



Agenda

Work Study and Possible Executive Session Queen Creek Town Council

Queen Creek Town Hall, 22350 S. Ellsworth Road
Council Chambers

May 16, 2012

5:30pm

1. Call to Order

2. Roll Call (one or more members of the Council may participate by telephone)

3. Motion to adjourn to Executive Session (to be held in the Saguaro Conference Room of the Municipal Services Building) for the following purposes:

A. Discussion and consultation with the Town's attorneys for legal advice regarding a notice of violation and possible settlement re: Queen Creek Landfill. (A.R.S. 38-431.03(A)(3).

B. Discussion and consideration of assignments and performance evaluation of Town Clerk (A.R.S. §38-431.03(A)(1).

C. Discussion and consultation for legal advice and to consider the Town's position and instruct its attorneys regarding an intergovernmental agreement. A.R.S. 38-431.03(A)(3) and (4).

D. Discussion and consultation with the Town Attorney for legal advice and to consider the Town's position and instruct staff regarding acquisition of property located at the northwest corner of Ocotillo and Ellsworth Roads. (A.R.S. 38-431.03(A)(3) & (7).

E. Discussion and consultation with the Town Attorney for legal advice and to consider the Town's position and instruct its attorney regarding pending litigation in the matter of Town v. Highland Homes and Mark Pugmire. (ARS 38-431.03(A)(3) and (4).

ITEMS FOR DISCUSSION These items are for Council discussion only and no action will be taken. In general, no public comment will be taken.

4. Adjournment



Agenda
Regular and Possible Executive Session
Queen Creek Town Council
Queen Creek Town Hall, 22350 S. Ellsworth Road
Council Chambers
May 16, 2012
7:00 p.m.

1. Call to Order

2. Roll Call (one or more members of the Council may participate by telephone)

3. Pledge of Allegiance:

4. Invocation: Pastor Aaron Pennington – Central Christian Church – Queen Creek

5. Ceremonial Matters: Presentations, Proclamations, Awards, Guest Introductions and Announcements.

A. Proclamations: National Public Works Week
Foster Care Month

B. Reception for Council Member John Alston

6. Committee Reports

A. Council summary reports on meetings and/or conferences attended. This may include but is not limited to Phoenix-Mesa Gateway Airport; MAG; East Valley Partnership; CAAG. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.

B. Partner agencies quarterly or periodic updates to Council. This may include but is not limited to Queen Creek Chamber of Commerce; Queen Creek Performing Arts Center; Boys & Girls Club of East Valley; and Maricopa or Pinal County Board of Supervisors or other governmental agencies. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.

C. Transportation Advisory Committee – May 3, 2012

7. Public Comment: Members of the public may address the Town Council on items not on the printed agenda and during Public Hearings. Please complete a “Request to Speak Card”, located on the table at the rear of the Council Chambers and turn it in to the Town Clerk prior to the beginning of the meeting. There is a time limit of three minutes for comments.

Agenda for the Regular and Possible Executive Session

Queen Creek Town Council

May 16, 2012

Page 2

8. Consent Calendar: Matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. Public Hearing items are designated with an asterisk (*). Prior to consideration of the Consent Agenda, the Mayor will ask whether any member of the public wishes to remove a Public Hearing item for separate consideration. Members of the Council and or staff may remove any item for separate consideration.

A. Consideration and possible approval of the May 2, 2012 Work Study and Regular Session Minutes. **TAB A**

B. Consideration and possible approval of a Settlement, Contribution and Mutual Release Agreement between Allied Waste, Maricopa County Solid Waste Department and the Town of Queen Creek related to Notice of alleged Violations of the Queen Creek Landfill. **TAB B**

PUBLIC HEARINGS: If you wish to speak to the Council on an item listed as a Public Hearing, please complete a Request to Speak Card and turn it in to the Town Clerk. Speakers will be called upon in the order in which their cards are received. Speakers are limited to three (3) minutes each.

None.

FINAL ACTION: If you wish to speak to the Council on an item listed under Final Action, please complete a Request to Speak Card and turn it in to the Town Clerk. Speakers will be called upon in the order in which their cards are received. Speakers are limited to three (3) minutes each.

9. Discussion and possible approval of a contract with Phoenix Commercial Advisors for Commercial Real Estate Broker services. **TAB C**

10. Discussion and possible action on directing staff to apply for Local Transportation Assistance Fund (LTAF) II Funds for a transit planning study. **TAB D**

11. Discussion and possible approval of the continuation of the Queen Creek Incubator program. **TAB E**

12. Discussion and possible approval of the FY12-13 Tentative Budget and set the Public Hearing for June 6, 2012 for consideration of the Final Budget. **TAB F**

ITEMS FOR DISCUSSION: These items are for Council discussion only and no action will be taken. In general, no public comment will be taken.

13. Presentation and discussion on repair recommendations for the Ocotillo Road Bridge.

14. Presentation on 2011 Crime Statistics.

Agenda for the Regular and Possible Executive Session

Queen Creek Town Council

May 16, 2012

Page 3

15. Motion to adjourn to Executive Session: The Council may reconvene the Executive Session for any of the items listed on the Executive Session Agenda.

16. Adjournment



Minutes
Work Study Session
Queen Creek Town Council
Queen Creek Town Hall, 22350 S. Ellsworth Road
Council Chambers
May 2, 2012
6:00pm

1. Call to Order

The meeting was called to order at 6:00pm.

2. Roll Call (one or more members of the Council may participate by telephone)

Council Members present: Alston; Barnes; Benning; Oliphant; Wheatley (6:01pm); Vice Mayor Brown and Mayor Barney.

3. Motion to adjourn to Executive Session (to be held in the Saguaro Conference Room of the Municipal Services Building)for the following purposes:

A. Discussion and consultation with the Town Attorney for legal advice and to consider the Town's position and instruct the staff regarding acquisition of property (Victoria Towne Center). (A.R.S. 38-431.03(A)(3) & (7).

B. Discussion and consideration of assignments and performance evaluation of Town Manager (A.R.S. §38-431.03(A)(1).

C. Discussion and consultation with the Town Attorney for legal advice and to consider the Town's position and instruct staff regarding acquisition of property located at the northwest corner of Ocotillo and Ellsworth Roads. (A.R.S. 38-431.03(A)(3) & (7).

D. Discussion and consultation with the Town Attorney for legal advice and to consider the Town's position and instruct the staff regarding acquisition real property located at 21114 S. 220th Place (Assessor's Parcel # 304-64-008X) from Joseph and Roberta Passarella. (A.R.S. 38-431.03(A)(3),(4)and (7).

E. Discussion and consultation for legal advice with the Town Attorney and to consider the Town's position and instruct its staff regarding a possible land exchange. (ARS 38-431.03 (A)(3) and (7).

F. Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of the public body. This is regarding the appointment of a Council Member to fill the position created by the resignation of John Alston. (A.R.S. 38-431.03(A)(1).

Motion to adjourn to Executive Session at 6:01pm (Benning/Barnes/Unanimous)

ITEMS FOR DISCUSSION These items are for Council discussion only and no action will be taken. In general, no public comment will be taken.

**Minutes for the Work Study Session
Queen Creek Town Council
May 2, 2012
Page 2**

None.

4. Adjournment

The Work Study reconvened and adjourned at 7:00pm.



Minutes
Regular Session
Queen Creek Town Council
Queen Creek Town Hall, 22350 S. Ellsworth Road
Council Chambers
May 2, 2012
7:00 p.m.

1. Call to Order

The meeting was called to order at 7:00pm.

2. Roll Call (one or more members of the Council may participate by telephone)

Council Members present: Alston; Barnes; Benning; Oliphant; Wheatley; Vice Mayor Brown and Mayor Barney.

3. Pledge of Allegiance: Led by Scout Jaden Meeks, Scout Troop 303

4. Invocation: Pastor Ben Lee – Living Waters Bible Church

5. Ceremonial Matters: Presentations, Proclamations, Awards, Guest Introductions and Announcements.

A. Recognition of Warren McGregor, Kyle “Chaz” Welch, Dylan Lambert and Jayden Meeks, Star Scouts of Troop 303 for their life-saving rescue efforts on April 21, 2012.

Mayor Barney recounted the events on April 21, 2012 that led to Warren McGregor, Kyle “Chaz” Welch, Dylan Lambert and Jayden Meeks actions that saved David Lee from drowning and presented them with certificates declaring each a Queen Creek Hero.

PIO Marnie Schubert announced that it was Mayor Barney’s birthday and Mrs. Barney had delivered a birthday cake for the occasion.

6. Committee Reports

A. Council summary reports on meetings and/or conferences attended. This may include but is not limited to Phoenix-Mesa Gateway Airport; MAG; East Valley Partnership; CAAG. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.

Council Member Benning reported on the April 26th Pinal County Alliance Meeting held in Apache Junction. The committee had presentations and discussion on the Lower Santa Cruz River workplan; redistricting; legislative issues and the process for replacing Pinal County Supervisor Brian Martyn who resigned earlier.

**Minutes for the Regular Session
Queen Creek Town Council
May 2, 2012
Page 2**

Mayor Barney reported on the Maricopa County Association of Governments (MAG) meeting held on April 25th. The committee received and discussed updates on the Regional Freeway and Highway Life Cycle Program; border support resolution and development of the FY13 MAG Work program and annual budget.

B. Partner agencies quarterly or periodic updates to Council. This may include but is not limited to Queen Creek Chamber of Commerce; Queen Creek Performing Arts Center; Boys & Girls Club of East Valley; and Maricopa or Pinal County Board of Supervisors or other governmental agencies. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.

Boys & Girls Club Quarterly Report: Kevin McKoy, Branch Executive Director, provided current statistics on club membership; attendance at the Before and After School programs and teen program. Mr. McKoy reviewed 4th quarter plans to extend the teen program and hours of operation and leadership training. Council requested more detailed information on club membership within the Town limits with the next report.

Roots N' Boots presentation and report: Jon Wootten, President of Friends of Horseshoe Park reported that the top two goals set by the Council for the event: 1) break even; and 2) hold a successful community event. Mr. Wootten discussed the successes as well as areas to improve for the next event. He also provided information on the sponsors stating that the top two out of 51 were Queen Creek businesses. Mr. Wootten said a 2013 non-profit funding request had been submitted for consideration to the Budget Committee and the event is scheduled for March 8-10, 2013. Council thanked Mr. Wootten, Friends of Horseshoe Park and all of the volunteers.

C. Budget Committee – April 30, 2012: Vice Mayor Brown, Budget Committee Chair, reported on the committee's consideration and recommendations on the FY12/13 operating budget. Town Manager Kross provided an overview of the budget and Assistant Town Manager Flynn reviewed each department and cost center budgets; and a brief overview of the Capital Improvements Program was provided. The Budget Committee recommended the proposed budget be considered by the Council at the May 16, 2012 Council meeting.

7. Public Comment: Members of the public may address the Town Council on items not on the printed agenda and during Public Hearings. Please complete a "Request to Speak Card", located on the table at the rear of the Council Chambers and turn it in to the Town Clerk prior to the beginning of the meeting. There is a time limit of three minutes for comments.

None.

8. Consent Calendar: Matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. Public Hearing items are designated with an asterisk (*). Prior to consideration of the Consent Agenda, the Mayor will ask whether any member of the public wishes to remove a Public Hearing item for

**Minutes for the Regular Session
Queen Creek Town Council
May 2, 2012
Page 3**

separate consideration. Members of the Council and or staff may remove any item for separate consideration.

A. Consideration and possible approval of the April 18, 2012 Work Study and Regular Session Minutes.

B. Consideration and possible approval of a budget reallocation and increase to Purchase Order #20120077 with Dana Kepner, Inc., in the amount of \$30,000 for the purchase, repair and testing of Sensus water meters, fittings and accessories.

C. Consideration and possible approval of **Resolution 902-12** authorizing the purchase agreement with Victoria Towne Center Mortgage LLC, in the amount not to exceed \$810,000 (including closing and other associated costs) for property located at the northwest corner of Ellsworth Road and Maya Road.

Motion to approve the Consent Calendar as presented (Alston/Benning/Unanimous)

PUBLIC HEARINGS: If you wish to speak to the Council on an item listed as a Public Hearing, please complete a Request to Speak Card and turn it in to the Town Clerk. Speakers will be called upon in the order in which their cards are received. Speakers are limited to three (3) minutes each.

9. Public Hearing and possible approval of RZ12-006/SP12-007/ORDINANCE 511-12 “Banner Health Center – Queen Creek” a request by C. Dale Willis on behalf of Victoria Lund Investment Group, LLC to rezone approximately 11.78 acres on the west side of Ellsworth Loop Road, south of Victoria Lane from R-2 PAD to C-2 PAD and site plan approval for Banner Health Center – Queen Creek.

Planning Manager Wayne Balmer reviewed the rezoning and site plan request for a health center within the Victoria project. The project area is 11.78 acres with a proposed zoning of C2 and two phases. Mr. Balmer reviewed both phase plans including site plans, elevations and landscaping.

Mr. Balmer also reviewed the variances requested by the applicant in regard to parking lot requirements including landscaping, light pole heights, parking space widths and parking in front of building; bufferyard landscaping to the west; and building height.

Mr. Balmer discussed the Planning and Zoning Commission’s recommendations for approval including a condition of for a public art piece. Banner Health Center responded that they were in agreement with all conditions except for the public art requirement. Mr. Balmer presented Banner’s proposal to enhance the entryway with a bench and raised planters – providing outdoor seating which would be distinctive to the Queen Creek location.

**Minutes for the Regular Session
Queen Creek Town Council
May 2, 2012
Page 4**

Council discussed concerns with narrowing the parking space width and asked for more information regarding the Planning & Zoning Commission's request for a public art piece. Mr. Balmer explained that the Commission wanted something unique and requested specifics on budget, location and them of the art piece be brought back to the Commission for approval/recommendation. They did not provide specifics on what they wanted to see but wanted to be sure that the art piece was provided. He added that Banner submitted a proposal afterwards.

Council asked if this requirement was in the zoning ordinance. Mr. Balmer responded that it applies to big box retail uses and provided examples of public art at the shopping centers. There was discussion then on the possibility of plumbing additional electrical and water for an art piece in the future.

Bill Smith and Paul Clum, both representing Banner, addressed questions and concerns regarding parking and reasons for requesting the variances; services provided at the facility and type of traffic generated within the facility parking. They also agreed to the plumbing suggestion.

Motion to approve RZ12-006/SP12-007/ORDINANCE 511-12 "Banner Health Center – Queen Creek" as recommended by the Planning and Zoning Commission except deleting Conditions #3 and #4 referring to the Commission's review and requirements of a public art piece and adding a new Condition # 3 requiring the installation of an additional bench and landscaped planter area at the building entrance with electrical and water plumbed to the planter for a future art piece (Brown/Benning/Unanimous)

FINAL ACTION: If you wish to speak to the Council on an item listed under Final Action, please complete a Request to Speak Card and turn it in to the Town Clerk. Speakers will be called upon in the order in which their cards are received. Speakers are limited to three (3) minutes each.

10. Discussion and possible action on **DR12-017 "Blandford Homes at The Pecans"** a request by Christa Walker on behalf of Blandford Homes for approval of four (4) floor plans with fourteen elevations each to be constructed in The Pecans subdivision located on the south side of Chandler Heights Road between Ellsworth and Hawes Roads.

Planning Manager Balmer briefly reviewed the rezoning history of The Pecans and requirements for on-lot pecan tree preservation. He then presented the proposed floor plans and elevations that uphold the "old world theme" previously approved and currently approved by the homeowners association and meet Town requirements. Mr. Balmer added that Blandford had originally requested the design review for 38 lots but now wants an additional 44 lots.

Discussion was in regard to the importance of the pecan tree preservation to the developer, each lot/home buyer and the community. Mr. Balmer explained that each lot would have different preservation specifics based on the model of home selected – and that not all homes would fit on all lots. Mr. Balmer also reviewed the Planning and

**Minutes for the Regular Session
Queen Creek Town Council
May 2, 2012
Page 5**

Zoning Commission's request for enhanced accessory building elevations – which the applicant has provided. Council discussed the garage door features.

Council further discussed concerns with the tree preservation and the amount of trees that may be removed from the front yards as well as more information on how the trees are maintained by the homeowners association.

Kevin Petersen, representing the applicant, addressed the concerns of Council and explained the transition from flood irrigation to drip ring/bubbler irrigation resulting in a reformed root system.

**Motion to approve DR12-017 “Blandford Homes at The Pecans”
(Brown/Benning/Unanimous)**

Council asked if smaller homes would be allowed on the privately owned lots. Mr. Petersen responded that the CC & R's govern the size of home and each is considered on a case by case basis by the design review committee.

Crystal Walker, representing Blandford Homes, affirmed tree preservation commitments and reported that they have found a new RV garage door that is made of steel with a wood look and carriage door elements. She said custom cedar doors are also available.

11. Discussion and possible action on **DR12-028 “Maracay Homes at Montelena”** a request by Alex Holmquist of Maracay Homes for approval of six (6) floor plans with three elevations each to be constructed on the 56 remaining lots in the Montelena Subdivision located at the northeast corner of Chandler Heights and Hawes Roads.

Planning Manager Balmer presented the proposed floor plans and elevations to be constructed as an in-fill project for the remaining 56 lots in Montelena. Mr. Balmer added that the homeowner's association board reviewed and approved the elevations.

**Motion to approve DR12-028 “Maracay Homes at Montelena”
(Brown/Wheatley/Unanimous)**

ITEMS FOR DISCUSSION: These items are for Council discussion only and no action will be taken. In general, no public comment will be taken.

12. Presentation on the Annual Pavement Management Plan.

Street Superintendent Jan Martin gave a presentation and review of five-year Annual Pavement Management Plan. Ms. Martin stated that it is year four of the plan (2009-2014) and reviewed funding requests and criteria for selecting projects within the plan. Ms. Martin provided information on the condition status of current pavement; residential slurry seal; rejuvenator project; microseal and chipseal projects; proposed purchase of heavy equipment and bridge and sidewalk repairs.

13. Motion to adjourn to Executive Session: The Council may reconvene the Executive Session for any of the items listed on the Executive Session Agenda.

The Council reconvened to Executive Session at 9:05pm.

14. Adjournment

The Regular Session reconvened and adjourned at 9:20pm.



Requesting Department:

Development Services

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER
TOM CONDIT, DEVELOPMENT SERVICES MANAGER

FROM: TROY WHITE, PUBLIC WORKS DIVISION MANAGER *TW*

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A SETTLEMENT, CONTRIBUTION, AND MUTUAL RELEASE AGREEMENT BETWEEN ALLIED WASTE, MARICOPA COUNTY SOLID WASTE DEPARTMENT, AND THE TOWN OF QUEEN CREEK RELATED TO NOTICE OF ALLEGED VIOLATIONS AT THE QUEEN CREEK LANDFILL

DATE: MAY 16, 2012

Staff Recommendation:

Staff recommends approval of the Settlement, Contribution, and Mutual Release Agreement ("Settlement Agreement") between Allied Waste, Maricopa County Solid Waste Department, and the Town of Queen Creek related to alleged violations at the Queen Creek Landfill.

Relevant Council Goal(s):

N/A

Proposed Motion:

Motion to approve the Settlement Agreement between Allied Waste, Maricopa County Solid Waste Department, and the Town of Queen Creek related to alleged violations at the Queen Creek Landfill.

Discussion:

On October 13, 2010, the Maricopa County Air Quality Department (AQD) issued a "Notice of Violation" ("NOV") to the Town alleging certain violations of County and federal regulations pertaining to air quality as they relate to the operation of the Queen Creek Landfill, which has been closed since 2007. On February 23, 2010, AQD issued a Notice of Violation to the Maricopa County Solid Waste Department ("Solid Waste"). On October 14, 2012 AQD also issued a Notice of Violation to Allied Waste Industries (Arizona "Allied Waste").

The Notices of Violation issued to Solid Waste and Allied Waste alleged essentially the same violations as identified in the Town NOV.

In its response to the Town NOV, the Town indicated that it believed that no violations occurred at the landfill, and that, in the event the existence of any violations is established, the Town is not responsible because of contractual arrangements that the Town made with Solid Waste and Allied Waste.

The attached Settlement Agreement states in part: Allied Waste, on its behalf and on behalf of the Town, shall contribute \$710,000 to the total settlement amount and Solid Waste shall contribute \$790,000 to the total settlement payment of \$1.5 million required under the proposed Order with AQD.

The Town, Allied Waste and Solid Waste are in the process of negotiating an Order of Abatement by Consent with AQD for the purpose of settling the above Notices of Violation issued by AQD in connection with the Landfill.

Fiscal Impact:

The Town has no monetary contribution in the settlement agreement.

Alternatives:

None

Attachments:

Draft: Settlement Agreement

DRAFT!

SETTLEMENT, CONTRIBUTION, AND MUTUAL RELEASE AGREEMENT

This Settlement, Contribution, and Mutual Release Agreement ("Agreement") is entered into this ____ day of May 2012, between the Town of Queen Creek, Arizona (the "Town"), Allied Waste Industries (Arizona) Inc. ("Allied Waste"), and Maricopa County by and through the Solid Waste Department of Maricopa County, Arizona ("Solid Waste" or "Maricopa County") (collectively the "Parties").

RECITALS

WHEREAS, Maricopa County has owned the Queen Creek Landfill since approximately 1972 and continues to own the Queen Creek Landfill ("Landfill"),

WHEREAS, Maricopa County and the Town entered into an Intergovernmental Agreement ("IGA") No. C-67-96-027-2, dated May 1, 1996, regarding the operation of the Landfill pursuant to the terms of the IGA,

WHEREAS, the Town and Allied Waste entered into an agreement dated May 1, 1996 (which was amended on October 20, 1999 (First Amendment) and November 6, 2002 (Second Amendment)) ("Landfill Agreement"), wherein Allied Waste agreed to operate the Landfill for the Town pursuant to the terms of the Landfill Agreement and the IGA,

WHEREAS, IGA C-67-96-027-2 was terminated and replaced by IGA C-67-04-001-2, effective September 9, 2003, between Maricopa County and the Town,

WHEREAS, the Town and Allied Waste entered into a new Landfill Agreement, dated August 20, 2003, which superseded the prior Landfill Agreement, dated May 1, 1996, as amended, wherein Allied Waste agreed to operate the Landfill for the Town pursuant to the terms of the new Landfill Agreement and IGA No. C-67-04-001-2,

Draft

DRAFT!

WHEREAS, IGA No. C-67-04-001-2 was amended on April 24, 2006 (Amendment No. C67-04-001-2-01),

WHEREAS, the Town and Allied Waste amended the Landfill Agreement on April 24, 2006, whereby Allied Waste agreed to continue to operate the Landfill for the Town pursuant to the terms of the Landfill Agreement, as amended, and IGA No. C-67-04-001-2, as amended,

WHEREAS, the Landfill received its last shipment of solid waste/debris on or before May 30, 2007, at which time the Landfill became a closed Landfill,

WHEREAS, on February 23, 2010, the Air Quality Department of Maricopa County ("AQD") issued a Notice of Violation (NOV No. 800210) to the Solid Waste Department of Maricopa County as the owner of the Landfill in which AQD alleged 12 violations of the Federal Clean Air Act Regulations as adopted by Maricopa County and other Maricopa County Air Quality Regulations,

WHEREAS, on October 14, 2010, AQD issued Notices of Violation to the Town (NOV _____) and Allied Waste (NOV No. 800216) as alleged operators of the Landfill prior to its closure, alleging the same 12 violations alleged against Solid Waste,

WHEREAS, the above identified Notices of Violations issued by AQD are collectively referenced herein as "the NOVs,"

WHEREAS, during the course of investigating the NOVs and negotiating with AQD, the Parties have incurred legal fees, costs (including sharing the cost of having a consultant, Weaver Boos, conduct Tier II soil vapor sampling) and other expenses,

WHEREAS, the Town, Allied Waste and Solid Waste have entered into an Order of Abatement by Consent with AQD to settle and permanently resolve all of the NOVs

DRAFT!

referenced above (the "Order") and, pursuant to the Order, AQD has agreed to accept a total settlement amount of \$1.5 million,

WHEREAS, the IGAs and Landfill Agreements as amended contain various cross-indemnities and representations and warranties between the Parties,

THEREFORE, in consideration of the promises, representations and warranties made herein and the contributions by the Parties to the overall settlement, the Town, Allied Waste, and Solid Waste agree as follows.

AGREEMENT

1. The Recitals set forth above are incorporated herein by reference as true and accurate as if fully set forth in this Agreement.

2. Except as otherwise expressly provided in this Agreement and except for any amount that has been paid or reimbursed by one Party to or for the benefit of another Party prior to the effective date of this Agreement (pursuant to an indemnification obligation or otherwise), the Town, Allied Waste and Maricopa County, respectively, shall each bear all of their own attorneys' fees, costs, and expenses (including any shared defense costs and settlement contributions) incurred in connection with the investigation, negotiation and settlement with AQD of the NOV's.

3. Except as otherwise expressly provided in this Agreement, the Town, Allied Waste and Maricopa County, as releasing Parties, each hereby fully and completely releases and discharges the other Parties, and each of them, and their respective successors, assigns, officers, directors, officials, agents and employees, from each and every claim, demand, liability, action or cause of action of any kind or nature, accrued or unaccrued, known or unknown, that the releasing Party may have against any

DRAFT!

other Party – if, but only if, the claim, demand, liability, action or cause of action arises out of the IGAs or the Landfill Agreements (or amendments thereto) including, but not limited to, claims for indemnity and breach of contract claims and if, but only if, the claim, demand, liability, action or cause of action relates to the NOVs or to any damages, penalties, fines, attorneys' fees, costs or expenses incurred by the releasing Party in connection with the NOVs (including any settlement contributions) prior to the effective date of this Agreement; Provided, however, that nothing in this Agreement or the foregoing mutual releases shall be construed to in any way limit, alter or affect the Town's right to indemnification from either Allied Waste or Maricopa County under any IGA or any Landfill Agreement, except for indemnification with respect to the Town's liability, if any, under NOV _____ or expenses incurred by the Town as a result of the issuance of NOV _____.

4. The effective date of this Agreement shall be the later of (i) date on which this Agreement is entered into as set forth above or (ii) the date on which the Order between the Parties and AQD resolving the NOVs has become final and fully implemented, including after any required court approval.

5. Allied Waste, on its behalf and on behalf of the Town, shall contribute \$710,000 and Solid Waste shall contribute \$790,000 to the total settlement payment of \$1.5 million required under the Order with AQD.

6. All future obligations and requirements relating to the Landfill – including, but not limited to, all requirements, duties, obligations and liabilities, if any, imposed by AQD, the U.S. Environmental Protection Agency (“EPA”), or the Arizona Department of Environmental Quality (“ADEQ”) under any applicable permit, or state,

DRAFT!

federal or local laws or regulations shall be the sole responsibility of Maricopa County as the Owner of the Landfill and shall not be obligations of either the Town or Allied Waste.

7. Each person signing below represents and warrants that he or she has full authority to sign this document in the capacity indicated and, except as to counsel, to bind (as indicated) the Town, Allied Waste or Maricopa County to this Agreement.

Allied Waste Industries (Arizona), Inc.

By: _____
Its _____
Date: _____

Approved as to Form:
Fennemore Craig, P.C.
By _____
Phillip F. Fargotstein

Town of Queen Creek, Arizona

By _____
Its _____
Date: _____

Fennemore Craig, P.C.
By _____
Phillip F. Fargotstein
and
Mariscal Weeks McIntyre & Friedlander
By _____
Kenneth A. Hodson

Maricopa County, Arizona

By: _____
Its _____
Date: _____

Maricopa County Attorney's Office
By _____
David Benton
and
Jordan Bischoff & Hiser
By: _____
Douglas A. Jordan

Requesting Departments:

Economic Development



TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER
PATRICK FLYNN, ASSISTANT TOWN MANAGER

FROM: DOREEN COTT, DIRECTOR OF ECONOMIC DEVELOPMENT

RE: DISCUSSION AND POSSIBLE APPROVAL OF A CONTRACT WITH PHOENIX COMMERCIAL ADVISORS FOR COMMERCIAL REAL ESTATE BROKER SERVICES.

DATE: MAY 16, 2012

Staff Recommendation:

Staff recommends approval of the contract with Phoenix Commercial Advisors for Commercial Real Estate Broker Services.

Proposed Motion:

Move to approve the contract with Phoenix Commercial Advisors for Commercial Real Estate Broker Services for the Town owned parcel in the Town Center.

Discussion:

The Town acquired two parcels totaling 17-acres in the Town Center in July 2011. At the May 2, 2012 Town Council meeting Council approved Resolution 902-12 authorizing the purchase of an additional 3.63 acres adjacent to the 16-acre parcel.

In recent years the Town Center has seen the development of over 1 million square feet of commercial/retail space attracting nationally and regionally recognized tenants to the community. However, with all of this new development there still exists a void in entertainment opportunities for Queen Creek and the surrounding Santan Valley area. Staff recognizes that the development of a mixed-use entertainment district in the Town Center would bring significant benefits to the Town, its residents and the businesses that already exist.

In order to effectively market this site to the development community and ultimately end users staff issued a Request for Qualifications from commercial real estate brokerage firms for the marketing and development of a mixed-use entertainment development on the Town owned parcel. The Town received two proposals in response to the RFQ. Staff and the Chairs of the Economic Development Commission and Town Center Committee reviewed and scored the proposals. Based on qualifications and experience Phoenix Commercial Advisors was chosen as the preferred broker.

Phoenix Commercial Advisors specializes in retail commercial brokerage in Metropolitan Phoenix, Tucson and other communities throughout the state of Arizona. Phoenix Commercial Advisors will provide the Town with the knowledge, experience and expertise needed to ensure long term success of this asset.

Fiscal Impact: Commission payable upon execution. Payment schedule outlined in the contract attached.

Alternatives:

The Council may decide not to approve the contract with Phoenix Commercial Advisors and direct staff to retain the services of another firm.

Attachments:

Contract between the Town and GBLS Commercial Real Estate Services (Phoenix Commercial Advisors)

TOWN OF QUEEN CREEK

This Contract is made and entered into effective as of the ____ day of _____, 2012 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and GBLS Commercial Real Estate Services, an *Arizona corporation* ("Vendor"). Town and Vendor may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

The Town wishes to enter into a contract for marketing and development of a mixed use entertainment development on 20 plus acres on two parcels owned by the Town, located within the Town center as depicted in exhibit D; and

Vendor is qualified to perform the Services; and

The *Mayor* is authorized and empowered by the Town Code to execute contracts for services.

Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

AGREEMENTS

ARTICLE 1. SCOPE OF SERVICES

Vendor shall provide the services described in the Scope of Services attached here to as Exhibit B (the "Services"). All Services will be reviewed and approved by the Contract Administrator to determine acceptable completion. Review and approval by the Contract Administrator shall not relieve Vendor of any liability for defective, non-complying, improper, negligent or inadequate Services rendered, pursuant to this Contract.

ARTICLE 2. FEES

1. Vendor shall be paid according to the schedule set forth in Exhibit C.

2. If for any reason the Vendor fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Vendor violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Vendor such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Vendor is agreed to by the parties in writing, or is finally determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. This Contract shall be in full force and effect when approved by the Town Council of Queen Creek, Arizona and signed by its *Mayor* as attested by the Town Clerk.

2. The Vendor shall proceed with providing the Services immediately upon receipt of a notice to proceed issued by the Contract Administrator.

3. The term of the Contract shall commence on the date of award and shall continue for a period of one (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for one (1) additional one year periods. If the Contract is renewed, the total length of the Contract shall not exceed two (2) years. Any of the one (1) year contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience, or to terminate any portion of the Services which have not been performed by the Vendor.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Vendor in writing, and immediately upon receipt of such notice, the Vendor shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Vendor shall immediately deliver to the Town any and all documents or work product generated by the Vendor under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Vendor shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. The Vendor shall receive as compensation in full only for Services performed and Goods delivered to the Town, and approved in writing by the Contract Administrator, prior to the date of such termination. The Town shall make such final payment within 60 days after the latest of: (i) Vendor's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Vendor's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in Exhibit B. Services and Goods which are not included or necessary to providing the Services set forth in Exhibit B will be considered Additional Services, only if approved in writing by the Contract Administrator prior to their performance. The Vendor shall not perform such Additional Services without prior written authorization in the form of an approved written change order or contract amendment from the Town. In the event the Vendor performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Vendor shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Vendor shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all Services performed pursuant to the Contract including, but not limited to the Services, and any the reports, surveys, plans, supporting data and/or other documents prepared or compiled pursuant to Vendor's obligations under this Contract and shall correct at Vendor's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Vendor's Services shall in no way relieve the Vendor of any of Vendor's responsibilities hereunder.

ARTICLE 8. OWNERSHIP OF DOCUMENTS

All documents including but not limited to data computation, studies, reports, notes, drawings, or other documents, which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Vendor, or upon termination of this Contract for any reason. To the extent any such documents is deemed to be the property of Vendor, Vendor hereby assigns all of Vendor's right, title and interest (including any applicable copyright) in such documents and Work Product to the Town.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Vendor shall defend, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subvendor. The Vendor's duty to defend, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Vendor or anyone for whose acts the Vendor may be legally liable. It is the specific intention of the Parties that the Indemnitees shall be indemnified by Vendor from and against all Claims other than those arising from the Indemnitees' sole negligence. The Vendor will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Vendor, at Vendor's sole

cost and upon at least 10 day's written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Vendor's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Vendor shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit A.

ARTICLE 11. WARRANTIES

1. The Vendor shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed (where applicable) workers and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Vendor's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Vendor shall correct or replace as required by the Contract Administrator, at Vendor's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services and/or Goods provided under this Contract. The Town's acceptance or approval of the Services and/or Goods shall in no way relieve the Vendor of any of Vendor's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, the Vendor's or manufacturers' written warranties, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services and/or Goods.

ARTICLE 12. ADDITIONAL DISCLOSURES BY VENDOR

1. The Vendor shall reveal fully and in writing any financial or compensatory agreements which the Vendor has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Vendor hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Vendor, to solicit or secure this contract, and that the Vendor has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Vendor any fee,

commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Vendor shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this Contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, AZ 85142
Facsimile: (480) 358-3189

With a copy to: MARISCAL, WEEKS, MCINTYRE & FRIEDLANDER, P.A.
2901 North Central Avenue, Suite 200
Phoenix, Arizona 85012
Att'n: Fredda J. Bisman, Esq.
Facsimile: (602) 285-5100

Vendor: _____

Facsimile: () _____

With a copy to: _____

Facsimile: () _____

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period

stated in a notice shall be computed from the time the notice is deemed received. Notices sent by facsimile transmission shall also be sent by regular mail to the recipient at the above address.

This requirement for duplicate notice is not intended to change the effective date of the notice sent by facsimile transmission. E-mail is not an acceptable means for meeting the requirements of this section unless otherwise agreed in writing.

ARTICLE 15. GENERAL PROVISIONS

A. **RECORDS AND AUDIT RIGHTS.** Vendor's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the Services, and any invoices, change orders, payments, or claims submitted by the Vendor or any of his payees related to or arising out of the Contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Vendor's records and personnel throughout the term of this Contract and for a period of three (3) years after last or final payment.

B. **INCORPORATION OF RECITALS AND EXHIBITS.** The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

C. **ATTORNEYS' FEES.** In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or an 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 (including expert witness fees), determined by the arbitrator or court sitting without a jury, which fees 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.

D. **ENTIRE AGREEMENT.** This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

E. **GOVERNING LAW.** This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

F. **INDEPENDENT CONTRACTOR.** The services Vendor provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Vendor shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide her/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

G. TAXES. Vendor shall be solely responsible for any and all tax obligations which may result out of the Vendors performance of this contract. The Town shall have no obligation to pay any amounts for taxes, of any type, incurred by the Vendor. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual payments. Vendor acknowledges that Vendor may be subject to I.R.S. provisions for payment of estimated income tax. Vendor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements. Sales tax for Goods received by the Town in relation to this Contract shall be indicated as a separate item on any notice of amount due.

H. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

I. COMPLIANCE WITH LAW. The Vendor specifically agrees and hereby warrants to the Town that in the performance of the Services, Vendor and anyone acting on Vendor's behalf, including but not limited to Vendor's subvendors, will comply with all state, federal and local statues, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

J. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

K. WAIVER. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

L. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

M. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Vendor warrants to the Town that the Vendor and all its subvendors are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Vendor acknowledges that a breach of this warranty by the Vendor or any of its subvendors is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Vendor or any subvendor who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Vendor and any of its subvendors to ensure compliance with this warranty.

The Town will not consider Vendor or any of its subvendors in material breach of the

foregoing warranty if Vendor and its subvendors establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Vendor enters into with any and all of its subvendors who provide services under this Contract or any subcontract. As used in this Section M "services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

N. PROHIBITION OF DOING BUSINESS WITH SUDAN AND IRAN. Pursuant to A.R.S. §§35-391.06 and 35-393-06, Vendor hereby certifies to the Town that Vendor does not have "scrutinized" business operations, as defined in A.R.S. §§35-391 and 35-393, in either Sudan or Iran. Vendor acknowledges that, in the event either of the certifications to the Town by Vendor contained in this paragraph is determined by the Town to be false, the Town may terminate this Contract and exercise other remedies as provided by law, in accordance with A.R.S. §§35-391.06 and 35-393-06.

O. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a Vendor to any other party to the contract with respect the subject matter of the contract.

P. LICENSES. Vendor shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Vendor and the services to be performed under the resultant contract.

Q. PERMITS AND RESPONSIBILITIES. Vendor shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

R. LIENS. Vendor shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Vendor shall deliver appropriate written releases, in statutory form of all liens to the Town.

S. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Vendor or any other person except with the prior written permission of the Town.

T. WORKPLACE COMPLIANCE. Vendor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

ARTICLE 16. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 13 of this Agreement at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract effective on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Gail Barney, Mayor

John Kross, Town Manager

ATTEST:

Jennifer Robinson, Town Clerk

REVIEWED AS TO FORM:

Mariscal, Weeks, McIntyre & Friedlander, P.A.
Town Attorneys

VENDOR:

Daniel J. Gardiner
GBLS Commercial Real Estate Services Inc's President

EXHIBIT A
INSURANCE

1. **Insurance Certificate:** The Town requires a complete and valid certificate of insurance prior to the award of any contract. Vendor shall submit a copy of the insurance certificate for coverage with minimum amounts stated below. The coverage shall be maintained in full force and effect during the term of the Contract and shall not serve to limit any liabilities or any other vendor obligations. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the Town, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer.

2. **Deductible:** The amount of any deductible shall be stated on the face of the certificate. The Contract Administrator may require Vendor to furnish a financial statement establishing the ability of Vendor to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish Vendor's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the Town will have no further obligation to Vendor.

3. **General Liability:** Vendor shall secure and maintain, at his or her own expense, until completion of the contract, general liability as shall protect Vendor and the Town from claims for bodily injury, personal injury, and property damage which may arise because of the Goods provided under this contract. Vendor shall provide general liability and excess general liability coverage in the following amounts, at a minimum:

- i. **Projects less than \$1,000,000:** Vendor shall have total limits of insurance to include primary and excess coverage in an amount not less than \$2,000,000. For example, coverage may include \$1,000,000 primary and \$1,000,000 excess, \$2,000,000 primary, or other equivalent combinations.
- ii. **Projects greater than \$1,000,000:** Vendor shall provide total limits of insurance to include primary and excess coverage in an amount of not less than \$5,000,000. For example, coverage may include \$1,000,000 primary and \$4,000,000 excess, \$2,000,000 primary and \$3,000,000 excess, or other equivalent combinations.

4. **Automobile Liability:** Vendor shall secure, and maintain at his or her own expense, until the completion of the Contract, coverage for any auto, including non-owned and hired autos, with a combined single limit of \$1,000,000 per occurrence. The Town shall be named as an Additional Insured.

5. **Worker's Compensation Insurance:** Before beginning work, Vendor shall furnish to the Town satisfactory proof that he or she has, for the period covered under the

Contract, full Worker's Compensation coverage for all persons whom Vendor may employ directly, or indirectly, and shall hold the Town free and harmless for all personal injuries of all persons whom Vendor may employ directly or indirectly.

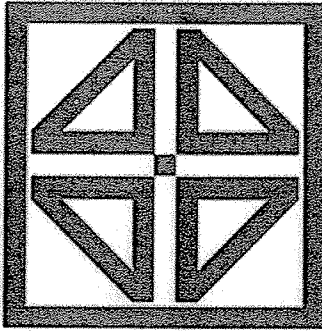
6. **Additional Insured:** Vendor shall name the Town of Queen Creek as an "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance.

7. **Rating of Insurance Company(ies):** Any and all insurance company(ies) supplying coverage to Vendor must have no less than an "A" rating in accordance with the A.M. Best rating guide.

8. **Waiver:** The Town Manager, in consultation with the Risk Manager and/or Town Attorney, reserves the right to waive, reduce, or increase insurance requirements should it be in the best interest of the Town.

U:\ATTORNEYS\FJB\Queen Creek - General (13457-1)\Agreements\Phoenix Commercial Advisors\Contract DRAFT (FB 4 26 12).doc

EXHIBIT B SCOPE OF SERVICE



STRATEGIC MARKET PLAN

Our Phoenix Commercial Advisors leasing & sales team will provide The Town of Queen Creek with the knowledge, experience and expertise relative to each of the different portions of the 17 acre property to expose them to all facets of the market to give them the greatest opportunity to be sold (property is identified on following aerials). The following plan is set up to implement a "process-driven marketing approach" to ensure success for long term development of the assets.

The attached plat aerial of the subject property can be defined by 2 separate parcels.

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

Maricopa County Parcels



Parcel:	304-66-842E	Report Date:	03/06/2012
Owner:	QUEEN CREEK TOWN OF	Unique Location Characteristics:	
Property Address:		Lot Size:	705,457
Local Jurisdiction:	QUEEN CREEK	Main Living Area:	
MCR:		Construction Year:	
Subdivision Name:		Improvement Class:	
Lot:		Bath Fixtures:	
Elementary School:	QUEEN CREEK UNIFIED SCHOOL DISTRICT	Parking:	
High School:	QUEEN CREEK UNIFIED #95	Pool:	No
2013 FCV:	\$2,283,500	Last Sale Price/Sale Date:	\$0 /

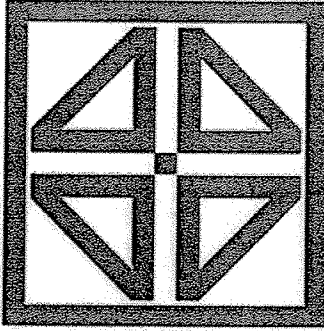
Disclaimer: The data contained in this database is deemed reliable but not guaranteed. This information should be used for informational use only and does not constitute a legal document for the description of these properties. Every effort has been made to insure the accuracy of this data; however, this material may be slightly dated which would have an impact on its accuracy. The Maricopa county Assessor's Office disclaims any responsibility or liability for any direct or indirect damages resulting from the use of this data.

Maricopa County Parcels



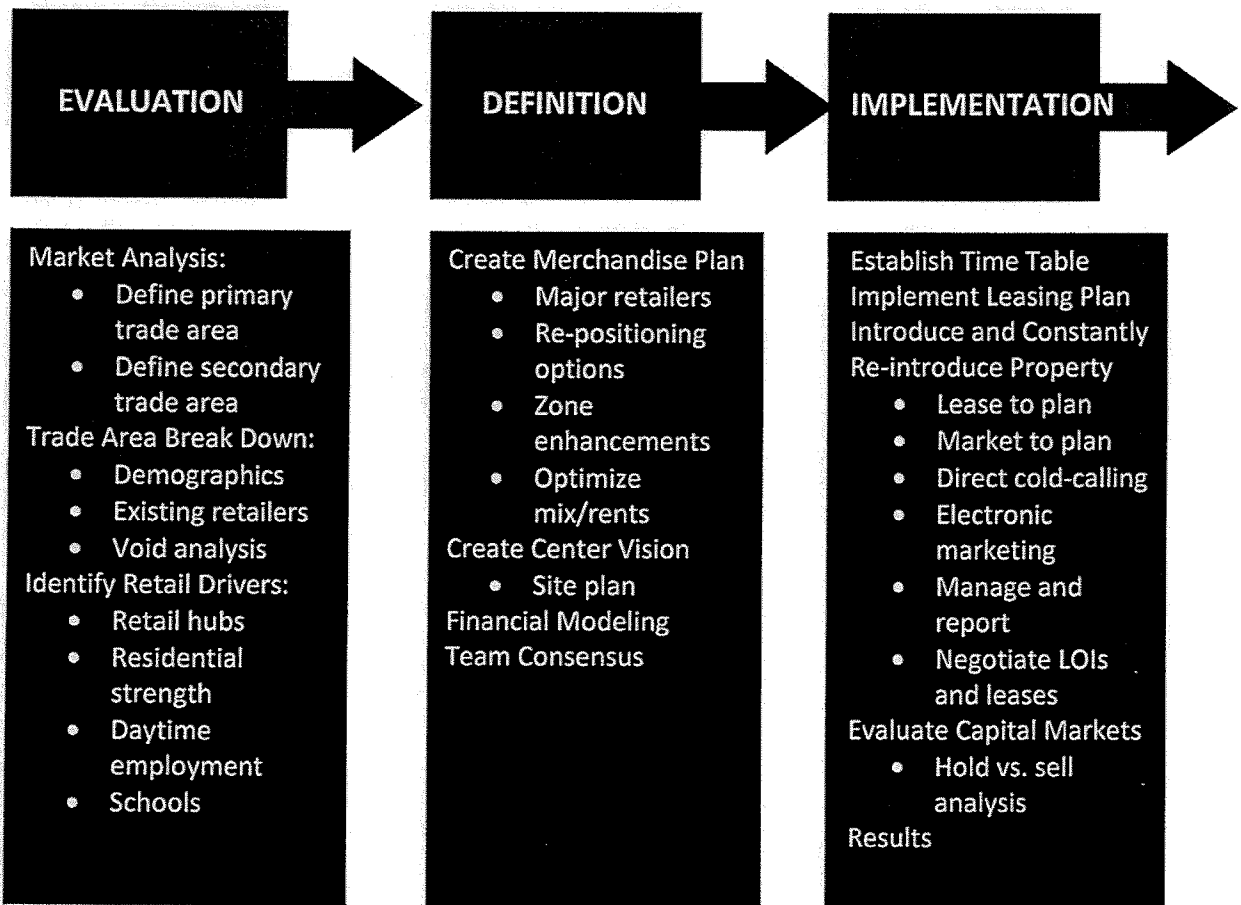
Parcel:	304-66-006	Report Date:	03/06/2012
Owner:	QUEEN CREEK TOWN OF	Unique Location Characteristics:	MajorInter
Property Address:	21212 S ELLSWORTH RD, QUEEN CREEK, AZ 85142	Lot Size:	18,731
Local Jurisdiction:	QUEEN CREEK	Main Living Area:	
MCR:		Construction Year:	
Subdivision Name:		Improvement Class:	
Lot:		Bath Fixtures:	
Elementary School:	QUEEN CREEK UNIFIED SCHOOL DISTRICT	Parking:	
High School:	QUEEN CREEK UNIFIED #95	Pool:	No
2013 FCV:	\$236,500	Last Sale Price/Sale Date:	\$0 /

Disclaimer: The data contained in this database is deemed reliable but not guaranteed. This information should be used for informational use only and does not constitute a legal document for the description of these properties. Every effort has been made to insure the accuracy of this data; however, this material may be slightly dated which would have an impact on its accuracy. The Maricopa county Assessor's Office disclaims any responsibility or liability for any direct or indirect damages resulting from the use of this data.

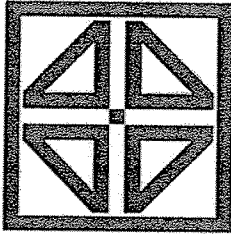


APPROACH TO MARKETING STRATEGY

This chart summarizes how our marketing approach works in a collaborative team environment including The Town of Queen Creek and PCA Marketing Team.



This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.



MARKETING ACTION PLAN

The marketing package will be exposed to all appropriate Users (Retail – all categories – grocery through service office shop users, Hospitality, Daycare/Schools, Entertainment Users, Medical, Etc.)/Investors (for net lease and investment sales) and Brokers and will continue to be presented regularly. Phoenix Commercial Advisors has national, regional and local retail exposure opportunities on a much broader scale than other competitors. We are confident that this renewed exposure will result in a greater number of Retailers and Non-Typical Retail Users/Investors and Brokers being made aware of the subject property.

The Phoenix Commercial Advisors' action plan for Marketing will include the following activities:

Initial Marketing Strategy - The initial marketing activities will include announcements to the retailer and brokerage communities via personal canvassing, electronic mail and the utilization of our website. The marketing strategy will provide your property with the broadest exposure in a professional and concise manner. The activities outlined in this plan are designed to attract users seeking new entry to a trade area, expansion or relocation opportunities.

The initial marketing plan is designed to present specific project information to unidentified prospective users to create and maintain a high degree of project awareness in the professional and brokerage community.

INITIAL CATEGORY (USERS) STRATEGY

Subject to a complete strategic plan, some of the tenant categories we will initially target include:

- Movie theatres (traditional and dine-in)
- Big Box & Jr Box Retailers/Grocers/Drug Stores
- Family Entertainment (i.e. Dave & Buster's)

- Banks/Credit Unions
- Fast Food
- Sit Down/Themed (sports bars, etc.) Restaurants
- QSR's
- Standard Shop Users
- Service Retail/Office Users (real estate, insurance, government, etc.)
- Hotels
- Multi-Family Developers

Project Signage - The marketing program will be conducted on a local and regional basis, therefore we recommend signage be limited to several professionally made signs promoting the positive aspects of the asset.

Marketing Brochures - A property marketing brochure has been prepared for direct and electronic mail in multi-color glossy format. The brochure includes maps, a site plan, photography, and pertinent demographic information. We will update previously used material as appropriate.

E Strategy - The property is being marketed via the internet to the ChainLinks Network and LoopNet.

E-Mail - We continue this e-blast bi-monthly to all active retail brokerage firms in Arizona.

Retail Tenant Directory - This marketing tool allows us to search through nearly 3,000 retail and consumer service tenant profiles. The profiles contain vital real estate data, including the latest site criteria, contact information and real estate materials for local, regional and national chain stores, franchisees, and multi-unit independent retailers.

Unsolicited Proposals - Occasionally, it requires a specific effort to create a transaction where initially one does not seem apparent. Our marketing strategy to correct this situation is with unsolicited proposals. They are an essential ingredient of our effort to attract retailers.

An unsolicited proposal can often provide the necessary catalyst to encourage a retailer to make a move that otherwise may not have

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

been considered. If the identified prospect is represented by a broker, this unsolicited proposal will be submitted to the broker. If they are not represented by a broker, a direct contact will be made by the team captain whenever possible. The unsolicited proposal will be customized to match the deal point criteria typically acceptable to the prospect.

Photographs - Property photographs will be maintained for submittal to prospective users.

Competitive Aerials - Retailer and aerial mapping will be used in select marketing packages to show prospects where their existing stores and/or competitors' stores are located in relation to your property.

International Council of Shopping Centers (ICSC) - Phoenix Commercial Advisors is an active participant at ICSC functions and occupies one of the largest booths at the annual convention in Las Vegas. We will offer our facilities to our clients for meetings with prospective tenants and will secure prominent advertising for The Town of Queen Creek at the Phoenix Commercial Advisors booth. This project will also receive significant exposure at the ICSC conventions in San Diego.

By "Like Kind" Developments - We have surveyed "like kind" centers in the marketplace. We have compiled prospects with their name, category, contact person, current locations, and telephone numbers. These prospects will be the first implemented into our cold calling campaign.

By Category - An in-house Phoenix Commercial Advisors' database that includes 5,500 retail regional and national tenants. These tenants are broken down by use. We can mail to the categories that we have targeted for this development.

By Trade Area - We will submit our marketing information to all existing retailers within the immediate trade area. (These types of retailers may be potential candidates for relocating and/or purchasing property once their existing lease nears expiration.) By maintaining regular contact with these tenants, the odds of a successful relocation are much greater. We will submit our marketing materials to all retailers located in the secondary trade area to potentially

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

relocate and upgrade their location or to possibly open a second location to better serve their customers.

Cold Calling - The majority of our time is spent contacting owners and real estate representatives for various local, regional and national retailers. Cold calling involves contacting national chain tenants as well as local operators. Our cold calling efforts are coordinated with mailings (as outlined above) so that when a prospect receives a leasing package he will also receive a follow-up call to discuss his specific requirements.

Past Relationships - As a brokerage team, we have developed strong relationships over the years with a number of tenants nationally, locally, and regionally. Our relationships allow immediate access to key decision-makers who are able to determine whether or not to open a store at this site. These relationships are critical in establishing credibility for your project and will facilitate immediate responses from the retail community.

Outside Broker Cooperation - Broker cooperation on any major project is extremely important. This includes Phoenix Commercial Advisors cooperation, as well as the outside brokerage community. Past experience has shown that 70% of our business is divided within the Phoenix Commercial Advisor internal system and outside brokerage community.

Internal Broker Cooperation - Since Phoenix Commercial Advisors represents a major force in the real estate community, emphasis will naturally be placed on in-house exposure of the property. Packages containing the preliminary marketing brochure will be given to all Phoenix Commercial Advisors brokers and available for them to email to all of the retailers that they represent and cold call.

ChainLinks Services - (See our National Network page) Phoenix Commercial Advisors is a member of ChainLinks Retail Advisors, the premier network of real estate professionals focused on serving the needs of the retailing community. Membership consists of offices in over 50 U.S. cities providing PCA's properties national exposure.

Follow Up - To obtain recognition and cooperation of all members of the brokerage community, we email a marketing brochure to retail brokers every 2 weeks. This will update brokers on availability and

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

keep this property at the forefront of brokers' minds for any of their clients' requirements. Our retailer broker mailing list includes hundreds of retail broker contacts. We will continue to contact these brokers on a daily basis, making sure that each is aware of the opportunities that exist within this retail development.

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

CLIENT COMMUNICATION

Recognizing that communication is a key element of any successful leasing effort, Phoenix Commercial Advisors consistently elevates communication efforts through the following activities:

Prospect Responses/Marketing Activity - Phoenix Commercial Advisors will keep you informed of current prospect interest and responses received. Ownership will be copied on all correspondence and will be updated as required.

Marketing Meetings - We are available to meet and/or arrange conference calls on a consistent basis with you to review the marketing plan and strategize together on the most effective means of attracting new prospects. Feedback and comments from Ownership are critical to our success.

MARKETING AND RESEARCH EXPENSES

Phoenix Commercial Advisors shall pay all reasonable marketing and research expenses related to marketing.

HOW WILL THE TOWN OF QUEEN CREEK KNOW WHAT IS BEING DONE TO MARKET THE SUBJECT PROPERTY?

It is our practice to chart the progress of the marketing program and communicate with our client as they require. Upon execution of the Listing Agreement, we will begin updating you on marketing tasks completed, current prospects, changes in market conditions, recent deal comparables, and other pertinent information. Our reports will include:

- 1 Completed and planned marketing tasks.
- 2 New prospects contacted and their response.
- 3 Summary of and status of pending proposals, offers and status of lease negotiations.
- 4 Follow-up activity for previously contacted prospects.

PCA places a very high priority on client communication. We will always be available for consultation.

Negotiations - Phoenix Commercial Advisors will participate in the deal-making process, from the initial cold call to the close of the transaction.

1. **Follow-up:** We will follow-up with all prospects in the appropriate manner, e.g., in-person meeting, letter and/or brochure mailing, etc.
2. **Preparation of Proposals/Offers:** We will work with you to negotiate and prepare all proposals. Information will continually be supplied and a record kept of all deal points.
3. **Deal Making:** We will provide you with the necessary information to close deals in this competitive marketplace.

This letter/proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

EXHIBIT C

**PHOENIX
COMMERCIAL
ADVISORS**

FEES

Schedule of Sale and Lease Commissions

FOR PROPERTY AT: SEC Ellsworth Loop Road & Rittenhouse Road in Queen Creek, Arizona
Exhibit A – Phase 2

A. SALES

As to sales of real property, Broker's commission shall be 6% of the gross sales price. Gross sales price shall include any and all consideration received or receivable, in whatever form, including but not limited to assumption or release of existing liabilities. This commission shall be paid at the close of escrow through escrow, or if there is no escrow, then upon recordation of the deed; provided, however, if the transaction involves a land sale installment contract, then payment shall be made upon execution of such contract. In the event Owner contributes or conveys the Property or any interest therein to a joint venture, partnership, or other business entity, there shall be no commission due.

B. LEASES OR SUBLEASES

Commissions shall be payable upon execution of a lease (50% upon execution of the lease & removal of contingencies and 50% upon the earlier of tenant's 1st payment of rent or tenant opening for business) and/or through close of escrow by Owner and a tenant, and calculated in accordance with the following rates:

Size	No Outside Broker	With an Outside Broker *
1-8,000 SF	\$7.00 per SF	\$3.50 per SF to PCA PCA will quote a \$3.50 per square foot fee to Outside Brokers
8,001-15,000 SF	\$5.00 per SF, but not less than 8,000 SF schedule (\$56,000)	\$3.00 per SF to PCA, but not less than 8,000 SF schedule. PCA will quote a \$2.00 per square foot fee to Outside Broker
15,001-45,000 SF	\$4.00 per SF, but not less than 15,000 SF schedule	\$2.50 per SF to PCA PCA will quote \$2.00 per square foot fee to Outside Broker
45,001-100,000 SF	\$3.00 per SF, but not less than 50,000 SF schedule	\$2.00 per SF to PCA PCA will quote a \$2.00 per square foot fee to Outside Broker
100,001 and greater	\$2.50 per SF	\$2.00 per SF to PCA but not less than \$100K schedule PCA will quote a \$2.00 per square foot fee to Outside Broker
Sales	6% gross sales price	6% gross sales price Split 50/50
Ground lease	6% of the first 10 years ground rent	6% of the first 10 years ground Rent split 50/50

* PCA will quote the fee amounts stated in the Schedule to the Outside Brokers, and relay all Outside Broker's fee requests that exceed the Schedule to Landlord prior to any LOIs being sent out to allow Landlord to adjust the minimum rent quote accordingly to cover the additional fee request. All PCA agents who are not on the listing will be considered as Outside Brokers.

The above rates are subject to the following provisions:

1. *Term of More than 25 Years:*

If a lease term is in excess of 25 years, then the commission shall be calculated only upon the base rental to be paid for the first 25 years of the lease term.

2. *Month to Month Tenancy:*

The minimum commission for a month to month tenancy, tenancy at will, or any other tenancy which is not reduced to a written lease agreement between a tenant and Owner shall be equal to 50% of the first month's base rental or \$_____, whichever is greater. The commission shall be payable upon occupancy. In the event such a tenant subsequently executes a written lease with Owner, either directly or with the assistance of Broker or anyone else within 24 months from the date of initial occupancy, then Broker shall receive a leasing commission with respect to such lease in accordance with the provisions of paragraph B above.

3. *Option(s) or Right(s) of First Refusal to Occupy Additional Space:* During the first year of the lease, if a lease for which a commission is payable hereunder contains (i) an option(s) or right(s) of first refusal to expand, and a tenant occupies additional space whether strictly in accordance with the terms of such option(s) or right(s) or otherwise, then Owner shall pay a leasing of commission of one-half (1/2) of what would be the fee if an outside broker was involved. Said commission shall be earned and payable at the time the additional space is occupied, as applicable.

4. *Purchase of Property by Tenant:*

If a lease for which a commission is payable hereunder contains an option, right of first refusal, or similar right, and a tenant, its successors or assignees, or any agent, officer, employee or shareholder of a tenant purchases the Property whether strictly in accordance with the terms of such option, right of first refusal, similar right or otherwise during (a) the first year of the term of the lease, then a sales commission shall be calculated based upon 6% of the total sales price and paid in accordance with the provisions of Section A above; provided, however, that there shall be a credit against such sales commission in the amount of lease commissions previously paid to Broker. If the previously paid leasing commission is larger than the calculated sales fee, then no sales fee would be paid.

5. *Percentage Rent:*

If a lease for which a commission is payable hereunder contains a percentage rent clause, Owner shall pay a commission on the percentage rent payable by the Tenant at the commission rate applicable to the period of the lease term for which the percentage rent is payable. The commission shall be payable within fifteen (15) days after the Tenant's final payment and accounting of percentage rent for the preceding lease year. Notwithstanding the foregoing, at the end of the third full lease year, Owner shall pay a commission on percentage rent for the remainder of the original term of the lease. For the purpose of calculating this commission, the percentage rent for each remaining year of the term of the lease shall be deemed to be the same amount as the percentage rent for the third full lease year.

6. *Ground Lease or Build-to-Suit for Lease:*

In the event Owner and a tenant enter into a ground lease or a build-to-suit for lease of an outparcel, commissions shall be equal to 6% of the first year's rent in which rent is paid, capitalized at 10%.

The provisions hereof are subject to the terms and provisions of any Exclusive Sales Listing agreement, Exclusive Leasing Listing agreement, Exclusive Subleasing Listing agreement, Exclusive Representation agreement or other agreement to which this Schedule may be attached and which is executed by the parties hereto.

In the event Owner fails to make payments within the time limits set forth herein, and remain unpaid for one hundred eighty (180) days then, from the date due until paid, the delinquent amount shall bear interest at a rate of 10%.

Owner hereby acknowledges receipt of a copy of this schedule and agrees that it shall be binding upon its heirs, successors and assignees. In the event Owner sells or otherwise disposes of its interest in the Property, Owner shall remain liable for payment of the commissions provided for in this Schedule and any agreement of which it is a part, including, without limitation, the commission obligations set forth in paragraphs 2, 3, 4 and 5 of Section B, unless the purchaser or transferee assumes all of such obligations in writing.

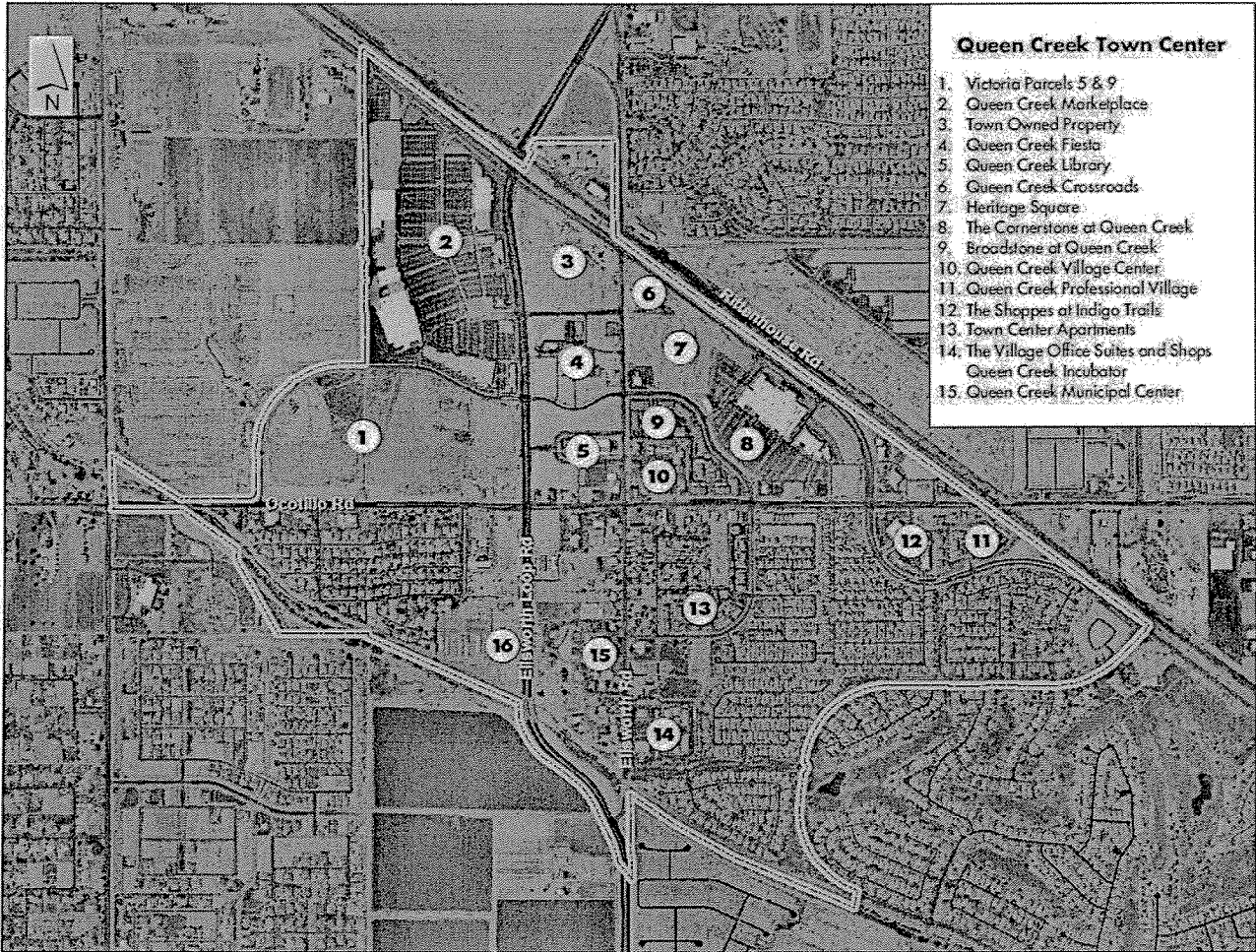
The term "Owner" as used herein shall be deemed to include the owner of the Property, a party under contract to acquire the Property.

Accepted:	Date:	_____
	Owner:	_____
GBLS Commercial Real Estate Services, Inc. an Arizona corporation, doing business as Phoenix Commercial Advisors Licensed Real Estate Broker	a(n):	_____
	By:	_____
3020 East Camelback Road, Suite 215 Phoenix, Arizona 85016 Phone: 602-957-9800	Name:	_____
	Title:	_____
By: _____	Address:	_____
Name: <u>Daniel J. Gardiner</u>		_____
Its: <u>President</u>	Phone:	_____
Date: _____		_____

CONSULT YOUR ADVISORS. This document has been prepared for approval by your attorney and financial advisor. No representation or recommendation is made by Broker as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney and financial advisor.

EXHIBIT D

Graphic illustrating the project property (#3) within the Town Center boundaries





Potential Property Purchase

-  Town Owned Property
-  Property Available for Purchase

EXHIBIT E

**PHOENIX
COMMERCIAL
ADVISORS**

Exclusive Leasing Listing Agreement

Queen Creek, Arizona April 25, 2012

1. In consideration of the listing for lease of the real property hereinafter described (the "Property") by GBLS Commercial Real Estate Services, Inc., an Arizona corporation, doing business as Phoenix Commercial Advisors ("Broker") and Broker's agreement to use its best efforts to effect a lease or leases of same, the undersigned ("Owner") hereby grants to Broker the exclusive right to negotiate a lease or leases of the Property for a period commencing April 25, 2012, and ending midnight April 25, 2014 (the "Term"). If the Property is not fully leased or sold upon expiration of the Term, Owner and Broker agree that the Term shall automatically be extended for one (1) additional year. During this extended term Landlord or Broker shall have the right to terminate this agreement with 30 days written notice. The lease(s) shall be on the following terms:

Those terms acceptable to Owner

The Property is situated in the Town of Queen Creek, County of Maricopa, State of Arizona, is located at and is further described as:

SEC Ellsworth Loop Road & Rittenhouse Road. (Exhibit A, Phase 2)

References herein to the Property shall be understood to include portions of the Property.

2. Owner agrees to pay Broker a leasing commission in accordance with Broker's Schedule of Sale and Lease Commissions (the "Schedule"), a copy of which is executed by Owner, attached hereto and hereby made a part thereof. This commission shall be earned for services rendered if, during the Term: (a) the Property is leased to a tenant procured by Broker, Owner or anyone else; (b) a tenant is procured, by Broker, Owner, or anyone else who is ready, willing and able to lease the Property on the terms above stated, or on any other terms agreeable to Owner; (c) any contract for the lease of the Property is entered into by Owner, or (d) Owner removes the Property from the market. Broker is authorized to co-operate with and to share its commission with other licensed real estate brokers, regardless of whether said brokers represent prospective tenants or act as Broker's subagents.
3. Owner further agrees to pay Broker a commission in accordance with the Schedule, if, within one hundred twenty (120) calendar days after the expiration or termination of the Term the Property is leased to, or negotiations continue, resume or commence and thereafter continue leading to the execution of a lease with any person or entity (including his/her/its successors, assigns or affiliates) with whom Broker has negotiated (either directly or through another broker or agent) or to whom the property has been submitted prior to the expiration or termination of the Term. Broker is authorized to continue negotiations with such persons or entities. Broker agrees to submit a list of such persons or entities to Owner not later than fifteen (15) calendar days following the expiration or termination of the Term, provided, however, that if a written offer has been submitted, it shall not be necessary to include the offeror's name on the list.
4. OWNER FURTHER AGREES THAT (A) IF A SALE, EXCHANGE OR OPTION TO PURCHASE THE PROPERTY IS MADE DURING THE TERM TO ANYONE, OR (B) IF, WITHIN ONE HUNDRED TWENTY (120) CALENDAR DAYS AFTER THE EXPIRATION OR TERMINATION OF THE TERM, THE PROPERTY IS SOLD, EXCHANGED, OR AN OPTION TO PURCHASE IS GRANTED, OR NEGOTIATIONS CONTINUE, RESUME OR COMMENCE AND THEREAFTER CONTINUE LEADING TO A SALE, EXCHANGE OR GRANT OF AN OPTION TO ANY PERSON OR ENTITY AS DESCRIBED IN PARAGRAPH 3 ABOVE, OWNER SHALL PAY BROKER A SALES COMMISSION IN ACCORDANCE WITH THE SCHEDULE.
5. Commissions shall be payable hereunder when earned or at lease execution, closing, closing of escrow, recordation of the deed, or possession by the purchaser or tenant.

6. If security, earnest money or similar deposits made by a prospective tenant or purchaser are forfeited, in addition to any other rights of Broker pursuant to this Agreement, Broker shall be entitled to one-half (½) thereof, but not to exceed the total amount of the anticipated commission.
7. To the extent permitted by applicable law, Broker is authorized to deduct its commissions from any deposits, payments or other funds, including proceeds of rental payments or sale, paid by a tenant or purchaser in connection with a transaction contemplated by this Agreement, and Owner hereby irrevocably assigns said funds and proceeds to Broker to the extent necessary to pay said commissions. Broker is authorized to provide a copy of this Agreement to any tenant or escrow or closing agent working on such transaction, and such escrow or closing agent, or tenant is hereby instructed by Owner to pay Broker's commissions from any such funds or proceeds available. Owner shall remain liable for the entire amount of said commissions regardless of whether Broker exercises its rights under this paragraph.
8. Owner and Broker agree that the Property will be offered in compliance with all applicable federal, state and local anti-discrimination laws and regulations.
9. Owner agrees to cooperate with Broker in effecting leases of the Property and immediately to refer to Broker all inquiries of anyone interested in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective tenant and to handle it in accordance with the instructions of the parties unless contrary to applicable law. Broker is exclusively authorized to advertise the Property and exclusively authorized to place a signs(s) on the Property if, in Broker's opinion, such would facilitate the leasing of the Property. Owner represents that it is the owner of the Property. Owner and its counsel will be responsible for determining the legal sufficiency of a lease and any other documents relating to any transaction contemplated by this Agreement.
10. Owner agrees to disclose to Broker and to prospective tenants or purchasers any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on or about the Property. Broker is authorized to disclose any such information to prospective tenants or buyers.
11. Owner acknowledges that in many cases Broker may represent numerous prospective tenants or purchasers in the Arizona market. Owner desires that the Property be presented to such persons or entities, and consents to the dual representation created thereby. Broker shall not disclose the confidential information of one principal to the other. The real estate commissions paid on these represented transactions are typically in excess of the fee schedule in Paragraph B of the Schedule of Sale and Lease Commissions. Commissions on the Broker represented transactions in excess of the schedule shall be agreed to on a deal by deal basis.
12. In the event that the Property comes under the jurisdiction of a bankruptcy court, Owner shall immediately notify Broker of the same, and shall promptly take all steps necessary to obtain court approval of Broker's appointment, unless Broker shall elect to terminate this Agreement upon said notice.
13. In the event that the Property becomes the subject of foreclosure proceedings prior to the expiration of this Agreement, then this Agreement shall be deemed suspended until such time as the Owner may reacquire his interest in the Property within the Term. If this Agreement is suspended pursuant to this paragraph, Broker shall be free to enter into a listing agreement with any receiver, the party initiating the foreclosure, the party purchasing the Property at a foreclosure sale, or any other person having an interest in the Property.
14. In the event of any dispute between Owner and Broker relating to this Agreement, the Property or Owner or Broker's performance hereunder, Owner and Broker agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Broker executing this Agreement is located. The

arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including the costs of the arbitration proceeding, and reasonable attorneys' fees.

15. In the event that Owner lists Property with another broker after the expiration or termination of this Agreement, Owner agrees to provide in the subsequent listing agreement that a commission will not be payable to the new broker with respect to transactions for which Owner remains obligated to pay a commission to Broker under paragraphs 3 or 4 hereof. Owner's failure to do so, however, shall not affect Owner's obligations to Broker under paragraphs 3 or 4 hereof.
16. Each signator to this Agreement represents and warrants that (s)he has full authority to sign this Agreement on behalf of the party for whom (s)he signs and that this Agreement binds such party.
17. This Agreement constitutes the entire agreement between Owner and Broker and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment, alteration, cancellation or withdrawal of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker. This Agreement shall be binding upon, and shall benefit the heirs, successors and assignees of the parties.
18. The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and the Americans with Disabilities Act.



Requesting Department:
Development Services

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

**FROM: TOM CONDIT, DEVELOPMENT SERVICES DIRECTOR
TROY WHITE, PUBLIC WORKS DIVISION MANAGER
WENDY KASERMAN, SENIOR MANAGEMENT ASSISTANT**

**RE: CONSIDERATION AND POSSIBLE AUTHORIZATION TO
STAFF TO APPLY FOR LOCAL TRANSPORTATION
ASSISTANCE FUND (LTAF) II FUNDS FOR A TRANSIT
PLANNING STUDY**

DATE: May 16, 2012

Staff Recommendation:

Staff recommends the Town Council authorize staff to apply for LTAF II funds to conduct a transit planning study.

Relevant Council Goal(s):

KRA 5: Financial Management/Internal Services and Sustainability

Proposed Motion:

Motion to authorize staff to apply for LTAF II funds to conduct a transit planning study.

Discussion:

The Local Transportation Assistance Fund (LTAF) II was established to fund public transit projects. It is funded by Powerball earnings. For the purposes of LTAF II, public transit is defined as any service, vehicle(s), or support facility for a vehicle(s), intended for the purpose of conveying multiple passengers. The definition also includes the planning and administrative support for such services.

In 2010, the State Legislature swept and eliminated the LTAF II fund. However, a recent court case determined the State Legislature did not have the authority to sweep these funds in Maricopa County because the LTAF II funds were being used toward public transit which helps to mitigate air quality issues. The Town very recently received notification of the availability of funds

in FY13, Town staff is seeking authorization from the Town Council to apply for the funds and complete a transit planning study. The application deadline is May 31st.

The Town is eligible to apply for \$76,030 in LTAF II funds. There is no match required and the funds are paid to the Town at the time the project is approved, therefore the Town would not have to pay for the project and then seek reimbursement.

The Town was previously awarded funds for a Park and Ride project as well as a transit planning study. The Town Council's direction was not to pursue the Park and Ride project and staff has not yet completed the transit planning study. At the time LTAF II funds are awarded, municipalities have two years to complete projects with an option for a one year extension. The previously awarded funds have technically expired, however staff is working with the Arizona Department of Transportation (ADOT) to find out whether or not we can tap into these funds to complete a transit planning study.

Should staff be able to combine the previously awarded funds with the new LTAF II funds (a portion of the new funds would serve as the 25% match required with the previously awarded funds), the scope of the transit planning study would include having a consultant examine:

- Socio-economic trends: Current and projected population and employment characteristics for 2015, 2030 and build-out.
- Land use: Current and projected land use as per the Town of Queen Creek.
- Transportation infrastructure: Current and programmed road and transit network.
- System Connectivity: The study should examine how Queen Creek will coordinate with existing and planned transit modes serving the study area.
- Legally required service levels: Any recommendations regarding changes in service plans as part of implementation of future transit service by the Town of Queen Creek should identify potential impacts to Title VI and Environmental Justice populations.

The estimated cost for this study is \$150,000, which would be funded entirely through LTAF II funds at no cost to the Town. Staff would come back to the Town Council at a future meeting for approval of a contract to conduct the study.

If staff is unable to use the previously awarded funds, the scope of the study will need to be scaled back to fall within the \$76,030 the Town is eligible to apply for in 2013. Staff is working to have a definitive answer about the availability of the previously awarded funds prior to the 5/16 Town Council meeting.

Fiscal Impact:

There is no anticipated fiscal impact to the Town to complete the transit planning study.

Alternatives:

1. The Town Council could choose to direct staff to apply for the FY13 LTAF II funds for a different public transit project.
2. The Town Council could direct staff not to apply for the new LTAF II funds available and instead just pursue using the previously awarded funds for the transit planning study or an alternate public transit project. There is a 25% match associated with the previously awarded funds, this is not budgeted.
3. The Town Council could direct staff not to apply for the new LTAF II funds and to return all previously awarded funds to ADOT.

Attachments:

N/A

Requesting Department:
Economic Development



TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

FROM: DOREEN COTT, ECONOMIC DEVELOPMENT DIRECTOR
KIM MOYERS, ECONOMIC DEVELOPMENT SPECIALIST

RE: DISCUSSION AND POSSIBLE APPROVAL FOR THE
CONTINUATION OF THE QUEEN CREEK INCUBATOR
PROGRAM.

DATE: May 16, 2012

Staff Recommendation:

Staff recommends continuing the QC Inc. program as currently established.

Proposed Motion:

Move to continue the QC Inc. program as currently established and direct staff to evaluate program locations and work to secure space prior to the current lease ending in December 2012.

Discussion:

At the March 21, 2012 Town Council meeting staff presented an overview of the incubator program's first year. Staff requested direction to continue the program as currently established, to evaluate new, potential locations for the program and work to secure a location prior to the current lease ending in December 2012.

The Town Council directed staff to continue QC Inc. until the current lease expires in December 2012 and bring back alternatives for the Council to consider regarding the current program and other types of incubator programs.

Over the past few weeks staff has compiled data on other local incubators including the type of programs, the criteria used to evaluate tenants, best practices and the costs associated with each of these programs. A spreadsheet with information on each of these programs is included as **Attachment 1** in the staff report. Each of the programs are subsidized at some level by the city/town in an effort to support, grow and nurture business. Staff continues to explore sponsorship opportunities as well as potential partnerships with other entities to help grow and enhance the incubator program.

Staff has also conducted high level research on other incubator programs including the initial cost associated with implementing any of these programs and the strengths and

challenges associated with each. **Attachment 2** in the staff report includes information on the each of the different programs. If Council decides to pursue a different incubator program, staff recommends that an in-depth feasibility study is conducted to determine if such a program would be successful in Queen Creek.

In order to provide an outside perspective on different incubators and the opportunities and challenges associated with these programs, Russ Yeager from the Northern Arizona Center for Entrepreneurship and Technology (NACET) will be providing a brief presentation at the May 16, 2012 Council meeting.

In the first year of operation, QC Inc's revenues reached \$37,412.00 with expenditures of \$31,359.00. Initial set-up costs at the current location were \$40,000. This excludes the \$13,000/month lease expense which is currently being paid by the Water Enterprise Fund. If the QC Inc. program continues as established staff anticipates a similar budget for FY12/13, with the possible addition of tenant improvements and lease expense depending on location.

Each of the alternatives listed below will have an impact on the Chamber of Commerce, the anchor tenant of QC Inc.

Alternatives:

1. End the QC Inc. program.
2. Continue the QC Inc. program as established with the same tenant criteria.
3. Continue the QC Inc. program but with a variation to the tenant criteria.
4. Direct staff to conduct a feasibility study for a different type of incubator (kitchen, manufacturing, high tech) to determine if such program would be viable in Queen Creek. If directed to conduct a feasibility study staff also requests direction on the current program.

Fiscal Impact:

1. Fiscal impact to end the program would be minimal. Staff time to move Town owned property and I.T. equipment from the building.
2. Continue the QC Inc. program (with or without changes to tenant criteria) staff anticipates similar operating expenses, however the greatest fiscal impact will be the monthly lease expense and tenant improvement costs.
 - a. Remain in current location at a renegotiated lease rate. Estimated lease expense to remain in this location is \$100,000 - \$120,000 per year.
 - b. Move to new office location. This would require tenant improvements and initial set-up costs estimated at \$75,000 - \$100,000. Estimated lease expense is \$100,000 - \$120,000 per year.
 - c. Move program to the vacant Parks & Recreation building. This would require tenant improvements and initial set-up costs of approximately \$75,000. No monthly lease expense which would allow the program to become budget neutral.

3. Feasibility study for a different type of incubator program would costs between \$30,000 and \$60,000 depending on the scope of work.

Attachments:

- 1.) Spreadsheet with information on various incubators throughout Arizona.
- 2.) Spreadsheet with information on other incubator programs.
- 3.) Recent articles on other valley incubators.

Attachment 1

Name	Type	Space	Years Established	Fees	Criteria	Costs	Information
Gangplank - Chandler	Tech/business	5200 sf - building leased by Derek Neighbors	3 yrs	free	no criteria to use space. Believe in the concept of social responsibility and perspective. Trying to create a culture	\$200,000 per year from City of Chandler	30% technology / 40% idea related that may or may not involve technology / 30% does not involve technology at all
Peoria	Bio medical device manufacturing / accelerator	7,000 sf on medical space in existing medical plaza	just launching	free	no criteria set at this time no stipulated ROI, as it will be based on number of companies graduating, ultimately locating in Peoria, number of jobs created, average salary, etc., which will take at least 2 years to happen.	\$1.6 mil start up costs / annual budget \$1.6 mil from City of Peoria	Mission of the Incubator – Build and help succeed emerging businesses in this industry

Attachment 1

Name	Type	Space	Years Established	Fees	Criteria	Costs	Information
Flagstaff	Tech and non-tech components	10,000 sq ft city owned facility built in 2008 for \$5.7m with a \$2m EDA grant and the rest provided by the city	12 years	varies	venture capitalist scoring model which scores 5 areas of the business looking for 60% competency in each area. \$14 per hour new jobs. Affiliate members are "non traditional" clients on a different fee schedule	City of Flagstaff invests \$500k per year, we also have a contract with NAU to do tech transfer and our annual budget this year was just over \$1.1m	ROI - over 200 jobs created in the last 3 years, average salary of NACET client employees in 2011 was over \$61k. Clients have raised over \$70m in capital. An economic impact study in 2009 showed that our clients then expensed \$17m with an annual impact of \$29m with the City of Flagstaff receiving \$600k in sales taxes or a 20% return. In 2011 client payrolls were in excess of \$7m, for every \$1m of city dollars invested.
Gangplank - Avondale	Collaborative workspace, currently housing mostly web and social media companies	former City Hall space 4,200 sf	just launching	free	Gangplank selects the anchors within the space Typically they are looking for copanies committed to the Gangplank philosophy and desire to be involved and engaged with the community	Start up costs: \$170,000 with \$60,000/year. Gangplank to pay \$1/year rent	to provide open and collaborative work opportunity for businesses to grow without overhead costs. Determined ROI: to upstart the technology sector and anticipation that some of the businesses will eventually grow out into larger space in Avondale

Attachment 1

Name	Type	Space	Years Established	Fees	Criteria	Costs	Information
Chandler - Innovations	Technology, life sciences, software and sustainable technologies. Complicated endeavor with significant capital investment, on-going expenses. Challenge to break even.		2 years	varies	Allow early stage companies a place to thrive, create jobs and enhance capital investment in the community. Eventually want to see companies grow into their own space. Tenants apply and must have a business plan and show the ability to commercialize their product. Applications are reviewed by a committee of experts.	\$5.7 million in initial start-up. Approximately \$1.3 million in rent and operating costs which is offset by revenue from the tenants. City pays staff person to manage the incubator.	ROI is still being calculated and evaluated since the program is fairly new.

Attachment 1

<p>Mesa Accelerator</p>	<p>Focus will be on areas of specialization (e.g. Aerospace & Defense) but its services will be available for all industries. A key component of the mission will be the partnership with AZLabs (former Air Force Research Lab located at Phx-Mesa Gateway Airport).</p>	<p>Plan is to utilize one of the existing properties near the Phx-Mesa Gateway airport. We are currently in negotiations for a portion of an office/flex building (approximately 5,000 SF).</p>	<p>development stage</p>	<p>unsure at this time</p>	<p>it is important to note that the services of the accelerator will not be limited to "tenants." Businesses/entrepreneurs who desire services can participate. In development. Our performance metrics will be tied to job creation (within the region) and business graduation/success.without being physically located in the facility</p>	<p>unsure at this time</p>	
<p>Gilbert - Frontrunner Program</p>	<p>"virtual" for small business</p>	<p>no physical space</p>	<p>2 years</p>	<p>\$200 per 12 wk session</p>	<p>small business training for businesses located in Gilbert.</p>	<p>used CDBG funds for marketing, administration and training</p>	<p>Gilbert recently dissolved this program and is working to assist business with one on one training for free and/or reduced pricing</p>

Attachment 1

Name	Type	Space	Years Established	Fees	Criteria	Costs	Information
<p>Surprise/ TechCelerator</p>	<p>Technical and non technical</p>	<p>68,000 SF</p>	<p>2 years</p>	<p>fees vary</p>	<p>program started with a focus on tech businesses but currently allows businesses that would benefit Surprise, make an impact on the community or has an idea that the review committee believes in.</p>	<p>utilizing former city hall building. No set budget - expenses are absorbed in general fund</p>	

Attachment 2

Type of Incubator	Initial Cost	Context & Features	Strengths(Broad)	Challenges (Broad)	% within US	Spectrum
Kitchen	\$500,000 +	preparation, packaging/labeling, distribution and storage of food products technology can vary depending on the clusters of the community. Range can include, but not limited to, medical, software engineering/development, research, aviation, etc.	Unique to Arizona. Rural/homegrown areas have more success higher wage jobs, clustering to like minded business, potential for jobs	only 70 in the US. In a recent survey, only 1 broke even. Heavily subsidized. Unique knowledge base needed as business grows, many tech jobs relocate to cluster. Higher propensity for slow growth in the development stages. Funding	4%	Deep and Narrow
Technology	can vary depending on equipment but towards \$1 mil		brings in variety of business, large and small. Typically provides synergy within business		39%	Deep and Narrow
Social Business	similar to QC Inc.	uses entrepreneurship and innovation	opens up opportunity to a number of industries. Provides commerce opportunities and opportunity for growth	smaller business, may not grow as quickly or not focused on growing employees	4%	Shallow & Broad
Mixed	similar to QC Inc. to \$250K	variety of service/office oriented business		job creation may not be as high as tech or specialty industry.	54%	Shallow & Broad

Attachment 2

<p>Manufacturing / Machinist</p>	<p>purchase of equipment specific to the machinist needs along with a large manufacturing facility. \$500,000 +</p>	<p>very specific and tied to industry such as aviation/aerospace or precision metal forming.</p>	<p>fills a need of a community or industry. Provides opportunity for local residents to start their own business</p>	<p>large number of manufacturing/assembly plants in a cluster is needed. Mostly used for specific uses</p>	<p>3%</p>	<p>Deep and Narrow</p>
---	---	--	--	--	-----------	------------------------

Arizona Business & Money

Tech incubator puts Chandler on cutting edge

by Luci Scott - May. 4, 2010 12:00 AM
The Arizona Republic

Recommend

3 people recommend this. Be the first of your friends.

Tweet 0

Jeff Morhet, CEO of InNexus Biotechnology, a drug-development company, has just moved the business from Scottsdale to Chandler's new incubator, Innovations.

With the move, he acquires more space and resources, and much more.

"What's most important to our industry is a collaborative environment," he said.

"Early-stage companies want to be able to depend on one another not just for resources and the economics of it but for active scientific collaboration."

Building a state-of-the-art technology incubator in today's economy is a risk many cities wouldn't take, but Chandler had the vision, Mayor Boyd Dunn told the crowd at the facility's groundbreaking Friday. "It will allow new ideas to flourish," he said. "There are so many great ideas out there."

The incubator is an unusual opportunity for engineers, software designers and scientists to develop and commercialize their promising ideas.

Christine Mackay, the city's director of economic development, thanked the many people involved in creating the incubator, including the mayor and City Council, who approved funding.

"This took a lot of guts," she said.

The council approved \$5.7 million for construction, capital improvements, equipment and furniture.

Mackay noted how unusual the incubator is.

"There's nothing like this in metro Phoenix," she said. "An incubator with wet-lab space, nothing compares in Phoenix. It's very rare."

The facility, at 145 S. 79th St. near Chandler Boulevard and McClintock Drive, helps Chandler maintain its reputation as a tech-friendly city. The incubator contains dry and wet labs - for chemical and biological work - as well as conference rooms, office space, office equipment, a kitchen, lounges and a receptionist.

Studies show that 80 percent of small companies that begin in incubators succeed, Dunn said.

"That's four times the average," he said.

The anchor tenant, with 7,100 square feet, is the University of Arizona College of Medicine-Phoenix in partnership with Arizona State University. That space will house the Center for Applied NanoBioscience and Medicine, whose director is Frederic Zenhausern.

Mike Proctor, vice provost of outreach and global initiatives at UA, spoke at the ribbon-cutting.

The university was drawn into a deeper relationship with Chandler because the city wants to innovate and have an impact, Proctor said. That's in keeping with the mission of the land-grant institution that is the university, he said.

"There's no better fit," he added.

Morhet of InNexus is an expert in bioscience and a key adviser to the incubator.

He not only moved InNexus but also ThirdBio, a resource organization that will manage the incubator's day-to-day operations.

InNexus is commercializing the next generation of monoclonal antibodies.

Another tenant will be a medical-robotics company, which is due to sign a lease soon, Mackay said.

The first tenant to sign was Cummings Engineering, owned by Darren and Nikole Cummings.

The software company has developed patent-pending technology called Secure Mobile to prevent corporate espionage and hacking into e-mail and text messages on mobile devices such as cellphones.

The software would be used by doctors, lawyers, stockbrokers and businesses needing a secure environment.

The incubator covers 40,000 square feet, and the opening-day occupancy exceeds expectations, the city said.

"The incubator gives Chandler the opportunity to grow its own businesses in the cutting-edge fields of biotechnology, bioinformatics, software design, nanotechnology, medical devices and others," the city said in a news release.

Experts agree there is a need for the incubator.

Chandler lost biotech companies, and the city turned away similar out-of-state companies because it lacked wet labs.

There are 300 incubators across the country, and 250 of those are on university campuses, Mackay said.

The incubator isn't limited to companies. It has a secure shared lab where one engineer or medical-device designer can rent space for, say, two hours a week.

The city has a 10-year lease with the building's owner, Austin-based Capital Commercial Investments, the company that bought the former Motorola site on Price Road.

The building housing the incubator had been owned by Intel, which installed infrastructure such as nitrogen, deionized water, vacuum lines and compressed air, saving the city \$6 million.

Before choosing that site, Mackay looked at 14 buildings.

The building is equipped with expensive scientific equipment that startups couldn't afford themselves, such as a centrifuge, autoclave, high-powered microscopes and solvent hoods.

The architect was Cawley Architects of Phoenix, and the contractor was LGE.

->

News**Peoria bioscience incubator to focus on medical-device firms****Peoria's bioscience builder recently changed names but its goal is unwavering**

by Sonu Munshi - May, 4, 2012 08:54 AM
The Republic | azcentral.com

Recommend

Be the first of your friends to recommend this.

Tweet 11

The name of Peoria's bioscience incubator has changed but its mission remains unchanged on the verge of its launch.

BioInspire, previously Peoria Incucelator, is expected to open early next month at 13660 N. 94th Drive in Plaza Del Rio near Loop 101 and Thunderbird Road.

The incubator is a partnership among the city and BioAccel, a Phoenix-based non-profit that works to commercialize life-science technologies, and Plaza Companies, a Valley-based real estate firm that specializes in medical office, technology and bioscience facilities.

The effort attempts to help entrepreneurs get their innovations to market, launching companies with high-paying jobs that may opt to be based in Peoria.

The incubator, the first in Arizona to focus on biomedical-device startup companies, was to launch in March but was delayed as the 6,800 square-foot office space is still being renovated. Two Arizona startups are under consideration to become tenants, MaryAnn Guerra, chief executive of BioAccel, recently said.

The Peoria City Council approved the partnership last fall. Plans are to start the partnership over a five-year period, although the city could opt out after three years. City funding is identified for three years at \$1.6 million annually.

For now, an advisory council that tapped industry talent from across the nation has been set up. The council includes Chairman Russ Yelton, president of Northern Arizona Center for Emerging Technologies, John Linehan, a biomedical engineering professor at Northwestern University, and Enrico Picozza, director of SensAble Technologies and a Massachusetts-based venture partner at HLM Venture Partners, which invests in the health-care sector.

City Economic Development Director Scott Whyte called it "a grand experiment" for the city, something he's optimistic will succeed because of the "ecosystem of networks" being developed. He said an aggressive marketing campaign is in the works.

The group will have an exhibit this month at the AZBio conference, the statewide industry association. Whyte said a new idea for recruiting companies will be announced there.

"We're new to the world. We have to let the West Valley, the state and the nation know what we have to offer," he said.

On offer is as much as \$300,000 in working capital and/or free or reduced-price office space, including common and individual laboratory space and meeting rooms, for qualified budding entrepreneurs, as well as mentorship and a collaborative atmosphere.

Those are key ingredients that help turn good ideas into marketable products, services or innovations, said some on the advisory council.

The Peoria incubator, while not unique in concept, is among only a handful with the niche focus on medical devices and among the few to provide seed funding, BioAccel's Guerra said.

She said the team wants to bring in the right people who have potential to succeed, something they would try to vet with a rigorous selection process.

Industry experts said few investors are willing to put money into early-stage ideas, something the Peoria incubator would offer in the form of seed funding.

The Peoria effort could also help fledgling companies sort through three typical problems: not having the right management, trying to make overly ambitious products and not knowing the true cost to produce a product as well as figuring out the true cost to produce something and whether it translates to a price customers would be willing to pay, said Mark Johnson, director of product development for Phoenix Analysis and Design Technologies in Tempe.

Johnson said because the failure level is higher than at the angel or venture-capital investor level, it's a reasonable idea for federal, state or local governments to provide seed funding. For a country once known for its manufacturing base, which has eroded, innovation is key to economic growth and should be supported, he said.

Picozza, the advisory-council member, said articulating and marketing an idea is among the biggest hurdles. Innovators of medical devices also must navigate regulations, which can become burdensome, he said. That's where partnerships help the industry, said the advisory council's chairman.

Yelton said city support can reap rewards, as 85 percent of companies remain in the city where they were incubated.

MORE FROM AZCENTRAL

- [Police: Elderly man kills wife, self in Prescott \(azcentral.com | news\)](#)
- [Mauling death of infant a homicide, coroner says \(azcentral.com | news\)](#)
- [OB/GYN, Aetna cost dispute may affect 5,000 patients \(azcentral.com | business\)](#)
- [Tempe man gets 7 years in child porn case \(azcentral.com | tempe\)](#)
- [Phoenix building's 33rd-floor window shatters \(azcentral.com | north phoenix\)](#)

MORE FROM THE WEB

- [These 4 Things Happen Right Before a Heart Attack \(Newsmax.com\)](#)
- [Will Your Lungs Regenerate if you Quit Smoking? \(HealthCentral.com\)](#)
- [10-Year-Old Girl Dies in After-School Fight Over a Boy \(MamasLatinas\)](#)
- [10 surefire ways to blow your job interview \(Bankrate.com\)](#)
- [The New Knee Replacements \(Lifescrypt.com\)](#)

21

->

ARTICLE

Avondale, AZ Launches Business Incubator Gangplank

2 April 2012

The city of Avondale recently hosted the grand opening of Gangplank Avondale. Through this innovative partnership, Avondale converted its old City Hall building to house this creative collaborative space for innovators, techs, creatives, entrepreneurs, and the general public.

The space is typically open during standard business hours, providing West Valley small businesses and budding entrepreneurs the opportunity to work in an open and collaborative environment without the overhead costs associated with opening a business.

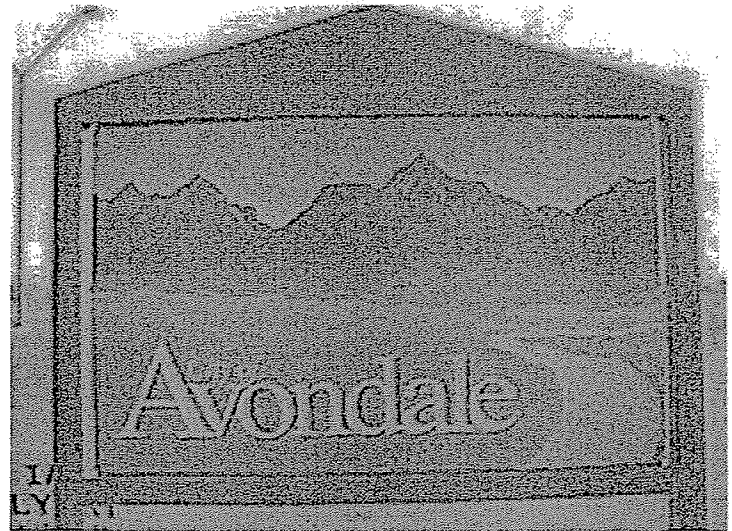
Instead, Gangplank Avondale participants are expected to contribute by volunteering by leading workshops, weekly brownbag presentations, and mentoring fellow entrepreneurs. Following approval of agreements in August 2011, the city renovated the building to include energy efficient features and to create an open atmosphere for all who come here.

Improvements to the building included installation of energy efficient windows, installation of four new heating/cooling units, upgrade of lighting fixtures, and demolition of interior walls to make better use of the space. Within the space, Gangplank Avondale provides learning and networking opportunities for area small businesses, as well activities for youth, musicians and artists.

"Avondale is preparing for the 21st Century workplace by committing to an investment in education, people and innovation," said Gangplank co-founder Derek Neighbors. "We are delighted to be working with the city to bring infrastructure, programming and opportunities to achieve this goal."

"Avondale is proud to open Gangplank Avondale to the talented and innovative individuals of the West Valley. It is the work space for them to come together and collaborate with other entrepreneurs and small businesses owners to grow and express their business ideas," said Avondale Mayor Marie Lopez Rogers.

For more information about Gangplank Avondale, contact info@gangplankhq.com or visit gangplankhq.com. Click here for related articles.



GateWay CC launching business incubator

March 15
A 202p.

By Betty Beard
The Republic | azcentral.com

A new business incubator with wet-lab research space is opening Monday at GateWay Community College in Phoenix.

The Center for Entrepreneurial Innovation is designed to house and help develop early-stage companies in biotechnology, clean technology, renewable energy, technology and software, and professional services, said Jack Irving, executive director.

It will also provide mentors and exposure to a network of local business professionals, and it will offer free talks on a variety of subjects such as intellectual property and marketing that will be open to the public.

But prospective companies have to undergo rigorous screening to ensure the incubator is accepting only those with the best chances of making it, Irving said.

Three companies have applied so far; two were accepted

See INCUBATOR, Page D2

Incubator

Continued from Page D1

and will be moving in shortly, Irving said. He declined to name them, saying some documents still need to be signed.

"It's a long and involved process. Essentially what we are looking for is that it (company) has prospects of being a significant and sustainable company that can create employment opportunities," he said.

"They are not at the 'Hey, I've got an idea' stage. They have been in business a couple of years. They have done their prototypes."

The National Business Incubation Association has found that, of the companies that graduate from incubators, about 87 percent are still in

business five years later.

Companies using incubators also have access to resources they often don't know how to get or have the money to buy, Irving said.

The center is at 275 N. Gateway Drive, northwest of the GateWay campus at 38th and Van Buren streets.

The first phase has 12,600 square feet and eight wet labs. Construction will begin soon on a second phase that will bring the complete center up to 18,000 square feet in the summer.

The city of Phoenix, the U.S. Economic Development Administration and Blue Cross and Blue Shield provided funding for the \$6 million center.

The center also will house a U.S. Small Business Administration Small Business Development Center and be affiliated with other local agencies.

E3

Requesting Department:
Town Manager



TO: HONORABLE MAYOR AND TOWN COUNCIL

FROM: BUDGET COMMITTEE
JOHN KROSS, TOWN MANAGER
PATRICK FLYNN, ASSISTANT TOWN MANAGER/CFO

RE: CONSIDERATION AND POSSIBLE ACTION ON THE TOWN'S
FY12/13 TENTATIVE BUDGET, AS WELL AS SET THE PUBLIC
HEARING FOR JUNE 6, 2012 FOR CONSIDERATION OF THE
FINAL BUDGET

DATE: MAY 3, 2012

Council Budget Committee Recommendation:

The Council Budget Committee considered the Town Manager's recommended budget in a meeting on April 30, 2012 and unanimously approved the proposed budget for FY12/13.

Proposed Motion:

Motion to approve the FY12/13 tentative budget as proposed by the Town Manager and recommended by the Budget Committee and set the public hearing on the budget for June 6, 2012 at 7 p.m. in the Town Hall Council Chambers.

Discussion:

On May 16, 2012, the Town Council will consider the Town's FY12/13 tentative budget. The tentative budget includes all the funds of the Town, both for operating and capital program purposes. The new budget will be effective on July 1, 2012, the beginning of the Town's fiscal year.

The purpose of the tentative budget is to establish the maximum budget or budget ceiling for the next fiscal year. Considering and approving this amount is required by law. Once the budget ceiling is established, that budget can go no higher, however the total budget can be reduced. As part of adopting the tentative budget, the Council also approves the time and place for conducting the public hearing on the Town budget, prior to taking final action on the budget. The public hearing and final action on the Town's FY12/13 budget is scheduled for the Council meeting of June 6, 2012.

The Town's tentative budget for FY12/13 amounts to \$59.8 million. This budget includes money for the general fund (\$15.4m), water fund (\$7.6m), sewer fund (\$2.3m), solid waste (\$1.6m), town development funds (\$8.2m), transportation & HURF funds (\$3.5m), special assessment fund (\$3.9m) and emergency services (\$5.8m) fund. The remaining dollars that comprise the tentative budget include monies for grants, special districts and the like as well as carry forward dollars (capital monies approved in previous budgets but unspent). These funds and monies require inclusion in the tentative budget in order to get the associated expenditure authority for the next fiscal year.

As you know over the past 5 years, we have had to make some sizable expenditure reductions to the budget in order to live within declining revenue levels. Such reductions required a significant downsizing of operations and elimination of programs and projects to address these declining revenue levels. A year ago we faced a financial gap of \$4.7 million in order to balance the FY11/12 program. For the upcoming fiscal year (12/13) we had to close a \$566,000 financial gap. However after experiencing the major declines in revenue from past years and the associated financial shortfalls, the proposed financial program for next year, although a deficit, almost brought a sense of relief that bottom was here and that we are finally seeing some more positive economic data and news.

In order to close the \$566,000 financial gap indicated above for FY 12/13, we are recommending the following:

	Est.
	Revenue/ Savings
<ul style="list-style-type: none"> • Modifying our Water Fee Schedule to better align our fees with the market (late fees, construction water fees, establishment fees, hydrant fees) 	\$150,000
<ul style="list-style-type: none"> • Reevaluating our Health Care program to maintain costs 	\$120,000
<ul style="list-style-type: none"> • Moving to a "hybrid" approach (combination of Town labor and contracted services) for providing grounds maintenance and fleet service 	\$65,000
<ul style="list-style-type: none"> • Using some Unrestricted Fund Balance Revenues (savings from previous years) 	\$231,000
	\$566,000
Total Proposed Funding Recommendation to close FY12/13 Financial gap	\$566,000

In addition to seeing a smaller financial gap than previous years, we were able to recommend moving forward with some projects including.

- Some proposed land acquisitions for our Trails projects \$250,000
- Town Center Sidewalk program \$200,000
- Traffic-related projects \$735,000
- Queen Creek Wash Improvements (mostly grant funded) \$1,075,000
- Monies for the Emergency Operation Center \$20,000
- Redesigning our Town Website \$50,000

Moreover, we are recommending restoring 1½% of the 6¼ pay reduction that our employees took as part of cost reductions taken 3 years ago, with a plan to restore the remainder of the reduction over the next 2 fiscal years. This move will hopefully help strengthen morale in the organization after years of no pay adjustments. Additionally we have included \$100,000 of contractual service monies in our development services group to address potentially higher housing starts in the community for next fiscal year, monies that will help address turnaround time for projects.

Although we faced a much better budget climate this year following years of budget cutbacks and revenue declines, we still face significant financial challenges as we look ahead. For one, our sales tax base continues to decline. Much of this I am sure is due to the digital world we are in but nonetheless we are seeing declining sales tax revenue. Secondly, real estate values are not projected to recover anytime soon. Given our fixed property tax rate (\$1.95/100 AV), we have experienced an almost \$2 million annual drop in property tax revenue from the revenue levels achieved in FY09/10. Unfortunately real estate values are not expected to recover any time soon. Finally, development fee revenue continues to be at issue, following the legislative changes from a year ago. We have much more stringent requirements tied to receipt of these monies, including potential refunds if a project is not done. We definitely have a “new normal” as we face our financial future. Approval of the tentative budget is recommended.

Alternative:

The Council could delay approving the tentative budget until June, thus delaying final action on the budget until a later date.

Attachments:

1. Required State Budget Forms
2. Budget Booklet

TOWN OF QUEEN CREEK
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2013

FUND	ADOPTEDBUDGETED EXPENDITURES/EXPENSES* 2012	ACTUAL EXPENDITURES/EXPENSES ** 2012	FUND BALANCE/ NET ASSETS*** July 1, 2012**	PROPERTY TAX REVENUES 2013	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2013	OTHER FINANCING 2013		INTERFUND TRANSFERS 2013	TOTAL FINANCIAL RESOURCES AVAILABLE 2013	BUDGETED EXPENDITURES/EXPENSES 2013
						SOURCES	<USES>			
1. General Fund	\$ 15,462,466	\$ 13,516,130	\$ 9,500,000		\$ 19,556,391	\$	\$	\$ 1,797,513	\$ 24,899,125	\$ 15,399,125
2. Special Revenue Funds	15,048,509	13,127,841	6,000,000	Primary & Secondary: 4,204,612	6,757,519			6,654,849	23,053,130	17,053,130
3. Debt Service Funds Available	3,860,877	3,860,877			1,840,990			2,076,010	3,917,000	3,917,000
4. Less: Amounts for Future Debt Retirement										
5. Total Debt Service Funds	3,860,877	3,860,877			1,840,990			2,076,010	3,917,000	3,917,000
6. Capital Projects Funds	14,871,257	4,838,265	6,500,000		12,226,853			1,796,435	18,473,402	11,973,402
7. Permanent Funds										
8. Enterprise Funds Available	11,633,725	11,633,725			15,234,209			3,756,292	11,477,917	11,477,917
9. Less: Amounts for Future Debt Retirement										
10. Total Enterprise Funds	11,633,725	11,633,725	4,300,000		15,234,209			3,756,292	15,777,917	11,477,917
11. Internal Service Funds										
12. TOTAL ALL FUNDS	\$ 60,876,834	\$ 46,976,838	\$ 26,300,000	\$ 4,204,612	\$ 55,615,962	\$	\$	\$ 12,324,807	\$ 86,120,574	\$ 59,820,574

EXPENDITURE LIMITATION COMPARISON

	2012	2013
1. Budgeted expenditures/expenses	\$ 60,876,834	\$ 59,820,574
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	60,876,834	59,820,574
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 60,876,834	\$ 59,820,574
6. EEC or voter-approved alternative expenditure limitation		

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.
 ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
 *** Amounts in this column represent Fund Balance/Net Asset amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

NOTE: Actual revenues in this report are based on a modified accrual basis of accounting, depending on fund. In addition amounts are actual thru the date of the proposed budget as adjusted for estimated activity to the close of the fiscal year.

TOWN OF QUEEN CREEK
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2013

	2012	2013
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 6,804,121	\$ 6,911,812
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 4,216,000	\$ 3,780,217
B. Secondary property taxes	435,373	424,395
C. Total property tax levy amounts	\$ 4,651,373	\$ 4,204,612
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ 4,200,000	
(2) Prior years' levies		
(3) Total primary property taxes	\$ 4,200,000	
B. Secondary property taxes		
(1) Current year's levy	\$ 357,914	
(2) Prior years' levies		
(3) Total secondary property taxes	\$ 357,914	
C. Total property taxes collected	\$ 4,557,914	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	1.9500	1.9500
(2) Secondary property tax rate		
(3) Total city/town tax rate	1.9500	1.9500

B. Special assessment district tax rates
 Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating 58 special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

TOWN OF QUEEN CREEK
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
GENERAL FUND			
Local taxes			
City Sales Tax	9,300,000	8,983,637	8,922,000
Sales Tax Recovery	150,000	217,183	144,000
Licenses and permits			
Business Licenses	75,000	66,408	69,600
Planning Revenue	50,000	71,022	65,000
Engineering Revenue	200,000	211,291	150,000
Liquor License	5,000	3,600	3,000
Building Revenue	435,000	915,136	575,000
Intergovernmental			
State Sales Tax	1,994,378	2,031,296	2,204,313
Motor Vehicle Tax	888,969	832,805	873,907
Urban Revenue Sharing	2,224,980	2,224,870	2,692,475
Charges for services			
Gas Franchises	48,000	78,016	64,000
Cable Licenses	132,000	132,860	150,000
Telecommunications	65,000	68,180	72,996
Interest on investments			
Interest Income	226,000	234,562	225,000
Miscellaneous			
Recreation User Fees	170,000	228,971	298,400
Miscellaneous Revenue	72,235	54,663	100,000
Town Facility Revenue	178,000	145,487	140,000
Fund Balance	585,000		1,231,000
Departmental Support Revenue	1,496,000	1,431,247	1,575,700
Total General Fund	\$ 18,295,562	\$ 17,931,233	\$ 19,556,391

TOWN OF QUEEN CREEK
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway Users Revenue	1,327,292	1,443,072	1,483,531
Pinal County Taxes	8,000	14,705	8,000
Fund Balance / Carry Forward	407,900		22,000
Total Highway User Revenue Fund	1,743,192	1,457,777	1,513,531
Local Transportation Assistance Fund			
Fund Balance / Carry Forward	83,620		
Total Local Transportation Assistance Fund	83,620		
Waste Water Development Fee			
Development Fees	853,000	966,779	695,993
Loan Proceeds WIFA			
Fund Balance / Carry Forward	590,898		
Total Waste Water Development Fee	1,443,898	966,779	695,993
Horseshoe Park and Equestrian Centre (HPEC)			
Park Revenues	460,000	464,075	505,999
Total HPEC	460,000	464,075	505,999
CDBG Grant			
Improvements	235,000		
Total CDBG Grant	235,000		
Parks Development Fee			
Parks Development Fees	915,000	813,084	540,625
Reimbursement from Developers			
Fund Balance / Carry Forward	317,000		
Grant Proceeds	117,875	4,500	1,043,640
Total Parks Development Fee	1,349,875	817,584	1,584,265
Town Buildings & Vehicle Fund			
Town Building & Vehicle Development Fee	307,000	259,555	182,510
Fund Balance			50,000
Total Transportation Development Fee	307,000	259,555	232,510
Transportation Development Fee			
Transportation Development Impact Fee	156,000	148,500	154,454
Total Transportation Development Fee	156,000	148,500	154,454
Library Development Fee			
Library Development Impact Fee	219,000	236,736	171,250
Grant Proceeds		250,000	
Fund Balance			
Total Library Development Fee	219,000	486,736	171,250

TOWN OF QUEEN CREEK
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
Parks & Rec Trust			
Contributions/Donations	37,000	27,178	
Parks & Rec Scholarships	3,000	61	
Total Parks & Rec Trust	40,000	27,239	
Community Events			
Contributions/Donations	35,000	11,142	35,000
Total Community Events	35,000	11,142	35,000
Public Safety Development Fee			
Public Safety Development Fees	115,000	123,442	92,436
Fund Balance			
Total Public Safety Development Fee	115,000	123,442	92,436
Emergency Services			
City Sales Tax	1,150,000	1,138,069	1,116,000
Miscellaneous	4,000	85,266	15,000
Fire Inspections	20,000	23,554	20,000
Fund Balance	50,000		
Total Emergency Services	1,224,000	1,246,889	1,151,000
Fire Development Fee			
Fire Development Fees	121,000	128,430	108,081
Fund Balance			20,000
Total Fire Development Fee	121,000	128,430	128,081
Municipal Town Center			
City Sales Tax	300,000	398,666	360,000
Town Facility Rentals	30,000	29,796	33,000
Fund Balance			100,000
Contributions/Donations	5,000	8,186	
Total Municipal Town Center	335,000	436,649	493,000
Total Special Revenue Funds	\$ 7,867,585	\$ 6,574,796	\$ 6,757,519
DEBT SERVICE FUNDS			
Special Assessment			
Property Assessments	1,774,758	1,745,588	1,840,990
Total Special Assessment	1,774,758	1,745,588	1,840,990
Total Debt Service Funds	\$ 1,774,758	\$ 1,745,588	\$ 1,840,990

TOWN OF QUEEN CREEK
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
CAPITAL PROJECTS FUNDS			
Drainage & Transportaion			
2% Construction Sales Tax	965,000	835,212	960,000
Fund Balance / Carry Forward	8,900,000		759,618
Developer Contribution		1,772,653	110,000
Reimbursement from Government Agency	145,055	2,086,601	254,235
Grants			
Interest Income	143,000	155,399	143,000
Total Drainage & Transportaion	10,153,055	4,849,865	2,226,853
Carry Forward / Miscellaneous			
Unallocated Revenue	5,000,000		10,000,000
Total Carry Forward / Miscellaneous	5,000,000		10,000,000
Total Capital Projects Funds	\$ 15,153,055	\$ 4,849,865	\$ 12,226,853
ENTERPRISE FUNDS			
Sewer Utility			
User Fees	3,117,901	2,759,280	3,329,564
Loan Proceeds WIFA			
Interest Income	8,000	20,094	15,000
Fund Balance	172,600		1,067,668
Total Sewer Utility	3,298,501	2,779,374	4,412,232
Water Company			
Water Sales	7,800,000	7,138,934	8,230,000
Irrigation	229,000	207,529	225,000
Fireflow	50,000	47,862	40,000
Hookups	65,000	96,853	75,000
Miscellaneous	15,000	16,045	20,000
Establishment Fees	175,000	391,672	220,000
Interest Income	19,000	25,481	19,000
Utility Billing	176,000	171,407	189,400
Loan Proceeds		421,552	
Fund Balance			250,000
Total Water Company	8,529,000	8,517,335	9,268,400
Solid Waste			
User Fees	1,301,000	1,151,178	1,440,185
Recycling	6,000	56,040	68,392
Fund Balance			45,000
Total Solid Waste	1,307,000	1,207,218	1,553,577
Total Enterprise Funds	\$ 13,134,501	\$ 12,503,927	\$ 15,234,209
TOTAL ALL FUNDS	\$ 56,225,461	\$ 43,605,409	\$ 55,615,962

TOWN OF QUEEN CREEK
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2013

FUND	OTHER FINANCING 2013		INTERFUND TRANSFERS 2013	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Water Division	\$	\$	\$ 1,414,241	\$
Streets Projects - HURF				
Town Center			359,250	
Horseshoe Park and Equestrian Centre				431,548
Drainage & Transportation				1,641,981
Street Light Improvement District			24,022	
Parks , Trails & Open Space Rec				656,085
Town Building & Vehicle				505,328
Library				841,622
Public Safety				263,370
Emergency Services				884,612
Waste Water				500,000
Fire				230,233
Town General Fund			1,797,513	5,954,779
Total General Fund	\$	\$	\$ 1,797,513	\$ 5,954,779
SPECIAL REVENUE FUNDS				
Parks , Trails & Open Space Rec	\$	\$	\$ 656,085	
Town Building & Vehicle			505,328	
Library			841,622	
Public Safety			263,370	
Street Light Improvement District				24,022
Emergency Services			884,612	
Fire			230,233	26,124
Waste Water			2,842,051	
Streets Projects - HURF				
Town Center				359,250
Horseshoe Park and Equestrian Centre			431,548	
Transportation				154,454
Total Special Revenue Funds	\$	\$	\$ 6,654,849	\$ 563,850
CAPITAL PROJECTS FUNDS				
Drainage & Transportation	\$	\$	\$ 1,796,435	2,049,886
Total Capital Projects Funds	\$	\$	\$ 1,796,435	\$ 2,049,886
ENTERPRISE FUNDS				
Water Division	\$	\$	\$	\$ 1,664,241
Sewer Utility				2,092,051
Total Enterprise Funds	\$	\$	\$	\$ 3,756,292
DEBT SERVICE FUNDS				
Special Assessment	\$	\$	\$ 2,076,010	\$
	\$	\$	\$ 2,076,010	\$
TOTAL ALL FUNDS	\$	\$	\$ 12,324,807	\$ 12,324,807

TOWN OF QUEEN CREEK
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2013

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	ACTUAL EXPENDITURES/ EXPENSES* 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
GENERAL FUND			
Town Council	141,885	124,154	155,535
Town Manager	584,854	556,763	612,266
Town Clerk & Legal Services	506,506	496,570	528,418
Management Services	1,584,353	1,297,501	1,453,122
Development Services	4,870,532	4,284,329	4,993,592
Workforce & Technology	1,595,178	1,406,659	1,595,796
Economic Development	669,405	666,543	857,911
Public Safety	1,317,172	1,323,523	1,812,867
Non-Departmental	4,192,581	3,360,088	3,389,618
Total General Fund	\$ 15,462,466	\$ 13,516,130	\$ 15,399,125
SPECIAL REVENUE FUNDS			
Highway Users Revenue	1,607,900	840,000	1,513,531
Local Transportation Asst	83,620		
Street Light Improv District	435,373	304,830	400,373
CDBG Grant Fund	235,000		
Waste Water Development Fee	2,248,843	2,212,825	3,538,044
Parks Development Fee	1,602,941	1,369,878	2,240,350
Town Bldgs & Vehicle Dev Fee	686,576	715,918	737,838
Transportation Dev Fee		140,400	
Library Development Fee	1,015,000	1,101,268	1,012,872
Parks & Rec Trust		32,396	
Community Events	35,000	14,415	35,000
Public Safety Dev Fee	355,806	355,782	355,806
Fire Development Fee	320,000	49,874	332,190
Emergency Services	5,595,327	5,062,944	5,815,829
Horseshoe Park	679,623	679,623	937,547
Town Center	147,500	204,596	133,750
Water Capital		43,091	
Total Special Revenue Funds	\$ 15,048,509	\$ 13,127,841	\$ 17,053,130
DEBT SERVICE FUNDS			
Special Assessment Fund	3,860,877	3,860,877	3,917,000
Total Debt Service Funds	\$ 3,860,877	\$ 3,860,877	\$ 3,917,000
CAPITAL PROJECTS FUNDS			
Drainage & Transportation	9,871,257	4,838,265	1,973,402
Carry Forward / Miscellaneous	5,000,000		10,000,000
Total Capital Projects Funds	\$ 14,871,257	\$ 4,838,265	\$ 11,973,402
ENTERPRISE FUNDS			
Sewer Utility	2,493,556	2,300,332	2,320,181
Water Company	7,833,169	8,114,628	7,604,159
Solid Waste	1,307,000	1,218,766	1,553,577
Total Enterprise Funds	\$ 11,633,725	\$ 11,633,725	\$ 11,477,917
TOTAL ALL FUNDS	\$ 60,876,834	\$ 46,976,838	\$ 59,820,574