARES Act money, including if there was a timeline for the funds to be used.
- Once the criteria were known and had better numbers, staff would bring it back for Council discussion.

Vehicle Purchasing

- The vehicle purchasing plan had started with the Police Department because of the number of replacement vehicles needed per year. Even though the Town had been doing that, it was not formalized. A complete asset management plan needed to be formalized, which included vehicle replacements and infrastructure, building and road maintenance. Staff was working on those plans and had been discussion items with staff. Council wanted an estimated financial number so that they knew the funding allocation that was necessary annually. Staff was working on those numbers and expected to have something when they came back with the recommended budget.
- The Police vehicle replacement program budgeted for two replacement vehicles annually. The Town was also buying two to three units annually for the other departments. The Council had given direction to begin to pay cash for the cars instead of financing them.

Police Building and Fund and Loan Planning

- Council had done too much reacting in the past as opposed to planning. By establishing the numbers, the Council would be formulating a plan.
- If there was a good asset management plan that looked at the degradation of the roads over time, Town could compare the cost of that versus interest rate of the police station and see where it was best to put the money. With the interest rate so low, it might be beneficial to have the debt service for the police facility and fix the roads because in the end it might cost more to not do the roads now.
- A member discussed using half the CARES ACT funding for a down payment on the Police Department building, transfer the money to Police and then transfer the other half

over to roads. The reserved funds were discussed.

- Members discussed putting a down payment on the Police Department building even though the interest rates were low. Once the department reports were received, they could decide where the remaining funds could be applied. Members also discussed not using the money for the Police building because of the low interest rates and carefully planning the expenditures so that all the funds were not spent at one time. Staff explained that a loan on the Police building was appropriate because the life expectancy of the building was 50 years, and the loan would be paid off in 25 years. That way the cost was spread out over a 25-year period of time and both the current citizens and future citizens would be paying for the building.
- The Town was paying cash for the Police Department building design and then \$500,000 was plugged into the budget to cover equipment, furniture, etc. The Town would be paying approximately \$800,000 of the total \$6,000,000. The plan was to borrow \$5.5 million to have a financial buffer.
- The project would go out to bid and the Town would have the numbers by July. The financing would be lined up, and the first Council action would be to approve the financing and then approve the bid to do the work.

Miscellaneous Discussions

- The salaries had gone up approximately 4% across the board.
- Generally, if an asset or project budget item was under \$50,000, the line item was kept in the department budget (excluding sewer and water, which were enterprise funds and all projects stayed within the department budget regardless of cost). Anything \$50,000 or above went into the Capital Improvement fund and used the 1% sales tax funds.
- Staff would make a budget presentation on May 11th to cover the compiled numbers. On May 18th, Council would have another study session to further discuss the budget. The tentative budget would be voted on May 26th, and with the final budget passed in June.
- Impact fee study would begin in April and was already in the budget. It was a yearlong process.
- There was a \$10,000 line item request for dog park upgrades.
- Staff explained that if the Council gave staff a general direction, they would work the numbers so that the Council could determine what the Town could and could not afford.

Master plans and Capital Improvement Plan

- The Town had an old sewer master plan that only looked at the east side of Town. It was from 2004 and was very outdated. There was also a transportation plan that was done in 2007. It was a good document but needed to be updated. Master plans were generally updated every three to four years or more often if there was a population boom or a large, unexpected subdivision went in. The Town did not have a water master plan. The plans would look at land usage that tied in with development to determine the highest and best use. The water master plan would look at water usage based off zoning and could even state the size of trunk lines in certain areas, which could assist the Town by ensuring the requirements were met during new development phases. The documents were living documents and changed as the development came in and changed. The plans were only as good as the information that was in them. The OHM master plan documents would give the Council a good idea about what a master plan looked like and how it could be used. The cost of any given master plan would vary and was dependent on the detail provided within. The timeline would also vary.
- The General Plan should address the conceptual level of many of the master plan's maps. The master plans should stem from the General Plan, which was not currently the case.
- The Capital Improvement Plan (CIP) could generally be done in house. Once there were

master plans in place, it would be easier to put the CIP together. It could be started, and a general outline of the CIP could be complete before the budget was adopted.

- The sewer and water master plans were the two most important master plans to get complete.
- Staff stated that the transportation plan was also important because code required that Town had an adopted street map, which they did not have.

Old Home Manor

- OHM was a large piece of land and there had been a lot of work into the project, and it continued to be important to the Town. There would be further discussion at the study session later in the evening.

Roads

- The Town currently had approximately \$1 million for road funding for the upcoming year and would most likely increase that amount to \$1.5 million.
- Road maintenance costs were \$1.5 million total annually just to maintain the roads in their current condition. This did not include improvements or expansions. The maintenance of roads included seal coats, overlays and reconstruct work.
- A Public Works Department program request would be a pavement management program that would objectively show the necessary information over time. The software cost was being researched by staff, but one time costs ranged from \$50,000-\$100,000 to start it and then lesser amounts every year for inventory. The annual road assessments could be handled in house or hired out. The first year someone was brought in to inventory the roads and create a database. Staff did not view the software as a return on investment. It allowed the Town to do planning and not waste time. Staff's goal was to keep the good roads good. The software would be able to show that if a good road were left for three years, the work required would be more extensive and cost more. The software program help staff generate graphs and charts to show Council deferred maintenance and the cost of putting one road off versus another road. It would help prioritize the work. It would also show how an increase in budget could be used to raise the condition of roads. It was an analysis tool that also gave objective criteria to help plan which roads to do. It would save money over time, but it was difficult to quantify those numbers.

General Plan

- The committee created to work on the General Plan reviewed what staff or the contractor wrote and would provide feedback. The citizen review provided feedback to the community so when the General Plan went Town Council and then through a referendum, the community had already been involved in the process. The plan could be written by either staff or a contractor. Staff probably did not have the time to write the plan but could take a supervisory role. The more money spent on staff writing the plan, the less money the Town had to spend on a consultant. There was already high community interest to be on the committees because it was more citizen based and not what Town staff wanted it to be. The Town Manager's preference was to hire an outside consulting firm with staff managing the project. The planning process included citizens, businesses, and stakeholders. Since it was such an intense process, there was no way that staff could have the time to carry on with their other duties and work on the General Plan.
- The General Plan update would be the priority before the master plans because the master plans could feed off the General Plan.
- Members were generally supportive of making it a priority.
- Staff did not recommend having a committee write the General Plan.

The 50-Year Celebration and Fourth of July Events

- There was \$10,000 specifically for the 50th anniversary celebration. Members still wanted the celebration to take place in September.
- The Forest service would be putting burn restrictions into place, which would mean the Fourth of July fireworks event may not happen. It was explained that the local conditions were only one factor that they took into consideration with fire issues. Many of the staff went to other areas during fire seasons, causing staff shortages. There had been discussions about having fireworks during the 50th celebration if fireworks were not possible during the Fourth of July. Staff mentioned it might be possible to do both events.
- Staff had been considering, if Covid was not controlled, going back out to OHM and have people distance park in their cars and shoot off the fireworks and leave it at that. Staff would continue working on the fireworks contract and would stay informed with any restrictions put into place.
- Other than the deposit, the expenses for the fireworks were refundable, but even though there had not been fireworks for the last two seasons, only one year at a time was budgeted. The average cost for fireworks was \$12,000. Council could increase that amount so that both events could have fireworks.

Department Requests Additional Employees

- A Member discussed code enforcement issues within the Town that made them unhappy. There would be a code enforcement presentation in the upcoming months. The member was unhappy and thought it was unreasonable that someone had to spend a certain amount of money to meet the Town requirements for occupancy and approval of permits when the rules were not being applied to 90% of the Town. When this topic was addressed before, it was because the UDO needed to be addressed, but most the issues seen in Town were already addressed in the Code, but code enforcement was lacking. If other members agreed with the assessment, then staff needed to request additional staffing through the department request process. The Council needed to authorize more full-time positions, which would affect the budget. The staffing needs needed to be addressed. Employees were expensive, and although the Town had done a good job at keeping the full-time employee numbers down, the Town had to question if they had enough employees to get the necessary work done. Other members agreed that it was an issue. There was discussion about UDO and General Plan requirements and code enforcement.
- For the employees that had left employment, those positions were still in the budget. The Assistant Town Manager position was not in the budget because it was before the current year.
- The Human Resource Director was getting strategic staffing requests from the departments that were requesting new staff. There had been 17 different requests for additional employees. These requests would be prioritized through a process that gave everyone equal opportunity to make their requests.

Water Company Purchase

- This ballot measure failed.
- The Town could consider one specific company at a time, but it would need separate ballot measures for each company. The cost for a special election was approximately \$25,000-28,000 and regular election was approximately \$30,000-\$35,000.
- Members discussed what would happen if a water system were shut down because the

company failed. Staff explained that in the past the State had asked the Town to run it on an interim basis.

- Members discussed the importance of expanding the Town's water system.
- Members thought it was financially important that the Town keep pursuing water companies in the future. There needed to be an aggressive educational campaign on why the Town wanted to buy the water companies.
- Town should continue to look at all water resources, importation, and water needs.
- Staff said another way to approach the subject was to contact the State Legislature and get the law requiring voter approval changed.

Softball Fields – OHM

- Not much had happened with the OHM ballpark. There had been community service workers cleaning up the area. It was a work in progress, with the idea to get the area cleaned up initially.
- The idea had been to allow dogs on the smaller field.
- Staff direction had been to get the area cleaned and graded so it looked like the Town cared. The utilities department would mow the surrounding area.
- If the area were kept smooth enough, the kids could use the larger field to practice.
- Staff had been instructed to sit and wait to see how OMH was developed.
- To get the fields up and ready to use would cost hundreds of thousands of dollars.
- If an Economic Impact Study were done on the fields, one softball tournament could help pay the cost of development. There was community interest in both softball and little league. Staff had encouraged the little league to apply for the Diamondbacks grant to develop the fields.
- Council needed to determine if they wanted to invest in fields at OHM or if they wanted to light another field at the Community Center. There was one more field to light at the Community Center. If the fields were all lit at the Community Center, it could go from early morning until night. It also had a concession stand. It was a nice Community Center Park with five fields. The lights could be monitored by timers or by staff phones.
- Staff mentioned that the fastest growing sport was pickleball and in years to come, the Town needed to think about a dedicated pickleball facility.

Members took a Recess at 3:04 p.m. and reconvened 3:22 p.m.

Cindy Blackmore summarized the discussion for the Council Members.

Council Members further discussed their priorities, which included:

- The dog park needed to be addressed. The current dog park had a surface that got hot and was hard on the animal's feet. There was also no shade available.
- Town needed to hold events that brought people to town to spend money.
- A member questioned how the Town's sales tax rate compared to other surrounding communities. Staff did not have an immediate answer. It was an important factor for the Town in a competitive economic aspect.
- Hiring more staff to bring the workforce up to where it was needed to properly get the work done. Staff explained they were actively bringing on a recruitment module to be more efficient in the recruitment. When new staff were brought on, there was a lack of space to put them.
- Road 4 North realignment project would become a major access road to OHM. Road 4 North was a big project. Access on Road 4 North would extend to commercial traffic. Perkinsville was also decaying quickly.

OHM

- OHM Plan – Have a clearer consensus on the plan to give staff better direction on the vision. Town needed to better establish the guidelines and what they wanted to attract out there.
- Members had received many comments from citizens that were concerned that a lot of money had been spent on OHM but nothing ever happened out there. Until the Town started projects that had the proper funding, nothing else should happen.
- Members were supportive of continuing to make it a priority.
- Members discussed the Mudder and Grinder events and sponsorship possibilities.

3) ADJOURNMENT

Mayor Miller adjourned the meeting at 3:46 p.m.

Jack W. Miller, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _____ day of _____, 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2021.

Erin N. Deskins, Town Clerk

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

5. e.

Meeting Date: 04/27/2021

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type:

AGENDA ITEM TITLE:

Consideration and possible action to approve the March 16, 2021, study session minutes. (Erin N. Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the March 16, 2021, study session minutes.

Attachments

3-16-21 SS draft mins

DRAFT

MINUTES OF THE STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

**TUESDAY, MARCH 16, 2021
6:00 P.M.**

**CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ**

1) CALL TO ORDER; ROLL CALL

Present: Mayor Jack Miller; Vice-Mayor Corey Mendoza; Councilmember Tom Armstrong;
Councilmember Eric Granillo; Councilmember Cloyce Kelly; Councilmember Annie Perkins

Absent: Councilmember Lon Turner

Staff Town Manager Cindy Blackmore; Town Attorney Andrew McGuire (remotely);

Present: Administrative Services Director Joe Duffy; Public Works Director/Town Engineer Frank Marbury; Development Services Director Joshua Cook; Economic Development Project Manager Maggie Tidaback; IT Manager Spencer Guest (videographer); Audio Video Technician Laurence Digges (Videographer); Town Clerk Erin Deskins (Recorder)

Mayor Miller called the meeting to order at 6:00 p.m.

2) Consideration and discussion regarding the creation of a "Special District" and sale of land at Old Home Manor. (Maggie Tidaback, Economic Development Project Manager)

Maggie Tidaback presented the following:

- Staff was looking for direction on whether Council wanted to sell the land at Old Home Manor (OHM).
- If Town moved forward with selling OHM land, the first step would be to order an appraisal. The estimated value for 40 acres was between \$1.2 and \$1.4 million dollars. The second step would be to hire a large, well-seasoned commercial real estate brokerage with an international presence. Part of their services would be developing a sophisticated marketing package.
- Anything over \$1.5 million needed voter approval in a special election.
- All the efforts to date to lease the land had not worked.
- Selling land would provide money for some OHM infrastructure projects and possibly beyond that.
- A map of types of use was shared with Members, broken up into the business park area possible RV park area and parks and recreational uses.
- Without the business park, there was over 400 acres that could be sold, with a total of 600 acres overall.

- If Council wanted to further research selling land at OHM, staff would hire an appraiser and then come back for a second study session with further information and discuss the process going forward. That second study session would be followed by a council meeting and possible action.

Council Members and staff discussed the following:

- The income leasing the land versus selling the land would be on a case by case basis.
- The real estate brokerage did not have a set fee, but a typical real estate transaction had a 6% commission fee.
- Council needed to determine the sections to sell. If they wanted to sell land in all areas, the special election would need to happen. If a buyer proposed to buy 160 acres with a value over \$1.5 million, the Town needed to be prepared by having that voter approval. The areas that could not be sold were the equestrian park, any area already occupied, and the pond areas. The RV park area was a good example of land that could be sold for that specific purpose. If the Town wanted a specific use for a property sale, it would be in a land use contract. The Town Attorney explained that if the Town was selling a piece of property with a value over \$1.5 million, regardless of the size, voter approval would be required. If the Town was making smaller pieces of land strictly for the purpose of not getting prior voter approval, it could be an issue that got the Town in trouble. If the Town thought they might be in a position in which the sale of land would be over the \$1.5 million dollar threshold, it would be prudent to get voter authorization ahead of time. Waiting until after an offer was made to get voter approval, would limit the Town's clientele and ability to sell the land. It was recommended by the Town Attorney to get prior approval. The downside of doing that would be if the citizens of Town were to say no to that amount and the Town ultimately sold land in a smaller amount it could be viewed unfavorably by the community. The only time a special election was allowed would be on specific days in the months of March, May, August and November.
- Even if land were sold under the \$1.5 million dollar threshold, it still needed to be sold under the public bid process and the Town needed to ensure they conditioned the sale in a way that they wanted it to turn out. The Town needed to sell the property with a specific goal in mind and not in a way that allowed the buyer to do whatever they wanted with the land. The public bidding process would clearly state the Town's criteria and conditions on the sale of the land.
- Every parcel was 40 acres.
- A Member thought that an RV Park land sale not only would provide funds from the sale but would continue to provide income through tax revenue.
- The cost to bring water and sewer from one end of OHM would be discussed under the next agenda item. Staff explained that each forty acre parcel had the potential to bring in \$1.4 million dollars, but the amount was an estimate and could not be fully known until an appraiser was brought in. A sale of a parcel, could help extend the infrastructure.
- If Council agreed to move forward, that did not mean they were agreeing to sell the property, but instead agreeing to have staff obtain further information on any benefits of selling the property.
- Staff explained that there was currently nothing happening and no new progress at OHM because people wanted to own the land they were investing in. The land would still be in Chino, but the people developing the land would own it and the Town had the potential of getting all the tax revenue as well as the money from the sale.
- Although the Town Attorney could not address any existing or specific condition, typically if land was bound by a certain condition, a sale did not typically relieve the property of that condition.
- The first step would be to get an appraisal to find out the value of the land.
- There was no decent RV park within miles and all the Town events could benefit from a

local RV Park.

- It was difficult to say if the money from land sales would cover the cost of the necessary infrastructure throughout the entire business park until they got an appraisal of the value of the land. By the next study session meeting, if staff could gather further information, they could better answer questions relating to covering the infrastructure costs through sale of the OHM lands. Staff also explained that the infrastructure for the 800 acres at OHM was basically for a small city, and the water and utilities plan for the area had taken over a year. The answer as to the cost and coverage for infrastructure throughout OHM was complicated and depending on which 40 acres, where it was located, and what the use would be.
- Members discussed possible locations for an RV Park and the infrastructure to the RV park. If property were sold at the suggested site shown on the map, the sale price could get infrastructure to the site and the developer would then be responsible for water and sewer onsite.
- Staff requested that a final decision on this be made after the next presentation.
- Members were in favor of an obtaining an appraisal for the land.

3) Presentation and discussion of the Integrated Water Master Plan for Old Home Manor. (Frank Marbury, Public Works Director / Town Engineer)

Frank Marbury presented the following:

- The Town had taken the last year to map out OHM utility improvements.
- There had been approximately five meetings with the Utility Committee in 2019 and a dozen meetings and workshops over the last two years to get the master plan completed.
- The Master plan would guide the Town and provide a roadmap to all the water aspects that included water, sewer, stormwater and landscaping components.

Richard Aldridge - Civiltec, presented the following:

- The master plan was a collaborative effort, with several people providing input and work.
- An overview of the area was reviewed.
- There was a five-year capital improvement plan that addressed some of the Council's questions on costs.
- The projects were based on a plan with an annual 2% growth and a 3% growth to not lag behind the utility and population growth.
- The first five years would put infrastructure in approximately 15% of the business park, with the rest of the infrastructure completed in the next ten years. There was approximately 2.7 million square feet of potential building space in the business park. The 15 year build out was speculative and the master plan was a living document that could be updated and revised as necessary.

Rick Schroades – Civiltec, presented the following:

- Models were initially setup. The first model was a water system model, which would identify what needed to be done to get the following:
 - adequate flows to serve OHM parcels
 - pressures to meet the necessary fire flow demands
 - maximum daily demands for commercial and recreation demands
 - maximum fluid velocity to determine the size of pipes

- The installation of a 16 inch pipe size needed to be installed near the Peavine Trail and was highly recommended completing early on. It could continue and be looped through OHM.
- The water system was modeled to expand over time. A looping line system was being recommended as a priority to get water to OHM. Staff explained that the Town wanted to get it built within two to three years and already had received grant fund for the project.
- A West to East fulfillment for utilities was being recommended because of the location of the existing utilities.
- A redundant well was important to have for the community water system of Bright Star and Country West.
- Constructing internal water mains within OHM was important.
- Around 2025 or when the numbers meet the projections, there would be a need for pressure reduction facilities on individual buildings, otherwise, if people wanted to develop in certain areas, it would cause high pressures with 115-120 psi.
- Longer term development recommendations included different pressure zones. It would divide up the pressures in OHM, with division lines between pressure zones. It included construction of a half million gallon tank to service a lower pressure zone. New well connections within OHM would be connected to the new tank and would create the new low pressure zone. It would also open up further development potential for the Town. Since there were two zones, there would be an area with two pipes, one low and one high pressure, adjacent to one another. That was a con and would need to be examined further.
- Keep constructing internal water mains as OHM was developed.
- The proposed pressure zones would create two zones, an upper and a lower. It created the lower pressure zone in the business park area and east of the business park would be served by the upper pressure zone. This would give lower pressure to the Bright Star community, and it would open up additional development areas in a new pressure zone. The new pressure zones would reduce the exiting pressure zone from 120 psi's to 70 or 80 psi's which was more manageable for the Town. Future Bright Star development was discussed, because it would require the Town to have two zones due to the increase in pressure.
- The sewer system model, with a total build out date of 2035, was reviewed. The model was conceptual and there could be areas where it would not be necessary, but it was modeled with the idea that it may be needed in the future. The system was gravity fed and flowed downhill. When designing the model, minimum pipe slopes and line depths were researched to ensure proper drainage. The same process for the water model was used for the sewer model, and the system would be developed in phases West to East.
- A prescreening at the lift station had already begun as well as an equalization basin at the treatment plant.
- By 2025 the pump capacity would need to be upgraded, with a recommendation of 800 gallons per minute. The pump station needed to be upgraded or an additional one put near the existing location. The treatment plant was getting close to full capacity and needed to be tracked.
- By 2030 pump capacity would again need to be monitored. Every five years the pump capacity needed to be tracked or be increased to meet future flows.
- 2035 would be time to start planning above and beyond what currently existed. The Town could be at 80% of a million gallon capacity. The rule of thumb was that once 85% of the capacity at a Treatment Plan was met, upgrade planning was required.

Bill Greenslade and Jim Holt – Civiltec, presented the following:

- Reviewed map with the Town boundaries, Town owned wells, and the Type I water

rights which would remain.

- The Town was over a very productive aquifer, which was used by both Prescott and the Town. The aquifer had very clean water, was not deep and could be reached at 400 feet. The downside was that the aquifer was declining annually, but not at a high rate. The decline was both a natural phenomenon and from pumping of the groundwater.
- The Town's wells were reviewed. Four of the wells were within the Town's service area and the one at Highlands Ranch was out, and not being used.
- The Town needed redundancy and a backup to the system they currently had because if Bright Star went down, there would be difficulty supplying water.
- There were a number of wells within OHM and some were high capacity producing wells. The bad news was that most were at least 70 years old and when wells were that age, the future lifecycle needed to be considered. One of the benefits of having the wells, even if they needed to be replaced, was when doing a replacement well, the Town could avoid doing the well spacing rules that had the potential of significantly reducing the volume of a new well.
- The water service area would eventually extend into OHM.
- The area of impact of the recharge facility or the safe harbor area was, for recovery of water from recharge facilities, a good place to put wells.
- The Town was recharging effluent from the treatment plant, which was permitted to recharge but not reuse the effluent, up to five million gallons per day. The Town was not using anywhere near that amount. The permit for the recharge facility was at 1120 acre feet per year, and the Town was only doing a little over 300 acre feet per year, leaving plenty of capacity in the existing plant. The permit needed to be renewed in 2025. This was good for the Town's water portfolio.
- Water supply for OHM and the Town needed to be examined. The Town utilized a Service Area Right, as did every small and large municipality and private water provider within active management areas. Service Area rights provided the Town the right to grow the system to meet the need of their citizens and their businesses. Service areas were unique in that they provided the opportunity of an unlimited ability to grow the service area right. There were also several rights that the Town had, which included:
 - Two Type I groundwater rights for non-irrigation purposes
 - Three Type II non-irrigation rights
 - A large supply of extinguishment credits, which continued to grow as the Town acquired more. These rights could be used to pledge future assured water supplies to new developments or subdivisions within the AMA. Many of these credits came from irrigated land located in OHM.
 - Historically irrigated acres within the Big Chino Sub basin, which was the groundwater basin to the North of the active management area. This was an opportunity for the Town to retire previously irrigated acres and transport a portion of the water off the lands into the AMA to use for the Town. The Town had a number of historically irrigated acres that would yield a large quantity of water for the Town.
- The Town just recently exceeded the 250 acre foot amount of groundwater withdrawals for use by the service area. This changed the definition of the Town's service area. The Town was currently regulated as a small provider, but over the 250 acres classified the Town as a large water provider. It required additional programs the Town would need to implement in terms of conservation and reporting programs. Many of the programs had already been implemented.
- Civiltec was recommending that the work done for OHM be implemented more broadly within the service area.
- The Town could encourage the development it wanted by doing the following things:
 - Making the physical availability demonstration work that was already done,

- available to someone applying for an assured water supply.
- Pledge extinguishment credits to assist those who needed to have an assured water supply.
- Agree to be a water provider for developers that needed to demonstrate that there was a viable water supply.
- Require hookups to the wastewater treatment plant for storage credits.

Celia van der Molen - Sketch Landscape Architecture Studio

- The goal of landscaping at OHM was to greatly reduce water use associated with landscaping while enhancing the overall esthetics and increasing the land value. This could be accomplished in three key areas:
 - Require installation of low water plants.
 - Encourage the use of passive and active rainwater harvesting systems.
 - Maintain high landscape requirements and standards.
- Landscape in general provided many benefits including wildlife habitat, reduced energy consumption from air condition and heating units through shade, minimized urban heat islands created by parking lots and rooftops, and improved overall human health by creating desirable outdoor spaces and better air quality. For this project in particular, it greatly reduced the water use after it was established.
- Current native plants for the Town area were shared with the Members. Most bushes, plants and trees were mainly evergreen, which meant they would maintain their foliage year round.
- The benefit of shade trees should not be ignored. The suggested trees would be higher water users, but the water use would be offset by increased property value and decreased energy use. For every dollar invested in urban trees, the return was \$1.30 to \$3.00 in benefits in energy savings and increased property value.
- To supplement the irrigation required for street trees or shade trees was to promote the use of underground active rainwater collection systems or above ground stormwater water retention ponds that would help slow and reduce the landscape costs. It would also help reduce built capital costs, reduce repair and maintenance costs, and reduce operation costs for the overall stormwater system.
- The reason that maintaining high requirements and standards was added was because the Town, compared to neighboring communities, required almost 50% less landscaping in developments. A landscape requirement comparison of Town and adjacent cities was provided to Members. When there was more landscaping, statistics showed that there was a 7% higher rental rate on commercial properties.
- An area without landscaping or was just rock created an environment that created more weeds. More weeds meant constant maintenance issues. The Town's Parks Department currently maintained 83 acres of non-grass area, and it took them 15 to 18 weeks per year to weed control. The Town would spend \$60,000-\$70,000 in weed control for 2021. More native plants meant fewer weeds because native landscape that covered the ground eliminated the ability for weeds seed to cover the ground and harvest.
- Cost savings for native landscape versus conventional landscaping:
 - Conventional landscaping required supplemental irrigation and used 154,000-460,000 gallons annually with annual water costs were from \$500 to \$1,500 and annual maintenance costs were about \$11,000 to \$21,000.
 - An all native landscape, once established within three to five years, cost nothing annually for water and irrigation and maintenance costs would drop to approximately \$9,000 to \$19,000 annually.
 - Native landscaping used 77% less water, produced 66% less waste and required 68% less labor.

Richard Aldridge - Civiltec, presented the following:

- They were looking at developing the southernmost part of the business park in the first five years. This would be from Jerome Junction all the way to RV Park Road. It may take more or less time for development depending on funding.
- The first year on Rodeo Drive was hard to design and would be ready to go out to bid soon. Construction elements of the first stage on Rodeo Drive were discussed with the Members. This phase was about 780 feet long. It would also include the initial sewer backbone infrastructure.
- The second year took the improvements up to the RV Park and Rodeo Drive would be reconstructed to the intersection at RV Park Road. It included the water and sewer lines. The 16 inch Peavine Trail water line would be required to provide adequate fire flow and pressures at the RV Park.
- The third year would be the Business Park South Loop and would begin at Rodeo Drive and run South through the business park to RV Park Road and back to Phase 2 Rodeo Drive where it ended during the second phase of construction. It would include water and sewer infrastructure.
- The fourth year would extend the RV Park Road to Perkinsville Road with utilities included. The infrastructure would include 12 inch lines so that it was adequate for future development.
- The fifth year would extend Rodeo Drive to OHM that picked up the remainder of the RV Park.
- The cost was \$1.5 to \$3.5 million annually as the infrastructure was phased in. The costs and any additional costs were overviewed for the Members.
- The water and sewer lines would tie into existing water and sewer infrastructure. Phase one would tie into a deep manhole at Jerome Junction. The process was detailed for Members.
- They will come back one more time for an executive overview.
- If the Council changed their priorities and the RV Park was no longer a priority, the priority list would change. This was a living document and could be changed and updated as necessary.

Members, staff and consultants discussed the following:

- Priority one with the addition of the Peavine Trail water line would provide sufficient fire flow and pressure to serve the RV Park. The Town had a grant from the EPA to finish the Peavine Trail water line. The grant money needed to be used by Fiscal Year 2023.
- A previous grant from the Economic Development Authority built the culvert and extended Road 4 North and added another culvert at Jerome Junction. The Environmental Protection Agency grant was for the Peavine Trail water line. They were two different grants. The Town had money in the current budget for Priority one in year one for Rodeo Drive.
- The Town did not yet have money budgeted for year two. If they were to sell property up to \$1.5 million, it would put a big dent in the total cost of priority two.
- As time goes on, the projection showed more water storage would be necessary, which was driven by fire flow capacity. The idea of putting the storage tank at Santa Fe Trail and Perkinsville was because the elevation of the area supported it. It was also a good spot for a tank that would serve a lower zone and if the Town wanted, they could have a redundancy backflow into the other system with a pump station. They were modeling a Pressure Reducing Valve (PRV) system in order to have a dual feed into the system. It would initially be less expensive to put PRV's on a high pressure line than putting a whole other low pressure line, but the Town still had to get to the point where they had to increase their volume of storage.

- The Town would need to put in a series of pumps or blanks ready to insert new pumps when needed for upgrading the necessary flow to the treatment plant. Staff stated they currently kept spare pumps and rotated them as necessary. The average life span was three to four years. The initial lift station was designed to have a twin lift station next to it which already had the piping in the ground to go to. They currently had a series of two pumps with the ability to easily add two more, and then add on in the future as needed. They could be doubled up when they were designed like the equalization basin, which they already needed to be expanded to meet the current capacity and flows they were getting. They were going to build it big enough to meet the plant expansion now. Staff could see doubling up on the design guidelines.

4) ADJOURNMENT

MOVED by Councilmember Annie Perkins, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 7:36 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins

6 - 0 PASSED - Unanimously

Jack W. Miller, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _____ day of _____, 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2021.

Erin N. Deskins, Town Clerk

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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

5. f.

Meeting Date: 04/27/2021

Contact Person: Erin Deskins, Town Clerk
Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type:

AGENDA ITEM TITLE:

Consideration and possible action to approve the March 23, 2021, regular meeting minutes. (Erin N. Deskins, Town Clerk)

RECOMMENDED ACTION:

Approve the March 23, 2021, regular meeting minutes.

Attachments

03-23-21 draft mins

DRAFT

MINUTES OF THE REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

**TUESDAY, MARCH 23, 2021
6:00 P.M.**

**CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ**

Present: Mayor Jack Miller; Vice-Mayor Corey Mendoza; Councilmember Tom Armstrong;
Councilmember Eric Granillo; Councilmember Annie Perkins; Councilmember Lon Turner

Absent: Councilmember Cloyce Kelly

Staff Town Manager Cindy Blackmore; Town Attorney Andrew McGuire (remotely); Public Works
Present: Director/Town Engineer Frank Marbury; Development Services Director Joshua Cook; Planner
Will Dingee; Sergeant Cody Johnson (Sergeant at Arms); Audio Video Technician Lawrence
Digges; Town Clerk Erin Deskins

1) CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Miller called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism. Individuals who wish to speak, please state your first and last name and if you reside in Chino Valley Town Limits.

4) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

a) Status reports by Mayor and Council regarding current events.

- Councilmember Perkins reported that the Chino Valley Police Department received a gold level of service from the Lexipol Connect Program for consistently disseminating policies to officers and for timely updates to laws and ensuring proper training for their officers. The Chino Police calls for service in the last year included 10,000 requests for assistance ranging from criminal investigations and mental health crisis to animal complaints. Lexipol was the Nation's leading content public policy and training platform for public safety agencies.
- Councilmember Perkins reported that the Chino Police had been awarded the Arizona Governor's Office of Highway Safety Prop. 207 Grant for \$12,443.72, which provided funding that allowed the Town's Police to purchase equipment to combat speeding and impaired driving. The grant money would cover the cost of radar units, intoximeters, portable breath tests, and e-citation device printers.
- Councilmember Tom Armstrong thanked Community Services Director Scott Bruner for the work and improvements on the Peavine Trail. He also thanked Town Manager Blackmore for attending the Chino Valley Veterans Group.
- Councilmember Granillo reported the Chino Valley High School Baseball Team would be putting on a baseball camp. The opening ceremonies for the Chino Valley Little League would be on April 3 and El Paraiso would be holding a fundraiser on April 14th for Chino Valley Youth Football and Cheer.

b) Status report by Town Manager Cindy Blackmore regarding Town accomplishments, and current or upcoming projects.

5) **CONSENT AGENDA**

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

a) Consideration and possible action to approve the March 9, 2021, regular meeting minutes.

MOVED by Vice-Mayor Corey Mendoza, seconded by Councilmember Tom Armstrong to approve the March 9, 2021, regular meeting minutes.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Annie Perkins, Councilmember Lon Turner

6 - 0 PASSED - Unanimously

6) **ACTION ITEMS**

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a) Consideration and possible action to adopt ORD 2021-898 to rezone approximately 8.56 acres of real property from AR-5 (Agricultural Residential 5-acre minimum) to SR-1 (Single Family Residential 1-Acre Minimum) in order to further subdivide the property. (Will Dingee, Planner)

Recommendation for SR-1 Zoning

Adopt ORD 2021-898 to rezone approximately 8.56 acres of real property from AR-5 to SR-1 in order to further subdivide the property with the stipulations recommended by staff.

Recommendation for SR-2.5 Zoning

Adopt ORD 2021-898 to rezone approximately 8.56 acres of real property from AR-5 to SR-2.5 in order to further subdivide the property with the stipulations recommended by staff.

Will Dingee reported on the following:

- The applicant had requested a continuation of the item until the second meeting in April, which was scheduled on April 27th.
- The Council would need to make a motion to postpone the item until that date.

MOVED by Vice-Mayor Corey Mendoza, seconded by Councilmember Annie Perkins to reschedule Action Item 6a for consideration and possible action to adopt ORD 2021-898 to rezone approximately 8.56 acres of real property from AR-5 (Agricultural Residential 5-acre minimum) to SR-1 (Single Family Residential 1-Acre Minimum) in order to further subdivide the property, to April 27, 2021.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Annie Perkins, Councilmember Lon Turner

6 - 0 PASSED - Unanimously

- b) Consideration and possible action to adopt ORD 2021-897 to rezone approximately 5.66 acres of real property from the SR-1 (Single Family Residential 1-acre Minimum) zoning district to the SR-0.16 (Single Family Residential 0.16-acre Minimum) zoning district with a PAD (Planned Area Development) to develop ten (10) lots with individual lot areas greater than one half-acre. (Will Dingee, Planner)

Recommended Action: Adopt ORD 2021-897 to rezone approximately 5.66 acres of real property from the SR-1 zoning district to the SR-0.16 zoning district with a PAD to develop ten lots with individual lot areas greater than 0.51 acres and allow for the reduction in street side yard setbacks on lot 5 and lot 6.

Will Dingee reported on the following:

- This was a requested PAD for the proposed Meadow View minor subdivision.
- A minor subdivision was ten lots or less.
- If the application was approved, it would go through the Town's technical review process and then back to Town Council for final plat approval.

- The three subject properties' locations were reviewed.
- An overview of the surrounding properties was provided.
- The proposed subdivision contained three separate parcels for approximately 5.66 acres. The property was currently vacant.
- The property had been rezoned in 2018 under Ordinance 18-853 from AR-5 to SR-1 to further subdivide. That subdivision was done in 2020 and had sat vacant since the subdivision.
- The General Plan use designation was for medium density residential two acres or less, which was the same for the surrounding properties. To the east there was the commercial multifamily corridor as well as a potential community corridor to the northeast.
- The subject property was currently zoned SR-1. The surrounding property zones were reviewed and varied from SR-5 to commercial light and multifamily zones.
- Since the request was for a PAD, a commercial plan was necessary for the rezoning. The applicant was requesting a ten-lot minor subdivision with an average lot area of .513 acres, which was approximately 1.77 units per acre.
- Twenty percent of the lots would be reserved for open space for the development. The proposed community would have access to a newly created street that would provide curb, gutter, and sidewalk on both sides of the internal roadway.
- The development would utilize City of Prescott water and onsite septic systems.
- The applicant would be held to a rural level of roadway improvements on South 1 Road West and West Road 2 South.
- The orientation on the conceptual plan was off because north was to the right hand side of the page.
- A conceptual elevation of the development was shared with Councilmembers.
- The homes were proposed to be manufactured homes with enough room for standalone double garages.
- The developer was requesting modification of the street side yard setbacks on lots five and six, from 20 feet to ten feet. To offset the reduction in setbacks, the applicant proposed approximately one acre of open space or 20% of the development, sidewalks on the proposed street, which was not required, and park benches placed along the sidewalks. These would be maintained by a community HOA.
- The neighborhood meeting held January 27 had two neighboring property owners in attendance. They questioned if the development would be on well and septic and if there would be a community-maintained HOA. There had been concerns about the Chino Valley Irrigation District Easement located on the property, but the applicant was aware of the easement and could work around it. One property owner was against the project because they thought the density was too high and wanted to see the area as one-acre parcels.
- The Planning and Zoning meeting was held March 2, 2021. The Commission discussed roadway improvements and the setback alleviation. They questioned why the rural road standards were held on West Road 2 South and South Road 1 West. Staff explained that it was due to the surrounding development of the subject property. There was also a question why the setback alleviation was needed. Staff explained that the developer requested it to ensure the building envelopes along South Road 1 West were the same throughout the entire development and that the manufactured home and garages could fit on the lot and meet setback requirements. There was no public comment on the item at the meeting.
- Since the Planning Commission meeting, staff had received two phone calls from neighboring property owners who were strongly opposed to the development based on the density of the project.

- The requested rezone from SR-1 to SR-0.16 PAD overlay with half-acre minimum lots met the intent of the General Plan designation of properties at two acres or less.
- The requested zoning did conform to medium density development of under two acres.
- The Planning Commission and staff recommended forwarding a recommendation of approval to the Town Council.

Town Council and staff discussed:

- There was a concern that the footage of the frontage of each lot would not come into play on the PAD. Staff explained the underlying zoning was SR-0.16, and it required a 50-foot minimum frontage from the roadway. This would be the minimum standard for the lots. The current plan was conceptual, and any errors would be corrected during the technical review.
- The Planning Commission was made aware that the homes would be modular.
- Each lot would have their own individual septic.

Public Comment

Denise Goodwin – She owned three parcels west of the subject property and was separated by only one parcel. She did not feel like it was a good situation for the neighborhood because they were all large parcels of 2.5 acres and up. This would be the only development in the area that looked like this as far as a mobile home park. It devalued her area. They lived in the area because they were rural and had animals. The development did not conform to the area. She also had an issue with the number of septic tanks. Ten septic tanks on five acres seemed like a large number for the site itself. She understood the need in Town but did not think it benefited that area. She wanted it kept as site-built homes at least an acre or above.

MOVED by Vice-Mayor Corey Mendoza, to adopt ORD 2021-897 to rezone approximately 5.66 acres of real property from the SR-1 zoning district to the SR-0.16 zoning district with a PAD to develop ten lots with individual lot areas greater than 0.51 acres and allow for the reduction in street side yard setbacks on lot 5 and lot 6.

There was no second to this motion. Motion failed.

Staff thought that there needed to be some type of action on the motion. Legal Counsel disagreed and stated that not seconding a motion was a denial.

- c) Consideration and possible action to adopt ORD 2021-899 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, by amending section 2.1 Meanings of Words and Terms, by amending definitions relating to Manufactured Homes. (Will Dingee, Planner)

Recommended Action: Adopt ORD 2021-899 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, by amending section 2.1 Meanings of Words and Terms, by amending the definitions relating to Manufactured Homes.

Josh Cook presented the following:

- It was a text amendment request for manufactured home definitions and other related definitions.
- Staff and the Town attorney had worked together to draft changes to some existing definitions as well as adding new. Those definitions included factory built, guest house, manufactured home, modular home, motor home, park model and park trailers, portable camping trailer, recreational vehicle, travel trailer and truck campers.
- The amendment was to address ongoing issues to bring the definitions more in line with State Statutes and definitions.
- Staff was recommending that the Town Council approve the text amendments and amend the Town UDO Ordinance, including modifications to existing definitions and adding some new definitions.

Council and staff discussed the following:

- The definition of manufactured home was outdated because it required the measurement of manufactured homes on the exterior when the measurement should be treated like a single-family home and should be measured on the interior. Some provisions were also part of ongoing litigation. The update was to ensure that the Town reconciled their provisions with the State Statutes because there were obligations that were imposed upon the Town. There were strict standards that needed to be met by an applicant and the burden of proof was on the person building to meet the required standards. This type of housing was regulated and inspected by the state, but because of the low number of inspectors, they were not being inspected which meant that they could not be permitted if State Statutes were not properly met. The outdated definitions in the Town's Code made it difficult to reconcile such issues when they came to the forefront. By referencing State Statutes, the Town's definitions would automatically follow any changes.

MOVED by Vice-Mayor Corey Mendoza, seconded by Councilmember Lon Turner adopt ORD 2021-899 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, by amending section 2.1 Meanings of Words and Terms. By amending the definitions relating to Manufactured Homes.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Annie Perkins, Councilmember Lon Turner

6 - 0 PASSED - Unanimously

7) **ADJOURNMENT**

MOVED by Councilmember Lon Turner, seconded by Vice-Mayor Corey Mendoza to adjourn the meeting at 6:28 p.m.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Annie Perkins, Councilmember Lon Turner

6 - 0 PASSED - Unanimously

Jack W. Miller, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _____ day of _____, 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2021.

Erin N. Deskins, Town Clerk



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

6. a.

Meeting Date: 04/27/2021

Contact Person: Frank Marbury, Public Works Director/Town Engineer
Phone: 928-636-7140 x-1226

Department: Public Works

Estimated length 5 minutes

of staff presentation:

Physical location of item: East Road 2 North between SR-89 and Country West Rd.

AGENDA ITEM TITLE:

Consideration and possible action to award a construction contract to Asphalt Paving & Supply, Inc. for the Road 2 North Paving Improvements Project in the amount of \$792,888.88. (Frank Marbury, Public Works Director/Town Engineer)

RECOMMENDED ACTION:

Award a construction contract to Asphalt Paving & Supply, Inc. for the Road 2 North Paving Improvements Project in the amount of \$792,888.88.

SITUATION AND ANALYSIS:

The Road 2 North Paving Improvements Project will reconstruct East Road 2 North between State Route 89 and Country West Road. Specific items of work include traffic control, removal of existing asphalt and aggregate base sections, over excavation, subgrade preparation, new 5 inches of asphalt over 9 inches of aggregate base with two layers of geogrid, minor remove and replace existing concrete facilities, raise utilities to final grade with concrete collars, and striping replacements.

The Town's Engineering Division advertised the project on March 23rd and four bids were received on April 13th as follows:

Asphalt Paving & Supply, Inc. Prescott Valley, AZ	\$792,888.88
Earth Resources Corporation Prescott Valley, AZ	\$793,544.00
Fann Contracting, Inc. Prescott, AZ	\$797,755.00
Copperstate Paving & Construction, LLC Prescott, AZ	\$872,676.25

Other Pertinent Documents Available Upon Request:

Appendix 6a-1. The complete construction contract with Asphalt Paving & Supply, Inc. may be viewed online at <http://www.chinoaz.net/AgendaCenter> with the April 27, 2021, Council Meeting Documents.

Fiscal Impact

Fiscal Impact?: YES

If Yes, Budget Code: 02-78-5452

Available: 792888.88

Funding Source:

Attachments

Road 2 North Paving Project



TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

6. b.

Meeting Date: 04/27/2021

Contact Person: Will Dingee, Planner
Phone: 928-636-4427 x-1233

Department: Development Services

Estimated length 10 minutes

of staff presentation:

Physical location of item: Southeast corner of the intersection of East Center Street and South Road 1 East

AGENDA ITEM TITLE:

Consideration and possible action to adopt ORD 2021-898 to rezone approximately 8.56 acres of real property from the AR-5 (Agricultural Residential 5-acre minimum) to SR-1 (Single Family Residential 1-Acre Minimum) in order to further subdivide the property. (Will Dingee, Planner)

RECOMMENDED ACTION:

Recommendation for SR-1 Zoning

Adopt ORD 2021-898 to rezone approximately 8.56 acres of real property from the AR-5 to SR-1 in order to further subdivide the property with the stipulations recommended by staff.

SITUATION AND ANALYSIS:

SITE DESCRIPTION

The subject property is located on the southeast corner of the intersection of South Road 1 East and East Center Street and has a physical address of 45 South Road 1 East. The site currently has a zoning classification of AR-5 (Agricultural Residential 5-acre Minimum) and is identified by the General Plan Land Use Designation as Medium Density Residential 2 acres or less. The property has a 1460 square foot single family residence and an 819 square foot barn both constructed in 1956. (See attachment 1: Vicinity Map).

The surrounding area is predominantly agricultural residential zoned property however to the northeast you have the medium density, undeveloped portion of Chino Meadows Unit 4 that is zoned SR-0.16 and to the northwest you have the Chino Valley High School. (See attachment 2: Zoning Map).

PROPERTY HISTORY

This is the first time a rezoning has been attempted on this property. However, the Town has previously acquired Right-of-Way from this property along East Center Street and North Road 1 East dating back to the mid-1990's.

PROJECT DESCRIPTION

The applicant is requesting to rezone approximately 8.56 acres of real property from the AR-5 (Agricultural Residential 5-acre minimum) to SR-1 (Single Family Residential 1-Acre Minimum) in order to further subdivide the property. The applicant is unsure of whether he wants to proceed with a minor land division or a minor subdivision.

CITIZENS REVIEW & PUBLIC HEARING PROCESS

Town Staff notified property owners within a 300-foot radius of the subject property, resulting in 16 mailed notices for public notification. The neighborhood meeting was held on February 24, 2021, in which four (4) members of the public attended. The questions asked pertained to the following:

- Will the new lots be on well and septic?
 - The applicant would like to have wells but due to the close proximity of sewer it is required that development of newly created lots are to connect to Town sewer.
- Will the applicant be required to do a water study?
 - This will be dependent upon how many lots are created. Six (6) or more lots will require an assured water supply by the Arizona Department of Water Resources. If the applicant proposes five (5) or less this is not needed.
- How will the new lots/homes gain access?
 - This will be dependent on whether the applicant applies for a minor land division or a minor subdivision. The minor land division that results in the creation of three (3) or less lots would allow for the new lots to have driveways on Center Street. If the applicant proceeds with a minor subdivision and creates four (4) or more lots a frontage road or new local road will need to be created to provide access to the lots.
- What kind of homes will be built here?
 - The applicant stated that he would like them all to be stick built homes. However, he has no problem with manufactured homes.

PLANNING AND ZONING COMMISSION

The item was presented before the Planning and Zoning Commission on March 2, 2021. Several topics were discussed regarding the proposal, specifically regarding the stipulations. The following outlines the discussion:

- Was the right-of-way dedication that was stipulated in addition to what the applicant had already given?
 - No, this stipulation is ensuring that minimum dedications are made.
- If the property owner dedicated the 15 additional feet along South Road One East, the right of way would be right outside the home making it a nonconformity, is the Town OK with creating a nonconformity?
 - The home already is a nonconformity as it doesn't meet the minimum setback requirements.
- How was the determination made on the requirement of half width roadway improvements with curb, gutter and sidewalk?
 - This stipulation is based on Town Code, urban roadways require curb, gutter and sidewalk.
- Is there something to alleviate the burden of the improvements for the property owner?
 - Town Staff does not have the authority to change, alleviate or wave code requirements. The Town attorney should be asked if Council could wave these requirements, but staff did not think they could wave requirements that they had adopted.
- The Commission wanted to verify whether the property owner wanted to move forward knowing the stipulations. The property owner acknowledged that he wanted to proceed.
- The Commission wanted to ask Council to reconsider the requirements.

STAFF ANALYSIS AND RECOMMENDATION

The zoning request for the SR-1 zoning district is in conformance with the Town's General Plan Land Use Designation of Medium Density Residential (See Attachment 3: General Plan Map). The entitlements associated with this zoning district would allow for the subject property to be further divided.

Staff has revisited the stipulations after the Planning and Zoning, and they have been reduced due to the unique situations around this property. Staff changes are reflected as follows:

The stipulations on East Center Street: No additional paving is required due to the existing roadway pavement width and the close proximity to the to the applicants property line. When Center Street is reconstructed and the overhead power lines are placed underground, the existing pavement will be utilized and will satisfy the widened shoulder requirement with a thickened edge.

Additionally, pursuant to UDO Table 5-1, Notes 2 and 3, a minimum 5' concrete sidewalk with a 6" vertical curb and gutter is not required on south side of roadway; it will be constructed later on the north side only due to unique roadway configuration and the alignment with Chino Valley High School. The Zoning Administrator has the authority to waive sidewalks on one side based on Table 5-1. Given the current roadway situation the sidewalks would be better suited on the north side of the street.

South Road 1 East stipulations have also been modified. Pursuant to UDO Table 5-1, Notes 2 and 3, a minimum 5' concrete sidewalk with a 6" vertical curb and gutter is not required on east side of roadway; it will be later constructed on the west side only due to roadway configuration and the General Plan Land Use Designation for the west side being the commercial and multifamily corridor. The Zoning Administrator has the authority to waive sidewalks on one side based on Table 5-1. Since no sidewalk is being required on the east side, a minimum of a two-foot wide shoulder with a thickened edge is required in its place in accordance with UDO Table 5-1 Note 3.

STAFF RECOMMENDATION FOR SR-1 ZONING

Staff recommends that the Planning and Zoning Commission forward a recommendation of approval to the Town Council to rezone approximately 8.56 acres of real property from the AR-5 (Agricultural Residential 5-acre minimum) to SR-1 (Single Family Residential 1-Acre Minimum) in order to further subdivide the property with the following stipulations:

1. Per the Town Code of Ordinances § 51.158(B), *Where property borders public rights-of-way or public easements containing an existing serviceable town wastewater main, the property, when developed, shall be connected to the town CTR system. Sewer taps shall extend at right angles from the main to the property, unless otherwise specifically authorized for unusual conditions, and shall be installed in accordance with the most current edition of the YAG standard specifications and details for public works construction, unless otherwise modified and approved by the Town Engineer.*
2. Per the Town Unified Development Ordinance § 5.3.2, Table 5-1, the minimum required right-of-way dedications are as follows:
 - a. Up to 15' south of the section line on Center Street at the intersection with Road 1 East, where prior dedication has not occurred.
 - b. 15 feet east of the existing east ROW line on Road 1 East, dedicated at the time of the earlier to occur of:
 - i. a building permit being issued for a primary structure on the adjacent parcel, or
 - ii. a Town-initiated roadway project to widen Road 1 East.
3. Per the Town's Unified Development Ordinance § 5.3.2, Table 5-1, the required offsite half-width

roadway improvements are as follows:

- a. Road 1 East
 - i. 14.5” minimum additional pavement width w/o on street parking, constructed at the time of issuance of a building permit for a primary structure on the property or, at the option of the land owner, contribution of cash in lieu of construction (paid rezoning upon approval) of the estimated cost of the pavement improvements (\$14k).
- 4. Per the Town’s Unified Development Ordinance § 5.3.1(F), *Where a proposed subdivision abuts or contains an existing or proposed arterial and collector routes, sufficient right-of-way may be required for access, frontage streets, and/or turning movements or for reverse frontage combined with a one (1) foot non-vehicular access easement abutting the major route; or for such other treatment as may be justified for protection of residential properties from traffic hazards occurring on the major route.*

Other Pertinent Documents Available Upon Request:

See attached documents

Fiscal Impact

Fiscal Impact?: N/A

If Yes, Budget Code:

Available:

Funding Source:

Attachments

Supplemental Documents

ORD - 2021-898 - Ginn Rezone w_ Exhibits - SR-1



**TOWN OF CHINO VALLEY
TOWN COUNCIL
April 15, 2021**

APPLICATION SUMMARY

File Number: Z-03-21

Assessor's Parcel Number: 306-25-003E

Site Location: Located on the southeast corner of the intersection of South Road 1 East and East Center Street

Owners of Record: John and Karen Ginn

Applicant: Allen Foster

Request: Request to rezone approximately 8.56 acres of real property from the AR-5 (Agricultural Residential 5-acre minimum) to SR-1 (Single Family Residential 1-Acre Minimum) in order to further subdivide the property.

SITE DATA

Existing Zoning	AR-5 (Agricultural Residential 5-acre Minimum)
Lot Size	8.56 acres (372,873.6 square feet)
Subdivision	N/A
General Plan Land Use Designation	Medium Density Residential 2 acres or less
Existing Land Use	Single-Family Residential

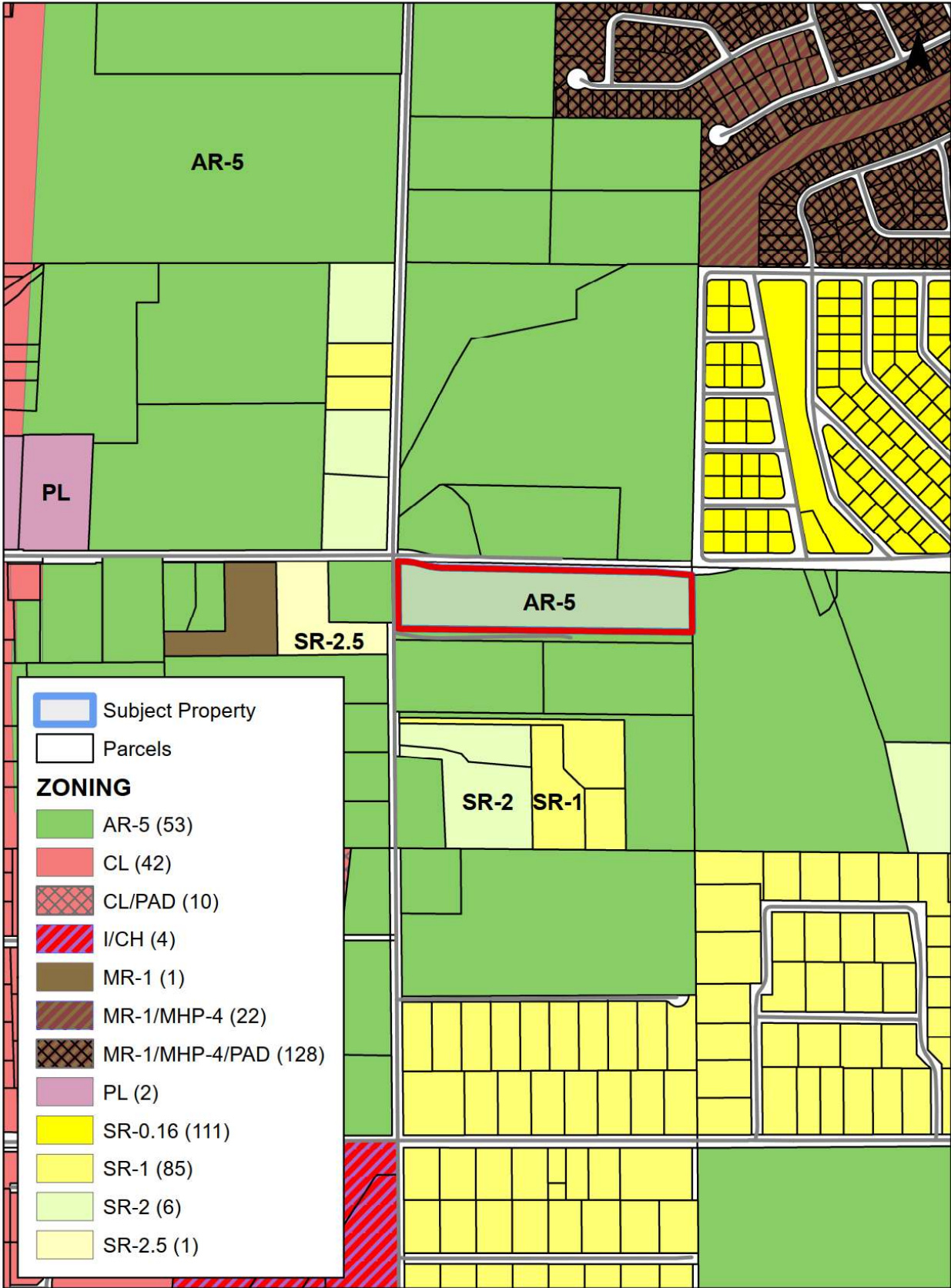
AREA	ZONING	GENERAL PLAN LAND USE DESIGNATION	LAND USE
North	CL/AR-5	Medium Density Residential	Agricultural Residential
East	AR-5	Medium Density Residential	Vacant & Agricultural
South	AR-5	Medium Density Residential	Agricultural Residential
West	AR-5 & SR-2.5	Commercial Multifamily	Agricultural Residential

ATTACHMENTS

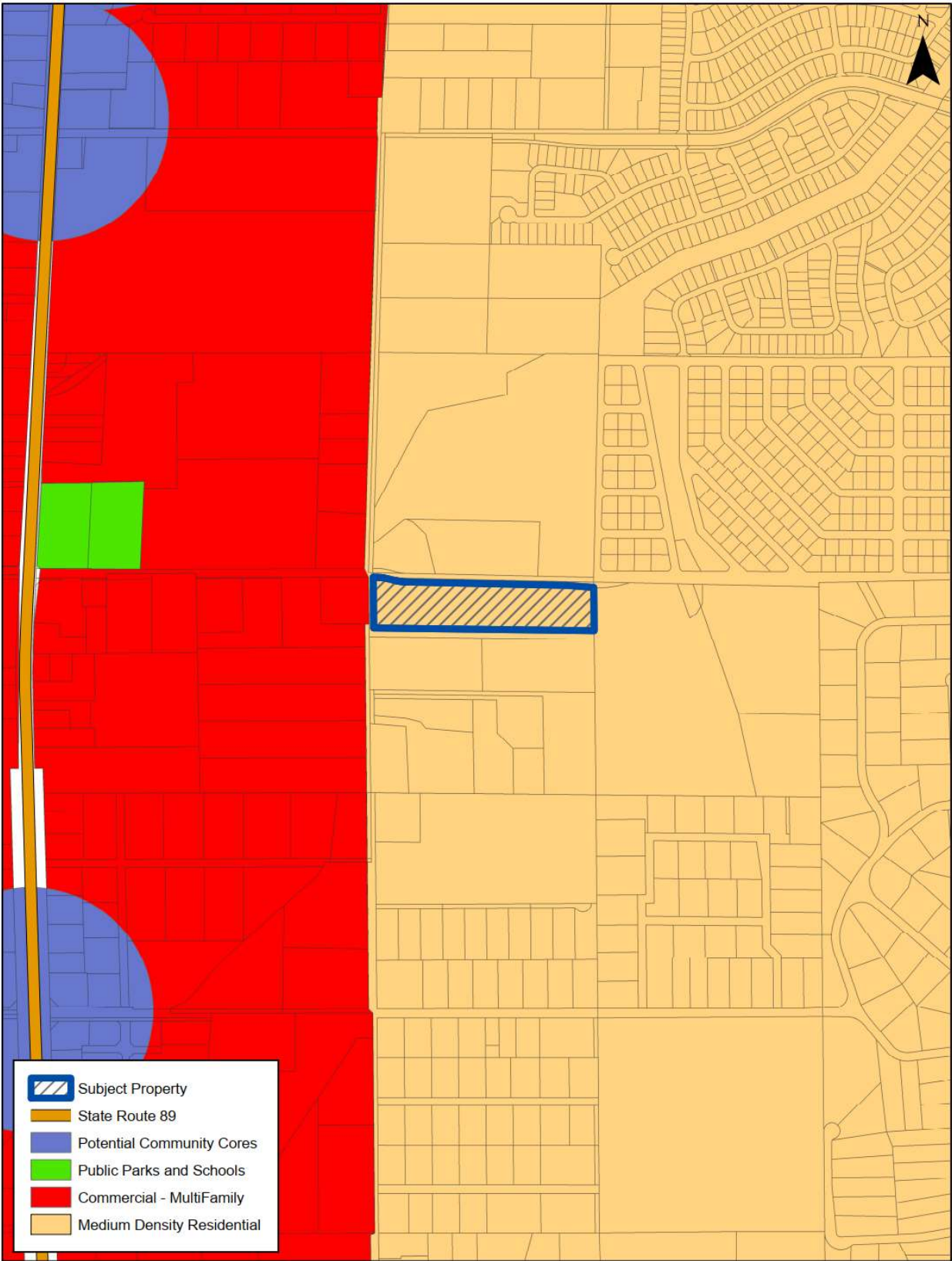
VICINITY MAP



ZONING MAP



GENERAL PLAN MAP



ORDINANCE NO. 2021-898

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, APPROVING A CHANGE OF ZONING AND AMENDMENT TO THE OFFICIAL ZONING MAP FOR APPROXIMATELY 8.56 ACRES OF REAL PROPERTY GENERALLY LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF SOUTH ROAD 1 EAST AND EAST CENTER STREET, FROM AR-5 (AGRICULTURAL RESIDENTIAL – 5-ACRE MINIMUM) TO SR-1 (SINGLE FAMILY RESIDENTIAL – 1-ACRE MINIMUM).

WHEREAS, the Mayor and Common Council of the Town of Chino Valley (the “Town Council”) desire to amend the Town of Chino Valley (the “Town”) Official Zoning Map for approximately 8.56 acres of real property generally located on the southeast corner of the intersection of South Road 1 East and East Center Street, from AR-5 (Agricultural Residential – 5-acre minimum) to SR-1 (Single Family Residential – 1-acre minimum) (the “Zoning Map Amendment”); and

WHEREAS, the Town Council has determined that this Zoning Map Amendment conforms with the Town of Chino Valley General Plan and any applicable specific area plan, neighborhood plan, or other plan, any overlay zoning district, and the standards and design requirements contained in the Unified Development Ordinance of the Town of Chino Valley (the “UDO”); and

WHEREAS, the Zoning Administrator has determined that this Zoning Map Amendment does not require additional paving to East Center Street due to its existing pavement width and proximity to the subject property’s property line. Future East Center Street reconstruction will utilize the existing pavement to satisfy UDO requirements for a widened shoulder with a thickened edge; and

WHEREAS, the Zoning Administrator has determined that this Zoning Map Amendment does not require a minimum five-foot concrete sidewalk with a six-inch vertical curb and gutter on the south side of East Center Street. Pursuant to UDO Table 5-1, the Zoning Administrator has the authority to waive sidewalks on one side of the roadway. Due to East Center Street’s unique configuration, existing pavement, and orientation with Chino Valley High School, the Zoning Administrator has determined that sidewalks will be constructed at a later date only on the north side; and

WHEREAS, the Zoning Administrator has determined that this Zoning Map Amendment requires a minimum two-foot-wide shoulder with a thickened edge on the east side of Road 1 East; however, it does not require a minimum five-foot concrete sidewalk with a six-inch vertical curb and gutter. Due to Road 1 East’s configuration and orientation to the commercial and multifamily corridor to the west, the Zoning

Administrator has determined that sidewalks will be constructed at a later date only on the west side; and

WHEREAS, all required public notice was provided, and all required public meetings and hearings were held in accordance with applicable state and local laws; and

WHEREAS, the Planning and Zoning Commission recommended approval of the Zoning Map Amendment; and

WHEREAS, in accordance with Article II, Sections 1 and 2 of the Arizona Constitution, the Town Council has considered the individual property rights and personal liberties of the residents of the Town before adopting this Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

Section 1: The recitals above are hereby incorporated as if fully set forth herein.

Section 2: The Official Zoning Map is hereby amended for property consisting of approximately 8.56 acres, described in Exhibit 1 and shown on the Zoning Exhibit (map) in Exhibit 2, both attached hereto and incorporated herein by reference, to rezone it from AR-5 (Agricultural Residential – 5-acre minimum) to SR-1 (Single Family Residential – 1-acre minimum), subject to the following stipulations:

1. Pursuant to the Chino Valley Town Code § 51.158(B), *Where property borders public rights-of-way or public easements containing an existing serviceable town wastewater main, the property, when developed, shall be connected to the town CTR system. Sewer taps shall extend at right angles from the main to the property, unless otherwise specifically authorized for unusual conditions, and shall be installed in accordance with the most current edition of the YAG standard specifications and details for public works construction, unless otherwise modified and approved by the Town Engineer.*
2. Pursuant to UDO § 5.3.2, Table 5-1, the minimum required right-of-way dedications are as follows:
 - a. Where prior dedication has not occurred, up to 15' south of the section line on Center Street at the intersection with Road 1 East.

- b. Where prior dedication has occurred, an additional 15' east of the existing east ROW line on Road 1 East, to be dedicated at the time of the earlier to occur of:
 - (i) the issuance of a building permit for a primary structure on the adjacent parcel, or
 - (ii) a Town-initiated roadway project to widen Road 1 East.
- 3. Pursuant to UDO § 5.3.2, Table 5-1, Road 1 East requires offsite half-width roadway improvements consisting of 14.5' minimum additional pavement width without on-street parking, constructed at the time of the first building permit on the property or, at the option of the landowner, the contribution of cash in lieu of construction (paid upon rezoning approval) of the estimated cost of the pavement improvements (estimated at \$14,000).
- 4. Pursuant to UDO § 5.3.1(F), *Where a proposed subdivision abuts or contains an existing or proposed arterial and collector routes, sufficient right-of-way may be required for access, frontage streets, and/or turning movements or for reverse frontage combined with a one (1) foot non-vehicular access easement abutting the major route; or for such other treatment as may be justified for protection of residential properties from traffic hazards occurring on the major route.*

Section 3: The Town Manager is directed, upon the effective date of this Ordinance, to cause the Zoning Map Amendment to reflect the new zoning of the property, indicating the zoning is subject to compliance with the stipulations provided herein.

Section 4: If any provision of this Ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision or portion hereof shall be deemed separate, distinct and independent of all other provisions, and such holding shall not affect the validity of the remaining portions of this Ordinance.

Section 5: The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Ordinance.

[SIGNATURES ON THE FOLLOWING PAGE]

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 27th day of April, 2021.

Jack W. Miller, Mayor

ATTEST:

Erin N. Deskins, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Ordinance No. 2021-898 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on April 27, 2021, and that quorum was present, and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

Erin N. Deskins, Town Clerk

EXHIBIT 1
TO
ORDINANCE 2021-898

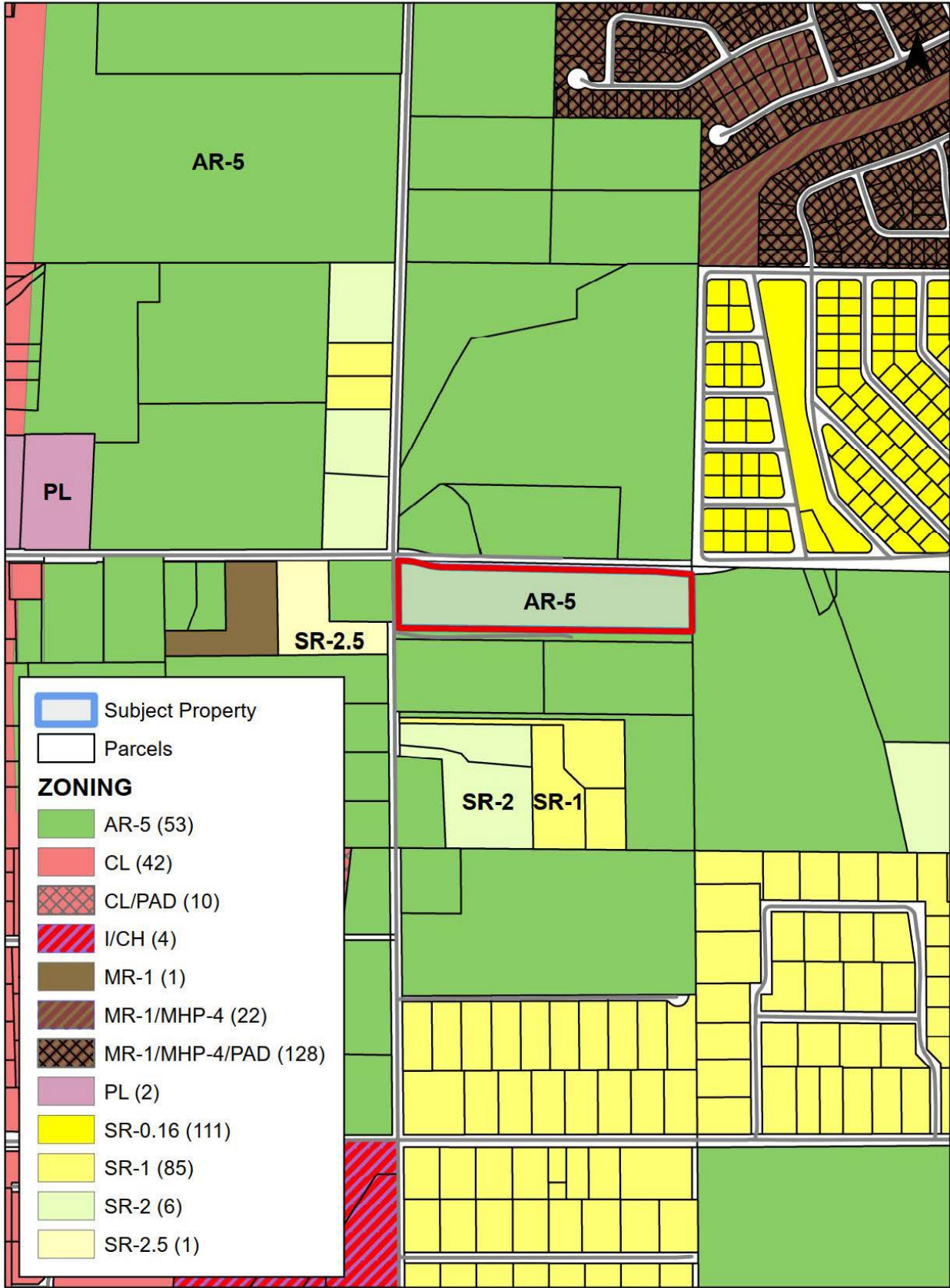
[Legal Description]

The North half of the North half of the Northwest Quarter of the Northwest Quarter of Section 26, Township 16 North, Range 2 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

EXHIBIT 2
TO
ORDINANCE 2021-898

[Zoning Exhibit]

See the following page.



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TOWN OF CHINO VALLEY COUNCIL AGENDA ITEM STAFF REPORT

Town Council Regular Meeting

2.

Meeting Date: 04/27/2021
Contact Person: Andrew McGuire, Town Attorney
Phone: 602-257-7664
Department: Town Attorney
Estimated length None
of Staff Presentation:
Physical location of item: N/A

AGENDA ITEM TITLE:

An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the Town Attorney regarding land-use exaction related to roadway standards. (Joshua Cook, Development Services Director)

Attachments

No file(s) attached.
