



Requesting Department:
Town Manager's Office,
Workforce & Technology
Department

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

FROM: BRUCE GARDNER, WORKFORCE & TECHNOLOGY DIRECTOR *BG*

RE: CONSIDERATION AND POSSIBLE APPROVAL OF LETTERS
OF INTENT TO CONTINUE PARTICIPATION WITH UNITED
HEALTHCARE (UHC) AND METLIFE DENTAL

DATE: June 20, 2012

Staff Recommendation:

Consideration and possible approval of letters of intent to continue participation with United Healthcare (UHC) to provide medical insurance and MetLife Dental to provide dental insurance for the Town employees. After reviewing and analyzing the Town's existing group medical insurance plans, the Town Manager and the Employee Benefits Committee recommends that the Town continues its medical insurance agreement with United Healthcare (UHC) and its dental insurance agreement with MetLife. The process of utilizing a letter of intent for both the medical and dental insurance is consistent with prior year approval.

Relevant Council Goal(s)

KRA-5, Objective 3 - Continue progressive strategies to attract and retain professional staff

- *The Workforce & Technology Development has developed strategies to recruit, develop, reward and retain a quality workforce by providing a safe and healthy work environment and offering competitive compensation, benefits, training and development, and ensuring fair treatment to all its employees. One of the strategies includes the development of benefit programs that maintain market competitiveness, yet meet annual fiscal constraints.*

Proposed Motion:

Move to approve the letters of intent for United Healthcare and MetLife Dental to continue to serve as the Town's medical and dental insurance carriers.

Discussion:

Each year, the Town reviews and finalizes any changes to its health insurance plans, including a review of the current medical, dental, vision, and life insurance carriers. Human Resources forms an Employee Benefits Committee consisting of representatives from each department to review the current plans and to recommend changes to the Town Manager, as necessary. The recommended medical and dental insurance costs with United Healthcare (UHC) and MetLife Dental is budgeted in the proposed FY12/13 Fiscal Year Budget.

United Healthcare (UHC)

Historical Background

For fiscal year 2010/2011, the decision was made to change to United Healthcare. This was largely due to initial reports of the renewal cost with the former health insurance provider, Cigna, at a 28.5% increase. In January of 2010, anticipating another year of large medical insurance increases based on the initial reports, Human Resources started to explore opportunities to help alleviate the costs to the Town and employees. A concurrent concern for Human Resources was the very likely event that the Town would have to implement changes to the benefits plan, perhaps reducing some benefits for employees significantly in order to keep costs at a manageable level.

Through extensive research, Human Resources was able to identify a medical insurance trust pool (Valley Schools Employee Benefits Trust). Valley Schools Employee Benefits Trust (VSEBT) was formed in 1987 for school districts in Arizona. The Trust was formed through an intergovernmental agreement (IGA) in order to assist in saving school districts money through group purchasing of health insurance services. The Trust is neither an insurance carrier nor a vendor; however, it serves similar to an insurance brokerage firm, but is not governed independently. Rather, unlike other brokerage firms, it is governed by the members through a Trust Board. Under the Trust, each employer determines its own benefits, vendors and plans however it chooses. The biggest advantage to a trust is that, due to the purchasing size (over 30,000 covered members), employers are able to purchase insurance services at much lower costs (economies of scale). Other benefits in joining include a comprehensive wellness program, free wellness screenings, additional staff training, COBRA facilitation, and enrollment assistance, for which the Town has greatly benefited.

When HR first approached VSEBT, the Town was unable to join due to not being a qualified member (school district). Due to continued exploration and contact, VSEBT was able to see the value and opportunity of opening the pool to municipal governments and hence, their charter was amended by their Board

allowing municipalities to join. Additionally, due to staff's involvement and through coordinated efforts, representatives from the Trust have contacted the League of Cities and Towns to initiate opportunities for other municipalities to join, further increasing the opportunities of the purchasing pool. As a result of these efforts, the Town was able to join VSEBT as the first municipality and non-school district associated entity. Soon after, the League of Cities and Towns staff joined the pool as well.

The Town has been able to see positive results since joining the Trust. In 2010, the Town was able to reduce costs by over \$30,000 in addition to maintaining the plan designs of the health insurance. Last year, the Town received a rate pass from United Healthcare resulting in a second consecutive year of a 0% increase in premiums.

Review Process and Final Decision

The percentage increase to premiums every year is determined by several factors including the use of the insurance by the employee population and dependents; any increase in administrative costs by the carrier; increase in contractual costs with hospitals and doctors within the network; increase in prescription drug usage and costs; and, other variables, such as federal and state law changes and mandated requirements (i.e. provisions of Obamacare, as example). The average industry cost to premiums lies between 8 – 12% depending upon the year because of these factors. For FY 12/13, UHC presented a 20% increase proposal to maintain our current plan designs – this after the Town and Valley Schools was able to negotiate it down by an initial 40%. Normally, the Town budgets any increase based on the industry average, and this year the Town budgeted for a 10% increase.

Understanding that plan design changes were inevitable to maintain under the 10% budgeted for next fiscal year, the Employee Benefits Committee reviewed and identified several plan designs, including moving to another insurance provider – Blue Cross/Blue Shield. After a thorough review of the comparable plans provide by both UHC and Blue, it was determined to stay with United Healthcare, but with changes to the plan design, including:

- Decrease in coinsurance coverage on the traditional PPO plan from 90% to 80%.
- Decrease in coinsurance coverage on the Health Savings Account 2500 plan from 100% to 80%.
- A new Health Savings Account 1500 plan with 90% coinsurance is being offered at no additional cost to the employees or the Town (note that a third option normally invokes a 2 – 3% increase in overall premium cost).

With the above changes, the Employee Benefits Committee was able to identify plan designs that placed the premium increase below the 10% budgeted by the

Town, but also offer plans that are still competitive with our neighboring communities. Both the Town of Gilbert and the City of Mesa have traditional plans that are offered at 80% coinsurance. The City of Chandler does not offer any high deductible plans, but only offers two traditional plans.

As with prior years, the Town will continue to offer an Opt-Out option, which continues to save the Town significant monies.

MetLife Dental

The renewal to continue with MetLife Dental for the upcoming fiscal year was approximately 5.9%, well below the increase budgeted. With no changes to the dental plan design, the Employee Benefits Committee recommended continuation with the plan.

Update on Health Care Reform

The Town Manager and Human Resources staff have been diligent in reviewing and implementing requirements of the Patient Protection and Affordable Care Act (PPACA) – i.e. Health Care Reform Act. Since September 2010, the following changes have been made to the Town's insurance designs to meet the requirements of the Act:

- No maximum annual and lifetime limits.
- No pre-existing conditions through age 19 can be considered for insurance coverage.
- Over-the-counter medications without a prescription will no longer be eligible for flexible spending account (FSA) and health savings account (HSA) expenses.
- Health insurance coverage must be made available for dependent children through age 26, whether married or not, except if he/she has coverage through their own employer.
- In March 2012, United Healthcare was required to deliver a uniform explanation of coverage to the Town.

Additionally, future changes may include:

- In January 2013, the Town's flexible savings account will be capped at \$2500 (our current FSA limit is \$3200).
- In March 2013, the Town will be required to notify employees of any State or Arizona health insurance exchanges (i.e. universal healthcare) as a choice in addition to any Town plans.
- In January 2014, the Town will be required to offer a voucher to employees who choose to purchase coverage through the State exchange.

- In January 2018, the excise tax begins on any employer health plans costing more than \$27,500 for families and \$10,200 for individuals (our current plans cost \$20,500 and \$7,168 respectively shared by the Town and employees).

In March, the United States Supreme Court heard oral arguments regarding the constitutionality of the PPACA. Most experts agree that, at the very least, the Court will strike down the mandate portion of the law, which includes the requirements for states to create the exchanges. However, what remains to be seen is whether the Court will eliminate the law as a whole. It is understood that the Court will offer its ruling sometime this month (June). Whether the Act remains intact or is modified, the Human Resources Department will provide the Town Manager and Town Council with detailed information as significant new developments unfold and as deadlines approach. Valley Schools Employee Benefits Trust (VSEBT) provides periodic updates to Human Resources regarding the Act. Additionally, Human Resources staff maintains active participation in related associations that provide up-to-date information on any developments that occur federally and within Arizona.

Fiscal Impact:

As already noted, the average administrative inflation rate for medical insurance is 8-12% each year nationally. The average premium increase to the other pool members averaged 12% this year. Additionally, with the recent passage of the Health Care Reform Act, health insurance companies have passed the cost of mandates onto consumers. As a historical perspective, the percentage increase to medical insurance premiums for the last five fiscal years has averaged 5.8%. The Town has been able to control renewal increases on medical plans through changes in insurance carriers, major plan design changes, and shifting costs to employees. As specified, the 5.8% yearly average is well below the national average for administrative inflation. In addition, the opt-out incentive continues to realize significant savings since implementation in July 2008, which has generated a much lower net cost to the Town than the percentage increases to the premiums.

The cost of medical insurance for the Town through United Healthcare is estimated to be less than \$990,000 based on current staffing levels, for FY12/13. The estimated cost will fluctuate depending upon the qualifying events encountered by employees during the year and final open enrollment decisions. The recently approved budget accommodates these costs and adjustments.

The cost of dental insurance for the Town through MetLife Dental is estimated to be less than \$77,000, based on current staffing levels. Similar to the estimated costs of medical insurance, the dental estimate will fluctuate depending upon the qualifying events encountered by employees during the year and final open enrollment decisions.

The recently approved budget accommodates the Town cost estimates in continuing with United Healthcare and MetLife Dental.

Alternatives:

Council could delay approval of the letters of intent to provide medical and dental insurance and request staff to select different plan designs and/or procure another medical insurance or dental insurance company. However, delaying this action may require the Town to continue the current plans of medical and dental insurance at the current negotiated premiums for the Town until replacement insurance carriers are approved. The time involved in this alternative would be approximately 90-days.

Attachment(s)

**Letter of Intent between the Town of Queen Creek and MetLife for the Provision of
Dental Care Benefits**

This Letter of Intent is approved and entered into on the date contained herein by and between the Town of Queen Creek, a municipal corporation (the "Enrolling Group") and Metropolitan Life Insurance Company, located at 200 Park Avenue, New York, NY 10166, ("MetLife"). The Enrolling Group and MetLife may be referred to in this Letter of Intent collectively as the "Parties" and each individually as a "Party".

1. Purpose and Scope. The purpose of this Letter of Intent is to acknowledge the Town of Queen Creek's intent to continue with MetLife for the provision of dental care services to the Town of Queen Creek employees starting on July 1, 2012. The Enrolling Group intends to continue the agreement with MetLife for the provision of Benefits for Covered Dental Services as set forth in the **Exhibit B** which is attached hereto and incorporated herein. MetLife intends to provide the Enrolling Group the Benefits for Covered Dental Services as set forth in the attached Benefit Summary, and attachments, contained in Exhibit B.

2. Terms. This Letter of Intent shall be in effect until such time as the Parties enter into an agreement which is in substantial conformance with the Plan Design, contained in Exhibit B.

The Parties agree to the terms of this Letter of Intent on this day ____ of _____, 2012.

TOWN OF QUEEN CREEK:

APPROVAL OF TOWN:

John Kross, Town Manager

ATTEST:

Jennifer Robinson, Town Clerk

REVIEWED AS TO FORM:

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

VALLEY SCHOOLS EMPLOYEE BENEFITS TRUST:

Print Name/Signature

Exhibit B

Dental Benefits

Savings, flexibility and service. For healthier smiles.



Overview of Benefits for: TOWN OF QUEEN CREEK C/O VALLEY SCHOOLS MANAGEMENT GROUP

Date Prepared: 05-15-2012

With all of the emphasis on healthy living, it may be refreshing to know you have access to a group dental plan that helps you and your family maintain an oral health regimen with the savings you need, the flexibility you want and service you can count on.

Coverage Type	In-Network: % of PDP Fee	Out-of-Network: % of PDP Fee
Type A	100%	80%
Type B	90%	60%
Type C	60%	40%
Orthodontia	50%	50%
Deductible: Individual*	\$50 (Type B & C)	\$50 (Type B & C)
Annual Maximum Benefit: Per Individual	\$1500	\$1000
Orthodontia Lifetime Maximum: Per Individual	\$1500	\$1500
	Ortho applies to Child Only (up to age 19)	
TMJ Lifetime Maximum: Per Individual	\$1000	\$1000

Understanding Your Dental Benefits Plan

With the MetLife Preferred Dentist Program (PDP), you can visit the dentist of your choice - an "in-network" dentist (a participating MetLife PDP dentist) or an "out-of-network" dentist.

- Plan benefits are based on the percentage of the PDP fee - MetLife's negotiated fees that PDP dentists have agreed to accept as payment in full.

Take advantage of online self-service capabilities with MyBenefits.

- Check the status of your claims
- Locate a participating PDP dentist
- Access MetLife's Oral Health Library
- Elect to view your Explanation of Benefits online

If you are not already registered, just go to www.metlife.com/mybenefits and follow the easy registration instructions.

* If you are enrolled for dependent coverage, a maximum family deductible may apply.

Savings from enrolling in a dental benefits plan will depend on various factors, including the cost of the plan, how often participants visit the dentist and the cost of services rendered.

Selected Covered Services and Frequency Limitations*

Type A

• Oral Examinations	1 in 6 months
• Cleanings	1 in 6 months
• Fluoride	Children to age 14 / 1 in 12 months
• Full Mouth X-rays	1 in 60 months

Type B

• Bitewing X-rays	Adult - 1 in 12 months / Children - 1 in 12 months
• Periodontal Maintenance	2 in 1 year less the number of teeth cleanings
• Composite Fillings	Anterior Teeth Only
• Amalgam Fillings	1 per surface in 24 months

Type C

• Crowns	
• Dentures	
• Bridges	
• Simple Extractions	
• Root Canal	
• Surgical Extractions	
• Repairs (Crowns)	
• Implants	
• TMJ	

Orthodontia

- Dependent children are covered up to 19th birthday.
- All dental procedures performed in connection with orthodontic treatment are payable as Orthodontia.
- Payments are on a repetitive basis.
- 20% of the Orthodontia Lifetime Maximum will be considered at initial placement of the appliance and paid based on the plan benefit's coinsurance level for Orthodontia as defined in the Plan Summary.
- Orthodontic benefits end at cancellation of coverage.

The service categories and plan limitations shown in this document represent an overview of your plan benefits, but are not a complete description of the plan. Before making any purchase or enrollment decision you should review the certificate of insurance which is available through MetLife or your employer. In the event of a conflict between this overview and your certificate of insurance, your certificate of insurance governs. Like most group dental insurance policies, MetLife group policies contain certain exclusions, limitations and waiting periods and terms for keeping them in force. The certificate of insurance sets forth all plan terms and provisions, including all exclusions and limitations.

***Alternate Benefits:** Your dental plan provides that if there are two or more professionally acceptable dental treatment alternatives for a dental condition, your plan bases reimbursement, and the associated procedure charge, on the least costly treatment alternative. If you receive a more costly treatment alternative, your dentist may charge you or your dependent for the difference between the cost of the service that was performed and the least costly treatment alternative.

Benefit Waiting Periods

Your plan may include benefit waiting periods. Please refer to the certificate of insurance for details about the services that are subject to the waiting periods and the length of time they apply.

Requesting Department:

Development Services



TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

FROM: CHRIS DOVEL, TOWN ENGINEER

RE: CONSIDERATION AND POSSIBLE APPROVAL OF AN INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) TO ALLOW THE STATE TO ACQUIRE FEDERAL FUNDS FOR THE DESIGN OF THE QUEEN CREEK WASH BIKE AND PEDESTRIAN TRAIL FROM ELLSWORTH RD TO CHANDLER HEIGHTS BLVD. (ADOT PROJ. NO.: SZ04203D)

DATE: June 20, 2012

Staff Recommendation:

Staff recommends approval of the Intergovernmental Agreement with the Arizona Department of Transportation to allow the State to acquire federal funds for the design of the Queen Creek Wash bike and pedestrian trail from Ellsworth Rd to Chandler Heights Blvd. (ADOT Proj. No.: SZ04203D)

Relevant Council Goal(s):

Town of Queen Creek Corporate Strategic Plan - Key Result Area 1 - Objective 1

- *Monitor, time and sequence the Town's Capital Improvement Program (CIP) so that it is implemented when needed, but matched with available revenues to construct and maintain the assets over time.*

Proposed Motion:

Move to approve the Intergovernmental Agreement with the Arizona Department of Transportation to allow the State to acquire federal funds for the design of the Queen Creek Wash bike and pedestrian trail from Ellsworth Rd to Chandler Heights Blvd. (ADOT Proj. No.: SZ04203D)

Discussion:

Funding for the Queen Creek Wash bike and pedestrian trail from Ellsworth Rd to Chandler Heights Blvd. primarily consists of a Congestion Mitigation & Air Quality (CMAQ) grant awarded to the Town through the Maricopa Association of

Governments (MAG). The trail will be developed in two main phases, "Design" and "Construction". The grant amounts per phase and the associated local share (i.e. match) are as follows:

	<u>Design-FFY 12*</u>	<u>Construction-FFY 14**</u>	<u>Total</u>
Grant	\$115,000	\$525,000	\$640,000
Local Share	\$0	\$110,000	\$110,000

* FFY = Federal Fiscal Year 10/1/11 – 9/30/12

** FFY = Federal Fiscal Year 10/1/13 – 9/30/14

Sufficient funding for the local share has been programmed and approved in the Town's 5 year Capital Improvement Program (CIP) budget.

The interest of the State in the design project is the acquisition of federal funds for the use and benefit of the Town and to authorize such Federal funds for the project pursuant to Federal law and regulations. The Federal funds will be used for the scoping/design of the Project, including the engineering and administration costs. The State shall be the designated agent for the Town.

The work proposed under the Intergovernmental Agreement with ADOT consists of the design of an asphalt bike and pedestrian trail that will connect Chandler Heights Blvd. and Ellsworth Road along the south side of the Queen Creek Wash. The State will administer the design, including advertising, bidding and awarding the design contract for the Project. The plans, estimates and specifications for the Project will be prepared by the design consultant, reviewed and approved by the Town and ADOT, and as required, submitted to the Federal Highway Administration (FHWA) for its approval.

Fiscal Impact:

The Arizona Department of Transportation will administer the federal grant in the amount of \$115,000 (currently the design portion of the project only) with no local match. The Town will not be invoiced directly by the contractors performing the work; invoices will be paid by the State unless the total cost of the Project exceeds the CMAQ funding limits.

Alternatives:

Approving the IGA is necessary in order to allow the State to acquire Federal funds in support of the CMAQ grant awarded to the Town.

The alternative to this IGA is to forfeit the CMAQ grant award and forego the \$115,000 in federal funds for design and \$525,000 in FFY2014 federal funds for construction, which have a Town match of \$110,000.

Attachments:

1. Proposed Intergovernmental Agreement with the Arizona Department of Transportation [ADOT Proj. No.: SZ04203D)
2. Vicinity Map

ADOT File No.: IGA/JPA 12-062I
AG Contract No.: P001 2012 000xxx
Project: Bike and Pedestrian Pathway
Section: Ellsworth Rd and Chandler
Heights Blvd and Queen Creek Wash
Federal Project No.: CM-QCR-0(213)S
ADOT Project No.: SZ04203D
TIP/STIP No.: QNC13-901DQNC13
-901C
Budget Source Item No.: N/A

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
THE TOWN OF QUEEN CREEK

THIS AGREEMENT is entered into this date _____, 2012, pursuant to the Arizona Revised Statutes § 11-951 through § 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State" or "ADOT") and the TOWN OF QUEEN CREEK, acting by and through its MAYOR and TOWN COUNCIL (the "Town"). The State and the Town are collectively referred to as "Parties."

I. RECITALS

1. The State is empowered by Arizona Revised Statutes § 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.
 2. The Town is empowered by Arizona Revised Statutes § 9-240 to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the Town.
 3. The work proposed under this Agreement consists of designing a pedestrian trail from Ellsworth Road to the Crimson Road. Alignment. It will consist of an asphalt bike/pedestrian trail and installation of erosion control devices, hereinafter referred to as the "Project". The State will administer the design and the State will advertise, bid and award the design of the Project.
 4. The Project lies within the boundary of the Town and has been selected by the Town, and the survey of the project site will be completed. The plans, estimates and specifications for the Project will be prepared and, as required, submitted to the State and Federal Highway Administration (FHWA) for its approval.
 5. The interest of the State in this Project is the acquisition of federal funds for the use and benefit of the Town and to authorize such Federal funds for the Project pursuant to Federal law and regulations. The State shall be the designated agent for the Town.
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6. The Parties shall perform their responsibilities consistent with this Agreement and any change or modification to the Project will only occur with the mutual written consent of both Parties.

7. The federal funds will be used for the scoping/design and eventual construction of the Project, including the construction engineering and administration cost (CE). The estimated Project costs are as follows:

SZ04203D (scoping/design):

Federal-aid funds @ 100% (capped)	\$ 115,000.00
Design review fee (SZ042 01D)*	\$ <u>10,000.00</u>
Subtotal – Scoping/Design (ADOT administered)	\$ 115,000.00
Summary:	
Total Federal Funds	\$ <u>115,000.00</u>
TOTAL Project Cost	\$ 125,000.00

* (Included in the Town Estimated Funds)

The Parties acknowledge that the final bid amount may exceed the initial estimate(s) shown above, and in such case, the Town is responsible for, and agrees to pay, any and all eventual, actual costs exceeding the initial estimate. If the final bid amount is less than the initial estimate, the difference between the final bid amount and the initial estimate will be de-obligated or otherwise released from the Project. The Town acknowledges it remains responsible for, and agrees to pay according to the terms of this Agreement, any and all eventual, actual costs exceeding the final bid amount.

THEREFORE, in consideration of the mutual Agreements expressed herein, it is agreed as follows:

II. SCOPE OF WORK

1. The State will:

a. Upon execution of this Agreement, and prior to performing or authorizing any work, invoice the Town for the State's design review fee, currently estimated at **\$10,000.00**. Once the Project costs have been finalized, the State will either invoice or reimburse the Town for the difference between estimated and actual costs.

b. Upon receipt of the design review fee and on behalf and with consent of the Town, contract with one of the State's on-call consultants ("Consultant") to prepare all pertaining documents for the design and post-design of the project; review and approve documents required by FHWA to qualify the Project for and to receive federal funds, provide comments to the Town as appropriate. Such documents may consist of, but are not specifically limited to, environmental documents, including the preparation of the analysis requirements for documentation of environmental categorical exclusion determinations; review of reports, design plans, maps, and specifications; geologic materials testing and analysis; right-of-way requirements and activities and such other related tasks essential to the achievement of the objectives of this Agreement. Issue the right of way clearance after review of the Consultant's right of way submittal.

c. Submit all documentation required to FHWA containing the above-mentioned Project with the recommendation that funding be approved for scoping/design of the Project. Request the maximum programmed federal funds for the scoping/design of this Project. The Project will be performed, completed, accepted and paid for in accordance with the requirements of Project plans and specifications.

d. Enter into an agreement with the design consultant which states that the design consultant shall provide professional post-design services as required and requested throughout and upon completion of the construction phase of the Project. Upon completion of the construction phase of the Project, provide an electronic version of the as-built plans to Arizona Department of Transportation Local Government Section.

e. Notify the Town that the Project has been completed and is considered acceptable, coordinating with the Town as appropriate and to turn over full responsibility of the Project improvements to the Town. De-obligate or otherwise release any remaining federal funds from the construction phase of the Project within 90 days of final acceptance.

f. Not be obligated to maintain said Project, should the Town fail to budget or provide for proper and perpetual maintenance as set forth in this Agreement.

2. The Town will:

a. Upon execution of this Agreement, designate the State as authorized agent for the Town.

b. Upon execution of this Agreement, prior to performing or authorizing any work, and within thirty (30) days of receipt of an invoice from the State, remit to the State the State's design review fee, currently estimated at **\$10,000.00**. Be responsible for any difference between the estimated and actual design review costs.

c. Allow the State to enter into an agreement with the selected Consultant to provide services as required and requested throughout the design and post-design of the project. Review the design plans, specifications and other such documents and services required for the construction bidding and construction of the Project, including scoping/design plans and documents required by FHWA to qualify projects for and to receive federal funds. Provide design review comments to the State as appropriate.

d. Enter into an agreement with the State for the use of one of the Consultants to provide services as required and requested throughout the development of the Project including the construction phase of the Project.

e. Monitor, and as required, be involved with all right of way activities and functions performed by the Consultant, including, but not specifically limited to, right of way survey, delineation, appraisal, review appraisal, acquisition, relocation and property management.

f. Be entirely responsible for all costs incurred in performing and accomplishing the work as set forth under this Agreement, not covered by federal funding, including the State's design review fee separately billed by the State and included in the Cost Estimate. Should costs be deemed ineligible or exceed the maximum federal funds available, it is understood and agreed that the Town is responsible for these costs.

g. Once the Project costs have been finalized, the State will either invoice or reimburse the Town for the difference between estimated and actual costs. De-obligate or otherwise release any remaining federal funds from the scoping/design phase of the Project.

h. Certify that all necessary rights-of-way have been or will be acquired prior to advertisement for bid and also certify that all obstructions or unauthorized encroachments of whatever nature, either above or below the surface of the Project area, shall be removed from the proposed right-of-way, or will be removed prior to the start of construction, in accordance with The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended; 49 CFR 24.102 Basic Acquisition Policies; 49 CFR 24.4 Assurances, Monitoring and Corrective Action, parts (a) & (b) and ADOT ROW Manual: 8.02 Responsibilities, 8.03 Prime Functions, 9.07 Monitoring Process and 9.08 Certification of Compliance. Coordinate with the appropriate State's Right-of-Way personnel during any right-of-way process performed by the Town, if applicable.

i. Not permit or allow any encroachments upon or private use of the right-of-way, except those authorized by permit. In the event of any unauthorized encroachment or improper use, the Town shall take all necessary steps to remove or prevent any such encroachment or use.

j. Hereby grant the State, its agents and/or contractors, without cost, the right to enter Town Rights-of-Way, as required, to conduct any and all construction and preconstruction related activities, including without limitation, temporary construction easements or temporary Rights-of-Entry to accomplish among other things, soil and foundation investigations.

k. Be obligated to incur any expenditure should unforeseen conditions or circumstances increase the cost of said work required by a change in the extent of scope of the work requested by the Town. Such changes require the prior approval of the State and FHWA. Be responsible for any contractor claims for additional compensation caused by Project delays attributable to the Town. Payment for these costs shall be made within thirty (30) days of receipt of an invoice from the State.

l. Upon completion of the Project, assume responsibility for maintenance of the Project, at its own expense and as an annual item in its budget. Provide perpetual and proper maintenance of the Project..

m. Upon completion of construction, be responsible for the electrical power and water necessary to maintain the Project.

n. Pursuant to 23 USC 102(b), repay all federal funds reimbursements for preliminary engineering costs on the Project if it does not advance to right of way acquisition or construction within ten (10) years after federal funds were first made available.

III. MISCELLANEOUS PROVISIONS

1. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of said Project and related deposits or reimbursement, except any provisions for maintenance shall be perpetual, unless assumed by another competent entity. Further, this Agreement may be cancelled at any time prior to the award of the Project construction contract, upon thirty (30) days written notice to the other party. It is understood and agreed that, in the event the Town terminates this Agreement, the State shall in no way be obligated to maintain said Project. If the federal funding related to this Project is terminated or reduced by the federal government, or if Congress rescinds, fails to renew, or otherwise reduces apportionments or obligation authority, the State shall in no way be obligated for funding or liable for any past, current or future expenses under this agreement.

2. The State assumes no financial obligation or liability under this Agreement, or for any resulting construction Project. The Town, in regard to the Town's relationship with the State only, assumes full responsibility for the design, plans, specifications, reports, the engineering in connection therewith and the construction of the improvements contemplated, cost over-runs and construction claims. It is understood and agreed that the State's participation is confined solely to securing federal aid on behalf of the Town and the fulfillment of any other responsibilities of the State as specifically set forth herein; that

any damages arising from carrying out, in any respect, the terms of this Agreement or any modification thereof shall be solely the liability of the Town and that to the extent permitted by law, the Town hereby agrees to save and hold harmless, defend and indemnify from loss the State, any of its departments, agencies, officers or employees from any and all costs and/or damage incurred by any of the above and from any other damage to any person or property whatsoever, which is caused by any activity, condition, misrepresentation, directives, instruction or event arising out of the performance or non performance of any provisions of this Agreement by the State, any of its departments, agencies, officers and employees, or its independent contractors, the Town, any of its agents, officers and employees, or its independent contractors. Costs incurred by the State, any of its departments, agencies, officers or employees shall include in the event of any action, court costs, and expenses of litigation and attorneys' fees.

3. The cost of work covered by this Agreement is to be borne by FHWA and the Town, each in the proportion prescribed or as fixed and determined by FHWA as stipulated in this Agreement. Therefore, the Town agrees to furnish and provide the difference between the total cost of the work provided for in this Agreement and the amount of federal aid received.

4. The cost of the project under this Agreement includes applicable indirect costs approved by the Federal Highway Administration (FHWA).

5. The Town and State warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments (the "Act"). Additionally, in a timely manner, the Town will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

6. This Agreement shall become effective upon signing and dating of the Determination Letter by the State's Attorney General.

7. This Agreement may be cancelled in accordance with Arizona Revised Statutes § 38-511.

8. To the extent applicable under law, the provisions set forth in Arizona Revised Statutes § 35-214 and § 35-215 shall apply to this Agreement.

9. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable Federal regulations under the Act, including 28 CFR Parts 35 and 36. The parties to this Agreement shall comply with Executive Order Number 2009-09 issued by the Governor of the State of Arizona and incorporated herein by reference regarding "Non-Discrimination".

10. Non-Availability of Funds: Every obligation of the State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the fulfillment of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which the funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments as a result of termination under this paragraph.

11. In the event of any controversy, which may arise out of this Agreement, the Parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes § 12-1518.

12. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail, addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 S. 17th Avenue, Mail Drop 637E
Phoenix, Arizona 85007
(602) 712-7124
(602) 712-3132 Fax

Town of Queen Creek
Attn: Chris Dovel
22350 S. Ellsworth Road
Queen Creek, AZ 85142
(480) 385-3003
(480) 385-3002 Fax

13. The Parties shall comply with the applicable requirements of Arizona Revised Statutes § 41-4401.

14. Pursuant to Arizona Revised Statutes § 35-391.06 and § 35-393.06, each Party certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in Arizona Revised Statutes § 35-391 and/or § 35-393, as applicable. If any Party determines that another Party submitted a false certification, that Party may impose remedies as provided by law including terminating this Agreement.

15. The Parties hereto shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

16. In accordance with Arizona Revised Statutes § 11-952 (D) attached hereto and incorporated herein is the written determination of each party's legal counsel and that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

TOWN OF QUEEN CREEK

STATE OF ARIZONA
Department of Transportation

By _____
GAIL BARNEY
Mayor

By _____
DALLAS HAMMIT, P.E.
Deputy State Engineer, Development

ATTEST:

By _____
JENNIFER ROBINSON
Town Clerk

ATTORNEY APPROVAL FORM FOR THE TOWN OF QUEEN CREEK

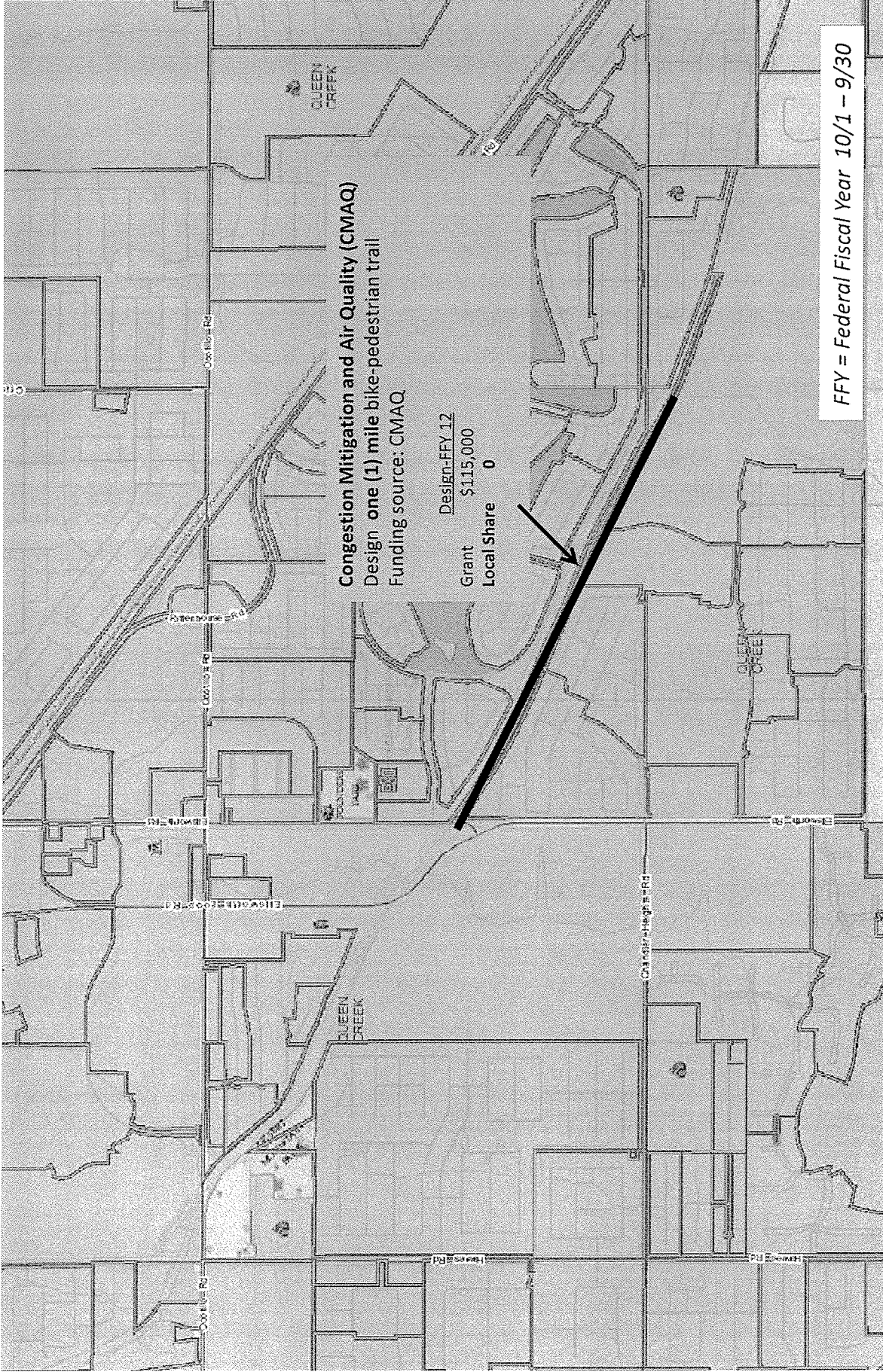
I have reviewed the above referenced Intergovernmental Agreement between the State of Arizona, acting by and through its DEPARTMENT OF TRANSPORTATION, and the TOWN OF QUEEN CREEK, an Agreement among public agencies which, has been reviewed pursuant to A.R.S. § 11-951 through § 11-954 and declare this Agreement to be in proper form and within the powers and authority granted to the Town under the laws of the State of Arizona.

No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED this _____ day of _____, 2012.

Town Attorney

Attachment 2 – ADOT IGA Staff Report_CMAQ Trail (for Design portion)



Requesting Department:

Development Services



TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

**FROM: CHRIS DOVEL, TOWN ENGINEER
BILL BIRDWELL, SENIOR TRAFFIC ANALYST**

**RE: CONSIDERATION AND POSSIBLE APPROVAL OF AN
INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA
DEPARTMENT OF TRANSPORTATION TO ALLOW THE STATE
TO ACQUIRE FEDERAL FUNDS FOR THE PROCUREMENT AND
INSTALLATION OF A TRAFFIC SIGN INVENTORY AND
MANAGEMENT SYSTEM (ADOT PROJECT NO. QCR-0(211)A)**

DATE: June 20, 2012

Staff Recommendation:

Staff recommends approval of the Intergovernmental Agreement with the Arizona Department of Transportation to allow the State to acquire federal funds for the Traffic Sign Inventory and Management System (ADOT Project No. QCR-0(211)A).

Relevant Council Goal(s):

Town of Queen Creek Corporate Strategic Plan - Key Result Area 1 - Objective 1

- *Monitor, time and sequence the Town's Capital Improvement Program (CIP) so that it is implemented when needed, but matched with available revenues to construct and maintain the assets over time.*

Proposed Motion:

Move to approve the Intergovernmental Agreement with the Arizona Department of Transportation to allow the State to acquire federal funds for the Traffic Sign Inventory and Management System (ADOT Project No. QCR-0(211)A).

Discussion:

In September, 2011, staff submitted an application to the Maricopa Association of Governments for Highway Safety Improvement Program (HSIP) funds through the Federal Highway Administration (FHWA) in the amount of \$140,000. These funds are proposed to be used to acquire a Traffic Sign Inventory and

Management System, and to have the selected contractor complete a town wide sign inventory to populate the new database.

When a contract is awarded the selected Contractor will work with Town staff to complete a town wide inventory of all signing and import that data into a database that will be provided to the Town in the form of a Traffic Sign and Inventory Management System.

Fiscal Impact:

The Arizona Department of Transportation will administer the federal grant in the amount of \$140,000 with no local match required by the Town.

Alternatives:

Approving the Intergovernmental Agreement is necessary in order to allow the State to acquire Federal funds in support of the grant award to the Town. As stated above, there is no local match required.

The alternative to this IGA is to forfeit the grant award and forego the \$140,000 in federal funds.

Attachments:

1. Intergovernmental Agreement with the Arizona Department of Transportation to allow the State to acquire federal funds for the Traffic Sign Inventory and Management System [ADOT Project No. QCR-0(211)A]

ADOT File No.: IGA/JPA 12-0411
AG Contract No.: P0012012001705
Project: Preliminary Engineering study
Section: Various Locations
Federal Project No.: QCR-0(211)A
ADOT Project No.: SH55903D
TIP/STIP No.: MAG:QC12-102
Budget Source Item No.: 72812

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
TOWN OF QUEEN CREEK

THIS AGREEMENT is entered into this date _____, 2012, pursuant to the Arizona Revised Statutes § 11-951 through § 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State" or "ADOT") and the TOWN OF QUEEN CREEK, acting by and through its MAYOR and TOWN COUNCIL (the "Town"). The State and the Town are collectively referred to as "Parties."

I. RECITALS

1. The State is empowered by Arizona Revised Statutes § 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.
 2. The Town is empowered by Arizona Revised Statutes §§ 9-240 and 11-951 *et seq.* to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the Town.
 3. Congress has established the Highway Safety Improvement Program (HSIP) as a core Federal-aid for the specific purpose of achieving a significant reduction in traffic fatalities and serious injuries on public roads. The State, the Federal Highway Administration (FHWA) and the Town have identified systematic improvements within the Town as eligible for this funding.
 4. The improvements proposed in this Agreement, hereinafter referred to as the 'Project,' include conducting a survey and inventory of regulatory, warning and other applicable MUTCD (2009 Manual Uniform Traffic Control Devices) specified signs at various locations within the Town limits and to develop a sign management system. This survey will inventory and store/document the type, size, location and condition of these signs. The information from this on-going Project will be used to set a priority on how these signs are to be replaced. This Project will enable the sign survey to be completed and the prioritization study to begin. The State shall advertise, bid and award the contracts for the Project.
 5. The interest of the State in this Project is the acquisition of federal funds for the use and benefit of the Town and to authorize such federal funds for the Project pursuant to Federal law and regulations. The State shall be the designated agent for the Town.
 6. The Parties shall perform their responsibilities consistent with this Agreement and any change or modification to the Project will only occur with the mutual written consent of both Parties.
-

7. The federal funds will be used for the Project, including the construction engineering and administration cost (CE). The estimated Project costs are as follows:

SH55903D (design):

Federal-aid funds @ 100%	\$ 140,000.00
Total Project Costs	\$ 140,000.00

* (Includes 15% CE and 5% Project contingencies)

The Parties acknowledge that the final bid amount may exceed the initial estimate(s) shown above, and in such case, the Town is responsible for, and agrees to pay, any and all eventual, actual costs exceeding the initial estimate. If the final bid amount is less than the initial estimate, the difference between the final bid amount and the initial estimate will be de-obligated or otherwise released from the Project. The Town acknowledges it remains responsible for, and agrees to pay according to the terms of this Agreement, any and all eventual, actual costs exceeding the final bid amount.

THEREFORE, in consideration of the mutual Agreements expressed herein, is the Parties agree as follows:

II. SCOPE OF WORK

1. The State will:

a. Submit all documentation required to the Federal Highway Administration (FHWA) concerning the above-mentioned Project with the recommendation that funding be approved. The Project will be performed, completed, accepted and paid for in accordance with the requirements of the Project plans and specifications.

b. Request the maximum federal funds programmed for this Project, including Town contract administration costs. Should costs exceed the maximum federal funds available it is understood and agreed that the Town will be responsible for any overage.

c. Upon approval by FHWA, and with the aid and consent of the Town, contract with one of the State's on-call consultants ("consultant") to conduct inventories and prepare all pertaining documents and systems necessary for completion of the project, review and approve documents required by FHWA to qualify the Project and to receive federal funds, and provide comments to the Town as appropriate. Deliverables shall include inventory data, sign management system, two laptop field tools and training of Town personnel, to the extent permitted by FHWA. Funding permitting, the deliverables may also include (in preparation for subsequent construction), environmental documents, including the preparation of the analyses requirements for documentation of environmental categorical exclusion determinations, right-of-way review and clearance letter; and such other related tasks relevant to the achievement of the objectives of this Agreement

d. Hereby be granted, at no cost, the right to enter Town right-of-way as required to conduct any and all construction and pre-construction related activities for said Project, including without limitation, temporary construction easements or temporary rights-of-entry on to and over said rights-of-way of the Town.

e. Upon notification by the Town and the Consultant of the completion of the design, deobligate or otherwise release any remaining federal funds from the design phase of the Project.

f. Not be obligated to maintain said Project, should the Town fail to budget or provide for proper and perpetual maintenance as set forth in this Agreement.

2. The Town will:

a. Designate the State as authorized agent for the Town, if the Project is approved by the FHWA and project funds are available for the design of the Project.

b. Allow the State to enter into an agreement with the selected Consultant to provide services as required and requested throughout the design and post-design of the project. Review the design plans, specifications and other such documents and services required for the construction bidding and construction of the Project, including scoping/design plans and documents required by FHWA to qualify projects for and receive federal funds. Provide design review comments to State as appropriate.

c. Enter into an agreement with the State for the services of the Consultants, as required to complete the Project.

d. Monitor and as required be involved with all right of way activities and functions performed by the Consultant. Including but not specifically limited to, right of way survey, delineation, appraisal, review appraisal, acquisition, relocations and property management

e. Be obligated to incur any necessary expenditures should unforeseen conditions or circumstances increase the cost of said work required by a change in the extent of scope of the work requested by the Town. Such changes require the prior approval of the State and FHWA. Be responsible for any contractor claims for additional compensation caused by Project delays attributable to the Town. Payment for these costs shall be made within thirty (30) days of receipt of an invoice from the State

f. Certify that all necessary rights-of-way have been or will be acquired prior to advertisement for bid and also certify that all obstructions or unauthorized encroachments of whatever nature, either above or below the surface of the Project area, shall be removed from the proposed right-of-way, or will be removed prior to the start of construction, in accordance with The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended; 49 CFR 24.102 Basic Acquisition Policies; 49 CFR 24.4 Assurances, Monitoring and Corrective Action, parts (a) & (b) and ADOT ROW Manual: 8.02 Responsibilities, 8.03 Prime Functions, 9.07 Monitoring Process and 9.08 Certification of Compliance. Coordinate with the appropriate State's Right-of-Way personnel during any right-of-way acquisition process performed by the Town, if applicable.

g. Not permit or allow any encroachments upon or private use of the right-of-way, except those authorized by permit. In the event of any unauthorized encroachment or improper use, the Town shall take all necessary steps to remove or prevent any such encroachment or use.

Hereby grants the State, its agents and/or contractors, without cost, the right to enter Town Rights-of-Way, as required, to conduct any and all construction and preconstruction related activities, including without limitation, temporary construction easements or temporary Rights-of-Entry to accomplish among other things, soil and foundation investigations,

h. Be responsible for any unforeseen conditions or circumstances which increase the cost of said work. Should a change in the extent or scope of the work called for in this Agreement become necessary, be obligated to incur and will pay for said increased costs.

i. Upon completion of the Project, agree to accept and assume full responsibility for said Project in writing.

j. Pursuant to 23 USC 102(b), repay all federal funds reimbursements for preliminary engineering costs for the Project if the Project does not advance to right of way acquisition or construction within ten (10) years after federal funds were first made available.

III. MISCELLANEOUS PROVISIONS

1. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of said Project and related deposits or reimbursement, except any provisions for maintenance shall be perpetual, unless assumed by another competent entity. Further, this Agreement may be cancelled at any time prior to the award of the Project Design contract, upon thirty (30) days written notice to the other party. It is understood and agreed that, in the event the Town terminates this Agreement, the State shall in no way be obligated to maintain said Project. If the federal funding related to this Project is terminated or reduced by the federal government, or if Congress rescinds, fails to renew, or otherwise reduces apportionments or obligation authority, the State shall in no way be obligated for funding or liable for any past, current or future expenses under this agreement.

2. The State assumes no financial obligation or liability under this Agreement, or for any resulting construction Project. The Town, in regard to the Town's relationship with the State only, assumes full responsibility for the design, plans, specifications, reports, the engineering in connection therewith and the construction of the improvements contemplated, cost over-runs and construction claims. It is understood and agreed that the State's participation is confined solely to securing federal aid on behalf of the Town and the fulfillment of any other responsibilities of the State as specifically set forth herein; that any damages arising from carrying out, in any respect, the terms of this Agreement or any modification thereof shall be solely the responsibility of the Town and that to the extent permitted by law, the Town hereby agrees to save and hold harmless, defend and indemnify from loss the State, any of its departments, agencies, officers or employees from any and all costs and/or damage incurred by any of the above and from any other damage to any person or property whatsoever, which is caused by any activity, condition, misrepresentation, directives, instruction or event arising out of the performance or non performance of any provisions of this Agreement ("Claims") by the State, any of its departments, agencies, officers and employees, or its independent contractors, the Town, any of its agents, officers and employees, or its independent contractors costs incurred by the State, any of its departments, agencies, officers or employees shall include in the event of any action, court costs, and expenses of litigation and attorneys' fees.

3. The cost of the Preliminary Engineering study work under this Agreement is to be covered by the federal funds set aside for this Project, up to the maximum available. The Town acknowledges that the eventual actual costs may exceed the maximum available amount of federal funds, or that certain costs may not be accepted by the federal government as eligible for federal funds. Therefore, the Town agrees to furnish and provide the difference between actual costs and the federal funds received.

4. The cost of the project under this Agreement includes applicable indirect costs approved by the FHWA.

5. The Town and State warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments (the "Act"). Additionally, in a timely manner, the Town will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

6. This Agreement shall become effective upon signing and dating of the Determination Letter by the State's Attorney General.

7. This Agreement may be cancelled in accordance with Arizona Revised Statutes § 38-511.

8. To the extent applicable under law, the provisions set forth in Arizona Revised Statutes § 35-214 and § 35-215 shall apply to this Agreement.

9. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable Federal regulations under the Act, including 28 CFR Parts 35 and 36. The parties to this Agreement shall comply with Executive Order Number 2009-09 issued by the Governor of the State of Arizona and incorporated herein by reference regarding "Non-Discrimination".

10. Non-Availability of Funds: Every obligation of the State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the fulfillment of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which the funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments as a result of termination under this paragraph.

11. In the event of any controversy, which may arise out of this Agreement, the Parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes § 12-1518.

12. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail, addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 S. 17th Avenue, Mail Drop 637E
Phoenix, Arizona 85007
(602) 712-7124
(602) 712-3132 Fax

Town of Queen Creek
Attn: Bill Birdwell
22350 S Ellsworth Road
Queen Creek, Arizona 85142
Phone: (480) 358-3144
Fax

For Financial Matters:
Patrick Flynn
22350 S Ellsworth Road
Queen Creek, AZ 85142
Phone: (480) 358-3504
Fax

13. The Parties shall comply with the applicable requirements of Arizona Revised Statutes § 41-4401.

a. The Town, Contractor or the subcontractor warrants compliance with all Federal immigration laws and regulation relating to employees and warrants its compliances with Arizona Revised Statutes § 23-214, subsection A.

b. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract, and the Town may be subject to penalties up to and including termination of the Agreement.

c. The Parties retains to legal right to inspect the papers of any employees who works on the Project to ensure that the Town, Contractor or subcontractor is complying with the warranty under paragraph (a).

14. Pursuant to Arizona Revised Statutes § 35-391.06 and § 35-393.06, each Party certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in Arizona Revised Statutes § 35-391 and/or § 35-393, as applicable. If any Party determines that another Party submitted a false certification, that Party may impose remedies as provided by law including terminating this Agreement.

15. The Parties hereto shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

16. In accordance with Arizona Revised Statutes § 11-952 (D) attached hereto and incorporated herein is the written determination of each party's legal counsel that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

TOWN OF QUEEN CREEK

STATE OF ARIZONA

Department of Transportation

By _____

GAIL BARNEY

Mayor

By _____

DALLAS HAMMIT, P.E.

Deputy State Engineer, Development

ATTEST:

By _____

Jennifer Robinson

Town Clerk

IGA/JPA 12-041 I

ATTORNEY APPROVAL FORM FOR THE TOWN OF QUEEN CREEK

I have reviewed the above referenced Intergovernmental Agreement between the State of Arizona, acting by and through its DEPARTMENT OF TRANSPORTATION, and the TOWN OF QUEEN CREEK, an Agreement among public agencies which, has been reviewed pursuant to Arizona Revised Statutes § 11-951 through § 11-954 and declare this Agreement to be in proper form and within the powers and authority granted to the Town under the laws of the State of Arizona.

No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED this _____ day of _____, 2012.

Town Attorney



Requesting
Department:

Development Services

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

FROM: TROY WHITE, PUBLIC WORKS DIVISION MANAGER

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A DEVELOPMENT AGREEMENT WITH OUR LADY OF GUADALUPE CHURCH REGARDING SIDEWALK RIGHT-OF-WAY DEDICATION AND DRIVEWAY ACCESS EASEMENT

DATE: June 20, 2012

Staff Recommendation: Staff recommends approval of the Development Agreement with Our Lady of Guadalupe Church regarding sidewalk right-of-way dedication and driveway access easement.

Relevant Council Goal: *Corporate Strategic Plan KRA 1, Objective 1:* Monitor, time and sequence the Town’s CIP so that it is implemented when needed, but matched with available revenues to construct and maintain the assets over time.

Proposed Motion: Motion to approve the Development Agreement with Our Lady of Guadalupe Church regarding sidewalk right-of-way dedication and driveway access easement.

Discussion:

On or about January 5, 2010, Our Lady of Guadalupe Church (the “Church”) submitted to the Town a formal written request for the Town to create a temporary driveway between their Property and Ellsworth Loop Road and to provide the Church with an access easement over Town property for the Driveway.

Town staff subsequently determined the Town needed a sidewalk right-of-way dedication from the Church for Sidewalk Improvements (the “Project”) along Ocotillo Road.

Staff has determined that the value of the property necessary to construct the sidewalk and the cost to create the temporary driveway and to maintain for five years are approximately equal.

Under the agreement the Town agrees to:

1. On or before September 1, 2012, the Town will improve the Driveway access by

installing chip seal pavement (the “Driveway Improvements”) in the location depicted on Exhibit “A” [and legally described on Exhibit “A”] (the “Easement Area”).

2. Upon completion of the Driveway Improvements, Town will maintain such Improvements for the Term of this Agreement and any extensions agreed to by Town and Church.
3. Upon completion of the Driveway Improvements, Town will grant to Church a Temporary Access Easement in the location depicted on Exhibit “A ” [and legally described on Exhibit “A”]. The Temporary Access Easement shall be for a term of five (5) years, and may thereafter be renewed for additional one (1) year terms, in the sole discretion of the Town.

Under this agreement the Church agrees to:

1. Within 30 days of the approval by the Town Council of this Agreement, and in a form acceptable to the Town, dedicate right-of-way along Church’s Ocotillo Road frontage, as depicted in Exhibit “B” [and legally described on Exhibit “B”], extending from the Project's southern boundary to the Project's northern boundary, as depicted on Exhibit "B" (the “Sidewalk ROW”).
2. At Town’s request, mitigate any traffic concerns that may result from use of the Access Road. Mitigation may include but is not limited to the use of Maricopa County Sheriffs and Intelligent Transportation Systems.
3. Grant a Temporary Construction Easement for construction of the Sidewalk Project.

Fiscal Impact: The Fiscal Impact to construct the driveway easement is equal to the value of the land, \$13,500. The funds are approved as part of the sidewalk project and are located in the CIP Project Funds for Fiscal Year 11/12.

Alternatives:

1. Town Council could decide to pursue eminent domain for the needed Right-of-Way and not grant the Access Easement.
2. Town Council could decide not to move forward with the sidewalk project at this time.

Attachments:

Amendments:

A: Development Agreement and Exhibits

B: Summary Appraisal Cover Page

C: Project Area Map

Attachment A
Development Agreement

DEVELOPMENT AGREEMENT

This Development Agreement (this "**Agreement**") is entered into as of the ____ day of _____, 2012 (the "Effective Date"), by and between the TOWN OF QUEEN CREEK, an Arizona municipal corporation (the "**Town**") and OUR LADY OF GUADALUPE CHURCH, an Arizona nonprofit corporation (the "**Church**"). The Town and the Church may be referred to in this Agreement collectively as the Parties, and each individually as a Party.

RECITALS

A. The Church is the owner of certain real property located in Maricopa County, Arizona, at 20615 E. Ocotillo Road, within the corporate boundaries of the Town (the "Property").

B. Until such time as access to the Property is improved **[in connection with the development of the parcels adjacent to the Property]**, the Church wishes to improve access to the Property through the creation of a temporary driveway between the Property and Ellsworth Loop Road.

C. The Church further understands that the Town wishes to install a public sidewalk parallel to Ocotillo Road in front of the Church (the "Sidewalk").

D. On or about January 5, 2010, the Church submitted to the Town a formal written request for the Town to create a temporary driveway between the Property and Ellsworth Loop Road (the "Driveway"), and to provide the Church with an access easement over such Driveway, in exchange for which the Church will dedicate property to the Town sufficient for creation of the Sidewalk.

E. The Town subsequently undertook design of the Sidewalk and a Sidewalk Improvement Project (the "Project") that would install additional sidewalks in the Town, including the Sidewalk.

F. The Town has determined that the value of the property necessary to construct the Sidewalk (the "Sidewalk ROW", as further defined herein) and the cost to create the temporary driveway and to maintain it are approximately equal.

G. The Parties wish to enter into an agreement for the improvement of the Driveway and granting of the access easement by Town, and for the dedication by the Church of property sufficient for the creation of the Sidewalk, and other related matters.

AGREEMENTS

Now, therefore, in consideration of the mutual covenants and agreements herein contained, and other consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Town Responsibilities.

A. Driveway.

I. On or before September 1, 2012, the Town will improve the Driveway by installing chip seal pavement (the "Driveway Improvements") in the location depicted on Exhibit "A" **[and legally described on Exhibit "A"]** (the "Easement Area").

II. Upon completion of the Driveway Improvements, Town will maintain such Improvements for the Term of this Agreement and any extensions agreed to by Town and Church.

B. Access Easement.

I. Upon completion of the Driveway Improvements, Town will grant to Church a Temporary Access Easement in the location depicted on Exhibit "A" **[and legally described on Exhibit "A"]**.

II. The Temporary Access Easement shall be for a term of five (5) years, and may thereafter be renewed for additional one (1) year terms, in the sole discretion of the Town.

2. Church Responsibilities.

I. The Church shall within 30 days of the approval by the Town Council of this Agreement, and in a form acceptable to the Town, dedicate right-of-way along Church's Ocotillo Road frontage, as depicted in Exhibit "B" **[and legally described on Exhibit "B"]**, extending from the Project's southern boundary to the Project's northern boundary, as depicted on Exhibit "B" (the "Sidewalk ROW").

II. The Church shall, at Town's request, mitigate any traffic concerns that may result from use of the Access Road. Mitigation may include but is not limited to the use of Maricopa County Sheriffs and Intelligent Transportation Systems.

4. The Church shall grant a Temporary Construction Easement as depicted in Exhibit "C" **[and legally described on Exhibit "C"]**.

3. TERM. The term of this Agreement shall be five (5) years from the Effective Date.

4. **INSURANCE.** Each party shall carry comprehensive general liability and broad form property damage insurance insuring the parties in connection with the performance of their respective work.

4. **DEFAULT.**

A. **Events of Default.** Either Party to this Agreement shall be deemed to be in default of this Agreement upon the expiration of ten (10) days from receipt of written notice from the other Party specifying the nature of the defaults, unless the defaulting Party, prior to the expiration of said 10-day period, has cured the default specified in said notice. A Party shall not be deemed to be in default if such failure (except the failure to pay money) is of such a nature that it cannot be cured within said ten 10-day period, provided that the cure is commenced within the 10-day period and diligently pursued to completion.

B. **No Waiver.** The failure of a Party to insist upon strict performance of any of the terms, covenants, conditions or agreements contained herein shall not be deemed a waiver of any rights or remedies that said Party may have, and shall not be deemed a waiver of any subsequent breach or default in any of the terms, covenants, conditions or agreements contained herein by the same or any other party hereto.

C. **Other Remedies.** In addition to the remedies set forth in this Agreement, each Party shall have all other remedies available at law or in equity. No remedy herein conferred upon, or reserved to any party shall exclude any other remedy herein or by law provided, but each shall be cumulative.

5. **THIRD PARTY BENEFICIARY RIGHTS.** This Agreement is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not a party hereto.

6. **NOTICE.**

All notices given pursuant to this Agreement shall be in writing and shall be given by personal delivery, or by United States express mail, return receipt requested or other established overnight delivery service (such as Federal Express), postage or delivery charge prepaid, addressed to the appropriate party at the address set forth below:

Town: Town Manager
Town of Queen Creek
22350 South Ellsworth Road
Queen Creek, Arizona 85142
Telephone: (480) 358-3000

Church: Our Lady of Guadalupe Church
20615 East Ocotillo Road
Queen Creek, Arizona 85142
Telephone: (480) ____ - ____.

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. 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.

7. **GENERAL PROVISIONS.**

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

B. **Headings.** The article headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions or agreements contained herein.

C. **Entire Agreement.** This Agreement contains the entire agreement between the Parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Agreement shall be construed as a whole and not strictly for or against any party.

8. **Time of the Essence.** Time is of the essence of this Agreement.

9. **Construction.** In construing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

10. **Joint and Several.** In the event any Party hereto is composed of more than one person, the obligations of said party shall be joint and several.

11. **Governing Law.** This Agreement shall be governed 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.

12. **Conflict of Interest.** This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511.

13. **Not a Partnership.** The provisions of this Agreement are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership, or any other similar relationship between the parties.

14. **Successors and Assigns.** Except as otherwise expressly set forth herein, the terms, covenants, conditions and agreements contained herein shall constitute covenants running with the land and shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

15. **Modification.** This Agreement may be modified, only with the prior written agreement of all of the Parties hereto.

[Signature page follows]

Executed as of the day and year first above written.

TOWN OF QUEEN CREEK

By _____

Its _____

OUR LADY OF GUADALUPE CHURCH, an
Arizona nonprofit corporation

By _____

Its _____

EXHIBIT A
Legal Description
Access Easement
APN 304-67-009M

A parcel of land located in the Northeast Quarter of Section 21, Township 2 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at a Maricopa County Highway Department Brass Cap in handhole marking the North Quarter Corner of said Section 21, from which the Northeast Corner of said Section 21, a Town of Queen Creek Brass Cap flush, bears N 89° 59' 20" E, a distance of 2640.60 feet;

THENCE along the North line of the Northeast Quarter of said Section 21, N 89° 59' 20" E, a distance of 1332.83 feet;

THENCE leaving said North line, S 00° 00' 40" E, a distance of 70.00 feet to the Northwest corner of that certain parcel of land described in Document No. 2005-0958164, Official Records of Maricopa County, Arizona and the South Right-of-Way line of Ocotillo Road;

THENCE leaving said Right-of-Way line, along the West line of said parcel S 00° 00' 40" E, a distance of 707.19 feet to the Northwest corner of that certain parcel of land described in Document No. 2004-0590414, Official Records of Maricopa County, Arizona and the **POINT OF BEGINNING**;

THENCE along the North line of said parcel recorded in Document No. 2004-0590414, Official Records of Maricopa County, Arizona, N 89° 46' 56" E, a distance of 236.10 feet to the to the Northeast corner of said parcel;

THENCE along the East line of said parcel, S 00° 10' 03" E, a distance of 25.00 feet;

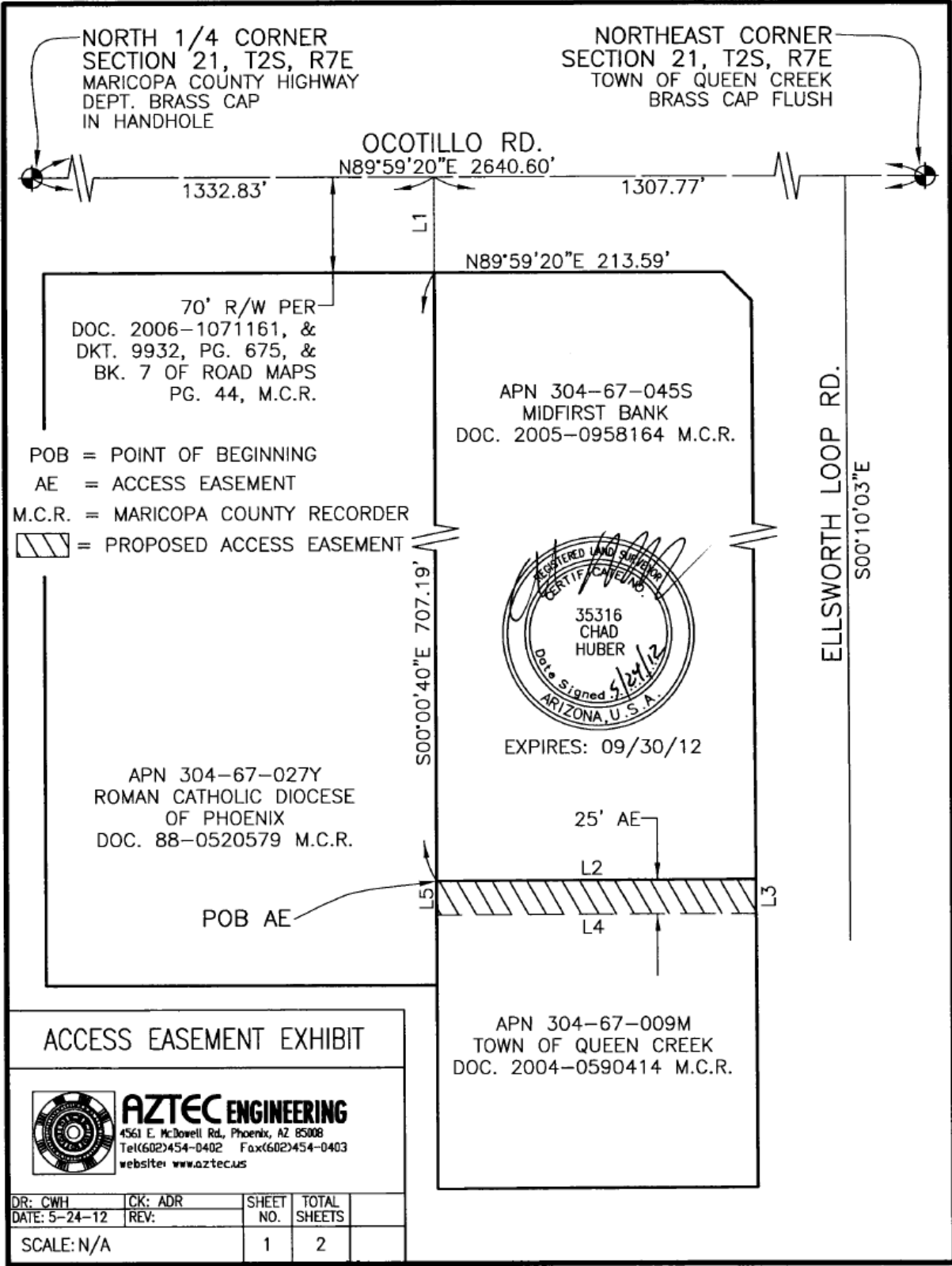
THENCE leaving said East line, S 89° 46' 56" W, a distance of 236.17 feet to the West line of said parcel;

THENCE along the West line of said parcel, N 00° 00' 40" W, a distance of 25.00 feet to the Northwest corner of said parcel and the **POINT OF BEGINNING**.

Containing 5,904 Sq. Ft. (0.14 Ac.), More or Less.



Expires: 09/30/12



R:\Phoenix\Projects\AZE1031_TownofQueenCreekDr-Call\01_OcotilloRdSidewalkImprovements\Survey\DWG\T0QC-Access-Esnt.dwg

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S00°00'40"E	70.00
L2	N89°46'56"E	236.10
L3	S00°10'03"E	25.00
L4	S89°46'56"W	236.17
L5	N00°00'40"W	25.00

AE = 5,904 SQ. FT. OR 0.14 AC. +/-




EXPIRES: 09/30/12

RIGHT-OF-WAY EXHIBIT



AZTEC ENGINEERING
 4561 E. McDowell Rd., Phoenix, AZ 85008
 Tel(602)454-0402 Fax(602)454-0403
 website: www.aztec.us

- POB = POINT OF BEGINNING
- AE = ACCESS EASEMENT
- M.C.R. = MARICOPA COUNTY RECORDER
-  = PROPOSED ACCESS EASEMENT

DR: CWH	CK: ADR	SHEET	TOTAL
DATE: 5-24-12	REV:	NO.	SHEETS
SCALE: N/A		2	2

Exhibit B
Legal Description
Sidewalk Easement
APN 304-67-027Y

A parcel of land located in the Northeast Quarter of Section 21, Township 2 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at a Maricopa County Highway Department Brass Cap in handhole marking the North Quarter Corner of said Section 21, from which the Northeast Corner of said Section 21, a Town of Queen Creek Brass Cap flush, bears N 89° 59' 20" E, a distance of 2640.60 feet;

THENCE along the North line of the Northeast Quarter of said Section 21, N 89° 59' 20" E, a distance of 1130.88 feet;

THENCE leaving said North line, S 00° 00' 40" E, a distance of 55.00 feet to the Northerly Right-of-Way line of Ocotillo Road and the **POINT OF BEGINNING**;

THENCE along said Northerly Right-of-Way line, N 89° 59' 20" E, a distance of 201.95 feet to the Northeast corner of that certain parcel described in Doc. 88-0520579, Maricopa County Records;

THENCE along the East line of said parcel, S 00° 00' 40" E, a distance of 10.00 feet;

THENCE leaving said East line, S 89° 58' 40" W, a distance of 91.96 feet;

THENCE N 00° 00' 40" W, a distance of 5.00 feet;

THENCE S 89° 59' 20" W, a distance of 109.99 feet;

THENCE N 00° 00' 40" W, a distance of 5.00 feet to said Northerly Right-of-Way line and the **POINT OF BEGINNING**.

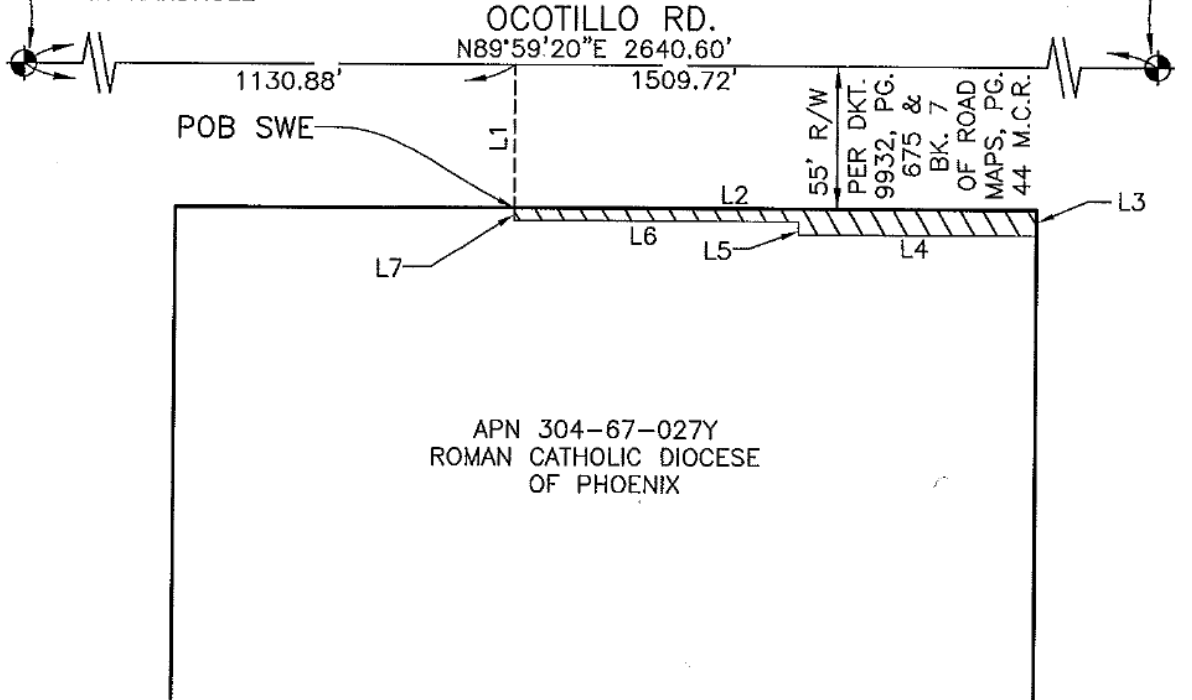
Containing 1,471 Sq. Ft., More or Less.



Expires: 09/30/12

NORTH 1/4 CORNER
SECTION 21, T2S, R7E
MARICOPA COUNTY HIGHWAY
DEPT. BRASS CAP
IN HANDHOLE

NORTHEAST CORNER
SECTION 21, T2S, R7E
TOWN OF QUEEN CREEK
BRASS CAP FLUSH



LINE TABLE		
LINE	BEARING	DISTANCE
L1	S00°00'40"E	55.00
L2	N89°59'20"E	201.95
L3	S00°00'40"E	10.00
L4	S89°58'40"W	91.96
L5	N00°00'40"W	5.00
L6	S89°59'20"W	109.99
L7	N00°00'40"W	5.00

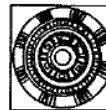
SWE AREA: 1,471 SQ. FT. 0.03 AC. +/-



EXPIRES: 09/30/12

SIDEWALK EASEMENT EXHIBIT

POB = POINT OF BEGINNING
SWE = SIDEWALK EASEMENT
[Hatched Box] = PROPOSED SWE



AZTEC ENGINEERING
4561 E. McDowell Rd., Phoenix, AZ 85008
Tel: (602) 454-0402 Fax: (602) 454-0403
website: www.aztec.us

DR: CWH	CK: ADR	SHEET NO.	TOTAL SHEETS
DATE: 6-24-11	REV:	1	1
SCALE: N/A			

Exhibit C
Legal Description
Temporary Construction Easement
APN 304-67-027Y

Part 1:

A parcel of land located in the Northeast Quarter of Section 21, Township 2 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at a Maricopa County Highway Department Brass Cap in handhole marking the North Quarter Corner of said Section 21, from which the Northeast Corner of said Section 21, a Town of Queen Creek Brass Cap flush, bears N 89° 59' 20" E, a distance of 2640.60 feet;

THENCE along the North line of the Northeast Quarter of said Section 21, N 89° 59' 20" E, a distance of 1100.87 feet;

THENCE leaving said North line, S 00° 00' 40" E, a distance of 55.00 feet to the Northerly Right-of-Way line of Ocotillo Road and the **POINT OF BEGINNING** of Part 1;

THENCE along said Northerly Right-of-Way line, N 89° 59' 20" E, a distance of 30.00 feet;

THENCE leaving said Northerly Right-of-Way line, S 00° 00' 40" E, a distance of 5.00 feet to a point hereinafter designated as Point "A";

THENCE S 89° 59' 20" W, a distance of 30.00 feet;

THENCE N 00° 00' 40" W, a distance of 5.00 feet to said Northerly Right-of-Way line and the **POINT OF BEGINNING**.

Containing 150 Sq. Ft., more or less.

Part 2:

BEGINNING at aforementioned Point "A", also being the Point of Beginning of Part 2;

THENCE N 89° 59' 20" E, a distance of 110.00 feet;

THENCE S 00° 00' 40" E, a distance of 5.00 feet to a point hereinafter designated as Point "B";

THENCE S 89° 59' 20" W, a distance of 110.00 feet;

THENCE N 00° 00' 40" W, a distance of 5.00 feet to the **POINT OF BEGINNING** of Part 2.

Containing 550 Sq. Ft., more or less.

Part 3:

BEGINNING at aforementioned Point "B", also being the Point of Beginning of Part 3;

THENCE N 89° 59' 20" E, a distance of 91.96 feet to the East line of that certain parcel described in Doc. 88-0520579, Maricopa County Records;

THENCE along said East line, S 00° 00' 40" E, a distance of 5.00 feet;

THENCE leaving said East line, S 89° 59' 20" W, a distance of 91.96 feet;

THENCE N 00° 00' 40" W, a distance of 5.00 feet to the **POINT OF BEGINNING** of Part 3.

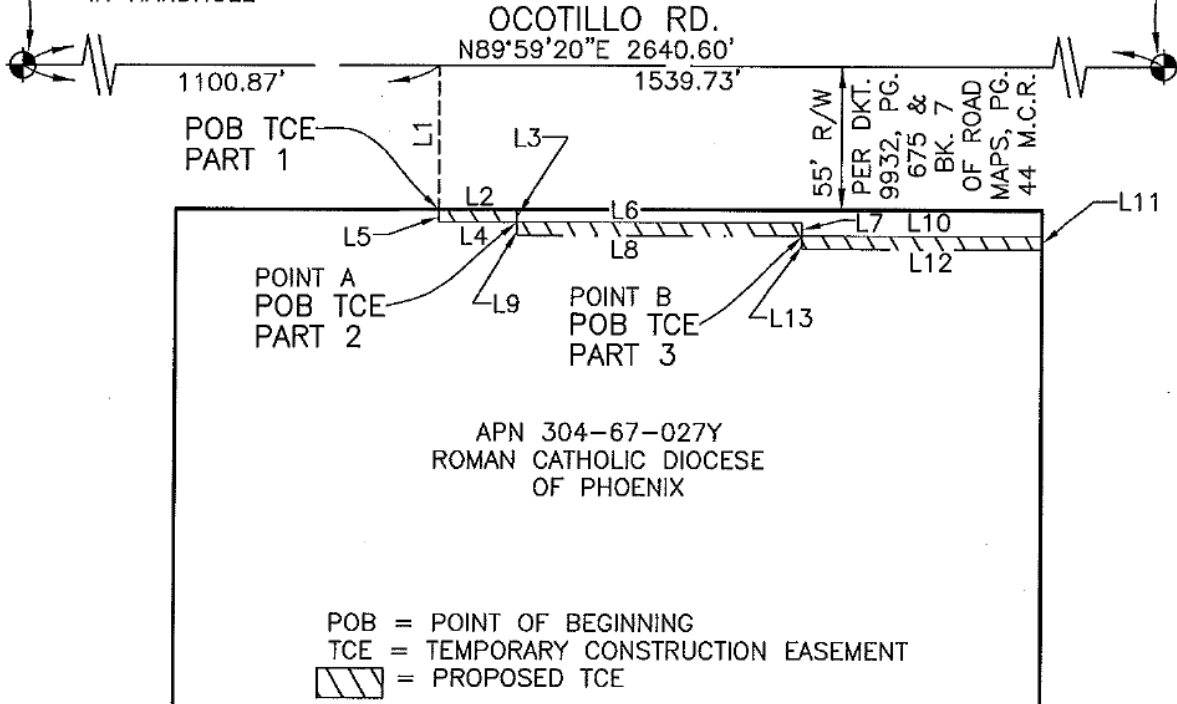
Containing 460 sq. ft. more or less.



Expires: 09/30/12

NORTH 1/4 CORNER
SECTION 21, T2S, R7E
MARICOPA COUNTY HIGHWAY
DEPT. BRASS CAP
IN HANDHOLE

NORTHEAST CORNER
SECTION 21, T2S, R7E
TOWN OF QUEEN CREEK
BRASS CAP FLUSH



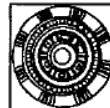
LINE TABLE		
LINE	BEARING	DISTANCE
L1	S00°00'40"E	55.00
L2	N89°59'20"E	30.00
L3	S00°00'40"E	5.00
L4	S89°59'20"W	30.00
L5	N00°00'40"W	5.00
L6	N89°59'20"E	110.00
L7	S00°00'40"E	5.00
L8	S89°59'20"W	110.00
L9	N00°00'40"E	5.00
L10	N89°59'20"E	91.96
L11	S00°00'40"E	5.00
L12	S89°59'20"W	91.96
L13	N00°00'40"W	5.00

T.C.E. AREA:
PART 1 = 150 SQ. FT.
PART 2 = 550 SQ. FT.
PART 3 = 480 SQ. FT.
TOTAL AREA = 1,160 SQ. FT.



EXPIRES: 09/30/12

T.C.E. EXHIBIT



AZTEC ENGINEERING
4561 E. McDowell Rd. Phoenix, AZ 85008
Tel: (602) 454-0402 Fax: (602) 454-0403
website: www.aztec.us

DR: CWH	CK: ADR	SHEET NO.	TOTAL SHEETS
DATE: 6-23-11	REV:	1	1
SCALE: N/A			

Attachment B
Appraisal Cover Page

SELL & ASSOCIATES, INC.

REAL PROPERTY APPRAISERS AND CONSULTANTS

November 17, 2011

Ms. Sandy McGeorge
Management Assistant
Town of Queen Creek
22350 South Ellsworth Road
Queen Creek, Arizona 85242

Re: A summary appraisal report of a 1,471 square foot partial acquisition of a 297,689 square foot property located at 20615 East Ocotillo Road in Queen Creek, Arizona
Sell & Associates, Inc., File Number 11.0281

Dear Ms. McGeorge:

At your request, we have appraised the above-referenced real property. The objective of this appraisal is to provide an opinion of the recommended just compensation for the property rights to be acquired. The intended users of this appraisal are the Town of Queen Creek and other parties associated with the acquisition negotiations and/or eminent domain proceedings. The intended use of this appraisal is in acquisition negotiations and/or eminent domain proceedings. The proposed acquisition will be acquired as an easement acquisition or as a fee simple acquisition. This appraisal provides an opinion of value for the acquisition as both.

As a result of our investigation and analysis, it is our opinion that the recommended just compensation for the proposed acquisition as an easement acquisition, as of October 27, 2011, is:

SEVEN THOUSAND EIGHT HUNDRED NINETY TWO DOLLARS*
(\$7,892)

As a result of our investigation and analysis, it is our opinion that the recommended just compensation for the proposed acquisition as a fee simple acquisition, as of October 27, 2011, is:

THIRTEEN THOUSAND FOUR HUNDRED NINETY SIX DOLLARS*
(\$13,496)

Attachment C
Project Area Map

Right of Way Dedication and Access Easement Map





TO: HONORABLE MAYOR AND TOWN COUNCIL

FROM: PATRICK FLYNN, ASSISTANT TOWN MANAGER

RE: CONSIDERATION AND POSSIBLE ACTION OF AN ORDINANCE #513-12 SETTING THE PRIMARY PROPERTY TAX RATE AND LEVY FOR FY 2012-13

DATE: JUNE 20, 2012

Staff Recommendation:

Staff recommends Town Council approve Ordinance # 513-12 setting the primary property tax rate and levy for the Town for FY 2012-13.

Relevant Council Goal:

KRA 5 Objective 1

Maintain long-term financial sustainability for local government operations.

Proposed Motion:

Motion to approve Ordinance #513-12 as outlined in the staff recommendation above.

Discussion:

In May 2007, Town voters approved a property tax measure in the community for public safety purposes. The ballot language indicated that the property tax rate would not exceed \$1.95 of assessed valuation for this purpose.

On June 6, 2012, the Town Council conducted a public hearing on the Town's primary property tax, as required by State Law. No comments from the public were made during the public hearing.

At a rate of \$1.95 on the Town's current assessed value, we anticipate generating \$3,780,217 of primary property tax for public safety purposes in FY 2012-13. Achieving this levy is paramount to balancing the Town's FY2012-13 Emergency Services budget program. Approval of Ordinance #513-12 is recommended.

Fiscal Impact:

The Town's Emergency Services Fund will receive an estimated \$3,780,217 of primary property tax levy in order to help fund the Town's public safety programs.

Alternatives:

Council could choose to delay this approval until July; however, the respective counties need the information for tax billing purposes no later than the third week in August.

Attachments:

Ordinance # 513-12 for possible adoption

ORDINANCE 513-12

AN ORDINANCE OF THE MAYOR AND COUNCIL FOR THE TOWN OF QUEEN CREEK, MARICOPA COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF QUEEN CREEK, SUBJECT TO PRIMARY AND SECONDARY TAXATION A CERTAIN SUM ON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET FOR THE PURPOSE OF PAYING FOR PUBLIC SAFETY OPERATIONS FOR FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2013.

WHEREAS, the Town of Queen Creek Council adopted the FY2012-13 Final Budget on June 6, 2012, and

WHEREAS, the County of Maricopa and the County of Pinal are now an assessing and collecting authority for the Town of Queen Creek, the Town Clerk is hereby directed to transmit a certified copy of this Ordinance to the Assessor and Board of Supervisors of Maricopa County, Arizona.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF QUEEN CREEK, MARICOPA COUNTY, ARIZONA, as follows:

Section 1: Primary Taxation: There is hereby levied a primary property tax rate of \$1.95 on each one hundred dollars (\$100.00) of assessed value of all property, both real and personal, within the corporate limits of the Town of Queen Creek, except such property as may be by law exempt from taxation. Such property tax rate should raise an estimated \$3,715,208 tax levy from Queen Creek residents located in Maricopa County and another \$65,009 of estimated levy for Queen Creek residents located in Pinal County. The property tax levy is earmarked for paying public safety expenditures in the Town including expenditure in Fire, Sheriff and EMS area of the Town budget. In all cases, the primary property tax rate shall not exceed \$1.95 per \$100 assessed value.

Section 2: No failure by the County Officials of Maricopa County, Arizona, or Pinal County, Arizona, to properly return the delinquent list and no irregularity in the assessment or omission in the same, or irregularity of any kind in any proceedings shall invalidate such proceedings or invalidate any title conveyed by any tax deed; nor shall any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within time specified work an invalidation of any proceedings or of any such deed or sale or affect the validity of the assessment and levy of taxes or of the judgment or sale by which the collection of the same may be enforced or in any manner affect the lien of the Town upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or of costs shall invalidate any proceedings for collection of taxes or the foreclosure, and all acts of officer de facto shall valid as if performed by officers de jure.

Section 3: All ordinances and parts of ordinances in conflict are hereby repealed.

PASSED AND ADOPTED by the Mayor and Council of the Town of Queen Creek, Arizona, this ____ th day of _____, 2012.

Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney



TO: HONORABLE MAYOR AND TOWN COUNCIL

FROM: PATRICK FLYNN, ASSISTANT TOWN MANAGER

**RE: CONSIDERATION AND POSSIBLE ACTION OF AN ORDINANCE
SETTING THE SECONDARY PROPERTY TAX LEVY FOR STREET
LIGHTING IMPROVEMENT DISTRICTS (SLID) FOR
FY 2012-13**

DATE: JUNE 20, 2012

Staff Recommendation:

Staff recommends Town Council approve Ordinance # 514-12 setting the secondary property tax levy for the Street Lighting Improvement Districts for FY 2012-13.

Relevant Council Goal:

KRA 5 Objective 1

Maintain long-term financial sustainability for local government operations.

Proposed Motion:

Motion to approve Ordinance #514-12 as outlined in the staff recommendation above.

Discussion:

State Law requires the Town adopt an ordinance setting the secondary property tax levy for FY2012-2013. The Town currently pays the monthly electric bills for each street lighting district in the Town. The levy serves to reimburse the Town for expenses paid related to the districts. Included in the levy is a small administrative fee (\$22K) for processing the monthly electricity bills and maintaining the financial records for each district.

Fiscal Impact:

The Town's Street Light Improvement Fund will receive an estimated \$366,036 of secondary property tax levy in order to reimburse the Town for electrical expenditures incurred and administrative costs related to the program in FY12-13. The ordinance approved for the current fiscal year (FY11-12) amounted to \$350,485. Much of the almost \$16K change is the result of new SLID's brought into the program (Hasting Farms for example).

Alternatives:

Council could choose to delay this approval until July; however, the respective counties need the information for tax billing purposes no later than the third week in August.

Attachments:

Ordinance # 514-12 for possible adoption

ORDINANCE 514-12

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF QUEEN CREEK, MARICOPA COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF QUEEN CREEK, SUBJECT TO SECONDARY TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM THE PROPERTY WITHIN THE VARIOUS STREET LIGHTING IMPROVEMENT DISTRICTS FOR FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2013.

WHEREAS, the Town of Queen Creek Council adopted the fiscal year 2012-13 Final Budget on June 6, 2012, and

WHEREAS, the County of Maricopa is now an assessing and collecting authority for the Town of Queen Creek, the Town Clerk is hereby directed to transmit a certified copy of this Ordinance to the Assessor and Board of Supervisors of Maricopa County, Arizona.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF QUEEN CREEK, MARICOPA COUNTY, ARIZONA, as follows:

Section 1: Secondary Taxation: There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Town of Queen Creek, except such property as may be by law exempt from taxation, a secondary property tax rate sufficient to raise the sum of three hundred sixty-six thousand, thirty-six dollars (\$366,036) for the annual expenses of the Street Lighting Improvement Districts for the purpose of providing payment for annual expenses of the Street Lighting Improvement Districts for the fiscal year ending June 30, 2013.

Section 2: No failure by the County Officials of Maricopa County, Arizona, or Pinal County, Arizona, to properly return the delinquent list and no irregularity in the assessment or omission in the same, or irregularity of any kind in any proceedings shall invalidate such proceedings or invalidate any title conveyed by any tax deed; nor shall any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within time specified work an invalidation of any proceedings or of any such deed or sale or affect the validity of the assessment and levy of taxes or of the judgment or sale by which the collection of the same may be enforced or in any manner affect the lien of the Town upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or of costs shall invalidate any proceedings for collection of taxes or the foreclosure, and all acts of officer de facto shall valid as if performed by officers de jure.

Section 3: All ordinances and parts of ordinances in conflict are hereby repealed.

PASSED AND ADOPTED by the Mayor and Council of the Town of Queen Creek, Arizona, this ____ th day of _____, 2012.

Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

Street Lighting Improvement Districts

SLID #	SLID Name	# of lights on	Amount FY13
1	QC Ranchettes I	17	\$4,545
2	QC Ranchettes II	7	\$1,872
3	QC Ranchettes III	7	\$1,872
4	Will Rogers	10	\$3,231
5	QC Ranchettes III	14	\$3,743
6	Roman Estates1, II, III	17	\$2,923
7	Will Rogers	11	\$3,231
8	Queenland Manor	39	\$12,287
9	Queenland Manor	16	\$5,041
10	Villages at QC Loop Rd	11	\$3,791
11	Sossaman Est Ph I	68	\$21,243
12	Villages 1	4	\$1,231
13	Villages 4	10	\$3,078
14	Villages 5	9	\$2,770
15	Villages 6	10	\$3,078
16	Villages 7	8	\$2,462
17	Villages 8	13	\$4,001
18	Villages 9	9	\$2,770
19	Villages 21	9	\$2,770
20	Cortina 1	32	\$9,815
21	Cortina 2	14	\$4,247
22	Cortina 3	16	\$4,924
23	Cortina 4	23	\$6,955
24	Roman Estates IV,V,VI, VII	13	\$3,476
25	Sossaman Est Ph 2	63	\$19,659
26	Cortina 5 & 6	21	\$6,508
27	Cortina 8,9,10	52	\$15,751
28	Villgs at QC Loop Phase II	7	\$2,312
29	Emperor Estates 1 & 2	55	\$16,927
30	Villages 10	9	\$2,770
31	Villages 11A	5	\$1,539
32	Villages 11B	3	\$923
33	Villages 12	7	\$2,154
34	Villages 13	9	\$2,770
35	Villages 15	8	\$2,462
36	Villages 16	5	\$1,539
37	Montelena	60	\$18,465
38	Indigo Trails	19	\$5,847
39	Villages 14	5	\$1,539
40	Villages 17 *	4	\$659
41	Villages 18	10	\$3,078
42	Cortina 7	19	\$5,847
43	Cortina 11 *	13	\$2,140
44	La Sienterra	27	\$8,310
45	Crismon Heights	44	\$13,328
46	Villages 2	10	\$3,078
47	Ocotillo Landing	27	\$8,310
48	Cortina 12	10	\$3,078
49	Cortina13	15	\$4,616
50	Crismon Meadow	7	\$1,871

51	Langley Est II	47	\$14,870
52	Emperor Estates 3	21	\$6,463
53	Nauvoo Station	71	\$21,637
54	Victoria Phase 2 Parcel 1	14	**
55	Ocotillo Heights	22	\$6,198
57	Lucia at Queen Creek	22	\$6,771
58	Charleston Estates	25	\$1,990
59	Sossaman Estates III – Phase A	13	**
60	Hastings Farms Parcel A	29	\$9,015
61	Hastings Farms Parcel B	16	**
62	Hastings Farms Parcel H	36	\$11,210
63	Hastings Farms Parcel I	24	\$7,008
64	Hastings Farms Parcel J	25	\$7,441
65	La Jara	9	\$2,597
		TOTAL	\$366,036

*Indicates a SLID that had capital investment for poles. These SLID's have a lower average cost due to the initial capital outlay for installation.

** These are active SLID's without energized lights. Lights are not anticipated to be active in FY12-13.

Requesting Department:

Town Manager



TO: HONORABLE MAYOR AND TOWN COUNCIL

**THROUGH: JOHN KROSS, ICMA-CM
TOWN MANAGER**

**FROM: WENDY KASERMAN
SENIOR MANAGEMENT ASSISTANT**

**RE: DISCUSSION AND POSSIBLE ACTION ON THE CENTRAL
ARIZONA ASSOCIATION OF GOVERNMENTS (CAAG)
STRATEGIC PLAN**

DATE: JUNE 20, 2012

Staff Recommendation:

There is no staff recommendation on this item.

Relevant Council Goals:

KRA 1: CAPITAL IMPROVEMENT PROGRAM

KRA 7: INTERGOVERNMENTAL RELATIONS

Discussion:

The Town of Queen Creek is a member of the Central Arizona Association of Governments (CAAG). CAAG was formed in 1970 and incorporated in 1975. CAAG is one of six regional planning districts, or Councils of Governments (COGs), established by Executive Order 70-2 by the Governor of Arizona. The CAAG region encompasses both Gila and Pinal Counties. While the majority of Queen Creek falls in Maricopa County and the Town is a member of the Maricopa Association of Governments (MAG), the Town is also a CAAG member since a portion of the Town's incorporated limits falls in Pinal County.

CAAG's responsibilities include coordinating regional transportation planning efforts, environmental planning, regional economic development, implementation of the Workforce Investment Act, and it also administers the region's Community Development Block Grants (CDBG) program.

CAAG is at a point in its organizational history where questions have started to surface about its future roles and responsibilities and potential changes to the area it serves. The Regional Council, as well as the Management Committee will

be participating in a strategic planning retreat June 21-22 to discuss the future direction of CAAG. Vice Mayor Benning serves as the Town's representative on the CAAG Regional Council. He also serves as a member of the CAAG Executive Committee. Wendy Kaserman serves as the Town's representative on the CAAG Management Committee.

Prior to the strategic planning retreat, Vice Mayor Benning and staff wanted to brief the Town Council on the key topics for discussion and give the Town Council an opportunity to provide input on these issues.

What is the value of CAAG?

The first part of the retreat is going to focus on the programs CAAG currently operates. Participants will be discussing the value of these programs and whether the current programs and services are meeting member needs. Potentially there could be discussion about scaling back some programs and/or adding new programs.

Coordination and information sharing about transportation projects are key services CAAG provides to the Town of Queen Creek. The Town also receives notification from CAAG about available funding opportunities for transportation related projects, however the available funds are relatively small and since the majority of the Town falls in Maricopa County, the applications the Town has submitted to CAAG are for smaller scale projects in the Pinal County portion of the Town.

Geographic Boundaries

With the growth that has taken place in Pinal County and to an extent, the urbanization of Pinal County, some member agencies have questioned whether or not Pinal and Gila Counties should be part of one COG.

Gila County has explored the possibility of joining another COG. Vice Mayor Benning and staff expect that Gila County and the Town of Payson will share information about where they believe their communities' needs will best be served in the future. Allowing these communities to make the decision for what best meets their communities' needs seems more appropriate than all of the CAAG member agencies making this decision for them.

Does the Queen Creek Town Council have any comments on this particular issue?

Future Metropolitan Planning Organization (MPO) Boundaries

As a result of the 2010 Census, Casa Grande was designated as a newly urbanized area. This means that there will be a new MPO in Pinal County. MPOs

differ from COGs in that they must adopt a fiscally constrained regional transportation plan. MPOs have several other federal obligations including management of air quality issues. MAG is an MPO. MPOs also receive more federally funding than COGs do.

The Casa Grande MPO boundaries have yet to be determined. Casa Grande is working with the Arizona Department of Transportation (ADOT), as well as the Federal Highway Administration (FHWA) to develop the boundaries. Depending upon the size of the new MPO boundaries, it is possible that a significant portion of what is currently in the CAAG region would be part of the new MPO. The question of what does CAAG become if most of its Pinal County membership moves into the new MPO will be discussed. However, the discussion will be somewhat speculative because at this point, only the City of Casa Grande knows what it is considering by way of boundaries.

Communities can only be members of one MPO. The Town has already communicated to CAAG that Queen Creek identifies itself with Maricopa County and the East Valley and plans to remain a MAG member.

Fiscal Impact:

There is no fiscal impact associated with this item. It is possible that as a result of the retreat, there may be changes to CAAG programs and services which could result in proposed changes to dues in the future. This information would be presented to the Town Council at a later date.

Alternatives:

No specific action is being recommended on this item, therefore there are not alternative options included.

Requesting Department:
Economic Development



TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

FROM: TROY WHITE, PUBLIC WORKS DIVISION MANAGER
DOREEN COTT, ECONOMIC DEVELOPMENT DIRECTOR
KIM MOYERS, ECONOMIC DEVELOPMENT SPECIALIST

RE: DISCUSSION AND POSSIBLE ACTION ON TENANT IMPROVEMENTS TO THE PARKS BUILDING FOR THE TRANSITION OF THE QUEEN CREEK BUSINESS INCUBATOR PROGRAM.

DATE: June 20, 2012

Staff Recommendation:

Staff recommends Alternative B - \$75,000 for the improvements recommended to improve the Parks building for the transition of the Queen Creek Incubator program.

Proposed Motion:

Move to approve \$75,000 from the Town Center Municipal Fund for the improvements needed to transition the Queen Creek Incubator program to the vacant Parks building.

Discussion:

At the May 16, 2012 Town Council meeting, Town Council approved the continuation of the QC Inc. Program and directed staff to move the program to the vacant Parks building at the end of the current lease that expires on December 31, 2012.

In order to provide a professional environment for the QC Inc. tenants and a positive first impression for visitors to the Chamber of Commerce, staff has identified three priority areas to improve the space into a more conducive environment for the incubator and the Chamber. These areas include the lobby/reception area, expansion of the conference room and I.T. modifications.

The current lobby is not large enough to accommodate the many QC Inc. clients, Chamber members and outside visitors looking for tourism/visitor information. The Chamber of Commerce is often the first stop for outside guests and it is important to make a good first impression on new residents, businesses and tourists. It is possible to extend the lobby area and create a larger reception area by removing the existing

counter and move the work space back several feet. This area is also heavily trafficked and in need of new flooring.

The current QC Inc. conference room holds a maximum of 20 people and is the most utilized room at the Incubator. Tenants agree that it is one of the key amenities of the incubator space. The Parks building conference room has a maximum capacity of 10 people. This conference room can be expanded by removing the wall between the conference room and the adjacent office to accommodate the need for a larger meeting area.

Although there is telecommunications infrastructure already set-up in the Parks building, the I.T. department recommends that the QC Incubator and Town Offices operate on a separate telephone and internet system for security purposes. The suggested programming amount would allow for this separation while still enabling I.T. staff to assist with and manage the system.

Other minor improvements needed include signage for the Incubator and the Chamber, new carpeting in the common areas (hallways, lobby and conference room) and minor cosmetic improvements to the walls.

As a courtesy to the Town, Arrington Watkins Architects, LLC, provided staff with a Statement of Probable Cost outlining improvements in the areas mentioned above. Being prudent with tax payer dollars, staff is bringing forth three alternatives that would provide a professional, business friendly environment while being conscious of limited resources.

As the Town and the incubator continue to grow and change, and the need for the Parks building change all of the proposed improvements will remain in the building with the exception of signage and the I.T. equipment.

Alternatives:

A.) \$50,000 –

- a. I.T. Equipment and set-up
- b. Carpeting of the common areas
- c. Renovation/expansion of the Reception area
- d. Signage
- e. Contingency of 10%

B.) \$75,000 –

- a. I.T. Equipment and set-up
- b. Carpeting of the common areas
- c. Renovation/expansion of the Reception area
- d. Signage
- e. Conference Room expansion
- f. Wall repairs
- g. Contingency of 10%

C.) \$90,000 –

- a. I.T. Equipment and set-up
- b. Carpeting of the common areas

- c. Renovation/expansion of the Reception area
- d. Signage
- e. Conference Room expansion
- f. Wall repairs
- g. New flooring in the work room
- h. Small training room
- i. Additional furniture for common area
- j. Additional technology equipment for conference and training room
- k. Contingency of 10%

Fiscal Impact: Funds for the approved alternative will come out of the Town Center Municipal Funds.

Requesting Department:

Development Services



TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: JOHN KROSS, TOWN MANAGER

**FROM: TROY WHITE, PUBLIC WORKS MANAGER
RAMONA SIMPSON, MANAGEMENT ASSISTANT II**

**RE: CONSIDERATION AND POSSIBLE APPROVAL OF A
CURBSIDE TEXTILE RECYCLING PILOT PROGRAM WITH
UNITED FIBERS, BENEFITING THE BOYS & GIRLS CLUB OF
QUEEN CREEK**

DATE: JUNE 20, 2012

Staff Recommendation:

Staff recommends approval of a curbside textile recycling pilot program with United Fibers, benefitting the Boys & Girls Club of Queen Creek.

Relevant Council Goal(s):

Town of Queen Creek Corporate Strategic Plan - Key Result Area 2 - Objective 1

- *Develop a comprehensive volunteer program and non-profit partnership strategy*

Town of Queen Creek Corporate Strategic Plan - Key Result Area 3 - Objective 5

- *Promote the Town's sustainability goals through efforts concerning energy use, green building policy, recycling, and use of hybrid vehicles.*

Proposed Motion:

Move to approve the curbside textile recycling pilot program with United Fibers, benefitting the Boys & Girls Club of Queen Creek.

Discussion:

In recent studies, conducted by the EPA, nearly 12 million tons of textile waste is sent to landfills each year in America. A local recycling company, United Fibers, has developed a system to divert this material from the landfill and transform them into a green-eco friendly home insulation product. United Fibers, in conjunction with affiliate companies Bonded Logic and Phoenix Fibers, has chosen the Town of Queen Creek as the first-ever municipality to initiate an innovative and unique curbside textile recycling pilot program.

The four (4) month program will allow Queen Creek residents, receiving Town Recycling Cart Services, the opportunity to discard unwanted clothing through a specialized curbside clothing recycling bag. This bag would be placed directly into their blue Town Recycling Cart on their regularly scheduled collection day.

United Fibers will distribute a textile information package, via U.S. Mail, to each Queen Creek Resident receiving Town Recycling Services. The information package will include a textile recycling bag and instructions outlining the textile preparation and placement.

Through the Town's Solid Waste Services Agreement, Right Away Disposal (RAD) will collect and deliver the recyclables to United Fibers for processing. All textile recycling bags will be sorted, weighed, and processed through their affiliate company, Phoenix Fibers.

United Fibers will also supply the Town of Queen Creek with printed media materials, which will be used in the Town of Queen Creek water billings and at front counters. The Town of Queen Creek will aid in public awareness through the Town's website and other internet opportunities.

There is no cost or fees incurred by the Town of Queen Creek for the program marketing, material collection or processing. However, the Town of Queen Creek will receive revenue and compensation through the following sources:

- Added tonnage through the Town's recycling revenue share with RAD
- \$0.10 per pound paid directly to the Boys & Girls Club of Queen Creek
- \$0.10 per pound paid directly to the Town of Queen Creek

Being cognizant of Council's concerns about non-profit organizations being more self-sufficient, the above payment structure is recommended by staff, subject to approval by the Town Council.

Alternative options:

- All revenues paid directly to the Town, with a percentage of the revenue deducted from the Town's quarterly payments to the Boys & Girls Club
- All revenues paid directly to the Town, with a percentage of the revenue passed through to the Boys & Girls Club

United Fibers recently completed another pilot program for the HOA of Sun Lakes. 702 homes were provided bags, 128 bags were collected, 18.3% participation, 7.66 lbs average weight per bag, for a total collected of 981 lbs. Understanding that the demographics for the retirement community of Sun Lakes is very different from the Town's, but if the Town were to see similar results as the program in Sun Lakes, the following would apply: 7,362 current accounts, 1,347 potential participants, total of 10,320 lbs collected during the pilot program, equating to approximately \$2,000 in revenue (not including the revenue share with RAD).

Fiscal Impact:

No fiscal impact in cost or fees.

Alternatives:

The Town does not enter into an agreement with United Fibers for the textile recycling pilot program as indicated.

Attachments:

N/A