

AGENDA



4:30 P.M.

CITY COUNCIL MEETING

TUESDAY, NOVEMBER 24, 2020

NOTES:

- **Public Forum:**
Comments are generally limited to 3 minutes.
- **Consent Items:**
Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

PROCEDURES:

- It is strongly encouraged that public input on agenda items be submitted by sending an email to the City Clerk at sirvine@sedonaaz.gov in advance of the 4:30 p.m. Call To Order.
- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES.**
- Submit written comments to the City Clerk.

DUE TO CONTINUED PRECAUTIONS RELATED TO COVID-19, SEATING FOR THE PUBLIC WITHIN THE COUNCIL CHAMBERS IS ARRANGED IN COMPLIANCE WITH CDC GUIDELINES FOR PHYSICAL DISTANCING AND IS VERY LIMITED. THOSE WISHING TO COMMENT ON SCHEDULED AGENDA ITEMS MAY BE ASKED TO WAIT OUTDOORS OR IN AN ALTERNATE LOCATION IF THERE IS NOT ADEQUATE SEATING IN COUNCIL CHAMBERS. **COMMENTS IN ADVANCE OF THE 4:30 P.M. CALL TO ORDER ARE STRONGLY ENCOURAGED BY SENDING AN EMAIL TO [SIRVINE@SEDONAAZ.GOV](mailto:sirvine@sedonaaz.gov) AND WILL BE MADE PART OF THE OFFICIAL MEETING RECORD. THE MEETING CAN BE VIEWED LIVE ON THE CITY'S WEBSITE AT WWW.SEDONAAZ.GOV OR ON CABLE CHANNEL 4.**

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE/ROLL CALL
2. CITY'S VISION
3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT =

- a. Minutes - November 10, 2020 City Council Regular Meeting.
- b. AB 2627 Approval of a recommendation regarding an application for a Series 10 Beer and Wine Store Liquor License for Residence Inn located at 4055 W State Route 89A, Sedona, AZ (File #123210).
- c. AB 2632 Approval of a Lease Purchase Agreement and related documents for replacement of three (3) police vehicles in the approximate amount of \$183,119 plus interest.
- d. AB 2634 Approval of a Professional Services Contract with Gabor Lorant Architects, Inc. for the design of the Uptown Parking Garage in an amount not-to-exceed \$1,518,050.





4. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER
5. PROCLAMATIONS, RECOGNITIONS & AWARDS - None.
6. PUBLIC FORUM/RECOGNITION OF OUTGOING COUNCILORS (Including any recognition from the public) (This is the time for the public to comment on matters not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.)
7. SWEARING IN OF NEWLY ELECTED COUNCIL MEMBERS BY MAGISTRATE JUDGE LISA PARSONS
8. ROLL CALL
9. APPOINTMENTS
 - a. AB 2629 Discussion/possible action regarding appointment of a Vice Mayor.
10. REGULAR BUSINESS
 - a. AB 2628 Public hearing/discussion/possible action regarding adoption of a Resolution and Ordinance updating the City of Sedona's Consolidated Fee Schedule.

**CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ**

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.



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- b. AB 2618 Discussion/possible action regarding public right-of-way vacation at 1800 and 1900 Cline Road, and right-of-way acquisition at 665 Sunset Drive. 
- c. AB 2626 Discussion/possible direction regarding the Sedona Community Pool's future operations and seasonal timelines. 
- d. AB 2633 Discussion/possible action regarding an Ordinance amending the Sedona City Code Title 8 (Health and Safety) by adopting Chapter 8.60 (Recreational Marijuana) related to recreational marijuana, prohibiting retail marijuana establishments and testing facilities within Sedona, adopting related regulations, and declaring an emergency. 
- e. AB 2571 Discussion/possible direction regarding issues surrounding the COVID-19 pandemic and the City's response. 
- f. Reports/discussion regarding Council assignments.
- g. Discussion/possible action regarding future meetings/agenda items.

11. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

12. ADJOURNMENT

Posted: 11/19/2020

By: DJ

Susan L. Irvine, CMC
City Clerk

Note: Pursuant to A.R.S. § 38-431.02 notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with materials relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made forty-eight hours prior to the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, November 10, 2020, 4:30 p.m.

1. Call to Order/Pledge of Allegiance/Moment of Silence/Roll Call

Mayor Moriarty called the meeting to order at 4:30 p.m.

Council Present: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor Bill Chisholm, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jessica Williamson.

Staff Present: City Manager Justin Clifton, Assistant City Manager/Director of Community Development Karen Osburn, City Attorney Kurt Christianson, Senior Planner Cynthia Lovely, Senior Planner Mike Raber, City Clerk Susan Irvine.

2. City's Vision

The City's Vision was read by Mayor Moriarty.

3. Consent Items

- a. **Minutes - October 27, 2020 City Council Special Meeting - Executive Session.**
- b. **Minutes - October 27, 2020 City Council Regular Meeting.**
- c. **AB 2623 Approval of a Resolution adopting revised Planning and Zoning Commission Operating Rules and Procedures.**

Motion: Vice Mayor Martinez moved to approve consent items 3a, 3b, and 3c. Seconded by Councilor Lamkin. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Martinez, Chisholm, Currivan, Jablow, Lamkin, and Williamson) and zero (0) opposed.

4. Appointments – None.

5. Summary of Current Events by Mayor/Councilors/City Manager

Vice Mayor Martinez advised that 89 flags were placed on 89A and an additional 30 flags in Uptown for Veteran's Day. Councilor Chisholm stated that the Sedona Heritage Museum has a virtual Veteran's Day ceremony running on cable channel 4 and at www.sedonamuseum.org. Vice Mayor Martinez recognized Councilor Chisholm and Councilor Currivan for their military service. Councilor Chisholm stated that November 13th is Sedona Kindness Day. Mayor Moriarty advised that the Citizen's Academy concluded last week. She recognized the following for completing the Academy and noted that the participants listed in bold had perfect attendance at all nine sessions: **Mark Antin, Cynthia Belowski, Peter Belowski, Mike Cook, Chris Jackson, Bob Pifke, Ellen Taylor, Paul Weiss**, Larry Allen, Heather Klomparens, Savannah Rossi, Michael Werner, and Emily Young.

6. Public Forum

Anthony Priore, Sedona, spoke about the use of the community pool and utilizing the community for ideas. He also thanked everyone for their service on Council.

7. **Proclamations, Recognitions, and Awards – None.**
8. **Regular Business**
 - a. **AB 2612 Public hearing/discussion/possible action regarding approval of a Resolution amending the Schnebly CFA Plan and a Resolution and Ordinance amending the Land Development Code regarding the density of permitted land uses, campgrounds and other related uses in the CFA Plan, Oak Creek Heritage District and other related sections in the Land Development Code – Case Number PZ 19-00014 (CFA, LDC).**

Presentation by Mike Raber, Karen Osburn, Cynthia Lovely, Justin Clifton, and Kurt Christianson.

Questions from Council.

Opened the public hearing at 6:18 p.m.

The following spoke regarding this item: Luke Sefton, Sedona, John Bradshaw, Sedona.

Closed the public hearing and brought back to Council at 6:25 p.m.

Break at 6:26 p.m. Reconvened at 6:44 p.m.

Additional questions and comments from Council.

Break at 7:51 p.m. Reconvened at 8:14 p.m.

Additional questions and comments from Council.

Motion: Councilor Williamson moved to approve Resolution No. 2020- 23, as set forth in AB 2612, Exhibit A, amending the Schnebly Community Focus Area Plan as revised by Council. Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Martinez, Chisholm, Currivan, Jablow, Lamkin, and Williamson) and zero (0) opposed.

Motion: Councilor Williamson moved to approve Resolution No. 2020-24, establishing as a public record, Exhibit A to the Resolution – “Sedona Land Development Code Amendments, November 10, 2020” as revised by Council. Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Martinez, Chisholm, Currivan, Jablow, Lamkin, and Williamson) and zero (0) opposed.

Motion: After 1st reading, Councilor Williamson moved to adopt Ordinance No. 2020-07, an ordinance of the City of Sedona, amending the Land Development Code; providing for a savings clause; and providing for repeal of any conflicting ordinances as revised by Council. Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Martinez, Chisholm, Currivan, Jablow, Lamkin, and Williamson) and zero (0) opposed.

- b. **AB 2613 Public hearing/discussion/possible action regarding a request for approval of a zone change of multiple properties in the Schnebly CFA to the Oak Creek Heritage Zoning District – Case Number: PZ 19-00010 (ZC).**

Presentation by Mike Raber.

Questions from Council.

Opened the public hearing at 8:43 p.m.

The following spoke regarding this item: Luke Sefton, Sedona, Lisa Wilson, Sedona, John Bradshaw, Sedona, David Tracy, Sedona.

Closed the public hearing and brought back to Council at 8:51 p.m.

Additional questions and comments from Council.

Motion: After 1st reading, Vice Mayor Martinez moved to approve Ordinance No. 2020-08, regarding case number PZ19-00010 (ZC), rezoning the subject properties from the designation of either RS-10 or RS-18 to OC, based on conformance with the requirements for approval of a zone change, consistency and conformance with the Community Plan, and subject to all applicable ordinance requirements and the recommended conditions of approval, as modified in this agenda bill. Seconded by Councilor Lamkin. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Martinez, Chisholm, Currivan, Jablow, Lamkin, and Williamson) and zero (0) opposed.

- c. **AB 2571 Discussion/possible direction regarding issues surrounding the COVID-19 pandemic and the City's response.**

Presentation by Justin Clifton.

Questions and comments from Council.

Presentation and discussion only.

- d. **Reports/discussion regarding Council assignments – None.**
- e. **Discussion/possible action regarding future meeting/agenda items – None.**

9. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. **To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).**
- b. **Return to open session. Discussion/possible action on executive session items.**

No Executive Session was held.

10. Adjournment

Mayor Moriarty adjourned the meeting at 9:25 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on November 10, 2020.

Susan L. Irvine, CMC, City Clerk

Date



**CITY COUNCIL
AGENDA BILL**

**AB 2627
November 24, 2020
Consent Items**

Agenda Item: 3b
Proposed Action & Subject: Approval of a recommendation regarding an application for a Series 10 Beer and Wine Store Liquor License for Residence Inn located at 4055 W State Route 89A, Sedona, AZ (File #123210).

Department	City Clerk
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	Liquor License Application is available for review in the City Clerk's office.

City Attorney Approval	Reviewed 11/16/2020 KWC	Expenditure Required	
		\$	0
City Manager's Recommendation	Recommend approval of a Series 10 Beer and Wine Store License for Residence Inn.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

The City received an application for a new Series 10 Beer and Wine Store Liquor License for a Series 10 Beer and Wine Store Liquor License for Residence Inn located at 4055 W State Route 89A, Sedona, AZ (File #123210). The application is available for review and inspection in the City Clerk's office or by email.

A Series 10 Liquor License (Beer and Wine) is a non-transferable, off-sale retail privileges liquor license that allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises. A retailer with off-sale privileges may deliver spirituous liquor off of the licensed premises in connection with a retail sale. Payment must be made no later than the time of delivery.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Recommend denial of a new Series 10 Beer & Wine Store Liquor License for a Series 10 Beer and Wine Store Liquor License for Residence Inn located at 4055 W State Route 89A, Sedona, AZ (File #123210). Reasons for a recommendation of denial would need to be specified.

MOTION

I move to: recommend approval of a new Series 10 Beer & Wine Store Liquor License for a Series 10 Beer and Wine Store Liquor License for Residence Inn located at 4055 W State Route 89A, Sedona, AZ (File #123210).



**CITY COUNCIL
AGENDA BILL**

**AB 2632
November 24, 2020
Consent Items**

Agenda Item: 3c
Proposed Action & Subject: Approval of a Lease Purchase Agreement and related documents for replacement of three (3) police vehicles in the approximate amount of \$183,119 plus interest.

Department	Police
Time to Present	N/A
Total Time for Item	
Other Council Meetings	June 3 & 4, 2020, August 11, 2020
Exhibits	A. Pricing Contract for two leased vehicles B. Pricing Contract for Chief's leased vehicle C. Lease Purchase Agreement and related documents

City Attorney Approval	Reviewed 11/17/2020 KWC	Expenditure Required	
		\$	47,916.37 (FY2022 – FY2025 annual lease payments)
City Manager's Recommendation	Approve leases for three police vehicles	Amount Budgeted	
		\$	0 (lease payments begin in FY2022)
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: In the Fiscal Year 2016-17, Council approved the implementation of the Assigned Vehicle Program for patrol. The program has enabled officers to rapidly respond to duty and emergency incidents leaving from their homes leading to better service for our community.

We have older vehicles in our fleet that have accumulated excessive mileage and maintenance issues that has increased repair costs extensively. The three new leased vehicles, which are hybrids, will replace these vehicles for this reason.

Budget and Financing
 Quotes were obtained at the beginning of the fiscal year for lease purchase financing. The lowest financing quote was U.S. Bancorp Government Leasing and Finance, Inc. The lease

purchase agreement and the related documents are included as Exhibit C. The lease includes the following terms:

- 4-year term commencing November 20, 2021.
- Annual payments of \$47,916.37
- Payments in arrears (at the end of each year instead of the beginning)
- Interest rate of 1.85%
- Prepayment penalty (with such a low interest rate, staff does not plan to pay this off early)
- City is responsible for the taxes, insurance and maintenance of the vehicles

Lease purchase payments would begin in FY2022 and be paid from the Police Department budget in the General Fund.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Council could choose not to approve the lease purchase contracts resulting in an older fleet requiring expensive repairs.

MOTION

I move to: approve the Lease Purchase Agreement and related documents for replacement of three (3) police vehicles in the approximate amount of \$183,119 plus interest subject to approval by the City Attorney.



PFVT MOTORS, INC.

CONTRACT # ADSP017-166117

QUOTE DATE: 10/29/2020

SANDRA GONZALEZ

9130 West Bell Road
 Peoria, Arizona 85382
Direct: 480-696-5930
Cell: 505-850-5504
 Fax: 480-393-5536
 Email: sgonzalez@peoriaford.com

CUSTOMER: SEDONA PD

CONTACT: NATHAN DORFEY
E-MAIL: nDorfman@sedonaaz.gov

**REFERENCE: HYBRID UTILITY
 BUDGET 21FY**

LEAD TIME: 18-20 WEEKS

LINE ITEM	ORDER CODE	DESCRIPTION	PRICE
1	K8A	2021 BLACK INTERCEPTOR UTILITY - 3.3L Hybrid	\$ 36,905.00
2	86T	REAR TAIL LAMP HOUSING CUT-OUT	\$ 60.00
3	17T	CARGO DOME LAMP	\$ 50.00
4	43D	DARK CAR FEATURE	\$ 25.00
5	SYNC	BLUETOOTH	STD
6	51R	LED DRIVER SIDE SPOTLAMP	\$ 395.00
7	549	POWER HEATED MIRRORS	\$ 60.00
8	55F	KEYLESS ENTRY - 4 REMOTES	\$ 340.00
9	85R	REAR MOUNT PLATE - WIRING CHANNEL	\$ 45.00
10	STD	BACKUP CAMERA	STD
11	DIO	TINT WINDOWS TO AGENCY SPEC	STD
12	86P	FRON HEADLAMP HOUSING CUTOUT	STD
13	DIO	UPFIT PER AIRWAVE QUOTE #PHX-815	\$ 21,106.34
14	76R	REVERSE SENSING	\$ 275.00
15	17A	REAR AUX AIR	\$ 610.00
16	52P	HIDDEN LOCK PLUNGER W REAR DOOR INOPE	\$ 160.00
TAXABLE TOTAL			\$ 60,031.34
SALES TAX			\$ 4,862.54
WARRANTY COST			\$ -
TIRE TAX			\$ 5.00
FREIGHT			\$ -
TOTAL PER UNIT			\$ 64,898.88
QUANTITY OF UNITS			2
PO TOTAL			\$ 129,797.76

THANK YOU FOR YOUR BUSINESS!



PFVT MOTORS, INC.

CONTRACT # ADSP017-166117

QUOTE DATE: 2/10/2020

SANDRA GONZALEZ

9130 West Bell Road
Peoria, Arizona 85382

Direct: 480-696-5930

Cell: 505-850-5504

Fax: 480-393-5536

Email: sgonzalez@peoriaford.com

CUSTOMER: SEDONA PD

CONTACT: NATHAN DORFEY

E-MAIL: nDorfman@sedonaaz.gov

**REFERENCE: HYBRID UTILITY
BUDGET 21FY**

LEAD TIME: 18-20 WEEKS

LINE ITEM	ORDER CODE	DESCRIPTION	PRICE
1	K8A	2021 MEDIUM TITANIUM INTERCEPTOR UTILITY - 3.3L HYBRID	\$ 36,905.00
2	86T	REAR TAIL LAMP HOUSING CUT-OUT	\$ 60.00
3	65U	INTERIOR UPGRADE PACKAGE	\$ 390.00
4	43D	DARK CAR FEATURE	\$ 25.00
5	SYNC	BLUETOOTH	STD
6	64E	18" ALUMINUM WHEELS	\$ 475.00
7	549	POWER HEATED MIRRORS	\$ 60.00
8	55F	KEYLESS ENTRY - 4 REMOTES	\$ 340.00
9	85R	REAR MOUNT PLATE - WIRING CHANNEL	\$ 45.00
10	STD	BACKUP CAMERA	STD
11	DIO	TINT WINDOWS TO AGENCY SPEC	STD
12	86P	FRONT HEADLAMP HOUSING CUTOUT	STD
13	55B	BLIND SPOT MONITORING	\$ 545.00
14	593	PERIMETER ANTI-THEFT ALARM	\$ 120.00
15	76R	REVERSE SENSING	\$ 275.00
16	DIO	UPFIT PER AIRWAVE QUOTE #PHX-559	\$ 9,470.86
17	17A	REAR AUX AIR	\$ 610.00
			\$ -
		TAXABLE TOTAL	\$ 49,320.86
		SALES TAX	\$ 3,994.99
		WARRANTY COST	\$ -
		TIRE TAX	\$ 5.00
		FREIGHT	\$ -
		TOTAL PER UNIT	\$ 53,320.85
		QUANTITY OF UNITS	1
		PO TOTAL	\$ 53,320.85

THANK YOU FOR YOUR BUSINESS!

DOCUMENT CHECKLIST

PLEASE EXECUTE ONE (1) ORIGINAL SET OF ALL DOCUMENTS
(NO FRONT & BACK COPIES, PLEASE)

RETURN ALL ORIGINALS TO:
U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
MARIA G REYES
13010 SW 68TH PKWY STE 100
PORTLAND, OR 97223
503.603.2843

- Tax-Exempt Lease Purchase Agreement** – Execute signature block at the top of the first page.
- Addendum/Amendment to Tax-Exempt Lease Purchase Agreement** – This document must be executed in the presence of a witness/attestor. The attesting witness does not have to be a notary, just present at the time of execution. The witness/attestor will execute the signature block below the Lessee's signature block at the bottom right of the page.
- Property Schedule** - Execute signature block at the bottom of the page.
- Property Description – Exhibit A** - Execute signature block at the bottom of the page.
- Acceptance Certificate and Bank Qualification– Exhibit B.** 1) If the transaction can be designated as a “bank qualified” transaction – one where the Lessee reasonably anticipates not issuing more than \$10 million in tax-exempt obligations in a calendar year – then you should initial the line under item #2; 2) The date that all equipment is delivered, installed and accepted is the date that should be placed on the “DATE” line; and 3) Execute signature block at the bottom of the page.
- Lessee's Counsel's Opinion – Exhibit C.** This exhibit will need to be executed by your attorney, dated and placed on their letterhead. Your attorney will likely want to review the agreement prior to executing this opinion.
- Lessee's General and Incumbency Certificate – Exhibit D.** Include in your return package a copy of the board minutes or resolution for our files.
- Payment of Proceeds Instructions – Exhibit E.** Intentionally Omitted.
- Notification of Tax Treatment** – Please provide your State of Sales/Use tax Exemption Certificate.
- Form 8038-G** – Blank form and instructions provided to Lessee. Please consult your CPA, local legal or bond counsel to fill out.
- Vehicle Titling Memo**
- Escrow Agreement** – This document needs to be executed by the Executing Official defined in the Lessee's Certificate – Exhibit 3.
 - Investment Direction Letter – Exhibit 1.** This document needs to be executed by the Executing Official.
 - Schedule of Fees – Exhibit 2.**
 - Requisition Request – Exhibit 3.** This document should be retained by Lessee and utilized to request disbursements from the escrow account. Please make copies and fill out as many as are needed.
 - Final Acceptance Certificate - Exhibit 4.** This document should be retained by Lessee and provided to Lessor once all the proceeds have been disbursed from the escrow account. Additionally, 1) If the transaction can be designated as a “bank qualified” transaction – one where the Lessee reasonably anticipates not issuing more than \$10 million in tax-exempt obligations in a calendar year – then you should initial the line under item #2; 2) The date that all equipment is delivered, installed and accepted is the date that should be placed on the “DATE” line; and 3) Execute signature block at the bottom of the page.
 - Class Action Negative Consent Letter – Exhibit 6.**
 - IRS Form W-9.** This document should be retained by Lessee and submitted with the Requisition Request(s) for each vendor being paid. Please make copies and fill out as many as are needed.
- Insurance Authorization and Verification** – To be filled out by the Lessee and sent to your insurance carrier. A valid insurance certificate, or self-insurance letter if the Lessee self-insures, is required prior to funding.

Tax-Exempt Lease/Purchase Agreement, Dated November 20, 2020

Accepted by Lessor:
U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor") 13010 SW 68th Parkway, Suite 100 Portland, OR 97223
By:
Name:
Title:
Telephone:

Agreed to by Lessee:
City of Sedona ("Lessee") 102 Roadrunner Drive Sedona, Arizona 86336
By:
Name:
Title:
Telephone: (928) 203-5193

AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all the Property described in Property Schedule incorporated herein by reference, upon the terms and conditions set forth herein and as supplemented by the terms and conditions set forth in the Property Schedule. This Tax-Exempt Lease / Purchase Agreement together with the Property Schedule shall be defined as the Agreement.

LEASE TERM: The Lease Term of the Property listed in the Property Schedule shall commence upon the commencement date of the Property by Lessee and continue for the time period set forth in the Property Schedule. This Agreement cannot be canceled or terminated by Lessee except as expressly provided herein. This Agreement is a triple net lease.

LEASE PAYMENTS: Lessee shall pay rent to Lessor for the Property in the amounts, and on the dates specified, in the Property Schedule. Lessor and Lessee intend that the obligation of Lessee to pay Lease Payments hereunder shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

NO OFFSET: THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULE AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR. Lessee shall pay when due all taxes, fees and governmental charges assessed or levied against or with respect to the Property.

LATE CHARGES: Should Lessee fail to duly pay any part of any Lease Payment or other sum to be paid to Lessor under this Agreement on the date on which such amount is due hereunder, then Lessee shall pay late charges on such delinquent payment from the due date thereof until paid at the rate of 12% per annum or the highest rate permitted by law, whichever is less.

MAINTENANCE OF PROPERTY: At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, maintain, preserve, and keep the Property in good working order, and condition, and from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals to the Property, which shall become part of the Property. The Property is and will remain personal property.

INSURANCE OF PROPERTY: All risk of loss to the Property shall be borne by the Lessee. At all times during the Lease Term, Lessee shall, at Lessee's own cost and expense, cause casualty, public liability, and property damage insurance to be carried and maintained (or shall provide Lessor with a certificate stating that adequate self-insurance has been provided) with respect to the Property, sufficient to protect the full replacement value of the Property and to protect from liability in all events for which insurance is customarily available. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Any insurance policy to be carried and maintained pursuant to this Agreement shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. All such liability insurance shall name Lessor as an additional insured. Each insurance policy carried and maintained pursuant to this Agreement shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially or adversely to the interest of the Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such change of status.

QUIET ENJOYMENT AND TERMINATION OF LESSOR'S INTEREST: To secure Lessee's obligations hereunder, Lessor is granted a security interest in the Property, including substitutions, repairs, replacements and renewals, and the proceeds thereof, which is a first lien thereon. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest. Provided there does not exist an Event of Default as defined herein, the Lessee shall have the right of quiet enjoyment of the Property throughout the Lease Term. If Lessee shall have performed all of its obligations and no default shall have occurred and be continuing under this Agreement, and this Agreement shall not have been earlier terminated with respect to the Property, then, at the end of the Lease Term with respect to any item of Property, Lessor's interest in such Property shall terminate. Unless otherwise required by law, title to the Property shall be in the name of Lessee, subject to Lessor's interest hereunder.

TAX EXEMPTION: The parties contemplate that interest payable under this Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The tax-exempt status of this Agreement provides the inducement for the Lessor to offer financing at the interest rate set forth herein. Therefore, should this Agreement be deemed by any taxing authority not to be exempt from taxation, Lessee agrees that the interest rate shall be adjusted, as of the date of loss of tax exemption, to an interest rate calculated to provide Lessor or its assignee an after tax yield equivalent to the tax exempt rate and Lessor shall notify Lessee of the taxable rate. Provided, however, that the provision of the preceding sentence shall apply only upon a final determination that the interest payments are not excludable from gross income under Section 103(a) of the Code, and shall not apply if the determination is based upon the individual tax circumstances of the Lessor, or a finding that the party seeking to exclude such payments from gross income is not the owner and holder of the obligation under the Code.

REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee hereby represents and warrants to Lessor that: (a) Lessee is a State, possession of the United States, the District of Columbia, or political subdivision thereof as defined in Section 103 of the Code and Treasury Regulations and Rulings related thereto. If Lessee is incorporated, it is duly organized and existing under the Constitution and laws of its jurisdiction of incorporation and will do or cause to be done all things necessary to preserve and keep such organization and existence in full force and effect. (b) Lessee has been duly authorized by the Constitution and laws of the applicable jurisdiction and by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto), to execute and deliver this Agreement and to carry out its obligations hereunder. (c) All legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement. (d) The Property will be used by Lessee only for essential

governmental or proprietary functions of Lessee consistent with the scope of Lessee's authority and will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use. Lessee's need for the Property is not expected to diminish during the term of the Agreement. (e) Lessee has funds available to pay Lease Payments until the end of its current appropriation period, and it intends to request funds to make Lease Payments in each appropriation period, from now until the end of the term of this Agreement. (f) The Lessee shall comply at all times with all applicable requirements of the Code, including but not limited to the registration and reporting requirements of Section 149, to maintain the federal tax-exempt status of the Agreement. The Lessee shall maintain a system with respect to this Agreement, which tracks the name, and ownership interest of each assignee who has both the responsibility for administration of, and ownership interest in this Agreement. (g) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior written notice to Lessor.

RISK OF LOSS COVENANTS: Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement. However, as between Lessor and Lessee, and to the extent permitted by law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Property, including, but not limited to, the possession, ownership, lease, use or operation thereof, and the loss of federal tax exemption of the interest on any of the Lease Payments, except that Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after Lessee has surrendered possession of the Property in accordance with the terms of the Agreement to Lessor or that arise directly from the gross negligence or willful misconduct of the Lessor.

BINDING OBLIGATION: Lessor and Lessee understand and intend the obligation of Lessee to pay Lease Payments under this Agreement and the Property Schedule shall constitute a binding contractual obligation of Lessee for the full Term. Lessee covenants to include all such Lease Payments in its annual budget and to make the necessary annual appropriation for all such Lease Payments. Neither this Agreement nor the Property Schedule shall be subject to termination by Lessee in the event that Lessee fails to appropriate any Lease Payments.

ASSIGNMENT BY LESSEE: Without Lessor's prior written consent, Lessee may not, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of the Property, this Agreement or any interest therein.

ASSIGNMENT BY LESSOR: Lessor may assign, sell or encumber all or any part of this Agreement, the Lease Payments and any other rights or interests of Lessor hereunder. Such assignees may include trust agents for the benefit of holders of certificates of participation.

EVENTS OF DEFAULT: Lessee shall be in default under this Agreement upon the occurrence of any of the following events or conditions ("Events of Default"), unless such Event of Default shall have been specifically waived by Lessor in writing: (a) Default by Lessee in payment of any Lease Payment or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Agreement or in the performance of any obligation, covenant or liability contained in this Agreement and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee, or (b) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished, or (c) actual or attempted sale, lease or encumbrance of any of the Property, or the making of any levy, seizure or attachment thereof or thereon, or (d) dissolution, termination of existence, discontinuance of the Lessee, insolvency, business failure, failure to pay debts as they mature, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by the Lessee, or the commencement of any proceedings under any bankruptcy, reorganization or arrangement laws by or against the Lessee.

REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) terminate the Agreement and all of Lessee's rights hereunder as to any or all items of Property; (b) proceed by appropriate court action to personally, or by its agents, take possession from Lessee of any or all items of Property wherever found and for this purpose enter upon Lessee's premises where any item of Property is located and remove such item of Property free from all claims of any nature whatsoever by Lessee and Lessor may thereafter dispose of the Property; provided, however, that any proceeds from the disposition of the Property in excess of the sum required to (i) pay to Lessor an amount equal to the total unpaid principal component of Lease Payments under the Property Schedule, including principal component not otherwise due until future fiscal years, (ii) pay any other amounts then due under the Property Schedule and this Agreement, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property and the Event of Default (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee; (c) proceed by appropriate court action or actions to enforce performance by Lessee of its obligations hereunder or to recover damages for the breach hereof or pursue any other remedy available to Lessor at law or in equity or otherwise; (d) declare all unpaid Lease Payments and other sums payable hereunder during the current fiscal year of the Lease Term to be immediately due and payable without any presentment, demand or protest and / or take any and all actions to which Lessor shall be entitled under applicable law. No right or remedy herein conferred upon or reserved to Lessor is exclusive of any right or remedy herein or at law or in equity or otherwise provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement.

NOTICES: All notices, and other communications provided for herein shall be deemed given when delivered or mailed by certified mail, postage prepaid, addressed to Lessor or Lessee at their respective addresses set forth herein or such other addresses as either of the parties hereto may designate in writing to the other from time to time for such purpose.

AMENDMENTS AND WAIVERS: This Agreement and the Property Schedule executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Property and this Agreement may not be amended except in writing signed by both parties.

CONSTRUCTION: This Agreement shall be governed by and construed in accordance with the laws of the Lessee's State. Titles of sections of this Agreement are for convenience only and shall not define or limit the terms or provisions hereof. Time is of the essence under this Agreement. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. This Agreement may be simultaneously executed in counterparts, each shall be an original with all being the same instrument.

CONTINUING DISCLOSURE: Lessor acknowledges that, in connection with Lessee's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Lessee pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice of its incurrence of its obligations under this Agreement and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Agreement, in each case including a description of the material terms thereof (each such notice, an "EMMA Notice"). Lessee shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lessor or the Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Lessee acknowledges and agrees that Lessor is not responsible in connection with any EMMA Notice relating to this Agreement for Lessee's compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

ADDENDUM (ARIZONA)
Tax-Exempt Lease/Purchase Agreement

THIS ADDENDUM, which is entered into as of November 20, 2020 between U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor") and City of Sedona ("Lessee"), is intended to modify and supplement the Property Schedule (the "Property Schedule") to the Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee dated as of November 20, 2020 (the "Master Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Agreement.

Notice is hereby given pursuant to Ariz. Rev. Stat. Ann. § 38-511 that Lessee may cancel the Property Schedule within three years after the Commencement Date thereof if any person significantly involved in negotiating, drafting, securing or obtaining the Property Schedule for or on behalf of Lessee becomes, during the term of the Property Schedule, an employee or agent of Lessor or becomes, during the term of the Property Schedule, a consultant to Lessor with respect to the subject matter of the Property Schedule.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: City of Sedona
By:
Name:
Title:

Attest:
By
Name:
Title:

Property Schedule to Tax-Exempt Lease/Purchase Agreement

This **Property Schedule** is entered into pursuant to Tax-Exempt Lease/Purchase Agreement dated as of November 20, 2020 between Lessor and Lessee.

1. Interpretation. The terms and conditions of the Tax-Exempt Lease/Purchase Agreement (the "Agreement") are incorporated herein.
2. Commencement Date. The Commencement date of this Property Schedule is November 20, 2020.
3. Property Description. The Property subject to this Property Schedule is described in Exhibit A, attached hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.
4. Term and Payments. Lease Term and Lease Payments are per Amortization & Payment Schedule. If the parties enter into an escrow agreement for the acquisition of the Property, then the escrow agreement shall be attached hereto. In lieu of the Acceptance Date for commencement of Lease Payments, the date of deposit of the Property Cost into the escrow by Lessor shall be used. Lessee shall have the option to prepay the Lease Payments due under this Property Schedule by paying the Termination Amount shown in the Amortization & Payment Schedule, plus any other amounts due and owing at the time of prepayment, subject to per diem adjustment.
5. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Lessor at its place of business by December 30, 2020.
6. Property Cost. The total principal amount under this Property Schedule for the acquisition cost of the Property is \$183,118.61.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit B.
8. Opinion of Counsel. Lessee has provided the opinion of its legal counsel substantially in the form as attached as Exhibit C, hereto.
9. Lessee's Certificate. Lessee has provided the Lessee's Certificate in the form attached as Exhibit D, hereto.
10. Proceeds. Exhibit E is intentionally omitted.
11. Private Activity Issue. Lessee understands that among other things, in order to maintain the exclusion of the interest component of Lease Payments from gross income for federal income tax purposes, it must limit and restrict the rights private businesses (including, for this purpose, the federal government and its agencies and organizations described in the Code § 501(c)(3)) have to use the Property. Each of these requirements will be applied beginning on the later of the Commencement Date or date each portion of the Property is placed in service and will continue to apply until earlier of the end of the economic useful life of the property or the date the Agreement or any tax-exempt obligation issued to refund the Property Schedule is retired (the "Measurement Period").

Lessee will comply with the requirements of Section 141 of the Code and the regulations thereunder which provide restrictions on special legal rights that users other than Lessee or a state or local government or an agency or instrumentality of a state or a local government (an "Eligible User") may have to use the Property. For this purpose, special legal rights may arise from a management or service agreement, lease, research agreement or other arrangement providing any entity except an Eligible User the right to use the Property. Any use of the Property by a user other than an Eligible User is referred to herein as "Non-Qualified Use".

Throughout the Measurement Period, all of the Property is expected to be owned by Lessee. Throughout the Measurement Period, Lessee will not permit the Non-Qualified Use of the Property to exceed 10%.

12. Payment Schedule.

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)
1	20-Nov-2021	47,916.37	44,528.67	3,387.70	N/A
2	20-Nov-2022	47,916.37	45,352.46	2,563.91	96,034.61
3	20-Nov-2023	47,916.37	46,191.47	1,724.90	48,457.39
4	20-Nov-2024	47,916.37	47,046.01	870.36	0.00
TOTAL		191,665.48	183,118.61	8,546.87	

13. Interest Rate. 1.850%

[Signature page to follow]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: City of Sedona
By:
Name:
Title:

Attest: By
Name:
Title:

EXHIBIT A

Property Description

Vendor Name: PFVT Motors, Inc.
Street Address: 9130 West Bell Road
City, State, Zip Code: Peoria, AZ 85382

Property:

2021 Medium Titanium Interceptor Utility – VIN TBD
2021 Black Interceptor Utility – VIN TBD

Police vehicles as described in PFVT Motors, Inc. Quote Contract # ADSP017-166117, dated February 10, 2020 and October 29, 2020, referenced herein and made a part hereof.

Lessee: City of Sedona
By:
Name:
Title:

EXHIBIT B
Certificate of Acceptance to Tax-Exempt Lease/Purchase Agreement

This **Certificate of Acceptance** is pursuant to Tax-Exempt Lease/Purchase Agreement dated as of November 20, 2020 and the related Property Schedule, between Lessor and Lessee. (the "Agreement").

1. Property Acceptance. Lessee hereby certifies and represents to Lessor that the Property referenced in the Agreement has been acquired, made, delivered, installed and accepted as of the date indicated below. Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes. Lessee will immediately begin making Lease Payments in accordance with the times and amounts specified herein. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE.
2. Bank Qualification. Lessee designates this Agreement and Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year this Agreement and Property Schedule was funded, in an amount not exceeding \$10,000,000.

Lessee initial here, only if Bank Qualification is applicable.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be executed by their duly authorized representative.

Acceptance Date:
Lessee: City of Sedona
By:
Name:
Title:

EXHIBIT C

Lessee's Counsel's Opinion

[To be provided on letterhead of Lessee's counsel.]

November 20, 2020

U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor")
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

City of Sedona ("Lessee")
102 Roadrunner Drive
Sedona, Arizona 86336

RE: Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Sedona

Ladies and Gentlemen:

We have acted as special counsel to City of Sedona ("Lessee"), in connection with the Tax-Exempt Lease/Purchase Agreement, and Property Schedule dated as of November 20, 2020, between City of Sedona, as Lessee, and U.S. Bancorp Government Leasing and Finance, Inc. as Lessor, and any amendment or addendum thereto, if any (together, the "Agreement"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.

2. Lessee has all requisite power and authority to enter into the Agreement and to perform its obligations thereunder.

3. All proceedings of Lessee and its governing body relating to the authorization and approval of the Agreement, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.

4. The Agreement has been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

5. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Agreement and the Property Schedule.

Very truly yours,

By: _____

EXHIBIT D

Lessee's General and Incumbency Certificate

GENERAL CERTIFICATE

Re: **Property Schedule** to the Tax-Exempt Lease/Purchase Agreement dated November 20, 2020 between U.S. Bancorp Government Leasing and Finance, Inc. and City of Sedona.

The undersigned, being the duly elected, qualified and acting _____
(Title of Person to Execute Lease/Purchase Agreement)
of the City of Sedona ("Lessee") does hereby certify, as of November 20, 2020, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee, by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Tax-Exempt Lease/Purchase Agreement (the "Agreement") by the undersigned.

2. The meeting(s) of the governing body of the Lessee at which the Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

3. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Agreement.

4. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Lessee.

5. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

6. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Agreement or the Property Schedule or of other agreements similar to the Agreement; (b) questioning the authority of Lessee to execute the Agreement or the Property Schedule, or the validity of the Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Agreement and the Property Schedule.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of November 20, 2020.

City of Sedona

By _____
Signature of Person to Execute Lease/Purchase Agreement

Print Name and Title of Person to Execute Lease/Purchase Agreement

INCUMBENCY CERTIFICATE

Re: **Property Schedule** to the Tax-Exempt Lease/Purchase Agreement dated as of November 20, 2020 between U.S. Bancorp Government Leasing and Finance, Inc. and City of Sedona.

The undersigned, being the duly elected, qualified and acting Secretary or Clerk of the City of Sedona ("Lessee") does hereby certify, as of November 20, 2020, as follows:

As of the date of the meeting(s) of the governing body of the Lessee at which the above-referenced Agreement and the Property Schedule were approved and authorized to be executed, and as of the date hereof, the below-named representative of the Lessee held and holds the office set forth below, and the signature set forth below is his/her true and correct signature.

(Signature of Person to Execute Lease/Purchase Agreement)

(Print Name and Title)

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of November 20, 2020.

Secretary/Clerk

Print Name
and Title: _____

EXHIBIT E

Payment of Proceeds Instructions

Intentionally Omitted.

Notification of Tax Treatment to Tax-Exempt Lease/Purchase Agreement

This **Notification of Tax Treatment** is pursuant to the Tax-Exempt Lease/Purchase Agreement dated as of November 20, 2020, between Lessor and Lessee (the "Agreement").

- X Lessee agrees that this Property Schedule SHOULD be subject to sales/use taxes
- Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and Lessee has included our tax-exemption certificate with this document package
- Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and no tax-exemption certificate is issued to us by the State
- Lessee agrees that this Property Schedule is a taxable transaction and subject to any/all taxes
- Lessee agrees that this Property Schedule is subject to sales/use taxes and will pay those taxes directly to the State or Vendor

IN WITNESS WHEREOF, Lessee has caused this Notification of Tax Treatment to be executed by their duly authorized representative.

Lessee: City of Sedona
By:
Name:
Title:

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

▶ Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name		2 Issuer's employer identification number (EIN)	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
6 City, town, or post office, state, and ZIP code		7 Date of issue	
8 Name of issue		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶	18		
19a	If bonds are TANs or RANs, check only box 19a			<input type="checkbox"/>
b	If bonds are BANs, check only box 19b			<input type="checkbox"/>
20	If bonds are in the form of a lease or installment sale, check box			<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	22		
23	Issue price of entire issue (enter amount from line 21, column (b))	23		
24	Proceeds used for bond issuance costs (including underwriters' discount)	24		
25	Proceeds used for credit enhancement	25		
26	Proceeds allocated to reasonably required reserve or replacement fund	26		
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27		
28	Proceeds used to refund prior taxable bonds. Complete Part V	28		
29	Total (add lines 24 through 28)	29		
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded . . . ▶ _____ years

32 Enter the remaining weighted average maturity of the taxable bonds to be refunded . . . ▶ _____ years

33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) . . ▶ _____

34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
 - 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions
 - b** Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____
 - c** Enter the name of the GIC provider ▶ _____
 - 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
 - 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ and enter the following information:
 - b** Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____
 - c** Enter the EIN of the issuer of the master pool bond ▶ _____
 - d** Enter the name of the issuer of the master pool bond ▶ _____
 - 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶
 - 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶
 - 41a** If the issuer has identified a hedge, check here ▶ and enter the following information:
 - b** Name of hedge provider ▶ _____
 - c** Type of hedge ▶ _____
 - d** Term of hedge ▶ _____
 - 42** If the issuer has superintegrated the hedge, check box ▶
 - 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶
 - 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ▶
 - 45a** If some portion of the proceeds was used to reimburse expenditures, check here ▶ and enter the amount of reimbursement ▶ _____
 - b** Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative	▶ _____ Date	▶ _____ Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶	Firm's EIN ▶		PTIN
	Firm's address ▶	Phone no.		

Instructions for Form 8038-G

(Rev. September 2018)

Information Return for Tax-Exempt Governmental Bonds



Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8038-G and its instructions, such as legislation enacted after they were published, go to IRS.gov/Form8038G.

What's New

The Tax Cuts and Jobs Act (P.L. 115-97) repealed the exclusion from gross income for interest on bonds issued to advance refund tax-exempt bonds. The repeal applies to advance refunding bonds issued after 2017. A bond is an advance refunding bond if it is issued more than 90 days before the redemption of the refunded bonds.

The Tax Cuts and Jobs Act also repealed the authority to issue tax-credit bonds and direct-pay bonds. The repeal applies to qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds issued after 2017. The authority to issue recovery zone economic development bonds and build America bonds expired on January 1, 2011.

Note. The creation of an advance refunding escrow account to advance refund tax-credit bonds and/or direct-pay bonds may result in the reissuance of the bonds and the loss of the tax benefits.

General Instructions

Purpose of Form

Form 8038-G is used by issuers of tax-exempt governmental bonds to provide the IRS with the information required by section 149(e) and to monitor compliance with the requirements of sections 141 through 150.

Who Must File

IF the issue price (line 21, column (b)) is...	THEN, for tax-exempt governmental bonds issued after December 31, 1986, issuers must file...
\$100,000 or more	a separate Form 8038-G for each issue.
less than \$100,000	Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the bond is issued. Form 8038-G may not be filed before the issue date and must be completed based on the facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file timely is not due to willful neglect. Type or print at the top of the form "Request for Relief under section 3 of Rev. Proc. 2002-48" and attach a letter explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not submit copies of the trust indenture or other bond documents. See *Where To File* next.

Where To File

File Form 8038-G, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services (PDS) designated by the IRS to meet the "timely mailing as timely filing" rule for tax returns. Go to IRS.gov/PDS for the current list of designated services.

The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using PDS, go to IRS.gov/PDSstreetAddresses.



CAUTION PDS can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the federal government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate.

For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Rounding to Whole Dollars

You can round off cents to whole dollars. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar (for example, \$1.39 becomes \$1 and \$2.50 becomes \$3).

If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Definitions

Bond. This is any obligation, including bond, note, commercial paper, installment purchase agreement, or financing lease.

Taxable bond. This is any bond the interest on which is not excludable from gross income under section 103. Taxable bonds include tax credit bonds and direct pay bonds.

Tax-exempt bond. This is any obligation, including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental bond. A tax-exempt bond that is not a private activity bond (see next) is a tax-exempt governmental bond. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes a bond issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use; **and**
- More than 10% of the payment of principal or interest of the issue is **either (a)** secured by an interest in property to be used for a private business use (or

payments for such property), or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used directly or indirectly to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units, and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue price. The issue price of bonds is generally determined under Regulations section 1.148-1(f). Thus, when issued for cash, the issue price is the first price at which a substantial amount of the bonds are sold to the public. To determine the issue price of a bond issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, bonds are treated as part of the same issue if they are issued by the same issuer, on the same date, and in a single transaction, or a series of related transactions (see Regulations section 1.149(e)-1(e)(2)). However, bonds issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a “draw-down loan”), or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the bonds are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for bonds issued under a draw-down loan that meet the requirements of the preceding sentence, bonds issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first bond. Likewise, bonds (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first bond.

Arbitrage rebate. Generally, interest on a state or local bond is not tax exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions.

1. At least 75% of the available construction proceeds are to be used for

construction expenditures with respect to property to be owned by a governmental unit or a section 501(c)(3) organization.

2. All the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a section 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1¹/₂% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Pooled financing issue. This is an issue of tax-exempt bonds, the proceeds of which are to be used to finance purpose investments representing conduit loans to two or more conduit borrowers, unless those conduit loans are to be used to finance a single capital project.

Specific Instructions

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the *Amended Return* box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new or corrected information. Attach an explanation of the reason for the amended return and write across the top, “Amended Return Explanation.” Failure to attach an explanation may result in a delay in processing the form.

Line 1. The issuer's name is the name of the entity issuing the bonds, not the name of the entity receiving the benefit of the financing. For a lease or installment sale, the issuer is the lessee or the purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply online by visiting the IRS website at [IRS.gov/EIN](https://www.irs.gov/EIN). The organization may also apply for an EIN by faxing or mailing Form SS-4 to the IRS.

Line 3a. If the issuer wishes to authorize a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) to communicate with the IRS and whom the IRS may contact about this return (including in writing or by telephone), enter the name of such person here. The person listed on line 3a must be an individual. Do

not enter the name and title of an officer or other employee of the issuer here (use line 10a for that purpose).

Note. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual entered on line 3a and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Lines 4 and 6. If you listed an individual on line 3a to communicate with the IRS and whom the IRS may contact about this return, enter the number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code of that person. Otherwise, enter the issuer's number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code.

Note. The address entered on lines 4 and 6 is the address the IRS will use for all written communications regarding the processing of this return, including any notices.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Line 7. The date of issue is generally the first date on which the issuer physically exchanges any bond included in the issue for the underwriter's (or other purchaser's) funds. For a lease or installment sale, enter the date interest starts to accrue in an MM/DD/YYYY format.

Line 8. If there is no name of the issue, please provide other identification of the issue.

Line 9. Enter the CUSIP (Committee on Uniform Securities Identification Procedures) number of the bond with the latest maturity. If the issue does not have a CUSIP number, write “None.”

Line 10a. Enter the name and title of the officer or other employee of the issuer whom the IRS may call for more information. If the issuer wishes to designate a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) whom the IRS may call for more information about the return, enter the name, title, and telephone number of such person on lines 3a and 3b.



Complete lines 10a and 10b even if you complete lines 3a and 3b.

Part II—Type of Issue



Elections referred to in Part II are made on the original bond documents, not on this form.

Identify the type of bonds issued by entering the issue price in the box corresponding to the type of bond (see *Issue price* under *Definitions*, earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these bonds, if different from those of the issuer, include a brief summary of the use and indicate whether or not such user is a governmental or nongovernmental entity.

Line 18. Enter a description of the issue in the space provided.

Line 19. If the bonds are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the bonds are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with the proceeds of long-term bonds at some future date, check box 19b. Do not check both boxes.

Line 20. Check this box if property other than cash is exchanged for the bond, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of bond is sometimes referred to as a “municipal lease.”) Also check this box if real property is directly acquired in exchange for a bond to make periodic payments of interest and principal. **Do not** check this box if the proceeds of the bond are received in the form of cash, even if the term “lease” is used in the title of the issue.

Part III—Description of Bonds

Line 21. For column (a), the final maturity date is the last date the issuer must redeem the entire issue.

For column (b), see *Issue price* under *Definitions*, earlier.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each bond issued as part of the issue. For a lease or installment sale, write “N/A” in column (c).

For column (d), the weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

For column (e), the yield, as defined in section 148(h), is the discount rate that, when used to figure the present value of all payments of principal and interest to be paid on the bond, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific rules to figure the yield on an issue. If the issue is a variable rate issue, write “VR” as the yield of the issue. For other than variable rate issues, carry the yield out to four decimal places (for example, 5.3125%). If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Part IV—Uses of Proceeds of Bond Issue

For a lease or installment sale, write “N/A” in the space to the right of the title for Part IV.

Line 22. Enter the amount of proceeds that will be used to pay interest on the issue accruing prior to the date of issue. For definition of date of issue, see these instructions, line 7.

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel. If no bond proceeds will be used to pay bond issuance costs, enter zero. Do not leave this line blank.

Line 25. Enter the amount of the proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(h) (for example, bond insurance premiums and certain fees for letters of credit).

Line 26. Enter the amount of proceeds that will be allocated to such a fund.

Line 27. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any tax-exempt bonds, including proceeds that will be used to fund an escrow account for this purpose.

Line 28. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any taxable bonds, including proceeds that will be used to fund an escrow account for this purpose.

Part V—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds or taxable bonds. For a lease or installment sale, write “N/A” in the space to the right of the title for Part V.

Lines 31 and 32. The remaining weighted average maturity is determined without regard to the refunding. The weighted average maturity is determined

in the same manner as on line 21, column (d).

Line 34. If more than a single issue of tax-exempt bonds or taxable bonds will be refunded, enter the date of issue for each refunded issue. Enter the date in an MM/DD/YYYY format.

Part VI—Miscellaneous

Line 35. An allocation of volume cap is required if the nonqualified amount for the issue is more than \$15 million but is not more than the amount that would cause the issue to be private activity bonds.

Line 36. If any portion of the gross proceeds of the issue is or will be invested in a guaranteed investment contract (GIC), as defined in Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the GIC and the name of the provider of such contract.

Line 37. If the issue is a pooled financing issue (as defined under *Pooled financing issue* in *Definitions*, earlier), enter the amount of the proceeds used to make loans to other governmental units, the interest on which is tax exempt.

Line 38. If the issue is a loan of proceeds from a pooled financing issue (as defined under *Pooled financing issue* in *Definitions*, earlier), check the box and where asked for the date of issue, EIN, and name of the issuer of the master pool bond, enter the date of issue, EIN, and name of the issuer of the pooled financing issue.

Line 40. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the “election document.”

Line 41a. Check this box if the issuer has identified a hedge on its books and records according to Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5) that permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for figuring arbitrage.

Line 42. In determining if the issuer has super-integrated a hedge, apply the rules of Regulations section 1.148-4(h)(4). If the hedge is super-integrated, check the box.

Line 43. If the issuer takes a “deliberate action” after the issue date that causes the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private

activity bonds. Regulations section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control regardless of whether there is intent to violate such tests. Regulations section 1.141-12 explains the conditions to taking remedial action that prevent an action that causes an issue to meet the private business tests or private loan financing test from being treated as a deliberate action. Check the box if the issuer has established written procedures to ensure timely remedial action for all nonqualified bonds according to Regulations section 1.141-12 or other remedial actions authorized by the Commissioner under Regulations section 1.141-12(h).

Line 44. Check the box if the issuer has established written procedures to monitor compliance with the arbitrage, yield restriction, and rebate requirements of section 148.

Line 45a. Check the box if some part of the proceeds was used to reimburse expenditures. Figure and then enter the amount of proceeds that are used to reimburse the issuer for amounts paid for a qualified purpose prior to the issuance of the bonds. See Regulations section 1.150-2.

Line 45b. An issuer must adopt an official intent to reimburse itself for preissuance expenditures within 60 days after payment of the original expenditure unless excepted by Regulations section 1.150-2(f). Enter the date the official intent was adopted. See Regulations section 1.150-2(e) for more information about official intent.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-G and any applicable certification. Also print the

name and title of the person signing Form 8038-G. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that have been designated in Form 8038-G.

Note. If the issuer in Part I, lines 3a and 3b, authorizes the IRS to communicate (including in writing and by telephone) with a person other than an officer or other employee of the issuer, by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized officer of the issuer filled in this return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature (a facsimile signature is acceptable),
- Enter the preparer information, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the

United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form	2 hr., 41 min.
Preparing, copying, assembling, and sending the form to the IRS	3 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments).

Or you can write to:

Internal Revenue Service
Tax Forms and Publications
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

Do not send the form to this address. Instead, see *Where To File*, earlier.

VEHICLE TITLING ADDENDUM

Tax-Exempt Lease/Purchase Agreement dated November 20, 2020, between the City of Sedona as Lessee and U.S. Bancorp Government Leasing and Finance, Inc. as Lessor.

1. Lessor and Lessee hereby agree to amend the above referenced Agreement to add additional terms and conditions as set forth below:

Lessee agrees that it will provide to Lessor the original title documentation to the Property. Lessee shall provide such title documentation to Lessor within 15 days of Lessee's receipt of such title documentation from the appropriate titling authority. Lessee's failure to provide Lessor with title documentation to the Property in a timely fashion shall be deemed a condition of Default as defined in the default paragraph herein subject to remedies available to Lessor pursuant to the remedies paragraph.

2. Location: Lessor agrees that in regard to the location of the property, Lessee must be responsible for maintaining records showing the location of each piece of leased property. Lessee will report this location to Lessor upon written request by Lessor. Failure to do so shall constitute a breach of the Agreement, which default shall be governed by the terms and conditions specified in the default and/or remedies paragraph of the Agreement.

3. Lessee will complete the physical titling of the vehicle as required by the state of Lessee's residence and guarantee U.S. Bancorp Government Leasing and Finance, Inc. that U.S. Bancorp Government Leasing and Finance, Inc. will receive the original title to the leased vehicle in a timely manner. Lessee agrees to indemnify U.S. Bancorp Government Leasing and Finance, Inc. from any damage or loss it incurs, including legal fees, due to its failure to complete its agreement herein.

THE APPLICATION FOR TITLE MUST INCLUDE THE FOLLOWING AS 1ST LIEN HOLDER:

**U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
1310 MADRID STREET
MARSHALL, MN 56258**

By signing this Addendum, Lessee acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In all other respects the terms and conditions of the Agreement remain in full force and effect.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.	Lessee: City of Sedona
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("*Escrow Agreement*") is made as of November 20, 2020 by and among U.S. Bancorp Government Leasing and Finance, Inc. ("*Lessor*"), City of Sedona ("*Lessee*") and U.S. BANK NATIONAL ASSOCIATION, as escrow agent ("*Escrow Agent*").

Lessor and Lessee have heretofore entered into that certain Tax-Exempt Lease/Purchase Agreement and the Property Schedule thereto both dated November 20, 2020 (the "*Schedule*" and, together with the terms and conditions of the Agreement incorporated therein, the "*Agreement*"). The Schedule contemplates that certain personal property described therein (the "*Equipment*") is to be acquired from the vendor(s) or manufacturer(s) thereof (the "*Vendor*"). After acceptance of the Equipment by Lessee, the Equipment is to be financed by Lessor to Lessee pursuant to the terms of the Agreement.

The Agreement further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment (the "*Purchase Price*"), being \$183,118.61, with Escrow Agent to be held in escrow and applied on the express terms set forth herein. Such deposit, together with all interest and other additions received with respect thereto (hereinafter the "*Escrow Fund*") is to be applied to pay the Vendor its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee); and, if applicable, to reimburse Lessee for progress payments already made by it to the Vendor of the Equipment.

The parties desire to set forth the terms on which the Escrow Fund is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The moneys and investments held in the Escrow Fund are for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor. Lessor, Lessee and Escrow Agent intend that the Escrow Fund constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor have a security interest in the Escrow Fund, and such security interest is hereby granted by Lessee to secure payment of all sums due to Lessor under the Agreement. For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Escrow Fund, the Lessor's interest therein.

2. On such day as is determined to the mutual satisfaction of the parties (the "*Closing Date*"), Lessor shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein.

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto, as the Escrow Fund hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Escrow Fund from time to time shall be held or registered in the name of Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

4. The cash comprising the Escrow Fund from time to time shall be invested and reinvested by Escrow Agent in one or more investments as directed by Lessee. Absent written direction from Lessee, the cash will be invested in the U.S. Bank National Association Money Market Deposit Fund. See Exhibit 1 Investment Direction Letter. Lessee represents and warrants to Escrow Agent and Lessor that the investments selected by Lessee for investment of the Escrow Fund are

permitted investments for Lessee under all applicable laws. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Escrow Fund and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instruments. Interest or other amounts earned and received by Escrow Agent with respect to the Escrow Fund shall be deposited in and comprise a part of the Escrow Fund. Escrow Agent shall maintain accounting records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the Escrow Fund. The parties acknowledge that to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions of the escrow, the parties waive receipt of such confirmations, to the extent permitted by law. The Escrow Agent shall furnish a statement of security transactions on its regular monthly reports. Attached as Exhibit 6 is the Class Action Negative Consent Letter to be reviewed by Lessee.

5. Upon request by Lessee and Lessor, Escrow Agent shall send monthly statements of account to Lessee and Lessor, which statements shall set forth all withdrawals from and interest earnings on the Escrow Fund as well as the investments in which the Escrow Fund is invested.

6. Escrow Agent shall take the following actions with respect to the Escrow Fund:

(a) Upon Escrow Agent's acceptance of the deposit of the Purchase Price, an amount equal to Escrow Agent's acceptance fee, as set forth on Exhibit 2 hereto, shall be disbursed from the Escrow Fund to Escrow Agent in payment of such fee.

(b) Escrow Agent shall pay costs of the Equipment upon receipt of a duly executed Requisition Request (substantially in the format of Exhibit 3) signed by Lessor and Lessee. Lessee's authorized signatures are provided in Exhibit 5 attached hereto. Escrow Agent will use best efforts to process requests for payment within one (1) business day of receipt of requisitions received prior to 2:00 p.m. Central Time. The final Requisition shall be accompanied by a duly executed Final Acceptance Certificate form attached as Exhibit 4 hereto.

Escrow Agent is authorized but shall not be required to seek confirmation of such instructions by telephone call-back to any person designated by the instructing party on Exhibit 5 hereto, and Escrow Agent may rely upon the confirmation of anyone purporting to be a person so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Escrow Agent and shall be effective only after Escrow Agent has a reasonable opportunity to act on such changes. If Escrow Agent is unable to contact any of the designated representatives identified in Exhibit 5, Escrow Agent is hereby authorized but shall be under no duty to seek confirmation of such instructions by telephone call-back to any one or more of Lessee's or Lessor's executive officers ("Executive Officers"), as Escrow Agent may select. Such Executive Officer shall deliver to Escrow Agent a fully executed incumbency certificate, and Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. Lessee and Lessor agree that Escrow Agent may at its option record any telephone calls made pursuant to this Section. Escrow Agent in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Lessee and Lessor to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank, even when its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank so designated. Lessee and Lessor acknowledge that these optional security procedures are commercially reasonable.

(c) Upon receipt by Escrow Agent of written notice from Lessor that an Event of Default or an Event of Nonappropriation (if provided for under the Agreement) has occurred under the Agreement, all funds then on deposit in the Escrow Fund shall be paid to Lessor for application in accordance with the Agreement, and this Escrow Agreement shall terminate.

(d) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment has been paid in full, Escrow Agent shall pay the funds then on deposit in the Escrow Fund to Lessor to be applied first to the next Lease Payment due under the Agreement, and second, to prepayment of the principal component of Lease Payments in inverse order of maturity without premium. To the extent the Agreement is not subject to prepayment, Lessor consents to such prepayment to the extent of such prepayment amount from the Escrow Fund. Upon disbursement of all amounts in the Escrow Fund, this Escrow Agreement shall terminate.

(e) This Escrow Agreement shall terminate upon the distribution of all the amounts in the Escrow Fund pursuant to any applicable provision of this Agreement, and Escrow Agent will thereafter have no further obligation or liability whatsoever with respect to this Agreement.

7. The fees and expenses, including any legal fees, of Escrow Agent incurred in connection herewith shall be the responsibility of Lessee. The basic fees and expenses of Escrow Agent shall be as set forth on Exhibit 2 and Escrow Agent is hereby authorized to deduct such fees and expenses from the Escrow Fund as and when the same are incurred without any further authorization from Lessee or Lessor. Escrow Agent may employ legal counsel and other experts as it deems necessary for advice in connection with its obligations hereunder. Escrow Agent waives any claim against Lessor with respect to compensation hereunder.

8. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made by Escrow Agent.

9. Escrow Agent may resign at any time by giving thirty (30) days' prior written notice to Lessor and Lessee. Lessor may at any time remove Escrow Agent as Escrow Agent under this Escrow Agreement upon written notice to Lessee and Escrow Agent. Such removal or resignation shall be effective on the date set forth in the applicable notice. Upon the effective date of resignation or removal, Escrow Agent will transfer the Escrow Fund to the successor Escrow Agent selected by Lessor.

10. Lessee hereby represents, covenants and warrants that pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of the Agreement will be expended for the governmental purposes for which the Agreement was entered into, as follows: at least 15% within six months after the Commencement Date, such date being the date of deposit of funds into the Escrow Fund, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall, at its sole expense and cost, compute rebatable arbitrage on the Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final rental or Lease Payment due under the Agreement.

11. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing Escrow Agent may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing Escrow Agent shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to continue so to refrain and refuse so to act until:

(a) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby; or

(b) all differences shall have been adjusted by Agreement and Escrow Agent shall have been notified thereof in writing signed by all of the persons interested.

12. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other party if delivered (a) personally, (b) by United States registered or certified mail, return receipt requested, postage prepaid, (c) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available, (d) by facsimile with a confirmed receipt or (e) by email by way of a PDF attachment thereto. Notice shall be effective upon receipt except for notice via email, which shall be effective only when the Recipient, by return email or notice delivered by other method provided for in this Section, acknowledges having received that email (with an automatically generated receipt or similar notice not constituting an acknowledgement of an email receipt for purposes of this Section).

Escrow Agent shall have the right to accept and act upon any notice, instruction, or other communication, including any funds transfer instruction, (each, a "Notice") received pursuant to this Agreement by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) and shall not have any duty to confirm that the person sending such Notice is, in fact, a person authorized to do so. Electronic signatures believed by Escrow Agent to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider identified by any other party hereto and acceptable to Escrow Agent) shall be deemed original signatures for all purposes. Each other party assumes all risks arising out of the use of electronic signatures and electronic methods to send Notices to Escrow Agent, including without limitation the risk of Escrow Agent acting on an unauthorized Notice, and the risk of interception or misuse by third parties.

Notwithstanding the foregoing, Escrow Agent may in any instance and in its sole discretion require that a Notice in the form of an original document bearing a manual signature be delivered to Escrow Agent in lieu of, or in addition to, any such electronic Notice.

13. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor.

14. This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of the Escrow Agent's location. This Escrow Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

15. This Escrow Agreement and any written direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

U.S. Bancorp Government Leasing and Finance, Inc., as Lessor
By:
Name:
Title:
Address: 13010 SW 68 th Parkway, Suite 100 Portland, OR 97223

City of Sedona, as Lessee
By:
Name:
Title:
Address: 102 Roadrunner Drive Sedona, Arizona 86336

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent
By:
Name:
Title:
Address: U.S. Bank National Association Global Corporate Trust 950 17 th Street, 5 th Floor Denver, CO 80202

EXHIBIT 1

**U.S. BANK NATIONAL ASSOCIATION
MONEY MARKET ACCOUNT AUTHORIZATION FORM
DESCRIPTION AND TERMS**

The U.S. Bank Money Market account is a U.S. Bank National Association (“U.S. Bank”) interest-bearing money market deposit account designed to meet the needs of U.S. Bank’s Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit and invest with U.S. Bank.

U.S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates are determined at U.S. Bank’s discretion, and may be tiered by customer deposit amount.

The owner of the account is U.S. Bank as Agent for its trust customers. U.S. Bank’s trust department performs all account deposits and withdrawals. Deposit accounts are FDIC Insured per depositor, as determined under FDIC Regulations, up to applicable FDIC limits.

AUTOMATIC AUTHORIZATION

In the absence of specific written direction to the contrary, U.S. Bank is hereby directed to invest and reinvest proceeds and other available moneys in the U.S. Bank Money Market Account. The U.S. Bank Money Market Account is a permitted investment under the operative documents and this authorization is the permanent direction for investment of the moneys until notified in writing of alternate instructions.

City of Sedona

Company Name

Signature of Authorized Directing Party

Trust Account Number – includes existing and future sub-accounts unless otherwise directed

Title/Date

EXHIBIT 2

Schedule of Fees for Services as Escrow Agent Equipment Lease Purchase Escrow

CTS01010A	Acceptance Fee The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	WAIVED
CTS04460	Escrow Agent Annual fee for the standard escrow agent services associated with the administration of the account. Administration fees are payable in advance.	WAIVED
	Direct Out of Pocket Expenses Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	Extraordinary Services Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

EXHIBIT 3

REQUISITION REQUEST

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under that certain Escrow Agreement dated as of November 20, 2020 (the "Escrow Agreement") by and among U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor"), City of Sedona (the "Lessee"), and U.S. Bank National Association (the "Escrow Agent"), the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee) with respect to equipment being financed under that certain Tax-Exempt Lease Purchase Agreement dated as of November 20, 2020 (the "Agreement") and the Property Schedule thereto dated November 20, 2020 (the "Schedule" and, together with the terms and conditions of the Agreement incorporated therein, the "Agreement"), by and between the Lessor and the Lessee, and has not formed the basis of any prior requisition request.

Pursuant to Section 6(b) of the above-referenced Escrow Agreement, Lessor and Lessee hereby instruct Escrow Agent to disburse funds from the Escrow Account to [Lessee], as provided below:

Payee: _____
Amount: _____

Wire/ACH

Bank Name:
Bank Address:
ABA No.:
Account Name:
Account No.:

Check

Name:
Address 1:
Address 2:
City/State
Zip Code:

Payee: _____
Amount: _____

Wire/ACH

Bank Name:
Bank Address:
ABA No.:
Account Name:
Account No.:

Check

Name:
Address 1:
Address 2:
City/State
Zip Code:

Payee: _____
Amount: _____

Wire/ACH

Bank Name:
Bank Address:
ABA No.:
Account Name:
Account No.:

Check

Name:
Address 1:
Address 2:
City/State
Zip Code:

The undersigned, as Lessee under the Agreement, hereby certifies:

1. The items of the Equipment being acquired with the proceeds of this disbursement have been delivered and installed at the location(s) contemplated by the Agreement. The Lessee has conducted such inspection and/or testing of the Equipment being acquired with the proceeds of this disbursement as it deems necessary and appropriate, and such Equipment has been accepted by Lessee.
2. The costs of the Equipment to be paid from the proceeds of this disbursement have been properly incurred, are a proper charge against the Escrow Fund and have not been the basis of any previous disbursement.
3. No part of the disbursement requested hereby will be used to pay for materials not yet incorporated into the Equipment or for services not yet performed in connection therewith.
4. The Equipment is covered by insurance in the types and amounts required by the Agreement.

5. No Event of Default or Event of Nonappropriation (if applicable), as each such term is defined in the Agreement, and no event which with the giving of notice or lapse of time, or both, would become such an Event of Default or Event of Nonappropriation has occurred and is continuing on the date hereof.

6. If Lessee paid an invoice prior to the commencement date of the Agreement, and is requesting reimbursement for such payment, Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. §1.150-2.

Request Date: _____

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: City of Sedona
By:
Name:
Title:

Exhibit 4

Final Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule** to Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Sedona

Ladies and Gentlemen:

In accordance with the above-referenced Tax-Exempt Lease/Purchase Agreement (the "Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Agreement) exists at the date hereof.

Acceptance Date: _____

Lessee: City of Sedona
By:
Name:
Title:

Exhibit 5

Each of the following person(s) is a **Lessee Representative** authorized to execute escrow documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Recipient's behalf (only one signature required):

_____ Name	_____ Specimen signature	_____ Telephone No
_____ Name	_____ Specimen signature	_____ Telephone No
_____ Name	_____ Specimen signature	_____ Telephone No

(Note: if only one person is identified above, please add the following language:)

The following persons (not listed above) are authorized for call-back confirmations:

_____ Name	_____ Telephone Number
_____ Name	_____ Telephone Number
_____ Name	_____ Telephone Number

Exhibit 6

Class Action Negative Consent Letter

November 20, 2020

City of Sedona
102 Roadrunner Drive
Sedona, Arizona 86336

RE: USBGLF/City of Sedona - - Class Action Litigation Claims

Dear Cherie Wright, Finance Director:

U.S. Bank National Association (“U.S. Bank”) has established its policies and procedures relative to class action litigation claims filed on behalf of its clients’ accounts. This policy may impact future claims filed by U.S. Bank on behalf of the above-referenced account. Listed below are the policies regarding class action litigation claims:

1. U.S. Bank will file class action litigation claims, at no charge, on behalf of open, eligible agency or custody accounts upon receipt of proper documented authorization. This notice, with your ability to opt out as further described below, constitutes such documented authorization.
2. U.S. Bank will not file claims for agency or custody accounts that were open during the class action period but were closed prior to receipt of any notice of the class action litigation.
3. Assuming requisite information is provided by the payor to identify the applicable account, settlement proceeds of the class action litigation will be posted within a reasonable time following receipt of such proceeds to the entitled accounts that are open at such time. If entitled accounts are closed prior to distribution and receipt of settlement proceeds, they will be remitted to entitled beneficiaries or successors of the account net of any research and filing fees. Proceeds, less any research and filing fees, will be escheated if the entitled beneficiaries or successors of the account cannot be identified /located.

If you wish U.S. Bank to continue to file class action litigation proofs of claim on behalf of your account, you do not need to take any further action. However, if you do not wish U.S. Bank to file class action proofs of claim on behalf of your account, you may notify us of this election by returning this letter with your signature and date provided below within 30 days or by filing a separate authorization letter with your Account Manager by the same date.

The authorization and understanding contained in this communication constitutes an amendment of any applicable provisions of the account document for the above-referenced account.

If you have any questions, please contact me at the below number.

Sincerely,
Mike McGuire
Vice President
303.585.4594

No, U.S. Bank is not authorized to file class action litigation proofs of claim on behalf of the above-referenced account(s). By making this election, I acknowledge that U.S. Bank is not responsible for forwarding notices received on class action or litigation claims.

Authorized Signature

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions.

You must sign the certification. You may cross out item 2 of the certification.

4. Other payments.

You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.

You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

INSURANCE AUTHORIZATION AND VERIFICATION

Date: November 20, 2020

Re: Tax-Exempt Lease/Purchase Agreement, Dated: November 20, 2020

To: City of Sedona (the "Lessee")

From: U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor")
 1310 Madrid Street
 Marshall, MN 56258

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee* and Lessee's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Lessor, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Lessor. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.

Lessee must carry GENERAL LIABILITY (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).

Lessee must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$183,118.61, with deductibles no more than \$10,000.00.

**Lessee: Please execute this form and return with your document package. Please fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements.*

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent:		
Address:		
Phone/Fax:		
Email:		

Lessee: City of Sedona
By: _____
Name: _____
Title: _____

TO THE AGENT: *In lieu of providing a certificate, please execute this form in the space below and promptly send a PDF copy to Lessor at: EF.Docs.GLF@usbank.com - this fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.*

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name Of Agency: **X** _____

By: **X** _____
 (Agent's Signature)

Print Name: **X** _____

Date: **X** _____

Insurable Value: \$183,118.61

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE DATED: November 20, 2020



**CITY COUNCIL
AGENDA BILL**

**AB 2634
November 24, 2020
Consent Items**

Agenda Item: 3d
Proposed Action & Subject: Approval of a Professional Services Contract with Gabor Lorant Architects, Inc. for the design of the Uptown Parking Garage in an amount not-to-exceed \$1,518,050.

Department	Public Works
Time to Present	N/A
Total Time for Item	
Other Council Meetings	December 10, 2019, February 25, 2020
Exhibits	A. Professional Services Contract – Sedona Uptown Parking Garage

City Attorney Approval	Reviewed 11/16/2020	Expenditure Required	
		\$	1,518,050
City Manager's Recommendation	Approve a contract with Gabor Lorant for the design of the uptown parking garage	Amount Budgeted	
		\$	1,850,000 (total project design budget - \$1,250,000 budgeted for FY2021)
		Account No. (Description)	22-5320-89-6836 Uptown Parking Improvements (SIM-03a)
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Staff is requesting approval of a professional services contract with Gabor Lorant Architects, Inc. in the amount of \$1,518,050 for the design of the Uptown Parking Garage. Design will be consistent with the recommendations of the Sedona Parking Facility Needs, Siting, and Design Concept Assessment, Option 3 – Three-Deck with One Level Subgrade at the 460 Forest Road site as directed by City Council at its February 25, 2020 Council meeting.

Background:

This project is associated with the Sedona Transportation Plan (TMP, January 2018) – Strategy 3, Uptown Sedona Parking Improvements. The intent of this strategy is to expand parking areas by providing additional parking lots, added on-street parking, or a new parking garage.

On February 7, 2019, the City solicited proposals from qualified consultants for an Uptown Sedona Parking Facility Needs, Siting, Design Concept Assessment & Parking in Lieu Fee Analysis. The consulting firm of Walter P. Moore was selected for the task of completing the analysis and provided their recommendations in a November 25, 2019 report entitled Uptown Sedona Parking Facility, Needs, Siting and Design Concept Assessment. This report explored and assessed nine sites for additional parking through either surface lots or parking garages and determined the North Forest site to be most advantageous. Subsequent analysis and concepts for additional public parking in Uptown were provided to City Council at the February 25, 2020 Council meeting. Among the options presented for a parking structure, Council indicated their preference for a parking structure at the Forest Road site, as the Three-Deck with One Level Subgrade option.

Consistent with Council direction, staff initiated the development of a scope of work and a Request For Qualifications (RFQ) that would serve in soliciting the qualifications of interested Architecture/Engineering consulting firms for the design of the three-level parking garage with one level located below grade. The RFQ specified a two-step process for determining the award of a single contract based on demonstrated competence and qualifications for the requested professional services. Step one included scoring respondents (firms) submittals of qualifications.

The top three ranked firms from step one were then invited to take part in an interview process, following which, the top ranked firm was invited to negotiations for possible award of a contract.

A public notice for the RFQ, consistent with statutory requirements (A.R.S. § 34-603), was issued in August 2020 seeking sealed proposals from qualified candidates up to the submittal closing date in September 2020. Staff received a total of eleven (11) statements of qualification upon the close of the solicitation. The following firms are noted to have submitted qualifications:

- ADM Group
- Architekton
- BWS-Walker
- Davis
- DFDG
- Gabor Lorant Architects
- Gensler
- GLHN
- JWA-Walker
- Walter P Moore
- Ware Malcomb.

Following the close of the solicitation, a five-person selection committee individually reviewed and evaluated the qualifications of each of the firms to the RFQ. Firms were evaluated and scored according to criteria established in the RFQ. Scoring from each of the selection committee members was compiled and the top three ranked firms (firms selected for interviews) were as follows:

1. Davis
2. Gabor Lorant Architects
3. Walter P Moore.

Subsequent interviews with the top three firms yielded the following final ranking of firms by the selection committee:

1. **Gabor Lorant Architects (final top ranked firm, unanimous by committee members)**
2. Walter P Moore
3. Davis.

Negotiations for possible contract award were initiated with the top ranked firm of Gabor Lorant Architects. These negotiations concluded with a mutually satisfactory scope of work and fee for the project. The professional services contract and corresponding scope of work in an amount not to exceed \$1,518,050 is included in Exhibit A.

Community Plan Consistent: Yes - No - Not Applicable

The Sedona In Motion program in general supports the six Vision Themes of the Sedona Community Plan.

- Environmental Stewardship: Conserves natural resources associated with wasteful vehicle operations due to congested travel time and available and easily accessible parking.
- Community Connections: Supports community connections through its emphases on public participation and involvement during design development and indirectly by improving mobility between gathering places in Sedona.
- Improved Traffic Flow: Reduces congestion and travel times and improves vehicle and pedestrian safety.
- Walkability: Reduces vehicle and pedestrian conflicts improving walkability and safety.
- Economic Diversity: Improves local resident and visitor access through multimodal transportation options and connections.
- Sense of Place: 1% of project expenditures will go towards the development of arts, cultural, or heritage. Project will be built consistent with local codes and with intention on preserving or complimenting the natural and scenic beauty of Sedona.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

Council could elect not to approve the contract for professional design services; however, this action would have the effect of either delaying, or preventing the project from be carried out resulting in continued deficiency of parking opportunities and resources in the Uptown Sedona area.

MOTION

I move to: approve award of a professional services contract for the Uptown Parking Garage Project to Gabor Lorant Architects, Inc in an amount not-to-exceed \$1,518,050 subject to approval of a written contract by the City Attorney's office.

**CONTRACT FOR PROFESSIONAL SERVICES
FOR THE CITY OF SEDONA**

This contract is made and entered into on this ____ day of _____, 20 _____, by and between the City of Sedona ("CITY") and Gabor Lorant Architects, Inc ("CONSULTANT").

1. A. The CONSULTANT agrees to perform certain consulting and coordinating services for CITY, in connection with **Uptown Sedona Parking Garage**, as set forth in **Exhibit A** (attached).
 - B. CITY agrees to pay the CONSULTANT as compensation for services on a lump sum basis in accordance with the process and fee schedule set forth in **Exhibit A** not to exceed a total amount of **\$1,518,050**. If deemed necessary by CITY, the CONSULTANT and CITY will confer to further define specific tasks in the scope of work and estimate the amount of time to be spent on those tasks.
 - C. Any work that is different from or in addition to the work specified shall constitute a change in the scope of work. No such change, including any additional compensation, shall be effective or paid unless authorized by written amendment executed by the City Manager and by CONSULTANT. If CONSULTANT proceeds without such written authorization, CONSULTANT shall be deemed to have waived any claims of unjust enrichment, *quantum meruit* or implied contract. Except as expressly provided herein, no agent, employee or representative of CITY shall have the authority to enter into any changes or modifications, either directly or implied by a course of action, relating to the terms and scope of this contract.
2. Subject to Arizona Public Records Law, correspondence, reports and other documentation of CONSULTANT'S work shall be considered confidential information and will be distributed only to those persons, organizations or agencies specifically designated by CITY or its authorized representative, or as specifically required for completion of CONSULTANT'S task, or pursuant to a public records request under ARS 39-121 and related provisions. In the event such request is made for a commercial purpose, CITY will notify CONSULTANT for purposes of redaction or protection of proprietary work/confidential information.
 3. Except as otherwise set forth in this contract, billing and payment will be in accordance with the conditions set forth in **Exhibit A**. Invoices are due and payable upon receipt and are delinquent only thirty (30) days after the date received by CITY. Each invoice shall set forth a general description of the work performed, in accordance with the scope of work, for the hours billed. CONSULTANT may complete such work as it deems necessary, after termination, except that such work will be at its own expense and there shall be no "termination charge" whatsoever to CITY.
 4. Any fee required by any governmental agency in order for CONSULTANT to accomplish a task hereunder shall be provided by CITY and is not included in the hourly fee.
 5. In the event any term or provision of this contract is held to be illegal or in conflict with any law of the United States or Arizona or any local law, the validity of the remaining provisions shall not be affected, and this contract shall be construed and enforced as if it did not contain the particular term or provision,

6. OWNERSHIP OF DOCUMENTS. All documents, including, but not limited to, correspondence, estimates, notes, recommendations, analyses, reports and studies that are prepared in the performance of this contract are to be, and shall remain, the property of CITY and are to be delivered to CITY before the final payment is made to the CONSULTANT.
7. PROFESSIONAL RESPONSIBILITY. CONSULTANT hereby warrants that it is qualified to assume the responsibilities and render the services described herein and has all requisite corporate authority and professional licenses in good standing, required by law.
8. COMPLIANCE WITH LAW. It is contemplated that the work and services to be performed by CONSULTANT hereunder shall be done in compliance with applicable laws, ordinances, rules and regulations that are in effect on the date of this contract. Any subsequent changes in applicable laws, ordinances, rules or regulations that necessitate additional work shall constitute a change in the scope of work. It is unlawful for any business to operate if it is (1) physically located within the city limits, or (2) if it has an obligation to pay transaction privilege taxes (TPT) to the City of Sedona for the business it is conducting, without first having procured a current business license from the City and complying with any and all regulations of such business specified in the Sedona City Code, Sedona Land Development Code (LDC), and Arizona Revised Statutes except as exempted pursuant to SCC 5.05.025. Said compliance shall include but not be limited to compliance with any and all zoning ordinances and specified building uses. A business license is in addition to the privilege tax license required by Section 8-300 of the Sedona City Tax Code.
9. INDEMNIFICATION. To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless CITY, and each council member, officer, employee or agent thereof (CITY and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness or intentional misconduct of CONSULTANT, its officers, employees, agents or any tier of subcontractor in connection with CONSULTANT'S work or services in the performance of this contract. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this paragraph.
10. INSURANCE.
 - A. The CONSULTANT agrees to procure and maintain in force during the term of this contract, at its own cost, the following coverages as may be requested by CITY, either in the initial bid, or prior to commencement of particular tasks.
 1. Worker's Compensation Insurance as required by the Labor Code of the State of Arizona and Employers' Liability Insurance.
 2. Commercial General or Business Liability Insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.

3. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CONSULTANT'S owned, hired or non-owned automobiles assigned to or used in performance of the services. In the event that the CONSULTANT'S insurance does not cover non-owned automobiles, the requirements of this paragraph shall be met by each employee of CONSULTANT who uses an automobile in providing services to CITY under this contract.
 4. Professional Liability coverage with minimum limits of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) each claim and ONE MILLION DOLLARS (\$1,000,000.00) general aggregate. If approved by CITY, evidence of qualified self-insured status may be substituted for one or more of the foregoing insurance coverages.
- B. CONSULTANT shall procure and maintain the minimum insurance coverages listed herein. Such coverages shall be procured and maintained with forms and insurers acceptable to CITY, acceptance of which shall not be unreasonably withheld. All coverages shall be continuously maintained to cover all liability, claims, demands and other obligations assumed by the CONSULTANT pursuant this contract. In the case of any claims made to the policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
- C. A Certificate of Insurance shall be completed by the CONSULTANT'S insurance agent(s) as evidence that policies providing the required coverages, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by CITY. The Certificate shall identify this contract and shall provide that the coverages afforded under the policies shall not be canceled, terminated or limits reduced until at least 30 days prior written notice has been given to CITY. The City shall be named as an additional insured. The completed Certificate of Insurance shall be sent to:
- City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336
ATTN: City Clerk
- D. Failure on the part of CONSULTANT to procure or maintain policies providing the required coverages, conditions and minimum limits shall constitute a Material Breach of Contract upon which CITY may immediately terminate this contract or, at its discretion, CITY may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by CITY shall be repaid by the CONSULTANT to CITY upon demand, or CITY may offset the cost of the premiums against any monies due to CONSULTANT from CITY.
- E. CITY reserves the right to request and receive a certified copy of any policy and any pertinent endorsement thereto. CONSULTANT agrees to execute any and all documents necessary to allow CITY access to any and all insurance policies and endorsements pertaining to this particular job.
11. NON-ASSIGNABILITY. Neither this contract, nor any of the rights or obligations of the parties hereto, shall be assigned by either party without the written consent of the other.

12. **TERMINATION.** This contract shall terminate at such time as the work in the scope of work is completed or upon CITY providing CONSULTANT with seven (7) days advance written notice, whichever occurs first. In the event the contract is terminated by CITY'S issuance of said written Notice of Intent to Terminate, CITY shall pay CONSULTANT for all work previously authorized and performed prior to the date of termination. If, however, CONSULTANT has substantially or materially breached the standards and terms of this contract, CITY shall have any remedy or right of set-off available at law and equity. No other payments, including any payment for lost profit or business opportunity, and no penalty shall be owed by CITY to CONSULTANT in the event of termination upon notice.
13. **VENUE.** This contract shall be governed by the laws of the State of Arizona, and any legal action concerning the provisions hereof shall be brought in the County of Yavapai, State of Arizona.
14. **INDEPENDENT CONTRACTOR.** CONSULTANT is an independent contractor. Notwithstanding any provision appearing in this contract, and any exhibits and/or addenda, all personnel assigned by CONSULTANT to perform work under the terms of this contract shall be, and remain at all times, employees or agents of CONSULTANT for all purposes. CONSULTANT shall make no representation that it is the employee of CITY for any purpose.
15. **NO WAIVER.** Delays in enforcement or the waiver of any one (1) or more defaults or breaches of this contract by CITY shall not constitute a waiver of any of the other terms or obligations of this contract.
16. **ENTIRE AGREEMENT.** This contract, together with the attached exhibits, is the entire agreement between CONSULTANT and CITY, superseding all prior oral or written communications. None of the provisions of this contract may be amended, modified or changed except by written amendment executed by both parties.
17. **NON-DISCRIMINATION.** CONSULTANT, its agents, employees, contractors and subcontractors shall not discriminate in any employment policy or practice. "Discrimination" means to exclude individuals from an opportunity or participation in any activity or to accord different or unequal treatment in the context of a similar situation to similarly situated individuals because of race, color, gender, gender identity, sexual orientation, religion, national origin or ancestry, marital status, familial status, age, disability, or Veteran status. (Ordinance 2015-10) (2015).
18. **COMPLIANCE WITH FEDERAL AND STATE LAWS:**
 - A. Under the provisions of A.R.S. § 41-4401, CONSULTANT hereby warrants to CITY that CONSULTANT and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").
 - B. A breach of the Contractor Immigration Warranty shall constitute a material breach of this contract and shall subject CONSULTANT to penalties up to and including termination of this contract at the sole discretion of CITY.
 - C. CITY retains the legal right to inspect the papers of any contractor or subcontractor

employee who works on this contract to ensure that the contractor or subcontractor is complying with the Contractor Immigration Warranty. CONSULTANT agrees to assist CITY in regard to any such inspections.

- D. CITY may, at its sole discretion, conduct random verification of the employment records of CONSULTANT and any subcontractors to ensure compliance with the Contractor Immigration Warranty. CONSULTANT agrees to assist CITY in regard to any random verification performed.
 - E. Neither CONSULTANT nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if CONSULTANT or any subcontractor establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.
 - F. The provisions of this article must be included in any contract that CONSULTANT enters into with any and all of its subcontractors who provide services under this contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.
 - G. CONSULTANT shall execute the required documentation and affidavit of lawful presence as set forth in ARS 1-502/8 USC § 1621 (**Exhibit B**).
 - H. CONSULTANT understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: CONSULTANT must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited," and A.R.S. § 34-302, as amended, "Residence Requirements for Employees."
19. DISPUTE RESOLUTION. The parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this contract. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, upon which demand the matter shall be submitted to a mediation firm mutually selected by the parties. The mediator shall hear the matter and provide an informal opinion and advise within twenty (20) days following written demand for mediation. Said informal opinion and advice shall not be binding on the parties, but shall be intended to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute has not been resolved, the matter may then be submitted to the judicial system.
20. DELAYS. CONSULTANT shall not be responsible for delays which are due to causes beyond CONSULTANT'S reasonable control. In case of any such delay, any deadline established as part of the scope of work shall be extended accordingly.
21. ATTORNEYS' FEES AND COSTS. Should any legal action, including arbitration, be necessary to enforce any term of provision of this contract or to collect any portion of the amount payable hereunder, all expenses of such legal action or collection, including witness fees, costs of the proceedings and attorneys' fees, shall be awarded to the substantially

prevailing party.

22. CONFLICT OF INTEREST. From the date of this contract through the termination of its service to CITY, CONSULTANT shall not accept, negotiate or enter into any contract or agreements for services with any other party that may create a substantial interest, or the appearance of a substantial interest in conflict with the timely performance of the work or ultimate outcome of this contract and/or adversely impact the quality of the work under this contract without the express approval of the City Manager and the City Attorney. Whether such approval is granted shall be in the sole discretion of the City Manager and the City Attorney. The parties hereto acknowledge that this Contract is subject to cancellation pursuant to the provisions of ARS § 38-511.

23. NOTICE. Any notice or communication between CONSULTANT and CITY that may be required, or that may be given, under the terms of this contract shall be in writing, and shall be deemed to have been sufficiently given when directly presented or sent pre-paid, first class United States Mail, addressed as follows:

CITY: City of Sedona
Attn: Justin Clifton, City Manager
102 Roadrunner Drive
Sedona, AZ 86336

CONSULTANT: Gabor Lorant Architects, Inc.
Attn: Jan Lorant, AIA/LEED/AP, Principal
3326 N. 3rd Avenue, Suite 200
Phoenix, AZ 85013-4302

24. NOTICE TO PROCEED. Unless otherwise noted by CITY, acceptance of this contract is official notice to proceed with the work.

CITY OF SEDONA, ARIZONA

Gabor Lorant Architects, Inc
CONSULTANT FIRM NAME

City Manager

By: _____

Title: _____

ATTEST:

I hereby affirm that I am authorized to enter into and sign this contract on behalf of CONSULTANT

City Clerk

APPROVED AS TO LEGAL FORM:

City Attorney

EXHIBITS

Exhibit A

- Scope of Work and Associated Costs.

Exhibit B

- Affidavit of Lawful Presence as set forth in ARS 1-502/8 USC §1621.
- Affidavit of Lawful Presence not required as this consultant is a corporation (Inc., LLC, LLP).

EXHIBIT A

ATTACHMENT 1

SCOPE OF SERVICES

**Sedona Uptown Parking Garage
GLA Project No. 20109
05 November 2020**

PROJECT DESCRIPTION

The City of Sedona desires to implement a new parking structure (Project) to service Uptown Sedona, its business community and their patrons. The Project site is located at 430 and 460 Forest Road in Sedona, Arizona and consists of two parcels (401-16-071 and 401-16-100) with a combined size of approximately 1.24 acres. With 315' of frontage along Forest and an upward slope of approximately 12% in the south-north direction, the City has decided to minimize the Project's vertical profile by dropping one level of the garage below grade, supplemented by a ground level plus one elevated level. A combination of the following multi-modal components will be considered for the Project:

- Sidewalks and shared use pedestrian paths
- Bike lanes and off-street parking
- Bus loading/unloading bay
- E-vehicle charging stations.

Functional elements and municipal amenities are to be incorporated in the Entry Plaza for the garage including:

- Public Artwork
- General and transit service pick-up/drop-off
- Public restrooms with custodial/maintenance space
- Elevator and stairway
- Automated self-pay parking kiosk (PARCS)
- Visitor self-help information/display.

A construction budget of \$11,780,000 has been established with the aim of providing 272 parking spaces, total.

SCOPING/PUBLIC OUTREACH/PROGRAMMING PHASE

The following tasks and deliverables will be provided under this Phase of the Services:

Communication & Public Outreach Plan:

1. In cooperation with City of Sedona staff, GLA will develop a Communication and Public Outreach Plan to engage and obtain input from stakeholders and the public during the Project's Scoping, Schematic Design and Design Development Phases.
2. City Staff Review Meetings: Three (3) meeting between GLA and City staff are anticipated to develop and finalize the Public Outreach Plan.
3. Public Information Meetings: Two (2) meetings are anticipated. GLA will collaborated and participate with City of Sedona staff for stakeholder and public meetings. The meetings will generally be conducted by City of Sedona staff; however, GLA will assist in the development, approach and conduct

of meetings. GLA will provide presentation material of design concepts, exhibits and informational handouts. Presentation material shall be revised/refined based on City and public input from the previous meeting, with the end goal of achieving consensus by stakeholders and the public on the acceptability of the final design concept. GLA will provide support in question and answer sessions pertaining to the technical aspects of the Project.

4. Stakeholder Meetings: Four (4) meetings are anticipated. GLA will support the City's communications efforts with businesses, residents and visitors by providing design illustrations and non-technical drawings: site plans (2), site sections (2) and perspective renderings of not less than four (4) views of the Project. These will be used with a broad audience to facilitate a clear understanding of the Project.
5. Meeting Reports: GLA will prepare a Meeting Report for each of the above nine (9) meetings for internal use by the City of Sedona. In anticipation of each meeting, GLA will prepare an agenda and sign-in sheet.

Data Collection & Analysis:

1. GLA will conduct a site walk with City of Sedona staff.
2. GLA and its civil engineering firm, Kimley-Horn, will collect and review available project data (right-of-way mapping, utility information, as-built/record drawings and other existing conditions information).
3. GLA will identify construction material and equipment staging options in consultation with City of Sedona staff.

Concept Design:

1. GLA will Prepare Concept Design drawings (Site Plans and Floor Plans—two each) and architectural renderings (four views) of the project improvements utilizing GIS base layer data provided by the City of Sedona. GLA will assist City of Sedona with rezoning efforts.
2. GLA will Prepare a Draft Concept Design Report (8-1/2 x 11 format with 11 x 17 foldouts) with illustrations of the design solution including design narrative describing design approach and parking count/categories. The following specific items are to be included in the Report:
 - a. Summary of Public Outreach and Stakeholder meetings
 - b. Meeting agendas, sign-in sheets and reports
 - c. Site and floor plans, building sections (longitudinal and cross)
 - d. Building elevations (all sides)
 - e. Preliminary Evaluations of the Structural Framing System options (i.e. precast concrete vs. cast-in-place concrete)
 - f. Renderings (four views)
 - g. Landscaping Plan
 - h. Off-site and on-site Street Improvements
 - i. Drainage/Stormwater Management approach
 - j. Utility impacts and/or relocations
 - k. Lighting and noise mitigation with acoustical recommendations by MCH Consulting.
 - l. Approach to Project permitting (environmental and construction)
 - m. Construction Phasing, Scheduling and Staging
 - n. Conceptual Cost Estimate for Construction of on-site and off-site improvements

- o. Garage Programming defining the garage design criteria and its functionality. Specifically, the following will be addressed:
 - i. Mechanical, Electrical & Lighting Systems
 - ii. Fire Projection
 - iii. Access Control
 - iv. Security
 - v. Special Systems.

Schematic Design (30% DESIGN SUBMITTAL)

The Concept Design Services will be conducted in tandem with the Schematic Design Services. The following tasks and deliverables will be provided under this Phase of the Design Services:

1. Geotechnical Report (by Speedie & Associates) including pavement design assessment, bearing capacities for foundations and retaining walls, cut/fill characteristics and subsoil conditions assessment.
2. Obtain resource map information (Kimley-Horn) pertaining to existing utilities within the Project area and its adjacent right-of-way
3. Field Survey and Base Mapping of existing conditions of Project Site (Kimley-Horn consultant)—Identify topography, existing vegetation, easements, utilities (including manholes, catch basins, sanitary sewer and drainage inverts, valve boxes, electrical/communications boxes and poles) to support SUE Quality Level C (FHWA).
4. Subsurface Site Investigations (Kimley-Horn consultant)—Quality Level B subsurface utility identification and mapping.
5. Schematic Site Plan identifying site materials, building placement/configuration and site amenities, number/type of parking spaces, planting areas, loading areas, plazas setbacks and easements.
6. Schematic Floor Plan(s), all levels, including: dimensioning, preliminary layouts of parking stalls (standard and handicapped accessible), with tabulation of room areas and types.
7. Schematic Roof/Deck Plans identifying proposed access, materials and drainage.
8. Diagrammatic Building Sections (2)
9. Schematic Exterior Elevations (four planes)
10. Schematic narrative of design rationale, proposed construction, life safety analysis (based upon the International Building Code).
11. Outline specifications (CSI divisions 1 through 16).
12. Preliminary Foundation and Framing Plans with Schematic narrative describing structural lateral support systems (PKA). Include assessment of geotechnical report for foundations and soil prep, vertical load and lateral load support.
13. Schematic narrative describing mechanical systems and sizes for heating, cooling, ventilating and controls (Applied).
14. Schematic narrative describing plumbing systems and sizes for domestic water, waste and roof drainage (Applied).
15. Schematic narrative describing electrical systems and sizes for Service Entrance Section, power distribution, telecommunications/data distribution, lighting and controls (Applied).

16. Schematic drawings describing civil components including pavement section(s), parking areas and counts, length and type of utility extensions, grading and drainage approach (Kimley-Horn).
17. Schematic construction cost estimate.

Design Development (60% DESIGN SUBMITTAL)

The following tasks and deliverables will be provided under this Phase of the Design Services:

General: The architectural and engineering team (GLA) will collaborate with the Construction Manager at Risk (CMAR) to devise construction cost estimates and the GMP for the Project. GLA will assist the CMAR with the preparation of area take-offs of materials and will review unit pricing to develop a construction cost estimate (Preliminary GMP) at the end of this Phase of the work which is within the Project's construction budget, and accurately reflects the Project Scope.

Allowances, alternates and contingencies will be established with the completion of this Phase, all with the collaboration and agreement of the Owner (City of Sedona), CMAR and GLA.

Owner Review Comments from the Schematic Design Submittal (30% Design Documents) shall be tabulated and addressed in the Design Development submittal.

Architecture (GLA):

1. Site Plan indicating paving, sidewalk, curb, fencing/screening, parking, and other site improvements (showing location and overall dimensions), along with other site improvements not shown on the Civil site plan.
2. Building Life Safety Analysis under International Building Code including fire proofing and fire suppression system description.
3. Floor Plans, all levels, showing:
 - Parking layouts and circulation
 - Plaza layout(s)
 - Stairs and Elevators and pedestrian circulation
 - Partition types including fire separation(s) as necessary
 - Door and window types and sizes
4. Reflected Ceiling Plan(s) identifying ceiling construction, heights, light fixture and mechanical devices.
5. Roof Plan identifying deck/roof slopes, roof equipment, access, drainage and typical details.
6. Exterior Elevations (all planes), identifying materials.
7. Building Sections to describe garage configuration.
8. Wall Sections to describe garage construction.
9. Door and Window schedules with types and typical details.
10. Stair and elevator details and types.
11. Acoustical Mitigation measures (as recommended by MCH Consultants).
12. Sample board showing proposed exterior and interior materials, colors.
13. Interior room elevations, including restrooms showing accessories and ADA dimensioning.

Structural Engineering (PKA):

1. Dimensioned Foundation Plan identifying typical floor slabs, footing sizes, reinforcing and elevations, structural wall types, and columns.
2. Dimensioned Framing Plans, all levels, showing:
 - Horizontal and vertical member sizes, sample reinforcing
 - Typical floor and roof, construction details, thicknesses
 - Lateral bracing methods, location
3. Roof Framing Plan showing horizontal and vertical member sizes
4. Design live and dead loads tabulated for floors and roofs.

Mechanical Engineering (Applied):

1. Equipment schedules, locations, sizes, types
2. HVAC distribution including:
 - Supply Air/Return Air
 - Exhaust Air.
3. Equipment placement and sizing
4. Description of energy system management controls and operations
5. Equipment connections and supports - standard details.

Plumbing Engineering (Applied):

1. Plumbing plans and drawings, including:
 - Fixture schedule, locations
 - Waste and vent riser diagram with types, locations, key sizes
 - Water piping, water heater types and locations (sizes for pipes larger than 1")
 - Roof/deck drainage system as applicable.
2. Water pressure and Fixture Count Calculations.
3. Fire Protection System identification including fire riser and Siamese Connection location(s).

Electrical Engineering (Applied):

1. Power Distribution and Single Line Diagrams to include power distribution equipment, feeder size, equipment schedule and grounding
2. Load Calculations
3. Electrical Site Plan with outdoor lighting, power feed and telecommunication pathways
4. Power and Special Systems Plan (power outlets, data/telecommunications pathways and j-boxes)
5. Lighting Plan with fixture types, switch types and locations
6. Motor Control Plan for HVAC equipment with starter and circuit sizing.

Civil Engineering (Kimley-Horn):

1. Proposed contours/grading, including drainage and retention/storage areas and drywells (if applicable). Show preliminary retention calculations.
2. Paving, sidewalk, curb, fence, parking, and other site improvements showing location and overall dimensions.
3. Existing and proposed site utilities, including location and sizes.

4. Off-site utility tie-ins and improvements
5. Horizontal Control Plan.

Landscape Architecture (Kimley-Horn):

1. Preliminary Planting Plan identifying plant material, sizes and types; hardscape types and locations.
2. Plant List with types and sizes.
3. Description of Proposed Irrigation System.

Contract Documents (95% and 100% DESIGN SUBMITTALS)

The following tasks and deliverables will be provided under this Phase of the Design Services:

1. Owner Review Comments from the Design Development Submittal (60% Design Documents) shall be tabulated and addressed in the Contract Documents 95% submittal.
2. Permit-ready, biddable construction documents shall be prepared describing in detail the construction requirements for the architectural, structural, civil, mechanical, plumbing, electrical and special systems, and landscape architecture/irrigations systems for the Project through the finalization and completion of calculations, reports, plans, documents, details and schedules identified in the Design Development Phase (60% Design Submittal).
3. Submit 95% Construction Documents to Authority Having Jurisdiction (AHJ) and to Owner for final review and comment.
4. Tabulate and incorporate AHJ and Owner Review Comments from the 95% Construction Documents to finalize Construction Documents (100%).
5. Obtain Construction Permit(s). All permit fees are to be paid by the Owner.
6. Parking Management/Operations Plan (Kimley-Horn)
 - a. Customize Parking Garage “Start-up Operations Plan”
 - i. Create a “Garage Opening Team”
 - ii. Develop a Facility Opening Checklist
 - iii. Operations (Self-operations vs. outsourced management, staffing, equipment and systems)
 - iv. Space Allocation Plan
 - v. Special Events Operations
 - vi. Enforcement
 - vii. Communications
 - viii. Rates.
 - b. Parking Garage Budget to provide basic assumptions related to program revenues/expenses and recommended parking rates.
 - c. Parking Management Toolkit including:
 - i. White Paper on “Effective Parking Management Strategies”
 - ii. Recommended parking structure maintenance procedures and schedules
 - iii. Key parking performance indicators
 - iv. Sample Garage Operations Manual
 - v. Emergency Preparedness Manual.

d. PARCS System Specifications

GMP/CMAR Negotiations & Bidding Assistance:

1. The 95% and 100% Construction Documents will be submitted to CMAR for final GMP pricing. The A/E Team will review the GMP quantities and pricing to assist the CMAR in its finalization of the GMP for approval by the Owner.

Construction Administration and Project Close-out:

The following tasks and deliverables will be provided under this Phase of the Services:

1. Prepare agenda, sign-in sheet for Pre-Construction Meeting. Attend Pre-Construction Meeting with Owner, CMAR and its selected subcontractors. Prepare Meeting Report for distribution to meeting attendees.
2. Review and comment on CMAR's Schedule of Construction Values for compliance with the Contract Documents.
3. Review and comment on CMAR's Construction Schedule and its monthly updates for compliance with the Contract Documents.
4. Review and comment on Shop Drawings and Materials Submittals for compliance with the Contract Documents.
5. Respond to CMAR Requests for Information (RFI's) pertaining to the Contract Documents and the construction of the Project.
6. Provide construction inspections by various disciplines (architectural, structural, civil, landscape architect, mechanical/plumbing and electrical engineering) to review underground work (footings and underground utilities), rough-ins (electrical, plumbing and mechanical), structural framing, finishes, and water proofing. Twenty-six (26) Bi-weekly Field Reports are anticipated for the 12-month construction duration of the Project. Field Reports are to include review of the Project's progress since the previous Field Report and compliance with the CMAR Construction Schedule, construction quality and general compliance/non-compliance with Contract Documents. The A/E Team will endeavor to guard the City against defects and deficiencies of the work produced by the CMAR. However, the City understands that the A/E Team is not responsible for the supervision or direction of the CMAR and its sub-contractors. As such, the responsibility of compliance with the Contract Documents by the CMAR is exclusively the responsibility of the CMAR.
7. Conduct bi-weekly Construction Meetings at the Project jobsite. Prepare agendas, logs, sign-in sheet and Meeting Report for each meeting. Logs for the following shall be prepared and reviewed at each Construction Meeting: RFI's, Shop Drawings & Submittals, Change Order Requests/Status.
8. Review, comment upon and approve monthly Pay Applications prepared by the CMAR. Each month, review the updated as-built information of the CMAR for compliance with the Contract Documents.
9. Review construction testing reports and their timeliness/frequency. CMAR shall be responsible to schedule construction testing in accordance with the Contract Documents.
10. Review change order requests submitted by the CMAR. Make recommendations to the City pertaining to accuracy and reasonableness of change order requests. Prepare formal change orders for approved work by the CMAR with sign-off by the City, CMAR and GLA.

11. Upon notification of Substantial Completion of the Construction by the CMAR, the A/E Team will provide the following services:
 - a. In cooperation with City Staff, review status of construction completion to determine if the Project is Substantially Complete as defined by the Contract Documents.
 - b. If the Project is Substantially Complete, prepare a Punch List of work which remains to be completed.
 - c. Review and comment on contract compliance of Warranty, Operating Manuals, Spare Material, Logs and other Close-out Material submitted by the CMAR.
 - d. Review final Record Drawings of as-built conditions; incorporate record drawing information provided by the CMAR into electronic Record Drawing package for the use and records of the City.
 - e. Review Final Pay Application by CMAR for acceptance and approval of the Project.
12. Twenty-three (23) months after Substantial Completion, provide inspection of Project to determine Warranty work that is required of the CMAR under 2-year warranty provisions of the Contract Documents. Provide Warranty report for distribution to the CMAR and for the use of the City.

* * * * *



11 November 2020

Mr. Robert Welch, PE
Associate Engineer
Public Works Department
CITY of SEDONA
102 Roadrunner Drive
Sedona, Arizona 86336

Re: Sedona Uptown Parking Garage *revised*
GLA Project No.: 20109

Dear Mr. Welch:

Per your request, GLA has *revised its* fee proposal for the planning, design and implementation of the City of Sedona's Uptown Parking Garage located at 430 and 460 Forest Road in Sedona, Arizona. *Revisions are shown in Bold Italics.*

GLA's Scope of Services are described in Attachment 1, supplemented by the *scopes* described in the individual proposals from each noted consultant. *As requested, a Preliminary Project Schedule is also attached.*

These Services will be provided for the following lump sum fees:

A. Communication & Public Outreach Plan:

Gabor Lorant Architects Inc.	\$46,520.00
Kimley Horn (Civil Eng'g & Landscape Arch.)	9,140.00
MCH (Acoustical)	3,800.00
Subtotal	\$59,460.00

B. Data Collection & Analysis:

Gabor Lorant Architects Inc.	11,600.00
Kimley Horn (Civil Eng'g & Landscape Arch.)	3,790.00
<i>MCH (Noise Monitoring)</i>	3,970.00
<i>Speedie & Associates (Rock Coring—add alt. no.1)</i>	5,900.00
<i>Speedie & Associates (Slope Analysis—add alt. no. 3)</i>	4,855.00
Speedie & Associates (Geotechnical Eng'g)	8,780.00
Subtotal	\$38,895.00

C. Concept Design:

Gabor Lorant Architects Inc.	\$112,260.00
Kimley Horn (Civil & Parking Eng'g, Landscape Arch.)	22,580.00
PK Associates (Structural Eng'g)	4,000.00
Subtotal	\$138,840.00

**Sedona Uptown Parking Garage**

05 November 2020

GLA Project No.: 20109

D. Schematic Design (30% DESIGN SUBMITTAL)

Gabor Lorant Architects Inc.	\$116,340.00
Kimley Horn (Civil Eng'g & Landscape Arch.)	43,830.00
PK Associates (Structural Eng'g)	8,000.00
Applied Engineering (MPE Eng'g)	10,950.00
Subtotal	\$179,120.00

E. Design Development (60% DESIGN SUBMITTAL)

Gabor Lorant Architects Inc.	\$168,800.00
Kimley Horn (Civil Eng'g & Landscape Arch.)	43,830.00
PK Associates (Structural Eng'g)	16,000.00
Applied Engineering (MPE Eng'g)	26,450.00
MCH (Acoustical)	7,250.00
Subtotal	\$262,330.00

F. Contract Documents (95% DESIGN SUBMITTALS)

Gabor Lorant Architects Inc.	\$218,500.00
Kimley Horn (Civil Eng'g & Landscape Arch.)	43,830.00
PK Associates (Structural Eng'g)	28,500.00
Applied Engineering (MPE Eng'g)	26,450.00
Subtotal	\$317,280.00

G. Contract Documents (100% DESIGN SUBMITTALS)

Gabor Lorant Architects Inc.	\$30,450.00
Kimley Horn (Civil Eng'g & Landscape Arch.)	14,610.00
PK Associates (Structural Eng'g)	1,500.00
Applied Engineering (MPE Eng'g)	2,950.00
Subtotal	\$49,510.00

H. GMP/CMAR Negotiations & Bidding Assistance

Gabor Lorant Architects Inc.	\$28,800.00
Kimley Horn (Civil Eng'g & Landscape Arch.)	6,560.00
Subtotal	\$35,360.00

I. Construction Administration

Gabor Lorant Architects Inc.	\$333,000.00
Kimley Horn (Civil Eng'g & Landscape Arch.)	24,620.00
PK Associates (Structural Eng'g)	14,800.00
Applied Engineering (MPE Eng'g)	22,550.00
Subtotal	\$394,970.00



Sedona Uptown Parking Garage
05 November 2020
GLA Project No.: 20109

J. <u>Project Close-out</u>	
Gabor Lorant Architects Inc.	\$8,800.00
Applied Engineering (MPE Eng'g)	2,450.00
Subtotal	\$11,250.00
K. <u>Other Services</u>	
<i>Survey (K-H sub SWI)</i>	\$10,880.00
Subsurface Utility Eng'g (K-H sub CobbFendley)	5,355.00
Subtotal	\$16,235.00
L. <u>Reimbursable Allowances</u>	
<i>Printing/Plotting/Travel</i>	\$14,800.00
GRAND TOTAL	\$1,518,050.00

Reimbursable expenses will be charged at a travel rate of **\$0.575/mile** and \$0.10/square foot of printing or 1.15 x the cost of outside printing charged to GLA.

Thank you for the opportunity to be of service. Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jan Lorant', is written over a faint circular stamp or watermark.

Jan Lorant, AIA, NCARB, LEED AP
Principal

UPTOWN PARKING GARAGE

Sedona Arizona

11 November 2020

gabor lorant architects inc.
 3326 n. 3rd ave, suite 200
 phoenix, arizona 85013
 tel. 602 667 9090
 fax. 602 667 9133
 www.gaborlorant.com



PHASE / TASK	START DATE	FINISH DATE	Duration (Calendar Days)	2020												2021												2022												2023											
				DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR							
NOTICE TO PROCEED				◇																																															
A. COMM. & PUBLIC OUTREACH PLAN	12/1/20	9/15/21	288	■																																															
B. DATA COLLECTION & ANALYSIS	12/7/20	1/29/21	53	■																																															
- GEOTECH REPORT	12/7/20	1/22/21	46	■																																															
- SURVEY	12/19/20	1/22/21	34	■																																															
C. CONCEPT DESIGN	1/22/21	4/15/21	83	■																																															
D. SCHEMATIC DESIGN	3/15/21	5/31/21	77	■																																															
- OWNER REVIEW	6/1/21	6/15/21	15	■																																															
E. DESIGN DEVELOPMENT	6/15/21	9/15/21	92	■																																															
- OWNER REVIEW	9/16/21	9/30/21	15	■																																															
F. CONTRACT DOCS (95%)	10/1/21	1/13/22	104	■																																															
- OWNER REVIEW	1/14/22	1/28/22	14	■																																															
CONTRACT DOCS (100%)	1/29/22	2/28/22	30	■																																															
H. GMP/CMAR NEG/PERMITS	1/14/22	3/31/22	76	■																																															
I. CONSTRUCTION	4/1/22	3/1/23	334	■																																															
- EXCAVATION / FOUNDATION	4/1/22	5/31/22	60	■																																															
- STRUCTURE / ROUGH FRAMING	6/1/22	11/30/23	182	■																																															
- FIT-OUT / SITE IMPROVEMENTS	11/1/22	1/31/23	92	■																																															
- CONSTRUCTION CLOSEOUT	2/1/23	2/28/23	28	■																																															
J. OCCUPANCY	3/1/23	3/1/23	1	◇																																															
K. WARRANTY WALK	2/1/25	2/1/25	1	◇																																															

**EXHIBIT A
CITY OF SEDONA
UPTOWN SEDONA PARKING GARAGE**

**SCOPE OF SERVICES
November 11, 2020**

This project consists of the development of a parking structure on a 1.24 acres site with improvements along Forest Road extending east to Van Deren Street.

The design will be provided in two phases: **Scoping Phase and Design Phase**

- **Scoping Phase** will consist of performing data collection, control/topographic survey, determination of existing right-of-way, utility impacts, geotechnical evaluation, environmental impacts, landscaping and overall evaluation/alternative development of the recommended improvements including but not limited to:
 1. Pedestrian and Bike Path Determination
 2. Transit Pick Up/Drop Off
 3. Public/Private Utility Extensions
 4. Earthwork
 5. Landscape and Irrigation Improvements
 6. Drainage Systems
 7. Stakeholder Coordination (Residents, Utilities)

Completion of this phase will consist of concept design alternatives reviewed by the project team and stakeholders which will lead to a Schematic Design to move the project in the Final Design.

- **Final Design Phase** will be project development based on the recommended alternatives. Design submittals for final construction documents will consist of 60% (Preliminary or Design Development), 95% (Semi-Final or Construction Documents), and 100% (Final/Sealed or Construction Documents). Each submittal will consist of electronic PDFs of the submittal documents, including half-size (11x17) and full-size (22x34) PDFs of the plan set.
 1. The 60% (Preliminary) Submittal will consist of the following deliverables:
 - Draft Drainage Design Memorandum
 - Preliminary Plan Set
 - Preliminary Quantities & Opinion of Probable Costs
 2. The 95% (Semi-Final) Submittal will consist of the following deliverables:
 - Semi-Final Drainage Design Memorandum
 - Semi-Final Plan Set
 - Semi-Final Quantities & Opinion of Probable Costs
 - Semi-Final Technical Specifications
 3. The 100% (Final) Submittal will consist of final versions of the documents listed for the Semi-Final Submittal.

PHASE 1 - SCOPING PHASE

1.1 - Data Collection and Analysis

- a. Kimley-Horn will research and evaluate existing City and private utility information (e.g. as-builts, quarter section maps, GIS) regarding existing facilities such as roadway, drainage, traffic, and utilities. The City will provide available as-builts and other related existing data.
- b. Kimley-Horn will request an Arizona Blue Stake ticket to identify existing utilities within the project limits and request existing utility information.

1.2 - Coordinate Control, Topo Survey & Right-of-Way

- a. Kimley-Horn will prepare a survey request and coordinate with for control and topographic survey services.
- b. Kimley-Horn will review for control and topographic survey data as well as right-of-way information provided by surveyor

1.3 - Concept Design/Schematic Design

- a. Kimley-Horn will provide a Traffic Impact Analysis for the Schematic Design.
- b. Kimley-Horn will develop alternatives for the recommended roadway improvements. An alternative analysis table will be utilized to present the different features of each alternative to assist the City in decision making. The alternatives will be evaluated against right of way impacts, utilities, storm water management, aesthetics, adjacent properties, maintenance, etc.
- c. Kimley-Horn will refine the concept design alternatives after review by the project team and provide the schematic plan/narrative to move the site plan into Final Design.
- d. Kimley-Horn will review the functional layout of the parking garage, including the parking stall widths and layout, drive aisle widths, end bay widths, circulation functionality, structural projections into parking areas, and structural clearance requirements. Kimley-Horn will perform this review during the Scoping Phase to assist with the layout of the parking garage and will provide a second review at the 90% Semi-Final Phase.
- e. Kimley-Horn will develop preliminary costs associated with each alternative and the schematic design.

1.4 – Garage Programming

Kimley-Horn will work with the team to develop garage programming during the Scoping Phase.

The following outlines the garage program specific for this project:

- a. Mechanical Systems
- b. Electrical Systems
- c. Lighting

- d. Fire Protection
- e. Security
- f. Special Systems

1.5 - Project Management/Meetings

- a. Kimley-Horn will attend the following meetings as a part of this phase of the project:
 - Design Concept Review Meeting (1)
 - Stakeholder Meeting (1)
- b. Kimley-Horn will provide Visualization/Renderings to support Outreach efforts. This will include illustrative models at different perspectives (aerial, street view, etc.) using Autocad, Sketch Up and Lumion. This task includes up to two different visualizations/renderings for use during this phase and the final design phase.

PHASE 2 – FINAL DESIGN PHASE**2.1 – Roadway/Civil Design**

- a. Kimley-Horn will design provide onsite site/civil plans and offsite improvements on Forest Road adjacent to the site and existing east to tie the sidewalk into the east side of Van Deren Street.
- b. The following sheet list is anticipated for the final construction documents:
 - Cover Sheet (1 Sheet)
 - Legend & Notes (1 Sheet)
 - Typical Sections (1 Sheets)
 - General Details (3 Sheets)
 - Site Plan/Geometric Control (1 Sheet)
 - Removal/Demolition (1 Sheet)
 - Horizontal Control Plan (1 Sheet)
 - Grading and Drainage Plan (1 Sheet)
 - Storm Sewer Details (1 Sheet)
 - Utility Plan (1 Sheet)
 - Offsite Improvements (2 Sheets Stacked)
 - 1. Sidewalk
 - 2. Shared Use Path
 - 3. Transit
- c. Kimley-Horn will prepare a 3D proposed roadway surface in AutoCAD Civil 3D and develop cut and fill lines as well as earthwork quantities. Earthwork cut/fills will be coordinated directly with the Geotechnical Engineer.
- d. Roadway/Civil plans will be submitted with each of the milestone submittals (60%, 95%, and 100%)

2.2 – Drainage Design

- a. Kimley-Horn will prepare a Drainage Design Memorandum to document the onsite drainage from the parking garage. Drainage improvements are anticipated to be small detention basins and/or low impact development features. A Drainage Design Memorandum will be submitted with each of the milestone submittals (60%, 95% and 100%)
- b. The Rational Method will be used to calculate runoff for the proposed on-site and off-site improvements
- c. Drainage design systems will be shown on the Grading and Drainage Sheets. One Drainage detail sheet is anticipated.

2.3 – Parking

- a. Parking Management/Operations
 - Customized parking garage “start-up operations plan”.
 1. Parking Garage Start-up Plan.
 - i. Creating a "Garage Opening Team"
 - ii. Facility Opening Checklist
 - iii. Operations (Self-operation vs, outsourced management, equipment, revenue collection and accounting, signage, supplies, forms, staffing, etc.)
 - iv. Space allocation plan (transient/hourly parkers vs monthly parkers)
 - v. Special event operations
 - vi. Enforcement
 - vii. Communications
 - viii. Rates
 2. Parking garage program budget outline. This budget outline provides some basic assumptions related to program revenues/expenses and recommended parking rates.
- b. Parking Management Toolkit
 - The envisioned “toolkit” would include the following elements:
 1. An extensive white paper on “Effective Parking Management Strategies”
 2. Recommended parking structure maintenance procedures and schedules
 3. Key parking performance indicators for tracking garage performance
 4. Collection of “Parking Management Best Practices”
 5. White Paper on Enhancing Garage Security
 6. Sample garage operations manual
 7. White Paper on Employee Parking and Transportation Demand Management Strategies
 8. Info on the IPMI’s parking program accreditation process

- 9. Emergency Preparedness Manual
- 10. White Paper on Valet Parking Program development.
- c. PARCS System Specifications
 - Meet with the client during a conference call to clarify system requirements and address detailed questions limited to system performance, safety, and validations.
 - Kimley-Horn can prepare a technical narrative detailing functional requirements for the PARCS. This narrative will be appropriately detailed to provide to possible technology vendors and endeavor that the winning bid will generally meet the system performance criteria.
 - The functional requirements will be limited to the following systems and hardware:
 1. PARCS Software
 2. Entry Stations
 3. Exit Stations
 4. Barrier Gates
 5. LPR Sub-System
 6. Intercom Sub-System
 7. Credit Card Sub-System
 8. Entry and Exit Lane Vehicle Detection Equipment
 9. Pay On Foot Stations (Credit Card Only)
 10. Pay On Foot Stations (Cash and Credit Card)
 - Provide over the shoulder review for bids provided by the PARCS vendors and provide one set of comments to the client relative to the quality and appropriateness of the system(s), and, and vendors, being proposed

2.4 – Landscape and Irrigation

- a. Kimley-Horn will visit the site to inventory and locate existing conditions including:
 - Plant material
 - Site furnishings
 - Irrigation equipment
- b. Kimley-Horn will gather information at all tie in points where this project meets existing conditions. We will meet with City staff including maintenance department to understand current standards, goals, and desired equipment.
- c. Kimley-Horn will prepare landscape and irrigation plans at a 20-scale. The following sheet list is anticipated for the final construction documents:
 - Planting and site furnishings note and details sheets (2 Sheets)
 - Planting Plans (3 Sheets)
 - Irrigation notes, schedules, and details sheets (2 Sheets)
 - Irrigation Plans (3 Sheets)
- d. Low Voltage Landscape Lighting Plans
 - Kimley-Horn will provide low voltage landscape lighting plans for the project. Kimley-Horn will submit cut-sheets for proposed lighting fixtures and will

provide up to three (3) plan sheets and up to two (2) detail sheets showing the low-voltage lighting design.

- e. Landscape/Plaza Design
 - Kimley-Horn will provide additional landscape and hardscape design for the project area including potential open space west of the proposed parking structure or across Forrest Road in the current surface parking lot. This additional scope of work includes the design of up to three wayfinding signs in the project area to help direct visitors to the new parking garage.
- f. Renderings and Visualization for Landscaping is included in the Scoping Phase Project Management Task.
- g. Landscape and Irrigation plans will be submitted with each of the milestone submittals (60%, 95%, and 100%)

2.5 – Erosion Control

- a. Kimley-Horn will provide Erosion Control Plans and Details for the Contractors use in the Notice of Intent.
 - 1 – SWPPP Sheets (1" = 20')
 - 1 – Detail Sheet
- b. Erosion Control plans will be submitted with each of the milestone submittals (60%, 95%, and 100%)

2.6 – Utility Coordination

- a. Kimley-Horn will be responsible for contacting and coordinating with utility companies in the area and informing them of the design plans for the project.
- b. Kimley-Horn will prepare utility clearance letters to send to the utility companies in the area. Signed clearance letters will be obtained and provided to the City if requested.
- c. Kimley-Horn will work with the utility companies to identify any potential utility conflicts and will communicate these conflicts with the City.
- d. Kimley-Horn will review the utility company relocation and extension plans for conformance with the overall project. Once final linework is established, we will include utility relocations and extensions in the utility base file for distribution to project team and other utilities.
- e. Provide 60%, 95% and 100% plans to all local utility companies for review and concurrence.
- f. Kimley-Horn will attend and lead two Utility Coordination Meetings

2.7 – Project Estimate, Specifications and Bid Schedule

- a. A list of anticipated quantities will be prepared and submitted at each design stage.
 - Quantities will be presented on the plan sheets and also in a separate quantities' spreadsheet using MAG and Supplemental Bid Items
 - An opinion of probable cost will be provided for these quantities.
 - A bid schedule will be provided with the 95%, 100% submittal.
- b. Technical Specifications will be prepared for the 60%, 95%, and 100% submittals. The specifications will be prepared as a supplement to the MAG Specifications.

2.8 – Design Phase Project Management/Meetings

- a. Project management includes contract management, invoicing, project schedule development, internal meetings with staff, Quality Control/Quality Assurance, permitting application and administration and CADD maintenance.
- b. Kimley-Horn will attend the following meetings as a part of this project:
 - Monthly Progress Meetings (6 meetings via conference call)
 - Plan Review Meetings (3 meetings) (one meeting per plan submittal (3 total))
 - Resident/Stakeholder Meetings (4 total)
 - Utility Coordination Meetings (2 total)
 - Public Meetings (1 total)
 - City Council Meeting (1 total)
- c. Design progress meetings (excludes stakeholder and public meeting) are assumed to be attended by the Project Manager and any technical support via teleconference or in person.
- d. Field reviews are assumed to be conducted on the same days as meetings described above.
- e. Any meetings beyond those listed above will be considered additional services.
- f. Kimley-Horn will prepare a summary of comments received following each submittal. These comments will be addressed, and responses will be provided.

PHASE 3 – GMP/CMAR/BIDDING**3.1 – GMP/CMAR/BIDDING Phase**

Kimley-Horn will assist the City during the GMP / Bidding negotiations. This includes responses to questions, quantity reconciliation and GMP review.

PHASE 4 – POST DESIGN PHASE

4.1 – Post Design / Construction Services

Kimley-Horn will provide Post Design and Construction Administration Services throughout the duration of Construction. This consists of the following:

- a. Response to RFIs (assume 20 at 1 hour each)
- b. Review Construction Shop Drawings (assume 10 at 2 hours each)
- c. Construction/Field Meetings (assume 10 meetings)
- d. Record Drawings/Project Close out

EXHIBIT B includes the detailed fee breakdown for all tasks.

OUTSIDE SERVICES

The following Field Services will be provided.

5.1 – Survey

The Kimley-Horn Subconsultant will provide survey services as outlined in the Scope of Work in **Exhibit C**.

5.2 – Subsurface Utility Engineering

The Kimley-Horn Subconsultant will provide Subsurface Utility Engineering as outlined in the Scope of Work in **Exhibit C**.

EXCLUSIONS

The following items/services are not included in this scope of work and fee proposal. If these items/services are determined to be required, a separate agreement by contract amendment or new contract shall be coordinated between the City of Sedona and Kimley-Horn.

- Construction Inspection
- Geotechnical
- Traffic Signal
- Soldier Pile Wall Design
- Sign Summary
- Floodplain revisions and permits including Conditional Letter of Map Revision (CLOMR)
- PARCS System integration support and drawings

EXHIBIT B
DERIVATION OF COST PROPOSAL SUMMARY

(Figures Rounded To The Nearest \$1)

KIMLEY-HORN DESIGN BASE FEE

CLASSIFICATION	PERSON HOURS	BILLING RATE/HOUR	TOTAL
Senior Consultant	-	\$ 200.00	\$ -
Project Manager	236	\$ 195.00	\$ 46,020
Senior Engineer	224	\$ 185.00	\$ 41,440
Project Engineer/Designer	330	\$ 155.00	\$ 51,150
Analyst	556	\$ 125.00	\$ 69,500
Graphic Designer/GIS	24	\$ 120.00	\$ 2,880
Administrative	20	\$ 90.00	\$ 1,800
	1,390	Hours	

Subtotal Kimley-Horn Design Base Fee \$ 212,790

ESTIMATED DIRECT EXPENSES

Miscellaneous Expenses	\$ -		
		Subtotal Estimated Expenses	\$ -

OUTSIDE SERVICES

Survey	\$ 10,880		
Subsurface Utility Engineering	\$ 5,355		
		Subtotal Allowances	\$ 16,235

TOTAL PROJECT COST

\$ 229,025

Consultant Firm Signature

11.11.20

Date

**City of Sedona
Uptown Sedona Parking Garage
Fee Proposal**

TASK DESCRIPTION	SUBTOTAL	Project	Senior	PE/	Analyst	Graphic Des/	Admin	Totals
		Manager	Engineer	Designer		GIS		
		\$ 195.00	\$ 185.00	\$ 155.00	\$ 125.00	\$ 120.00	\$ 90.00	
1. SCOPING PHASE (CONCEPT AND SCHEMATIC)								
1.1 Data Collection and Analysis	1,610.00	-	-	-	10	-	4	14
As-Built Research	930.00				6		2	8
Right of Way Mapping Research	680.00				4		2	6
1.2 Coordinate Control, Survey & R/W	2,180.00	-	-	6	10	-	-	16
Review Topo/Control Base File	1,370.00			4	6			10
Review Right-of-Way Base File	810.00			2	4			6
1.3 Concept Design/Schematic Design	18,780.00	18	30	24	48	-	-	120
Traffic Analysis	3,500.00	4	8	8				20
Concept Plans/Narrative	6,500.00	4	8	8	24			44
Parking Structure Peer Review	2,260.00	4	8					
Schematic Plans	4,760.00	4	4	8	16			32
Cost Estimates	1,760.00	2	2		8			12
1.4 Garage Programming	3,800.00	8	-	8	8	-	-	24
Concept Level Garage Programming	3,800.00	8		8	8			24
1.5 Scoping Phase Project Management/Meetings	9,140.00	8	12	16	-	24	-	60
Design Concept Review Meeting (1)	2,140.00	4	4	4				12
Stakeholder Meeting (1)	1,400.00	4		4				8
Visualizations/Renderings (Up to 2)	5,600.00		8	8		24		40
TOTAL SCOPING PHASE	35,510.00	34	42	54	76	24	4	234
2. DESIGN PHASE (60%, 95%, 100%)								
2.1 Civil/Roadway Design	43,160.00	26	44	90	128	-	-	288
Cover Sheet (1 Sheet)	1,060.00			2	6			8
Legend & Notes Sheet (1 Sheet)	1,060.00			2	6			8
Typical Sections Sheet (1 Sheet)	3,560.00	2	4	6	12			24
General Detail Sheets (3 Sheets)	1,810.00			2	12			14
Site Plan/Geometric Control Sheet (1 Sheet @ 40 Scale)	1,435.00	1	2	4	2			9
Removal/Demolition Sheet (1 Sheet @ 20 Scale)	3,115.00	1	4	6	10			21
Horizontal Control Plan (1 Sheet @ 20 Scale)	6,200.00	6	8	10	16			40
Grading and Drainage Plan (1 Sheet @ 20 Scale)	8,130.00	6	8	16	24			54
Storm Sewer Detail Sheet (1 Sheet)	2,745.00	1	2	6	10			19
Utility Plan (1 Sheet @ 20 Scale)	2,745.00	1	2	6	10			19
Offsite Improvements (Sidewalk/Shared Use/Transit) (2 Plan Sheets @ 20 Scale Stacked)	6,720.00	8	6	10	20			44
3D Model & Earthwork	4,580.00		8	20				28
2.2 Drainage Design	10,190.00	-	14	20	36	-	-	70
Evaluation (Hydrology & Hydraulics)	5,720.00		8	8	24			40
Draft Drainage Design Memorandum	2,980.00		4	8	8			20
Final Drainage Design Memorandum	1,490.00		2	4	4			10
2.3 Parking	18,260.00	24	-	36	64	-	-	124
Parking Management/Operations	4,410.00	6	0	8	16			30
Parking Management Toolkit	4,410.00	6	0	8	16			30
PARCS Specification	9,440.00	12		20	32			64
2.4 Landscape and Landscape Irrigation	30,080.00	-	56	24	128	-	-	208
Planting & Site Furnishing Plans	5,100.00		8	4	24			36
Landscape Irrigation Plans	5,100.00		8	4	24			36
Planting & Site Furnishing Notes & Details	2,790.00		8	2	8			18
Landscape Irrigation Notes & Details	2,050.00		4	2	8			14
Low Voltage Landscape Site Lighting Plans	5,100.00		8	4	24			36
Additional Landscape/Plaza Design	9,940.00		20	8	40			68
2.5 Erosion Control	3,520.00	4	-	8	12	-	-	24
Erosion Control Sheet (1 Sheet @ 20 Scale)	2,010.00	2		4	8			14
Erosion Control Details	1,510.00	2		4	4			10

**City of Sedona
Uptown Sedona Parking Garage
Fee Proposal**

TASK DESCRIPTION	SUBTOTAL	Project	Senior	PE/	Analyst	Graphic Des/	Admin	Totals
		Manager	Engineer	Designer		GIS		
		\$ 195.00	\$ 185.00	\$ 155.00	\$ 125.00	\$ 120.00	\$ 90.00	
2.6 Utility Coordination	6,540.00	12	-	16	8	-	8	44
Utility Conflict Review, Coordination & Clearance Letters	3,160.00	8		8			4	20
Utility Extension Plan Review and CADD Utility Base File	3,380.00	4		8	8		4	24
2.7 Project Estimate, Specifications and Bid Schedule	8,760.00	8	12	16	20	-	-	56
Quantities/Estimate/Bid Schedule	3,480.00		4	8	12			24
Civil / Landscape Specifications	5,280.00	8	8	8	8			32
2.8 Design Phase Project Management/Meetings	25,590.00	68	32	22	24	-	-	146
Project Schedule	2,340.00	12						12
QA/QC	6,080.00	16	16					32
Progress Meetings (Assume 6)	1,920.00	6			6			12
Plan Review/Comment Resolution Meetings (Assume 3)	2,850.00	6		6	6			18
Additional Resident/Stakeholder Meetings (Assume 4)	3,500.00	4	8	8				20
Utility Coordination Meeting (Assume 2)	2,800.00	8		8				16
Public Meeting (Assume 1)	3,040.00	8	8					16
Council Meeting (Assume 1)	3,060.00	8			12			20
TOTAL FINAL DESIGN PHASE	146,100.00	142	158	232	420	-	8	960
3. GMP/CMAR/BIDDING PHASE								
3.1 GMP/CMAR/BIDDING	6,560.00	12	4	16	8	-	-	40
Respond to Questions on Construction Documents	1,520.00	4	4					8
Quantity Reconciliation	3,020.00	4		8	8			20
GMP Review	2,020.00	4		8				12
TOTAL BID PHASE	6,560.00	12	4	16	8	-	-	40
4. POST DESIGN PHASE								
4.1 Post Design Construction Services	24,620.00	48	20	28	52	-	8	156
Response to Request for Information (assume 20 at 1 hour each)	3,800.00	10	10					20
Review Construction Shop Drawing Submittals (assume 10 at 2 hours each)	5,050.00	10	10		10			30
Construction/Field Meetings	8,250.00	20		20	10			50
Record Drawings/Project Close out	7,520.00	8		8	32		8	56
TOTAL POST DESIGN PHASE	24,620.00	48	20	28	52	-	8	156
SUBTOTAL DIRECT LABOR	212,790.00	236	224	330	556	24	20	1390
Expenses								
Vehicle Miles	-							
Reproduction	-							
5. OUTSIDE SERVICES								
Field Services	16,235.00	-	-	-	-	-	-	-
5.1 Survey	10,880.00							See Proposal in Exhibit C
5.2 Subsurface Utility Engineering	5,355.00							See Proposal in Exhibit C
SUBTOTAL OUTSIDE SERVICES	16,235.00							
CONTRACT TOTAL	229,025.00							



221 N Marina St. Ste. 102
Prescott, AZ 86001

928.541.0443
928.541.1063 fax

www.swiaz.com

Engineering an environment of excellence.

PROPOSAL/ AGREEMENT FOR PROFESSIONAL SERVICES

Ref. No.
November 11, 2020

BETWEEN: Kimley-Horn
Attn: Andrew Baird
201 N. Montezuma, Suite 206
Prescott, AZ 86301 ("CLIENT")

AND: Shephard - Wesnitzer, Inc.
221 N. Marina St. Ste.102
Prescott, AZ 86301 ("SWI")

FOR THE PROJECT: Professional Survey Services ("PROJECT")
430 & 460 Forest Road Sedona, AZ ("SITE")

The Client and SWI do hereby agree as follows:

1.0 DESCRIPTION OF PROJECT

Information provided by Client indicates that the Project will consist of a Boundary Survey of the aforementioned properties and a Topographic Survey of the area outlined in red on exhibit A (at the end of this document).

2.0 PURPOSE

The purpose of our Survey Services will be to combine the subject boundary parcels based on field evidence and record documents. A Record of Survey Plat and overall legal description and exhibit will be prepared to define the combined properties. A topographic survey base map at 1' contour intervals will be prepared based on a field survey of the area outlined in red on exhibit A (at the end of this document). Record easements will be shown based on a title report supplied by the client.

Client's Initials _____

3.0 SCOPE OF SERVICES

We propose to provide the following:

SHEPHARD - WESNITZER, INC.			
110 W. Dale Ave., Flagstaff, AZ 86001			
CONSTRUCTION SURVEY AND LAYOUT			
Job Name: 430 & 460 Forest Road, Sedona			
Job Number: TBD			
Client: Kimley-Horn			
Contact: Andrew Baird			
Date: November 03, 2020			
Prepared by: Mark Polydoros, RLS			
Location: Sedona, Arizona			
Description	Cost	Field Crew	Office Support
Boundary Survey and Parcel Combination			
Research	\$520.00	0	4
Field Survey	\$1,320.00	12	0
Schedule B Title Review	\$520.00	0	4
ROS & Legal	\$4,680.00	0	36
Subtotal:	\$7,040.00		
Topographic Survey and Base Map			
Field Survey	\$2,280.00	16	4
Prepare Base Map	\$1,560.00	0	12
Subtotal:	\$3,840.00		

Total Fee for all Survey Services:	\$10,880.00
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4.0 SCHEDULE

Work will be scheduled upon receipt of a signed copy of this agreement, and is expected to require 4 weeks to complete for Client review.

5.0 ASSUMPTIONS

Sufficient boundary monumentation lying within at least one adjoining tract is existing and verifiable. It is also assumed that no survey problems exist, such as erroneous monumentation, overlapping or defective deeds, or discrepancies between record title dimensions and actual field conditions or lines of occupation. Client will be notified of any such circumstances.

6.0 MANNER OF PAYMENT

Billing for work in progress will be made on a monthly basis. Payment is due upon receipt of monthly billings. Late fees at the rate of 2% interest on balance owed will be assessed to client for delays in payments in excess of 30 days from

the date of invoice. Services will be halted due to delays in payment. Final revisions to calculations and drawings will be released upon receipt of final payment.

7.0 FEES

The cost for Survey services for all items listed above (3.0) is a lump sum fee required including reimbursable expenses. Reimbursable expenses include FedEx charges, mileage, plan reproduction costs. Any additional work which may be indicated by the discovery of unanticipated conditions in the field or revisions instigated by others will be performed, only upon your authorization, in accordance with our current standard fee schedule. Current standard hourly rates are subject to change as current year expires. The estimated fee noted above is valid for 90 (ninety) calendar days after which time a review by SWI will be required.

8.0 STANDARD SWI TERMS AND CONDITIONS

Attached hereto and incorporated by the reference are the **SWI Standard Terms and Conditions**, which shall govern this agreement.

9.0 SERVICES NOT INCLUDED

Construction plans, traffic studies, structural design, geotechnical investigations, Army Corp of Engineers 404 permitting, environmental studies, cultural resources, archeological studies, construction staking, or any other work not specifically identified in Section 3.0, Scope of Services. All agency and/or permitting fees to be paid by Client.

This Proposal/Agreement, and the attached **Terms and Conditions**, contains the entire agreement between the parties, and supersedes all other agreements, either oral or written. No representations or warranties shall be valid or binding unless contained herein.

The signature below constitutes Shephard - Wesnitzer Inc.'s intention to be bound under the terms of this Proposal/Agreement, including the attached **Terms and Conditions**. The Client may accept by signing and returning to Shephard - Wesnitzer, Inc.

Any change to the **Terms and Conditions** of this Proposal/Agreement, or the tender of any contract documents in place of this Proposal/Agreement shall not be valid unless made in writing, dated and signed by all the parties.

EXECUTED BY:



Mark Polydoros RLS
Shephard-Wesnitzer, Inc.

November 11, 2020

The foregoing AGREEMENT with its attached **Terms and Conditions** has been proposed by Shephard - Wesnitzer, Inc. and has been read, is understood, and is hereby accepted.

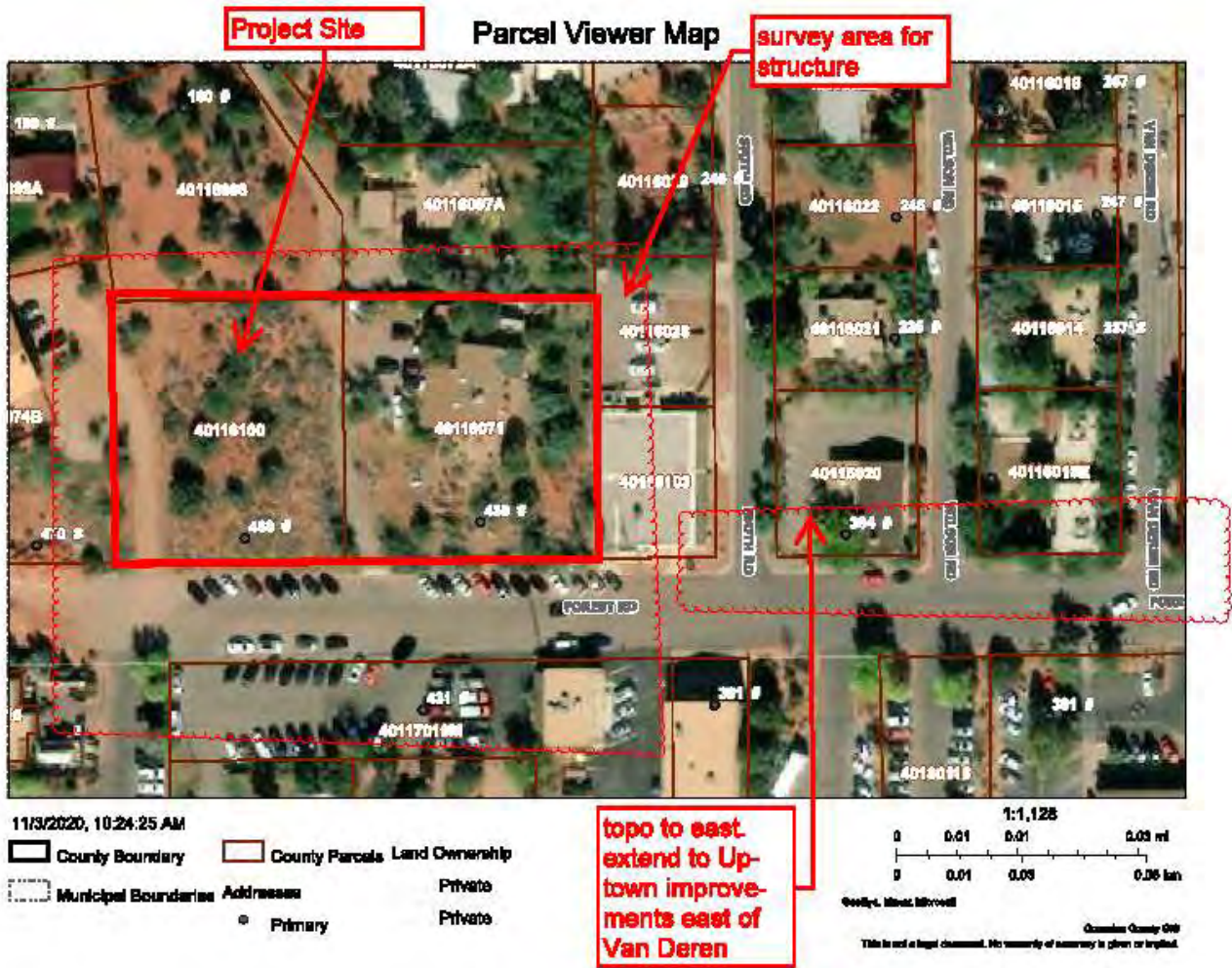
EXECUTED BY:

_____, 2020
Clients Authorized Representative Date

Typed or Printed Name

Title

Exhibit A





Andrew Baird, P.E.
Kimley-Horn
201 N. Montezuma, Suite 206
Prescott, AZ 86301

VIA E-MAIL

Dear Andrew:

**Re: Subsurface Utility Engineering Services
Uptown Sedona Parking Garage**

Cobb, Fendley & Associates, Inc. (CobbFendley) is pleased to provide this proposal for the Subsurface Utility Engineering (SUE) services associated with the project referenced above. The proposed Scope of Services and Basis of Compensation are outlined below.

Scope of Services

SUE Level A: Test Holes (Locate)

Utility test holes will be performed where the vertical location of existing underground utilities is critical. Kimley-Horn will identify test hole locations based on their conflict analysis. CobbFendley will assist with the final test hole placement to limit impacts to traffic and local businesses. A detailed description of test hole services is below under SUE Level A services. A total of 5 test holes up to 8 foot depth are included in this proposal.

Locate means to obtain precise horizontal and vertical position, material type, condition, size and other data that may be obtainable about the utility facility and its surrounding environment through exposure by non-destructive excavation techniques that ensures the integrity of the utility facility.

During Level A Services, CobbFendley will:

1. Coordinate with utility owner inspectors as may be required by law or utility owner policy.
2. Neatly cut and remove existing pavement material, such that the cut not to exceed 0.10 square meters (1.076 square feet) unless unusual circumstances exist.
3. Measure and record the following data on an appropriately formatted test hole data sheet.
 - A. Elevation of top and/or bottom of utility tied to the datum of the furnished plan.
 - B. Identify benchmarks utilized. Elevations shall be within an accuracy of 2.54 cm (1.0 inches) unless a more precise tolerance is specified for the specific location being investigated.
 - C. Elevation of existing grade over utility at test hole location.
 - D. Horizontal location referenced to project coordinate datum.
 - E. Outside diameter of pipe or width of duct banks and configuration of non-encased multi-conduit systems.
 - F. Utility facility material(s).
 - G. Utility facility condition.
 - H. Pavement thickness and type.
 - I. Coating/Wrapping information and condition.



J. Unusual circumstances or field conditions.

4. Excavate test holes in such a manner as to prevent any damage to wrappings, coatings, cathodic protection or other protective coverings and features.
5. Be responsible for any damage to the utility during the locating process. In the event of damage, CobbFendley shall stop work, notify the appropriate utility facility owner, client project manager, and appropriate regulatory agencies. CobbFendley will not resume work until the utility facility owner has determined the corrective action to be taken.
6. Back fill all excavations with appropriate material, compact backfill by mechanical means, and restore pavement and surface material.
7. Furnish and install a permanent above ground marker directly above center line of the utility facility.
8. Provide complete restoration of work site and landscape to equal or better condition than before excavation.

SERVICES TO BE PROVIDED BY KIMLEY-HORN

Kimley-Horn shall furnish the following information, as available, for SUE services at no cost to CobbFendley:

1. Provide roadway plans showing the project limits, alignment, benchmarks, profile, cross section information and test hole locations for the selected projects. CobbFendley may review the test hole locations and recommend changes, as required.
2. Lists of utility and/or agency contact persons if known.
3. Other available information or assistance as appropriate.

If this summary is acceptable, please forward an authorization to proceed. If you have any questions or comments, please do not hesitate to contact us.

Best Regards,

Jim McCarty
SUE Project Manager

Basis of Compensation

SUE Level A for Kimley-Horn

Uptown Sedona Parking Garage						
Classification		Rate	Unit	Quantity	Cost	
Project Manager		\$ 195.00	Hour	2	\$390.00	
1-Person Survey Crew		\$ 105.00	Hour	8	\$840.00	
CAD Technician I (SUE Report & Summary Preparation)		\$ 80.00	Hour	8	\$640.00	
Utility Test Holes & Designating (SUE Level A)*						
0-8 feet deep		\$ 675.00	Each	5	\$3,375.00	
Other Direct Expenses						
TCP (Lane Closure-Traffic Attenuator)	At Cost +10%	\$ 400.00	Day	1	\$400.00	
Equipment Mobilization / Site Setup		\$ 550.00	Each	1	\$550.00	

Subtotal for Personnel	\$1,030.00
Subtotal for Utility Test Holes	\$3,375.00
Subtotal for Direct Expenses	\$950.00

TOTAL	\$5,355.00
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*Rates shown include personnel, vehicles & standard equipment necessary to complete the task. This cost proposal assumes permitting fees will be waived. Test holes will be backfilled and compacted with Native Material. Test hole locations in concrete or asphalt will be cored and reinstated using Utilibond permeant non-shrink grout. CobbFendley will include supporting backup documentation for all approved reimbursable expenses.

**SEDONA PARKING STRUCTURE
MPE ENGINEERING DESIGN & CA SERVICE AGREEMENT V3**

Between: Gabor Lorant Architects Inc 3100 N. 3 rd Avenue, Suite 200 Phoenix, AZ 85013	And: Applied Engineering Inc. 2800 S Rural Rd., Suite 101 Tempe, AZ 85282
Contact Person: Jan Lorant, AIA	Contact Person: Gregory Piraino, PE
Client Job #:	Applied Job #: 10-
Job: Sedona Parking Structure	Date: 11/5/2020
Location: Sedona AZ	Service: MPE Engineering Services

Scope of MPE Design Services: Approximately 70-90,000sf new three story parking structure with and support areas including: plaza for art display, welcome area, trolley stop, Skydeck, public restrooms, below ground lower level with mechanical ventilation, elevators, interior and site LED lighting with controls, backup generator, and related improvements. (1) MPE site trip to observe existing location. Special Systems: (Fire Alarm, CCTV, Access, Security, Tele/Data raceways, HVAC controls): Locations shown with performance specification for low voltage design, permit, and install by special system contractors. Fire Protection: Riser location shown with performance specification for design, permitting and installation by FP contractor for sprinkler and/or pre-action systems as deferred submittals. Deliverable: (1) 30% SD narrative, (1) 60% DD plan in CAD, (1) 95% sealed CD plan with book specifications and Revit BIM model to LOD 100, and (1) 100% City comment revision. ROM estimates included. As-Built to be based upon redlines by GC. Technical support through bidding and negotiations are included. Fee is based upon GLA Project 20109 Attachment 1 11/4/2020

Scope of MPE CA Phase Services: Support construction phase to cover submittal and shop drawing reviews, clarification requests, reply to construction phase RFI's. Includes up to (12) months of construction support starting from initial submittal review request and ending at substantial completion. Includes (4) MP and (4) EE site trips with reports. Final report will be Punch List.

Engineering Fees:

MPE 30% SD Narrative: \$ 10,950. (ten thousand nine hundred fifty dollars)
MPE 60% DD Design in CAD: \$ 26,450. (twenty-six thousand four hundred fifty dollars)
MPE 95% Design in Revit: \$ 26,450. (twenty-six thousand four hundred fifty)
MPE 100% Design in Revit: \$ 2,950. (two thousand nine hundred fifty dollars)
MPE Construction Administration: \$ 22,550. (twenty-two thousand five hundred and fifty dollars)
Additional CA or Design Site Trips: \$ 950./consultant/trip (nine hundred and fifty)
Additional Months of CA: \$ 1,250./month (one thousand two hundred fifty)
23-Month Warrantee Walk Report: \$ 2,450. (two thousand four hundred fifty) includes travel and inspection report
Additional Services: At hourly rates \$175/hr PE and \$155/hr design staff to proceed with pre-approved changes and additions to scope.

Understandings/Exclusions/Not In Contract (NIC): This agreement is based upon an approximately 12M\$ total overall projected preliminary project budget. LEED application and defense NIC or by others. Water supply, tanks, wells, pumps or designs more than 5' from building side NIC or by others. Sanitary waste system, septic systems, or sanitary piping more than 5' from building side NIC or by others. Off-site improvements NIC or by others. Fees apply to a single MPE design package for (1) building. Breaking the project into multiple phases or plans packages is an additional service. Additional separate packages such as foundation, underground, long-lead items, etc are additional services if required. Cost estimating will be ROM basic estimating using Means or similar guidelines. IT system design including racks, servers, barrier systems, or fiber networks by others. Special systems raceway design is a standard inclusion and includes conduits, wireways, boxes, floor boxes, trays, and similar systems for use by low voltage system installers. Standard exclusions (unless specifically included in scope of services): UPS systems, PV or battery systems, instrumentation / controls, design of AV, access controls, video surveillance, or IT hardware and cabling systems, time-current coordination, arc flash analysis, permitting, meetings with AHJ or utility, cost estimates, LEED design, rebates, engineered fire alarm. Construction Administration Scope does not include revisions to plans for scope changes or Value Engineering activities which may require additional fees. Travel expenses are included in site trip fees. Total construction schedule duration 12 months. CA Phase BIM model updating of MPE systems by General Contractor.

Terms: Invoiced upon basis of percentage completion. In event client puts project on hold Applied Engineering's fees shall be due and payable for percentage of work completed to date of hold notice. Late payment fees of 1.5%/month plus reasonable collection fees and costs due and payable by Client to Applied in the event of default.

Accepted by: Gabor Lorant Architects Inc	Offered by: Applied Engineering Inc
Signature:	
By: Jan Lorant, AIA	By: Gregory Piraino, PE
Title:	Title: President
Date:	Date: 11/5/2020

**PROPOSAL AGREEMENT
FOR PROFESSIONAL STRUCTURAL ENGINEERING SERVICES**

Made as of this 20th day of October in the year of 2020. Revised November 4, 2020.

BETWEEN THE ENGINEER: **PK ASSOCIATES LLC**
7434 E. McDonald Drive
Scottsdale, Arizona 85250

AND THE CLIENT: **GABOR LORANT ARCHITECTS**
3326 N. 3rd Avenue, Suite 200
Phoenix, AZ 85013-4302
Attn: Jan Lorant
P: 602-667-9090 F: 602-667-9133
janl@gaborlorant.com

FOR THE FOLLOWING PROJECT: **SEDONA PARKING GARAGE**
430 Forest Road
Sedona, AZ
PK Associates LLC Proposal No. P20-489R

SCOPE OF WORK

Thank you for providing PK Associates the opportunity to propose on this project. We will provide engineering, Construction Documents and Construction Administration for the design of this multi-level parking garage with approximately 272 stalls.

Construction type assumed to be either precast or cast-in-place concrete.

Included in our fees will be:

- Video Conference Meetings as required during design

Exclusions:

- As-Builts (record drawings)
- Book Specifications
- Phased or divided submittal packages (i.e. Foundation Package, etc.)

Construction Administration Services to include the review of shop drawings, response to Contractor RFI's and interpretation of drawings.

BASIS OF COMPENSATION FOR BASIC SERVICES

As described, our fee will be a lump sum as follows:

Concept Phase	\$ 4,000.00
Schematic Design	\$ 8,000.00
Design Development	\$16,000.00
Construction Documents	\$30,000.00
Shop Drawing Review	\$ 5,000.00
RFI Responses	\$ 5,000.00
6 Engineer Site Visits	\$ 4,800.00
Additional Engineer Site Visits (if required)	\$ 800.00/visit

ADDITIONAL SERVICES OF THE CONSULTANT are not included in Basic Services, our fee will be based on time expended and charges at our Standard Hourly Rates.

HOURLY RATES

Principal	\$170/hr	Structural Inspector (Peak	\$ 70/hr
Associate/Senior Structural Engineer	\$120/hr	Structural Inspector (Off Peak)	\$105/hr
Project Manager/Structural Engineer	\$110/hr	Drafting	\$ 80/hr.
Structural Designer	\$ 90/hr	Construction Administration	\$ 80/hr
		Clerical	\$ 50/hr

Reimbursable Expenses – Cost X 1.10

*** The above hourly rates apply to work completed during normal business hours Monday through Friday. Client requested services completed on Saturdays, Sundays and Holidays will be charged at a rate equal to 1.50 times the above rates.*

REIMBURSABLE EXPENSES will be charged at Cost x 1.10 for the expenses incurred by the Engineer and Engineer’s employees on behalf of this project. Plotting and printing charges for owner’s and architects use will be charged at the rate of: Plotting \$4.00/sheet and calculations/sketches \$1.00/sheet if plotted in-house, or the pass thru cost if drawings are plotted/ printed at an agreed upon printing company.

PAYMENT PROVISIONS All invoices are due upon presentation. Unless specifically noted, all monies received will be applied to the oldest invoice on account. Interest will begin after thirty (30) days and accrue at a rate of 1 ½% per month compounded monthly. Client is responsible for full amount whether collected or not. If the Client fails to make payments to our firm, such failure shall be considered substantial nonperformance and cause for suspension, or at our firm’s option, termination of services under this Agreement. In the event of suspension or termination, our firm shall have no liability to the Client for delay or damage caused by the Client because of such suspension of services. Before resuming services, payment shall be received in full for all sums due prior to the suspension and any expenses incurred in the interruption and resumption of our services. Our fees for the remaining services and the time schedules shall be equitably adjusted. If PKA Standard Hourly Rates have changed in the time from formation and execution of this proposal to project start-up, the current PKA rates will be applicable to all service fees and expenses. Payment for 100% construction documents must be made prior to issuing final document for sealed city review. Client requested modifications to our invoices, will be charged on an hourly basis.

If client requires a Purchase Order number on our invoice, it must be provided here. If a Purchase Order is not provided, we are not responsible for its presentation on our invoices.

Client requests use of this P.O. Number on all invoices regarding this job.
P. O. # _____

SPECIAL STRUCTURAL INSPECTIONS ARE NOT INCLUDED IN THIS PROPOSAL

Engineer site visits are not part of our Construction Administration or fees and will be billed separately on an hourly basis. Non-conformance issues will be invoiced hourly in addition to the Construction Phase Services fee.

OTHER CONDITIONS OR SERVICES PKA will strive to meet all schedules with as complete a set of drawings as possible. However, we can only be as complete as the information provided to us on a timely basis. Therefore, the project should carry a minimum 3% structural contingency for potential coordination and value added items. PKA will not be obligated to meet deadlines if Architectural drawings are substantially incomplete. The Architect assumes full responsibility for all dimensions and shall provide all dimensions required on their documents to develop shop drawing and construct structure. Architect is responsible for writing specifications for all structural items. PKA can provide a final edit as required.

It is recommended that the site and building construction document packages not be issued for bids or final bids taken until municipal plan check comments, Owner's comments and Architect's quality assurance review comments have been incorporated into the construction documents. If documents are bid prior to this phase, owner assumes financial responsibility for all change orders in construction costs. After final sealed documents are issued, changes to these documents will be considered as a change in services.

Shop drawing review is intended to assist the Contractor with interpretation of the construction documents. PKA will not be held responsible for delays to the construction schedule due to shop drawing review. If shop drawing submittals are to be transmitted via email, printed by our firm, reviewed and returned (scanned) via email, anticipate additional service charges for time and material costs associated with printing, scanning and paper usage. Shop drawing review time is 10 business days minimum and RFI review is 5 business days minimum. In the event the RFI/shop drawing review is required in less than this time, please anticipate a change order for expedited review.

Except for a change due to the fault of PKA, all changes in services shall entitle PKA to an adjustment in compensation and reimbursable expenses. If a change is requested and written authorization is not received by PKA for the requested changes(s), but our revised documents are accepted, the Client will be obligated for payment of the additional service. If the client deems that all or a part of such Change in Services is not required, the client shall give prompt written notice to PKA prior to starting changes.

Other work not mentioned specifically within the verbiage of the Scope of Work is not included. As-builts are not included. Our contract does not include an accelerated design schedule. If these services are requested, they will be covered by an Additional Service Contract.

Requests for our AutoCAD files from parties other than the disciplines directly associated with this Project (Owner, Architect, Contractor, Client) will be considered an additional service and invoiced at \$100 per sheet. Release of the files will be granted upon receipt of an executed Proposal and Electronic Media Disclosure form. The hiring of, payment for, and coordination with third party reviews of structural components is the responsibility of others.

Liability of PKA, its agents and employees, in connection with services hereunder to the Client and to all persons having contractual relationships with them, resulting from any negligent acts, errors and/or omissions of PKA, its agents and/or employees is limited to the terms of PKA's liability insurance. This liability clause supersedes all other contracts, including, but not limited to, standard AIA contracts. PKA's liability insurance policies pertain only to structural engineering services. Therefore, any and all services performed by any other third party is not covered by our insurance policies and therefore PKA shall be indemnified against any and all claims or loss pertaining to the services provided by any other third party.

Payment for 100% construction documents must be made prior to issuing final sealed documents for construction.

If someone other than above named client is to be invoiced for any portion of this Proposal it must be noted here.

Client requests additional invoice be sent to:

Name _____ at
Address _____ for
Service _____ Amount \$ _____

The client shall furnish PK ASSOCIATES, LLC with one complete set of contract documents.

ACCEPTED FOR:
PK ASSOCIATES, LLC



Jack M. Koehler, P.E., S.E.

Principal

ACCEPTED FOR:
GABOR LORANT

Name _____

Title _____

Date _____

*** Note: Work will not be released until this Proposal is signed and received by us.*

TO: Jan Lorant, AIA, NCARB, LEED AP
Gabor Lorant Architects Inc.
3326 N. 3rd Ave., Ste 200, Phoenix, AZ 85013
602.667.9090

cc: Dave Conant, Nancy Conant, Katie Rogers / MCH

SUBJECT: **Proposal for Acoustical Consulting Services**
Sedona Uptown Parking Garage
430 & 460 Forest Road, Sedona, AZ 86336
MCH Proposal #20-11-05R1

DATE: 11 November 2020

Page 1 of 6

Jan, at your request, we've arrived at what we feel is an appropriate Scope of Services for the project as we understand it based on our phone discussions, project description, 21Sep20 site plan drawings, as well as our comparable project experience. We provide the following revised scope/notes/exclusions/fees for acoustical design services for the new construction.

A. METHOD

1. General Project Description

We understand that this project involves new construction of a parking structure to service Uptown Sedona, Arizona, its business community, and their patrons. The project has a construction budget of \$11,780,000. The parking structure is proposed to be located at 430 and 460 Forest Road in Sedona, Arizona on two parcels with a combined size of approximately 1.24 acres. The parking structure intends to provide 272 parking spaces.

We understand that the parking structure will be located nearby to individual single-family homes in three directions, with the closest residences about 100FT from the façade of the parking structure.

A snip of the most recent Sedona, AZ noise ordinance is shown below:

A. *Continuous Sound.*

1. No person shall cause, suffer, allow, or permit the operation of any source of sound on any source property listed in SCC 8.25.020 in such a manner as to create a sound level that exceeds the sound level limits listed in Table I, as measured at any location at or within the property line of the receptor property. Sound pressure levels in excess of those established in Table I shall constitute prima facie evidence that such sound is in violation of this code.

**Table I. Maximum Permissible Sound Level Limits
dB(A)**

Residential and All Other Zones 7:00 a.m. – 10:00 p.m.	Residential and All Other Zones 10:00 p.m. – 7:00 a.m.	C1, C2, C3 Zone Districts 24 hours
60	50	65

2. These limits may not be exceeded by any single incident representing the normal, usual operation of the sound source, during any three sampling intervals, the duration of which shall be no less than one-half minute, within any one-hour period. If the total duration of the sound under investigation is less than one and one-half minutes, the requirement for three measurements shall be waived. For example, if a motor fan belt was to squeal for 20 seconds upon starting, but the sound was emitted with regularity from this source, a single measurement shall be sufficient.

D. *Steady Pure Tones.* If the sound source under investigation is a mechanical device, and is in the investigating officer's opinion emitting a sound with a steady tonal quality, the permissible sound level limits in Table I shall be reduced by five dBA. The sound emissions must be comprised of a single frequency or a narrow cluster of frequencies, which may be referred to as a whine, hum, or buzz. The measured sound levels of such a source must not fluctuate by more than plus or minus three dB. Such sound sources include, but are not limited to: heating, ventilating or air-conditioning units; refrigeration units; transformers and pumps. [Code 2006 § 9-4-6. Ord. 2018-03 § 1, 2-13-2018; Res. 2018-04 Exh. A, 2-13-2018].

2. Personnel

The following lead individuals at MCH, who have considerable and demonstrated experience with this building type, will be responsible for the described scope:

Dave Conant, FASA, Principal-in-Charge
Arjun Shankar, ASA, Consultant

3. Schedule

Per our 5Nov20 conversation, the schedule is approximately as follows:

Public Outreach: 3-4 month duration
Schematic Design – Construction Documents: 6-10 month duration
Construction Administration: 12 month duration

We understand our involvement will begin at the start of the Public Outreach Phase, and

end at the completion of the Construction Documents Phase.

MCH reserves the right to redefine our scope/fees if necessary if the schedule of the project changes substantially from the above.

B. SCOPE OF SERVICES – *by this reference, “Scope” shall also include Sections A & C in their entirety.*

Our acoustical work comes in letter and markup form as we work closely with you and your other consultants to help coordinate and integrate planning and design issues with the goal of meeting appropriate criteria. Interior sound-isolation recommendations, including exhaust system design layouts, will be critical to meet/fall below noise ordinances for nearby residences. We will provide acoustical recommendations in conferences and telecommunications, sketches, drawing markups, and appropriate acoustical selections for incorporation into construction documents by you and your engineers. We will not prepare acoustical construction documents other than guidance and elements provided for integration by others into Construction Documents.

We expect our acoustical consulting efforts to include the following:

1. Public Outreach

- a. One (1) review of concept drawings and one (1) review of the local Sedona, AZ noise ordinance as it pertains to noise from the parking structure to nearby residences, with a summary memo, and drawing markups of salient drawings where necessary.
- b. Provide guidance regarding the noise ordinance of Sedona, AZ as it relates to this project, and establish appropriate design noise criteria.
- c. MCH will attend one meeting via the web/telephone during the Public Outreach phase.

2. Noise Monitoring

- a. Two (2) noise monitoring measurements at the proposed site (430 & 460 Forest Road, Sedona, AZ 86336), which includes one monitoring measurement before construction has started, and one monitoring measurement during normal construction work.
- b. Our first noise monitoring measurement will involve collecting baseline ambient noise levels at the project site, with sound monitoring equipment at a representative location at the site. Presuming a secured location with 120V power is available throughout such measurements, we plan to setup a meter to record sound pressure levels at the project site at 15min intervals throughout a 24-48 hour period (between Monday and Friday, not involving any weekend days).
- c. Our second (and final) noise monitoring measurement will involve collecting noise levels at the project site when typical construction activity (related to this project only) is occurring. Presuming a secured location with 120V power is available throughout such measurements, we plan to setup a meter to record sound pressure levels at the project site at 15min intervals throughout a 24-48 hour period (between Monday and Friday, not involving any weekend days).

- d. We will provide one brief summary memo of the measurement results following each noise monitoring measurements (total of two (2) reports).

3. Design Phases (Schematic Design through Construction Documents)

- a. One (1) review of the approx. 90-95% Schematic Design drawings and one (1) review of the 100% Design Development drawings for acoustical issues, with a summary memo following each review, and drawing markups of salient drawings where necessary.
- b. Review programming, including room/equipment relationships, intended usages in spaces, and providing recommendations for adjustment of problematic adjacencies.
- c. Provide an *MEP Design Guide* that provides criteria and guidance principally to the MEP Engineers. This document will provide Noise Criteria (NC) goals and will offer general and specific design guidance to achieve these criteria.
- d. Provide guidance for established local noise ordinance for Sedona, AZ as it pertains to this project.
- e. Provide guidance and refinement for appropriate finishes - typically sound absorption treatments – where necessary. This may involve sound absorptive treatment near mechanical equipment/elevator equipment rooms.
- f. Provide guidance and refinement for appropriate sound isolating partitions/barriers and sound isolating exterior façade to reach established noise criteria to nearby residences. This may include rooftop equipment wall/barrier construction elements and sound absorptive treatment within rooftop equipment enclosure(s), to meet appropriate noise criteria goals.
- g. Provide review, guidance, and refinement in HVAC systems to reach established noise criteria goals, and offer appropriate performance values for input by others into the specifications. This may involve some combination of appropriate mechanical equipment selection, duct lining, and duct silencers.
- h. Develop the concepts from the Schematic Design documentation as appropriate through the Construction Documents phase.
- i. MCH plans to attend 2-3 meetings via the web/telephone that concentrate on acoustics during the design phases.

C. NOTES AND EXCLUSIONS

1. Services beyond those identified above are considered Additional Services and will be billed additionally on a time and materials basis.
2. We expect to provide fiscally prudent designs and materials. However, we have not budgeted for formal or detailed VE exercises or the like, or for significant re-design or re-evaluations.
3. We are not budgeting for construction noise studies or for environmental noise studies, or for building vibration/structural dynamics (but will make recommendations for vibration isolation of new HVAC equipment). We offer only guidance into timing of construction noise in the Public Outreach Phase as it pertains to local noise ordinance for Sedona, AZ.

4. We are not budgeting for any emergency generator noise control or MEP systems other than one exhaust fan.
5. We have not budgeted for lengthy technical letter reports or explanations detailing our acoustical recommendations, calculation procedures or providing “acoustical tutorials”, or examining numerous options. Details and specifications such as for materials installation, exact sizing, dimensioning, etc. are outside the scope of this proposal.
6. We will need proper access to the site for our noise monitoring measurements. Interference/interruption outside of our control, or lack of 120V AC power (from an outlet, not from a portable generator) or other issues that prevent reasonable acoustical measurements may require return visits for additional fees, or may prevent measurements and reporting of acoustical data and results.
7. We cannot be responsible for the results of our noise monitoring measurements. MCH will be limited to strictly providing results of the noise monitoring measurements. Each noise monitoring measurement will last no longer than 48 hours but no less than 24 hours.
8. We offer this proposal in the spirit of a highly-efficient limited-duration acoustical consulting effort, but not a detailed, lengthy, or exhaustive study, nor numerous meetings, iterations or e-mails. We necessarily presume that this project will proceed as a singular, smooth and continuous design exercise without delays, redesigns, or redirected efforts. If it develops otherwise, we reserve the right to revisit our scope and fees.
9. Calculations such as for mechanical systems noise will be based on proper, received data (such as measured data in accordance with AHRI standards); otherwise, we will use our best estimates with resultant uncertainty and more conservative recommendations. Our calculations are based on common practice and extensive experience, but will not be stamped or certified.
10. We intend to offer recommendations that have the potential to maximize sound isolation to nearby residences within practical constraints.
11. We understand that we will be examining the one and only one new parking garage structure to be constructed.
12. We have not budgeted for any out-of-office trips for the Public Outreach or the Design Phases. We expect to participate in one teleconference in the Public Outreach Phase and 2-3 teleconferences in the Design Phases that concentrate on acoustics, but not regularly-scheduled meetings or teleconferences, such as for bi-weekly meetings.

D. COST OF CONSULTING SERVICES

McKay Conant Hoover Inc. professional fees are based on the number of hours worked on a project and our services and payment schedule are subject to the MCH Standard Terms and Conditions enclosed that are deemed an integral part of this Agreement. We will bill as identified in the attached *MCH Standard Terms and Conditions* which are viewed as an integral part of this proposal. We reserve the right to carry forward into future phases, monies not expended in prior phases.

We expect that the costs of our consulting services will be as follows billed on a T&M bases and shown below as a Maximum Estimate at this time. Reimbursable expenses are additional as incurred at cost plus 10%.

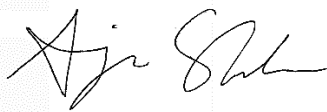
For Acoustical Services as described above:	Fees
Public Outreach Phase	\$ 3,800
Noise Monitoring (total of 2 measurements)	\$ 3,970
<u>Schematic Design Through Construction Documents Phase</u>	<u>\$ 7,250</u>
Total Professional Fees:	\$ 15,020

* * * * *

If this proposal is acceptable as written, please so indicate by signing and returning one copy to serve as our authorization to proceed. If you have any questions or if you feel we have missed the mark on some issue within the scope or fee, please call. We look forward to assisting the team on this project.

Sincerely,

McKAY CONANT HOOVER INC



Arjun Shankar
Acoustical Consultant

Encl: MCH Standard Terms & Conditions
cc: Dave Conant, FASA | Accounting / MCH

MCH Proposal No. 20-11-05R1 APPROVED for Gabor Lorant Architects with Enclosure B10

Name: _____

Title: _____

Signature: _____

Date: _____



STANDARD TERMS & CONDITIONS GOVERNING McKAY CONANT HOOVER INC PROFESSIONAL SERVICES

A. Work-Cost Agreements

1. McKay Conant Hoover Inc (MCH) will provide the type and scope of services described for the maximum fee stated. MCH will make every effort to hold reimbursable expenses within the budget stated, however MCH is not responsible for changes in the pricing structure of reimbursables such as services provided by others including airlines and mail carriers.
2. MCH reserves the right to request an increase in the maximum fee if the project's scope or schedule change or if the project does not progress in a straightforward and customary manner. A prompt response to such a request will be expected.

B. Charges

1. MCH will charge hourly fees according to this schedule: Principals, Associate Principals, Supervisory Consultants and Professional Affiliates \$95 to \$185, Senior Consultants \$85 to \$140, Associate Consultants, Consultants and Staff Assistants, \$60 to \$115. Time spent in travel during normal business hours will be charged as time worked. MCH reserves the right to change its hourly rates.
2. MCH will charge for expenses at cost plus 10%. Reimbursable expenses include travel, subsistence, printing, large format plotting, overnight mail, subconsultant services, special supplies or materials, telecommunications and instruments.
3. Invoicing will be monthly in our standard format. Upon request, MCH will create a different project-specific format one (1) time without charge. MCH reserves the right to charge for further changes, including back-changes and additional account handling, on a T&M basis.

C. Payments

Invoices will be submitted monthly and be payable in United States dollars within 60 days. Invoiced amounts unpaid after ninety (90) days beyond invoice date shall be grounds for MCH to stop project work and apprise the owner of same, without penalty, until the agreed payment schedule is resumed. Unpaid invoices older than 120 days are subject to interest charges at prevailing rates.

D. Insurance

MCH carries comprehensive general liability insurance with a limit of \$2,000,000 and worker's compensation insurance to the limits required by the State of California.

E. Liability

No warranties, express or implied, including the warranties of merchantability and fitness for a particular purpose, are made by MCH. MCH will not be liable for any special, incidental or consequential damages.

F. Unforeseen Circumstances

MCH will not be in default of its obligations to the extent that its performance is delayed or prevented by causes beyond its control, including but not limited to acts of God, delays in delivery by vendors, or other consultants, and strikes or other labor disturbances.

G. Announcements

Use of MCH's name in any announcements concerning the project for which MCH's services are performed, for promotional or advertising purposes, or in litigation with third parties, will require the prior written approval of MCH.

H. Termination

Either party may terminate this agreement at any time by written notice of the other. Such notice is effective upon receipt. In the event of such termination, MCH will be paid in accordance with this agreement for the services rendered and expenses incurred or committed to prior to the effective date of notice of termination.

I. Ownership

Designs, ideas, concepts, calculations and documents developed during the course of the project will remain the property of MCH.

J. General

This agreement constitutes the entire agreement between parties with respect to the subject matter hereof and supercedes all prior agreements, whether oral or written, between the parties with respect to such subject matter. Different or additional terms contained in documents supplied by client shall not apply. This agreement may be modified only by written agreement of client and MCH and is binding upon their respective successors and assigns.

STC/MF/2017

Acoustics and Media Systems Consultants



MCH brings broad experience and unique expertise to all areas of design, measurement and analysis for Building Acoustics, Environmental Noise and Audiovisual Systems. Listed below are examples of the services we can provide for your projects. This list is not exhaustive (for example, we provide expert witness testimony, etc.), so please contact us if you seek experienced help with acoustical or A/V and media system matters not identified here. Visit us at www.MCHinc.com.

ARCHITECTURAL ACOUSTICS

- Design of "high-end" performance, recording and listening spaces such as auditoriums, screening rooms, radio, television, film and sound-recording studios, video-conferencing facilities, conference centers, classrooms, museums, planetariums and libraries
- Address issues of reverberation and privacy in hotels, office buildings, performing arts facilities, residences, hospitals and universities

MEDIA SYSTEMS DESIGN & TELECOM

- Provide full range of services, from programming to full design and issue of biddable Construction Documents for Audiovisual Systems, Telecom and Security Access Control
- IT/Structured Cabling and Surveillance Systems Design
- Design and provide cost guidelines for sound reinforcement and audiovisual installations in theaters, stadiums, conference centers, schools, universities, office buildings, airports, video-conference rooms, broadcast and recording studios, museums, planetariums and libraries

NOISE AND VIBRATION CONTROL

- Design of noise and vibration mitigation for HVAC, electrical, elevator and plumbing systems
- Troubleshoot noise and vibration problems in the field
- Analysis and mitigation of floor vibrations, to maximize occupant comfort or to protect sensitive electronic/optical equipment

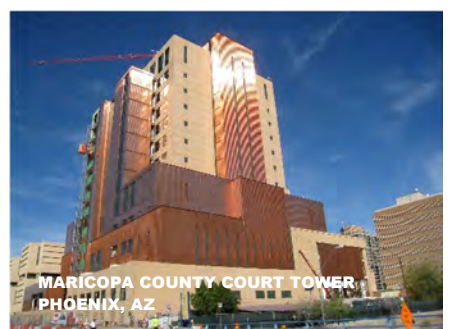
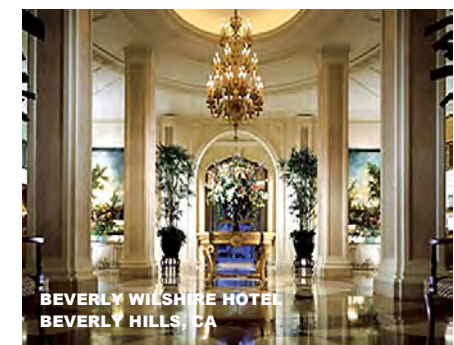
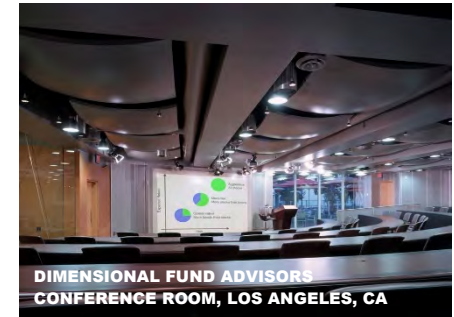
ENVIRONMENTAL ACOUSTICS ASSESSMENT & MONITORING

- Monitoring and mitigation of environmental noise and/or vibration from moving sources (vehicular traffic, rail traffic, aircraft) and stationary sources (machinery, manufacturing plants, theme parks, arenas and other outdoor gathering spaces, construction noise)
- Preparation of environmental assessments (EA) and environmental impact reports (EIR) for submittal to Government agencies

MEASUREMENT & TESTING

- Indoor and outdoor noise measurement and analysis
- Vibration measurement and analysis
- Field measurement of DNL, CNEL, Ln, FIIC, FSTC, NR and NIC, in compliance with the requirements of Government agencies

5655 Lindero Cyn Rd Ste 325 Westlake Village CA 91362 818.991.9300 MCHinc.com
3961 North 75th Street Scottsdale AZ 85251 480.947.3335
346 East Jackson Avenue Orange CA 92867 619.363.1658



DAVID A. CONANT, FASA

PRINCIPAL

Architectural Acoustics and Noise Control



Education:

B. Architecture, M. Architecture, RPI, 1975
M.A. Geophysics, Columbia University, 1972
B.S. Physics, Union College, NY, 1968
NSF Seismic Institute, Stanford University, Summer 1977

Professional Positions:

1987-Present: Co-Founder, Principal, MCH
1977-87: Sr. Consultant, Bolt Beranek Newman, Los Angeles, CA
1976-77: Assistant Professor, Architecture, California Polytechnic Institute

Acoustical Society of America: Fellow (2006), Member - Technical Committee on Architectural Acoustics

National Council of Acoustical Consultants: Vice President - Finance (1996-2000)

Sigma Xi Honorary Scientific Research Society: Member

Professional Experience: As a senior partner in the firm, Mr. Conant is a generalist in architectural acoustics, directing performing arts acoustical design and all higher education and institutional projects. He brings over forty years consulting experience with auditoria and with noise and vibration control in all building types at all levels of sophistication. Mr. Conant started his career as Assistant Professor of Architecture at California State Polytechnic University, Pomona, CA, teaching graduate-level design and environmental systems. He then served as Senior Consultant for 10 years with Bolt Beranek Newman Inc. He co-founded MCH in 1987 and has directed nearly 1,300 projects.

His broad experience includes educational facilities at all levels, corporate and conference facilities, performing arts centers, museums, libraries, and government buildings. He maintains an enviable reputation in the Los Angeles area in the world of media production and postproduction facilities, and his unique educational background contributes an especially unique perspective and mix of science and architectural design to his projects.

Notable contributions to the field include his *Noise Prediction Scenarios*TM and *ROOMODES*TM computer software, used widely across (and outside) the U.S.A. by other consultancies and institutions. His notable projects include the **Younes and Soraya Nazarian Center for Performing Arts** at Cal State Northridge, CA, **Mesa Arts Center** in Arizona, the **Griffith Observatory Expansion & Renovation**, the **Stephens Center for the Performing Arts** in Pocatello, Idaho, the **Guggenheim Museum and Auditorium** in Bilbao, Spain, the **Stata Center for Computing Sciences** at MIT, the UCLA's **Geffen Playhouse Renovation**, the **Music Recital Hall** at Mahidol University in Thailand, three college PACs in Phoenix, the renovation of **Phoenix Symphony Hall**, the **Granada Theatre**, Santa Barbara, CA and the **Cronkite School of Journalism and KAET/8** at ASU in Phoenix.

Selected Publications and Presentations:

Architectural Acoustics Handbook, Chapter 15 Unit II, Music Performance Spaces, J. Ross Publishing, 2017 (ISBN-13:978-1-60427-004-4)

"Ten Acoustically-challenged Venue Renovations. Nine Solutions.", ASA 176, San Diego, CA 2019

"Large Music Rehearsal Spaces", ASA 176, San Diego, 2019

"Ninety never sounded so good: Guiding an historical auditorium into the 21st century.", ASA 174, New Orleans, CA 2017

"A Survey of Selected 800-1800-seat Multipurpose Hall Orchestra Shells and Eyebrows by MCH", ASA 162, San Diego, CA 2011

"Case Studies of Variable Acoustic Design: A repertory theater and performing arts chapel", ASA 156, Miami, FL 2008

"The 'Effective' Sound Absorption of Unique Variable Acoustic Devices in Jensen Concert Hall", ASA 153 Salt Lake City, UT 2007

"Assessment of Reverberation Time in Halls Through Analysis of Running Music", ASA 152, Honolulu, HI 2006

"A Novel Approach to Achieve Significant Reverberation Control in Performance Spaces", ASA 150, Minneapolis, MN 2005

"IACC, ASW and Time/Frequency Characteristics of Binaural Running Cross-correlation in Concert Halls", ASA 148, San Diego, CA 2004

"Acoustical De-coupling of a Dome: The Adaptive Re-Use of Historic Angelus Temple", ASA 148, San Diego, CA 2004

"Acoustical Components of the Orpheum Theatre Renovation, Phoenix, AZ", ASA 143, Pittsburgh, PA 2002

"A Graphical Approach to Assessing Speech Privacy and Speech Intrusion in the Office", ASA 140, Newport Beach, CA 2000

"A Binaural Simulation Approach to Predicting Immersion in the Concert Hall Sound Field", AES 60, Los Angeles, CA 1978

"Acoustical Design Challenges in Theme Park Cinema Theaters", *Sound and Vibration*, December 1999

"Acoustical Dimensions of Design", Room Acoustics material in *Technics Topics, Progressive Architecture*, April 1991

"Computerized Noise Prediction Scenarios in General Purpose Application for Consultants", *Sound and Vibration*, October 1988

"*Fundamentals and Abatement of Highway Traffic Noise*", textbook and pilot course for the Federal Highway Administration, Kansas City, Missouri, January 1980

"Physical Correlates to the Spatial Impression in Concert Halls through Binaural Simulation", *Journal of the Acoustical Society of America*, Volume 59, Supplement 1, 1976

(Continued over)

Representative Projects by Mr. Conant:

Performing Arts Centers (PAC)

Cerro Coso Community C. Theater, Mammoth Lakes, CA
Soraya Center for Performing Arts, CSUN, Northridge, CA
Glorya Kaufman Int. Dance Center, USC, Los Angeles, CA
University Alaska Glenn Massay Theater, Palmer, AK
Mondavi Performing Arts Center, UC-Davis, CA
DeBartolo Performing Arts, Center, UND, S. Bend, IN
Stephens PAC, Idaho State U., Pocatello, ID
Mesa Arts Center, Mesa, AZ
Mesa CC Performing Arts Center, Mesa, AZ
Performing Arts Chapel, Fuller Seminary, Pasadena, CA
Pasadena City College Center for the Arts, Pasadena, CA
Crossroads Music Facility, UND, South Bend, IN
Granada Theatre Restoration, Santa Barbara, CA
Music Academy of the West Renovation, Montecito, CA
Moorpark College PAC, Moorpark, CA
South Mountain Community College PAC, Phoenix, AZ
Chandler-Gilbert Community College PAC, Phoenix, AZ
Paradise Valley Community College PAC, Phoenix, AZ
Mt. San Antonio Community College PAC, Walnut, CA
Balboa Theatre Renovation, San Diego, CA
Ford Amphitheater Renovation, Los Angeles, CA
UCLA Geffen Playhouse Renovation, Westwood, CA
Scripps College Music Facility & Renov., Claremont, CA
Symphony Hall Renovation(s), Phoenix, AZ
Kavli Theatre & Civic Arts Plaza, Thousand Oaks, CA

Entertainment and Hospitality

3-D Dome, Kahramaa Educational Park, Doha-Qatar
Ravenscroft Studios, Scottsdale, AZ
Camp Humphreys Entertainment Complex, Korea
Pechanga Hotel, Resort & Casino, Temecula, CA
Beverly Wilshire Regent Int'l Hotel Renov., Beverly Hills, CA
L'Ermitage Hotel, Beverly Hills, CA
Expedition Lodge, Kirkwood, CA
Hyatt Regency Vacation Club, Lake Tahoe, CA
Granlibakken Resort & Conference Ctr., Lake Tahoe, CA
isney/ABC New Prototype Sound Stages Study, Burbank, CA
15 Attractions at *Euro isneyland*, Paris, France
Sci-Fi Dine-In Theater, *isney*/MGM Studio Tours, Buena Vista, FL
20 Thousand Leagues Submarines Attraction Remodel
isney World, Buena Vista, FL
isney Studio Sound Stage 2, Acoustical Retrofits, Glendale, CA
NBC Studios Sound Stage 11, Burbank, CA
Culver Studios, Stages 5 & 6, Culver City, CA
KEPCO Pavilion for *Expo' 93*, Taejon, Korea
Raleigh Studios, Stages 11, 12 & 14, Hollywood, CA
Miramax Films Screening Room, Los Angeles, CA
New World Entertainment Film & Video Screening
Rooms, Los Angeles, CA
Foto-Kem Screening Room Retrofits, Glendale, Santa Clarita, CA
KIIS FM Broadcasting Studios, Los Angeles, CA
KFAC FM Broadcasting Studios, Hollywood, CA
KPCC FM Broadcasting Studios, Pasadena City College
Pasadena, CA
'Barbie' Sound Stage, Mattel Toys, Los Angeles, CA
Warner Bros, Movie World 3-D Theater, Gold Coast, Australia

Corporate & Commercial

Veterans Replacement Hospital, Portland, OR
Novartis Pharma World Headquarters, Basel, Switzerland
Lou Ruvo Center for Brain Health, Las Vegas, NV
NUKA Wellness Center, Anchorage, AK
Genzyme Headquarters Building, Cambridge, MA
Dimensional Fund Adv., Conf. Ctr., Santa Monica, CA

Convention & Civic/ Government

Tribal Meeting Room, Mission Indians, Temecula, CA
Hawaii Convention Center, Honolulu, HI
LA Convention Center Expansion & Renovation, CA
Sky Harbor Airport Expansion/Renovations, Phoenix, AZ
Oceanview Pavillon Cultural Center, Port Hueneme, CA
Elmendorf AFB, Training & Op Center, Anchorage, AK
Mariposa Port of Entry, Nogales, AZ
Maricopa County Court Tower, Phoenix, AZ
Joint Court Complex, Tucson, AZ
Mesa Municipal Courts Building, Mesa, AZ
Municipal Justice Building, Phoenix, AZ
Washoe County Administrative Complex, Reno, NV
Mariposa Land Port of Entry, Nogales, AZ
Ivy Substation Repurposing, Culver City, CA

Museums & Libraries

Guggenheim Museum & Auditorium, Bilbao, Spain
Griffith Observatory, Renov. & Expansion, Los Angeles, CA
American Memorial Park, Saipan, North Mariana Islands
Alaskan Native Heritage Center, Anchorage, AK
Museum of Contemporary Art (MOCA) Los Angeles, CA
California Science Center, Los Angeles, CA
Arizona Science Center, Phoenix, AZ
Appaloosa Branch Library, Scottsdale, AZ
Agave Branch Library, Maricopa County, AZ
Parmly Library, Billings, MT
Palm Desert Civic Library, Palm Desert, CA
Fowler Museum Auditorium at UCLA, Los Angeles, CA
Central Library Renovation & Expansion, Los Angeles, CA
Library for the 21st Century, Santa Clara University, CA
Assembly Rooms, Historic Arizona Capitol Museum &
Library, Phoenix, AZ

Higher Education

MCCCD Gateway College, Makerspace, Phoenix, AZ
MIT Stata Center for Information Technologies, Cambridge, MA
Midwestern University Presentation Auditorium, Glendale, AZ
ASU Carey School of Business McCord Hall, Tempe, AZ
ASU Cronkite School of Journalism including KBAQ
FM Radio & KAET-8 TV Studios, Phoenix, AZ
ASU Polytechnic Agribusiness Ctr. Renovation, Mesa, AZ
ASU Polytechnic - 3 New Academic Bldgs., Mesa, AZ
ASU Polytechnic - Morrison School of Mgmt., Mesa, AZ
Univ. of Arizona, Integrated Learning Center, Tucson, AZ
Univ. of Arizona, CALA Expansion, Tucson, AZ
UC Santa Barbara, Nanosystems Institute, Santa Barbara, CA
Case Western Reserve U., Weatherhead School of
Management, Cleveland, OH
Scottsdale CC, Applied Science Building, Scottsdale, AZ
Mesa CC, Saguaro Multi-Purpose Bldg., Mesa, AZ
Occidental College, Study for Booth Music & Speech
Center, Los Angeles, CA
Saint Lawrence U., Griffiths Arts Complex, Canton, NY
Paradise Valley Community College, Bldg "Q", Phoenix, AZ
Loyola Law School Advocacy Center, Los Angeles, CA
Orange Coast College Planetarium, Costa Mesa, CA

Worship

Valley Presbyterian Renovation, Paradise Valley, AZ
Angelus Temple Renovation, Echo Park, CA
First Church of Christ, Glendale, CA
St. Benedict Catholic Church, Yankton, SD
Christ Lutheran Church, West Covina, CA
St. Maximilian Kolby Church, Oak Park, CA

ARJUN K. SHANKAR

CONSULTANT

Architectural Acoustics and Noise Control



Education:

M.S. Acoustics, Pennsylvania State University, 2017

B.S. Materials Science and Engineering, University of Minnesota – Twin Cities, 2013

Professional Affiliations: Acoustical Society of America – Member

National Council of Acoustical Consultants – Individual Member

Professional Experience: Arjun joined MCH after acquiring substantial experience in field, computation, and design work as an acoustics and noise control intern at an acoustical consultancy in Minneapolis. His specialized analysis tools include Pottorff AIM, Trane Acoustics Program, Odeon, MATLAB, and Sketchup. In his years with MCH, his clients have greatly appreciated his expertise in all areas of acoustics: air-borne and structure-borne sound isolation, HVAC noise and vibration control, room shaping, finish treatments, and environmental noise.

Representative Projects by Mr. Shankar:

Educational & Civic

NAU Recital Hall, Flagstaff, AZ
NAU Science Annex Renovation, Flagstaff, AZ
ASU Student Pavilion, Tempe, AZ
Mesa College Fine Arts Building, San Diego, CA
Mesa CC Music Building Renovation, Mesa, AZ
ASU Hayden Library Renovation, Tempe, AZ
Vanguard University Student Center, Costa Mesa, CA
Phoenix College Science Building, Phoenix, AZ
ASU Durham Lang./Lit. Bldg Renov, Tempe, AZ
CBU Welcome Center, Riverside, CA
CBU Athletics & Performance Center, Riverside, CA
Gilbert Public Safety Training Facility, Gilbert, AZ
Sky Harbor Terminal 3 Renovation & Sky Train, Phoenix, AZ
Goodyear HUD Noise Assessment, Goodyear, AZ
Phoenix Centennial Theatre Renov, Phoenix, AZ
ALA-Gilbert and Ironwood, Gilbert, AZ
St Mary Basha Cafeteria, Chandler, AZ

Office & Commercial Business

WebPT Office Building Repurposing, Phoenix, AZ
MUFJ Union Bank, Tempe, AZ
Flywheel Fitness Retrofits, Scottsdale, AZ
EOS Fitness, Mesa, AZ
Global Water Resources, Maricopa, AZ
Insight Headquarters, Chandler, AZ
Vladem Contemporary Museum, Santa Fe, NM

Worship

St. Benedict Roman Catholic Church, Phoenix, AZ
Valley Presbyterian Church Renov., Paradise Valley, AZ
Faith Christian Center, Phoenix, AZ
Trinity Church, Scottsdale, AZ

Performance & Entertainment

Tokyo Disney Seas -R2 Attractions, Tokyo, Japan
Walter Studio, Phoenix, AZ
The Van Buren, Phoenix, AZ
Great Hearts Performing Arts Center, Maryvale, AZ
Walter Studio, Phoenix, AZ
John Adams MS PAC, Santa Monica, CA
CSU LA State Playhouse Renovation, LA, CA
Ventana Lakes Ballroom, Peoria, AZ
Southwest CC PAC, San Diego, CA
Mesa CC Music Building, Mesa, AZ
Ravenscroft Performing Arts, Scottsdale, AZ
Notre Dame Prep High School Black Box, Scottsdale, AZ
Paradise Honors High School Theater, Surprise, AZ

Hospitality & Housing

Scottsdale Quarter Block L & Block K, Scottsdale, AZ
Marriot Camelback Inn Ballroom, Paradise Valley, AZ
Union 32, Phoenix, AZ
Clarendale Assisted Living, Chandler, AZ
Friendship Village of Tempe, Tempe, AZ
Best Western, Phoenix, AZ
Lincoln Restaurant, Scottsdale, AZ
Ocean 44 Restaurant, Scottsdale, AZ
Phoenix Sky Harbor, Skytrain Stage 2, Phoenix, AZ
Sagewood Assisted Living, Phoenix, AZ
Culinary Dropout, Scottsdale, AZ
North Lamar North Loop, Austin, TX
721 Hyatt Centric Hotel, Austin, TX
Moreland Condos Field Testing, Phoenix, AZ
San Victor Condo Field Testing, Scottsdale, AZ
Enchantment Resort Field Testing, Sedona, AZ
Hyatt Place Field Testing, Phoenix, AZ

November 3, 2020
Revised: November 11, 2020

Jan Lorant
Gabor Lorant Architects, Incorporated
3326 North 3rd Avenue. Ste. 200
Phoenix, AZ 85013

**RE: Proposal for Geotechnical Investigation
Sedona Parking Structure
Forest Road w/o Smith Road
Sedona, AZ
Proposal No. 74707SF**

Dear Mr. Lorant:

We are pleased to provide our cost estimate to conduct a soil investigation at the above referenced site that will satisfy site development and foundation design requirements. All work on this project will be carried out under the overall supervision of a registered Professional Engineer in the state of Arizona.

We understand that construction will consist of a parking structure with one level below grade at the street side and two+ levels at the north side of the site. The project site is approximately 1.24 acres with half the site accommodating a house and two unpaved driveways, while the other half of the site remains undisturbed. The site slopes at approximately 12% from north to south. Structural loads are expected to be moderate and no special considerations regarding settlement tolerances are known at this time. Adjacent areas will be landscaped or paved to support moderate passenger and light truck traffic. Landscaped areas will be utilized for storm water retention and disposal.

We will drill and sample sufficient test borings to adequately determine subsoil conditions and provide samples for laboratory testing. Sufficient laboratory tests will be conducted to properly classify the soils encountered and provide data for engineering design. We presently anticipate drilling 6 structural borings to depths of 10 to 25 feet below existing ground surface, or refusal, whichever comes first. Access to the site by conventional truck-mounted drilling equipment is assumed to be free and unencumbered. Add alternates have been provided for rock coring at 3 boring locations and for seismic refraction survey accompanied by rock coring. The Supai Rock Formation typically encountered in the Sedona area is notoriously varied in quality and competency. Due to the nature of seismic refraction surveys, if a competent layer of rock is followed by a weak layer, the seismic survey oftentimes will not pick up on the weaker layer. In light of this the seismic refraction add alternate option has been budgeted to be accompanied by rock coring.

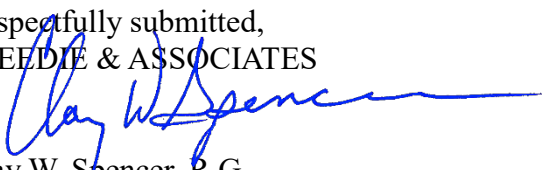
We will analyze the data obtained from field and laboratory testing and prepare a report presenting all data obtained, together with our conclusions and recommendations regarding:

1. Design data, allowable bearing pressure and depth, for shallow spread footings.
2. Alternate foundation systems and design data, if indicated by soil conditions.
3. Settlement estimate for each foundation system considered.
4. Lateral pressures on temporary and permanent retaining and foundation walls.
5. Groundwater conditions, if any, to the depths which will influence design and/or construction of the proposed development.
6. Swell potential of in-situ and compacted soils and recommendations for control if highly expansive.
7. Pavement design to provide economy and adequate service.
8. Suitability of site soils for use as compacted fill and preferred earthwork methods, including clearing, stripping, excavation and construction of engineered fill.
9. Local excavation and trenching conditions and stability considerations.
10. Slope requirements for cut and fill stability, both temporary and permanent.
11. **Add-alternate 1 for Rock Coring (+\$5,900.00):** Based on the location of the proposed construction, it is likely to experience auger refusal before reaching the planned investigative depths of 25 feet, therefore S&A will core through the bedrock at 3 boring locations to depths of 30-40 feet below existing ground surface.
12. **Add-alternate 2 for Seismic Refraction Survey Accompanied by Rock Coring (+\$9,400.00):** As a method of achieving additional rock and soil overburden data for the site, S&A will perform a seismic refraction survey of the property in the form of 2 seismic lines to be accompanied by rock coring. This option includes the seismic refraction survey, as well as rock coring to 30-40 feet below existing grade at 3 boring locations for the total additional cost of \$9,400.00.
13. **Add-alternate 3 Limited Equilibrium Slope Stability Analysis (+\$4,855.00):** As an add alternate, we will perform a geological reconnaissance and gather data from the site that could affect stability of the project slopes. A computer-aided limit equilibrium slope stability analysis will be conducted to determine critical cut slope profiles and to identify the critical areas that could exhibit potentially unstable cut slope geometry for the various orientations considered. Factors of safety against slope failure will be provided for different slope orientation configurations. We will present our findings and conclusions to provide reasonable recommendations for the construction of stable rock slopes.

Charges for our services have been determined on the basis of our standard Fee and Rate Schedule, a copy of which is attached and made a part hereof. We propose to provide the services set forth herein for a lump sum amount of \$8,780.00, which includes all testing, engineering and reimbursable expenses and 2 hard copies of the report in addition to an electronic copy (pdf format). Should we be informed that additional copies of the report are needed after it has been finalized, there will be an additional charge of \$15.00 per report. Time from authorization to proceed to final report submittal at this time is on the order of 6 to 8 weeks following our receipt of this signed proposal (authorization to proceed). This time frame is due to drill rig availability and does not include delays due to inclement weather or delays in the field not caused by Speedie & Associates and subcontractors.

We appreciate the opportunity to submit this proposal for your consideration. If the terms set forth are satisfactory, please sign the attached copy, and return it for our records.

Respectfully submitted,
SPEEDIE & ASSOCIATES



Clay W. Spencer, R.G.

APPROVED AND ACCEPTED

For: Gabor Lorant Architects, Incorporated

By: _____

Print Name: _____

Date: _____

Add Alternate 1 (+\$5,900.00) _____ Yes _____ No

Add Alternate 2 (+\$9,400.00) _____ Yes _____ No

Add Alternate 3 (+\$4,855.00) _____ Yes _____ No

ENGINEERING SERVICES
Northern Arizona 2018 Fee and Rate Schedule

Fees for services will be based upon the time worked on the project at the following rates:

Title	Rate Per Hour
Principal	\$ 150.00
Project Manager	110.00
Sr. Geologist/Engineer	110.00
Project Engineer/Geologist	100.00
Environmental Specialist	90.00
Special Inspector (Architectural)	85.00
Special Inspector (Structural/Geotechnical)	85.00
Staff Engineer/Geologist	85.00
Sr. Engineering Technician	75.00
Draftsman	65.00
Materials Testing Technician	55.00
Clerical/Administrative	50.00

REIMBURSABLE EXPENSES

Light Truck Mileage Rate: \$0.50 per mile

The following items are reimbursable to the extent of actual expenses plus 25%:

1. Transportation, lodging and subsistence for out of town travel
2. Special mailings and shipping charges
3. Special materials and equipment unique to the project
4. Duplication or reprinting/copying reports

TEST BORINGS AND FIELD INVESTIGATIONS

On projects requiring test borings, test pits, or other explorations, the services of reputable contractors to perform such work shall be obtained.

SUBCONTRACTORS/SUBCONSULTANTS CHARGES

Any charges for subcontractors/subconsultants are subject to a 25% handling fee if invoiced by Speedie & Associates or such charges can be directly paid by the CLIENT.

SPECIAL RATES

The following rates may be subject to a 35% increase:

- Overtime – time over 8 hours per weekday and on Saturday
- Sunday and Holidays
- Rush orders
- Night Shift

EXPERT WITNESS

Deposition and testimony; 4-hour minimum, \$250.00 per hour.

The following Terms and Conditions are included and hereto made a part of this agreement.

TERMS AND CONDITIONS

1. STANDARD OF CARE

In performing our professional engineering services, Speedie & Associates, Inc. (S&A) will use the degree of care and skill ordinarily exercised by members of our profession currently practicing in the same locality under similar conditions. No warranty, expressed or implied, is made or intended by our proposal for consulting services, our contract, oral or written reports, or services.

2. SCOPE OF SERVICES

2.1 "ON-CALL" SERVICES

Unless otherwise agreed by both parties in writing, all construction materials testing will be performed on an "on-call" basis. Both parties agree that test results for "on-call" testing, where the CLIENT does not request S&A's continuous construction and field observation, will be based only on the representative sample or limited location tested.

2.2 CONSTRUCTION/FIELD OBSERVATION OR REMEDIATION OBSERVATION

If the CLIENT desires more extensive or full-time project observation to help reduce the risk of problems arising during construction, the CLIENT shall request such services as "Additional Services" in accordance with the terms of this agreement. Should the CLIENT for any reason choose not to have S&A provide construction or field observation during the implementation of S&A's specifications or recommendations, or should the CLIENT unduly restrict S&A's assignment of observation personnel, CLIENT shall, to the fullest extent permitted by law, waive any claim against S&A, and indemnify, defend, and hold S&A harmless from any claim or liability for injury or loss arising from field problems allegedly caused by findings, conclusions, recommendations, plans or specifications developed by S&A. CLIENT also shall compensate S&A for any time spent or expenses incurred by S&A in defense of any such claim. Such compensation shall be based upon S&A's prevailing fee and rate schedule.

3. OWNERSHIP OF DOCUMENTS

All reports, plans, specifications, field data, notes and other documents prepared by S&A shall remain the property of S&A. Any reuse of such documents for other purposes must be with the written consent of S&A.

4. SAFETY

While on a CLIENT'S jobsite, S&A's personnel have no authority to exercise any control over any construction contractor, any other entity, or their employees in connection with their work, health or safety precautions. The CLIENT agrees that the General Contractor is solely responsible for jobsite safety and warrants that this intent shall be made evident in the CLIENT'S agreement with the General Contractor. The CLIENT may be charged for additional work for interruption, downtime required, or safety measures required by hazardous job conditions.

5. INSURANCE

Upon request, S&A will furnish certificates of insurance for Workers Compensation, General and Auto insurance, and Professional Errors or Omissions insurance. S&A is not responsible for damage of any cause beyond the coverage of its insurance.

6. INDEMNIFICATION

6.1 ENVIRONMENTAL SERVICES

It is understood and agreed that should the CLIENT hire S&A in matters involving the actual or potential presence of hazardous substances, the CLIENT will indemnify S&A, and its employees and representatives, from and against claims that are the result of negligent acts or omissions on the part of the CLIENT, its employees or representatives. S&A will indemnify the CLIENT from and against claims that are solely the result of negligent acts or omissions on the part of S&A, its employees or representatives.

6.2 NON-ENVIRONMENTAL SERVICES

Both parties agree that S&A's scope of services will not include asbestos, hazardous or toxic materials. Should it become known in any way that such materials may be present at the jobsite or adjacent area that may affect the performance of S&A's services, S&A may suspend its services without any liability until the CLIENT retains appropriate consultation to identify, abate, and/or remove the asbestos, hazardous or toxic materials and warrants that the jobsite is in compliance with applicable laws and regulations. The CLIENT will indemnify S&A and his employees and representatives from and against claims that are the result of negligent acts or omissions on the part of the CLIENT, his employees and representatives. S&A shall indemnify the CLIENT from and against claims, which are solely the result of negligent acts or omissions on the part of S&A, its employees and representatives.

7. LIMITS OF LIABILITY

~~The CLIENT agrees that S&A shall not be liable for losses caused by or arising from any acts of the CLIENT, his employees or subcontractors. Should any of S&A's employees be found to have been negligent in the performance of professional services rendered, the CLIENT agrees that the maximum aggregate amount of S&A's liability shall be limited to \$50,000.00 or the amount of the fee paid to S&A for professional services, whichever amount is greater.~~

the proceeds available from S&A's professional insurance coverage.

8. ~~WAIVER OF LIMITATION OF PROFESSIONAL LIABILITY~~

~~In the event the CLIENT is unwilling or unable to limit liability in accordance with the paragraph above, then CLIENT shall agree to pay S&A a sum equivalent to an additional 20% of the total fee to be charged for the professional services. Said sum is to be called "Waiver of Limitation of Liability Charge." This charge will in no way be construed as being a charge for insurance of any type, but will be in increased consideration for the greater risk involved in performing the work up to the limit of proceeds available from S&A's professional insurance coverage.~~

9. SAMPLE DISPOSAL

9.1 NON-HAZARDOUS SAMPLES

Test samples are substantially altered during testing and are disposed of immediately upon completion of tests. Drilling samples are disposed of thirty (30) days after submission of our report. If requested in writing, samples can be held after thirty (30) days for an additional storage fee, or returned to the CLIENT.

9.2 HAZARDOUS SAMPLES

If toxic or hazardous substances are involved, S&A will return such samples to the CLIENT. Or using a manifest signed by the CLIENT, S&A will have such samples transported to a location selected by the CLIENT for final disposal. The CLIENT agrees to pay all costs for storage, transport and disposal of samples. The CLIENT recognizes and agrees that S&A is acting as a bailee and at no time assumes title to samples involving hazardous or toxic materials.

10. PAYMENT

Progress invoices will be submitted to the CLIENT monthly with a final billing at completion of services. Invoices are due and payable upon receipt. The CLIENT agrees to pay a finance charge of 1.5 % per month on all past due accounts over thirty (30) days. The CLIENT'S obligation to pay for all work contracted is in no way dependent upon the CLIENT'S ability to obtain financing, zoning approval, or the CLIENT'S successful completion of the project. S&A reserves the right to suspend work under its agreement if the CLIENT fails to pay invoices as due. The CLIENT agrees to pay all costs for collection of payment, including attorney's fees.

11. LITIGATION

In the event of litigation between parties to this agreement, if S&A is the prevailing party, S&A shall be entitled to recover all related costs, expenses, and reasonable attorney fees.



**CITY COUNCIL
AGENDA BILL**

**AB 2629
November 24, 2020
Appointments**

Agenda Item: 9a
Proposed Action & Subject: Discussion/possible action regarding appointment of a Vice Mayor.

Department	City Clerk
Time to Present	N/A
Total Time for Item	10 minutes
Other Council Meetings	N/A
Exhibits	N/A

City Attorney Approval	Reviewed 11/16/2020 KWC	Expenditure Required	
		\$	0
City Manager's Recommendation	Appoint a Vice Mayor.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: Per our City Code Section 2.10.020, "At the first meeting of the council following an election, the council shall designate one of its members as vice mayor, who shall serve at the pleasure of the council."

City Council will nominate from the six eligible Councilors and a vote will be taken to select a new Vice Mayor.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: appoint _____ to fill the office of Vice Mayor.



**CITY COUNCIL
AGENDA BILL**

**AB 2628
November 24, 2020
Regular Business**

Agenda Item: 10a
Proposed Action & Subject: Public hearing/discussion/possible action regarding adoption of a Resolution and Ordinance updating the City of Sedona’s Consolidated Fee Schedule.

Department	City Clerk
Time to Present	10 minutes
Total Time for Item	30 minutes
Other Council Meetings	12-13-11, 11-27-12, 12-10-13, 11-25-14, 06-23-15, 11-24-15, 08-09-16, 11-22-16, 11-28-17, 04-24-18, 11-27-18, 11-26-19
Exhibits	A. Community Development Fees Detail B. Proposed Resolution C. Proposed Ordinance

City Attorney Approval	Reviewed 11/16/2020 KWC	Expenditure Required	
		\$	0
City Manager’s Recommendation	Approve the consolidated fee schedule	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: On December 13, 2011, the City Council adopted Ordinance No. 2011-13. This ordinance set forth procedures governing the adoption and updating of a consolidated fee schedule. Per this ordinance, all City departments are required to review the consolidated fee schedule annually and recommend proposed changes to the schedule. Proposed changes are to contain an explanation for the need for the newly proposed fees and identify any fees that may be mandated by law and any requests for deletions or increases. The City Manager shall then place on the regular agenda of the City Council at least annually an action item and public hearing on the fee schedule.

Publication on the City’s internet site of proposed fee changes shall take place at least 60 days prior to adoption of any new fees or increases. The proposed changes to the consolidated fee schedule have been published on the City’s website since September 24, 2020. The proposed revisions to the consolidated fee schedule are set forth in the resolution submitted with this agenda bill. These revisions include the following:

Community Development Department

- a) Valuations/Fees for Building Permits were last updated in 2007. Sedona’s fees are currently the lowest compared to the surrounding communities of Clarkdale, Cottonwood, Camp Verde, Flagstaff, Coconino County, and Yavapai County. Fees were increased by 20% and rounded to the nearest \$0.50. Further details are provided in Exhibit A.
- b) A fee for a Pre-Application Meeting is being proposed at \$200/hour. This would allow applicants to request a meeting with staff to discuss applications involving a public review process (e.g. zone change, conditional use permit, subdivisions, development review, commercial/mixed-use variances, community plan amendments) prior to submittal of an official application to discuss process and application requirements. Staff would not make a final determination as to whether a request is supportable until a formal application is evaluated.

Finance Department

- a) Septage Disposal Fees were moved from the Finance Section to the Wastewater section with no change in the fees.
- b) Septic Tank Pumping and Repair Under Cluster System Septic Pumping and Replacement Agreements amounts are proposed to be increased based on recent quotes from area contractors.

Public Works/Engineering Services Department:

- a) Changes to the methodology for cost recovery for Grading Permits and Grading Plan Review resulted in small increases to the fees as shown on the proposed changes schedule included with Exhibit A. Cubic yardage figures were also changed to correct an error from the prior year.

Wastewater Department:

- a) Wastewater Capacity Fees reflect an increase of 1.66% which is based on the Engineering News Construction Cost Inflation Factor increase from January 2019 to January 2020 as recommended in the prior wastewater rate study.
- b) Reclaimed Water Use Fees are proposed to be added and include an application fee of \$25 and a water fee of \$1.50/1,000 gallons.
- c) Septage Disposal Fees were moved from the Finance Section to the Wastewater section with no change in the fees.

If adopted, the proposed changes will take effect on January 1, 2021.

Community Plan Compliant: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): The Council can decline to adopt the proposed changes to the Consolidated Fee Schedule and the schedule would remain unchanged.

MOTION

I move to: approve Resolution No. 2020-__ creating a public record entitled “2020 Amendments to the Sedona Consolidated Fee Schedule.”

(After First Reading)

I move to: approve Ordinance No. 2020-__, adopting proposed changes to the Consolidated Fee Schedule.

Susan Irvine

From: Steve Mertes
Sent: Wednesday, September 23, 2020 11:32 AM
To: Justin Clifton; Karen Osburn
Cc: Susan Irvine; Cherie Wright
Subject: Re: building permit fees
Attachments: 2020 Proposed Building Fees.xlsx

Hi Justin.

Great questions, and the lack of professional submittals is something that we are constantly grappling with. Much of our plan review process is regulated by Senate Bill SB 1598, which allows us two review avenues:

Administrative Review and Substantive Review. We use the Administrative Review to halt our review when it is apparent that the plans are severely lacking, and then they have 30 days to correct the plans based on the general feedback from our review. The next level, the Substantive Review, is the normal review process. SB 1598 also limits the amount of time that we can take to process the review and gives the applicant the same 30 day turn around limit as in the Administrative Review.

When reviews are lengthy due to the inadequacy of the plans, and many are, we currently do not have an avenue to charge more for the review, either from SB 1598 or from our fee schedule. However, SB 1598 does give the applicant only one try to correct the plans and adequately address our review comments. If they don't fully address our comments, we can deny the permit, and they have to start the permit process all over again, including paying the plan review fee again. For the sake of the property owner, we typically do not use that approach, instead allowing the applicant to request that we waive that allowance as outlined in SB 1598. (SB 1598 allows the required time frames and the one chance only requirements to be waived if both parties agree to such waiver.) Since we are usually more than half-way to getting them their permit, the additional time and money of denying the permit can be an over-burden to the property owner.

SB 1598 does allow us to add additional plan review costs only if the corrected plans come back with additional changes or revisions that are not related to our review comments. Because of the statute's boundaries, I've have been taking to the education route with our usual suspects, and it has worked, to a degree. Also, our in-house training has given our permit techs more and more knowledge on what to look for at the counter for a complete plan submittal. If the submittal is missing major items on the plans, or are just wholly inadequate, they will turn the plans away at the counter and not process them. However, they can't catch it all in the short time they are dealing with the applicant. Still, I will always be mystified by what many of our "professionals" submit.

It is an interesting thought that you have, though, about sending the property owner a copy of our plan reviews. I like it. They need to know that it is their contractor, designer, architect, etc. that is delaying the process in most cases. (Every once in a while we make a mistake, like forgetting to transfer a certain deck permit from the pending bin to the final bin over a holiday weekend, and thus causing a delay in the notification of the applicant.) We can certainly put your idea into our routine.

As for the fees, what I have proposed is a 20% increase in the valuation of the construction work. That valuation, in cost per sq.ft. of construction, is then put into our fee schedule to create the permit fee. In the 5

permit models that I studied (please see attached spreadsheet), the 20% increase in valuation came out to just over a 15% increase in permit cost across the board. In addition, you will also see in the spreadsheet that our current fees are the lowest in all models when compared to the surrounding municipalities and the two counties, and are still the lowest, or second lowest, when comparing the proposed valuation increase.

I hope I have fully answered your questions. Please let me know if you need anything additional from me.

Respectfully,



Steve Mertes
Chief Building Official
Community Development Department
102 Roadrunner Dr.
Sedona, AZ 86336
smertes@sedonaaz.gov
(928) 203-5097
*City business hours are Mon-Thurs 7 a.m.-6 p.m.
Public safety 24/7*

From: Justin Clifton <JClifton@sedonaaz.gov>
Sent: Wednesday, September 23, 2020 10:28 AM
To: Steve Mertes <SMertes@sedonaaz.gov>; Karen Osburn <KOsburn@sedonaaz.gov>
Cc: Susan Irvine <SIrvine@sedonaaz.gov>; Cherie Wright <CWright@sedonaaz.gov>
Subject: building permit fees

Good morning Steve and Karen. I reviewed the proposed 20% fee adjustment to building permit fees. I don't have any problems with the 20% change. But I'm curious how these fees do or don't incentivize people to give complete and accurate plans at first submittal. I know that even thorough engineers and architects miss things. But it also seems like we have a very wide spread of quality from very poor (and sometimes consistently poor from some professionals) to very good. Do we have a mechanism to charge more for bad plans or is it simply that they're good enough for review and comments or they're not? This ties into another concern, which is that owners often think the hold up is the city when in fact it's their engineer or architect. Have we ever implemented a plan where owners must receive information about the quality of plans are poor or when fees increase because poor work?

Thanks

Justin

CITY OF SEDONA
2020 BUILDING FEE SURVEY

	2,500 SF Single Family	4,000 SF Single Family	4,000 SF Restaurant	1,500 SF Retail	125,000 SF Hotel	Valuation
Camp Verde	\$2,470.50	\$3,660.00	\$4,110.40	\$1,411.00	\$80,383.25	2020 ICC
P.R. Fee	65%					
Clarkdale	\$1,694.00	\$2,534.00	\$2,814.00	\$945.00	\$59,109.00	2007 ICC
P.R. Fee	65%					
Cottonwood	\$1,830.56	\$2,928.90	\$3,431.74	\$861.51	\$132,177.50	2012 ICC
P.R. Fee	65%					
Flagstaff	\$2,846.25	\$4,554.00	\$5,330.40	\$1,335.75	\$208,712.50	2017 ICC
P.R. Fee	65%					
Coconino County	\$1,417.67	\$2,573.50	\$2,327.69	\$921.74	\$49,535.46	2007 ICC
P.R. Fee	50%/65%					
Yavapai County	\$2,096.95	\$3,088.15	\$3,518.75	\$1,223.35	\$80,200.25	Proprietary
P.R. Fee	65%					
Sedona (Existing)	\$1,387.25	\$1,987.25	\$2,187.25	\$843.50	\$41,793.50	2007 ICC
P.R. Fee	65%					
Ranking	7th	7th	7th	7th	7th	
Average:	\$2,059.32	\$3,223.09	\$3,588.83	\$1,116.39	\$101,686.32	
% Higher than current fees	48%	62%	64%	32%	143%	
Coconino County						
% Higher than current fees	2%	29.50%	6%	9%	18.50%	
*Per Adam Hicks, CBO - Coconino County proposing 5% increase						
Sedona (New)	\$1,587.25	\$2,307.25	\$2,547.25	\$942.25	\$49,699.75	
Ranking	6th	7th	6th	6th	7th	
*Ranking includes the anticipated 5% increase in Coconino Co. fees						

(Existing): Sedona Existing Fees

(New): Sedona Proposed Fees

RESOLUTION NO. 2020-__

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,
ARIZONA, ESTABLISHING AS A PUBLIC RECORD PROPOSED AMENDMENTS TO
THE CONSOLIDATED FEE SCHEDULE.**

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA that the terms set forth in that document attached hereto as Exhibit A and entitled "2020 Amendments to the Sedona Consolidated Fee Schedule" constitute a public record to be incorporated by reference into Ordinance No. 2020-__.

At least one (1) paper copy and one (1) electronic copy of this public record shall be kept in the office of the City Clerk for public use and inspection.

PASSED AND ADOPTED this 24th day of November, 2020, by the Mayor and Council of the City of Sedona, Arizona.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
Valuation & Fee Schedule			<p>Valuations are per square foot</p> <p><u>Valuations/Fees last updated in 2007. Sedona's fees are currently the lowest compared to the surrounding communities of Clarkdale, Cottonwood, Camp Verde, Flagstaff, Coconino County and Yavapai County. Fees were increased by 20% and rounded to the nearest \$0.50.</u></p>	<p><u>Due to the significant number of plan review fee changes, cost recovery was not calculated for each individual fee. Scenarios were identified for typical small business and residential fees. Further discussion of research and analysis performed will be discussed with the City Council.</u></p>
Group A-1				
<ul style="list-style-type: none"> Assembly, Theaters, with Stage 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$170.50		<u>\$204.50</u>
	IB	\$164.50		<u>\$197.50</u>
	IIA	\$160.50		<u>\$192.50</u>
	IIB	\$153.50		<u>\$184.00</u>
	IIIA	\$142.00		<u>\$170.50</u>
	IIIB	\$141.00		<u>\$169.00</u>
	IV	\$148.50		<u>\$178.00</u>
	VA	\$130.50		<u>\$156.50</u>
	VB	\$125.50		<u>\$150.50</u>

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Assembly, Theaters, without Stage 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$156.50		\$188.00
	IB	\$150.50		\$180.50
	IIA	\$146.50		\$176.00
	IIB	\$139.50		\$167.50
	IIIA	\$128.00		\$153.50
	IIIB	\$127.50		\$153.00
	IV	\$134.00		\$160.50
	VA	\$116.50		\$139.50
VB	\$111.50	\$133.50		
Group A-2				
<ul style="list-style-type: none"> Assembly, Nightclubs 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$124.50		\$149.50
	IB	\$120.50		\$144.50
	IIA	\$117.00		\$140.50
	IIB	\$112.00		\$134.00
	IIIA	\$102.00		\$122.00
	IIIB	\$102.50		\$123.00
	IV	\$107.50		\$129.00
	VA	\$93.50		\$112.00
VB	\$90.00	\$108.00		

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Assembly, Restaurants, Bars, Banquet Halls 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$124.50		\$149.00
	IB	\$120.50		\$144.50
	IIA	\$116.00		\$139.00
	IIB	\$112.00		\$134.00
	IIIA	\$102.00		\$122.00
	IIIB	\$102.50		\$123.00
	IV	\$107.50		\$129.00
	VA	\$92.50		\$111.00
VB	\$90.00	\$108.00		
Group A-3				
<ul style="list-style-type: none"> Assembly, Churches 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$127.00		\$152.00
	IB	\$121.00		\$145.00
	IIA	\$117.00		\$140.00
	IIB	\$110.00		\$132.00
	IIIA	\$98.50		\$118.00
	IIIB	\$97.50		\$117.00
	IV	\$104.50		\$125.00
	VA	\$87.00		\$104.00
VB	\$82.00	\$98.00		

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Assembly, General, Community Halls, Libraries, Museums 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$127.00		<u>\$152.00</u>
	IB	\$121.00		<u>\$145.00</u>
	IIA	\$116.00		<u>\$139.00</u>
	IIB	\$110.00		<u>\$132.00</u>
	IIIA	\$97.50		<u>\$117.00</u>
	IIIB	\$97.50		<u>\$117.00</u>
	IV	\$104.50		<u>\$125.00</u>
	VA	\$86.00		<u>\$103.00</u>
VB	\$82.00		<u>\$98.00</u>	
Group A-4				
<ul style="list-style-type: none"> Assembly, Arenas 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$130.00		<u>\$156.00</u>
	IB	\$126.00		<u>\$151.00</u>
	IIA	\$121.50		<u>\$145.50</u>
	IIB	\$117.50		<u>\$141.00</u>
	IIIA	\$104.50		<u>\$125.00</u>
	IIIB	\$103.50		<u>\$124.00</u>
	IV	\$112.50		<u>\$135.00</u>
VA	\$92.50		<u>\$111.00</u>	
Group B				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Business 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$133.00		\$159.50
	IB	\$127.50	<u>Current average cost recovery rate for 1,500 Retail: 46%. Proposed average cost recovery rate: 51%</u>	\$153.00
	IIA	\$123.50		\$148.00
	IIB	\$117.50		\$141.00
	IIIA	\$104.50		\$125.00
	IIIB	\$103.50		\$124.00
	IV	\$112.50		\$135.00
	VA	\$92.50		\$111.00
VB	\$88.50	\$106.00		
Group E				
<ul style="list-style-type: none"> Educational 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$141.50		\$169.50
	IB	\$136.50		\$163.50
	IIA	\$132.50		\$159.00
	IIB	\$126.00		\$151.00
	IIIA	\$116.00		\$139.00
	IIIB	\$113.00		\$135.50
	IV	\$122.00		\$146.00
	VA	\$102.50		\$123.00
VB	\$98.50		\$118.00	
Group F-1				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Factory and Industrial, Moderate Hazard 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$77.50		\$93.00
	IB	\$74.00		\$88.50
	IIA	\$69.00		\$82.50
	IIB	\$66.50		\$79.50
	IIIA	\$56.50		\$67.50
	IIIB	\$58.00		\$69.50
	IV	\$63.50		\$76.00
	VA	\$47.50		\$57.00
VB	\$44.50	\$53.00		
Group F-2				
<ul style="list-style-type: none"> Factory and Industrial, Low Hazard 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$77.00		\$92.00
	IB	\$73.00		\$87.50
	IIA	\$69.00		\$82.50
	IIB	\$65.50		\$78.50
	IIIA	\$57.00		\$68.00
	IIIB	\$57.00		\$68.00
	IV	\$62.50		\$75.00
	VA	\$47.50		\$57.00
VB	\$43.50	\$52.00		
Group H-1				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> High Hazard – Explosives 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction *Not permitted	
	IA	\$70.50		<u>\$84.50</u>
	IB	\$66.50		<u>\$79.50</u>
	IIA	\$62.50		<u>\$75.00</u>
	IIB	\$59.00		<u>\$70.50</u>
	IIIA	\$50.50		<u>\$60.50</u>
	IIIB	\$50.50		<u>\$60.50</u>
	IV	\$56.00		<u>\$67.00</u>
	VA	\$41.00		<u>\$49.00</u>
	VB	N.P.*		
Group H-2, 3, 4				
<ul style="list-style-type: none"> High Hazard 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$72.50		<u>\$87.00</u>
	IB	\$68.50		<u>\$82.00</u>
	IIA	\$69.00		<u>\$82.50</u>
	IIB	\$65.00		<u>\$78.00</u>
	IIIA	\$61.50		<u>\$73.50</u>
	IIIB	\$53.00		<u>\$63.50</u>
	IV	\$53.50		<u>\$64.00</u>
	VA	\$43.50		<u>\$52.00</u>
	VB	\$39.50	<u>\$47.00</u>	
Group H-5				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Hazardous Production Materials 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$133.00		\$159.50
	IB	\$127.50		\$153.00
	IIA	\$123.50		\$148.00
	IIB	\$117.50		\$141.00
	IIIA	\$104.50		\$125.00
	IIIB	\$103.50		\$124.00
	IV	\$112.50		\$135.00
	VA	\$92.50		\$111.00
VB	\$88.50	\$106.00		
Group I-1				
<ul style="list-style-type: none"> Institutional, Supervised Environment 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$131.50		\$157.50
	IB	\$127.00		\$152.00
	IIA	\$123.50		\$148.00
	IIB	\$118.00		\$141.50
	IIIA	\$118.00		\$141.50
	IIIB	\$108.00		\$129.50
	IV	\$108.00		\$129.50
	VA	\$98.50		\$118.00
VB	\$94.50	\$113.00		
Group I-2				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Institutional, Incapacitated 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$226.50		\$271.50
	IB	\$221.50		\$265.50
	IIA	\$217.00		\$260.00
	IIB	\$211.00		\$253.00
	IIIA	\$197.50		\$237.00
	IIIB	N.P.*	*Not permitted	
	IV	\$206.00		\$247.00
	VA	\$185.50		\$222.50
VB	N.P.*	*Not permitted		
Group I-3				
<ul style="list-style-type: none"> Institutional, Restrained 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$152.50		\$183.00
	IB	\$147.50		\$177.00
	IIA	\$143.00		\$171.50
	IIB	\$137.00		\$164.00
	IIIA	\$125.50		\$150.50
	IIIB	\$123.50		\$148.00
	IV	\$132.50		\$159.00
	VA	\$113.50		\$136.00
VB	\$107.50		\$129.00	
Group I-4				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Institutional, Day Care Facilities 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$128.00		<u>\$153.50</u>
	IB	\$123.50		<u>\$148.00</u>
	IIA	\$120.00		<u>\$144.00</u>
	IIB	\$114.50		<u>\$137.00</u>
	IIIA	\$104.50		<u>\$125.00</u>
	IIIB	\$104.50		<u>\$125.00</u>
	IV	\$113.50		<u>\$136.00</u>
	VA	\$95.50		<u>\$114.50</u>
VB	\$91.00		<u>\$109.00</u>	
Group M				
<ul style="list-style-type: none"> Mercantile 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$95.50		<u>\$114.50</u>
	IB	\$91.50		<u>\$109.50</u>
	IIA	\$88.00		<u>\$105.50</u>
	IIB	\$83.00		<u>\$99.50</u>
	IIIA	\$73.50		<u>\$88.00</u>
	IIIB	\$74.00		<u>\$88.50</u>
	IV	\$78.50		<u>\$94.00</u>
	VA	\$64.00		<u>\$76.50</u>
VB	\$61.50		<u>\$73.50</u>	
Group R-1				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Residential, Hotels 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$129.00		<u>\$154.50</u>
	IB	\$124.50		<u>\$149.00</u>
	IIA	\$121.00		<u>\$145.00</u>
	IIB	\$115.00		<u>\$138.00</u>
	IIIA	\$105.50		<u>\$126.50</u>
	IIIB	\$105.50		<u>\$126.50</u>
	IV	\$115.00		<u>\$138.00</u>
	VA	\$96.00		<u>\$115.00</u>
VB	\$92.00		<u>\$110.00</u>	
Group R-2				
<ul style="list-style-type: none"> Residential, Multifamily 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$109.50		<u>\$131.00</u>
	IB	\$104.50		<u>\$125.00</u>
	IIA	\$101.00		<u>\$121.00</u>
	IIB	\$96.00		<u>\$115.00</u>
	IIIA	\$86.00		<u>\$103.00</u>
	IIIB	\$86.00		<u>\$103.00</u>
	IV	\$95.00		<u>\$114.00</u>
	VA	\$76.50		<u>\$91.50</u>
VB	\$72.50		<u>\$87.00</u>	
Group R-3				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Residential, One- and Two-Family 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$103.50		\$124.00
	IB	\$100.50	Current average cost recovery rate for 2,500 SFR: 75%. Proposed cost recovery rate: 85%	\$120.50
	IIA	\$98.00		\$117.50
	IIB	\$95.00		\$114.00
	IIIA	\$90.00		\$108.00
	IIIB	\$90.00		\$108.00
	IV	\$93.00		\$111.50
	VA	\$85.50		\$102.50
VB	\$80.00	\$96.00		
Group R-4				
<ul style="list-style-type: none"> Residential, Care/Assisted Living Facilities 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	Definitions of Types of Construction	
	IA	\$130.00		\$156.00
	IB	\$124.50		\$149.00
	IIA	\$121.00		\$145.00
	IIB	\$115.00		\$138.00
	IIIA	\$105.50		\$126.50
	IIIB	\$105.50		\$126.50
	IV	\$115.00		\$138.00
	VA	\$96.00		\$115.00
VB	\$92.00		\$110.00	
Group S-1				

COMMUNITY DEVELOPMENT				
Fee Description	Current Base Fee		Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Storage, Moderate Hazard 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$70.50		<u>\$84.50</u>
	IB	\$66.50		<u>\$79.50</u>
	IIA	\$62.00		<u>\$74.00</u>
	IIB	\$59.50		<u>\$71.00</u>
	IIIA	\$50.00		<u>\$60.00</u>
	IIIB	\$51.00		<u>\$61.00</u>
	IV	\$56.50		<u>\$67.50</u>
	VA	\$40.50		<u>\$48.50</u>
VB	\$37.50		<u>\$45.00</u>	
Group S-2				
<ul style="list-style-type: none"> Storage, Low Hazard 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>	
	IA	\$69.50		<u>\$83.00</u>
	IB	\$65.50		<u>\$78.50</u>
	IIA	\$61.00		<u>\$73.00</u>
	IIB	\$58.50		<u>\$70.00</u>
	IIIA	\$50.00		<u>\$60.00</u>
	IIIB	\$50.00		<u>\$60.00</u>
	IV	\$55.50		<u>\$66.50</u>
	VA	\$40.50		<u>\$48.50</u>
VB	\$36.50		<u>\$43.50</u>	
Group U				

COMMUNITY DEVELOPMENT			
Fee Description	Current Base Fee		Proposed Fee or Increase
<ul style="list-style-type: none"> Utilities, Miscellaneous 	<u>Type of Construction</u>	<u>Valuation per sq. ft.</u>	<u>Definitions of Types of Construction</u>
	IA	\$53.00	<u>\$63.50</u>
	IB	\$49.50	<u>\$59.50</u>
	IIA	\$46.50	<u>\$55.50</u>
	IIB	\$43.50	<u>\$52.00</u>
	IIIA	\$37.00	<u>\$44.00</u>
	IIIB	\$37.00	<u>\$44.00</u>
	IV	\$40.50	<u>\$48.50</u>
	VA	\$29.00	<u>\$34.50</u>
VB	\$27.50	<u>\$33.00</u>	
<u>Pre-Application Meeting</u>		<u>\$0</u>	<u>Applicants may request a meeting with staff to discuss applications involving a public review process (e.g. zone change, conditional use permit, subdivisions, development review, commercial/mixed-use variances, community plan amendments) prior to submittal of an official application to discuss process and application requirements. Staff will not make a final determination on whether a request is supportable until a formal application is evaluated.</u>
			<u>\$200.00/hr.</u>

Definitions of Types of Construction

- IA All noncombustible material with fire-rated protection.
- IB All noncombustible material without fire-rated protection.
- IIA All noncombustible material with fire-rated protection.
- IIB All noncombustible material without fire-rated protection.
- IIIA Exterior frame with noncombustible material with fire-rated protection.
- IIIB Exterior frame with noncombustible material without fire-rated protection.
- IV Heavy timber.
- VA Any material with fire-rated protection.
- VB Any material without fire-rated protection.

FINANCE			
Fee Description	Current Base Fee	Additions, Limits, & Notes	Proposed Fee or Increase
Septage Disposal Fees:			<u>Moved to Wastewater</u>
<ul style="list-style-type: none"> ● Septage Haulers Originating Inside City Limits ● Billing Unit – per gallon 	\$0.186		
<ul style="list-style-type: none"> ● Septage Haulers Originating Outside City Limits ● Billing Unit – per gallon 	\$0.198		
<p>Septic Tank Pumping and Repair Under Cluster System Septic Pumping and Replacement Agreement</p>	<p>Septic Tank Reimbursement \$375 maximum up to 1,250-gallon tank and \$0.30 per gallon for larger tanks.</p> <p>Reimburse for septic tank replacement or repair up to \$2,500</p>	<p>Reimburse for pump of septic tank pumping based on billing by septage hauler up to a maximum of \$375 for up to a 1,250-gallon tank. Larger tank maximum reimbursement shall be increased by \$0.30 per gallon capacity. Reimbursement for pumping shall not include costs related to locating or repair.</p> <p>Reimbursement for repair/replacement shall be limited to \$2,500. Location costs for the septic tank are not reimbursable. Excessive repair costs will be denied.</p>	<p><u>Change to \$0.40 per gallon pumping reimbursement for any tank size.</u></p> <p><u>Change to \$3,000 maximum for repair/replacement.</u></p> <p><u>Changes based on recent quotes.</u></p>

<u>PUBLIC WORKS/ENGINEERING SERVICES</u>			
Fee Description	Current Base Fee	Additions, Limits, & Notes	Proposed Fee or Increase
Grading Permit			
• 0 – 50 CY	\$10		
• 51 – 100 CY	\$19		
• 101 – 1,000 CY	\$37 for the first 100 CY	Plus \$19 for each additional 100 CY or fraction thereof	
• 1,001 – 10,000 CY	\$201 for the first 1,000 CY	Plus \$19 for each additional 1,000 CY or fraction thereof	<u>\$208 for the first 1,000 CY (based on cost recovery of direct wages only)</u>
• 10,001 – 100,000 CY	\$364 for the first 10,000 CY	Plus \$21 for each additional 10,000 CY or fraction thereof	<u>\$379 for the first 10,000 CY (based on cost recovery of direct wages only)</u>
• 100,001 – 200,000 CY	\$546 for the first 100,000 CY	Plus \$21 for each additional 10,000 CY or fraction thereof	<u>\$589 for the first 100,000 CY (based on cost recovery of direct wages only)</u>
• 200,000 CY +	\$747 for the first 200,000 CY	Plus \$26 for each additional 10,000 CY or fraction thereof	<u>\$799 for the first 200,000 CY (based on cost recovery of direct wages only)</u>
Grading Plan Review			
• 0 – 100 CY	\$11		
• 101 – 1,000 CY	\$39		
• 1,001 – 10,000 CY	\$54		

<u>PUBLIC WORKS/ENGINEERING SERVICES</u>			
Fee Description	Current Base Fee	Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> 10,001 – 100,000 CY 	\$59 for the first 10,000 CY	Plus \$11 for each additional 10,000 cubic yards or fraction thereof	
<ul style="list-style-type: none"> 100,001 – 200,000 CY 	\$154 for the first 100,000 CY	Plus \$7 for each additional 10,000 cubic yards or fraction thereof	<u>\$158 for the first 100,000 CY (based on cost recovery of direct wages only)</u>
<ul style="list-style-type: none"> 200,000 CY + 	\$211 for the first 200,000 CY	Plus \$4 for each additional 10,000 cubic yards or fraction thereof	<u>\$228 for the first 200,000 CY (based on cost recovery of direct wages only)</u>

WASTEWATER			
Fee Description	Current Base Fee	Additions, Limits, & Notes	Proposed Fee or Increase
Wastewater Capacity Fees:			<u>All increases proposed below are based on the Engineering News Construction Cost Inflation Factor 1.66% increase from January 2019 to January 2020.</u>
<ul style="list-style-type: none"> Residential Capacity Units = Connection 	\$10,976.04		<u>\$11,158.24</u>
<ul style="list-style-type: none"> Multi Family/Apartments Capacity Units = Dwelling Unit 	\$8,480.81		<u>\$8,621.59</u>
<ul style="list-style-type: none"> ADU – Accessory Dwelling Unit Capacity Units = Dwelling Unit 	\$5,488.03		<u>\$5,579.13</u>
<ul style="list-style-type: none"> Resort – Cottages, Villas Capacity Units = Connection 	\$13,484.92		<u>\$13,708.77</u>
<ul style="list-style-type: none"> Car Wash with Recycle Capacity Units = Bay 	\$17,800.07		<u>\$18,095.55</u>
<ul style="list-style-type: none"> Car Wash without Recycle Capacity Units = Bay 	\$26,700.11		<u>\$27,143.33</u>
<ul style="list-style-type: none"> Fitness Center/Beauty Salon Billing Unit = 100 sq. ft. 	\$1,078.79		<u>\$1,096.70</u>
<ul style="list-style-type: none"> Private Tour Jeep & Rental OHV/Jeep Washing Billing Unit = Vehicle 	\$718.01		<u>\$729.93</u>
<ul style="list-style-type: none"> Mortuaries Billing Unit = Connection 	\$26,565.27		<u>\$27,006.25</u>
<ul style="list-style-type: none"> Offices, Medical Building, Manufacturing, Contractors Billing Unit = 100 sq. ft. 	\$269.70		<u>\$274.18</u>
<ul style="list-style-type: none"> Laundromat (efficiency) Billing Unit = Machine 	\$7,956.09		<u>\$8,088.16</u>

WASTEWATER			
Fee Description	Current Base Fee	Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> • Laundromat (12-18 lb.) • Billing Unit = Machine 	\$10,248.53		<u>\$10,418.66</u>
<ul style="list-style-type: none"> • Laundromat (25-35 lb.) • Billing Unit = Machine 	\$14,294.00		<u>\$14,531.28</u>
<ul style="list-style-type: none"> • Laundromat (50 lb.) • Billing Unit = Machine 	\$20,901.61		<u>\$21,248.58</u>
<ul style="list-style-type: none"> • Restaurant • Billing Unit = 100 sq. ft. 	\$3,988.51		<u>\$4,054.72</u>
<ul style="list-style-type: none"> • Restaurant with Patio Seats (Seasonal) • Billing Unit = 100 sq. ft. 	\$1,994.25		<u>\$2,027.35</u>
<ul style="list-style-type: none"> • Restaurant Take-out (Food Prep Area) • Billing Unit = 100 sq. ft. 	\$1,210.72		<u>\$1,230.82</u>
<ul style="list-style-type: none"> • Bar/coffee/tea/tasting room without Dining Facility • Capacity Units = 100 sq. ft. 	\$1,470.74		<u>\$1,495.15</u>
<ul style="list-style-type: none"> • Bar/coffee/Tea/Tasting Room without Dining with patio seats (Seasonal) • Capacity Units = 100 sq. ft. 	\$735.37		<u>\$747.58</u>
<ul style="list-style-type: none"> • Department, Retail Stores • Capacity Units = 100 sq. ft. 	\$235.65		<u>\$239.56</u>
<ul style="list-style-type: none"> • Market • Capacity Units = 100 sq. ft. 	\$1,100.76		<u>\$1,119.03</u>
<ul style="list-style-type: none"> • Repair Shops, Service Stations • Capacity Units = 100 sq. ft. 	\$261.19		<u>\$265.53</u>

<u>WASTEWATER</u>			
Fee Description	Current Base Fee	Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> Hotel, Motel, RV Park, Bed and Breakfast Capacity Units = Room 	\$6,741.95		<u>\$6,853.87</u>
<ul style="list-style-type: none"> Theaters, Libraries, Churches, Assembly Capacity Units = Building Occupant Capacity 	\$134.65		<u>\$136.89</u>
<ul style="list-style-type: none"> School, College with Gym Showers Billing Units = 100 sq ft 	\$337.13		<u>\$342.73</u>
<ul style="list-style-type: none"> School, College with Café Billing Units = 100 sq ft 	\$269.70		<u>\$274.18</u>
<ul style="list-style-type: none"> School, College without Gym or Café Billing Units = 100 sq ft 	\$202.28		<u>\$205.64</u>
<ul style="list-style-type: none"> Public Restroom Billing Unit = per Toilet/Urinal (each) 	\$13,485.03		<u>\$13,708.88</u>
<u>Reclaimed Water Use Fees:</u>			
<ul style="list-style-type: none"> <u>New Reclaimed Water Use Contract application fee</u> 			<u>\$25</u>
<ul style="list-style-type: none"> <u>Reclaimed Water Fee</u> <u>Billing Units = 1,000 gallons</u> 			<u>\$1.50</u>
<u>Septage Disposal Fees:</u>			
<ul style="list-style-type: none"> <u>Septage Haulers Originating Inside City Limits</u> <u>Billing Unit = per gallon</u> 	<u>\$0.186</u>		<u>No Change. Moved from Finance.</u>

<u>WASTEWATER</u>			
Fee Description	Current Base Fee	Additions, Limits, & Notes	Proposed Fee or Increase
<ul style="list-style-type: none"> • <u>Septage Haulers Originating Outside City Limits</u> • <u>Billing Unit – per gallon</u> 	<u>\$0.198</u>		<u>No Change. Moved from Finance.</u>

ORDINANCE NO. 2020-__

**AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA,
ARIZONA, ADOPTING PROPOSED AMENDMENTS TO THE SEDONA
CONSOLIDATED FEE SCHEDULE.**

BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA,
ARIZONA, THAT:

Section 1: Adoption of Consolidated Fee Schedule

That document made a public record by Resolution 2020-__ and entitled "2020 Amendments to the Sedona Consolidated Fee Schedule" is hereby incorporated and approved and all amendments to the Consolidated Fee Schedule set forth therein will become effective on January 1, 2021, or when as so indicated in the schedule.

Section 2: Repeal

All other code provisions, ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict as of the effective date hereof.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona,
Arizona, this 24th day of November, 2020.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney



**CITY COUNCIL
AGENDA BILL**

**AB 2618
November 24, 2020
Regular Business**

Agenda Item: 10b
Proposed Action & Subject: Discussion/possible action regarding public right-of-way vacation at 1800 and 1900 Cline Road, and right-of-way acquisition at 665 Sunset Drive.

Department	Public Works
Time to Present	10 minutes
Total Time for Item	20 minutes
Other Council Meetings	November 12, 2013, October 13, 2020
Exhibits	<ul style="list-style-type: none"> A. Resolution for Cline Road Vacation B. Right-of-Way Vacation Agreement C. Land Survey of Proposed Vacation Area D. Vicinity Map E. Aerial Map F. Dedication of Cline Road G. Architectural Site Plan (Property Owner) H. Mailed Notice of Potential Abandonment Letter (April 01, 2020) I. Mailed Notice of Public Hearing Letter (September 21, 2020) J. AAA Draft Minor Plat Amendment K. Cline Road Trail Exhibit

City Attorney Approval	Reviewed 11/17/2020	Expenditure Required	
		\$	0
City Manager's Recommendation	Approve the Cline Road right-of-way vacation and the right-of-way acquisition 665 Sunset Drive.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: The owner of the property at 1800 and 1900 Cline Road (APN 408-22-447M and N), Buillet Family Trust, has requested that the City of Sedona abandon 25' of the 50' Cline Road right-of-way adjacent to their property, a total area of approximately 5,212 square feet. The abandoned right-of-way (ROW) would then be incorporated into the properties at 1800

and 1900 Cline Road to facilitate construction of a driveway between the end of the existing improved roadway and the new residences. The City would retain a 25' wide right-of-way to connect Cline Road to the National Forest parcel to the west of the project site. The owner will be responsible for the relocation of the existing Cline trail to the remaining portion of the Cline Road ROW.

It's uncommon for the City to consider abandonment of any ROW. This situation, however, is unique in a few important ways. Firstly, the property proposed to be abandoned is a short section of ROW between the improved roadway surface of Cline Road and Forest Service land. While the ROW extends all the way to the boundary of Forest land, the pavement stops approximately 200 feet to the east, ending in a small cul-de-sac. For some reason, the roadway plat (see Exhibit F) extended the ROW to the Forest boundary, but the original developer did not extend the roadway into this area, likely because there were only two parcels beyond the improved roadway, facilitating access by driveways. However, the parcels are not oriented like those typical in cul-de-sac configuration. Since then, a single parcel north of the ROW was split by the current owner into 1800 and 1900 Cline Road; creating two parcels that have legal access provided by the ROW but no improved roadway to tie into. There is also a parcel south of the ROW but that parcel has access to another improved roadway - Eagle Dancer, a private road that goes through the parcel and connects to the improved portion of Cline Rd. That parcel is also already addressed to Eagle Dancer Road.

Secondly, since this area was developed (or perhaps before), a social trail has been created by area residents to access Forest Service land. The social trail starts where the roadway ends and meanders within the northern 25' of ROW. For this reason, any access built to 1800 and/or 1900 Cline Road would either eliminate the trail or would have to be built on the southern half of the ROW which would need to intersect the trail to access the properties to the north.

Thirdly, alternatives to provide access appear to have worse tradeoffs than abandoning the proposed portion of roadway. One alternative is to extend the improved roadway surface all the way to the Forest Service boundary or at least far enough that the parcels can take access. But since the City cannot require the property owner to build a public roadway, doing so would come at a material cost to the City. In addition to the upfront and ongoing maintenance costs, a full roadway would have a greater footprint than a traditional driveway. Another alternative is to keep the ROW but allow the property owner to build one or two driveways in the ROW. However, this places extensive private improvements within public property, creating confusion and potential conflict over access, maintenance, and liability. For these reasons, the preferred alternative is to abandon ½ the ROW, locate all private improvements within the abandoned portion (keeping driveways on private property) and relocating the trail in the southern portion of the ROW, which preserves access for area residents while avoiding conflicts with driveways.

Maps provided as Exhibits C, D, E, and K can help with orientation. The following images also show the existing ROW:



East end of Proposed Abandonment Area



West end of Proposed Abandonment Area

In 2013, a similar Cline Road abandonment was requested by a previous owner when 1800 and 1900 Cline Road were a single parcel. That request was denied by Council. The 2013 proposal varies from the current proposal in the following main ways:

- In 2013, the abandonment was needed to accommodate the natural building envelope of the parcel which would not leave sufficient front setback. Some members of the public and/or Council may have objected to the idea of moving the house closer to the ROW by reducing the setback.
- Since 2013, however, the owner of the property at 1800 Cline Road obtained approval for a reduced front yard setback. First, the significant slope of the lot allowed the normal setback of 40' to be reduced to 20'. Further the 20' setback was reduced to 15' with a 25% administrative waiver, also based on the slope of the lot. While those approvals have since expired, the property still meets the justification for the same front yard setback reductions. In other words, the residence can be built in the same spot with or without the abandonment. Additionally, if the abandonment is approved, the property owner would agree not to seek any additional reductions in setbacks.
- The abandonment is mutually beneficial between the City and the adjacent property owner. By abandoning this area, the driveways for the adjacent parcels will not be located on public property, which reduces liability for the City and reduces future maintenance responsibility. It is not preferable to have long private driveways within public right-of-way. In addition, the trail reconstruction benefits the City's effort to improve walking and biking in the City.
- The 2013 proposed abandonment was 30' in width, and the current proposed abandonment is a maximum 25' in width and tapers down to less than 25' at the far west end.
- The 2013 proposed abandonment included trail reconstruction that would clear a width of 20' for the trail and would have required removing many mature trees and vegetation. The current proposed trail reconstruction would confine the impacted area to around 12' and will be aligned to meander around trails and vegetation in way that will preserve all trees and most vegetation.

On October 13, 2020, City Council reviewed this proposed project, but at the request of a neighboring property owner, the City postponed action to allow the neighboring property owner to propose alternative action. The City attempted to work with the attorney for the neighboring property owner but the City has not heard from the attorney since October 26, 2020 (as of November 17, 2020).

There have been only two changes from the October 13, 2020 meeting proposal:

1. The Cline trail alignment (Exhibit K) has shifted north and been slightly narrowed to reduce costs of the trail realignment and to leave more room for driveway access to the right-of-way.
2. The Right of Way Vacation Agreement previously required the trail alignment to occur within 10 years for the right-of-way vacation to occur. That requirement has changed to 2 years.

Impacts:

The proposal to vacate the right-of-way does not change the expected use of the area which is to accommodate access to adjacent residential development with driveways and access to a trail for area residents. The environmental and drainage impacts will be very minimal due to the use of natural material, maintaining natural contours and drainage patterns, and avoiding removal of trees and most vegetation. Considering this, the drainage flow will not increase or create a negative impact. The new trail will be constructed utilizing stormwater Best Management Practices to protect the adjacent wash from pollution during the construction phase.

The Forest Service has reviewed the proposal and conceptual layout of the new Cline Trail and has no issues as long as all work takes place off Forest Service land, and no work will take place on Forest Service land.

Neighborhood Communication:

- A first letter was sent around April 1, 2020 to residents within 300' of proposed area to be vacated. See Exhibit H.
- A second letter was sent on September 21, 2020 to residents within 300' of proposed area to be vacated. See Exhibit I.
- City staff also responded by phone and email to residents in this area related to the proposed right-of-way abandonment.

Right-of-way Abandonment Value:

The disposition of public roadways is governed under applicable provisions of Arizona Revised Statutes, Title 28 (Transportation), Chapter 20, Article 8 (Disposition of Public Roadways). Arizona Revised Statute (ARS) section 28-7215 allows the city to vacate ROW without compensation if it is deemed to have no public use and properties maintain legal access. ARS section 28-7208 governs in instances where the ROW has public use and requires commensurate compensation. Given the limited properties served by this ROW and the access preserved with a portion of the ROW remaining, staff believes the abandoned portion of ROW has little to no public use and therefore does not require compensation. However, even if the abandoned portion was determined to have public value staff believes the value of the trail improvements and reduced City maintenance and liability responsibilities offset the value of the proposed right of way abandonment for Cline Road.

The value of the abandoned area was determined based on the following factors:

- \$318,011 (2020 county assessment full cash value) 1800 Cline Road, 1.0 acres
- \$318,011 (2020 county assessment full cash value) 1900 Cline Road, 1.02 acres
- Value adjusted to cost per square foot, at \$7.3/sf
- Value of proposed 5,212 sf abandoned area at \$38,050

Trail Improvements/Vacate Right-of-way Value:

Value of improvements was generated based on recent contractor bids for similar trail improvement work with a range of \$22,000 to \$41,000. However, it is not clear how much of that cost would be considered improvement beyond the value of the current trail.

Although staff has not quantified the City's value gained for vacating the right-of-way, there is a clear value, as this would make it clear that the liability and maintenance responsibility for this area would be solely with the owner of the property the driveways serve. Vacating the ROW also separates the community trail use from the private driveway function. It is not ideal to have long private driveways in the public right-of-way. Based, in part, on these considerations, Staff has determined that the value of the vacated right-of-way is commensurate with considerations provided by the owner.

Trail Improvements:

The trail improvements will include the following:

1. Relocate existing boulders in path area to the sides of the new proposed walking trail.
2. Grade entrance off Cline Road to transition path to the street.
3. Grade, fill, and compact the entire approximate 200' length of new trail alignment at a width of 10'.
4. Place Boulders along sides of proposed path for purpose of retention for fill and erosion protection.
5. Finish trail with stabilized crushed rock.

Right-of-way Exchange:

Although staff believes the value of the trail improvements and avoided future costs compensate for some or all of the proposed ROW abandonment, by coincidence the owner of 1800 and 1900 Cline Road also owns property located at 665 Sunset Drive (APN 408-28-284). The City needs to acquire some portion of that parcel for the Shelby/Sunset roadway and pedestrian improvements project currently under design, see Exhibit J for Minor Plat Amendment. At first, staff proceeded with the Cline Road abandonment and the Sunset acquisition as two totally separate items to avoid any perception that the Cline Road abandonment could not stand on its own. However, after further consultation with the City Attorney, staff recommends that if Council approves of the abandonment that it should be combined with the acquisition of a portion of 665 Sunset, consistent with A.R.S. § 28-7204 (roadway exchange). The owner of the properties has expressed willingness to exchange the properties.

Right-of-way Exchange Value:

Per A.R.S. § 28-7204, the properties being exchanged do not need to be commensurate in value. However, it should be noted that the property the City seeks to acquire at 665 Sunset is approximately 30% larger than the proposed ROW abandonment (6,811 sf compared to 5,212 sf). Further, the 665 Sunset parcel has higher intensity zoning which is generally considered higher value than residential property.

Next Steps:

- Council approval of right-of-way exchange or right-of-way vacate
- Relocation of trail, through right-of-way permit
- Recordation of right-of-way vacate

Community Plan Consistent: Yes - No - Not Applicable

Chapter 4 of the Community Plan discusses Circulation. One of the six major goals of this chapter is to create a more walkable and bike-able community. Key issues cited here include addressing safety concerns of pedestrians/bicyclists and lack of sidewalks or shoulders on many neighborhood streets. Page 13 of the Community Plan is dedicated to our vision of walkability. Page 65 of the Community Plan provides a dedicated discussion on walking and biking in Sedona. Page 76 of the Community Plan provides a dedicated discussion of the importance of stormwater management and the prioritization of drainage improvements.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): The City Council may choose to not approve the resolution authorizing to vacate a portion of Cline Road right-of-way, and leave the 665 Sunset Drive right-of-way acquisition as a separate transaction. The City Council may choose to approve a resolution to vacate a portion of Cline Road right-of-way, and leave the 665 Sunset Drive right-of-way acquisition as a separate transaction.

MOTION

I move to: approve Resolution 2020-__ authorizing the Mayor to execute all necessary documents for the partial Cline Road right-of-way vacation, and approving the Right-of-Way Vacation Agreement with the Buillet Family Trust and A Sunset Chateau, LLC for the exchange of property at 665 Sunset Drive for the Shelby Drive Roadway Improvements Project.

RESOLUTION NO. 2020-___

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,
ARIZONA, VACATING A PORTION OF THE CLINE ROAD RIGHT-OF-WAY TO
ADJACENT PROPERTY KNOWN AS 1800 AND 1900 CLINE ROAD
(APN 408-22-447M AND 408-22-447N) AND APPROVING THE RIGHT-OF-WAY
VACATION AGREEMENT WITH THE BUILLET FAMILY TRUST AND A SUNSET
CHATEAU, LLC.**

WHEREAS, the City of Sedona (“City”) has determined that a 25-foot portion of the 50-foot Cline Road right-of-way in the approximate amount of 5,012 square feet adjacent to 1800 and 1900 Cline Road (APN 408-22-447M and 408-22-447N), Yavapai County, Arizona, has no public value and may be vacated; and

WHEREAS, City Council has determined that the consideration from the abutting property owner to the City is commensurate with the value of the vacated right-of-way, such consideration to include construction of trail improvements in the remainder of Cline Road, assumption of maintenance responsibility and liability for the vacated right-of-way, and the exchange of approximately 6,811 square feet of property along the boundary of 665 Sunset Drive (APN 408-28-284) for the Shelby Drive Roadway Improvements Project; and

WHEREAS, notice to consider the abandonment has been both published and mailed to property owners of record within 300 feet of the proposed vacation.

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, as follows:

Section 1. That the 25-foot portion of City-owned Cline Road right-of-way adjacent to APN 408-22-447M and 408-22-447N, Yavapai County, Arizona, as described in the Right-of-Way Vacation Agreement, attached to this Resolution as Exhibit 1, is hereby declared to be of no use to the public and vacated to the adjacent parcels, retaining any existing water, gas, communications, utility, or drainage easements per A.R.S. § 28-7210, and with title vesting in the owners of record, subject to the same encumbrances, liens, limitations, restrictions and estates as exist on the land to which it accrues per A.R.S. § 28-7205 and the Right-of-Way Vacation Agreement.

Section 2. The exchange of said City-owned right-of-way to the Builet Family Trust for approximately 6,811 square feet of property along the boundary of 665 Sunset Drive (APN 408-28-284) owned by the Builet Family Trust and A Sunset Chateau, LLC for the Shelby Drive Roadway Improvements Project right-of-way, under the terms and conditions of the Right-of-Way Vacation Agreement attached to this Resolution as Exhibit 1, is authorized and approved.

Section 3. The City of Sedona, through its Mayor and Council, hereby approves the Right-of-Way Vacation Agreement with A Sunset Chateau, LLC and Builet Family Trust and authorizes the Mayor execute the aforementioned agreement and any and all documents necessary to effectuate the above-contemplated transaction, for and on behalf of the City of Sedona.

Section 4. The various City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Resolution and to record according to law.

APPROVED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona
this 24th day of November 2020.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

WHEN RECORDED, RETURN TO:

City Clerk
City of Sedona
102 Roadrunner Drive
Sedona, Arizona 86336-3710

**RIGHT-OF-WAY VACATION AGREEMENT
(Cline Road)**

This Right-of-Way Vacation Agreement (“*Agreement*”) is entered into as of the _____ day of _____, 2020, by and between the **CITY OF SEDONA, ARIZONA**, an Arizona municipal corporation (the “*City*”) and **A SUNSET CHATEAU LLC**, an Arizona limited liability corporation (“*Sunset Chateau*”), and **PHILLIPE BUILLET AND JANET BUILLET, TRUSTEES OF THE BUILLET FAMILY TRUST** u/a dated May 25, 2002 (“*BFT*”).

RECITALS

A. The City has determined that the full width of the right-of-way for the unpaved, upper portion of Cline Road has no public use and that a 25-foot portion adjacent to parcels 408-22-447N and 408-22-447M, Yavapai County, Arizona, may be vacated (the “*Vacated ROW*”).

B. The City has determined that right-of-way acquisition is needed for the Shelby Drive Roadway Improvements Project design contract and grant agreement approved by City Council on September 19, 2019, from parcel 408-28-284 (665 Sunset Drive), Yavapai County, Arizona, jointly owned by Sunset Chateau and BFT.

C. BFT owns parcels 408-22-447N and 408-22-447M (1800 and 1900 Cline Road), and has requested a portion of the right of way adjacent to parcels 408-22-447N and 408-22-447M be abandoned in exchange for providing a portion of parcel 408-28-284 to the City for the Shelby Drive Roadway Improvements Project (the “*Exchange Property*”).

D. Arizona Revised States Section 9-500.05 allows a municipality and a landowner or any other person having an interest in real property located in a municipality to enter into an agreement pertaining to any matter relating to the use of such real property.

E. This Agreement is entered into for public purposes and is in the public interest of the residents of the City and the public benefits anticipated to accrue to the City from the vacation, exchange and trail construction pursuant to this Agreement are commensurate relative to any economic benefits derived to BFT.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants and promises contained in this Agreement, and for other valuable consideration, the parties, intending to be legally bound, covenant and agree, for themselves, and their successors-in-ownership and assigns, as follows:

1. **Recitals.** The Recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

2. **Covenants of BFT and Sunset Chateau.** BFT and Sunset Chateau agree as follows:

- (a) BFT and Sunset Chateau agree to quitclaim to the City the right-of-way described in Exhibit “B” Ratification and Approval of Plat Amendment for the Plat Amendment of AAA Industrial Park Subdivision, a portion of parcel 408-28-284 (665 Sunset Drive), the (“Exchange Property”), within 60-days of approval by the Sedona City Council. Sunset Chateau agrees that the Shelby Drive Roadway Improvements Project constitutes valuable consideration for the Exchange Property.
- (b) BFT agrees to record an easement (16’ minimum) across the southern portion parcel 408-22-447N in favor of parcel 408-22-447M for its use and access to the paved portion of Cline Rd. BFT further agrees no portion of access or encroachment will be allowed into the remaining portion of Cline Road right of way for use by or service to parcels 408-22-447N and 408-22-447M (1800 and 1900 Cline Road). In no event will public right-of-way access for parcels 408-22 -447N and 408-22-447M be provided through the remaining, unvacated 25’ portion of Cline Road right-of-way, with the exception of a small area at the east end where the new driveway will transition to existing pavement on Cline Road.
- (c) BFT shall, at BFT’s sole cost and expense, design, relocate, construct or cause to be constructed, and dedicate to the City a roughly 200’ long trail on the remaining 25’ Cline Rd right-of-way that will connect the paved portion of Cline Rd to the Coconino National Forest (the “Trail”) to the satisfaction of the City in its sole discretion. Construction of the Trail shall require application and approval of a City right of way permit and providing a certificate of insurance as required by the right of way permit. The Trail shall be stabilized crushed rock and generally 10’ in width. Construction of the Trail shall comply with all applicable law, including A.R.S. Title 34. BFT agrees to save all existing trees, trimming is allowed where necessary, and agrees to save as much vegetation as possible, addressing potentially erosive areas with rip rap, ensuring natural drainage conditions, and that the entering and exiting the right-of-way are maintained. The alignment and cross section of the Trail shall conform with Exhibit “C” Cline Road Trail Example Site Plan, attached hereto. Public Trail access shall be maintained during the entire construction period.
 - a. Dedication and Acceptance of the Trail. Upon completion of the Trail, BFT shall promptly dedicate and convey to the City the Trail, free and clear of all liens and encumbrances and at no cost to the City. The City shall inspect the Trail to determine whether it has been constructed in accordance with applicable standards and approved plans. In the event the City determines, in its sole discretion, that any aspect of the construction of the Trail is unsafe or hazardous, BFT shall cure such

hazard to the City's satisfaction. BFT shall bear all risk of, and shall indemnify the City and its mayor and council, its officers, agents and employees, against any claim arising from any injury or property damage to any person or party prior to the City's acceptance of the Trail.

- (d) Conditions Precedent. Prior to the City being required to undertake any action pursuant to this Agreement, BFT and Sunset Chateau shall complete the actions listed in Sections 2(a), 2(b), and 2(c) of this Agreement, each of which is a Condition Precedent to the City executing or recording any anticipated quitclaim deed relating to the Vacated ROW. If the Conditions Precedent are not satisfied and completed by December 1, 2022, the City's obligation to vacate the Cline Rd right-of-way shall become null and void.
- (e) BFT agrees, on behalf of itself and its successors in interest, that the building setback on parcels 408-22-447N and 408-22-447M (1800 and 1900 Cline Road) will never be less than would could have been approved for the parcels prior to the Cline Road right-of-way vacation anticipated in this Agreement. In no event will the front (southern) setback, along the Cline Road right-of-way be less than 15' from the lot line prior to the Cline Road right-of-way vacation or less than 40' from the lot line after the Cline Road right-of-way vacation. The building setback requirement is depicted on the Record of Survey attached hereto as Exhibit "A".
- (f) BFT agrees to accept the Vacated ROW as-is, without any warranty or representation of fitness for any purpose. BFT further agrees to accept and assume all costs of maintaining the Vacated ROW and all liability for the Vacated ROW.
- (g) BFT and Sunset Chateau will comply with all applicable laws including: federal, state, County and City statutes, codes, ordinances, rules, regulations, permit requirements, judgments, orders, decrees, and other official written requirements and policies, any requirements or rules of common law and any judicial or administrative interpretations thereof, which affect the subject matter of this Agreement, all as they may be amended from time to time.
- (h) BFT and Sunset Chateau shall indemnify, protect, defend and hold harmless the City, its mayor and council, its officers, agents and employees, from and against any and all claims, costs, damages and liabilities (including attorneys' fees and costs) arising from any breach by BFT or Sunset Chateau of any of the representations and warranties contained herein, and shall give prompt notice to the City upon receipt of written notice or obtaining actual knowledge of any pending or threatened claim or litigation that may be subject to the indemnity obligations under this Agreement. The obligation of this Section 2(h) shall survive the expiration or termination of this Agreement.
- (i) BFT and Sunset Chateau will obtain and pay for all necessary permit, inspection, impact, development and other similar fees and permits for the construction of the Trail and the development of its property.

3. **Covenants of City.** City agrees as follows:

- (a) After the Effective Date of this Agreement and solely upon completion by BFT and Sunset Chateau of all Conditions Precedent, the City agrees to quitclaim to BFT by the City's form of deed, the Vacated ROW described in Exhibit "A" the Record of Survey by Shephard Wesnitzer Inc. dated October 1, 2020, attached hereto. Reserving to the public a perpetual utility easement for the maintenance of any existing water, gas, communications, electric, and cable television facilities in, on, under or across the Vacated ROW.
- (b) City makes no representation or covenant as to the fitness for any purpose of the Vacated ROW.
- (c) After inspection and acceptance of the Trail, the City shall be responsible for future Trail maintenance.

4. Terms of Conveyance.

- (a) All costs associated with the escrow and recording of the deeds and other documents shall be paid by BFT for the Cline Road Vacated ROW. If any party to this Agreement shall require title examination and insurance for the parcel it acquires such title insurance fees and all related expenses shall be assumed and paid solely by the party requesting the same.
- (b) If an real estate agent, broker, attorney, or salesperson shall claim any commission or fees to be due as a result of the exchange of real property, then such commission or fees, if properly due, shall be paid by BFT or Sunset Chateau, who shall hold the City harmless from any and all such claims.
- (c) The City has made no warranties or representation regarding the condition of the Vacated ROW described in Exhibit "A" attached hereto. BFT acknowledges that it is responsible for determining any potential risks, environmental risks in accepting title to the Vacated ROW and shall hold the City, its mayor and council, officers and employees harmless from and against any loss, liability, damage, expense, demand, claim or cause of action arising or alleged to have arisen from or relating to any defect or condition, including environmental matters, affecting the Vacated ROW or any portion thereof.
- (d) Title to the respective parcels of real property described above shall be delivered free and clear of all encumbrances except those set forth herein and in the deeds to be delivered.

5. Term, Effective Date, Termination.

- (a) "Effective Date" means the date on which all the following events have occurred: (1) this Agreement has been adopted and approved by the City Council, (2) executed by duly authorized representatives of City, BFT, and Sunset Chateau, and (3) recorded in the office of the Recorder of the County by the City.
- (b) This Agreement shall remain in full force and effect in perpetuity from the date of its full execution by the parties.

6. **Miscellaneous.**

- 6.1. **Notice.** Unless otherwise specifically provided in this Agreement, all notices, demands or other communication to be given shall be in writing and shall be deemed to have been duly delivered upon personal delivery or three (3) business days after deposit in the U.S. Postal System or one (1) business day after the sending of email notice (given between the hours of 8 am and 5 pm on a business day):

To City:
City of Sedona
Attn: Sedona Public Works Director
102 Roadrunner Drive
Sedona, Arizona 86336
adickey@sedonaaz.gov

Copy To:
Sedona City Attorney
102 Roadrunner Drive
Sedona, Arizona 86336
kchristiasnon@sedonaaz.gov

To Buillet Family Trust:
PO Box 3365
Sedona, AZ 86336

To A Sunset Chateau LLC:
345 Little Scout Road
Sedona, AZ 86336

Each party may change the notice recipient or address by giving written notice to the other parties as provided above.

- 6.2. **Amendments.** This Agreement may be amended only by a mutual written agreement fully executed by the parties.
- 6.3. **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Arizona.
- 6.4. **Waiver.** No waiver by either party of a breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition.
- 6.5. **Severability.** If any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void or against

public policy for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.

6.6. Exhibits. All exhibits attached to this Agreement are incorporated herein by reference as though fully set forth in this Agreement. The exhibits are as follows:

Exhibit A: Record of Survey by Shephard Wesnitzer, Inc. dated October 1, 2020.

Exhibit B: Plat Amendment of AAA Industrial Park Subdivision.

Exhibit C: Cline Road Trail Example Site Plan

6.7. Entire Agreement. This Agreement and the referenced exhibits and collateral materials constitute the entire agreement between the parties pertaining to the subject matter and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties, oral or written, are superseded and merged in this Agreement.

6.8. Counterparts. This Agreement may be executed in multiple counterparts.

6.9. Consents and Approvals. City, BFT and Sunset Chateau shall at all times act reasonably and in good faith with respect to any and all matters which require either party to review, consent or approve any act or other matter pertaining to the subject matter of this Agreement.

6.10. Mutual Benefits. City, BFT and Sunset Chateau agree that in making the promises contained in this Agreement that certain benefits and advantages will accrue to all parties as a result of the performance of this Agreement, and that this Agreement is entered into in reliance upon the actual benefits afforded each of the parties.

6.11. Conflict of Interest. No member, official or employee of City may have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law. All parties acknowledge that this Agreement is subject to cancellation pursuant to the provisions of ARS Section 38-511.

6.12. Cumulative Remedies. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies will not

preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by such defaulting party.

- 6.13. Mediation; Arbitration. The parties agree that any properly noticed violation arising out of or in connection with this Agreement shall be resolved through mediation with the American Arbitration Association (“AAA”). If the parties cannot reach a resolution of such claimed violations in mediation, the violation shall be resolved by binding arbitration through AAA which shall be conducted at a neutral location in Sedona, Arizona. The mediation and, if required, the arbitration shall be conducted in accordance with the AAA Commercial Arbitration Rules and Mediation Procedures. The AAA shall invoice the participating parties a proportional share of AAA’s fees and costs for conducting this mediation and arbitration. Each party shall timely pay its invoiced share of such fees and costs. The decision of the arbitrator shall be final and binding upon, and non-appealable by, the parties, and any judgment may be had on the decision or award so rendered in any court of competent jurisdiction. The prevailing party is entitled to be awarded all costs incurred in connection with the arbitration proceeding including fees of the arbitrator, its reasonable attorneys’ fees, witness fees and any other costs as determined by the arbitrator.
- 6.14. Assignment and Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successor and assigns.
- 6.15. No Third-Party Beneficiaries and No Partnership. This Agreement is made and entered into for the sole protection and benefit of the parties. No person other than the parties and their successors in interest shall have any right of action based upon any provision of this Agreement. Nothing contained in this Agreement shall create any partnership, joint venture or agency relationship between the parties.
- 6.16. Time of the Essence. Time is of the essence in this Agreement.
- 6.17. Review Process. City agrees to use its best efforts to expedite all approvals relating to the subject matter of this Agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF SEDONA, ARIZONA, an Arizona municipal corporation

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

STATE OF ARIZONA)
) ss.
County of Yavapai)

On this _____ day of _____, 2020, before me personally appeared Sandra J. Moriarty, the Mayor of the CITY OF SEDONA, ARIZONA, an Arizona municipal corporation, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who she claims to be, and acknowledged that she signed the above/attached document.

Notary Public

My Commission Expires: _____

A SUNSET CHATEAU, LLC

By: _____

Phillipe Buillet

Its: Member

By: _____

Janet Buillet

Its: Member

By: _____

Jean-Christophe Buillet

Its: Member

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020 by Phillipe Buillet, Member of A Sunset Chateau, LLC, on behalf of the LLC whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above/attached document.

Notary Public

My Commission Expires: _____

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020 by Janet Buillet, Member of A Sunset Chateau, LLC, on behalf of the LLC whose identity was proven to me on the basis of satisfactory evidence to be the person who she claims to be, and acknowledged that she signed the above/attached document.

Notary Public

My Commission Expires: _____

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020 by Jean-Christophe Buillet, Member of A Sunset Chateau, LLC, on behalf of the LLC whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above/attached document.

Notary Public

My Commission Expires: _____

PHILLIPE BUILLET

Phillipe Buillet, Trustee of the Buillet Family Trust u/a dated May 25, 2002.

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020 by Phillipe Buillet, Trustee of the Buillet Family Trust u/a dated May 25, 2002 whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above/attached document.

Notary Public

My Commission Expires: _____

JANET BUILLET

Janet Buillet, Trustee of the Buillet Family Trust u/a dated May 25, 2002.

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020 by Janet Buillet, Trustee of the Buillet Family Trust u/a dated May 25, 2002 whose identity was proven to me on the basis of satisfactory evidence to be the person who she claims to be, and acknowledged that she signed the above/attached document..

Notary Public

My Commission Expires: _____

**EXHIBIT A
to the
VACATION AGREEMENT**

Record of Survey by Shephard Wesnitzer, Inc. dated October 1, 2020

See following page

**EXHIBIT B
to the
VACATION AGREEMENT**

Plat Amendment of AAA Industrial Park Subdivision

See following page

**EXHIBIT C
to the
VACATION AGREEMENT**

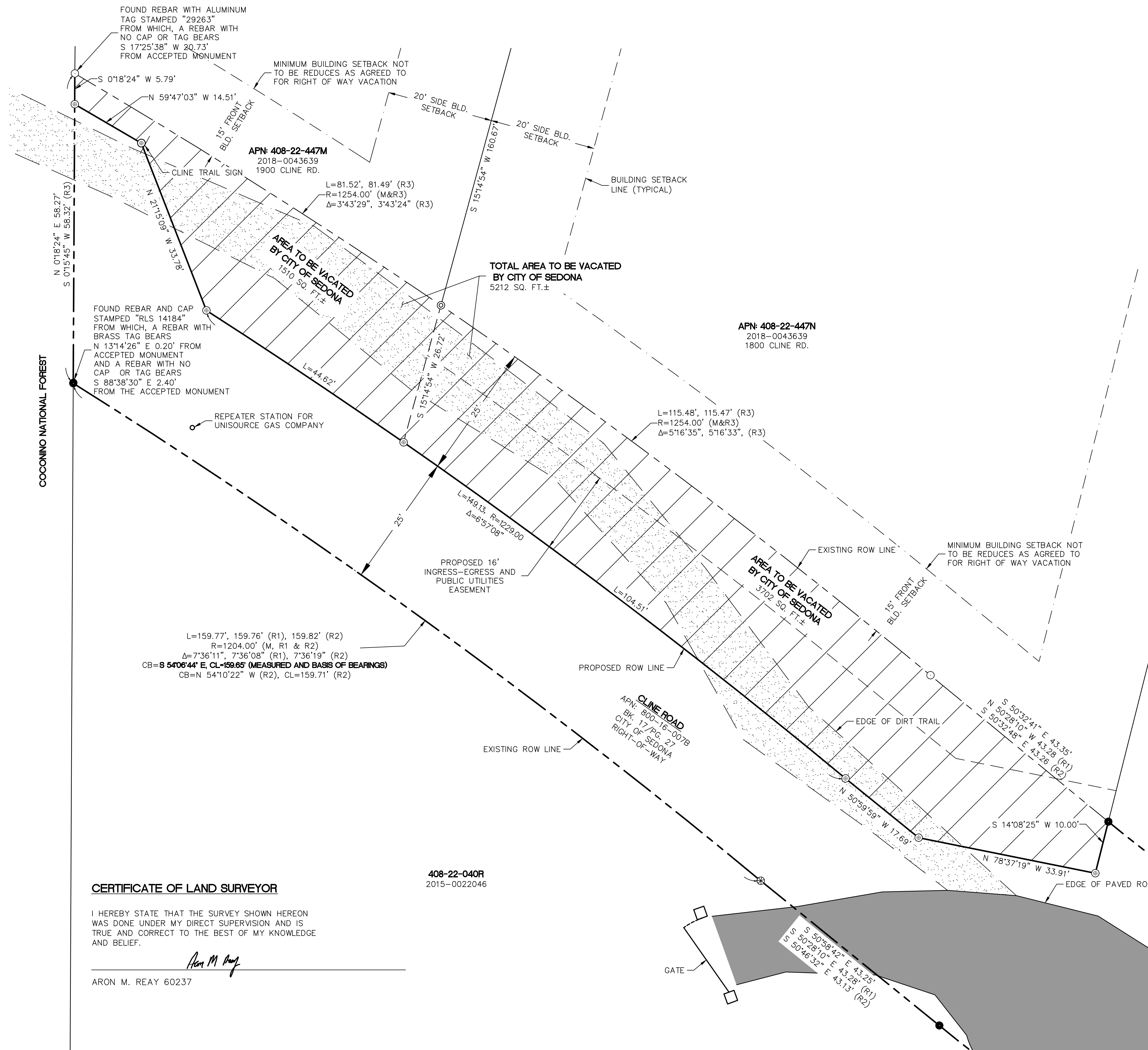
Trail Alignment and Cross Section

See following page

RECORD OF SURVEY

LOT LINE ADJUSTMENT

A PORTION OF CLINE ROAD AS RECORDED IN BOOK 17 OF MAPS AND PLATS, PAGE 27 OF THE YAVAPAI COUNTY RECORDER'S OFFICIAL RECORDS. LYING IN SECTION 1, TOWNSHIP 17 NORTH, RANGE 5 EAST, GILA AND SALT RIVER MERIDIAN, CITY OF SEDONA, YAVAPAI COUNTY, ARIZONA.



SURVEYOR'S NOTES:

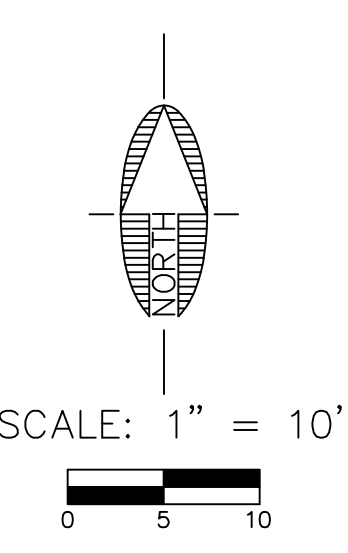
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LEGEND

- CLINE TRAIL (DIRT)
- ASPHALT SURFACE
- CLINE ROAD RIGHT OF WAY - EXISTING TO REMAIN
- CLINE ROAD RIGHT OF WAY - EXISTING TO BE ADJUSTED
- CLINE ROAD RIGHT OF WAY - ADJUSTED
- ADJACENT PARCEL BOUNDARY
- FOUND REBAR AND CAP STAMPED "RLS 29263"
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- FOUND COTTON PICKER SPINDLE WITH TAG STAMPED "RLS 13015"
- SET MAG SPIKE WITH ALUMINUM WASHER STAMPED "RLS 60237"
- SIGN POST



CERTIFICATE OF LAND SURVEYOR

I HEREBY STATE THAT THE SURVEY SHOWN HEREON WAS DONE UNDER MY DIRECT SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

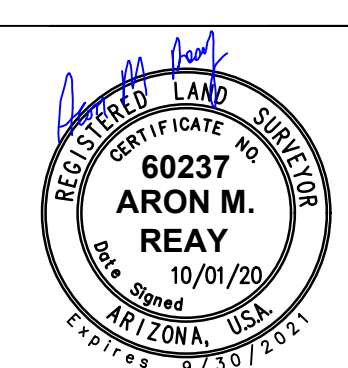
Aron M. Reay

ARON M. REAY 60237

408-22-040R
2015-0022046

P:\2020\20017\Survey\Drawings\C3D\Boundary-C3D\20017 ROS.dwg

Symbol	Revisions	Date	Appr.	Designed by:	Date:
				RM	3/5/2020
				AMR	Scale: 1"=10'
				RM	Project Code: DRW_CODE



75 Kallaf Place
Sedona, AZ 86336
928.282.1061
928.282.2058 fax
www.swiaz.com



CITY OF SEDONA
PUBLIC WORKS DEPARTMENT
102 ROADRUNNER DRIVE
SEDONA, ARIZONA 86336
928-204-7111

RECORD OF SURVEY
LOT LINE ADJUSTMENT
CLINE ROAD
APN: 800-16-007B

R1
SHEET NO. 1
OF 1

EXHIBIT D

Coconino National Forest

Proposed Abandonment

Remaining Right-of-Way

M

N

RS-35

SHADOW ROCK DR

CLINE RD

408-22-040R
50 EAGLE DANCER ROAD

408-22-104B
1655 CLINE ROAD

EAGLE DANCER RD
(PRIVATE ROAD)

408-22-104K
70 EAGLE DANCER ROAD

408-22-104L
245 EAGLE DANCER ROAD

EAGLE DANCER RD

FABULOUS TEXAN WAY

RS-10

FABULOUS TEXAN WAY

Vicinity Map

Parcel 408-22-447M & 408-22-447N

- Proposed Abandonment
- Zoning Boundary
- Parcel Boundary
- Trail



0 85 170 Feet

The City of Sedona makes no warranties, expressed or implied, with respect to the data or information shown on this map. 09/30/2020

EXHIBIT E

**Coconino
National
Forest**

**APN:
408-22-447M**

**APN:
408-22-447N**




**Proposed
Abandonment**

**Remaining
Right-of-Way**

EAGLE DANCER RD

CLINE RD

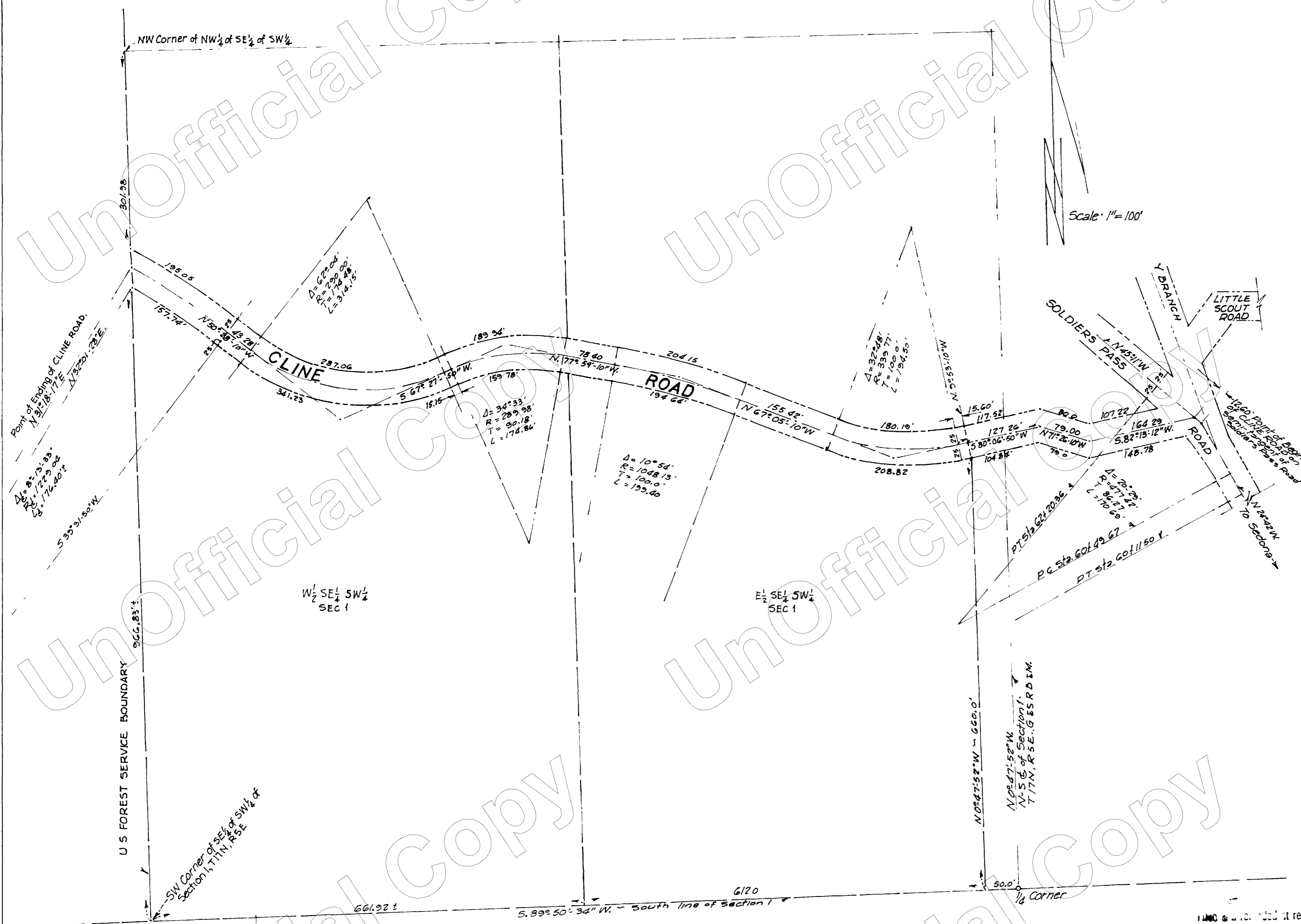
Aerial View

-  APN 408-22-447M & 408-22-447N
-  Proposed Abandonment
-  Parcel Boundary



The City of Sedona makes no warranties, expressed or implied, with respect to the data or information shown on this map. 10/01/2020

DEDICATION OF CLINE ROAD IN THE SE 1/4 AND SW 1/4 OF SECTION 1, TOWNSHIP 17 NORTH, RANGE 5 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA.



DEDICATION

State of Arizona } s.s.
 County of Coconino }
 That Platt Cline, as owner, hereby publishes this plat as and for the Plat of Dedication of road in the SE 1/4 and SW 1/4 of Section 1, Township 17 North, Range 5 East, Gila and Salt River Base and Meridian, Yavapai County, Arizona, and hereby declares that said Plat sets forth the location and gives the dimensions of said road that shall be known as CLINE ROAD, and hereby dedicates to the public for use as such the road shown hereon.
 Dated this 21 day of November, 1972.

Platt Cline
 Platt Cline

State of Arizona } s.s.
 County of Coconino }
 On this 21 day of November, 1972, before me, the undersigned officer, personally appeared Platt Cline who acknowledged to me that he as owner executed the foregoing instrument for the purposes therein contained
 In Witness Whereof:
 I hereunto set my hand and official seal.
 My Commission expires _____

Samuel C. Kulan
 Samuel C. Kulan

APPROVALS

Approved by the Yavapai County Board of supervisors this _____ day of November, 1972.
 By: _____ Chairman
 Attest: _____ Clerk.

Approved by the Yavapai County Engineer on this _____ day of November, 1972.

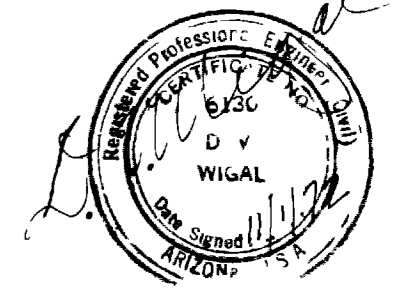
 County Engineer
 Note: The road dedicated on this plat will not be accepted for maintenance by Yavapai County until it is brought to minimum County Standards.

 County Engineer

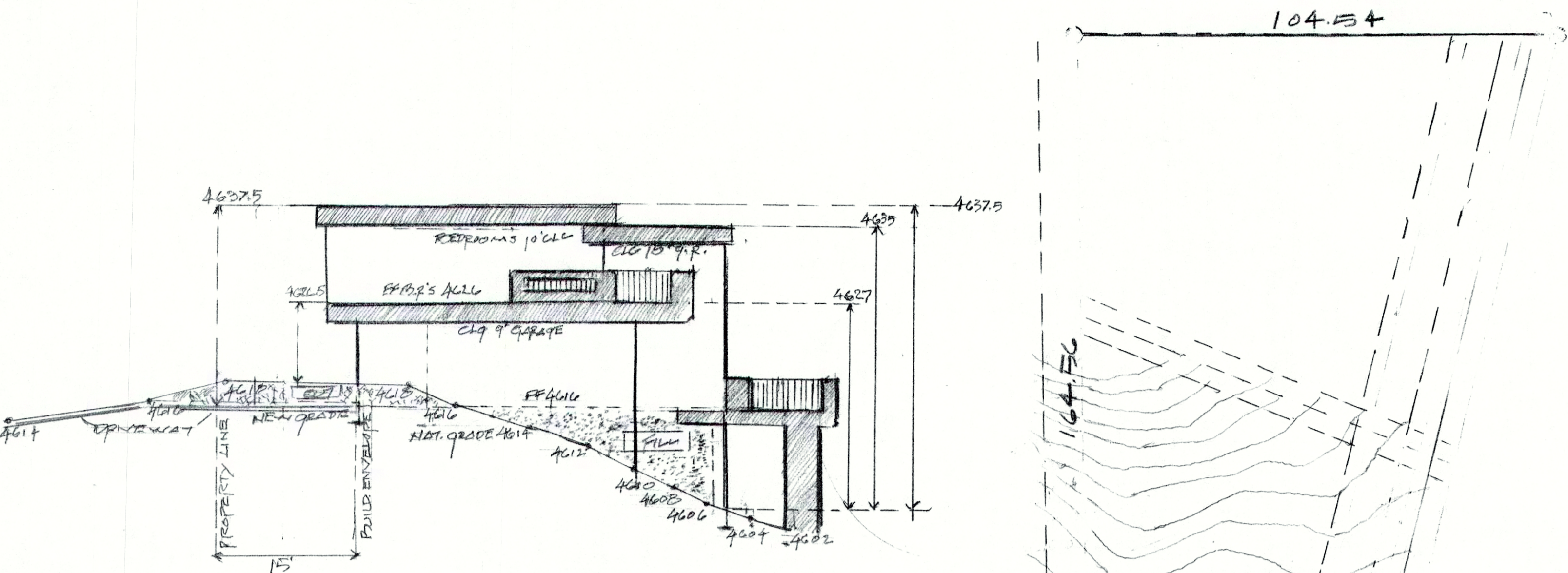
SEDONA WEST NO 2
 SUBDIVISION
 As Recorded in Book 8 of Maps
 at Page 84, Records of
 Yavapai County, Arizona

Map recorded at request of
 Yavapai County Engineer
 November 21 A.D. 1972
 at 10:00 o'clock A.M.
 Book 17 of Maps & Plats
 Page 27
 Records of Yavapai County, Arizona
 Patsy C. Jenne
 County Recorder
 By: *Jean C. Bailey*

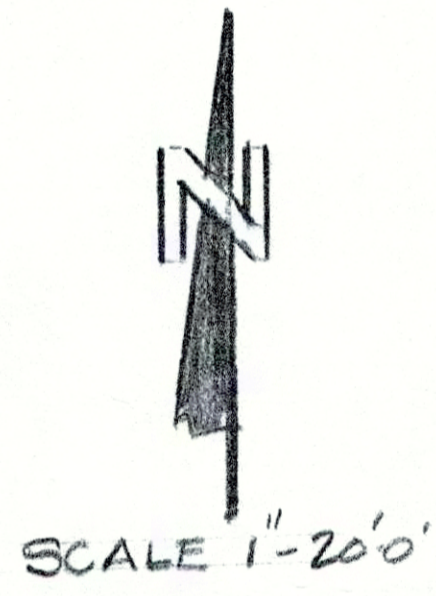
This Dedication Plat prepared by D.V. Wigal,
 Registered Professional Engineer - Civil
 121 E. Gurley
 Prescott, Arizona 86301



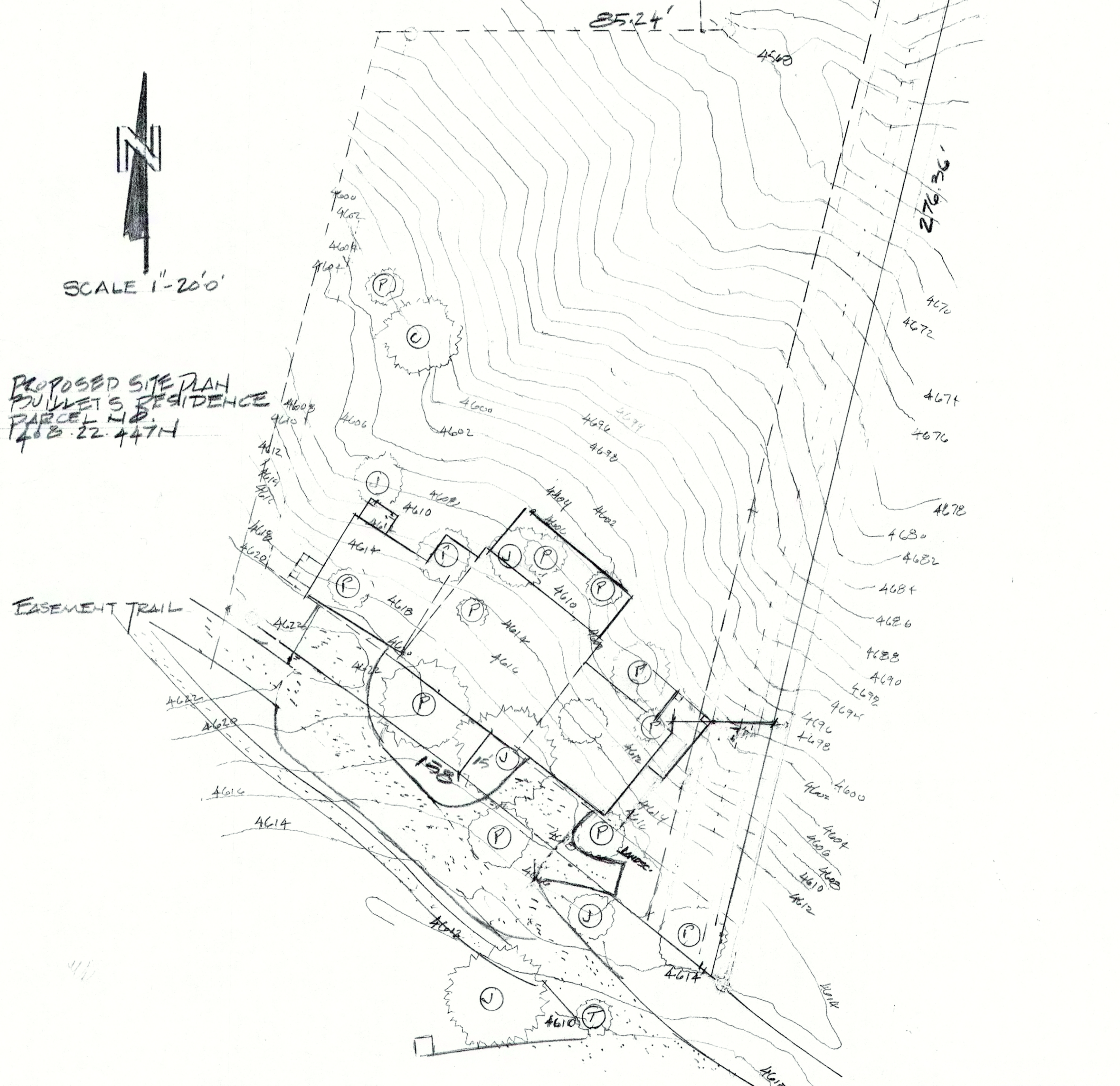
SEAL

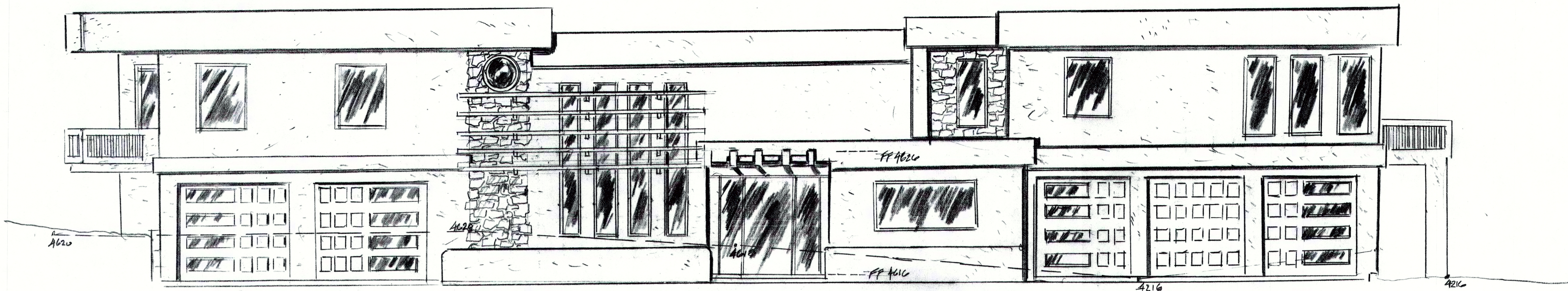


PROPOSED HEIGHTS
SCALE 1"=10'-0"

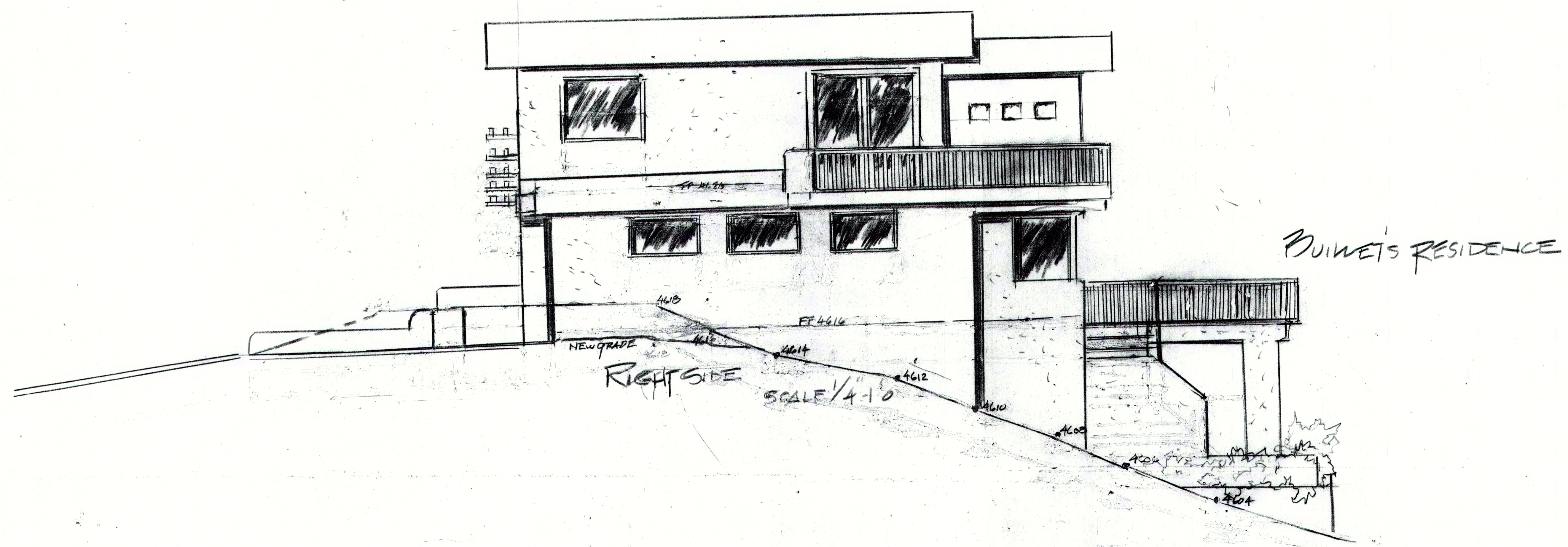


PROPOSED SITE PLAN
DULLLET'S RESIDENCE
PARCEL NO.
468-22-44714



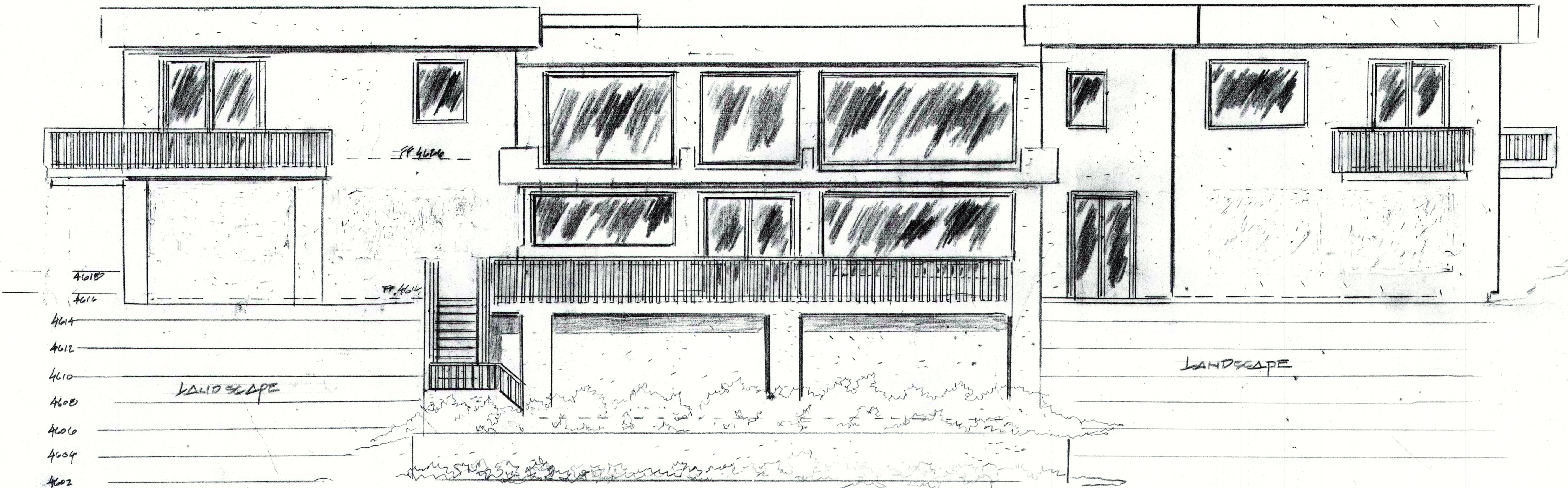


FRONT VIEW
SCALE 1/4" = 1'-0"

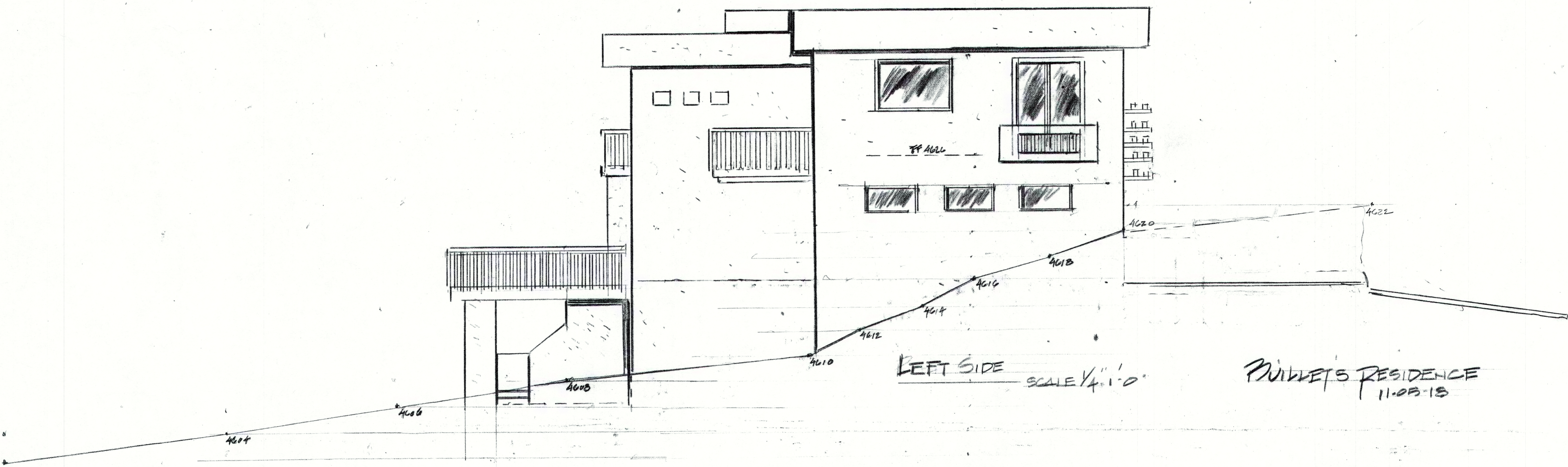


RIGHT SIDE
SCALE 1/4" = 1'-0"

BUWETS RESIDENCE



REAR VIEW
SCALE 1/4" = 1'-0"



LEFT SIDE
SCALE 1/4" = 1'-0"

PULLIET'S RESIDENCE
11-05-13

March 30, 2020

E-MAILED

Clinton Gelotte
1580 Cline Road
Sedona, AZ 86336

SUBJECT: NOTICE OF A PORTION OF RIGHT-OF-WAY ABANDONMENT – CLINE ROAD

Dear Clinton,

This letter is being sent to notify you that the city of Sedona will be abandoning a portion of the right-of-way at the western most end of Cline Road.

The abandonment will generally include reducing the width in this area from 50' to 25'. This will be in exchange for relocating and improving the trail connecting Cline Road to Forest Service land. The city will be entering an agreement with the property owner at 408-22-447M & N to construct a new trail in the remainder of the city right-of-way, which will access the Forest Service land in the same location as before. Access to the Forest Service land to the west will remain in place, until the new trail is constructed and will be maintained throughout this process.

If you have any questions, comments, or concerns, please feel free to contact me at (928) 203-5091 or by email at RMortillaro@sedonaaz.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Mortillaro", with a long horizontal stroke extending to the right.

Ryan Mortillaro, PE
Associate Engineer

RJM:jad

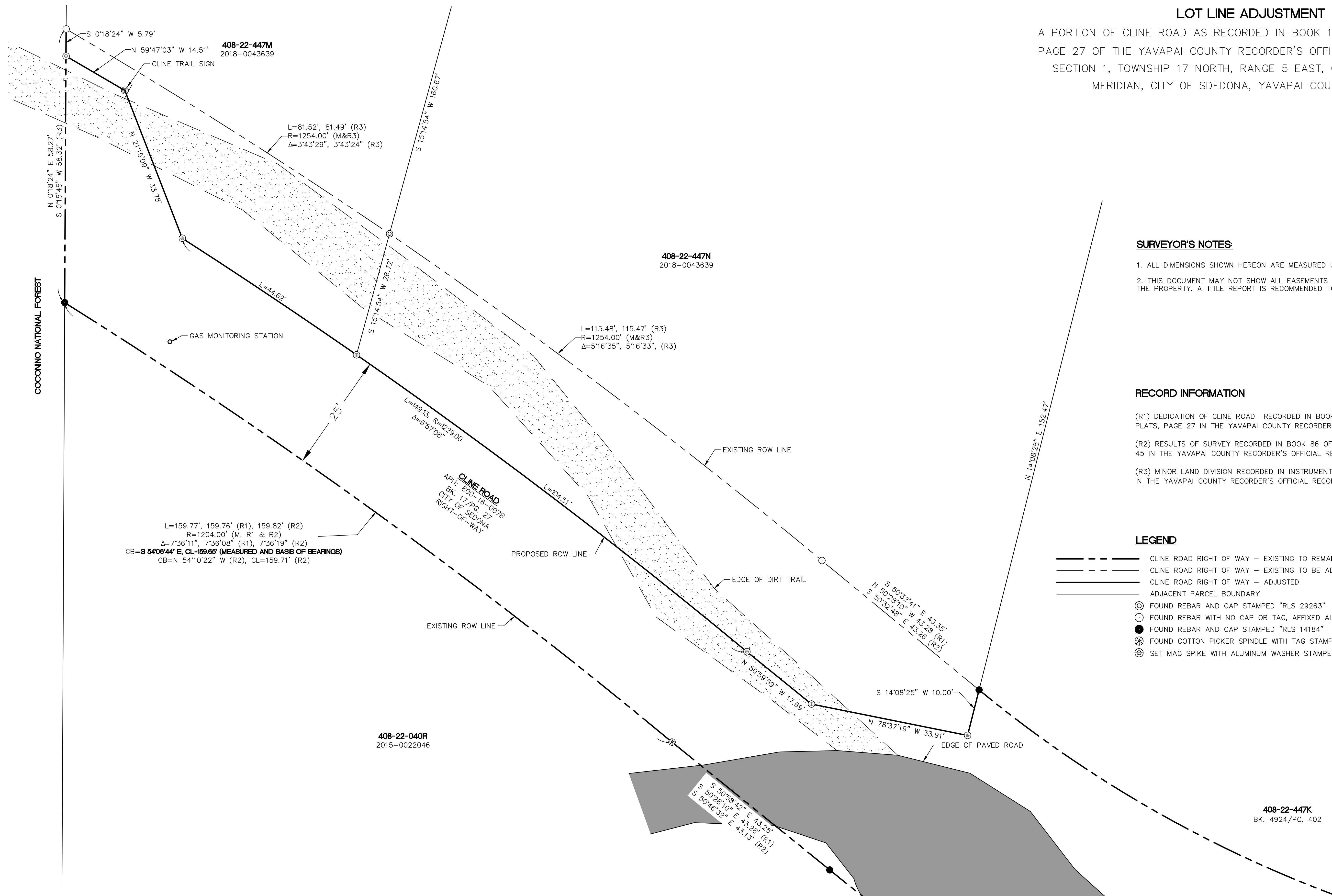
Attachment: Survey Map

cc: J. Andy Dickey, Director of Public Works/City Engineer (e-copy)
Stephen Craver, Engineering Supervisor (e-copy)
Street File – Cline Road

RECORD OF SURVEY

LOT LINE ADJUSTMENT

A PORTION OF CLINE ROAD AS RECORDED IN BOOK 17 OF MAPS AND PLATS, PAGE 27 OF THE YAVAPAI COUNTY RECORDER'S OFFICIAL RECORDS. LYING IN SECTION 1, TOWNSHIP 17 NORTH, RANGE 5 EAST, GILA AND SALT RIVER MERIDIAN, CITY OF SEDONA, YAVAPAI COUNTY, ARIZONA.



SURVEYOR'S NOTES:

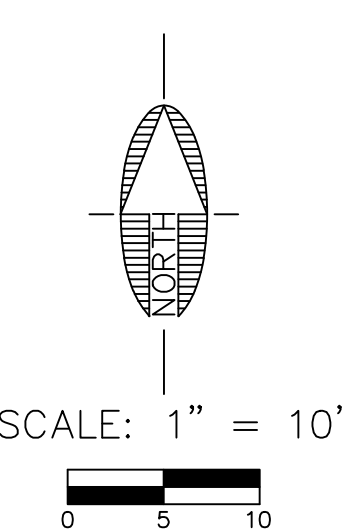
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LEGEND

- CLINE ROAD RIGHT OF WAY - EXISTING TO REMAIN
- CLINE ROAD RIGHT OF WAY - EXISTING TO BE ADJUSTED
- CLINE ROAD RIGHT OF WAY - ADJUSTED
- ADJACENT PARCEL BOUNDARY
- FOUND REBAR AND CAP STAMPED "RLS 29263"
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- SET MAG SPIKE WITH ALUMINUM WASHER STAMPED "RLS 60237"



P:\2020\20017\Survey\Drawings\C3D\Boundary-C3D\20017 ROS.dwg

Symbol	Revisions	Date	Appr.	Designed by:	Date:
				RM	3/5/2020
				Drawn by:	Scale:
				AMR	1"=10'
				Checked by:	Project Code:
				RM	DRW_CODE



75 Kall of Place
 Sedona, AZ 86336
 928.282.1061
 928.282.2058 fax
 www.swiaz.com



CITY OF SEDONA
PUBLIC WORKS DEPARTMENT
102 ROADRUNNER DRIVE
SEDONA, ARIZONA 86336
928-204-7111

RECORD OF SURVEY
 LOT LINE ADJUSTMENT
 CLINE ROAD
 APN: 800-16-007B

R1
 SHEET NO. 1
 OF 1

September 21, 2020

MAILED

PATTISON WILLIAM W & LESLEY J JT
PO BOX 784
WHITE SALMON, WA 98672-0784

SUBJECT: NOTICE OF A PORTION OF RIGHT-OF-WAY ABANDONMENT – CLINE ROAD

Dear Property Owner,

This letter is being sent to notify you that the city of Sedona is proposing an abandonment of a portion of the road right-of-way at the western most end of Cline Road.

The abandonment will generally include reducing the width in this area from 50' to 25'. This will be in exchange for relocating and improving the trail connecting Cline Road to Forest Service land. The city will be entering an agreement with the property owner at 1800 and 1900 Cline Road. (APN: 408-22-447N & M) to construct a new trail in the remainder of the city right-of-way, which will access the Forest Service land in the same location as before. Access to the Forest Service land to the west will remain in place, until the new trail is constructed and will be maintained throughout this process.

This proposed right-of-way abandonment will be heard by the City Council, which is scheduled to be held on October 13, 2020 at 4:30 PM.

If you have any questions, comments, or concerns, please feel free to contact me at (928) 203-5092 or by email at JCrowley@sedonaaz.gov.

Sincerely,



James Crowley, RLS, EIT
Associate Engineer

RJC:ms

Attachment: Survey Map and FAQ Sheet

cc: J. Andy Dickey, Director of Public Works/City Engineer (e-copy)
Stephen Craver, Engineering Supervisor (e-copy)
Street File – Cline Road

CLINE ROAD ABANDONMENT – FAQ's



What is the intent of the city's abandonment of this portion of Cline Road?

The city intends to abandon this section of Cline Road as the roadway in this area is not anticipated to be extended and has some potential maintenance burden on the city. Additionally, the adjacent property owner will be developing their properties and a driveway will need to be constructed. In exchange for the abandoned right-of-way, the property owner agreed to construct a new Cline Trail in the remaining section of right-of-way.

How much of Cline Road is going to be abandoned?

Right-of-way for Cline Road is currently 50' wide. The area of proposed abandonment is approximately 200' in length and 25' in width. Please see the included survey exhibit.

Will this proposal go be presented to City Council for approval?

This proposal will be presented to City Council for approval and will be heard publicly on 10/13/2020.

What will happen to Cline Trail if this abandonment passes?

The existing Cline Trail will be moved to the remaining portion of Cline Road right-of-way and access the Forest Service land at the same location it currently does. The trail will be improved with a more uniform surface, typically at 10' in width.

What will happen to Cline Trail if this abandonment does not pass?

Since this area would remain as right-of-way, the adjacent property owner would still be permitted to construct their driveway over Cline Trail, but with no guarantee that Cline Trail would be restored elsewhere. It is possible that the driveway and Cline Trail could be a shared use, but would be considered less safe than if it were separate from the proposed driveway.

What will happen to Cline Trail if this abandonment passes?

The existing Cline Trail will be moved to the remaining portion of Cline Road right-of-way and access the Forest Service land at the same location it currently does. The trail will be improved with a more uniform surface, typically at 10' in width.

What kind of environmental or drainage impacts will there be with a new trail?

The environmental and drainage impacts will be very minimal due to the use of natural material and maintaining natural contours and drainage patterns. Considering this, the drainage flow will not increase, or have a negative impact. The new trail will be constructed utilizing stormwater Best Management Practices to protect the adjacent wash from pollution during the construction phase.

What happens to the new Cline Trail if the property on 50 Eagle Dancer Road wants to develop, won't it have the same issue?

This property has direct access to Eagle Dancer Road, therefore no conflicts will be allowed with the new Cline Trail.

Is the Forest Service aware of this proposal?

The Forest Service has reviewed the proposal and conceptual layout of the new Cline Trail and has no issues as long as all work takes place off Forest Service land, and no work will take place on Forest Service land.

This proposal went to City Council in 2013 and did not pass; why is this being proposed again?

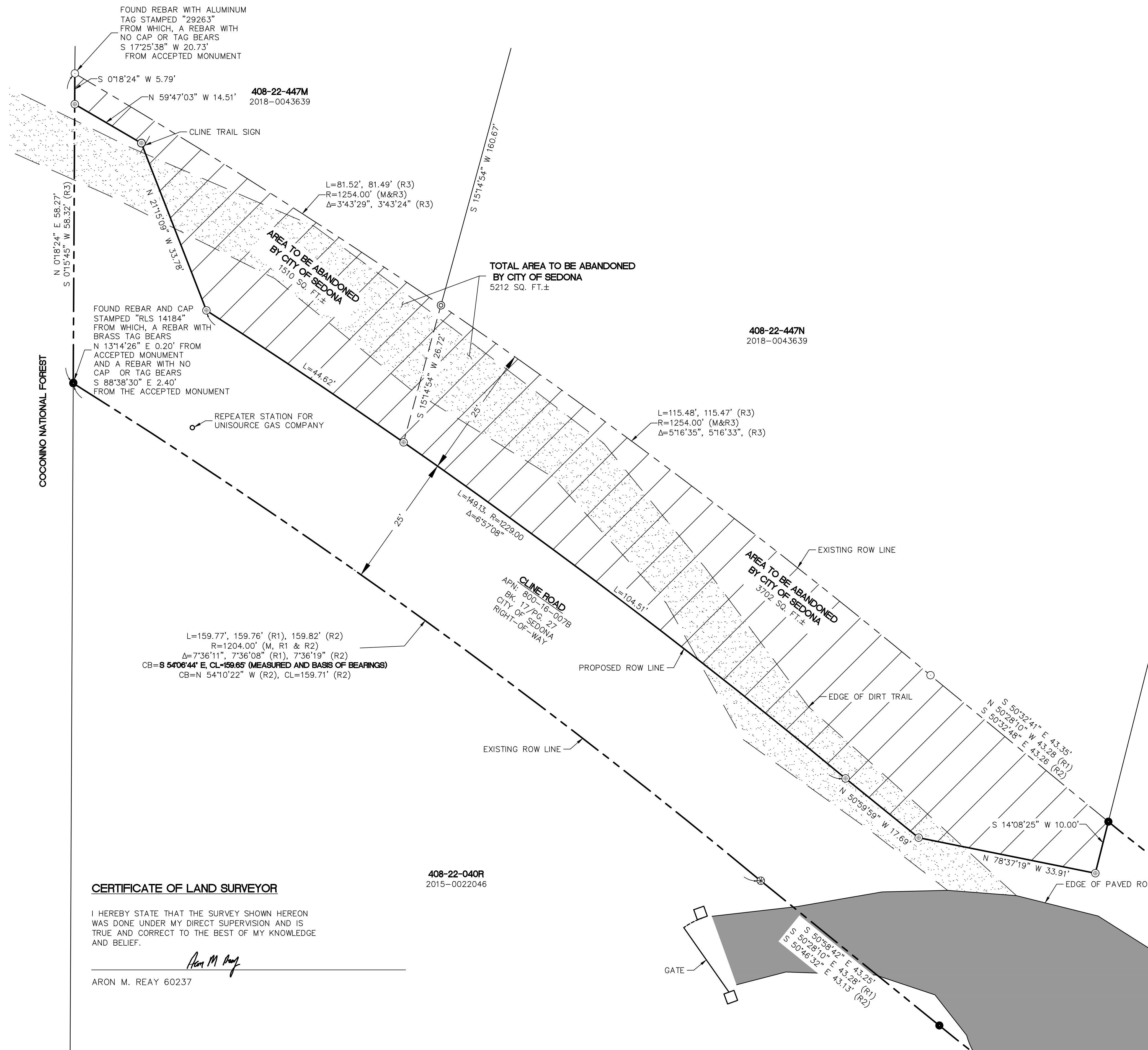
The proposal in 2013 was similar, but different in key areas. The main difference is the benefit to the city. The previously proposed abandonment was for 30' of right-of-way width. Another key difference was that the remaining 20 feet of Cline Road was to be gravel road with all of the vegetation removed. In 2013 the abandonment was required for reducing building setback. Currently a building setback reduction meets requirements for an administrative approval, which has been granted and will be extended. The current abandonment is not required for this building setback reduction.

For further information contact Public Works at 928-204-7111

RECORD OF SURVEY

LOT LINE ADJUSTMENT

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SURVEYOR'S NOTES:

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LEGEND

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- ASPHALT SURFACE
- CLINE ROAD RIGHT OF WAY - EXISTING TO REMAIN
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- SIGN POST

CERTIFICATE OF LAND SURVEYOR

I HEREBY STATE THAT THE SURVEY SHOWN HEREON WAS DONE UNDER MY DIRECT SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Aron M. Reay

ARON M. REAY 60237

408-22-040R
2015-0022046



SWI
Shephard & Wesnitzer, Inc.

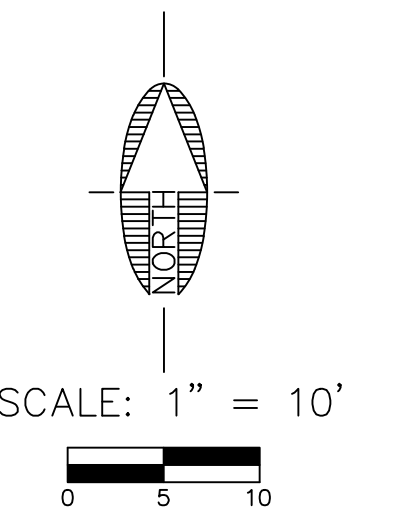
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CITY OF SEDONA
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RECORD OF SURVEY
LOT LINE ADJUSTMENT
CLINE ROAD
APN: 800-16-007B

R1
SHEET NO. 1
OF 1





CITY OF SEDONA

PZ20-0000X

MINOR PLAT AMENDMENT

AAA INDUSTRIAL PARK

LOCATED IN A PORTION OF SECTION 14, TOWNSHIP 17 NORTH,
RANGE 5 EAST, GILA AND SALT RIVER MERIDIAN,
YAVAPAI COUNTY, ARIZONA.

CONTACT INFORMATION

OWNER: CITY OF SEDONA
102 ROADRUNNER DRIVE
SEDONA, ARIZONA 86336
(928) 204-7111
J. ANDY DICKEY, P.E.
DIRECTOR OF PUBLIC WORKS/CITY ENGINEER

MAYOR: SANDY MORIARTY

VICE MAYOR: JOHN MARTINEZ

CITY COUNCIL: BILL CHISHOLM
JOHN CURRIVAN
JANICE HUDSON
SCOTT JABLOW
JESSICA WILLIAMSON

CITY MANAGER: JUSTIN CLIFTON

SURVEYOR: SHEPHARD-WESNITZER, INC.
75 KALLOF PLACE
SEDONA, AZ 86336
(958) 282-1061
ARON M. REAY, RLS 60237

CERTIFICATE OF APPROVALS

COMMUNITY DEVELOPMENT DEPARTMENT:

DIRECTOR OF COMMUNITY DEVELOPMENT – KAREN OSBURN DATE

PUBLIC WORKS DEPARTMENT:

CITY ENGINEER – J. ANDY DICKEY, P.E. DATE

SEDONA FIRE DISTRICT:

FIRE MARSHAL – JON DAVIS DATE

CITY COUNCIL:

MAYOR – SANDY MORIARTY DATE

CITY CLERK – SUSAN IRVINE DATE

RECORD INFORMATION

THE FOLLOWING DOCUMENTS WERE RESEARCHED AND USED TO ESTABLISH THE BOUNDARIES SHOWN HEREON AS WELL AS THE DEEDS CITED BELOW ASSESSOR'S PARCEL NUMBERS ON SHEETS 2-5. RECORD DIMENSIONS ARE NOT CITED HEREON TO PRESERVE CLARITY IN THIS DOCUMENT.

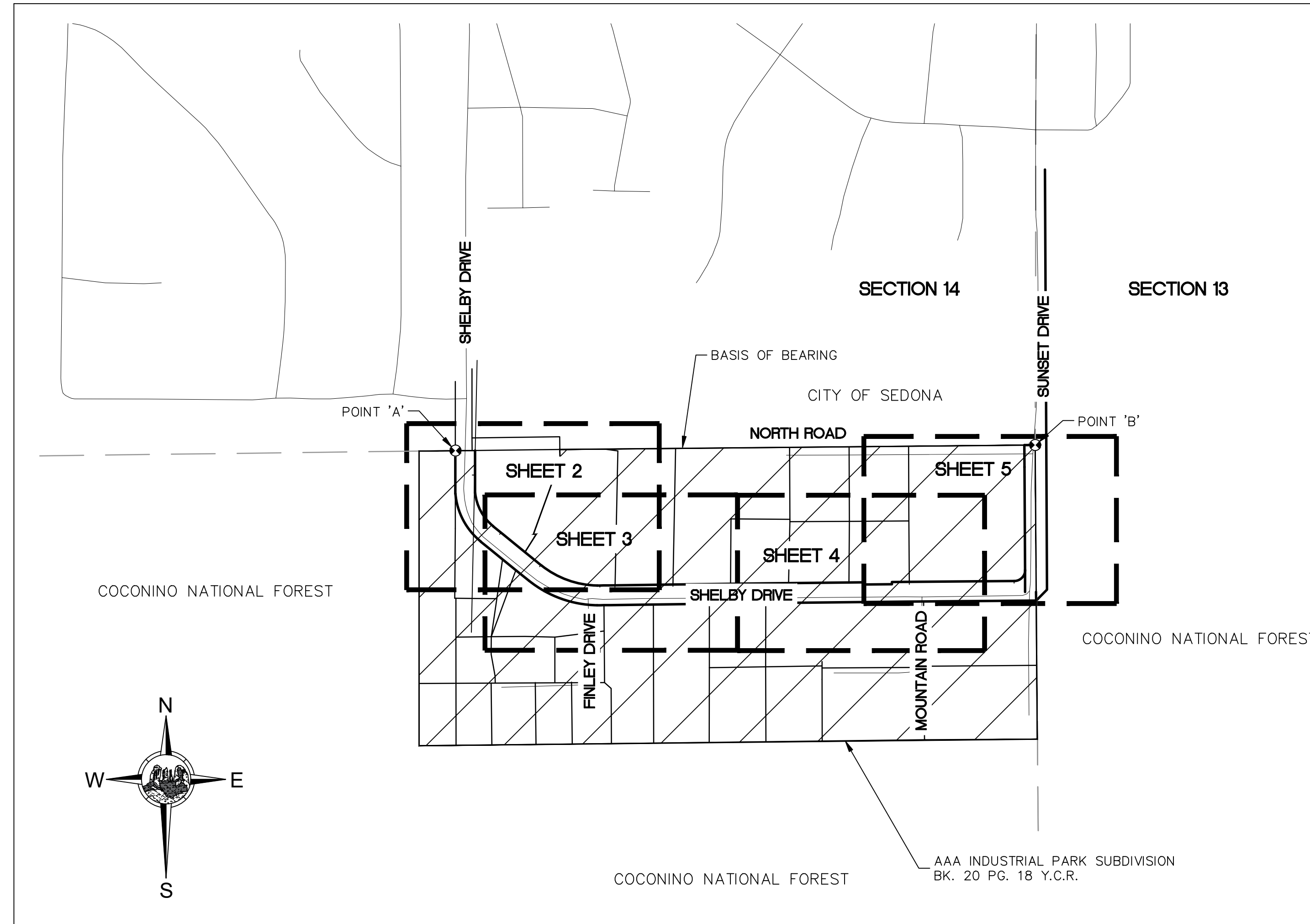
- (R1) YAVAPAI RECORDER'S INSTRUMENT #2014-0002130: RECORD OF SURVEY
- (R2) YAVAPAI RECORDER'S INSTRUMENT #1060330: AAA INDUSTRIAL PARK SUBDIVISION PLAT
- (R3) YAVAPAI RECORDER'S INSTRUMENT #2015-0012624: RECORD OF SURVEY
- (R4) YAVAPAI RECORDER'S INSTRUMENT #2015-0039803: RECORD OF SURVEY
- (R5) YAVAPAI RECORDER'S INSTRUMENT #4258006: RECORD OF SURVEY
- (R6) YAVAPAI RECORDER'S INSTRUMENT #2012-0019728: RECORD OF SURVEY

BASIS OF BEARING

THE BASIS OF BEARINGS FOR THIS PLAT IS BETWEEN "POINT A" AND "POINT B". THE BEARING IS N89°26'33"E, 1,322.53' (MEASURED)

POINT A
1/2" REBAR W/ 3" ALUMINUM CAP "CITY OF FLAGSTAFF"

POINT B
BRASS CAP CITY OF SEDONA BM #50



VICINITY MAP
NO SCALE

DEDICATION

KNOW ALL MEN BY THESE PRESENTS THAT THE CURRENT PROPERTY OWNERS HAVE SUBDIVIDED UNDER THE NAME OF "AAA INDUSTRIAL PARK SUBDIVISION" A SUBDIVISION OF PART OF SECTION 14, T 17 N, R 5 E G&SRBM&M, YAVPAI COUNTY, ARIZONA, AS SHOWN PLATTED HEREON AND HEREBY PUBLISHES THIS PLAT AS AND FOR THE PLAT OF SAID "AAA INDUSTRIAL PARK SUBDIVISION" AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS AND STREETS CONSTITUTING SAME; AND THAT EACH LOT AND STREET SHALL BE KNOWN BY THE NUMBER OR NAME GIVEN EACH RESPECTIVELY ON SAID PLAT AND HEREBY DEDICATES ALL STREETS TO THE USE OF THE PUBLIC FOREVER AND EASEMENTS TO THE PUBLIC UTILITIES SO DESIGNATED ON THIS PLAT.

SEE RATIFICATIONS AS RECORDED IN:

RECEPTION NUMBER: _____
RECORDED ON THIS _____ DAY OF _____, 20_____.

NOTE

THE INDIVIDUAL LOT OWNERS FOR THE PARCELS DEPICTED ON THIS PLAT HAVE SIGNED RATIFICATIONS WHICH WILL BE RECORDED IMMEDIATELY FOLLOWING THE RECORDATION OF THIS PLAT AMENDMENT TO ENSURE THAT THE CORRECT RECEPTION NUMBER OF THE SUBDIVISION RECORDING WILL BE SHOWN ON SAID RATIFICATIONS.

THE OWNERSHIP AND VESTING OF EACH INDIVIDUAL PARCEL SHOWN ON THIS PLAT WILL BE IDENTICAL TO HOW IT EXISTED PRIOR TO THIS PLAT BEING RECORDED.

SURVEYOR'S NOTES:

1. THIS DOCUMENT MAY NOT SHOW ALL EASEMENTS AND RIGHTS OF WAY THAT MAY AFFECT THE PROPERTY. A TITLE REPORT IS RECOMMENDED TO REVEAL THE NATURE OF SAME.
2. ALL DIMENSIONS SHOWN HEREON ARE MEASURED UNLESS NOTED OTHERWISE.
3. TOPOGRAPHIC INFORMATION SHOWN HEREON WAS OBTAINED FROM AERIAL SURVEY CONDUCTED BY COOPER AERIAL SURVEYS CO. ON AUGUST 27, 2019. AERIAL SURVEY DATA HAS BEEN AUGMENTED WITH DATA GATHERED IN THE FIELD WITH CONVENTIONAL SURVEY METHODS.
4. THE CENTERLINE GEOMETRY FOR THE PORTION OF SHELBY DRIVE WITHIN AAA INDUSTRIAL PARK WAS ESTABLISHED USING FOUND MONUMENTS AND THE RECORDED DOCUMENTS REFERENCED HEREON. SAID CENTERLINE IS CONGRUENT WITH THE ORIGINAL LOT LINES AT THE CENTER LINE OF THE PRIVATE EASEMENT GRANTED ON THE FINAL PLAT OF AAA INDUSTRIAL PARK WITH THE FOLLOWING EXCEPTION: FOUND MONUMENTS ALONG SAID CENTERLINE WERE HELD AND CURVE RADII HAVE BEEN ADJUSTED TO CREATE AND PRESERVE TANGENTIAL RELATIONSHIPS BETWEEN LINES AND CURVES ALONG SAID CENTERLINE.
5. THE SOUTHERLY RIGHT OF WAY LINES FOR THE PORTION OF SHELBY DRIVE WITHIN AAA INDUSTRIAL PARK WERE ESTABLISHED BY HOLDING FOUND MONUMENTS PREVIOUSLY SET BY OTHER SURVEYORS ALONG THE ORIGINAL EASEMENT LINES AS GRANTED ON THE FINAL PLAT FOR AAA INDUSTRIAL PARK. BECAUSE OF IRREGULARITIES IN MONUMENTATION, THESE RIGHT OF WAY LINES ARE NOT PARALLEL.
6. LOT LINES WITHIN AAA INDUSTRIAL PARK HAVE CHANGED SIGNIFICANTLY FROM THE PLATTED LOCATIONS. PROPERTY LINES SHOWN HEREON ARE AS THEY EXIST AS OF THE DATE OF THIS SURVEY. YAVAPAI COUNTY ASSESSOR'S PARCEL NUMBERS ARE SHOWN IN ADDITION TO LOT NUMBERS.
7. THE PURPOSE OF THIS MINOR PLAT AMENDMENT IS TO DEDICATE THE EXISTING PORTION OF SHELBY DRIVE WITHIN THE AAA INDUSTRIAL PARK SUBDIVISION TO THE CITY OF SEDONA AS PUBLIC RIGHT-OF-WAY, WHICH CONSEQUENTLY REQUIRES AN EQUITABLE ADJUSTMENT OF SOME LOT LINES WITHIN THE SUBDIVISION.

CERTIFICATE OF LAND SURVEYOR

THIS IS TO CERTIFY THAT THE PROPERTY DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION AND SUPERVISION AND IS ACCURATELY REPRESENTED ON THIS PLAT. I ALSO CERTIFY THAT THE PLAT IS IN SUBSTANTIAL CONFORMANCE TO THE APPROVED FINAL PLAT AND THAT THIS PLAT IS CORRECT AND ACCURATE AS SHOWN TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR *Aron M. Reay*
ARON M. REAY, RLS 60237

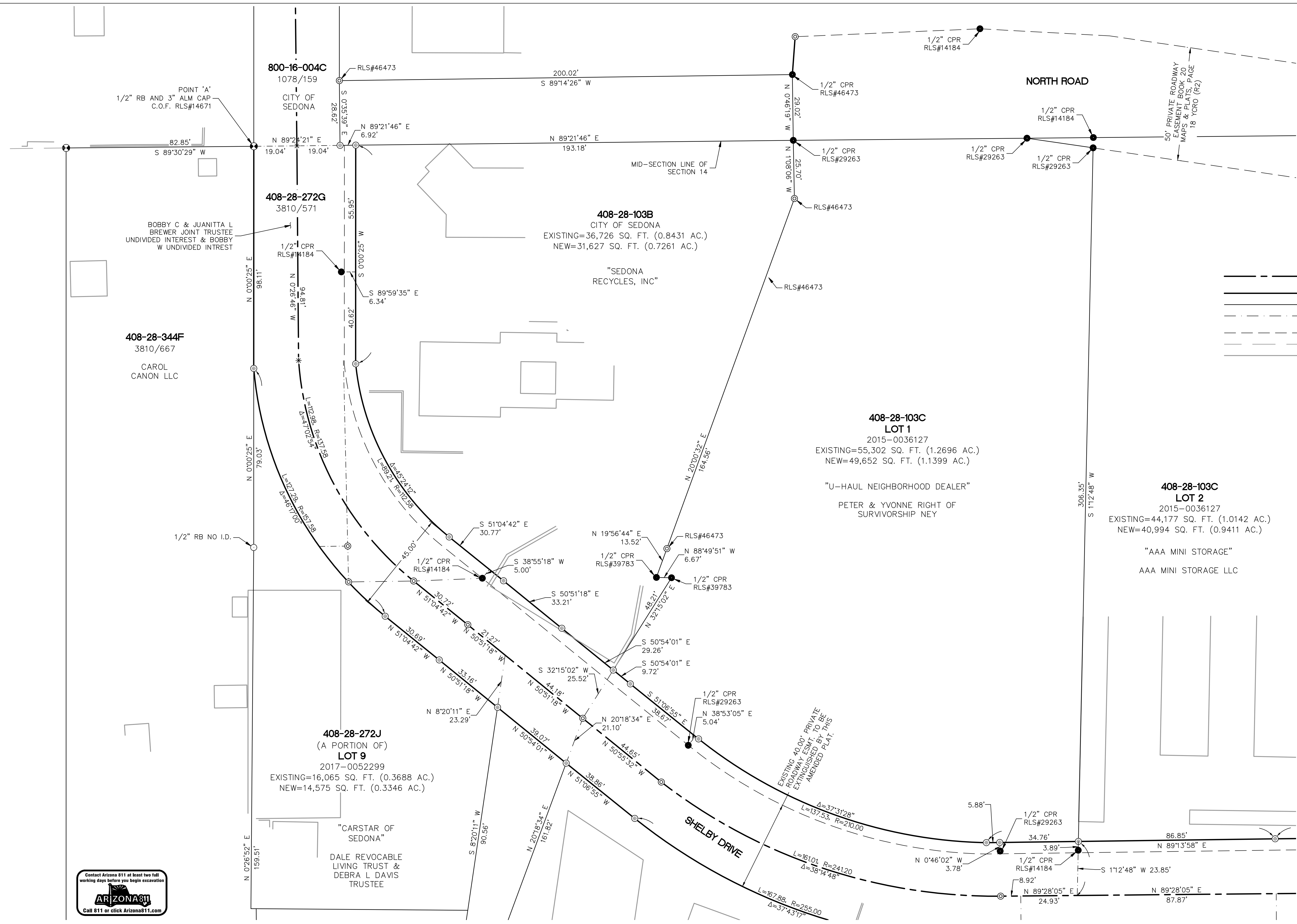
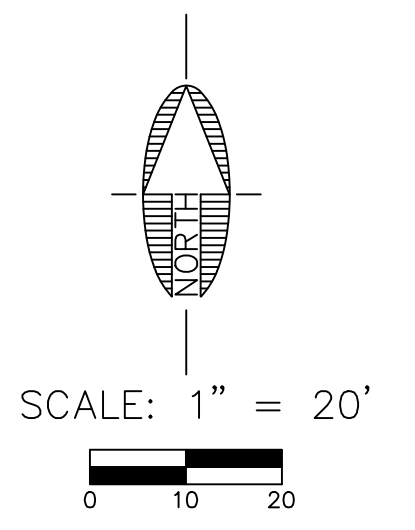


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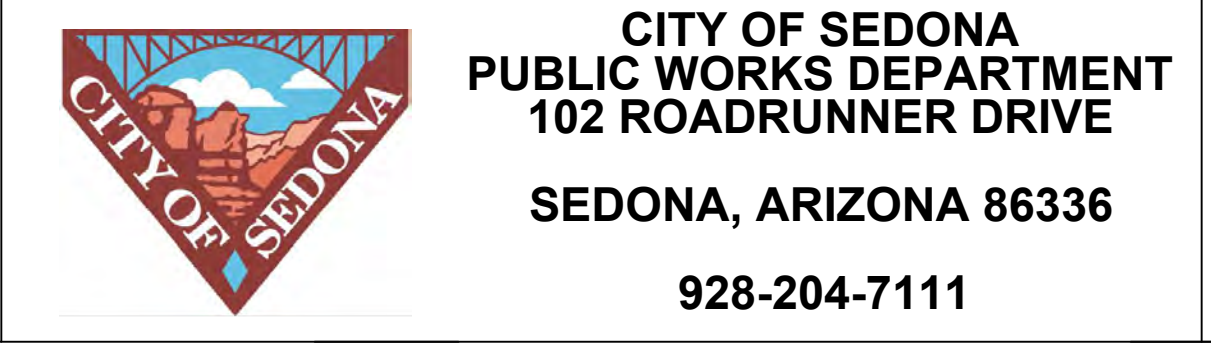
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 - EXISTING PARCEL BOUNDARY WITHIN PROPOSED RIGHT OF WAY
 - EXISTING EASEMENT LINE
 - SECTION LINE
 - EXISTING BUILDING/WALL
 - ⊙ FOUND GOVERNMENT MONUMENT
 - FOUND OPEN PIPE WITH TAG
 - FOUND REBAR WITH TAG
 - FOUND REBAR AND CAP
 - ⊙ FOUND MAG NAIL WITH TAG
 - * SET SURVEY MONUMENT PER M.A.G. STD. DTL. 120 TYPE 'A'
 - ⊕ SET 1/2" REBAR AND CAP STAMPED "RLS 60237"



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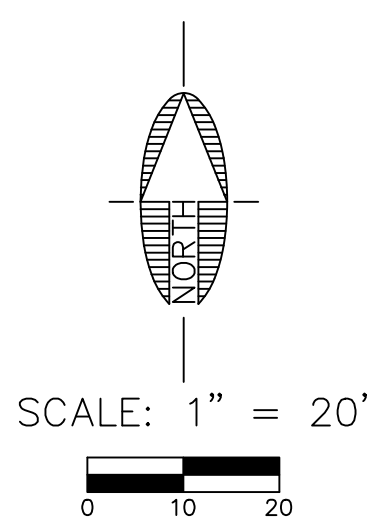
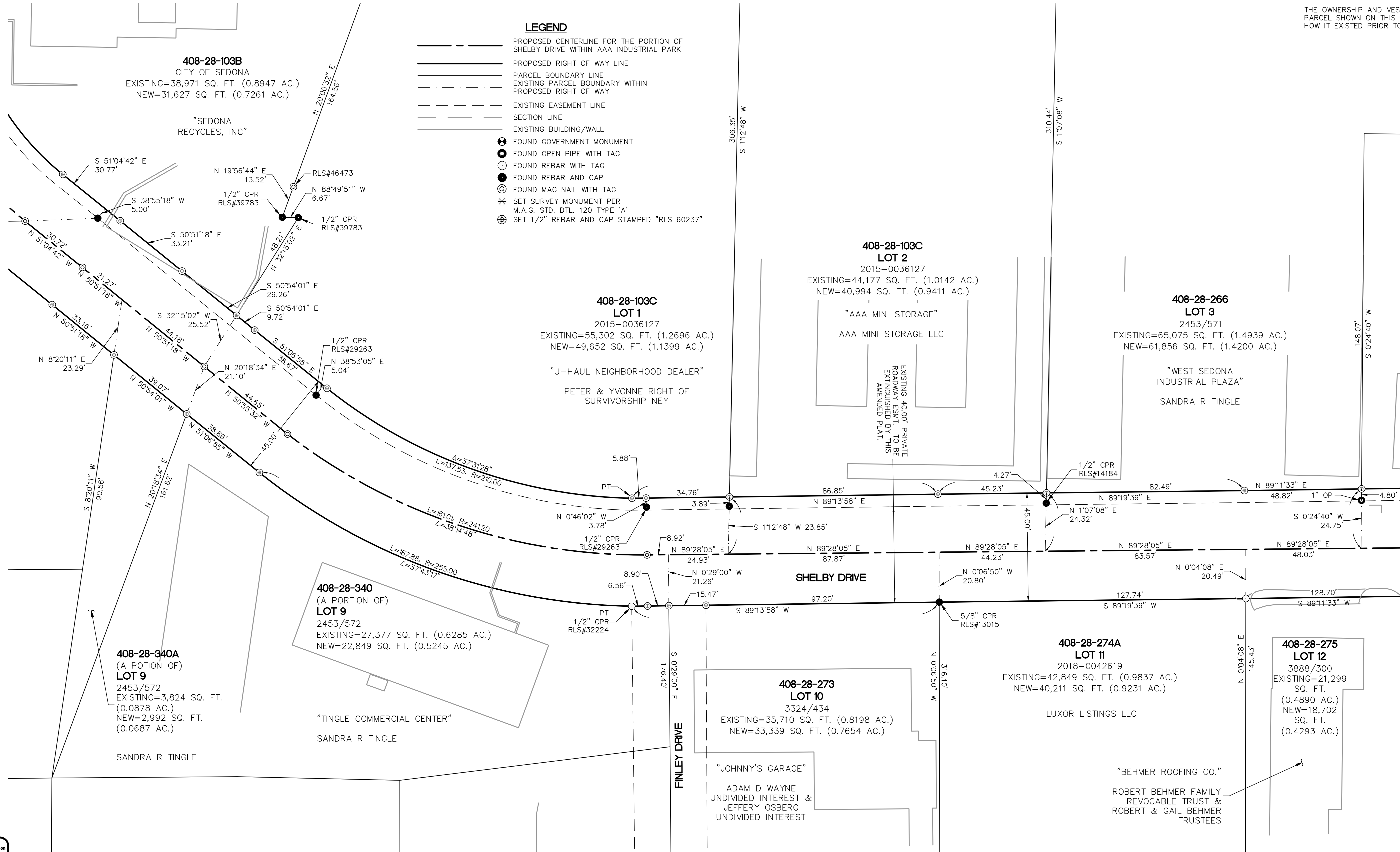


MINOR PLAT AMENDMENT
 PZ20-0000X
 RIGHT-OF-WAY DEDICATION
 AAA INDUSTRIAL PARK

SHEET ID	FP2
SHEET NO.	2 OF 5

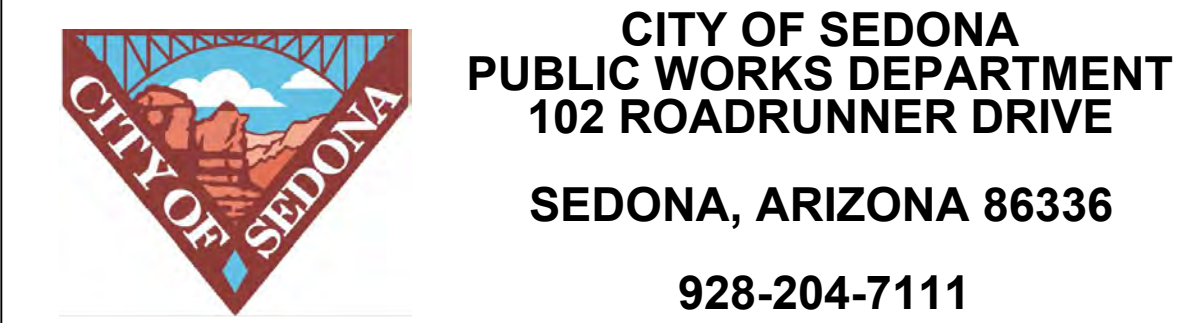
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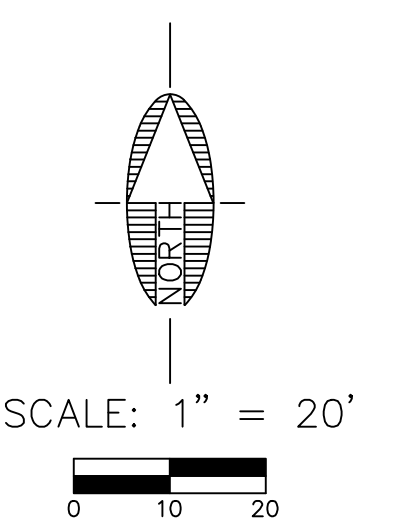
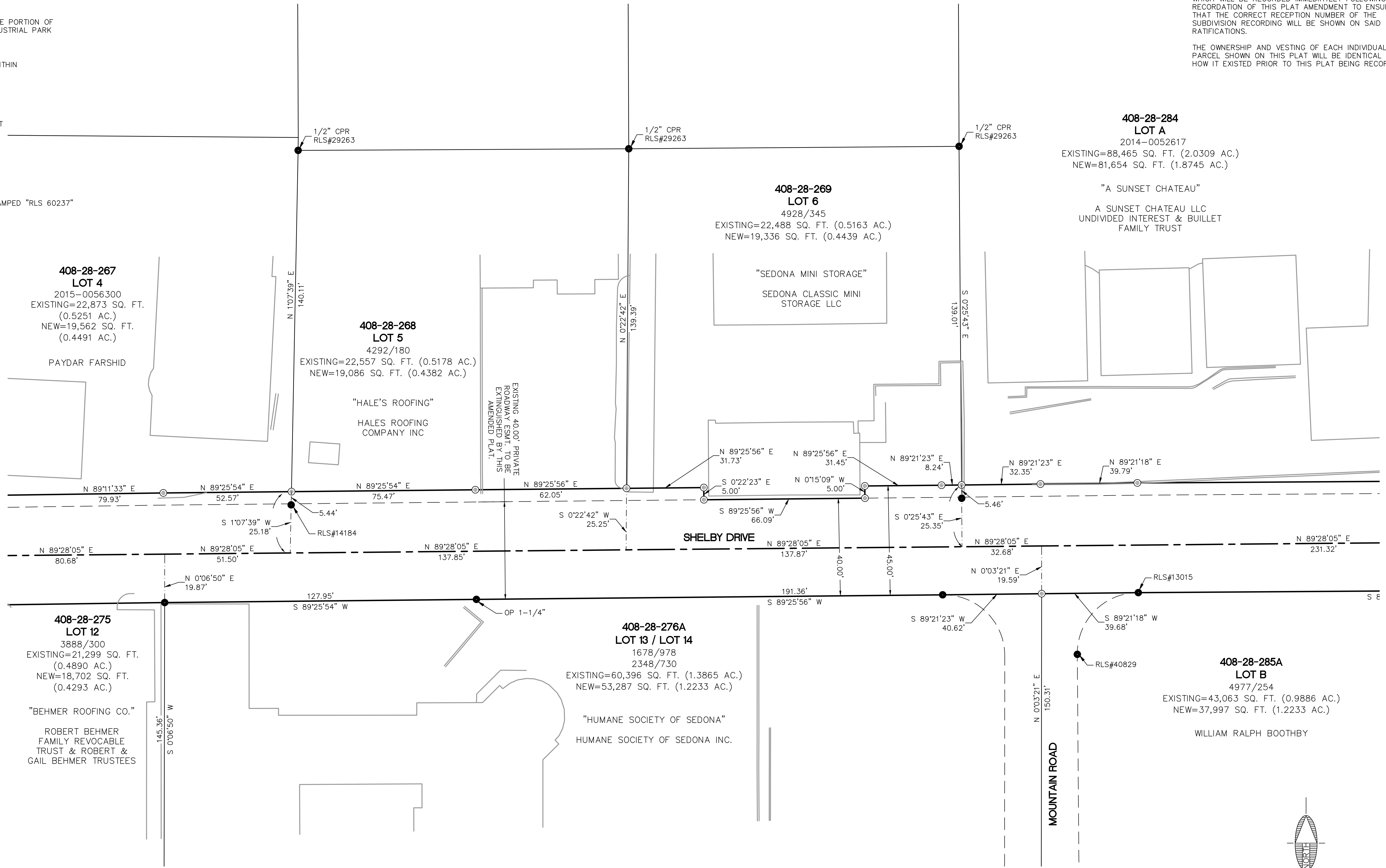
MINOR PLAT AMENDMENT
 PZ20-0000X
 RIGHT-OF-WAY DEDICATION
 AAA INDUSTRIAL PARK

SHEET ID	FP3
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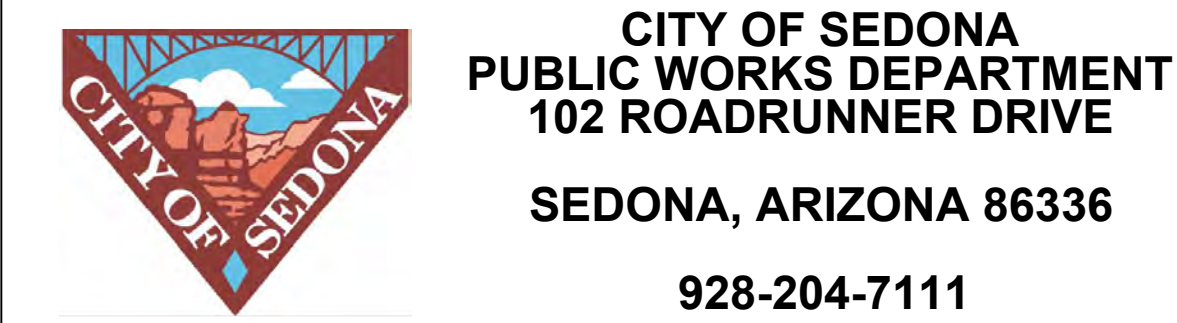
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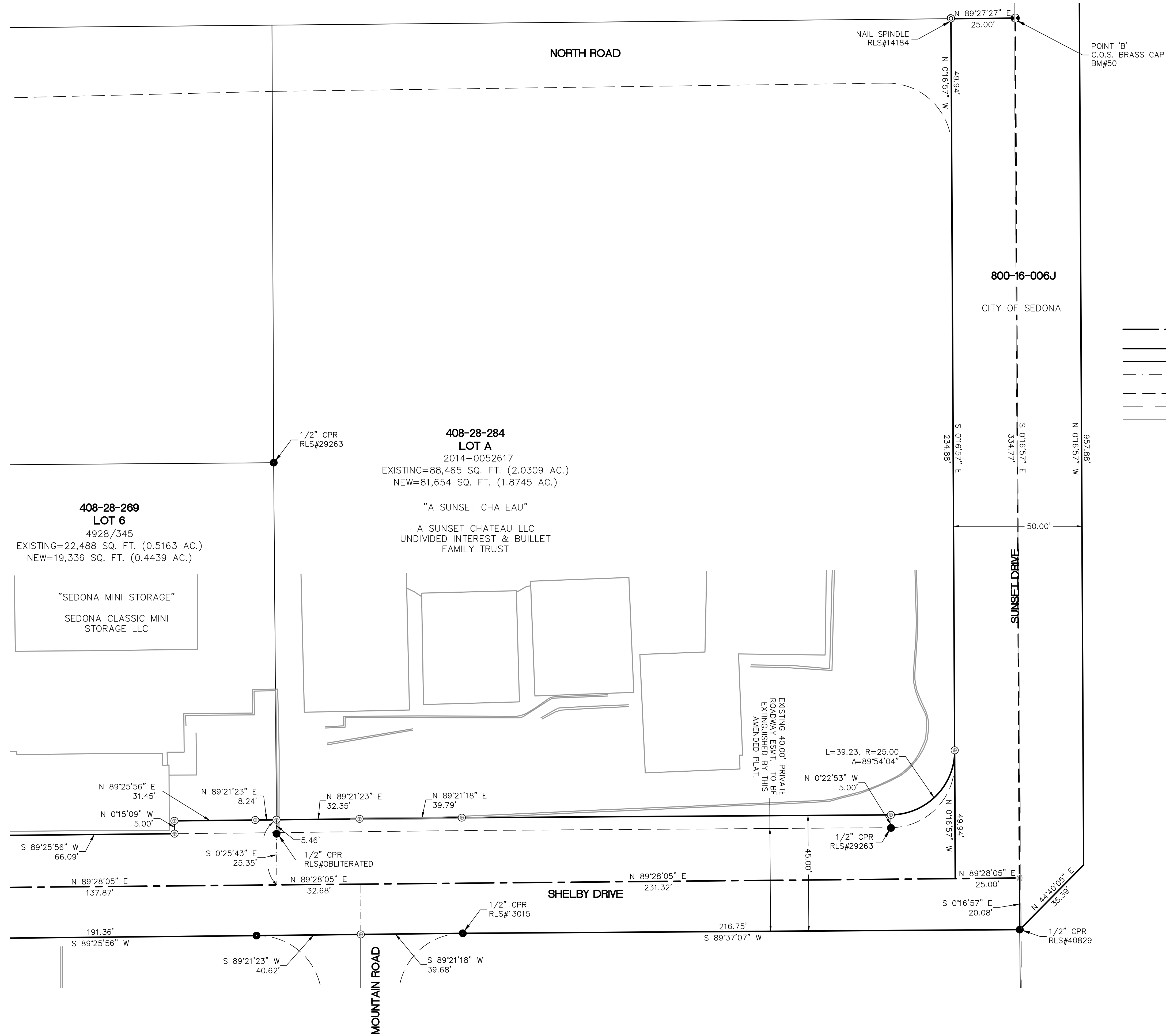
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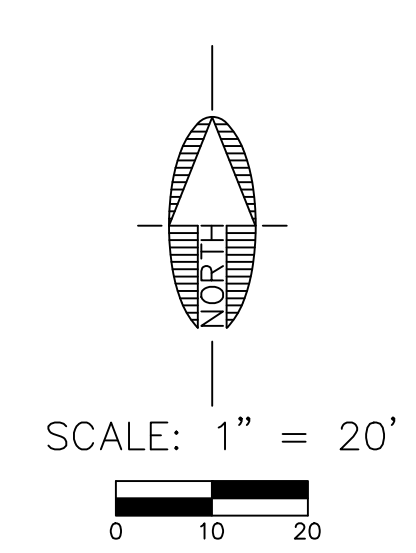
MINOR PLAT AMENDMENT
 PZ20-0000X
 RIGHT-OF-WAY DEDICATION
 AAA INDUSTRIAL PARK

SHEET ID	FP4
SHEET NO.	4 OF 5



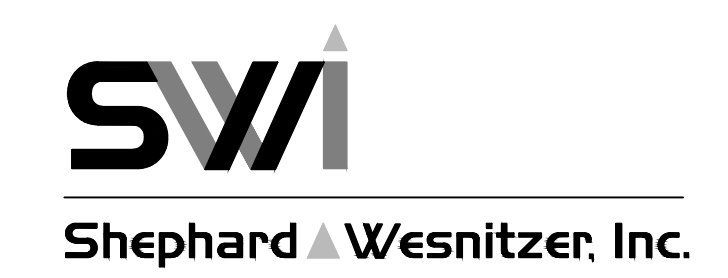
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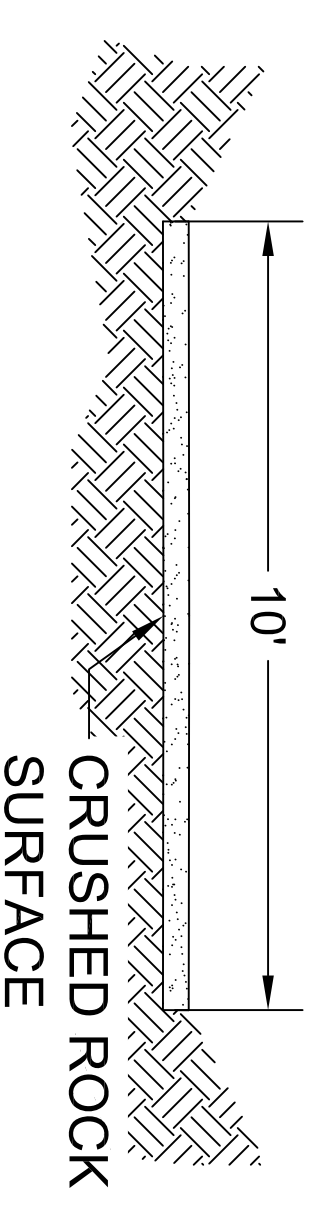
75 Kallof Place
 Sedona, AZ 86336
 928.282.1061
 928.282.2058 fax
 www.swiaz.com



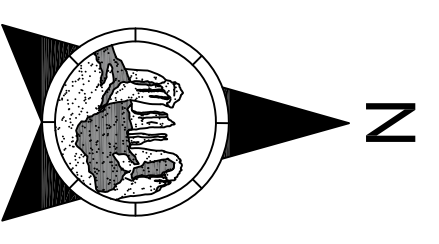
CITY OF SEDONA
PUBLIC WORKS DEPARTMENT
102 ROADRUNNER DRIVE
SEDONA, ARIZONA 86336
928-204-7111

MINOR PLAT AMENDMENT
PZ20-000X
RIGHT-OF-WAY DEDICATION
AAA INDUSTRIAL PARK

SHEET ID
FP5
SHEET NO.
5 OF 5

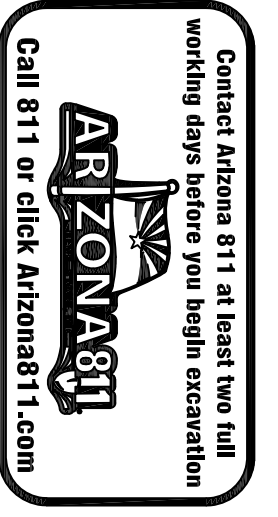


2 PROPOSED TRAIL SECTION VIEW
C-001 NO SCALE



VERIFY SCALES
BAR IS ONE INCH ON ORIGINAL DRAWING
0 1"
IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY

NOTICE OF EXTENDED PAYMENT PROVISION
(PER ARS 32-1129.01) THIS CONTRACT ALLOWS THE OWNER TO MAKE PAYMENT WITHIN 15 DAYS OF THE DATE OF THE INVOICE FOR THE MONTHLY BILLINGS AND ESTIMATES FOR PROGRESS PAYMENTS WITHIN 15 DAYS AFTER CERTIFICATION AND APPROVALS OF BILLINGS AND ESTIMATES AND APPROVALS OF BILLINGS AND ESTIMATES 15 DAYS AFTER CERTIFICATION AND APPROVALS OF BILLINGS AND ESTIMATES FOR FINAL PAYMENT.



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				Drawn by:	Scale:
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				Checked by:	Project Code:
				JAD	CRT

1 SITE PLAN
C-001 NO SCALE

PRELIMINARY
NOT FOR
CONSTRUCTION



CITY OF SEDONA
PUBLIC WORKS DEPARTMENT
102 ROADRUNNER DRIVE
SEDONA, ARIZONA 86336
928-204-7111

CLINE ROAD
TRAIL EXAMPLE
SITE PLAN

SHEET ID
C-001
SHEET NO.
1 OF 1



**CITY COUNCIL
AGENDA BILL**

**AB 2626
November 24, 2020
Regular Business**

Agenda Item: 10c
Proposed Action & Subject: Discussion/possible direction regarding the Sedona Community Pool's future operations and seasonal timelines.

Department	Parks and Recreation
Time to Present	20 minutes
Total Time for Item	120 minutes
Other Council Meetings	N/A
Exhibits	A. PowerPoint Presentation B. Pool Numbers Sheet

City Attorney Approval	Reviewed 11/16/2020 KWC	Expenditure Required	
		\$	0
City Manager's Recommendation	Discussion and direction only.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

The Parks & Recreation Department will present about history of the pool, current operations, lifeguard recruitment challenges, and possible scenarios with recommendation for future seasonal offerings.

Background:

HISTORY OF THE CITY'S INVOLVEMENT WITH THE SEDONA COMMUNITY POOL

- Built in 1974 by Sedona Oak Creek School District (SOCSD) with a federal grant and operated in partnership with the Sedona Community Center
- 1987 - Pool closed due to construction of new middle school; budget shortfalls led to permanent closure
- April 1990 – City approved \$85,000 to repair/renovate pool to reopen and operate under IGA; Reopened pool June 24, 1990
- July 9, 1991 – First IGA with school district
- What the current IGA looks like today
 - City is responsible for operations, repairs, and improvements
 - School programs take priority over public programming
- 2011 – Pool renovated; funding School Bond, City contributed \$150,000 to cover new slide

CURRENT OFFERINGS

- StarGuard Elite and Starfish Aquatics Institute Training Facility
 - Regular in-house Lifeguard certification courses
 - Dawn Norman, Recreation Supervisor, is LGI certified to instruct and certify lifeguards through SGE
 - In-house swim instructor certification for staff
 - Tiana Hatler, Pool Manager (Summer), is SSI certified to instruct and certify swim instructors
- Rent facility to Red Rock High School for season and year-round rentals to Sedona Swordfish, and Verde Valley High Performance swim teams for youth and masters
- City Programs:
 - Adult Lap Swim
 - Recreation Swim (slide)
 - Swim Lessons & StarBabies/Tots
 - Aqua Fitness Classes
 - Aqua Fit, Aqua Zumba, Water Aerobics, Aqua Yoga

2020 SEASON WITH COVID MEASURES

- The pandemic caused for a delayed start to the season and halted any recruiting efforts with the many unknowns
- We were one of the first pools to (safely) open in Arizona this season while many cities did not open aquatics facilities at all
- Worked with both Verde Valley High Performance and Sedona Swordfish swim teams to ensure safety measures were taken during practices
- Implemented a variety of safety measures & protocols:
 - Pre-Registration through Sportsites
 - Added COVID-19 signage at entry and around pool facility
 - Health pre-screenings (questions and temperature taken upon entry)
 - Disinfection breaks between sessions
 - Limited max capacities (*1 swimmer per lane → lap swim, 38 total swimmers → rec swim, 20 total → water fitness classes and StarBabies/Tots*)
 - Required masks when entering and while on deck when 6' distance was not feasible
 - Lifeguards wore masks at all times
 - Limited amenities (no indoor showers, lockers, deck chairs)

LIFEGUARD RETENTION STATISTICS

- SUMMER 2020 – 8/9 Lifeguard Staff were Returning Lifeguards
 - 3 Lifeguards – 4+ years
 - 1 Lifeguard – 3 years
 - 4 Lifeguards – 2 years
- 2019 – 6/15
- 2018 – 11/14
- 2017 – 19/26
- **The average years of service for a Sedona Lifeguard: 3 years**

LIFEGUARD POSITION RECRUITMENT EFFORTS

- The lifeguard position is recruited more aggressively than any other City position.
- Our recruiting efforts include:
 - Posted on the City website
 - Social media (Facebook, Instagram, and Twitter)
 - Regular Facebook post boosts
 - Shared on other local community social media pages

- Recruitment Websites and Locations (League of AZ Cities & Towns, Government Jobs, Indeed, ZipRecruiter, Monster, NAU Job Center, Yavapai College Job Center, APRA Aquatics Professionals)
- Emails sent (All pool users (through Sportsites), Swim Team Representatives, City of Cottonwood, Town of Camp Verde, past and current employees and anyone who has expressed interest, Yavapai College Career Coach, NAU Aquatics Coordinator, RRHS and MUHS – morning announcements, job posting board, and counselors)
- Flyers posted in pool facility, fitness centers in Sedona and Cottonwood and local high schools (RRHS and MUHS)
- \$50 recruitment bonus to returning lifeguards
- Contact homeschool groups/students
- In-Person Recruiting (Pre-COVID):
 - Job fairs at Yavapai College, RRHS, Chamber of Commerce
 - Lunch hour recruitment visits to RRHS throughout months of Feb, March, April
- Publications
 - Red Rock News
 - Verde Independent
 - Kudos

SCENARIOS FOR FUTURE POOL OPERATIONS

- Scenario A: Standard outdoor pool season of Memorial Day to Labor Day
- Scenario B: Extended season of April to November
- Scenario C: Year-round season

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for discussion and possible direction only.



SEDONA COMMUNITY POOL

Sedona Parks &
Recreation
Department

HISTORY OF THE COMMUNITY POOL

CURRENT OFFERINGS

THIS SEASON (COVID-19)

DAYS POOL WAS
OPEN TO THE
PUBLIC
FY16 TO FY21

- ▶ FY16 → 139 days
- ▶ FY17 → 155 days
- ▶ FY18 → 165 days
- ▶ FY19 → 143 days
- ▶ FY20 → 76 days (COVID-19)
- ▶ FY21 → 30 days (*thus far*)
 - ▶ **2 week closure in July due to possible Lifeguard COVID exposure*
 - ▶ **1½ week closure in October due to broken glass found on pool deck*

NUMBERS THIS YEAR (W/ *COVID*) COMPARED TO PREVIOUS YEARS

WHO IS USING THE POOL

RESIDENT VS.
NON-RESIDENT

JUNE 8 – AUG 16, 2020

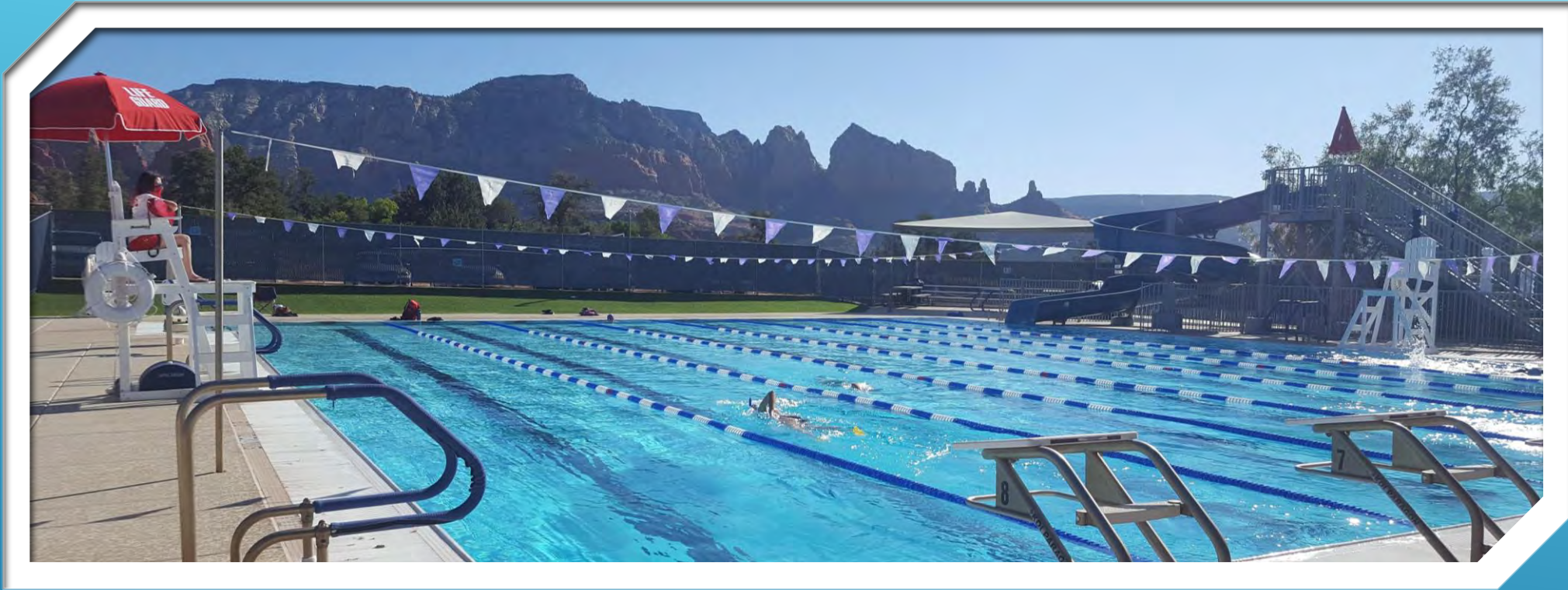
TOTAL UNIQUE USERS:	688	
Sedona Residents	299	43%
Non-Residents	389	57%
VOC Residents	38	6%
Flagstaff Residents	176	26%
Verde Valley Residents	64	9%
Other Cities/Towns	111	16%

WHO IS USING THE POOL

RESIDENT VS. NON-RESIDENT USAGE

JUNE 8 – AUGUST 16, 2020

USERS	REC SWIMMERS	ADULT LAP SWIM	AQUA FITNESS	STARBABIES/TOTS
UNIQUE USERS	437	223	80	15
RESIDENTS	132 30.21%	154 69.06%	58 72.50%	5 33.33%
	Adults: 46 Sr: 38 Yth: 47 Unk: 1	Adults: 38 Sr: 110 Yth: 2 Unk: 4	Adults: 10 Sr: 45 Yth: 1 Unk: 5	
NON RESIDENTS	305 69.79%	69 30.94%	22 27.50%	10 66.67%
VOC RESIDENTS	16 3.66%	17 7.62%	11 13.75%	2 13.33%
V.V. RESIDENTS	47 10.76%	10 4.48%	5 6.25%	8 53.33%
FLAGSTAFF	163 37.30%	13 5.83%	0 0.00%	0 0.00%
OTHER	79 18.08%	29 13.00%	6 7.50%	0 0.00%



THINGS WE HEAR, MISCONCEPTIONS, AND CHALLENGES

- ▶ **Why aren't you open year round?**
- ▶ **Why don't you put more effort into recruiting lifeguards?**
- ▶ **How come _____ city's pool can be open with only 1 or 2 lifeguards?**
- ▶ **Resorts don't require lifeguards, why do you need them?**
- ▶ **You don't pay your lifeguards enough.**
- ▶ **Lifeguards don't return because of pool management.**
- ▶ **Why don't you hire older folks to lifeguard?**
- ▶ **You don't care and want the pool to be closed.**



OUR RECOMMENDATION AND POSSIBLE SCENARIOS FOR FUTURE

SCENARIO A

STANDARD SEASON
MEMORIAL DAY TO LABOR DAY
(LATE MAY TO EARLY SEPT)

WHAT WE RECOMMEND

SCENARIO B

EXPANDED SEASON
(APRIL TO NOVEMBER)

SCENARIO C

OPEN YEAR-ROUND
(HIRING 3-4 FULL TIME, BENEFITTED
LIFEGUARDS)



QUESTIONS, IDEAS,
SUGGESTIONS???

MONTH	LAP/REC	PASSES	TOTAL	# DAYS	AVG# GUESTS/DAY	TOTAL/	AVG# GUESTS/DAY (8 PUNCHES)
	TOTALS					8 PUNCHES	
15-Jul	1186	14	1200	27	44	1312	49
15-Aug	995	20	1015	27	38	1175	44
15-Sep	725	4	729	25	29	761	30
15-Oct	471	1	472	26	18	480	18
15-Nov	0			0			
16-Apr	0					0	#DIV/0!
16-May	352	38	390	10	39	694	69
16-Jun	1483	46	1529	24	64	1897	79
16-Jul	1880	21	1901	26	73	2069	80
16-Aug	901	14	915	27	34	1027	38
16-Sep	166	2	168	24	7	184	8
16-Oct	247	1	248	27	9	256	9
16-Nov	161		161	17	9	161	9
17-Apr	0					0	#DIV/0!
17-May	527	49	576	11	52	968	88
17-Jun	1692	54	1746	23	76	2178	95
17-Jul	1707	26	1733	27	64	1941	72
17-Aug	1054	15	1069	27	40	1189	44
17-Sep	719	9	728	24	30	800	33
17-Oct	515	3	518	25	21	542	22
17-Nov	180		180	10	18	180	18
18-Apr	444	32	476	12	40	732	61
18-May	871	28	899	17	53	1123	66
18-Jun	2000	33	2033	23	88	2297	100
18-Jul	1525	19	1544	27	57	1696	63
18-Aug	1050	9	1059	26	41	1131	44
18-Sep	748	14	762	25	30	874	35
18-Oct	307		307	26	12	307	12
18-Nov	122		122	9	14	122	14
19-Apr	0					0	#DIV/0!
19-May	171	31	202	6	34	450	75
19-Jun	1569	52	1621	24	68	2037	85
19-Jul	2163	20	2183	27	81	2343	87
19-Aug	1097	2	1099	18	61	1115	62
19-Sep	434	0	434	8	54	434	54
19-Oct	279	0	279	7	40	279	40
19-Nov	0	0	0	0	0	0	
20-Apr	0					0	#DIV/0!
20-May	0			0		0	
20-Jun	1262		1262	16	79	1262	79
20-Jul	1006		1006	13	77	1006	77
20-Aug	820		820	14	59	820	59
20-Sep	320		320	4	80	320	

Avg. daily attendance by month (FY16-FY20) assuming 8 of 10 punches were used on 10 punch pass.

May	74.61
June	87.47
July	63.07
August	41.01
September	40.11
October	20.25
November	13.67



**CITY COUNCIL
AGENDA BILL**

**AB 2633
November 24, 2020
Regular Business**

Agenda Item: 10d
Proposed Action & Subject: Discussion/possible action regarding an Ordinance amending the Sedona City Code Title 8 (Health and Safety) by adopting Chapter 8.60 (Recreational Marijuana) related to recreational marijuana, prohibiting retail marijuana establishments and testing facilities within Sedona, adopting related regulations, and declaring an emergency.

Department	City Attorney's Office
Time to Present	10 minutes
Total Time for Item	45 minutes
Other Council Meetings	None
Exhibits	A. Proposed Ordinance B. Prop 207, Smart and Safe Arizona Act, I-23-2020

City Attorney Approval	Reviewed 11/16/2020 KWC	Expenditure Required	
		\$	0
City Manager's Recommendation	Approve an ordinance prohibiting certain marijuana businesses.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: After narrowly defeating the legalization of recreational marijuana in 2016, Arizona voters approved Proposition 207, the Safe and Smart Act (I-23-202) during the November 3, 2020 general election. A copy of Prop 207 is attached hereto as Exhibit B. Among other things, Prop 207 allows local government to prohibit recreational marijuana establishments and marijuana testing facilities within City limits and prohibit marijuana on public property.

The proposed amendment to Sedona City Code (SCC) Title 8 (Health and Safety) adopting Chapter 8.60 (Recreational Marijuana) prohibits recreational marijuana establishments and testing facilities from operating within Sedona. The Ordinance attached hereto as Exhibit A also prohibits the use, sale, cultivation, manufacturing, production, storage, and distribution of marijuana on property that is occupied, owned, controlled, or operated by the City, prohibits smoking and consuming marijuana or marijuana products in Open Spaces, and prohibits smoking marijuana or marijuana products in Public Places.

The proposed change to the SCC is intended to prohibit marijuana establishments and marijuana testing facilities at least until the City can fully evaluate the effects of allowing recreational marijuana sales in the City, the Arizona Department of Health Services establishes its application and licensing criteria, and questions surrounding the implementation and interpretation of Prop 207 are resolved.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): City Council action adopting SCC 8.60 is discretionary. City Council may elect to take no action.

MOTION

(After First Reading)

I move to: adopt Ordinance No. 2020-____, an ordinance of the City of Sedona, Arizona amending the Sedona City Code Article 8 by adopting Chapter 8.60 “Recreational Marijuana”; providing for a savings clause and repeal of any conflicting ordinances; and declaring an emergency.

ORDINANCE NO. 2020-__

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SEDONA, ARIZONA, AMENDING THE SEDONA CITY CODE BY ADOPTING A NEW CHAPTER 8.60 RELATING TO THE REGULATION OF RECREATIONAL MARIJUANA; ESTABLISHING A PURPOSE; SETTING FORTH DEFINITIONS; PROHIBITING MARIJUANA ON PUBLIC PROPERTY; PROHIBITING MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES; SETTING FORTH VIOLATIONS; AND PROVIDING FOR ENFORCEMENT AND PENALTIES.

WHEREAS, marijuana contains tetrahydrocannabinol (“THC”), which remains on Schedule I of the Controlled Substances Act pursuant to 21 U.S.C. § 811 et al. and any possession and use is a violation of federal law pursuant to 21 U.S.C. § 841 et. al.; and

WHEREAS, the Arizona Medical Marijuana Act, Arizona Revised Statutes Sections § 36-2801 et al., and Title 9, Chapter 17 of the Arizona Administrative Code allow the establishment and operation of nonprofit medical marijuana dispensaries in the City of Sedona according to a prescribed statutory and regulatory process; and

WHEREAS, the statewide ballot measure I-23-2020, known as “Smart and Safe Arizona Act”, which was certified as Proposition 207, placed on the November 3, 2020 general election ballot and approved by Arizona voters, contains provisions authorizing the possession, consumption, purchase, processing, manufacturing or transporting of marijuana by an individual who is at least twenty-one (21) years of age; authorizing possession, transport, cultivation or processing of marijuana plants in a primary residence by adults over 21 years of older; allowing a nonprofit medical marijuana dispensary or other non-dispensary applicant to apply to the Department of Health Services to become a licensed marijuana establishment authorized to engage in the retail sale, cultivation and manufacturing of marijuana; and allowing the Department, or another entity designated by the Department, to become a marijuana testing facility to test the potency of marijuana and detect any harmful contaminants; and

WHEREAS, the City finds that Proposition 207 authorizes marijuana establishments to use chemical extraction or chemical synthesis, including butane and other flammable gases, to extract marijuana concentrate, which poses a threat to the health, safety and security of the community and increases the responsibilities of law enforcement and other City of Sedona departments to respond to violations of state and local laws, including building, electrical and fire codes; and

WHEREAS, the City seeks to protect public health, safety, and welfare by prohibiting marijuana establishments and marijuana testing facilities in the Sedona.

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

Section 1. In General.

The Sedona City Code of the City of Sedona, Arizona, Article 8 (Health and Safety) is hereby amended by adding a new Chapter 8.60, Recreational Marijuana to read as follows:

Chapter 8.60 RECREATIONAL MARIJUANA

Sections:

8.60.010 Purpose.

8.60.020 Definitions.

8.60.030 Marijuana Prohibited on Public Property.

8.60.040 Marijuana Establishment Prohibited.

8.60.050 Marijuana Testing Facility Prohibited.

8.60.060 Reserved.

8.60.070 Violations; Enforcement; Penalties.

8.60.010 Purpose.

This chapter is adopted to protect the health, safety, and welfare of the community. Except as allowed by law for personal, private use, the City prohibits the retail sale, cultivation, Chemical Extraction, Chemical Synthesis and manufacturing of marijuana or marijuana products in City. Nothing in this chapter is intended to promote or condone the sale, cultivation, manufacture, transport, production, distribution, possession, or use of marijuana or marijuana products in violation of any applicable law.

8.60.020 Definitions.

The below words and phrases, wherever used in this chapter, shall be construed as defined in this section unless, clearly from the context, a different meaning is intended. Words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number.

- A. *“Chemical Extraction”* means the process of removing a particular component of a mixture from others present, including removing resinous tetrahydrocannabinol from marijuana.
- B. *“Chemical Synthesis”* means production of a new particular molecule by adding to, subtracting from, or changing the structure of a precursor molecule.
- C. *“City”* means the City of Sedona.
- D. *“Consume,” “Consuming,”* and *“Consumption”* mean the act of ingesting, Smoking, inhaling or otherwise introducing marijuana into the human body.
- E. *“Consumer”* means an individual who is at least twenty-one years of age and who purchases marijuana or marijuana products.
- F. *“Cultivate”* and *“Cultivation”* mean to propagate, breed, grow, prepare and package marijuana.
- G. *“Deliver”* and *“Delivery”* mean the transportation, transfer or provision of marijuana or marijuana products to a consumer at a location other than the designated retail location of a marijuana establishment.
- H. *“Department”* means the State of Arizona Department of Health Services or its successor agency.
- I. *“Dual Licensee”* means an entity that holds both a nonprofit medical marijuana dispensary registration and a marijuana establishment license.
- J. *“Enclosed Area”* means a building, greenhouse, or other structure that has:

1. A complete roof enclosure supported by connecting walls that are constructed of solid material extending from the ground to the roof;
 2. Is secure against unauthorized entry;
 3. Has a foundation, slab or equivalent base to which the floor is securely attached; and
 4. Meets performance standards ensuring that cultivation and processing activities cannot be and are not perceptible from the structure in terms of not being visible from public view without using binoculars, aircraft or other optical aids and is equipped with a lock or other security device that prevents access by minors.
- K. *“Extraction”* means the process of extracting or separating resin from marijuana to produce or process any form of marijuana concentrates using water, lipids, gases, solvents, or other chemicals or chemical processes.
- L. *“Manufacture”* and *“Manufacturing”* mean to compound, blend, extract, infuse or otherwise make or prepare a marijuana product.
- M. *“Marijuana”*
1. Means all parts of the plant of the genus cannabis, whether growing or not, as well as the seeds from the plant, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture or preparation of the plant or its seeds or resin.
 2. Includes cannabis as defined in A.R.S. § 13-3401.
 3. Does not include industrial hemp, the fiber produced from the stalks of the plant of the genus cannabis, oil or cake made from the seeds of the plant, sterilized seeds of the plant that are incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other products.
- N. *“Marijuana Concentrate:”*
1. Means resin extracted from any part of a plant of the genus cannabis and every compound, manufacture, salt, derivative, mixture or preparation of that resin or tetrahydrocannabinol.
 2. Does not include industrial hemp or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink or other products.
- O. *“Marijuana Establishment”* means an entity licensed by the Department to operate all of the following:
1. A single retail location at which the licensee may sell marijuana and marijuana products to consumers, cultivate marijuana and manufacture marijuana products.
 2. A single off-site cultivation location at which the licensee may cultivate marijuana, process marijuana and manufacture marijuana products, but from which marijuana and marijuana products may not be transferred or sold to consumers.
 3. A single off-site location at which the licensee may manufacture marijuana products and package and store marijuana and marijuana products, but from which marijuana and marijuana products may not be transferred or sold to consumers.

- P. *“Marijuana Products”* means marijuana concentrate and products that are composed of marijuana and other ingredients and that are intended for use or consumption, including edible products, ointments, and tinctures.
- Q. *“Marijuana Testing Facility”* means the Department or another entity that is licensed by the Department to analyze the potency of marijuana and test marijuana for harmful contaminants.
- R. *“Nonprofit Medical Marijuana Dispensary”* means a nonprofit entity as defined in A.R.S. § 36-2801(12).
- S. *“Open Space”* means a public park, public sidewalk, public walkway or public pedestrian thoroughfare.
- T. *“Person”* means an individual, partnership, corporation, association, or any other entity of whatever kind or nature.
- U. *“Process”* and *“Processing”* means to harvest, dry, cure, trim or separate parts of the marijuana plant.
- V. *“Public Place”* has the same meaning prescribed in the Smoke-Free-Arizona Act, A.R.S. § 36-601.01.
- W. *“Smoke”* and *“Smoking”* means to inhale, exhale, burn, carry or possess any lighted marijuana or lighted marijuana products, whether natural or synthetic.

8.60.030 Marijuana Prohibited on Public Property.

- A. The use, sale, cultivation, manufacture, production or distribution of marijuana or marijuana products is prohibited on property that is occupied, owned, controlled or operated by City.
- B. It is unlawful for an individual to smoke or consume marijuana or marijuana products on property that is occupied, owned, controlled or operated by the City.
- C. It is unlawful for an individual to smoke or consume marijuana or marijuana products in any open space in the City.
- D. It is unlawful for an individual to smoke marijuana or marijuana products in a public place in the City.

8.60.040 Marijuana Establishment Prohibited.

- A. To the fullest extent allowable by law, the operation of a Marijuana Establishment is prohibited in the City.
- B. To the fullest extent allowable by law, the operation of a Marijuana Establishment by a Dual Licensee is prohibited in the City.

8.60.050 Marijuana Testing Facility Prohibited.

- A. To the fullest extent allowable by law, the operation of a Marijuana Testing Facility is prohibited in the City.

8.60.060 Reserved.

8.60.070 Violations; Enforcement; Penalties.

- A. It is unlawful and a violation of this chapter for a person to sell or cultivate, process, manufacture or transport marijuana or marijuana products if the

person fails to meet all the requirements in this article or state law, including the Department's rules.

- B. Except as otherwise provided in A.R.S. § 36-2853, any violation of this chapter shall be civil code offenses which may be adjudicated and enforced as set forth in Sedona City Code Section 1.15.010.
- C. Violations of this chapter are in addition to any other violation enumerated within the City ordinances or the City Code and cumulative to any other federal, state or local remedy and in no way limits the penalties, actions or abatement procedures which may be taken by the City for any violation of this chapter, which is also a violation of any other ordinance or Code provision of the City or federal or state law. Conviction and punishment of judgment and civil sanction against any person under this chapter shall not relieve such person from the responsibility of correcting prohibited conditions, or removing prohibited structures or improvements, and shall not prevent the enforced correction or removal thereof. Each day any violation of any provision of this chapter shall continue shall constitute a separate offense.

Section 2. Providing for Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance or any part of the Code adopted herein by reference, are hereby repealed.

Section 3. Recitals.

The recitals above are fully incorporated in this Ordinance by reference.

Section 4. Emergency.

Because of the urgent need for the implementation of the City of Sedona's regulations concerning recreational marijuana, the immediate operation of this Ordinance is necessary for the preservation of the health, safety, and general welfare. An emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval by the Mayor and Council as required by law.

Section 5. Preservation of Rights and Duties.

This Ordinance does not affect the rights and duties that matured, penalties that were incurred, or proceedings that were begun before the effective date of this Ordinance.

Section 6. Providing for Severability.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code adopted herein by reference, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this 24th day of November 2020.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

OFFICIAL TITLE
AN INITIATIVE MEASURE

AMENDING SECTION 36-2817, ARIZONA REVISED STATUTES; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28.2; AMENDING TITLE 42, CHAPTER 5, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 10; AMENDING TITLE 43, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-108; RELATING TO THE RESPONSIBLE ADULT USE, REGULATION AND TAXATION OF MARIJUANA.

TEXT OF PROPOSED AMENDMENT

Be it enacted by the People of the State of Arizona:

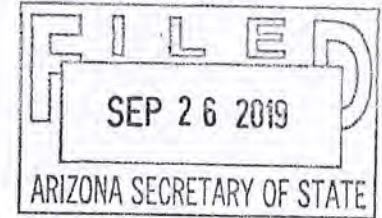
Section 1. Short title

This act may be cited as the "Smart and Safe Arizona Act".

Section 2. Findings and declaration of purpose

The People of the State of Arizona find and declare as follows:

1. In the interest of the efficient use of law enforcement resources, enhancing revenue for public purposes, and individual freedom, the responsible adult use of marijuana should be legal for persons twenty-one years of age or older, subject to state regulation, taxation, and local ordinance.
2. In the interest of the health and public safety of our citizenry, the legal adult use of marijuana should be regulated so that:
 - (a) Legitimate, taxpaying business people, and not criminal actors, conduct sales of marijuana.
 - (b) Marijuana sold in this state is tested, labeled and subject to additional regulations to ensure that consumers are informed and protected.
 - (c) Employers retain their rights to maintain drug-and-alcohol-free places of employment.
 - (d) The health and safety of employees in the marijuana industry are protected.
 - (e) Individuals must show proof of age before purchasing marijuana.
 - (f) Selling, transferring, or providing marijuana to minors and other individuals under the age of twenty-one remains illegal.
 - (g) Driving, flying or boating while impaired to the slightest degree by marijuana remains illegal.



Section 3. Section 36-2817, Arizona Revised Statutes, is amended to read:

36-2817. Medical marijuana fund; private donations

- A. The medical marijuana fund is established consisting of fees collected, civil penalties imposed and private donations received under this chapter. The department shall administer the fund. Monies in the fund are continuously appropriated.
- B. The director of the department may accept and spend private grants, gifts, donations, contributions and devises to assist in carrying out the provisions of this chapter.
- C. Monies in the medical marijuana fund do not revert to the state general fund at the end of a fiscal year.
- D. ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, THE DIRECTOR OF THE DEPARTMENT SHALL TRANSFER THE FOLLOWING SUMS FROM THE MEDICAL MARIJUANA FUND FOR THE FOLLOWING PURPOSES:
 1. \$15,000,000 TO THE ARIZONA TEACHERS ACADEMY FUND ESTABLISHED BY SECTION 15-1655.
 2. \$10,000,000 TO THE DEPARTMENT TO FUND THE FORMATION AND OPERATION OF COUNCILS, COMMISSIONS AND PROGRAMS DEDICATED TO IMPROVING PUBLIC HEALTH, INCLUDING TEEN SUICIDE PREVENTION, THE MATERNAL MORTALITY REVIEW PROGRAM, IMPROVING YOUTH HEALTH, SUBSTANCE ABUSE PREVENTION, ADDRESSING ADVERSE CHILDHOOD EXPERIENCES, THE ARIZONA POISON CONTROL SYSTEM ESTABLISHED PURSUANT TO SECTION 36-1161, THE ARIZONA HEALTH IMPROVEMENT PLAN, THE CHILD FATALITY REVIEW TEAM ESTABLISHED PURSUANT TO SECTION 36-3501 AND THE CHRONIC PAIN SELF MANAGEMENT PROGRAM.
 3. \$10,000,000 TO THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY TO DISTRIBUTE GRANTS FOR THE FOLLOWING PURPOSES:
 - (a) REDUCING IMPAIRED DRIVING, INCLUDING CONDUCTING TRAINING PROGRAMS AND PURCHASING EQUIPMENT FOR DETECTING, TESTING AND ENFORCING LAWS AGAINST DRIVING, FLYING OR BOATING WHILE IMPAIRED.
 - (b) EQUIPMENT, TRAINING AND PERSONNEL COSTS FOR DEDICATED TRAFFIC ENFORCEMENT.
 4. \$2,000,000 TO THE DEPARTMENT TO IMPLEMENT, CARRY OUT AND ENFORCE CHAPTER 28.2 OF THIS TITLE.

5. \$4,000,000 TO THE DEPARTMENT TO DISTRIBUTE GRANTS TO QUALIFIED NONPROFIT ENTITIES THAT WILL PROVIDE OUTREACH TO INDIVIDUALS WHO MAY BE ELIGIBLE TO FILE PETITIONS FOR EXPUNGEMENT PURSUANT TO SECTION 36-2862 AND WILL ASSIST WITH THE EXPUNGEMENT PETITION PROCESS. THE DEPARTMENT SHALL DISTRIBUTE GRANTS PURSUANT TO THIS PARAGRAPH ON OR BEFORE JUNE 30, 2021.

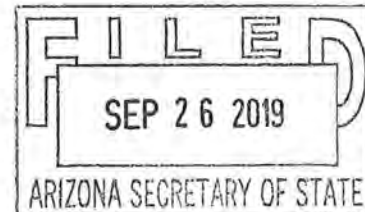
6. \$2,000,000 TO THE DEPARTMENT TO DEVELOP AND IMPLEMENT, IN CONJUNCTION WITH THE DEPARTMENT OF ECONOMIC SECURITY AND OTHER STATE AGENCIES, A SOCIAL EQUITY OWNERSHIP PROGRAM TO PROMOTE THE OWNERSHIP AND OPERATION OF MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES BY INDIVIDUALS FROM COMMUNITIES DISPROPORTIONATELY IMPACTED BY THE ENFORCEMENT OF PREVIOUS MARIJUANA LAWS. FOR THE PURPOSES OF THIS PARAGRAPH, "MARIJUANA ESTABLISHMENT" AND "MARIJUANA TESTING FACILITY" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 36-2850.

7. \$1,000,000 TO THE DEPARTMENT TO FUND PROGRAMS AND GRANTS TO QUALIFIED NONPROFIT ORGANIZATIONS FOR EDUCATION AND COMMUNITY OUTREACH RELATED TO CHAPTER 28.2 OF THIS TITLE.

8. \$1,000,000 TO THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856.

Section 4. Title 36, Arizona Revised Statutes, is amended by adding chapter 28.2, to read:

CHAPTER 28.2
RESPONSIBLE ADULT USE OF MARIJUANA



36-2850. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT REQUIRES OTHERWISE:

1. "ADVERTISE," "ADVERTISEMENT" AND "ADVERTISING" MEAN ANY PUBLIC COMMUNICATION IN ANY MEDIUM THAT OFFERS OR SOLICITS A COMMERCIAL TRANSACTION INVOLVING THE SALE, PURCHASE OR DELIVERY OF MARIJUANA OR MARIJUANA PRODUCTS.

2. "CHILD-RESISTANT" MEANS DESIGNED OR CONSTRUCTED TO BE SIGNIFICANTLY DIFFICULT FOR CHILDREN UNDER FIVE YEARS OF AGE TO OPEN, AND NOT DIFFICULT FOR NORMAL ADULTS TO USE PROPERLY.

3. "CONSUME," "CONSUMING" AND "CONSUMPTION" MEAN THE ACT OF INGESTING, INHALING OR OTHERWISE INTRODUCING MARIJUANA INTO THE HUMAN BODY.

4. "CONSUMER" MEANS AN INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND WHO PURCHASES MARIJUANA OR MARIJUANA PRODUCTS.

5. "CULTIVATE" AND "CULTIVATION" MEAN TO PROPAGATE, BREED, GROW, PREPARE AND PACKAGE MARIJUANA.

6. "DELIVER" AND "DELIVERY" MEAN THE TRANSPORTATION, TRANSFER OR PROVISION OF MARIJUANA OR MARIJUANA PRODUCTS TO A CONSUMER AT A LOCATION OTHER THAN THE DESIGNATED RETAIL LOCATION OF A MARIJUANA ESTABLISHMENT.

7. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES OR ITS SUCCESSOR AGENCY.

8. "DESIGNATED CAREGIVER," "EXCLUDED FELONY OFFENSE," "INDEPENDENT THIRD-PARTY LABORATORY," "NONPROFIT MEDICAL MARIJUANA DISPENSARY," "NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT," AND "QUALIFYING PATIENT" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 36-2801.

9. "DUAL LICENSEE" MEANS AN ENTITY THAT HOLDS BOTH A NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION AND A MARIJUANA ESTABLISHMENT LICENSE.

10. "EARLY APPLICANT" MEANS EITHER OF THE FOLLOWING:

(a) AN ENTITY SEEKING TO OPERATE A MARIJUANA ESTABLISHMENT IN A COUNTY WITH FEWER THAN TWO REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARIES.

(b) A NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT IS REGISTERED AND IN GOOD STANDING WITH THE DEPARTMENT.

11. "EMPLOYEE," "EMPLOYER," "HEALTH CARE FACILITY," AND "PLACES OF EMPLOYMENT" HAVE THE SAME MEANINGS PRESCRIBED IN THE SMOKE-FREE ARIZONA ACT, SECTION 36-601.01.

12. "GOOD STANDING" MEANS THAT A NONPROFIT MEDICAL MARIJUANA DISPENSARY IS NOT THE SUBJECT OF A PENDING NOTICE OF INTENT TO REVOKE ISSUED BY THE DEPARTMENT.

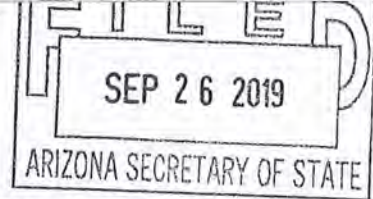
13. "INDUSTRIAL HEMP" HAS THE SAME MEANING PRESCRIBED IN SECTION 3-311.

14. "LOCALITY" MEANS A CITY, TOWN OR COUNTY.

15. "MANUFACTURE" AND "MANUFACTURING" MEAN TO COMPOUND, BLEND, EXTRACT, INFUSE OR OTHERWISE MAKE OR PREPARE A MARIJUANA PRODUCT.

16. "MARIJUANA":

(a) MEANS ALL PARTS OF THE PLANT OF THE GENUS CANNABIS, WHETHER GROWING OR NOT, AS WELL AS THE SEEDS FROM THE PLANT, THE RESIN EXTRACTED FROM ANY PART OF THE PLANT, AND EVERY COMPOUND, MANUFACTURE, SALT, DERIVATIVE, MIXTURE OR PREPARATION OF THE PLANT OR ITS SEEDS OR RESIN.



- (b) INCLUDES CANNABIS AS DEFINED IN SECTION 13-3401.
- (c) DOES NOT INCLUDE INDUSTRIAL HEMP, THE FIBER PRODUCED FROM THE STALKS OF THE PLANT OF THE GENUS CANNABIS, OIL OR CAKE MADE FROM THE SEEDS OF THE PLANT, STERILIZED SEEDS OF THE PLANT THAT ARE INCAPABLE OF GERMINATION, OR THE WEIGHT OF ANY OTHER INGREDIENT COMBINED WITH MARIJUANA TO PREPARE TOPICAL OR ORAL ADMINISTRATIONS, FOOD, DRINK OR OTHER PRODUCTS.
- 17. "MARIJUANA CONCENTRATE":
 - (a) MEANS RESIN EXTRACTED FROM ANY PART OF A PLANT OF THE GENUS CANNABIS AND EVERY COMPOUND, MANUFACTURE, SALT, DERIVATIVE, MIXTURE OR PREPARATION OF THAT RESIN OR TETRAHYDROCANNABINOL.
 - (b) DOES NOT INCLUDE INDUSTRIAL HEMP OR THE WEIGHT OF ANY OTHER INGREDIENT COMBINED WITH CANNABIS TO PREPARE TOPICAL OR ORAL ADMINISTRATIONS, FOOD, DRINK OR OTHER PRODUCTS.
- 18. "MARIJUANA ESTABLISHMENT" MEANS AN ENTITY LICENSED BY THE DEPARTMENT TO OPERATE ALL OF THE FOLLOWING:
 - (a) A SINGLE RETAIL LOCATION AT WHICH THE LICENSEE MAY SELL MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS, CULTIVATE MARIJUANA AND MANUFACTURE MARIJUANA PRODUCTS.
 - (b) A SINGLE OFF-SITE CULTIVATION LOCATION AT WHICH THE LICENSEE MAY CULTIVATE MARIJUANA, PROCESS MARIJUANA AND MANUFACTURE MARIJUANA PRODUCTS, BUT FROM WHICH MARIJUANA AND MARIJUANA PRODUCTS MAY NOT BE TRANSFERRED OR SOLD TO CONSUMERS.
 - (c) A SINGLE OFF-SITE LOCATION AT WHICH THE LICENSEE MAY MANUFACTURE MARIJUANA PRODUCTS AND PACKAGE AND STORE MARIJUANA AND MARIJUANA PRODUCTS, BUT FROM WHICH MARIJUANA AND MARIJUANA PRODUCTS MAY NOT BE TRANSFERRED OR SOLD TO CONSUMERS.
- 19. "MARIJUANA FACILITY AGENT" MEANS A PRINCIPAL OFFICER, BOARD MEMBER OR EMPLOYEE OF A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY WHO IS AT LEAST TWENTY-ONE YEARS OF AGE AND HAS NOT BEEN CONVICTED OF AN EXCLUDED FELONY OFFENSE.
- 20. "MARIJUANA PRODUCTS" MEANS MARIJUANA CONCENTRATE AND PRODUCTS THAT ARE COMPOSED OF MARIJUANA AND OTHER INGREDIENTS AND THAT ARE INTENDED FOR USE OR CONSUMPTION, INCLUDING EDIBLE PRODUCTS, OINTMENTS AND TINCTURES.
- 21. "MARIJUANA TESTING FACILITY" MEANS THE DEPARTMENT OR ANOTHER ENTITY THAT IS LICENSED BY THE DEPARTMENT TO ANALYZE THE POTENCY OF MARIJUANA AND TEST MARIJUANA FOR HARMFUL CONTAMINANTS.
- 22. "OPEN SPACE" MEANS A PUBLIC PARK, PUBLIC SIDEWALK, PUBLIC WALKWAY OR PUBLIC PEDESTRIAN THOROUGHFARE.
- 23. "PROCESS" AND "PROCESSING" MEAN TO HARVEST, DRY, CURE, TRIM OR SEPARATE PARTS OF THE MARIJUANA PLANT.
- 24. "PUBLIC PLACE" HAS THE SAME MEANING PRESCRIBED IN THE SMOKE-FREE ARIZONA ACT, SECTION 36-601.01.
- 25. "SMOKE" MEANS TO INHALE, EXHALE, BURN, CARRY OR POSSESS ANY LIGHTED MARIJUANA OR LIGHTED MARIJUANA PRODUCTS, WHETHER NATURAL OR SYNTHETIC.

36-2851. Employers; driving; minors; control of property; smoking in public places and open spaces
THIS CHAPTER:

- 1. DOES NOT RESTRICT THE RIGHTS OF EMPLOYERS TO MAINTAIN A DRUG-AND-ALCOHOL-FREE WORKPLACE OR AFFECT THE ABILITY OF EMPLOYERS TO HAVE WORKPLACE POLICIES RESTRICTING THE USE OF MARIJUANA BY EMPLOYEES OR PROSPECTIVE EMPLOYEES.
- 2. DOES NOT REQUIRE AN EMPLOYER TO ALLOW OR ACCOMMODATE THE USE, CONSUMPTION, POSSESSION, TRANSFER, DISPLAY, TRANSPORTATION, SALE OR CULTIVATION OF MARIJUANA IN A PLACE OF EMPLOYMENT.
- 3. DOES NOT ALLOW DRIVING, FLYING OR BOATING WHILE IMPAIRED TO EVEN THE SLIGHTEST DEGREE BY MARIJUANA OR PREVENT THIS STATE FROM ENACTING AND IMPOSING PENALTIES FOR DRIVING, FLYING OR BOATING WHILE IMPAIRED TO EVEN THE SLIGHTEST DEGREE BY MARIJUANA.
- 4. DOES NOT ALLOW AN INDIVIDUAL WHO IS UNDER TWENTY-ONE YEARS OF AGE TO PURCHASE, POSSESS, TRANSPORT OR CONSUME MARIJUANA OR MARIJUANA PRODUCTS.
- 5. DOES NOT ALLOW THE SALE, TRANSFER OR PROVISION OF MARIJUANA OR MARIJUANA PRODUCTS TO AN INDIVIDUAL WHO IS UNDER TWENTY-ONE YEARS OF AGE.
- 6. DOES NOT RESTRICT THE RIGHTS OF EMPLOYERS, SCHOOLS, DAY CARE CENTERS, ADULT DAY CARE FACILITIES, HEALTH CARE FACILITIES OR CORRECTIONS FACILITIES TO PROHIBIT OR REGULATE CONDUCT OTHERWISE ALLOWED BY THIS CHAPTER WHEN SUCH CONDUCT OCCURS ON OR IN THEIR PROPERTIES.
- 7. DOES NOT RESTRICT THE ABILITY OF AN INDIVIDUAL, PARTNERSHIP, LIMITED LIABILITY COMPANY, PRIVATE CORPORATION, PRIVATE ENTITY OR PRIVATE ORGANIZATION OF ANY CHARACTER THAT

OCCUPIES, OWNS OR CONTROLS PROPERTY TO PROHIBIT OR REGULATE CONDUCT OTHERWISE ALLOWED BY THIS CHAPTER ON OR IN SUCH PROPERTY.

8. DOES NOT ALLOW ANY PERSON TO:

(a) SMOKE MARIJUANA IN A PUBLIC PLACE OR OPEN SPACE.

(b) CONSUME MARIJUANA OR MARIJUANA PRODUCTS WHILE DRIVING, OPERATING OR RIDING IN THE PASSENGER SEAT OR COMPARTMENT OF AN OPERATING MOTOR VEHICLE, BOAT, VESSEL, AIRCRAFT OR ANOTHER VEHICLE USED FOR TRANSPORTATION.

9. DOES NOT PROHIBIT THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE FROM PROHIBITING OR REGULATING CONDUCT OTHERWISE ALLOWED BY THIS CHAPTER WHEN SUCH CONDUCT OCCURS ON OR IN PROPERTY THAT IS OCCUPIED, OWNED, CONTROLLED OR OPERATED BY THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE.

10. DOES NOT AUTHORIZE A PERSON TO PROCESS OR MANUFACTURE MARIJUANA BY MEANS OF ANY LIQUID OR GAS, OTHER THAN ALCOHOL, THAT HAS A FLASHPOINT BELOW ONE HUNDRED DEGREES FAHRENHEIT, UNLESS PERFORMED BY A MARIJUANA ESTABLISHMENT.

11. DOES NOT REQUIRE A PERSON TO VIOLATE FEDERAL LAW OR TO IMPLEMENT OR FAIL TO IMPLEMENT A RESTRICTION ON THE POSSESSION, CONSUMPTION, DISPLAY, TRANSFER, PROCESSING, MANUFACTURING OR CULTIVATION OF MARIJUANA IF BY SO DOING THE PERSON WILL LOSE A MONETARY OR LICENSING-RELATED BENEFIT UNDER FEDERAL LAW.

12. DOES NOT SUPERSEDE OR ELIMINATE ANY EXISTING RIGHTS OR PRIVILEGES OF ANY PERSON EXCEPT AS SPECIFICALLY SET FORTH IN THIS CHAPTER.

13. DOES NOT LIMIT ANY PRIVILEGE OR RIGHT OF A NONPROFIT MEDICAL MARIJUANA DISPENSARY UNDER CHAPTER 28.1 OF THIS TITLE EXCEPT AS EXPRESSLY SET FORTH IN THIS CHAPTER.

14. DOES NOT LIMIT ANY PRIVILEGE OR RIGHT OF A QUALIFYING PATIENT OR DESIGNATED CAREGIVER UNDER CHAPTER 28.1 OF THIS TITLE.

36-2852. Allowable possession and personal use of marijuana, marijuana products and marijuana paraphernalia

A. EXCEPT AS SPECIFICALLY AND EXPRESSLY PROVIDED IN SECTIONS 36-2851 AND 36-2853 AND NOTWITHSTANDING ANY OTHER LAW, THE FOLLOWING ACTS BY AN INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS OF AGE ARE LAWFUL, ARE NOT AN OFFENSE UNDER THE LAWS OF THIS STATE OR ANY LOCALITY, MAY NOT CONSTITUTE THE BASIS FOR DETENTION, SEARCH OR ARREST, AND CANNOT SERVE AS THE SOLE BASIS FOR SEIZURE OR FORFEITURE OF ASSETS, FOR IMPOSING PENALTIES OF ANY KIND UNDER THE LAWS OF THIS STATE OR ANY LOCALITY OR FOR ABROGATING OR LIMITING ANY RIGHT OR PRIVILEGE CONFERRED OR PROTECTED BY THE LAWS OF THIS STATE OR ANY LOCALITY:

1. POSSESSING, CONSUMING, PURCHASING, PROCESSING, MANUFACTURING BY MANUAL OR MECHANICAL MEANS, INCLUDING SIEVING OR ICE WATER SEPARATION BUT EXCLUDING CHEMICAL EXTRACTION OR CHEMICAL SYNTHESIS, OR TRANSPORTING ONE OUNCE OR LESS OF MARIJUANA, EXCEPT THAT NOT MORE THAN FIVE GRAMS OF MARIJUANA MAY BE IN THE FORM OF MARIJUANA CONCENTRATE.

2. POSSESSING, TRANSPORTING, CULTIVATING OR PROCESSING NOT MORE THAN SIX MARIJUANA PLANTS FOR PERSONAL USE AT THE INDIVIDUAL'S PRIMARY RESIDENCE, AND POSSESSING, PROCESSING AND MANUFACTURING BY MANUAL OR MECHANICAL MEANS, INCLUDING SIEVING OR ICE WATER SEPARATION BUT EXCLUDING CHEMICAL EXTRACTION OR CHEMICAL SYNTHESIS, THE MARIJUANA PRODUCED BY THE PLANTS ON THE PREMISES WHERE THE MARIJUANA PLANTS WERE GROWN IF ALL OF THE FOLLOWING APPLY:

(a) NOT MORE THAN TWELVE PLANTS ARE PRODUCED AT A SINGLE RESIDENCE WHERE TWO OR MORE INDIVIDUALS WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE RESIDE AT ONE TIME.

(b) CULTIVATION TAKES PLACE WITHIN A CLOSET, ROOM, GREENHOUSE OR OTHER ENCLOSED AREA ON THE GROUNDS OF THE RESIDENCE EQUIPPED WITH A LOCK OR OTHER SECURITY DEVICE THAT PREVENTS ACCESS BY MINORS.

(c) CULTIVATION TAKES PLACE IN AN AREA WHERE THE MARIJUANA PLANTS ARE NOT VISIBLE FROM PUBLIC VIEW WITHOUT USING BINOCULARS, AIRCRAFT OR OTHER OPTICAL AIDS.

3. TRANSFERRING ONE OUNCE OR LESS OF MARIJUANA, OF WHICH NOT MORE THAN FIVE GRAMS MAY BE IN THE FORM OF MARIJUANA CONCENTRATE, TO AN INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IF THE TRANSFER IS WITHOUT REMUNERATION AND IS NOT ADVERTISED OR PROMOTED TO THE PUBLIC.

4. TRANSFERRING UP TO SIX MARIJUANA PLANTS TO AN INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IF THE TRANSFER IS WITHOUT REMUNERATION AND IS NOT ADVERTISED OR PROMOTED TO THE PUBLIC.

5. ACQUIRING, POSSESSING, MANUFACTURING, USING, PURCHASING, SELLING OR TRANSPORTING PARAPHERNALIA RELATING TO THE CULTIVATION, MANUFACTURE, PROCESSING OR CONSUMPTION OF MARIJUANA OR MARIJUANA PRODUCTS.



6. ASSISTING ANOTHER INDIVIDUAL WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IN ANY OF THE ACTS DESCRIBED IN THIS SUBSECTION.

B. NOTWITHSTANDING ANY OTHER LAW, A PERSON WITH METABOLITES OR COMPONENTS OF MARIJUANA IN THE PERSON'S BODY IS GUILTY OF VIOLATING SECTION 28-1381, SUBSECTION A, PARAGRAPH 3 ONLY IF THE PERSON IS ALSO IMPAIRED TO THE SLIGHTEST DEGREE.

C. NOTWITHSTANDING ANY OTHER LAW, THE ODOR OF MARIJUANA OR BURNT MARIJUANA DOES NOT BY ITSELF CONSTITUTE REASONABLE ARTICULABLE SUSPICION OF A CRIME. THIS SUBSECTION DOES NOT APPLY WHEN A LAW ENFORCEMENT OFFICER IS INVESTIGATING WHETHER A PERSON HAS VIOLATED SECTION 28-1381.

36-2853. Violations; classification; civil penalty; additional fine; enforcement

A. NOTWITHSTANDING ANY OTHER LAW AND EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, A PERSON WHO POSSESSES AN AMOUNT OF MARIJUANA GREATER THAN THE AMOUNT ALLOWED PURSUANT TO SECTION 36-2852, BUT NOT MORE THAN TWO AND ONE-HALF OUNCES OF MARIJUANA, OF WHICH NOT MORE THAN TWELVE AND ONE-HALF GRAMS IS IN THE FORM OF MARIJUANA CONCENTRATE, IS GUILTY OF A PETTY OFFENSE.

B. NOTWITHSTANDING ANY OTHER LAW, A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE AND WHO POSSESSES, CONSUMES, TRANSPORTS OR TRANSFERS WITHOUT REMUNERATION ONE OUNCE OR LESS OF MARIJUANA, OF WHICH NOT MORE THAN FIVE GRAMS IS IN THE FORM OF MARIJUANA CONCENTRATE, OR PARAPHERNALIA RELATING TO THE CONSUMPTION OF MARIJUANA OR MARIJUANA PRODUCTS:

1. FOR A FIRST VIOLATION, SHALL PAY A CIVIL PENALTY OF NOT MORE THAN \$100 TO THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856 AND IN THE COURT'S DISCRETION MAY BE ORDERED TO ATTEND UP TO FOUR HOURS OF DRUG EDUCATION OR COUNSELING.

2. FOR A SECOND VIOLATION, IS GUILTY OF A PETTY OFFENSE, AND IN THE COURT'S DISCRETION MAY BE ORDERED TO ATTEND UP TO EIGHT HOURS OF DRUG EDUCATION OR COUNSELING.

3. FOR A THIRD OR SUBSEQUENT VIOLATION, IS GUILTY OF A CLASS 1 MISDEMEANOR.

C. A PERSON WHO SMOKES MARIJUANA IN A PUBLIC PLACE OR OPEN SPACE IS GUILTY OF A PETTY OFFENSE.

D. EXCEPT AS OTHERWISE PROVIDED IN CHAPTER 28.1 OF THIS TITLE AND NOTWITHSTANDING ANY OTHER LAW, ANY UNLICENSED PERSON WHO CULTIVATES MARIJUANA PLANTS PURSUANT TO SECTION 36-2852 WHERE THEY ARE VISIBLE FROM PUBLIC VIEW WITHOUT USING BINOCULARS, AIRCRAFT OR OTHER OPTICAL AIDS OR OUTSIDE OF AN ENCLOSED AREA THAT IS EQUIPPED WITH A LOCK OR OTHER SECURITY DEVICE THAT PREVENTS ACCESS BY MINORS IS GUILTY OF:

1. FOR A FIRST VIOLATION, A PETTY OFFENSE.

2. FOR A SECOND OR SUBSEQUENT VIOLATION, A CLASS 3 MISDEMEANOR.

E. A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE AND WHO MISREPRESENTS THE PERSON'S AGE TO ANY OTHER PERSON BY MEANS OF A WRITTEN INSTRUMENT OF IDENTIFICATION OR WHO USES A FRAUDULENT OR FALSE WRITTEN INSTRUMENT OF IDENTIFICATION WITH THE INTENT TO INDUCE A PERSON TO SELL OR OTHERWISE TRANSFER MARIJUANA OR A MARIJUANA PRODUCT TO THE PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE IS GUILTY OF:

1. FOR A FIRST VIOLATION, A PETTY OFFENSE.

2. FOR A SECOND OR SUBSEQUENT VIOLATION, A CLASS 1 MISDEMEANOR.

F. A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE AND WHO SOLICITS ANOTHER PERSON TO PURCHASE MARIJUANA OR A MARIJUANA PRODUCT IN VIOLATION OF THIS CHAPTER IS GUILTY OF:

1. FOR A FIRST VIOLATION, A PETTY OFFENSE.

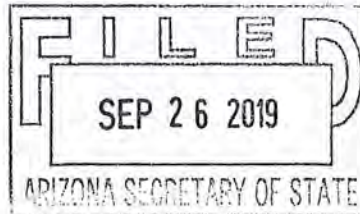
2. FOR A SECOND OR SUBSEQUENT VIOLATION, A CLASS 3 MISDEMEANOR.

36-2854. Rules; licensing; early applicants; fees; civil penalty; legal counsel

A. THE DEPARTMENT SHALL ADOPT RULES TO IMPLEMENT AND ENFORCE THIS CHAPTER AND REGULATE MARIJUANA, MARIJUANA PRODUCTS, MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES. THOSE RULES SHALL INCLUDE REQUIREMENTS FOR:

1. LICENSING MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES, INCLUDING CONDUCTING INVESTIGATIONS AND BACKGROUND CHECKS TO DETERMINE ELIGIBILITY FOR LICENSING FOR MARIJUANA ESTABLISHMENT AND MARIJUANA TESTING FACILITY APPLICANTS, EXCEPT THAT:

(a) AN APPLICATION FOR A MARIJUANA ESTABLISHMENT LICENSE OR MARIJUANA TESTING FACILITY LICENSE MAY NOT REQUIRE THE DISCLOSURE OF THE IDENTITY OF ANY PERSON WHO IS ENTITLED TO A SHARE OF LESS THAN TEN PERCENT OF THE PROFITS OF AN APPLICANT THAT IS A PUBLICLY TRADED CORPORATION.



(b) THE DEPARTMENT MAY NOT ISSUE MORE THAN ONE MARIJUANA ESTABLISHMENT LICENSE FOR EVERY TEN PHARMACIES THAT HAVE REGISTERED UNDER SECTION 32-1929, THAT HAVE OBTAINED A PHARMACY PERMIT FROM THE ARIZONA BOARD OF PHARMACY AND THAT OPERATE WITHIN THIS STATE.

(c) NOTWITHSTANDING SUBDIVISION (b) OF THIS PARAGRAPH, THE DEPARTMENT MAY ISSUE A MARIJUANA ESTABLISHMENT LICENSE TO NOT MORE THAN TWO MARIJUANA ESTABLISHMENTS PER COUNTY THAT CONTAINS NO REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARIES, OR ONE MARIJUANA ESTABLISHMENT LICENSE PER COUNTY THAT CONTAINS ONE REGISTERED NONPROFIT MEDICAL MARIJUANA DISPENSARY. ANY LICENSE ISSUED PURSUANT TO THIS SUBDIVISION SHALL BE FOR A FIXED COUNTY AND MAY NOT BE RELOCATED OUTSIDE OF THAT COUNTY.

(d) THE DEPARTMENT SHALL ACCEPT APPLICATIONS FOR MARIJUANA ESTABLISHMENT LICENSES FROM EARLY APPLICANTS BEGINNING JANUARY 19, 2021 THROUGH MARCH 9, 2021. NOT LATER THAN SIXTY DAYS AFTER RECEIVING AN APPLICATION PURSUANT TO THIS SUBDIVISION, THE DEPARTMENT SHALL ISSUE A MARIJUANA ESTABLISHMENT LICENSE TO EACH QUALIFIED EARLY APPLICANT. IF THE DEPARTMENT HAS NOT ADOPTED FINAL RULES PURSUANT TO THIS SECTION AT THE TIME MARIJUANA ESTABLISHMENT LICENSES ARE ISSUED PURSUANT TO THIS SUBDIVISION, LICENSEES SHALL COMPLY WITH THE RULES ADOPTED BY THE DEPARTMENT TO IMPLEMENT CHAPTER 28.1 OF THIS TITLE EXCEPT THOSE THAT ARE INCONSISTENT WITH THIS CHAPTER.

(e) AFTER ISSUING MARIJUANA ESTABLISHMENT LICENSES TO QUALIFIED EARLY APPLICANTS, THE DEPARTMENT SHALL ISSUE MARIJUANA ESTABLISHMENT LICENSES AVAILABLE UNDER SUBDIVISIONS (b) AND (c) OF THIS PARAGRAPH BY RANDOM SELECTION AND ACCORDING TO RULES ADOPTED PURSUANT TO THIS SECTION. AT LEAST SIXTY DAYS PRIOR TO ANY RANDOM SELECTION, THE DEPARTMENT SHALL PROMINENTLY PUBLICIZE THE RANDOM SELECTION ON ITS WEBSITE AND THROUGH OTHER MEANS OF GENERAL DISTRIBUTION INTENDED TO REACH AS MANY INTERESTED PARTIES AS POSSIBLE AND SHALL PROVIDE NOTICE THROUGH AN EMAIL NOTIFICATION SYSTEM TO WHICH INTERESTED PARTIES CAN SUBSCRIBE.

(f) NOTWITHSTANDING SUBDIVISIONS (b) AND (c) OF THIS PARAGRAPH, AND NO LATER THAN SIX MONTHS AFTER THE DEPARTMENT ADOPTS FINAL RULES TO IMPLEMENT A SOCIAL EQUITY OWNERSHIP PROGRAM PURSUANT TO PARAGRAPH 9 OF THIS SUBSECTION, THE DEPARTMENT SHALL ISSUE TWENTY-SIX ADDITIONAL MARIJUANA ESTABLISHMENT LICENSES TO ENTITIES THAT ARE QUALIFIED PURSUANT TO THE SOCIAL EQUITY OWNERSHIP PROGRAM.

(g) LICENSES ISSUED BY THE DEPARTMENT TO MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES SHALL BE VALID FOR A PERIOD OF TWO YEARS.

2. LICENSING FEES AND RENEWAL FEES FOR MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES IN AMOUNTS THAT ARE REASONABLE AND RELATED TO THE ACTUAL COST OF PROCESSING APPLICATIONS FOR LICENSES AND RENEWALS AND THAT DO NOT EXCEED FIVE TIMES THE FEES PRESCRIBED BY THE DEPARTMENT TO REGISTER OR RENEW A NONPROFIT MEDICAL MARIJUANA DISPENSARY.

3. THE SECURITY OF MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES.

4. MARIJUANA ESTABLISHMENTS TO SAFELY CULTIVATE, PROCESS AND MANUFACTURE MARIJUANA AND MARIJUANA PRODUCTS.

5. TRACKING, TESTING, LABELING AND PACKAGING MARIJUANA AND MARIJUANA PRODUCTS, INCLUDING REQUIREMENTS THAT MARIJUANA AND MARIJUANA PRODUCTS BE:

(a) SOLD TO CONSUMERS IN CLEARLY AND CONSPICUOUSLY LABELED CONTAINERS THAT CONTAIN ACCURATE WARNINGS REGARDING THE USE OF MARIJUANA OR MARIJUANA PRODUCTS.

(b) PLACED IN CHILD-RESISTANT PACKAGING ON EXIT FROM A MARIJUANA ESTABLISHMENT.

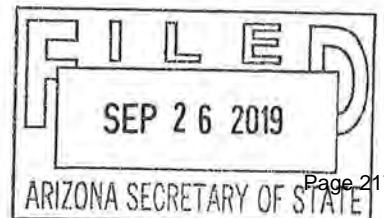
6. FORMS OF GOVERNMENT-ISSUED IDENTIFICATION THAT ARE ACCEPTABLE BY A MARIJUANA ESTABLISHMENT VERIFYING A CONSUMER'S AGE AND PROCEDURES RELATED TO VERIFYING A CONSUMER'S AGE CONSISTENT WITH SECTION 4-241. UNTIL THE DEPARTMENT ADOPTS FINAL RULES RELATED TO VERIFYING A CONSUMER'S AGE, MARIJUANA ESTABLISHMENTS SHALL COMPLY WITH THE PROOF OF LEGAL AGE REQUIREMENTS PRESCRIBED IN SECTION 4-241.

7. THE POTENCY OF EDIBLE MARIJUANA PRODUCTS THAT MAY BE SOLD TO CONSUMERS BY MARIJUANA ESTABLISHMENTS AT REASONABLE LEVELS UPON CONSIDERATION OF INDUSTRY STANDARDS, EXCEPT THAT THE RULES:

(a) SHALL LIMIT THE STRENGTH OF EDIBLE MARIJUANA PRODUCTS TO NO MORE THAN TEN MILLIGRAMS OF TETRAHYDROCANNABINOL PER SERVING OR ONE HUNDRED MILLIGRAMS OF TETRAHYDROCANNABINOL PER PACKAGE.

(b) SHALL REQUIRE THAT IF A MARIJUANA PRODUCT CONTAINS MORE THAN ONE SERVING, IT MUST BE DELINEATED OR SCORED INTO STANDARD SERVING SIZES AND HOMOGENIZED TO ENSURE UNIFORM DISBURSEMENT THROUGHOUT THE MARIJUANA PRODUCT.

8. ENSURING THE HEALTH, SAFETY AND TRAINING OF EMPLOYEES OF MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES.



9. THE CREATION AND IMPLEMENTATION OF A SOCIAL EQUITY OWNERSHIP PROGRAM TO PROMOTE THE OWNERSHIP AND OPERATION OF MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES BY INDIVIDUALS FROM COMMUNITIES DISPROPORTIONATELY IMPACTED BY THE ENFORCEMENT OF PREVIOUS MARIJUANA LAWS.

B. THE DEPARTMENT MAY:

1. SUBJECT TO TITLE 41, CHAPTER 6, ARTICLE 10, DENY ANY APPLICATION SUBMITTED OR DENY, SUSPEND OR REVOKE, IN WHOLE OR IN PART, ANY REGISTRATION OR LICENSE ISSUED UNDER THIS CHAPTER IF THE REGISTERED OR LICENSED PARTY OR AN OFFICER, AGENT OR EMPLOYEE OF THE REGISTERED OR LICENSED PARTY DOES ANY OF THE FOLLOWING:

(a) VIOLATES THIS CHAPTER OR ANY RULE ADOPTED PURSUANT TO THIS CHAPTER.

(b) HAS BEEN, IS OR MAY CONTINUE TO BE IN SUBSTANTIAL VIOLATION OF THE REQUIREMENTS FOR LICENSING OR REGISTRATION AND, AS A RESULT, THE HEALTH OR SAFETY OF THE GENERAL PUBLIC IS IN IMMEDIATE DANGER.

2. SUBJECT TO TITLE 41, CHAPTER 6, ARTICLE 10, AND UNLESS ANOTHER PENALTY IS PROVIDED ELSEWHERE IN THIS CHAPTER, ASSESS A CIVIL PENALTY AGAINST A PERSON THAT VIOLATES THIS CHAPTER OR ANY RULE ADOPTED PURSUANT TO THIS CHAPTER IN AN AMOUNT NOT TO EXCEED \$1,000 FOR EACH VIOLATION. EACH DAY A VIOLATION OCCURS CONSTITUTES A SEPARATE VIOLATION. THE MAXIMUM AMOUNT OF ANY ASSESSMENT IS \$25,000 FOR ANY THIRTY-DAY PERIOD. IN DETERMINING THE AMOUNT OF A CIVIL PENALTY ASSESSED AGAINST A PERSON, THE DEPARTMENT SHALL CONSIDER ALL OF THE FACTORS SET FORTH IN SECTION 36-2816, SUBSECTION H. ALL CIVIL PENALTIES COLLECTED BY THE DEPARTMENT PURSUANT TO THIS PARAGRAPH SHALL BE DEPOSITED IN THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856.

3. AT ANY TIME DURING REGULAR HOURS OF OPERATION, VISIT AND INSPECT A MARIJUANA ESTABLISHMENT, MARIJUANA TESTING FACILITY OR DUAL LICENSEE TO DETERMINE IF IT COMPLIES WITH THIS CHAPTER AND RULES ADOPTED PURSUANT TO THIS CHAPTER. THE DEPARTMENT SHALL MAKE AT LEAST ONE UNANNOUNCED VISIT ANNUALLY TO EACH FACILITY LICENSED PURSUANT TO THIS CHAPTER.

4. ADOPT ANY OTHER RULES NOT EXPRESSLY STATED IN THIS SECTION THAT ARE NECESSARY TO ENSURE THE SAFE AND RESPONSIBLE CULTIVATION, SALE, PROCESSING, MANUFACTURE, TESTING AND TRANSPORT OF MARIJUANA AND MARIJUANA PRODUCTS.

C. UNTIL THE DEPARTMENT ADOPTS RULES PERMITTING AND REGULATING DELIVERY BY MARIJUANA ESTABLISHMENTS PURSUANT TO SUBSECTION D OF THIS SECTION, DELIVERY IS UNLAWFUL UNDER THIS CHAPTER.

D. ON OR AFTER JANUARY 1, 2023, THE DEPARTMENT MAY, AND NO LATER THAN JANUARY 1, 2025 THE DEPARTMENT SHALL, ADOPT RULES TO PERMIT AND REGULATE DELIVERY BY MARIJUANA ESTABLISHMENTS. THE RULES SHALL:

1. REQUIRE THAT DELIVERY AND THE MARIJUANA AND MARIJUANA PRODUCTS TO BE DELIVERED ORIGINATE FROM A DESIGNATED RETAIL LOCATION OF A MARIJUANA ESTABLISHMENT AND ONLY AFTER AN ORDER IS MADE WITH THE MARIJUANA ESTABLISHMENT BY A CONSUMER.

2. PROHIBIT DELIVERY TO ANY PROPERTY OWNED OR LEASED BY THE UNITED STATES, THIS STATE, A POLITICAL SUBDIVISION OF THIS STATE OR THE ARIZONA BOARD OF REGENTS.

3. LIMIT THE AMOUNT OF MARIJUANA AND MARIJUANA PRODUCTS BASED ON RETAIL PRICE THAT MAY BE IN A DELIVERY VEHICLE DURING A SINGLE TRIP FROM THE DESIGNATED RETAIL LOCATION OF A MARIJUANA ESTABLISHMENT.

4. PROHIBIT EXTRA OR UNALLOCATED MARIJUANA OR MARIJUANA PRODUCTS IN DELIVERY VEHICLES.

5. REQUIRE THAT DELIVERIES BE MADE ONLY BY MARIJUANA FACILITY AGENTS IN UNMARKED VEHICLES THAT ARE EQUIPPED WITH A GLOBAL POSITIONING SYSTEM OR SIMILAR LOCATION TRACKING SYSTEM AND VIDEO SURVEILLANCE AND RECORDING EQUIPMENT, AND THAT CONTAIN A LOCKED COMPARTMENT IN WHICH MARIJUANA AND MARIJUANA PRODUCTS MUST BE STORED.

6. REQUIRE DELIVERY LOGS NECESSARY TO ENSURE COMPLIANCE WITH THIS SUBSECTION AND RULES ADOPTED PURSUANT TO THIS SUBSECTION.

7. REQUIRE INSPECTIONS TO ENSURE COMPLIANCE WITH THIS SUBSECTION AND RULES ADOPTED PURSUANT TO THIS SUBSECTION.

8. INCLUDE ANY OTHER PROVISIONS NECESSARY TO ENSURE SAFE AND RESTRICTED DELIVERY.

9. REQUIRE DUAL LICENSEES TO COMPLY WITH THE RULES ADOPTED PURSUANT TO THIS SUBSECTION.

E. EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION, THE DEPARTMENT MAY NOT PERMIT DELIVERY OF MARIJUANA OR MARIJUANA PRODUCTS UNDER THIS CHAPTER BY ANY INDIVIDUAL OR ENTITY. IN ADDITION TO ANY OTHER PENALTY IMPOSED BY LAW, AN INDIVIDUAL OR ENTITY THAT DELIVERS MARIJUANA OR MARIJUANA PRODUCTS IN A MANNER THAT IS NOT AUTHORIZED BY THIS CHAPTER SHALL PAY

A CIVIL PENALTY OF \$20,000 PER VIOLATION TO THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856. THIS SUBSECTION MAY BE ENFORCED BY THE ATTORNEY GENERAL.

F. ALL RULES ADOPTED BY THE DEPARTMENT PURSUANT TO THIS SECTION SHALL BE CONSISTENT WITH THE PURPOSE OF THIS CHAPTER.

G. THE DEPARTMENT MAY NOT ADOPT ANY RULE THAT:

1. PROHIBITS THE OPERATION OF MARIJUANA ESTABLISHMENTS, EITHER EXPRESSLY OR THROUGH REQUIREMENTS THAT MAKE THE OPERATION OF A MARIJUANA ESTABLISHMENT UNDULY BURDENSOME.

2. PROHIBITS OR INTERFERES WITH THE ABILITY OF A DUAL LICENSEE TO OPERATE A MARIJUANA ESTABLISHMENT AND A NONPROFIT MEDICAL MARIJUANA DISPENSARY AT SHARED LOCATIONS.

H. NOTWITHSTANDING SECTION 41-192, THE DEPARTMENT MAY EMPLOY LEGAL COUNSEL AND MAKE AN EXPENDITURE OR INCUR AN INDEBTEDNESS FOR LEGAL SERVICES FOR THE PURPOSES OF:

1. DEFENDING THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS CHAPTER.

2. DEFENDING CHAPTER 28.1 OF THIS TITLE OR RULES ADOPTED PURSUANT TO CHAPTER 28.1 OF THIS TITLE.

I. THE DEPARTMENT SHALL DEPOSIT ALL LICENSE FEES, APPLICATION FEES AND RENEWAL FEES PAID TO THE DEPARTMENT PURSUANT TO THIS CHAPTER IN THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856.

J. ON REQUEST, THE DEPARTMENT SHALL SHARE WITH THE DEPARTMENT OF REVENUE INFORMATION REGARDING A MARIJUANA ESTABLISHMENT, MARIJUANA TESTING FACILITY OR DUAL LICENSEE, INCLUDING ITS NAME, PHYSICAL ADDRESS, CULTIVATION SITE AND TRANSACTION PRIVILEGE TAX LICENSE NUMBER.

K. NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT MAY:

1. LICENSE AN INDEPENDENT THIRD-PARTY LABORATORY TO ALSO OPERATE AS A MARIJUANA TESTING FACILITY.

2. OPERATE A MARIJUANA TESTING FACILITY.

L. THE DEPARTMENT SHALL MAINTAIN AND PUBLISH A CURRENT LIST OF ALL MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES BY NAME AND LICENSE NUMBER.

M. NOTWITHSTANDING ANY OTHER LAW, THE ISSUANCE OF AN OCCUPATIONAL, PROFESSIONAL OR OTHER REGULATORY LICENSE OR CERTIFICATION TO A PERSON BY A JURISDICTION OR REGULATORY AUTHORITY OUTSIDE THIS STATE DOES NOT ENTITLE THAT PERSON TO BE ISSUED A MARIJUANA ESTABLISHMENT LICENSE, A MARIJUANA TESTING FACILITY LICENSE, OR ANY OTHER LICENSE, REGISTRATION OR CERTIFICATION UNDER THIS CHAPTER.

36-2855. Marijuana facility agents; registration; card; rules

A. A MARIJUANA FACILITY AGENT SHALL BE REGISTERED WITH THE DEPARTMENT BEFORE WORKING AT A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY.

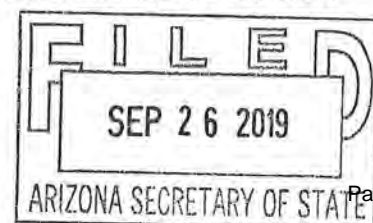
B. A PERSON WHO WISHES TO BE REGISTERED AS A MARIJUANA FACILITY AGENT OR RENEW THE PERSON'S REGISTRATION AS A MARIJUANA FACILITY AGENT SHALL:

1. SUBMIT A COMPLETED APPLICATION ON A FORM PRESCRIBED BY THE DEPARTMENT AND PAY A NONREFUNDABLE FEE THAT IS REASONABLE AND RELATED TO THE ACTUAL COST OF PROCESSING APPLICATIONS SUBMITTED PURSUANT TO THIS SECTION.

2. SUBMIT EVIDENCE THAT THE APPLICANT HOLDS A CURRENT LEVEL I FINGERPRINT CLEARANCE CARD ISSUED PURSUANT TO SECTION 41-1758.07, OR SUBMIT A FULL SET OF THE APPLICANT'S FINGERPRINTS FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION WITHOUT DISCLOSING THAT THE RECORDS CHECK IS RELATED TO THIS CHAPTER AND ACTS ALLOWED BY THIS CHAPTER. THE DEPARTMENT OF PUBLIC SAFETY SHALL DESTROY EACH SET OF FINGERPRINTS AFTER THE CRIMINAL RECORDS CHECK IS COMPLETED.

C. IF THE DEPARTMENT DETERMINES THAT AN APPLICANT MEETS THE CRITERIA FOR REGISTRATION UNDER THIS CHAPTER AND RULES PURSUANT TO THIS CHAPTER, THE DEPARTMENT SHALL ISSUE THE APPLICANT A MARIJUANA FACILITY AGENT CARD THAT IS VALID FOR TWO YEARS.

D. A REGISTERED MARIJUANA FACILITY AGENT MAY BE EMPLOYED BY OR ASSOCIATED WITH ANY MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY. A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY SHALL PROMPTLY NOTIFY THE DEPARTMENT WHEN IT EMPLOYS OR BECOMES ASSOCIATED WITH A NEW MARIJUANA FACILITY AGENT. A MARIJUANA FACILITY AGENT SHALL PROMPTLY NOTIFY THE DEPARTMENT WHEN THE MARIJUANA FACILITY AGENT IS EMPLOYED BY OR BECOMES ASSOCIATED WITH A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY AND WHEN THE MARIJUANA FACILITY AGENT IS NO LONGER EMPLOYED BY OR ASSOCIATED WITH A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY.



- E. A NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT OF A DUAL LICENSEE WHO HAS APPLIED TO BE REGISTERED AS A MARIJUANA FACILITY AGENT MAY SERVE AS A MARIJUANA FACILITY AGENT OF THAT DUAL LICENSEE UNTIL THE DEPARTMENT HAS APPROVED OR REJECTED THE AGENT'S APPLICATION.
- F. THE DEPARTMENT SHALL ADOPT RULES TO IMPLEMENT THIS SECTION.

36-2856. Smart and safe Arizona fund; disposition; exemption

A. THE SMART AND SAFE ARIZONA FUND IS ESTABLISHED CONSISTING OF ALL MONIES DEPOSITED PURSUANT TO SECTIONS 36-2854, 42-5452 AND 42-5503, PRIVATE DONATIONS AND INTEREST EARNED ON THOSE MONIES. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. MONIES IN THE FUND AND ITS ACCOUNTS MAY NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS PROVIDED IN THIS SECTION, DO NOT REVERT TO THE STATE GENERAL FUND AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. THE STATE TREASURER SHALL ADMINISTER THE FUND.

B. ALL MONIES IN THE SMART AND SAFE ARIZONA FUND MUST FIRST BE SPENT, AND THE STATE TREASURER SHALL TRANSFER MONIES FROM THE FUND, TO PAY:

1. THE ACTUAL REASONABLE COSTS INCURRED BY THE DEPARTMENT TO IMPLEMENT, CARRY OUT AND ENFORCE THIS CHAPTER AND RULES ADOPTED PURSUANT TO THIS CHAPTER.

2. THE ACTUAL REASONABLE COSTS INCURRED BY THE DEPARTMENT OF REVENUE TO IMPOSE AND ENFORCE THE TAX AUTHORIZED AND LEVIED BY SECTION 42-5452.

3. THE ACTUAL REASONABLE COSTS INCURRED BY THE SUPREME COURT AND THE DEPARTMENT OF PUBLIC SAFETY TO PROCESS PETITIONS FOR EXPUNGEMENT AND EXPUNGEMENT ORDERS PURSUANT TO SECTION 36-2862 AND TO OTHERWISE IMPLEMENT SECTION 36-2862.

4. THE ACTUAL REASONABLE COSTS INCURRED BY THE STATE TREASURER TO ADMINISTER THE FUND.

5. ANY OTHER MANDATORY EXPENDITURE OF STATE REVENUES REQUIRED BY THIS CHAPTER TO IMPLEMENT OR ENFORCE THE PROVISIONS OF THIS CHAPTER.

C. THE STATE TREASURER MAY PRESCRIBE FORMS NECESSARY TO MAKE TRANSFERS FROM THE SMART AND SAFE ARIZONA FUND PURSUANT TO SUBSECTION B OF THIS SECTION.

D. ON OR BEFORE JUNE 30 AND DECEMBER 31 OF EACH YEAR, THE STATE TREASURER SHALL TRANSFER ALL MONIES IN THE SMART AND SAFE ARIZONA FUND IN EXCESS OF THE AMOUNTS PAID PURSUANT TO SUBSECTION B OF THIS SECTION AS FOLLOWS:

1. 33 PERCENT TO COMMUNITY COLLEGE DISTRICTS AND PROVISIONAL COMMUNITY COLLEGE DISTRICTS, BUT NOT TO COMMUNITY COLLEGE TUITION FINANCING DISTRICTS ESTABLISHED PURSUANT TO SECTION 15-1409, FOR THE PURPOSES OF INVESTING IN AND PROVIDING WORKFORCE DEVELOPMENT PROGRAMS, JOB TRAINING, CAREER AND TECHNICAL EDUCATION, AND SCIENCE, TECHNOLOGY, ENGINEERING AND MATH PROGRAMS, AS FOLLOWS:

(a) 15 PERCENT OF THE 33 PERCENT DIVIDED EQUALLY BETWEEN EACH COMMUNITY COLLEGE DISTRICT.

(b) 0.5 PERCENT OF THE 33 PERCENT DIVIDED EQUALLY BETWEEN EACH PROVISIONAL COMMUNITY COLLEGE DISTRICT, IF ONE OR MORE PROVISIONAL COMMUNITY COLLEGE DISTRICTS EXIST.

(c) THE REMAINDER TO COMMUNITY COLLEGE DISTRICTS AND PROVISIONAL COMMUNITY COLLEGES DISTRICTS IN PROPORTION TO EACH DISTRICT'S FULL-TIME EQUIVALENT STUDENT ENROLLMENT PERCENTAGE OF THE TOTAL STATEWIDE AUDITED FULL-TIME EQUIVALENT STUDENT ENROLLMENT IN THE PRECEDING FISCAL YEAR PRESCRIBED IN SECTION 15-1466.01.

2. 31.4 PERCENT TO MUNICIPAL POLICE DEPARTMENTS, MUNICIPAL FIRE DEPARTMENTS, FIRE DISTRICTS ESTABLISHED PURSUANT TO TITLE 48, CHAPTER 5 AND COUNTY SHERIFFS' DEPARTMENTS IN PROPORTION TO THE NUMBER OF ENROLLED MEMBERS FOR EACH SUCH AGENCY IN THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 4 AND THE PUBLIC SAFETY PERSONNEL DEFINED CONTRIBUTION PLAN ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 4.1, FOR PERSONNEL COSTS.

3. 25.4 PERCENT TO THE ARIZONA HIGHWAY USER REVENUE FUND ESTABLISHED BY SECTION 28-6533.

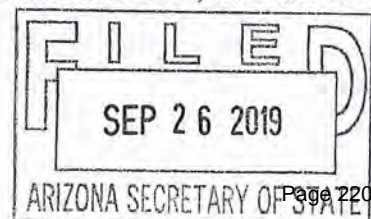
4. 10 PERCENT TO THE JUSTICE REINVESTMENT FUND ESTABLISHED BY SECTION 36-2863.

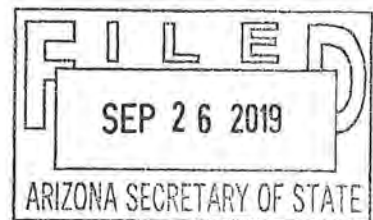
5. 0.2 PERCENT TO THE ATTORNEY GENERAL TO USE TO ENFORCE THIS CHAPTER, OR TO GRANT TO LOCALITIES TO ENFORCE THIS CHAPTER.

E. THE MONIES TRANSFERRED AND RECEIVED PURSUANT TO THIS SECTION:

1. ARE IN ADDITION TO ANY OTHER APPROPRIATION, TRANSFER OR OTHER ALLOCATION OF MONIES AND MAY NOT SUPPLANT, REPLACE OR CAUSE A REDUCTION IN OTHER FUNDING SOURCES.

2. ARE NOT CONSIDERED LOCAL REVENUES FOR THE PURPOSES OF ARTICLE IX, SECTIONS 20 AND 21, CONSTITUTION OF ARIZONA.





36-2857. Localities; marijuana establishments and marijuana testing facilities

A. A LOCALITY MAY:

1. ENACT REASONABLE ZONING REGULATIONS THAT LIMIT THE USE OF LAND FOR MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES TO SPECIFIED AREAS.
2. LIMIT THE NUMBER OF MARIJUANA ESTABLISHMENTS OR MARIJUANA TESTING FACILITIES, OR BOTH.
3. PROHIBIT MARIJUANA ESTABLISHMENTS OR MARIJUANA TESTING FACILITIES, OR BOTH.
4. REGULATE THE TIME, PLACE AND MANNER OF MARIJUANA ESTABLISHMENT AND MARIJUANA TESTING FACILITY OPERATIONS.
5. ESTABLISH REASONABLE RESTRICTIONS ON PUBLIC SIGNAGE REGARDING MARIJUANA, MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES.

6. PROHIBIT OR RESTRICT DELIVERY WITHIN ITS JURISDICTION.

B. A COUNTY MAY EXERCISE ITS AUTHORITY PURSUANT TO SUBSECTION A OF THIS SECTION ONLY IN UNINCORPORATED AREAS OF THE COUNTY.

C. A LOCALITY MAY NOT ENACT ANY ORDINANCE, REGULATION OR RULE THAT:

1. IS MORE RESTRICTIVE THAN A COMPARABLE ORDINANCE, REGULATION OR RULE THAT APPLIES TO NONPROFIT MEDICAL MARIJUANA DISPENSARIES.
2. MAKES THE OPERATION OF A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY UNDULY BURDENSOME IF THE LOCALITY HAS NOT PROHIBITED MARIJUANA ESTABLISHMENTS OR MARIJUANA TESTING FACILITIES.
3. CONFLICTS WITH THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS CHAPTER.
4. PROHIBITS THE TRANSPORTATION OF MARIJUANA BY A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY ON PUBLIC ROADS.
5. RESTRICTS OR INTERFERES WITH THE ABILITY OF A DUAL LICENSEE OR AN ENTITY ELIGIBLE TO BECOME A DUAL LICENSEE TO OPERATE A NONPROFIT MEDICAL MARIJUANA DISPENSARY AND A MARIJUANA ESTABLISHMENT COOPERATIVELY AT SHARED LOCATIONS.
6. EXCEPT AS EXPRESSLY AUTHORIZED BY THIS SECTION OR SECTION 36-2851, PROHIBITS OR RESTRICTS ANY CONDUCT OR TRANSACTION ALLOWED BY THIS CHAPTER, OR IMPOSES ANY LIABILITY OR PENALTY IN ADDITION TO THAT PRESCRIBED BY THIS CHAPTER FOR ANY CONDUCT OR TRANSACTION CONSTITUTING A VIOLATION OF THIS CHAPTER.

36-2858. Lawful operation of marijuana establishments and marijuana testing facilities

A. EXCEPT AS SPECIFICALLY AND EXPRESSLY PROVIDED IN SECTION 36-2857 AND NOTWITHSTANDING ANY OTHER LAW, IT IS LAWFUL AND IS NOT AN OFFENSE UNDER THE LAWS OF THIS STATE OR ANY LOCALITY, MAY NOT CONSTITUTE THE BASIS FOR DETENTION, SEARCH OR ARREST, AND MAY NOT CONSTITUTE THE SOLE BASIS FOR SEIZURE OR FORFEITURE OF ASSETS OR THE BASIS FOR IMPOSING PENALTIES UNDER THE LAWS OF THIS STATE OR ANY LOCALITY FOR:

1. A MARIJUANA ESTABLISHMENT, OR AN AGENT ACTING ON BEHALF OF A MARIJUANA ESTABLISHMENT, TO:
 - (a) POSSESS MARIJUANA OR MARIJUANA PRODUCTS.
 - (b) PURCHASE, SELL OR TRANSPORT MARIJUANA AND MARIJUANA PRODUCTS TO OR FROM A MARIJUANA ESTABLISHMENT.
 - (c) SELL MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS, EXCEPT THAT A MARIJUANA ESTABLISHMENT MAY NOT SELL MORE THAN ONE OUNCE OF MARIJUANA TO A CONSUMER IN A SINGLE TRANSACTION, NOT MORE THAN FIVE GRAMS OF WHICH MAY BE IN THE FORM OF MARIJUANA CONCENTRATE.
 - (d) CULTIVATE, PRODUCE, TEST OR PROCESS MARIJUANA OR MANUFACTURE MARIJUANA OR MARIJUANA PRODUCTS BY ANY MEANS INCLUDING CHEMICAL EXTRACTION OR CHEMICAL SYNTHESIS.
2. AN AGENT ACTING ON BEHALF OF A MARIJUANA ESTABLISHMENT TO SELL OR OTHERWISE TRANSFER MARIJUANA TO AN INDIVIDUAL UNDER TWENTY-ONE YEARS OF AGE, IF THE AGENT REASONABLY VERIFIED THAT THE INDIVIDUAL APPEARED TO BE TWENTY-ONE YEARS OF AGE OR OLDER BY MEANS OF A GOVERNMENT-ISSUED PHOTOGRAPHIC IDENTIFICATION IN COMPLIANCE WITH RULES ADOPTED PURSUANT TO SECTION 36-2854, SUBSECTION A, PARAGRAPH 6.
3. A MARIJUANA TESTING FACILITY, OR AN AGENT ACTING ON BEHALF OF A MARIJUANA TESTING FACILITY, TO OBTAIN, POSSESS, PROCESS, REPACKAGE, TRANSFER, TRANSPORT OR TEST MARIJUANA AND MARIJUANA PRODUCTS.
4. A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A MARIJUANA ESTABLISHMENT, OR AN AGENT ACTING ON BEHALF OF A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A MARIJUANA ESTABLISHMENT, TO SELL OR OTHERWISE TRANSFER MARIJUANA OR MARIJUANA PRODUCTS TO A NONPROFIT MEDICAL MARIJUANA DISPENSARY, A MARIJUANA ESTABLISHMENT OR AN AGENT ACTING ON BEHALF OF A NONPROFIT MEDICAL MARIJUANA DISPENSARY OR A MARIJUANA ESTABLISHMENT.

5. ANY INDIVIDUAL, CORPORATION OR OTHER ENTITY TO SELL, LEASE OR OTHERWISE ALLOW PROPERTY OR GOODS THAT ARE OWNED, MANAGED OR CONTROLLED BY THE INDIVIDUAL, CORPORATION OR OTHER ENTITY TO BE USED FOR ANY ACTIVITY AUTHORIZED BY THIS CHAPTER, OR TO PROVIDE SERVICES TO A MARIJUANA ESTABLISHMENT, OR MARIJUANA TESTING FACILITY OR AGENT ACTING ON BEHALF OF A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY IN CONNECTION WITH ANY ACTIVITY AUTHORIZED BY THIS CHAPTER.

B. THIS SECTION DOES NOT PRECLUDE THE DEPARTMENT FROM IMPOSING PENALTIES AGAINST A MARIJUANA ESTABLISHMENT OR MARIJUANA TESTING FACILITY FOR FAILING TO COMPLY WITH THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS CHAPTER.

C. A MARIJUANA ESTABLISHMENT MAY BE OWNED OR OPERATED BY A PUBLICLY TRADED COMPANY.

D. NOTWITHSTANDING ANY OTHER LAW, A DUAL LICENSEE:

1. MAY HOLD A MARIJUANA ESTABLISHMENT LICENSE AND OPERATE A MARIJUANA ESTABLISHMENT PURSUANT TO THIS CHAPTER.

2. MAY OPERATE ON A FOR-PROFIT BASIS IF THE DUAL LICENSEE PROMPTLY NOTIFIES THE DEPARTMENT AND DEPARTMENT OF REVENUE AND TAKES ANY ACTIONS NECESSARY TO ENABLE ITS FOR-PROFIT OPERATION, INCLUDING CONVERTING ITS CORPORATE FORM AND AMENDING ITS ORGANIZATIONAL AND OPERATING DOCUMENTS.

3. MUST CONTINUE TO HOLD BOTH ITS MARIJUANA ESTABLISHMENT LICENSE AND NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION, REGARDLESS OF ANY CHANGE IN OWNERSHIP OF THE DUAL LICENSEE, UNLESS IT TERMINATES ITS STATUS AS A DUAL LICENSEE AND FORFEITS EITHER ITS MARIJUANA ESTABLISHMENT LICENSE OR NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION BY NOTIFYING THE DEPARTMENT OF SUCH A TERMINATION AND FORFEITURE.

4. MAY NOT BE REQUIRED TO:

(a) EMPLOY OR CONTRACT WITH A MEDICAL DIRECTOR.

(b) OBTAIN NONPROFIT MEDICAL MARIJUANA DISPENSARY AGENT OR MARIJUANA FACILITY AGENT REGISTRATIONS FOR OUTSIDE VENDORS THAT DO NOT HAVE REGULAR, UNSUPERVISED ACCESS TO THE INTERIOR OF THE DUAL LICENSEE.

(c) HAVE A SINGLE SECURE ENTRANCE AS REQUIRED BY SECTION 36-2806, SUBSECTION C, BUT MAY BE REQUIRED TO IMPLEMENT APPROPRIATE SECURITY MEASURES TO DETER AND PREVENT THE THEFT OF MARIJUANA AND TO REASONABLY REGULATE CUSTOMER ACCESS TO THE PREMISES.

(d) COMPLY WITH ANY OTHER PROVISION OF CHAPTER 28.1 OF THIS TITLE OR ANY RULE ADOPTED PURSUANT TO CHAPTER 28.1 OF THIS TITLE THAT MAKES ITS OPERATION AS A DUAL LICENSEE UNDULY BURDENSOME.

E. NOTWITHSTANDING ANY OTHER LAW, A DUAL LICENSEE THAT ELECTS TO OPERATE ON A FOR-PROFIT BASIS PURSUANT TO SUBSECTION D, PARAGRAPH 2 OF THIS SECTION:

1. IS SUBJECT TO THE TAXES IMPOSED PURSUANT TO TITLE 43.

2. IS NOT REQUIRED TO SUBMIT ITS ANNUAL FINANCIAL STATEMENTS OR AN AUDIT REPORT TO THE DEPARTMENT FOR PURPOSES OF RENEWING ITS NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION.

F. NOTWITHSTANDING ANY OTHER LAW, A DUAL LICENSEE MUST CONDUCT BOTH OF THE FOLLOWING OPERATIONS AT A SHARED LOCATION:

1. SELL MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS PURSUANT TO THIS CHAPTER.

2. DISPENSE MARIJUANA TO REGISTERED QUALIFYING PATIENTS AND REGISTERED DESIGNATED CAREGIVERS PURSUANT TO CHAPTER 28.1 OF THIS TITLE.

G. NOTWITHSTANDING CHAPTER 28.1 OF THIS TITLE OR ANY RULE ADOPTED PURSUANT TO CHAPTER 28.1 OF THIS TITLE, A DUAL LICENSEE MAY ENGAGE IN ANY ACT, PRACTICE, CONDUCT OR TRANSACTION ALLOWED FOR A MARIJUANA ESTABLISHMENT BY THIS CHAPTER.

H. NOTWITHSTANDING ANY OTHER LAW:

1. AN INDIVIDUAL MAY BE AN APPLICANT, PRINCIPAL OFFICER OR BOARD MEMBER OF MORE THAN ONE MARIJUANA ESTABLISHMENT OR MORE THAN ONE DUAL LICENSEE REGARDLESS OF THE ESTABLISHMENT'S LOCATION.

2. TWO OR MORE MARIJUANA ESTABLISHMENTS OR DUAL LICENSEES MAY DESIGNATE A SINGLE OFF-SITE LOCATION AS PRESCRIBED IN SECTION 36-2850, PARAGRAPH 18, SUBDIVISION (c) TO BE JOINTLY USED BY THOSE DUAL LICENSEES OR MARIJUANA ESTABLISHMENTS.

I. MARIJUANA ESTABLISHMENTS, MARIJUANA TESTING FACILITIES AND DUAL LICENSEES THAT ARE SUBJECT TO APPLICABLE FEDERAL OR STATE ANTIDISCRIMINATION LAWS MAY NOT PAY THEIR EMPLOYEES DIFFERENTLY BASED SOLELY ON A PROTECTED CLASS STATUS SUCH AS SEX, RACE, COLOR, RELIGION, NATIONAL ORIGIN, AGE OR DISABILITY. THIS SUBSECTION DOES NOT EXPAND OR MODIFY THE JURISDICTIONAL REACH, PROVISIONS OR REQUIREMENTS OF ANY APPLICABLE ANTI-DISCRIMINATION LAW.

36-2859. Advertising restrictions; enforcement; civil penalty

- A. A MARIJUANA ESTABLISHMENT OR NONPROFIT MEDICAL MARIJUANA DISPENSARY MAY ENGAGE IN ADVERTISING.
- B. AN ADVERTISING PLATFORM MAY HOST ADVERTISING ONLY IF ALL OF THE FOLLOWING APPLY:
1. THE ADVERTISING IS AUTHORIZED BY A MARIJUANA ESTABLISHMENT OR NONPROFIT MEDICAL MARIJUANA DISPENSARY.
 2. THE ADVERTISING ACCURATELY AND LEGIBLY IDENTIFIES THE MARIJUANA ESTABLISHMENT OR NONPROFIT MEDICAL MARIJUANA DISPENSARY RESPONSIBLE FOR THE CONTENT OF THE ADVERTISING BY NAME AND LICENSE NUMBER OR REGISTRATION NUMBER.
- C. ANY ADVERTISING UNDER THIS CHAPTER INVOLVING DIRECT, INDIVIDUALIZED COMMUNICATION OR DIALOGUE SHALL USE A METHOD OF AGE AFFIRMATION TO VERIFY THAT THE RECIPIENT IS TWENTY-ONE YEARS OF AGE OR OLDER BEFORE ENGAGING IN THAT COMMUNICATION OR DIALOGUE. FOR THE PURPOSES OF THIS SUBSECTION, THAT METHOD OF AGE AFFIRMATION MAY INCLUDE USER CONFIRMATION, BIRTH DATE DISCLOSURE OR OTHER SIMILAR REGISTRATION METHODS.
- D. IT IS UNLAWFUL FOR AN INDIVIDUAL OR ENTITY OTHER THAN A MARIJUANA ESTABLISHMENT OR DUAL LICENSEE TO DO ANY OF THE FOLLOWING IN A MANNER THAT IS NOT AUTHORIZED BY THIS CHAPTER OR RULES ADOPTED BY THE DEPARTMENT PURSUANT TO THIS CHAPTER:
1. FACILITATE THE DELIVERY OF MARIJUANA OR MARIJUANA PRODUCTS.
 2. SOLICIT OR ACCEPT ORDERS FOR MARIJUANA OR MARIJUANA PRODUCTS OR OPERATE A PLATFORM THAT SOLICITS OR ACCEPTS ORDERS FOR MARIJUANA OR MARIJUANA PRODUCTS.
 3. OPERATE A LISTING SERVICE RELATED TO THE SALE OR DELIVERY OF MARIJUANA OR MARIJUANA PRODUCTS.
- E. A MARIJUANA ESTABLISHMENT THAT VIOLATES THIS SECTION IS SUBJECT TO DISCIPLINARY ACTION BY THE DEPARTMENT PURSUANT TO SECTION 36-2854, SUBSECTION B. A NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT VIOLATES THIS SECTION IS SUBJECT TO DISCIPLINARY ACTION BY THE DEPARTMENT PURSUANT TO SECTION 36-2816.
- F. IN ADDITION TO ANY OTHER PENALTY IMPOSED BY LAW, AN INDIVIDUAL OR ENTITY OTHER THAN A MARIJUANA ESTABLISHMENT OR NONPROFIT MEDICAL MARIJUANA DISPENSARY THAT ADVERTISES MARIJUANA OR MARIJUANA PRODUCTS IN VIOLATION OF THIS SECTION OR OTHERWISE VIOLATES THIS SECTION SHALL PAY A CIVIL PENALTY OF \$20,000 PER VIOLATION TO THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856. THIS SUBSECTION MAY BE ENFORCED BY THE ATTORNEY GENERAL.

36-2860. Packaging; restrictions on particular marijuana products

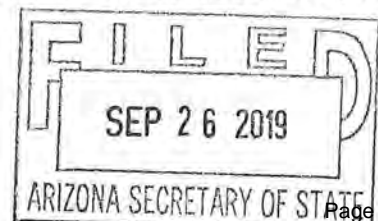
- A. A MARIJUANA ESTABLISHMENT MAY NOT:
1. PACKAGE OR LABEL MARIJUANA OR MARIJUANA PRODUCTS IN A FALSE OR MISLEADING MANNER.
 2. MANUFACTURE OR SELL MARIJUANA PRODUCTS THAT RESEMBLE THE FORM OF A HUMAN, ANIMAL, INSECT, FRUIT, TOY OR CARTOON.
 3. SELL OR ADVERTISE MARIJUANA OR MARIJUANA PRODUCTS WITH NAMES THAT RESEMBLE OR IMITATE FOOD OR DRINK BRANDS MARKETED TO CHILDREN, OR OTHERWISE ADVERTISE MARIJUANA OR MARIJUANA PRODUCTS TO CHILDREN.
- B. A MARIJUANA ESTABLISHMENT THAT VIOLATES THIS SECTION IS SUBJECT TO DISCIPLINARY ACTION BY THE DEPARTMENT PURSUANT TO SECTION 36-2854, SUBSECTION B.

36-2861. Contracts; professional services

- A. IT IS THE PUBLIC POLICY OF THIS STATE THAT CONTRACTS RELATED TO MARIJUANA ESTABLISHMENTS AND MARIJUANA TESTING FACILITIES ARE ENFORCEABLE.
- B. A PERSON THAT IS LICENSED, CERTIFIED OR REGISTERED BY ANY DEPARTMENT, AGENCY OR REGULATORY BOARD OF THIS STATE IS NOT SUBJECT TO DISCIPLINARY ACTION BY THAT ENTITY FOR PROVIDING PROFESSIONAL ASSISTANCE TO A PROSPECTIVE OR REGISTERED MARIJUANA ESTABLISHMENT, MARIJUANA TESTING FACILITY OR OTHER PERSON FOR ANY LAWFUL ACTIVITY UNDER THIS CHAPTER.

36-2862. Expungement; petition; appeal; dismissal of complaints; rules

- A. BEGINNING JULY 12, 2021, AN INDIVIDUAL WHO WAS ARRESTED FOR, CHARGED WITH, ADJUDICATED OR CONVICTED BY TRIAL OR PLEA OF, OR SENTENCED FOR, ANY OF THE FOLLOWING OFFENSES BASED ON OR ARISING OUT OF CONDUCT OCCURRING BEFORE THE EFFECTIVE DATE OF THIS SECTION MAY PETITION THE COURT TO HAVE THE RECORD OF THAT ARREST, CHARGE, ADJUDICATION, CONVICTION OR SENTENCE EXPUNGED:



1. POSSESSING, CONSUMING OR TRANSPORTING TWO AND ONE-HALF OUNCES OR LESS OF MARIJUANA, OF WHICH NOT MORE THAN TWELVE AND ONE-HALF GRAMS WAS IN THE FORM OF MARIJUANA CONCENTRATE.
2. POSSESSING, TRANSPORTING, CULTIVATING OR PROCESSING NOT MORE THAN SIX MARIJUANA PLANTS AT THE INDIVIDUAL'S PRIMARY RESIDENCE FOR PERSONAL USE.
3. POSSESSING, USING OR TRANSPORTING PARAPHERNALIA RELATING TO THE CULTIVATION, MANUFACTURE, PROCESSING OR CONSUMPTION OF MARIJUANA.
- B. IF THE COURT RECEIVES A PETITION FOR EXPUNGEMENT PURSUANT TO THIS SECTION:
 1. THE COURT SHALL NOTIFY THE PROSECUTING AGENCY OF THE FILING OF THE PETITION, AND ALLOW THE PROSECUTING AGENCY TO RESPOND TO THE PETITION WITHIN THIRTY DAYS.
 2. THE COURT MAY HOLD A HEARING:
 - (a) ON THE REQUEST OF EITHER THE PETITIONER OR THE PROSECUTING AGENCY.
 - (b) IF THE COURT CONCLUDES THERE ARE GENUINE DISPUTES OF FACT REGARDING WHETHER THE PETITION SHOULD BE GRANTED.
 3. THE COURT SHALL GRANT THE PETITION UNLESS THE PROSECUTING AGENCY ESTABLISHES BY CLEAR AND CONVINCING EVIDENCE THAT THE PETITIONER IS NOT ELIGIBLE FOR EXPUNGEMENT.
 4. THE COURT SHALL ISSUE A SIGNED ORDER OR MINUTE ENTRY GRANTING OR DENYING THE PETITION IN WHICH IT MAKES FINDINGS OF FACT AND CONCLUSIONS OF LAW.
- C. IF THE COURT GRANTS A PETITION FOR EXPUNGEMENT:
 1. THE SIGNED ORDER OR MINUTE ENTRY REQUIRED PURSUANT TO SUBSECTION B, PARAGRAPH 4 OF THIS SECTION SHALL DO ALL OF THE FOLLOWING:
 - (a) IF THE PETITIONER WAS ADJUDICATED OR CONVICTED OF AN OFFENSE SET FORTH IN SUBSECTION A OF THIS SECTION, VACATE THE JUDGMENT OF ADJUDICATION OR CONVICTION.
 - (b) STATE THAT IT EXPUNGES ANY RECORD OF THE PETITIONER'S ARREST, CHARGE, CONVICTION, ADJUDICATION AND SENTENCE.
 - (c) IF THE PETITIONER WAS CONVICTED OR ADJUDICATED OF AN OFFENSE SET FORTH IN SUBSECTION A OF THIS SECTION, STATE THAT THE PETITIONER'S CIVIL RIGHTS, INCLUDING THE RIGHT TO POSSESS FIREARMS, ARE RESTORED, UNLESS THE PETITIONER IS OTHERWISE NOT ELIGIBLE FOR THE RESTORATION OF CIVIL RIGHTS ON GROUNDS OTHER THAN A CONVICTION FOR AN OFFENSE SET FORTH IN SUBSECTION A OF THIS SECTION.
 - (d) REQUIRE THE CLERK OF THE COURT TO NOTIFY THE DEPARTMENT OF PUBLIC SAFETY, THE PROSECUTING AGENCY AND THE ARRESTING LAW ENFORCEMENT AGENCY, IF APPLICABLE, OF THE EXPUNGEMENT ORDER.
 - (e) REQUIRE THE CLERK OF THE COURT TO SEAL ALL RECORDS RELATING TO THE EXPUNGED ARREST, CHARGE, ADJUDICATION, CONVICTION OR SENTENCE AND ALLOW THE RECORDS TO BE ACCESSED ONLY BY THE INDIVIDUAL WHOSE RECORD WAS EXPUNGED OR THE INDIVIDUAL'S ATTORNEY.
 2. THE DEPARTMENT OF PUBLIC SAFETY SHALL SEAL AND SEPARATE THE EXPUNGED RECORD FROM ITS RECORDS AND INFORM ALL APPROPRIATE STATE AND FEDERAL LAW ENFORCEMENT AGENCIES OF THE EXPUNGEMENT. UNLESS THE PETITIONER IS INDIGENT, THE DEPARTMENT OF PUBLIC SAFETY MAY CHARGE THE SUCCESSFUL PETITIONER A REASONABLE FEE DETERMINED BY THE DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY TO RESEARCH AND CORRECT THE PETITIONER'S CRIMINAL HISTORY RECORD.
 3. THE ARRESTING AND PROSECUTING AGENCIES SHALL CLEARLY IDENTIFY IN EACH AGENCY'S FILES AND ELECTRONIC RECORDS THAT THE PETITIONER'S ARREST, CHARGE, CONVICTION, ADJUDICATION AND SENTENCE ARE EXPUNGED AND SHALL NOT MAKE ANY RECORDS OF THE EXPUNGED ARREST, CHARGE, CONVICTION, ADJUDICATION OR SENTENCE AVAILABLE AS A PUBLIC RECORD TO ANY PERSON EXCEPT TO THE INDIVIDUAL WHOSE RECORD WAS EXPUNGED OR THAT INDIVIDUAL'S ATTORNEY.
- D. AN ARREST, CHARGE, ADJUDICATION, CONVICTION OR SENTENCE THAT IS EXPUNGED PURSUANT TO THIS SECTION MAY NOT BE USED IN A SUBSEQUENT PROSECUTION BY A PROSECUTING AGENCY OR COURT FOR ANY PURPOSE.
- E. AN INDIVIDUAL WHOSE RECORD OF ARREST, CHARGE, ADJUDICATION, CONVICTION OR SENTENCE IS EXPUNGED PURSUANT TO THIS SECTION MAY STATE THAT THE INDIVIDUAL HAS NEVER BEEN ARRESTED FOR, CHARGED WITH, ADJUDICATED OR CONVICTED OF, OR SENTENCED FOR THE CRIME THAT IS THE SUBJECT OF THE EXPUNGEMENT.
- F. IF THE COURT DENIES A PETITION FOR EXPUNGEMENT, THE PETITIONER MAY FILE A DIRECT APPEAL PURSUANT TO SECTION 13-4033, SUBSECTION A, PARAGRAPH 3.
- G. ON MOTION, THE COURT SHALL DISMISS WITH PREJUDICE ANY PENDING COMPLAINT, INFORMATION OR INDICTMENT BASED ON ANY OFFENSE SET FORTH IN SUBSECTION A OF THIS SECTION, TO INCLUDE CHARGES OR ALLEGATIONS BASED ON OR ARISING OUT OF CONDUCT OCCURRING BEFORE THE EFFECTIVE DATE OF THIS CHAPTER. THE INDIVIDUAL CHARGED MAY THEREAFTER PETITION THE COURT TO

EXPUNGE RECORDS OF THE ARREST AND CHARGE OR ALLEGATION AS PROVIDED IN THIS SECTION. A MOTION BROUGHT PURSUANT TO THIS SUBSECTION MAY BE FILED WITH THE COURT BEFORE JULY 12, 2021.

H. THE SUPREME COURT MAY ADOPT RULES NECESSARY TO IMPLEMENT THIS SECTION, AND MAY ALSO SPONSOR PUBLIC SERVICE ANNOUNCEMENTS OR OTHER NOTIFICATIONS INTENDED TO PROVIDE NOTICE TO INDIVIDUALS WHO MAY BE ELIGIBLE TO FILE PETITIONS FOR EXPUNGEMENT PURSUANT TO THIS SECTION.

I. A PROSECUTING AGENCY MAY FILE A PETITION FOR EXPUNGEMENT PURSUANT TO THIS SECTION ON BEHALF OF ANY INDIVIDUAL WHO WAS PROSECUTED BY THAT PROSECUTING AGENCY, AND THE ATTORNEY GENERAL MAY FILE A PETITION FOR EXPUNGEMENT PURSUANT TO THIS SECTION ON BEHALF OF ANY INDIVIDUAL.

36-2863. Justice reinvestment fund; exemption; distribution; definition

A. THE JUSTICE REINVESTMENT FUND IS ESTABLISHED CONSISTING OF ALL MONIES DEPOSITED PURSUANT TO SECTION 36-2856 AND INTEREST EARNED ON THOSE MONIES. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. MONIES IN THE FUND AND ITS ACCOUNTS MAY NOT BE TRANSFERRED TO ANY OTHER FUND EXCEPT AS PROVIDED IN THIS SECTION, DO NOT REVERT TO THE STATE GENERAL FUND, AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. THE STATE TREASURER SHALL ADMINISTER THE FUND.

B. ALL MONIES IN THE JUSTICE REINVESTMENT FUND MUST FIRST BE SPENT, AND THE STATE TREASURER SHALL TRANSFER MONIES FROM THE FUND, TO PAY:

1. THE REASONABLE COSTS INCURRED BY THE STATE TREASURER TO ADMINISTER THE FUND.
2. THE REASONABLE ADMINISTRATIVE COSTS INCURRED BY THE DEPARTMENT TO CARRY OUT ITS DUTIES PURSUANT TO THIS SECTION.

C. ON OR BEFORE JUNE 30 AND DECEMBER 31 OF EACH YEAR, THE STATE TREASURER SHALL TRANSFER ALL MONIES IN THE JUSTICE REINVESTMENT FUND IN EXCESS OF THE AMOUNTS PAID PURSUANT TO SUBSECTION B OF THIS SECTION AS FOLLOWS:

1. THIRTY-FIVE PERCENT TO COUNTY PUBLIC HEALTH DEPARTMENTS, IN PROPORTION TO THE POPULATION OF EACH COUNTY ACCORDING TO THE MOST RECENT UNITED STATES DECENNIAL CENSUS, FOR THE PURPOSE OF PROVIDING JUSTICE REINVESTMENT PROGRAMS OR DISTRIBUTING GRANTS TO QUALIFIED NONPROFIT ORGANIZATIONS TO PROVIDE JUSTICE REINVESTMENT PROGRAMS IN THAT COUNTY.
2. THIRTY-FIVE PERCENT TO THE DEPARTMENT FOR THE PURPOSE OF DISTRIBUTING GRANTS TO QUALIFIED NONPROFIT ORGANIZATIONS THAT PROVIDE JUSTICE REINVESTMENT PROGRAMS IN THIS STATE.
3. THIRTY PERCENT TO THE DEPARTMENT FOR THE PURPOSE OF ADDRESSING IMPORTANT PUBLIC HEALTH ISSUES THAT AFFECT THIS STATE.

D. GRANTS MADE PURSUANT TO THIS SECTION ARE EXEMPT FROM TITLE 41, CHAPTER 23, AND EACH GRANTEE SHALL PROVIDE THE GRANTING AGENCY WITH AN ANNUAL REPORT DETAILING THE USE OF GRANTED MONIES.

E. MONIES TRANSFERRED AND RECEIVED PURSUANT TO SUBSECTION C OF THIS SECTION ARE NOT CONSIDERED LOCAL REVENUES FOR THE PURPOSES OF ARTICLE IX, SECTION 20, CONSTITUTION OF ARIZONA.

F. THE STATE TREASURER MAY PRESCRIBE FORMS NECESSARY TO MAKE TRANSFERS PURSUANT TO SUBSECTION B OF THIS SECTION.

G. FOR THE PURPOSES OF THIS SECTION, "JUSTICE REINVESTMENT PROGRAMS" MEANS INITIATIVES OR PROGRAMS THAT FOCUS ON ANY OF THE FOLLOWING:

1. PUBLIC AND BEHAVIORAL HEALTH, INCLUDING EVIDENCE-BASED AND EVIDENCE-INFORMED SUBSTANCE USE PREVENTION AND TREATMENT AND SUBSTANCE USE EARLY INTERVENTION SERVICES.
2. RESTORATIVE JUSTICE, JAIL DIVERSION, WORKFORCE DEVELOPMENT, INDUSTRY-SPECIFIC TECHNICAL ASSISTANCE OR MENTORING SERVICES FOR ECONOMICALLY DISADVANTAGED PERSONS IN COMMUNITIES DISPROPORTIONATELY IMPACTED BY HIGH RATES OF ARREST AND INCARCERATION.
3. ADDRESSING THE UNDERLYING CAUSES OF CRIME, REDUCING DRUG-RELATED ARRESTS AND REDUCING THE PRISON POPULATION IN THIS STATE.
4. CREATING OR DEVELOPING TECHNOLOGY AND PROGRAMS TO ASSIST WITH THE RESTORATION OF CIVIL RIGHTS AND THE EXPUNGEMENT OF CRIMINAL RECORDS.

36-2864. Transaction privilege tax; use tax; additional taxes prohibited; exception

A. FOR PURPOSES OF THE TRANSACTION PRIVILEGE TAX AND USE TAX LEVIED AND COLLECTED PURSUANT TO TITLE 42, CHAPTERS 5 AND 6, MARIJUANA AND MARIJUANA PRODUCTS ARE TANGIBLE PERSONAL PROPERTY DEFINED IN SECTION 42-5001 AND ARE SUBJECT TO THE TRANSACTION PRIVILEGE TAX IN THE RETAIL CLASSIFICATION AND USE TAX.

B. EXCEPT AS PROVIDED IN SUBSECTION A OF THIS SECTION AND SECTION 42-5452, THIS STATE AND LOCALITIES MAY NOT LEVY OR COLLECT ADDITIONAL TAXES OF ANY KIND ON THE SALE OF MARIJUANA OR MARIJUANA PRODUCTS AND MAY NOT LEVY OR COLLECT ANY FEES OR ASSESSMENTS OF ANY KIND ON THE

SALE OF MARIJUANA OR MARIJUANA PRODUCTS OR ON THE LICENSING, OPERATIONS OR ACTIVITIES OF MARIJUANA ESTABLISHMENTS OR MARIJUANA TESTING FACILITIES, UNLESS THE FEE OR ASSESSMENT IS OF GENERAL APPLICABILITY TO INDIVIDUALS OR BUSINESSES THAT ARE NOT ENGAGED IN THE SALE OF MARIJUANA OR MARIJUANA PRODUCTS.

C. THE PROHIBITION IMPOSED BY SUBSECTION B OF THIS SECTION DOES NOT APPLY TO UNIFORM INCREASES TO THE TRANSACTION PRIVILEGE TAX RATE FOR THE RETAIL CLASSIFICATION OR USE TAX RATE BY THIS STATE OR A LOCALITY OR TO UNIFORM INCREASES TO FEES OR ASSESSMENTS ALLOWED BY SUBSECTION B OF THIS SECTION.

36-2865. Enforcement of this chapter; special action

A. IF THE DEPARTMENT FAILS TO ADOPT RULES NECESSARY TO IMPLEMENT THIS CHAPTER ON OR BEFORE JUNE 1, 2021, OR FAILS TO BEGIN ACCEPTING APPLICATIONS AS PROVIDED IN SECTION 36-2854, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (d), ANY CITIZEN MAY COMMENCE A SPECIAL ACTION IN SUPERIOR COURT TO COMPEL THE DEPARTMENT TO PERFORM THE ACTIONS MANDATED UNDER THIS CHAPTER.

B. IF THE DEPARTMENT FAILS TO ISSUE A LICENSE OR SEND A NOTICE OF DENIAL WITHIN SIXTY DAYS AFTER RECEIVING A COMPLETE MARIJUANA ESTABLISHMENT APPLICATION PURSUANT TO SECTION 36-2854, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (d), THE APPLICANT MAY COMMENCE A SPECIAL ACTION IN SUPERIOR COURT TO COMPEL THE DEPARTMENT TO PERFORM THE ACTIONS MANDATED UNDER THIS CHAPTER.

C. NOTWITHSTANDING CHAPTER 28.1 OF THIS TITLE, IF THE DEPARTMENT FAILS TO ISSUE ANY MARIJUANA ESTABLISHMENT LICENSES PURSUANT TO SECTION 36-2854, SUBSECTION A, PARAGRAPH 1, SUBDIVISION D ON OR BEFORE APRIL 5, 2021, EACH NONPROFIT MEDICAL MARIJUANA DISPENSARY IN GOOD STANDING MAY BEGIN TO CULTIVATE, PRODUCE, PROCESS, MANUFACTURE, TRANSPORT AND TEST MARIJUANA AND MARIJUANA PRODUCTS AND MAY SELL MARIJUANA AND MARIJUANA PRODUCTS TO CONSUMERS UNTIL THE DEPARTMENT ISSUES LICENSES TO OPERATE MARIJUANA ESTABLISHMENTS. IF THIS OCCURS, NONPROFIT MEDICAL MARIJUANA DISPENSARIES IN GOOD STANDING SHALL:

1. BE TREATED AS MARIJUANA ESTABLISHMENTS FOR ALL PURPOSES UNDER THIS CHAPTER, AND THEIR NONPROFIT MEDICAL MARIJUANA ESTABLISHMENT AGENTS SHALL BE TREATED AS MARIJUANA FACILITY AGENTS FOR ALL PURPOSES UNDER THIS CHAPTER.

2. COMPLY WITH THE RULES ADOPTED BY THE DEPARTMENT TO IMPLEMENT CHAPTER 28.1 OF THIS TITLE, EXCEPT THOSE THAT ARE INCONSISTENT WITH THIS CHAPTER.

Section 5. Title 42, Chapter 5, Arizona Revised Statutes, is amended by adding article 10 to read:

ARTICLE 10.
MARIJUANA AND MARIJUANA PRODUCTS

42-5451. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "CONSUMER," "DUAL LICENSEE," "MARIJUANA," "MARIJUANA ESTABLISHMENT" AND "MARIJUANA PRODUCTS" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 36-2850.

2. "DESIGNATED CAREGIVER," "NONPROFIT MEDICAL MARIJUANA DISPENSARY" AND "QUALIFYING PATIENT" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 36-2801.

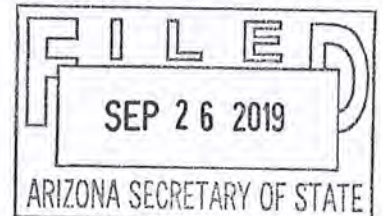
42-5452. Levy and rate of tax; effect of federal excise tax

A. THERE IS LEVIED AND THE DEPARTMENT SHALL COLLECT AN EXCISE TAX ON ALL MARIJUANA AND MARIJUANA PRODUCTS SOLD TO A CONSUMER BY A MARIJUANA ESTABLISHMENT AT A RATE OF SIXTEEN PERCENT OF THE PRICE OF THE MARIJUANA OR MARIJUANA PRODUCT SOLD. THIS SUBSECTION DOES NOT APPLY TO MARIJUANA DISPENSED TO A REGISTERED QUALIFYING PATIENT OR REGISTERED DESIGNATED CAREGIVER PURSUANT TO TITLE 36, CHAPTER 28.1 BY A DUAL LICENSEE OR NONPROFIT MEDICAL MARIJUANA DISPENSARY.

B. IF THE UNITED STATES LEVIES AND COLLECTS AN EXCISE TAX ON MARIJUANA AND MARIJUANA PRODUCTS, THE AGGREGATE OF FEDERAL AND STATE EXCISE TAXES MAY NOT EXCEED A RATE OF THIRTY PERCENT OF THE PRICE OF THE MARIJUANA OR MARIJUANA PRODUCT SOLD, AND THE TAX LEVIED PURSUANT TO SUBSECTION A OF THIS SECTION SHALL BE LOWERED ACCORDINGLY AND AUTOMATICALLY ON THE EFFECTIVE DATE OF THE FEDERAL EXCISE TAX.

C. A PRODUCT SUBJECT TO THE TAX IMPOSED BY THIS SECTION MAY NOT BE BUNDLED WITH A PRODUCT OR SERVICE THAT IS NOT SUBJECT TO THE TAX IMPOSED BY THIS SECTION.

D. THE TAX LEVIED AND COLLECTED PURSUANT TO THIS SECTION SHALL NOT BE INCLUDED IN COMPUTING THE TAX BASE, GROSS PROCEEDS OF SALES OR GROSS INCOME OF A MARIJUANA ESTABLISHMENT



FOR PURPOSES OF TITLE 42, CHAPTERS 5 AND 6, AND IS NOT SUBJECT TO ANY TRANSACTION PRIVILEGE, SALES, USE OR OTHER SIMILAR TAX LEVIED BY A COUNTY, CITY, TOWN OR SPECIAL TAXING DISTRICT.

E. NOTWITHSTANDING SECTION 42-3102, THE DEPARTMENT SHALL DEPOSIT ALL MONIES LEVIED AND COLLECTED PURSUANT TO THIS SECTION IN THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856.

42-5453. Return statement and payment by marijuana establishment; penalty; interest; rules; confidential information

A. THE TAX IMPOSED BY THIS ARTICLE IS DUE AND PAYABLE, TOGETHER WITH A RETURN STATEMENT PRESCRIBED BY THE DEPARTMENT, FOR EACH MONTH ON OR BEFORE THE TWENTIETH DAY OF THE SUCCEEDING MONTH.

B. A MARIJUANA ESTABLISHMENT THAT FAILS TO PAY THE TAX IMPOSED BY THIS ARTICLE WITHIN TEN DAYS AFTER THE DATE THE PAYMENT IS DUE IS SUBJECT TO AND SHALL PAY A PENALTY DETERMINED UNDER SECTION 42-1125, PLUS INTEREST AT THE RATE DETERMINED PURSUANT TO SECTION 42-1123, FROM THE TIME THE TAX WAS DUE AND PAYABLE UNTIL PAID. THE DEPARTMENT MAY WAIVE ANY PENALTY OR INTEREST IF IT DETERMINES THAT THE MARIJUANA ESTABLISHMENT HAS MADE A GOOD FAITH ATTEMPT TO COMPLY WITH THE REQUIREMENTS OF THIS ARTICLE.

C. THE MONTHLY RETURN STATEMENT PRESCRIBED BY THE DEPARTMENT SHALL INCLUDE AN ACCOUNTING OF THE QUANTITY OF MARIJUANA THAT IS SOLD BY A MARIJUANA ESTABLISHMENT THAT IS SUBJECT TO THE TAX IMPOSED BY THIS ARTICLE DURING THE TAX MONTH.

D. ALL PENALTIES AND INTEREST COLLECTED PURSUANT TO THIS SECTION SHALL BE DEPOSITED IN THE SMART AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856.

E. THE DEPARTMENT MAY ADOPT RULES THAT ARE NECESSARY OR CONVENIENT TO ENFORCE THIS ARTICLE, EXCEPT THAT THOSE RULES MAY NOT CONFLICT WITH TITLE 36, CHAPTER 28.2.

F. THE DEPARTMENT MAY SHARE CONFIDENTIAL INFORMATION AS DEFINED IN SECTION 42-2001 WITH THE DEPARTMENT OF HEALTH SERVICES FOR ITS USE IN DETERMINING WHETHER A MARIJUANA ESTABLISHMENT, MARIJUANA TESTING FACILITY OR DUAL LICENSEE IS IN COMPLIANCE WITH TAX OBLIGATIONS UNDER THIS TITLE OR TITLE 43.

Section 6. Title 43, Chapter 1, article 1, Arizona Revised Statutes, is amended by adding Section 43-108 to read:

43-108. Subtraction from gross income; ordinary and necessary expenses; marijuana establishments and marijuana testing facilities; definitions

A. NOTWITHSTANDING ANY OTHER LAW, IN COMPUTING ARIZONA ADJUSTED GROSS INCOME OR ARIZONA TAXABLE INCOME FOR A TAXPAYER, ALL ORDINARY AND NECESSARY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR IN CARRYING ON A TRADE OR BUSINESS AS A MARIJUANA ESTABLISHMENT, MARIJUANA TESTING FACILITY, OR DUAL LICENSEE THAT ELECTS TO OPERATE ON A FOR-PROFIT BASIS PURSUANT TO TITLE 36, CHAPTER 28.2 SHALL BE SUBTRACTED FROM ARIZONA GROSS INCOME TO THE EXTENT NOT ALREADY EXCLUDED FROM ARIZONA GROSS INCOME.

B. FOR THE PURPOSES OF THIS SECTION, "DUAL LICENSEE," "MARIJUANA ESTABLISHMENT," AND "MARIJUANA TESTING FACILITY" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 36-2850.

Section 7. Voter Protection Act

For the purposes of the Voter Protection Act, Ariz. Const. art. IV, pt. 1, § 1(6)(C), the People of the State of Arizona declare that the following acts of the Legislature would further the purpose of this act:

1. Enacting a per se law for the presumption of marijuana impairment based on the concentration of delta-9 tetrahydrocannabinol in a person's body when scientific research on the subject is conclusive and the National Highway Traffic Safety Administration recommends the adoption of such a law.

2. Reducing or eliminating any offense, offense level or penalty provided for in this act.

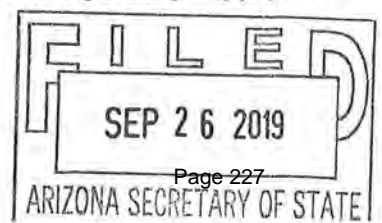
3. Increasing the amount of marijuana that a person may lawfully possess.

4. Amending the provisions of this act to align more closely with federal laws and regulations if marijuana is legalized or decriminalized by the federal government, but only if and to the extent that such federal laws and regulations are not more restrictive than the provisions of this act.

5. Amending the provisions of this act to align more closely with federal laws and regulations governing the possession, processing, cultivation, transport, or transfer of industrial hemp, but only if and to the extent that such federal laws and regulations are not more restrictive than the provisions of this act.

6. Increasing the number of marijuana establishment licenses by up to 10 percent in furtherance of the social equity ownership program established by this act.

7. Facilitating the expungement and sealing of records of arrests, charges, convictions, adjudications and sentences that were predicated on conduct made lawful by this act, including by automatic means, and otherwise preventing or mitigating prejudice to individuals whose arrests, charges, convictions, adjudications or sentences are expunged.



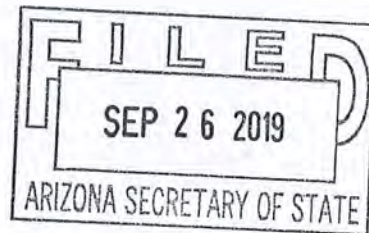
8. Amending the definition of “smoking” in this act to conform with the Smoke-Free Arizona Act if that act is amended to include the use of an electronic smoking device that creates an aerosol or vapor.

Section 8. Exemption from rulemaking

For the purposes of this act, and for sixty months after the effective date of this act, the department of revenue and the department of health services are exempt from (a) any executive order or other directive purporting to limit or restrict their ability to adopt new rules, and (b) the rulemaking requirements of title 41, chapters 6 and 6.1, Arizona Revised Statutes, except that each department shall provide the public with a reasonable opportunity to comment on proposed rules and shall publish otherwise exempted rules.

Section 9. Severability

If any provision of this act or its application to any person or circumstance is declared invalid by a court of competent jurisdiction, such invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provision or application. The invalidated provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of this act and, to the fullest extent possible, the provisions of this act, including each portion of any section of this act containing any invalidated provision that is not itself invalid, shall be construed so as to give effect to the intent thereof.





**CITY COUNCIL
AGENDA BILL**

**AB 2571
November 24, 2020
Regular Business**

Agenda Item: 10e
Proposed Action & Subject: Discussion/possible direction regarding issues surrounding the COVID-19 pandemic and the City's response.

Department	City Manager
Time to Present	15 minutes
Total Time for Item	15 minutes
Other Council Meetings	March 24, 2020, April 14, 2020, April 28, 2020, May 12, 2020, May 26, 2020, June 9, 2020, June 23, 2020, July 14, 2020, July 28, 2020, August 11, 2020, September 8, 2020, September 22, 2020, October 13, 2020, October 27, 2020, November 10, 2020
Exhibits	None

City Attorney Approval	Reviewed 11/16/2020 KWC	Expenditure Required	
		\$	0
City Manager's Recommendation	For discussion and possible direction only.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: This item was added to ensure opportunity to discuss the latest updates with the COVID-19 pandemic and the City's response.

The City continues regular communication with state and county health departments, hospitals, other healthcare providers, emergency responders, emergency managers, and policy experts.

City staff continues to evaluate how the economic slowdown will impact City finances. Staff will be prepared to discuss the latest revenue data and forecasts.

During the meeting staff will present up to date information on COVID-19 related data, regulatory changes and news on city finances.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): N/A

MOTION

I move to: for discussion and possible direction only.