

AGENDA



4:30 P.M.

CITY COUNCIL MEETING

TUESDAY, MAY 25, 2021

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 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 =

- Minutes - May 11, 2021 City Council Regular Meeting.
- Minutes - May 12, 2021 City Council Special Meeting.
- AB 2680 Approval of a Resolution appointing the City of Sedona Finance Director as Chief Fiscal Officer of the City for the purpose of submitting the annual expenditure limitation report to the Arizona Auditor General's Office.
- AB 2686 Approval of a Construction Manager at Risk (CMAR) for Design Phase Services for the Uptown Sedona Parking Garage Project with McCarthy Building Companies, Inc. in an amount not-to-exceed \$166,374.

4. APPOINTMENTS - None.

5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER

6. PUBLIC FORUM (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. PROCLAMATIONS, RECOGNITIONS & AWARDS - None.

8. REGULAR BUSINESS




- AB 2669 **Presentation/discussion** by Arizona Public Service (APS) regarding their fire mitigation efforts and summer readiness program.
- AB 2464 **Discussion/possible action** to approve the publication of a Notice of Intention to Increase Wastewater Rates in accordance with A.R.S. § 9-511.01 and to set a public hearing date at which time Council will consider adoption of a final ordinance changing the City's wastewater capacity fee rates and rate structure.
- AB 2683 **Discussion/possible action** regarding the use of FY21 Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) contract contingency funds in the approximate amount of \$296,000 to pay off the real property owned by the SCC&TB at 401 Jordan Road, SCC&TB's transfer of ownership of the property to the City, and authorization of a budget transfer from contingency.

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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- d. AB 2685 **Discussion/possible action** regarding approval of a Parking Agreement and Residential Lease Agreement between the City of Sedona and Arizona Safari Jeep Tours, LLC. 
- e. AB 2646 **Discussion/possible direction/action** regarding proposed State legislation and State budget and the potential impact on the City of Sedona. 
- f. AB 2571 **Discussion/possible direction** regarding issues surrounding the COVID-19 pandemic and the City's response. 
- g. **Reports/discussion** regarding Council assignments.
- h. **Discussion/possible action** regarding future meeting/agenda items.

9. 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.

10. ADJOURNMENT

Posted: 05/20/2021

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

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.

**Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, May 11, 2021, 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 Scott Jablow, Councilor Kathy Kinsella, Councilor Holli Ploog, Councilor Jon Thompson, Councilor Jessica Williamson. Councilor Tom Lamkin was absent and excused.

Staff Present: City Manager Karen Osburn, City Attorney Kurt Christianson, Director of Public Works/City Engineer Andy Dickey, Transit Administrator Robert Weber, City Clerk Susan Irvine.

2. City's Vision

A video of the City's Vision was played.

3. Consent Items

- a. **Minutes - April 27, 2021 City Council Special Meeting - Executive Session.**
- b. **Minutes - April 27, 2021 City Council Regular Meeting.**
- c. **Minutes - April 28, 2021 City Council Special Meeting.**

Motion: Councilor Thompson moved to approve consent items 3a, 3b, and 3c. Seconded by Councilor Kinsella. Vote: Motion carried unanimously with six (6) in favor (Moriarty, Jablow, Kinsella, Ploog, Thompson, Williamson) and zero (0) opposed.

4. Appointments – None.

5. Summary of Current Events by Mayor/Councilors/City Manager – None.

6. Public Forum

Steve Schliebs, Sedona, urged Council to give their full support to the Climate Action Plan and felt that the City was lucky to have their Sustainability Coordinator.

Pamela Galaz Valdes, Sedona, spoke about the lack of parking at the Cathedral Trailhead, especially on Tuesdays.

7. Proclamations, Recognitions, and Awards – None.

8. Regular Business

- a. **AB 2678 Discussion/possible direction regarding Trailhead Shuttle and Microtransit services.**

Presentation by Robert Weber, Andy Dickey, Karen Osburn, and Mark Goshorn, Recreation Special Uses Permit Administrator, Red Rock Ranger District.

Questions from Council.

Opened to the public at 6:32 p.m.

The following spoke regarding this item: Lorraine Pomeroy, Sedona, Paul Daurio, Sedona, Kali Gajewski, Sedona, Steve Segner, Sedona, Sedona Lodging Council.

Brought back to Council at 6:42 p.m.

Additional questions and comments from Council.

By majority consensus, Council directed staff to proceed with the plan as presented, to take a look at additional parking opportunities, and to evaluate the carbon offset of gasoline versus hybrid vehicles.

Break at 7:02 p.m. Reconvened at 7:25 p.m.

- b. AB 2676 Discussion/possible direction to authorize staff to: a) prepare a notice of intent to permanently extend the transportation related project sales tax increase adopted January 9, 2018 by Ordinance 2018-01 to fund implementation of a transit system in Sedona; b) comply with the public posting requirements for a tax increase and modification to the model city tax code; and c) schedule public hearings for consideration of the sales tax increase and model city tax code modification.**

Presentation by Karen Osburn.

Comments from Council.

By majority consensus, Council directed staff to proceed with the steps required to extend the transportation related sales tax increase permanently.

- c. AB 2646 Discussion/possible direction/action regarding proposed State legislation and State budget and its potential impact on the City of Sedona.**

Presentation by Kurt Christianson.

Questions and comments from Council.

Presentation and discussion only.

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

Presentation by Karen Osburn.

Questions and comments from Council.

Presentation and discussion only.

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

Mayor Moriarty advised that there is a work session tomorrow at 3:00 p.m. on the Climate Action Plan.

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 7:50 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on May 11, 2021.

Susan L. Irvine, CMC, City Clerk

Date

Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Wednesday, May 12, 2021, 3:00 p.m.

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

Mayor Moriarty called the meeting to order at 3:00 p.m.

2. Roll Call

Council Present: Mayor Sandy Moriarty, Vice Mayor Scott Jablow, Councilor Kathy Kinsella, Councilor Holli Ploog, Councilor Jon Thompson, Councilor Jessica Williamson. Councilor Tom Lamkin was absent and excused.

Staff Present: City Manager Karen Osburn, City Attorney Kurt Christianson, Sustainability Coordinator McKenzie Jones, AmeriCorps Sustainability Specialist Gabe Desmond, Deputy City Clerk Cherise Fullbright.

3. Special Business

a. AB 2598 Discussion/possible direction regarding review of the Sedona Climate Action Plan (CAP) draft.

Presentation by McKenzie Jones and Karen Osburn.

Questions and comments from Council.

Opened to the public at 4:18 p.m.

The following spoke regarding this item: Peggy Chaikin, Sedona, Steve Schliebs, Sedona.

Brought back to Council at 4:22 p.m.

Additional questions and comments from Council.

By majority consensus, Council agreed that this item should be brought back at a future meeting for further consideration and possible action.

b. Discussion/possible action regarding future meetings/agenda items.

4. 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.

5. Adjournment

Mayor Moriarty adjourned the meeting at 5:01 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on May 12, 2021.

Cherise Fullbright, Deputy City Clerk

Date



**CITY COUNCIL
AGENDA BILL**

**AB 2680
May 25, 2021
Consent Items**

Agenda Item: 3c

Proposed Action & Subject: Approval of a Resolution appointing the City of Sedona Finance Director as Chief Fiscal Officer of the City for the purpose of submitting the annual expenditure limitation report to the Arizona Auditor General’s Office.

Department	City Attorney
Time to Present	N/A
Total Time for Item	
Other Council Meetings	None
Exhibits	A. Resolution

City Attorney Approval	Reviewed 5-17-21 KWC	Expenditure Required	
		\$	0
City Manager’s Recommendation	Appoint the City of Sedona Finance Director as Chief Fiscal Officer of the City.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: The Arizona Auditor General’s Office requires that cities appoint a Chief Fiscal Officer for the purpose of submitting the annual expenditure limitation report. Approval of this Resolution will appoint the City of Sedona Finance Director as Chief Fiscal Officer of the City for this purpose. A form must be submitted annually with the name and contact information for the City’s Finance Director.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: approve Resolution 2021-__ appointing the City of Sedona Finance Director as Chief Fiscal Officer of the City for the purpose of submitting the annual expenditure limitation report to the Arizona Auditor General’s Office.

RESOLUTION NO. 2021-__

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, DESIGNATING THE CITY OF SEDONA FINANCE DIRECTOR AS CHIEF FISCAL OFFICER OF THE CITY FOR THE PURPOSE OF SUBMITTING THE ANNUAL EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL'S OFFICE.

WHEREAS, A.R.S. § 41-1279.07(E) requires each county, city, town and community college district to annually provide to the Auditor General by July 31st the name of the Chief Fiscal Officer of the governing body designated to officially submit the current year's annual expenditure limitation report (AELR) on the governing body's behalf; and

WHEREAS, the Sedona City Council believes that appointment of the City of Sedona Finance Director is the most prudent choice for this appointment; and

WHEREAS, entities must submit an updated form and documentation for any changes in the individuals designated to file the AELR;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA, THAT:

1. The recitals above are hereby incorporated as if fully set forth herein.
2. Cherie Wright is hereby designated as the City of Sedona's Chief Fiscal Officer for purposes of submitting the fiscal year 2021-2022 AELR to the Arizona Auditor General's Office on the governing body's behalf.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 25th day of May, 2021.

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 2686
May 25, 2021
Consent Items**

Agenda Item: 3d
Proposed Action & Subject: Approval of a Construction Manager at Risk (CMAR) for Design Phase Services for the Uptown Sedona Parking Garage Project with McCarthy Building Companies, Inc. in an amount not-to-exceed \$166,374.

Department	Public Works
Time to Present	N/A
Total Time for Item	
Other Council Meetings	December 10, 2019; February 25, 2020; November 24, 2020; January 12, 2021
Exhibits	A. CMAR Contract

City Attorney Approval	Reviewed 5-17-21 KWC	Expenditure Required	
		\$	166,374
City Manager's Recommendation	Approve award of a CMAR design phase services contract for the Uptown Sedona Parking Garage project to McCarthy Building Companies.	Amount Budgeted	
		\$	1,200,000
		Account No. (Description)	22-5320-89-6836 Uptown Wayfinding Improvements (SIM-03a)
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Staff is requesting approval of a Construction Manager at Risk, Design Phase Services contract with McCarthy Building Companies, Inc. in the amount of \$166,374 for the Uptown Sedona Parking Garage (SIM-03A).

The Construction Manager at Risk (CMAR) is the recommended approach for procurement and delivery of construction of the project. This construction delivery method integrates the construction firm/manager/CMAR into both the design and construction processes of the project. In this manner the construction firm/manager/CMAR, acting in an advisory role, can lend oversight for the projects design and planning to provide better efficiency of the construction costs and time. The construction firm/manager/CMAR delivery method will also help the City and the architect resolve common issues/concerns of constructability, cost, material selection, time/availability, value engineering, and phasing/planning of the construction.

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 20, 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 Qualification (RFQ) that would serve in soliciting the qualifications of interested Architecture/Engineering consulting firms for the design of the three-level parking garage. The RFQ was advertised on September 9, 2020 and the City received a total of 11 statements of qualification from interested firms. The top ranked architecture firm of Gabor Lorant Architects, Inc. was selected for the work and subsequently contracted for design of the parking structure.

In pursuit of the CMAR approach to completing construction of the project the City of Sedona issued a public notice on March 23, 2021, seeking sealed Statements of Qualification for design phase and construction services as a CMAR for the construction of the Uptown Sedona Parking Garage Project. A total of five proposals were received from interested firms, which were reviewed and ranked by a 6-person selection committee. The following firms are noted to have submitted qualifications:

- FCI Constructors, Inc.
- Johnson Carlier Construction
- McCarthy Building Companies, Inc.
- Okland Construction Co. Inc.
- Pono Construction, LLC



Image (above) was excerpted from the McCarthy proposal showing a virtual and physical model that they developed to assist with the planning and strategies for the project.

The selection committee unanimously ranked McCarthy Building Companies, Inc. the top ranked or best firm for completing the design phase and construction services as CMAR on the project.

Negotiations for possible contract award were initiated with McCarthy Building Companies, Inc. These negotiations concluded with a mutually satisfactory scope of work and fee for the project. The CMAR design phase services contract and corresponding scope of work in an amount not to exceed \$166,374 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. The proposed Parking Garage will be designed and constructed following sustainability initiatives, including those outlined in the Parksmart program of Green Business Certification, Inc. A minimum Parksmart certification level of Bronze is targeted.
- Community Connections: Supports community connections through its emphases on public participation and involvement during design development and indirectly by improving mobility between gathering place in Uptown Sedona.
- Improved Traffic Flow: Reduces congestion and travel times and improves vehicle and pedestrian safety. The location of the Uptown Sedona Parking Garage will provide early parking opportunities for motorists arriving at the south end of Uptown. The garage will provide active intelligence to motorists, via phone app, on available parking.
- Walkability: Reduces vehicle and pedestrian conflicts improving walkability and safety. The Uptown Sedona Parking Garage Project will provide additional sidewalk infrastructure promoting walkability in the Uptown area.
- Economic Diversity: Improves local resident and visitor access through multimodal transportation options and connections. The Uptown Sedona Parking Garage will provide parking for bicycles and parking/charging facilities for e-vehicles.
- 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 and the privacy of the adjoining residential neighborhood.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Council could elect not to approve the contract for CMAR Design Phase Services; however, this action would require the construction of the project to be delivered on a design-bid-build basis (less desirable), or not construct at all resulting in continued deficiency of parking facilities in Uptown Sedona.

MOTION

I move to: approve award of a CMAR design phase services contract for the Uptown Sedona Parking Garage project to McCarthy Building Companies, Inc. in an amount not-to-exceed \$166,374 subject to approval of a written contract by the City Attorney's office.



City of Sedona, Arizona

SEDONA IN MOTION - PROJECT 3A UPTOWN SEDONA PARKING GARAGE PROJECT

CONSTRUCTION MANAGER AT RISK DESIGN PHASE SERVICES

March 6, 2021

**MAYOR
Sandy Moriarty**

**VICE MAYOR
Scott Jablow**

CITY COUNCIL

**Kathy Kinsella
Tom Lamkin
Holli Ploog**

**Jon Thompson
Jessica Williamson**

**CITY MANAGER
CITY ENGINEER**

**Karen Osburn
J. Andy Dickey, PE**

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City of Sedona, Arizona

UPTOWN ROADWAY IMPROVEMENTS PROJECT CONSTRUCTION MANAGER AT RISK DESIGN PHASE SERVICES

THIS CONTRACT, made and entered by and between City of Sedona, an Arizona municipal corporation, hereinafter designated the "CITY" and McCarthy Building Companies, Inc. an Arizona corporation, hereinafter designated the "CONSTRUCTION MANAGER AT RISK" or "CMAR".

RECITALS

- A. The City Manager of the City of Sedona, Arizona, is authorized to execute contracts for professional services and construction services.
- B. The City intends to construct the UPTOWN SEDONA PARKING GARAGE Project, as more fully described in Exhibit A attached, hereinafter referred to as the "Project".
- C. The design of said Project will be completed through a design contract the City has entered into with Gabor Lorant Architects, Inc. hereinafter referred to as the ("Design Professional").
- D. The CMAR has represented to the City the ability to provide design phase services and to construct the Project.
- E. The CMAR is aware that the City's intent is that the construction budget for this Project is \$11,780,000 or less, and in good faith, is entering this contract with the aim of accomplishing this intent.
- F. Based on this representation, the City intends to enter into a contract with the CMAR for the design phase services identified in this contract. At the end of the design phase, at the City's discretion, the City may enter into a separate construction contract with the CMAR for construction phase services.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants and considerations hereinafter contained, it is agreed by and between the City and the CMAR as follows:

ARTICLE 1 – TERMS AND DEFINITIONS

Addenda – Written or graphic instruments issued prior to the submittal of the GMP Proposal(s), which clarify, correct or change the GMP Proposal(s) requirements.

Agreement (Contract) – This written document signed by the City and CMAR covering the design phase of the Project, and including other documents itemized and referenced in or attached to and made part of this Contract.

Alternate Systems Evaluations – Alternatives for design, means and methods or other scope considerations that are evaluated using value engineering principles which have the potential to reduce construction costs while still delivering a quality and functional Project that meets City requirements.

Change Order – A type of contract amendment issued after execution of the Contract Documents signed by the City and CMAR, stating their agreement upon all of the following: the addition, deletion or revision in the scope of services or Deliverables; the amount of the adjustment to the Contract Amount; the extent of the adjustment to the Contract Time; or modifications of other contract terms.

City (Owner) – The City of Sedona, a municipal corporation, with whom CMAR has entered into this Contract and for whom the services is to be provided pursuant to said Contract. Regulatory activities handled by the City of Sedona Community Development, Planning, Building Inspection, Engineering Departments or any other City department are not subject to the responsibilities of the City under this Agreement.

City's Representative – Means the designated City Project Manager or Project Management consultant. Stephen Craver, PE, Engineering Supervisor, is the City's Representative for this work.

City's Senior Representative – Means the City of Sedona's designated Division/Department Head. J. Andy Dickey, PE, Director of Public Works / City Engineer is the City's Senior Representative for this work.

Construction Contract Time(s) – The number of days or the dates related to the construction phase that as stated in Construction Documents applies to the achievement of Substantial and final Completion of the Work.

Construction Documents – Means certain plans, specifications and drawings prepared by the Design Professional after correcting for permit review requirements.

Construction Fee – The CMAR's administrative costs, home office overhead, and profit, as applicable to this project, whether at the CMAR's principal or branch offices.

Construction Manager at Risk (CMAR) – The firm selected by the City to provide the Design Phase Services as detailed in this Agreement.

CMAR Representative – CMAR designates Jason Woods as its CMAR Representative.

CMAR Senior Representative – CMAR designates Marco Spagnuolo as its Senior CMAR Representative.

Contingency, CMAR's – A fund to cover cost growth during the Project used at the discretion of the CMAR, usually for costs that result from Project circumstances. The amount of the CMAR's Contingency will be negotiated as a separate line item in the GMP package. Use and management of the CMAR's Contingency is described in Section 2.7.

Contingency, Owner's – A fund to cover cost growth during the Project used at the discretion of the City, usually for costs that result from City-directed changes. The amount of the Owner's Contingency will be set solely by the City and will be in addition to the project costs included in the CMAR's GMP package. Use and management of the Owner's Contingency is described in Section 2.7.

Contract Amount – The cost for services for this Contract as identified in Article 4.

Contract Documents – means the following items and documents in descending order of precedence executed by the City and the CMAR: (i) all written modifications, amendments and Change Orders; (ii) this Agreement, including all exhibits and attachments; (iii) Construction Documents; (iv) GMP Plans and Specifications.

Cost of the Work – The direct costs necessarily incurred by the CMAR in the prudent, efficient and proper performance of the Work. The Cost of the Work shall include direct labor costs, subcontract costs, costs of materials and equipment incorporated in the completed construction, costs of other materials and equipment, temporary facilities, permit and license fees, materials testing, and related items. The Cost of the Work shall not include the CMAR's Construction Fee, General Conditions Cost, or taxes.

Critical Path Method – A scheduling technique used to predict project duration by analyzing which sequence of activities has the least amount of scheduling flexibility thus identifying the path (sequence) of activities which represent the longest time required to complete the project. Delay in completion of the identified activities will cause a delay in achieving Substantial Completion.

Day(s) – means calendar days unless otherwise specifically noted in the Contract Documents.

Deliverables – The work products prepared by the CMAR in performing the scope of work described in this Contract. Some of the major deliverables to be prepared and provided by the CMAR during the design phase may include but are not limited to: Construction Management Plan, Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, cost estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Statement of Proposed local supplier utilization as may be required or appropriate, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, and others as indicated in this Contract or required by the Project Team and other services set forth in the agreement or reasonably inferable therefrom.

Design Professional – Means a licensed design professional who furnishes design, construction documents, and/or construction administration services required for the Project.

Drawings (Plans) – Documents which visually represent the scope, extent and character of the Work to be furnished and performed by the CMAR during the construction phase and which have been prepared or approved by the City; includes Drawings that have reached a sufficient stage of completion and released by the Design Professional or its assigned agent solely for the purposes of review and/or use in performing constructability or bidability reviews and in preparing cost estimates. For the majority of the projects, these documents are final and ready for bidding; however, there will be some modifications created by deleted, changed or added work. Shop Drawings are not Drawings as so defined.

Final Completion – means 100% completion of all construction Work noted in or reasonably inferred from the Contract Documents, including but not limited, to all Punch Lists work, all record and close-out documents specified in Owner's Project specifications and Owner training/start-up activities.

Float – Means the number of Days by which an activity can be delayed without lengthening the Critical Path and extending the Substantial Completion date or Final Completion date.

General Conditions Costs includes, but is not limited to, the following types of costs for the CMAR during the construction phase: (i) payroll costs for project manager or CMAR for work conducted at the site, (ii) payroll costs for the superintendent and full-time general foremen, (iii) payroll costs for other management personnel resident and working at the site, (iv) workers not included as direct labor costs engaged in support (e.g. loading/unloading, clean-up, etc.), (v) costs of offices and temporary facilities setup solely for this project including office materials, office supplies, office equipment and minor expenses, (vi) cost of utilities, fuel, sanitary facilities and telephone services at the site, (vii) costs of liability and other applicable insurance premiums not included in labor burdens for direct labor costs, (viii) costs of bond premiums, (ix) costs of consultants not in the direct employ of the CMAR or Subcontractors.

Guaranteed Maximum Price (GMP) – Means the sum of the maximum Cost of the Work; the Construction Fee, General Conditions Costs, taxes, and CMAR Contingency.

GMP Plans and Specifications – The plans and specifications upon which the Guaranteed Maximum Price Proposal is based.

Guaranteed Maximum Price (GMP) Proposal – The offer or proposal of the CMAR submitted on the prescribed form setting forth the GMP prices for the entire Work or portions of the Work to be performed during the construction phase. The GMP Proposal(s) are to be developed pursuant to Article 2 of this Contract.

Legal Requirements means all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

Notice to Proceed or "NTP" means the directive issued by the City, authorizing the CMAR to start Work.

Payment Request – The form that is accepted by the City and used by the CMAR in requesting progress payments or final payment and which will include such supporting documentation as is required by the Contract Documents and or the City.

Project – Means the work to be completed in the execution of this Agreement as amended and as described in the Recitals above and in Exhibit A attached.

ProjectTeam – Design phase services team consisting of the Design Professional, CMAR, City's Representative, City's Client Department representatives and other stakeholders who are responsible for making decisions regarding the Project.

Schedule of Values (SOV) – A statement furnished by the CMAR to the City's Representative for approval, reflecting the portions of the GMP allotted for the various parts of the work and used as the basis for evaluating the CMAR's applications for progress payments.

Shop Drawings – All drawings, diagrams, schedules and other data specifically prepared for the Work by the CMAR or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

Site – The land or premises on which the Project is located.

Specifications – The part(s) of the Contract Documents for the construction phase consisting of written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work and certain administrative details applicable thereto.

Subconsultant – A person, firm or corporation having a contract with the CMAR to furnish services required as its independent professional associate or consultant with respect to the Project.

Subcontractor – An individual or firm having a direct contract with the CMAR or any other individual or firm having a contract with the aforesaid contractors at any tier, who undertakes to perform a part of the design phase services or construction phase Work at the site for which the CMAR is responsible.

Submittals – Means documents and/or things that may be produced or presented by one party for consideration review or such other actions as may be required by this Agreement by another party, entity or person. Examples of Submittals include, but are not limited to, preliminary or evolving drafts, product data samples, etc.

Substantial Completion – Means the established date when the Work or designated portion thereof is sufficiently complete, in accordance with the Contract Documents so that the Owner may occupy the Work, or designated portion thereof, for the use for which it is intended. This may include, but is not limited to: (i) approval by the Sedona Fire District Fire Marshall or State Fire Marshall and/or other state or local authorities having jurisdiction over the Work or a portion thereof (Certificate of Occupancy); (ii) all systems in place, functional, and displayed to, and accepted by, the City or it's representative; (iii) City operation and maintenance training complete; (iv) HVAC test and balance completed with reports provided to the Design Professional for review; (v) Operational and Maintenance manuals and final Project Record Documents delivered to the City or Design Professional for review; (vi) all required test results delivered to the City in legible, typed format.

Supplier – A manufacturer, fabricator, supplier, distributor, material man or vendor having a direct contract with CMAR or with any Subcontractor to furnish materials or equipment to be incorporated in the construction phase Work by CMAR or any Subcontractor.

Work – The entire completed construction or the various separately identifiable parts thereof, required to be furnished during the construction phase. Work includes and is the result of performing or furnishing labor and furnishing and incorporating materials, resources and equipment into the construction, and performing or furnishing services and documents as required by the Contract Documents for the construction phase.

ARTICLE 2 – BASIC DESIGN PHASE SERVICES

2.1 GENERAL

- 2.1.1 The CMAR, to further the interests of the City, will perform the services required by, and in accordance with this Contract, to the satisfaction of the City, exercising the degree of care, skill and judgment a professional construction manager performing similar services would exercise at such time, under similar conditions. The CMAR will, at all times, perform the required services consistent with sound and generally accepted construction management and construction contracting practice. The services being provided under this Contract will not alter any real property owned by the City, except for minor changes occurring in the process of conducting the geotechnical tests. The CMAR shall restore the City's property to as close to the pre-existing state as practicable.
- 2.1.2 Program Evaluation: As a participating member of the Project Team, the CMAR will provide to the City and Design Professional a written evaluation of the City's Project Program and Project Budget, each in terms of the other, with recommendations as to the appropriateness of each.
- 2.1.3 Project Meetings:
- 2.1.3.1 The CMAR will attend Project Team meetings that may include, but are not limited to, monthly Project management meetings, Project workshops, special Project meetings, construction document rolling reviews, and partnering sessions.
- 2.1.3.2 The CMAR and the City of Sedona shall conduct a neighborhood meeting during the design phase services to inform the public of the project and obtain input for consideration during the construction phase of the work. The CMAR shall coordinate and schedule the meeting, obtain the meeting location, notify the affected property owners and residents, take notes, and publish the minutes of the meeting.
- 2.1.4 The CMAR will provide design phase services, described herein, in a proactive manner and consistent with the intent of the most current Drawings and Specifications. The CMAR will promptly notify the City in writing whenever the CMAR determines that any Drawings or Specifications are inappropriate for the Project and/or cause changes in the scope of Work requiring an adjustment in the cost estimate, Project Schedule, GMP Proposals and/or in the Contract Time for the Work, to the extent such are established.
- 2.1.5 The CMAR, when requested by the City, will attend, make presentations and participate as may be appropriate in public agency and or community meetings, germane to the Project. The CMAR will provide drawings, schedule diagrams, budget charts and other materials describing the Project, when their use is required or apropos in any such public agency meetings.
- 2.1.6 Additional Services
- 2.1.6.1 The CMAR shall conduct a review of the plans and specifications received for the Project.
- 2.1.6.2 The CMAR work tasks shall include cost estimating, constructability reviews, logistics evaluation, and evaluation of construction means and methods, as appropriate, to produce the cost-related project revisions desired.
- 2.1.6.3 The CMAR shall identify needed staging areas.

2.1.6.4 The CMAR shall outline necessary working times and timeframe.

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2.3 PROJECT MASTER SCHEDULE

2.3.1 Within one week of Notice to Proceed, the CMAR shall produce a Project Master Schedule. The fundamental purpose of the "Project Master Schedule" is to identify, coordinate and record the tasks and activities to be performed by all of the Project Team members and then for the Project Team to utilize that Deliverable as a basis for managing and monitoring all member's compliance with the schedule requirements of the Project. Each Project Team member is responsible for its compliance with the Project Master Schedule requirements. The CMAR will, however, develop and maintain the "Project Master Schedule" on behalf of and to be used by the Project Team based on input from the other Project Team members. The Project Master Schedule will use the Critical Path Method (CPM) technique, unless required otherwise, in writing by the City. The CMAR will use scheduling software to develop the Project Master Schedule that is acceptable to the City. The Project Master Schedule shall be presented in graphical and tabular reports as agreed upon by the Project Team. If Project phasing as described below is required, the Project Master Schedule will indicate milestone dates for the phases once determined.

2.3.2. The Project Master Schedule shall include a Critical Path Method (CPM) diagram schedule that shall show the sequence of activities, the interdependence of each activity and indicate the Critical Path.

2.3.2.1 The CPM diagram schedule shall be in Calendar Days and indicate duration, earliest and latest start and finish dates for all activities, and total Float times for all activities except critical activities. The CPM diagram shall be presented in a time-scaled graphical format for the Project as a whole. The schedule shall account for City of Sedona holidays.

2.3.2.2 The CPM diagram schedule shall indicate all relationships between activities.

2.3.2.3 The activities making up the schedule shall be in sufficient detail to assure that adequate planning has been done for proper execution of the Work and such that it provides an appropriate basis for monitoring and evaluating the progress of the Work.

2.3.2.4 The CPM diagram schedule shall be based upon activities, which would coincide with the schedule of values.

2.3.2.5 The CPM diagram schedule shall show all Submittals associated with each work activity and the review time for each submittal.

2.3.2.6 The schedule shall show milestones, including milestones for Owner-furnished information, and shall include activities for Owner-furnished equipment and furniture when those activities are interrelated with the CMAR activities.

2.3.2.7 The schedule shall include a critical path activity that reflects anticipated weather delay during the performance of the contract. The duration shall reflect the average climatic range and usual industrial conditions prevailing in the locality of the site.

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2.3.5 Float time shall be as prescribed below:

2.3.5.1 The total Float within the overall schedule, is not for the exclusive use of either the City or the CMAR, but is jointly owned by both and is a resource available to and shared by both parties as needed to

meet contract milestones and the Project completion date.

- 2.3.5.2 The CMAR shall not sequester shared Float through such strategies as extending activity duration estimates to consume available Float, using preferential logic, or using extensive crew/resource sequencing, etc. Since Float time within the schedule is jointly owned, no time extensions will be granted nor delay damages paid until a delay occurs which extends the Work beyond the Substantial Completion date.
- 2.3.5.3 Since Float time within the schedule is jointly owned, it is acknowledged that City-caused delays on the Project may be offset by City-caused time-savings (i.e., critical path Submittals returned in less time than allowed by the contract, approval of substitution requests and credit changes which result in savings of time to the CMAR, etc.). In such an event, the CMAR shall not be entitled to receive a time extension or delay damages until all City-caused time-savings are exceeded, and the Substantial Completion date is also exceeded.
- 2.3.5 The Project Schedule will be updated and maintained by the CMAR throughout the design phase such that it will not require major changes at the start of the construction phase to incorporate the CMAR's plan for the performance of the construction phase Work. The CMAR will provide updates and/or revisions to the Project Schedule for use by the Project Team, whenever required, but no less often than at the monthly Project Team meetings. The CMAR will include with such Submittals a narrative describing its analysis of the progress achieved to-date vs that planned, any concerns regarding delays or potential delays, and any recommendations regarding mitigating actions. (See 2.7.6 and 2.7.6.1)
- 2.3.6 Project Phasing: If phased construction is deemed appropriate and the City and Design Professional approve, the CMAR will review the design and make recommendations regarding the phased issuance of Construction Documents to facilitate phased construction of the Work, with the objective of reducing the Project Schedule and/or Cost of the Work. The CMAR will take into consideration such factors as natural and practical lines of work severability, sequencing effectiveness, access and availability constraints, total time for completion, construction market conditions, labor and materials availability, and any other factors pertinent to saving time and cost.

2.4 DESIGN DOCUMENT REVIEWS

- 2.4.1 The CMAR will evaluate periodically the availability of labor, materials/equipment, building systems, cost-sensitive aspects of the design; and other factors that may impact the cost estimate, GMP Proposals and/or the Project Master Schedule.
- 2.4.2 The CMAR will recommend, in conjunction with the Project Team, those additional surface and subsurface investigations that, in its professional opinion, are required to provide the necessary information for the CMAR to construct the Project. Before initiating construction operations, the CMAR may request additional investigations in their GMP Proposal to improve the adequacy and completeness of the site condition information and data made available with the Construction Documents.
- 2.4.3 The CMAR will meet with the Project Team as required to review designs during their development. The CMAR will familiarize itself with the evolving documents through the various design phases. The CMAR will proactively advise the Project Team and make recommendations on factors related to construction costs, and concerns pertaining to the feasibility and practicality of any proposed means and methods, selected materials, equipment and building systems, and labor and material availability. The CMAR will furthermore advise the Project Team on proposed site improvements, excavation and foundation considerations, as well as, concerns that exist with respect to coordination of the Drawings and Specifications. The CMAR will recommend cost effective alternatives.
- 2.4.4 The CMAR will conduct constructability and bidability reviews of the Drawings and Specifications as necessary to satisfy the needs of the Project Team, and at a minimum, as scheduled and identified by milestones in the Project Master Schedule required in Article 2.3 above. The reviews will attempt to

identify all discrepancies and inconsistencies in the Construction Documents especially those related to clarity, consistency, and coordination of Work of Subcontractors and Suppliers.

- 2.4.4.1 Constructability and Cost Reduction Reviews: The CMAR will evaluate whether (a) the Drawings and Specifications are configured to enable efficient construction, (b) design elements are standardized, (c) construction efficiency is properly considered in the Drawings and Specifications, (d) module/preassembly design are prepared to facilitate fabrication, transport and installation, (e) the design promotes accessibility of personnel, material and equipment and facilitates construction under adverse weather conditions, (f) sequences of Work required by or inferable from the Drawings and Specifications are practicable, and (g) the design has taken into consideration efficiency issues concerning access and entrance to the site, laydown and storage of materials, staging of site facilities, construction parking, and other similar pertinent issues.
- 2.4.4.2 The results of the reviews will be provided to the City in formal, written reports clearly identifying all discovered discrepancies and inconsistencies in the Drawings and Specifications with notations and recommendations made on the Drawings, Specifications and other documents. If requested by the City, the CMAR will meet with the City and Design Professional to discuss any findings and review reports.
- 2.4.4.3 The CMAR's reviews will be from a contractor's perspective, and though it will serve to reduce the number of Requests for Information (RFIs) and changes during the construction phase, responsibility for the Drawings and Specifications will remain with the Design Professional and not the CMAR.
- 2.4.4 Notification of Variance or Deficiency: It is the CMAR's responsibility to assist the Design Professional in ascertaining that, in the CMAR's professional opinion, the Construction Documents are in accordance with applicable laws, statutes, ordinances, building codes, rules and regulations. If the CMAR recognizes that portions of the Construction Documents are at variance with applicable laws, statutes, ordinances, building codes, rules and regulations, it will promptly notify the Design Professional and City in writing, describing the apparent variance or deficiency. However, the Design Professional is ultimately responsible for the compliance with those laws, statutes, ordinances, building codes, rules and regulations.

2.5 COST ESTIMATES

- 2.5.1 Within two weeks of Notice to Proceed, the CMAR shall provide a detailed project budget and a written review of the documents. The Design Professional and CMAR shall reconcile any disagreements on the estimate to arrive at an agreed cost. If no consensus is reached, the City will make the final determination.
- 2.5.2 If any estimate submitted to the City exceeds previously accepted estimates or the City's Project budget, the CMAR shall make appropriate recommendations on methods and materials to the City and Design Professional that it believes will bring the project back into the Project budget.
- 2.5.3 In between these milestone estimates, the CMAR shall periodically provide a tracking report, which identifies the upward or downward movements of costs due to value engineering or scope changes. It shall be the responsibility of the CMAR to keep the City and Design Professional informed as to the major trend changes in costs relative to the City's budget.
- 2.5.4 If requested by the City, the CMAR shall prepare a preliminary "cash flow" projection based upon historical records of similar type projects to assist the City in the financing process.

2.6 SUBSURFACE INVESTIGATION

- 2.6.1 The CMAR shall perform subsurface exploration in the vicinity of the project as required to avoid or minimize conflicts with adjacent utilities, and to determine soil characteristics for use in design and determination of methods of construction.

2.7 GUARANTEED MAXIMUM PRICE (GMP) PROPOSAL

- 2.7.1 As part of this contract, the CMAR shall provide a GMP proposal to the City. The proposed GMP for the entire Work (or portions thereof) will be presented in a format acceptable to the City (see Exhibit "C" attached). The City may request a GMP Proposal for all or any portion of the Project and at any time during the design phase. Any GMP Proposals submitted by the CMAR will be based on and consistent with the current update/revised cost estimate at the time of the request, the associated estimates for construction costs and include any clarifications or assumptions upon which the GMP Proposal(s) are based. The CMAR guarantees to complete the Project at or less than the final approved GMP Proposal amount, plus approved Change Orders, and agrees that it will be responsible for any increase in the actual cost of the Work above that amount.
- 2.7.2 Guaranteed Maximum Price is comprised of the following not-to-exceed cost reimbursable or lump sum amounts defined below.
- 2.7.2.1 The Cost of the Work is actual costs and is a not-to-exceed, reimbursable amount.
- 2.7.2.2 The General Conditions Costs is a firm fixed lump sum and the Construction Fee is a fixed percentage of the Cost of the Work.
- 2.7.2.3 CMAR Contingency is an amount the CMAR may use under the following conditions: (1) at its discretion for increases in the Cost of the Work, subject to prior written confirmation to the City that the issue for which the contingency was created has occurred or (2) with written approval of the City for increases in General Condition Costs. CMAR's Contingency is assumed to be a direct project cost so all applicable markups will be applied at the time of GMP submission.
- 2.7.2.4 Taxes are deemed to include all sales, use, consumer and other taxes, which are legally enacted when negotiations of the GMP were concluded, whether or not yet effective, or merely scheduled to go into effect. Taxes are actual costs and are a not-to-exceed reimbursable amount.
- 2.7.3 Owner's Contingency are funds to be used at the sole discretion of the Owner. Owner's Contingency will be added to the Contract Price for approval by Council to cover any increases in Project costs that result from Owner-directed changes not included in CMAR contingency. At the time that Owner's Contingency is used, the appropriate markups will be applied to actual costs.
- 2.7.4 GMP amendments are cumulative except for the CMAR's Contingency. The amount of the CMAR's Contingency for each GMP will be negotiated separately.
- 2.7.5 The CMAR, in preparing any GMP Proposal, will obtain from the City of Sedona, signed, sealed, and dated plans and specifications developed by Design Professional, and any modifications or changes by the City of Sedona. The CMAR will prepare its GMP in accordance with the City's request for GMP Proposal requirements based on the current construction documents and drawings and authorized modification thereto. The CMAR will mark the face of each document of each set upon which its proposed GMP is based. These documents will be identified as the GMP Plans and Specifications. In addition, the CMAR shall include documents depicting any design modifications or additions accomplished by the City and CMAR during the design phase. The CMAR will send one set of those documents to the City's Representative and keep one set. If deemed necessary, the City of Sedona shall produce one set of construction CMAR GMP Construction Documents in a manner that will set these documents apart from previous documents and provide one set to the CMAR Contractor.
- 2.7.6 An updated/revised Project Master Schedule will be included with any GMP Proposal(s) that reflects the GMP Plans and Specifications. Any such Project Master Schedule updates/revisions will continue to comply with the requirements of Paragraph 2.3.

2.7.6.1 The Project Master Schedule required above shall include a preliminary Construction Schedule developed in a Critical Path Method (CPM) with the first-requested GMP. If subsequent GMP's are requested, the CMAR shall include an updated CPM Construction Schedule with their GMP submittal.

2.7.7 GMP savings resulting from a lower actual project cost than anticipated by the CMAR remaining at the end of the project will revert to City.

2.7.8 GMP Proposal(s) Review and Approval

2.7.8.1 The City may request a GMP from the CMAR at any time during the Design Phase. It is the City's expectation that the GMP shall not exceed the City stated Project Budget (See Exhibit A).

2.7.8.2 The CMAR will meet with the City to review the GMP Proposal(s) and the written statement of its basis. In the event the City or Design Professional discovers inconsistencies, inaccuracies or confusion in the information presented, the CMAR will make adjustments as necessary to the GMP Proposal, its basis or both.

2.7.8.3 The CMAR's detailed construction cost estimates and GMP will be reviewed by the City for reasonableness and compatibility with the City's Project and the City's budget. The CMAR shall provide a response to the Design Professionals and City's questions and an explanation of differences between the City's Project budget and the CMAR's construction cost estimate and corresponding GMP. City may require that such responses and explanations be submitted in writing. The CMAR, City and Design Professional shall engage in a mutually agreeable process in an effort to achieve a clearly understood mutually acceptable GMP.

2.7.8.4 In the event that the GMP exceeds the City's Project budget, the City reserves the right to direct the CMAR and the CMAR shall work in conjunction with the City to assist in the redesign of the Project as necessary to meet the agreed-upon program and the stated Project budget as follows:

- a) After direction from the City, the CMAR shall coordinate and cooperate with the Project Team to assist the City as Design Professional in modifying Construction Documents as necessary to accomplish the required reduction in cost.
- b) The CMAR shall develop and provide to the City a GMP in connection with the modified Construction Documents to accomplish the necessary reductions in cost.
- c) The CMAR shall analyze the Design Professional's original submittal and as revised Construction Documents, and make recommendations to the City as to ways and methods to reduce the costs of constructing the Project to a sum which does not exceed the stated Project budget.

Notwithstanding anything in the RFP or the CMAR's response to the contrary, the CMAR shall perform the work set forth in this section without additional compensation.

2.7.8.5 The City upon receipt of any GMP proposal from the CMAR, may submit the GMP Plans and Specifications to a third party for review and verification.

2.7.8.6 If the CMAR GMP Proposal is greater than the third-party estimate, or if the City, for some other stated reason, may require the CMAR to reconfirm its GMP Proposal. The CMAR will accept the third party's estimate for the cost of Work as part of its GMP, or present a report within seven (7) days of a written request by the City for such a report identifying, explaining and substantiating the differences and/or explaining other concerns the City may raise. The CMAR may be requested to, or at its own discretion, submit a revised GMP Proposal for consideration by the City.

2.7.8.7 If, during the review and negotiation of GMP Proposals, design changes are required, the City will authorize and revise the Construction Documents to the extent necessary to reflect the agreed-upon assumptions and clarifications contained in the final approved GMP Proposal. Such revised Construction Documents will be furnished to the CMAR. The CMAR will promptly notify the City in

writing if any such revised Construction Documents are inconsistent with the agreed-upon assumptions and clarifications.

2.7.8.8 After final submission of the GMP, the City may do any of the following:

- a) Accept the CMAR original or revised GMP Proposal, if within the City's budget, without comment.
- b) Accept the CMAR original or revised GMP Proposal that exceeds the City budget and indicate in writing to the CMAR that the Project Budget has been increased to fund the differences.
- c) Reject the CMAR original or revised GMP Proposal in which event, the City may terminate this contract and/or elect to not enter into a separate contract with the CMAR for the construction phase associated with the scope of Work reflected in the GMP Proposal.

2.7.8.9 Upon acceptance by the City of a GMP, the City shall prepare and the CMAR shall execute the City's specified form of contract to reflect the GMP, and the GMP as approved shall become part of the Construction Services Contract. The City's contract will contain provisions concerning insurance, bonding, progress payments, retentions, and damages as required by law. Within 14 days after execution of the Construction Services contract, the CMAR shall provide to the City all required insurance certificates, a Performance Bond and a Labor and Material Payment Bond each for 100% of the full Contract price.

2.8 SUBCONTRACTOR AND MAJOR SUPPLIER SELECTIONS

The CMAR has developed a Subcontractor Selection Plan (SSP) for this project. The City of Sedona has reviewed and approved the SSP, which is Exhibit D. To ensure compliance with the Project Schedule and costs, the CMAR may self-perform any portion of the work without bidding or re-bidding said portion of the work. The City has the sole discretion as to whether or not to allow the purely qualitative selection of Subcontractors and Suppliers. In any event, CMAR shall ensure compliance with Arizona Revised Statutes § 34-603 et seq. as amended in 2005 and as it may be further amended relative to the selection of Subcontractors and major Suppliers.

2.8.1 The City may approve the selection of a Subcontractor(s) or Supplier(s) based only on their qualifications when the CMAR can demonstrate, in writing, that it is in the best interest of the Project and that the selection process will constitute a prudent use of public funds. Once a qualifications-based selection is made by joint action on the part of the City and the CMAR, only those subcontractors selected will be utilized for the intended scope of work during the construction phase of the project.

2.8.2.1 Qualification-based selection of a Subcontractor(s) or Supplier(s) should only occur prior to the submittal of the GMP Proposal. Should a subcontractor need to be replaced, the procurement process for the replacement subcontractor must be approved by the City.

2.8.2.2 The CMAR must receive City approval of the selected Subcontractor(s) or Supplier(s). On the work that the CMAR plans to self-perform under this alternative, the CMAR must submit a detailed explanation and demonstration of the cost of the work it will self-perform. The CMAR must further provide documentation to demonstrate that for any work that is self-performed, the cost of any such work is a reasonable and prudent use of public funds. The City must approve the CMAR self-performance of any part of the work and the cost therefore prior to accepting the GMP proposal.

2.8.2.3 The CMAR will negotiate costs for services/supplies from each Subcontractor or Supplier selected under this method.

- 2.8.2.4 Within five (5) days of negotiating cost for services/supplies from all Subcontractors or Suppliers selected under this method, the CMAR shall then prepare a report for the City's approval identifying the recommended Subcontractor or Supplier for each category of the Work to be performed. The report shall be in a format approved by the City's representative and shall include, among other things, the amount of each such cost. The CMAR may, at its discretion or at the request of the City's representative, request written verification of any costs selected. The CMAR shall provide an explanation of the qualifying factors for each selection.
- 2.8.3 CMAR shall obtain from selected and approved Subcontractors or Suppliers a Schedule of Values with their bid proposals. Such Schedule of Values will be used to create the overall Project Schedule of Values.
- 2.8.4 The CMAR shall be responsible for the resolution of subcontractor or supplier bid withdrawal, protest, or disqualification in connection with the award without additional compensation.
- 2.8.5 The CMAR is responsible for insuring that the costs of the Subcontractor's and/or Supplier's services are reasonable and a prudent use of public funds.
- 2.8.6 The CMAR is solely responsible for the performance of the selected Subcontractors or Suppliers.

ARTICLE 3 – PERIOD OF SERVICES

- 3.1 The design phase services described in this Contract will be performed by CMAR in accordance with the most current updated/revised Project Master Schedule. Failure on the part of the CMAR to adhere to the Project Master Schedule requirements for activities for which it is responsible will be sufficient grounds for termination of this Contract by the City.
 - 3.1.1 Upon failure to adhere to the approved schedule, City may provide written notice to CMAR that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within three days of CMAR's receipt of such notice.
- 3.2 If the date of performance of any obligation or the last day of any time period provided for herein should fall on a Saturday, Sunday, or holiday for the City, then said obligation will be due and owing, and said time period will expire, on the first day thereafter which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth herein, any performance provided for herein will be timely made if completed no later than 4:00 p.m. (Sedona time) on the day of performance.

ARTICLE 4 – CONTRACT AMOUNT AND PAYMENTS

4.1 CONTRACT AMOUNT

- 4.1.1 Based on the design phase services fee proposal submitted by the CMAR and accepted by the City (which by reference is made a part of this Contract); the City will pay the CMAR a fee not to exceed **\$166,374.00** as follows:

For the basic services described in Article 2 and the CMAR's Design Phase Services Proposal included as Exhibit B, the CMAR shall receive a fee not to exceed:	<u>\$166,374.00</u>
<u>Additional services and allowances</u> , as described in subsection 4.3:	<u>\$TBD</u>
<u>Additional Services identified below</u>	<u>\$0</u>
Total Contract Amount, not to exceed,	<u>\$166,374.00</u>

4.2 PAYMENTS

- 4.2.1 Requests for monthly payments by the CMAR for design phase services will be submitted on the City's "Contract Payment Request" form and will be accompanied by a progress report, detailed invoices and receipts, if applicable. Any requests for payment will include, as a minimum, a narrative description of the tasks accomplished during the billing period, a listing of any Deliverables submitted, and copies of any Subconsultants' requests for payment, plus similar narrative and listings of Deliverables associated with their Work. Payment for services negotiated as a lump sum shall be made in accordance with the percentage of work completed during the preceding month. Services negotiated, as a not-to-exceed fee will be paid in accordance with the work effort expended on that service during the preceding month.
- 4.2.2 The fees for the CMAR and any Subconsultants will be based upon the proposal included as Exhibit B attached. The fees for additional work by the CMAR and any Subconsultants shall be negotiated and a change order for such additional work shall be executed.
- 4.2.3 The CMAR will pay all sums due Subconsultants for services and reimbursable expenses within 14 calendar days after the CMAR has received payment for those services from the City.
- 4.2.4 The CMAR agrees that no charges or claims for costs or damages of any type will be made by it for any delays or hindrances beyond the reasonable control of the City during the progress of any portion of the services specified in this Contract. Such delays or hindrances, if any, will be solely compensated for by an extension of time for such reasonable period as may be mutually agreed between the parties. It is understood and agreed, however, that permitting the CMAR to proceed to complete any services, in whole or in part after the date to which the time of completion may have been extended, will in no way act as a waiver on the part of the City of any of its legal rights herein.
- 4.2.5 No compensation to the CMAR will be allowed contrary to Article I, Chapter I, Title 34 of the Arizona Revised Statutes.
- 4.2.6 If any service(s) executed by the CMAR is abandoned or suspended in whole or in part, for a period of more than 180 days through no fault of the CMAR, the CMAR is to be paid for the services performed prior to the abandonment or suspension.

4.3 ADDITIONAL DESIGN PHASE SERVICES

- 4.3.1 CMAR may be required to provide services in excess of those set forth in Article 2. Mark-ups are not authorized and only the reimbursables specifically identified below will be reimbursed as authorized herein. Any additional services must be requested by the City, in writing, prior to the delivery of said services. There shall be no payment by City for any additional services provided prior to or without the written request of the City for said services.
- 4.3.2 When authorized by the City, the CMAR will be entitled to reimbursement at cost of design phase services-related expenses incurred for the following items:
- (a) Reasonable charges for air transportation (not to exceed standard coach rates), ground travel (for automobile rental, taxi, parking, etc. not to exceed \$50 per day), and authorized expenses while traveling (not to exceed the corporate rate at major business hotels in the area and a per diem for meal and miscellaneous business expenses of \$45) shall be reimbursed. The CMAR shall provide detailed receipts for all reimbursable charges. Travel expenses shall not exceed \$0.00 without further approval of the City.
 - (b) Long-distance telephone and long-distance facsimile costs incurred on behalf of the Project will be reimbursed. These costs will not exceed \$0.00 without further approval of the City.
 - (c) Non-overhead printing expenses incurred including the printing of Construction Documents for

bidding, courier services or other Project-related services that may be requested by the City. The cost of such service will not exceed \$0.00 without further approval of the City.

ARTICLE 5 - CITY'S RESPONSIBILITIES

- 5.1 The City, at no cost to the CMAR, will furnish the following information:
 - 5.1.1 One copy of data the City determines pertinent to the work. However, the CMAR will be responsible for searching the records and requesting information it deems reasonably required for the Project.
 - 5.1.2 All available data and information pertaining to relevant policies, standards, criteria, studies, etc.
 - 5.1.3 The name of the person designated to be the City's representative during the term of this Contract. The City's Representative has the authority to administer this Contract and will monitor the CMAR's compliance with all terms and conditions stated herein. All requests for information from or decisions by the City on any aspect of the work or Deliverables will be directed to the City's Representative.
- 5.2 The City additionally will:
 - 5.2.1 Contract with a design professional for assistance in coordinating the work by the design professionals that were involved in the initial preparation of the plans and specifications of the project as initially bid. The contract scope with the design professional does not include actual design or redesign related to changes to the plans and specifications. In the coordination role, the City-contracted design professional will request comment and approval regarding changes from the initial preparation design professionals, as needed.
 - 5.2.2 Supply, without charge, all necessary copies of programs, reports, drawings, and specifications reasonably required by the CMAR except for those copies whose cost has been reimbursed by the City.
 - 5.2.3 Provide the CMAR with adequate information in its possession or control regarding the City's requirements for the Project.
 - 5.2.4 Give prompt written notice to the CMAR when the City becomes aware of any default or defect in the Project or non-conformance with the Drawings and Specifications, or any of the services required hereunder. Upon notice of failure to perform, the City may provide written notice to CMAR that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within three days of CMAR's receipt of such notice.
 - 5.2.5 Notify the CMAR of changes affecting the budget allocations or schedule.
- 5.3 The City's Representative will have authority to approve the Project Budget and Project Master Schedule, and render decisions and furnish information the City's Representative deems appropriate to the CMAR.

ARTICLE 6 – CONTRACT CONDITIONS

6.1 PROJECT DOCUMENTS AND COPYRIGHTS

- 6.1.1 City Ownership of Project Documents: All work products (electronically or manually generated) including but not limited to: cost estimates, studies, design analyses, original mylar drawings, Computer Aided Drafting and Design (CADD) file diskettes, and other related documents which are prepared specifically in the performance of this Contract (collectively referred to as Project Documents) are to be and remain the property of the City and are to be delivered to the City's Representative before the final

payment is made to the CMAR. Nonetheless, in the event these Projects Documents are altered, modified or adapted without the written consent of the CMAR, which consent the CMAR will not unreasonably withhold, the City agrees to hold the CMAR harmless to the extent permitted by law, from the legal liability arising out of and or resulting from the City's alteration, modification or adaptation of the Project Documents.

- 6.1.2 CMAR to Retain Copyrights: The copyrights, patents, trade secrets or other intellectual property rights associated with the ideas, concepts, techniques, inventions, processes or works of authorship developed or created by the CMAR, its Subconsultants or personnel, during the course of performing this Contract or arising out of the Project will belong to the CMAR.
- 6.1.3 License to City for Reasonable Use: The CMAR hereby grants, and will require its Subconsultants to grant, a license to the City, its agents, employees, and representatives for an indefinite period of time to reasonably use, make copies, and distribute as appropriate the Project Documents, works or Deliverables developed or created for the Project and this Contract. This license will also include the making of derivative works. In the event that the derivative works require the City to alter or modify the Project Documents, then paragraph 6.1.1 applies.
- 6.1.4 Documents to Bear Seal: When applicable and required by state law, the CMAR and its Subconsultants will endorse by an Arizona professional seal all plans, works, and Deliverables prepared by them for this Contract.

6.2 COMPLETENESS AND ACCURACY OF CMAR'S WORK

The CMAR will be responsible for the completeness and accuracy of its reviews, reports, supporting data, and other design phase Deliverables prepared or compiled pursuant to its obligations under this Contract and will at its sole own expense correct its work or Deliverables. Any damage incurred by the City as a result of additional construction cost caused by such willful or negligent errors, omissions or acts shall be chargeable to the CMAR to the extent that such willful or negligent errors, omissions and acts fall below the standard of care and skill that a professional CMAR in Arizona would exercise under similar conditions. The fact that the City has accepted or approved the CMAR's work or Deliverables will in no way relieve the CMAR of any of its responsibilities under the Contract, nor does this requirement to correct the work or Deliverable constitute a waiver of any claims or damages otherwise available by law or Contract to the City. Correction of errors, omissions and acts discovered on architectural or engineering plans and specifications shall be the responsibility of the design architect.

6.3 ALTERATION IN CHARACTER OF WORK

- 6.3.1 In the event an alteration or modification in the character of work or Deliverable results in a substantial change in this Contract, thereby materially increasing or decreasing the scope of services, cost of performance, or Project Master Schedule, the work or Deliverable will nonetheless be performed as directed by the City. However, before any altered or modified work begins, a Change Order or Amendment will be approved and executed by the City and the CMAR. Such Change Order or Amendment will not be effective until approved by the City.
- 6.3.2 Additions to, modifications, or deletions from the Project provided herein may be made, and the compensation to be paid to the CMAR may accordingly be adjusted by mutual agreement of the contracting parties.
- 6.3.3 No claim for extra work done or materials furnished by the CMAR will be allowed by the City except as provided herein, nor will the CMAR do any work or furnish any material(s) not covered by this Contract unless such work or material is first authorized in writing. Work or material(s) furnished by the CMAR without such prior written authorization will be the CMAR's sole jeopardy, cost, and expense, and the CMAR hereby agrees that without prior written authorization no claim for compensation for such work or materials furnished will be made.

6.4 DATA CONFIDENTIALITY

- 6.4.1 As used in the Contract, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by or obtained by the CMAR in the performance of this Contract.
- 6.4.2 The parties agree that all data, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the CMAR in connection with the CMAR's performance of this Contract is confidential and proprietary information belonging to the City.
- 6.4.3 The CMAR will not divulge data to any third party without prior written consent of the City. The CMAR will not use the data for any purposes except to perform the services required under this Contract. These prohibitions will not apply to the following data:
- 6.4.3.1 Data which was known to the CMAR prior to its performance under this Contract unless such data was acquired in connection with work performed for the City;
- 6.4.3.2 Data which was acquired by the CMAR in its performance under this Contract and which was disclosed to the CMAR by a third party, who to the best of the CMAR's knowledge and belief, had the legal right to make such disclosure and the CMAR is not otherwise required to hold such data in confidence; or
- 6.4.3.3 Data, which is required to be disclosed by the CMAR by virtue of law, regulation, or court.
- 6.4.4 In the event the CMAR is required or requested to disclose data to a third party, or any other information to which the CMAR became privy as a result of any other contract with the City, the CMAR will first notify the City as set forth in this Article of the request or demand for the data. The CMAR will timely give the City sufficient facts, such that the City can have a meaningful opportunity to either first give its consent or take such action that the City may deem appropriate to protect such data or other information from disclosure.
- 6.4.5 The CMAR, unless prohibited by law, within ten calendar days after completion of services for a third party on real or personal property owned or leased by the City, will promptly deliver, as set forth in this section, a copy of all data to the City. All data will continue to be subject to the confidentiality agreements of this Contract.
- 6.4.6 The CMAR assumes all liability for maintaining the confidentiality of the data in its possession and agrees to compensate the City if any of the provisions of this section are violated by the CMAR, its employees, agents or Subconsultants. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this section will be deemed to cause irreparable harm that justifies injunctive relief in court.

6.5 PROJECT STAFFING

- 6.5.1 Prior to the start of any work or Deliverable under this Contract, the CMAR will submit to the City, an organizational chart for the CMAR staff and Subconsultants and detailed resumes of key personnel listed in its response to the City's Request for Qualifications or subsequent fee proposals (or revisions thereto), that will be involved in performing the services prescribed in the Contract. Unless otherwise informed, the City hereby acknowledges its acceptance of such personnel to perform such services under this Contract. In the event the CMAR desires to change such key personnel from performing such services under this Contract, the CMAR will submit the qualifications of the proposed substituted personnel to the City for prior approval. Key personnel will include, but are not limited to, principal-in-charge, project manager, superintendent, project director or those persons specifically identified to perform services of cost estimating, scheduling, value engineering, and procurement planning.
- 6.5.2 The CMAR will maintain an adequate number of competent and qualified persons, as determined by

the City, to ensure acceptable and timely completion of the scope of services described in this Contract throughout the period of those services. If the City objects, with reasonable cause, to any of the CMAR's staff, the CMAR will take prompt corrective action acceptable to the City and, if required, remove such personnel from the Project and replace with new personnel acceptable to the City.

6.6 INDEPENDENT CONTRACTOR

6.6.1 The CMAR is and will be an independent contractor and whatever measure of control the City exercises over the work or Deliverable pursuant to the Contract will be as to the results of the work only. No provision in this Contract will give or be construed to give the City the right to direct the CMAR as to the details of accomplishing the work or Deliverable. These results will comply with all applicable laws and ordinances.

6.7 SUBCONSULTANTS

6.7.1 Prior to beginning the work or Deliverable, the CMAR will furnish the City for approval, the names of all Subconsultants to be used on this Project. Subsequent changes are subject to the approval of the City.

6.8 TERMINATION

6.8.1 The City and the CMAR hereby agree to the full performance of the covenants contained herein, except that the City reserves the right, at its discretion and without cause, to terminate or abandon any or all services provided for in this Contract, or abandon any portion of the Project for which services have been performed by the CMAR.

6.8.2 In the event the City abandons any or all of the services or any part of the services as herein provided, the City will so notify the CMAR in writing, and the CMAR will immediately after receiving such notice discontinue advancing the Work specified under this Contract and mitigate the expenditure, if any, of costs resulting from such abandonment or termination.

6.8.3 The CMAR, upon such termination or abandonment, will promptly deliver to the City all reports, estimates and other work or Deliverable entirely or partially completed, together with all unused materials supplied by the City.

6.8.4 The CMAR will appraise the work completed and submit an appraisal to the City for evaluation. The City will have the right to inspect the CMAR's work or Deliverable to appraise the work completed.

6.8.5 The CMAR will receive compensation in full for services satisfactorily performed to the date of such termination and the reasonable direct costs and direct expenses attributable to such termination. The fee will be paid in accordance with Article 4 of this Contract, and will be an amount mutually agreed upon by the CMAR and the City. If there is no mutual agreement, the final determination will be made in accordance with paragraph 6.9, "Disputes". However, in no event will the fee exceed that set forth in Article 4 or as amended in accordance with Paragraph 6.3, "Alteration in Character of Work". The City will make the final payment within sixty Days after the CMAR has delivered the last of the partially or otherwise completed work items and the final fee has been agreed upon.

6.9 DISPUTE AVOIDANCES AND RESOLUTION

6.9.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, CMAR and City each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

- 6.9.2 CMAR and City will first attempt to resolve disputes or disagreements at the field level through discussions between CMAR's Representative and City's Representative.
- 6.9.3 If a dispute or disagreement cannot be resolved through CMAR's Representative and City's Representative, CMAR's Senior Representative and City's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Prior to any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement.
- 6.9.4 If a dispute arises out of or relates to this agreement and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure.
1. Mediator Selection. The mediator shall be selected through mutual agreement of the parties.
 2. Fees and Costs. Each party agrees to bear its own fees and costs in mediation. The cost of the mediator shall be borne equally by the parties.
 3. Subsequent or Contemporaneous Contracts. The parties shall include this provision in all subsequent or contemporaneous contracts relative to this matter, absent specific written agreement of the parties otherwise.
 4. Participation in Mediation. The parties agree to encourage participation in mediation by all relevant parties. The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation.
 5. Waiver. This section does not constitute a waiver of the parties' right to arbitrate or initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if provisional relief is required under the Arizona Rules of Civil Procedure.
- 6.9.5 Except as otherwise agreed by the parties, any litigation brought by either party against the other to enforce the provisions of this agreement must be filed in the Yavapai County Superior Court and Arizona law shall apply and control. In the event any action at law or in equity is instituted between the parties in connection with this agreement, the prevailing party in the action will be entitled to its costs including reasonable attorneys' fees and court costs from the non-prevailing party.

6.10 WITHHOLDING PAYMENT

- 6.10.1 The City reserves the right to withhold funds from the City's progress payments up to the amount equal to the claims the City may have against the CMAR, until such time that a settlement on those claims has been reached.

6.11 RECORDS/AUDIT

- 6.11.1 Records of the CMAR's direct personnel payroll, reimbursable expenses pertaining to this Project and records of accounts between the City and CMAR will be kept on a generally recognized accounting basis and shall be available for up to three years following final completion of the Project. The City, its authorized representative, and/or the appropriate federal agency, reserve the right to audit the CMAR's records to verify the accuracy and appropriateness of all pricing data, including data used to negotiate this Contract and any Change Orders. The City reserves the right to decrease Contract Amount and/or payments made on this Contract if, upon audit of the CMAR's records, the audit discloses the CMAR has provided false, misleading, or inaccurate cost and pricing data.
- 6.11.2 The CMAR will include a provision similar to paragraph 6.11.1 in all of its agreements with

Subconsultants, Subcontractors, and Suppliers providing services under this Contract to ensure the City, its authorized representative, and/or the appropriate federal agency, has access to the Subconsultants', Subcontractors', and Suppliers' records to verify the accuracy of cost and pricing data. The City reserves the right to decrease Contract Amount and/or payments made on this Contract if the above provision is not included in Subconsultant, Subcontractor, and Supplier contracts, and one or more of those parties do not allow the City to audit their records to verify the accuracy and appropriateness of pricing data.

6.12 INDEMNIFICATION

6.12.1 To the fullest extent permitted by law, the CMAR shall indemnify and hold harmless the City and each council member, officer, employee or agent thereof (the 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 the CMAR, its officers, employees, agents, or any tier of subcontractor in connection with CMAR's work or services in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

6.13 NOTICES

6.13.1 Unless otherwise provided, any notice, request, instruction, or other document to be given under this Agreement by any party to any other party shall be in writing and shall be delivered in person or by courier or facsimile transmission or mailed by certified mail, postage prepaid, return receipt requested and shall be deemed given upon (a) confirmation of receipt of a facsimile transmission, (b) confirmed delivery by hand or standard overnight mail, or (c) upon the expiration of three (3) business days after the day mailed by certified mail, as follows:

To City:	Robert Welch, PE, Associate Engineer 102 Roadrunner Drive Sedona, Arizona 86336 (928) 203-5120
To CMAR	Kurt Nyberg McCarthy Building Companies, Inc. 6225 N. 24th St, Suite 200 Phoenix, AZ 85016
Copy to: Design Professional (if applicable)	Jan Lorant Gabor Lorant Architects, Inc. 3326 N. 3rd Ave, Suite 200 Phoenix, AZ 85013

Or to other such place and with such other copies as either Party may designate as to itself by written notice to the other Party. Rejection, any refusal to accept, or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal, or inability to deliver.

6.14 PROHIBITION ON DISCRIMINATION

Contractor, its agents, employees, 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)).

6.15 COMPLIANCE WITH ALL LAWS

6.15.1 CMAR will comply with all applicable Federal, State, County and City laws, regulations and policies, including but not limited to the mandatory statutory provisions in the Affidavit of Lawful Presence (if applicable), attached and made a part of this Agreement. CMAR understands and acknowledges the applicability of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. CMAR agrees to comply with these laws in performing the Contract Documents and to permit the City to verify such compliance.

6.16 CONFLICT OF INTEREST

6.16.1 To evaluate and avoid potential conflicts of interest, the CMAR will provide written notice to the City, as set forth in this section, of any work or services performed by the CMAR for third parties that may involve or be associated with any real property or personal property owned or leased by the City. Such notice will be given seven business days prior to commencement of the Project by the CMAR for a third party, or seven business days prior to an adverse action as defined below. Written notice and disclosure will be sent to:

Robert J. Welch, PE, Associate Engineer
City of Sedona
102 Roadrunner Drive
Sedona, Arizona 86336

6.16.2 Actions considered to be adverse to the City under this Contract include but are not limited to:

- (a) Using data as defined in the Contract, acquired in connection with this Contract to assist a third party in pursuing administrative or judicial action against the City;
- (b) Testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the City; and
- (c) Using data to produce income for the CMAR or its employees independently of performing the services under this Contract, without the prior written consent of the City.

6.16.3 The CMAR represents that except for those persons, entities and projects previously identified in writing to the City, the services to be performed by the CMAR under this Contract are not expected to create an interest with any person, entity, or third party project that is or may be adverse to the interests of the City.

6.16.4 The CMAR's failure to provide a written notice and disclosure of the information as set forth in this section will constitute a material breach of this Contract.

6.17 CONTRACTOR'S LICENSE

6.17.1 Prior to award of the Contract, the CMAR must provide to the City of Sedona, its Contractor's License Classification and number and its Federal Tax I.D. number.

6.18 SUCCESSORS AND ASSIGNS

6.18.1 The City and the CMAR will each bind itself, and their partners, successors, assigns, and legal representatives to the other party to this Contract and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Contract. Neither the City nor the CMAR will assign, sublet, or transfer its interest in this Contract without the written consent of the other. In no event will any contractual relationship be created or be construed to be created as between any third party and the City.

6.19 FORCE MAJEURE

- 6.19.1 If either party is delayed or prevented from the performance of any service, in whole or part, required under this Contract by reason of acts of God or other cause beyond the control and without fault of that party (financial inability excepted), performance of that act will be excused, but only for the period of the delay. The time for performance of the act will be extended for a period equivalent to the period of delay.

6.20 COVENANT AGAINST CONTINGENT FEES

- 6.20.1 The CMAR warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the City Council, or any employee of the City of Sedona has any interest, financially, or otherwise, in the firm. The City of Sedona will in the event of the breach or violation of this warranty, have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Amount or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

6.21 NON-WAIVER PROVISION

- 6.21.1 The failure of either party to enforce any of the provisions of this Contract or to require performance by the other party of any of the provisions hereof will not be construed to be a waiver of such provisions, nor will it affect the validity of this Contract or any part thereof, or the right of either party to thereafter enforce each and every provision.

6.22 JURISDICTION

- 6.22.1 This Contract will be deemed to be made under, and will be construed in accordance with and governed by the laws of the State of Arizona, without regard to the conflicts or choice of law provisions thereof. An action to enforce any provision of this Contract or to obtain any remedy with respect hereto will be brought in the Superior Court, Yavapai County, Arizona, and for this purpose, each party hereby expressly and irrevocably consents to the jurisdiction and venue of such Court.

6.23 SURVIVAL

- 6.23.1 All warranties, representations and indemnifications by the CMAR will survive the completion or termination of this Contract.

6.24 MODIFICATION

- 6.24.1 No supplement, modification, or amendment of any term of this Contract will be deemed binding or effective unless in writing and signed by the parties hereto and in conformation with provisions of this Contract, except as expressly provided herein to the contrary.

6.25 SEVERABILITY

- 6.25.1 If any provision of this Contract or the application thereof to any person or circumstance will be invalid, illegal or unenforceable to any extent, the remainder of this Contract and the application thereof will not be affected and will be enforceable to the fullest extent permitted by law.

6.26 INTEGRATION

- 6.26.1 This Contract contains the full agreement of the parties hereto. Any prior or contemporaneous written or oral agreement between the parties regarding the subject matter hereof is merged and superseded hereby.

6.27 TIME IS OF THE ESSENCE

6.27.1 Time of each of the terms, covenants, and conditions of this Contract is hereby expressly made of the essence.

6.28 THIRD PARTY BENEFICIARY

6.28.1 This Contract will not be construed to give any rights or benefits in the Contract to anyone other than the City and the CMAR. All duties and responsibilities undertaken pursuant to this Contract will be for the sole and exclusive benefit of the City and the CMAR and not for the benefit of any other party.

6.29 COOPERATION AND FURTHER DOCUMENTATION

6.29.1 The CMAR agrees to provide the City such other duly executed documents as may be reasonably requested by the City to implement the intent of this Contract.

6.30 CONFLICT IN LANGUAGE

6.30.1 All work or Deliverables performed will conform to all applicable City of Sedona codes, ordinances and requirements as outlined in this Contract. If there is a conflict in interpretation between provisions in this Contract and any Exhibits, the provisions in this Contract will prevail.

6.31 CITY'S RIGHT OF CANCELLATION

6.31.1 All parties hereto acknowledge that this Contract is subject to cancellation by the City of Sedona pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

6.32 CONFIDENTIALITY OF PLANS & SPECIFICATIONS

6.32.1 Any plans or specifications received by the CMAR regarding this project are for official use only. The CMAR may not share them with others except as required to fulfill contract obligations with the City of Sedona.

ARTICLE 7 - INSURANCE

The CMAR will procure and maintain for the duration of the Contract, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work or Deliverables hereunder by the CMAR, its agents, representatives, employees, Subconsultants, Subcontractors, and/or Suppliers. Insurer shall have an AM Best rating of B+6 or better. Coverage shall be provided and maintained throughout the design phase services contract period. Insurance requirements related to any construction Work done during the design phase or during the construction phase will be defined in a separate contract associated with the construction phase. The CMAR will cause all Subcontracts to contain identical terms and conditions to those included in this Article. An endorsement for insurance policies shall be required to demonstrate actual and appropriate coverage. A copy of the endorsement shall be provided to the City by the CMAR relative to its required insurances.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants that might arise out of the performance of the work or Deliverables under this Contract by the CMAR, its agents, representatives, employees, Subconsultants, Subcontractors, or Suppliers and CMAR is free to purchase such additional insurance as it may determine necessary.

7.1 MINIMUM SCOPE AND LIMITS OF INSURANCE

7.1.1 CMAR will provide coverage at least as broad and with limits of liability not less than those stated below.

7.1.1.1 Commercial General Liability-Occurrence Form
(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate/per project	\$4,000,000 / \$2,000,000
Products-Completed Operations Aggregate	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Any one fire)	\$ 100,000

7.1.1.2 Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles
(Form CA 0001, ed 12/93 or any replacement thereof)

Combined Single Limit Per Accident for Bodily Injury and Property Damage (For more than one person)	\$1,000,000 \$2,000,000
---	--------------------------------

7.1.1.3 Workers Compensation and Employers Liability

Workers Compensation	Statutory
Employers Liability:	
Each Accident	\$1,000,000
Disease-Policy Limit	\$1,000,000
Disease-Each Employee	\$1,000,000

7.1.2 Self-Insured Retentions Any self-insured retentions and deductibles greater than \$10,000 must be declared to and approved by the City.

7.2 OTHER INSURANCE REQUIREMENTS

7.2.1 The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

7.2.1.1 The City of Sedona, its officers, officials, agents, and employees, are to be named as additional insureds with respect to liability arising out of: activities performed by or on behalf of the CMAR, including the City's general supervision of the CMAR; products and completed operations of the CMAR; and automobiles owned, leased, hired or borrowed by the CMAR.

7.2.1.2 The Commercial General Liability Insurance will contain broad form contractual liability coverage and will not exclude liability arising out of the explosion, collapse or underground hazard ("EXU").

7.2.1.3 The City, its officers, officials, agents, and employees will be additional insureds to the full limits of liability purchased by the CMAR, even if those limits of liability are in excess of those required by this Contract. The Commercial General Liability additional insured endorsement will be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form B CG 20 10 11 85.

7.2.2 The CMAR's insurance coverage will be primary insurance with respect to the City, its officers, officials, agents, and employees. Insurance or self-insurance maintained by the City, its officers, officials, agents, and employees will be in excess of the CMAR's insurance and will not contribute to it.

7.2.3 The CMAR's insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The coverage provided by the CMAR and its Subcontractors will not be limited to the liability assumed under the indemnification provisions of this Contract.

7.2.4 The policies will contain a waiver of subrogation against the City, its officers, officials, agents, and

employees for losses arising from Work performed for the City.

- 7.2.5 Workers' Compensation and Employers Liability policies are to contain, or be endorsed to contain, the following: The insurer will agree to waive all rights of subrogation against the City, its officers, officials, agents, and employees for losses arising from work performed for the City.

7.3 SUBCONSULTANT INSURANCE

- 7.3.1 CMAR's certificate(s) shall include all subcontractors as insureds under its policies. All coverages for subcontractors shall be subject to the minimum requirements identified above.

7.4 NOTICE OF CANCELLATION

- 7.4.1 Each insurance policy required by the insurance provisions of this Contract will provide the required coverage and not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given, by certified mail, return receipt requested to the City's Contracts Division at:

City of Sedona
102 Roadrunner Drive
Sedona, Arizona 86336

7.5 ACCEPTABILITY OF INSURERS

- 7.5.1 Insurance is to be placed with insurers duly licensed companies in the State of Arizona, and with an A.M. Best's rating of no less than A-, 7, or as approved by the City and licensed in the State of Arizona with policies and forms satisfactory to the City. The City in no way warrants that the above required minimum insurer rating is sufficient to protect the CMAR from potential insurer insolvency.

7.6 VERIFICATION OF COVERAGE

- 7.6.1 The CMAR will furnish the City, Certificates of Insurance (ACORD form or equivalent approved by the City) with original endorsements effecting coverage as required by this Contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsement(s) that restricts or limits coverages will be clearly noted on the certificate of insurance.
- 7.6.2 All certificates and endorsements are to be received and approved by the City before work commences. Each insurance policy required by this Contract must be in effect at or prior to the earlier of commencement of work under this Contract or signing of this Contract, and remain in effect for the duration of the Project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.
- 7.6.3 All Certificates of Insurance required by this Contract will be sent directly to Engineering Services. The Project Number and Project description will be included on the Certificates of Insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Contract, at any time.

7.7 APPROVAL

- 7.7.1 Any modification or variation from the insurance requirements in this Contract must be approved by the Legal Department, whose decision will be final. Such action will not require a formal contract amendment but may be made by administrative action.

This Contract will be in full force and effect only when it has been approved and executed by the duly authorized City officials.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on _____.

CITY OF SEDONA, ARIZONA,
An Arizona Municipal Corporation

McCarthy Building Companies, Inc.

By: _____
Karen Osburn
City Manager

By: _____
Chris Nickle
Executive Vice President

ATTEST:

Susan Irvine, City Clerk

APPROVED AS TO FORM:

Kurt Christianson, City Attorney

EXHIBIT A – PROJECT DESCRIPTION

SECTION I – PROJECT DESCRIPTION

Following is a brief description of the Project for which the design phase service services specified in this Contract are to be performed:

This project will include a three-deck type garage structure with one level below grade and having a parking capacity of approximately 272 automotive vehicles. Ancillary parking garage features, components facilities and equipment to be considered, included but are not necessarily limited to the following:

- Elevator and Stairway.
- Public Restroom facilities.
- Custodial Maintenance room(s)
- Security and safety system(s)
- Stormwater management and pollution prevention consistent with Sedona Stormwater MS4 program (consideration for rainwater harvesting)
- Ground level plaza area (adjacent to restrooms) acting as a gathering area for general and transit service pick-up and display of visitor self-help information
- Automated self-paid parking kiosks (PARCS)
- Street side transit drop-off/pick-up zone
- Multi-modal facilities for e-vehicle charging, bike pedestrian and other multi-modal vehicles.

The Project will also include the deconstruction/removal of existing residential building(s) and abandonment of utility service connections, subsurface tanks, cisterns, septic disposal system, or similar underground installations as may exist in association with and ancillary to the existing residential property at 430 Forest Road.

SECTION II – SCOPE OF WORK

The CMAR will begin with the firm in an agency support role for preconstruction services. The CMAR will assume the risk of delivering the project through a Guaranteed Maximum Price (GMP) contract. The CMAR will be responsible for construction means and methods and will be required to solicit bids from prequalified subcontractors to perform the work using the City's subcontractor selection process. The CMAR may also compete to self-perform limited amounts of the work. For this project the CMAR is responsible for self-performing a minimum of 20% of the construction work as measured by the total contract price for construction. The GMP must be submitted in MAG or CSI format (as consistent with specifications) or it will not be accepted.

- A. Preconstruction/Design phase services by the CMAR may include the following but not limited to:
- a) detailed progressive cost estimating and knowledge of marketplace conditions through the design development stages;
 - b) assisting the City and Design Team in the project design development;
 - c) identifying construction planning, phasing logistics, long-lead procurement items;
 - d) review of each design submittal by the design professional and provide comments;
 - e) providing alternate systems evaluation, constructability studies including sustainability options and value engineering;
 - f) identify efficiencies for project delivery;
 - g) preparation of traffic control plans; assist in stakeholder meetings during design development, to provide input on construction related topics;
 - h) assist the design team in identifying project permit requirements in the permitting processes;
 - i) address high standards for quality, safety and protection of the environment;
 - j) attend design meetings;
 - k) attend public information meetings;
 - l) assist and advise on green (sustainable) building options and costs; and

m) preparation of a Guaranteed Maximum Price (GMP) proposal.

EXHIBIT B – CMAR DESIGN PHASE SERVICES PROPOSAL

Attached is the **Uptown Sedona Parking Garage Project - CMAR** Design Phase (Pre-Construction Services) Proposal dated **May 6, 2021**.

EXHIBIT C - SUBMITTAL REQUIREMENTS FOR THE GMP

GMP proposal(s) Submittals; one copy for review, eight copies will be requested by the City’s Project Representative prior to contract execution. The eight copies must be velo punched and bound.

Table of Contents:

1. Scope of Work
 2. Summary of the GMP
 3. Schedule of Values – summary spreadsheet and backup documents
 4. List of Plans and Specifications used for GMP Proposal
 5. List of clarification and assumptions
 6. Project Master Schedule
1. Scope of work will consist of a brief description of the work to be performed by CMAR and major points that the CMAR and the City must be aware of pertaining to the scope.
 2. A summary of the GMP with a total for each of the components of the GMP as listed in its definition in Article 1 as shown in the table below:

The general condition fee includes bond and insurance costs. All costs should be listed individually for future use.

PROJECT #: SIM-3A CMAR 2021

DATE: _____

PROJECT NAME: UPTOWN SEDONA PARKING GARAGE PROJECT CMAR

GMP Summary			AMOUNT
A.	Cost of the Work (Labor, Materials, Equipment, Warranty)		\$ To be Determined
INDIRECT COSTS		RATE	
B.	CMAR’s Contingency		\$
C.	Construction Fee		\$
D.	General Conditions		\$
	D1	Payment and Performance Bond (Phase1) \$	Included in D above
	D2	Insurance \$	Included in D above
E.	Sales Taxes 65% Of		\$
F. TOTAL GMP			\$ To be Determined
G. Owner’s Contingency			\$ To be Determined

Formulas:

Total GMP: $A+B+C+D+E = F$

Rates (Percentages) are calculated by dividing each amount by F, such as B/F, D/F, and D1/F

(Do not acquire bond or insurance until notified by the City’s Project Representative.)

3. Schedule of Values - spreadsheet with the estimated cost organized by subcontract categories, allowances, bid contingency, general conditions costs, taxes, bonds, insurances, and the CMAR’s construction phase fee. The supporting document for the spreadsheet must be provided in an organized manner that correlates with the schedule of values. The backup information shall consist of the request for bids, bids

received, and clarification assumptions used for the particular bid item listed on the schedule of values, if applicable.

4. A list of the Plans and Specifications with latest issuance date including all addenda used in preparation of the GMP proposal. (Date stamped and signed by Contractor)
5. A list of the clarifications and assumptions made by the CMAR in the preparation of the GMP proposal, to supplement the information contained in the documents.
6. A Critical Path Method (CPM) diagram construction schedule.

NOTE: The submittal package must be kept as simple as possible, all on 8 ½" x 11" sheets. Color or shading must be kept to a minimum. If used, make sure the color or shading will not affect the reproduction of the submittal in black and white.

For questions regarding the submittal requirements, please contact Robert Welch, PE, Associate Engineer, City of Sedona, at 928 203-5120 or bwelch@sedonaAZ.gov.

EXHIBIT D – CMARISK SUBCONTRACTOR SELECTION PLAN

Attached is the EXHIBIT D – CMARISK Subcontractor Selection Plan dated May 6, 2021.

EXHIBIT E - PARTICIPATION IN BOYCOTT OF ISRAEL

All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recently legislation has been enacted to prohibit the municipalities from contracting with companies currently engaged in a boycott of Israel. To ensure compliance with A.R.S. §35-393.01 This form must be completed and returned with the response to the solicitation and any supporting information to assist the City in making its determination of compliance.

As defined by A.R.S. §35-393.01:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with Israel or with persons or entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
 - (a) In compliance with or adherence to calls for a boycott of Israel other than those boycotts to which 50 United States Code section 4607(c) applies.
 - (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, and includes a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate.
3. "Direct holdings" means all publicly traded securities of a company that are held directly by the state treasurer or a retirement system in an actively managed account or fund in which the retirement system owns all shares or interests.
4. "Indirect holdings" means all securities of a company that are held in an account or fund, including a mutual fund, that is managed by one or more persons who are not employed by the state treasurer or a retirement system, if the state treasurer or retirement system owns shares or interests either:
 - (a) together with other investors that are not subject to this section.
 - (b) that are held in an index fund.
5. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this state or a political subdivision of this state.
6. "Public fund" means the state treasurer or a retirement system.
7. "Restricted companies" means companies that boycott Israel.
8. "Retirement system" means a retirement plan or system that is established by or pursuant to title 38.

All offerors must select one of the following:

_____ My company **does not** participate in, and agrees not to participate in during the term of the contract a boycott of Israel in accordance with A.R.S. §35-393.01. I understand that my entire response will become public record in accordance with A.R.S. § 39-101 et seq.

_____ My company **does** participate in a boycott of Israel as defined by A.R.S. §35-393.01. :

By submitting this response, proposer agrees to indemnify and hold the City, its agents and employees, harmless from any claims or causes of action relating to the City’s action based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by the City in defending such an action.

Company Name	Signature of Person Authorized to Sign
Address	Printed Name
City State Zip	Title

Subcontractors will be selected using a qualification and competitive bid process, based on a combination of both qualifications and price. At the appropriate time in design the project team will select trade partners to perform each work category of the building. This process involves the City of Sedona, GLA, and McCarthy working in tandem to make the appropriate selection. See our subcontractor selection process below:

PREQUALIFICATION

Step 1: We employ a detailed qualification process. Early in the design phase, we qualify subcontractors on:

- Safety record
- Relationship with City of Sedona
- Relevant project experience
- Financial strength
- Workload capacity analysis
- Experience of key personnel

Step 2: We prepare a list of subcontractors from this database who we propose to solicit bids for the Uptown Sedona Parking Garage. The list is sent to the City and GLA for buy-in. The City, GLA, and McCarthy will then determine the final list of subcontractors who will be invited to bid your project.

Step 3: We hold three to five pre-bid conferences to review procedures and project requirements as well as answer any questions.

Step 4: We prepare detailed work scope requirements for each trade, and these scopes are sent to the subs in time for them to incorporate these requirements and conditions into their bid. **We particularly reach out to subs from Northern Arizona to present them the opportunity to help build and contribute to the local community.** This active engagement is key to attracting the top subcontracting team for your project.

COMPETITIVE SELECTION

Step 5: Proposals are received and reviewed in the presence of the City and GLA.

Our in-house precon staff then provide an in-depth scope review of all the bids received to ensure that all bidding subcontractors meet the required work scope for that particular trade.

Step 6: Once the bids have been tabulated, interviews are scheduled with at a minimum 2 apparent low subcontractors per work category for completeness of scope. The City and GLA are invited to attend these meetings. Field Operations is also present at these meetings where we dive deeply into scope/plan review, site safety requirements and restrictions required due to COVID 19.

Step 7: The City of Sedona, GLA, and McCarthy makes the final subcontract selection **based on both qualifications and price to ensure best value and ability to meet our project goals!**

Step 8: Onboard and engage!

Uptown Sedona Garage - Preconstruction Proposal

City of Sedona
 Sedona Parking Garage
 Sedona, AZ
 05/06/2021



Preconstruction Phase	McCarthy Building Co.	Fee	Totals
Staffing			
Initial Cost Modeling	\$ 16,692	\$ 1,452	\$ 18,144
Cost Model Updates / Design Meetings	\$ 29,844	\$ 2,595	\$ 32,439
GMP Prep & Delivery	\$ 35,229	\$ 3,063	\$ 38,293
Project Buyout	\$ 41,883	\$ 3,642	\$ 45,525
Community Outreach Coordinat	\$ 5,000	\$ 435	\$ 5,435
Speedie Rock Velocity Testing	\$ 6,450	\$ 561	\$ 7,011
Mockups - Allowance	\$ 12,000	\$ 1,043	\$ 13,043
Reimbursables - Lump Sum	\$ 5,000	-	\$ 5,000
Insurance - Auto, GL, WC	\$ 1,369	\$ 115	\$ 1,484
Total Precon	\$ 153,468	\$ 12,906	\$ 166,374

Preconstruction Inclusions / Add Alternates	
Initial Cost Model Development	Included
Constructability Reviews	Included
GMP Development	Included
Project Bid and Buyout	Included
Seismic Monitoring	Excluded
Noise Monitoring	Excluded
Add Alternates:	
Subsurface Investigation per Article 2.6.1	\$ 38,000

McCarthy Precon Rates Summary	Billing Rate per Hour (based on 40 hr work week)
DB Director / Project Director - David Clarkson	\$ 155
Preconstruction Director - Gong Liu	\$ 150
Project Manager	\$ 128
Superintendent	\$ 132
Estimating Manager	\$ 133
Senior Estimator	\$ 95
Estimator	\$ 90
Project Engineer	\$ 73
Accountant / Admin	\$ 53



Project Staff	Name	Weekly Rate	Duration (Weeks)	Cost	Prog	SD	DD	CD / Permit				Construction								
					Cost Model	Cost Model Updates								GMP	Buyout					
						2021				2022										
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Project Management Staff																				
Project Executive	Nyberg	\$7,116	0.00	\$ -																
Director - Operations	Clarkson	\$6,203	4.40	\$ 27,295	16	16	12	12	12	12	12	12	12	12	12	12	12			
Senior Project Manager		\$4,963	0.00	\$ -																
Project Manager	Fitzmaurice	\$5,109	2.00	\$ 10,217											80					
General Superintendent		\$5,328	0.00	\$ -																
Project Superintendent	Davis	\$5,291	2.00	\$ 10,582											80					
Assistant Project Manager		\$3,686	0.00	\$ -																
Assistant Superintendent		\$3,467	0.00	\$ -																
Senior Project Engineer		\$3,321	0.00	\$ -																
Project Engineer		\$2,919	0.00	\$ -																
Project Accountant		\$2,129	0.00	\$ -																
Preconstruction Staff																				
VP - Preconstruction		\$7,105	0.00	\$ -																
Preconstruction Director	Liu	\$6,006	8.00	\$ 48,048	32	32	16	16	16	16	16	16	16	32	32	32	24	24		
Design Director		\$5,597	0.00	\$ -																
Estimating Manager	TBD	\$5,300	2.40	\$ 12,720	8	8								16	16	16	16	16		
Senior Estimator	TBD	\$3,793	2.00	\$ 7,586										16	16	16	16	16		
Estimator	TBD	\$3,600	2.00	\$ 7,200										16	16	16	16	16		
Total Project Management Staff				\$ 48,094																
Total Preconstruction Staff				\$ 75,554																
Total Staff Budget				\$ 123,649																

Cost Model	CM Updates	GMP	Buyout
\$ -	\$ -	\$ -	\$ -
\$ 4,963	\$ 13,027	\$ 5,583	\$ 3,722
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ 10,217
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ 10,582
\$ -	\$ -	\$ -	\$ -
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\$ -	\$ -	\$ -	\$ -
\$ 9,610	\$ 16,817	\$ 14,414	\$ 7,207
\$ -	\$ -	\$ -	\$ -
\$ 2,120	\$ -	\$ 6,360	\$ 4,240
\$ -	\$ -	\$ 4,552	\$ 3,035
\$ -	\$ -	\$ 4,320	\$ 2,880
\$ 16,692	\$ 29,844	\$ 35,229	\$ 41,883

Reimbursable Expenses	
Temporary Facilities	\$ -
Travel & Meals	\$ 5,000
Office Equipment and Supplies	
Courier Services / Federal Express	
Blueprints and Document Reproduction	
Total Reimbursable Expenses	\$ 5,000



**CITY COUNCIL
AGENDA BILL**

**AB 2669
Regular Business
May 25, 2021**

Agenda Item: 8a
Proposed Action & Subject: Presentation/discussion by Arizona Public Service (APS) regarding their fire mitigation efforts and summer readiness program.

Department	City Manager's Office
Time to Present	10 Minutes
Total Time for Item	30 Minutes
Other Council Meetings	N/A
Exhibits	A. APS Fliers

City Attorney Approval	Reviewed 5-17-21 KWC	Expenditure Required	
		\$	
City Manager's Recommendation	For information and discussion only.	Amount Budgeted	
		\$	
		Account No. (Description)	
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: APS has requested to make a presentation to the City Council regarding their efforts to mitigate risk of wildfires and educate customers and communities on the importance of being Firewise. APS will also present on their Comprehensive Fire Mitigation Plan (CFMP). The APS Forestry and Fire Mitigation Team implement the CFMP, working closely with customers, communities and local fire authorities, including the US Forest Service, to ensure they have cohesive strategies to mitigate the risk of wildfire.

Additional resources for customers are available at www.aps.com/wildfiresafety.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for information and discussion only.

APS Wildfire Safety and Fire Mitigation Efforts

Providing safe, reliable energy is our top priority. That's why we work year-round to lessen the risk of wildfires and educate customers and communities about what they can do to prepare.

Our Fire Mitigation Plan calls for us to work closely with customers, communities and local fire authorities, including the US Forest Service, to ensure we have cohesive strategies to mitigate the risk of wildfire.

Highlights of our plan include:

Integrated Vegetation Management Program – We conduct annual inspections of transmission and distribution lines to ensure there are safe vegetation clearances around our equipment. We properly prune trees and clear brush around our rights-of-way and equipment by mechanical treatment and utilization of herbicide application where appropriate in accordance with all state regulations. The intent of our vegetation management program is to create a safe area for our equipment to operate and also create fuel and fire breaks. Historically, our utility rights-of-way have been heavily used by fire fighters as a fire break, which makes it important that we routinely clear these areas.

Defensible Space Around Poles Program – The purpose of the program is to proactively create defensible space around poles to protect electrical equipment from the impacts of wildfire and prevent wildfire ignitions. The intent is to clear all vegetation within a 10-foot radius around poles that have equipment on them.

Line Inspections and Public Safety Patrols – We conduct an annual patrol of nearly 4,500 miles of overhead lines using drones, vehicles and by foot in heavily vegetated areas such as the wildland-urban interface. Annually, we complete a pole-by-pole inspection of every distribution feeder. We identify all corrective work required on each pole and complete maintenance in advance of elevated fire conditions each year.

Operational Protocol – As in previous years, we will continue our operational protocols as part of our mitigation measures during outages. Before we reenergize a line during an outage in a high fire risk area, we will visually inspect lines with additional rigor. We recognize that this could prolong outages, but we are prioritizing the safety of our customers and communities.

Customer Communication – We know any disruption of power is a major inconvenience so we are reaching out to customers in areas of high fire risk through an email or a postcard (below) to share safety and Firewise tips as well as notify them that there is a chance they could experience longer than normal outages. Additional resources for customers are available at aps.com/wildfire_safety.

In summary:

- Public safety and coordination with first responders and forest management agencies are important priorities for us in helping respond to wildfires. We may need to interrupt service to certain areas to keep first responders safe in the event of a wildfire near electrical equipment and electrical facilities.
- We work year-round to minimize the risk of wildfires and educate communities on how to create defensible space.
- Additional resources for customers are available at aps.com/wildfiresafety.

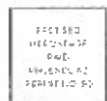


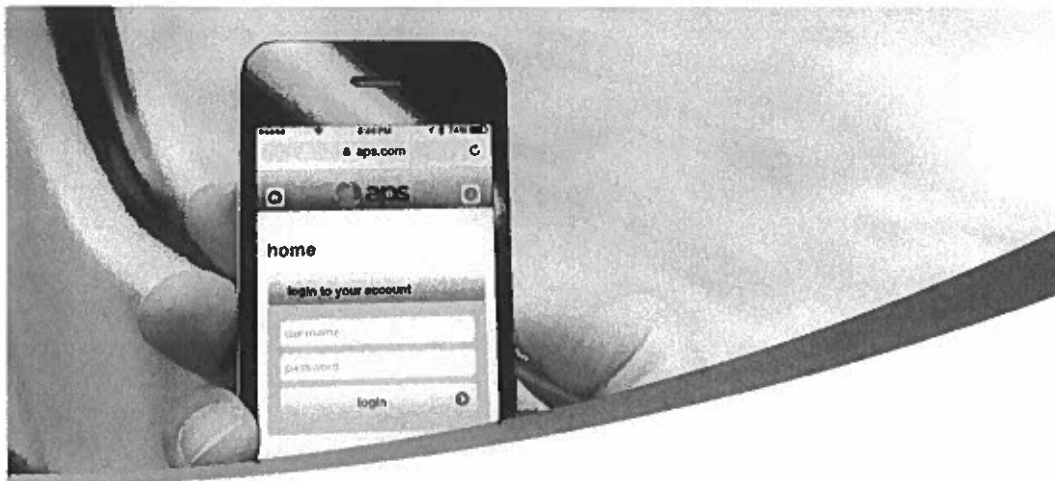
Together, we can be prepared.

Providing safe, reliable energy is our top priority. That's why we work year-round to prepare for wildfires. These extra precautions could result in longer than usual outage times. For example, our crews will visually inspect lines before restoring power, or power lines may be temporarily taken out of service to protect firefighters. Working together, we will be prepared. Here are some things you can do:

- **Vegetation/Trash.** Mow grass and weeds. Thin and prune trees and shrubs. Throw trash away properly.
- **Emergency Plan.** Sign up for emergency alerts through local resources and visit wildlandfire.org to create a preparedness plan.
- **Outage Map/Alerts.** View our interactive map at aps.com/outagecenter or on the APS app. Sign up for text and e-mail alerts to stay up to date.
- **Resources.** Have flashlights, batteries, a portable cell phone charger and extra water on hand. For more tips visit aps.com/outagecenter.
- **Downed Power Lines.** Stay at least 100 feet away and call 911 first, then APS at (602) 258-5483 (metro Phoenix) or (800) 253-9408 (other areas).

I thank you for the opportunity to serve you. We appreciate your understanding as we work together to protect you, your community and first responders during wildfire season. Please visit aps.com/wildfiresafety for more information.





Be in the know, even when you're on the go

Sign up for free text or email alerts from APS to get power outage updates, billing reminders and energy usage notifications. Register on aps.com to subscribe to the alerts you want and how you want to receive them.

- **Outage alerts:** Get automatic notifications about power outages that may affect your home or business. The alerts include when we expect power to be restored and updates if that status changes. We also will let you know when the power is back on.
- **Billing and payment:** Manage your payments with a helpful payment reminder, and get confirmation when your payment is received. You can also keep your energy budget on track by setting a dollar limit threshold. You will be notified when you reach that threshold in your current billing cycle.
- **Usage alert:** Keep track of your energy usage and manage your monthly costs. These alerts let you know when your usage reaches your pre-set limit. This can help you determine if there are things you can do to conserve energy and manage your bill.

aps.com/alerts



Keeping you and your family safe during storms

- **Avoid touching wiring during a thunderstorm.** Stop using computers or wired video games and unplug any expensive electronics when a storm is approaching. Only unplug electronics before a thunderstorm; do not touch wires if you can hear thunder.
- **Stay informed.** If you experience an outage, visit aps.com/outage to report it and stay updated on when APS expects to have the power back on. Also, follow [@apsFYI](https://twitter.com/apsFYI) on Twitter from your smartphone. In the event of a prolonged, large-scale outage, APS will tweet to keep you up to date.
- **Know the difference between a watch and a warning.** A watch means severe weather could occur. A warning means severe weather is about to occur or has been reported.
- **Plan ahead.** Create an emergency supply kit that contains non-perishable food items, water, a first-aid kit, a battery-operated radio, a portable cell phone charger or car cell phone charger, flashlights, extra batteries and any necessary medication. Also, know your APS account number so you can report an outage without speaking to a customer associate.
- **Stay away from all downed lines.** Treat any downed line as though it is energized; keep at least 100 feet away. In the case of a downed line, immediately call 911, then APS at: **(602) 371-7171**.

Connect with us:



CS#1506042





**CITY COUNCIL
AGENDA BILL**

**AB 2464
May 25, 2021
Regular Business**

Agenda Item: 8b

Proposed Action & Subject: Discussion/possible action to approve the publication of a Notice of Intention to Increase Wastewater Rates in accordance with A.R.S. § 9-511.01 and to set a public hearing date at which time Council will consider adoption of a final ordinance changing the City's wastewater capacity fee rates and rate structure.

Department	Financial Services/Wastewater
Time to Present	30 minutes
Total Time for Item	60 minutes
Other Council Meetings	November 13, 2018 (approval of consultant contract) March 26, 2019 (discussion of policy direction) August 13, 2019 (discussion of findings/recommendations) January 29, 2020 (discussion of updated findings/recommendations) March 24, 2020 (amendment to Wastewater Fund subsidies)
Exhibits	A. Draft 2021 Sewer Capacity Fee Study Report B. Consultant's PowerPoint Presentation C. Notice of Intention to Increase Wastewater Rates for Capacity Fees

City Attorney Approval	Reviewed 5-17-21 KWC	Expenditure Required	
		\$	N/A
City Manager's Recommendation	Approve a Notice of Intention to Increase Wastewater Rates for Capacity Fees and set a future public hearing date.	Amount Budgeted	
		\$	N/A
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: On November 13, 2018, Council approved a contract award to Willdan Financial Services (consultants) for a wastewater rate study. On March 26, 2019, the consultants presented preliminary findings and recommendations of the wastewater financial plan, cost of service analysis, and rate study, as an opportunity for Council to provide direction regarding policy decisions related to the rate structure.

On August 13, 2019, the consultants presented the rate study results based on the policy direction given. During that meeting, Council asked the consultants to update the study to provide a modified water-based option, a flat rate option, and an alternative capacity fee option.

On January 29, 2020, the consultants presented additional options and Council asked that additional adjustments be made to several of the options presented. The consultants were tentatively scheduled to present those changes on May 13, 2020; however, due to the impacts of COVID-19 and constraints on City staff capacity, the study was temporarily put on hold.

On March 24, 2020, Council was asked to approve the changes to the General Fund subsidies to the Wastewater Fund as proposed by the consultants.

Evaluation of options for the monthly service fees has not been completed; however, due to the less complicated nature of the capacity fee options and the potential benefit to forwarding affordable housing priorities, staff requested the consultants address the capacity fee portion of the study first. Due to the significant amount of time since the study was first created, the consultants have updated the calculations with the most recent financial data available.

During this meeting, City Council will be asked to approve a Notice of Intention to Increase Wastewater Rates and to set a future public hearing date on July 27, 2021. The new rates would be effective September 1, 2021. See the Estimated Timeline and Remaining Action Items section for further details.

The consultant report for the sewer capacity fee study is attached as Exhibit A. The consultants, Pat Walker and Kevin Burnett, will be available to present the report and answer questions. The consultants' presentation includes a comparison of the new rates to wastewater rates of other cities and is attached as Exhibit B.

Policy and Other Previous Direction Provided:

During the previous Council meetings, the Council provided the following direction regarding policy decisions related to the capacity fee structure:

- Currently, the capacity fees vary by customer category and are based on a fee per connection, square foot, or other counts applicable to the type of business.
- The consultants did not agree that the prior methodology provided adequate nexus to the impacts on the wastewater system or adequate comparability between categories.
- Staff requested a methodology utilizing square footage similar to the approach used in the development impact fee study; however, the consultants did not agree that there would be adequate nexus to the impacts on the wastewater system under this type of methodology either.
- During the March 26, 2019 Council meeting, the consultants had presented a methodology basing capacity fees on meter size with options for assessing a ¾-inch meter or a 1-inch meter with the average residential capacity fee.
- However, as staff and the consultants have worked through the data since that time, there were concerns about how broadly meter sizes would be applied and a supply fixture unit (SFU) based methodology was recommended at the August 13, 2019 Council meeting.
- No further options were identified in the January 29, 2020 meeting specific to capacity fees, so staff requested the consultants address this portion of the study separately.

Proposed Rate Structure Options:

Capacity fees are charged to new development (and remodels which expand capacity) to cover the capital costs of the existing wastewater system that was intentionally built with extra capacity to accommodate future needs, as well as capital costs for future projects that add to the system capacity.

The two options for capacity fees are both based on supply fixture units (SFUs). SFUs are a measure of the probable discharge into the drainage system by various types of plumbing fixtures and was based on the City’s adopted plumbing code.

SFU Range Option. This option assesses capacity fees based on ranges of SFUs up to 55.0 SFUs and a per SFU fee for amounts exceeding 55.0. These ranges are anticipated to accommodate up to very large single-family homes that are being built in Sedona.

Under this option, additional capacity fees would not be applicable for remodels adding 3.0 SFUs or fewer. Excluding 3.0 SFUs allows for remodels that only redistribute sewer flows from one fixture to another and likely do not increase sewer flows. Examples include adding a powder room for temporary guests, adding a bar sink, or adding a laundry sink. In each of these examples, the sewer flows are likely already occurring, and the additional fixture is simply a convenience for the property owner.

Per SFU Option. This option assesses capacity fees for each SFU.

Annual Capacity Fee Increases. As with the prior rate study, the consultants are recommending the capacity fees be escalated annually using the Engineering News Record construction cost index.

Staff Recommendation. Staff recommends the SFU Range option since it is believed to be less cumbersome and less likely to incentivize work performed without permits.

Estimated Timeline and Remaining Action Items:

If Council chooses one of the options presented, the earliest timeline and remaining action items are as follows:

Task	Date
Council Adoption of Notice of Intention to Increase Rates/Set Public Hearing Date (at least 60 days before Public Hearing)	May 25, 2021
Rates and Study Details Posted and Available for Review (at least 30 days before Public Hearing)	On or before June 27, 2021
Publish Notice of Intention (at least 20 days before Public Hearing)	On or before July 7, 2021
Public Hearing/Adoption of Rates	July 27, 2021
Effective Date of New Rates (at least 30 days after adoption)	September 1, 2021

Notice of Intention. A Notice of Intention to Increase Wastewater Rates and a public hearing are required for proposed rate structure changes since some customers will have increases in their capacity fees. Other customers will experience decreases in their capacity fees. The Notice is attached as Exhibit C.

Effective Date of New Rates. If approved, the new rates would be effective September 1, 2021.

Community Plan Consistent: Yes - No - Not Applicable

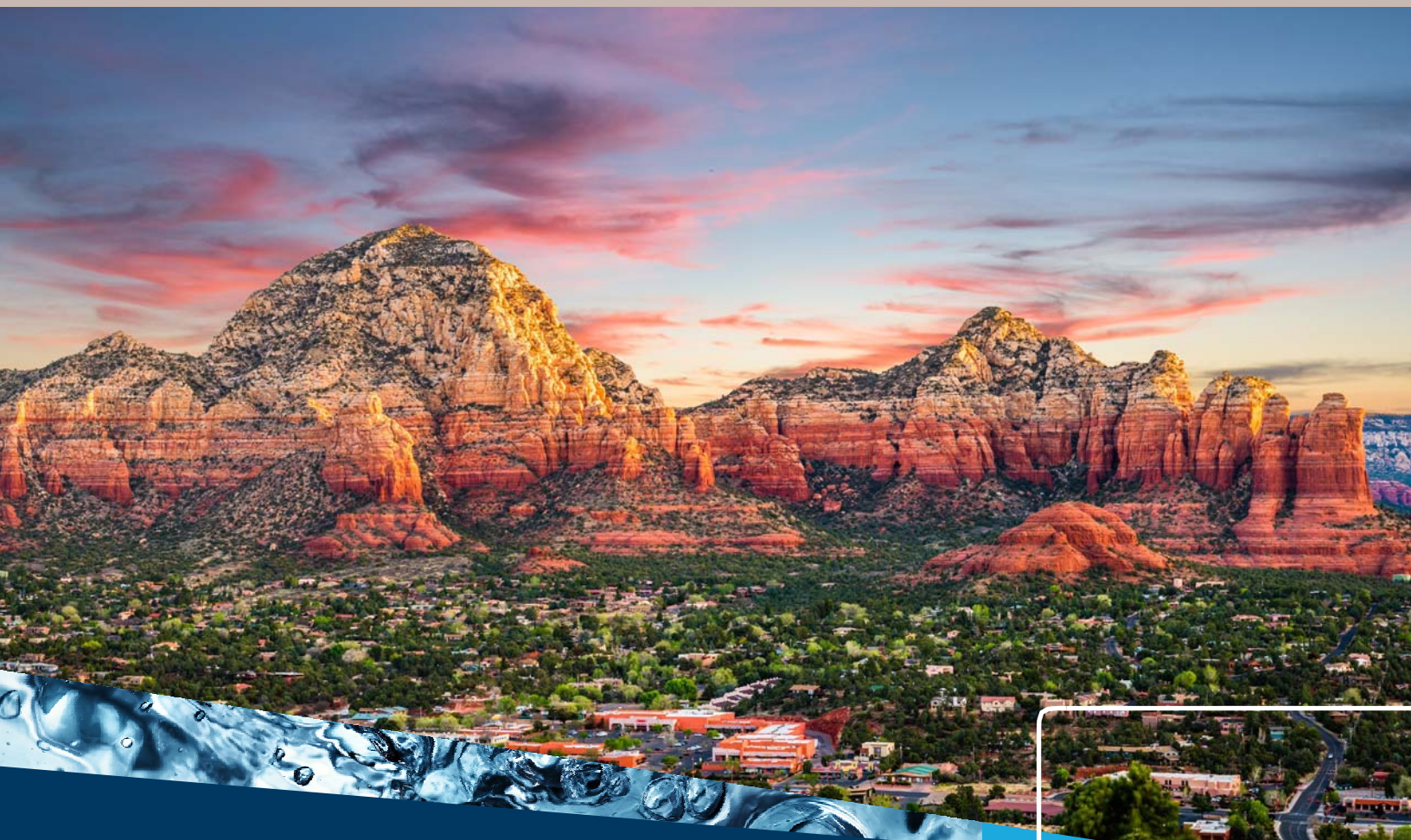
Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Continue with rate structure as is or propose alternatives for the consultants' consideration.

MOTION

I move to: approve a Notice of Intention to Increase Wastewater Rates for Capacity Fees and set a future public hearing date for not later than July 27, 2021.

City of Sedona, Arizona



2021

Sewer Capacity Fee Study





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Section 1 – Executive Summary

Willdan Financial Services and Pat Walker Consulting LLC (“the Willdan Team”) was retained by the City of Sedona, Arizona (“City”) to conduct a Capacity Fee Study (“Capacity Fee Study”) for the City’s Sewer utilities (“Utility”). This report details the results of the capacity fee analysis.

1.1 Goals and Objectives

The primary goal of the Capacity Fee Study was to develop cost-based capacity fees that reflect the cost of providing sewer capacity to new development and will allow the City to meet its ongoing costs (capital), to provide the infrastructure necessary to allow new development to occur.

1.2 Findings and Recommendations

The capacity fees identified in Table 1-1 represent the cost to the City to provide infrastructure to new development connecting to the City’s sewer system. It is recommended that the City implement the identified fees and that the fees be updated annually based on a cost escalation factor such as the Engineering News Record Construction Cost Index (ENR CCI). Additionally, as significant changes occur (either new development or system capacity) we recommend a more in depth analysis be undertaken to update the City’s capacity fees.

Table 1-1 Proposed Capacity Fees	
SFU Range	Capacity Fee
0 – 8	\$4,088
8.1 - 17	10,461
17.1 – 29	18,565
29.1 – 42	27,835
42.1 – 55	37,326
> 55 (per SFU)	730.01

1.3 Organization of this Report

This Capacity Fee Study presents an overview of the analysis concepts employed in the development of the fees contained herein. The analysis is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, an appendix with detailed schedules are presented for further investigation into the data, assumptions and calculations which drive the results presented in this Capacity Fee Study. The report is organized as follows:

- Section 1 – Executive Summary



-
- Section 2 – Overview of Capacity Fees
 - Section 3 – Development of Capacity Fees
 - Appendix A – Capacity Fee Analysis

1.4 Reliance on Data

During this project the City (and/or its representatives) provided the Willdan Team with a variety of technical information, including capital cost data. This data was used by the Willdan Team in the process of developing the capacity fees. The Willdan Team did not independently assess or test for the accuracy of such data historic or projected but worked with City staff to better understand the data and believe it to be the best available information at the time of the study.

1.5 Acknowledgements

We wish to extend our appreciation to the City and its staff for their cooperation during the progress of this study. In particular, we would like to thank Ms. Cherie Wright, Finance Director and Ms. Roxanne Holland, PE, Wastewater Manager.



Section 2 – Overview of Capacity Fees

2.1 Introduction

Sewer capacity fees are one-time charges that reflect the demands and costs created by new development for additional sewer capacity. More specifically a capacity fee is defined as:

Capacity fees reflect the demands and costs created by new development for additional water and wastewater capacity. Generally, capacity fees are required to demonstrate a reasonable connection between the amount of the fee and the cost to serve new development. Arizona law requires that “any proposed water or wastewater rate or rate component; fee or service charge adjustment or increase shall be just and reasonable”.

The infrastructure included in capacity fees are large, system level components and do not include on-site or site-specific improvements. Components of sewer system capacity can include treatment facilities, interceptors, and collection lines.

The proposed sewer capacity fees have been developed in accordance with Arizona Revised Statutes (ARS) §9-511.01.

As previously mentioned, capacity fees are required to demonstrate a reasonable connection or rational nexus between the amount of the fee and the cost to serve new development (i.e. new development’s proportionate share of infrastructure capacity costs). The additional capacity required for new growth can be the repayment of “buying into” existing capacity or the completion of utility projects to provide additional capacity. This report documents the assumptions, methodologies, and calculations upon which the capacity fees are based. As documented in this report, the capacity fees are just and reasonable and represent new development’s proportionate share of costs for growth related sewer projects from which it will directly benefit.

The infrastructure included in the proposed capacity fees are large, system level components and do not include on-site or site specific improvements.

2.2 Calculation Methodologies

There are three basic methodologies used to calculate the various components of the City’s capacity fees. The methodologies are used to determine the best measure of demand created by new development for each component of the capacity fees. The methodologies can be classified as looking at the past, present and future capacities of infrastructure. The three basic methodologies are described below:

The **buy-in** methodology, is used where infrastructure has been built in advance of new development and excess capacity is available for new development. Under this methodology, new development repays the community for previous capacity investments via the capacity fee. The funds are then available for future expansion of the system.

The **incremental** methodology uses the City’s capital improvement plan (CIP) and related master plans to determine new developments share of planned projects. Projects that do not add capacity, such as routine

maintenance or replacement of existing facilities, are not included in the fees. Projects that add capacity are further evaluated as to the percentage of the project attributable to existing development versus new development. Only the incremental projects attributable to new development is included in the capacity fees.

The third approach is a **hybrid** methodology. The hybrid approach is used in situations where there is available capacity in the existing system, but there are also future improvements that require additional upgrades or expansion. For example, a sewer treatment plant has available capacity to serve new development, but the plant needs to be upgraded to meet new treatment regulations.

The sewer capacity fees were calculated using the buy-in method. Figure 1-1 summarizes the capacity fee calculation process.

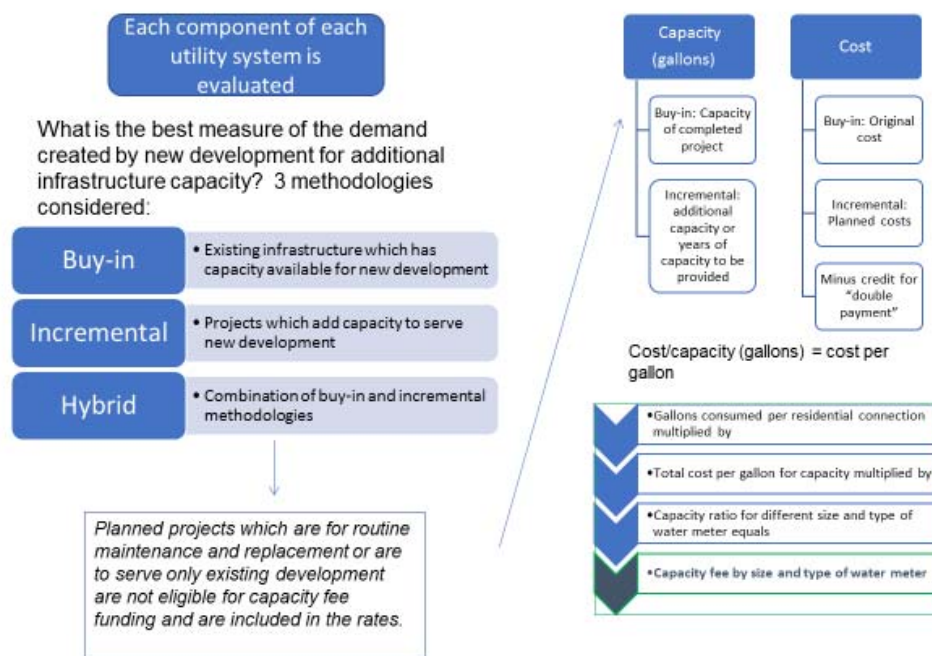


Figure 1-1 Capacity Fee Calculation Process



Section 3 – Development of Capacity Fees

3.1 System Valuation

The current value of the City’s sewer system assets was brought to today’s dollars using the Engineering News Record (ENR) Construction Cost Index (CCI). Using this index attempts to value the City’s assets at what it would cost to purchase or construct those assets today. It is important to recognize, however, that these assets are not new and are not being purchased today, but rather have been depreciated over time. Therefore, the accumulated depreciation is subtracted from the calculated current day value of the assets to determine what is referred to as the Replacement Cost New Less Depreciation (RCNLD) fixed asset value. The RCNLD fixed asset value for the City’s sewer assets was calculated at \$171,314,754. There is currently outstanding debt that was used to purchase or construct the fixed assets of the sewer system and the debt will be repaid through monthly sewer rates. To prevent new development from paying for the assets twice (once through the capacity fee and then again through rates which pay debt service), the outstanding debt principle of \$13,300,000 is subtracted from the system value to determine a new system value for the basis of calculating capacity fees. The adjusted system value is calculated at \$158,014,754. A full list of the City’s fixed assets can be found in Appendix A, while table 3-1 provides a summary of all components of the sewer system valuation.

Description	Value
Land	\$11,209,526
Sewer Infrastructure	149,129,961
Buildings	10,225,055
Vehicles and Equipment	<u>750,211</u>
Subtotal	171,314,754
Less: Debt Service Principle	<u>(13,300,00)</u>
Total	\$158,014,754

3.2 Cost Summary

Table 3-2 summarizes the demand factors based on actual sewer flows for the City of Sedona and the cost per equivalent dwelling unit (EDU) for additional sewer capacity to identify the additional capital cost per EDU of capacity. The cost is further subdivided to a cost per SFU to serve future development.



Table 3-2 Sewer Capacity Fee Calculation		
Description	Units	Value/Fee
System Value (a)		\$158,014,754
System Capacity (b)	1,600,000	
Gallons of Demand per EDU (c)	167.79	
Incremental EDUs to be Served (b / c = d)		<u>9,536</u>
Fee per EDU (a / d = e)		\$16,571
Average Supply Fixture Units per EDU (f)		22.7
Capacity Fee per SFU (e / f)		\$730.01

3.3 Calculated Capacity Fees

Through discussions with City staff, specifically the Chief Building Official, the proposed approach to assessing capacity fees for single family residential developments are based on a range of supply fixture units associated with the size of the dwelling unit. The smaller the home the fewer the SFUs and the lower the fee. The intent of the proposed approach is to provide a matching between the demand placed on the sewer system and the cost associated with the capacity required for the development. The proposed fees are based on the ranges of single family residential developments currently experienced by the City, but would apply to all new development. In other words, a new development will pay the same capacity fee for the same number of SFUs regardless of the type of development (residential or non-residential). Table 3-3 summarizes the proposed ranges and associated capacity fees.

Table 3-3 Proposed Capacity Fees	
SFU Range	Capacity Fee
0 – 8	\$4,088
8.1 - 17	10,461
17.1 – 29	18,565
29.1 – 42	27,835
42.1 – 55	37,326
> 55 (per SFU)	730.01

The fees presented in Table 3-3 represent the maximum supportable capacity fees for FY 2021-22 and should be escalated annually using the ENR CCI or similar inflationary index to reflect the increased cost of capital materials.



The full sewer capacity fee analysis can be found in Appendix A.

3.4 Capacity Fees Cashflows

Based on the fees identified in Section 3.3, capacity fee revenue for FY 2021-22 through FY 2028-29 is projected at \$6.50 million. Expansion capital related improvements during the same period are projected at \$6.04 million. The capacity fee cashflow can be found in Appendix A.

APPENDIX A

Capacity Fee Analysis

Sedona
Sewer Capacity Fee Model
Capacity Fee Calculation - Summary

Fee per SFU \$730.01

<u>SFU Range</u>	<u>Capacity Fee</u>
0 - 8	\$4,088
8.1 - 17	10,461
17.1 - 29	18,565
29.1 - 42	27,835
42.1 - 55	37,326
> 55 (per SFU)	\$730.01

Sedona
Sewer Capacity Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
Land								
2018590012	WW Driveway Project	2018	\$36,755	\$1,472	\$35,283	1.04	\$36,755	\$35,283
597395	LAND-WASTE TRTMT PLNT SED DELL WW El Camino Fence	1992	1,917,849	0	1,917,849	2.33	1,917,849	1,917,849
597396	SWR EASEMENTS FOR 90-91	2020	14,945	114	14,831	1.00	14,945	14,831
597543	SWR ESMTS 91-92 FISCAL YR PURC	1991	670	0	670	2.40	670	670
597631	BREWER RD PUMP STATION LOT 1	1992	16,047	0	16,047	2.33	16,047	16,047
597632	CARROLL CYN PUMPING STATION	1993	113,173	0	113,173	2.23	113,173	113,173
597635	SEWER EASEMENTS FOR 92-93	1991	70,717	0	70,717	2.40	70,717	70,717
597636	EL CAMINO PUMP STATION	1993	33,316	0	33,316	2.23	33,316	33,316
597647	SEDONA DELLS PROP. CRT SETTLEM	1992	70,000	0	70,000	2.33	70,000	70,000
597685	VARIOUS LAND COST	1992	2,940,792	0	2,940,792	2.33	2,940,792	2,940,792
597698	EASEMENT-OAKCREEK MOBILODGE	1993	25,580	0	25,580	2.23	25,580	25,580
597700	PHILLIPPI LIFT STATIONS	1993	70,607	0	70,607	2.23	70,607	70,607
597761	SHELBY TREATMENT PLANT	1993	27,192	0	27,192	2.23	27,192	27,192
597766	SEWER EASEMENTS FOR 93-94	1993	340,669	0	340,669	2.23	340,669	340,669
597859	SEWER EASEMENTS FOR 94-95	1994	2,616	0	2,616	2.15	2,616	2,616
597999	SEWER EASEMENTS FOR 95-96	1995	5,900	0	5,900	2.13	5,900	5,900
598047	SEWER EASEMENTS 96-97	1996	5,035	0	5,035	2.07	5,035	5,035
598050	SWR - FY97-98 EASEMENTS	1997	56,190	0	56,190	2.00	56,190	56,190
598057	EASEMENTS 98/99	1998	125,188	0	125,188	1.96	125,188	125,188
598060	EASEMENTS 99/00	1999	143,769	0	143,769	1.92	143,769	143,769
598067	SEWER EASEMENTS 2000-01	2000	13,222	0	13,222	1.87	13,222	13,222
598076	SEWER EASEMENTS - FY 01-02	2001	7,020	0	7,020	1.83	7,020	7,020
598079	AREA 4 US FOREST 265 ACRES	2002	15,508	0	15,508	1.78	15,508	15,508
598083	SEWER EASEMENTS - FY 02-03	2002	5,008,432	0	5,008,432	1.78	5,008,432	5,008,432
598207	SEWER EASEMENTS FY03-04	2003	9,179	0	9,179	1.74	9,179	9,179
598210	SEWER EASEMENTS FY04-05	2004	121,530	0	121,530	1.63	121,530	121,530
598220	SEWER EASEMENTS FY 2005-06	2005	11,655	0	11,655	1.56	11,655	11,655
598228	SEWER EASEMENTS FY 06/07	2005	5,413	0	5,413	1.56	5,413	5,413
		2007	2,146	0	2,146	1.46	2,146	2,146
Sewer Infrastructure								
201559005	Wastewater Fence	2015	53,505	14,161	39,344	1.16	62,005	47,843
597811	PLANT BUILDINGS 1991-1994	1994	5,793,968	3,012,816	2,781,152	2.15	5,793,968	2,781,152
598054	PLANT IMPROVEMENTS 95-96	1996	3,871,039	1,858,492	2,012,547	2.07	3,871,039	2,012,547
598055	PLANT IMPROVEMENTS 97-98	1998	545,126	239,911	305,215	1.96	545,126	305,215
201659003	Gate Valve at Carroll Canyon Lift Station	2016	53,835	11,689	42,145	1.10	59,443	47,753
201659004	WWTP Effluent Mgt Optimization	2015	168,382	42,096	126,286	1.16	195,131	153,036
201659005	WWTP Filter System Upgrades (Bar Screen)	2016	22,657	4,535	18,122	1.10	25,017	20,483
201659006	WWTP Filter System Upgrades (Centrifuge)	2016	139,450	27,910	111,540	1.10	153,977	126,067
201659007	WWTP Newcastle Lift Station Upgrade	2015	65,740	16,435	49,305	1.16	76,184	59,749
201659008	WWTP Bear Wallow Lift Station Electr. Improvements	2016	72,623	14,833	57,789	1.10	80,188	65,355
2017590004	WW Treatment Plant A+ Upgrade	2016	5,583,398	1,052,916	4,530,481	1.10	6,165,048	5,112,131
2018590006	Force Main Condition Assessment - Sewer Line	2018	22,500	905	21,595	1.04	23,389	22,484
2018590010	Injection Wells 1 & 2 and Point of Compliance Well	2018	5,940,750	594,900	5,345,850	1.04	6,175,491	5,580,591
2018590011	WWTP Bar Screens	2018	704,084	70,506	633,578	1.04	731,905	661,399
59.8275	Wetlands Improvements	2012	143,116	57,268	85,849	1.25	178,788	121,520
59.8276	Sedona Dells Wetland Improvements	2012	2,613,861	1,045,930	1,567,931	1.25	3,265,360	2,219,430
598003	WW PLANT IMPROVEMENTS	1996	4,184,850	2,009,153	2,175,697	2.07	8,658,619	6,649,466
598004	WASTEWATER LINES	1993	12,746,244	6,883,489	5,862,755	2.23	28,447,855	21,564,366
598005	WW LINE ADDITIONS	1994	634,356	329,891	304,465	2.15	1,363,959	1,034,068
598014	WASTEWATER LINES (B)	1993	12,746,244	6,883,489	5,862,755	2.23	28,447,855	21,564,366
598038	WW PLANT AND PROJECTS 95-96	1996	174,268	83,667	90,602	2.07	360,568	276,902
598053	WW PROJECTS FY97-98	1998	4,283,645	1,885,242	2,398,403	1.96	8,413,890	6,528,648
598059	WASTEWATER PROJECTS FY 98-99	1999	5,598,469	2,351,932	3,246,537	1.92	10,744,182	8,392,251
598062	WASTEWATER PROJECT 99/00	2000	8,947,469	3,579,908	5,367,561	1.87	16,724,187	13,144,280
598071	WW PROJECTS 2000-2001	2001	920,578	349,915	570,663	1.83	1,687,871	1,337,956
598080	WW LINES FY 2002 (ADDITIONS)	2002	4,514,833	1,625,808	2,889,025	1.78	8,029,745	6,403,938
598086	WW LINES FY 2003 (ADDITIONS)	2003	2,705,787	920,249	1,785,538	1.74	4,699,462	3,779,213
598092	WW LINES FY 2004 (ADDITIONS)	2004	1,825,889	584,475	1,241,415	1.63	2,984,040	2,399,565
598213	WW LINES (ADDITIONS) FY04-05	2005	3,867,146	1,160,547	2,706,598	1.56	6,039,105	4,878,557
598222	WW Lines (Additions) FY 05-06	2006	4,248,357	1,189,984	3,058,372	1.50	6,373,357	5,183,373
598223	WW Lines (Additions) FY 06/07	2007	6,766,923	1,760,110	5,006,813	1.46	9,876,465	8,116,353
598242	WW Lines (Additions) FY 07/08	2008	4,734,430	1,136,761	3,597,669	1.40	6,624,783	5,488,022
598251	WW EFFLUENT FY 08/09	2008	48,366	11,608	36,758	1.40	67,677	56,069
598253	WW LINES FY 08/09	2008	6,501,201	1,560,288	4,940,913	1.40	9,096,987	7,536,699
598256	WW EFFLUENT FY 09/10	2009	150,067	33,013	117,054	1.36	203,615	170,602

Sedona
Sewer Capacity Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
598264	WW LINES FY 09/10	2009	3,862,051	849,651	3,012,400	1.36	5,240,131	4,390,480
598266	WW LINES FY 10/11	2011	836,273	167,292	668,981	1.28	1,072,126	904,834
598267	WW EFFLUENT FY 10/11	2011	396,377	79,293	317,084	1.28	508,167	428,874
598274	Effluent Injection Well Pumping	2011	201,354	34,556	166,798	1.28	258,141	223,585
598280	Air/Solar Drying Bed Improve.	2011	166,873	28,409	138,464	1.28	213,936	185,527
	Manhole Replacement - WWRP Interceptor	2019	77,452	1,715	75,738	1.02	79,133	77,419
	Mystic Hills/Chapel Lift Station	2020	2,483,598	0	2,483,598	1.00	2,484,025	2,484,025
	Tertiary Filters	2020	1,660,481	0	1,660,481	1.00	1,660,766	1,660,766
	WW Admin Bldg Remodel/Expansion	2019	387,726	12,662	375,064	1.02	396,141	383,479
	WW Grit Classifier Replacement	2020	124,415	0	124,415	1.00	124,436	124,436
	Park Place Sewer Line 435 ft	2020	77,430	0	77,430	1.00	77,443	77,443
	Reduction for Replaced Assets	2019	(5,532,288)	0	(5,532,288)	1.02	(5,652,355)	(5,652,355)
Buildings								
2018590003	WWP Operator Building Remodel	2018	30,609	2,469	28,140	1.04	31,818	29,350
2018590004	Steel Plates for Dumpster Travel Way	2018	34,755	2,902	31,852	1.04	36,128	33,226
2018590007	WW Roof Replacement - El Camino	2018	10,185	875	9,310	1.04	10,587	9,712
2018590008	WW Roof Replacement - Carol Canyon	2018	17,825	1,532	16,293	1.04	18,529	16,998
598070	TREATMENT PLANT UPGRADE 2001	2001	3,328,560	1,265,196	2,063,363	1.83	6,102,884	4,837,688
598082	10000 GAL WATER TANK AND EQUIP	2002	17,220	12,240	4,980	1.78	30,626	18,386
	WW Headworks Rebuild (Bar Screens)	2018	6,014	550	5,463	1.04	6,251	5,701
598250	WW PLANT UPGRADE FY 08/09	2008	200,655	96,315	104,341	1.40	280,772	184,458
598252	WW PUMP STATION IMP. 08/09	2008	1,604,277	770,053	834,224	1.40	2,244,830	1,474,777
598255	WW PLANT UPGRADE FY09/10	2009	349,910	153,948	195,961	1.36	474,767	320,818
598257	WW PUMP STATION IMP 09/10	2009	1,846,760	812,574	1,034,186	1.36	2,505,732	1,693,158
598265	WW PLANT UPGRADE FY10/11	2011	961,139	384,521	576,617	1.28	1,232,207	847,686
598268	WW PUMP STATION IMP 10/11	2011	853,891	341,615	512,276	1.28	1,094,713	753,098
Equipment and Vehicles								
201359001	3 Phase Generator for Chapel Pump Station	2013	21,605	21,605	0	1.22	21,605	0
201359002	Fairbanks Morse Pump	2012	8,300	8,300	0	1.25	8,300	0
	Fairbanks Morse Pump - POCO#1	2020	7,706	619	7,087	1.00	7,706	7,087
	Fairbanks Morse Pump - POCO#2	2020	7,891	562	7,329	1.00	7,891	7,329
	Fairbanks Morse Pump Mystic	2020	7,611	525	7,086	1.00	7,611	7,086
201359003	Flygt Pump/Vendor JCH	2013	12,893	10,767	2,126	1.22	12,893	2,126
201359004	K2 Iggy System	2013	48,092	48,092	0	1.22	48,092	0
201459001	Landia Mixer	2014	18,666	18,666	0	1.19	18,666	0
201459003	60 REOZJD Kohler Generator for Uptown Pump Station	2014	26,304	26,304	0	1.19	26,304	0
201459004	WW Alarm/Back O Beyond Replacement Pump Stations	2014	352,317	352,317	0	1.19	352,317	0
201459005	6' X 10' Cargo Trailer	2013	6,299	6,299	0	1.22	6,299	0
201559001	FLYGT Model NP 3102 Pump	2015	7,579	6,319	1,260	1.16	7,579	1,260
201559002	IND Pump 6" DV150-3SA 4045D SK w/Trailer	2015	28,005	23,350	4,654	1.16	28,005	4,654
201559003	2015 Ford Super-Duty F-25 4WD Reg Cab	2015	35,000	35,000	0	1.16	35,000	0
201559004	EZGO RXV 2010 Golf Cart	2015	5,265	5,265	0	1.16	5,265	0
201659001	WIMS LABCAL Software with SCADA Interfaces	2016	9,726	8,357	1,369	1.10	9,726	1,369
201659002	OmniSite Alarm System	2016	9,761	6,543	3,218	1.10	9,761	3,218
2017590001	2015 GMC SIERRA K2500 EXT CAB	2016	35,000	34,234	766	1.10	35,000	766
2017590002	2016 FORD F250	2016	32,031	31,431	601	1.10	32,031	601
2017590003	2007 FORD F750 2000GALLON WATER TRUCK	2016	35,904	20,798	15,106	1.10	35,904	15,106
2018590001	2017 Ford Escape - Wastewater	2017	24,989	23,278	1,711	1.07	24,989	1,711
2018590002	Caterpillar C18 PGAM 600KW Generator for WWTP	2017	169,244	71,408	97,836	1.07	169,244	97,836
2018590005	Caterpillar C7.1PGABR 125KW Generator	2018	42,799	14,521	28,278	1.04	42,799	28,278
2018590009	Caterpillar Skidsteer Model 226D	2018	38,947	13,054	25,893	1.04	38,947	25,893
221048	2006 Dodge Dakota	2006	20,171	20,171	0	1.50	20,171	0
597713	PLANT MACHINERY AND EQUIPMENT	1993	4,546	4,546	0	2.23	4,546	0
597810	PLANT MACHINERY/EQUIPMENT	1992	3,194,046	3,194,046	0	2.33	3,194,046	0
597820	WALLACE TRI-ADJUSTABLE GANTRY	1994	5,056	5,056	0	2.15	5,056	0
597824	ELECTRIC HOIST	1994	2,505	2,505	0	2.15	2,505	0
597866	CALL OUT SYSTEM - RACO VERBATI	1994	4,450	4,450	0	2.15	4,450	0
598002	HOIST	1994	3,522	3,522	0	2.15	3,522	0
598026	586 SOUNDPRO/DOCKING STATION	1995	2,600	2,600	0	2.13	2,600	0
598039	JOHN DEERE TRACTOR	1995	25,925	25,925	0	2.13	25,925	0
598042	SEWER - AS BUILT	1997	14,880	14,880	0	2.00	14,880	0
598045	BAND SAW/HOIST/PRESS	1996	2,688	2,688	0	2.07	2,688	0
598046	BURCH LIFT DISC. HARROW	1996	2,753	2,753	0	2.07	2,753	0
598051	2 TON CHAIN HOIST	1998	5,200	5,200	0	1.96	5,200	0
598052	FAIRBANK IMPELLERS	1998	4,471	4,471	0	1.96	4,471	0
598056	POTABLE WATER PUMP	1998	5,547	5,547	0	1.96	5,547	0
598063	EFFLUENT PUMP	2000	7,837	7,837	0	1.87	7,837	0

Sedona
Sewer Capacity Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
598065	DIGITAL IMAGERY AERIAL MAPPING	2001	2,500	2,500	0	1.83	2,500	0
598068	IP TELEPHONY SYSTEM	2001	30,810	30,810	0	1.83	30,810	0
598069	CITYVIEW LICENSES	2000	6,487	6,487	0	1.87	6,487	0
598073	PLAN/SPECS WORK STATION	2002	5,137	5,137	0	1.78	5,137	0
598078	FLYGT SUBMERSIBLE PUMPS AND CONT	2002	17,220	17,220	0	1.78	17,220	0
598081	2 FAIRBANKS MORSE SUB PUMPS	2002	21,592	21,592	0	1.78	21,592	0
598084	CENTRIFUGAL PUMP - REPLACEMENT	2003	6,952	6,952	0	1.74	6,952	0
598085	FAIRBANKS-MORSE PUMP REBUILD	2003	3,497	3,497	0	1.74	3,497	0
598203	CONDENSING UNIT BREWER ROAD	2003	3,440	3,440	0	1.74	3,440	0
598204	CONDENSING UNIT EL CAMINO PS	2004	2,485	2,485	0	1.63	2,485	0
598205	GRINDER PUMP-FOOTHILLS SOUTH	2003	3,271	3,271	0	1.74	3,271	0
598206	POLYMER PUMP FOR CENTRIFUGE	2004	8,478	8,478	0	1.63	8,478	0
598214	WW Sewer Line Inspec Camera	2006	8,267	8,267	0	1.50	8,267	0
598215	WW Submersible Pump FY 05-06	2005	6,418	6,418	0	1.56	6,418	0
598216	WW Jet Rodder FY 2005-06	2005	37,814	37,814	0	1.56	37,814	0
598217	Centrifugal Trash Pump FY05-06	2005	3,918	3,918	0	1.56	3,918	0
598218	Trails End Subm. Pump 05-06	2006	19,350	19,350	0	1.50	19,350	0
598224	Canon CR-180 Document Scanner	2006	20,800	20,800	0	1.50	20,800	0
598225	5 Fairbanks Morse Pump	2006	31,098	31,098	0	1.50	31,098	0
598226	Vac-Con Vacuum Truck	2007	290,104	290,104	0	1.46	290,104	0
598229	Wells Cargo Road Force Trailer	2006	7,510	7,510	0	1.50	7,510	0
598230	WW Confined Space Equipment	2007	32,478	32,478	0	1.46	32,478	0
598231	WW Aerial Mapping FY 06/07	2007	95,750	95,750	0	1.46	95,750	0
598232	WW Computer Hardware FY 06/07	2007	3,433	3,433	0	1.46	3,433	0
598233	2008 FORD RANGER SUPERCAB	2007	16,161	16,161	0	1.46	16,161	0
598236	2008 BOBCAT UTILITY VEHICLE	2007	14,306	14,306	0	1.46	14,306	0
598239	RAS Pump	2007	15,264	15,264	0	1.46	15,264	0
598240	SUBMERSIBLE SEWAGE PUMP-FLYGT	2008	11,456	11,456	0	1.40	11,456	0
598243	2008 FORD ESCAPE	2008	18,468	18,468	0	1.40	18,468	0
598244	SUBMERSIBLE SEWAGE PUMP-FLYGT	2008	4,471	4,471	0	1.40	4,471	0
598245	WAS Actuator AND Valve	2008	8,917	8,917	0	1.40	8,917	0
598246	WEIRWASHER SPRAY SYSTEM	2008	33,596	33,596	0	1.40	33,596	0
598247	UTILITY TRACTOR 5625 W/ LOADER	2008	44,291	44,291	0	1.40	44,291	0
598248	2009 JEEP WRANGLER	2008	31,239	31,239	0	1.40	31,239	0
598258	Kaman Infrared Camera WWTP	2010	5,428	5,428	0	1.32	5,428	0
598259	WWTP REPLACEMENT MIXER	2010	13,900	13,900	0	1.32	13,900	0
598260	WWTP REPLACEMENT MIXER #2	2010	14,250	14,250	0	1.32	14,250	0
598261	SUBMERSIBLE SEWAGE PUMP	2009	12,500	12,500	0	1.36	12,500	0
598262	COMPRESSOR A/C UNIT WWTP	2010	7,304	7,304	0	1.32	7,304	0
598263	2010 FORD F250 COLLECT. VEH	2010	30,975	30,975	0	1.32	30,975	0
598269	Sampler - SD900 AWRS 2.5 Galln	2010	6,207	6,207	0	1.32	6,207	0
598270	Sludge Pump - Gorman Rupp	2011	9,986	9,986	0	1.28	9,986	0
598272	Mixer - WWTP	2011	14,200	14,200	0	1.28	14,200	0
	2019 Ford F-250 Wastewater	2019	29,170	5,994	23,176	1.02	29,170	23,176
	Ford Transit CCTV	2020	252,529	32,287	220,243	1.00	252,529	220,243
	Mystic LS Caterpillar Generator	2019	61,225	9,953	51,272	1.02	61,225	51,272
	WW Air Burner T24	2019	63,931	5,751	58,180	1.02	63,931	58,180
	WW Truxor Cattail Cutter	2019	108,490	15,654	92,836	1.02	108,490	92,836
	WW VCam6 camera system	2019	10,513	1,574	8,938	1.02	10,513	8,938
	WWTP 800A Transfer Switch	2020	12,551	178	12,373	1.00	12,551	12,373
	DRI FLIR SYSTEMS - Flir Camera One-time	2019	6,974	1,647	5,328	1.02	6,974	5,328
	HPC 2500 Amp Breaker	2019	11,850	1,991	9,859	1.02	11,850	9,859
	WILO Basin mixer frame & equipment	2019	15,017	2,530	12,487	1.02	15,017	12,487
	WW - Replace FLYGT Pumps	2019	27,777	5,378	22,399	1.02	27,777	22,399
	WW AV Flow Meter	2019	6,387	1,318	5,069	1.02	6,387	5,069
	Flygt Pump for Painted Cliffs	2019	10,510	1,277	9,234	1.02	10,510	9,234
	VacCon Truck Hydrostatic Pump Replacement	2019	7,694	913	6,781	1.02	7,694	6,781
	John Deer Gator	2018	18,136	10,418	7,718	1.04	18,136	7,718
598278	Turbidity Analyzer	2012	4,691	4,691	0	1.25	4,691	0
			<u>\$142,535,112</u>	<u>\$52,601,880</u>	<u>\$89,933,232</u>		<u>\$223,916,633</u>	<u>\$171,314,754</u>

Sedona
 Sewer Capacity Fee Model
 Summary of System Assets

Item	Replacement Cost New Less Depreciation (RCNLD)
Assets	
Fixed Assets	\$171,314,754

Total Assets	171,314,754
Add: Borrowing Costs (Growth)	0
Less: Principle (Non-Growth)	13,300,000

Net System Value	\$158,014,754

Sedona
 Sewer Capacity Fee Model
 Capacity Fee Calculation - Buy-In

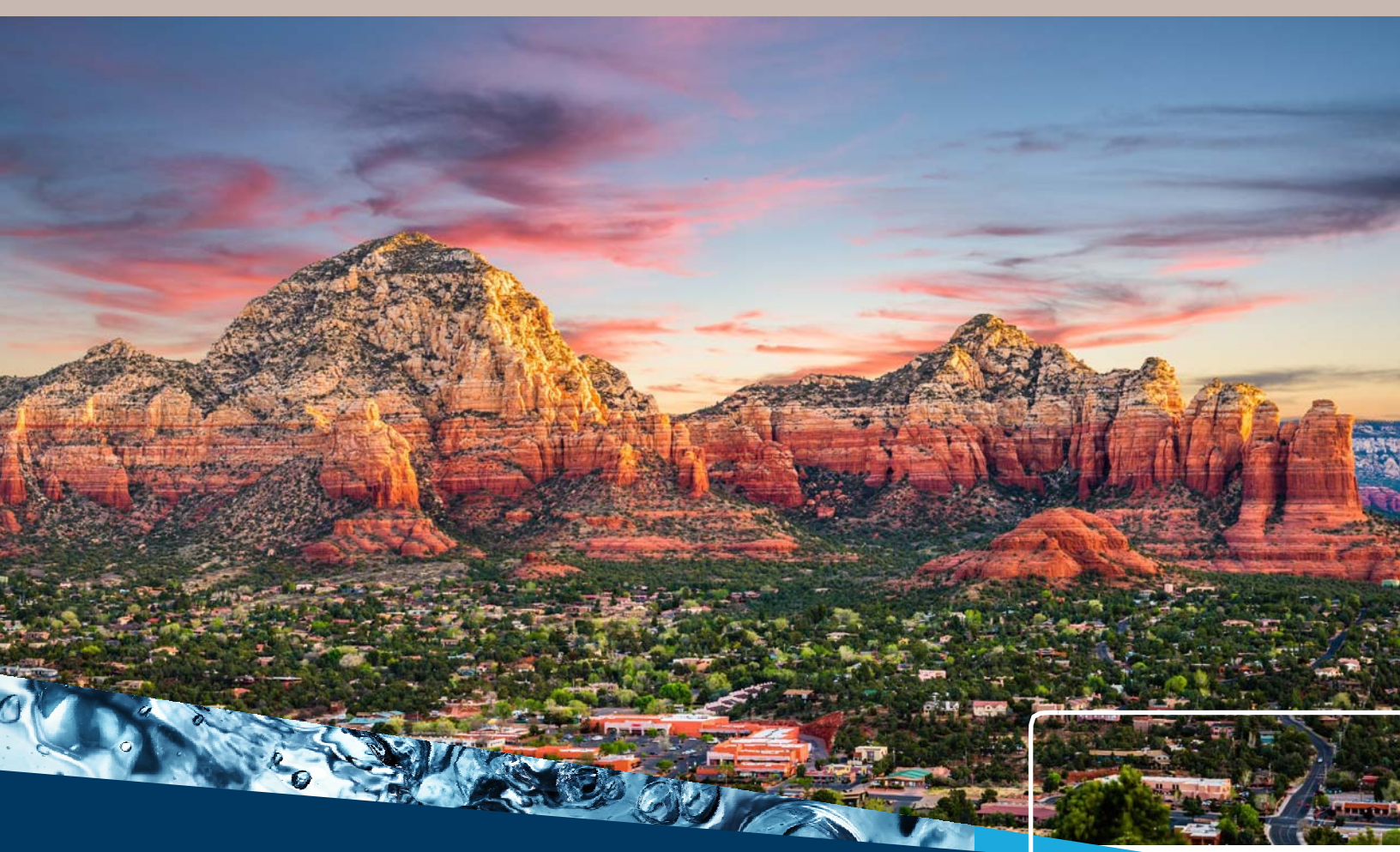
Description	Original Cost	Original Cost Less Depreciation	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
Fixed Assets				
Land	\$11,211,112	\$11,209,526	\$11,211,112	\$11,209,526
Sewer Infrastructure	116,134,895	72,556,487	192,708,370	149,129,961
Buildings	9,261,799	5,417,008	14,069,846	10,225,055
Equipment and Vehicles	5,927,306	750,211	5,927,306	750,211
Total Fixed Assets	142,535,112	89,933,232	223,916,633	171,314,754
Net Debt Service (add growth interest, less non-growth principle)	(13,300,000)	(13,300,000)	(13,300,000)	(13,300,000)
Total Assets	129,235,112	76,633,232	210,616,633	158,014,754
Number of SFU's	9,536	9,536	9,536	9,536
Proposed Capacity Fee per SFU	\$13,553	\$8,037	\$22,088	\$16,571
Current Capacity Fee per SFU	\$10,634	\$10,634	\$10,634	\$10,634
Change	\$2,919	(\$2,597)	\$11,454	\$5,937

Total Capacity	1,600,000
Average Sewer Flows per Single Family Unit (gpd)	<u>167.79</u>
Total SFUs	9,536
Fee per SFU	\$16,571
Supply Fixture Units per SFU	<u>22.70</u>
Fee per Supply Fixture Unit	\$730.01

Single Family Only	
Arizona Water Flows (gallons)	258,226,800
Oak Creek Residential Flows (gallons)	26,744,156
Total Annual Flows (gallons)	<u>284,970,956</u>
Gallons per Day	780,742
Arizona Water Accounts	4,085
Oak Creek Accounts	568
Total Accounts	<u>4,653</u>
Gallons per Account per Day	167.79

City of Sedona
Projected Capacity Fee Results
 Fiscal Years 2022 - 2029

Line No.	Description	2022	2023	2024	2025	2026	2027	2028	2029
<u>Sources of Funds</u>									
1	<u>Beginning-of-Year Cash</u>	\$1,597,355	\$2,265,841	\$3,008,311	\$3,795,066	\$4,602,198	\$5,246,266	\$4,153,090	\$2,349,695
<u>Total Revenues</u>									
2	Capacity Fees	\$728,486	\$742,469	\$786,755	\$807,132	\$828,037	\$849,483	\$871,485	\$894,056
3	Total Total Revenues	728,486	742,469	786,755	807,132	828,037	849,483	871,485	894,056
<u>Non-Operating Expenses</u>									
4	Capital Improvements	60,000	-	-	-	170,385	1,799,209	2,477,360	1,532,688
5	Existing Debt Service	-	-	-	-	-	-	-	-
6	New Debt Service	-	-	-	-	-	-	-	-
7	Total Non-Operating Expenses	60,000	0	0	0	170,385	1,799,209	2,477,360	1,532,688
8	Net Cashflow	668,486	742,469	786,755	807,132	644,068	(1,093,176)	(1,803,395)	(760,833)
9	<u>End-of-Year Cash</u>	\$2,265,841	\$3,008,311	\$3,795,066	\$4,602,198	\$5,246,266	\$4,153,090	\$2,349,695	\$1,588,862



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*CITY OF
SEDONA, ARIZONA*

WASTEWATER CAPACITY FEE STUDY BRIEFING

Presented by **Kevin Burnett**
Pat Walker



PRESENTATION CONTENTS

- Introduction
- Review purpose of study
- Overview of capacity fees
- Fee calculation components
- Proposed capacity fees
- Next steps



PURPOSE OF THE CAPACITY FEE STUDY

- Update City's water and sewer capacity fees to:
 - Recognize the impact new development places on the system
 - Ensure growth is paying it's proportionate share of costs
 - Provide funding for ongoing growth-related costs

Capacity Fees

- One-time payments
- Reflect the demands and costs created by new development for utility capacity
- Will be used to fund outstanding debt service and applicable infrastructure capacity that will benefit new development as well as make system overall more robust
- Must be a rational nexus between the amount of the fee and the cost to serve new development
- Policy; Growth pays for Growth

CAPACITY FEE REVISIONS

Based on direction from Council and further discussion with Staff, the capacity fee approach has been revised

- Current approach assesses fees based on development type
- Previously presented fees based on meter size and square footage

CAPACITY FEE REVISIONS

- Proposed was developed based on use for an average single family home
 - The fee for a single family unit was further subdivided into a cost per Supply Fixture Unit (SFU) based on number of SFUs for and average single family home
 - SFU ranges were developed in recognition of the capacity needs of various home sizes in Sedona

FEE CALCULATION

- Buy-In Approach:
 - Fee is based on cost of value of existing sewer system and the system's capacity

SYSTEM VALUATION

- Identified original cost of fixed assets and determined their replacement cost
 - Subtracted accumulated depreciation from replacement cost
- Included growth related fund balances that have been accrued over time
- Subtracted debt principal to be paid through rate revenue in the future

SYSTEM VALUATION

Component	Value
Asset Valuation	\$223,616,633
Less: Accumulated Depreciation	52,601,880
Less: Rate Related Debt Service (principal)	<u>13,300,000</u>
Current System Value	\$158,014,754

UNITS TO BE SERVED

- Based on use per single family unit (SFU)
 - Average flows per average residential customer is 167.79 gpd
 - 167.79 gpd = 1 SFU

UNITS TO BE SERVED

Metric	Capacity
Capacity (gpd)	1,600,000
Use per SFU (gpd)	<u>167.79</u>
SFUs to be Served	9,536

FEE CALCULATION

Component	Metric
System Value	\$158,014,754
Units to be Served	<u>9,536</u>
Fee per SFU	\$16,571
Typical Supply Fixture Units per SFU	<u>22.70</u>
Fee per Supply Fixture Unit	\$730.01

CAPACITY FEES

	Fee
Current	Varies by Development Type ⁽¹⁾
0 – 8 SFUs	\$4,088
8.1 – 17 SFUs	10,461
17.1 – 29 SFUs	18,565
29.1 – 42 SFUs	27,835
42.1 – 55 SFUs	37,326
> 55 SFUs (per SFU)	730.01

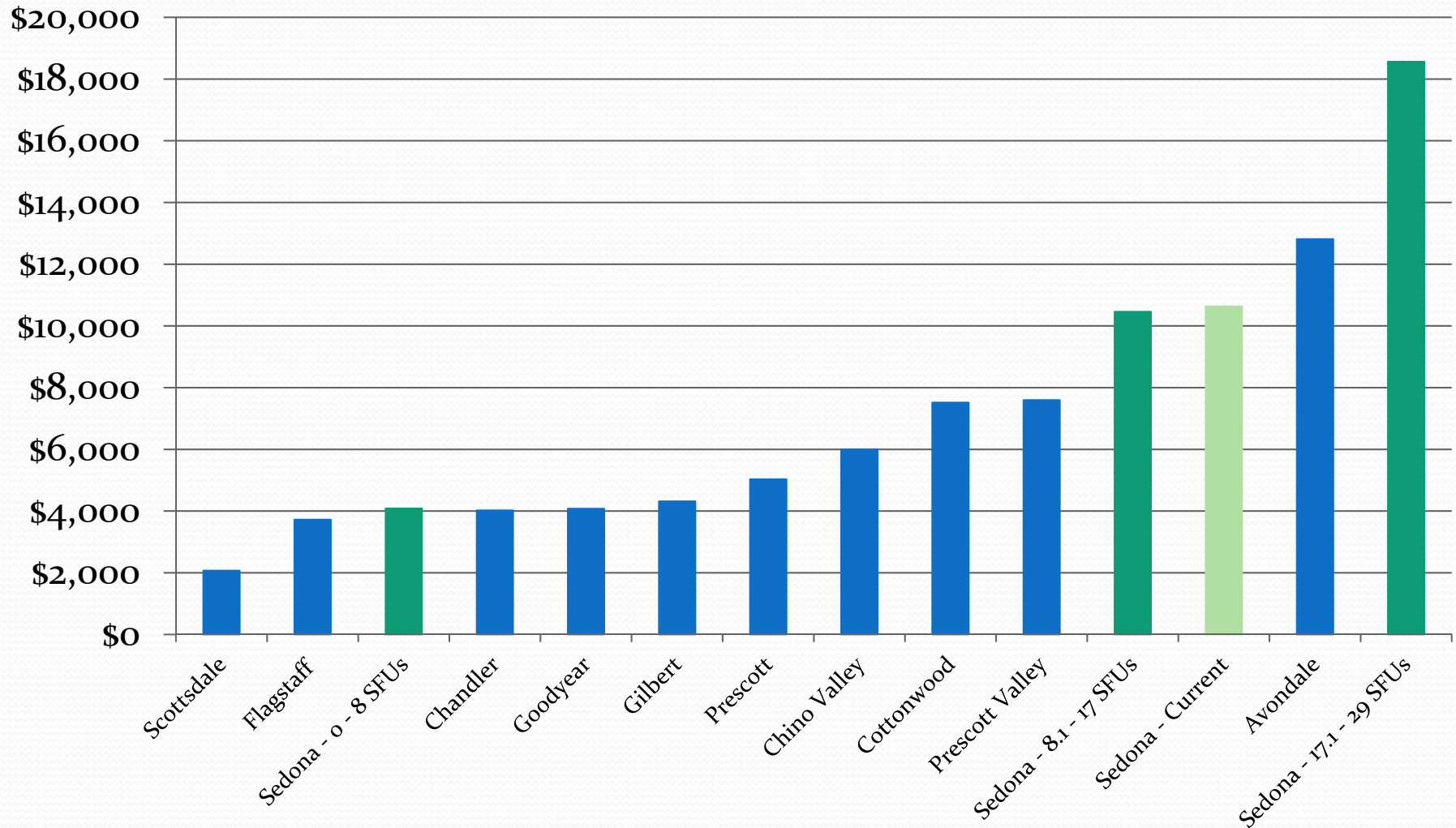
(1) Current residential fee is \$10,634



POSSIBLE REASONS FOR DIFFERENCES IN DEVELOPMENT/CAPACITY FEES

- Persons per household and water use
- Lot size
- Age of system
- Changes in elevation
- Treatment standards/methods
- Area (acres) covered by the system
- Subsidization through rates or other revenue sources

Comparison of Capacity Fees (1-inch Meter)



QUESTIONS & DISCUSSION

**CITY OF SEDONA ARIZONA
NOTICE OF PUBLIC HEARING**

**NOTICE OF INTENTION TO INCREASE WASTEWATER RATES
FOR CAPACITY FEES**

Pursuant to A.R.S. § 38-431.02 and A.R.S. § 9-511.01, notice is hereby given to the general public that the Mayor and Council of the City of Sedona will hold a **Public Hearing on July 27, 2021 at 4:30 p.m.** at City Hall, Council Chambers, 102 Roadrunner Drive, Sedona Arizona to seek public comment regarding the intent to increase wastewater rates for capacity fees. At the hearing, the City will accept verbal and written comments concerning the proposed wastewater rate increase. A Sewer Capacity Fee Study Report (Report), including documentation supporting the modification, has been prepared by Willdan Financial Services. The Report is on file with the Sedona City Clerk and is available on the City's website by clicking [City of Sedona 2021 Sewer Capacity Fee Study](#).

/s/ Susan L. Irvine, to be published on or before July 7, 2021

Susan L. Irvine, CMC, City Clerk



**CITY COUNCIL
AGENDA BILL**

**AB 2683
May 25, 2021
Regular Business**

Agenda Item: 8c
Proposed Action & Subject: Discussion/possible action regarding the use of FY21 Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) contract contingency funds in the approximate amount of \$296,000 to pay off the real property owned by the SCC&TB at 401 Jordan Road, SCC&TB's transfer of ownership of the property to the City, and authorization of a budget transfer from contingency.

Department	City Manager
Time to Present	15 minutes
Total Time for Item	30 minutes
Other Council Meetings	April 28, 2021
Exhibits	A. 2017 Memorandum of Understanding

City Attorney Approval	Reviewed 5-17-21 KWC	Expenditure Required	
		\$	296,000
City Manager's Recommendation	Approve the use of contingency funds to allow the Chamber to pay off the property and transfer ownership to the City.	Amount Budgeted	
		\$	544,440
		Account No. (Description)	10-5246-01-6761 (Spendable Contingencies)
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: During the April 28th budget planning work session with the SCC&TB, the issue of using unspent FY21 contingency funds to pay off the property and transferring its ownership to the City was discussed, and Council directed staff to agendize that for action.

When the 401 Jordan Road property was purchased by the SCC&TB in 2017, the City and the SCC&TB entered into a Memorandum of Understanding (MOU) (Exhibit A) that included the following terms:

- Upon notice by the City to SCC&TB of the City's intent to receive conveyance of the real property located at 401 Jordan Road, regardless of whether said real property remains encumbered by the security interest of any mortgagor, SCC&TB shall convey its then current interest in the property to the City, conditioned upon the City's satisfaction of any

outstanding indebtedness or security interest owing to any mortgagor or other interested party in the property.

- At such time as SCC&TB realizes ownership of the property free and clear of any mortgage or other security interest encumbering the property, SCC&TB shall notify the City of SCC&TB's intent to transfer ownership in fee simple of the property to the City. The City shall have the option to accept conveyance of the property or to reject ownership in favor of continued ownership and possession of the property by SCC&TB.

Because \$544,440 of contingency funds remains unspent from the FY21 contract, a portion of these funds could be repurposed to pay off the Jordan Road property, and the City could exercise its right to take ownership. The payoff amount is approximately \$296,000.

The future use of the site is currently unknown, but any deviations from the current use as a public parking lot would be brought forward for City Council and community consideration.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): N/A

MOTION

Motion #1

I move to: approve the use of unspent Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) FY21 contract contingency funds, in the approximate amount of \$296,000, to pay off the real property owned by the SCC&TB at 401 Jordan Road, and to execute the necessary legal documents to transfer ownership from SCC&TB to the City of Sedona.

Motion #2

I move to: approve a budget transfer of \$296,000 from the contingency account to the Tourism Management & Development program in the City Manager's Office budget.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("Agreement") is hereby made by and between the CITY OF SEDONA, a municipal corporation, ("City"), and the Sedona Chamber of Commerce and Tourism Bureau ("SCC&TB").

WITNESSETH

WHEREAS, City and SCC&TB have entered into a Tourism Promotion & Visitor Services Agreement to partner in destination marketing and tourism product development activities; and

WHEREAS, SCC&TB annually develops a Destination Marketing and Development Plan for approval by the Sedona City Council; and

WHEREAS, the Destination Marketing and Development Plan considers initiatives to enhance existing products, identify new areas of development focus that would address future opportunities, identify a range of potential options for product development, and recommend product development programs; and

WHEREAS, SCC&TB works cooperatively with City staff in reviewing and preparing a final list of product development recommendations for each fiscal year; and

WHEREAS, SCC&TB has identified an opportunity for the acquisition of a certain parcel of real property within the City of Sedona at 401 Jordan Road that has various potential uses related to product development; and

WHEREAS, SCC&TB and the City desire to jointly identify, through the annual preparation of product development recommendations, the best and most efficient use of the 401 Jordan Road property; and

WHEREAS, the City desires to have the option of acquiring the 401 Jordan Road property by donation from SCC&TB at such time as SCC&TB possesses fee simple title to said property; and

WHEREAS, City and SCC&TB have determined that it is in their mutual interest for the 401 Jordan Road property to be acquired by SCC&TB; and

WHEREAS, SCC&TB desires to convey by donation the 401 Jordan Road property in fee simple to the City upon City's request;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, the parties agree as follows:

1. Scope of Agreement

- A. SCC&TB shall be responsible for acquiring the real property located at 401 Jordan Road and, upon acquisition, shall hold said real property for the mutual benefit of SCC&TB and the City.
- B. Upon notice by the City to SCC&TB of the City's intent to receive conveyance of the real property located at 401 Jordan Road, regardless of whether said real property remains encumbered by the security interest of any mortgagor, SCC&TB shall convey its then current interest in the property to the City, conditioned upon the City's satisfaction or assumption of any outstanding indebtedness or security interest owing to any mortgagor or other interested party in the property.
- C. At such time as SCC&TB realizes ownership of the property free and clear of any mortgage or other security interest encumbering the property, SCC&TB shall notify the City of SCC&TB's readiness to transfer ownership in fee simple of the property to the City. The City shall have the option to accept conveyance of the property or to reject ownership in favor of continued ownership and possession of the property by SCC&TB.
- D. While the property is in the exclusive possession and control of SCC&TB, and until the property is properly conveyed to City pursuant to City's notice as provided in this Agreement, SCC&TB shall have the right and authority, to make any and all use of the property that SCC&TB deems appropriate so long as said use is consistent with the Destination Marketing and Development Plan approved by the Sedona City Council.
- E. Any and all revenues generated by SCC&TB by virtue of the use of the property shall be used exclusively for the reduction of indebtedness on any mortgage or other lending instrument encumbering the property until such time as said encumbrance is satisfied.
- F. SCC&TB shall at all times during the term of this Agreement assume sole responsibility for the cost of routine maintenance and upkeep of the property, subject to coordination and scheduling by mutual agreement of the parties.

2. Hold Harmless. Neither the City nor any officer or employee thereof is responsible for any damage or liability occurring by reason of any negligent act or omission committed by the employees or agents of SCC&TB acting within the scope of their employment under or in connection with any work, authority or jurisdiction delegated to SCC&TB under this Agreement. Neither SCC&TB nor

any officer or employee thereof is responsible for any damage or liability occurring by reason of any negligent act or omission committed by the employees of the City acting within the scope of their employment under or in connection with any work, authority or jurisdiction delegated to the City under this Agreement.

3. **Term.** This Agreement shall remain in full force and effect until such time as the financial obligations created as a result of the financing for the benefit of SCC&TB have been fully and finally satisfied.
4. **Governing Laws.** This Agreement shall be deemed to be made under, shall be construed in accordance with and shall be governed by the internal, substantive laws of the State of Arizona.
5. **Severability.** If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement, and this Agreement shall otherwise remain in full force and effect.
6. **Termination.** This Agreement may be terminated at any time by City's receipt of a conveyance in fee simple of the property by SCC&TB. If at any time prior to the conveyance of the property in fee simple from SCC&TB to City the property ceases to be used by SCC&TB for the purposes described herein and in the Destination Marketing and Development Plans approved by the Sedona City Council, City shall have the right to cancel this Agreement upon notice to SCC&TB and the failure of SCC&TB to timely cure.
7. **Notices.** All notices or demand upon any party to this Agreement shall be in writing and all shall be delivered in person or sent by mail addressed as follows:

SCC&TB
Jennifer Wesselhoff
331 Forrest Rd.
Sedona, Arizona 86336

City of Sedona
Karen Osburn
102 Roadrunner Dr.
Sedona, Arizona 86336

8. **Entire Agreement.** This Agreement contains the entire agreement between the parties, and no oral or written statements, promises, or inducements made by either Party or its agents not contained or specifically referred to in this Agreement are valid or binding. All modifications to this Agreement must be in writing, signed, and endorsed by the parties.
9. **Attorney's Fees.** If either party brings an action or proceeding for failure to observe any of the terms or provisions of this Agreement, the prevailing party is entitled to reasonable attorney fees and costs pursuant to A.R.S. § 12-341.01.
10. **Miscellaneous.** The captions and paragraph headings used in this Agreement are for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement. When used herein, the terms "include" or "including" shall mean without limitation by reason of the enumeration.

All grammatical usage herein shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require. The term "person" shall include an individual, corporation, partnership, trust, estate, or any other entity. If the last day of any time period stated herein shall fall on a Saturday, Sunday, or legal holiday in the State of Arizona, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday, or legal holiday in the State of Arizona.

IN WITNESS WHEREOF, the governing body of each Party hereto has approved and executed this Agreement in accordance with governing law.

CITY OF SEDONA

By: 
Sandra J. Moriarty, Mayor

Date 7/18/17, 2017

ATTEST:


for Susan L. Irvine, CMC, City Clerk

SEDONA CHAMBER OF COMMERCE AND TOURISM BUREAU

By: 
Jennifer Wesselhoff, President

Date 7.17.17, 2017



**CITY COUNCIL
AGENDA BILL**

**AB 2685
May 25, 2021
Regular Business**

Agenda Item: 8d

Proposed Action & Subject: Discussion/possible action regarding approval of a Parking Agreement and Residential Lease Agreement between the City of Sedona and Arizona Safari Jeep Tours, LLC.

Department	Public Works
Time to Present	10 Minutes
Total Time for Item	30 Minutes
Other Council Meetings	N/A
Exhibits	A. Site Map B. Parking Access & Indemnity Agreement (Parking Agreement) C. Residential Lease Agreement

City Attorney Approval	Reviewed 5-17-21 KWC	Expenditure Required	
		\$	0
City Manager's Recommendation	Approve the Parking and Residential Lease Agreements.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: The City acquired the parcels located at 65 and 121 Brewer Road and 215 W SR 89A in 2020. These parcels are anticipated to be used for transit improvements in the future. However, there is not a use expected for the parcels for the next few years.

The Parking Agreement is for the City owned properties located at 215 W SR 89A, 65 Brewer Road, and 121 Brewer Road (parking on the parcel at 215 W SR 89A, and access through the other parcels). Currently there is a need for parking in the area around the Y-Intersection, including at the Safari Gas Station. Arizona Safari Jeep Tours, LLC (Safari) is in the process of acquiring permanent long-term parking to address their need. This Parking Agreement will allow Safari to utilize the City owned parcel for parking in the short-term for \$500 per month through December 31, 2021, and possibly longer on a month-to-month basis. This rate exceeds parking rates paid by the City in other areas near Uptown. In the City's other parking lease agreements, the City pays an average of \$123 per space per year. Based on an estimate

of 30 vehicles using this parking, this equates to a payment to the City of \$200 per vehicle per year.

The Parking Agreement allows parking to occur on the parcel located at 215 W SR 89A, shown below.



Area Proposed for Parking

The Residential Lease Agreement is for the residence located on the 65 Brewer Road parcel, shown below.



South side of Residence



East side of Residence

Safari requested a lease for the residence as well to provide housing for their staff currently commuting from Flagstaff. This is not a long-term housing solution, it is a short-term agreement due to the need to maintain the City's ability to utilize the property, when necessary. The residential lease rate will be \$1,500 per month through December 31, 2021 and possibly longer on a month-to-month basis. Based on the 2020 HUD Incomes and Affordable Housing Cost by Family Size for Coconino County, the rents for a two bedroom unit at 80% AMI would be \$1,354 and the rent at 100% AMI would be \$1,693.

2020 HUD Incomes & Affordable Housing Cost By Family Size								
Coconino County Area Median Income (AMI):								
Coconino County Area Median Income (AMI):				\$75,200				
% AMI	Persons in Family							
	1	2	3	4	5	6	7	8
Income								
120%	\$63,240	\$72,240	\$81,240	\$90,240	\$97,520	\$104,720	\$111,920	\$119,120
100%	\$52,700	\$60,200	\$67,700	\$75,200	\$81,260	\$87,260	\$93,270	\$99,270
80%	\$42,150	\$48,150	\$54,150	\$60,150	\$65,000	\$69,800	\$74,600	\$79,400
60%	\$31,620	\$36,120	\$40,620	\$45,120	\$48,780	\$52,380	\$55,980	\$59,580
Maximum Affordable Housing Cost								
Persons/Room	1	1.5	3	4.5	6	7.5		
Unit Size	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm		
120%	\$1,581	\$1,694	\$2,031	\$2,347	\$2,618	\$2,888		
100%	\$1,318	\$1,411	\$1,693	\$1,956	\$2,182	\$2,407		
80%	\$1,054	\$1,129	\$1,354	\$1,564	\$1,745	\$1,925		
60%	\$790	\$846	\$1,015	\$1,173	\$1,309	\$1,444		
Source: HUD 2020								

These proposed uses for the property are short-term to avoid conflict with other uses for the property, which may arise. It is anticipated that, if an alternate use is identified, it would take time to develop. The initial lease term is set to expire December 31, 2021, so the tenant will have a set amount of time before the agreement would be month-to-month.

Community Plan Consistent: Yes - No - Not Applicable

- Housing: Need for greater housing diversity and affordability.
- Parking: Need to improve parking availability and wayfinding throughout Sedona.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Not approving the lease agreements would result in the properties being vacant with no use, until a use can be developed.

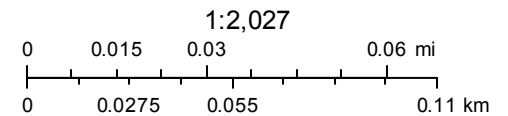
MOTION

I move to: approve the Parking and Residential Lease Agreements allowing Safari to utilize 215 W SR 89A, and 65 and 121 Brewer Road on a short-term basis as specified in the agreements, subject to approval by the City Attorney.



May 5, 2021

- OAK CREEK
- COUNTY LINE
- Street Centerline
- PARCEL BOUNDARY



PARKING ACCESS AND INDEMNITY AGREEMENT

This Access and Indemnity Agreement (hereinafter “Agreement”) is made by and between Arizona Safari Jeep Tours, LLC, an Arizona limited liability company, authorized to do business in Arizona, (“User”) and the City of Sedona, an Arizona municipal corporation (hereinafter “City”) and their respective employees, consultants, contractors, agents, assigns and successors in interest, and is effective this _____ day of May 2021.

WHEREAS, City currently owns the following real property in Sedona, Arizona: 215 W. SR89A (APN 401-38-001L), 65 Brewer Road (APN 401-38-002B), and 121 Brewer Road (APN 401-38-013G) as shown on **Exhibit I**;

WHEREAS, User has requested access to the Property so it can undertake certain parking activities on the Property and the City has agreed to grant access to its Property in accordance with the terms and conditions of this Agreement;

THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, and with the intent to be legally bound, User and City hereby covenant and agree as follows:

DEFINITIONS

As used in this Agreement, the following terms shall have the meaning set forth below:

- a) **“Parking”** means any activities to be performed by User or on User’s behalf that may change, alter, minimize exacerbate, or otherwise affect any physical condition, including any Environmental Condition, on the Property and adjacent right-of-way as it existed on the Effective Date of this Agreement. **“Parking”** includes driving across the Property, using the Property as a point of entry, parking on the property, or any other action or use related to User’s use of the property. Parking must be at the location shown on **Exhibit II**.

TERMS AND CONDITIONS

1. User hereby expressly agrees to comply, and to ensure that its contractor(s) and subcontractor(s) comply, with all environmental laws, traffic regulations, fire, building and safety codes while accessing the City’s Property.

2. User shall follow standard industry practices for assuring sufficient clearance of all utilities, lines and other structures while accessing the Property. City understands that User’s access and use of the Property may, among other things, disturb vegetation and soil on the Property. User agrees to only park in the area indicated on the Exhibit II Site Plan. Upon conclusion of this Agreement, User shall restore any disturbed land on the Property and adjacent right-of-way to substantially the same condition as existed prior to User’s Parking. Such restoration shall include restoring any feature of the Property and adjacent right-of-way, including

any pavement, asphalt, concrete, soil, vegetation, utility, line, structure or other permanent fixture to its preexisting condition at User's sole expense. All restoration work shall be conducted according to standard industry practices.

3. User shall be solely responsible for properly disposing of all excavated or waste materials generated by its Parking, including any materials that may have been discharged from its excavation or construction equipment or vehicles.

5. Regarding erosion prevention:

All Parking must be completed in a manner that minimizes pollutants in the discharges to the storm drainage system, including effectively stabilizing the site after completion of construction.

6. City shall not be responsible, and makes no warranties or representations about the security for, any vehicles, equipment, tools and other materials of User that it used, stored, or that otherwise came to be located on the Property or Adjacent Parcel. The safety and responsibility for any vehicles, equipment, tools and other materials used on the Property, or left on the Property at the conclusion of each day, are the sole responsibility of the User.

7. User agrees to procure and maintain, until all of their obligations, including any warranty periods under this Agreement, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the Parking hereunder by User.

The *insurance requirements* herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect the User from liabilities that might arise out of the performance of the work under this Agreement by the User, its agents, representatives, employees, contractors or subcontractors, and User is free to purchase such additional insurance as may be determined necessary.

a. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** User shall provide coverage with limits of liability not less than those stated below:

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability and XCU coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises (if applicable) \$ 100,000
- Each Occurrence \$1,000,000

A. The policy shall be endorsed to include the following additional insured language: *“The City of Sedona, and directors, officers,*

officials, agents and employees (hereinafter referred to as "Indemnitee") *shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the User.*" Such additional insured shall be covered to the full limits of liability purchased by the User, even if those limits of liability are in excess of those required by this Agreement.

- B. Policy shall contain a waiver of subrogation in favor of the **"City of Sedona, and its directors, officers, officials, agents and employees"** for losses arising from work performed by or on behalf of the User.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Agreement.

- Combined Single Limit (CSL) \$1,000,000
 - A. The policy shall be endorsed to include the following additional insured language: *"The City of Sedona, and its directors, officers, officials, agents and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the User, involving automobiles owned, leased, hired or borrowed by the User."* Such additional insured shall be covered to the full limits of liability purchased by the User, even if those limits of liability are in excess of those required by this Agreement.
 - B. Policy shall contain a waiver of subrogation endorsement in favor of the **"City of Sedona, its directors, officers, officials, agents and employees"** for losses arising from work performed by or on behalf of the User.

3. Worker's Compensation and Employers' Liability

- Workers' Compensation Statutory
 - Employers' Liability
- | | |
|-------------------------|-------------|
| Each Accident | \$1,000,000 |
| Disease – Each Employee | \$1,000,000 |
| Disease – Policy Limit | \$1,000,000 |

- A. Policy shall contain a waiver of subrogation endorsement in favor of the **"City of Sedona, its directors, officers, officials, agents and employees"** for losses arising from work performed by or on behalf of the User.

B. This requirement shall not apply to: Separately, EACH User or Contractor exempt under A.R.S. § 23-901, AND when such User or Contractor executes the appropriate waiver (Sole Proprietor/Independent Consultant) form.

- b. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies are to contain, or be endorsed to contain, the following provisions:
1. The User's policies shall stipulate that the insurance afforded the User shall be primary insurance and that any self-insurance, insurance or excess insurance carried by its agents, officials, employees or the City of Sedona shall be excess and not contribute to it.
 2. Coverage provided by the User shall not be limited to the liability assumed under the indemnification provisions of this Agreement.
- c. **NOTICE OF CANCELLATION:** With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this Agreement in the insurance policies above shall require (30) days written notice to the City. Such notice shall be sent directly to the City.
- d. **ACCEPTABILITY OF INSURERS:** User's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The City of Sedona in no way warrants that the above-required minimum insurer rating is sufficient to protect the User from potential insurer insolvency.
- e. **VERIFICATION OF COVERAGE:** User shall furnish the City of Sedona with certificates of insurance (ACORD form or equivalent) as required by this Agreement. The certificates for each insurance policy are to be signed by an authorized representative. All certificates and endorsements are to be received and approved by the City of Sedona before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, is a material breach of this Agreement. All certificates required shall be sent directly to the Department. The City of Sedona project/contract number and project description are to be noted on the certificate of insurance. The City of Sedona reserves the right to require complete copies of all insurance policies required by this Agreement at any time.

- f. APPROVAL: Any modification or variation from the *insurance requirements* in this Agreement shall be made by the contracting agency in consultation with City's Risk Manager. Such action will not require a formal contract amendment but may be made by administrative action.

8. User acknowledges the risks associated with the Parking and agrees that City shall bear no responsibility or liability for any damage, loss, interference or personal injury or death suffered by User, any of its contactor or any other person or third party resulting in whole or in part arising from the acts, omissions or negligence of User or its contractors.

9. User covenants and agrees that to the fullest extent permitted by law, User must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties") for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense" collectively "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or User) and that arises out of actual or alleged bodily injury or personal injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of User or any of User's directors, officers, agents, employees, volunteers or contractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of User to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree.

10. In consideration of the foregoing provisions, City hereby grants User the right to enter and access the Property for the purpose of parking vehicles at the Property.

11. TERM; TERMINATION. The City may immediately terminate User's or any of its contractor's right to enter and access the Property for the failure to comply with any obligations under this Agreement. The grant of the right to enter and access the Property shall commence on May _____, 2021 and shall terminate automatically on December 31, 2021, or upon entering a parking lease with any other entity, whichever comes first. Upon expiration of the initial term or earlier termination of this Agreement, City may at its option continue to allow User access to the Property on a month-to-month basis. Such month-to-month term shall be on the same terms and conditions as set forth in this Lease, except that the month-to-month access may be terminated by either party upon delivery of thirty (30) days written notice to the other party. No such month-to-month access shall exceed six (6) months without the approval of Sedona City Council.

12. Each of the individuals whose signature appears below represents and warrants that he or she has full authority to execute this Agreement on behalf of the party on whose behalf he or she has affixed his or her signature to this Agreement.

13. RENT. User shall pay monthly rent to the City in the amount of \$500.00 per month in advance on or before the first day of each month during the term of this Agreement. Rent, late fees and damage charges can be mailed to or hand-delivered to the City of Sedona Finance Department located at 102 W Roadrunner Rd, Sedona, Arizona 86336. The rent amount is subject to change with written notice to Tenant. If the term shall commence and end on a day other than the first day of a month, the monthly rent for the first and last partial month shall be prorated on a per diem basis.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed below:

USER:

Arizona Safari Jeep Tours, LLC

By: _____

Its: _____

CITY:

CITY OF SEDONA, an ARIZONA
a municipal corporation

By _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

**CITY OF SEDONA
RESIDENTIAL LEASE AGREEMENT**

TENANT NAME: Arizona Safari Jeep Tours, LLC

ADDRESS: 335 Jordan Road, Sedona, Arizona 86336

Parties

1. This Residential Lease Agreement (Lease) is made by and between the City of Sedona (City) and Arizona Safari Jeep Tours, LLC (Tenant).
2. City leases to Tenant, and Tenant leases from the City the Premises upon the conditions herein provided.
3. This Lease is governed by the Arizona Residential Landlord and Tenant Act, Title 33, Chapter 10, Articles 1-5.

For and in consideration of the covenant and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. **Premises.** This Lease will govern the rental of a residential property located at 215 W. State Route 89A (APN 401-38-001L), Sedona, Arizona (the "Premises"). The Premises is to be occupied exclusively as a private residence by the Tenant and Tenant's household members as identified in Section 6 of this Article.
2. **Term.**
 - 2.1 Fixed-Term Lease.
 - a. The term of this Lease shall commence on May _____, 2021, and the termination date shall be on midnight December 31, 2021. Upon expiration of the initial term or earlier termination of this Agreement, City may at its option continue to Lease the Premises to the Tenant on a month-to-month basis. Such month-to-month term shall be on the same terms and conditions as set forth in this Lease, except that the month-to-month tenancy may be terminated by either party upon delivery of thirty (30) days written notice to the other party. No such month-to-month tenancy shall exceed six (6) months without the approval of Sedona City Council.
3. **Rent.**
 - 3.1 Amount. Tenant shall pay to the City \$1,500.00 per month as Rent during the term of this Agreement.
 - a. Rent will be paid in advance or promptly, on or before the first of each month and shall be considered advance payment for that month. Rent, late fees and damage charges can be mailed to or hand-delivered to the City of Sedona Finance Department located at 102 W Roadrunner Road, Sedona, Arizona 86336. The rent amount is subject to change with written notice to Tenant.

- b. Rent will be delinquent after 5:00 p.m. on the fifth business day of the month. A penalty of \$50.00 late fee will be charged on the sixth business day and is due and payable the first day of the next month.
 - c. All payments and credits will be applied in the following order: (1) due and collectible maintenance and other charges; (2) security deposits; and (3) rent. The oldest charge within each category will be paid first. If application of monies received in the order set forth causes delinquency in gross rental amounts due, Tenant will, pursuant to Part 2; Article 4; Section 2.1(a) of this Lease, be subject to Lease termination and eviction.
- 3.2 Payments for rent, fees, or other charges of \$10.00 or greater must be paid by check or money order. Personal checks will not be accepted and rent payments must be paid by money order if a check has been returned to City for non-sufficient funds. Cash payments will be accepted for rent payments under \$10.00.
- 3.3 Charges for partial periods of initial occupancy will be computed on the basis of one-thirtieth (1/30) of the monthly rate for each day in such period. Tenant agrees to pay, when due, any charges arising from Tenant's failure to perform obligations under this Lease, and for any damages to the premises resulting from negligence or misuse by Tenant, Tenant's household members or guests.

4. Security Deposit.

- 4.1 Tenant shall pay the City a security deposit of \$500.00 or one month's rent, whichever is greater.
- 4.2 The security deposit is to be paid immediately upon execution of the Lease.
- 4.3 Security deposits will be held on account by the City accruing no interest, and will be returned to Tenant within fourteen days after termination of tenancy and move-out if all of the following conditions are met:
- a. There is no unpaid rent or other charges for which Tenant is liable under the Lease or as a result of breaching the Lease;
 - b. The Premises and all equipment are left clean, and all trash and debris have been removed by Tenant;
 - c. There is no breakage or damage beyond that expected from normal wear and tear;
 - d. There is no intentional or negligent damages to property caused by Tenant, family members or guests; and
 - e. There was proper notice given under the Lease and all keys issued were returned to the City when Tenant vacated the Premises.
- 4.4 The City will provide Tenant with a written list of any charges made against the security deposit.
- 4.5 If the City is unable to access the entire Premises for a move-out inspection due to any condition caused by Tenant, the City will not release the security deposit until the entire Premises can be inspected for damages. Damages will be calculated by comparing the condition at the pre-occupancy inspection versus the condition of the Premises as surrendered by Tenant. Any change in the condition not considered normal or ordinary wear and tear will be the responsibility of Tenant.

5. **Utilities.** Tenant shall be responsible for payment of any utilities during occupancy. Utilities include but are not limited to water, sewer, refuse collection, electricity, gas or heating oil, telephone, cable TV, or Internet service.

6. **Household Composition.**

6.1 Tenant’s household is composed of the individuals listed below. ALL PERSONS THAT WILL BE LIVING AT THE PREMISES MUST BE LISTED.

6.2 All members of the household over age eighteen (18) must sign the Lease. Signatures on the Lease indicate agreement with all parts of the Lease.

NAME	RELATIONSHIP
1. Andy Kinkel	Tenant
2. Anthony Sanchez	Tenant
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

6.3 Any requests to add persons to the household must be made in writing. Written approval must be received prior to their occupancy. This includes any child or adult who intends to reside in the household. Household members added by natural birth must be reported within ten (10) days of the change in household composition. All additions to the household age sixteen (16) and older will be subject to a criminal background check, which may include fingerprints. Approval is conditional upon results of the background check.

6.4 If Tenant becomes incapacitated or is otherwise incapable of complying with this Lease, the City should contact the following person:

Name: Arizona Safari Jeep Tours, LLC – Dave Swartwout

Address: 335 Jordan Road, Sedona, AZ 86336

Phone Number: (928) 282-3012

Relationship to Tenant: Employer

7. **Use of Premises.**

7.1 The Premises shall be used and occupied by Tenant and Tenant’s household exclusively as a private single-family dwelling, and no part of the Premises shall be used at any time during the term of this Agreement by Tenant for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private single-family dwelling. Tenant shall not allow any other person, other than Tenant's immediate family or transient relatives and friends who are guests of Tenant, to use or occupy the Premises without first obtaining City’s written consent to

such use. Tenant shall comply with any and all laws, ordinances, rules and orders of any and all governmental or quasi-governmental authorities affecting the cleanliness, use, occupancy and preservation of the Premises.

- 7.2 Tenant stipulates, represents and warrants that Tenant has examined the Premises, and that they are at the time of this Lease in good order, repair, and in a safe, clean and tenable condition.
- 7.3 Tenant shall not assign this Agreement or sublet or grant any license to use the Premises or any part thereof without the prior written consent of the City. An assignment, subletting or license without the prior written consent of the City shall be null and void and shall, at the City's option, terminate this Agreement.
- 7.4 Tenant shall make no alterations to the buildings or improvements on the Premises or construct any building or make any other changes on the Premises without the prior written consent of the City.
- 7.5 Tenant shall not keep on the Premises any item of a dangerous, flammable or explosive character that might unreasonably increase the danger of fire or explosion on the Premises or that might be considered hazardous by any responsible insurance company.
- 7.6 Utilities: Tenant shall be responsible for arranging for and paying for all utility services required on the Premises.
- 7.7 Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this Agreement. Without limiting the foregoing, Tenant shall:
 - 7.7.1 Not obstruct the driveways, sidewalks, courts, or entry ways that shall be used for the purposes of ingress and egress only;
 - 7.7.2 Keep all windows, glass, window coverings, doors, locks and hardware in good, clean order and repair;
 - 7.7.3 Not obstruct or cover the windows or doors;
 - 7.7.4 Not leave windows or doors in an open position during any inclement weather;
 - 7.7.5 Keep all air conditioning filters clean and free from dirt;
 - 7.7.6 Keep all lavatories, sinks, toilets and all other water and plumbing apparatus in good order and repair and shall use the same only for the purposes for which they were constructed. Tenant shall not allow any sweepings, rubbish, sand, rags, ashes or other substances to be thrown or deposited therein. Any damage to any such apparatus and the cost of clearing stopped plumbing resulting from misuse shall be born by Tenant;
 - 7.7.7 And Tenant's family and guests shall at all times maintain order in the Premises and at all places on the Premises and shall not make or permit any loud or improper noises, or otherwise disturb neighboring residents.
 - 7.7.8 Deposit all trash, garbage, rubbish, and refuse in a clean and safe manner in locations provided and shall not allow any trash, garbage, rubbish, or refuse to collect, be deposited, or permitted to stand on the Premises.
- 7.8 Tenant is responsible for follow-up to ensure the change was received and is being processed.

8. **Inspections.** City and City's agents shall have the right at all reasonable times during the term of this Agreement to enter the Premises for the purpose of inspecting the Premises and all buildings and improvements thereon. And for the purposes of making any repairs, additions or alterations as may be deemed appropriate by City for the preservation of the Premises or the building.
9. **Surrender of Premises.** Upon the expiration of the term hereof, Tenant shall surrender the Premises in as good a state and condition as they were at the commencement of this Agreement, reasonable use and wear and tear thereof and damages by the elements excepted.
 - 9.1 **Personal Property Disposition.** Immediately upon vacating the Premises for any reason Tenant will be required to remove all personal effects and property from the Premises. The City will in no event be responsible for any personal effects or property of Tenant after Tenant has vacated the Premises. Personal property left for thirty (30) days, after the vacate date will be sold or disposed of by the City, in accordance with the Arizona Landlord Tenant Act, § 33 A.R.S. 1368(E) and/or § 33 A.R.S. 1370(E). Costs for storage and disposal will be assessed against the Tenant. No benefit, monetary or otherwise, will inure to the City because of such disposition.
10. **Insurance.** Tenant agrees to defend and hold the City harmless from any and all loss resulting from active or passive negligence of Tenant, and maintain owner, tenant or renter insurance with minimum limits not less than \$1,000,000 for any one injury, per any one accident, and \$300,000 for property damage.
11. **Indemnification.** City shall not be liable for any damage or injury of or to the Tenant, Tenant's family, guests, invites, agents or employees or to any person entering the Premises or any building, structure or equipment on the Premises, and Tenant hereby agrees to indemnify and hold the City harmless from any and all claims or assertions of every kind and nature.
12. **Termination by the City**
 - 12.1 The City will not terminate the Lease other than for violations of material terms of the Lease which include, but are not limited to, the following:
 - a. Failure to make rent or other payments due under the Lease;
 - b. Failure to fulfill the Tenant obligations set forth in the Lease;
 - c. Failure to keep utilities turned on to the Premises;
 - d. Criminal/Drug-Related Activity - Tenant, his/her guest/visitor, or household member conducts criminal activity on or originating from the Premises, including, but not limited to, drug-related criminal activity whether on or off the premises; For purposes of this Lease, the term drug-related criminal activity means the use or possession of drug paraphernalia, or the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use of a controlled substance [as defined in Section 102 of the Controlled Substances Act (21 U.S.C. § 802)].
 - e. Tenant, household members, or tenant's guests/visitors engage in behavior that is threatening, abusive, or violent toward any person on the Premises;
 - f. Tenant, household members, or tenant's guests/visitors engage in verbal as well as physical abuse, or violence, use of racial slurs or other language, written or verbal that is used to attempt to intimidate;

- g. Tenant, household members, or tenant’s guests/visitors engage in verbal or written threats or physical gestures that communicate the intent to abuse, intimidate, or commit violence, or disrespectful behavior towards City staff, contractors, or vendors.

12.2 The City will give notice of termination as follows:

- a. **Notice of Immediate Termination** –The City will seek immediate evictions for:
 - (1) Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the Premises of other resident or employees of the City;
 - (2) Any violent or drug-related criminal activity on or off the premises;
or
 - (3) Any criminal activity that resulted in felony conviction of a household member.
- b. **7-Day Notice** - A seven (7) day written notice of termination of the Lease in the case of failure to pay rent, fees, or other charges and in all other cases.

13. **Non-waiver.** Failure of the City to insist, in any one or more instances, upon strict observance of any of the terms of this Lease will not be considered a waiver or relinquishment of the right to future performance of such terms, but the same will continue in full force and effect.

14. **Remedies.** The rights and remedies given to the City under these terms are distinct, separate and cumulative, and no one of them, whether exercised or not, will be deemed to be in exclusion of any of the others.

15. **Entire Agreement.** All terms and conditions appearing herein are specifically an enforceable part of this Lease. This Lease evidences the entire agreement between the City and Tenant. The City may, after notice of not less than 30 days, modify this Lease to take into account revised provisions of law or governmental regulations.

Dated this _____ day of _____, 2021.

TENANT:
Arizona Safari Jeep Tours, LLC

By: _____

Its: _____

CITY:

CITY OF SEDONA, an ARIZONA
a municipal corporation

By _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

By _____
City Attorney



**CITY COUNCIL
AGENDA BILL**

**AB 2646
May 25, 2021
Regular Business**

Agenda Item: 8e
Proposed Action & Subject: Discussion/possible direction/action regarding proposed State legislation and State budget and its potential impact on the City of Sedona.

Department	Legal
Time to Present	15 Minutes
Total Time for Item	30 Minutes
Other Council Meetings	January 26, 2021, February 9, 2021, February 23, 2021, March 9, 2021, March 23, 2021, April 13, 2021, April 27, 2021, May 11, 2021
Exhibits	None

City Attorney Approval	Reviewed 5-17-21 KWC	Expenditure Required	
		\$	0
City Manager's Recommendation	None.	Amount Budgeted	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: During the course of the State Legislative Session, many bills are introduced that have a potential impact on the City of Sedona. The League of Arizona Cities and Towns and City staff routinely monitor bills of interest as they progress through the legislative process. This item is scheduled to provide a summary update on relevant bills and the proposed State budget, to answer questions that the City Council may have regarding any individual bill or the budget, and to consider the need for the City Council to take a formal position in support or opposition of any particular bill.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for informational purposes only unless there is a preference to take a position on a particular issue.



**CITY COUNCIL
AGENDA BILL**

**AB 2571
May 25, 2021
Regular Business**

Agenda Item: 8f
Proposed Action & Subject: Discussion/possible direction regarding issues surrounding the COVID-19 pandemic and the City's response.

Department	City Manager
Time to Present	10 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, November 24, 2020, December 9, 2020, January 12, 2021, January 26, 2021, February 9, 2021, February 23, 2021, March 9, 2021, March 23, 2021, April 13, 2021, April 27, 2021, May 11, 2021
Exhibits	None

City Attorney Approval	Reviewed 5-17-21 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.