MARANA AZ
CELEBRATING 45 YEARS

MARANA TOWN COUNCIL - AMENDED
REGULAR COUNCIL MEETING
NOTICE AND AGENDA
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, October 4, 2022, at or after 6:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
Patti Comerford, Council Member
Jackie Craig, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Marana Town Council and to the general public that the Town Council will hold a meeting open to the public on October 4, 2022, at or after 6:00 PM located in the Council Chambers of the Marana Municipal Complex, 11555 W. Civic Center Drive, Marana, Arizona.

ACTION MAY BE TAKEN BY THE COUNCIL ON ANY ITEM LISTED ON THIS AGENDA. Revisions to the agenda can occur up to 24 hours prior to the meeting. Revised agenda items appear in *italics*.

As a courtesy to others, please turn off or put in silent mode all electronic devices.

Meeting Times
Welcome to this Marana Town Council meeting. Regular Council meetings are usually held the first and third Tuesday of each month at 6:00 PM at the Marana Municipal Complex, although the date or time may change and additional meetings may be called at other times and/or places. Contact the Town Clerk or watch for posted agendas for other meetings. This agenda may be revised up to 24 hours prior to the meeting. In such a case a new agenda will be posted in place of this agenda.

Speaking at Meetings
If you are interested in speaking to the Council during the Call to the Public or Public Hearings, you must fill out a speaker card (located in the lobby outside the Council Chambers) and deliver it to the Town Clerk prior to the convening of the meeting.

All persons attending the Council meeting, whether speaking to the Council or not, are expected to observe the Council rules, as well as the rules of politeness, propriety, decorum and good conduct. Any person interfering with the meeting in any way, or acting rudely or loudly will be removed from the meeting and will not be allowed to return.

Accessibility
To better serve the citizens of Marana and others attending our meetings, the Council Chambers are wheelchair and handicapped accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk at (520) 382-1999. Requests should be made as early as possible to arrange the accommodation.

Agendas
Copies of the agenda are available the day of the meeting in the lobby outside the Council Chambers or online at www.maranaaz.gov under Agendas and Minutes. For questions about the Council meetings, special services or procedures, please contact the Town Clerk, at (520) 382-1999, Monday through Friday from 8:00 AM to 5:00 PM.

This Notice and Agenda Posted no later than 24 hours prior to the meeting, at the Marana Municipal Complex, 11555 W. Civic Center Drive, the Marana Operations Center, 5100 W. Ina Road, and at www.maranaaz.gov under Agendas and Minutes.

REGULAR COUNCIL MEETING

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE

APPROVAL OF AGENDA

CALL TO THE PUBLIC
At this time any member of the public is allowed to address the Town Council on any issue within the jurisdiction of the Town Council, except for items scheduled for a Public Hearing at this meeting. The speaker may have up to three minutes to speak. Any persons wishing to address the Council must complete a speaker card located outside the Council Chambers and deliver it to the Town Clerk prior to the commencement of the meeting. Individuals addressing a meeting at the Call to the Public will not be provided with electronic technology capabilities beyond the existing voice amplification and recording capabilities in the facilities. Pursuant to the Arizona Open Meeting Law, at the conclusion of Call to the Public, individual members of the Council may respond to criticism made by those who have addressed the Council, and may ask staff to review the matter, or may ask that the matter be placed on a

future agenda.

PROCLAMATIONS

PR1 Proclamation recognizing the week of October 9-15, 2022, as "Fire Prevention Week" (David L. Udall)

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

PRESENTATIONS

CONSENT AGENDA

The Consent Agenda contains items requiring action by the Council which are generally routine items not requiring Council discussion. A single motion and affirmative vote will approve all items on the Consent Agenda, including any resolutions or ordinances. Prior to a motion to approve the Consent Agenda, any Council member may remove any item from the Consent Agenda and that item will be discussed and voted upon separately.

C1 Resolution No. 2022-101: Relating to Special Events; approving and authorizing the Mayor to sign a license agreement between the Town of Marana and the Marana Health Center, Inc. allowing the Marana Health Center to utilize certain properties owned by the Town for its 2022 BalloonFest event (David L. Udall)

C2 Resolution No. 2022-102: A resolution of the Mayor and Common Council of the Town of Marana, Arizona, approving the form and authorizing the execution and delivery of a loan agreement with the Water Infrastructure Finance Authority of Arizona from its Drinking Water Revolving Fund Program; delegating the determination of certain matters relating thereto to the manager of the town; providing for the transfer of certain monies and making certain covenants and agreements with respect thereto; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such loan agreement and this resolution and declaring an emergency (Jing Luo)

C3 Relating to Procurement; ratifying the Town Manager's approval of a change order to the Airport MIRL, PAPI, & Beacon Replacement (AP026) project in the amount of $35,008.00; authorizing the transfer of appropriations, if necessary, for the change order; and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order.

C4 Approval of the Regular Council Meeting Summary Minutes of September 20, 2022 and Approval of Council Study Session Summary Minutes of September 13, 2022 (David L. Udall)

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

[Item B1 has been removed from the agenda]

COUNCIL ACTION

A1 PUBLIC HEARING: Ordinance No. 2022.013: Relating to Development; approving a rezoning of approximately 7.0 acres of land located south of Grier Road and east of Sanders Road from Zone A – Small Lot Zone and R-6 (Single-Family Residential) to Neighborhood Commercial (NC) (Brian D. Varney)

A2 PUBLIC HEARING: Ordinance No. 2022.016: Relating to Development; approving a rezoning of approximately 165 acres of land located east of Interstate 10, east and west of Adonis Road, and approximately 1.2 miles north of Tangerine Road from Zone E (Transportation Corridor) to R-4 (Residential), R-5 (Residential), and MR-1 (Multi-Family Residential) (Brian D. Varney)

A3 Ordinance No. 2022.017: Relating to Land Development; revising Marana Town Code Title 17 (Land Development), chapter 17-15 (Floodplain and erosion hazard management code), section 17-15-10 (Provisions for flood hazard reduction) to clarify timing of issuance of building permits and certificates of occupancy in special flood hazard areas; and designating an effective date (Jane Fairall)

ITEMS FOR DISCUSSION / POSSIBLE ACTION

D1 Relating to Development and Public Works; update, discussion, and possible direction regarding public and private projects and development applications on the Town's Marana Current and Proposed Projects internet site (Jason Angell)

EXECUTIVE SESSIONS

Pursuant to A.R.S. § 38-431.03, the Town Council may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E1 Executive Session pursuant to A.R.S. §38-431.03 (A), Council may ask for discussion or consideration, or consultation with designated Town representatives, or consultation for legal advice with the Town Attorney, concerning any matter listed on this agenda for any of the reasons listed in A.R.S. §38-431.03 (A).

FUTURE AGENDA ITEMS

Notwithstanding the Mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

ADJOURNMENT

Council-Regular Meeting **PR1**

Meeting Date: 10/04/2022

Submitted For: David L. Udall, Town Clerk/Assistant Town Attorney

Date: October 4, 2022

Subject: Proclamation recognizing the week of October 9-15, 2022, as "Fire Prevention Week" (David L. Udall)

Attachments

Proclamation

MARANA AZ
CELEBRATING 45 YEARS

PROCLAMATION

Recognizing the Week of October 9–15, 2022 as "Fire Prevention Week"

WHEREAS, the Town of Marana is committed to ensuring the safety and security of all those living in and visiting the Town; and

WHEREAS, fire is a serious public safety concern both locally and nationally, and people are generally at greatest risk from fire in their own homes; and

WHEREAS, home fires caused 2,580 civilian deaths in the United States in 2020, according to the National Fire Protection Association (NFPA), and fire departments in the United States responded to 356,500 home fires; and

WHEREAS, residents that have planned and practiced a home fire escape plan are more prepared and will therefore be more likely to survive a fire; and

WHEREAS, smoke alarms sense smoke well before a person can, warning of danger in the event of a fire in which a person may have as little as two minutes to escape safely. Working smoke alarms cut the risk of dying in reported home fires in half, and residents should ensure everyone in the home recognizes smoke alarm sounds and knows how to respond. Residents should also ensure smoke and carbon monoxide alarms meet the needs of family members, including those with sensory or physical disabilities; and

WHEREAS, the Northwest Fire District is dedicated to reducing the occurrence of home fires and home fire injuries through prevention and protection education; and

WHEREAS, residents that are responsive to public education measures are better able to take personal steps to increase their safety from fire, especially in their homes; and

WHEREAS, the 2022 Fire Prevention Week theme, "Fire won't wait. Plan your escape." serves to remind residents that it is important to have a home fire escape plan.

NOW, THEREFORE, Mayor Honea and the Marana Town Council do hereby proclaim the week of October 9–15, 2022 as **"Fire Prevention Week"** in the Town of Marana, and urge its citizens to plan and practice a home fire escape and to support the many public safety activities and efforts of the Northwest Fire District.

Dated this 4th day of October, 2022.

ATTEST:

David L. Udall, Town Clerk

Ed Honea

Ed Honea, Mayor

Council-Regular Meeting **C1**

Meeting Date: 10/04/2022

To: Mayor and Council

From: David L. Udall, Town Clerk/Assistant Town Attorney

Date: October 4, 2022

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2022-101: Relating to Special Events; approving and authorizing the Mayor to sign a license agreement between the Town of Marana and the Marana Health Center, Inc. allowing the Marana Health Center to utilize certain properties owned by the Town for its 2022 BalloonFest event (David L. Udall)

Discussion:

The Marana Health Center (MHC) will be holding its BalloonFest event on November 12, 2022 at the MHC Healthcare Campus property located at 13395 N. Marana Main St., Marana, AZ 85653 from approximately 3:00 p.m. to 9:00 p.m. The event is expected to include multiple food and entertainment vendors, a car show, skydivers landing onto the property, emergency vehicle displays, fireworks, and several hot air balloons, including tethered balloons for rides.

MHC has requested to use vacant, Town-owned properties surrounding the Healthcare Campus for event parking and balloon staging, as shown on the site plan submitted by MHC, a copy of which is attached as Exhibit A to the license agreement in these agenda materials. If approved, this resolution will authorize the Mayor to sign the license agreement allowing MHC to utilize the vacant properties subject to the terms of the agreement.

Staff Recommendation:

Staff recommends approval of the license agreement between the Town of Marana and the Marana Health Center, Inc., allowing the Marana Health Center to utilize certain properties owned by the Town for its BalloonFest event.

Suggested Motion:

I move to adopt Resolution 2022-101, approving and authorizing the Mayor to sign a license agreement between the Town of Marana and the Marana Health Center, Inc. allowing the Marana Health Center to utilize certain properties owned by the Town for its 2022 BalloonFest event.

Attachments

Resolution No. 2022-101

Exhibit A to Resolution

MARANA RESOLUTION NO. 2022-101

RELATING TO SPECIAL EVENTS; APPROVING AND AUTHORIZING THE MAYOR TO SIGN A LICENSE AGREEMENT BETWEEN THE TOWN OF MARANA AND THE MARANA HEALTH CENTER, INC. ALLOWING THE MARANA HEALTH CENTER TO UTILIZE CERTAIN PROPERTIES OWNED BY THE TOWN FOR ITS 2022 BALLOONFEST EVENT

WHEREAS the Marana Health Center (MHC) will be holding its annual BalloonFest event on November 12, 2022 on properties owned by MHC; and

WHEREAS MHC has requested to utilize nearby vacant properties owned by the Town of Marana for event parking and balloon staging; and

WHEREAS the Mayor and Council find that approving a license agreement allowing MHC to utilize certain Town-owned properties for its 2022 BalloonFest event is in the best interests of the Town and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA as follows:

SECTION 1. The license agreement between the Town of Marana and the Marana Health Center, Inc., in substantially the form attached to and incorporated by this reference in this resolution as Exhibit A, is hereby approved and the Mayor is hereby authorized to sign it for and on behalf of the Town of Marana.

SECTION 2. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, and objectives of the license agreement.

PASSED AND ADOPTED BY THE Mayor and Council of the Town of Marana, Arizona, this 4th day of October 2022.

Mayor Ed Honea

ATTEST:

David L. Udall, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

LICENSE AGREEMENT

CENTER: Marana Health Center, Inc.
13395 N. Marana Main Street
Marana, AZ 85653

TOWN: Town of Marana
11555 W. Civic Center Drive
Marana, AZ 85653

THIS LICENSE AGREEMENT (this "Agreement"), is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MARANA HEALTH CENTER, INC., an Arizona corporation, (the "Center"), for the purpose of the Town allowing the Center to use Town property.

In consideration of the Center's performance of its obligations under this Agreement, the Town hereby gives permission to the Center to use a portion of the Town's Property (the "Property") as roughly outlined in blue on Exhibit A attached to and incorporated by this reference in this Agreement and described as follows:

PTN W365.48' M/L E1341.19' M/L NW4 LYG N & ADJ RD 3.62 AC CMID 3.62 AC SEC 27-11-11 *(Tax Parcel 217-37-0590)*

PTN E550' W1047.30' NW4 LYG N & ADJ RD 12.76 AC CMID 12.76 AC SEC 27-11-11 *(Tax Parcels 217-37-048F)*

SLY CTRL PTN N2 NW4 2.96 AC CMID 2.96 AC SEC 27-11-11 *(Tax Parcels 217-37-073C)*

Portion of PTN E2 NW4 LYG E & ADJ RD 18.84 AC CMID 18.83 AC SEC 27-11-11 *(Tax Parcel 217-37-067A)*

Portions of CTRL PTN SE4 NW4 15.02 AC CMID 15.02 AC SEC 27-11-11 *(Tax Parcel 217-37-060A)*

The Center may use all or any of the Property for the purpose of event parking and for balloon staging, as indicated on Exhibit A, for the Center's MHC Foundation BalloonFest event, beginning November 11, 2022.

The Town shall have the right to modify or revoke the Agreement at any time, all on the terms and conditions set forth below, which the Center agrees to comply with and abide by:

1. This Agreement shall be binding upon the Center, its heirs, assignees and designees, and every reference to the Center in this Agreement shall include and bind the Center's heirs, assignees and designees.

2. The Center covenants that it shall defend, indemnify and hold harmless the Town, its officers, agents and employees from any and all claims, demands, causes of action, complaints, suits, losses, damages, injuries and liabilities whatsoever (including those for costs, expenses and attorneys' fees) to any person, persons or property arising out of either (1) the use of the Town's Property by the Center, or (2) the negligent acts or omissions of the Center.

3. The Center agrees to maintain general liability insurance for the term of this Agreement in minimum amounts of $2,000,000.00 per occurrence. This insurance shall be kept in force throughout the life of this Agreement.

4. The Center agrees to not hinder Town's business during normal operating hours. Should the Center be required to use space which may impede the Town's business at any time, the Center will coordinate usage with Town's Public Works Department prior to use.

5. This Agreement shall terminate on November 13, 2022.

6. If the Center causes any damage to the Town's Property, the Center shall promptly make and pay for the repairs necessary to restore the Property to its pre-damaged condition.

7. The Center shall abide by all existing laws of the State of Arizona, County of Pima and Town of Marana.

8. This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511.

9. During the term of this Agreement, the Center agrees to use the Property only for the purposes and event listed above. At all times during the term of this Agreement, the Center agrees to use the Property in keeping with best safety practices. Under no circumstances may the Center (a) use or permit the use of the Property for any purpose other than the purposes described in this Agreement, (b) cause or permit waste of the Property or (c) adversely affect the Town's title and rights to the Property, including any water rights or any other rights owned or claimed by the Town.

10. At the end of each day of its use of the Property, the Center agrees that it will pick up and properly dispose of all trash and debris deposited on the Property as a result of the Center's activities.

11. At the Center's request, a member of the Town's Public Works Department will be available on the date of event, or sooner, if the Center determines a pre-walkthrough inspection of the parking areas or balloon staging area is warranted.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the last signature date below.

THE CENTER:	THE TOWN:
MARANA HEALTH CENTER, INC., an Arizona corporation	TOWN OF MARANA, an Arizona municipal corporation
By: _____ Christopher Oben, Interim CEO	By: _____ Ed Honea, Mayor
Date: _____	Date: _____
	ATTEST: _____ Town Clerk
	APPROVED AS TO FORM: _____ Town Attorney

[Notary Page Follows]

STATE OF Arizona)
ss.
County of Pima)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022 by Christopher Oben, Interim CEO of MARANA HEALTH CENTER, INC., an Arizona corporation, on behalf of the corporation.

(Seal)

_____
Notary Public

EXHIBIT A to LICENSE AGREEMENT



MHC BalloonFest Layouts for Saturday 11-13-2021 event.

- = Fencing
- = Event Light Tower Locations 24
- = Entry/Exit and I.D. Check Locations
- = Generator Location
- XXX = Portable Toilet Locations 2+6
- = Parking Lot Locations and parking layout. 10 ATTENDEES
- NOTED = Handicap Locations
- NOTED = Staff Parking
- = Stage Location
- NOTED = Food Truck Locations
- NOTED = Classic Car Locations
- NOTED = First Responder Display
- = WINE TASTING TENT

Event Field to be used by:

- Marana SkyDive Event Location
- Hot Air Balloons
- Fireworks

NOTE: Each event occurs consecutively and none shall be present while the others are occuring.

Council-Regular Meeting **C2**

Meeting Date: 10/04/2022

To: Mayor and Council

Submitted For: Jing Luo, Water Director

From: Stephen Dean, Deputy Water Director

Date: October 4, 2022

Strategic Plan Focus Area:
Community, Progress & Innovation

Subject: Resolution No. 2022-102: A resolution of the Mayor and Common Council of the Town of Marana, Arizona, approving the form and authorizing the execution and delivery of a loan agreement with the Water Infrastructure Finance Authority of Arizona from its Drinking Water Revolving Fund Program; delegating the determination of certain matters relating thereto to the manager of the town; providing for the transfer of certain monies and making certain covenants and agreements with respect thereto; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such loan agreement and this resolution and declaring an emergency (Jing Luo)

Discussion:

On February 15, 2022, the Town Council adopted Resolution No. 2022-014, Authorizing Town staff to apply for a Drinking Water Revolving Fund loan from the Water Infrastructure Finance Authority of Arizona (WIFA) to fund a portion of the construction costs for the Marana Park Reservoir Project (WT046).

WIFA approved the loan for this project (Loan No. 920352) in the amount of $1,000,000 with $512,500 in forgivable principal.

WIFA requires the Town to adopt a resolution approving the loan agreement and containing other standard language and terms. The Town's bond attorney, Paul Gales

of Greenberg Traurig, has reviewed the loan agreement and has prepared the proposed resolution accompanying this agenda item, to comply with WIFA's requirements. The anticipated loan closing date is October 21, 2022.

The backup materials include the current draft of the loan agreement. The resolution provides for further reasonable modifications of the loan agreement as approved by the Town Manager.

The principal amount of the loan and financial assistance under the loan agreement is $1,000,000 with $512,500 in forgivable principal. The primary repayment source is Drinking Water Capital revenue. The loan term is 20 years. Payments are to be made semi-annually. The "Combined Interest and Fee Rate" (CIFR) is shown on the loan documents to be 3.600%. The 3.600% CIFR is an estimate. The actual rate charged on the amount of the loan required to be repaid will be based on market activity on the Wednesday prior to closing. At 3.600%, the Town's annual payment would be $34,612.13. Upon payoff of the loan in July of 2042, the total debt service payments, including principal, interest and fees will amount to $686,880.

Financial Impact:

Fiscal Year:	2023
Budgeted Y/N:	Y
Amount:	$1,000,000

Loan proceeds have been budgeted in the Water Capital Fund.

Staff Recommendation:

Staff recommends adoption of Resolution No. 2022-102, approving the form and authorizing the execution and delivery of a loan agreement with the Water Infrastructure Finance Authority of Arizona from its Clean Water Revolving Fund Program; delegating the determination of certain matters relating thereto to the Town Manager and the Finance Director of the Town; providing for the transfer of certain moneys and making certain covenants and agreements with respect thereto; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such loan agreement and this resolution.

Suggested Motion:

I move to adopt Resolution No. 2022-102, approving the form and authorizing the execution and delivery of a loan agreement with the Water Infrastructure Finance Authority of Arizona from its Clean Water Revolving Fund Program; delegating the determination of certain matters relating thereto to the Town Manager and the Finance Director of the Town; providing for the transfer of certain moneys and making certain covenants and agreements with respect thereto; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such loan agreement and this resolution and declaring an emergency.

Attachments

Resolution No. 2022-102
Loan Agreement

RESOLUTION NO. 2022-102

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA FROM ITS DRINKING WATER REVOLVING FUND PROGRAM; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE MANAGER OF THE TOWN; PROVIDING FOR THE TRANSFER OF CERTAIN MONEYS AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH LOAN AGREEMENT AND THIS RESOLUTION AND DECLARING AN EMERGENCY

WHEREAS, the Town of Marana, Arizona (the "Town"), has heretofore applied to the Water Infrastructure Finance of Arizona (the "Authority"), for a loan (the "Loan") from the Authority's Drinking Water Revolving Fund Program (the "Program") to provide funds for (i) the installation of a 1.5-million-gallon storage reservoir to address the current storage deficit in the North Marana System, and (ii) the payment of the Town's proportionate share of expenses of administering the Program and any bonds issued by the Authority with respect thereto (collectively, the "Project"); and

WHEREAS, the terms and conditions under which the Loan will be made and the obligations of the Town with respect to the Loan will be set forth in a loan agreement to be executed and delivered by the Town and the Authority (the "Loan Agreement"); and

WHEREAS, the Loan and the loan repayments payable by the Town pursuant to the Loan Agreement (the "Loan Repayments") will be secured by a pledge of the net revenues of the Town's complete waterworks plant and system (the "Source of Repayment"); and

WHEREAS, the Mayor and Common Council of the Town have determined that it will be beneficial to the citizens of the Town to enter into and to perform the Loan Agreement, whereby the Town will borrow not to exceed $1,000,000 from the Authority; and

WHEREAS, the Loan shall be repaid on or before twenty (20) years from the date of the execution and delivery of the Loan Agreement and shall bear interest at a rate not to exceed four percent (4%) per annum; and

WHEREAS, there has been placed on file with the Clerk of the Town and presented at the meeting at which this Resolution was adopted the proposed form of the Loan Agreement;

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, THAT:

Section 1. The form, terms and provisions of the Loan Agreement, in the form of such document (including the exhibits thereto) presented at the meeting at which this Resolution was adopted are hereby approved, with such insertions, omissions and changes, not inconsistent with the application of the Town to the Authority or the requirements of the federal government or the Authority, as shall be approved by the Manager of the Town, the execution of such document being conclusive evidence of such approval, and the Mayor, any other member of the Common Council of the Town, the Manager of the Town and the Clerk of the Town are hereby authorized and directed, as applicable, for and on behalf of the Town, to execute and attest and deliver, respectively, the Loan Agreement.

Section 2. For the payment of the principal of and interest on the Loan, the Town shall pay the Loan Repayments provided for in the Loan Agreement. The Town shall also pay all other amounts required to be paid by the Town pursuant to the provisions of the Loan Agreement.

Section 3. The obligation of the Town to pay the Loan Repayments provided for in the Loan Agreement as well as to make the other payments provided for in the Loan Agreement is limited to payment from the Source of Repayment which is pledged therefor pursuant to the Loan Agreement, and the obligations of the Town pursuant to the Loan Agreement shall not constitute or give rise to a general obligation of the Town or any claim against its *ad valorem* property taxing powers, or constitute an indebtedness within the meaning of any statutory or constitutional debt limitation applicable to the Town.

Section 4. The appropriate officials and officers of the Town are hereby authorized and directed to take all action necessary or reasonably required to carry out, give effect to and to consummate the transactions contemplated by the Loan Agreement and by this Resolution, including, without limitation, the execution and delivery of any closing and other documents reasonably required to be delivered in connection therewith.

Section 5. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. The Council of the Town hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the execution and delivery of the Loan Agreement pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable. All ordinances, resolutions or parts thereof, inconsistent herewith, are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any ordinance or resolution or any part thereof.

Section 6. All actions of the officers and agents of the Town including the Mayor and Common Council of the Town which conform to the purposes and intent of this Resolution and which further the execution and delivery of the Loan Agreement as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the Town are hereby authorized and directed to do all such acts

and things and to execute and deliver all such documents on behalf of the Town as may be necessary to carry out the terms and intent of this Resolution.

Section 7. All acts and conditions necessary to be performed by the Town or to have been met precedent to and in the execution and delivery of the Loan Agreement in order to make it a legal, valid and binding obligation of the Town will at the time of delivery of the Loan Agreement have been performed and have been met, in regular and due form as required by law, and no statutory, charter or constitutional limitation of indebtedness or taxation will have been exceeded in the execution and delivery of the Loan Agreement.

Section 8. All formal actions of the Mayor and Common Council of the Town concerning and relating to the passage of this Resolution were taken in an open meeting of the Mayor and Common Council of the Town, and all deliberations of the Mayor and Common Council of the Town and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

Section 9. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety of the residents and citizens of the Town for the reason that the execution and delivery at the earliest possible date of the Loan Agreement is urgently needed to attempt to secure the lowest possible interest cost to the Town at the earliest possible time; an emergency is, therefore, declared to exist, and this Resolution is enacted as an emergency measure and shall be in full force and effect immediately upon its passage and adoption by the Mayor and Common Council of the Town, as required by law, and this Resolution is hereby exempt from the referendum provisions of the Constitution and the laws of the State of Arizona.

Section 10. After the execution and delivery of the Loan Agreement and upon receipt of the Loan from the Authority, this Resolution shall be and remain irrepealable until the Loan and the Loan Agreement and the interest thereon shall have been fully paid, cancelled and discharged.

[Remainder of page left blank intentionally.]

PASSED and ADOPTED by the Common Council and approved by the Mayor of the Town of Marana, Arizona, this 4th day of October 2022.

.....
Mayor

ATTEST:

.....
Town Clerk

APPROVED AS TO FORM:

.....
Town Attorney

CERTIFICATION

I hereby certify that the foregoing Resolution No. 2022-102 was duly passed and adopted by the Mayor and Common Council of the Town of Marana, Arizona, at a meeting held on the 4th day of October 2022, and the vote was ... ayes and ... nays and that the Mayor and ... Councilmembers were present thereat.

.....
Town Clerk

Town of Marana and

Water Infrastructure Finance Authority of Arizona

Borrower – Table of Contents

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Loan Agreement	3.
Loan Agreement Addendum-Wage Rate and Forgivable Principal Requirements for Compliance with P.L. 111-88	4.
Loan Agreement Addendum-American Iron and Steel Requirements for Compliance with Federal Law	5.
Exhibit A of Loan Agreement: Financial Terms and Conditions	6.
Exhibit B of Loan Agreement: Technical Terms and Conditions	7.
Exhibit C of Loan Agreement: Reporting Requirements	8.
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Exhibit E of Loan Agreement: Debt Service Reserve Requirements	10.
Exhibit F of Loan Agreement: Replacement Reserve Requirements	11.
Exhibit G of Loan Agreement: Opinion of Local Borrower	12.
Exhibit H of Loan Agreement: Tax Compliance Certificate of Local Borrower	13.
IRS Form 8038-G	14.
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Town of Marana's Borrowing Resolution

TO BE PROVIDED BY BORROWER PRIOR TO CREATION OF LOAN CLOSING DOCUMENTS

Loan Resolution 2022-021 – Town of Marana

Water Infrastructure Finance Authority of Arizona

Section 1: Resolution

WHEREAS, the Water Infrastructure Finance Authority of Arizona (the "*Authority*") has received from Town of Marana (the *"Local Borrower"*) a request for a loan (the "*Loan*"); and

WHEREAS, the Authority has determined that the Local Borrower has met the requirements of Arizona Revised Statutes §49-1201 et seq. (the "*Act*") and the rules promulgated thereunder (the *"Rules"*); and

WHEREAS, the terms and conditions under which a Loan will be made and the obligations of the Local Borrower will be set forth in a loan agreement or bond purchase agreement (the "*Loan Agreement*") to be executed by the Local Borrower and the Authority.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUTHORITY AS FOLLOWS:

The Executive Director of the Authority is hereby authorized and directed to execute a Loan Agreement with the Local Borrower to evidence a Loan in accordance with the Act, the Rules, the Local Borrower's applications to the Authority, and the Project Summary detailed in Section 2 of this Loan Resolution.

The Executive Director and other Authority officials, as appropriate, are authorized and directed to sign any document and take such actions as necessary and appropriate to consummate the transactions contemplated by this Resolution and the Loan Agreement and to ensure that the Local Borrower has completed all requirements of the Authority as detailed in Section 3, Section 4, and Section 5 of this Loan Resolution.

This Resolution shall take effect immediately and shall terminate one year from the date of Board Action.

Dated: June 16, 2022

By:_____
Chairman

Attest:_____
Executive Director

Section 2: Project Summary

2.1 Project Number(s)

DW 028-2022

2.2 Project Priority Data

PPL Rank	Funding Cycle	Population Served	Subsidy Rate
23	DW 2022	12,569	90%

2.3 Project Description(s)

The Loan will fund the installation of a 1.5-million-gallon storage reservoir which will address the current storage deficit in the North Marana System. Construction activities will include building a new 1.5-million-gallon storage reservoir on a footprint directly adjacent to an existing storage reservoir and booster station.

2.4 Previous Board or Committee Actions

February 26, 2020 – Board adopted Loan Resolution 2020-013 to award $475,000 (Loan No. 910183-20) to the town of Marana to fund the installation of sewer lines and lift station.

February 26, 2020 – Board adopted Loan Resolution 2020-014 to award $1,100,000 (Loan No. 920303-20) to the Town of Marana to fund the constructions of a treatment system at two different locations.

December 19, 2018 – Board adopted Loan Resolution 2019-009 to award $15,000,000 (Loan No. 920293-19) to the Town of Marana to fund the installation of two advanced water treatment systems designed to reduce concentrations of currently unregulated compounds found in the Town's water supply wells.

June 27, 2018 – Board adopted Loan Resolution 2018-008 to award $1,481,990 in financial assistance with 50% forgivable principal (Loan No. 910176-19) to the Town of Marana to fund the connection of the Adonis sewage collection system to the existing Town of Marana municipal system.

2017 Technical Assistance Funding Cycle - the Board awarded the Town of Marana $34,950 of clean water technical assistance for the El Rio Riparian Restoration Project.

December 16, 2009 – Board adopted Loan Resolution 2010-023 to award $5,250,000 (Loan No. 920193-10) to the Town of Marana to fund multiple water projects at various stages of development.

2010 Technical Assistance Funding Cycle - the Board awarded Adonis Mobile Home Association $10,000 of clean water technical assistance for an alternative analysis report.

2.5 Project Finance Committee Recommendations

Not reviewed by the Project Finance Committee.

Section 3: Financial Assistance Terms & Conditions (Section 7.1 of Due Diligence)

Financial Assistance Amount: $1,000,000 with $512,500 in forgivable principal

Primary Repayment Source: Drinking Water Revenue

Secondary Repayment Source: None

Loan Term: 20 years

Frequency of Repayment: Semi-Annual

Loan Structure: Standard Governmental - Level 1 - Disadvantage Community

Debt Service Reserve Fund Requirements: No Requirement

Repair and Replacement Fund Requirements: No Requirement

Requirements Prior to Loan Execution:

Require Legal Opinion: Yes

Other: No Requirement

Requirements Prior to Construction: No Requirement

Requirement During Construction: No Requirement

Requirements Prior to Final Disbursements: No Requirement

Loan Category: Qualified, Not Pledged

Policy Exceptions: None

Section 4: Technical Terms & Conditions (Section 7.2 of Due Diligence)

Observation Schedule B:

Observation 1: Upon borrower notification of construction commencement

Additional Observations: at least one site observation within each 12 month period

Final Observation: 80% construction budget disbursement

Withholding Percentage: 10% (released after deliverables received)

Requirements Prior to Loan Execution: No Requirement

Requirements Prior to Construction:

Submittal of Construction Bids: Yes

Project Publicity/Signage: Yes

The Local Borrower shall erect a construction sign displaying information on the Project and the funding sources. The Authority shall provide specifications for such construction signs.

Other: No Requirement

Requirements During Construction:

Prior Review of Changes in Project Scope: Yes

The Local Borrower shall submit to the Authority, for review and approval prior to execution, any change to the plans and specifications, construction contracts, Eligible Project Costs, or any other change which will effect the performance standards or purpose of the Project.

Other: No Requirement

Requirements Prior to Final Disbursements:

10% Withholding

Require Plan of Operation: Yes

Require Final Approval: Yes

Other: No Requirement

Policy Exceptions: None

Section 5: Additional Notice & Reporting Requirements (Section 7.3 of Due Diligence)

Other: Use of American Iron and Steel requirements; Build America, Buy America Act requirements (if applicable).

Loan Agreement

Water Infrastructure Finance Authority of Arizona
(the "Authority")

and

Town of Marana
(the "Local Borrower")

Evidencing a Loan from the
Authority to the Local Borrower

Dated as of **TBD**

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Loan Agreement

This Loan Agreement (this "*Loan Agreement*") is made and entered into as of **TBD** by and between the Water Infrastructure Finance Authority of Arizona (the "*Authority*"), and Town of Marana (the "*Local Borrower*"), a political subdivision of the State of Arizona.

This Loan Agreement includes the attached Exhibits and the attached Standard Terms and Conditions. Any capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Exhibits and the Standard Terms and Conditions.

The Authority and the Local Borrower agree as follows:

Article 1 Description of the Loan

Section 1.1 Name and Address of Local Borrower.

Town of Marana
Attention: Kristin Taft, Grants Manager
11555 W. Civic Center Drive
Marana, Arizona 85653
Telephone: (520) 382-2679
Fax: (520) 382-1902

Section 1.2 Authorized Officer(s) of Local Borrower.

Town of Marana
Attention: Terry Rozema, Town Manager
11555 W. Civic Center Drive
Marana, Arizona 85653
Telephone: (520) 382-1900
Fax: (520) 382-1902

Section 1.3 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Local Borrower at the address specified in Section 1.1 and to the Authority at the following address:

Executive Director
Water Infrastructure Finance Authority of Arizona
100 North 7th Avenue, Suite 130
Phoenix, Arizona 85007
Telephone: (602) 364-1310
Fax: (602) 364-1327

Any of the parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 1.4 Loan Information. The terms of the Loan include the terms set forth in the Exhibits, which are part of this Loan Agreement:

Exhibit A Financial Assistance Terms and Conditions; Borrower Payment Instructions; and Loan Repayment Schedule

Exhibit B Technical Assistance Terms and Conditions

Exhibit C Reporting Requirements

Exhibit D Source of Repayment

Exhibit E Debt Service Reserve Requirements

Exhibit F Replacement Reserve Requirements

Exhibit G Opinion of Counsel to Borrower

Exhibit H Tax Compliance Certificate of Local Borrower

Prior to Loan Closing, the Local Borrower must deliver to the Authority the Opinion of Local Borrower Counsel in the form of Exhibit G and the Tax Compliance Certificate of Local Borrower in the form of Exhibit H, signed and dated the date of Loan Closing.

Article 2 Description Of The Project

Section 2.1 Description of Project. The Project is described in Project Summary attached to the Loan Resolution of the Authority, and in Exhibit B of this Loan Agreement.

Section 2.2 Description of System. The term "System" means and includes all of the properties and facilities of the complete Waterworks plant and system of the Local Borrower, whether lying within or without the boundaries of the Local Borrower, as now existing and as they may hereafter be improved or extended, all improvements, additions and extensions thereto or replacements thereof hereafter constructed or acquired by purchase, contract or otherwise and all contracts, rights, agreements, leases and franchises of every nature owned by the Local Borrower and used or useful or held for use in the operation of said plant and system or any part or portion thereof.

Article 3 Loan to Local Borrower; Amounts Payable

Section 3.1 The Loan. The Authority shall loan and disburse to the Local Borrower in accordance with this Article 3 an amount listed in Exhibit A (the "Loan"), and the Local Borrower shall borrow and accept from the Authority, the Loan in the principal amount determined pursuant to this Article 3; provided, however, that (i) the Authority shall be under no obligation to disburse any amount of the Loan if an Event of Default has occurred and is continuing under this Loan Agreement, and (ii) the amount to be disbursed shall be lawfully

available for disbursement. The Local Borrower shall use the proceeds of the Loan strictly in accordance with the requirements of this Loan Agreement.

Section 3.2 Disbursements of Loan Proceeds. The Authority may disburse funds by check, by electronic means or by means of magnetic tape or other transfer medium. Except as hereinafter provided, disbursements shall be made only when (i) the request for disbursements is in substantially the form provided by the Authority and is accompanied by the necessary certifications and documentation and (ii) an Authorized Officer of the Authority has determined that such disbursement is proper. An Authorized Officer of the Authority shall approve disbursements directly to the persons or entities entitled to payment or to the Local Borrower in the case of reimbursement for costs of services already paid, and shall provide the Local Borrower with a copy of the approval and the date approved. Disbursements may be made only for Eligible Project Costs.

Section 3.3 Amounts Payable. The Local Borrower shall pay to the Authority the amounts shown in Exhibit A on or before the dates shown in Exhibit A, as the same may be adjusted as provided in the Standard Terms and Conditions, to reflect any revisions to the principal repayment schedule of the Loan. Such payments shall be made by electronic funds transfer or by direct debit to the Authority.

Section 3.4 Tax Covenants.

(a) General. The Local Borrower acknowledges that, in connection with its state revolving fund programs, the Authority issues its bonds ("Authority Bonds") from time to time to finance loans and the Authority also pledges certain loans to secure and to serve as the source of payment for the Authority Bonds. As a result, and under the provisions of federal tax law applicable to the Authority Bonds, it is in the Authority's interest for the Loan to qualify and be an obligation that bears interest that is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code. Therefore, the Local Borrower represents and covenants as follows with respect to the Loan and the Authority Bonds. The Local Borrower covenants that it will not take any action, or fail to take any action, if any such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Loan or the Authority Bonds under Section 103(a) of the Internal Revenue Code or cause the interest on the Loan or the Authority Bonds to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code, and in the event of such action or omission, it will, promptly upon having such brought to its attention, take such reasonable actions based upon a bond counsel opinion as may rescind or otherwise negate such action or omission. The Local Borrower will not directly or indirectly use or permit the use of any proceeds of the Loan or any other funds of the Local Borrower or take or omit to take any action that would cause the Loan or the Authority Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code or to fail to meet any other applicable requirement of Sections 103, 141, 148, 149 and 150 of the Internal Revenue Code or cause the interest on the Loan or the Authority Bonds to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code. To that

end, the Local Borrower will comply with all applicable requirements of Sections 103, 141, 148, 149 and 150 of the Code to the extent applicable to the Loan.

(b) Modification Based on Bond Counsel Opinion. Notwithstanding any provision of this Section, if the Local Borrower provides to the Authority a bond counsel opinion to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Loan or the Authority Bonds pursuant to Section 103(a) of the Internal Revenue Code, the provisions of this Section and the covenants in this Section shall be deemed to be modified to that extent.

(c) Bond Counsel Opinion. For purposes of this Section, "bond counsel opinion" means an opinion letter of a firm of attorneys of national reputation experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds, and who is acceptable to the Authority.

IN WITNESS WHEREOF, the Authority and the Local Borrower have caused this Loan Agreement to be executed and delivered as of the date of execution hereof.

Water Infrastructure Finance Authority of Arizona

By: _____
Dan Dialessi, Executive Director

Town of Marana

By:_____
Terry Rozema, Town Manager

Attest:

By: _____
Clerk

LOAN AGREEMENT ADDENDUM

Wage Rate and Forgivable Principal Requirements for Compliance with P.L. 111-88

Water Infrastructure Finance Authority of Arizona

This document (this "Wage Rate and Forgivable Principal Addendum") sets forth additional requirements applicable to state revolving fund Loans made by the Water Infrastructure Finance Authority of Arizona ("WIFA") that are subject to the requirements of Public Law 111-88, "Making appropriations for the Department of the Interior, environment, and related agencies for the fiscal year ending September 30, 2010, and for other purposes," enacted October 30, 2009 ("P.L. 111-88"). The provisions in this Wage Rate and Forgivable Principal Addendum are a part of the Loan Agreement. Capitalized terms not otherwise defined herein shall have the meanings given them in the Loan Agreement.

The parties acknowledge and agree that funds disbursed by WIFA to the Local Borrower will include funds made available to WIFA by the federal government under P.L. 111-88, and that the requirements of P.L. 111-88 include those set forth in this Wage Rate and Forgivable Principal Addendum. The Local Borrower agrees to comply with all of those requirements and agrees that failure to do so is a breach of the provisions of the Loan Agreement which may result in a default under the Loan Agreement, termination of WIFA's obligation to make disbursements on the Loan and the Local Borrower being required to repay all amounts that have been disbursed by WIFA on the Loan, together with interest and fees as provided in the Loan Agreement (including interest and fees at rates adjusted from those originally in effect as described herein).

Additional Requirement for Subrecipients that are not Governmental Entities:

Obtaining Wage Determinations - Under this Wage Rate and Forgivable Principal Addendum, the non-governmental borrower must submit its proposed Davis Bacon wage determinations to WIFA for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors. **THIS PARAGRAPH DOES NOT APPLY TO GOVERNMENTAL ENTITIES.**

Section 1. P.L. 111-88 Compliance - Forgivable Principal Portion.

(a) Section 1 of Exhibit A to the Loan Agreement specifies the Total Financial Assistance Amount, the amount, if any, designated as the Forgivable Principal Portion, the Intended Repayment Amount, and the required amount of reserves to be established based upon the Intended Repayment Amount. Section 2 of Exhibit A to the Loan Agreement specifics a schedule of interest and principal payments based on the Intended Repayment Amount. If the Local Borrower fails to comply with the requirements of P.L. 111-88, including those set forth in this Wage Rate and Forgivable Principal Addendum:

(i) WIFA will provide a revised Exhibit A for the Loan Agreement to amortize the entire Total Financial Assistance Amount with the Forgivable Principal Portion set to $512,500.00, adjusted, as necessary, to incorporate, previous principal payments.

(ii) The Local Borrower will repay the Total Financial Assistance Amount.

Section 2. P.L. 111-88 Compliance - Wage Rate Requirements.

This language must be included in all Davis Bacon covered construction contracts and subcontracts. (29 CFR Part 5.5)

(a) The Local Borrower shall insert in full in any contract in excess of $2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in Sec. 5.1, or the FFY 2010 appropriation, the following clauses:

(1) **Minimum wages**. (i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in Sec. 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers. Local Borrowers may obtain wage determinations from the U. S. Department of Labor's web site, www.wdol.gov.

(ii)(A) The Local Borrower, on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The WIFA award official shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
(2) The classification is utilized in the area by the construction industry; and
(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the Local Borrower agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the Local Borrower to the WIFA award official. The WIFA award official will transmit the report, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA Davis Bacon Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the WIFA award official or will notify the WIFA award official within the 30-day period that additional time is necessary.
(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the Local Borrower do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the questions, including the views of all interested parties and the recommendation of the WIFA award official, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii) (B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) **Withholding**. The Local Borrower shall upon its own action or upon written request of WIFA, EPA award official or an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics,

including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) **Payrolls and basic records**. (i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.
(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Local Borrower. Such documentation shall be available on request of WIFA or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5 (a)(1) based on the most recent payroll copies for the specified week. **The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number).** The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/whd/forms/wh347.pdf or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the Local Borrower for transmission to WIFA or EPA, if requested by EPA, WIFA, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a

subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the Local Borrower.
(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
(1) That the payroll for the payroll period contains the information required to be provided under Sec. 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under Sec. 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;
(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;
(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.
(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.
(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of WIFA. EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or WIFA may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) **Apprentices and trainees** - (i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above,

shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) **Compliance with Copeland Act requirements**. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) **Subcontracts**. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may by appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) **Contract termination: debarment**. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) **Compliance with Davis-Bacon and Related Act requirements**. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) **Disputes concerning labor standards**. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the Local Borrower, WIFA, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) **Certification of eligibility**. (i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

(b) **Contract Work Hours and Safety Standards Act**. The Local Borrower shall insert the following clauses set forth in paragraphs (b)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Sec. 5.5(a) or 4.6 of part 4 of this title. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.
(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.
(3) Withholding for unpaid wages and liquidated damages. The Local Borrower, upon its own action or upon written request of the EPA Award Official or an authorized representative of the Department of Labor shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.
(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.
(c) In addition to the clauses contained in paragraph (b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR Sec. 5.1, the Local Borrower shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Local Borrower shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of WIFA, EPA and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

Section 3. General Provisions.

(a) Binding Effect. This Wage Rate and Forgivable Principal Addendum shall inure to the benefit of and shall be binding upon WIFA and the Local Borrower and their respective successors and assigns.

(b) Severability. In the event any provision of this Wage Rate and Forgivable Principal Addendum shall be held illegal, invalid or unenforceable by any court of competent

jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

(c) Amendments, Supplements and Modifications. This Wage Rate and Forgivable Principal Addendum may not be amended, supplemented or modified without the prior written consent of WIFA and the Local Borrower.

(d) Execution in Counterparts. This Wage Rate and Forgivable Principal Addendum may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(e) Applicable Law. This Wage Rate and Forgivable Principal Addendum shall be governed by and construed in accordance with the laws of the State of Arizona.

(f) Captions. The captions or headings in this Wage Rate and Forgivable Principal Addendum are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions of this Wage Rate and Forgivable Principal Addendum.

(g) Further Assurances. The Local Borrower shall, at the request of WIFA , authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights and agreements granted or intended to be granted by this Wage Rate and Forgivable Principal Addendum.

(h) Arbitration. The parties hereto agree to use arbitration to the extent required by Section 12-1518 of the Arizona Revised Statutes.

(i) Notice Regarding A.R.S. § 38 511. To the extent applicable by provision of law, the parties acknowledge that this Wage Rate and Forgivable Principal Addendum is subject to cancellation pursuant to A.R.S. § 38-511, the provisions of which are hereby incorporated herein.

[SIGNATURE PAGE FOLLOWS]

WIFA and the Local Borrower are signing this Wage Rate and Forgivable Principal Addendum to be effective as part of the Loan Agreement.

Water Infrastructure Finance Authority of Arizona

By: _____

Dan Dialessi, Executive Director

Town of Marana

By: _____

Terry Rozema, Town Manager

[Signature page to Wage Rate and Forgivable Principal Addendum to Loan Agreement]

LOAN AGREEMENT ADDENDUM

American Iron and Steel Requirements for Compliance with Federal Law

Water Infrastructure Finance Authority of Arizona

This document (this "American Iron and Steel Addendum") sets forth additional requirements made applicable to state revolving fund Loans made by the Water Infrastructure Finance Authority of Arizona ("WIFA") by federal law. The provisions in this American Iron and Steel Addendum are a part of the Loan Agreement. Capitalized terms not otherwise defined herein shall have the meanings given them in the Loan Agreement.

The parties acknowledge and agree that funds disbursed by WIFA to the Local Borrower will include funds made available to WIFA by the federal government under federal law, and that the requirements of federal law include those set forth in this American Iron and Steel Addendum. The Local Borrower agrees to comply with all of those requirements and agrees that failure to do so is a breach of the provisions of the Loan Agreement which may result in a default under the Loan Agreement, termination of WIFA's obligation to make disbursements on the Loan and the Local Borrower being required to repay all amounts that have been disbursed by WIFA on the Loan, together with interest and fees as provided in the Loan Agreement.

Federal law requires that WIFA include in all assistance agreements, including the Loan Agreement, for the construction, alteration, maintenance, or repair of treatment works under the Clean Water State Revolving Fund and for the construction, alteration, maintenance, or repair of a public water system under the Drinking Water State Revolving Fund, a provision requiring the application of American Iron and Steel requirements for the entirety of the construction activities financed by the assistance agreement through completion of construction, no matter when construction commences. Whether or not the project has multiple sources of funding, the American Iron and Steel requirements apply to the entire project and not just to the activities funded by the money made available to WIFA by the federal government.

Section 1. **American Iron and Steel Requirements.** In accordance with federal law:

(a)(1) None of the funds made available to WIFA as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States.

(2) In this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(b) Subsection (a) shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency (in this section referred to as the "Administrator") finds that—

(1) applying subsection (a) would be inconsistent with the public interest;

(2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(c) If the Administrator receives a request for a waiver under this section, the Administrator shall make available to the public on an informal basis a copy of the request and information available to the Administrator concerning the request, and shall allow for informal public input on the request for at least 15 days prior to making a finding based on the request. The Administrator shall make the request and accompanying information available by electronic means, including on the official public Internet Web site of the Environmental Protection Agency.

Section 2. General Provisions.

(a) Binding Effect. This American Iron and Steel Addendum shall inure to the benefit of and shall be binding upon WIFA and the Local Borrower and their respective successors and assigns.

(b) Severability. In the event any provision of this American Iron and Steel Addendum shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

(c) Amendments, Supplements and Modifications. This American Iron and Steel Addendum may not be amended, supplemented or modified without the prior written consent of WIFA and the Local Borrower.

(d) Execution in Counterparts. This American Iron and Steel Addendum may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(e) Applicable Law. This American Iron and Steel Addendum shall be governed by and construed in accordance with the laws of the State of Arizona and applicable federal law.

(f) Captions. The captions or headings in this American Iron and Steel Addendum are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions of this American Iron and Steel Addendum.

(g) Further Assurances. The Local Borrower shall, at the request of WIFA , authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights and agreements granted or intended to be granted by this American Iron and Steel Addendum.

(h) Prohibition Against Discrimination. In the event that it applies, the parties agree to comply with the Arizona Governor's Executive Order 2009-9, entitled "Prohibition of Discrimination in State Contracts Non-Discrimination in Employment by Government Contractors and Subcontractors," which mandates that all persons, regardless of race, color, religion, sex, age, or national origin shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Local Borrower shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

(i) Arbitration. In the event of a dispute, the parties agree to use arbitration, after exhausting applicable administrative review, to the extent required by Arizona Revised Statutes Section 12-1518, and the prevailing party shall be entitled to attorney's fees and costs with respect thereto.

(j) Notice of Arizona Revised Statutes Section 38-511 - Cancellation. Notice is hereby given of the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to this American Iron and Steel Addendum under the law of the State of Arizona.

[SIGNATURE PAGE FOLLOWS]

WIFA and the Local Borrower are signing this American Iron and Steel Addendum to be effective as part of the Loan Agreement.

Water Infrastructure Finance Authority of Arizona

By: _____

Dan Dialessi, Executive Director

Town of Marana

By: _____

Terry Rozema, Town Manager

[Signature page to American Iron and Steel Addendum to Loan Agreement]

Exhibit A of Loan Agreement

Section 1: Financial Assistance Terms and Conditions
Town of Marana
TBD

Loan Number		920352-23
Closing Date		TBD
First Payment Period		07/01/23

Financial Assistance Terms and Conditions

Original Loan Amount as of the Closing Date	$	1,000,000.00
Forgivable Principal Amount	$	512,500.00
Intended Repayment Amount	$	487,500.00
Loan Term		20
Combined Interest & Fee Rate		3.600%
Total # of Payment Periods within Loan Term		40

Principal Repayments

Period Principal Repayments Begin	2
First Principal Repayment Date	07/01/23
Final Principal Repayment Date	07/01/42

Combined Interest and Fee Payment Dates

First Combined Interest and Fee Payment Date*	07/01/23
Final Combined Interest and Fee Payment Date	07/01/42

* *Actual initial Combined Interest and Fee payment calculated only on dollar amount drawn against loan as of initial payment date*

Debt Service Reserve Fund Requirements

Total Reserve Amount	None
Annual Amount	None
Reserve Funded by (Date)	Not Applicable

Repair and Replacement Fund Requirement

Begin Funding on (Date)	Not Applicable
Annual Amount	None
Semi-Annual Deposit	None

Annual Payment

Years 1 through 5	$	34,612.13
Years 6 through 10	$	34,612.13
Years 11 through 15	$	34,612.13
Years 16 through 20	$	34,612.13

Section 2: Loan Repayment Schedule
Town of Marana
TBD

Year	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Semi-Annual Combined Interest and Fee Payment	Annual Principal Repayment	Total Annual Payment
1	1	01/01/23	3.600%	0.00		
1	2	07/01/23	3.600%	12,187.50	17,062.13	29,249.63
2	3	01/01/24	3.600%	8,467.88		
2	4	07/01/24	3.600%	8,467.88	17,676.37	34,612.13
3	5	01/01/25	3.600%	8,149.71		
3	6	07/01/25	3.600%	8,149.71	18,312.71	34,612.13
4	7	01/01/26	3.600%	7,820.08		
4	8	07/01/26	3.600%	7,820.08	18,971.97	34,612.13
5	9	01/01/27	3.600%	7,478.59		
5	10	07/01/27	3.600%	7,478.59	19,654.95	34,612.13
6	11	01/01/28	3.600%	7,124.79		
6	12	07/01/28	3.600%	7,124.79	20,362.55	34,612.13
7	13	01/01/29	3.600%	6,758.26		
7	14	07/01/29	3.600%	6,758.26	21,095.61	34,612.13
8	15	01/01/30	3.600%	6,378.55		
8	16	07/01/30	3.600%	6,378.55	21,855.03	34,612.13
9	17	01/01/31	3.600%	5,985.16		
9	18	07/01/31	3.600%	5,985.16	22,641.81	34,612.13
10	19	01/01/32	3.600%	5,577.60		
10	20	07/01/32	3.600%	5,577.60	23,456.93	34,612.13
11	21	01/01/33	3.600%	5,155.37		
11	22	07/01/33	3.600%	5,155.37	24,301.39	34,612.13
12	23	01/01/34	3.600%	4,717.95		
12	24	07/01/34	3.600%	4,717.95	25,176.23	34,612.13
13	25	01/01/35	3.600%	4,264.78		
13	26	07/01/35	3.600%	4,264.78	26,082.57	34,612.13
14	27	01/01/36	3.600%	3,795.29		
14	28	07/01/36	3.600%	3,795.29	27,021.55	34,612.13
15	29	01/01/37	3.600%	3,308.91		
15	30	07/01/37	3.600%	3,308.91	27,994.31	34,612.13
16	31	01/01/38	3.600%	2,805.01		
16	32	07/01/38	3.600%	2,805.01	29,002.11	34,612.13
17	33	01/01/39	3.600%	2,282.97		
17	34	07/01/39	3.600%	2,282.97	30,046.19	34,612.13
18	35	01/01/40	3.600%	1,742.14		
18	36	07/01/40	3.600%	1,742.14	31,127.85	34,612.13
19	37	01/01/41	3.600%	1,181.84		
19	38	07/01/41	3.600%	1,181.84	32,248.45	34,612.13
20	39	01/01/42	3.600%	601.37		
20	40	07/01/42	3.600%	601.37	33,409.29	34,612.03
				199,380.00	487,500.00	686,880.00

Exhibit B

Technical Terms and Conditions

Section 1
Budget

Uses by Budget Item	**Amount Budgeted**
Planning……..	$0.00
Design & Engineering…….	$0.00
Legal/Debt Authorization……	$0.00
Financial Advisor……	$0.00
Land/System Acquisition……	$0.00
Equipment/Materials……...	$0.00
Construction/Installation/Improvement……...	$1,000,000.00
Inspection & Construction Management…….	$0.00
Project Officer…….	$0.00
Administration…….	$0.00
Staff Training……..	$0.00
Capitalized Interest……..	$0.00
Refinance Loan……..	$0.00
Other……	$0.00
Total Budget……...	$1,000,000.00

Section 2
Project Description

The Loan will fund the installation of a 1.5-million-gallon storage reservoir which will address the current storage deficit in the North Marana System. Construction activities will include building a new 1.5-million-gallon storage reservoir on a footprint directly adjacent to an existing storage reservoir and booster station.

Section 3
Estimated Observation and Disbursement Schedule

Observation Schedule B:

Observation 1: Upon borrower notification of construction commencement

Additional Observations: at least one site observation within each 12 month period

Final Observation: 80% construction budget disbursement

Additional Observations – A WIFA representative may perform additional observations based on information provided in the projects status reports included in each Local Borrower disbursement requisition form.

Withholding Percentage: 10% (released after deliverables received)

Section 4
Requirements Prior To Construction

Section 4.1 **Construction Bids.** The Local Borrower shall submit to the Authority for review and approval prior to execution:

(a) engineering contracts related to the Project,

(b) bid documents related to the Project,

(c) construction contracts related to the Project, and

(d) certification of positive effort for disadvantaged business enterprise participation.

Section 4.2 **User Charges**. The Local Borrower has established (or, if the System is not yet in operation, the Local Borrower will, at or before the time the System commences operation, establish) a system of user charges which, with other funds lawfully available, will at all times be sufficient to pay the costs of operation and maintenance of the System, including renewals and replacements of the System. The Local Borrower also agrees that such system of user charges will be established and maintained in compliance with any applicable requirements of state and federal law as long as the Local Borrower owes amounts under this Loan Agreement. The Local Borrower at its sole option may pay the costs of operation, maintenance, repair, replacement, extensions and additions to the System from any funds lawfully available to it for such purpose.

Section 4.3 **Interest in Project Site**. As a condition of the Loan, the Local Borrower will demonstrate to the satisfaction of the Authority that the Local Borrower has or will have a fee simple or such other estate or interest in the site of the Project, including necessary easements and rights-of-way, as the Authority finds sufficient to assure undisturbed use and possession for the purpose of construction and operation of the Project for the estimated life of the Project.

Section 4.4 **Federal Clean Water Act**. The Local Borrower covenants that, to the extent legally applicable, the Project will meet the requirements of the Federal Clean Water Act in effect on the date of Loan Closing and any amendments thereto that may retroactively apply to the Loan, and the Local Borrower agrees that the Project will comply with applicable provisions of those federal laws and authorities listed in Article 9 of the Standard Terms and Conditions.

Section 4.5 **Federal Safe Drinking Water Act**. The Local Borrower covenants that, to the extent legally applicable, the Project will meet the requirements of the Federal Safe Drinking Water Act in effect on the date of Loan Closing and any amendments thereto that may retroactively apply to the Loan, and the Local Borrower agrees that the Project will comply with applicable provisions of those federal laws and authorities listed in Article 9 of the Standard Terms and Conditions.

Section 4.6 **Signs**. The Local Borrower shall erect a construction sign displaying information on the Project and the funding sources. The Authority shall provide specifications for such construction signs.

Section 5
Requirements During Construction

Section 5.1 **Changes in Project Scope.** The Local Borrower shall submit to the Authority, for review and approval prior to execution, any change to the plans and specifications, construction contracts, Eligible Project Costs, or any other change which will effect the performance standards or purpose of the Project.

Section 5.2 **Completion of Project and Provision of Moneys Therefor**. The Local Borrower covenants and agrees (a) to exercise its best efforts in accordance with prudent utility construction practice to complete the Project and (b) to the extent permitted by law, to provide from its own fiscal resources all moneys, in excess of the total amount of loan proceeds it receives hereunder and under any subsequent loan from the Authority, required to complete the Project.

Section 5.3 **Inspections; Information**. The Local Borrower shall permit the Authority and any party designated by the Authority to examine, visit and inspect, at any and all reasonable times, the property, if any, constituting the Project, and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the Authority may reasonably require in connection therewith.

Section 5.4 **Adjustments for Ineligible Costs**. The Local Borrower shall promptly reimburse the Authority for any portion of the Loan which is determined to have been used for costs that are not eligible for funding under the Authority Act, the Federal Clean Water Act, as amended, or the Federal Safe Drinking Water Act, as amended, unless such matter is curable in some other manner by the Local Borrower to the satisfaction of the Authority. Such reimbursement shall be promptly repaid to the Authority upon written request of the Authority. Any such reimbursed principal amount will be applied to reduce the outstanding principal amount of the Loan.

Section 5.5 **Archaeological Artifacts**. In the event that archaeological artifacts or historical resources are discovered during construction excavation of the Project, the Local Borrower shall

stop or cause to be stopped construction activities and will notify the State Historic Preservation Office and the Authority of such discovery.

Section 6
Requirements Prior To Releasing Withholdings

Section 6.1 **Plan of Operation**. After construction is 50% complete and prior to the release of the withholding, the Local Borrower will submit to the Authority a plan of operation which provides a concise, sequential description of an implementation schedule for those activities necessary to assure efficient and reliable start-up and continual operation of the Project.

Section 6.2 **Final Approval**. Prior to the release of the withholding, the Local Borrower will submit to the Authority (a) as-built drawings by a professional engineer that document all changes from the original plans and specifications (b) copies of all testing results performed by or under the supervision of a professional engineer as required by the specifications, and (c) Arizona Department of Environmental Quality (ADEQ) approval of construction or an engineer's Certificate of Completion certifying that all construction was completed in accordance with the plans and specifications or that any changes made are in conformance with the Arizona Revised Statutes, ADEQ and Environmental Protection Agency rules, permits and guidelines and are documented in the as-built drawings. Based on a review of the information submitted, the Authority reserves the right, prior to the release of the withholding, to request modifications to the Project, the system, or the materials submitted pursuant to this section.

Exhibit C

Reporting Requirements

Section 1. **Annual Loan Review**. The Authority's Annual Loan Review Form and annual financial statements in a format approved by the Authority, including the report of any annual audit(s) and all audit reports required by governmental auditing standards and any applicable Arizona rules, shall be provided by the Local Borrower to the Authority within one-hundred and eighty (180) days after the end of each fiscal year of the Local Borrower. The Local Borrower shall complete all audits and submit all reports required by the federal Single Audit Act within the time limits under that federal law, currently within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the federal agency that provided the funding or a different period is specified in a program-specific audit guide.

Section 2. **Records and Accounts**. The Local Borrower shall keep accurate records and accounts for the System, including records and accounts for the Project (the "*System Records*"), separate and distinct from its other records and accounts (the "*General Records*"). The Local Borrower must maintain the System Records in accordance with generally accepted accounting principles (GAAP), including standards relating to the reporting of infrastructure assets, as issued by the Governmental Accounting Standards Board (GASB) or by the Financial Accounting Standards Board (FASB), as applicable to the Local Borrower. If required by law, the Local Borrower must have the System Records audited annually by an independent accountant, which audit may be part of the annual audit of the General Records of the Local Borrower. The Local Borrower must make all System Records and General Records available for inspection by the Authority at any reasonable time.

Section 3. **Notice of Change In Key Personnel**. Promptly after becoming aware thereof, the Local Borrower shall provide notice in writing to the Authority of any change to the information in Section 1 of the Loan Agreement and any other change in key personnel connected to the Project and Loan.

Section 4. **Notice of Material Adverse Change**. The Local Borrower shall promptly notify the Authority of any material adverse change in the activities, prospects or condition (financial or otherwise), of the Local Borrower relating to the System, or in the ability of the Local Borrower to make all Loan Repayments from the Source of Repayment described in this Loan Agreement and otherwise to observe and perform its duties, covenants, obligations and agreements hereunder.

Section 5. **Disadvantaged Business Enterprise (DBE) Program.** The Local Borrower must report DBE participation to the Authority based on guidance from the Authority.

Section 6. **Notice of Default**. Promptly after becoming aware thereof, Local Borrower shall give notice to the Authority of (i) the occurrence of any Event of Default under the Loan Agreement or (ii) the occurrence of any breach, default, Event of Default, or event which with the giving of notice or lapse of time, or both, could become a material breach, default, or Event of Default (a "Future Breach") under any agreement, indenture, mortgage, or other instrument

(other than the Loan Agreement) to which the Local Borrower is a party or by which it or any of its property is bound or affected. Local Borrower shall provide written notice to the Authority if the effect of such breach, default, Event of Default or Future Breach is to accelerate, or to permit the acceleration of, the maturity of any indebtedness under such agreement, indenture, mortgage, or other instrument; provided, however, that the failure of the Local Borrower to give such notice shall not affect the right and power of the Authority to exercise any and all of the remedies specified herein.

Section 7. **Notice of Construction Commencement**. The Local Borrower shall promptly notify the Authority immediately upon commencement of construction activities.

Section 8. **Notice of Non-Environmental Litigation**. Promptly after the commencement or overt threat thereof, Local Borrower shall provide the Authority with written notice of the commencement of all actions, suits, or proceedings before any court, arbitrator, or governmental department, commission, board, bureau, agency, or instrumentality affecting Local Borrower which, if adversely determined, could have a material adverse effect on the condition (financial or otherwise), operations, properties, or business of Local Borrower, or on the ability of Local Borrower to perform its obligations under the Loan Agreement.

Section 9. **Notice of Environmental Litigation**. Without limiting the provisions of Section 8 above, promptly after receipt thereof, Local Borrower shall provide the Authority with written notice of the receipt of all pleadings, orders, complaints, indictments, or other communication alleging a condition that may require Local Borrower to undertake or to contribute to a cleanup or other response under laws relating to environmental protection, or which seek penalties, damages, injunctive relief, or criminal sanctions related to alleged violations of such laws, or which claim personal injury to any person or property damage as a result of environmental factors or conditions or which, if adversely determined, could have a material adverse effect on the condition (financial or otherwise), operations, properties, or business of Local Borrower, or on the ability of Local Borrower to perform its obligations under the Loan Agreement.

Section 10. **Regulatory and Other Notices**. Promptly after receipt or submission thereof, Local Borrower shall provide the Authority with copies of any notices or other communications received from or directed to any governmental authority with respect to any matter or proceeding which could have a material adverse effect on the condition (financial or otherwise), operations, properties, or business of Local Borrower, or the ability of Local Borrower to perform its obligations under the Loan Agreement, or which reveals a substantial non compliance with any applicable law, regulation or rule.

Section 11. **Other Information**. The Local Borrower shall submit to the Authority other information regarding the condition (financial or otherwise), or operation of the Local Borrower as the Authority may, from time to time, reasonably request.

Section 12. **Additional Reporting Requirements.** The Local Borrower shall refer to the Loan Agreement Addendum for wage rate reporting requirements.

Exhibit D Source of Repayment: System Revenues

Section 1 Certain Definitions

As used in this Loan Agreement, the following terms shall have the meanings set forth below unless the context clearly requires otherwise:

"Additional Parity Obligations" shall mean any additional obligations having a lien payable from Net Revenues of the System on a parity with the Loan Agreement which may hereafter be issued by the Local Borrower (or any financing conduit acting on behalf of the Local Borrower) in compliance with the terms in Section 3.

"Administrative Expenses" shall mean the reasonable cost or value of all services rendered by the Local Borrower and its various departments with respect to the System.

"Fund" shall mean the fund or funds into which the Local Borrower shall deposit the Revenues of the System.

"Net Revenues" shall mean that portion of the Revenues remaining after deducting sufficient funds for the Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" shall mean all costs reasonably incurred in connection with the operation, use and maintenance of the System, including (i) repairs necessary to keep the System in efficient and economical operating condition, (ii) the payments of premiums for insurance hereinafter required to be carried on the System, (iii) payments of reasonable Administrative Expenses and (iv) generally all expenses of the System except depreciation, interest expense related to the Loan Agreement, any Outstanding Parity Obligations, any Additional Parity Obligations, and interest expenses on any obligations subordinate to such obligations.

"Outstanding Parity Obligations" shall mean obligations issued and outstanding having a lien payable from Net Revenues of the System on a parity with the Loan Agreement.

"Revenues" shall mean and include all income, moneys and receipts to be received by the Local Borrower, directly or indirectly, from the ownership, use or operation of the System including any waste material or by-products of the System, and also including investment income.

Section 2 Source of Repayment and Rate Covenant Provisions

1. It is understood and agreed that all payments with respect to the Loan shall be made only from the Source of Repayment, which is hereby pledged to the payment of all amounts due under the Loan. The "Source of Repayment" is the Net Revenues of the System as hereinafter provided. The Net Revenues are hereby pledged by the Local Borrower to the payment of all amounts due under the Loan and the repayment of such amounts shall be secured by a lien on and pledge of the Net Revenues on parity with the pledge and lien granted by the Local Borrower for the payment and security of Outstanding Parity Obligations and Additional Parity

Obligations. The amounts due under this Loan Agreement and any Outstanding Parity Obligations and Additional Parity Obligations (exclusive of the Local Borrower's repayment obligations with respect to those reserve fund credit instruments in connection with this Loan and any Additional Parity Obligations which shall be secured on a subordinate basis), shall be equally and ratably secured by said pledge and lien without one having priority over the other. The Local Borrower intends that this pledge shall be a prior and paramount lien on and a first pledge of the Net Revenues, as will be sufficient to make all payments on the Loan, and the Local Borrower covenants to make the payments under the Loan from the Net Revenues, except to the extent that it chooses to make such payments from other legally available funds at its sole option. In no event shall the Local Borrower be required to make the payments on the Loan from any revenues, receipts or sources not derived from the Net Revenues of the System.

2. The Local Borrower covenants and agrees that it will establish and maintain schedules of rates, fees and charges for all services supplied by the System which, after making reasonable allowance for contingencies and errors in estimates, shall produce Revenues in each fiscal year that are sufficient, (a) to pay the Operation and Maintenance Expenses of the System, (b) to produce an aggregate amount of Net Revenues equal the sum of (i) one hundred twenty percent (120%) of the aggregate of the debt service or comparable payments payable on the Loan, the Outstanding Parity Obligations, and any Additional Parity Obligations in such fiscal year, and (ii) one hundred percent (100%) of the aggregate of the debt service on comparable payments, separately payable and secured on a basis subordinate to the Loan by Net Revenues, and (c) to maintain all necessary fund balances required under the resolutions or agreements of the Local Borrower authorizing the Loan, the Outstanding Parity Obligations, and Additional Parity Obligations.

Section 3 Additional Parity Obligations

The Local Borrower covenants and agrees that no other obligations of any kind will be issued that are payable from or enjoy a pledge of the Net Revenues having priority over the Loan.

It is understood and agreed that Additional Parity Obligations having a lien upon and payable from the Net Revenues may be issued on parity with the Loan, but only as provided herein and only to provide funds to make improvements and expansions to the existing System, to purchase capacity rights in sewage treatment plant facilities owned by other political subdivisions of the State, to purchase capacity rights in water treatment plant facilities owned by other political subdivisions of the State, to acquire land, rights in land or water rights for the System, to provide reasonable reserves for Outstanding Parity Obligations and Additional Parity Obligations, to refund Outstanding Parity Obligations and Additional Parity Obligations or the Loan or to refund other bonds of the Local Borrower, if any, whether revenue bonds, general obligation bonds or other bonds or obligations, issued to provide funds to construct or acquire additions, extensions, improvements, expansions or replacements to the System, subject to the following conditions:

(a) The Local Borrower will not, at the time of the issuance of such Additional Parity Obligations, be in default under any Outstanding Parity Obligations, Additional Parity Obligations, the Loan or under any resolution related thereto or providing for the issuance of Additional Parity Obligations or any related credit or reserve fund credit instrument;

(b) The issuance of Additional Parity Obligations will be duly authorized at an election, if required by law, except as to any bonds or obligations to be issued exclusively for the purpose of refunding any Outstanding Parity Obligations and Additional Parity Obligations or the Loan;

(c) The issuance of Additional Parity Obligations will be provided for by a resolution duly adopted by the Local Borrower's governing body and such Additional Parity Obligations will mature and interest will be paid on the same days of the year as Outstanding Parity Obligations and Additional Parity Obligations; and

(d) The Reserve Requirement (as defined in Exhibit E), as computed for the amount of Additional Parity Obligations to be issued, shall be available in the Reserve Fund (as defined in Exhibit E) in one of the following ways: (i) Additional Parity Obligation proceeds shall be immediately deposited to the Reserve Fund, or a separate account as may be required, in an amount equal to the increased Reserve Requirement, if any, for the Additional Parity Obligations, or a Reserve Fund surety acceptable to the Authority shall be purchased in such amount; or (ii) Additional Parity Obligations, or any other revenues of the Local Borrower lawfully available to be used for such deposit, may be deposited to the Reserve Fund in equal monthly deposits such that the Reserve Requirement for such Additional Parity Obligations shall be satisfied not more than four years from the date of delivery of such Additional Parity Obligations; or (iii) any combination of (i) and (ii). The Reserve Fund may be divided into separate and discrete subaccounts each pledged to different Additional Parity Obligations provided that each Additional Parity Obligation Reserve Requirement is satisfied in one of the foregoing manners; and

(e) the aggregate amount of the Net Revenues of the System for the last full fiscal year immediately preceding the issuance of such Additional Parity Obligation, as shown in a certificate or report of an independent public accountant or firm of such accountants presented to the Authority, has been at least equal to the sum of the following: (i) not less than one hundred twenty percent (120%) of the highest year's debt service or comparable payments on all of the Outstanding Parity Obligations, the Loan, and the Additional Parity Obligations then to be issued, and (ii) not less than one hundred percent (100%) of the aggregate of amounts payable in such fiscal year and secured on a subordinate basis by such Net Revenues and (iii) not less than one hundred percent (100%) of any additional amounts required to maintain or fund necessary fund balances under the resolutions or agreements of the Local Borrower relating to the obligations described in (i).

For the purposes of the subparagraph (e), additional amounts may be added to the Net Revenues as shown on the accountant's certificate or report in the following circumstances:

(1) If the Revenues have been increased as a result of construction of additions or acquisitions to the System made prior to the issuance of such Additional Parity Obligations but during either the fiscal year in which the Additional Parity Obligations are to be issued or in the preceding fiscal year, such increased Revenues may be treated as if such additions to the System were completed on the first day of the fiscal year used for purposes of computation. The Revenues derived from such additions and acquisitions to the System may

be converted for purposes of computation to estimated Net Revenues which would have been derived therefrom if said additions and acquisitions had actually been completed on the first day of the year used for computation purposes, such estimates to be made by a professional firm experienced in estimating future revenues and expenses of water and sewer systems and having a recognized reputation for that work.

(2) If all or part of the proceeds of the Additional Parity Obligations are to be expended for the acquisition of existing water properties or facilities, there may be added to the Net Revenues of such preceding fiscal year the Net Revenues which would have been derived from the operation of such properties or facilities if such properties or facilities had been acquired and operated by the Local Borrower under the Local Borrower's applicable rate schedule during the entire preceding fiscal year, such Net Revenues to be estimated by a professional firm experienced in estimating future revenues and expenses of water and sewer systems and having a recognized reputation for that work.

(3) If prior to the issuance of the Additional Parity Obligations and subsequent to the first day of such preceding fiscal year, the Local Borrower shall have increased its rates or charges imposed for water services, there may be added to the Net Revenues of such fiscal year the additional Net Revenues which would have been received from the operation of the System during such fiscal year had such increase been in effect throughout such fiscal year, such additional Net Revenues to be estimated by a professional firm experienced in estimating future revenues and expenses of water and sewer systems and having a recognized reputation for that work.

For purposes of calculations under this subparagraph (e), if Additional Parity Obligations are to be issued exclusively for the purpose of refunding or retiring a portion of Outstanding Parity Obligations or this Loan, for the purpose of the calculation required under this subparagraph (e), the percentage requirement on such obligations will be taken into consideration only in any future fiscal year in which any fractional part of such obligations will remain outstanding after the issuance of such Additional Parity Obligations; provided that nothing herein contained shall be construed to limit or restrict the issuance of any Additional Parity Obligations if, before or as a result of the issuance and delivery of such Additional Parity Obligations, any other obligations theretofore issued will no longer be outstanding, or full payment for any such obligations will be provided for by funds from the bond or obligation proceeds.

Exhibit E Debt Service Reserve Requirement

No Debt Service Reserve Required

The Local Borrower shall not be required to either (i) provide a Reserve Fund Surety or (ii) fund a Reserve Fund in cash in connection with this Agreement.

Exhibit F Replacement Reserve Requirements

No Replacement Reserve Required

The Local Borrower shall not be required to maintain a Replacement Reserve in connection with the Loan.

Exhibit G Form of Opinion of Local Borrower Counsel

Enter Date of Opinion

Water Infrastructure Finance Authority of Arizona
Phoenix, Arizona

Ladies and Gentlemen:

I am an attorney admitted to practice in the State of Arizona and I have acted as counsel to the Town of Marana (the "*Local Borrower*"), which has entered into a Loan Agreement (as hereinafter defined) with the Water Infrastructure Finance Authority of Arizona (the "*Authority*"), and have acted as such in connection with the authorization, execution and delivery by the Local Borrower of the Loan Agreement (as hereinafter defined). Terms used and not otherwise defined herein have the meanings given to them in the Loan Agreement.

In so acting I have examined the Constitution and laws of the State of Arizona. I have also examined originals, or copies certified or otherwise identified to my satisfaction, of the following:

(a) the Loan Agreement, dated as of **TBD** (the "*Loan Agreement*") by and between the Authority and the Local Borrower; and

(b) proceedings of the governing board of the Local Borrower relating to the approval of the Loan Agreement and the Local Borrower Bond and the execution, issuance and delivery thereof on behalf of the Local Borrower, and the authorization of the undertaking and completion of the Project, including the proceedings relating to the election held on Enter Election Date on the question of authorizing the Local Borrower to enter into loan agreements with the Authority and/or issue the Local Borrower Bond, of which there is authorized but unissued capacity at least equal to the principal amount of the Loan.

I have also examined and relied upon originals, or copies certified or otherwise authenticated to my satisfaction, of such other records, documents, certificates and other instruments, and made such investigation of law as in my judgment I have deemed necessary or appropriate to enable me to render the opinions expressed below.

Based upon the foregoing, I am of the opinion that:

1. The Local Borrower is a political subdivison of the State of Arizona with the legal right to carry on the business of the System as currently being conducted and as proposed to be conducted.

2. The Local Borrower has full legal right and authority to pledge the Source of Repayment for the Loan Repayments and to execute and deliver the Loan Agreement, and to observe and perform its duties, covenants, obligations and agreements thereunder and to undertake and complete the Project; subject, however, to the effect of restrictions and limitations imposed by or

resulting from, bankruptcy, insolvency, moratorium, reorganization, debt adjustment or other similar laws affecting creditors rights generally ("*Creditor's Rights Limitations*") heretofore or hereafter enacted.

3. The Local Borrower has duly and validly pledged the Source of Repayment for the punctual payment of the principal of and interest on the Loan and all other amounts due under the Loan Agreement and the Local Borrower Bond according to their respective terms.

4. All additional debt tests and reserve and other requirements applicable to the Local Borrower with respect to the pledge of the Source of Repayment have been satisfied.

5. The authorizing proceedings of the Local Borrower's governing body approving the Loan Agreement and authorizing its execution, issuance and delivery on behalf of the Local Borrower, and authorizing the Local Borrower to undertake and complete the Project (hereinafter collectively called the "*Authorizing Resolutions*") have been duly and lawfully adopted and authorized in accordance with applicable Arizona law, at a meeting or meetings which were duly called pursuant to necessary public notice and held in accordance with applicable Arizona law, and at which quorums were present and acting throughout.

6. The Loan Agreement has been duly authorized, executed and delivered by the authorized officers of the Local Borrower; and, assuming that the Authority has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed and delivered the Loan Agreement, the Loan Agreement constitutes the legal, valid and binding obligation of the Local Borrower enforceable in accordance with its terms; subject, however, to the effect of and to restrictions and limitations imposed by or resulting from Creditor's Rights Limitations or other laws, judicial decisions and principles of equity relating to the enforcement of contractual obligations generally.

7. To the best of my knowledge, after such investigation as I have deemed appropriate, the authorization, execution and delivery of the Loan Agreement by the Local Borrower, the observance and performance by the Local Borrower of its duties, covenants, obligations and agreements thereunder and the consummation of the transactions contemplated therein and the undertaking and completion of the Project do not and will not contravene any existing law or any existing order, injunction, judgment, decree, rule or regulation of any court or governmental or administrative agency, authority or person having jurisdiction over the Local Borrower or its property or assets or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any existing bond resolution, trust agreement, indenture, mortgage, deed of trust or other agreement to which the Local Borrower is a party or by which it, the System or its property or assets is bound.

8. To the best of my knowledge, after such investigation as I have deemed appropriate, all approvals, consents or authorizations of, or registrations of or filings with, any governmental or public agency, authority or person required to date on the part of the Local Borrower in connection with the authorization, execution, delivery and performance of the Loan Agreement, and the undertaking and completion of the Project have been obtained or made.

9. To the best of my knowledge, after such investigation as I have deemed appropriate, there is no litigation or other proceeding pending or threatened in any Court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization or existence of the Local Borrower or the validity, legality or enforceability of the Loan Agreement, or the undertaking or completion of the Project.

This opinion is rendered on the basis of Federal law and the laws of the State of Arizona as enacted and construed on the date hereof. I express no opinion as to any matter not set forth in the numbered paragraphs herein.

Very truly yours,

Exhibit H Tax Compliance Certificate of Local Borrower

Water Infrastructure Finance Authority of Arizona

$1,000,000.00 Loan to Town of Marana

The Water Infrastructure Finance Authority of Arizona (the "Authority") and Town of Marana (the "Local Borrower") are entering into a Loan Agreement (the "Loan Agreement") in the maximum principal amount stated above pursuant to which the Authority will make a loan (the "Loan") to the Local Borrower. In connection with its state revolving fund programs, the Authority issues its bonds ("Authority Bonds") from time to time to finance loans and the Authority also pledges certain loans to secure and to serve as the source of payment for the Authority Bonds. As a result, and under the provisions of federal tax law applicable to the Authority Bonds, it is in the Authority's interest for the Loan to qualify and be a Tax-Exempt Obligation that is not an AMT Obligation. Therefore, in order to establish certain facts necessary for the Loan to qualify and be treated as a Tax-Exempt Obligation that is not an AMT Obligation, and as required by the provisions of the Loan Agreement, the Local Borrower by its officer signing this Certificate, certifies, represents, and covenants as follows with respect to the Loan. All statements in this Certificate are of facts or, as to events to occur in the future, reasonable expectations.

I. DEFINITIONS

1.10. Attachment A. The definitions and cross-references set forth in Attachment A apply to this Certificate and its Attachments. All terms relating to a particular issue, such as Sale Proceeds, relate to the Loan, unless indicated otherwise. (For example, "Sale Proceeds" refers to Sale Proceeds of the Loan, unless indicated otherwise.)

1.20. Special Definitions. Terms used herein, to the extent not defined in Attachment A or below, have the same meaning as defined in the Loan Agreement. In addition, the following definitions apply to this Certificate and its Attachments:

"Instructions" means the Rebate Instructions attached hereto as Attachment A-1.

"Issue" means the Loan.

"Issuer" means the Local Borrower.

"Project" means the financing of a portion of the costs of acquisition, construction and improvement of facilities to be financed by the Loan and includes Issuance Costs and interest on the Loan for up to three years from the Issuance Date or, if later, one year after the date the Project is placed in service, all of which are governmental purposes for purposes of the Code.

"Reserve Fund" is defined in 3.40(a).

1.30. References. Reference to a Section means a section of the Code. Reference by number only (for example, "2.10") means that numbered paragraph of this Certificate. Reference to an Attachment means an attachment to this Certificate.

II. ISSUE DATA

2.10. Issuer. The Issuer is a Governmental Unit.

2.20. Purpose of Issue. The Issue is being issued to provide funds to pay costs of the Project.

2.30. Dates. The Sale Date of the Issue is the date on which the Loan Agreement is executed and delivered by the Authority and the Local Borrower, and the Issuance Date of the Issue is the first date on which the aggregate draws under the Loan exceed the lesser of $50,000 or 5% of the principal amount of the Loan.

2.40. Issue Price. The Issue Price of the Issue is the principal amount actually advanced by the Authority to the Issuer as the Loan.

2.50. Sale Proceeds, Net Proceeds, and Net Sale Proceeds. The amount of Sale Proceeds equals the Issue Price. The amount of Net Proceeds equals the Issue Price minus the amount of Proceeds (if any) deposited in the Reserve Fund (if any). The amount of Net Sale Proceeds equals the amount of Net Proceeds minus the Minor Portion.

2.60. Disposition of Sale Proceeds. There will be no Pre-Issuance Accrued Interest with respect to the Issue. The Sale Proceeds will be used to pay costs of the Project and, if applicable, to fund the Reserve Fund (if any).

2.70. Higher Yielding Investments. Gross Proceeds will not be invested in Higher Yielding Investments except for (A) the Minor Portion to the extent provided in 3.80, (B) those Gross Proceeds identified in 3.10, 3.20, and 3.30, but only during the applicable Temporary Periods there described for those Gross Proceeds, and (C) Gross Proceeds held in the Reserve Fund (if any) to the extent set forth in 3.40(a).

2.80. Single Issue. No other obligations have been or will be sold less than 15 days before or after the Sale Date pursuant to the same plan of financing with the Issue that are expected to be paid from substantially the same source of funds as the Issue, determined without regard to guarantees from a person who is not a Related Party to the Issuer. Accordingly, no obligations other than those of the Issue are a part of a single issue with the Issue.

III. ARBITRAGE (NONREBATE) MATTERS

3.10. Use of Net Sale Proceeds and Pre-Issuance Accrued Interest; Temporary Periods.

(A) Pre-Issuance Accrued Interest. There will be no Pre-Issuance Accrued Interest with respect to the Issue.

(B) Payment of Costs of the Project.

(1) All of the Net Sale Proceeds will be used to pay costs of the Project. Such Sale Proceeds may be used to acquire or hold Higher Yielding Investments for a period ending on the third anniversary of the Issuance Date (such period being the Temporary Period for such amount) because the following three tests are reasonably expected to be satisfied:

(i) At least 85% of the Net Sale Proceeds will be allocated to expenditures on the Project by the end of the Temporary Period;

(ii) Within 6 months of the Issuance Date, the Issuer will incur substantial binding obligations to third parties to expend at least 5% of the Net Sale Proceeds on the Project; and

(iii) Completion of the Project and allocation of the Net Sale Proceeds to expenditures will proceed with due diligence.

Any Sale Proceeds that remain unspent on the third anniversary of the Issuance Date, which is the expiration date of the Temporary Period for such Proceeds, shall not be invested in Higher Yielding Investments with respect to the Issue after that date except as part of the Minor Portion. In complying with the foregoing sentence, the Issuer may take into account "yield reduction payments" (within the meaning of Regulations §1.148-5(c)) paid to the United States.

(2) Any Reimbursement Allocation will qualify as a Reimbursement of Prior Capital Expenditures and will be made by an entry in the financial records of the Issuer kept with respect to the Issue showing that Sale Proceeds of the Issue have been returned to the fund or account of the Issuer from which such amount was originally and temporarily advanced to finance Capital Expenditures paid before this date by not more than (A) 18 months after the later of the date such Capital Expenditures were paid or the date on which the property resulting from such Capital Expenditures and comprising part of the Project was placed in service or (B) three years after the original expenditures were paid.

3.20. Investment Proceeds. Any Investment Proceeds will be used to pay costs of the Project and may be invested in Higher Yielding Investments during the Temporary Period identified in 3.10(B)(1) or, if longer, one year from the date of receipt, such period being the Temporary Period for such Proceeds.

3.30. Payment Fund. Amounts deposited from time to time in the fund of the Issuer from which payments will be made on the Issue, which is a Bona Fide Debt Service Fund, will be used to pay Debt Service on the Issue within 13 months after the amounts are so deposited, such period being the Temporary Period for such amounts.

3.40. Reserve Funds.

(A) Debt Service Reserve Fund. If (and only if) the Loan Agreement requires the funding of a debt service reserve fund ("Reserve Fund") in cash: The amount of Proceeds of the Loan deposited in the Reserve Fund shall not exceed

10% of the stated principal amount of the Loan. Amounts in the portion of the Reserve Fund allocable to the Issue may be invested in Higher Yielding Investments with respect to the Issue to the extent that such amounts do not exceed the least of (i) 10% of the principal amount of the Issue; (ii) maximum annual Debt Service; and (iii) 125% of average annual Debt Service. Any amounts in the portion of the Reserve Fund allocable to the Issue in excess of the least of these amounts will not be invested in Higher Yielding Investments with respect to the Issue. In complying with the yield restriction set forth in this Section, the Issuer may take into account "yield reduction payments" (within the meaning of Regulations § 1.148-5(c)) timely paid or to be timely paid to the United States because amounts in the Reserve Fund (other than investment earnings) are not reasonably expected to be used to pay Debt Service other than in connection with reductions in the amount required to be in the Reserve Account. The establishing and funding of the Reserve Fund was reasonably required by the Authority as a condition of making the Loan.

(B) Replacement Reserve Fund. If (and only if) the Loan Agreement requires the funding of a replacement reserve fund ("Replacement Reserve Fund") in cash: The Replacement Reserve Fund may be used for one or more of the following purposes: (i) the acquisition of new, or the replacement of obsolete or worn out, machinery, equipment, furniture, fixtures or other personal property for the Issuer's utility system, provided that the property is depreciable; (ii) the performance of repairs with respect to the Issuer's utility system that are of an extraordinary and non-recurring nature, provided that the property is depreciable; (iii) the acquisition or construction of additions to or improvements, extensions or enlargements to, or remodeling of, the Issuer's utility system, provided that the property is depreciable; and/or (iv) to make Debt Service payments to the Authority on the Issue (collectively, the "Permitted Uses"). The Issuer reasonably expects to use amounts in the Replacement Reserve Fund for Permitted Uses other than to make Debt Service payments to the Authority on the Issue, and therefore there is no reasonable assurance of the availability of those amounts to make Debt Service payments to the Authority on the Issue if the Issuer encounters financial difficulties

3.50. No Other Replacement Fund or Assured Available Funds. Except as described in 3.30 and, if and to the extent applicable, 3.40(A), , the Issuer has not established and does not expect to establish or use any sinking fund, debt service fund, redemption fund, reserve or replacement fund, or similar fund, or any other fund to pay Debt Service on the Issue. Except for money referred to in 3.30 and Proceeds of a Refunding Issue, if any, no other money or Investment Property is or will be pledged as collateral or used for the payment of Debt Service on the Issue (or for the reimbursement of any others who may provide money to pay that Debt Service), or is or will be restricted, dedicated, encumbered, or set aside in any way as to afford the holders of the Issue reasonable assurance of the availability of such money or Investment Property to pay Debt Service on the Issue.

3.60. No Overissuance. The Proceeds of the Issue are not reasonably expected to exceed the amount needed for the governmental purposes of the Issue as set forth in 2.20.

3.70. Other Uses of Proceeds Negated. Except as stated otherwise in this Certificate, none of the Proceeds of the Issue will be used:

(A) to pay principal of or interest on, refund, renew, roll over, retire, or replace any other obligations issued by or on behalf of the Issuer or any other Governmental Unit,

(B) to replace any Proceeds of another issue that were not expended on the project for which such other issue was issued,

(C) to replace any money that was or will be used directly or indirectly to acquire Higher Yielding Investments,

(D) to make a loan to any person or other Governmental Unit,

(E) to pay any Working Capital Expenditure other than expenditures identified in Regulations §1.148-6(d)(3)(ii)(A) and (B) (i.e., Issuance Costs of the Issue, Qualified Administrative Costs, reasonable charges for a Qualified Guarantee or for a Qualified Hedge, interest on the Issue for a period commencing on the Issuance Date of the Issue and ending on the date that is the later of three years from such Issuance Date or one year after the date on which the project financed or refinanced by the Issue was or will be placed in service, payments of the Rebate Amount, and costs, other than those already described, that do not exceed 5% of the Sale Proceeds and that are directly related to Capital Expenditures financed or deemed financed by the Issue, principal or interest on an issue paid from unexpected excess Sale Proceeds or Investment Proceeds, and principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a Bona Fide Debt Service Fund), or

(F) to reimburse any expenditures made prior to the Issuance Date except those that qualify as a Reimbursement of Prior Capital Expenditures.

No portion of the Issue is being issued solely for the purpose of investing Proceeds in Higher Yielding Investments.

3.80. Minor Portion. The Minor Portion is equal to the lesser of 5% of the Sale Proceeds of the Issue and $100,000. Such Minor Portion may be invested in Higher Yielding Investments with respect to the Issue.

3.90. No Other Replacement Proceeds. That portion of the Issue that is to be used to finance Capital Expenditures has a weighted average maturity that does not exceed 120% of the weighted average reasonably expected economic life of the property resulting from such Capital Expenditures.

IV. REBATE MATTERS

4.10. Issuer Obligation Regarding Rebate. Consistently with its covenants contained in the Loan Agreement, the Issuer will calculate and make, or cause to be calculated and made,

payments of the Rebate Amount in the amounts and at the times and in the manner provided in Section 148(f) with respect to Gross Proceeds to the extent not exempted under Section 148(f)(4) and the Instructions.

4.20. No Avoidance of Rebate Amount. No amounts that are required to be paid to the United States will be used to make any payment to a party other than the United States through a transaction or a series of transactions that reduces the amount earned on any Investment Property or that results in a smaller profit or a larger loss on any Investment Property than would have resulted in an arm's length transaction in which the Yield on the Issue was not relevant to either party to the transaction.

4.30. Exceptions.

(A) Small Issuer Exception. The Issue is exempt under Section 148(f)(4)(D) from the rebate requirement **if all** of the following requirements are satisfied:

(1) The Issuer is a Governmental Unit with general taxing powers within the meaning of Section 148(f)(4)(D), and

(2) No part of the Issue is a Private Activity Bond, and

(3) All of the Net Proceeds will be used for "local governmental activities" of the Issuer within the meaning of Section 148(f)(4)(D) and none of the Net Proceeds will be used for any Private Business Use, and

(4) The aggregate principal amount of all Tax-Exempt Obligations, including the Issue, issued or to be issued by the Issuer, its subordinate entities and entities that issue any such obligations on behalf of the Issuer, or on behalf of which the Issuer issues any such obligations, during the current calendar year does not, and is not reasonably expected to, exceed $5,000,000. The Tax-Exempt Obligations taken into account for this purpose exclude any Private Activity Bonds and any Current Refunding Portion and Current Refunding Issue to the extent that the amount of such Current Refunding Portion or Current Refunding Issue does not exceed the outstanding amount of the obligations refunded by such Current Refunding Portion or Current Refunding Issue. No entity has been or will be formed or availed of to avoid the purposes of Section 148(f)(4)(D)(i)(IV).

If, but only if, all of the above requirements are satisfied, check here: [____]

and sign here: _____

(B) General Exception. Notwithstanding the foregoing, the computations and payments of amounts to the United States referred to in IV need not be made to the extent that the Issuer will not thereby fail to comply with any requirements of Section 148(f) and the Instructions based on an opinion of bond counsel.

4.40. Election. The Issue is a Construction Issue. The Issuer hereby elects to apply the 2-year spending exception to the rebate requirements on the basis of actual facts instead of the Issuer's reasonable expectations.

V. OTHER TAX MATTERS

5.10. Not Private Activity Bonds or Pool Bonds. No obligation of the Issue will be a Private Activity Bond or a pooled financing bond (within the meaning of Section 149(f)), based on the following:

(A) Not more than 5% of the Proceeds, if any, directly or indirectly, will be used for a Private Business Use and not more than 5%, if any, of the Debt Service on the Issue, directly or indirectly, will be secured by any interest in property used or to be used for a Private Business Use or payments in respect of such property, or will be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a Private Business Use.

(B) Less than 5% of the Proceeds, if any, will be used to make or finance loans to any Private Person or Governmental Unit other than the Issuer.

(C) The lesser of the Proceeds that are being or will be used for any Private Business Use or the Proceeds with respect to which there are payments or (borrowed money) that are being or will be used for any Private Business Use does not exceed $15,000,000 and none of the Proceeds will be used with respect to an "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4).

(D) The Issuer does not expect to sell or otherwise dispose of the Project or any portion thereof during the term of the Issue except for dispositions of property in the normal course at the end of such property's useful life to the Issuer. With respect to tangible personal property, if any, that is part of the Project, the Issuer reasonably expects that:

(1) Dispositions of such tangible personal property, if any, will be in the ordinary course of an established governmental program;

(2) The weighted average maturity of the obligations of the Issue financing such property (treating the obligations of the Issue properly allocable to such personal property as a separate issue for this purpose) will not be greater than 120% of the reasonably expected actual use of such property for governmental purposes;

(3) The fair market value of such property on the date of disposition will not be greater than 25% of its cost;

(4) The property will no longer be suitable for its governmental purposes on the date of disposition; and

(5) The amounts received from any disposition of such property are required to be, and will be, commingled with substantial tax or other governmental revenues and will be spent on governmental programs within 6 months from the date of such deposit and commingling.

5.20. Issue Not Federally Guaranteed. The Issue is not Federally Guaranteed.

5.30. Not Hedge Bonds. At least 85% of the Spendable Proceeds will be used to carry out the governmental purposes of the Issue within three years from the Issuance Date. Not more than 50%, if any, of the Proceeds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more (including but not limited to any investment contract or fixed yield investment having a maturity of four years or more). The reasonable expectations stated above are not based on and do not take into account (A) any expectations or assumptions as to the occurrence of changes in market interest rates or changes of federal tax law or regulations or rulings thereunder or (B) any prepayments of items other than items that are customarily prepaid.

5.40. Hedge Contracts. The Issuer has not entered into, and does not reasonably expect to enter into, any Hedge with respect to the Issue, or any portion thereof. The Issuer acknowledges that entering into a Hedge with respect to the Issue, or any portion thereof, may change the Yield and that Bond Counsel should be contacted prior to entering into any Hedge with respect to the Issue in order to determine whether payments/receipts pursuant to the Hedge will be taken into account in computing the Yield.

5.50. Internal Revenue Service Information Return. Within the time and on the form prescribed by the Internal Revenue Service under Section 149(e), the Issuer will file with the Internal Revenue Service an Information Return setting forth the required information relating to the Issue. The information reported on that Information Return will be true, correct, and complete to the best of the knowledge and belief of the undersigned.

5.60. Responsibility of Officer.

(A) The officer signing this Certificate is one of the officers of the Issuer responsible for issuing the Issue.

(B) To the best of the knowledge, information, and belief of the undersigned, all expectations stated in this Certificate are the expectations of the Issuer and are reasonable, all facts stated are true, and there are no other existing facts, estimates, or circumstances that would or could materially change the statements made in this Certificate. The certifications and representations made in this Certificate are intended to be relied upon as certifications described in Regulations § 1.148-2(b). The Issuer acknowledges that any change in the facts or expectations from those set forth in this Certificate may result in different requirements or a change in status of the Issue or interest thereon under the Code, and that bond counsel should be contacted if such changes are to occur or have occurred.

Town of Marana

By:_____

Name:_____

Title:_____

List of Attachments

Attachment A -- Definitions for Tax Compliance Certificate

Attachment A-1 -- Rebate Instructions

Attachment A

Definitions for Tax Compliance Certificate of Local Borrower

The following terms, as used in Attachment A and in the Tax Compliance Certificate to which it is attached and in the other Attachments to the Tax Compliance Certificate, have the following meanings unless therein otherwise defined or unless a different meaning is indicated by the context in which the term is used. Capitalized terms used within these definitions that are not defined in Attachment A have the meanings ascribed to them in the Tax Compliance Certificate to which this Attachment A is attached. The word "Issue," in lower case, refers either to the Issue or to another issue of obligations or portion thereof treated as a separate issue for the applicable purposes of Section 148, as the context requires. The word "obligation" or "obligations," in lower case, includes any obligation, whether in the form of bonds, notes, certificates, or any other obligation that is a "bond" within the meaning of Section 150(a)(1). All capitalized terms used in this Certificate include either the singular or the plural. All terms used in this Attachment A or in the Tax Compliance Certificate to which this Attachment A is attached, including terms specifically defined, shall be interpreted in a manner consistent with Sections 103 and 141-150 and the applicable Regulations thereunder except as otherwise specified. All references to Section, unless otherwise noted, refer to the Code.

"Advance Refunding Issue" means any Refunding Issue that is not a Current Refunding Issue.

"Advance Refunding Portion" means that portion of a Multipurpose Issue that constitutes a separate governmental purpose and that would be treated as an Advance Refunding Issue if it had been issued as a separate issue.

"AMT Obligation" means a Tax-Exempt Obligation the interest on which is an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code.

"Available Construction Proceeds" means an amount equal to (a) the sum of (i) the Issue Price of an issue, (ii) Investment Proceeds on that Issue Price, (iii) earnings on any reasonably required reserve or replacement fund allocable to the issue not funded from the Issue Price, and (iv) Investment Proceeds and earnings on (ii) and (iii), (b) reduced by the portions, if any, of the Issue Price of the issue (i) attributable to Pre-Issuance Accrued Interest and earnings thereon, (ii) allocable to the underwriter's discount, (iii) used to pay other Issuance Costs of the issue, and (iv) deposited in a reasonably required reserve or replacement fund allocable to the issue. "Available Construction Proceeds" does not include Investment Proceeds or earnings on a reasonably required reserve or replacement fund allocable to the issue for any period after the earlier of (a) the close of the 2-year period that begins on the Issuance Date or (b) the date the construction of the project financed by the issue is substantially completed, provided, however, that such Investment Proceeds or earnings shall be excluded from "Available Construction Proceeds" if the Issuer has timely elected such exclusion. If an issue is a Multipurpose Issue that includes a New Money Portion that is a Construction Issue, this definition shall be applied by substituting "New Money Portion" for "issue" each place the latter term appears. If an issue or the New Money Portion of a Multipurpose Issue, as applicable, is

not a Construction Issue, and the Issuer makes the bifurcation election under Regulations §1.148-7(j)(1) and Section 148(f)(4)(C)(v) to treat the issue or the New Money Portion as two separate issues consisting of the Construction Portion and the Nonconstruction Portion, this definition shall be applied by substituting "Construction Portion" for "issue" each place the latter term appears.

"Bona Fide Debt Service Fund" means a fund, including a portion of or an account in that fund (or in the case of a fund established for two or more issues, the portion of that fund properly allocable to an issue), or a combination of such funds, accounts or portions that is used primarily to achieve a proper matching of revenues with Debt Service on an issue within each Bond Year and that is depleted at least once each year except for a reasonable carryover amount not to exceed the greater of the earnings thereon for the immediately preceding Bond Year or one-twelfth of the annual Debt Service on the issue for the immediately preceding Bond Year.

"Bond Year" means the annual period relevant to the application of Section 148(f) to an issue, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the Issuance Date of an issue unless the Issuer selects another date on which to end a Bond Year in the manner permitted by the Code.

"Capital Expenditures" means costs of a type that are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of Placed in Service) under general federal income tax principles.

"Code" means the Internal Revenue Code of 1986, the Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section includes any applicable successor section or provision and such applicable Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

"Commingled Fund" means any fund or account of the Issuer that contains both Gross Proceeds of an issue and amounts in excess of $25,000 that are not Gross Proceeds of the issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account.

"Commingled Investment Proceeds" means Investment Proceeds of an issue (other than Investment Proceeds held in a Refunding Escrow) that are deposited in a Commingled Fund with substantial tax or other revenues from governmental operations of the Issuer and that are reasonably expected to be spent for governmental purposes within 6 months from the date of deposit in the Commingled Fund, using any reasonable accounting assumptions.

"Conduit Borrower" means the obligor on a purpose investment.

"Conduit Financing Issue" means an issue the Proceeds of which are reasonably expected to be used to finance one or more Conduit Loans.

"Conduit Loan" means a purpose investment acquired by the Issuer with Proceeds of a Conduit Financing Issue, thereby effecting a loan to the Conduit Borrower.

"Construction Expenditures" means Capital Expenditures allocable to the cost of real property (including the construction or making of improvements to real property, but excluding acquisitions of interests in land or other existing real property) or constructed personal property within the meaning of Regulations §1.148-7(g).

"Construction Issue" means an issue at least 75% of the Available Construction Proceeds of which are to be used for Construction Expenditures with respect to property that is, or upon completion will be, owned by a Governmental Unit or a 501(c)(3) Organization. If an issue is a Multipurpose Issue that includes a New Money Portion, this definition shall be applied by substituting "New Money Portion" for "Construction Issue" each place the latter term appears. If an election under Section 148(f)(4)(C)(v) and Regulations §1.148-7(j) is made to bifurcate an issue or the New Money Portion of a Multipurpose Issue, this definition shall be applied by substituting "Construction Portion" for "Construction Issue" each place the latter term appears.

"Construction Portion" means that portion of an issue or the New Money Portion of a Multipurpose Issue at least 75% of the Available Construction Proceeds of which are to be used for Construction Expenditures with respect to property that is, or upon completion will be, owned by a Governmental Unit or a 501(c)(3) Organization and that finances 100% of the Construction Expenditures.

"Controlled Group" means a group of entities controlled directly or indirectly by the same entity or group of entities within the meaning of Regulations §1.150-1(e).

"Current Refunding Issue" means a Refunding Issue that is issued not more than 90 days before the last expenditure of any Proceeds of the Refunding Issue for the payment of Debt Service on the Refunded Bonds.

"Current Refunding Portion" means that portion of a Multipurpose Issue that constitutes a separate governmental purpose and that would be treated as a Current Refunding Issue if it had been issued as a separate issue.

"Debt Service" means principal of and interest and any redemption premium on an issue.

"Excess Gross Proceeds" means all Gross Proceeds of an Advance Refunding Issue that exceed an amount equal to 1% of the Sale Proceeds of such Advance Refunding Issue, other than Gross Proceeds allocable to: (a) payment of Debt Service on the Refunded Bonds; (b) payment of Pre-Issuance Accrued Interest on the Advance Refunding Issue and interest on the Advance Refunding Issue that accrues for a period up to the completion date of any capital project financed by the Prior Issue, plus one year; (c) a reasonably required reserve or replacement fund for the

Advance Refunding Issue or Investment Proceeds of such fund; (d) payment of Issuance Costs of the Advance Refunding Issue; (e) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Advance Refunding Issue, or investments of the Advance Refunding Issue; (f) Transferred Proceeds allocable to expenditures for the governmental purpose of the Prior Issue (treating for this purpose all unspent Proceeds of the Prior Issue properly allocable to the Refunded Bonds as of the Issuance Date of the Advance Refunding Issue as Transferred Proceeds); (g) interest on purpose investments; (h) Replacement Proceeds in a sinking fund for the Advance Refunding Issue; and (i) fees for a Qualified Guarantee for the Advance Refunding Issue or the Prior Issue. If an Issue is a Multipurpose Issue that includes an Advance Refunding Portion, this definition shall be applied by substituting "Advance Refunding Portion" for "Advance Refunding Issue" each place the latter term appears.

"Federally Guaranteed" means that (a) the payment of Debt Service on an issue, or the payment of principal or interest with respect to any loans made from the Proceeds of the issue, is directly or indirectly guaranteed in whole or in part by the United States or by an agency or instrumentality of the United States, within the meaning of Section 149(b) of the Code, or (b) more than 5% of the Proceeds of an issue will be invested directly or indirectly in federally insured deposits or accounts. The preceding sentence does not apply to (a) Proceeds invested during an initial Temporary Period until such Proceeds are needed to pay costs of the project, (b) investments of a Bona Fide Debt Service Fund, (c) direct purchases from the United States of obligations issued by the United States Treasury, or (d) other investments permitted by Section 149(b) or Regulations §1.149(b)-1(b).

"501(c)(3) Organization" means an organization described in Section 501(c)(3) and exempt from tax under Section 501(a).

"Fixed Yield Issue" means an issue of obligations the Yield on which is fixed and determinable on the Issuance Date.

"Governmental Unit" means a state, territory or possession of the United States, the District of Columbia, or any political subdivision thereof referred to as a "State or local governmental unit" in Regulations §1.103-1(a). "Governmental Unit" does not include the United States or any agency or instrumentality of the United States.

"Gross Proceeds" means Proceeds and Replacement Proceeds of an issue.

"Hedge" means a contract entered into by the Issuer or the Conduit Borrower primarily to modify the Issuer's or the Conduit Borrower's risk of interest rate changes with respect to an obligation (e.g., an interest rate swap, an interest rate cap, a futures contract, a forward contract or an option).

"Higher Yielding Investments" means any Investment Property that produces a Yield that (a) in the case of Investment Property allocable to Replacement Proceeds of an issue and Investment Property in a Refunding Escrow, is more than one thousandth of one percentage point (.00001) higher than the Yield on the applicable issue, and (b) for all other purposes is more than one-eighth of one percentage point (.00125) higher than the Yield on the issue.

"Investment Proceeds" means any amounts actually or constructively received from investing Proceeds of an issue in Investment Property.

"Investment Property" means investment property within the meaning of Sections 148(b)(2) and 148(b)(3), including any security (within the meaning of Section 165(g)(2)(A) or (B)), any obligation, any annuity contract and any other investment-type property (including certain residential rental property for family units as described in Section 148(b)(2)(E) in the case of any bond other than a Private Activity Bond). Investment Property includes a Tax-Exempt Obligation that is a "specified private activity bond" as defined in Section 57(a)(5)(C), but does not include other Tax-Exempt Obligations.

"Issuance Costs" means costs to the extent incurred in connection with, and allocable to, the issuance of an issue, and includes underwriter's compensation withheld from the Issue Price, counsel fees, financial advisory fees, rating agency fees, trustee fees, paying agent fees, bond registrar, certification and authentication fees, accounting fees, printing costs for bonds and offering documents, public approval process costs, engineering and feasibility study costs, guarantee fees other than for a Qualified Guarantee and similar costs, but does not include fees charged by the Issuer.

"Issuance Date" means the date of physical delivery of an issue by the Issuer in exchange for the purchase price of the issue.

"Issue Price" means in the circumstances applicable to an issue:

(1) Public Offering. In the case of obligations actually offered to the general public in a bona fide public offering at the initial offering price for each maturity set forth in the certificate of the underwriter or placement agent attached to the Tax Compliance Certificate of the Issuer, the aggregate of the initial offering price for each maturity (including any Pre-Issuance Accrued Interest and original issue premium, but excluding any original issue discount), which price is not more than the fair market value thereof as of the Sale Date, and at which initial offering price not less than 10% of the principal amount of each maturity, as of the Sale Date, was sold or reasonably expected to be sold (other than to bond houses, brokers or other intermediaries). In the case of publicly offered obligations that are not described in the preceding sentence, Issue Price means the aggregate of the initial offering price to the public of each maturity set forth in the certificate of the underwriter or placement agent attached to the Tax Compliance Certificate of the Issuer, which price is not more than the fair market value thereof as of the Sale Date, and at which initial offering price not less than 10% of the principal amount of each maturity was sold to the public.

(2) Private Placement. In the case of obligations sold by private placement, the aggregate of the prices (including any Pre-Issuance Accrued Interest and original issue premium, but excluding any original issue discount) paid to the

Issuer by the first purchaser(s) (other than bond houses, brokers or other intermediaries).

"Minor Portion" means an amount equal to the lesser of $100,000 or 5% of the Sale Proceeds of an issue.

"Multipurpose Issue" means an issue the bonds of which are allocable to two or more separate governmental purposes within the meaning of Regulations §1.148-9(h).

"Net Proceeds" means the Sale Proceeds of an issue less the portion thereof, if any, deposited in a reasonably required reserve or replacement fund for the issue.

"Net Sale Proceeds" means the Sale Proceeds of an issue less the portion thereof, if any, deposited in a reasonably required reserve or replacement fund for the issue and the portion invested as a part of a Minor Portion for the issue.

"New Money Issue" means an issue that is not a Refunding Issue.

"New Money Portion" means that portion of a Multipurpose Issue other than the Refunding Portion.

"Nonpurpose Investments" means any Investment Property that is acquired with Gross Proceeds as an investment and not in carrying out any governmental purpose of an issue. "Nonpurpose Investments" does not include any investment that is not regarded as "investment property" or a "nonpurpose investment" for the particular purposes of Section 148 (such as certain investments in U.S. Treasury obligations in the State and Local Government Series and certain temporary investments), but does include any other investment that is a "nonpurpose investment" within the applicable meaning of Section 148.

"Placed in Service" means the date on which, based on all the facts and circumstances, a facility has reached a degree of completion that would permit its operation at substantially its design level and the facility is, in fact, in operation at such level.

"Pre-Issuance Accrued Interest" means interest on an obligation that accrued for a period not greater than one year before its Issuance Date and that will be paid within one year after such Issuance Date.

"Preliminary Expenditures" means any Capital Expenditures that are "preliminary expenditures" within the meaning of Regulations §1.150-2(f)(2), i.e., architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project other than land acquisition, site preparation, and similar costs incident to commencement of construction. The aggregate amount of Preliminary Expenditures may not exceed 20% of the aggregate Issue Price of the issue or issues that financed or are reasonably expected to finance the project for which such Preliminary Expenditures are or were incurred.

"Prior Issue" means an issue of obligations all or a portion of the Debt Service on which is paid or provided for with Proceeds of a Refunding Issue. The Prior Issue may be a Refunding Issue.

"Private Activity Bond" means (a) obligations of an issue more than 10% of the Proceeds of which, directly or indirectly, are or are to be used for a Private Business Use and more than 10% of the Debt Service on which, directly or indirectly, is or is to be paid from or secured by payments with respect to property, or secured by property, used for a Private Business Use, or (b) obligations of an issue, the Proceeds of which are or are to be used to make or finance loans to any Private Person that, in the aggregate, exceed the lesser of 5% of such Proceeds or $5,000,000. In the event of Unrelated or Disproportionate Use, the tests in (a) shall be applied by substituting 5% for 10% each place the latter term is used.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any Private Person other than use as a member of, and on the same basis as, the general public. Any activity carried on by a Private Person (other than a natural person) shall be treated as a trade or business. In the case of a Qualified 501(c)(3) Bond, Private Business Use excludes use by a 501(c)(3) Organization that is not an unrelated trade or business activity by such 501(c)(3) Organization within the meaning of Section 513(a).

"Private Person" means any natural person or any artificial person, including a corporation, partnership, trust or other entity, other than a Governmental Unit. "Private Person" includes the United States and any agency or instrumentality of the United States.

"Proceeds" means any Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue. "Proceeds" does not include Replacement Proceeds.

"Qualified Administrative Costs" means reasonable direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of the Issuer such as employee salaries and office expenses and costs associated with computing the Rebate Amount are not Qualified Administrative Costs.

"Qualified 501(c)(3) Bonds" means an issue of obligations that satisfies the requirements of Section 145(a).

"Qualified Guarantee" means any guarantee of an obligation that constitutes a "qualified guarantee" within the meaning of Regulations §1.148-4(f).

"Qualified Hedge" means a Hedge that is a "qualified hedge" within the meaning of Regulations §1.148-4(h)(2).

"Rebate Amount" means the excess of the future value, as of any date, of all receipts on Nonpurpose Investments acquired with Gross Proceeds of an issue over the future value, as of that date, of all payments on those Nonpurpose Investments, computed in accordance with Section 148(f) and Regulations §1.148-3.

"Refunded Bonds" means obligations of a Prior Issue the Debt Service on which is or is to be paid from Proceeds of a Refunding Issue.

"Refunding Bonds" means obligations of a Refunding Issue.

"Refunding Issue" means an issue the Proceeds of which are or are to be used to pay Debt Service on Refunded Bonds and includes Issuance Costs, Pre-Issuance Accrued Interest or permitted capitalized interest, a reasonably required reserve or replacement fund and similar costs of the Refunding Issue.

"Refunding Escrow" means one or more funds established as part of a single transaction, or a series of related transactions, containing Proceeds of a Refunding Issue and any other amounts to be used to pay Debt Service on Refunded Bonds of one or more issues.

"Refunding Portion" means that portion of a Multipurpose Issue the Proceeds of which are, or are to be, used to pay Debt Service on Refunded Bonds and includes Issuance Costs, Pre-Issuance Accrued Interest or permitted capitalized interest, a reasonably required reserve or replacement fund and similar costs properly allocable to the Refunding Portion.

"Regulations" or "Reg." means Treasury Regulations.

"Reimbursement Allocation" means an allocation of the Proceeds of an issue for the Reimbursement of Prior Capital Expenditures, other than Preliminary Expenditures, that meets each of the following requirements: (a) is evidenced on the books or records of the Issuer maintained with respect to the issue, (b) the allocation entry identifies either actual prior Capital Expenditures, or the fund or account from which the prior Capital Expenditures were paid, and (c) evidences the Issuer's use of Proceeds of the issue to reimburse a Capital Expenditure for a governmental purpose that was originally paid from a source other than the Proceeds of the issue.

"Reimbursement of Prior Capital Expenditures" means a Reimbursement Allocation of Proceeds of the Issue to a Capital Expenditure paid prior to the Issuance Date of such Issue, that satisfies the following requirements: (a) the Capital Expenditure was paid after March 1, 1992; (b) prior to, or within 60 days after, payment of the Capital Expenditure (except Preliminary Expenditures), the Issuer adopted an official intent for the Capital Expenditure that satisfies Regulations §1.150-2(e); and (c) except for Preliminary Expenditures, the Reimbursement Allocation occurs or will occur within 18 months after the later of the date the Capital Expenditure was paid or the date the project resulting from such Capital Expenditure was Placed in Service or abandoned, but in no event more than 3 years after the Capital Expenditure was paid.

"Related Party" means, in reference to a Governmental Unit or 501(c)(3) Organization, any member of the same Controlled Group and, in reference to any person that is not a Governmental Unit or 501(c)(3) Organization, a "related person" as defined in Section 144(a)(3) of the Code.

"Replacement Proceeds" means, with respect to an issue, amounts (including any investment income, but excluding any Proceeds of any issue) replaced by Proceeds of that issue within the meaning of Section 148(a)(2). "Replacement Proceeds" includes amounts, other than Proceeds, held in a sinking fund, pledged fund or reserve or replacement fund for an issue.

"Sale Date" means, with respect to an issue, the first date on which there is a binding contract in writing with the Issuer for the sale and purchase of an issue (or of respective obligations of the issue if sold by the Issuer on different dates) on specific terms that are not later modified or adjusted in any material respect.

"Sale Proceeds" means that portion of the Issue Price actually or constructively received by the Issuer upon the sale or other disposition of an issue, including any underwriter's compensation withheld from the Issue Price, but excluding Pre-Issuance Accrued Interest.

"Spendable Proceeds" means the Net Sale Proceeds of an issue.

"Tax-Exempt Obligation" means any obligation or issue of obligations (including bonds, notes and lease obligations treated for federal income tax purposes as evidences of indebtedness) the interest on which is excluded from gross income for federal income tax purposes within the meaning of Section 150, and includes any obligation or any investment treated as a "tax-exempt bond" for the applicable purpose of Section 148.

"Tax-Exempt Organization" means a Governmental Unit or a 501(c)(3) Organization.

"Temporary Period" means the period of time, as set forth in the Tax Compliance Certificate, applicable to particular categories of Proceeds of an issue during which such category of Proceeds may be invested in Higher Yielding Investments without the issue being treated as arbitrage bonds under Section 148.

"Transferred Proceeds" means that portion of the Proceeds of an issue (including any Transferred Proceeds of that issue) that remains unexpended at the time that any portion of the principal of the Refunded Bonds of that issue is discharged with the Proceeds of a Refunding Issue and that thereupon becomes Proceeds of the Refunding Issue as provided in Regulations §1.148-9(b). "Transferred Proceeds" does not include any Replacement Proceeds.

"Unrelated or Disproportionate Use" means Private Business Use that is not related to or is disproportionate to use by a Governmental Unit within the meaning of Section 141(b)(3) and Regulations §1.141-9.

"Variable Yield Issue" means any Issue that is not a Fixed Yield Issue.

"Working Capital Expenditures" means any costs of a type that do not constitute Capital Expenditures, including current operating expenses.

"Yield" has the meaning assigned to it for purposes of Section 148 of the Code, and means that discount rate (stated as an annual percentage) that, when used in computing the present worth of all applicable unconditionally payable payments of Debt Service, all payments for a Qualified Guarantee, if any, and all payments and receipts with respect to a Qualified Hedge, if any, paid and to be paid with respect to an obligation (paid and to be paid during and attributable to the Yield Period in the case of a Variable Yield Issue), produces an amount equal to (a) the Issue Price in the case of a Fixed Yield Issue or the present value of the Issue Price at the commencement of the applicable Yield Period in the case of a Variable Yield Issue, or (b) the purchase price for yield purposes in the case of Investment Property, all subject to the applicable methods of computation provided for under Section 148, including variations from the foregoing. The Yield on Investment Property in which Proceeds or Replacement Proceeds of an issue are invested is computed on a basis consistent with the computation of Yield on that issue, including the same compounding interval of not more than one year selected by the Issuer.

"Yield Period" means, in the case of the first Yield Period, the period that commences on the Issuance Date and ends at the close of business on the first Computation Date and, in the case of each succeeding Yield Period, the period that begins immediately after the end of the immediately preceding Yield Period and ends at the close of business on the next succeeding Computation Date.

The terms "bond", "obligation", "reasonably required reserve or replacement fund", "reserve or replacement fund", "loan", "sinking fund", "purpose investment", "same plan of financing", "other replacement proceeds", and other terms relating to Code provisions used but not defined in this Certificate shall have the meanings given to them for purposes of Sections 103 and 141 to 150 unless the context indicates another meaning.

(End of Attachment A)

ATTACHMENT A-1
to
Tax Compliance Certificate of Local Borrower

INSTRUCTIONS FOR COMPLIANCE WITH REBATE REQUIREMENTS OF SECTION 148(f) OF THE CODE.

The Issuer covenanted in the Loan Agreement and Tax Compliance Certificate to comply with the arbitrage rebate requirement of Section 148(f) of the Code. These Instructions provide guidance for that compliance, including the spending exceptions that free the Issue from all or part of the rebate requirements.

PART I: GENERAL

SECTION 1.01. REBATE GENERALLY.

The Rebate Amount[1] with respect to the Issue must be paid (rebated) to the United States to prevent the bonds of the Issue from being arbitrage bonds, the interest on which is subject to federal income tax. In general, the Rebate Amount is the amount by which the actual earnings on Nonpurpose Investments purchased (or deemed to have been purchased) with Gross Proceeds of the Issue exceed the amount of earnings that would have been received if those Nonpurpose Investments had a Yield equal to the Yield on the Issue.[2]

Stated differently, the Rebate Amount for the Issue as of any date is the excess of the Future Value, as of that date, of all Receipts on Nonpurpose Investments over the Future Value, as of that date, of all Payments on Nonpurpose Investments, computed using the Yield on the Issue as the Future Value rate.[3]

If the Issue is a Fixed Yield Issue, the Yield on the Issue generally is the Yield to maturity, taking into account mandatory redemptions prior to maturity. If the Issue is a Variable Yield Issue, the Yield on the Issue is computed separately for each Yield Period selected by the Issuer.

SECTION 1.02. SPECIAL DEFINITIONS.

1. Capitalized terms that are not defined in these Instructions are defined in Attachment A to the Tax Compliance Certificate of the Issuer.

2. Amounts earned on the Bona Fide Debt Service Fund for the Issue are not taken into account in determining the Rebate Amount since none of the obligations of the Issue are Private Activity Bonds, the rates of interest on the Issue do not vary and the average maturity of the Issue is at least 5 years.

3. The scope of these Instructions does not permit a detailed description of the computation of the Rebate Amount with respect to the Issue. If you need assistance in computing the Rebate Amount on the Issue, please contact your bond counsel.

For purposes of these Instructions, the following terms shall have the following meanings.

"Available Construction Proceeds" means an amount equal to (a) the sum of (i) the Issue Price of the issue, (ii) Investment Proceeds on that Issue Price, (iii) earnings on any reasonably required reserve or replacement fund allocated to the issue not funded from the Issue Price, and (iv) Investment Proceeds and earnings on (ii) and (iii), (b) reduced by the portions, if any, of the Issue Price of the issue (i) attributable to Pre-Issuance Accrued Interest and earnings thereon, (ii) allocated to the Underwriter's discount, (iii) used to pay other Issuance Costs of the issue, and (iv) deposited in a reasonably required reserve or replacement fund allocated to the issue. Available Construction Proceeds do not include Investment Proceeds or earnings on a reasonably required reserve or replacement fund allocated to the issue for any period after the earlier of (a) the close of the 2-year period that begins on the Issuance Date or (b) the date the construction of the Projects financed by the issue is substantially completed. If the issue consists of a New Money Portion and a Refunding Portion and the New Money Portion is a Construction Issue, this definition shall be applied by substituting "New Money Portion" for "issue" each place the latter term appears. If the issue or the New Money Portion, as applicable, is not a Construction Issue, and the Issuer makes the election under Regulations §1.148-7(j)(1) and Section 148(f)(4)(C)(v) to treat the issue or the New Money Portion as two separate issues consisting of the Construction Portion and the Nonconstruction Portion, this definition shall be applied by substituting "Construction Portion" for "issue" each place the latter term appears.

"Bifurcated Issue" means a New Money Issue or the New Money Portion of a Multipurpose Issue that the Issuer, pursuant to Section 148(f)(4)(C)(v) and Regulations §1.148-7(j), has elected in its Tax Compliance Certificate to bifurcate into a Construction Portion and a Nonconstruction Portion.

"Bond Counsel's Opinion" means an opinion or opinions of a nationally recognized bond counsel firm whose opinion is given with respect to the Issue when issued, or its successors or other nationally recognized bond counsel appointed by the Issuer.

"Bond Year" means the annual period relevant to the application of Section 148(f) to the issue, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the Issuance Date of the issue unless the Issuer selects another date on which to end a Bond Year in the manner permitted by the Code.

"Computation Date" means each date on which the Rebate Amount for an issue is required to be computed under Regulations §1.148-3(e). In the case of a Fixed Yield Issue, the first Computation Date shall not be later than 5 years after the Issuance Date of the issue. Subsequent Computation Dates shall be not later than 5 years after the immediately preceding Computation Date for which an installment payment of the Rebate Amount was paid. In the case of a Variable Yield Issue, the first Computation Date shall be the last day of any Bond Year irrevocably selected by the Issuer ending on or before the fifth anniversary of the Issuance Date of such issue and

subsequent Computation Dates shall be the last day of each Bond Year thereafter or each fifth Bond Year thereafter, whichever is irrevocably selected by the Issuer after the first date on which any portion of the Rebate Amount is required to be paid to the United States. The final Computation Date is the date an issue is retired.

"Construction Expenditures" means Capital Expenditures allocable to the cost of real property (including the construction or making of improvements to real property, but excluding acquisitions of interests in land or other existing real property) or constructed personal property within the meaning of Regulations §1.148-7(g).

"Construction Issue" means an issue at least 75 percent of the Available Construction Proceeds of which are to be used for Construction Expenditures with respect to property which is or is to be owned by a Governmental Unit or a 501(c)(3) Organization. If an election has been made in the Issuer's Tax Compliance Certificate to bifurcate an issue or the New Money Portion, the Construction Portion (i.e., that portion of the issue or the New Money Portion which satisfies the 75 percent test stated in the preceding sentence and which finances 100% of the Construction Expenditures) is treated as the Construction Issue and the balance of the issue or the New Money Portion is treated as the Nonconstruction Portion.

"Fixed Yield Issue" means an issue of obligations the Yield on which is fixed and determinable on the Issuance Date.

"Future Value" means the value of a Payment or Receipt at the end of a period determined using the economic accrual method as the value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Yield on the Issue, using the same compounding interval and financial conventions that were used to compute that Yield.

"Guaranteed Investment Contract" means any Nonpurpose Investment that has specifically negotiated withdrawal or retirement provisions and a specifically negotiated interest rate and any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

"Multipurpose Issue" means an issue that consists of a Refunding Portion and a New Money Portion.

"Payment" means payments actually or constructively made to acquire Nonpurpose Investments, as specified in Regulations §1.148-3(d)(1)i) through (v).

"Qualified Administrative Costs" means the reasonable, direct administrative costs, other than carrying costs, of purchasing or selling Nonpurpose Investments such as separately stated brokerage or selling commissions. Qualified Administrative Costs do not include legal and accounting fees, recordkeeping, custody, and similar costs, general overhead costs and similar indirect costs of the Issuer such as employee salaries and office expenses and costs associated with computing the Rebate Amount. In general, Qualified Administrative Costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or

a reasonably comparable investment if acquired with a source of funds other than Gross Proceeds of Tax-Exempt Obligations.

"Reasonable Retainage" means an amount, not to exceed 5% of the Net Sale Proceeds of the Issue, that is retained for reasonable business purposes relating to the property financed with Proceeds of the Issue. For example, Reasonable Retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the Issuer reasonably determines that a dispute exists regarding completion or payment.

"Rebate Analyst" means an independent individual, firm or entity experienced in the computation of the Rebate Amount pursuant to Section 148(f) of the Code.

"Receipt" means amounts actually or constructively received from Nonpurpose Investments as specified in Regulations §1.148-3(d)(2)(i) through (iii).

"Variable Yield Issue" means any issue that is not a Fixed Yield Issue.

"Yield Period" means, in the case of the first Yield Period, the period that commences on the Issuance Date and ends at the close of business on the first Computation Date and, in the case of each succeeding Yield Period, the period that begins immediately after the end of the immediately preceding Yield Period and ends at the close of business on the next succeeding Computation Date.

PART II: EXCEPTIONS TO REBATE

SECTION 2.01. SPENDING EXCEPTIONS.

The rebate requirements with respect to the Issue are deemed to have been satisfied if any one of three spending exceptions (the 6-Month, the 18-Month, or the 2-Year Spending Exception, collectively, the "Spending Exceptions") is satisfied. The Spending Exceptions are each independent exceptions. The Issue need not meet the requirements of any other exception in order to use any one of the three exceptions. For example, a Construction Issue may qualify for the 6-Month Spending Exception or the 18-Month Spending Exception even though the Issuer makes one or more elections under the 2-Year Exception with respect to the Issue.

The following rules apply for purposes of all of the Spending Exceptions except as otherwise noted.

Refunding Issues. The only spending exception available for a Refunding Issue[4] is the 6-Month Spending Exception.

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4. For purposes of these Instructions, references to "Refunding Issue" include the Refunding Portion of a Multipurpose Issue.

Special Transferred Proceeds Rules. In applying the Spending Exceptions to a Refunding Issue, unspent Proceeds of the Prior Issue that become Transferred Proceeds of the Refunding Issue are ignored. If the Prior Issue satisfies one of the rebate Spending Exceptions, the Proceeds of the Prior Issue that are excepted from rebate under that exception are not subject to rebate either as Proceeds of the Prior Issue or as Transferred Proceeds of the Refunding Issue.

However, if the Prior Issue does not satisfy any of the Spending Exceptions and is not otherwise exempt from rebate, the Transferred Proceeds from the Prior Issue will be subject to rebate, even if the Refunding Issue satisfies the 6-Month Spending Exception. The Rebate Amount will be calculated on the Transferred Proceeds on the basis of the Yield of the Prior Issue up to each transfer date and on the basis of the Yield of the Refunding Issue after each transfer date.

Application of Spending Exceptions to a Multipurpose Issue. If the Issue is a Multipurpose Issue, the Refunding Portion and the New Money Portion are treated for purposes of the rebate Spending Exceptions as separate issues. Thus, the Refunding Portion is eligible to use only the 6-Month Spending Exception. The New Money Portion is eligible to use any of the three Spending Exceptions.

Expenditures for Governmental Purposes of the Issue. Each of the spending exceptions requires that expenditures of Gross Proceeds be for the governmental purposes of the Issue. These purposes include payment of interest (but not principal) on the Issue.

SECTION 2.02. 6-MONTH SPENDING EXCEPTION.

The Issue will be treated as satisfying the rebate requirements if all of the Gross Proceeds of the Issue are allocated to expenditures for the governmental purposes of the Issue within the 6-month period beginning on the Issuance Date and the Rebate Amount, if any, with respect to earnings on amounts deposited in a reasonably required reserve or replacement fund or a Bona Fide Debt Service Fund if and to the extent that such Fund is subject to rebate (see footnote 3) is timely paid to the United States. If no bond of the Issue is a Private Activity Bond (other than a Qualified 501(c)(3) Bond) or a tax or revenue anticipation bond, the 6-month period is extended for an additional 6 months if the unexpended Gross Proceeds of the Issue at the end of the 6-month period do not exceed the lesser of 5% of the Proceeds of the Issue or $100,000.

For purposes of the 6-Month Spending Exception, Gross Proceeds required to be spent within 6 months do not include amounts in a reasonably required reserve or replacement fund for the Issue or in a Bona Fide Debt Service Fund for the Issue.

SECTION 2.03. 18-MONTH SPENDING EXCEPTION.

The Issue (or the New Money Portion if the Issue is a Multipurpose Issue) is treated as satisfying the rebate requirement if the conditions set forth in (A), (B) and (C) are satisfied.

(A) All of the Gross Proceeds of the Issue (excluding amounts in a reasonably required reserve or replacement fund for the Issue or in a Bona Fide Debt Service Fund for the Issue) are allocated to expenditures for the governmental purposes of the Issue in accordance with the following schedule, measured from the Issuance Date:

(1) at least 15% within 6 months;

(2) at least 60% within 12 months; and

(3) 100% within 18 months, subject to the Reasonable Retainage exception described below.

(B) The Rebate Amount, if any, with respect to earnings on amounts deposited in a reasonably required reserve or replacement fund or in a Bona Fide Debt Service Fund for the Issue, to the extent such Fund is subject to rebate (see footnote 3), is timely paid to the United States. And,

(C) The Gross Proceeds of the Issue qualify for the initial 3-year Temporary Period.

If the only unspent Gross Proceeds at the end of the 18th month are Reasonable Retainage, the requirement that 100% of the Gross Proceeds be spent by the end of the 18th month is treated as met if the Reasonable Retainage, and all earnings thereon, are spent for the governmental purposes of the Issue within 30 months of the Issuance Date.

For purposes of determining whether the spend-down requirements have been met as of the end of each of the first two spending periods, the amount of Investment Proceeds that the Issuer reasonably expects as of the Issuance Date to earn on the Sale Proceeds and Investment Proceeds of the Issue during the 18-month period are included in Gross Proceeds of the Issue. The final spend-down requirement includes actual Investment Proceeds for the entire 18 months.

The 18-Month Spending Exception does not apply to the Issue (or the New Money Portion, as applicable) if any portion of the Issue (or New Money Portion) is treated as meeting the rebate requirement under the 2-Year Spending Exception discussed below. This rule prohibits use of the 18-Month Spending Exception for the Nonconstruction Portion of a Bifurcated Issue. The only Spending Exception available for the Nonconstruction Portion of a Bifurcated Issue is the 6-Month Spending Exception.

SECTION 2.04. 2-YEAR SPENDING EXCEPTION FOR CERTAIN CONSTRUCTION ISSUES.

(A) In general. A Construction Issue no bond of which is a Private Activity Bond (other than a Qualified 501(c)(3) Bond or a Bond that finances property to be owned by a Governmental Unit or a 501(c)(3) Organization) is treated as satisfying the rebate requirement if the Available Construction Proceeds of the Issue are allocated to expenditures for the governmental purposes of the Issue in accordance with the following schedule, measured from the Issuance Date:

(1) at least 10% within 6 months;

(2) at least 45% within 1 year;

(3) at least 75% within 18 months; and

(4) 100% within 2 years, subject to the Reasonable Retainage exception described below.

Amounts in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund for the Issue are not treated as Gross Proceeds for purposes of the expenditure requirements. However, unless the Issuer has elected otherwise in the Tax Compliance Certificate, earnings on amounts in a reasonably required reserve or replacement fund for the Issue are treated as Available Construction Funds during the 2-year period and therefore must be allocated to expenditures for the governmental purposes of the Issue.

If the Issuer elected in the Tax Compliance Certificate to exclude from Available Construction Proceeds the Investment Proceeds or earnings on a reasonably required reserve or replacement fund for the Issue during the 2-year spend-down period, the Rebate Amount, if any, with respect to such Investment Proceeds or earnings from the Issuance Date must be timely paid to the United States. If the election is not made, the Rebate Amount, if any, with respect to such Investment Proceeds or earnings after the earlier of the date construction is substantially completed or 2 years after the Issuance Date must be timely paid to the United States. The Rebate Amount, if any, with respect to earnings on amounts in a Bona Fide Debt Service Fund must be timely paid to the extent such Fund is subject to the rebate requirements (see footnote 3).

The Issue does not fail to satisfy the spending requirement for the fourth spend-down period (i.e., 100% within 2 years of the Issuance Date) if the only unspent Available Construction Proceeds are amounts for Reasonable Retainage if such amounts (together with all earnings on such amounts) are allocated to expenditures within 3 years of the Issuance Date.

For purposes of determining whether the spend-down requirements have been met as of the end of each of the first 3 spend-down periods, Available Construction Proceeds include the amount of Investment Proceeds or earnings that the Issuer reasonably expected as of the Issuance Date to earn during the 2-year period. For purposes of satisfying the final spend-down requirement,

Available Construction Proceeds include actual Investment Proceeds or earnings from the Issuance Date through the end of the 2-year period.

Available Construction Proceeds do not include Gross Proceeds used to pay Issuance Costs financed by the Issue, but do include earnings on such Proceeds. Thus, an expenditure of Gross Proceeds to pay Issuance Costs does not count toward meeting the spend-down requirements, but expenditures of earnings on such Gross Proceeds to pay Issuance Costs do count.

(B) 1½% penalty in lieu of rebate for Construction Issues. If the Issuer elected in the Tax Compliance Certificate for a Construction Issue, or for the Construction Portion of a Bifurcated Issue, to pay a 1½% penalty in lieu of the Rebate Amount on Available Construction Proceeds in the event that the Construction Issue fails to satisfy any of the spend-down requirements, the 1½% penalty is calculated separately for each spend-down period, including each semi-annual period after the end of the fourth spend-down period until all Available Construction Proceeds have been spent. The penalty is equal to 0.015 times the underexpended Proceeds as of the end of the applicable spend-down period. The fact that no arbitrage is in fact earned during such spend-down period is not relevant. The Rebate Amount with respect to Gross Proceeds other than Available Construction Proceeds (e.g., amounts in a reasonably required reserve or replacement fund or in a Bona Fide Debt Service Fund, to the extent subject to rebate (see footnote 3)) must be timely paid.

PART III: COMPUTATION AND PAYMENT.

SECTION 3.01. COMPUTATION AND PAYMENT OF REBATE AMOUNT.

If none of the Spending Exceptions described above is satisfied (and if the 1-1/2% penalty election for a Construction Issue or the Construction Portion of a Bifurcated Issue has not been made), then within 45 days after each Computation Date, the Issuer shall compute, or cause to be computed, the Rebate Amount as of such Computation Date. The first Computation Date is a date selected by the Issuer, but shall be not later than 5 years after the Issuance Date. Each subsequent Computation Date shall end 5 years after the previous Computation Date except that, in a Variable Yield Issue, the Issuer may select annual Yield Periods. The final Computation Date shall be the date the last obligation of the Issue matures or is finally discharged.

Within 60 days after each Computation Date (except the final Computation Date), the Issuer shall pay to the United States not less than 90% of the Rebate Amount, if any, computed as of such Computation Date. Within 60 days after the final Computation Date, the Issuer shall pay to the United States 100% of the Rebate Amount, if any, computed as of the final Computation Date. In computing the Rebate Amount, a computation credit of $1,000 may be taken into account on the last day of each Bond Year to the Computation Date during which there are unspent Gross Proceeds that are subject to the rebate requirement, and on the final maturity date.

If the operative documents pertaining to the Issue establish a Rebate Fund and require the computation of the Rebate Amount at the end of each Bond Year, the Issuer shall calculate, or cause to be calculated, within 45 days after the end of each Bond Year the Rebate Amount, taking into account the computation credit of $1,000 for each Bond Year. Within 50 days after the end of

each Bond Year, if the Rebate Amount is positive, the Issuer shall deposit in the Rebate Fund such amount as will cause the amount on deposit therein to equal the Rebate Amount, and may withdraw any amount on deposit in the Rebate Fund in excess of the Rebate Amount. Payments of the Rebate Amount to the Internal Revenue Service on a Computation Date shall be made first from amounts on deposit in the Rebate Fund and second from other amounts specified in the operative documents.

Each payment of the Rebate Amount or portion thereof shall be payable to the Internal Revenue Service and shall be made to the Internal Revenue Service Center, Ogden, UT 84201 by certified mail. Each payment shall be accompanied by Internal Revenue Service Form 8038-T and any other form or forms required to be submitted with such remittance.

SECTION 3.02. BOOKS AND RECORDS.

(A) The Issuer or Trustee, as applicable, shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the Gross Proceeds of the Issue. Such records shall specify the account or fund to which each Nonpurpose Investment (or portion thereof) held by the Issuer or Trustee is to be allocated and shall set forth as to each Nonpurpose Investment (1) its purchase price, (2) identifying information, including par amount, interest rate, and payments dates, (3) the amount received at maturity or its sales price, as the case may be, including accrued interest, (4) the amounts and dates of any payments made with respect thereto, and (5) the dates of acquisition and disposition or maturity.

The Issuer, Trustee, or Rebate Analyst, as applicable, shall retain the records of all calculations and payments of the Rebate Amount until six years after the retirement of the last obligation that is a part of the Issue.

SECTION 3.03. FAIR MARKET VALUE.

No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

The fair market value of any Nonpurpose Investment shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in an arms-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (i.e., the trade date rather than the settlement date). Except as otherwise provided in this Section, a Nonpurpose Investment that is not of a type traded on an established securities market (within the meaning of Section 1273 of the Code) is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(A) Obligations purchased directly from the Treasury. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

(B) Safe harbor for Guaranteed Investment Contracts. The purchase price of a Guaranteed Investment Contract shall be treated as its fair market value on the purchase date if all the following conditions are met:

(1) The Issuer or broker makes a bona fide solicitation for a specified Guaranteed Investment Contract and receives at least three bona fide bids from reasonably competitive providers (of Guaranteed Investment Contracts) that have no material financial interest in the Issue.

(2) The Issuer purchases the highest-yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker's fees);

(3) The Yield on the Guaranteed Investment Contract (determined net of broker's fees) is not less than the Yield then available from the provider on reasonably comparable Guaranteed Investment Contracts, if any, offered to other persons from a source of funds other than Gross Proceeds of Tax-Exempt Obligations;

(4) The determination of the terms of the Guaranteed Investment Contract takes into account as a significant factor the Issuer's reasonably expected drawdown schedule for the amounts to be invested, exclusive of amounts deposited in a Bona Fide Debt Service Fund and a reasonably required reserve or replacement fund;

(5) The terms of the Guaranteed Investment Contract, including collateral security requirements, are reasonable; and

(6) The obligor on the Guaranteed Investment Contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the Guaranteed Investment Contract.

(C) Safe harbor for certificates of deposit. The purchase price of a certificate of deposit shall be treated as its fair market value on the purchase date if all of the following requirements are met:

(1) The certificate of deposit has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal; and

(2) The Yield on the certificate of deposit is not less than (a) the Yield on reasonably comparable direct obligations of the United States, or (b) the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

Certificates evidencing the foregoing requirements should be obtained before purchasing any Guaranteed Investment Contract or certificate of deposit.

SECTION 3.04. CONSTRUCTIVE SALE/PURCHASE.

(A) Nonpurpose Investments that are held by the Issuer or Trustee as of any Computation Date (or Bond Year if the computations are required to be done annually) shall be treated for purposes of computing the Rebate Amount as of such date as having been sold for their fair market value as of such date. Investment Property which becomes allocated to Gross Proceeds of the Issue on a date after such Investment Property has actually been purchased shall be treated for purposes of the rebate requirements as having been purchased by the Issuer on such date of allocation at its fair market value on such date.

(B) For purposes of constructive or deemed sales or purchases of Investment Property (other than Investment Property in the Escrow Fund or that is otherwise not invested for a Temporary Period or is not part of a reasonably required reserve or replacement fund for the Issue) must be valued at its fair market value on the date of constructive or deemed sale or purchase

(C) Except as set forth in (B), fixed rate Investment Property that is (1) issued with not more than 2% of original issue discount or original issue premium, (2) issued with original issue premium that is attributable exclusively to reasonable underwriters' compensation or (3) acquired with not more than 2% of market discount or market premium, may be treated as having a fair market value equal to its outstanding stated principal amount, plus accrued interest. Fixed rate Investment Property also may be treated as having a fair market value equal to its present value.

SECTION 3.05. ADMINISTRATIVE COSTS.

(A) Administrative costs shall not be taken into account in determining the payments for or receipts from a Nonpurpose Investment unless such administrative costs are Qualified Administrative Costs. Thus, administrative costs or expenses paid, directly or indirectly, to purchase, carry, sell, or retire Nonpurpose Investments generally do not increase the Payments for, or reduce the Receipts from, Nonpurpose Investments.

(B) Qualified Administrative Costs are taken into account in determining the Payments and Receipts on Nonpurpose Investments and thus increase the Payments for, or decrease the Receipts from, Nonpurpose Investments. In the case of a Guaranteed Investment Contract, a broker's commission or similar fee paid on behalf of either the Issuer or the provider is an administrative cost that is not a Qualified Administrative Cost to the extent that the present value (computed using the taxable discount rate used by the parties to compute the commission or, if not readily ascertainable, a reasonable taxable discount rate) of the commission, as of the date the contract is purchased, exceeds the present value of annual payments equal to 0.05 percent of the weighted average amount reasonably expected to be invested each year during the term of such contract.

PART IV: COMPLIANCE AND AMENDMENT

SECTION 4.01. COMPLIANCE.

The Issuer, Trustee or Rebate Analyst, as applicable, shall take all necessary steps to comply with the requirements of these Instructions in order to ensure that interest on the Issue is excluded from gross income for federal income tax purposes under Section 103(a) of the Code. However, compliance shall not be required in the event and to the extent stated therein the Issuer and the Trustee receive a Bond Counsel's Opinion that either (A) compliance with such requirement is not required to maintain the exclusion from gross income for federal income tax purposes of interest on the Issue, or (B) compliance with some other requirement in lieu of such requirement will comply with Section 148(f) of the Code, in which case compliance with the other requirement specified in the Bond Counsel's Opinion shall constitute compliance with such requirement.

SECTION 4.02. LIABILITY.

If for any reason any requirement of these Instructions is not complied with, the Issuer and the Trustee, if applicable, shall take all necessary and desirable steps to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence. The Trustee shall have no duty or responsibility to independently verify any of the Issuer's, or the Rebate Analyst's, calculations with respect to the payments of the Rebate Amount due and owing to the United States. Under no circumstances whatsoever shall the Trustee be liable to the Issuer, any bondholder or any other person for any inclusion of the interest on the Issue in gross income for federal income tax purposes, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, so long as the Trustee acts only in accordance with these Instructions and the operative documents pertaining to the Issue.

(End of Attachment A-1)

The 8038G will be prepared when $50,000 of loan funds have been disbursed

LOAN AGREEMENT STANDARD TERMS AND CONDITIONS

Water Infrastructure Finance Authority of Arizona

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This document sets forth Standard Terms and Conditions applicable to the Loan made by the WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA (the "*Authority*") to the Local Borrower. These Standard Terms and Conditions are a part of the Loan Agreement to which this document is attached. Certain terms used herein are defined in Article 8.

Article 1 Covenants of the Local Borrower Relating to the System and the Project.

Section 1.1 **Operation and Maintenance of System**. The Local Borrower covenants and agrees that it shall, in accordance with prudent utility practice, (a) at all times operate the properties of the System and any business in connection therewith in an efficient manner, (b) maintain the System in good repair, working order and operating condition, and (c) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the System so that at all times the operations carried on in connection therewith shall be properly and advantageously conducted from revenues of the System or, if the Local Borrower so elects, from any other source of funds lawfully available.

Section 1.2 **Additions and Modifications**. The Local Borrower may make any additions, renewals, replacements, modifications or improvements to the System which it deems desirable and which do not materially reduce the operational integrity of any part of the System. All such renewals, replacements, additions, modifications and improvements shall become a part of the System.

Section 1.3 **Disposition of Project and System**.

(a) The Local Borrower shall not sell, lease, abandon or otherwise dispose of all or substantially all or any substantial portion of the Project or the System except upon compliance with the provisions of this Section; provided, however that the requirements of this Section shall not apply to transactions which are capital leases within the meaning of generally accepted accounting principles to finance expansion or improvement of the System and under which the Local Borrower maintains a purchaser's interest or other beneficial ownership, use, possession and control of the System so long as no default exists.

(b) The Local Borrower may sell, lease, abandon or otherwise dispose of all or substantially all or any substantial portion of the Project or the System if the Local Borrower shall give at least ninety (90) days' prior written notice to the Authority of the proposed transaction, and the Authority gives its written consent which shall not be unreasonably withheld. The Local Borrower understands that the Authority, in determining whether or not to give its consent, must determine that the proposed transaction will not adversely affect the Authority's ability to meet its duties, covenants, obligations and agreements or conditions of any grant received by the Authority or the State from the United States of America, which is related to the Capital Grant Facility or any capitalization grants received by the Authority or the State under the Federal Water Pollution Control Act, as amended, and the Federal Safe Drinking Water Act, as amended.

(c) Notwithstanding the provisions of subsection (b) above, the Local Borrower may sell, lease or otherwise dispose of, any of the property comprising part of the System without prior notice to or the consent of the Authority, other than the Project, in either of the following circumstances:

(i) If the Local Borrower determines that such property is not necessary, useful or profitable to the operation of the System; or

(ii) If the value of such property sold, leased or otherwise disposed of in any one year is equal to not more than 5% of the value of the fixed assets of the System.

Section 1.4 **Cost of Project**. The Local Borrower certifies that the estimated Eligible Project Costs as listed in Section 1 of Exhibit B is a reasonable and accurate estimation of the Eligible Project Costs and, upon the direction of the Authority the Local Borrower will supply the Authority with a certificate from its engineer stating that such estimated Eligible Project Costs is a reasonable and accurate estimation.

Article 2 Additional Covenants of the Local Borrower

Section 2.1 **Unconditional Obligations**. The obligation of the Local Borrower to make the Loan Repayments and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part described herein are payable solely from the Source of Repayment described in this Loan Agreement and shall be absolute and unconditional and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any payments hereunder remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or the System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project or this Loan Agreement, or any rights of set-off, recoupment, abatement or counterclaim that the Local Borrower might otherwise have against the Authority or any other party or parties; provided, however, that payments under this Loan Agreement shall not constitute a waiver of any such rights. The Local Borrower shall not be obligated to make any payments required to be made by any other local borrowers under separate loan agreements or local borrower bonds. Notwithstanding any other provision of this Section 2.1, or this Loan Agreement, neither the Authority, nor any assignee of the Authority shall have the right or ability to compel the repayment of this Loan Agreement from any source other than the Source of Repayment.

Section 2.2 **Performance Under Loan Agreement**. The Local Borrower covenants and agrees (a) to maintain the System in good repair and operating condition; (b) to cooperate with the Authority to the extent it may lawfully do so, in the observance and performance of the respective duties, covenants, obligations and agreements of such Local Borrower and the Authority under this Loan Agreement; and (c) to comply with the covenants set forth in this Loan Agreement.

Section 2.3 **Disclaimer of Warranties**. The Local Borrower acknowledges and agrees that (i) the Authority makes no warranty or representation, either express or implied as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Authority or its respective agents be liable or responsible for any direct, incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the System or the Project; and (iii) are not intended to and shall not be construed as a waiver of any defense or limitation on damages provided for under and pursuant to the laws of the United States or of the State.

Section 2.4 **Loan Repayments; Prepayments; Providing for Payment of the Loan**.

(a) Loan Repayments.

(i) The Local Borrower shall pay to the Authority the amounts set forth in the Loan Repayment Schedule contained in Exhibit A on or before the due dates shown in Exhibit A.

(ii) Each payment made as a Loan Repayment as described in subsection (i) shall be applied first to the combined interest and fee payment then due and payable on the Loan and then to the principal amount of the Loan.

(iii) In addition to the other payments required by this Section, the Local Borrower shall pay a late charge for any payment that is received by the Authority later than the tenth day following its due date, in an amount equal to six percent per annum of the amount of the late payment from its due date to the date it is actually paid; provided, however, that the combined interest and fee rate payable on the Loan including such late charge shall not be in excess of the maximum rate permitted by law or any proceedings or resolution authorizing the execution of this Loan Agreement.

(iv) Upon the final disbursement, if the Loan amount is less than the estimated Eligible Project Costs, the amount of each Principal Installment due as set forth in the Loan Repayment Schedule contained in Exhibit A shall be adjusted to achieve substantially level debt service, and the Authority shall compute the adjusted combined interest and fee amounts to reflect the adjusted principal amounts and shall enter the results in a revised Loan Repayment Schedule delivered to the Local Borrower.

(b) Prepayments. The Loan is not subject to prepayment prior to the final loan draw. The Local Borrower may prepay the Principal Repayment Amount of the Loan in whole or in part in advance of the due dates on or after the final loan draw without penalty upon written notice delivered to the Authority at least 60 days prior to the prepayment date. If the Local Borrower prepays the Repayment Principal Amount in part, the amount of each Principal Installment due as set forth in the Loan Repayment Schedule contained in Exhibit A shall be adjusted to achieve substantially level debt service. Upon such adjustment, the Authority shall compute the adjusted combined interest and fees amounts to reflect the adjusted principal amounts and shall enter the results in the Loan Repayment Schedule with notice to the Local Borrower.

(c) Providing for Payment of the Loan. The Local Borrower may at any time provide for the payment and discharge of the Loan, as provided in this subsection. The Loan shall be deemed to have been paid and discharged if:

(i) the Local Borrower has delivered to the Authority proof satisfactory to the Authority that the Local Borrower has deposited with a financial institution acceptable to the Authority, in trust for and irrevocably committed to payments on the Loan, cash or non-callable direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America) and obligations of any agency or instrumentality of the United States of America the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America, which are of such maturities and interest payment dates, and bear such interest, as will be sufficient together with any moneys also deposited, without further investment or reinvestment of either the principal amount or the interest earnings (which earnings are to be held likewise in trust and so committed), to pay all the amounts due under the Loan, as set forth in the Loan Repayment Schedule contained in Exhibit A, as evidenced in a report of an independent firm of nationally recognized certified public accountants addressed to and delivered to the Authority; and

(ii) the Authority has received a bond counsel opinion (as described in Section 6.2(b) and (c) below) to the effect that the deposit of funds and the investment of such deposit, as described in the preceding paragraph, will not, by itself, adversely affect the exclusion from gross income of interest on the Loan or any Authority Bonds for federal income tax purposes.

Section 2.5 **Source of Repayment of Local Borrower's Obligations and Pledge**. The Local Borrower irrevocably pledges the Source of Repayment described in this Loan Agreement for the punctual payment of all amounts due under the Loan Agreement. The Authority and the Local Borrower agree that the amounts payable by the Local Borrower under this Loan Agreement are payable solely from the Source of Repayment described in this Loan Agreement and are not payable from any other source whatsoever, unless the Local Borrower chooses to pay, and pays, any amount due hereunder from any other source lawfully available to it.

Section 2.6 **Insurance**. The Local Borrower shall maintain or cause to be maintained in force, insurance policies with responsible insurers or self-insurance programs or through membership in a risk retention pool, including, but not limited to, the Arizona Municipal Risk Retention Pool (in accordance with the Local Borrower's customary practices) providing against risk of direct physical loss, damage or destruction of the Project and the System, at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining system facilities of the nature of the System, including liability coverage, all to the extent available at reasonable cost.

Section 2.7 **No Liens**. Except for:

(a) the debt service on any future bonds, notes or other evidence of indebtedness of the Local Borrower issued or contractual obligations incurred in accordance with this Loan Agreement payable from the funds pledged to the payment of this Loan Agreement which are on parity with the lien and charge on the funds so pledged to pay this Loan Agreement and

(b) as provided in Exhibit D of this Loan Agreement, the debt service on currently outstanding bonds, notes or evidences of indebtedness or contractual obligations of the Local Borrower, if any, payable from the Source of Repayment described in Exhibit D of this Loan Agreement which the Local Borrower has disclosed to the Authority in writing,

the funds so pledged as described in this Loan Agreement after the payment of all costs of operating and maintaining the System, are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto which are prior to, or of equal rank with, the obligation of the Local Borrower to pay this Loan Agreement, and all corporate or other action on the part of the Local Borrower to that end has been and will be duly and validly taken.

Section 2.8 **Disadvantaged Business Enterprises**. As applicable, the Local Borrower shall comply with 40 C.F.R Part 33[1] including but not limited to:

Local Borrowers and their prime contractors must follow, document, and maintain documentation of their good faith efforts as listed below to ensure that Disadvantage Business Enterprises (DBEs) have the opportunity to participate in the project by increasing DBE awareness of procurement efforts and outreach.

(a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities; including placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

(b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitation for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

(c) Consider in the contracting process whether firms competing for large contracts could be subcontracted with DBEs. This will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

(d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.

(e) Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the U. S. Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in sections (a) through (e) above.

These conditions must be included in all procurement contracts entered into by the Local Borrower for all DWRF and CWRF projects:

(a) The prime contractor must pay its subcontractor for satisfactory performance no more than 30 days from the prime contractor's receipt of payment from the owner.

(b) The prime contractor must notify the owner in writing prior to the termination of any Disadvantage Business Enterprise subcontractor for convenience by the prime contractor.

(c) If a Disadvantage Business Enterprise contractor fails to complete work under the subcontract for any reason, the prime contractor must employ the six good faith efforts if soliciting a replacement contractor.

[1] See Article 9 for a full list of applicable federal laws and authorities relating to Participation by Disadvantaged Business Enterprises in Procurement Under Environmental Protection Agency (EPA) Financial Assistance Agreements.

(d) The prime contractor must continue to employ the six good faith efforts even if the prime contractor has achieved its fair share objectives.

(e) The prime contractor must provide EPA Form 6100-2 DBE Program Subcontractor Participation Form to all of its Disadvantaged Business Enterprise subcontractors. Disadvantaged Business Enterprise subcontractors may send completed Form 6100-2 directly to the Region 9 DBE Coordinator listed below.

Joe Ochab, EPA Region 9, 75 Hawthorne St. (P-22), San Francisco, CA 94105

(f) The prime contractor must have its Disadvantaged Business Enterprise subcontractors complete EPA Form 6100-3 – DBE Program Subcontractor Performance Form. The prime contractor must include all completed forms as part of the prime contractor's bid or proposal package to the Local Borrower.

(g) The prime contractor must complete and submit EPA 6100-4 DBE Program Subcontractor Utilization Form as part of the prime contractor's bid or proposal package to the Local Borrower.

(h) A Local Borrower must ensure that each procurement contract it awards contains the following terms and conditions:

> The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.

Article 3 Representations of Local Borrower

The Local Borrower represents for the benefit of the Authority that the representations contained in this Loan Agreement are true at the time of execution and delivery of this Loan Agreement and, other than with respect to events outside of Local Borrower's control, will be true in all material respects at all times during the term of this Loan Agreement.

Section 3.1 **Organization and Authority**.

(a) The Local Borrower is a Political Subdivision or Indian Tribe as defined in the Authority Act.

(b) The Local Borrower has full legal right and authority and has, or will obtain as and when required, all necessary licenses and permits required to acquire, own, operate and maintain the Project and the System, to carry on its activities relating thereto, to execute and deliver this Loan Agreement, to undertake and complete the Project, to pledge the Source of Repayment, and to carry out and consummate all transactions contemplated by this Loan Agreement. The Project is a project which the Local Borrower may undertake pursuant to State law and for which the Local Borrower is authorized by law to borrow money.

(c) The proceedings of the Local Borrower's governing body approving this Loan Agreement and authorizing its execution, issuance and delivery on behalf of the Local Borrower, and authorizing the Local Borrower to undertake and complete the Project have been duly and lawfully adopted in accordance with the laws of the State.

(d) This Loan Agreement has been duly authorized, executed and delivered by an Authorized Officer of the Local Borrower; and, assuming that the Authority has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed and delivered this Loan Agreement, this Loan Agreement constitutes a legal and valid obligation of the Local Borrower enforceable in accordance with its terms, and the information contained under "Description of the Loan" in this Loan Agreement is true and accurate in all material respects.

Section 3.2 **Full Disclosure**.

(a) To the best of the Local Borrower's knowledge, there is no fact that the Local Borrower has not disclosed to the Authority in writing that materially adversely affects the properties, activities, prospects or condition (financial or otherwise) of the Local Borrower or the System, or the ability of the Local Borrower to make all Loan Repayments due hereunder and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

(b) The information relating to the Local Borrower (including without limitation the financial and statistical data contained therein) submitted to the Authority by the Local Borrower in connection with the Authority's approval of the Loan was at the time of the Authority's approval of the Loan and at all times subsequent thereto up to and including the Loan Closing, will be (if necessary by amendment provided by the Local Borrower) true and correct and will not contain an untrue statement of material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading in any adverse respect. To the extent permitted by law, and notwithstanding any other provision of this Loan Agreement, the Local Borrower will indemnify, save and hold harmless the Authority, and each of the Authority's agents, for, from and against any and all claims, damages, liability and court awards including costs, expenses and reasonable attorneys' fees incurred as a result of any omission or misstatement of material fact in the information submitted to the Authority by the Local Borrower in connection with the Authority's approval of the Loan, as it may have been supplemented and amended by the Local Borrower.

Section 3.3 **Pending Litigation**. There are no proceedings pending, or to the knowledge of the Local Borrower, threatened, against or affecting the Local Borrower, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Local Borrower or the System, or the ability of the Local Borrower to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement that have not been disclosed in writing to the Authority in the Local Borrower's application for the Loan or otherwise.

Section 3.4 **Compliance with Existing Laws and Agreements**. The authorization, execution and delivery of this Loan Agreement by the Local Borrower, the observance and performance by the Local Borrower of its duties, covenants, obligations and agreements hereunder and the consummation of the transactions provided for in this Loan Agreement, the compliance by the Local Borrower with the provisions of this Loan Agreement and the undertaking and completion of the Project will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Local Borrower pursuant to any existing ordinance or resolution, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument (other than the lien and charge of this Loan Agreement and any ordinance or resolution or indenture which authorized outstanding obligations of the Local Borrower which are on a parity with this Loan Agreement as to a lien on, or a source and security for, payment thereon from the source of payment that is pledged to the Loan Repayments) to which the Local Borrower is a party or by which the Local Borrower, the System or any of its property or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Local Borrower was established or any laws, ordinances, resolutions, governmental rules, regulations or court orders to which the Local Borrower, the System or its properties or operations are subject.

Section 3.5 **No Defaults**. No event has occurred and no condition exists that, upon authorization, execution and delivery of this Loan Agreement or receipt of the amount of the Loan, would constitute an Event of Default hereunder. The Local Borrower is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party or by which it may be bound, which violation would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Local Borrower or the ability of the Local Borrower to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement.

Section 3.6 **Governmental Consent**. The Local Borrower has or will have obtained prior to the date of the Loan Closing all permits and approvals required to date by any governmental body or officer (and reasonably expects to receive all permits required in the future by any governmental agency) for the making, observance and performance

by the Local Borrower of its duties, obligations and agreements under this Loan Agreement or for the undertaking or completion of the Project and the financing thereof, and the Local Borrower has complied with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making, observance and performance by the Local Borrower of its duties, covenants, obligations and agreements under this Loan Agreement or with the undertaking or completion of the Project and the financing thereof; and the Local Borrower has complied with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making, observance and performance by the Local Borrower of its duties, covenants, obligations and agreements under this Loan Agreement or with the undertaking or completion of the Project and the financing thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental body or officer, other than those already obtained or reasonably expected to be obtained, is required on the part of the Local Borrower as a condition to the authorization, execution and delivery of this Loan Agreement, the undertaking or completion of the Project or the consummation of any transaction herein contemplated.

Section 3.7 **Compliance with Law**. The Local Borrower:

(a) is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject and the failure to comply with which would materially adversely affect the ability of the Local Borrower to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of the Local Borrower or the System; and

(b) has obtained, or will obtain as and when required, all licenses, permits, franchises or other governmental authorizations necessary for the ownership of its property or for the conduct of its activities which, if not obtained, would materially adversely affect the ability of the Local Borrower to undertake or complete the Project or the condition (financial or otherwise) of the Local Borrower or the System.

Article 4 Assignment

Section 4.1 **Assignment and Transfer by Authority**. The Local Borrower hereby approves and consents to any assignment or transfer of this Loan Agreement that the Authority deems to be necessary in connection with the Clean Water Revolving Fund and Drinking Water Revolving Fund programs of the Authority.

Section 4.2 **Assignment by Local Borrower**. This Loan Agreement may not be assigned by the Local Borrower for any reason, unless the following conditions shall be satisfied: (i) the assignee shall be a governmental unit within the meaning of Section 141(c) of the Code or another entity acceptable to the Authority and the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Local Borrower's duties, covenants, agreements and obligations hereunder; (ii) immediately after such assignment, the assignee shall not be in default in the performance or observance of any duties, covenants, obligations or agreements of the Local Borrower hereunder; and (iii) the Authority shall receive an opinion of counsel to the effect that such assignment will not violate the provisions of any agreement entered into by the Authority with, or condition of any grant received by the Authority from the United States of America relating to the Capital Grant Facility or any capitalization grants received by the Authority or the State under the Federal Water Pollution Control Act and the Federal Safe Drinking Water Act.

No assignment shall relieve the Local Borrower from primary liability for any of its obligations under this Loan Agreement and in the event of such assignment, the Local Borrower shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

Article 5 Defaults and Remedies

Section 5.1 **Events of Default**. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "*Event of Default*":

(a) failure by the Local Borrower to pay, or cause to be paid, when due any Loan Repayment;

(b) failure by the Local Borrower to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any bonds, notes or other obligations of the Local Borrower for borrowed money (other than the Loan), after giving effect to the applicable grace period, the payments of which are secured by the Source of Repayment described in this Loan Agreement;

(c) failure by the Local Borrower to perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraphs (a) and (b) of this Section, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Local Borrower by the Authority, unless the Authority agrees in writing to an extension of such time prior to its expiration, provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Authority may not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Local Borrower and diligently pursued until the Event of Default is corrected;

(d) the institution of any proceeding, with the acquiescence of the Local Borrower, for the purpose of effecting a composition between the Local Borrower and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from the Source of Repayment described in this Loan Agreement;

(e) a determination by the Authority that any material representation made by or on behalf of the Local Borrower contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement, is false or misleading in any material respect; and

(f) the filing of a petition by or against the Local Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Local Borrower such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the Local Borrower becoming insolvent or bankrupt or making an assignment for the benefit of its creditors; or the appointment of a custodian (including, without limitation, a receiver, liquidator or trustee of the Local Borrower or any of its property including the System) by court order, or possession of the Local Borrower or its property or assets is taken if such order remains in effect or such possession continues for more than thirty (30) days.

Section 5.2 **Notice of Default**. The Local Borrower shall give the Authority prompt telephone notice of the occurrence of any Event of Default referred to in Section 5.1 paragraph (c) hereof, and of the occurrence of any other event or condition that constitutes an Event of Default, at such time as any senior administrative or financial officer of the Local Borrower becomes aware of the existence thereof. Any telephone notice pursuant to this Section shall be confirmed in writing by the end of the next Business Day.

Section 5.3 **Remedies on Default.**

(a) Whenever an Event of Default referred to in Section 5.1 hereof shall have occurred and be continuing, the Authority shall have the right to take any action permitted or required pursuant to this Loan Agreement and to take whatever other action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due on their scheduled payment dates or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Local Borrower hereunder, including, without limitation, appointment of a receiver of the System.

(b) Nothing in this Loan Agreement shall be construed to affect the Attorney General taking action to enforce this Loan Agreement in accordance with the Authority Act.

Section 5.4 **Attorney's Fees and Other Expenses**. In the event of a default hereunder by the Local Borrower, the Local Borrower shall on demand and to the extent not prohibited by applicable law pay to the Authority the reasonable fees and expenses of attorneys and other reasonable expenses (including without limitation the reasonably allocated costs of in-house counsel and legal staff) incurred by the Authority in the collection of Loan

Repayments or any other sum due hereunder or in the enforcement of performance or observance of any other duties, covenants, obligations or agreements of the Local Borrower to the extent permitted by law.

Section 5.5 **Application of Moneys**. The parties acknowledge that: (a) all amounts coming due hereunder as Loan Repayments shall be treated as principal and combined interest and fees with respect to the Loan which amounts are secured by a pledge of the Source of Repayment in accordance with Exhibit D of this Loan Agreement; and (b) amounts coming due under Section 5.4 hereof shall be secured by the Source of Repayment on a basis subordinate to the Loan Repayments, but on a parity with comparable expenses relating to such Outstanding Parity Obligations and Additional Parity Obligations.

However, any moneys collected by the Authority pursuant to Section 5.3 in the exercise of remedies with respect to amounts due or to become due hereunder shall be applied: (a) first, to pay any attorney's fees or other fees and expenses owed by the Local Borrower pursuant to Section 5.4 hereof, (b) second, to pay delinquent combined interest fees and late charges on the Loan; (c) third, to pay combined interest and fees then due and payable on the Loan; (d) fourth, to pay delinquent principal on the Loan in order of scheduled maturity; (e) fifth, to pay principal then due and payable on the Loan; and (f) sixth, to pay any other amounts due and payable pursuant to this Loan Agreement.

Section 5.6 **No Remedy Exclusive; Waiver; Notice**. No remedy conferred upon or reserved to the Authority hereunder is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it as described in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 5.7 **Retention of Authority's Rights**. Notwithstanding any assignment or transfer of this Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the Authority shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the Local Borrower at law or in equity, as the Authority may, in its discretion, deem necessary to enforce the obligations of the Local Borrower to the Authority.

Section 5.8 **Default by the Authority**. In the event of any default by the Authority in any duty, covenant, agreement or obligation described in this Agreement, the Local Borrower's remedy for such default shall be limited to injunction, special action, action for specific performance or any other available equitable remedy designed to enforce the performance or observance of any duty, covenant, obligation or agreement of the Authority described herein as may be necessary or appropriate. The Authority shall on demand pay to the Local Borrower the reasonable fees and expenses of attorneys and other reasonable expenses in the enforcement of such performance or observance.

Article 6 Provisions Applicable to Loans Financed by or Pledged to Secure Authority Bonds

Section 6.1 **General.** The Local Borrower acknowledges that the Authority is entering into this Loan Agreement and agreeing to make the Loan at this time for the benefit of the Local Borrower, and that the Authority may finance the Loan, along with other loans to other local borrowers, through the issuance of Authority Bonds and may pledge the Loan to secure Authority Bonds. If and for so long as the Authority's source of funds to make disbursements on, or to carry, the Loan represented by this Loan Agreement is, or becomes, the proceeds of Authority Bonds, or this Loan Agreement is assigned by the Authority as security for payment of amounts due or to become due on Authority Bonds, the Local Borrower agrees to cooperate with the Authority with respect to the issuance of Authority Bonds by furnishing and certifying information concerning the Local Borrower, the Project, the System and the Source of Repayment, and by agreeing to reasonable modifications and additions to this Loan Agreement necessary or convenient for the Authority Bond transaction. Without limiting the generality of the foregoing, the Local Borrower agrees that if the Authority at any time determines, in its discretion, that it is necessary in connection with the

issuance of Authority Bonds or the maintenance of the Authority's bond program, then the provisions set forth in this Article shall be in effect.

Section 6.2 **Tax Covenants**.

(a) General. The Local Borrower acknowledges that, in connection with its state revolving fund programs, the Authority issues its Authority Bonds from time to time to finance loans and the Authority also pledges certain loans to secure and to serve as the source of payment for the Authority Bonds. As a result, and under the provisions of federal tax law applicable to the Authority Bonds, it is in the Authority's interest for the Loan to qualify and be a Tax-Exempt Obligation that is not an AMT Obligation. Therefore, the Local Borrower represents and covenants as follows with respect to the Loan and the Authority Bonds. The Local Borrower covenants that it will not take any action, or fail to take any action, if any such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Loan or the Authority Bonds under Section 103(a) of the Internal Revenue Code or cause the interest on the Loan or the Authority Bonds to become an AMT Obligation, and in the event of such action or omission, it will, promptly upon having such brought to its attention, take such reasonable actions based upon a bond counsel opinion as may rescind or otherwise negate such action or omission. The Local Borrower will not directly or indirectly use or permit the use of any proceeds of the Loan or any other funds of the Local Borrower or take or omit to take any action that would cause the Loan or the Authority Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code or to fail to meet any other applicable requirement of Sections 103, 141, 148, 149 and 150 of the Internal Revenue Code or cause the interest on the Loan or the Authority Bonds to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code. To that end, the Local Borrower will comply with all applicable requirements of Sections 103, 141, 148, 149 and 150 of the Code to the extent applicable to the Loan.

(b) Modification Based on Bond Counsel Opinion. Notwithstanding any provision of this Section, if the Local Borrower provides to the Authority a bond counsel opinion to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Loan or the Authority Bonds pursuant to Section 103(a) of the Internal Revenue Code, the provisions of this Section and the covenants in this Section shall be deemed to be modified to that extent.

(c) Bond Counsel Opinion. For purposes of this Article, "bond counsel opinion" means an opinion letter of a firm of attorneys of national reputation experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds, and who is acceptable to the Authority.

Section 6.3 **Third Party Beneficiaries**. The Trustee, the owners from time to time of the Authority Bonds, any Credit Enhancer from time to time of the Authority Bonds and any underwriter of the Authority Bonds are each expressly acknowledged to be third party beneficiaries of this Loan Agreement and each representation, agreement, duty, obligation and provision of this Loan Agreement.

Section 6.4 **Additional Documents Relating to Authority Bonds**. The Local Borrower will furnish to the Authority and certify to such information and execute and deliver and cause to be executed and delivered such documents as the Authority, the underwriter or other parties to any Authority Bond transaction may reasonably require, including, without limitation:

(a) a certificate of an Authorized Officer of the Local Borrower to the effect that the information contained in the Final Official Statement (defined in Section 6.5, paragraph (a)) for the Authority Bonds concerning the Local Borrower is correct in all material respects and is an accurate summary of the information which it purports to summarize, and that nothing has come to the Authorized Officer's attention that would lead the Authorized Officer to believe that the information in the Final Official Statement relating to the Local Borrower contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(b) subject to the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12 (the "*Disclosure Rule*"), a continuing disclosure undertaking of the Local Borrower meeting the requirements of the Disclosure Rule , and a statement of the Local Borrower as to whether it has failed to provide any information and

notices required by the provisions of previous continuing disclosure undertakings, if any, of the Local Borrower under the Disclosure Rule, and if it has not, describing the circumstances and status of such failure; and

(c) an appropriate certificate executed by Authorized Officer of the Local Borrower concerning the reasonable expectations of the Local Borrower as to the use of the proceeds of the Loan and such other matters as may be required on the part of the Local Borrower in order to ensure that the Authority Bonds are and will remain Tax-Exempt Obligations that are not AMT Obligations, and the Local Borrower covenants to comply with the provisions of such certificate; and

(d) such other certificates, documents and information, and supplemental opinions of Local Borrower's counsel, as the Authority, the underwriters of the Authority Bonds or other parties to the Authority Bonds transaction may reasonably require and as are necessary to confirm the continued truth and accuracy of information supplied by or on behalf of the Local Borrower.

Section 6.5 **Disclosure Regarding Authority Bonds**.

(a) The information, if any, relating to the Local Borrower (including without limitation the financial and statistical data contained therein) which has been furnished by the Local Borrower to be included in, and which is included in, a Preliminary Official Statement of the Authority (the "*Preliminary Official Statement*"), or a final Official Statement (the "*Final Official Statement*") of the Authority concerning any Authority Bonds, as of the respective dates of each such document and at all times subsequent thereto up to and including the Bond Closing, will be (if necessary by amendment provided by the Local Borrower) true and correct and will not contain an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. To the extent permitted by law, and notwithstanding any other provision of this Loan Agreement, the Local Borrower will indemnify, save and hold harmless the Authority and each other local borrower, if any, included in the Final Official Statement, and each of such parties' respective agents, for, from and against any and all claims, damages, liability and court awards including costs, expenses and attorneys fees incurred as a result of any omission or misstatement of a material fact in the Local Borrower's information in the Final Official Statement, as it may have been supplemented or amended by the Local Borrower.

(b) The Local Borrower agrees that from the date of the Final Official Statement and for a period until not later than 25 days after the date of the Bond Closing if and so long as the offering of the Authority Bonds continues (i) the Local Borrower will furnish such information with respect to itself as the Authority (for itself or at the request of the underwriters of the Authority Bonds) may from time to time reasonably request and (ii) if any event shall occur as a result of which it is necessary, in the opinion of Bond Counsel to the Authority, or counsel for the underwriters of the Authority Bonds, to amend or supplement the information in the Final Official Statement relating to the Local Borrower in order to make such information not misleading in light of the circumstances then existing, the Local Borrower will forthwith prepare, and furnish to the Authority and the underwriters such information relating to the Local Borrower as may be necessary to permit the preparation of an amendment of or supplement to the Final Official Statement (in form and substance satisfactory to the Bond Counsel to the Authority and counsel for the underwriters) which will amend or supplement the Final Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances then existing, not misleading.

(c) The Local Borrower agrees that if prior to the 25th day following the end of the underwriting period of the Authority Bonds, as defined for purposes of the Disclosure Rule, any event shall occur which causes the representations contained in Section 6.4, paragraph (a) to be false in any material respect, the Local Borrower shall promptly notify the Authority of such development, and if in the opinion of the Authority and the underwriters of the Authority Bonds such development requires the preparation of a supplement or an amendment to the Preliminary Official Statement or the Final Official Statement, the Local Borrower agrees to cooperate with the Authority and the underwriters for the Authority Bonds in preparing any such supplement or amendment in a form acceptable to such parties and to pay all reasonable expenses incurred by such parties in connection with the preparation thereof.

Section 6.6 **Assignment and Transfer by Authority to Trustee**.

(a) The Local Borrower expressly acknowledges that, other than the right of the Authority to be indemnified by the Local Borrower, all right, title and interest of the Authority in, to and under this Loan Agreement will be assigned to the Trustee as security for the Authority Bonds, as applicable, as provided in the Authority's Master Trust Indenture, and that if any Event of Default shall occur the Trustee, pursuant to the Authority's Master Trust Indenture, shall be entitled to act hereunder in the place and stead of the Authority. The Local Borrower hereby acknowledges the requirements of the Authority's Master Trust Indenture applicable to the Authority Bonds and consents to such assignment and appointment. The Authority shall retain the right to compel or otherwise enforce observance and performance by the Local Borrower of its duties, covenants, obligations and to be indemnified by the Local Borrower; provided, however, that in no event shall the Authority or the Trustee have the right to accelerate the payments under this Loan Agreement.

(b) The Local Borrower hereby approves and consents to any assignment or transfer of this Loan Agreement that the Authority deems to be necessary in connection with any refunding of the Authority Bonds or otherwise in connection with the Clean Water Revolving Fund and Drinking Water Revolving Fund programs of the Authority.

Section 6.7 **Conditions to Assignment by Local Borrower**. Notwithstanding Section 4.2, this Loan Agreement may not be assigned by the Local Borrower for any reason, unless the following conditions shall be satisfied: (i) the Authority, the Trustee and the Credit Enhancer, if any, of the Authority Bonds shall have approved said assignment in writing; (ii) the assignee shall be a governmental unit within the meaning of Section 141(c) of the Internal Revenue Code or another entity acceptable to the Authority and the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Local Borrower's duties, covenants, agreements and obligations hereunder; (iii) immediately after such assignment, the assignee shall not be in default in the performance or observance of any duties, covenants, obligations or agreements of the Local Borrower hereunder; (iv) the Authority and the Trustee shall have received an opinion of bond counsel to the effect that such assignment will not adversely affect the exclusion of interest on the Authority Bonds from gross income for purposes of Federal income taxation under Section 103(a) of the Code or make the Authority Bonds or the Loan AMT Obligations; and (v) the Authority and the Trustee shall receive an opinion of counsel to the effect that such assignment will not violate the provisions of the Master Trust Indenture or any agreement entered into by the Authority with, or condition of any grant received by the Authority from, the United States of America relating to the Capital Grant Facility or any capitalization grants received by the Authority or the State under the Federal Water Pollution Control Act and the Federal Safe Drinking Water Act.

No assignment shall relieve the Local Borrower from primary liability for any of its obligations under this Loan Agreement and in the event of such assignment, the Local Borrower shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

Section 6.8 **Sale or Other Disposition of Project or System**. The Local Borrower agrees that it will not sell, lease, abandon or otherwise dispose of all or substantially all or any substantial portion of the Project or the System unless (i) the transferee assumes the Local Borrower's obligations under this Loan Agreement in accordance with Section 6.6, (ii) the Authority shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect the Authority's ability to meet its duties, covenants, obligations and agreements under the Bond Documents, and will not adversely affect the eligibility of interest on Authority Bonds then outstanding or which could be issued in the future for exclusion from gross income for purposes of federal income taxation or cause such Authority Bonds to be AMT Obligations, and (iii) the Credit Enhancer, if any, of the Authority Bonds shall have given its prior written consent to such disposition.

Section 6.9 **Deficiencies Under Bond Documents Caused by Failure to Make Loan Repayment**. The Local Borrower acknowledges that payment of the Authority Bonds by the Authority, including payment from moneys drawn by the Trustee from the Bond Reserves or the CWRF Financial Assistance Account and DWRF Financial Assistance Account~~s~~ established under the Bond Documents, does not constitute payment of the amounts due under this Loan Agreement. If at any time the amounts on deposit in the Bond Reserves or the CWRF Financial Assistance Account and DWRF Financial Assistance Account~~s~~ shall be less than the amounts required by the Bond Documents as the result of any transfer of moneys from the Bond Reserves or the CWRF Financial Assistance Account and DWRF Financial Assistance Account~~s~~ which in turn is the result of a failure by the Local Borrower to make any Loan Repayments required hereunder, the Local Borrower agrees to (i) replenish such moneys so transferred, and (ii) replenish any deficiency arising from losses incurred in making such transfer as the result of the

liquidation by the Authority of investment securities acquired as an investment of moneys in the Bond Reserves or the CWRF Financial Assistance Account and DWRF Financial Assistance Accounts, by making payments to the Authority in equal monthly installments for the lesser of six (6) months or the remaining term of the Loan at a combined interest and fee rate to be determined by the Authority necessary to make up any loss caused by such deficiency, provided that the combined interest and fee rate payable on the Loan including such make-up combined interest and fees shall not exceed the maximum rate permitted by the Authorizing Proceedings which authorized this Loan Agreement.

Section 6.10 **Indemnification**. To the extent permitted by law, the Local Borrower shall indemnify, save and hold harmless the Authority against any and all claims, damages, liability and court awards including costs, expenses and attorney fees to the extent incurred as a result of any gross negligence or willful misconduct by the Local Borrower, or its employees, agents or subcontractors pursuant to the terms of this Loan Agreement.

Section 6.11 **Compliance with Master Trust Indenture**. The Local Borrower covenants and agrees to take such action as it may lawfully take and as the Authority shall reasonably request so as to enable the Authority to observe and comply with, all duties, covenants, obligations and agreements contained in the Master Trust Indenture insofar as such duties, covenants, obligations and agreements relate to the obligations of the Local Borrower under this Loan Agreement.

Section 6.12 **Provisions Relating to Default**.

(a) Any notice or information which the Local Borrower is to give to the Authority pursuant to the provisions of Article 5 shall also be given by the Local Borrower to the Trustee and to any Credit Enhancer at the same time.

(b) Notwithstanding the provisions of Section 5.3, paragraph (a) and Section 5.7, so long as a Credit Enhancer is not in default of its obligations with respect to its payment guarantee of the Authority Bonds and such guarantee is in effect, the Credit Enhancer shall have the right to direct the exercise of remedies provided for herein and the Trustee and the Authority shall not pursue any remedy except with the prior written consent of the Credit Enhancer.

(c) In the event of a default hereunder by the Local Borrower, the Local Borrower shall also pay the expenses of the Trustee and of any Credit Enhancer in the same manner as provided in Section 5.4 with respect to the expenses of the Authority.

Section 6.13 **Tax Compliance Certificate**. If the Authority Bonds are issued and sold on the basis that they are Tax-Exempt Obligations, an Authorized Officer of the Local Borrower shall deliver an appropriate certificate concerning the reasonable expectations of the Local Borrower as to the use of the proceeds of the Loan and such other matters as may be required on the part of the Local Borrower in order to ensure that the Authority Bonds are and will remain Tax-Exempt Obligations that are not AMT Obligations, and the Local Borrower covenants to comply with the provisions of such certificate.

Article 7 Miscellaneous

Section 7.1 **Binding Effect**. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority and the Local Borrower and their respective successors and assigns.

Section 7.2 **Severability**. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any Court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section 7.3 **Amendments, Supplements and Modifications**. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Authority and the Local Borrower.

Section 7.4 **Execution in Counterparts**. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.5 **Captions**. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 7.6 **Further Assurances**. The Local Borrower shall, at the request of the Authority, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights and agreements granted or intended to be granted by this Loan Agreement.

Section 7.7 **State of Arizona Contract Provisions**.

(a) Books and Records. As required by the provisions of Arizona Revised Statutes Section 35-214, the Local Borrower agrees that all books, accounts, reports, files and other records relating to this Loan Agreement shall be retained and shall be subject at all reasonable times to inspection and audits by the Authority for five years after completion of this Loan Agreement, and that upon request by the Authority such records shall be produced at any of the Authority offices designated herein as the place at which notices to the Authority are to be given.

(b) Prohibition Against Discrimination. In the event that it applies, the parties agree to comply with the Arizona Governor's Executive Order 2009-9, entitled "Prohibition of Discrimination in State Contracts Non-Discrimination in Employment by Government Contractors and Subcontractors," which mandates that all persons, regardless of race, color, religion, sex, age, or national origin shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Local Borrower shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

(c) Governing Law and Forum. This Loan Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State of Arizona, except as such laws may be preempted by any federal rules or regulations. The parties hereto expressly acknowledge and agree and all Local Borrowers by their acceptance thereof shall be deemed to have acknowledged and agreed that any judicial action to interpret or enforce the terms of this Loan Agreement against the Authority shall be brought and maintained in the Superior Court of the State of Arizona in and for Maricopa County or in the United States District Court in and for the District of Arizona.

(d) Arbitration. In the event of a dispute, the parties agree to use arbitration, after exhausting applicable administrative review, to the extent required by Arizona Revised Statutes Section 12-1518, and the prevailing party shall be entitled to attorney's fees and costs with respect thereto.

(e) Notice of Arizona Revised Statutes Section 38-511 – Cancellation. Notice is hereby given of the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to this Loan Agreement under the law of the State of Arizona.

(f) Additional Warranties and Certifications from the Local Borrower. In compliance with Section 23-214(B) of the Arizona Revised Statutes, the Local Borrower warrants to the Authority that either (i) it is not an "employer" (within the meaning of Arizona Revised Statutes Section 23-214(B)) or (ii) it is registered with and is participating in the employment verification pilot program as jointly administered by the United States department of homeland security and the social security administration or any of its successor programs (the "E-Verify Program") and that the proof submitted to the Authority of that registration and participation is true and correct. The Local Borrower agrees that, until the Loan is fully paid, at all times during which it is an "employer" (within the meaning of Arizona Revised Statutes Section 23-214(B)) it will be registered with and will participate in the E-Verify Program. The breach by the Local Borrower of the foregoing shall be deemed a material breach by the Local Borrower of this Loan Agreement and may result in penalties up to and including the termination of this Loan Agreement. If the Authority determines that the Local Borrower is not so registered and participating when required, the Authority will notify the Local Borrower by certified mail of the determination of noncompliance and the Local Borrower's right to appeal the determination. On a final determination of noncompliance, the Local Borrower shall repay all monies received as an economic development incentive (within the meaning of Arizona Revised Statutes Section 23-214(B)) to the Authority within thirty days of the final determination.

Article 8 Definitions

Section 8.1 **Definitions**. The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meaning:

"*AMT Obligation*" means a Tax-Exempt Obligation the interest on which is an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code.

"*Annual Loan Review Form*" means the loan compliance questionnaire circulated by the Authority to all borrowers as part of the Authority's annual loan portfolio review.

"*Authority*" means the Water Infrastructure Finance Authority of Arizona, a body corporate and politic of the State of Arizona duly created and validly existing under and by virtue of the Authority Act.

"*Authority Act*" means Title 49, Chapter 8 (Section 49-1201 et seq.) of the Arizona Revised Statutes ("A.R.S.").

"*Authority Bonds*" means any bonds of the Authority issued to finance the State's revolving fund established pursuant to the Water Pollution Control Act, as amended, and the Safe Drinking Water Act, as amended.

"*Authorized Officer*" means, (i) with respect to the Local Borrower, the person whose name is set forth in this Loan Agreement or such other person or persons authorized by the Local Borrower to act as an authorized officer of the Local Borrower to perform any act or execute any document relating to the Loan or this Loan Agreement whose name is furnished in writing to the Authority and the Trustee; and (ii) with respect to the Authority, the Chairman, Vice Chairman, Executive Director, or any other person or persons designated by the Board to act on behalf of the Authority with respect to this Loan Agreement; the designation of such person or persons shall be evidenced by a written certificate containing a specimen signature of such person or persons and signed on behalf of the Authority by its Chairman or Vice Chairman.

"*Bond Closing*" means the date of initial delivery of and payment for the Authority Bonds.

"*Bond Documents*" means and includes the Master Trust Indenture, any supplemental indenture and any comparable or related document pursuant to which the Authority Bonds are issued, and all further amendments and supplements thereto adopted in accordance with the provisions thereof.

"Bond Reserves" means reserves established by the Bond Documents for the Authority Bonds to secure timely payment of amounts due on the Authority Bonds even if one or more local borrowers do not make timely payments on their loans.

"*Business Day*" means any day other than a Saturday, Sunday or legal holiday or a day on which banking institutions, in the city in which the designated office of the Authority (being Phoenix, Arizona) is located, are closed.

"*Capital Grant Facility*" means the contractual arrangement established with the Authority by the United States of America Environmental Protection Agency to make capitalization grant payments pursuant to Title VI of the Federal Water Pollution Control Act, as amended (33 U.S.C. § 125 et seq.) and the Federal Safe Drinking Water Act, as amended (particularly 42 U.S.C. § 300j-12 et seq.).

"*Clean Water Act*" means the Federal Water Pollution Control Act amendments of 1972 (P.L. 92-500; 86 Stat. 816), as amended by the Water Quality Act of 1987 (P.L. 100-4; 101 Stat. 7) and the Water Resources Reform and Development Act of 2014 (P.L. 113-21, 128 Stat. 1193).

"*Clean Water Revolving Fund*" means the fund established by A.R.S. § 49-1221.

"*Code*" means the Internal Revenue Code of 1986, the Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any

official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section includes any applicable successor section or provision and such applicable Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

"*Combined Interest and Fee Rate*" means periodic interest and fee payments made by the Borrower, see Exhibit A to this Loan Agreement.

"*Construction Period"* means the period from the date of the Loan Closing until the date of the final disbursement of proceeds of the Loan pursuant to this Loan Agreement, but in no event later than the third anniversary of the Loan Closing.

"*Cost*" means those costs that are eligible to be funded from draws under the Capital Grant Facility and are reasonable, necessary and allocable to the Project and are permitted by generally accepted government auditing standards to be costs of the Project.

"*Credit Enhancer*" means the entity so designated in the Bond Documents, if any, or any successor thereto, that from time to time has issued and outstanding a municipal bond insurance policy or similar payment guarantee relating to the Authority Bonds.

"*CWRF Financial Assistance Account*" means the account so designated in the Master Trust Indenture to which loans funded by the Clean Water Revolving Fund shall be credited.

"*Debt Management Fee*" means the fee component of the combined interest and fee payments made by the Borrower, see Exhibit A to this Loan Agreement.

"*Department*" means the Department of Environmental Quality of the State of Arizona.

"*Drinking Water Facility*" has the meaning given that term in the Authority Act, currently: a community water system or a non-profit noncommunity water system as defined in the Federal Safe Drinking Water Act (P.L. 93-523; 88 Stat. 1660l; P.L. 95-190; 91 Stat. 1393; P.L. 104-182; 110 Stat. 1613) that is located in the State. The term does not include water systems owned by federal agencies.

"*Drinking Water Revolving Fund*" means the fund established by A.R.S. § 49-1241.

"*DWRF Financial Assistance Account*" means the account so designated in the Master Trust Indenture to which loans funded by the Drinking Water Revolving Fund shall be credited.

"*Eligible Project Costs*" means, whether incurred before or after the date of this Loan Agreement, such portion of the Costs as is disbursed by the Authority for the benefit of the Local Borrower. The Local Borrower and the Authority acknowledge that the actual Eligible Project Costs for the Project have not been determined as of the effective date of this Loan Agreement. The final Eligible Project Costs shall be established after all disbursements have been made.

"*Event of Default*" means any occurrence or event specified in Section 5.1 hereof.

"*Indian Tribe*" has the meaning given that term by the Authority Act, currently: any Indian tribe, band, group or community that is recognized by the United States Secretary of the Interior and that exercises governmental authority within the limits of any Indian reservation under the Jurisdiction of the United States government notwithstanding the issuance of any patent and including rights-of-way running through the reservation.

"*Loan*" means (a) during the Construction Period, the commitment to lend to the Local Borrower the Estimated Eligible Project Costs set forth in this Loan Agreement (as it may be amended or revised from time to time), and (b) thereafter, the amount of money equal to the Eligible Project Costs which is actually loaned to the Local Borrower pursuant to this Loan Agreement.

"*Loan Agreement*" or "*Agreement*" means this Loan Agreement, including the Exhibits and these Standard Terms and Conditions attached to this Loan Agreement, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof.

"*Loan Closing*" means the date of execution and delivery of this Loan Agreement.

"*Loan Repayment Date*" means the payment dates commencing and ending on the dates set forth in this Loan Agreement.

"*Loan Repayments*" means the payments payable by the Local Borrower pursuant to this Loan Agreement.

"*Local Borrower*" means the Political Subdivision or Indian Tribe that is a party to and is described in the first paragraph of this Loan Agreement.

"*Master Trust Indenture*" means and includes the Master Trust Indenture dated as of August 1, 1999, as supplemented, and any comparable or related document, pursuant to which the Authority issues Authority Bonds.

"*Political Subdivision*" has the meaning given that term by the Authority Act, currently: a county, city, town or special taxing district authorized by law to construct wastewater treatment facilities.

"*Project*" is the project described in Section 2.1 of the Loan Agreement, all or a portion of the Cost of which is financed from the proceeds of the Loan.

"*Repayment Period*" means the period over which the principal amount of the Loan will be repaid which period begins and ends on the dates set forth in this Loan Agreement.

"*Repayment Principal Amount*" means the amount the Authority agrees to loan to the Local Borrower pursuant to this Loan Agreement or such lesser amount of actual Eligible Project Costs as represents the aggregate amount of the Loan actually made pursuant to this Loan Agreement.

"Reserve Fund Surety" means a surety bond, insurance policy, letter of credit or similar arrangement representing the irrevocable obligation of the issuer thereof to pay to or at the direction of the Local Borrower an amount up to the Reserve Requirement as set forth in Exhibit A.

"*Safe Drinking Water Act*" means the Federal Safe Drinking Water Act (P.L. 93-523; 88 Stat. 1660; P.L. 96-190; 91 Stat . 1393; P.L. 104-182; 110 Stat. 1613), as amended in 1996.

"*Source of Repayment*" means the "source of repayment" set forth in this Loan Agreement as defined in Exhibit D.

"*State*" means the State of Arizona.

"*System*" means the "System" as defined in Section 2.2 of the Loan Agreement.

"*Tax-Exempt Obligation*" means any obligation or issue of obligations (including bonds, notes and lease obligations treated for federal income tax purposes as evidences of indebtedness) the interest on which is excluded from gross income for federal income tax purposes within the meaning of Section 150 of the Code, and includes any obligation or any investment treated as a "tax-exempt bond" for the applicable purpose of Section 148 of the Code

"*Trustee*" means the Trustee appointed by the Authority pursuant to the Bond Documents and its successor or successors and any other corporation which may at any time be substituted in its place as Trustee pursuant to the Bond Documents.

Terms not otherwise defined herein shall have the meanings ascribed to them in Exhibit D to the Loan Agreement.

Section 8.2 **Rules of Interpretation**. For all purposes of this Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) Words of one gender include the corresponding words of other genders; words of neuter include both genders; and words in the singular include words in the plural and vice versa.

(b) Words indicating persons, parties, or entities (and the like) include firms, associations, partnerships (including limited partnerships), limited liability companies (and the like), corporations, trusts and other legal entities, including public and governmental bodies, as well as natural persons.

(c) References to a statute refer to the statute, as amended, and any successor statute, and to all regulations promulgated under or implementing the statute or successor statute, as in effect at the relevant time.

(d) References to a governmental or quasi-governmental entity or representatives thereof also refer to an entity that succeeds to the functions of the governmental or quasi-governmental entity and representatives thereof.

(e) Headings preceding sections of text and any table of contents are solely for convenience of reference and are not part of this Loan Agreement and are not to affect its meaning, interpretation or effect.

(f) Actions permitted under this Loan Agreement may be taken at any time and from time to time in the actor's sole discretion.

(g) The word "including" means "including, but not limited to" and the word "include" means "include, among others."

(h) The terms "hereby," "hereof," "herein," and "hereunder" (and the like) refer to this Loan Agreement.

(i) Indications of time of day mean local time in Phoenix, Arizona.

(j) This Loan Agreement shall be governed by and construed in accordance with the applicable law of the State of Arizona, except for its conflict of law rules and except as preempted by federal.

Article 9 List of Federal Laws and Authorities

By Section 5.4 and Section 5.5 of Exhibit B to the Loan Agreement, the Local Borrower agrees that the Project will comply with applicable provisions of the following federal laws and authorities:

Environmental:

1. Archaeological and Historical Preservation Act of 1974, Pub. L. 93-291; 16 U.S.C. § 469a-1.

2. Clean Air Act, Pub. L. 95-95, as amended; 42 U.S.C. § 7401 et. seq.

3. Clean Water Act, Titles II, IV, and V, Pub. L. 92-500, as amended.

4. Coastal Barrier Resources Act, Pub. L. 97-348; 16 U.S.C. § 3501 et. seq.

5. Coastal Zone Management Act, Pub. L. 92-583, as amended; 16 U.S.C. § 1451 et. seq.

6. Endangered Species Act, Pub. L. 93-205, as amended; 16 U.S.C. § 1531 et seq.

7. Environmental Justice, Executive Order 12898.

8. Farmland Protection Policy Act, Pub. L. 97-98; 7 U.S.C. § 4201 et seq.

9. Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended.

10. Floodplain Management, Executive Order 11988, as amended by Executive Order 12148.

11. Magnunson-Stevens Fishery Conservation and Management Act, Pub L. 94-265, as amended; 16 U.S.C. § 1801 et. seq.

12. National Historic Preservation Act of 1966, Pub. L. 89-665, as amended; 16 U.S.C. § 470 et. seq.

13. Protection and Enhancement of the Cultural Environment, Executive Order 11593.

14. Protection of Wetlands, Executive Order 11990, as amended by Executive Order 12608; Pub. L. 99-645, as codified at 16 U.S.C. § 3901 et. seq.

15. Safe Drinking Water Act, Section 1424(e), Pub. L. 92-523, as amended; 42 U.S.C. § 300f et. seq.

16. Wild and Scenic Rivers Act, Pub. L. 90-542, as amended; 16 U.S.C. § 1271 et. seq.

17. Migratory Bird Treaty Act of 1918, 16 U.S.C. § 703 et. seq.

Social Legislation:

1. Age Discrimination Act, Pub. L. 94-135; 42 U.S.C. § 6102.

2. Civil Rights Act of 1964, Pub. L. 88-352, Title VI; 42 U.S.C. § 2000d.

3. Equal Employment Opportunity, Executive Order 11246, as amended.

4. Participation by Disadvantaged Business Enterprises in Procurement Under Environmental Protection Agency (EPA) Financial Assistance Agreements.

    a. Promoting the use of Small, Minority, and Women-owned Businesses, Executive Orders 11625, 12138 and 12432.

    b. Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590.

    c. Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Pub. L. 102-389; 42 U.S.C. § 4370d.

    d. Title X Clean Air Act, Pub. L. 101-549; 42 U.S.C. § 7601 note.

5. Rehabilitation Act of 1973, Pub. L. 93-112; 29 U.S.C. § 794 (including Executive Order 11914 and 11250).

6. Section 13 of the Federal Water Pollution Control Act, Pub. L. 92-500; 33 U.S.C. § 1251.

7. The Drug Free Workplace Act Of 1988, Pub. L. 100-690.

Economic and Miscellaneous Authority:

1. Anti-Lobbying Provision (40 CFR Part 34) and New Restrictions on Lobbying, Section 319 of Pub. L. 101-121.

2. Debarment and Suspension, Executive Order 12549.

3. Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended; 42 U.S.C. § 3331 et. seq.

4. Preservation of Open Competition and Government Neutrality, Executive Order 13502.

5. Prohibitions relating to violators of the Clean Air Act, Section 306 of the Clean Air Act, 42 U.S.C. § 7505; Section 508 of the Clean Water Act, 33 U.S.C. § 1368; Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans.

6. Uniform Relocation and Real Property Acquisition Policies Act of 1970, Pub. L. 91-646, as amended; 42 U.S.C. §§ 4601-4655.

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Council-Regular Meeting **C3**

Meeting Date: 10/04/2022

To: Mayor and Council

Submitted For: Fausto Burruel, Public Works Director

From: Dan Grossman, CIP Process Analyst

Date: October 4, 2022

Strategic Plan Focus Area:
Not Applicable

Strategic Plan Focus Area Additional Info:
PRINCIPLE STATEMENT 2: WE WILL SEEK AND RETAIN DIVERSE INDUSTRIES AND COMMERCE.
Initiative 3: Invest in airport infrastructure and lease opportunities to grow airport operations.

Subject: Relating to Procurement; ratifying the Town Manager's approval of a change order to the Airport MIRL, PAPI, & Beacon Replacement (AP026) project in the amount of $35,008.00; authorizing the transfer of appropriations, if necessary, for the change order; and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order.

Discussion:

Marana Town Code Section 3-4-7(B)(3) provides that Town Council approval is necessary for change orders that individually or cumulatively exceed $100,000.00. However, Section 3-4-8(B) provides that the town manager or designee may approve change orders to public improvements contracts that exceed the authority otherwise granted by this section if the town manager reasonably determines that doing so will avoid unnecessary contractor delay claims or costs or public health or safety hazards that would otherwise occur while awaiting Town Council approval, provided that

Town Council ratification occurs as soon as practicable thereafter.

The budget for fiscal year 2022 - 2023 was adopted on June 21, 2022. The Airport MIRL, PAPI, & Beacon Replacement project (AP026) was properly included within the Town of Marana's FY2023 Capital Improvement Plan.

The budget amount for the Airport MIRL, PAPI, & Beacon Replacement is $1,635,285.00.

Effective 12/02/2021, the Town and Pavex Corp entered into a Construction Contract in the amount of $715,705.00 to construct the Airport MIRL, PAPI, & Beacon Replacement project (AP026).

There have been three previous change orders for this project totaling $141,858.93, which has brought the Pavex Construction Contract to $857,563.93.

The Town of Marana recently completed a Siting Study for the new Air Traffic Control Tower at Marana Regional Airport. The proposed location for the Air Traffic Control Tower conflicts with an existing duct bank which contains airfield lighting cables for several airfield electrical circuits.

A change order is necessary for the Airport MIRL, PAPI, Beacon Lighting project (AP026) to fund the cost of re-routing 405 feet of duct bank, installing two pull boxes and replacing the necessary conductors. The cost of this change order is $35,008.00, which will bring the Pavex Construction Contract to $892,571.93

This change order is necessary to avoid unnecessary contractor delay claims or costs or public health or safety hazards costs and the amount of these change orders exceeds $100,000.00; therefore, this change order required immediate approval by the Town Manager. With active contracts and contractors in place, the Town Manager exercised his authority under Section 3-4-8(B) of the Town Code to authorize change orders to the project. This item is on the agenda for the Town Council to ratify the Town Manager's action.

Financial Impact:

Fiscal Year:	2023
Budgeted Y/N:	Yes
Amount:	$35,008

These change orders will be funded with Airport Capital funds, GL Account # 52592000-8015-AP026. The $35,008.00 will be reimbursed to the Town through ADOT Grant #: E2S2N01C.

Staff Recommendation:

Staff recommends ratification of the Town Manager's approval of the change order to the Airport MIRL, PAPI, & Beacon Replacement (AP026) project in the amount of $35,008.00.

Suggested Motion:

I move to ratify the Town Manager's approval of the change order to the Airport MIRL, PAPI, & Beacon Replacement project in the amount of $35,008.00; to authorize the transfer of appropriations if necessary for the change order; and to authorize the Town Manager or designee to execute the necessary documents to effectuate the change order.

Attachments

No file(s) attached.

Council-Regular Meeting **C4**

Meeting Date: 10/04/2022

To: Mayor and Council

Submitted For: David L. Udall, Town Clerk/Assistant Town Attorney

From: Richelle Valenzuela, Executive Assistant

Date: October 4, 2022

Subject: Approval of the Regular Council Meeting Summary Minutes of September 20, 2022 and Approval of Council Study Session Summary Minutes of September 13, 2022 (David L. Udall)

Attachments

Regular Council Meeting Summary Minutes, 09/20/2022
Study Session Meeting Summary Minutes, 09/13/2022

MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, September 20, 2022, at or after 6:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
Patti Comerford, Council Member
Jackie Craig, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

SUMMARY MINUTES

CALL TO ORDER AND ROLL CALL

Mayor Honea called the meeting to order at 6:01 PM and directed Town Clerk to call the roll. Present: **Mayor Honea, Vice Mayor Post, Council Member Craig, Council Member Comerford, Council Member Kai, Council Member Officer, and Council Member Ziegler.** The Town Clerk stated a quorum was present.

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE Led by **Mayor Honea** and three youth scouts working on their government merit badge**.**

APPROVAL OF AGENDA

Council Member Kai moved, and Council Member Ziegler seconded, the motion approving the agenda as presented. Motion passed, 7-0.

CALL TO THE PUBLIC

Mayor Honea opened the meeting to receive public comments not involving Item A2. There were no public comments.

PROCLAMATIONS

PR1 Proclamation recognizing September 24 - October 2, 2022, as "Diaper Need Awareness Week" (David Udall):

Town Clerk David Udall stated the proclamation would be mailed to the recipient, who was not present at the meeting.

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

Mayor Honea commented on the ten new Habitat for Humanity homes being constructed in the Honea Heights neighborhood and commended the program. He also said he and Council Member Officer would attend the management training center minimum security prison on September 23 and commended the education program there.

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

Town Manager Terry Rozema praised the Habitat for Humanity homes built in Honea Heights. Mr. **Rozema** stated the Town issued 19 single-family residential permits so far in September. Last September, there were 159 for the month. He said there were approximately 175 people that attended the September 15, 2022 Concerts in the Courtyard event and said the next event was on October 20, 2022. **Mr. Rozema** said the Man on the Horse statute and Pole Barn refurbishment and restoration projects are on schedule to be completed by the Town's upcoming Fall Festival signature event. He provided an update on the community and aquatic center project. **Mr. Rozema** mentioned there was a blood drive scheduled for October 6, 2022.

PRESENTATIONS

CONSENT AGENDA

C1 Resolution No. 2022-095: Relating to Development; approving a Release of Assurances for Twin Peaks and Lambert Lane Lots 1 thru 62 and accepting public improvements for maintenance (Jason Angell)

C2 Resolution No. 2022-096: Relating to Real Estate; vacating the remaining unneeded public right-of-way located south of the new terminus point of Tangelo Park Place and authorizing the Town Engineer to execute a Quit Claim Deed of Abandonment for the unneeded right-of-way in favor of Cemex, Inc. (George Cardieri)

C3 Resolution No. 2022-097: Relating to Technology and Intergovernmental Relations; supporting Pima County's application to the National Telecommunications and Information Administration for grant funding from the Enabling Middle Mile Infrastructure grant program and authorizing in-kind services support for the Pima County Middle Mile Infrastructure project (Ricardo Carlos)

C4 Resolution No. 2022-098: Relating to Utilities; authorizing Town staff to complete the application process for funds from the Water Infrastructure Finance Authority of Arizona (WIFA) and to incur debt not to exceed $4,455,413 for the construction of the Twin Peaks Interconnect project and the design and construction of the Picture Rocks Interconnect project (Jing Luo)

C5 Approval of Council Regular Meeting Summary Minutes of September 6, 2022 (David L. Udall)

Council Member Ziegler moved, and Vice Mayor Post seconded, the motion approving the Consent Agenda as presented. Motion passed, 7-0.

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

A1 PUBLIC HEARING: Ordinance No. 2022.013: Relating to Development; approving a rezoning of approximately 7.0 acres of land located south of Grier Road and east of Sanders Road from Zone A – Small Lot Zone and R-6 (Single-Family Residential) to Neighborhood Commercial (NC) (Brian D. Varney)

Mayor Honea opened the public hearing.

Senior Planner Brian Varney stated the applicant reached out to Town staff requesting this hearing be continued until the October 4, 2022 Town Council meeting due to scheduling conflicts brought to the Town's attention after public notice had gone out.

Mayor Honea closed the public hearing.

Council Member Ziegler moved, and Council Member Kai seconded, to continue this agenda item to the October 4, 2022 Town Council meeting. Motion passed, 7-0.

A2 PUBLIC HEARING: Ordinance No. 2022.014: Relating to Development; 25approving a rezoning of approximately 50.92 acres of land located at the southwest corner of Thornydale Road and Tangerine Road from R-144 (Residential) to SP (Specific Plan), creating the SWC Tangerine & Thornydale Specific Plan; and approving a minor amendment to the Marana General Plan land use designation from Commercial (C) to Master Plan Area (MPA) (Brian D. Varney)

Resolution No. 2022-099: Relating to Development; declaring as a public record filed with the town clerk the SWC Tangerine & Thornydale Specific Plan adopted by Ordinance No. 2022.014 (Brian D. Varney)

Mayor Honea opened the public hearing.

Senior Planner Brian Varney presented an overview of the rezoning request. A copy of the PowerPoint presentation is on file with the Town Clerk's Office. He explained that the applicants, represented by Lazarus & Silvyn, PC, were requesting to rezone approximately 51 acres of land on the southwest corner of Tangerine Road and Thornydale Road from R-144 to Specific Plan (SP). He further explained the applicants were requesting that the existing land use designation outlined in the 2040 General Plan be amended from Commercial to Master Plan Area. **Mr. Varney** stated the properties to the north and northeast are zoned as specific plans, the property to the east of Thornydale is owned by the Arizona State Land Department and located in unincorporated Pima County, and the south and west of the subject property are bound by the Sky Ranch development.

Mr. Varney said the proposed land use concept designates the subject property as Mixed Use. The proposed specific plan contains three conceptual plans. For depictions of the plans, please see the PowerPoint Presentation. **Mr. Varney** explained that the first conceptual plan shows a combination of single-family residential and multi-family residential units. The second conceptual plan is similar to the first, but has an assisted living component. The third is entirely single-family residential.

Mr. Varney stated that the Marana Planning Commission unanimously recommended approval of the rezoning request at its August 31, 2022 meeting with three additional conditions: (1) All single-family residential development along Tangerine Road would be restricted to single-story houses; (2) all commercial development on the west side of the wash would be restricted to single-story; and (3) the 24-armed saguaro referenced at the Planning Commission meeting would be preserved in accordance with Town standards.

Robin Large, a land use planner with Lazarus & Silvyn, PC, presented on behalf of Lazarus & Silvyn. A copy of the PowerPoint presentation is on file with the Town Clerk's Office. **Ms. Large** provided an explanation of where the property was situated along with the

surrounding zoning. She highlighted that the properties to the north were rezoned as specific plans similar to what the applicant was proposing. She stated that the Marana General Plan identifies the subject property as being appropriate for commercial uses and has had that designation at least from 2007.

Ms. Large explained the design considerations that went into the layout of the subject property's conceptual plans. Please see the PowerPoint presentation for depictions. She said Tangerine and Thornydale are both major arterial roadways and will be sufficient to handle the increased capacity of the proposed project. Major wildlife corridors have been established in the area for large wildlife to cross Tangerine Road, and none of them are on the subject property. She referenced the yellow dotted line on the Context & Design Considerations slide of the PowerPoint presentation, and said this was the only federally regulated wash located on the subject property, **Ms. Large** said this wash would be preserved as natural open space. She also pointed out the blue arrows and explained they represented minor drainage culverts on the property.

Ms. Large then showed a slide depicting the mixed-use land use concept plan. She said that the specific plan allows for a number of uses, including single-family residential, multi-family residential (both apartment-style and homes-for-rent style), commercial, retail, office, assisted living, or any combination of these uses.

Ms. Large explained that access to the subject property will solely be off of Tangerine Road and Thornydale Road with two proposed access points off of Tangerine and one, potentially two, access points off of Thornydale. As part of the proposed project, the applicant has committed to extend the shared use path along Tangerine Road. The applicant has also committed to a minimum of 30% natural, undisturbed open space, which includes the large wash located in the center of the subject property. The large wash will be a minimum of 100 feet in width. Buffers were also included on the subject property to address the concerns of nearby residents to include a 300-foot open-space buffer precluding residential development along portions of the southwestern property lines, a 50-foot buffer beyond that restricting residential development to single-story residences, and a 600-foot buffer along the southwestern property lines precluding commercial or multi-family residential apartments (the "300/350/600-foot buffers"). For depictions of the buffers, please see the PowerPoint presentation. She also highlighted the Planning Commission additional conditions referenced by **Mr. Varney**.

Ms. Large stated that any multi-family residential apartment buildings or commercial buildings on the east side of the large wash could be 40-feet high or three stories in height under the proposed plan, which she explained is compatible with surrounding development in the area and with being located to a major intersection. She further explained that the applicants would comply with Marana's Outdoor Lighting Code, and that the applicants

committed to the neighbors that there would not be lighted signage permitted on the south and west sides of buildings within 800 feet of neighbors.

Ms. Large explained that from the edge of the Tangerine Road to the subject property's property line is 65 feet, and that, in addition to constructing the shared use path along Tangerine within that 65 feet, the applicant would provide an additional 10 feet of landscape buffer on the subject property. She further explained that the residential walls facing Tangerine would be staggered.

Ms. Large then showed depictions of the conceptual plans outlined by **Mr. Varney**. Please see the PowerPoint presentation to view the depictions. She said the first concept combines single-family residential on the west side of the property with office/commercial/assisted living on the east side. The second conceptual depiction involved mostly single-family residential development on the west side of the wash with an office building also on that side with commercial along Tangerine Road on the east side of the wash with multi-family residential to the south of the commercial development. The last concept consists of all single-family residential.

Ms. Large then explained their neighborhood outreach efforts, which are documents in the PowerPoint presentation. She explained that the concerns expressed involved building heights, drainage, water resources, traffic, lighting, density, buffers, and open space. She explained that the applicant adjusted the Specific Plan proposal to include the following restrictions:

> (1) No more than 60% of the homes would be two-story homes and no more than two two-story homes would be located side-by-side on the same street;
> (2) single-story homes would be placed along the south and west and along Tangerine Road;
> (3) higher-intensity uses would be focused closer to the north and east of the property near the arterial roadways and any commercial development would be single-story west of the wash;
> (4) the 300/350/600-foot buffers would be put in place;
> (5) any single-family residential development would include 30% open space;
> (6) the saguaro mentioned earlier would be preserved;
> (7) retention/detention facilities would be provided throughout the subject property and that the quantity and velocity of water flows would match or improve existing conditions;
> (8) detailed traffic and drainage analyses would be prepared when final uses and layout were determined as required with a development package;
> (9) the property would involve limited access points along Tangerine and Thornydale, as described above;

(10) the shared use path described above would be installed within the first phase of development;
(11) no illuminated signage on the west and south faces of buildings would be permitted as described above; and
(12) low voltage lighting would be required around buildings and be required to be directed away from washes to encourage wildlife movement. She explained the subject property was within Tucson Water's service area, highlighted that both Marana and Tucson have been good water stewards, and said that the water table in this area has risen.

The following 12 individuals spoke in opposition to the rezoning as proposed: **Ruth Kurtis, James Kurtis, Cynthia Pruett, Jerry Ireland, James Winship, Margaret Winship, Carolyn Campbell, Greg Hourt, Mark Johnson, David Irick, David Schmidt, Karen Robello,** and **Patrick Lewis**. General concerns related to drainage and water flows, natural wash preservation, wildlife, density and open space, traffic, property values, water resources, planning, views, sound, and increased criminal activity.

The following three individuals submitted questions written during the public hearing: **Gail Webster, Deborah Merriman,** and **Carl Robello**. The questions related to developer contributions toward community improvements, the reason for single-story housing along Tangerine Road, and whether apartments/multi-family housing could be located on the west side of the wash.

The Town received the following comments by email, metered mail, or in person: 14 letters in opposition to the rezoning as proposed and one letter in support of the proposed rezoning. Copies of the letters are on file in the Town Clerk's Office.

Mayor Honea opened the matter for Council discussion.

Vice Mayor Post summarized the concerns as involving the washes, single-story placement, commercial placement, and boundary fences. **Ms. Large** stated there are not boundary fences being proposed to be put around the perimeter of the subject property beyond the residential walls for the single-family residential units. She said the larger wash is being set aside as natural, undeveloped open space, and said that setting aside the other washes on the subject property would result in the land being undevelopable. **Vice Mayor Post** asked why it would make the land undevelopable. **Ms. Large** said they would need to install wash crossings, and that she would otherwise need to consult with her engineering consultant for further information.

With respect to the single-story issue, **Vice Mayor Post** stated he was not in favor of the single-story restriction along Tangerine and said it would be better for the two-story homes

to be located in a way that would not affect the neighboring residents. **Ms. Large** stated the applicant did not have an issue with the Planning Commission's restriction, but was open to looking at configurations that would have the two-story homes more away from the residents.

With respect to the commercial concern, **Ms. Large** stated the applicant is in agreement to have no commercial development on the west side of the wash.

Council Member Ziegler agreed with **Vice Mayor Post**. She highlighted concerns regarding drainage and water flow. **Council Member Ziegler** requested that the other two washes remain in their natural state. **Ms. Large** said that while the drainage culverts were not large enough to accommodate large wildlife crossings, they were designed to accommodate the flows in the area. In response to **Council Member Ziegler's** comments regarding commercial development concerns on the west side of the property and the two-story housing condition along Tangerine, **Ms. Large** reaffirmed the applicant's commitment to restrict commercial development on the west side and the applicant's agreement to remove the Planning Commission's recommended condition commented on by **Vice Mayor Post**.

At **Council Member Ziegler's** request **Ms. Large** clarified the 300/350/600-foot buffers condition. **Council Member Ziegler** asked **Mr. Jerry Ireland** in the audience for clarification regarding his comments, these buffers, and the proposed condition that no commercial development be located west of the large wash. **Mr. Ireland** clarified that he was requesting no two-story homes be constructed if possible, or that the 600-foot buffer area prohibit two-story homes. **Ms. Large** stated that if the Planning Commission recommended condition regarding two-story homes along Tangerine was eliminated and the 600-foot buffer included a prohibition against two-story homes within that area, then the two-story homes would be overly concentrated. She said the applicant would be willing to expand the existing 50-foot buffer prohibiting two-story homes to 100 feet.

Council Member Craig asked why the drainage/washes could not be left as natural open space. **Ms. Large** stated that the difficulty lies in the washes' irregular shape that would make development difficult and would leave the property undevelopable. She introduced **Chuck Martin with Rick Engineering** to present further on this issue. **Council Member Craig** expressed concern that, according to **Carolyn Campbell's** map attached to her submitted letter, the other two washes generate more water flow than the large wash that is being left in its natural state.

Mr. Martin explained the Tangerine plans were utilized in determining flows for the project and said the other washes' flows are less than 200 cfs. He said the plans call for 40-foot wide drainage ways and said there is room for revegetation. **Mr. Martin** explained the location of the retention/detention basins are designed to handle where the water flows will be

outletting and affirmed that the shape of the other washes would make development difficult if they remained in their natural state.

Council Member Craig asked how it can be guaranteed that water will flow as it currently does and end up in the same place after the infrastructure improvements are installed. **Mr. Martin** explained that the retention/detention basins would manage development flows so they are not more than what is existing and that the water will be released into the same washes. **Council Member Craig** expressed concern that they would hold more water back from the wash flows, and said that Sky Ranch was built around that riparian area. **Mr. Martin** stated it was unlikely the developer would build basins larger than necessary, which would withhold more water. He said the Council could make it a rezoning condition that the current flows be required to be maintained to match the existing flows. **Council Member Craig** commented that the development could have less houses and the natural washes.

Council Member Comerford stated in response to a speaker's concern regarding a lack of communication from Council that she has been reading the emails and letters and has responded to emails. She said the developer has a right to develop the property within the bounds of the law. She expressed legal concerns related to rezoning, and said that because the applicant is requesting a rezoning legally comparable to the surrounding areas, the Council must be careful in not crossing the line where litigation could become a possibility. She said the applicants were taking the resident's concerns into account and making concessions based on the concerns.

Council Member Kai expressed concern regarding the three-story apartments. **Ms. Large** explained that more modern developments are utilizing three stories. **Council Member Kai** asked if it would be a deal-breaker for the project if they had two-story apartments instead of three. **Ms. Large** replied that the applicant would like to keep three-stories on the east side of the project and could be open to limiting apartments to two-stories on the west side.

Council Member Officer commented on the drainage infrastructure, expressed support for the proposed project, commended the outreach completed thus far, and agreed with **Council Member Comerford** regarding legal concerns.

Mayor Honea stated that some of the residents wanted conflicting things – for example, some wanted a wall surrounding the property while some did not. **Mayor Honea** stated the applicant has agreed to no commercial development on the west side of the property and that the apartments on that side would be two-story. He said he believes the applicants are doing everything they can to accommodate concerns. He further explained it has been a common practice to take smaller washes and direct them into one drainage area, and that such was done in the Dove Mountain development. He said the basins are not made to keep water from running into Sky Ranch, but to keep the water from running at such a high rate

so as to flood Sky Ranch. He stated that the subject property has been owned since before Sky Ranch was built, and stated the General Plan has planned that area for commercial development.

Council Member Ziegler asked whether the luxury apartments near Dove Mountain and Tangerine were two-story. **Mr. Rozema** confirmed they were two-story. **Council Member Ziegler** said she would like to see a two-story condition on the apartments on both sides of the wash. She also requested that no more water flows than are currently existing be allowed in accordance with Town Code and that the water flows are not interrupted so the residents of Sky Ranch can continue to benefit from the flows. She requested an explanation from Town Staff regarding the flows.

Public Works Director Fausto Burrell stated that the Town Code required the amount of flow to be maintained with any improvements. He said when hardscape is installed in a development, there is less permeation, and therefore additional improvements, such as basins, must be included in the development to account for increased flows. When water leaves the basins, it must be at the same point or less than where it traditionally flows.

Council Member Ziegler asked to see a new concept plan, if possible, without having another meeting so everyone present could see it. **Ms. Large** stated the concepts are potential scenarios, and that there are a number of other potential scenarios with the land uses permitted. **Council Member Ziegler** asked if what is agreed on tonight could be memorialized and sent to the president of the Sky Ranch Home Owners Association.

Town Attorney Jane Fairall explained that a rezoning condition could be added requiring the applicant to put together a concept plan showing the new conditions agreed upon at the Town Council meeting. **Mayor Honea** stated that if something was approved at the meeting, a concept plan would be put together and delivered to the HOA. **Ms. Large** stated that, if the rezoning was approved, they would put together a final version of the specific plan that incorporated all of the conditions and would update the land use concept to show those conditions.

Council Member Ziegler asked for clarification as to whether **Ms. Large** agreed to a two-story apartment restriction on both sides of the wash. **Ms. Large** agreed to that condition.

Council Member Craig requested that the large wash natural space be expanded to 300 feet. After conferring with the applicant, **Ms. Large** stated they could accommodate an additional 50 feet along the wash, but that 300 feet would not work for the project.

Council Member Comerford asked **Ms. Fairall** whether a development plan would be needed if the rezone was approved. **Ms. Fairall** confirmed a plat (for residential

development) or a development plan (for commercial or apartments) would still be required. **Ms. Fairall** stated that final plats would come before the Council, usually on the consent agenda, and that development plans are administratively approved by Town staff.

Council Member Ziegler stated there should be nothing on the west side of the wash but single-family residential development. **Ms. Large** stated there are two types of multi-family residential housing units – one is traditional apartment buildings and one consists of detached, unplatted units (similar to rental homes) that they hope to construct on the west side. **Ms. Large** clarified that they also hope to maintain the option to construct apartments on the west side as well.

Vice Mayor Post asked for a summary of what the applicant agreed to during the Town Council Meeting. **Ms. Large** stated they were in agreement with the following additional conditions/revisions:

- Commercial development would be limited to the east side of the wash.
- Multi-family apartments would all be two-story throughout the property.
- The large wash natural area would be expanded to 150 feet minimum width.
- Drainage will comply with the Town Code.
- The buffer area in which two-story homes are restricted would be expanded from 50 to 100 feet.
- The percentage of two-story houses would be 50% of single-family residences instead of 60% (after input from Council Member Ziegler).
- The condition recommended by the Planning Commission regarding two-story homes being required along Tangerine Road would be removed.

Vice Mayor Post moved, and Council Member Ziegler seconded, the motion to approve Ordinance No. 2022.014 and Resolution No. 2022-099, subject to the conditions/revisions summarized above. Mayor Honea asked the Town Clerk to conduct a roll-call vote. Motion passed 6-1 with Mayor Honea, Vice Mayor Post, Council Member Kai, Council Member Comerford, Council Member Ziegler, and Council Member Officer voting in favor and Council Member Craig voting against.

A3 PUBLIC HEARING: Ordinance No. 2022.015: Relating to Transaction Privilege Tax; rescinding Ordinance No. 2022.011; amending the Town Tax Code by decreasing the tax rate on the sale of manufactured buildings under Town Tax Code Section 8-427 by one-half cent; and designating an effective date (Yiannis Kalaitzidis)

Mayor Honea opened the public hearing.

Town Attorney Jane Fairall presented on this item. **Ms. Fairall** reminded the Council that in August, the Town Council adopted an ordinance exempting manufactured buildings from paying the increased ½ cent sales tax adopted last October for the design and construction of the community and aquatic center. Subsequently, the Arizona Department of Revenue informed the Town that it did not approve of the way the ordinance was written. Staff has worked with the Department of Revenue to draft an ordinance satisfactory to the Department, and the ordinance associated with this item is that ordinance. **Ms. Fairall** explained the ordinance provides that the increased ½ cent sales tax would not apply to manufactured housing.

Mayor Honea asked if there were any questions. There were no questions.

Mayor Honea closed the public hearing.

Vice Mayor Post moved, and Council Member Ziegler seconded, the motion to approve Ordinance No. 2022.015. Motion passed, 7-0.

A4 Resolution No. 2022-100: Relating to Development; adopting the 2022 Land Use Assumptions, the 2022 Streets Facilities Infrastructure Improvements Plan, the 2022 Parks Infrastructure Improvements Plan, the 2022 Water Facilities Infrastructure Improvements Plan, and the 2022 Wastewater Facilities Infrastructure Improvements Plan supporting development impact fees for Streets, Parks, Water, and Sewer (Fausto Burruel, Jim Conroy, Jing Luo)

Public Works Director Fausto Burrell presented on this item. A copy of the PowerPoint Presentation and copies of the Final Land Use Assumptions Report, the Final Land Use Assumptions, the Final Streets IIP Report, the Final Streets IIP, the Final Parks IIP Report, the Final Parks IIP, the Final Water IIP, and the Final Sewer IIP Report (each of which depict the changes since the last meeting in yellow highlight) are on file with the Town Clerk's Office. **Mr. Burrell** stated Town staff and stakeholders have done a lot of work since the last meeting approximately a month and a half ago. **Mr. Burrell** briefly explained the background on impact fees in the first slide of the PowerPoint presentation, and highlighted that impact fees are only available for new improvements, not maintenance, that they cannot be used to improve existing deficiencies, only to building equivalent levels of service, and that they must be assessed in accordance with a developments proportionate share. He further explained that the land use assumptions and infrastructure improvement plans must be updated at least every five years, which was the purpose of the current Town Council meeting.

Mr. Burrell explained the following minor changes to the land use assumptions since the last meeting:

1. Table of Contents – date updated.
2. Page 3 – Tables 1 and 2 now reflect most recent census data.
3. Page 4 – date updated.
4. Page 9 – date updated; Table 4 Medical use added to table.
5. Page 10 – text added to explain the difference between the estimated future population and Arizona State Demographers; Table 5 – table values have changed slightly.

Mr. Burrell explained the following changes to the Streets Infrastructure Improvement Plan (IIP):

1. Page 3 – added text for clarification and defines project categories and explanation for Table1, this continues on Page 5.
2. Page 7 – References newly added Table in Appendix C.
3. Page 11 – corrected square footage of nonresidential building area.
4. Page 13 – added clarification text for sales tax credit.
5. Appendix B Table – updated last two columns due to Parks IIP update.
6. Appendix C Table – added table to better illustrate cost allocation methodology.

Mr. Burrell presented the Appendix C table in the Final Streets IIP and provided an example of how the calculations work. He explained that Town staff worked with stakeholders in coming up with the current methodology.

Mr. Burrell then explained the following changes to the Parks IIP, and said this is where most of the work has been over the last month and a half:

1. All highlighted sections within the document are due to Parks Impact Fees now being associated with nonresidential uses.
2. Methodology used is similar to Oro Valley and Tucson's.
   a. Inflow Commuters vs. Residents to establish cost allocation percentage (96% Residential vs. 4% Non-Residential).
   b. Service Unit for Non-Residential developments is based on jobs (percentage of job growth based on 1,000 square feet).
3. SFR Residential Fee identified in the draft document presented on August 3, 2022 reflected $2,656.00/EDU.
4. SFR Updated Residential Fee $2,529.63/EDU for SFR.
5. New Non-Residential Fees range from $9.00 – $870.00 per 1,000 square feet based on employment level.

At **Vice Mayor Post's** request, **Mr. Burrell** presented Figure 4 in the Final Parks IIP and explained the calculations involved to get the 96% to 4% split. **Vice Mayor Post** expressed concern with charging businesses impact fees for parks. **Mr. Burrell** explained the justification for such fees, stating that employees may go to a park for lunch to eat or walk park trails before or after work as examples. He said a lot of research went into this. **Mr. Burrell** presented pdf pages 24 and 25 of the Final Parks IIP and explained how the service units are generated. **Vice Mayor Post** asked for and received some example calculations, and he expressed concern about businesses moving into Marana and having to pay this fee.

Town Attorney Jane Fairall explained that the impact fee statute, as amended in 2011, requires the Town to assess impact fees against residential, commercial, industrial, and non-residential. **Vice Mayor Post** commented we have not charged businesses for the last 12 years. **Ms. Fairall** explained that in the 2014 and 2017 IIPs, the Town acknowledged what the statute said, but that additional research and analysis was required. Town staff has now reviewed other jurisdictions in the area and around the state that are including this calculation in their IIPs, and feel that it is appropriate under the law that the fee now be included in accordance with a generally accepted methodology.

Vice Mayor Post asked if cities and towns in Arizona that are attracting job opportunities are charging this fee. **Mr. Burrell** stated that research has not been conducted, but said he did briefly look at Casa Grande and believed they charged the fee. **Mr. Burrell** further explained that this was a relatively small, one-time fee and explained certain exceptions.

Mr. Burrell then presented Figures 20 and 21 in the Final Parks IIP and explained that these two tables summarize where the Town is at with respect to projected revenues and the plan costs and detailed the changes since the last meeting.

Mr. Burrell presented slide 9 of the PowerPoint presentation and explained that project costs increased. **Vice Mayor Post** asked for clarification as to whether aquatic facilities could be covered by impact fees. **Ms. Fairall** stated the statute did not allow impact fees to be used to fund aquatic facilities. **Vice Mayor Post** stated that new competition swimming pool was one of the listed items in slide 9. **Don McGann** with **McGann & Associates** stated the impact fee statute exempted swimming pools from the aquatic center prohibition.

Mr. Burrell said there were no changes to the Water and Sewer IIPs. He then provided the following timeline update:

5/13/2022 Publication of Draft LUA and IIP's
6/23/2022 Stakeholder Outreach Meeting
8/3/2022 Public Hearing for LUA and IIP's
9/20/2022 Council Action on LUA and IIP's

9/23/2022 Notice of Intent to Implement Impact Fees
11/1/2022 Public Hearing for Impact Fees
12/6/2022 Council Action for Impact Fees
2/20/2023 Impact Fees Effective (min 75 days from council action)

Council Member Comerford thanked **Mr. Burrell** work working with stakeholders regarding their concerns and for the amount of work went into it.

Mayor Honea asked if there were any questions. There were no questions.

Vice Mayor Kai moved, and Council Member Officer seconded, the motion to adopt Resolution No. 2022-100. Motion passed, 7-0.

ITEMS FOR DISCUSSION / POSSIBLE ACTION

EXECUTIVE SESSIONS
Pursuant to A.R.S. § 38-431.03, the Town Council may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E1 Executive Session pursuant to A.R.S. §38-431.03 (A), Council may ask for discussion or consideration, or consultation with designated Town representatives, or consultation for legal advice with the Town Attorney, concerning any matter listed on this agenda for any of the reasons listed in A.R.S. §38-431.03 (A).

FUTURE AGENDA ITEMS – ADD LANGUAGE HERE AND EXEC.
Notwithstanding the Mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

Mayor Honea asked for future agenda items. **Vice Mayor Post** asked that the placement or direction of the Utilities Board be placed added as an agenda item. **Mayor Honea** stated it would be added as a future agenda item.

Mayor Honea asked if there were any other future agenda items. There were no others.

ADJOURNMENT

Mayor Honea asked for a motion to adjourn the meeting.

Vice Mayor Post moved to adjourn the meeting. Motion passed, 7-0. Meeting adjourned at 9:11 PM.

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the Marana Town Council meeting held on September 20, 2022. I further certify that a quorum was present.

_____

David L. Udall, Town Clerk

DRAFT

MARANA TOWN COUNCIL
STUDY SESSION
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, September 13, 2022, at or after 6:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
Patti Comerford, Council Member
Jackie Craig, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

SUMMARY MINUTES

CALL TO ORDER AND ROLL CALL

Mayor Honea called the meeting to order at 6:01 PM and directed Town Clerk to call the roll. Present: **Mayor Honea, Vice Mayor Post, Council Member Craig, Council Member Comerford, Council Member Kai, Council Member Officer,** and **Council Member Ziegler.** The Town Clerk stated a quorum was present.

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE: Led by **Mayor Honea**.

APPROVAL OF AGENDA

Vice Mayor Post moved, and Council Member Kai seconded, the motion approving the agenda as presented. Motion passed, 7-0.

DISCUSSION/DIRECTION/POSSIBLE ACTION

D1 Relating to Development; discussion and feedback concerning the possible annexation of approximately 218 acres along Twin Peaks Road west of Continental Ranch and Rattlesnake Pass (Jason Angell)

Development Services Director Jason Angell provided a PowerPoint presentation, a copy of which is on file with the Town Clerk's Office. **Mr. Angell** explained the purpose of this study session was related to a pre-annexation request from Saunders Amos LCC and the Planning Center. The property involved in the request consists of approximately 218 acres of land located to the south and east of the Saguaro Bloom development along Twin Peaks and was currently part of the White Stallion Ranch. The request divides the 218-acre property into three different parcels, as depicted in the PowerPoint slides.

Mr. Angell further explained that the 2040 General Plan identified the portion of the 218-acre property on the south of Twin Peaks as Rural Residential and the portion north of Twin Peaks as Traditional Neighborhood. He stated that the applicants are requesting a rezoning to Specific Plan as part of the annexation request, which would require a minor General Plan amendment. **Mr. Angell** then showed a depiction of the applicant's proposal, which can be viewed in the PowerPoint slides.

At the conclusion of **Mr. Angell's** presentation, representatives from the Planning Center handed out large, laminated materials for the Council's review. A copy of these materials is on file with the Town Clerk's Office.

Phillip Aeries presented on behalf of Saunders Amos LLC. A copy of the PowerPoint slides used during his presentation is on file with the Town Clerk's Office. **Mr. Aeries** explained the 218-acre property was owned by the True family, who have owned it since the 1920s. He said there was another 1,600 acres of White Stallion Ranch not subject to this annexation request where the White Stallion Ranch resort was located. **Mr. Aeries** showed a concept depiction of the west portion of the 218 acres. He explained it would consist of luxury rental housing and would be the first portion developed. He then showed a concept depiction of the portion of the property north of Twin Peaks and explained it would consist of 155 single-family units that would abut designated wildlife corridors to the east.

Mr. Aeries showed a concept depiction of commercial development on the northwest portion of the property located to the south of Twin Peaks Road. The commercial concept would consist of a gas station/mini-mart, a small neighborhood center, and a private preschool/daycare. **Mr. Aeries** showed a concept depiction of the largest portion of the property to the east (south of Twin Peaks) and said this portion would consist of 147 single-family lots with an equestrian theme, would include a western heritage center, and said it likely would be developed last over the long term. He said this portion would be property held by the Trues. **Mr. Aeries** then showed several concept depictions of the luxury rental housing.

Council Member Craig asked for clarification regarding the depictions of the luxury housing and asked if they were rental units. **Linda Morales** from the Planning Center confirmed they were rental units.

Linda Morales presented on behalf of the Planning Center, and she used the same PowerPoint slides used by **Mr. Aeries**. **Ms. Morales** stated she was aware of the challenges associated with the 2018-acre property and said she would attempt to address those challenges at this meeting. She explained the benefits of the property's overall location and that the project would offer different types of housing. **Ms. Morales** highlighted the luxury nature of the rentals and explained these would address concerns of higher density. She also highlighted the benefits of the equestrian development, the portion north of Twin Peaks, and the commercial development. She explained the heart of the project was the western heritage center that would offer another community gathering place for the Town. She also explained the the wildlife corridor to the east of the project and how the project was designed to coexist with the corridor.

Bill Carroll presented on utility challenges. Mr. Carroll explained the water issue is relatively simple and is primarily a cost issue, outlined the infrastructure required for the project, and acknowledged it would be paid for by the owner and dedicated to the Town. He said the sewer system issue would be more difficult. He presented multiple alternatives, two of which consisted of infrastructure separate from the Town and one of which consisting of upgrading the Town's existing infrastructure. He said they would also be open to looking into constructing a new wastewater treatment plant on the west side of the Santa Cruz River. He recognized that the well for this project would likely have PFAS contamination and would require treatment. He concluded by saying there are several options available to address the utility issues.

Mr. Aeries addressed the Council again to highlight that the White Stallion Resort would expand by 20 units along the southern boundary of this project, and the applicant would be willing to agree as part of an annexation agreement that these would be subject to the Town's bed tax even though the resort is in Pima County.

Ms. Morales addressed the Council again and highlighted the list of conditions included in their pre-application materials designed to protect the wildlife corridor and the natural environment. She recognized this was a big ask, and that there was some concern among Council Members, and she summarized the benefits of the project to the Town.

Council Member Craig asked if the land involving and surrounding the wildlife corridor, including the peaks, was owned by White Stallion and asked about how the wildlife corridor, including the peaks, would be legally protected in perpetuity. **Ms. Morales** and **Chris Laria**, also with the Planning Center, explained the area the wildlife corridor covered.

Council Member Craig asked what "setting aside" meant in this context and what kind of legal framework there would be to protect the corridor. She said it appeared the property on the south did encompass the peaks and asked whether it would be

permanently set aside. **Ms. Morales** said they have not worked through the actual legal mechanism, but she anticipates it would be put into a conservation easement or be dedicated. **Mr. Aeries** clarified that there are no issues with putting the north side of the wildlife corridor into a permanent mechanism, but said the south side needed to be able to accommodate rock climbing and outdoor recreation. **Ms. Morales** said that the south side then could be in a conservation easement rather than a dedication.

Vice Mayor Post said he does not think this project is a good fit for the Town right now, or possibly ever. He said the Town's resources are stretched right now, especially our water resources. **Vice Mayor Post's** direction was to not go forward on this project.

Council Member Ziegler explained what she liked about this project, including the variety of housing, how it is upscale in nature, and the western heritage features. She agreed with **Vice Mayor Post's** comments, and asked if the applicant had engaged in community outreach. **Ms. Morales** explained that they had not at this stage in the project because they wanted to see what the Council thought first. **Council Member Ziegler** said the annexation might be more palatable if the resort would be annexed as well, and she highlighted **Vice Mayor Post's** comments about the lack of water resources to serve a project outside our current service area. She also had wastewater concerns.

Council Member Kai expressed his concerns about the project, especially as related to water resources. He said it would be difficult to find new well water in that area with the rock shelf nearby and explained that the Town has full-buildout water commitments to Saguaro Bloom. With regards to sewer, **Council Member Kai** explained that the Town's preference is to discharge wastewater back into the Town's plant and not outside Marana. He also had traffic concerns.

Council Member Comerford said she assumed the applicant was applying for annexation to the Town because Pima County did not want to entertain the project. **Ms. Morales** said they have not yet taken the project before Pima County, but that they did talk with them about wastewater. **Ms. Morales** believes this should be part of Marana because it feels like Marana. **Council Member Comerford** agreed, but said it was not the right time.

Mr. Aeries addressed **Council Member Kai's** concern about the rock shelf and the well water, and he said that there is more water as you move away from the rock shelf. He also explained there is a Pima County solution costing $5 million more and which would take an extra year to develop. He requested that if this is not the right time for the Town, that the Council be supportive of this project in Pima County. **Council Member Comerford** said the issue for the Town was timing and highlighted the water concerns.

Council Member Officer said this project is a great idea, but reiterated the concerns over water resources and the strain it would put on the Town's other commitments.

Council Member Ziegler said she would be in favor of the applicant going to the County with this project. She also clarified that Marana has plenty of physical water. The issue is overcommitting water beyond the Town's current commitments, and this project is not within the Town's current service area. She agreed the issue is one of timing.

Vice Mayor Post said he would support the applicant applying in Pima County. He said the project looks good, but it is not a good fit for the Town.

Mr. Aeries thanked the Council for the feedback.

Mayor Honea agreed with the comments of the other Council Members and said he did not believe the project would be able to go forward in Pima County for reasons similar to what had already been discussed, emphasizing the cost of treating PFAS.

EXECUTIVE SESSIONS

FUTURE AGENDA ITEMS

ADJOURNMENT

Mayor Honea asked for a motion to adjourn the meeting.

Vice Mayor Post moved, and Council Member Comerford seconded, the motion to adjourn. Motion passed, 7-0. Meeting adjourned at 7:13 PM.

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the Marana Town Council meeting held on September 13, 2022. I further certify that a quorum was present.

_____

David L. Udall, Town Clerk

DRAFT

Council-Regular Meeting **A1**

Meeting Date: 10/04/2022

To: Mayor and Council

From: Brian Varney, Senior Planner

Date: October 4, 2022

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Ordinance No. 2022.013: Relating to Development; approving a rezoning of approximately 7.0 acres of land located south of Grier Road and east of Sanders Road from Zone A – Small Lot Zone and R-6 (Single-Family Residential) to Neighborhood Commercial (NC) (Brian D. Varney)

Discussion:

Request
Paradigm Land Design, LLC is requesting approval from the Marana Town Council to rezone approximately 7.0 acres of land from Zone A – Small Lot Zone and R-6 (Single-Family Residential) to Neighborhood Commercial (NC).

Marana General Plan
The 2040 Marana General Plan designates the proposed rezoning area with the land use category of Traditional Neighborhood (TN), which does accommodate the requested Neighborhood Commercial zoning and typical neighborhood-scaled commercial development and office uses equal to or less than 15 acres in size.

Surrounding Land Use and Site Characteristics
The rezoning area is bordered on the north by Grier Road and, beyond that, property that is currently undeveloped agricultural land zoned Marana Towne Center Specific Plan. The rezoning area is bordered on the east by land zoned Zone A – Small Lot Zone that is developed with single-family residential use. To the southeast is undeveloped agricultural land zoned Las Pilas Specific Plan. The

land to the south of the rezoning area is zoned R-6 Residential and is being developed by DR Horton as the Village at Barnett, a single family residential subdivision that is currently under construction. The rezoning area is bordered on the west by Sanders Road and, beyond that, a developed parcel zoned Zone A – Small Lot Zone containing a vacant, commercial office building.

Of the seven acres within the rezoning area, five and one-half acres are currently vacant, undeveloped land. The eastern one and one-half acres contain a single-family residence. The site is characterized by a very flat topography that is minimally impacted by sheet flooding, predominantly from east to west, largely conveyed by Grier Road. A small portion of the rezoning area falls within the AO flood zone.

Proposed Land Use
The preliminary development plan in the site analysis for the proposed seven acre rezoning area indicates the potential for a mixture of neighborhood-scale commercial uses. It is anticipated the majority of the site will be developed with the typical, allowed neighborhood commercial uses, as indicated for Pads 1 - 4 on the preliminary development plan, and a professional office use(s) on Pad 5. A comprehensive design review will be performed for all proposed development, and compliance with the Town's Multi-family, Commercial, and Industrial Design Standards will be required. Any future commercial development proposed within the rezoning area will be subject to a complete review, and approval by staff, of a detailed development plan package including all improvement plans, landscape plans, and building elevation plans.

Access and Circulation
Access to the rezoning area is proposed at a few locations off of Grier Road. Access from Sanders Road will be considered by the Marana Traffic Engineering Division upon submittal and review of a development plan for the site, as well as a thorough analysis of the off-site road conditions at that time. Anticipated right-of-way dedications will include 45 feet on Grier Road and five feet on Sanders Road. Turn lanes off of Grier Road, and possibly Sanders Road, will be required as warranted by a traffic study with further analysis of such warrants at the time of development plan review. Pedestrian access to the site will be accommodated by the construction of a 5-foot concrete sidewalk along the Grier Road frontage, as well as an asphalt shared-use path to be constructed along the Sanders Road frontage, connecting to the path constructed by the Village at Barnett subdivision to the south. A traffic study has been reviewed by the Marana Traffic Engineering Division with further evaluation occurring at the time of development plan submittal when the actual uses have been defined. Future on-site traffic circulation will also be evaluated at that time.

Utilities
The rezoning area is located within the Town of Marana's intended water service area. A 6-inch water line runs along Grier Road and an 8-inch water line is located along Sanders Road. Water service agreement(s) will be necessary as required by Marana Water, and all necessary on-site and off-site water infrastructure will be

required to be constructed by the property owner / developer at the time of development. The rezoning area is also located within the Town's wastewater service area. A 15-inch sewer line is located within a 30' public sewer easement along the west property boundary. The rezoning area falls within the service areas of the Northwest Fire District, Tucson Electric Power, and Southwest Gas.

Citizen Participation
The applicants directly notified, by correspondence, all property owners within 1000 feet offering to meet and discuss the project. Two individuals responded to the letter, and met with the applicants. The applicants reported that no concerns were expressed during either meeting.

Public Notification
This public hearing was appropriately noticed in The Daily Territorial, and all property owners within 300 feet of the boundary of the rezoning area were noticed by United States mail of the date, time, and topic of the public hearing. Additional notice was posted at various locations within the community.

Case Analysis Review Criteria
Pursuant to Town Code Section 17-3-1(D), the Planning Commission and Town Council shall consider the following questions, at a minimum, in reviewing an application for rezoning:

- Any change of character in the area due to installation of public facilities, other zone changes, new growth trends, deterioration, and development;

  Based upon the requirements and conditions, the rezoning amendment does not appear to be detrimental to the character of the area due to installation of public facilities or any other rezoning changes.
- The degree to which the proposed zoning will benefit the community; whether there will be benefits derived by the community, or area, by granting the proposed rezoning;

  With the acceptance of the recommended conditions, this rezoning will benefit the community by providing opportunities for the development of neighborhood commercial services.
- Whether the proposed rezoning is compatible with the surrounding area or whether there will be adverse impacts on the capacity or safety of the portion of street network influenced by the rezoning, parking problems, or environmental impacts that the new use will generate such an excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances;

  Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding area and does not appear to be adversely impact the adjacent street network or generate such excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances
- Whether the proposal conforms with and is in furtherance of the implementation of the goals and policies of the general plan, other adopted plans, and the goals, objectives and policies of the land development code,

and other town regulations and guidelines, including goals and policies relating to economic development;

The rezoning amendment conforms with the goals and policies of the general plan, the land development code, and other town regulations and guidelines.

- The zoning districts and existing land uses of the surrounding properties;

Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding properties, zoning, and existing land use.

- Whether the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development;

With the acceptance of the recommended conditions, the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development

- Whether the existing and proposed utility infrastructure, public facilities, and public services are suitable and adequate to serve the proposed rezoning area;

Based upon the rezoning requirements and conditions, there is adequate utility infrastructure, public facilities, and public services in the area to serve the proposed rezoning area

- Whether the subject property is suitable for the uses to which it has been restricted under the existing zoning classification;

Based upon the rezoning requirements and conditions, the subject property is suitable for the proposed uses.

- Whether the rezoning is compatible with the adjacent neighborhood, especially residential neighborhood stability and character;

Based upon the rezoning requirements and conditions, this rezoning amendment is compatible with the adjacent neighborhood in area stability and character;

- If applicable, the length of time the subject property has remained vacant as zoned:

The majority (5.5 acres) of the subject property has remained vacant since annexation to the Town. The remaining 1.5 acres has contained a single-family residence for many years.

- Whether there is an adequate supply of land available in the subject area and the surrounding community to accommodate the zoning and community needs:

Based upon the rezoning amendment subject area location, there is an adequate supply of land available in the area and the surrounding community to accommodate the zoning and community needs.

Staff Recommendation:

This is a discretionary item for the Town Council to consider. Should the Town Council choose to approve this item, staff recommends it be based upon the recommended findings and subject to the conditions set forth in the draft ordinance attached.

Planning Commission Recommendation
The proposed rezoning was considered at a public hearing before the Marana Planning Commission on August 31, 2022. The Planning Commission voted unanimously 7-0 to recommend to the Town Council approval of the requested rezoning.

Suggested Motion:
I move to adopt Ordinance No. 2022.013, approving the Grier and Sanders Commercial Corner Rezoning subject to the recommended conditions.

Attachments

Ordinance No. 2022.013
Exhibit A to Ordinance
PCZ2203-002 GSCC Map
PCZ2203-002 GSCC App
PCZ2203-002 GSCC Site Analysis

MARANA ORDINANCE NO. 2022.013

RELATING TO DEVELOPMENT; APPROVING A REZONING OF APPROXIMATELY 7.0 ACRES OF LAND LOCATED SOUTH OF GRIER ROAD AND EAST OF SANDERS ROAD FROM ZONE A – SMALL LOT ZONE AND R-6 (SINGLE-FAMILY RESIDENTIAL) TO NEIGHBORHOOD COMMERCIAL (NC)

WHEREAS Elinor Louise Barnett and Fred C. Barnett, as Co-Trustees of the Barnett Family Trust Agreement, (the "Property Owners"), own approximately 7.0 acres of land located south of Grier Road and east of Sanders Road within Section 28, Township 11 South, and Range 11 East, described on Exhibit "A" attached to and incorporated in this ordinance by this reference (the "Rezoning Area"); and

WHEREAS the Property Owners have authorized Paradigm Land Design, LLC to submit an application to rezone the Rezoning Area from Zone A – Large Lot Zone and R-6 (Single-Family Residential) to Neighborhood Commercial (NC) ("this Rezoning"); and

WHEREAS the Marana Planning Commission held a public hearing to consider this Rezoning on August 31, 2022 and voted unanimously 7-0 to recommend that the Town Council approve this Rezoning subject to the recommended conditions; and

WHEREAS the Marana Mayor and Town Council held a public hearing to consider this Rezoning on October 4, 2022 and determined that this Rezoning should be approved.

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

Section 1. The zoning of the Rezoning Area is hereby changed from Zone A – Large Lot Zone and R-6 (Single-Family Residential) to Neighborhood Commercial (NC).

Section 2. This Rezoning is subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Marana Town Code (but which shall not cause a reversion of this Rezoning), and which shall be binding on the Property Owners and their successors in interest (all of whom are collectively included in the term "Property Owners" in the following conditions):

1. Compliance with all applicable provisions of the Town's codes and ordinances current at the time of any subsequent development including, but not limited to, requirements for public improvements and payment of application fees and applicable development impact fees.

2. Any plat or development plan for any portion of the Rezoning Area shall be in general conformance with the Preliminary Development Plan presented to and approved by the Town Council as part of this Rezoning.
3. A master drainage study must be submitted by the Property Owners and accepted by the Town Engineer prior to Town approval of a plat or development plan for any portion of the Rezoning Area.
4. A water infrastructure and phasing plan (WIP) must be submitted by the Property Owners and accepted by Marana Water Department (the "water provider") prior to approval of a plat or development plan for any portion of the Rezoning Area. The WIP shall identify all on-site and off-site water facilities needed to serve the proposed development. The WIP shall include all information required by the water provider, such as (but not limited to) analysis of water use and fire flow requirements, and well source, reservoir, and booster station infrastructure needed to serve the proposed development. If Marana Water requires a water service agreement as a condition of service to the proposed development, the Property Owners must enter into a water service agreement with Marana Water consistent with the accepted WIP.
5. A master sewer plan must be submitted by the Property Owners and accepted by the Marana Water Department (the "wastewater utility") prior to the approval of any plat or development plan for the Rezoning Area. The master sewer plan shall identify all on-site and off-site wastewater facilities needed to serve the proposed development, and shall include all information required by the wastewater utility. If the wastewater utility requires a sewer service agreement as a condition of service to the proposed development, the Property Owners must enter into a sewer service agreement with the wastewater utility consistent with the accepted master sewer plan.
6. The Property Owners must design and construct any roadway, drainage, water, and wastewater improvements, and dedicate or acquire any property rights associated with those improvements, that the Town requires based on the data and findings of the accepted traffic impact analysis, the accepted master drainage study, the accepted WIP, the accepted master sewer plan, and other studies approved in connection with the approval of a plat or development plan for any portion of the Rezoning Area.
7. The final design of all streets and circulation facilities, including gated access (if applicable) must be accepted by the Northwest Fire District prior to approval of a plat or development plan for any portion of the Rezoning Area.
8. No approval, permit or authorization by the Town of Marana authorizes violation of any federal or state law or regulation or relieves the Property Owners from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the Clean Water Act. The Property Owners should retain appropriate experts and consult appropriate federal and state agencies to determine any action necessary to assure compliance with applicable laws and regulations.

9. The Property Owners shall transfer to the water provider, by the appropriate Arizona Department of Water Resources form, those water rights being IGR, Type I or Type II for providing designation of assured water supply and water service to the Rezoning Area. If Type I or Type II is needed on the Rezoning Area, the water provider and the Property Owners shall arrive at an agreeable solution to the use of those water rights appurtenant to the affected portion of the Rezoning Area.
10. Prior to the issuance of any grading permits, the Property Owners shall submit evidence to the Town that all federal permit requirements have been met through the Corps of Engineers and the State Historic Preservation Office, if federal permits are required for the development of the Rezoning Area.
11. The Property Owners shall not cause any lot split of any kind without the written consent of the Town of Marana.
12. The Property Owners shall install a non-potable system to serve the common open space areas and other landscape amenities, as accepted by the Cortaro-Marana Irrigation District.

Section 3. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

Section 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 4th day of October, 2022.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

EXHIBIT A to Marana Ordinance No. 2022.013

A PORTION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 11 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, PIMA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 28 FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION BEARS SOUTH 00°29'31" EAST (BASIS OF BEARINGS), A DISTANCE OF 2632.80 FEET;

THENCE NORTH 89°21'35" EAST, ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 28, A DISTANCE OF 1318.94 FEET TO THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 28;

THENCE SOUTH 00°30'57" EAST, ALONG THE EAST LINE OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 28, A DISTANCE OF 30.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE SOUTH 00°30'57" EAST, ALONG SAID EAST LINE, A DISTANCE OF 213.09 FEET;

THENCE SOUTH 89°21'35" WEST, A DISTANCE OF 919.04 FEET;

THENCE SOUTH 00°29'31" EAST, A DISTANCE OF 87.00 FEET;

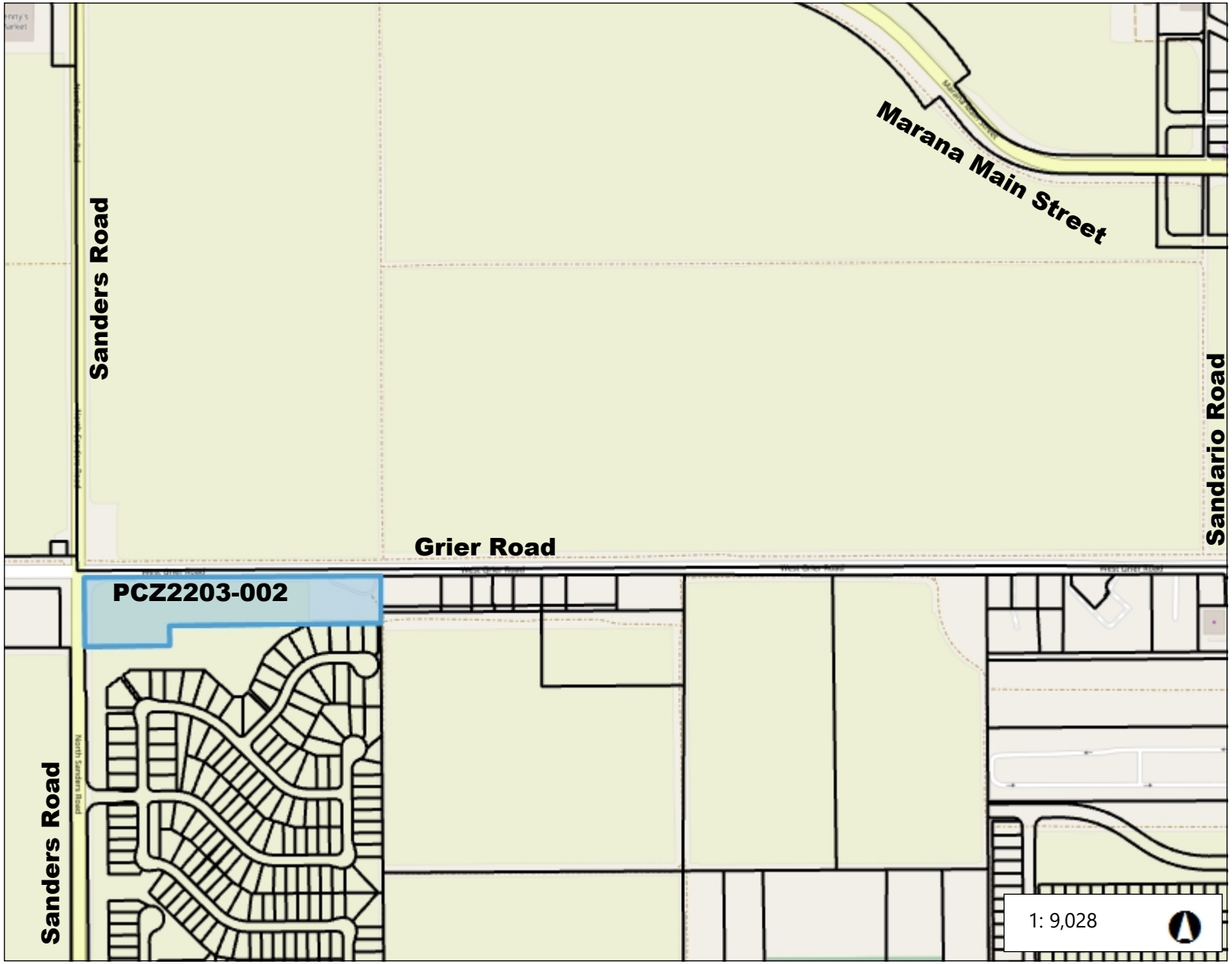
THENCE SOUTH 89°21'35" WEST, A DISTANCE OF 370.00 FEET TO A POINT ON THE EAST LINE OF SANDERS ROAD;

THENCE NORTH 00°29'31" WEST, ALONG SAID EAST LINE, A DISTANCE OF 300.09 FEET TO THE INTERSECTION OF THE EAST LINE OF SANDERS ROAD AND THE SOUTH LINE OF GRIER ROAD;

THENCE NORTH 89°21'35" EAST, ALONG SAID SOUTH LINE OF GRIER ROAD, A DISTANCE OF 1318.94 TO THE POINT OF BEGINNING.

Town of Marana Planning

PCZ2203-002: Grier and Sanders Commercial Corner Rezoning





Legend

- Marana Town Limits
- Parcel Labels
- Parcels (Black)

Notes

0.3 0 0.14 0.3 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

© Latitude Geographics Group Ltd.

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Development Services / maranaplanning@maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641 / maranaAZ.gov

PROJECT APPLICATION

APPLICATION TYPE

❑ Annexation	❑ Development Plan	❑ Development Plan Package	❑ General Plan Amendment
☒ Rezone	❑ Minor Land Division	❑ Significant Land Use Change	❑ Conditional Use Permit
❑ Specific Plan	❑ Landscape Plan	❑ Native Plant Plan/Exception	❑ SWPP
❑ Variance	❑ Hydraulic Model	❑ Sewer Capacity Assurance	❑ Sign Program
❑ Plat	❑ Improvement Plan	❑ Report (Type): _____	❑ Other: _____

PROJECT INFORMATION

Project Name: Barnett Retail & Offices	
Description of Project: Rezone	Number of Lots: n/a
Parcel No.(s): 217-41-010G	Gross Area (Acres): 7
Project Address: Not Assigned	
Ref. Project No.:	

CONTACT INFORMATION

Owner: Barnett Family Trust	Contact Name: Fred Barnett		
Address: PO Box 397	City: Marana	State: AZ	Zip: 85653
Email: fstfwdfred@aol.com	Phone No.: (520) 440-3733		
Applicant: (Same)	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		
Consultant/Engineer: Paradigm Land Design LLC	Contact Name: Paul Oland		
Address: 7090 N Oracle Rd #178-193	City: Tucson	State: AZ	Zip: 85704
Email: GPO@ParadigmLand.US	Phone No.: (520) 664-4304		

OWNER/APPLICANT AUTHORIZATION

I hereby certify that the information set forth in this application are true and correct to the best of my knowledge and that I am either the owner of the property or that I have been authorized in writing by the owner to file this application. (If applicant is not the owner, attach written authorization from the owner.)

Applicant Name (PRINT)	Signature	Date
	Paul Oland Digitally signed by Paul Oland Date: 2022.03.14 15:14:12 -07'00'	

FOR OFFICIAL USE ONLY

Revision Date 03/29/2019

Project No._____ **Date Received**_____

GRIER & SANDERS COMMERCIAL CORNER

REZONING SITE ANALYSIS

(PCZ2203-002)

PREPARED BY:

PARADIGM LAND DESIGN LLC

CONTACT: PAUL OLAND
GPO@PARADIGMLAND.US
(520) 664-4304

IN COLLABORATION WITH:

M Esparza Engineering, LLC

AUGUST 2022

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I. INTRODUCTION

A. PROJECT OVERVIEW

The Property subject to this rezoning request (the "Property") is proposed to be developed as a small mixed-use center consisting of 7.0± acres located at the southeast corner of Grier Road and Sanders Road in Marana, Arizona. This will allow for the property to be developed with 5.5± acres of neighborhood-scale commercial area, and 1.5± acres of office space. The property owner will also work to attract multifamily residential developers to develop all or a portion of the site for residential purposes as allowed by the NC zone. The project site is made up of parcel 217-41-010G and is owned by the Barnett Family Trust. Most of the property has been subject to farming for many years and is void of any native vegetation. The eastern portion of the property contains two existing single-family residences and contains minimal native vegetation. This project will contain a variety of retail, office, and restaurant pad spaces to respond to market demand for economic development near Downtown Marana. The Make Marana 2040 General Plan's "Traditional Neighborhood" designation is appropriate for the Property, as proposed.

This document has been prepared in support of a request to rezone the Property from "A-Small Lot Zone" and "R-6-Single Family Residential" to "NC-Neighborhood Commercial" in order to allow for the development as proposed.

The Town of Marana Strategic Plan 4 encourages new commercial development, especially in North Marana. It also calls for all new developments to provide pedestrian connectivity. This project will meet both of those goals and will also support the Plan's call for diverse housing opportunities if developed residentially.

B. PRIMARY OBJECTIVES

- Support economic growth by providing a prime location for new and existing businesses to expand their market and create employment opportunities.

- Provide a safe, clean, and attractive environment for business owners, employees, and future patrons.

- Construct a commercial development that is pedestrian friendly and compatible with both existing and future surrounding land uses.

Being bound on two of its four sides by major roads, this development will have minimal impact on nearby landowners. The subject property is mainly surrounded by undeveloped parcels to the north and west. Land to the south is currently under development as a residential subdivision, The Village at Barnett. Land to the east contains seven single-family residences, a Cortaro-Marana irrigation district facility and vacant agricultural land. This project has been carefully designed to be sensitive to nearby existing residences by providing landscape buffers around the entirety of the project and by including a land use transition between the residential homes to the east with office spaces creating a buffer from the retail portion of the project.

II. INVENTORY & ANALYSIS

The purpose of the Inventory & Analysis section of this document is to catalog the various developmental opportunities and constraints impacting the property in order to provide a meaningful and relevant context for the development proposal detailed in Section III of this document. Through careful consideration of these existing conditions a design can be deemed compatible with its surroundings and appropriate for the area.

A. EXISTING LAND USES

1. Site Location

   The Property consists of parcel 217-41-010G and is located within Township 11 south, Range 11 east, Section 28, Town of Marana, Arizona. The property totals 7.0± acres and is at the southeast corner of Grier Rand and Sanders Road. See Exhibit II-A-1: Site Location Map.

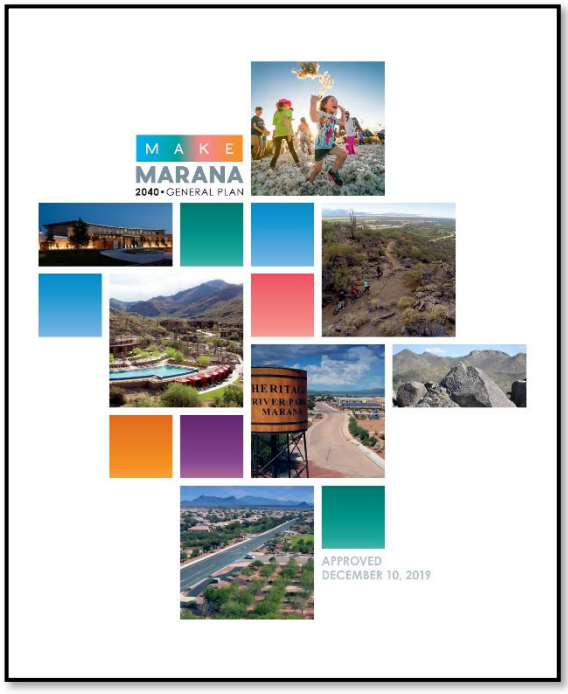
   Per Town of Marana Addressing the Project's administrative address is 12499 West Grier Road, Marana, AZ 85653.

2. Existing Land Uses, Onsite Zoning & General Plan

   Approximately 5.5± acres of the site are undeveloped and vacant, the remaining 1.5± acres contain two single-family residential homes. See Exhibit II-A-2: Existing Land Uses.

   Most of the Property is currently zoned A (Small Lot Zone), with a small portion along the southern boundary being zoned R-6 (Single-Family Residential). See Exhibit II-A-4: Existing Zoning.

   The Make Marana 2040 General Plan designates the Property as Traditional Neighborhood within the "Central Growth Area". As stated in the General Plan, this Central Growth Area is projected to become the main "Downtown" area for the Town of Marana. With lots of space for growth, this area is envisioned to include event and gathering spaces, shops, entertainment destinations, and employment opportunities. This project will contain a variety of retail and restaurant pad spaces to respond to market demand for economic development near Downtown Marana. See Exhibit II-A-3: Existing General Plan Land Uses.



3. Existing Adjacent Zoning and Land Uses

a. Surrounding Zoning & Land Uses

The Property is surrounded by properties featuring the following zoning designations and land uses. See Exhibit II-A-2: Existing Land Uses and Exhibit II-A-4: Existing Zoning.

N:	Existing zoning:	F-Specific Plan, Marana Towne Center
	Existing land use:	Grier Road and Vacant Farmland
NE:	Existing zoning:	F-Specific Plan, Marana Towne Center
	Existing land use:	Grier Road and Vacant Farmland
E:	Existing zoning:	A-Small Lot Zone
	Existing land use:	Single-Family Residential
SE:	Existing zoning:	F-Specific Plan, Las Pilas
	Existing land use:	Vacant Farmland
S:	Existing zoning:	R-6 Single-Family Residential
	Existing land use:	The Village at Barnett Single-Family Residential Subdivision (under construction)
SW:	Existing zoning:	A-Small Lot Zone
	Existing land use:	Sanders Road and Vacant Farmland
W:	Existing zoning:	A-Small Lot Zone
	Existing land use:	Sanders Road, a Vacant Building and Undeveloped Land
NW:	Existing zoning:	A-Small Lot Zone and F-Specific Plan, Marana Towne Center
	Existing land use:	Intersection of Grier Road and Sanders Road, and Vacant Farmland

b. Surrounding Building Heights

All structures nearby are single-story, some homes within the Village at Barnett subdivision that is currently under construction are two-story.

c. Nearby Pending Rezonings

There are no pending rezonings within one-quarter mile.

d. Nearby Approved Rezonings

The Las Pilas Specific Plan is immediately adjacent to the Property's southeastern corner, and the Marana Towne Center Specific Plan is immediately north of the Property. The Villages at Barnett subdivision that is directly south of this project was rezoned to R-6 several years ago.

e. Nearby Approved Subdivisions & Development Plans

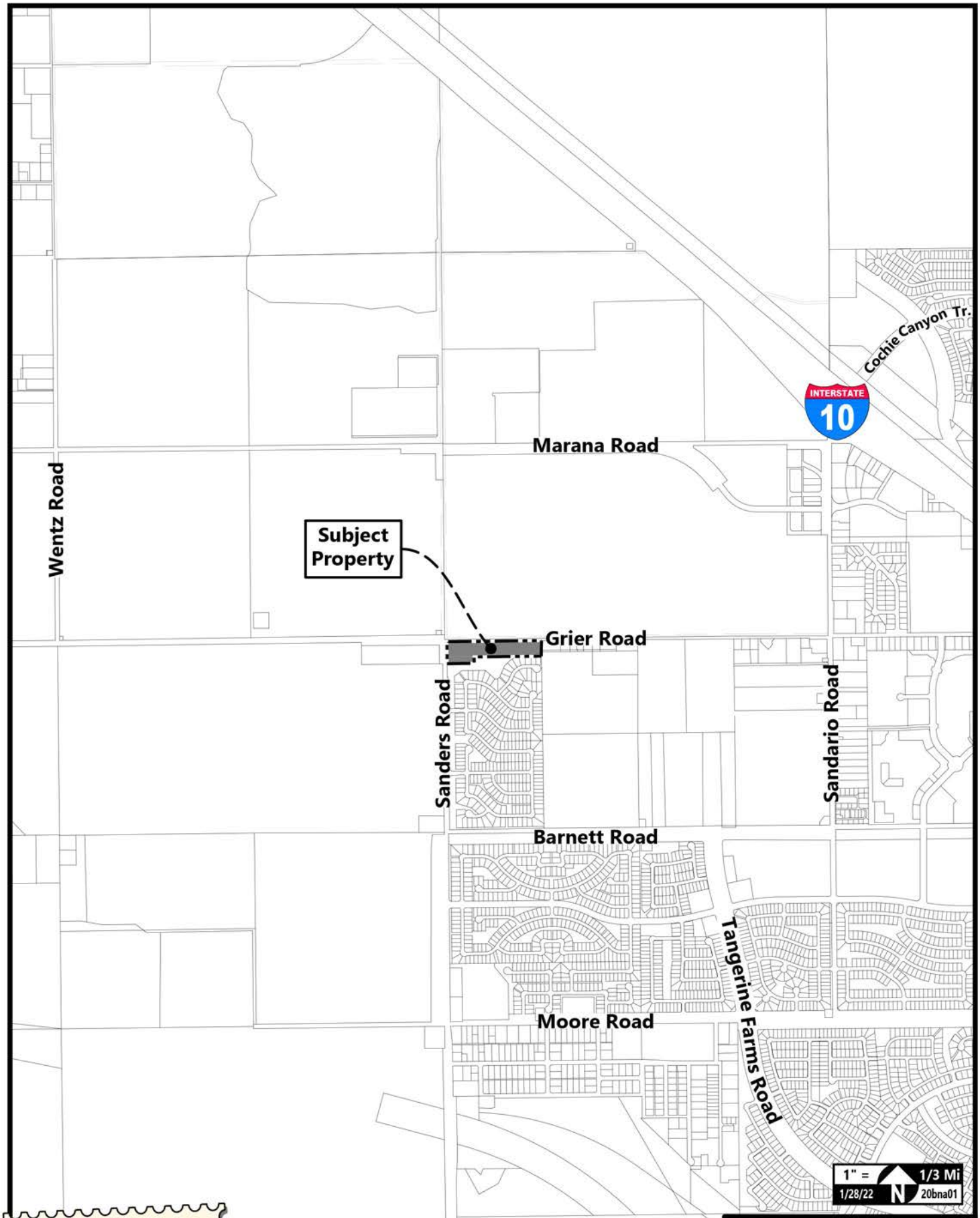
The Village at Barnett Subdivision is directly south of the property and is approved for 251 lots. It is currently under construction.

f. Architectural Styles used in Adjacent Properties

Architectural styles of site-built homes to the east of the project site are typical of most unplanned development in rural Marana. Architectural styles in the subdivisions to the south of the project site are typical of most planned developments in Marana, which is a mix of traditional and contemporary southwest homes. These homes are mainly wood frame homes that utilize stucco and stone veneer and have a gabled tile roof.

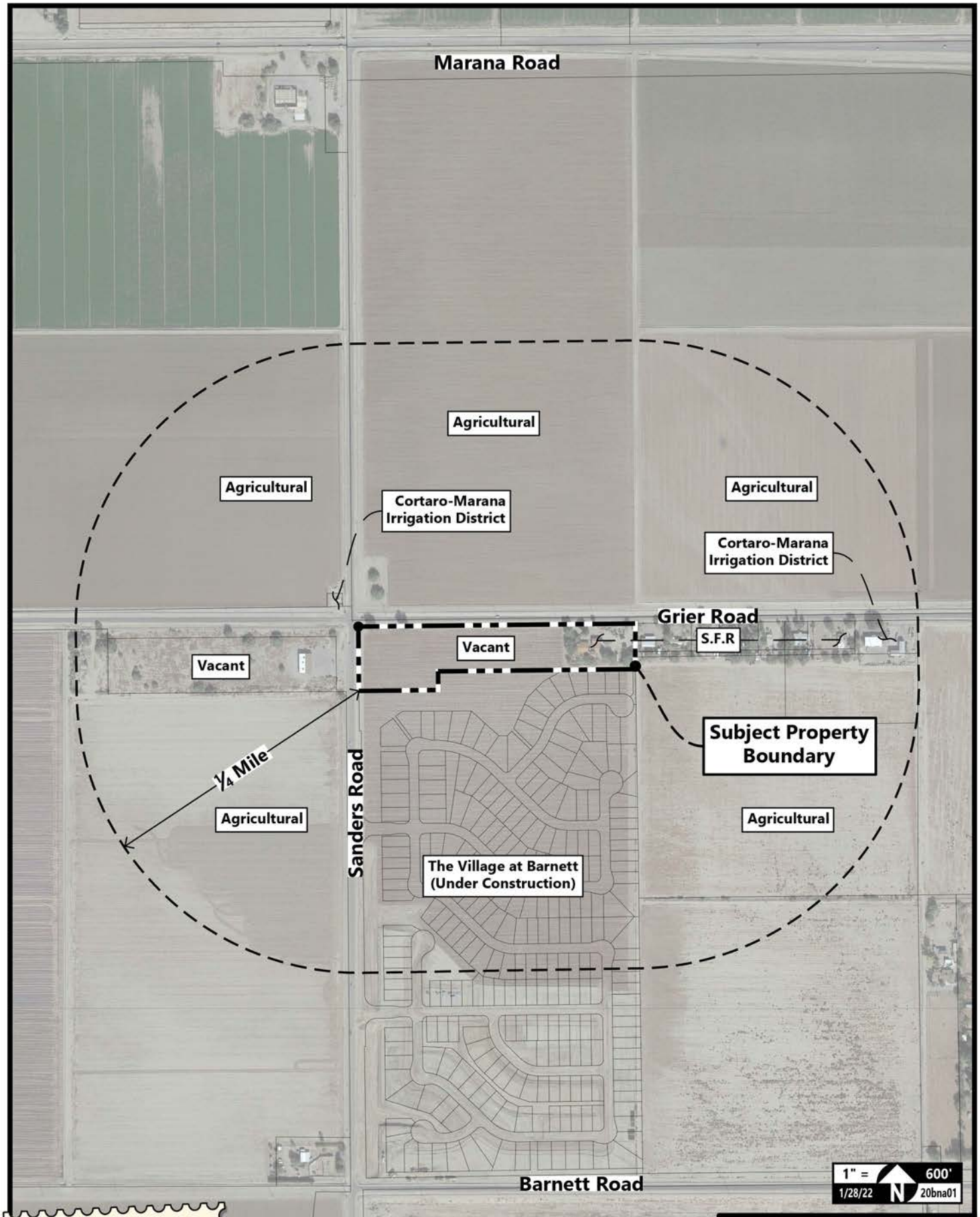
Single-Family Residential Neighbors to the East of the Project





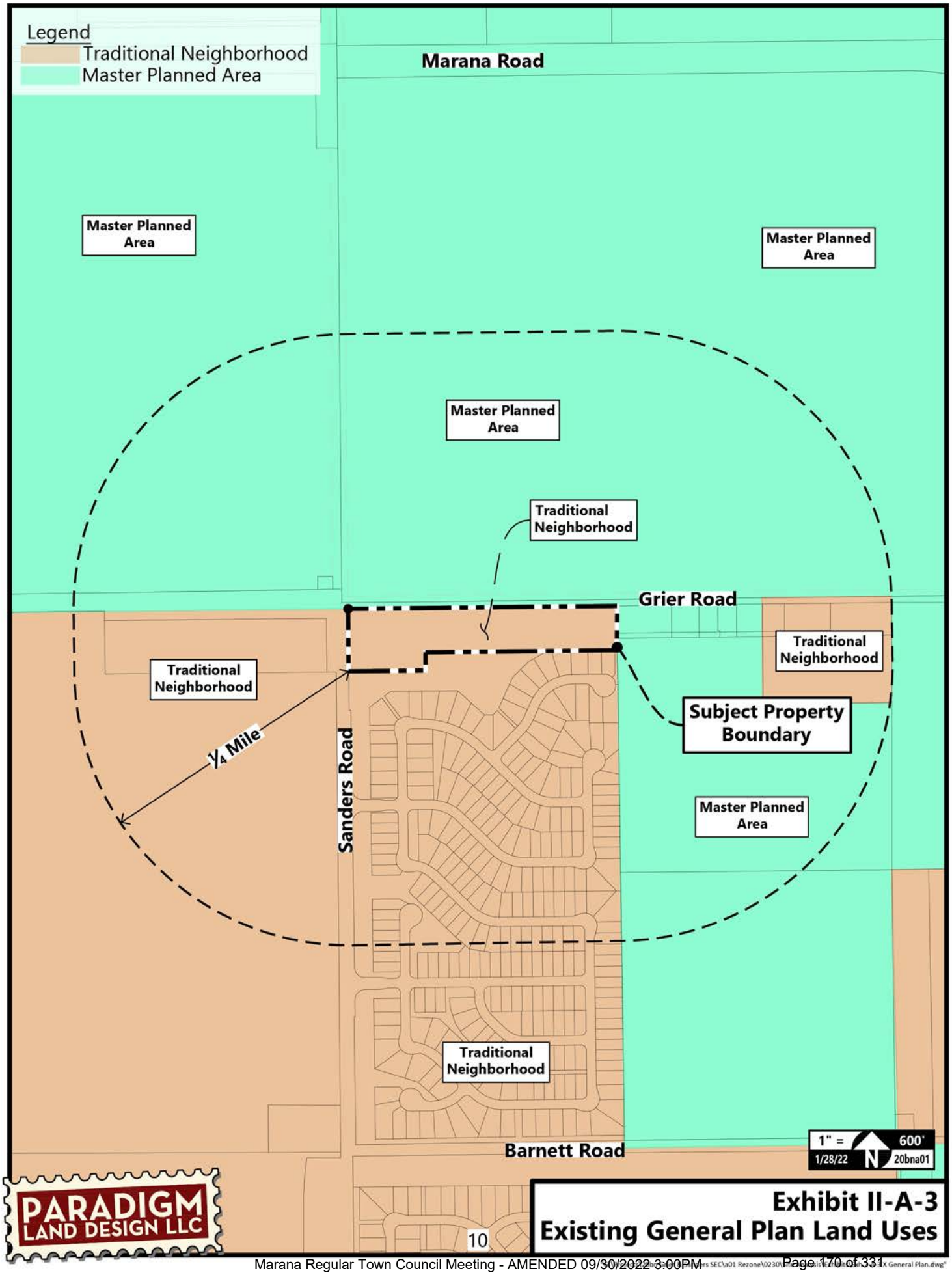
PARADIGM LAND DESIGN LLC

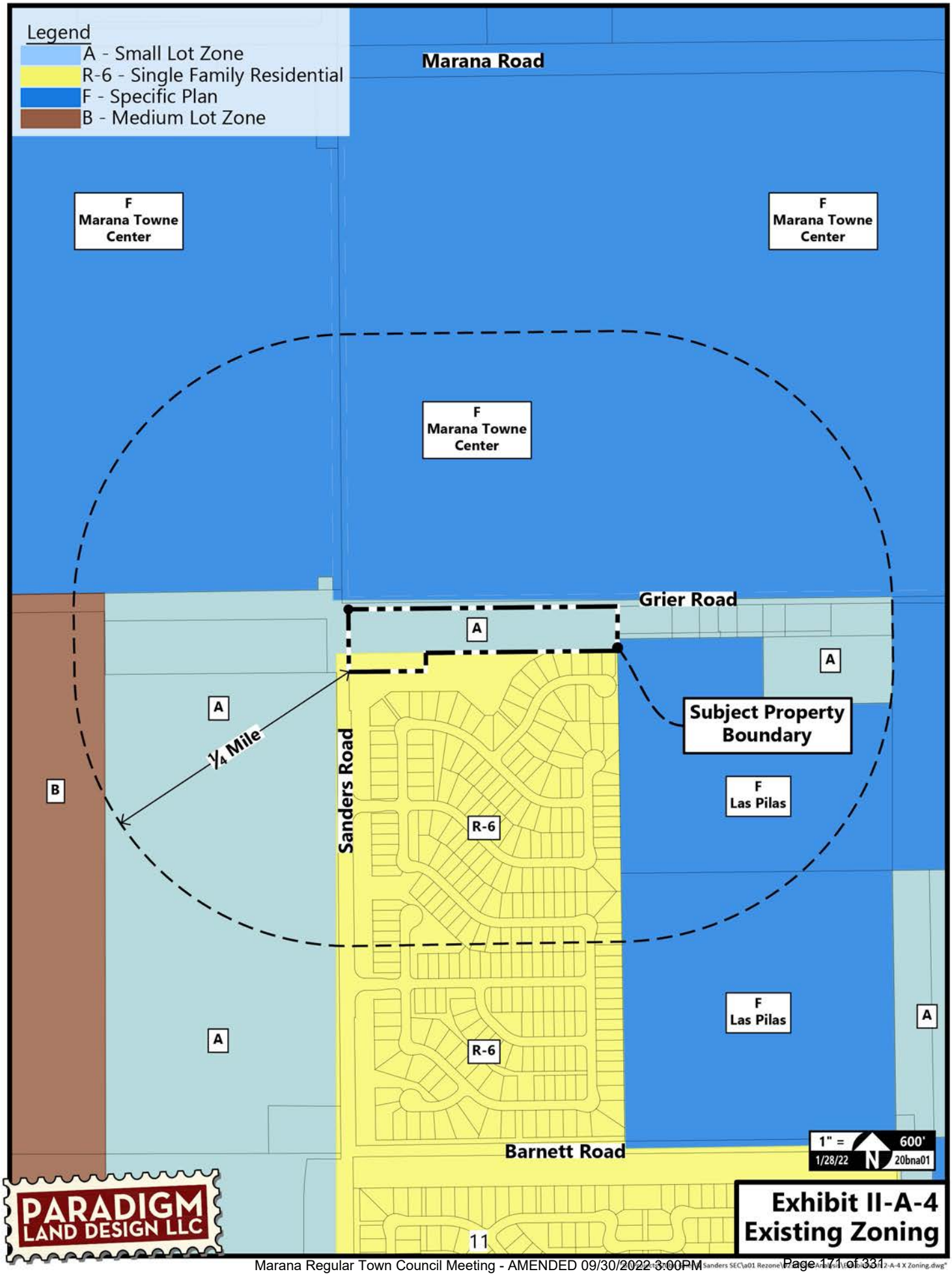
Exhibit II-A-1
Site Location Map



PARADIGM LAND DESIGN LLC

Exhibit II-A-2
Existing Land Uses


Legend
Traditional Neighborhood
Master Planned Area
Marana Road
Master Planned Area
Master Planned Area
Master Planned Area
Traditional Neighborhood
Grier Road
Traditional Neighborhood
Traditional Neighborhood
Subject Property Boundary
¼ Mile
Sanders Road
Master Planned Area
Traditional Neighborhood
Barnett Road
1" = 600'
1/28/22
N
20bna01
PARADIGM LAND DESIGN LLC
Exhibit II-A-3
Existing General Plan Land Uses


Legend
A - Small Lot Zone
R-6 - Single Family Residential
F - Specific Plan
B - Medium Lot Zone
Marana Road
F
Marana Towne
Center
F
Marana Towne
Center
F
Marana Towne
Center
Grier Road
A
A
A
A
A
B
¼ Mile
Sanders Road
Subject Property
Boundary
R-6
R-6
F
Las Pilas
F
Las Pilas
A
Barnett Road
1" = 600'
1/28/22
N
20bna01
PARADIGM
LAND DESIGN LLC
Exhibit II-A-4
Existing Zoning
11

B. TOPOGRAPHY AND SLOPE

1. Topographic Characteristics

The topography of the Property is characterized by extremely flat terrain. The property generally slopes gently downward from southeast to northwest. Elevations range from approximately 1,974 feet above sea level at the southeast corner to approximately 1,968 feet above sea level at the northwest corner of the property. The Property does not contain any hillside conservation areas, rock outcrops, slopes of 15% or greater, or other significant topographic features. See Exhibit II-B-1: Topography.

2. Pre-Development Slope

a. Average Cross-Slope

The pre-development average cross-slope of the Property is approximately 2.9%, according to the following formula:

C = Contour Interval
L = Length of Topographic Contours
A = Acreage of Property

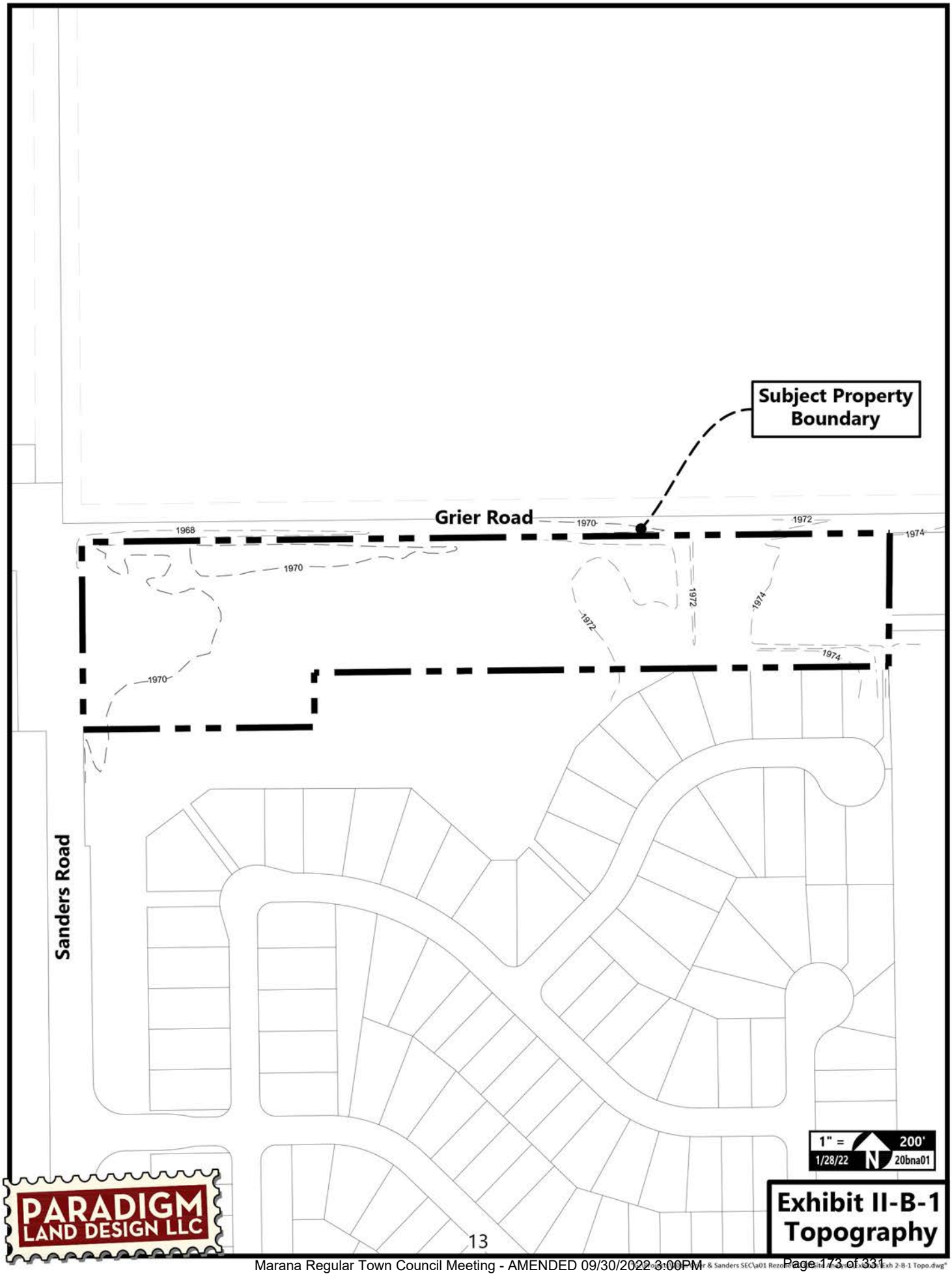
(C x L x 0.0023) / A = Average Cross Slope
(2' x 4,375' x 0.0023) / 7.0 = 2.9%

b. Average Overall Slope

The pre-development average overall slope is 0.004% from the southeast corner to the northwest corner of the project boundary.

A Completely Flat Site




Subject Property Boundary
Grier Road
Sanders Road
1968
1970
1972
1974
1" = 200'
1/28/22
N
20bna01
PARADIGM LAND DESIGN LLC
Exhibit II-B-1
Topography

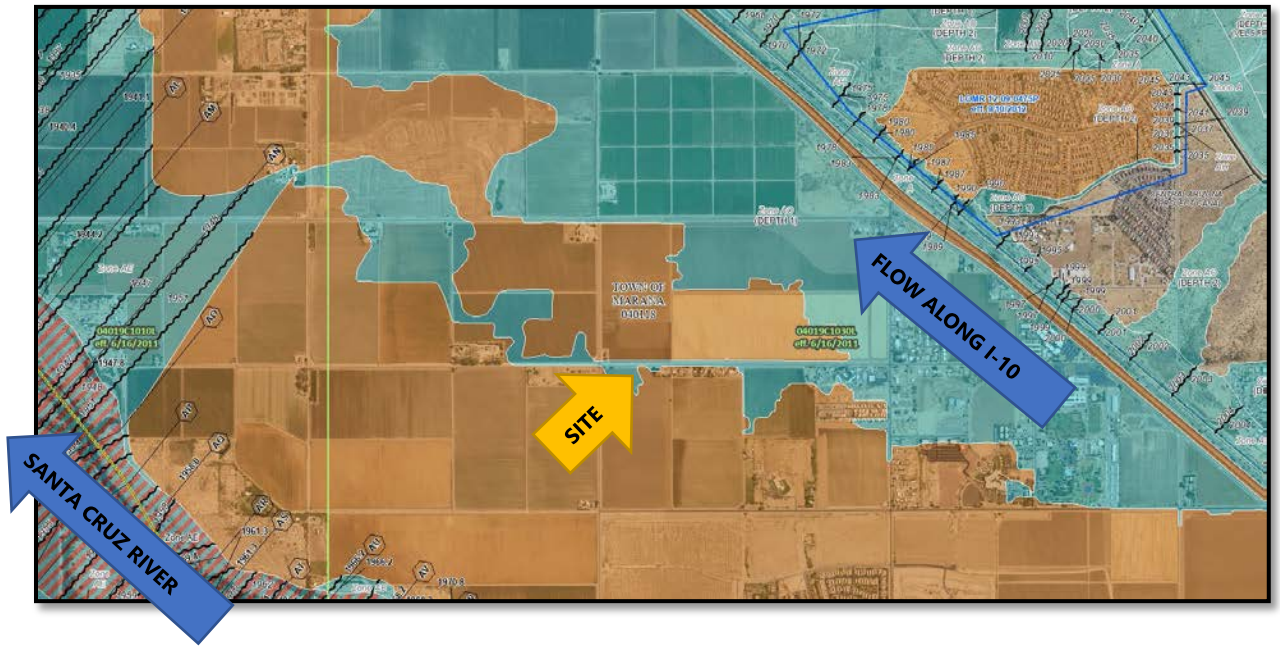
C. HYDROLOGY

1. Offsite Features Affecting Site

Storm drainage primarily enters the Property from the east as it flows within and along Grier Road. The storm drainage along Grier Road accumulates offsite from sheet flow coming off agricultural fields and other properties south of Grier Road. A trivial amount of storm drainage also enters the Property from the Villages at Barnett Common Area to the south. Downstream of the Property storm drainage continues to flow west within and along Grier Road, breaking out to the north within the agricultural field west of Sanders Road. From there, drainage sheet flows to the northwest and then west until joining the larger Santa Cruz River floodplain approximately 1.5 miles west/northwest of the Property. A floodplain use permit will be needed for construction in this area.

2. Acreage of Upstream Offsite Watersheds

The offsite watershed contributing area impacting this property is approximately 300± acres west of Interstate-10. The offsite watershed is characterized by agricultural fields and relatively low-density development with the exception of the Valley of the Sun MHP, the Marana Municipal Complex, and Marana Middle School. In addition, stormwater drainage enters Grier Road via culverts under Interstate-10 from the east. The FEMA AO-1 Zone correlating with Grier Road is a minor breakout from the larger FEMA AO Zone flowing northwest generally within one-half mile along the west side of Interstate-10.



3. Onsite Hydrology Characteristics

   a. 100-Year Floodplains with Discharges ≥ 50 CFS with flow depths greater than 0.2'

   The only regulated floodplain within the project site flows within and along Grier Road from east to west. In some areas the floodplain exceeds the Grier Road right-of-way, extending to the south into this and adjacent properties.

   b. Areas of Sheet Flooding and Average Depths

   Historically, the site and offsite areas have been characterized as sheet flooding areas with depths generally ranging from 0 to 1 foot (Refer to FEMA FIRM Panel 04019C1030L) depicted on Exhibit II-C-1: Onsite Hydrology.

   c. Federally mapped floodways and floodplains

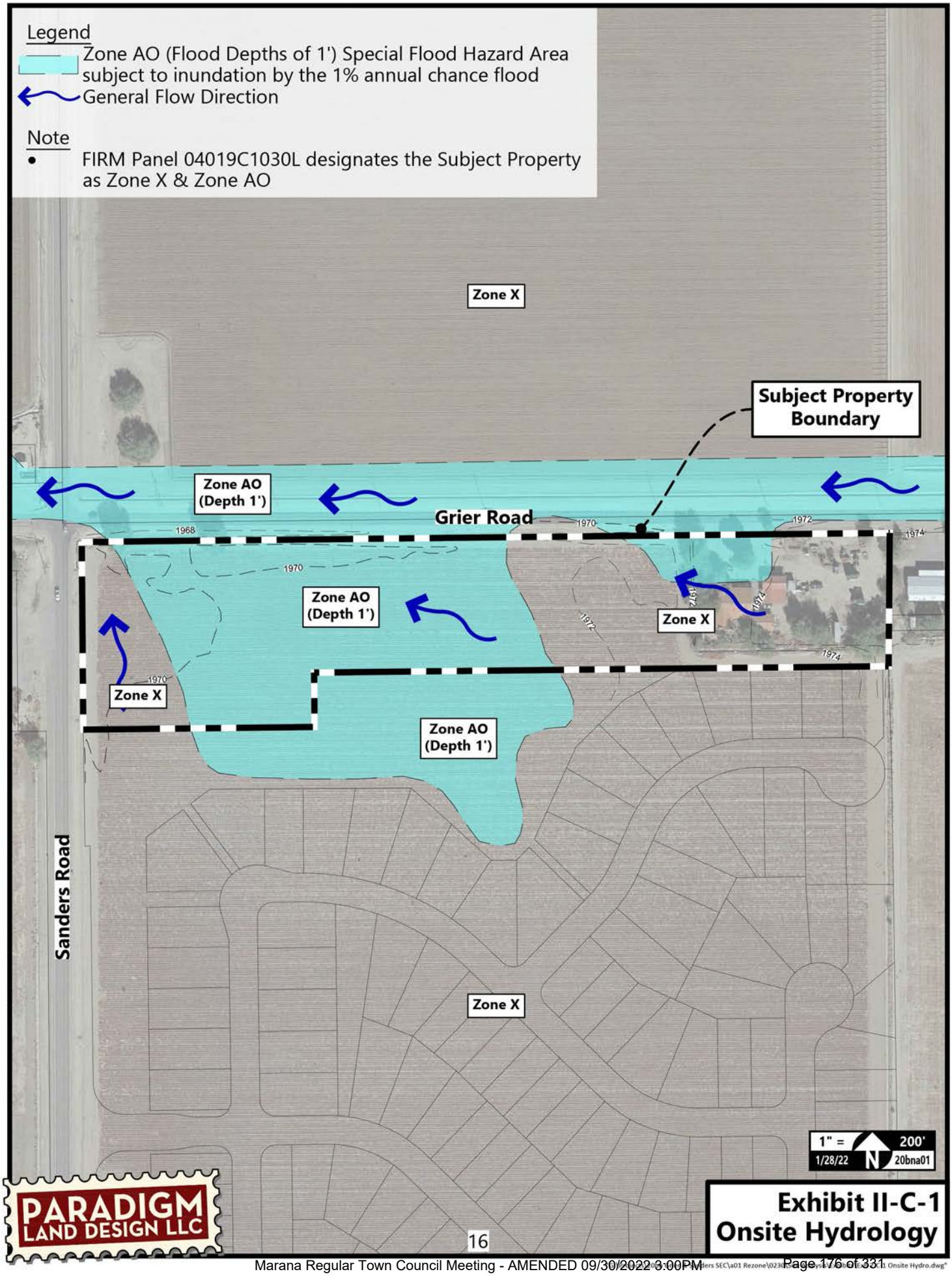
   The FEMA Flood Insurance Rate Map Panel 04019C1030L shows approximately half of the Property to be in Zone X which indicates "areas determined to be outside the 0.2% annual chance floodplain" and half the Property to be within Zone AO-1 which indicates "areas of 1% annual chance flooding with an average depth of 1 foot (usually sheet flow on sloping terrain).

4. Existing Drainage Conditions along the Downstream Property Boundary

Downstream of the Property storm drainage continues to flow west within and along Grier Road, breaking out to the north within the agricultural field west of Sanders Road. From there, drainage sheet flows to the northwest and then west until joining the larger Santa Cruz River floodplain approximately 1.5 miles west/northwest of the Property.

Downstream to the West along Grier Road




Legend
Zone AO (Flood Depths of 1') Special Flood Hazard Area subject to inundation by the 1% annual chance flood
General Flow Direction
Note
• FIRM Panel 04019C1030L designates the Subject Property as Zone X & Zone AO
Zone X
Subject Property Boundary
Zone AO (Depth 1')
Grier Road
1968
1970
1972
1974
Zone AO (Depth 1')
Zone X
Zone X
Zone AO (Depth 1')
Sanders Road
Zone X
1" = 200'
1/28/22
N
20bna01
PARADIGM LAND DESIGN LLC
Exhibit II-C-1
Onsite Hydrology

D. VEGETATION

1. Onsite Vegetative Communities

   The Property has historically been used for agriculture purposes. Thus, there is very little existing native vegetation onsite. The only vegetation onsite is in the eastern portion of the site around the existing residences. There is no significant native vegetation within the limits of the Property.

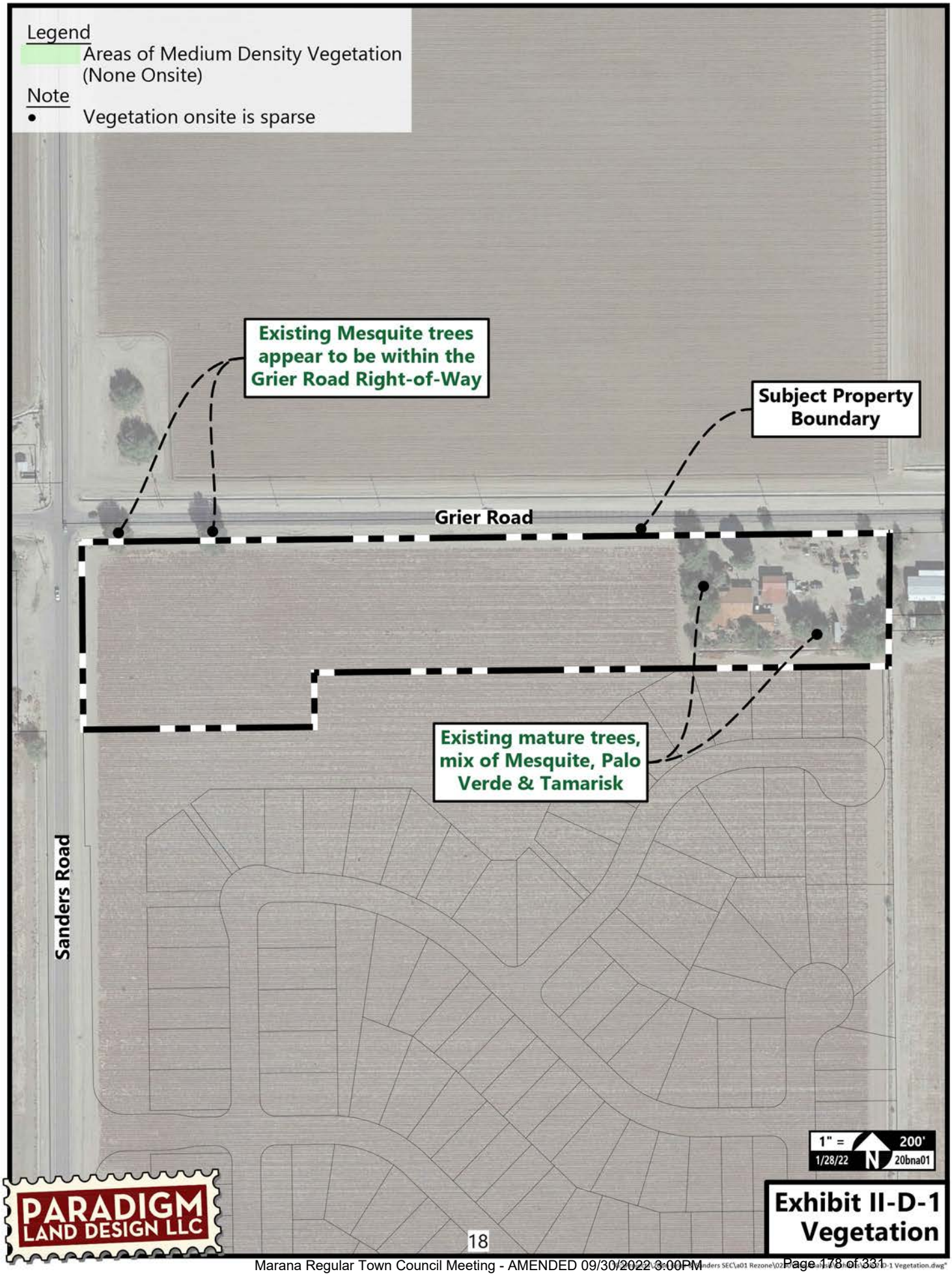
2. Significant, Threatened, or Endangered Flora

   No threatened or endangered flora are known to exist onsite.

3. Vegetative Densities

   Vegetative density of the Property is less than 5% plant cover. See Exhibit II-D-1: Vegetation.




Legend
Areas of Medium Density Vegetation (None Onsite)
Note
Vegetation onsite is sparse
Existing Mesquite trees appear to be within the Grier Road Right-of-Way
Subject Property Boundary
Grier Road
Existing mature trees, mix of Mesquite, Palo Verde & Tamarisk
Sanders Road
1" = 200'
1/28/22
N
20bna01
PARADIGM LAND DESIGN LLC
Exhibit II-D-1 Vegetation

E. WILDLIFE

The Arizona Game and Fish Department's online review tool has been consulted, and the Environmental Review report, dated January 5, 2022, indicates that several federally listed species have been known to exist in the vicinity of this development. Any protected species encountered onsite will be handled according to applicable regulatory criteria. See Exhibit II-E-1: AZGFD Report.

Exhibit II-E-1: AZGFD Report

Arizona Environmental Online Review Tool Report

Arizona Game and Fish Department Mission
To conserve Arizona's diverse wildlife resources and manage for safe, compatible outdoor recreation opportunities for current and future generations.

Project Name:
SEC Grier & Sanders

User Project Number:
20bn01

Project Description:
The owner of this property would like to rezone the property to allow for the construction of a small commercial center at the SEC of Grier Road and Sanders Road. Possible uses include a small area for retail, 2-3 PAD spaces, and a small area for an office use.

Project Type:
Development Within Municipalities (Urban Growth), Commercial/industrial (mall) and associated infrastructure, New construction

Contact Person:
Clay Goodwin

Organization:
Paradigm Land Design LLC

On Behalf Of:
CONSULTING

Project ID:
HGIS-15253

Page 1 of 11

Exhibit II-E-1: AZGFD Report (cont'd)

Please review the entire report for project type and/or species recommendations for the location information entered. Please retain a copy for future reference.

Page 2 of 11

Exhibit II-E-1: AZGFD Report (cont'd)

Disclaimer:

1. This Environmental Review is based on the project study area that was entered. The report must be updated if the project study area, location, or the type of project changes.
2. This is a preliminary environmental screening tool. It is not a substitute for the potential knowledge gained by having a biologist conduct a field survey of the project area. This review is also not intended to replace environmental consultation (including federal consultation under the Endangered Species Act), land use permitting, or the Departments review of site-specific projects.
3. The Departments Heritage Data Management System (HDMS) data is not intended to include potential distribution of special status species. Arizona is large and diverse with plants, animals, and environmental conditions that are ever changing. Consequently, many areas may contain species that biologists do not know about or species previously noted in a particular area may no longer occur there. HDMS data contains information about species occurrences that have actually been reported to the Department. Not all of Arizona has been surveyed for special status species, and surveys that have been conducted have varied greatly in scope and intensity. Such surveys may reveal previously undocumented population of species of special concern.
4. HabiMap Arizona data, specifically Species of Greatest Conservation Need (SGCN) under our State Wildlife Action Plan (SWAP) and Species of Economic and Recreational Importance (SERI), represent potential species distribution models for the State of Arizona which are subject to ongoing change, modification and refinement. The status of a wildlife resource can change quickly, and the availability of new data will necessitate a refined assessment.

Locations Accuracy Disclaimer:
Project locations are assumed to be both precise and accurate for the purposes of environmental review. The creator/owner of the Project Review Report is solely responsible for the project location and thus the correctness of the Project Review Report content.

Exhibit II-E-1: AZGFD Report (cont'd)

Recommendations Disclaimer:

1. The Department is interested in the conservation of all fish and wildlife resources, including those species listed in this report and those that may have not been documented within the project vicinity as well as other game and nongame wildlife.
2. Recommendations have been made by the Department, under authority of Arizona Revised Statutes Title 5 (Amusements and Sports), 17 (Game and Fish), and 28 (Transportation).
3. Potential impacts to fish and wildlife resources may be minimized or avoided by the recommendations generated from information submitted for your proposed project. These recommendations are preliminary in scope, designed to provide early considerations on all species of wildlife.
4. Making this information directly available does not substitute for the Department's review of project proposals, and should not decrease our opportunity to review and evaluate additional project information and/or new project proposals.
5. Further coordination with the Department requires the submittal of this Environmental Review Report with a cover letter and project plans or documentation that includes project narrative, acreage to be impacted, how construction or project activity(s) are to be accomplished, and project locality information (including site map). Once AGFD had received the information, please allow 30 days for completion of project reviews. Send requests to:
   Project Evaluation Program, Habitat Branch
   Arizona Game and Fish Department
   5000 West Carefree Highway
   Phoenix, Arizona 85086-5000
   Phone Number: (623) 236-7600
   Fax Number: (623) 236-7366
   Or
   PEP@azgfd.gov
6. Coordination may also be necessary under the National Environmental Policy Act (NEPA) and/or Endangered Species Act (ESA). Site specific recommendations may be proposed during further NEPA/ESA analysis or through coordination with affected agencies

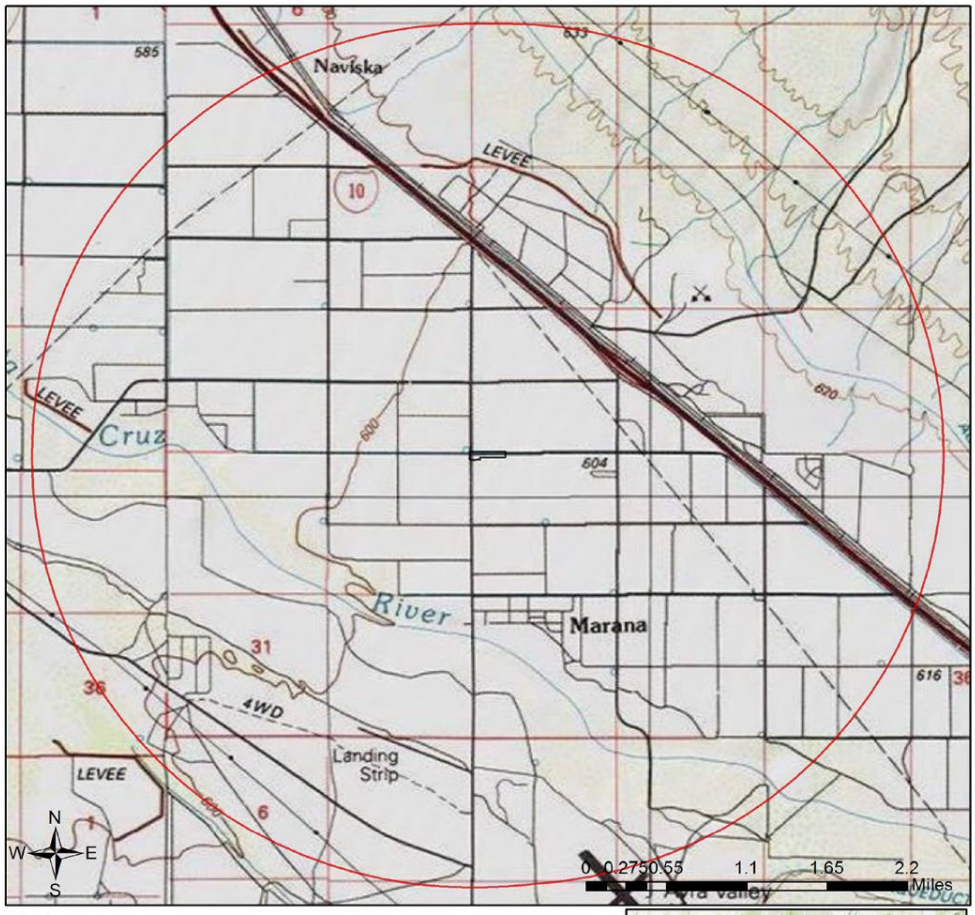
Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-15253

project_report_sec_grier_sanders_48765_50263.pdf
Review Date: 1/5/2022 12:40:08 PM

SEC Grier & Sanders

USA Topo Basemap With Locator Map



Project Boundary

Buffered Project Boundary

Project Size (acres): 6.89

Lat/Long (DD): 32.4528 / -111.2321

County(s): Pima

AGFD Region(s): Tucson

Township/Range(s): T11S, R11E

USGS Quad(s): MARANA



Service Layer Credits: Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap

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Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-15253

project_report_sec_grier_sanders_48765_50263.pdf
Review Date: 1/5/2022 12:40:08 PM

SEC Grier & Sanders

Web Map As Submitted By User



Project Boundary
Buffered Project Boundary
id_pima

Project Size (acres): 6.89
Lat/Long (DD): 32.4528 / -111.2321
County(s): Pima
AGFD Region(s): Tucson
Township/Range(s): T11S, R11E
USGS Quad(s): MARANA

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

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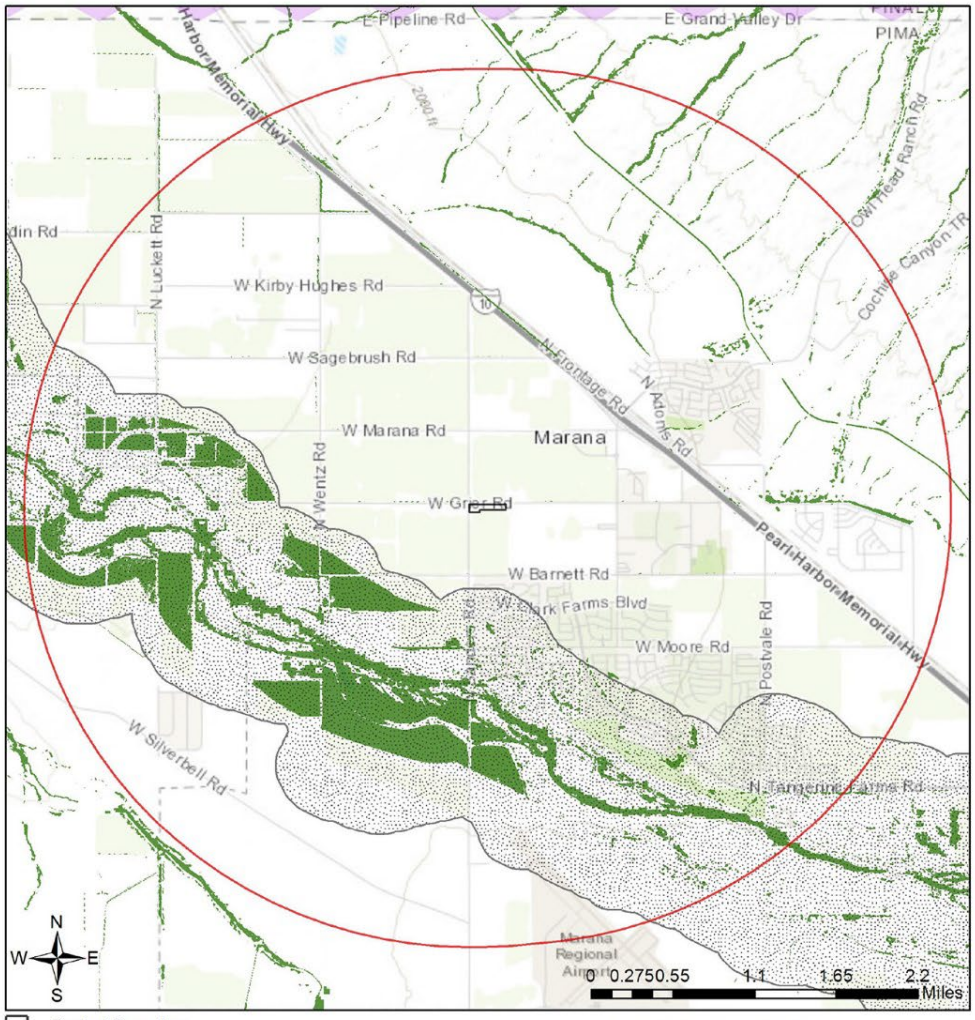
Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-15253

project_report_sec_grier_sanders_48765_50263.pdf
Review Date: 1/5/2022 12:40:08 PM

SEC Grier & Sanders

Important Areas



- Project Boundary
- Buffered Project Boundary
- Wildlife Connectivity
- Important Connectivity Zones
- Pinal County Riparian
- Critical Habitat
- Important Bird Areas

Project Size (acres): 6.89
Lat/Long (DD): 32.4528 / -111.2321
County(s): Pima
AGFD Region(s): Tucson
Township/Range(s): T11S, R11E
USGS Quad(s): MARANA

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

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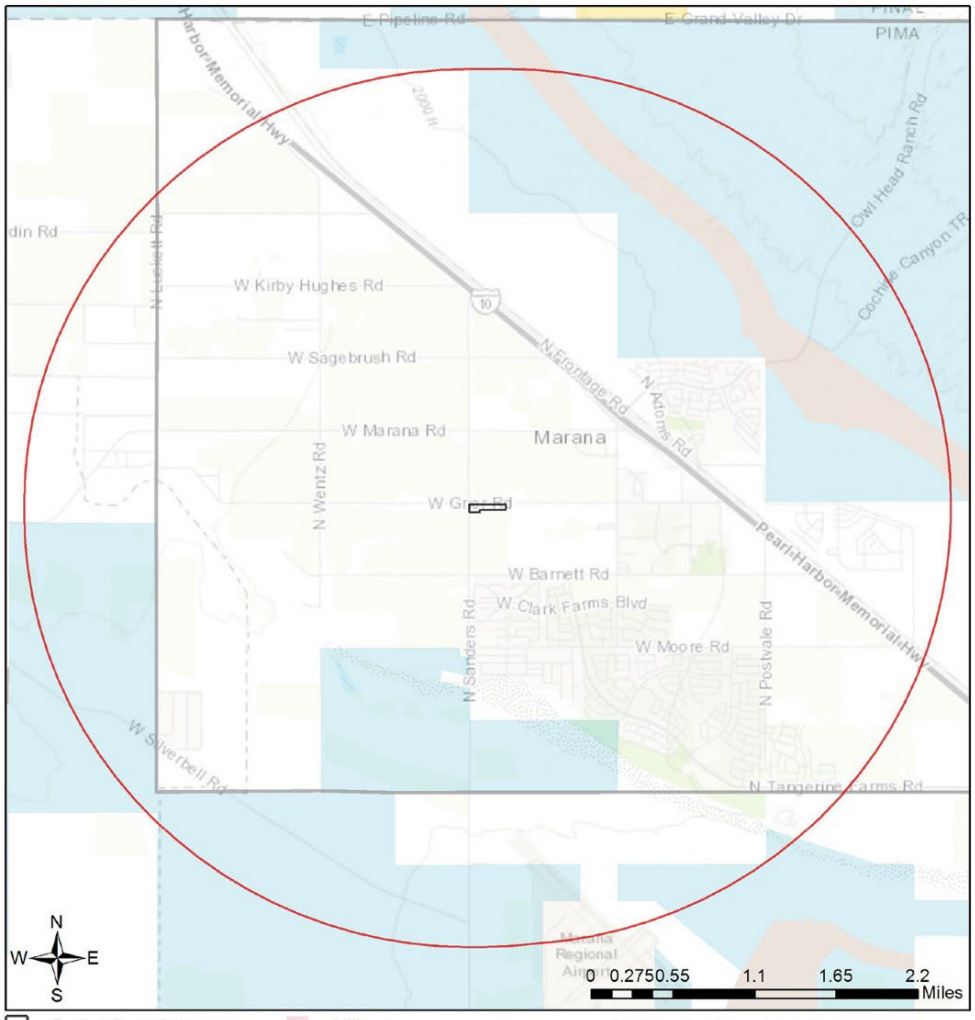
Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-15253

project_report_sec_grier_sanders_48765_50263.pdf
Review Date: 1/5/2022 12:40:08 PM

SEC Grier & Sanders

Township/Ranges and Land Ownership



- Project Boundary
- Buffered Project Boundary
- Township/Ranges

Land Ownership

- AZ Game & Fish Dept.
- BLM
- BOR
- Indian Res.
- Military
- Mixed/Other
- National Park/Mon.
- Private
- State & Regional Parks
- State Trust
- US Forest Service
- Wildlife Area/Refuge

Project Size (acres): 6.89
Lat/Long (DD): 32.4528 / -111.2321
County(s): Pima
AGFD Region(s): Tucson
Township/Range(s): T11S, R11E
USGS Quad(s): MARANA

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

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Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-15253

project_report_sec_grier_sanders_48765_50263.pdf
Review Date: 1/5/2022 12:40:08 PM

Special Status Species Documented within 3 Miles of Project Vicinity

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Athene cunicularia hypugaea	Western Burrowing Owl	SC	S	S		1B
Coccyzus americanus	Yellow-billed Cuckoo (Western DPS)	LT	S	S		1A
Empidonax traillii	Willow Flycatcher	PS				
Falco peregrinus anatum	American Peregrine Falcon	SC	S	S		1A
Glaucidium brasilianum cactorum	Cactus Ferruginous Pygmy-owl	PT	S	S		1B
Heloderma suspectum	Gila Monster					1A
Sigmodon ochrognathus	Yellow-nosed Cotton Rat	SC				1C

Note: Status code definitions can be found at https://www.azgfd.com/wildlife/planning/wildlifeguidelines/statusdefinitions/
.

No Special Areas Detected
No special areas were detected within the project vicinity.

Species of Greatest Conservation Need Predicted that Intersect with Project Footprint as Drawn, based on Predicted Range Models

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Aix sponsa	Wood Duck					1B
Ammospermophilus harrisii	Harris' Antelope Squirrel					1B
Anaxyrus retiformis	Sonoran Green Toad			S		1B
Athene cunicularia hypugaea	Western Burrowing Owl	SC	S	S		1B
Botaurus lentiginosus	American Bittern					1B
Buteo regalis	Ferruginous Hawk	SC		S		1B
Buteo swainsoni	Swainson's Hawk					1C
Calypte costae	Costa's Hummingbird					1C
Chilomeniscus stramineus	Variable Sandsnake					1B
Chionactis annulata	Resplendent Shovel-nosed Snake	SC				1C
Cistothorus palustris	Marsh Wren					1C
Colaptes chrysoides	Gilded Flicker			S		1B
Coluber bilineatus	Sonoran Whipsnake					1B
Corynorhinus townsendii pallescens	Pale Townsend's Big-eared Bat	SC	S	S		1B
Crotalus tigris	Tiger Rattlesnake					1B
Empidonax wrightii	Gray Flycatcher					1C
Euderma maculatum	Spotted Bat	SC	S	S		1B
Eumops perotis californicus	Greater Western Bonneted Bat	SC		S		1B
Glaucidium brasilianum cactorum	Cactus Ferruginous Pygmy-owl	PT	S	S		1B
Gopherus morafkai	Sonoran Desert Tortoise	C	S	S		1A
Haliaeetus leucocephalus	Bald Eagle	SC, BGA	S	S		1A
Heloderma suspectum	Gila Monster					1A
Incilius alvarius	Sonoran Desert Toad					1B

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Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-15253

project_report_sec_grier_sanders_48765_50263.pdf
Review Date: 1/5/2022 12:40:08 PM

Species of Greatest Conservation Need Predicted that Intersect with Project Footprint as Drawn, based on Predicted Range Models

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Kinosternon sonoriense sonoriense	Desert Mud Turtle			S		1B
Lasiurus blossevillii	Western Red Bat		S			1B
Lasiurus xanthinus	Western Yellow Bat		S			1B
Leptonycteris yerbabuenae	Lesser Long-nosed Bat	SC				1A
Lepus alleni	Antelope Jackrabbit					1B
Macrotus californicus	California Leaf-nosed Bat	SC		S		1B
Melanerpes uropygialis	Gila Woodpecker					1B
Melospiza lincolnii	Lincoln's Sparrow					1B
Melozone aberti	Abert's Towhee		S			1B
Micrathene whitneyi	Elf Owl					1C
Micruroides euryxanthus	Sonoran Coralsnake					1B
Myiarchus tyrannulus	Brown-crested Flycatcher					1C
Myotis velifer	Cave Myotis	SC		S		1B
Myotis yumanensis	Yuma Myotis	SC				1B
Nyctinomops femorosaccus	Pocketed Free-tailed Bat					1B
Oreoscoptes montanus	Sage Thrasher					1C
Oreothlypis luciae	Lucy's Warbler					1C
Panthera onca	Jaguar	LE				1A
Passerculus sandwichensis	Savannah Sparrow					1B
Perognathus longimembris	Little Pocket Mouse	No Status				1B
Phrynosoma goodei	Goode's Horned Lizard					1B
Phrynosoma solare	Regal Horned Lizard					1B
Phyllorhynchus browni	Saddled Leaf-nosed Snake					1B
Progne subis hesperia	Desert Purple Martin			S		1B
Setophaga petechia	Yellow Warbler					1B
Sphyrapicus nuchalis	Red-naped Sapsucker					1C
Spizella breweri	Brewer's Sparrow					1C
Sturnella magna	Eastern Meadowlark					1C
Tadarida brasiliensis	Brazilian Free-tailed Bat					1B
Toxostoma lecontei	LeConte's Thrasher			S		1B
Troglodytes pacificus	Pacific Wren					1B
Vireo bellii arizonae	Arizona Bell's Vireo					1B
Vulpes macrotis	Kit Fox	No Status				1B

Species of Economic and Recreation Importance Predicted that Intersect with Project Footprint as Drawn

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Callipepla gambelii	Gambel's Quail					

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Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-15253

project_report_sec_grier_sanders_48765_50263.pdf
Review Date: 1/5/2022 12:40:08 PM

Species of Economic and Recreation Importance Predicted that Intersect with Project Footprint as Drawn

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Pecari tajacu	Javelina					
Puma concolor	Mountain Lion					
Zenaida asiatica	White-winged Dove					
Zenaida macroura	Mourning Dove					

Project Type: Development Within Municipalities (Urban Growth), Commercial/industrial (mall) and associated infrastructure, New construction

Project Type Recommendations:
Minimization and mitigation of impacts to wildlife and fish species due to changes in water quality, quantity, chemistry, temperature, and alteration to flow regimes (timing, magnitude, duration, and frequency of floods) should be evaluated. Minimize impacts to springs, in-stream flow, and consider irrigation improvements to decrease water use. If dredging is a project component, consider timing of the project in order to minimize impacts to spawning fish and other aquatic species (include spawning seasons), and to reduce spread of exotic invasive species. We recommend early direct coordination with Project Evaluation Program for projects that could impact water resources, wetlands, streams, springs, and/or riparian habitats.

Based on the project type entered, coordination with Arizona Department of Water Resources may be required (https://new.azwater.gov/).

The Department requests further coordination to provide project/species specific recommendations, please contact Project Evaluation Program directly at PEP@azgfd.gov.

Project Location and/or Species Recommendations:
HDMS records indicate that one or more **Listed, Proposed, or Candidate** species or **Critical Habitat** (Designated or Proposed) have been documented in the vicinity of your project. The Endangered Species Act (ESA) gives the US Fish and Wildlife Service (USFWS) regulatory authority over all federally listed species. Please contact USFWS Ecological Services Offices at http://www.fws.gov/southwest/es/arizona/ or:

Phoenix Main Office
9828 North 31st Avenue #C3
Phoenix, AZ 85051-2517
Phone: 602-242-0210
Fax: 602-242-2513

Tucson Sub-Office
201 N. Bonita Suite 141
Tucson, AZ 85745
Phone: 520-670-6144
Fax: 520-670-6155

Flagstaff Sub-Office
SW Forest Science Complex
2500 S. Pine Knoll Dr.
Flagstaff, AZ 86001
Phone: 928-556-2157
Fax: 928-556-2121

HDMS records indicate that **Western Burrowing Owls** have been documented within the vicinity of your project area. Please review the western burrowing owl resource page at:
https://www.azgfd.com/wildlife/speciesofgreatestconservneed/burrowingowlmanagement/.

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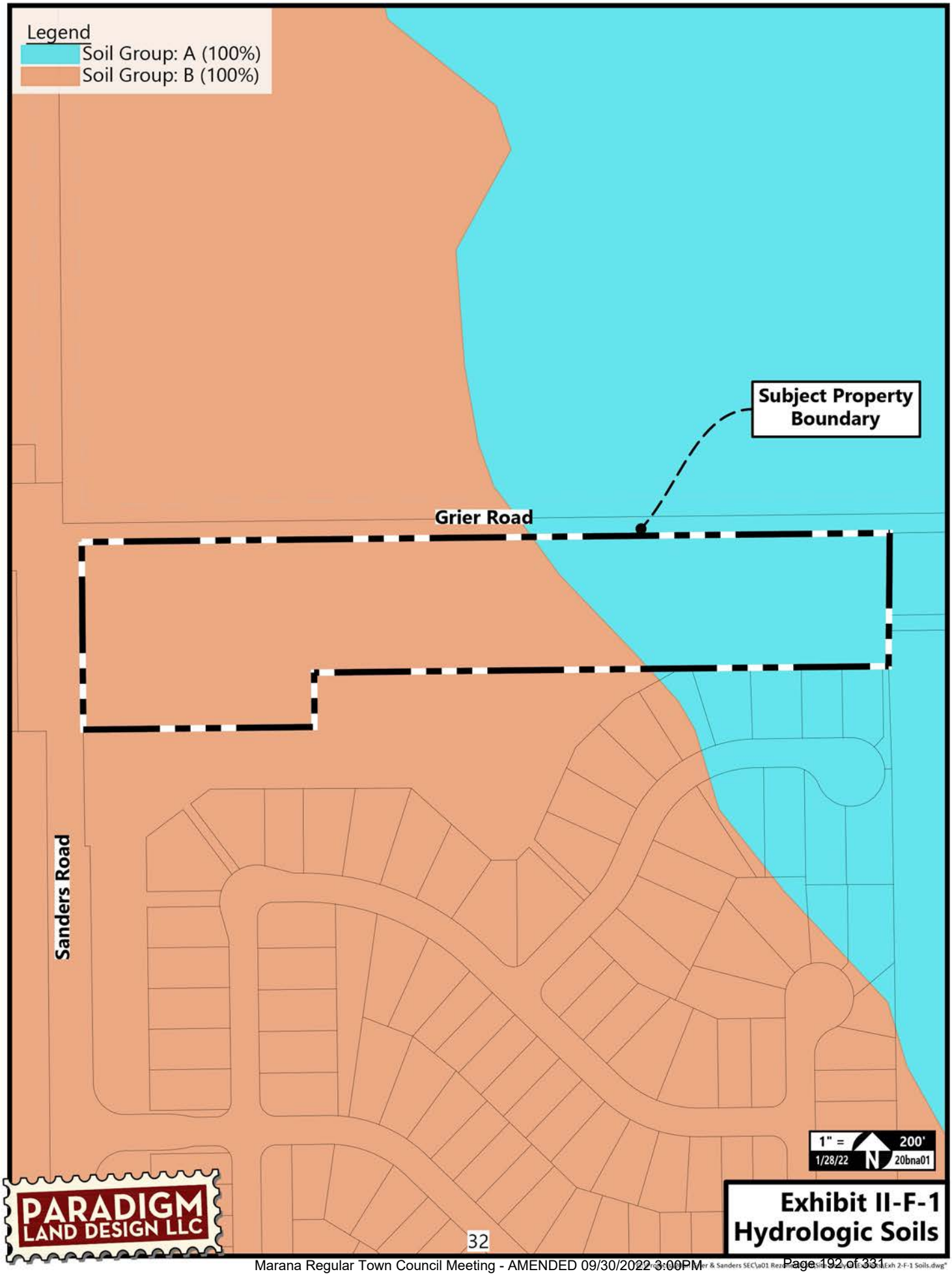
F. SOILS AND GEOLOGY

1. Soils

   Soils in the vicinity of this development are classified by the U.S. Natural Resources Conservation Service (NRCS) as 100% "Soil Group A" (Vinton-anthony sandy loams), and 100% "Soil Group B" (Gila sandy loam and Gila loam, 0 to 1 percent slopes). A detailed geotechnical investigation will be performed prior to development. See Exhibit II-F-1: Hydrologic Soils.

2. Geology

   The Property lies within the Santa Cruz River basin valley. According to the Arizona Geological Survey's online Geologic Map of Arizona (data.azgs.az.gov/geologic-map-of-arizona/) the Property's geology is described as "Quaternary Surficial deposits, undivided (0-2 Ma): Unconsolidated to strongly consolidated alluvial and eolian deposits. This unit includes coarse, poorly sorted alluvial fan and terrace deposits on middle and upper piedmonts and along large drainages; sand, silt and clay on alluvial plains and playas; and wind-blown sand deposits."


Legend
Soil Group: A (100%)
Soil Group: B (100%)
Subject Property Boundary
Grier Road
Sanders Road
1" = 200'
1/28/22
N
20bna01
PARADIGM LAND DESIGN LLC
Exhibit II-F-1
Hydrologic Soils

G. VIEWSHEDS

1. Viewsheds from Adjacent Properties

   Primary views from the site are of the Tortolita Mountains and Catalina Mountains to the east, the Tucson Mountains to the south, and Picacho Peak to the north. Due to the distance to these mountain ranges, and the extremely flat nature of the Property and the surrounding areas, the views are minimal. Development of the Property will not block these views for existing residents in the area. See Exhibit II-G-1: Viewsheds and Exhibit II-G-2: Viewshed Photographs.



View to the Southeast Across the Property Toward the Tucson Mountains

2. Views which may be Blocked by the Proposed Development

   None.

3. Site Visibility

   Due to the lack of existing vegetation and the relatively even and flat nature of the topography, views into and across the Property are excellent and have only minor sight restrictions across the eastern portion of the property.


Legend
Highly Visible
Medium Visibility
Low Visibility
Immediate Foreground
Site Photo Location & Direction
Subject Property Boundary
Picacho Peak
Grier Road
Tortolita Mountains
Catalina Mountains
Tucson Mountains
Sanders Road
1
2
3
4
5
6
1" = 200'
1/28/22
N
20bna01
PARADIGM LAND DESIGN LLC
Exhibit II-G-1 Viewsheds

Exhibit II-G-2: Viewshed Photographs

Photo Location #1: Looking North along Sanders Road and the Western Boundary of the Property



Photo Location #1: Looking East across the Southern Portion of the Property



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #1: Looking South away from the Property along Sanders Road



Photo Location #1: Looking West away from the Property



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #2: Looking Northeast from the Intersection of Grier Road and Sanders Road near the Northwest Corner of the Property



Photo Location #2: Looking Southeast into the Property from the Intersection of Grier Road and Sanders Road



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #2: Looking Southwest from the Intersection of Grier Road and Sanders Road near the Northwest Corner of the Property



Photo Location #2: Looking Northwest from the Intersection of Grier Road and Sanders Road near the Northwest Corner of the Property



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #3: Looking North away from the Property



Photo Location #3: Looking East along the Northern Boundary of the Property and Grier Road



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #3: Looking South across the Property towards the Tucson Mountains



Photo Location #3: Looking West along the Northern Boundary of the Property and Grier Road



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #4: Looking Northeast away from the Property at the Northeast Corner of the Property



Photo Location #4: Looking Southeast at the Northeast Corner of the Property



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #4: Looking Southwest into the Property at the Northeast Corner of the Property, these are the Existing Residences Onsite



Photo Location #4: Looking Northwest away from the Property at the Northeast Corner of the Property



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #5: Looking Northeast from the Southeast Corner of the Property



Photo Location #5: Looking Southeast from the Southeast Corner of the Property



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #5: Looking Southwest into the Future Village at Barnett Subdivision from the Southeast Corner of the Property



Photo Location #5: Looking Northwest into the Property from the Southeast Corner of the Property



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #6: Looking North across the Property from the Middle of the Southern Property Line



Photo Location #6: Looking East along the Southern Boundary of Property



Exhibit II-G-2: Viewshed Photographs (cont'd)

Photo Location #6: Looking South away from the Property from the Middle of the Southern Property Line

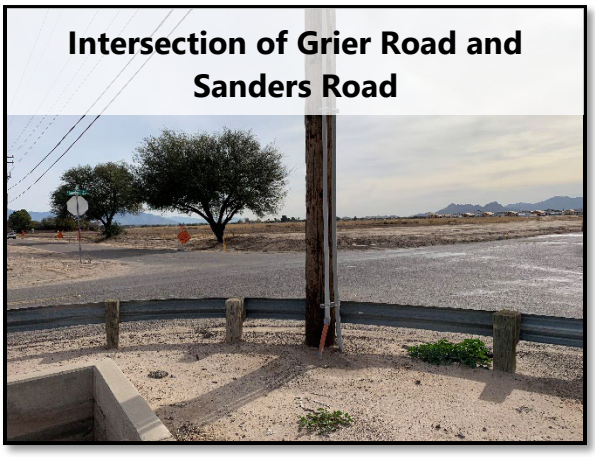


Photo Location #6: Looking West along the Southern Boundary of the Property



H. TRAFFIC

1. Existing / Proposed Offsite Streets between the Development and Nearest Arterial Streets



No new streets are being proposed as part of this development. The site is directly adjacent to Grier Road and Sanders Road, both of which are arterial streets. The 2045 P.A.G. Regional Mobility and Accessibility Plan proposes to widen Marana Road to a 4-lane roadway, with multi-use lanes and sidewalks from Trico Road to Interstate-10. It also proposes to widen Moore Road to a 4-lane divided roadway with bike lanes and sidewalks from Sanders Road to Adonis Road. Both projects are within a mile of this Property, and the existing arterial roadway system has ample capacity to support this project.

The Town of Marana plans to extend Tangerine Farms Road from its existing terminus north to the Marana Road traffic interchange.

Please refer to Exhibit II-H-1: Roadway Network.

2. Nearby Arterial Streets

All the traffic generated by this project will be accommodated by Grier Road and Sanders Road. An analysis of capacity has been prepared by M Esparza Engineering has been submitted as a standalone report.

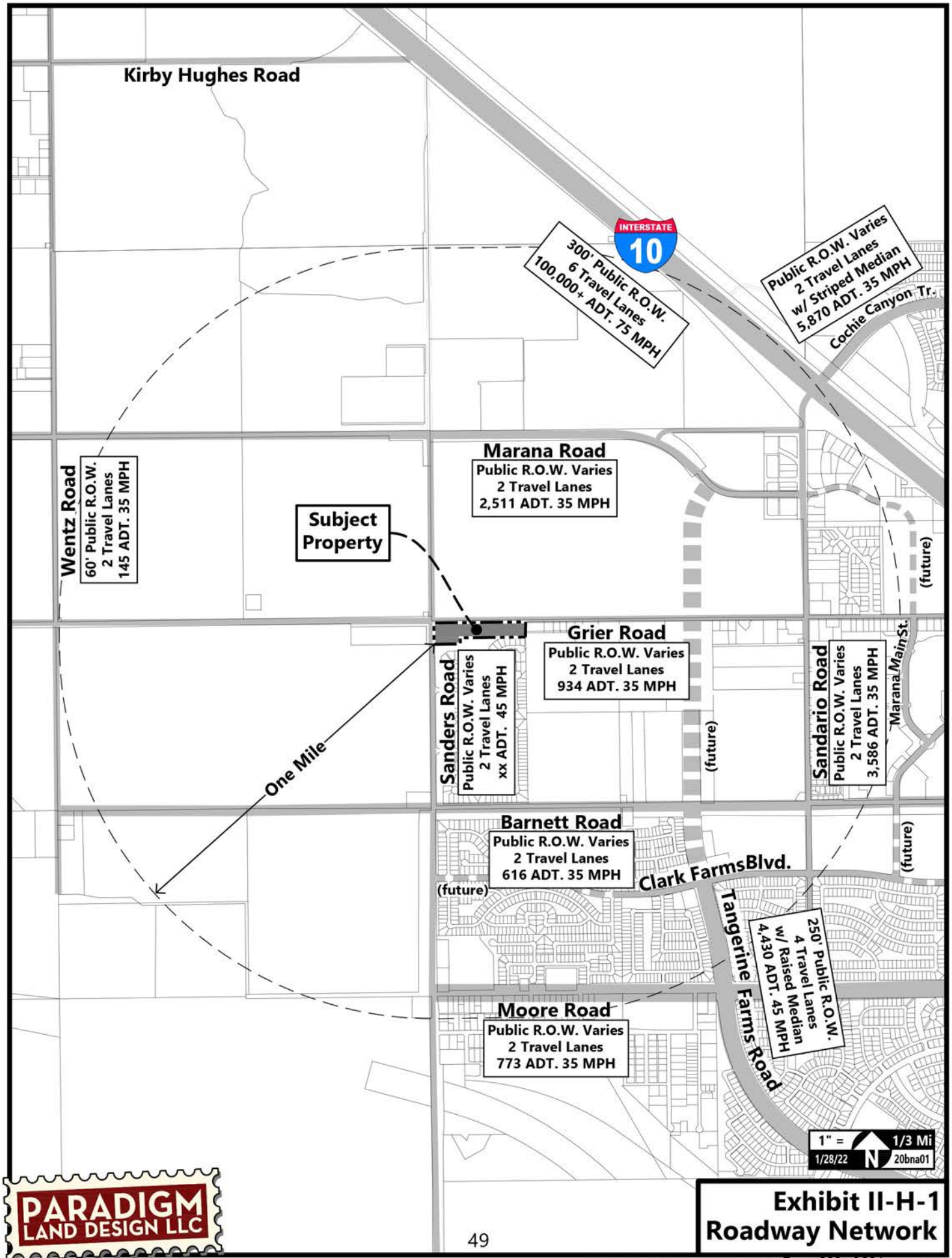
Roadway Name	Planned Right-of-Way Width	Exist. Lanes	Median Type	Speed Limit	General Plan Designation
Grier Road	150′	2	None	35 mph	Existing Arterial
Sanders Road	250′	2	None	45 mph	Existing Arterial
Barnett Road	65′+	2	None	35 mph	None
Marana Road	250′	2	None	45 mph	Existing Arterial
Moore Road	150′ – 250′	2	None	35 mph	Existing Arterial
Interstate 10	Varies	6	Depressed	75 mph	Interstate

3. Nearby Arterial Intersections

There are four arterial intersections within one mile of the site that will carry traffic generated by this development. The unsignalized intersection of Grier Road and Sanders Road is directly adjacent to the northwest corner of the project site. The other arterial intersections include the intersection of Moore Road / Sanders Road to the south, Marana Road / Sanders Road to the north and the intersection of Marana Road / Sandario Road / Intersate-10 to the northeast. All of these intersections are unsignalized.

4. Nearby Bicycle / Pedestrian Ways

A paved multi-use path, sidewalks, and bike lanes are provided alongside Tangerine Farms Road. The Santa Cruz River Park multi-use path and trailhead are just over one mile to the south of the subject property.



PARADIGM LAND DESIGN LLC

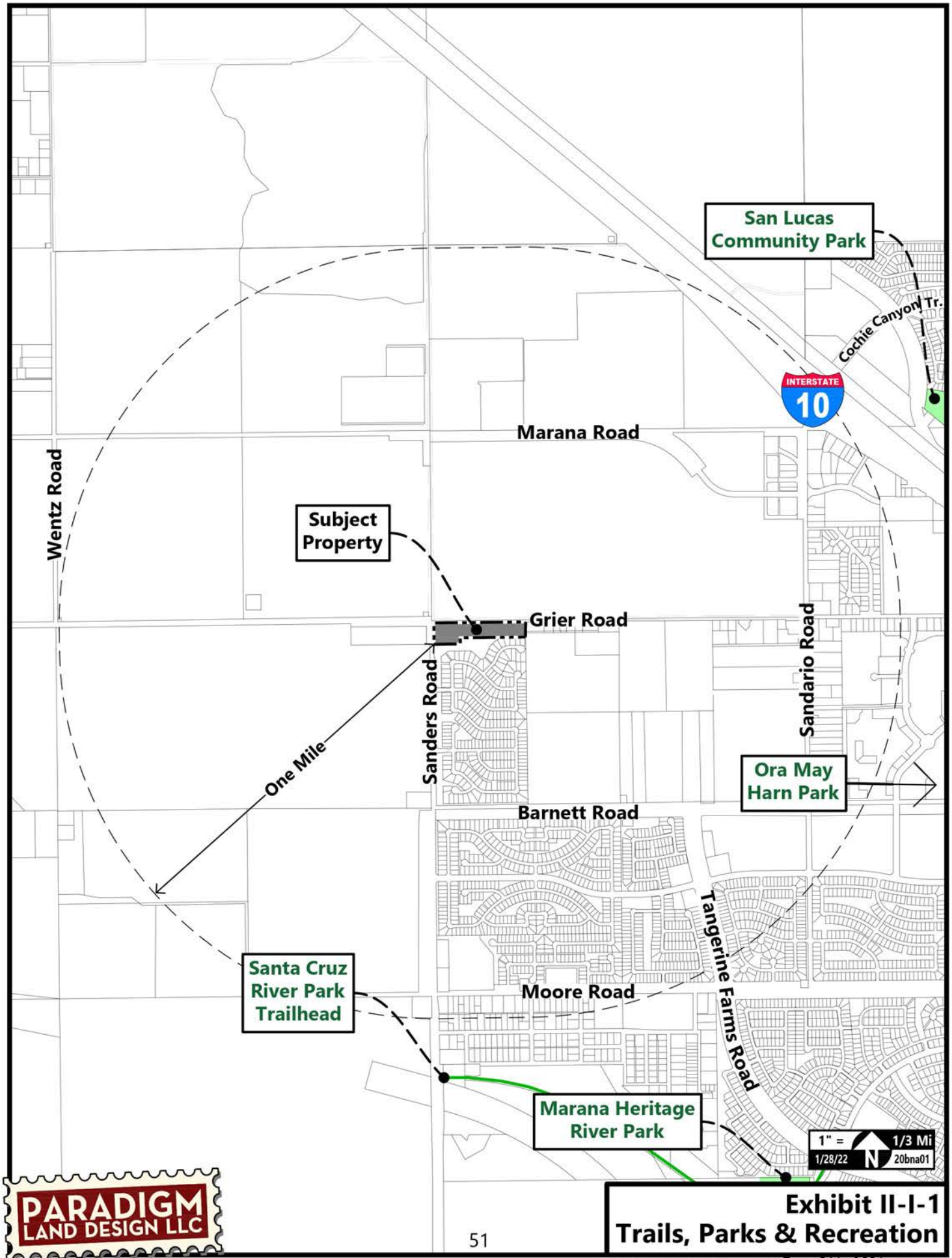
Exhibit II-H-1
Roadway Network

I. RECREATION AND TRAILS

The Santa Cruz River Park and the starting trailhead is just over one mile to the south of this project, on Sanders Road. This trail system provides pedestrian connectivity to the town and the regions broader trail system. The Marana Heritage River Park is approximately a mile and a half to the southeast of the site and will be easily accessible via the Santa Cruz River Park multi-use path. This public park features a pavilion with a grill, paved multi-use path system that provides access to the Juan Bautista de Anza National Historic Trail and includes restrooms and 40 community garden plots. The Ora Mae Harn District Park is just over a mile and a half to the east and is easily accessible via Barnett Road. This public park features an adult softball field, basketball court, a lighted multi-purpose/soccer field, several ramadas with grills, open space grass areas, pickleball courts, a tennis court, a community center and pool with patios and restrooms, two playground areas, youth baseball and softball fields, and walking paths.

The paved multi-use path along Tangerine Farms Road provides pedestrian connectivity to the Santa Cruz River Park multi-use path and the Town's broader trail system.

See Exhibit II-I-1: Trails, Parks & Recreation.



PARADIGM LAND DESIGN LLC

Exhibit II-I-1
Trails, Parks & Recreation

J. CULTURAL, ARCHAEOLOGICAL, AND HISTORIC RESOURCES

1. Onsite Resources

   No cultural resources are known to exist on the subject property. If any cultural resources are located during construction, State and local antiquities laws and protocols will be followed.

2. Archaeological Records

   The Property was surveyed for cultural resources by Professional Archaeological Services of Tucson in January 2022. Nothing of significance was found and so it was determined that the development of this parcel could proceed without any further work.

   Please refer to Exhibit II-J-1: Professional Archaeological Services of Tucson Report Cover. The complete report was submitted to the Town under separate cover.

Exhibit II-J-1: Professional Archaeological Services of Tucson Report Cover

CULTURAL RESOURCES SURVEY OF GRIER/SANDERS SEC PROJECT IN OR NEAR MARANA, PIMA COUNTY, ARIZONA

Submitted to:

Paradigm Land Design LLC
7090 N. North Oracle Rd. #178-193
Tucson, AZ 85704

Submitted by

Professional Archaeological Services and Technologies
5036 Golder Ranch Dr.
Tucson, AZ 85739-4265

Prepared by
David V.M. Stephen Ph.D.
Principal Investigator
State Antiquities Permit No. 2022-006bl

P.A.S.T. Cultural Resources Report No. 212123
3/11/2022

K. EXISTING INFRASTRUCTURE AND PUBLIC FACILITIES

1. Sewer

   The Property is within the Marana Wastewater service area. An existing 15″ sewer line runs along Sanders Road within a 30′ public sewer easement along and within the western property boundary. The existing single-family residence on the property, and the homes to the east all use septic systems. See Exhibit II-K-1: Existing Wells & Septic Systems.

2. Water

   The Property is within the Marana Water intended service area. An existing 6″ waterline runs along Grier Road and an 8″ waterline runs along Sanders Road. No public or private wells are believed to exist within 100 feet of the Property. One well is believed to exist catty-corner from the site at the northwest corner of Grier Road and Sanders Road (55-604800). See Exhibit II-K-1: Existing Wells & Septic Systems and Exhibit III-D-2: Preliminary Development Plan.

3. Non-Potable Water

   The Property does not currently contain any Cortaro Marana Irrigation District (CMID) facilities, but as part of the Villages at Barnett project DR Horton is currently building a pipeline, headbox and gates that will allow CMID to deliver non-potable water to the Property near the east end.

4. Natural Gas

   The Property is located within the Southwest Gas service area.

5. Electric

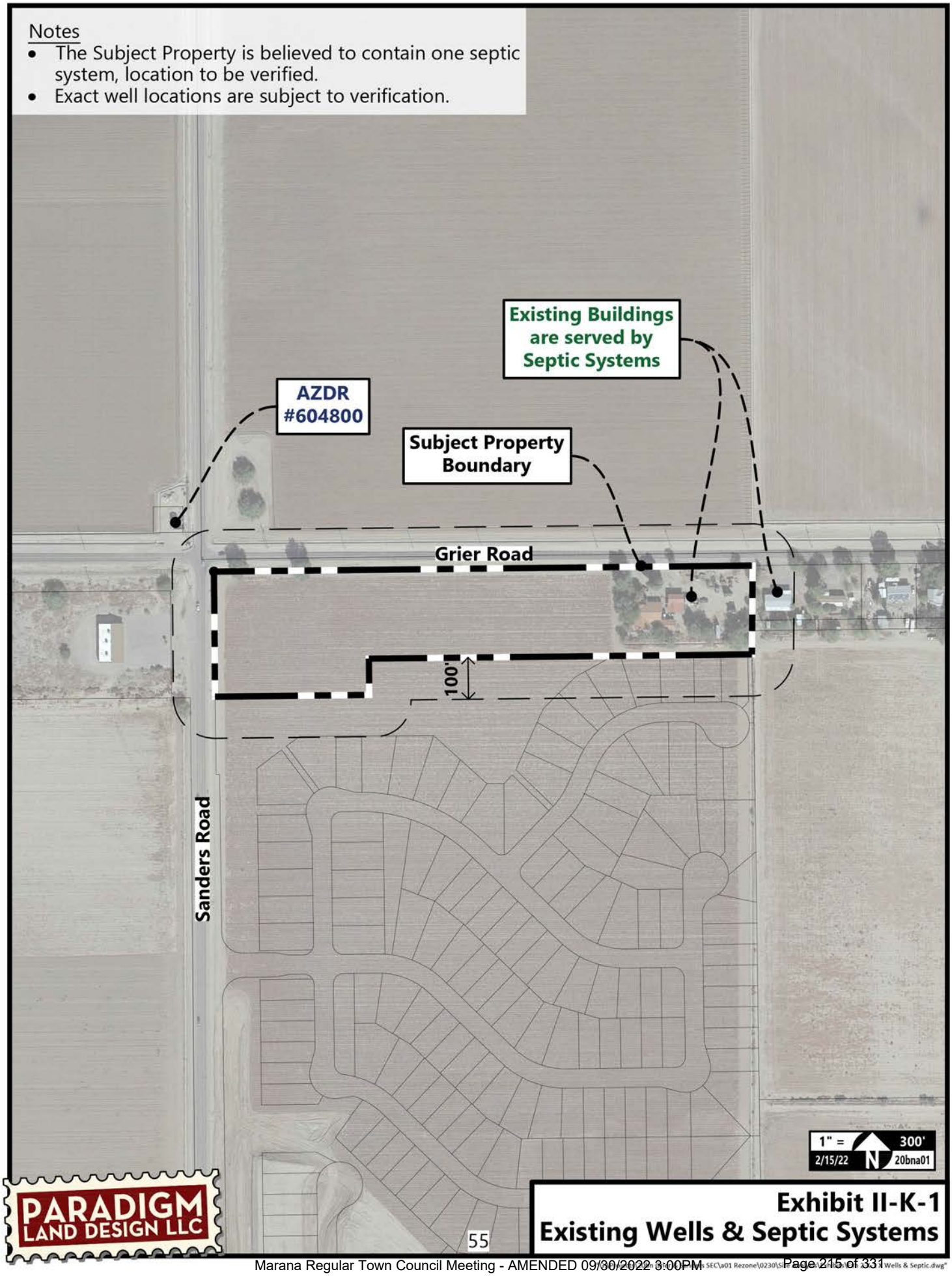
   The Property is located within the Tucson Electric Power service area.

6. Fire Service

   The property is within the Northwest Fire District.

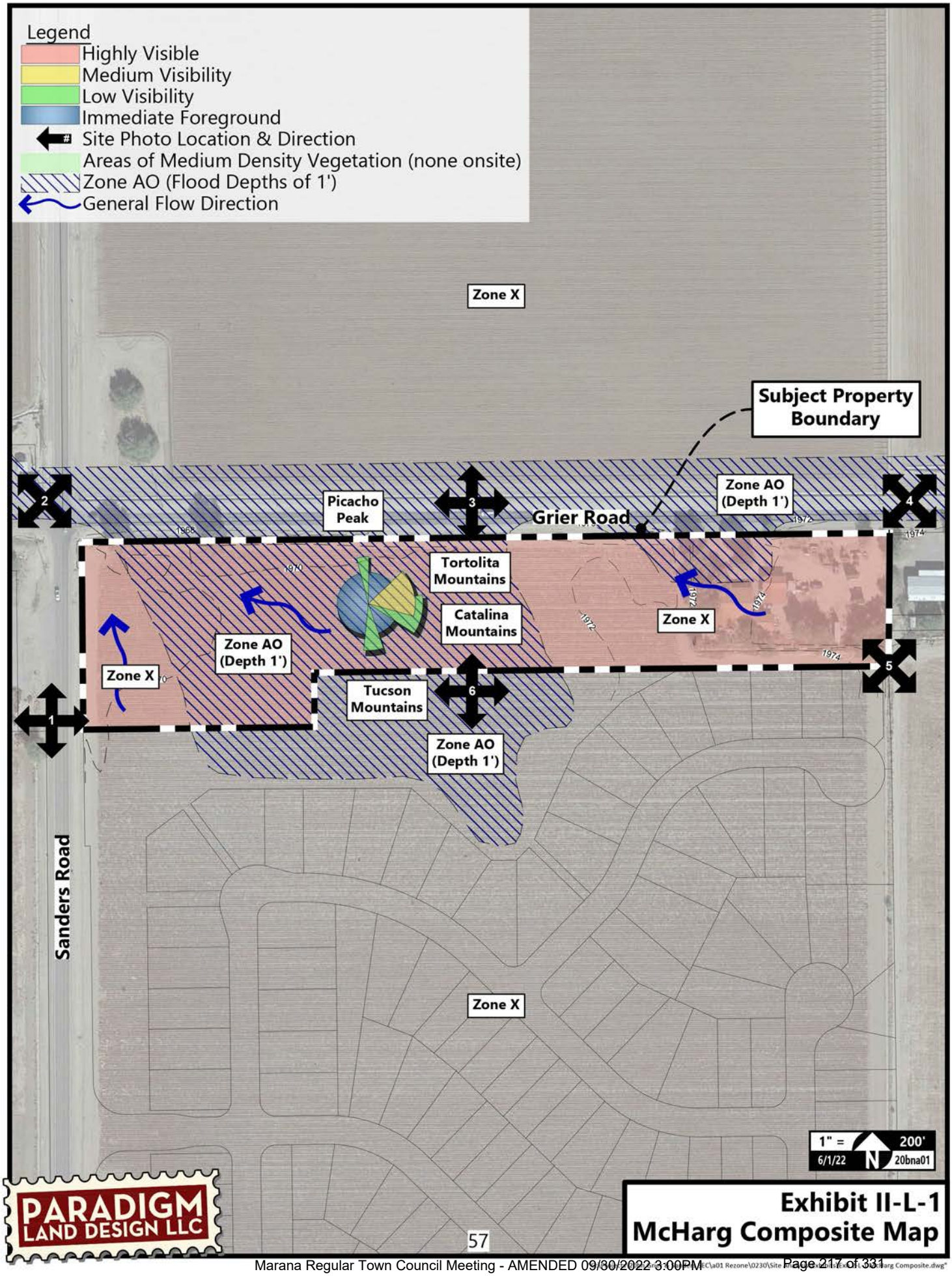
7. Police Service

   The property is located within the Town of Marana Police service area.


Notes
• The Subject Property is believed to contain one septic system, location to be verified.
• Exact well locations are subject to verification.
Existing Buildings are served by Septic Systems
AZDR #604800
Subject Property Boundary
Grier Road
100'
Sanders Road
1" = 300'
2/15/22
N
20bna01
PARADIGM LAND DESIGN LLC
Exhibit II-K-1
Existing Wells & Septic Systems
55

L. McHarg Composite Map

The following map combines individual elements detailed in prior sections to illustrate existing onsite constraints. The purpose of the McHarg Composite Map is to highlight areas that are available for development. As shown, constraints are minimal.



PARADIGM LAND DESIGN LLC

Exhibit II-L-1
McHarg Composite Map

III. LAND USE PROPOSAL

A. PURPOSE & INTENT

This section describes how the development responds to the opportunities and constraints described in the Inventory & Analysis section of this document, along with the Town of Marana Land Development Code. As evidenced by the site plan, this proposed rezoning has been crafted after careful and responsive consideration of the Property's context.

B. RELATIONSHIP TO TOWN OF MARANA ADOPTED PLANS

The Make Marana 2040 General Plan designates this property as Traditional Neighborhood, which supports land uses such as neighborhood scaled commercial development, religious institutions, small offices, and educational facilities. Being located at the intersection of two arterial roadways, Grier Road and Sanders Road, this site is an excellent candidate to provide commercial opportunities near Downtown Marana for neighboring and future nearby residences. This development will create employment openings and expand the tax base. Future buildings onsite will be energy efficient and landscape bufferyards will be provided to minimize impacts to existing and future homes nearby.

This development is within the "Central Growth Area" of the General Plan and will be compatible with the scale and intensity of existing and planned land uses around the subject property. Trees will be planted in the parking lot islands throughout the site to provide shade and reduce the urban heat island effect.

The Town of Marana Strategic Plan 4 encourages new commercial development, especially in North Marana. It also calls for all new developments to provide pedestrian connectivity. This project will meet both of those goals and will also support the Plan's call for diverse housing opportunities if developed residentially.

C. COMPATIBILITY TO ADJOINING DEVELOPMENT

With the Property's location adjacent to two major roadways and undeveloped farmland, this project will have minimal impact on nearby landowners. This project will provide landscape buffers around its entirety to reduce any negative views into the site from the existing residence to the east, or from the future residences to the south of the property. There will also be a variety of screen walls around the project to provide supplementary screening to and from the site. Additionally, canopy trees will be located within the parking areas of the site to help blend this development with the surrounding desert environment. Lighting on the site will be Dark Sky compliant and strategically located around the building and on light poles throughout the site and parking areas to ensure a safe lighting level.

D. LAND USE PROPOSAL

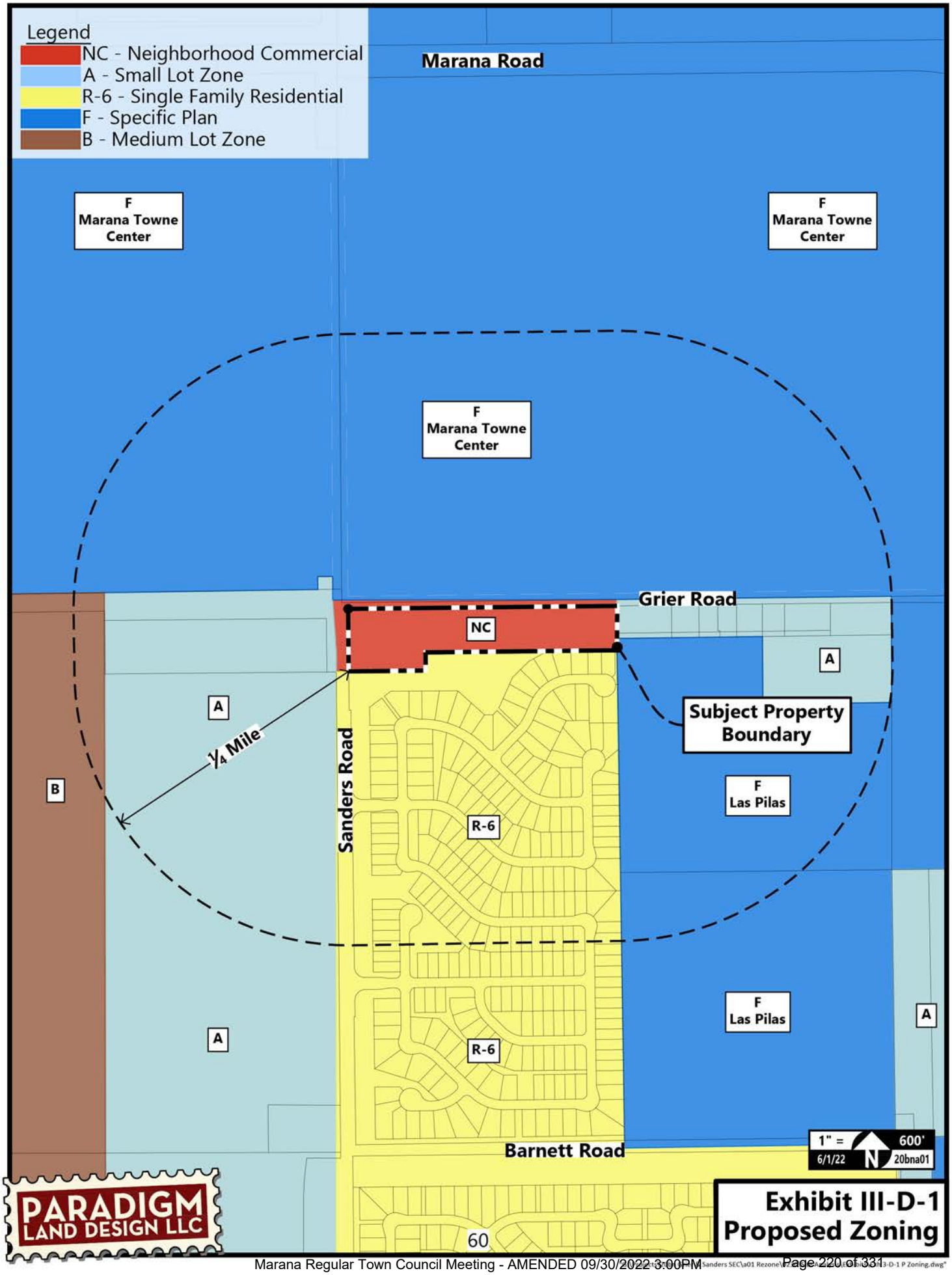
We are requesting to rezone this property from "A-Small Lot Zone" and "R-6 Single-Family Residential" to "NC-Neighborhood Commercial". See Exhibit III-D-1: Proposed Zoning. This will allow for the property to be developed with 5.5± acres of neighborhood-scale commercial area, and 1.5± acres of office space. Non-residential hours of operation will be determined by the tenants and will adhere to all applicable Marana regulations. The property owner will also work to attract multifamily residential developers to develop all or a portion of the site for residential purposes as allowed by the NC zone. See Exhibit III-D-2: Preliminary Development Plan (PDP). This project will adhere to all applicable development standards associated with the NC zoning requirements.

The proposed buildings will be architecturally compatible with nearby developments. The buildings will be constructed out of materials such as CMU split face block, wood framing with stucco exteriors, or other appropriate architectural treatments. The main exterior colors will be desert neutral and designed to blend in with surrounding structures and the desert environment.

Access to the site will be via several driveways along Grier Road and Sanders Road, as described in Section III-J and depicted schematically on Exhibit III-D-2. This development will be accessible to pedestrians, ADA compliant, and will provide access to all proposed buildings. Pavement striping will be provided in the parking areas to clearly delineate pedestrian access ways. A sidewalk will be provided along Grier Road and an asphalt multi-use path will be provided along Sanders Road. Parking spaces will be provided per Marana requirements. Refuse collection areas and loading zones will be properly screened. No new streets are proposed.

The development's common areas will be privately owned and maintained. Site lighting will be provided per Marana requirements to ensure safe pedestrian circulation without excessive lighting impacts to nearby residents. Landscaped borders will be provided around the entirety of the site to provide further visual mitigation and will utilize drought tolerant plant materials. All installed landscaping will be on an underground drip irrigation system until established. Vehicle headlight screen walls will be installed where necessary to block potential headlight impacts to nearby neighbors.

The existing house structures onsite will remain until their removal becomes necessary for development of the Property. A residential use is permitted in the NC zone as long as it complies with the development standards for R-3 zoning, which the existing structures do.


Legend
NC - Neighborhood Commercial
A - Small Lot Zone
R-6 - Single Family Residential
F - Specific Plan
B - Medium Lot Zone
Marana Road
F
Marana Towne
Center
F
Marana Towne
Center
F
Marana Towne
Center
Grier Road
NC
A
A
B
¼ Mile
Sanders Road
Subject Property
Boundary
F
Las Pilas
R-6
F
Las Pilas
A
A
R-6
Barnett Road
1" =
600'
6/1/22
N
20bna01
PARADIGM
LAND DESIGN LLC
Exhibit III-D-1
Proposed Zoning
60

Property Data

1. Property Area: 7.0± Ac.
2. Assessor Parcel(s): 217-41-010G
3. Existing Zoning: A - Small Lot Zone & R-6 Single-Family Residential (Town of Marana)
4. FEMA Floodplain: Zone 'AO' & Zone 'X'

Proposal Summary

1. Zoning: NC - Neighborhood Commercial
2. Building Height: 35' or less
3. Proposed Uses: Neighborhood-scale retail, office, and/or residential up to 10 homes per acre.

Legend

- Proposed Right-of-Way
- Proposed 5' Sidewalk
- Proposed 12' Asphalt Path
- Primary Site Access
- Internal Cross-Access

5' Sidewalk to be Constructed Along Grier Road
20' Building Setback
45' R.O.W. to be Dedicated
Min. 10' Landscape Buffer
Grier Road
1,293'±
Dwy. 2
Dwy. 3
Dwy. 4
Min. 10' Landscape Buffer
Min. 15' Landscape Buffer w/ 6' Wall
20' Building Setback
PAD #1 Commercial 1.9± Ac.
PAD #2 Commercial 0.7± Ac.
PAD #3 Commercial 0.7± Ac.
PAD #4 Commercial 0.7± Ac.
PAD #5 Offices 0.9± Ac.
250'
213'±
300'±
5' R.O.W. to be Dedicated
919'±
87'±
25' Building Setback
Min. 15' Landscape Buffer w/ 6' Wall
370'±
Min. 15' Landscape Buffer w/ 6' Wall
30' Existing Sewer Esmt.
Sanders Road
A Vehicular Connection to Sanders Road May or May Not be Allowed in the Future. This will be Determined at the Time of Development Plan Review
Villages at Barnett Subdivision (Under Construction)
Nicholas Court
Nicholas Drive
Samantha Lane
1" = 150'
8/12/22
20bna01

PARADIGM LAND DESIGN LLC

Exhibit III-D-2
Preliminary Development Plan

"G:\Projects\20bn Grier & Sanders SEC\a01 Re... Exh 3-D-2 PDP.dwg"

E. GRADING CONCEPT

This Property has historically been used for agricultural purposes, and thus contains no hillsides, ridges, rock outcrops, or significant vegetation. Due to the relatively even and flat nature of the project site, buildings will only need to be raised enough to remove them from flood hazard. During development, the Property will be mass graded in order to provide the necessary slopes for stormwater drainage and wastewater flow.

F. POST-DEVELOPMENT HYDROLOGY

Conveyance of the offsite flows through the development will be provided via new constructed channels, culverts, and basins as necessary to meet Marana's drainage code requirements. To safeguard the site against scour and erosion potential channel banks and culvert ends will be stabilized with materials such as stones, riprap, soil cement or gunite to control erosion.

The large size of the offsite watershed results in a time lag between onsite and offsite time to peak flows. Drainage basins and other onsite drainage facilities will ensure the attenuation of increased site runoff across the downstream property boundary to avoid adverse drainage impacts to upstream or downstream properties. Post-development discharges flowing onto the Property will remain the same as under pre-development conditions.

All building pads will be designed to be a minimum of one foot above adjacent 100-year flood elevations.

G. VEGETATION & LANDSCAPING

The Marana Land Development Code, Environmental Resource Preservation, Native Plant and Landscape Requirements, allow for this type of commercial development. Having been subject to agricultural use for many years, this Property has limited native vegetation onsite. Existing vegetation onsite will be inventoried and any plant material that meets Marana's transplant requirements will be transplanted onsite. Native plants will be reintroduced throughout the project in accordance with the Town's landscape design guidelines. A landscape plan will be submitted at the time of development plan review.

Landscaped common areas will be utilized to help manage stormwater runoff and will be planted with native drought tolerant plant material. Additional landscaping will be installed throughout the site and around the perimeter of the property to meet Marana's perimeter landscape bufferyard standards. All installed landscaping will be drought tolerant per Marana guidelines. Native plants are drought tolerant and uniquely suited for the local climate, and further meet the primary objective of development a sustainable and environmentally sensitive residential community. If the project is developed for non-residential uses a 6-foot tall masonry wall will be installed along the southern and eastern property boundaries to provide additional screening for nearby neighbors.

H. WILDLIFE

There are no primary wildlife corridors that run through the property.

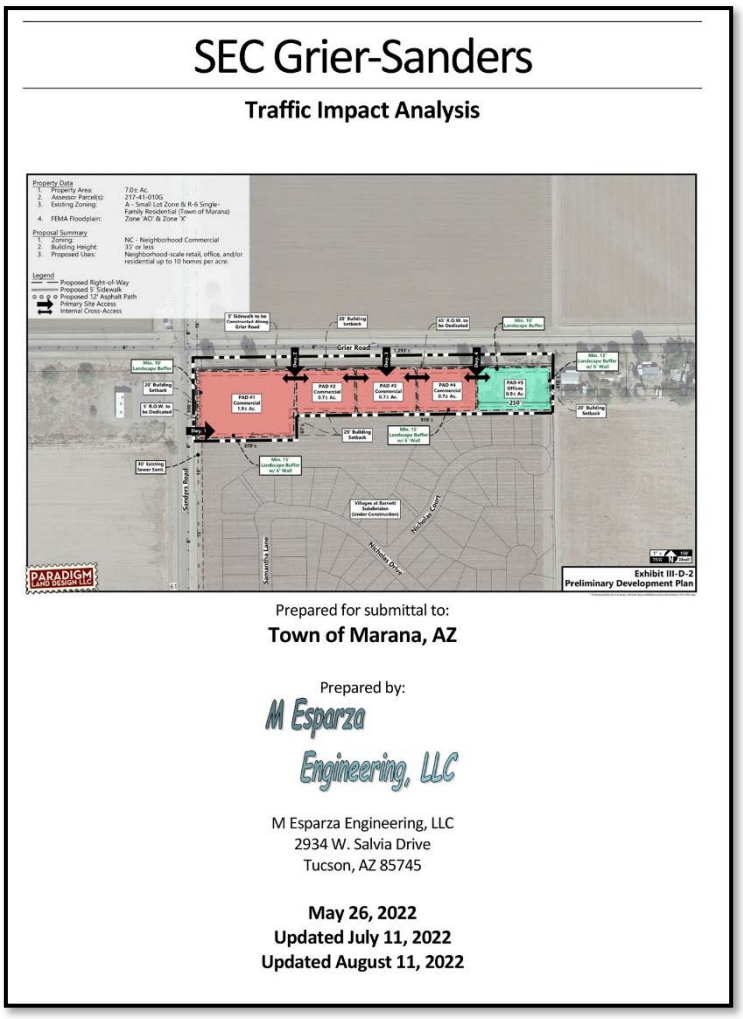
The Arizona Game & Fish Department is responsible for enforcing any wildlife regulations. It is recommended that the developer contact them for guidance prior to the start of construction.

I. VIEWSHEDS

Extraordinary views are not available from or across the property due to existing, relatively flat topography coupled with the distance to surrounding mountain ranges. However, perimeter buffer areas will help mitigate the project's minimal impacts to surrounding viewsheds.

J. TRAFFIC

When constructed, this project will warrant installation of three offsite turn lanes as described below. At the time of development, the project will dedicate an additional 45' of right-of-way along Grier Road and an additional 5' of right-of-way along Sanders Road. Access into the site will come directly from Grier Road and Sanders Road at locations deemed appropriate to provide safe ingress and egress and cross-access will be provided between the proposed pads. No streets are being proposed within this development. Only access lanes and parking area access lanes are proposed, which will be private. This project is expected to generate approximately 760 total daily weekday trips (380 inbound and 380 outbound), with the peak hour total just under 200 trips.


SEC Grier-Sanders

Traffic Impact Analysis

Prepared for submittal to:
Town of Marana, AZ

Prepared by:
M Esparza Engineering, LLC

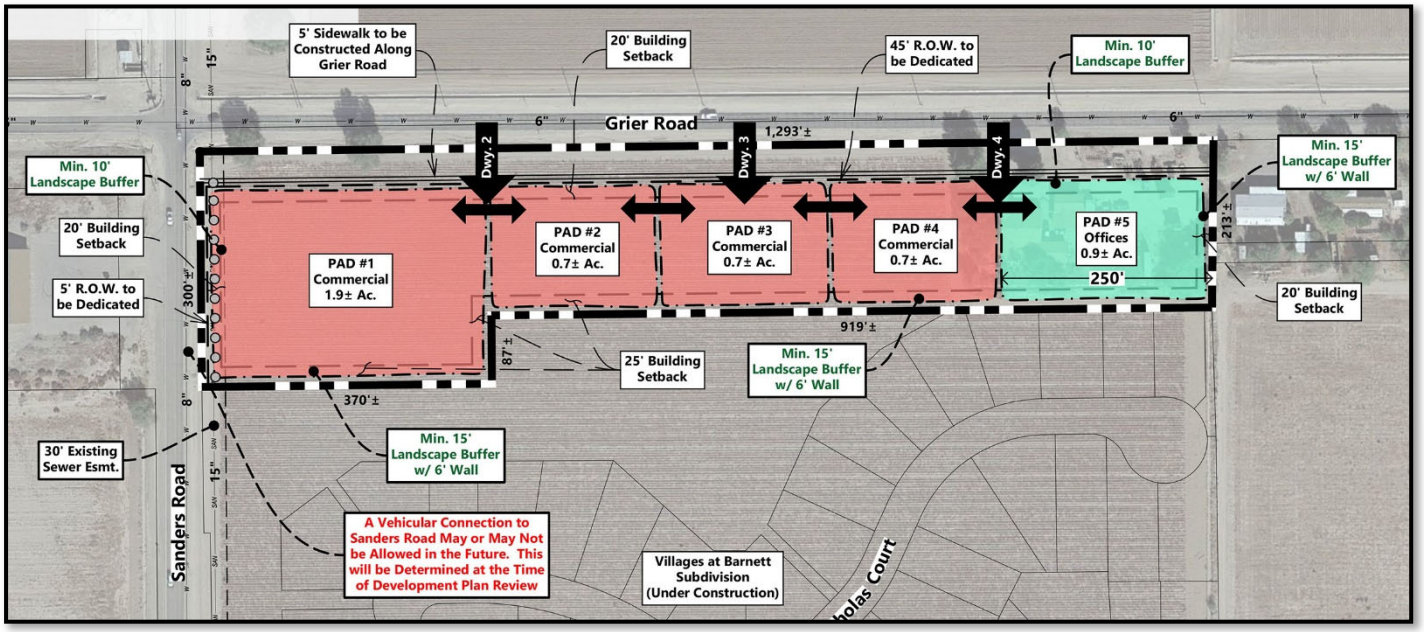
M Esparza Engineering, LLC
2934 W. Salvia Drive
Tucson, AZ 85745

May 26, 2022
Updated July 11, 2022
Updated August 11, 2022

A Traffic Impact Analysis by M Esparza Engineering has been submitted as a standalone report. The rezoning also proposes residential development of up to 10 homes per acre. Such a use, even if developed over the entire property, would only generate approximately 730 trips per day. The TIA models a completely retail / office development scenario because that produces a higher expected trip generation rate, and thus would have a greater impact on the surrounding street system. The TIA references the proposed access points

as Driveways 1 through 4, as shown on the map below, and provides the following recommendations:

1. Construct the project driveways to Town of Marana standards, with one ingress and one egress lane at the driveways.
2. The westbound and southbound left turn lanes at the Grier Road/Sanders Road intersection and the left turn lane on Grier Road at Driveway 2 are warranted based on Pima County turn lane warrant criteria found in the Pima County Subdivision and Development Street Standards. The westbound turn lane at Grier Road/Sanders Road is warranted under existing conditions, the southbound turn lane at the intersection is warranted under 2028 No Project conditions, and the turn lane at Driveway 2 is warranted with the project in 2028. However, the westbound turn lane at the Grier Road/Sanders Road intersection is not recommended because this approach is stop-controlled with few opposing vehicles, and all movements at the intersection will operate at LOS C with the project traffic through 2028. If the other turn lanes are constructed, the Grier Road turn lanes should be 110 feet long and the Sanders Road turn lane should be 150 feet with transition designed to Pima County left turn lane design standards. An opposing northbound left turn lane at the intersection should also be constructed with the southbound left turn lane. However, the turn lane warrant analysis should be reevaluated at the development plan stage.
3. Based on the thresholds for warranting a southbound left turn lane at the Grier/Sanders intersection, the Town should consider a "trigger" condition that the turn lane will be constructed when the project will generate 300 trips per day and if a follow-up TIS conducted for this project at the development stage finds that the turn lane would be warranted.
4. Sidewalks will be constructed along the frontages of the project site on Grier Road and Sanders Road.
5. Ensure that there is acceptable sight distance to and from the project entrances.
6. Roadway and subdivision design should conform to current Town of Marana standards.
7. All new traffic signs and markings must comply with the current Manual on Uniform Traffic Control Devices and local requirements.



K. PUBLIC UTILITIES

1. Sewer

   This development will connect to the existing Town of Marana 15" sewer line in Sanders Road. No additional offsite sewer improvements are anticipated to be necessary for this project.

2. Water

   Marana Water will serve this commercial development. The project will connect to the existing 6" waterline in Grier Road and/or the existing 8" waterline in Sanders Road. An offsite upsizing of Marana's public water system may be constructed by the developer if necessary to achieve adequate fire flow.

3. Non-Potable Water

   The Property does not currently contain any Cortaro Marana Irrigation District (CMID) facilities, but as part of the Villages at Barnett project DR Horton is currently building a pipeline, headbox and gates that will allow CMID to deliver non-potable water to the Property near the east end.

4. Electric

   The property will be served by the Tucson Electric Power Company.

5. Natural Gas

   Southwest Gas will supply natural gas services to this development.

6. Telecommunications

   The development is within the Century Link service area.

L. PUBLIC SERVICE IMPACTS

1. Police

   This project is within Marana's town limits, and law enforcement jurisdiction.

2. Fire

   This project will be protected by the Northwest Fire District.

3. Trash & Recycling

   The Town of Marana does not provide trash and recycling services. The business owners within this development will contract with a private solid waste pick-up provider.

4. Schools

   Being a commercial development, this section is not applicable.

5. Parks

   Being a commercial development, this section is not applicable.

M. RECREATION & TRAILS

Being a commercial development, this section is not applicable.

N. CULTURAL, ARCHAEOLOGICAL & HISTORIC RESOURCES

The Property was surveyed for cultural resources by Professional Archaeological Services of Tucson in January 2022. Nothing of significance was found and so it was determined that the development of this parcel could proceed without any further work.

Council-Regular Meeting **A2**

Meeting Date: 10/04/2022

To: Mayor and Council

From: Brian Varney, Senior Planner

Date: October 4, 2022

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Ordinance No. 2022.016: Relating to Development; approving a rezoning of approximately 165 acres of land located east of Interstate 10, east and west of Adonis Road, and approximately 1.2 miles north of Tangerine Road from Zone E (Transportation Corridor) to R-4 (Residential), R-5 (Residential), and MR-1 (Multi-Family Residential) (Brian D. Varney)

Discussion:

Request
Paradigm Land Design, LLC is requesting approval to rezone approximately 165 acres of land from Zone E (Transportation Corridor) to R-4 (Residential), R-5 (Residential), and MR-1 (Multi-Family Residential).

Marana General Plan
The 2040 Marana General Plan designates the proposed rezoning area with the land use category of Traditional Neighborhood (TN). Traditional Neighborhood provides a residential density range of two (2) du/ac to eighteen (18) du/ac, and accommodates both single-family and multi-family residential uses.

Surrounding Land Use and Site Characteristics
The rezoning area is bordered to the north by undeveloped, Arizona State Land Department property zoned Agricultural (AG). Adjacent, to the east of the rezoning area, is the Central Arizona Project canal, beyond which is undeveloped

Zone E (Transportation Corridor) land. The south and west boundaries of the rezoning area are adjacent to both the Tortolita Shadows Specific Plan and the Rancho Marana Specific Plan (East), both of which are undeveloped at this time but are currently being master planned with the proposed rezoning area to be known as the Stonegate development.

The topography of the proposed rezoning area is characterized by relatively flat terrain with an average overall cross slope of approximately 1.3% from the northeast to the southwest. Town staff will require the submittal and approval of a drainage study and will evaluate all on-site and off-site drainage in greater detail during the review of the preliminary plats for this area.

Proposed Land Use

The Preliminary Development Plan for Stonegate East proposes both single-family and multi-family residential uses. The anticipated lot configuration shown proposes a mix of residential zoning categories with approximately 10.2 acres of Multi-family (MR-1), 55.6 acres of R-4 (minimum lot size of 4,000 S.F.), and 86.5 acres of R-5 (minimum lot size of 5,000 S.F.). A total of 777 residential units are anticipated within the rezoning area yielding a gross density of 4.7 dwelling units per acre.

The proposed rezoning area is planned to be integrated into the much larger Stonegate Master Plan that includes the portion of the Rancho Marana Specific Plan east of I-10, as well as the existing Tortolita Shadows Specific Plan that was approved by the Town Council in July of 2012. The development of the Stonegate Master Plan will result in the construction of a large amount of infrastructure east of Interstate 10 including major roadways such as the ultimate-width Adonis Road, a portion of Moore Road, a large collector loop road and numerous internal streets with the corresponding utilities and drainage facilities required. The Preliminary Development Plan within the site analysis document illustrates a community park, approximately 5 acres in size, as well as a number of smaller neighborhood parks. Given the rezoning area will not necessarily contain a stand-alone development, and will be integrated into a larger planning area, staff will defer the ultimate park and recreation component of the proposed preliminary development plan to the platting stage of the development. The individual plats within the master plan will be carefully reviewed for compliance with the Town's recreational area standards. Parks, trails, and paths will be coordinated within the larger, master planning area to ensure seamless connectivity not only within Stonegate, but also with the adjacent Mandarina project to the south.

It should be noted that some of the planning areas (blocks) shown on the Preliminary Development Plan extend beyond the boundary of the Rezoning Area and overlap the existing specific plans [Tortolita Shadows and Rancho Marana (East)]. Staff has been working with the applicant on this matter, and it has been determined that the most practical and efficient solution is to perform a minor amendment to the conceptual land use plans for both specific plans, specifically along portions of the perimeter of each plan. This will enable the applicant and the

Town to process forthcoming preliminary and final plats in accordance with the desired layout shown on the master plan and avoid abrupt divisions at the respective boundaries.

Access and Circulation
Access to the rezoning area shall be provided through the Stonegate Master Plan area via the construction of the ultimate-width Adonis Road, and a portion of Moore Road, as well as a collector loop road and various internal streets. The property owners / developers shall be required to build Adonis Road to a four-lane divided roadway within their development. Based on future traffic volumes, property owners/developers will also be required to expand Adonis Road to a four-lane divided roadway, south to Mandarina Boulevard in accordance with review performed by the Town's Traffic Engineering Division. The overall Stonegate Master Plan Traffic Impact Analysis, which includes the proposed rezoning area, is under review and has not yet been approved by the Marana Traffic Engineering Division.

Utilities
The rezoning area is located within the Town of Marana water service area and will be served by the Town. The property owner / developer will be responsible for the extension of the public water system required to serve the area. A proposed plan identifying water use, fire flow requirements and all on-site and off-site water facilities will be required. Water service agreement(s) will be required, and all necessary on-site and off-site water infrastructure will be required to be constructed by the property owner / developer at time of development. Sewer service will be provided to the rezoning area by Marana Water. The property owner / developer will be responsible for onsite sewer infrastructure, including an anticipated lift station, and will be required to provide all necessary sewer plans and models to the Town for review and approval. The rezoning area lies within the service areas of Northwest Fire District, TRICO, Southwest Gas, Century Link and Comcast.

Citizen Participation
There are only three property owners (U.S. Bureau of Reclamation, Mandarina Holdings, LLC, and TMR Investors, LLC) within the general vicinity of the rezoning area. The applicant contacted owners directly by mail, providing a narrative and map of the proposed rezoning, and asked to be contacted directly with any questions or comments regarding the proposal.The applicant has been working directly with Mandarina Holdings, LLC, the property owners directly to the south, throughout the planning and design of the project. No response was received from the other two entities.

Public Notification
This public hearing was appropriately noticed in The Daily Territorial, and all property owners within 300 feet of the boundary of the rezoning area were noticed by United States mail of the date, time, and topic of the public hearing. Additional notice was posted at various locations within the community.

Case Analysis Review Criteria

Pursuant to Town Code section 17-3-1(D), the Planning Commission and Town Council shall consider the following questions, at a minimum, in reviewing an application for rezoning:

- Any change of character in the area due to installation of public facilities, other zone changes, new growth trends, deterioration, and development;

  Based upon the requirements and conditions, the rezoning amendment does not appear to be detrimental to the character of the area due to installation of public facilities or any other rezoning changes.
- The degree to which the proposed zoning will benefit the community; whether there will be benefits derived by the community, or area, by granting the proposed rezoning;

  With the acceptance of the recommended conditions, this rezoning will benefit the community by extending public services and trails and providing additional residential options.
- Whether the proposed rezoning is compatible with the surrounding area or whether there will be adverse impacts on the capacity or safety of the portion of street network influenced by the rezoning, parking problems, or environmental impacts that the new use will generate such an excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances;

  Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding area and does not appear to be adversely impact the adjacent street network or generate such excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances.
- Whether the proposal conforms with and is in furtherance of the implementation of the goals and policies of the general plan, other adopted plans, and the goals, objectives and policies of the land development code, and other town regulations and guidelines, including goals and policies relating to economic development;

  The rezoning amendment conforms with the goals and policies of the general plan, the land development code, and other town regulations and guidelines.
- The zoning districts and existing land uses of the surrounding properties;

  Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding properties zoning and existing land use.
- Whether the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development;

  With the acceptance of the recommended conditions, the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development.
- Whether the existing and proposed utility infrastructure, public facilities, and

public services are suitable and adequate to serve the proposed rezoning area;

Based upon the rezoning requirements and conditions, there is adequate utility infrastructure, public facilities, and public services in the area to serve the proposed rezoning area.

- Whether the subject property is suitable for the uses to which it has been restricted under the existing zoning classification;

Based upon the rezoning requirements and conditions, the subject property is suitable for the proposed uses.

- Whether the rezoning is compatible with the adjacent neighborhood, especially residential neighborhood stability and character;

Based upon the rezoning requirements and conditions, this rezoning amendment is compatible with the adjacent neighborhood in area stability and character.

- If applicable, the length of time the subject property has remained vacant as zoned;

The subject property has remained vacant since annexation in to the Town.

- Whether there is an adequate supply of land available in the subject area and the surrounding community to accommodate the zoning and community needs;

Based upon the rezoning amendment subject area location, there is an adequate supply of land available in the area and the surrounding community to accommodate the zoning and community needs.

Staff Recommendation:

This is a discretionary item for the Town Council to consider. Should the Town Council choose to approve this item, staff recommends the approval be subject to the conditions set forth in the draft ordinance attached.

Planning Commission Recommendation:

The proposed rezoning was considered at a public hearing before the Marana Planning Commission on March 30, 2022. The Planning Commission voted unanimously 6-0 to recommend to the Town Council approval of the requested rezoning.

Suggested Motion:

I move to adopt Ordinance No. 2022.016, approving the Stonegate East Rezoning subject to the recommended conditions.

Attachments

Ordinance No. 2022.016

Exhibit A to Ordinance

PCZ2110-003 SGE Map
PCZ2110-003 SGE App
PCZ2110-003 SGE Site Analysis

MARANA ORDINANCE NO. 2022.016

RELATING TO DEVELOPMENT; APPROVING A REZONING OF APPROXIMATELY 165 ACRES OF LAND LOCATED EAST OF INTERSTATE 10, EAST AND WEST OF ADONIS ROAD, AND APPROXIMATELY 1.2 MILES NORTH OF TANGERINE ROAD FROM ZONE E (TRANSPORTATION CORRIDOR) TO R-4 (RESIDENTIAL), R-5 (RESIDENTIAL) AND MR-1 (MULTI-FAMILY RESIDENTIAL)

WHEREAS CLB Real Property Holding Company LLC, and Tangerine PBS LLC, (the "Property Owners"), own approximately 165 acres of land located east of Interstate 10, east and west of Adonis Road, and approximately 1.2 miles north of Tangerine Road within Section 25 Township 11 South, and Range 11 East, described on Exhibit "A" attached to and incorporated in this ordinance by this reference (the "Rezoning Area"); and

WHEREAS the Property Owners have authorized Paradigm Land Design, LLC to submit an application to rezone the Rezoning Area from Zone E (Transportation Corridor) to R-4 (Residential, Single-Family), R-5 (Residential, Single-Family), and MR-1 (Residential, multi-family) ("this Rezoning"); and

WHEREAS the Marana Town Council adopted Ordinance No. 2012.05 on July 17, 2012 approving a Specific Plan for Tortolita Shadows, which includes conditions that directly affect the development of the Rezoning Area and shall remain; and

WHEREAS the Marana Planning Commission held a public hearing to consider this Rezoning on March 30, 2022, and voted unanimously 6-0 to recommend that the Town Council approve this Rezoning subject to the recommended conditions, plus an amended condition, as requested by staff; and

WHEREAS the Marana Mayor and Town Council held a public hearing to consider this Rezoning on October 4, 2022, and determined that this Rezoning and minor general plan amendment should be approved.

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

Section 1. The zoning of the Rezoning Area is hereby changed from Zone E (Transportation Corridor) to R-4 (Residential, single-family), R-5 (Residential, single-family), and MR-1 (Residential, multi-family), as depicted on Exhibit "B" attached to and incorporated in this ordinance by this reference.

Section 2. This Rezoning is subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Marana Town Code (but which shall not cause a reversion of this Rezoning), and which shall be binding on the Property Owners and their successors in interest (all of whom are collectively included in the term "Property Owners" in the following conditions):

1. Compliance with all applicable provisions of the Town's codes and ordinances current at the time of any subsequent development including, but not limited to, requirements for public improvements and payment of application fees and applicable development impact fees.
2. Any preliminary plat or development plan for any portion of the Rezoning Area shall be in general conformance with the Preliminary Development Plan presented to and approved by the Town Council as part of this Rezoning.
3. A master drainage study must be submitted by the Property Owners and accepted by the Town Engineer prior to Town approval of a preliminary plat or development plan for any portion of the Rezoning Area.
4. A water infrastructure and phasing plan (WIP) must be submitted by the Property Owners and accepted by Marana Water (the "water utility") prior to approval of a preliminary plat or development plan for any portion of the Rezoning Area. The WIP shall identify all on-site and off-site water facilities needed to serve the proposed development. The WIP shall include all information required by the water provider, such as (but not limited to) analysis of water use and fire flow requirements, and well source, reservoir, and booster station infrastructure needed to serve the proposed development. If the water provider requires a water service agreement as a condition of service to the proposed development, the Property Owners must enter into a water service agreement with the water provider consistent with the accepted WIP.
5. A master sewer plan must be submitted by the Property Owners and accepted by Marana Water (the "wastewater utility") prior to the approval of any final plat or development plan for the Rezoning Area. The master sewer plan shall identify all on-site and off-site wastewater facilities needed to serve the proposed development, and shall include all information required by the wastewater utility. If the wastewater utility requires a sewer service agreement as a condition of service to the proposed development, the Property Owners must enter into a sewer service agreement with the wastewater utility consistent with the accepted master sewer plan.
6. The Property Owners must design and construct any roadway, drainage, water, and wastewater improvements, and dedicate or acquire any property rights associated with those improvements, that the Town requires based on the data and findings of the accepted traffic impact analysis, the accepted master drainage study, the accepted WIP, the accepted master sewer plan, and other studies approved in connection with the approval of a preliminary plat or development plan for any portion of the Rezoning Area.

7. The final design of all streets and circulation facilities, including gated access (if applicable) must be accepted by the Northwest Fire District prior to Town Council consideration of a final plat for any portion of the Rezoning Area.
8. The maximum number of residential lots within the Rezoning Area shall not exceed 777.
9. No approval, permit or authorization by the Town of Marana authorizes violation of any federal or state law or regulation or relieves the Property Owners from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the Clean Water Act. The Property Owners should retain appropriate experts and consult appropriate federal and state agencies to determine any action necessary to assure compliance with applicable laws and regulations.
10. The Property Owners shall transfer to the water provider, by the appropriate Arizona Department of Water Resources form, those water rights being IGR, Type I or Type II for providing designation of assured water supply and water service to the Rezoning Area. If Type I or Type II is needed on the Rezoning Area, the water provider and the Property Owners shall arrive at an agreeable solution to the use of those water rights appurtenant to the affected portion of the Rezoning Area.
11. Prior to the issuance of any grading permits, the Property Owners shall submit evidence to the Town that all federal permit requirements have been met through the Corps of Engineers and the State Historic Preservation Office, if federal permits are required for the development of the Rezoning Area.
12. The Property Owners shall not cause any lot split of any kind without the written consent of the Town of Marana.
13. Final approval of a Traffic Impact Analysis must be issued by the Traffic Engineering Division prior to the approval of any final subdivision plat within the Rezoning Area.
14. The Property Owners shall be responsible for design and construction of traffic signals at any loop road intersection with Adonis Road within the Rezoning Area, when found warranted by traffic studies, and consistent with Town of Marana Ordinance No. 2012.05.
15. The Property Owners shall be required to build Adonis Road to a four-lane divided roadway within the Stonegate Master Plan development. Based on traffic analyses, the Property Owners will also be required to expand Adonis Road to a four-lane divided roadway south to Mandarina Boulevard in accordance with review performed by the Town's Traffic Engineering Division.

Section 3. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

Section 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 4th day of October, 2022.

Mayor Ed Honea

ATTEST:

David L. Udall, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

EXHIBIT A to Marana Ordinance No. 2022.016

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1: (APN: 217-33-001F and 217-33-001E)

The East half of Section 25, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona;

EXCEPT the West half of the Southeast quarter;

FURTHER EXCEPT that portion described in Judgment recorded in Docket 7780, Page 3 described as follows:

BEGINNING at the Southeast corner of said Section 25;

THENCE, along the South boundary of said Section 25, South 89 degrees 31 minutes 37 seconds West, a distance of 163.21 feet to a point that bears North 89 degrees 31 minutes 37 seconds East 2482.79 feet from the South quarter corner of said Section 25;

THENCE, leaving said South boundary North 30 degrees 26 minutes 46 seconds West, a distance of 223.94 feet;

THENCE, North 59 degrees 33 minutes 14 seconds East, a distance of 99.99 feet;

THENCE, North 30 degrees 26 minutes 46 seconds West, a distance of 2270.45 feet to a point in the West boundary of the East half of the Southeast quarter of said Section 25;

THENCE, along said West boundary North 00 degrees 28 minutes 01 seconds West, a distance of 427.75 feet to the Northwest corner of said East half of the Southeast quarter;

THENCE, along the North boundary of the South half of said Section 25, South 89 degrees 32 minutes 12 seconds West, a distance of 246.76 feet;

THENCE, leaving said North boundary North 30 degrees 26 minutes 46 seconds West, a distance of 1266.83 feet;

THENCE, South 59 degrees 33 minutes 14 seconds West, a distance of 99.99 feet;

THENCE, North 34 degrees 49 minutes 22 seconds West, a distance of 406.64 feet;

THENCE, North 50 degrees 48 minutes 00 seconds East, a distance of 99.99 feet;

THENCE, North 39 degrees 12 minutes 00 seconds West, a distance of 326.34 feet to a point in the West boundary of said East half of Section 25;

THENCE, along said West boundary North 00 degrees 27 minutes 16 seconds West, a distance of 938.98 feet to the North quarter corner of said Section 25;

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EXHIBIT A
(Continued)

THENCE, along the North boundary of said Section 25 North 89 degrees 33 minutes 18 seconds East, a distance of 913.24 feet to a point that bears South 89 degrees 33 minutes 18 seconds West 1730.47 feet from the Northeast corner of said Section 25;

THENCE, leaving said North boundary South 39 degrees 12 minutes 00 seconds East, a distance of 798.10 feet;

THENCE, South 30 degrees 26 minutes 46 seconds East, a distance of 2464.96 feet to a point in the East boundary of said Section 25 that bears South 00 degrees 28 minutes 45 seconds East 2757.07 feet from the Northeast corner of said Section 25;

THENCE, along said East boundary South 00 degrees 28 minutes 45 seconds East, a distance of 2519.46 feet to the point of BEGINNING.

FURTHER EXCEPT that portion lying Northeasterly of the Northeasterly line of that portion described in Judgment recorded in Docket 7780, Page 3 described as follows:

BEGINNING at the Southeast corner of said Section 25;

THENCE, along the South boundary of said Section 25, South 89 degrees 31 minutes 37 seconds West, a distance of 163.21 feet to a point that bears North 89 degrees 31 minutes 37 seconds East 2482.79 feet from the South quarter corner of said Section 25;

THENCE, leaving said South boundary North 30 degrees 26 minutes 46 seconds West, a distance of 223.94 feet;

THENCE, North 59 degrees 33 minutes 14 seconds East, a distance of 99.99 feet;

THENCE, North 30 degrees 26 minutes 46 seconds West, a distance of 2270.45 feet to a point in the West boundary of the East half of the Southeast quarter of said Section 25;

THENCE, along said West boundary North 00 degrees 28 minutes 01 seconds West, a distance of 427.75 feet to the Northwest corner of said East half of the Southeast quarter;

THENCE, along the North boundary of the South half of said Section 25, South 89 degrees 32 minutes 12 seconds West, a distance of 246.76 feet;

THENCE, leaving said North boundary North 30 degrees 26 minutes 46 seconds West, a distance of 1266.83 feet;

THENCE, South 59 degrees 33 minutes 14 seconds West, a distance of 99.99 feet;

THENCE, North 34 degrees 49 minutes 22 seconds West, a distance of 406.64 feet;

THENCE, North 50 degrees 48 minutes 00 seconds East, a distance of 99.99 feet;

THENCE, North 39 degrees 12 minutes 00 seconds West, a distance of 326.34 feet to a point in the West boundary of said East half of Section 25;

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AMERICAN LAND TITLE ASSOCIATION

EXHIBIT A
(Continued)

THENCE, along said West boundary North 00 degrees 27 minutes 16 seconds West, a distance of 938.98 feet to the North quarter corner of said Section 25;
THENCE, along the North boundary of said Section 25 North 89 degrees 33 minutes 18 seconds East, a distance of 913.24 feet to a point that bears South 89 degrees 33 minutes 18 seconds West 1730.47 feet from the Northeast corner of said Section 25;

THENCE, leaving said North boundary South 39 degrees 12 minutes 00 seconds East, a distance of 798.10 feet;

THENCE, South 30 degrees 26 minutes 46 seconds East, a distance of 2464.96 feet to a point in the East boundary of said Section 25 that bears South 00 degrees 28 minutes 45 seconds East 2757.07 feet from the Northeast corner of said Section 25;

THENCE, along said East boundary South 00 degrees 28 minutes 45 seconds East, a distance of 2519.46 feet to the point of BEGINNING.

(Parcel No. 2 and Parcel No. 3 below comprise APN: 217-33-002Q, 217-33-002N, 217-33-002R, 217-33-002P and 217-33-002K)

Parcel No. 2:

The Northwest quarter of Section 25, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona;

EXCEPT any portion of the West half of said Section 25, conveyed in Docket 7659, Page 5, being more particularly described as follows:

BEGINNING at the Northwest corner of said Section 25;

Thence along the North boundary of said Section 25, North 89 degrees 33 minutes 18 seconds East recorded (North 89 degrees 45 minutes 44 seconds West, measured), a distance of 1890.12 feet recorded (1889.77 feet, measured) to the TRUE POINT OF BEGINNING;

Thence continuing along said North boundary, North 89 degrees 33 minutes 18 seconds East recorded (North 89 degrees 45 minutes 44 seconds West, measured), a distance of 753.59 to the Northeast corner of said West half of Section 25;

Thence along the East boundary of said West half, South 00 degrees 27 minutes 16 seconds East recorded (South 00 degrees 12 minutes 48 seconds East, measured), a distance of 938.98 feet to the point that bears North 00 degrees 27 minutes 16 seconds West recorded (North 00 degrees 12 minutes 48 seconds West, measured), 4338.86 feet distant from the South quarter corner of said Section 25;

Thence leaving said East boundary, North 39 degrees 12 minutes 00 seconds West recorded (North 38 degrees 31 minutes 35 seconds West, measured), a distance of 1204.08 feet recorded (1204.24 feet measured) to the TRUE POINT OF BEGINNING; AND

FURTHER EXCEPT that portion conveyed in Docket 9675, Page 1348 described as follows:

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EXHIBIT A
(Continued)

That portion of the West half of Section 25, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, further described as follows:

COMMENCING at the Northwest corner of said Section 25;

Thence South 00 degrees 02 minutes 54 seconds East, along the West line of said Section 25, a distance of 1980.22 feet to the TRUE POINT OF BEGINNING;

Thence North 89 degrees 55 minutes 01 seconds East, 1624.60 feet;

Thence along a curve to the right, being concave to the West, having a radius of 1280.73 feet, a central angle of 29 degrees 58 minutes 59 seconds and arc length of 670.21 feet;

Thence South 10 degrees 00 minutes 00 seconds West, 604.97 feet;

Thence North 80 degrees 00 minutes 00 seconds West, 1453.52 feet to a point of curve:

Thence on a curve to the left, concave to the South, having a radius of 1250.00 feet, a central angle of 6 degrees 41 minutes 34 seconds, an arc length of 146.01 feet to the West Section line of said Section 25;

Thence North 00 degrees 02 minutes 40 seconds West, along the Section line, 324.03 feet to the West quarter corner thereof;

Thence North 00 degrees 02 minutes 54 seconds West, along said Section line, 660.16 feet to the TRUE POINT OF
BEGINNING; AND

FURTHER EXCEPT that portion described as Parcel 3 Docket 8874, Page 1453, described as follows::

That portion of the West half of Section 25, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

BEGINNING at the Northwest comer of said Section 25;

Thence North 89 degrees 56 minutes 32 seconds East along the North line of said Section 25, a distance of 1652.23 feet to the TRUE POINT OF BEGINNING;

Thence North 89 degrees 56 minutes 32 seconds East, a distance of 237.65 feet to a point on the Westerly right of way line of the Central Arizona Project:

Thence South 38 degrees 50 minutes 13 seconds East along said right of way line, a distance of 1203.99 feet to a point on the North and South mid-section line of said Section 25:

Thence South 00 degrees 04 minutes 54 seconds East, along said North and South mid-section line of said Section 25, a distance of 1700.41 feet to the center of said Section 25:

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EXHIBIT A
(Continued)

Thence South 00 degrees 04 minutes 54 seconds East, along said North and South mid-section line of said Section 25, a distance of 785.77 feet to a point;

Thence North 80 degrees 00 minutes 00 seconds West, a distance of 1086.07 feet to a point;

Thence North 10 degrees 00 minutes 00 seconds East, a distance of 604.97 feet to the point of curvature of a 1280.73 foot radius curve concave to the Southwest;

Thence Northerly along said curve through a central angle of 59 degrees 15 minutes 14 seconds, a distance of 1324.50 feet to a point having a radial bearing of South 40 degrees 44 minutes 46 seconds West;

Thence North 26 degrees 37 minutes 26 seconds East, a distance of 880.17 feet to a point;

Thence North 00 degrees 04 minutes 09 seconds West, a distance of 659.86 feet to a point on the North line of said Section 25 and the TRUE POINT OF BEGINNING.

FURTHER EXCEPTING THEREFROM that portion conveyed to the Town of Marana, an Arizona municipal corporation by Special Warranty Deed recorded July 2, 2018 at Recording No. 20181830679.

Parcel No. 3:

That portion of the West Half of Section 25, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County. Arizona, further described as follows:

COMMENCING at the Northwest comer of said Section 25;

Thence North 89 degrees 56 minutes 32 seconds East, along the North Section line, a distance of 1652.23 feet to the TRUE POINT OF BEGINNING:

Thence continuing North 89 degrees 56 minutes 32 seconds East, 237.65 feet:

Thence South 38 degrees 50 minutes 13 seconds East, 1203.99 feet to a point on the center Section line;

Thence South 00 degrees 04 minutes 54 seconds East, along said center Section line, a distance of 1040.26 feet;

Thence South 89 degrees 55 minutes 01 seconds West, 1020.12 feet;

Thence along a curve to the left, concave to the Southwest, having a radius of 1280.73 feet, a central angle of 29 degrees 16 minutes 15 seconds, an arc length of 654.29 feet;

Thence North 26 degrees 37 minutes 26 seconds East, a distance of 880.17 feet;

Thence North 00 degrees 04 minutes 09 seconds West, 659.86 feet to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM that portion conveyed to the Town of Marana, an Arizona municipal corporation by Special Warranty Deed recorded July 2, 2018 at Recording No. 20181830679.

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EXHIBIT A
(Continued)

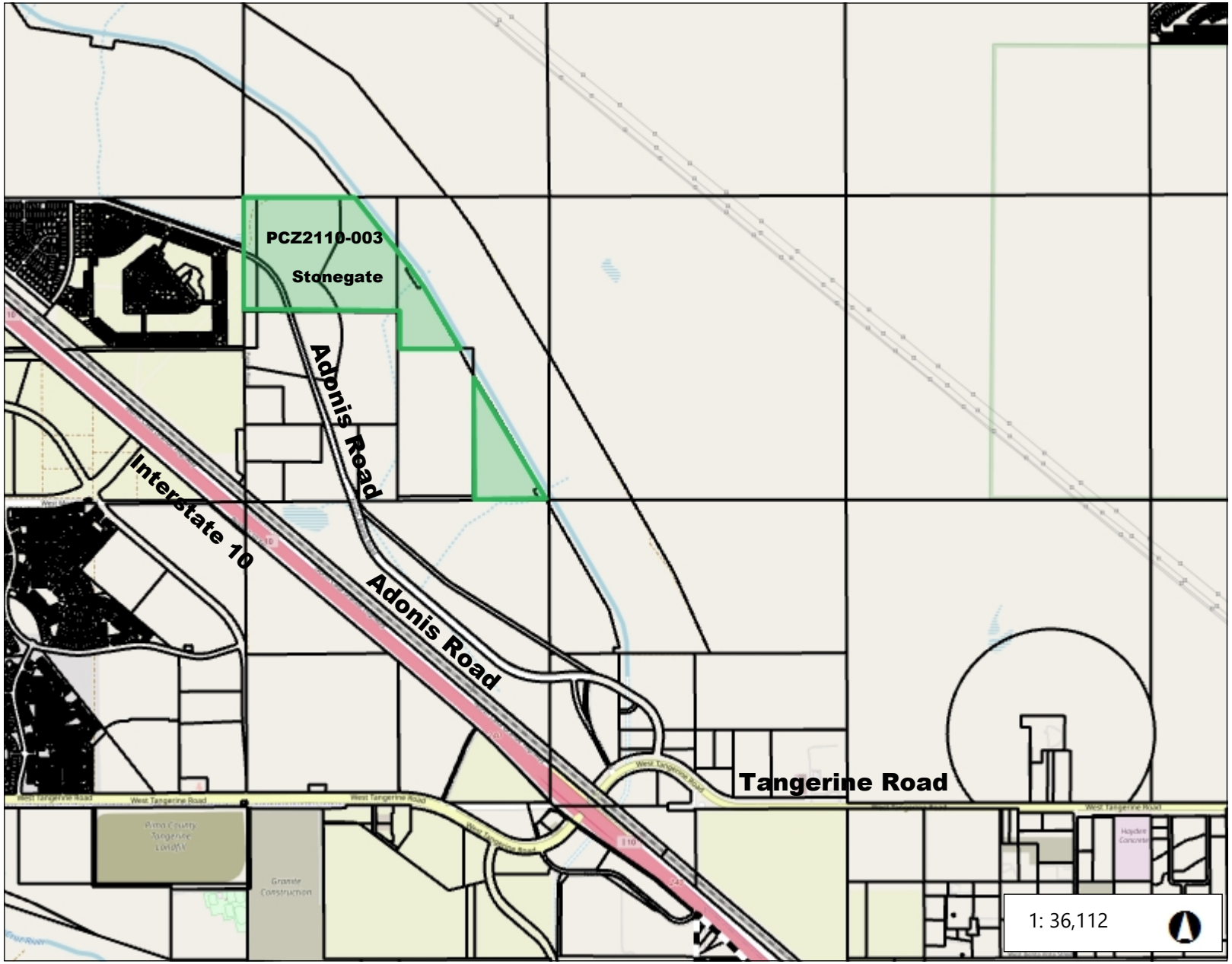
APN: **217-33-002L, 217-33-002K, 217-33-002C, 217-33-001E/217-33-001F**

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Town of Marana Planning

PCZ2110-003 Stonegate East Rezoning





Legend

- Marana Town Limits
- Parcel Labels
- Parcels (Black)

Notes

1.1 0 0.57 1.1 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

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Development Services / maranaplanning@maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641 / maranaAZ.gov

PROJECT APPLICATION

APPLICATION TYPE

❑ Annexation	❑ Development Plan	❑ Development Plan Package	❑ General Plan Amendment
☒ Rezone	❑ Minor Land Division	❑ Significant Land Use Change	❑ Conditional Use Permit
❑ Specific Plan	❑ Landscape Plan	❑ Native Plant Plan/Exception	❑ SWPP
❑ Variance	❑ Hydraulic Model	❑ Sewer Capacity Assurance	❑ Sign Program
❑ Plat	❑ Improvement Plan	❑ Report (Type): _____	❑ Other: _____

PROJECT INFORMATION

Project Name: Tortolita Valley East		
Description of Project: Rezoning	Number of Lots: 777	
Parcel No.(s): Please see attached list	Gross Area (Acres): 165	
Project Address: Please see attached list		
Ref. Project No.:		

CONTACT INFORMATION

Owner: CLB Real Property Holding Company LLC	Contact Name: Carson Brown		
Address: 1121 W Warner Rd #109	City: Tempe	State: AZ	Zip: 85284
Email: Carson@WHoldings.com	Phone No.: (480) 831-2000		
Applicant: Same	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		
Consultant/Engineer: Paradigm Land Design LLC	Contact Name: Paul Oland		
Address: 7090 N Oracle Rd #178-193	City: Tucson	State: AZ	Zip: 85704
Email: GPO@ParadigmLand.US	Phone No.: (520) 664-4304		

OWNER/APPLICANT AUTHORIZATION

I hereby certify that the information set forth in this application are true and correct to the best of my knowledge and that I am either the owner of the property or that I have been authorized in writing by the owner to file this application. (If applicant is not the owner, attach written authorization from the owner.)

Paul Oland	Paul Oland Digitally signed by Paul Oland Date: 2021.10.15 16:20:55 -07'00'	10/15/2021
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY

Revision Date 03/29/2019

Project No._____ **Date Received**_____

STONEGATE EAST
REZONING SITE ANALYSIS
(PCZ2110-003)

PREPARED BY:

PARADIGM LAND DESIGN LLC

CONTACT: PAUL OLAND
GPO@PARADIGMLAND.US
(520) 664-4304

IN COLLABORATION WITH:

Bowman

SWTE SOUTHWEST TRAFFIC ENGINEERING, LLC

WILDER Landscape Architects

MARCH 2022

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I. INTRODUCTION

A. PROJECT OVERVIEW

The Property subject to this rezoning request (the "Property") is proposed to be developed residentially as part of an assemblage of properties including the existing Tortolita Shadows Specific Plan and Rancho Marana Specific Plan, both of which are adjacent to the Property and both of which allow more intense land uses in areas closer to Interstate-10. The Property is 165 acres and is proposed to house up to 777 units and have an overall density of up to 4.7 homes per acre. In this document the overall assemblage is referred to as the Stonegate Master Plan, and totals approximately 685 acres. The Make Marana 2040 General Plan's "Traditional Neighborhood" designation is appropriate for the Property, as proposed. The Property has been subject to grazing and/or farming for many years and is surrounded by undeveloped parcels.

This document has been prepared in support of a request to rezone the Property from "E Transportation Corridor" to "MR-1 Multi-Family Residential," "R-4 Residential," and "R-5 Residential" in order to allow the development as proposed.

B. PRIMARY OBJECTIVES

- Provide much needed high-quality, energy efficient, single-family detached homes for new residents wishing to live in the Town of Marana. Homebuyers continue to exhibit very strong demand for new homes in this northwest part of the greater Tucson metropolitan area.

- Provide a variety of residential options to accommodate moderate-income families.

- Construct a residential community that is compatible with both existing and future surrounding land uses.

- Provide additional recreational opportunities in this part of Marana.

- By assembling the Stonegate Master Plan, the developers are building on the previous master planning and zoning of the Tortolita Shadows Specific Plan and Rancho Marana East Specific Plan to include what would otherwise be piecemeal development parcels between those two specific plans and the CAP canal.

C. MARANA STRATEGIC PLAN COMPLIANCE

The Town of Marana Strategic Plan calls for new developments and neighborhoods to create areas with meaningful open space, trail connectivity, and active recreation areas. This Property within the Stonegate Master Plan will fulfill all these requirements by providing recreation areas and trail connections in accordance with the Town's recreational design standards.

II. INVENTORY & ANALYSIS

The purpose of the Inventory & Analysis section of this document is to catalog the various developmental opportunities and constraints impacting the property in order to provide a meaningful and relevant context for the development proposal detailed in Section III of this document. Through careful consideration of these existing conditions a design can be deemed compatible with its surroundings and appropriate for the area.

A. EXISTING LAND USES

1. Site Location

The Property, which is comprised of two separate areas, is located between the western edge of the CAP canal and the Tortolita Shadows Specific Plan and Rancho Marana East Specific Plan, approximately one-half mile east of Interstate-10 between the alignments of Moore Road and Grier Road within Section 25, Township 11, Range 11 East, Town of Marana, Arizona. The Property lies along to the north and east of the Tortolita Shadows Specific Plan and totals approximately 165 acres and includes Assessor Parcels 217-33-001E, 217-33-001F, 217-33-002K, 217-33-002N, 217-33-002P, 217-33-002Q & 217-33-002R. See Exhibit II-A-1: Site Location Map.

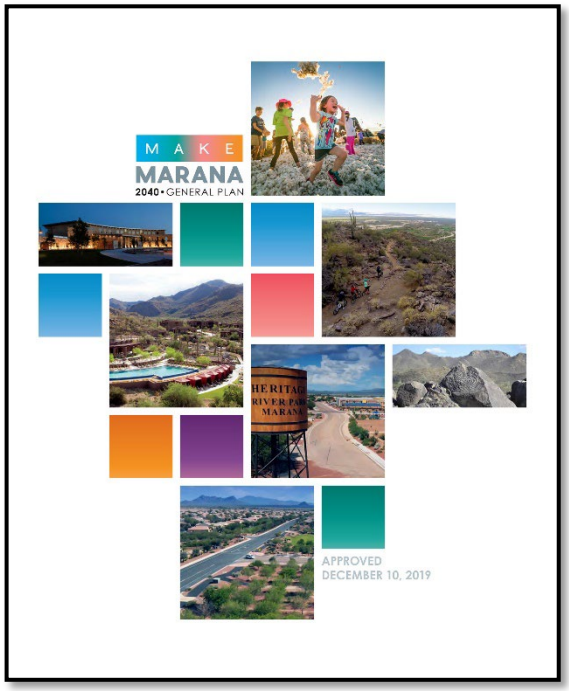
The Project's administrative address is 13106 N. Patton Rd., Marana, AZ 85658.

2. Existing Land Uses, Onsite Zoning & General Plan

The Property is currently undeveloped and vacant. See Exhibit II-A-2: Existing Land Uses.

The Property is currently zoned E (Transportation Corridor). See Exhibit II-A-4: Existing Zoning.

The Make Marana 2040 General Plan designates the Property as Traditional Neighborhood within the "Central Growth Area". As stated in the General Plan, this Central Growth Area is projected to become the main "Downtown" area for the Town of Marana. With lots of space for growth, this area is envisioned to include event and gathering spaces, shops, entertainment destinations, and employment opportunities. New residential developments such as the Tortolita Shadows Master Plan will help support robust commercial activity throughout Downtown. The Master Plan, including the Property, will provide a variety of housing types and price ranges to promote growth near Downtown Marana. See Exhibit II-A-3: Existing General Plan Land Uses.



3. Existing Adjacent Zoning and Land Uses within ¼-Mile of the Property

a. Surrounding Zoning & Land Uses

The Property is surrounded by properties featuring the following zoning designations and land uses. See Exhibit II-A-2: Existing Land Uses and Exhibit II-A-4: Existing Zoning.

N:	Existing zoning:	A-Small Lot Zone & AG Agricultural
	Existing land use:	CAP Canal & Arizona State Land
NE:	Existing zoning:	A-Small Lot Zone & AG Agricultural
	Existing land use:	CAP Canal & Arizona State Land
E:	Existing zoning:	AG Agricultural
	Existing land use:	CAP Canal & Arizona State Land
SE:	Existing zoning:	AG Agricultural & Specific Plan
	Existing land use:	CAP Canal & Undeveloped
S:	Existing zoning:	Specific Plan
	Existing land use:	Interstate 10 Frontage Road & Undeveloped
SW:	Existing zoning:	Specific Plan
	Existing land use:	Interstate 10 Frontage Road & Artco
W:	Existing zoning:	Specific Plan
	Existing land use:	Artco
NW:	Existing zoning:	AG Agricultural
	Existing land use:	Arizona State Land

b. Surrounding Building Heights

There are no structures nearby the Property.

c. Nearby Pending Rezonings

There are no pending rezonings within one-quarter mile.

d. Nearby Approved Rezonings

The Rancho Marana East Specific Plan is immediately adjacent to the Property's western boundary. The Property is along the Tortolita Shadows Specific Plan's northern and eastern boundaries. Both specific plans are part of the Stonegate Master Plan. The Mandarina Specific Plan is immediately south of the Property.

A Conditional Use Permit (CUP2110-001) was recently approved in the southwest corner of the Stonegate Master Plan to permit single-family homes within 1,000 feet of the Union Pacific Railroad.

e. Nearby Approved Subdivisions & Development Plans

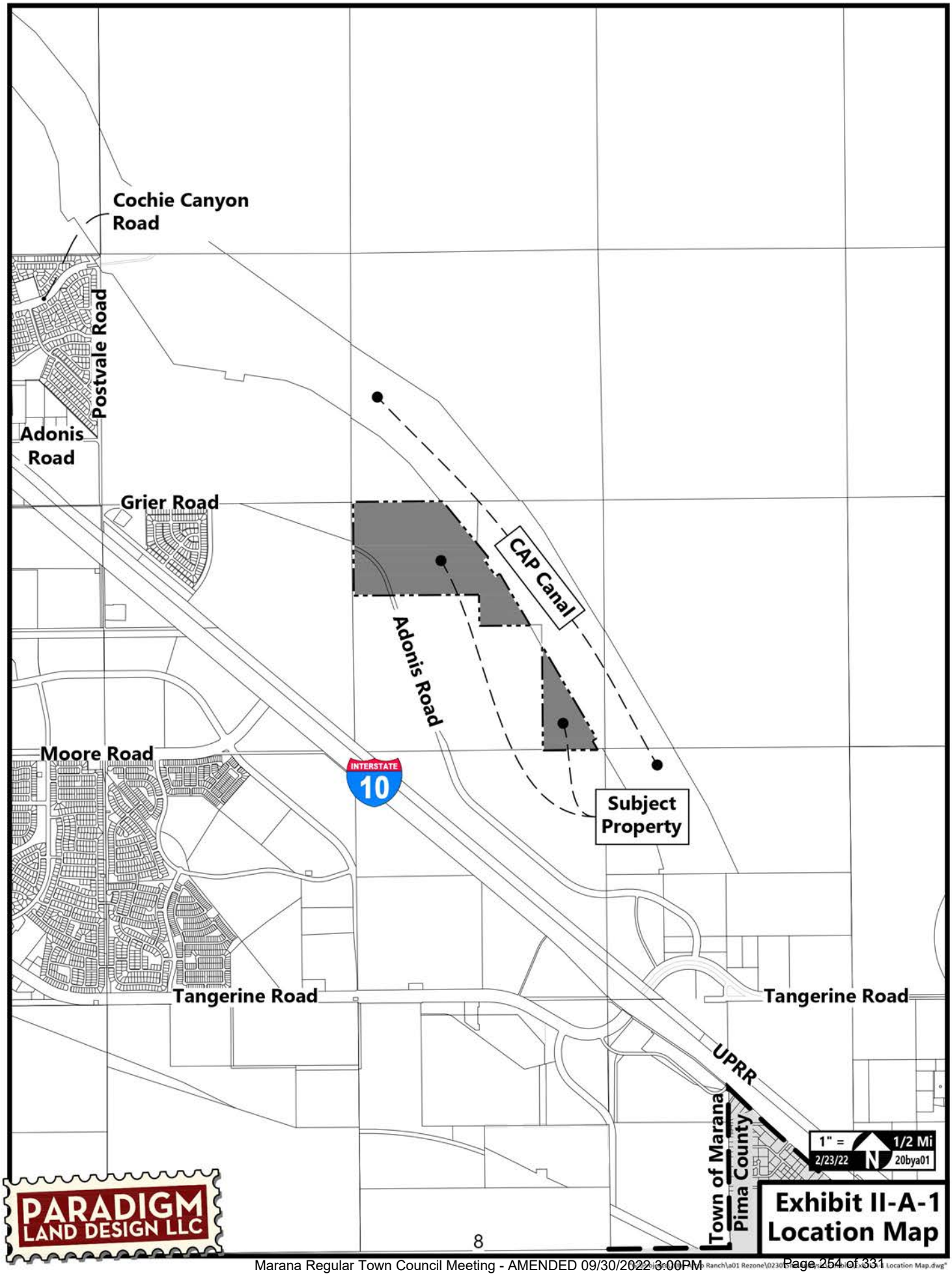
The Adonis Mobile Home Park is a little more than a half-mile west of the Property. A portion of the Rancho Marana East Specific Plan was platted in 1999 as La Mirage Estates, but that plat is planned to be abandoned as part of the development of the overall Stonegate Master Plan.

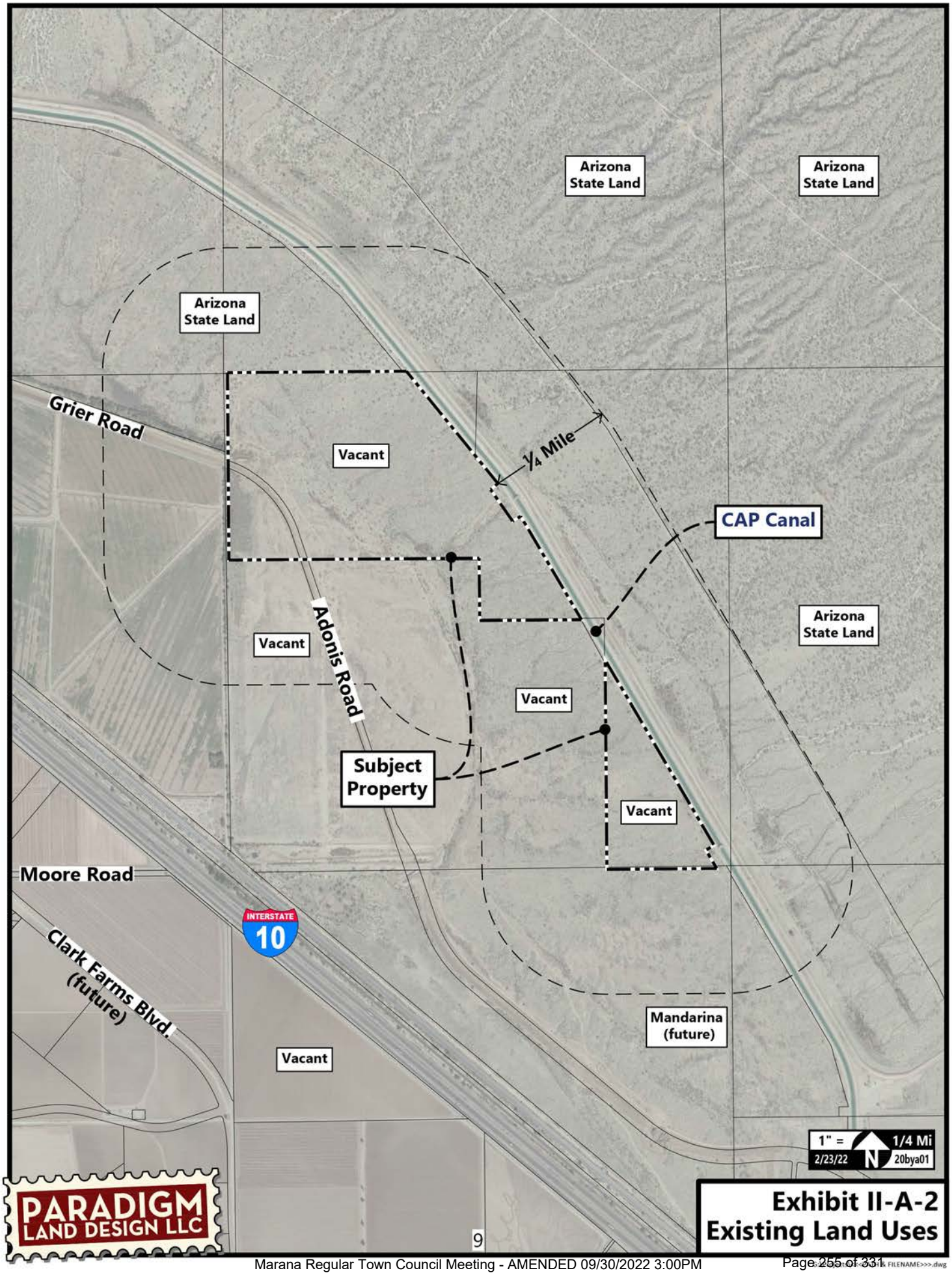
f. Architectural Styles used in Adjacent Properties

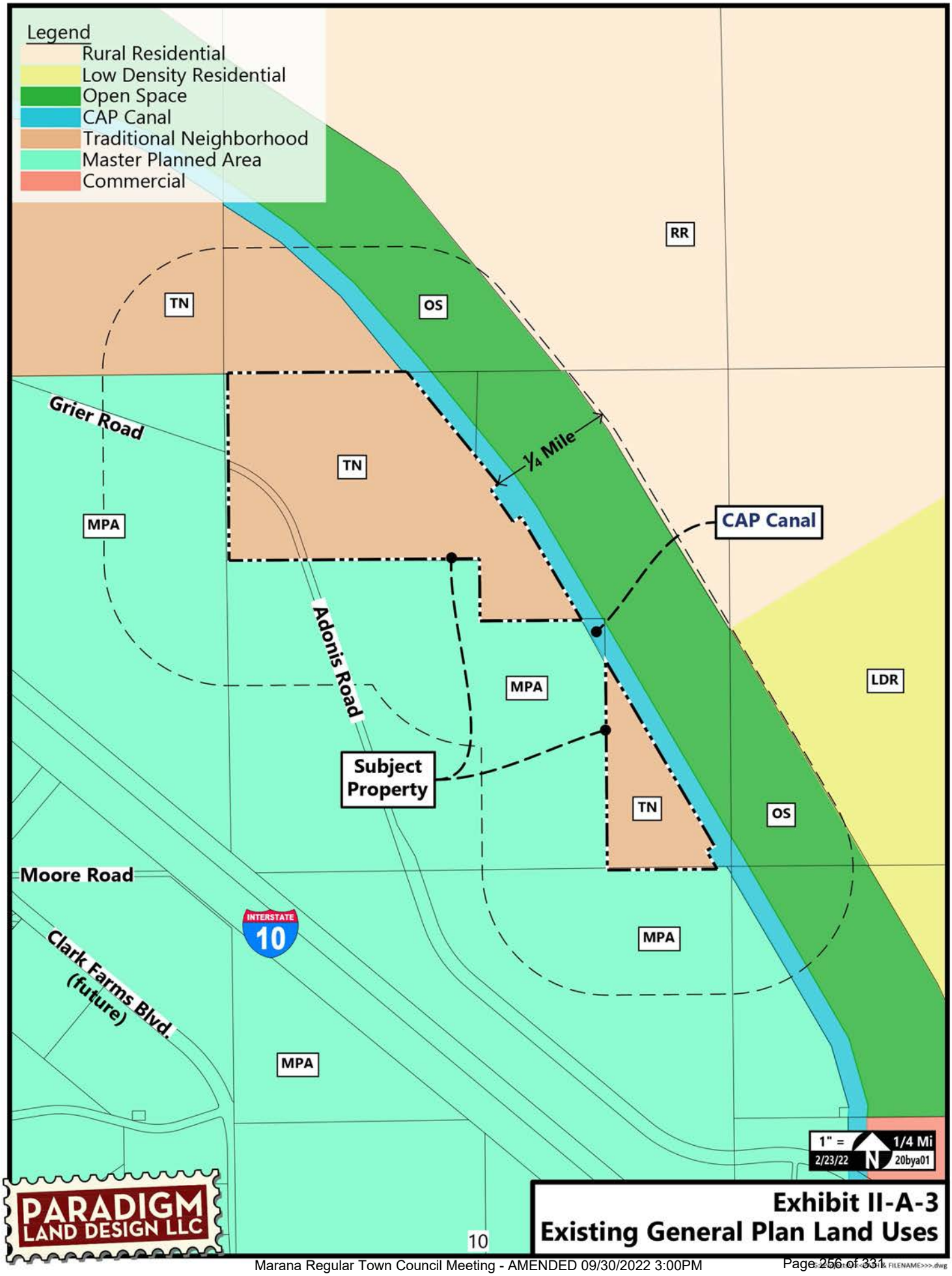
Adjacent properties are not developed. The nearest development is the Adonis Mobile Home Park, which is approximately one-half mile west of the Property. Architectural styles in that development are typical of prefabricated homes.

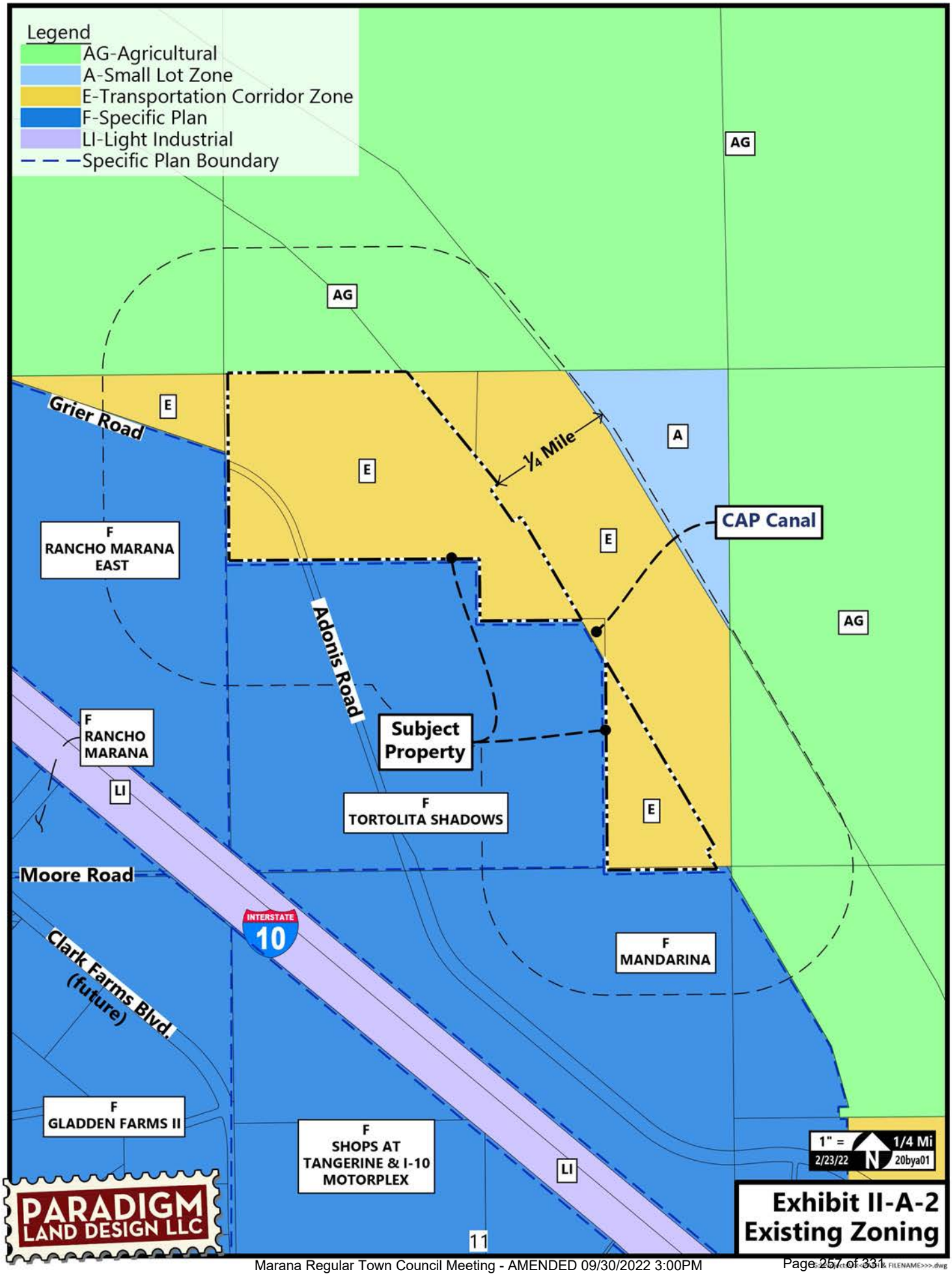
The Adonis Mobile Home Park




Cochie Canyon Road
Postvale Road
Adonis Road
Grier Road
CAP Canal
Adonis Road
Moore Road
INTERSTATE 10
Subject Property
Tangerine Road
Tangerine Road
UPRR
Town of Marana
Pima County
1" = 1/2 Mi
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-A-1
Location Map


Arizona State Land
Arizona State Land
Arizona State Land
Grier Road
Vacant
¼ Mile
CAP Canal
Arizona State Land
Vacant
Adonis Road
Vacant
Subject Property
Vacant
Moore Road
INTERSTATE 10
Clark Farms Blvd. (future)
Mandarina (future)
Vacant
1" = 1/4 Mi
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-A-2
Existing Land Uses


Legend
Rural Residential
Low Density Residential
Open Space
CAP Canal
Traditional Neighborhood
Master Planned Area
Commercial
RR
TN
OS
Grier Road
TN
¼ Mile
MPA
CAP Canal
Adonis Road
MPA
LDR
Subject Property
TN
OS
Moore Road
INTERSTATE 10
MPA
Clark Farms Blvd. (future)
MPA
1" = 1/4 Mi
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-A-3
Existing General Plan Land Uses


Legend
AG-Agricultural
A-Small Lot Zone
E-Transportation Corridor Zone
F-Specific Plan
LI-Light Industrial
Specific Plan Boundary
AG
AG
Grier Road
E
E
¼ Mile
A
CAP Canal
E
F
RANCHO MARANA
EAST
Adonis Road
AG
Subject
Property
F
RANCHO
MARANA
LI
F
TORTOLITA SHADOWS
E
Moore Road
INTERSTATE
10
F
MANDARINA
Clark Farms Blvd.
(future)
F
GLADDEN FARMS II
F
SHOPS AT
TANGERINE & I-10
MOTORPLEX
LI
11
1" =
2/23/22
1/4 Mi
20bya01
PARADIGM
LAND DESIGN LLC
Exhibit II-A-2
Existing Zoning

B. TOPOGRAPHY AND SLOPE

1. Topographic Characteristics

   The topography of the Property is characterized by relatively flat terrain. The property generally slopes gently downward from northeast to southwest. Elevations range from approximately 2,046 feet above sea level at the northeast corner to approximately 2,010 feet above sea level at the southwest corner of the property. The Property does not contain any hillside conservation areas, rock outcrops, slopes of 15% or greater, or other significant topographic features. See Exhibit II-B-1: Topography.

2. Pre-Development Slope

   a. Average Cross-Slope

   The pre-development average cross-slope of the Property is approximately 1.8%, according to the following formula:

   C = Contour Interval
   L = Length of Topographic Contours
   A = Acreage of Property

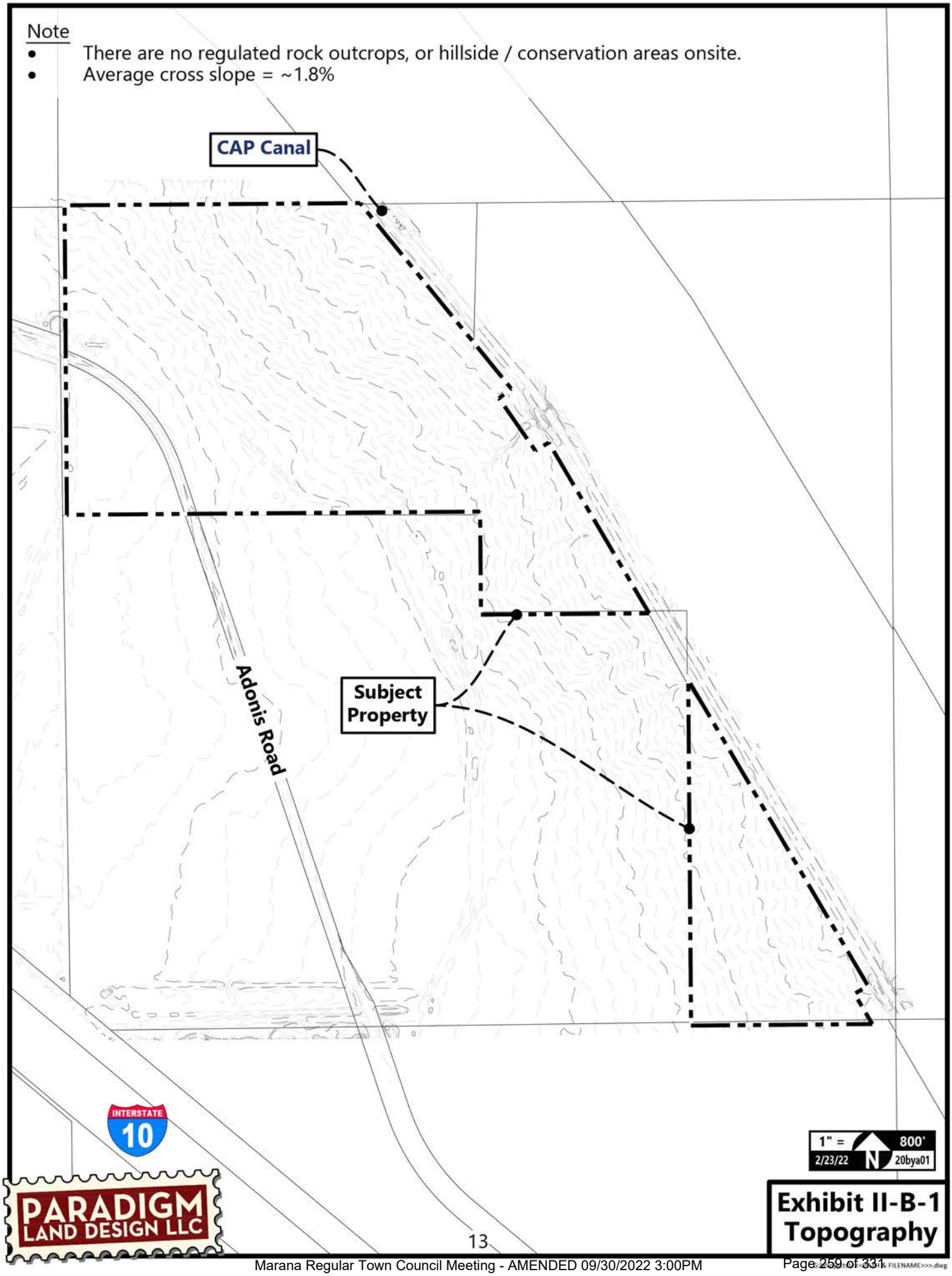
   (C x L x 0.0023) / A = Average Cross Slope
   (1' x 126,180' x 0.0023) / 165.2 = 1.8%

   b. Average Overall Slope

   The pre-development average overall slope is 1.3% from the northeast corner to the southwest corner of the project boundary.

A Relatively Flat Site




Note
There are no regulated rock outcrops, or hillside / conservation areas onsite.
Average cross slope = ~1.8%
CAP Canal
Subject Property
Adonis Road
INTERSTATE 10
1" = 800'
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-B-1
Topography

C. HYDROLOGY

This section of the site analysis was prepared by Bowman Engineering and describes pre-development onsite hydrologic and hydraulic characteristics relative to the overall Stonegate Master Plan because the rezoning property is integrally connected to the overall drainage design.

1. Offsite Features Affecting Site

   There are several drainage features impacting the site drainage conditions. Upstream of the site, there are two drainage crossings of the CAP channel that will discharge at the site boundary. Downstream of the site there are three drainage crossings of the existing Union Pacific Railroad that will divert flow away from the site. Please see Exhibit II-C-1: Onsite Hydrology.

2. Acreage of Upstream Offsite Watersheds

   The offsite watershed contributing area impacting this property on the northerly property limits is approximately 31,000± acres (48± sq. mi.). The offsite watershed is characterized by shallow undeveloped areas, with sparse vegetation draining southwesterly from the Tortolita Mountains before being rerouted southeasterly by the CAP Canal and away from the site. However, a portion of the offsite runoff enters the site at Concentration Points I, II & III. Please see Exhibit II-C-1: Onsite Hydrology.

   The remainder of the watershed runoff is conveyed southeasterly to Tangerine Road where it is routed west onto the I-10 and UPRR facilities. The flow is routed northwesterly from Tangerine Road along the UPRR facilities before entering the site's southwestern corner, adjacent to the future Mandarina development and associated improvements (Concentration Point IV).

   A recent study (Existing Conditions Two-Dimensional Hydraulic Modeling Study Report; CMG Drainage Engineering Inc 2020) for the Town of Marana Northwest Area Drainage Master Plan areas East of the Santa Cruz River calculated the design flows for the upstream watershed and associated concentration points, including the following adjacent to the site:

Concentration Point	Q100 (CFS)
I	319
II	490
III	737
IV	3,207

   This flow is routed across the property, northwesterly along the east side of the adjacent UPRR berm. There are three drainageway crossings that divert some of the flow west and across the I-10 and UPRR rights-of-way (Please see Exhibit II-C-1: Onsite Hydrology, Concentration Point V, VI, VII). The flow exits the site at Concentration Point VIII.

A Floodplain Permit obtained by the Union Pacific RR (Olson 2008) provides the design flows for the diversion flows exiting the site. The diversion concentration points and associated design flows are depicted on Exhibit II-C-1: Onsite Hydrology and summarized as follows:

Concentration Point	Q100 (CFS)
V	75
VI	916
VII	1,695
VIII	2,074

3. Onsite Hydrology Characteristics

The previously mentioned study provided the existing drainage conditions for the site as follows:

a. 100-Year Floodplains with Discharges ≥ 50 CFS with flow depths greater than 0.2'

There are a total of eight floodplain cross-sections provided by the study Flo-2d model within or adjacent to the project site. These floodplain cross-sections provided the associated design flows that are depicted on Exhibit II-C-1: Onsite Hydrology.

b. Areas of Sheet Flooding and Average Depths

Historically, the site and offsite areas have been characterized as sheet flooding areas with depths ranging from 1 to 3 feet (Refer to FEMA FIRM Panels 1014C 1030L & 1035L) depicted on Exhibit II-C-2: FEMA Floodplain. However, The CAP channel concentrates the sheet flooding areas (Within Watershed I) before entering onto the site. Currently the site is impacted by concentrated flows at the drainageway crossings over the CAP channel. The flows then disperse onto narrow sheet flooding areas with a 1-foot depth.

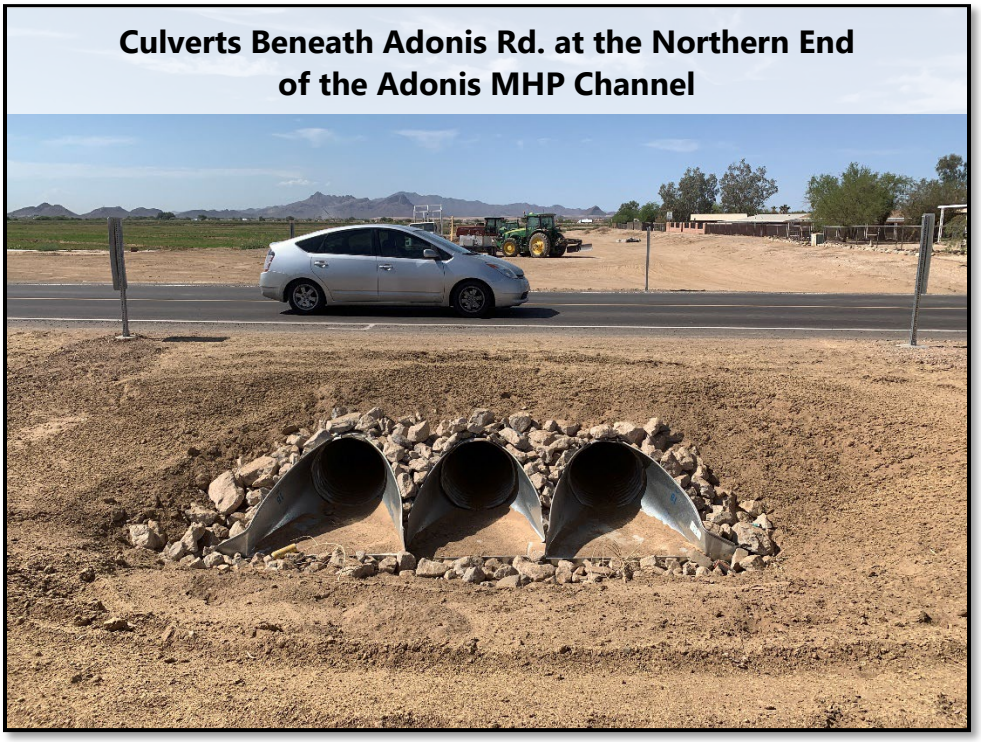
Similarly, the Railroad improvements have concentrated the flow (Within Watershed II) along its easterly berm and conveyed the runoff northwesterly entering the site at the southwesterly corner and exiting the site at the northwesterly corner.

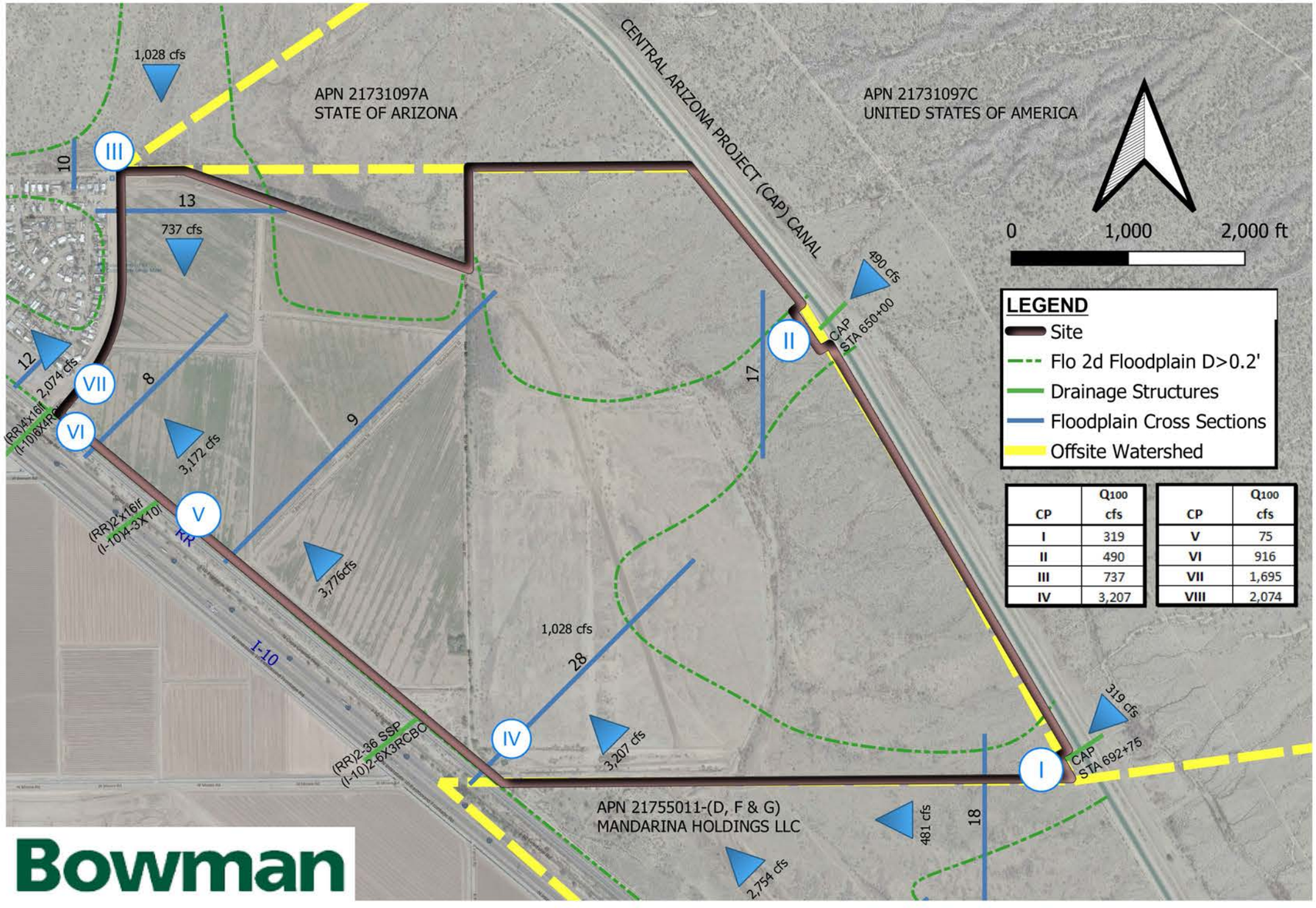
c. Federally mapped floodways and floodplains

The FEMA Flood Insurance Rate Map Panel 04019C1035L shows most of the Property to be in Zone X which indicates "areas determined to be outside the 0.2% annual chance floodplain". Two small portions of the Property align with existing overshoots crossing the CAP canal, which allow some stormwater to enter the Property. Those areas are designated by FEMA as Zone AO-1 which indicates areas of 1% annual chance flooding with an average depth of 1 foot (usually sheet flow on sloping terrain). Please see Exhibit II-C-2: FEMA Floodplain.

4. Existing Drainage Conditions along the Downstream Property Boundary

There is a (180'+) drainageway owned by the Town of Marana along the southwestern boundary of the Adonis mobile home subdivision that intercepts stormwater runoff from the site and offsite areas and conveys it northwesterly along and adjacent the UPRR right-of-way until it discharges at the Guild Wash (Approximately six miles north of the site). Important to note, there are several side drainageway crossings outlets discharging flow west in the direction of the Interstate-10. Moreover, I-10 contains roadway drainageway crossings that will convey said side flows toward the Santa Cruz Wash.



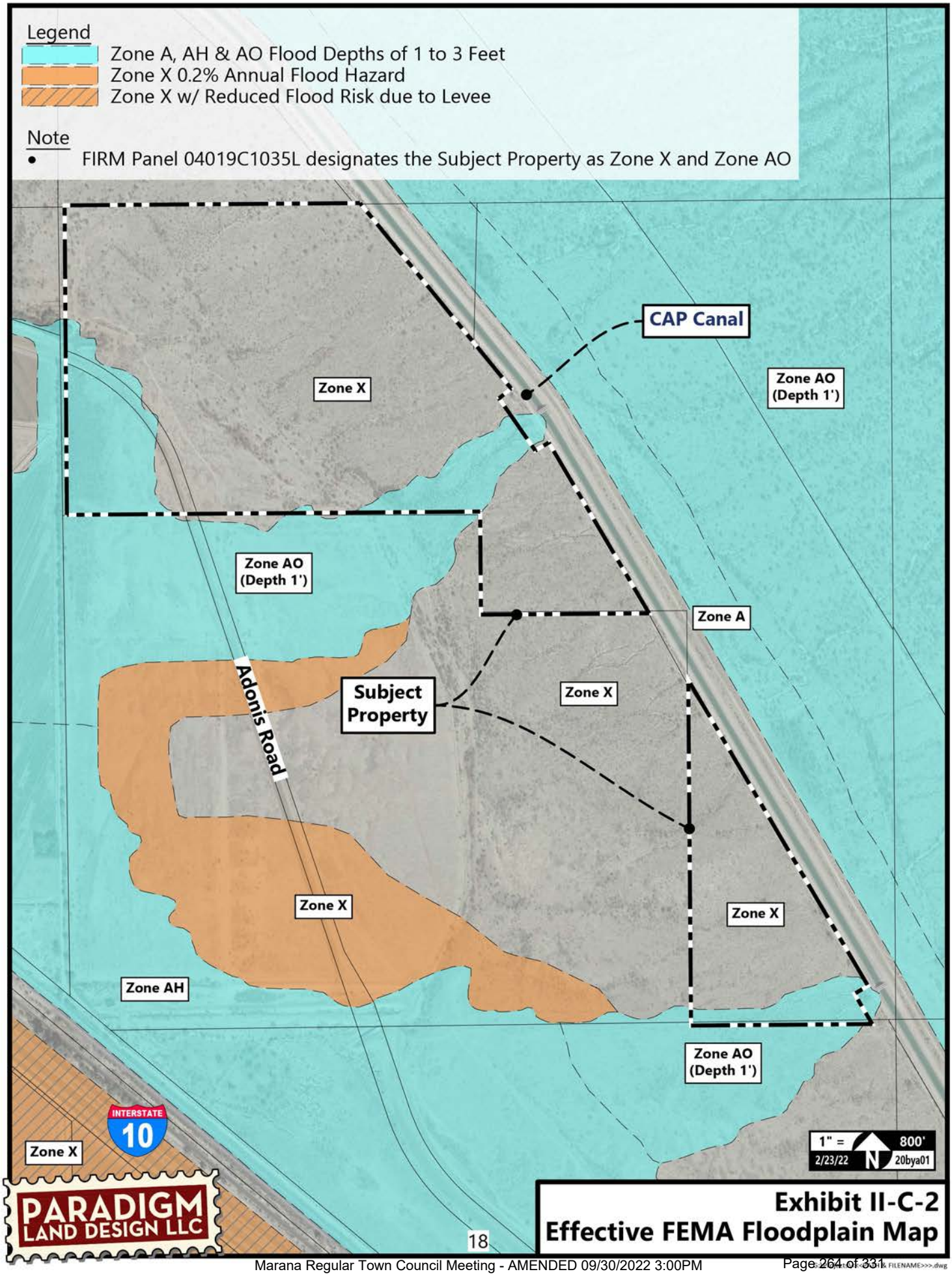


CP	Q_{100} cfs
I	319
II	490
III	737
IV	3,207

CP	Q_{100} cfs
V	75
VI	916
VII	1,695
VIII	2,074

Bowman

EXHIBIT II-C-1


Legend
Zone A, AH & AO Flood Depths of 1 to 3 Feet
Zone X 0.2% Annual Flood Hazard
Zone X w/ Reduced Flood Risk due to Levee
Note
• FIRM Panel 04019C1035L designates the Subject Property as Zone X and Zone AO
CAP Canal
Zone X
Zone AO (Depth 1')
Zone AO (Depth 1')
Zone A
Adonis Road
Subject Property
Zone X
Zone X
Zone X
Zone AH
Zone AO (Depth 1')
INTERSTATE 10
Zone X
1" = 800'
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-C-2
Effective FEMA Floodplain Map

D. VEGETATION

1. Onsite Vegetative Communities

   There is sparse native vegetation onsite, consisting mainly of Sonoran Desert Scrub. There are no significant or native species within the limits of the Property.

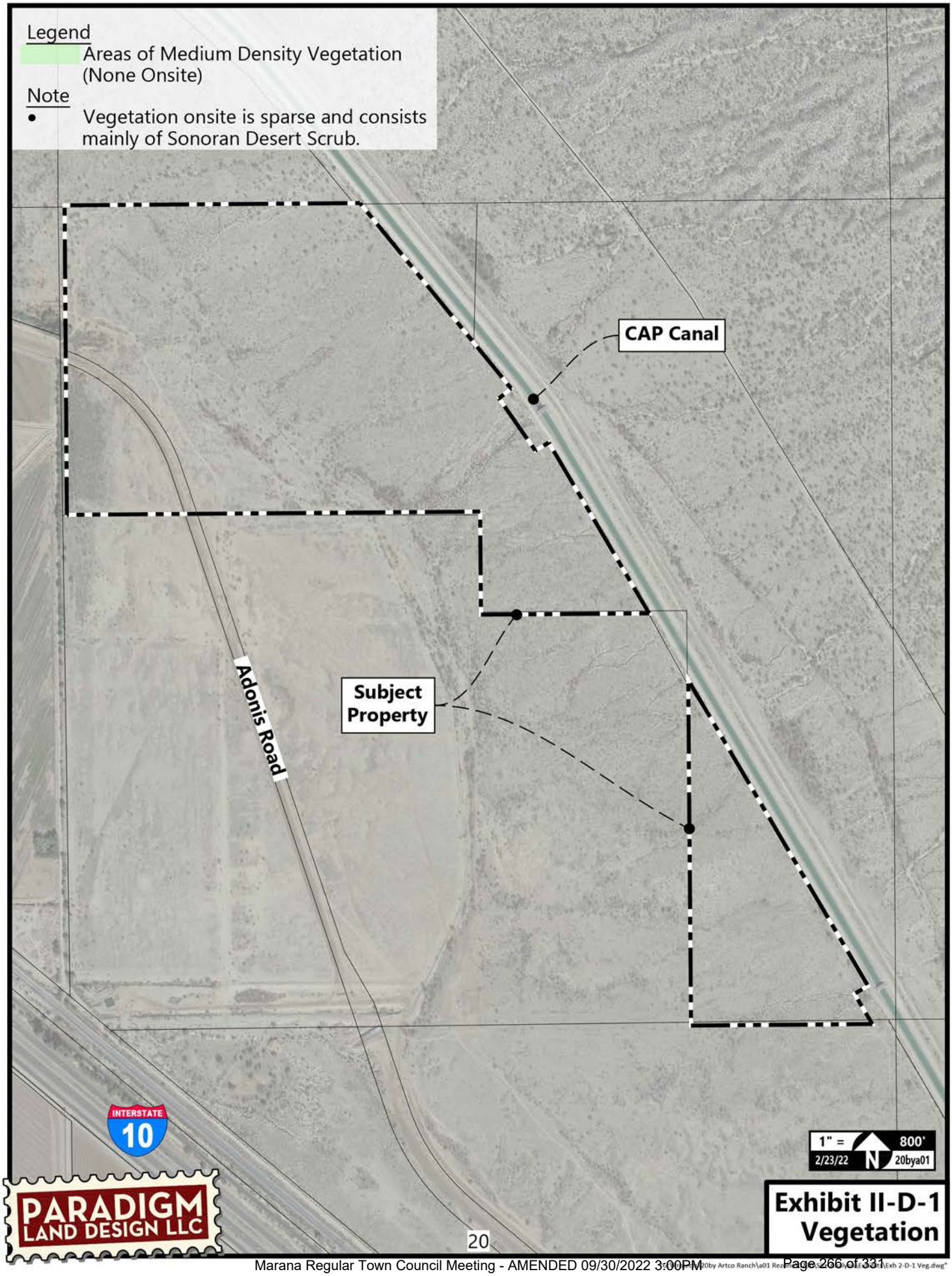
2. Significant, Threatened, or Endangered Flora

   No threatened or endangered flora are known to exist onsite.

3. Vegetative Densities

   Vegetative density of the Property is less than 10% plant cover. See Exhibit II-D-1: Vegetation.




Legend
Areas of Medium Density Vegetation (None Onsite)
Note
• Vegetation onsite is sparse and consists mainly of Sonoran Desert Scrub.
CAP Canal
Adonis Road
Subject Property
INTERSTATE 10
1" = 800'
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-D-1
Vegetation

E. WILDLIFE

The Arizona Game and Fish Department's online review tool has been consulted, and the Environmental Review report, dated May 14, 2021, indicates that several federally listed species have been known to exist in the vicinity of this development. Any protected species encountered onsite will be handled according to applicable regulatory criteria. See Exhibit II-E-1: AZGFD Report.



Exhibit II-E-1: AZGFD Report

Arizona Environmental Online Review Tool Report

Arizona Game and Fish Department Mission
To conserve Arizona's diverse wildlife resources and manage for safe, compatible outdoor recreation opportunities for current and future generations.

Project Name:
Artco

Project Description:
Artco

Project Type:
Development Outside Municipalities (Rural Development), Residential subdivision and associated infrastructure, Maintenance/expansion/rehabilitation of existing facilities

Contact Person:
Paul Oland

Organization:
Paradigm Land Design LLC

On Behalf Of:
CONSULTING

Project ID:
HGIS-13506

Please review the entire report for project type and/or species recommendations for the location information entered. Please retain a copy for future reference.

Page 1 of 12

Exhibit II-E-1: AZGFD Report (cont'd)

Disclaimer:

1. This Environmental Review is based on the project study area that was entered. The report must be updated if the project study area, location, or the type of project changes.
2. This is a preliminary environmental screening tool. It is not a substitute for the potential knowledge gained by having a biologist conduct a field survey of the project area. This review is also not intended to replace environmental consultation (including federal consultation under the Endangered Species Act), land use permitting, or the Departments review of site-specific projects.
3. The Departments Heritage Data Management System (HDMS) data is not intended to include potential distribution of special status species. Arizona is large and diverse with plants, animals, and environmental conditions that are ever changing. Consequently, many areas may contain species that biologists do not know about or species previously noted in a particular area may no longer occur there. HDMS data contains information about species occurrences that have actually been reported to the Department. Not all of Arizona has been surveyed for special status species, and surveys that have been conducted have varied greatly in scope and intensity. Such surveys may reveal previously undocumented population of species of special concern.
4. HabiMap Arizona data, specifically Species of Greatest Conservation Need (SGCN) under our State Wildlife Action Plan (SWAP) and Species of Economic and Recreational Importance (SERI), represent potential species distribution models for the State of Arizona which are subject to ongoing change, modification and refinement. The status of a wildlife resource can change quickly, and the availability of new data will necessitate a refined assessment.

Locations Accuracy Disclaimer:
Project locations are assumed to be both precise and accurate for the purposes of environmental review. The creator/owner of the Project Review Report is solely responsible for the project location and thus the correctness of the Project Review Report content.

Exhibit II-E-1: AZGFD Report (cont'd)

Recommendations Disclaimer:

1. The Department is interested in the conservation of all fish and wildlife resources, including those species listed in this report and those that may have not been documented within the project vicinity as well as other game and nongame wildlife.
2. Recommendations have been made by the Department, under authority of Arizona Revised Statutes Title 5 (Amusements and Sports), 17 (Game and Fish), and 28 (Transportation).
3. Potential impacts to fish and wildlife resources may be minimized or avoided by the recommendations generated from information submitted for your proposed project. These recommendations are preliminary in scope, designed to provide early considerations on all species of wildlife.
4. Making this information directly available does not substitute for the Department's review of project proposals, and should not decrease our opportunity to review and evaluate additional project information and/or new project proposals.
5. Further coordination with the Department requires the submittal of this Environmental Review Report with a cover letter and project plans or documentation that includes project narrative, acreage to be impacted, how construction or project activity(s) are to be accomplished, and project locality information (including site map). Once AGFD had received the information, please allow 30 days for completion of project reviews. Send requests to:
   Project Evaluation Program, Habitat Branch
   Arizona Game and Fish Department
   5000 West Carefree Highway
   Phoenix, Arizona 85086-5000
   Phone Number: (623) 236-7600
   Fax Number: (623) 236-7366
   Or
   PEP@azgfd.gov
6. Coordination may also be necessary under the National Environmental Policy Act (NEPA) and/or Endangered Species Act (ESA). Site specific recommendations may be proposed during further NEPA/ESA analysis or through coordination with affected agencies

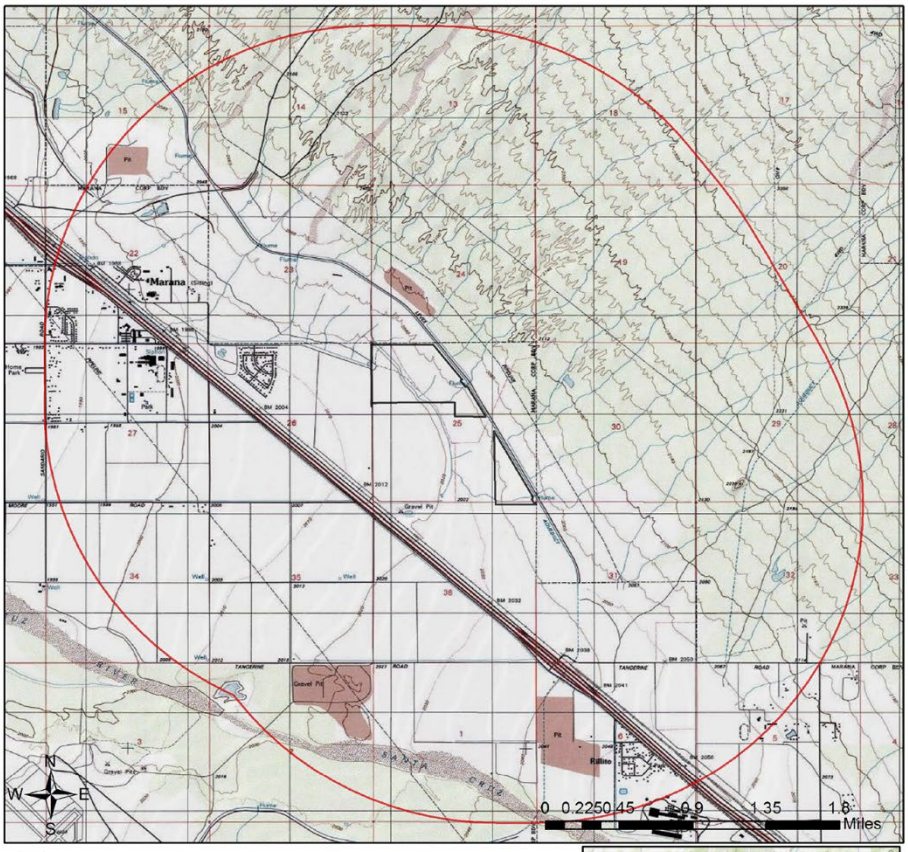
Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-13506

project_report_artco_42972_44344.pdf
Review Date: 5/14/2021 03:44:26 PM

Artco

USA Topo Basemap With Locator Map



Project Boundary

Buffered Project Boundary

Project Size (acres): 167.74

Lat/Long (DD): 32.4483 / -111.1758

County(s): Pima

AGFD Region(s): Tucson

Township/Range(s): T11S, R11E; T11S, R12E

USGS Quad(s): MARANA



Service Layer Credits: Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap

Page 4 of 12

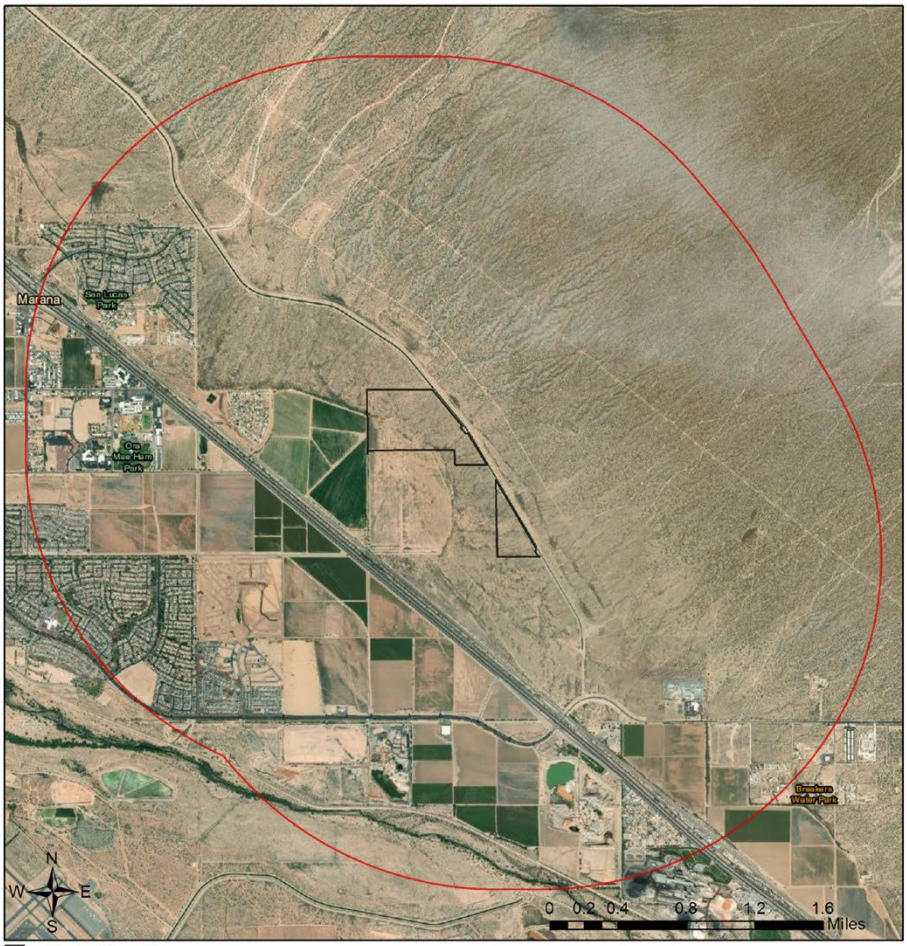
Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-13506

project_report_artco_42972_44344.pdf
Review Date: 5/14/2021 03:44:26 PM

Artco

Web Map As Submitted By User



☐ Project Boundary
☐ Buffered Project Boundary

Project Size (acres): 167.74
Lat/Long (DD): 32.4483 / -111.1758
County(s): Pima
AGFD Region(s): Tucson
Township/Range(s): T11S, R11E; T11S, R12E
USGS Quad(s): MARANA

Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

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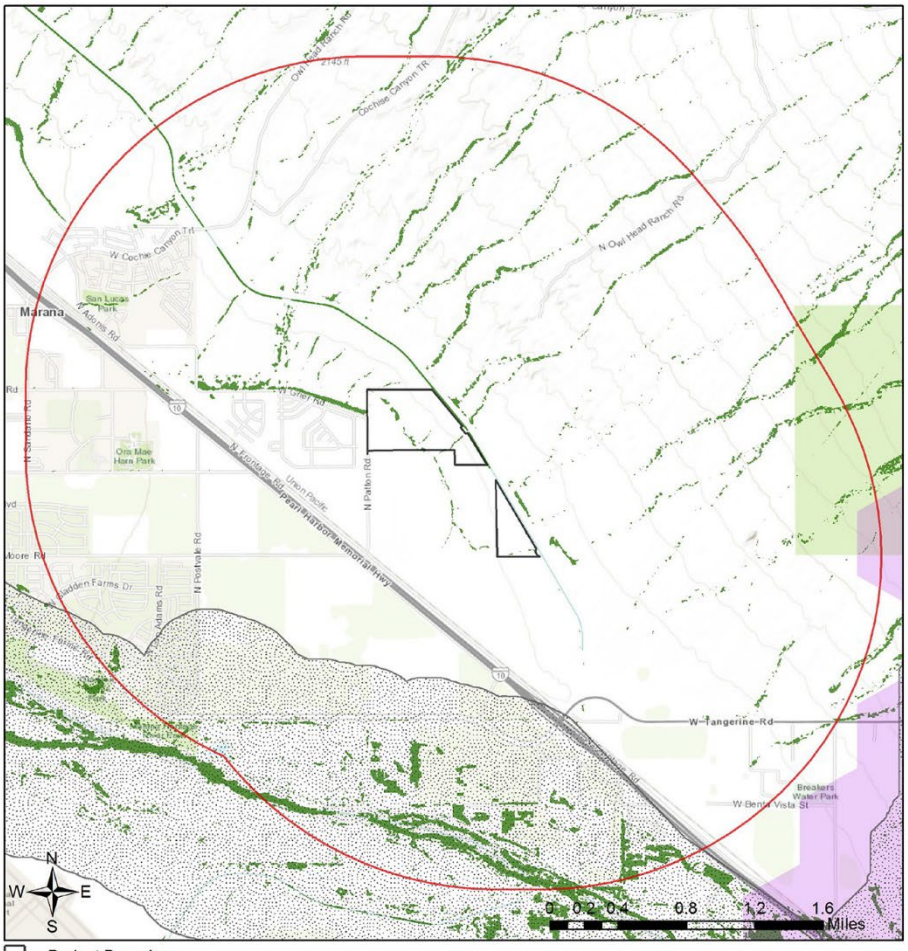
Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-13506

project_report_artco_42972_44344.pdf
Review Date: 5/14/2021 03:44:26 PM

Artco

Important Areas



- Project Boundary
- Buffered Project Boundary
- Wildlife Connectivity
- Important Connectivity Zones
- Pinal County Riparian
- Critical Habitat
- Important Bird Areas

Project Size (acres): 167.74
Lat/Long (DD): 32.4483 / -111.1758
County(s): Pima
AGFD Region(s): Tucson
Township/Range(s): T11S, R11E; T11S, R12E
USGS Quad(s): MARANA

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

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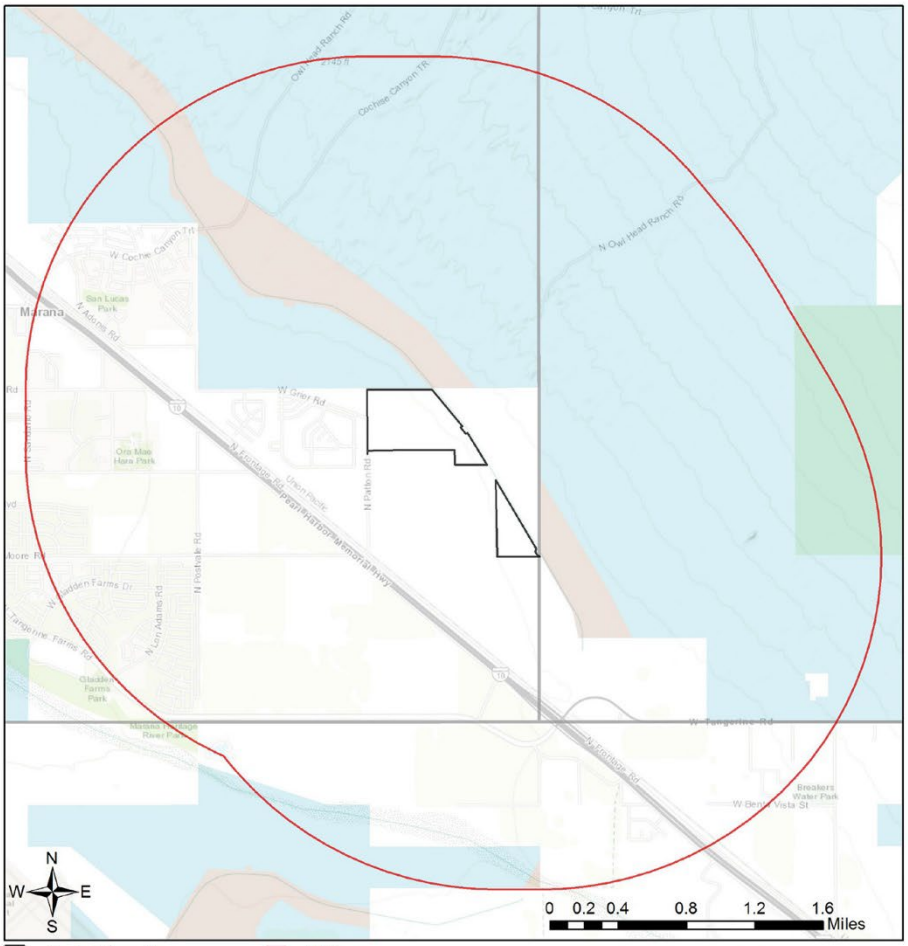
Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-13506

project_report_artco_42972_44344.pdf
Review Date: 5/14/2021 03:44:26 PM

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Township/Ranges and Land Ownership



Project Boundary
Buffered Project Boundary
Township/Ranges

Land Ownership

AZ Game & Fish Dept.
BLM
BOR
Indian Res.
Military
Mixed/Other
National Park/Mon.
Private
State & Regional Parks
State Trust
US Forest Service
Wildlife Area/Refuge

Project Size (acres): 167.74
Lat/Long (DD): 32.4483 / -111.1758
County(s): Pima
AGFD Region(s): Tucson
Township/Range(s): T11S, R11E; T11S, R12E
USGS Quad(s): MARANA

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

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Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-13506

project_report_artco_42972_44344.pdf
Review Date: 5/14/2021 03:44:26 PM

Special Status Species Documented within 2 Miles of Project Vicinity

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Athene cunicularia hypugaea	Western Burrowing Owl	SC	S	S		1B
Glaucidium brasilianum cactorum	Cactus Ferruginous Pygmy-owl	SC	S	S		1B
Sigmodon ochrognathus	Yellow-nosed Cotton Rat	SC				1C

Note: Status code definitions can be found at https://www.azgfd.com/wildlife/planning/wildlifeguidelines/statusdefinitions/
.

Special Areas Documented that Intersect with Project Footprint as Drawn

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
CAP Canal	Pima County Wildlife Crossing Area					
Riparian Area	Riparian Area					

Note: Status code definitions can be found at https://www.azgfd.com/wildlife/planning/wildlifeguidelines/statusdefinitions/
.

Species of Greatest Conservation Need Predicted that Intersect with Project Footprint as Drawn, based on Predicted Range Models

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Aix sponsa	Wood Duck					1B
Ammospermophilus harrisii	Harris' Antelope Squirrel					1B
Anaxyrus retiformis	Sonoran Green Toad			S		1B
Athene cunicularia hypugaea	Western Burrowing Owl	SC	S	S		1B
Buteo regalis	Ferruginous Hawk	SC		S		1B
Calypte costae	Costa's Hummingbird					1C
Chilomeniscus stramineus	Variable Sandsnake					1B
Chionactis annulata	Resplendent Shovel-nosed Snake	SC				1C
Cistothorus palustris	Marsh Wren					1C
Colaptes chrysoides	Gilded Flicker			S		1B
Coluber bilineatus	Sonoran Whipsnake					1B
Corynorhinus townsendii pallescens	Pale Townsend's Big-eared Bat	SC	S	S		1B
Crotalus tigris	Tiger Rattlesnake					1B
Dipodomys spectabilis	Banner-tailed Kangaroo Rat			S		1B
Empidonax wrightii	Gray Flycatcher					1C
Euderma maculatum	Spotted Bat	SC	S	S		1B
Eumops perotis californicus	Greater Western Bonneted Bat	SC		S		1B
Glaucidium brasilianum cactorum	Cactus Ferruginous Pygmy-owl	SC	S	S		1B
Gopherus morafkai	Sonoran Desert Tortoise	C	S	S		1A
Haliaeetus leucocephalus	Bald Eagle	SC, BGA	S	S		1A
Heloderma suspectum	Gila Monster					1A
Incilius alvarius	Sonoran Desert Toad					1B

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Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-13506

project_report_artco_42972_44344.pdf
Review Date: 5/14/2021 03:44:26 PM

Species of Greatest Conservation Need Predicted that Intersect with Project Footprint as Drawn, based on Predicted Range Models

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Lasiurus blossevillii	Western Red Bat		S			1B
Lasiurus xanthinus	Western Yellow Bat		S			1B
Leptonycteris yerbabuenae	Lesser Long-nosed Bat	SC				1A
Lepus alleni	Antelope Jackrabbit					1B
Melanerpes uropygialis	Gila Woodpecker					1B
Melospiza lincolnii	Lincoln's Sparrow					1B
Melozone aberti	Abert's Towhee		S			1B
Micrathene whitneyi	Elf Owl					1C
Micruroides euryxanthus	Sonoran Coralsnake					1B
Myiarchus tyrannulus	Brown-crested Flycatcher					1C
Myotis velifer	Cave Myotis	SC		S		1B
Myotis yumanensis	Yuma Myotis	SC				1B
Nyctinomops femorosaccus	Pocketed Free-tailed Bat					1B
Oreoscoptes montanus	Sage Thrasher					1C
Oreothlypis luciae	Lucy's Warbler					1C
Panthera onca	Jaguar	LE				1A
Passerculus sandwichensis	Savannah Sparrow					1B
Perognathus longimembris	Little Pocket Mouse	No Status				1B
Peucaea carpalis	Rufous-winged Sparrow					1B
Phrynosoma solare	Regal Horned Lizard					1B
Phyllorhynchus browni	Saddled Leaf-nosed Snake					1B
Progne subis hesperia	Desert Purple Martin			S		1B
Spizella breweri	Brewer's Sparrow					1C
Sturnella magna	Eastern Meadowlark					1C
Tadarida brasiliensis	Brazilian Free-tailed Bat					1B
Toxostoma lecontei	LeConte's Thrasher			S		1B
Vireo bellii arizonae	Arizona Bell's Vireo					1B
Vulpes macrotis	Kit Fox	No Status				1B

Species of Economic and Recreation Importance Predicted that Intersect with Project Footprint as Drawn

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
Callipepla gambelii	Gambel's Quail					
Odocoileus hemionus	Mule Deer					
Pecari tajacu	Javelina					
Puma concolor	Mountain Lion					
Zenaida asiatica	White-winged Dove					
Zenaida macroura	Mourning Dove					

Page 9 of 12

Exhibit II-E-1: AZGFD Report (cont'd)

Project Type: Development Outside Municipalities (Rural Development), Residential subdivision and associated infrastructure, Maintenance/expansion/rehabilitation of existing facilities

Project Type Recommendations:
During the planning stages of your project, please consider the local or regional needs of wildlife in regards to movement, connectivity, and access to habitat needs. Loss of this permeability prevents wildlife from accessing resources, finding mates, reduces gene flow, prevents wildlife from re-colonizing areas where local extirpations may have occurred, and ultimately prevents wildlife from contributing to ecosystem functions, such as pollination, seed dispersal, control of prey numbers, and resistance to invasive species. In many cases, streams and washes provide natural movement corridors for wildlife and should be maintained in their natural state. Uplands also support a large diversity of species, and should be contained within important wildlife movement corridors. In addition, maintaining biodiversity and ecosystem functions can be facilitated through improving designs of structures, fences, roadways, and culverts to promote passage for a variety of wildlife. Guidelines for many of these can be found at: https://www.azgfd.com/wildlife/planning/wildlifeguidelines/.

Consider impacts of outdoor lighting on wildlife and develop measures or alternatives that can be taken to increase human safety while minimizing potential impacts to wildlife. Conduct wildlife surveys to determine species within project area, and evaluate proposed activities based on species biology and natural history to determine if artificial lighting may disrupt behavior patterns or habitat use. Use only the minimum amount of light needed for safety. Narrow spectrum bulbs should be used as often as possible to lower the range of species affected by lighting. All lighting should be shielded, canted, or cut to ensure that light reaches only areas needing illumination.

Minimize the potential introduction or spread of exotic invasive species, including aquatic and terrestrial plants, animals, insects and pathogens. Precautions should be taken to wash and/or decontaminate all equipment utilized in the project activities before entering and leaving the site. See the Arizona Department of Agriculture website for a list of prohibited and restricted noxious weeds at https://www.invasivespeciesinfo.gov/unitedstates/az.shtml and the Arizona Native Plant Society https://aznps.com/invas for recommendations on how to control. To view a list of documented invasive species or to report invasive species in or near your project area visit iMapInvasives - a national cloud-based application for tracking and managing invasive species at https://imap.natureserve.org/imap/services/page/map.html.

- To build a list: zoom to your area of interest, use the identify/measure tool to draw a polygon around your area of interest, and select "See What's Here" for a list of reported species. To export the list, you must have an account and be logged in. You can then use the export tool to draw a boundary and export the records in a csv file.

Follow manufacturer's recommended application guidelines for all chemical treatments. The U.S. Fish and Wildlife Service, Region 2, Environmental Contaminants Program has a reference document that serves as their regional pesticide recommendations for protecting wildlife and fisheries resources, titled "Recommended Protection Measures for Pesticide Applications in Region 2 of the USFWS", http://www.fws.gov/southwest/es/arizona/Documents/ECReports/RPMPA_2007.pdf. The Department recommends that direct or indirect impacts to sensitive species and their forage base from the application of chemical pesticides or herbicides be considered carefully.

The Department recommends that wildlife surveys are conducted to determine if noise-sensitive species occur within the project area. Avoidance or minimization measures could include conducting project activities outside of breeding seasons.

Based on the project type entered, coordination with State Historic Preservation Office may be required (http://azstateparks.com/SHPO/index.html).

Trenches should be covered or back-filled as soon as possible. Incorporate escape ramps in ditches or fencing along the perimeter to deter small mammals and herptefauna (snakes, lizards, tortoise) from entering ditches.

Exhibit II-E-1: AZGFD Report (cont'd)

Communities can actively support the sustainability and mobility of wildlife by incorporating wildlife planning into their regional/comprehensive plans, their regional transportation plans, and their open space/conservation land system programs. An effective approach to wildlife planning begins with the identification of the wildlife resources in need of protection, an assessment of important habitat blocks and connective corridors, and the incorporation of these critical wildlife components into the community plans and programs. Community planners should identify open spaces and habitat blocks that can be maintained in their area, and the necessary connections between those blocks to be preserved or protected. Community planners should also work with State and local transportation planning entities, and planners from other communities, to foster coordination and cooperation in developing compatible development plans to ensure wildlife habitat connectivity. The Department's guidelines for incorporating wildlife considerations into community planning and developments can be found on the Widlife Friendly Guidelines portion of the Wildlife Planning page at https://www.azgfd.com/wildlife/planning/wildlifeguidelines/.

Design culverts to minimize impacts to channel geometry, or design channel geometry (low flow, overbank, floodplains) and substrates to carry expected discharge using local drainages of appropriate size as templates. Reduce/minimize barriers to allow movement of amphibians or fish (e.g., eliminate falls). Also for terrestrial wildlife, washes and stream corridors often provide important corridors for movement. Overall culvert width, height, and length should be optimized for movement of the greatest number and diversity of species expected to utilize the passage. Culvert designs should consider moisture, light, and noise, while providing clear views at both ends to maximize utilization. For many species, fencing is an important design feature that can be utilized with culverts to funnel wildlife into these areas and minimize the potential for roadway collisions. Guidelines for culvert designs to facilitate wildlife passage can be found on the home page of this application at https://www.azgfd.com/wildlife/planning/wildlifeguidelines/.

Based on the project type entered, coordination with U.S. Army Corps of Engineers may be required (http://www.usace.army.mil/)

Based on the project type entered, coordination with County Flood Control district(s) may be required.

Development plans should provide for open natural space for wildlife movement, while also minimizing the potential for wildlife-human interactions through design features. Please contact Project Evaluation Program for more information on living with urban wildlife at PEP@azgfd.gov or at https://www.azgfd.com/wildlife/planning/wildlifeguidelines/ and https://www.azgfd.com/Wildlife/LivingWith.

Project Location and/or Species Recommendations:
Analysis indicates that your project is located in the vicinity of an identified ***wildlife habitat connectivity feature***. The **County-level Stakeholder Assessments** contain five categories of data (Barrier/Development, Wildlife Crossing Area, Wildlife Movement Area- Diffuse, Wildlife movement Area- Landscape, Wildlife Movement Area- Riparian/Washes) that provide a context of select anthropogenic barriers, and potential connectivity. The reports provide recommendations for opportunities to preserve or enhance permeability. Project planning and implementation efforts should focus on maintaining and improving opportunities for wildlife permeability. For information pertaining to the linkage assessment and wildlife species that may be affected, please refer to: https://www.azgfd.com/wildlife/planning/habitatconnectivity/identifying-corridors/.
Please contact the Project Evaluation Program (pep@azgfd.gov) for specific project recommendations.

Exhibit II-E-1: AZGFD Report (cont'd)

Arizona Game and Fish Department
Project ID: HGIS-13506

project_report_artco_42972_44344.pdf
Review Date: 5/14/2021 03:44:26 PM

This review has identified **riparian areas** within the vicinity of your project. During the planning stage of your project, avoid, minimize, or mitigate any potential impacts to riparian areas identified in this report. Riparian areas play an important role in maintaining the functional integrity of the landscape, primarily by acting as natural drainages that convey water through an area, thereby reducing flood events. In addition, riparian areas provide important movement corridors and habitat for fish and wildlife. Riparian areas are channels that contain water year-round or at least part of the year. Riparian areas also include those channels which are dry most of the year, but may contain or convey water following rain events. All types of riparian areas offer vital habitats, resources, and movement corridors for wildlife. The Pinal County Comprehensive Plan (i.e. policies *6.1.2.1* and *7.1.2.4*), Open Space and Trails Master Plan, Drainage Ordinance, and Drainage Design Manual all identify riparian area considerations, guidance, and policies. Guidelines to avoid, minimize, or mitigate impacts to riparian habitat can be found at https://www.azgfd.com/wildlife/planning/wildlifeguidelines/. Based on the project type entered, further consultation with the Arizona Game and Fish Department and Pinal County may be warranted.

HDMS records indicate that **Western Burrowing Owls** have been documented within the vicinity of your project area. Please review the western burrowing owl resource page at: https://www.azgfd.com/wildlife/speciesofgreatestconservneed/burrowingowlmanagement/.

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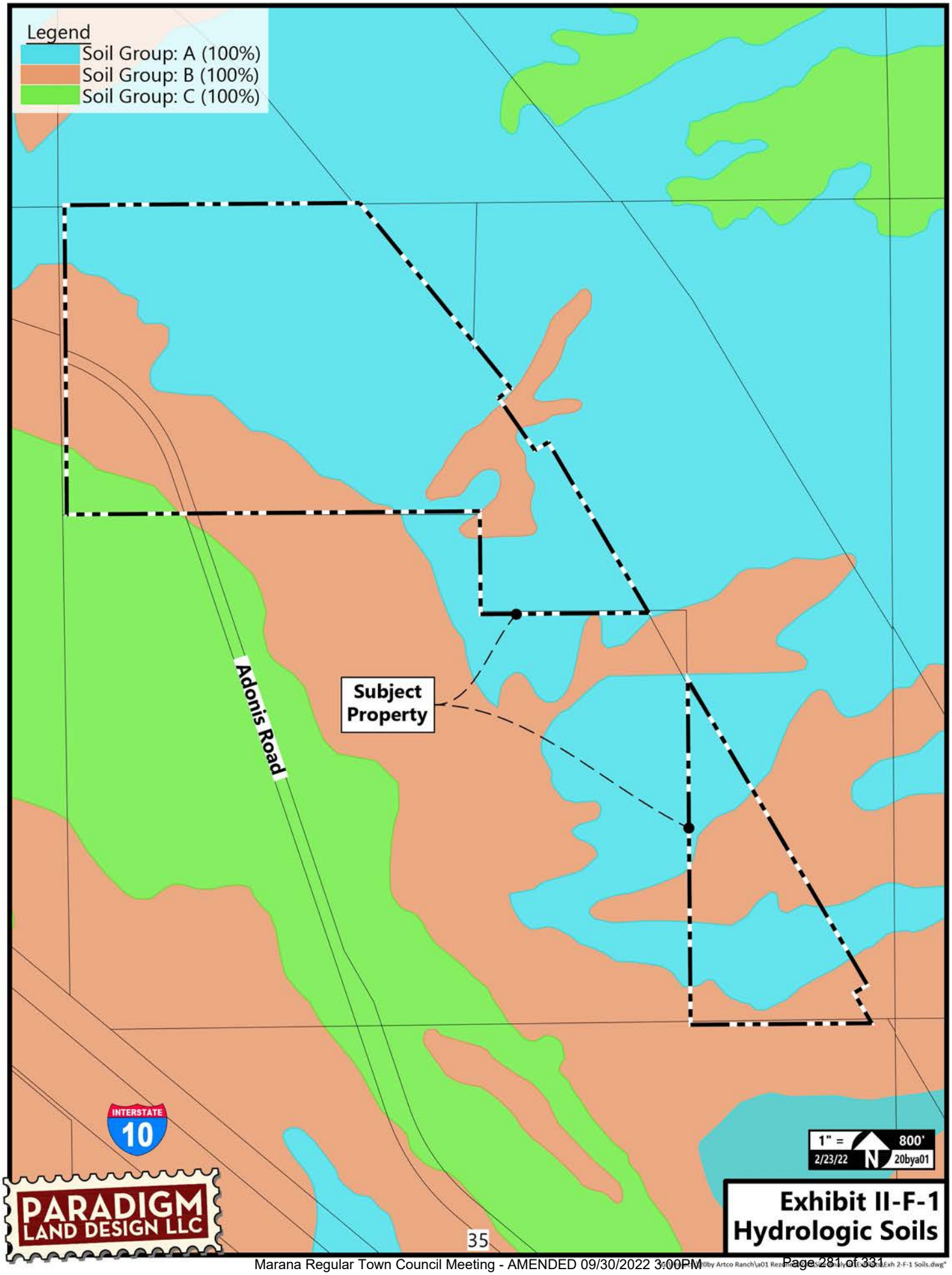
F. SOILS AND GEOLOGY

1. Soils

   Soils in the vicinity of this development are classified by the U.S. Natural Resources Conservation Service (NRCS) as 100% "Soil Group A" (Vinton-anthony sandy loams), 100% "Soil Group B" hydrologic soil group (Agua very fine sandy loam and Gila loam, 0 to 1 percent slopes), and 100% "Soil Group C" (sandy clay loam). Detailed geotechnical investigation will be performed prior to development. See Exhibit II-F-1: Hydrologic Soils.

2. Geology

   The Property lies within the Santa Cruz River basin valley. According to the Arizona Geological Survey's online Geologic Map of Arizona (data.azgs.az.gov/geologic-map-of-arizona/) the Property's geology is described as "Quaternary Surficial deposits, undivided (0-2 Ma): Unconsolidated to strongly consolidated alluvial and eolian deposits. This unit includes coarse, poorly sorted alluvial fan and terrace deposits on middle and upper piedmonts and along large drainages; sand, silt and clay on alluvial plains and playas; and wind-blown sand deposits."


Legend
Soil Group: A (100%)
Soil Group: B (100%)
Soil Group: C (100%)
Adonis Road
Subject Property
INTERSTATE
10
1" = 800'
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-F-1
Hydrologic Soils

G. VIEWSHEDS

1. Viewsheds from Adjacent Properties

   Primary views from the Property are of flat sandy stretches scattered with desert brush, Tortolita Mountains and Catalina Mountains to the northeast and the Tucson Mountains to the south. Due to the distance to these mountain ranges, and the extremely flat nature of the Property and the surrounding areas, the views are minimal. Development of the Property will not block these views for existing residents in the area. See Exhibit II-G-1: Viewsheds and Exhibit II-G-2: Viewshed Photographs.



View to the Northeast Across the Property Toward the Tortolita Mountains & Catalina Mountains

2. Views which may be Blocked by the Proposed Development

   None.

3. Site Visibility

   Due to the lack of existing vegetation and the relatively even and flat nature of the topography, views into the Property are excellent and have only minor sight restrictions across the entire property. However, from the east, there is some restriction of site visibility due to the berm bordering the CAP canal.

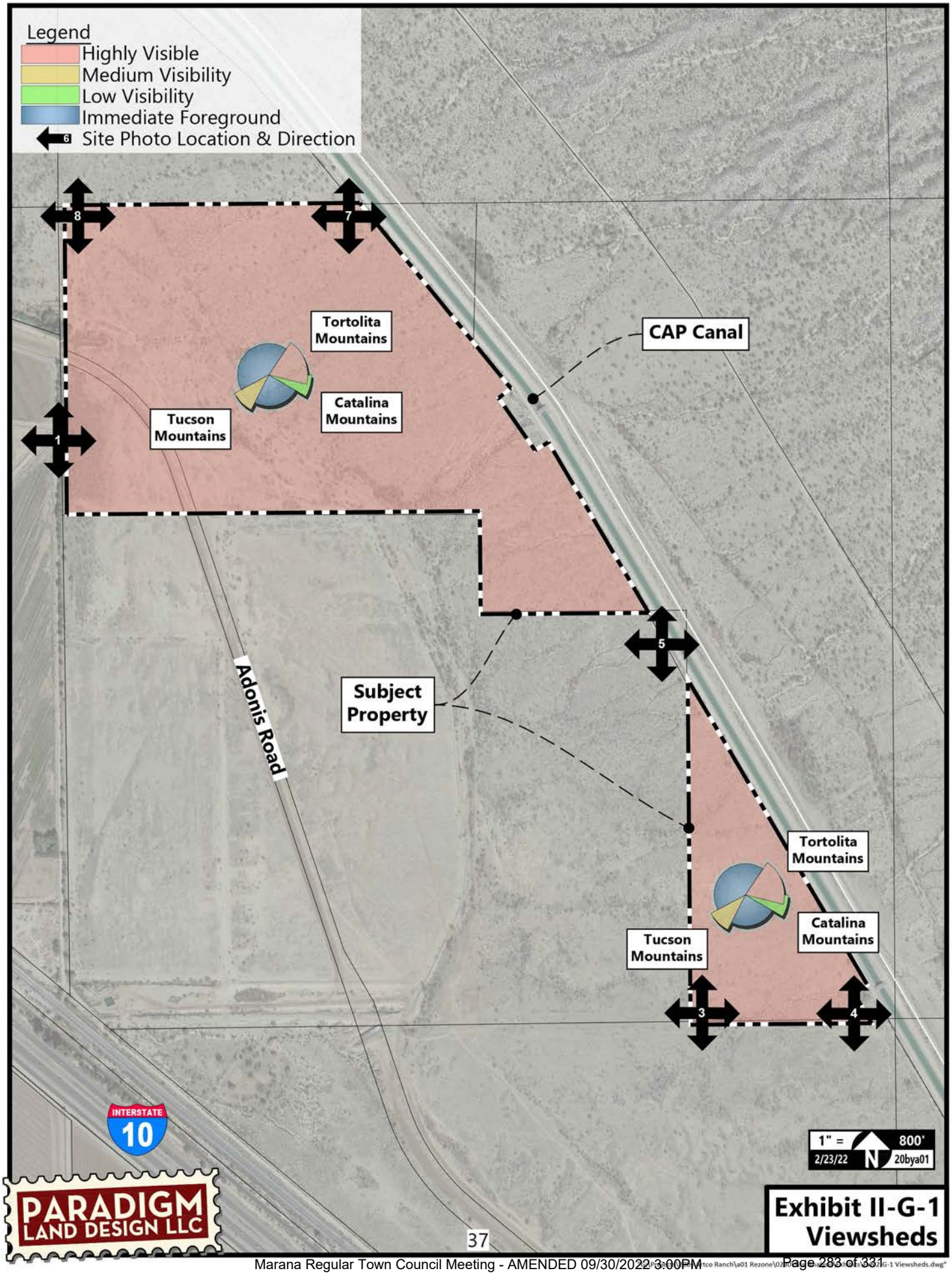

Legend
Highly Visible
Medium Visibility
Low Visibility
Immediate Foreground
6 Site Photo Location & Direction
8
7
1
5
3
4
Tortolita Mountains
Catalina Mountains
Tucson Mountains
CAP Canal
Subject Property
Adonis Road
Tortolita Mountains
Catalina Mountains
Tucson Mountains
INTERSTATE 10
1" = 800'
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-G-1 Viewsheds

Exhibit II-G-2: Viewshed Photographs

Photo Location #1: Looking North along the Western Boundary of the Northern Portion of the Property



Photo Location #1: Looking Northeast into the Northern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #1: Looking East into the Northern Portion of the Property



Photo Location #1: Looking South along the Western Boundary of the Northern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #3: Looking North along the Western Edge of the southern Portion of the Property



Photo Location #3: Looking Northeast into the southern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #3: Looking East along the Southern Edge of the southern Portion of the Property



Photo Location #3: Looking South from the Southwest Corner of the southern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #3: Looking West from the Southwest Corner of the southern Portion of the Property



Photo Location #4: Looking North from the Southeast Corner of the Southern Portion of the Property. The CAP Canal Berm is Clearly Visible.



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #4: Looking East from the Southeast Corner of the Southern Portion of the Property. The CAP Canal Berm is Clearly Visible.



Photo Location #4: Looking South from the Southeast Corner of the Southern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #4: Looking West along the Southern Boundary of the Southern Portion of the Property



Photo Location #4: Looking Northwest into the Property from the Southeast Corner of the Southern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #4: A US Bureau of Reclamation Survey Monument along the CAP Canal



Photo Location #5: Looking North from a Point Near the Center of the Property's Eastern Edge Along the CAP Canal



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #5: Looking East from a Point Near the Center of the Property's Eastern Edge Along the CAP Canal



Photo Location #5: Looking Southeast Along the Eastern Edge of the Southern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #5: Looking South into the Southern Portion of the Property



Photo Location #5: Looking West from a Point Near the Center of the Property's Eastern Edge



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #5: Looking Northwest into the Northern Portion of the Property



Photo Location #7: Looking North from the Northeast Corner of the Northern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #7: Looking East from the Northeast Corner of the Northern Portion of the Property



Photo Location #7: Looking Southeast Along the Eastern Edge of the Northern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #7: Looking South into the Northern Portion of the Property from its Northeast Corner



Photo Location #7: Looking Southwest into the Northern Portion of the Property from its Northeast Corner



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #7: Looking West Along the Northern Edge of the Northern Portion of the Property



Photo Location #8: Looking North from the Northwest Corner of the Northern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #8: Looking Northeast from the Northwest Corner of the Northern Portion of the Property



Photo Location #8: Looking East Along the Northern Edge of the Northern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #8: Looking Southeast into the Northern Portion of the Property from its Northwest Corner



Photo Location #8: Looking South Along the Western Edge of the Northern Portion of the Property



Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #8: Looking West from the Northwest Corner of the Northern Portion of the Property



Photo Location #8: Looking Northwest away from the Property from the Northwest Corner of the Northern Portion of the Property

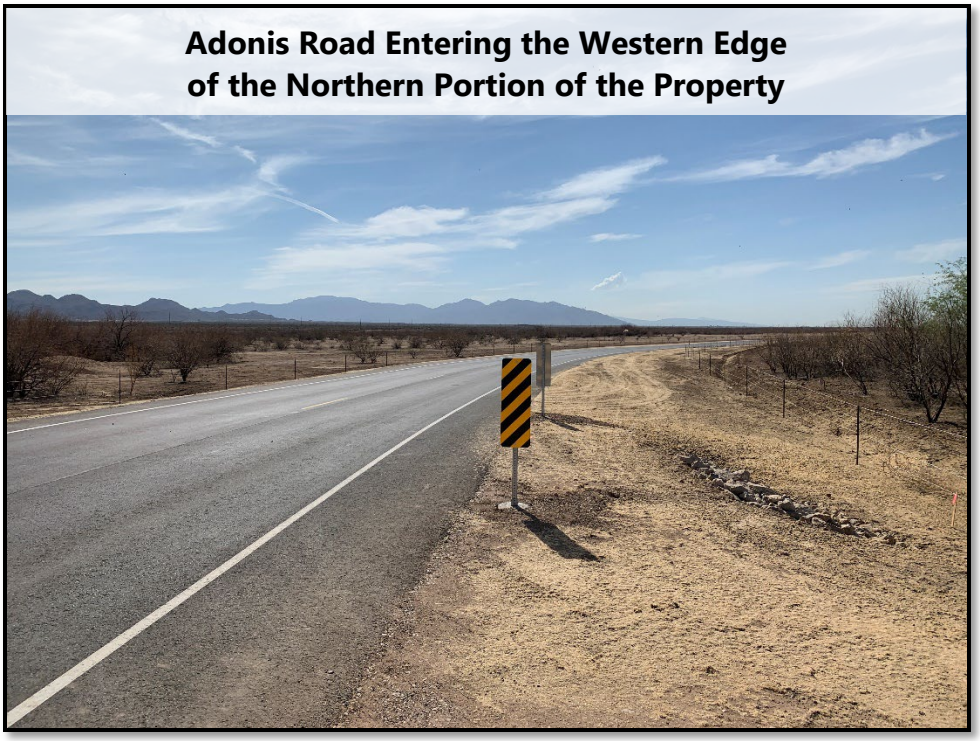


Exhibit II-G: Viewshed Photographs (cont'd)

Photo Location #8: Marana Survey Monument near the Northwest Corner of the Northern Portion of the Property



Adonis Road Entering the Western Edge of the Northern Portion of the Property



H. TRAFFIC

1. Existing / Proposed Offsite Streets between the Development and Nearest Arterial Streets

Grier Road extends from Postvale Road to Patton Road. East of Postvale the roadway is known as Adonis Road and extends south to Tangerine Road in a temporary condition including one lane in each direction. The Mandarina development to the south of the Stonegate Master Plan will be improving their portion of Adonis to its ultimate design cross-section. The Town or private developers will be extending Adonis Road from the southern end of Mandarina across the CAP syphon to Tangerine Road.

Grier Rd. West of the Project



2. Nearby Arterial Streets

All the traffic generated by this project will be accommodated by Adonis Road, Tangerine Road, Postvale Road, Cochie Canyon Road, Moore Road, and Interstate-10. An analysis of capacity by Southwest Traffic Engineering has been submitted as a standalone report.

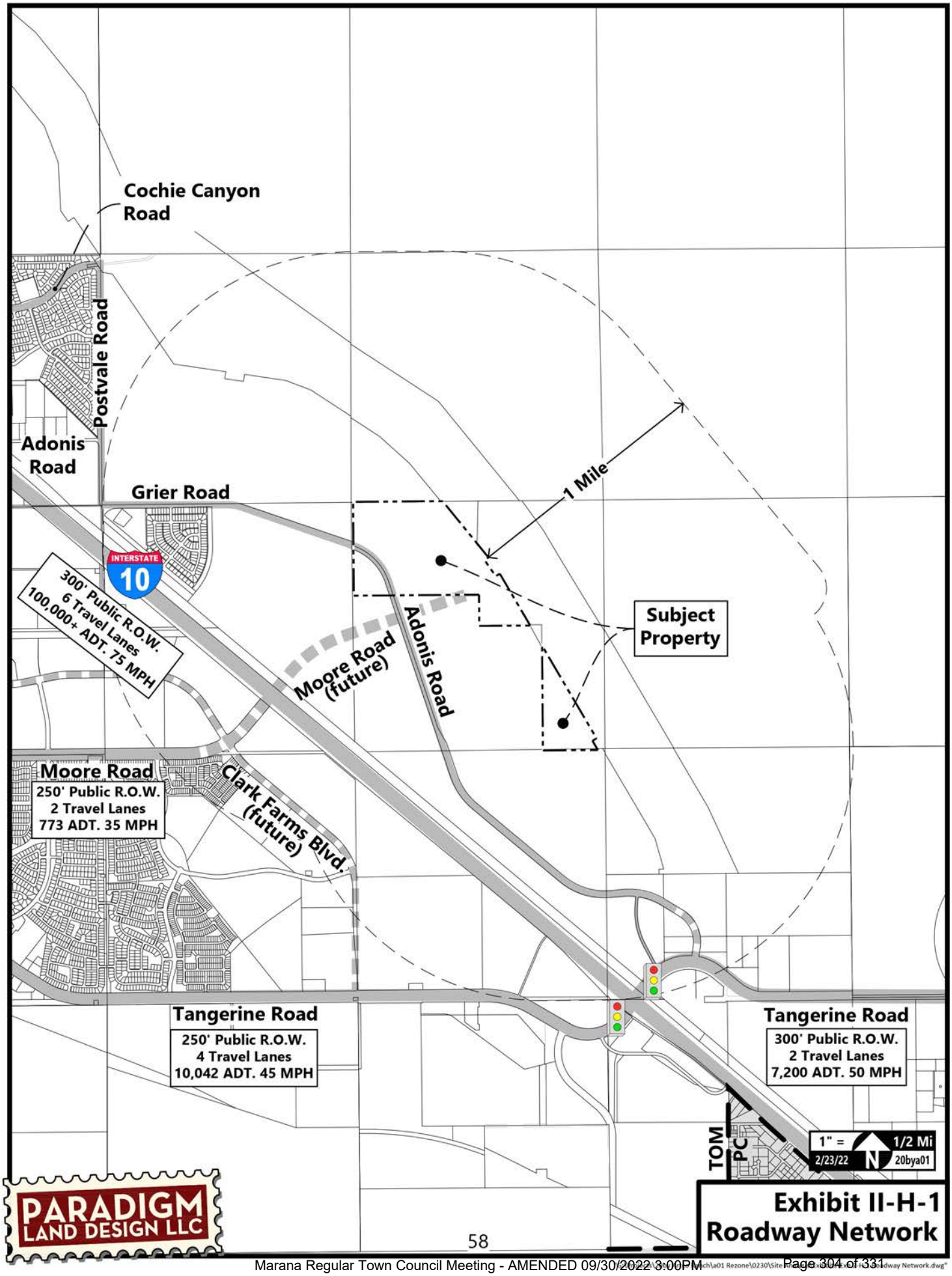
Roadway Name	Planned Right-of-Way Width	Exist. Lanes	Median Type	Speed Limit	General Plan Designation
Adonis Rd. (Thru Project)	250′	2	None	45 mph	Prop. Arterial
Adonis Rd. (NW of Project)	60′	2	None	35 mph	None
Grier Rd.	150′	2	None	25 mph	Exist. Arterial
Tangerine Rd.	300′	2	None	40-50 mph	Exist. Arterial
Postvale Rd.	95′	2	None	35 mph	Exist. Collector
Cochie Canyon Rd.	190′	3	None	40 mph	Exist. Arterial
Moore Rd.	150′ – 250′	0	None	n/a	Prop. Arterial
Interstate 10	Varies	6	Depressed	75 mph	Interstate

3. Nearby Arterial Intersections

   Two arterial intersections that will carry traffic generated by this development exist within a mile of the Property: Adonis Road / Moore Road and Adonis Road / Tangerine Road. Neither intersection exists today, bu both are planned to be signalized in the future.

4. Nearby Bicycle / Pedestrian Ways

   As with much of the area immediately east of Interstate-10, pedestrian facilities are currently lacking.

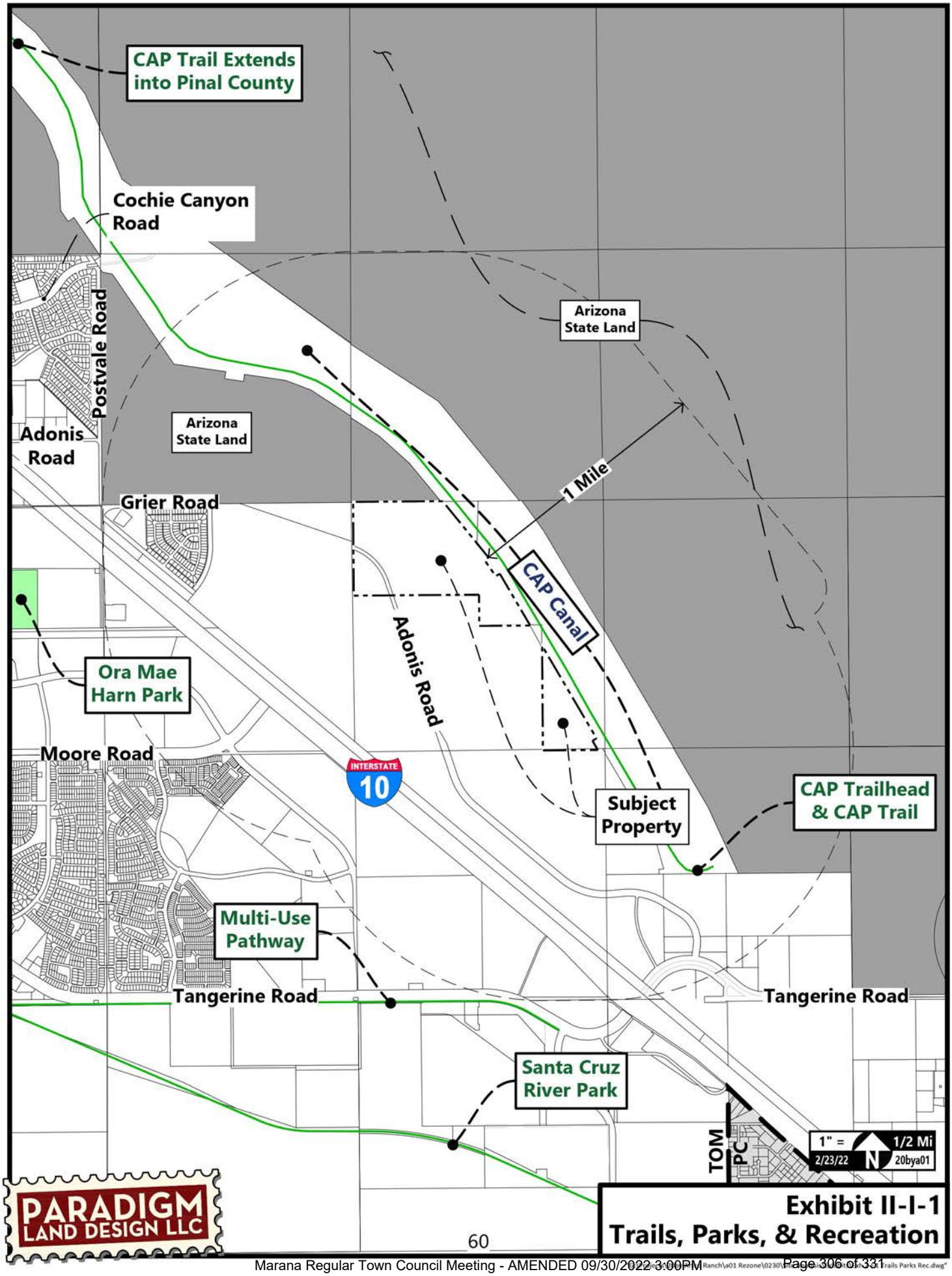

Cochie Canyon Road
Postvale Road
Adonis Road
Grier Road
INTERSTATE 10
300' Public R.O.W.
6 Travel Lanes
100,000+ ADT. 75 MPH
1 Mile
Subject Property
Moore Road (future)
Adonis Road
Moore Road
250' Public R.O.W.
2 Travel Lanes
773 ADT. 35 MPH
Clark Farms Blvd. (future)
Tangerine Road
250' Public R.O.W.
4 Travel Lanes
10,042 ADT. 45 MPH
Tangerine Road
300' Public R.O.W.
2 Travel Lanes
7,200 ADT. 50 MPH
TOM PC
1" = 1/2 Mi
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-H-1
Roadway Network

I. RECREATION AND TRAILS

Although the Ora Mae Harn District Park is only 1.25 miles due west of the Property (and only 0.6 miles west of the Stonegate Master Plan), the Union Pacific Railroad and Interstate-10 significantly impede convenient access to it. As such, a significant need exists to provide community parks on this side of Interstate-10. The Mandarina Specific Plan just south of the Property acknowledges this fact and will include a community park. Similarly, the Tortolita Shadows Specific Plan, which is part of the Stonegate Master Plan, will include two community parks that will provide nearby recreational amenities to the Property.

The Town recently opened the Central Arizona Project Trailhead located off of Adonis Road, approximately one quarter mile north of Tangerine Road. The Town's Parks & Recreation website describes the trailhead as "the gateway to the CAP trail system that runs north from Marana 17 miles into Pinal County".

See Exhibit II-I-1: Trails, Parks & Recreation.


CAP Trail Extends into Pinal County
Cochie Canyon Road
Postvale Road
Arizona State Land
Adonis Road
Arizona State Land
1 Mile
Grier Road
CAP Canal
Adonis Road
Ora Mae Harn Park
Moore Road
INTERSTATE 10
Subject Property
CAP Trailhead & CAP Trail
Multi-Use Pathway
Tangerine Road
Tangerine Road
Santa Cruz River Park
TOM
PC
1" = 1/2 Mi
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-I-1
Trails, Parks, & Recreation

J. CULTURAL, ARCHAEOLOGICAL, AND HISTORIC RESOURCES

1. Onsite Resources

   Four previously identified cultural resource sites were known to exist on the Property prior to this project's commencement. Any cultural resources that are located during construction will be dealt with in accordance with State and local antiquities laws and protocols.

2. Archaeological Records

   The Property was surveyed for cultural resources by WestLand Resources in May 2021. Six sites of potential significance were identified and are currently the subject of further study in coordination with the Town of Marana's Environmental Services Department.

Exhibit II-E-1: WestLand Resources Cultural Resources Report

A CULTURAL RESOURCES INVENTORY FOR THE PROPOSED 656-ACRE ADONIS ROAD DEVELOPMENT IN MARANA, PIMA COUNTY, ARIZONA

W Holdings /Tortolita Shadows

Prepared by:
Paul M. Miller

Reviewed and submitted by:
Jennifer Hushour

Cultural Resources Report 2021-69
ASM Accession No. 2021-0179

May 13, 2021
Project Number: 2233.01



WestLand Resources

WestLand Resources, Inc. • 4001 E. Paradise Falls Drive • Tucson, Arizona 85712 • 520•206•9585

K. EXISTING INFRASTRUCTURE AND PUBLIC FACILITIES

1. Sewer

   The Property is within the Marana Wastewater service area. A sewer line is currently being constructed under Interstate-10 and the UPRR by the developer of the Mandarina Specific Plan. In addition, downstream line capacity improvements are planned by the Town in the next couple years, which should result in adequate capacity to accept wastewater from this project and others along the east side of Interstate-10. The developer will provide a sewer master plan model to confirm all applicable system capacities prior to improvement plan submittal. No septic systems are known to be within 100 feet of the Property. See Exhibit II-K-1: Existing Wells & Septic Systems.

2. Water

   The Property is within the Marana Water intended service area. No public or private wells are believed to exist within 100 feet of the Property. Two wells are believed to exist within the overall Stonegate Master Plan (55-622115 & 55-634058). See Exhibit II-K-1: Existing Wells & Septic Systems.

3. Natural Gas

   The Property is located within the Southwest Gas service area.

4. Electric

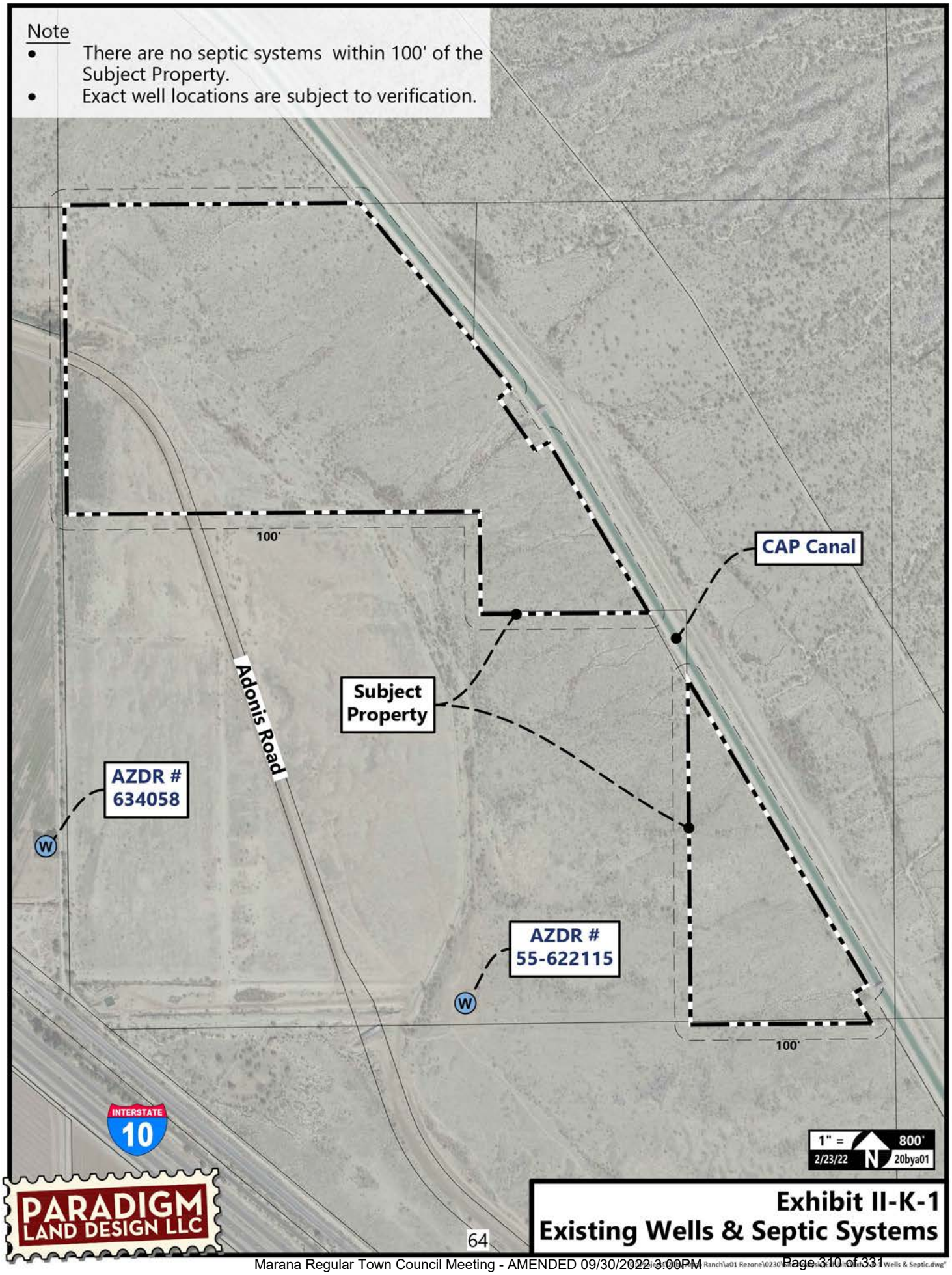
   The Property is located within the TRICO service area.

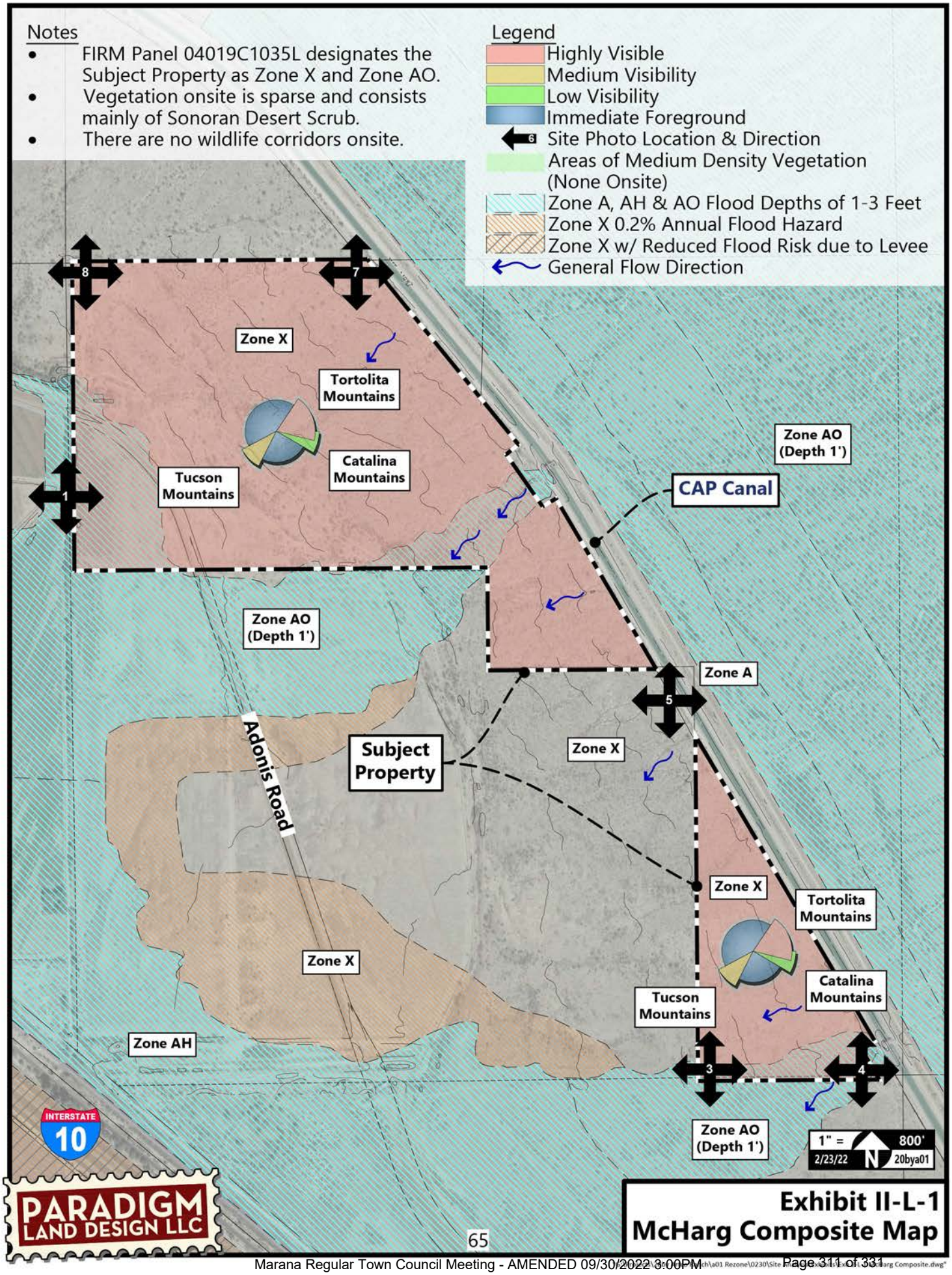
5. Fire Service

   Northwest Fire District has indicated that they can serve the property if the Districts boundary is expanded to include the Property, which will occur during the platting phase.

6. Police Service

   The property is located within the Town of Marana Police service area.


Note
• There are no septic systems within 100' of the Subject Property.
• Exact well locations are subject to verification.
100'
CAP Canal
Subject Property
Adonis Road
AZDR # 634058
AZDR # 55-622115
100'
INTERSTATE 10
1" = 800'
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-K-1
Existing Wells & Septic Systems


Notes
• FIRM Panel 04019C1035L designates the Subject Property as Zone X and Zone AO.
• Vegetation onsite is sparse and consists mainly of Sonoran Desert Scrub.
• There are no wildlife corridors onsite.
Legend
Highly Visible
Medium Visibility
Low Visibility
Immediate Foreground
6 Site Photo Location & Direction
Areas of Medium Density Vegetation (None Onsite)
Zone A, AH & AO Flood Depths of 1-3 Feet
Zone X 0.2% Annual Flood Hazard
Zone X w/ Reduced Flood Risk due to Levee
General Flow Direction
Zone X
Tortolita Mountains
Catalina Mountains
Tucson Mountains
Zone AO (Depth 1')
CAP Canal
Zone AO (Depth 1')
Zone A
Subject Property
Adonis Road
Zone X
Zone X
Tortolita Mountains
Catalina Mountains
Tucson Mountains
Zone X
Zone AH
Zone AO (Depth 1')
INTERSTATE 10
1" = 800'
2/23/22
N
20bya01
PARADIGM LAND DESIGN LLC
Exhibit II-L-1
McHarg Composite Map

III. LAND USE PROPOSAL

A. PURPOSE & INTENT

This section describes how the development responds to the opportunities and constraints described in the Inventory & Analysis section of this document, along with the Town of Marana Land Development Code. As evidenced by the site plan, this proposed rezoning has been crafted after careful and responsive consideration of the Property's context.

B. RELATIONSHIP TO TOWN OF MARANA ADOPTED PLANS

The Make Marana 2040 General Plan designates this property as Traditional Neighborhood, which permits a wide range of densities: 2-18 homes per acre. Other projects in the vicinity, including the Tortolita Shadows Specific Plan, the Rancho Marana Specific Plan, and the Mandarina Specific Plan have densities within this range or higher. Development of the Stonegate Master Plan, including this Property, will result in construction of significant public traffic, utility, and drainage infrastructure at the developer's cost, thus helping to fulfill the long-term land use vision set forth in Make Marana 2040.

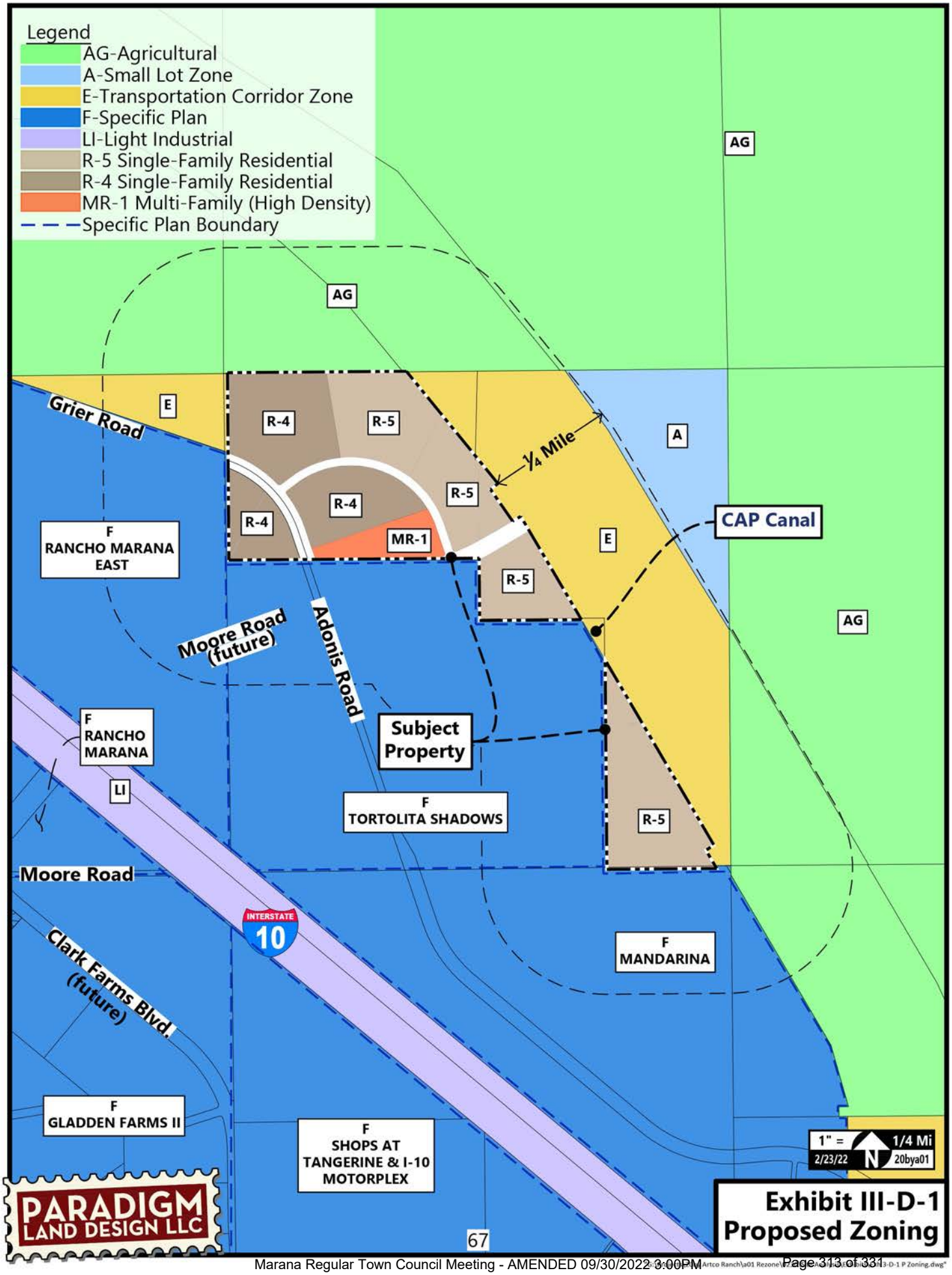
The Town of Marana Strategic Plan calls for new developments and neighborhoods to create areas with meaningful open space, trail connectivity, and active recreation areas. This Property within the Stonegate Master Plan will fulfill all these requirements by providing recreation areas and trail connections in accordance with the Town's recreational design standards.

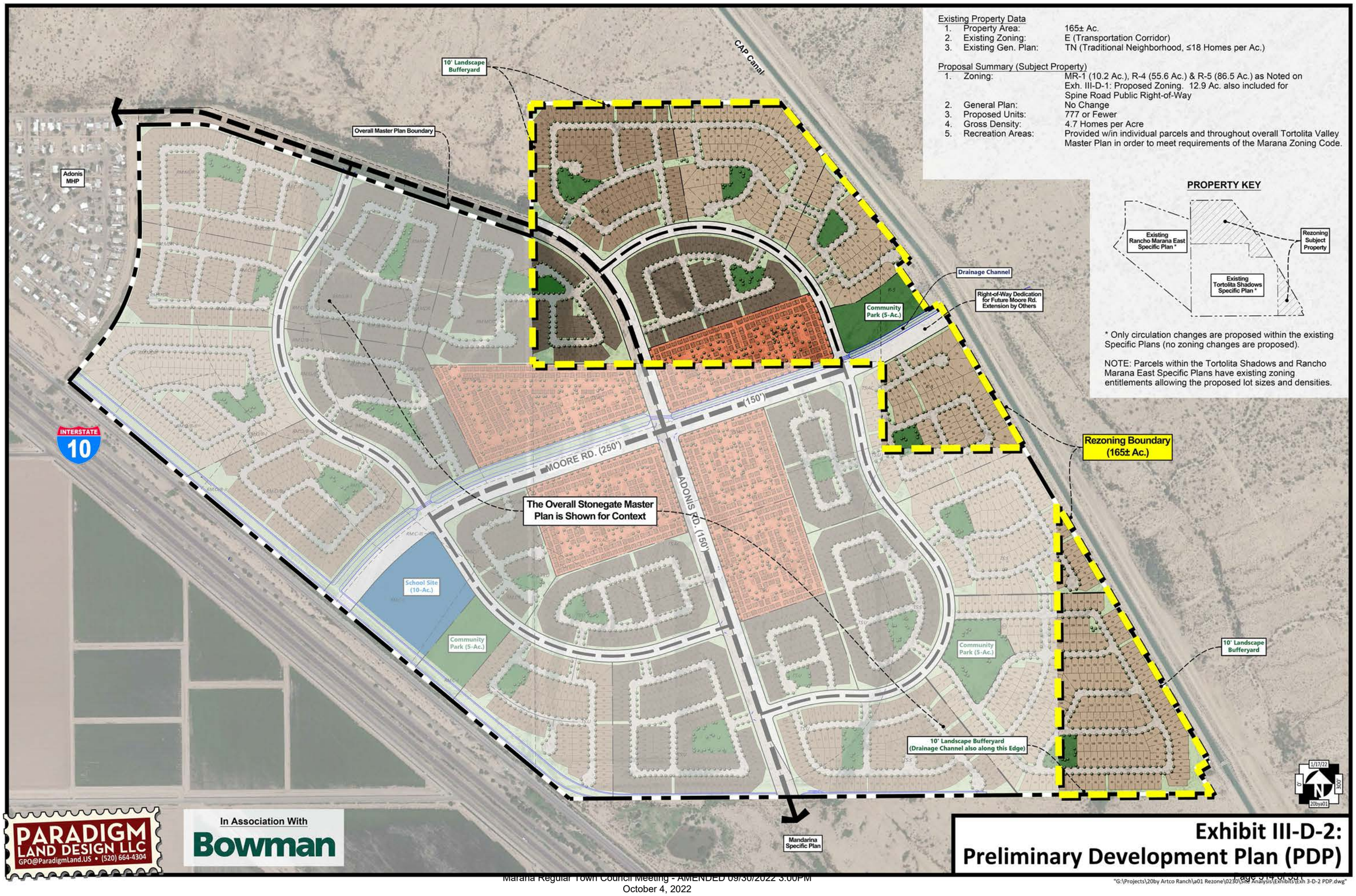
C. COMPATIBILITY TO ADJOINING DEVELOPMENT

The Property's lack of adjacent residential areas minimizes the potential for this development to impact nearby landowners.

D. LAND USE PROPOSAL

This rezoning is designed to blend with and be part of the overall Stonegate Master Plan which includes the previously approved Tortolita Shadows Specific Plan and Rancho Marana Specific Plan. Residences built within this Project will be subject to the Town of Marana Residential Design Standards. The Master Plan includes a mix of residential densities as allowed by the existing Specific Plans and will also include a comprehensive open space system that will provide convenient access to a variety of recreational amenities that currently are not available in this part of Marana east of Interstate-10. The development of the Master Plan will also include construction of the ultimate Adonis Road design cross-section, a length of Moore Road, a collector loop road, regional drainage infrastructure, and extensions of the public utility systems. Some residential lots within the Master Plan cross the boundaries between this rezoning area and the two adjacent Specific Plans. Working with Town Staff it was agreed that a minor amendment to the appropriate Specific Plan will be completed prior to approval of a plat or development plan for any affected lot or parcel.


Legend
AG-Agricultural
A-Small Lot Zone
E-Transportation Corridor Zone
F-Specific Plan
LI-Light Industrial
R-5 Single-Family Residential
R-4 Single-Family Residential
MR-1 Multi-Family (High Density)
Specific Plan Boundary
AG
AG
Grier Road
E
R-4
R-5
¼ Mile
A
R-4
R-5
R-4
MR-1
E
CAP Canal
F
RANCHO MARANA
EAST
R-5
AG
Moore Road
(future)
Adonis Road
F
RANCHO
MARANA
LI
Subject
Property
F
TORTOLITA SHADOWS
R-5
Moore Road
INTERSTATE
10
F
MANDARINA
Clark Farms Blvd.
(future)
F
GLADDEN FARMS II
F
SHOPS AT
TANGERINE & I-10
MOTORPLEX
1" =
1/4 Mi
2/23/22
N
20bya01
PARADIGM
LAND DESIGN LLC
Exhibit III-D-1
Proposed Zoning



"G:\Projects\20by Artco Ranch\a01 Rezone\0230\Site Analysis\Exhibits\Exh 3-D-2 PDP.dwg"

E. GRADING CONCEPT

This Property has historically been used for agricultural purposes, and thus contains no hillsides, ridges, rock outcrops, or significant vegetation. During development the Property will be mass graded in coordination with the rest of the Stonegate Master Plan in order to balance the earthwork and provide the necessary slopes for stormwater drainage and wastewater flow.

F. POST-DEVELOPMENT HYDROLOGY

This section of the site analysis was prepared by Bowman Engineering and describes post-development onsite hydrologic and hydraulic characteristics relative to the overall Stonegate Master Plan because the rezoning property is integrally connected to the overall drainage design.

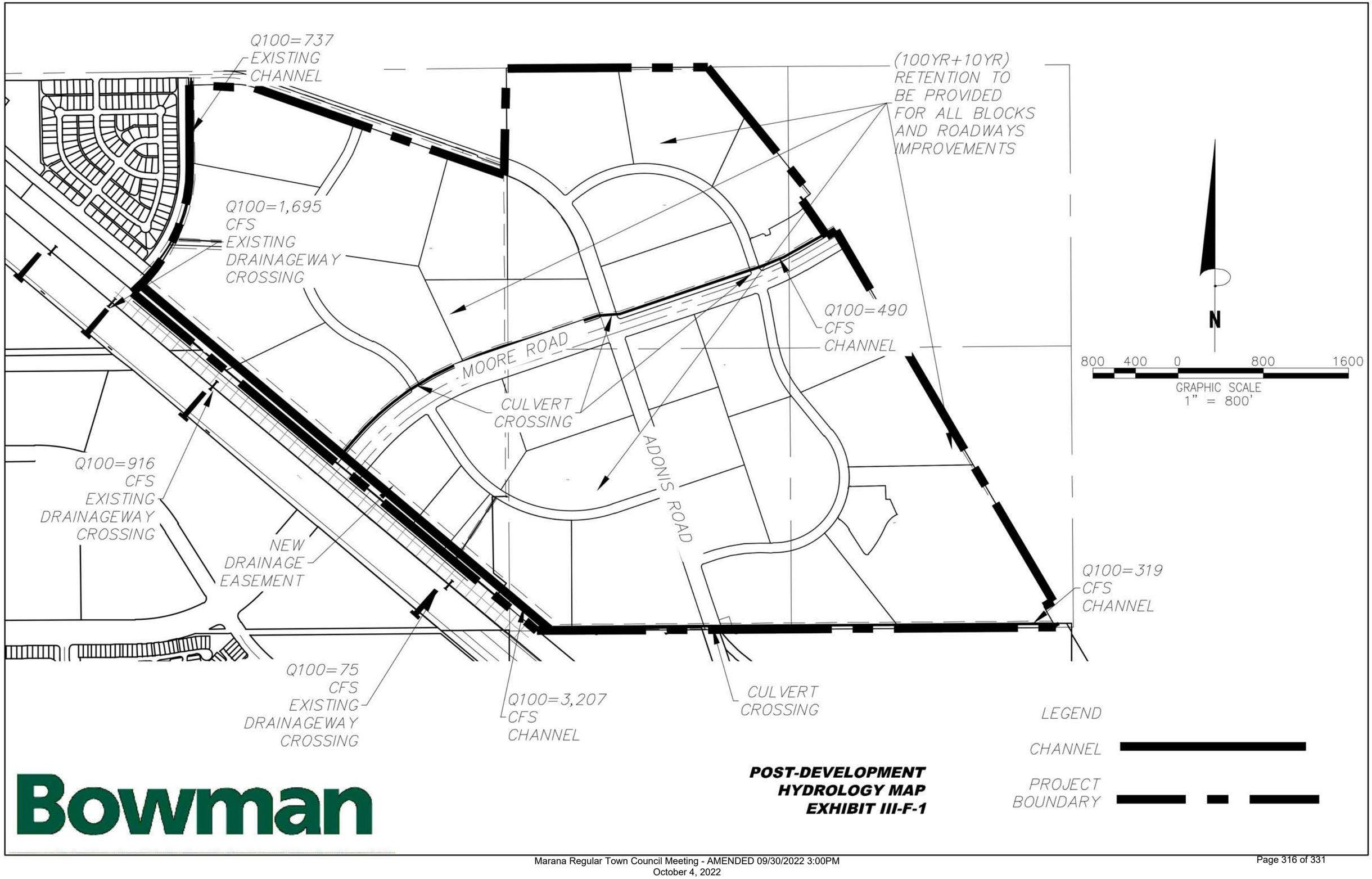
Conveyance of the offsite flows through the development will be provided via new constructed channels, culverts, and basins. To safeguard the site against scour and erosion potential channel banks and culvert ends will be stabilized with materials such as stones, riprap, soil cement or gunite to control erosion.

Important to note, the existing drainage pattern and existing design flows will remain unchanged by discharging some of offsite flows through the existing diversion drainage facilities along the UPRR right-of-way before the remainder offsite flows drain onto the northwest corner of the project. Even so, due to the critical basin retention/detention requirements and in accordance with the Marana design criteria, onsite flow storage will be located throughout the project, to capture the 100-year and 10-year storm events. Said basins have the added benefit of providing more visual access to common areas.

The flow storage basins will ensure the attenuation of the volumetric runoff across the downstream property lines of the site. The large size of the offsite watershed results in a significant time lag of over 20 hours between onsite and offsite time to peak flows. There will be no significant rate runoff flow attenuation at the downstream of the project. Nevertheless, the proposed drainage facilities for the offsite flows and the proposed onsite flow storage basins for the site will avoid any adverse drainage impacts to upstream or downstream properties. Post-development discharges flowing onto the Property will remain the same as under pre-development conditions.

All building pads will be designed to be a minimum of 1 foot above adjacent 100-year flood elevations.

See Exhibit III-F-1: Post-Development Hydrology.



POST-DEVELOPMENT
HYDROLOGY MAP
EXHIBIT III-F-1

Bowman

G. VEGETATION & LANDSCAPING

The Marana Land Development Code, Environmental Resource Preservation, Native Plant and Landscape Requirements, allows for this type of subdivision development. Having been subject to agricultural use for many years, this Property has no existing significant native vegetation anywhere onsite. Native plants will be reintroduced throughout the subdivisions and open space areas in accordance with the Town's landscape design guidelines. A landscape plan will be submitted at the time of plat review. All native plant preservation and landscaping standards will be addressed in accordance with the Town of Marana Town Code.

Open space is primarily located in a number of recreational and drainage-related open spaces throughout the development, all connecting to the regional drainage improvements proposed as part of the Stonegate Master Plan. Landscaping will be installed throughout the open spaces and around the perimeter of the property to meet Marana's perimeter landscape bufferyard standards. All installed landscaping will be drought tolerant per Marana guidelines. Native plants are drought tolerant and uniquely suited for the local climate, and further meet the primary objective of development a sustainable and environmentally sensitive residential community.

H. WILDLIFE

There are no primary wildlife corridors that run through the property.

At least 30 days before grading, a 100% area survey must be completed by a qualified wildlife biologist, for the Sonoran Desert Tortoise and Western Burrowing Owl, with a copy of the survey form send to the Town prior to issuance of a grading permit.

I. VIEWSHEDS

Extraordinary views are not available from or across the property due to existing, relatively flat topography coupled with the distance to surrounding mountain ranges. However, perimeter buffer areas mitigate the project's minimal impacts to surrounding viewsheds.

J. TRAFFIC

As part of the development of the Stonegate Master Plan this project will participate in the construction of Adonis Road, a stretch of Moore Road, and a new collector loop road. This new collector road will serve as the main circulation spine for the proposed subdivisions to access Adonis and Moore. Internal neighborhood streets have been designed to create safe traffic movements throughout the neighborhood. This rezoning is expected to generate up to approximately 7,770 total daily trips based on an estimated ten daily trips per household, which will be accommodated by widening of Adonis Road and construction of Moore Road and the collector loop roads. The expected traffic associated with other parts of the Stonegate Master Plan has been addressed as part of the rezonings of the Tortolita Shadows Specific Plan and Rancho Marana East Specific Plan. However, as the entire Stonegate Master Plan is now proposed for development, the "Stonegate Master Plan Traffic Impact Analysis" by Southwest Traffic Engineering has been prepared and submitted to the Town as a standalone report. The report details phasing of required roadway improvements. The executive summary is shown on the following pages.

Grier Road West of the Property



Traffic Impact Analysis Executive Summary

TORTALITA SHADOWS
MOORE ROAD/ADONIS ROAD
TRAFFIC IMPACT ANALYSIS

Executive Summary

The purpose of this traffic study is to evaluate the current and future transportation system within the project study area surrounding the site without and with the proposed Tortalita Shadows project.

Existing and Future Traffic Data Without and With the Project
The intersection of Tangerine Road/Interstate 10 (I-10) Eastbound Ramps currently experiences delay during the weekday AM peak hour. This delay is expected to continue in 2022, 2027, 2032, 2037, and 2042 without and with traffic from the project.

The intersection of Tangerine Road/I-10 Westbound Ramps is expected to begin experiencing delay during the weekday AM peak hour in 2027 without the project. This delay is expected to continue in 2032, 2037, and 2042 without traffic from the project. The delay is expected to begin in 2022 with traffic from the project and is expected to continue in 2027, 2032, 2037, and 2042.

Cochie Canyon Trail/I-10 Eastbound Ramps are expected to experience inadequate delay in 2022 with the project. This delay is expected to continue in 2027, 2032, 2037, and 2042 with traffic from the project.

The intersection of Cochie Canyon Trail/I-10 Westbound Ramps is expected to operate at an inadequate LOS in 2032, 2037, and 2042 without the project while the delay is expected to begin in 2022 with traffic from the project.

Manderina Boulevard/Tangerine Road is expected to experience delay beginning in 2022 and continue in 2027, 2032, 2037, and 2042 with traffic from the project.

South East Loop Road/Adonis Road is expected to operate at an inadequate LOS in 2022 with traffic from the project. This delay is expected to continue in 2027, 2032, 2037, and 2042 with traffic from the project.

The following intersections are expected to experience delay beginning in 2032 and continuing through 2037 and 2042:

- Adonis Road/Cochie Canyon Trail
- Moore Road/Adonis Road
- Access 7/Adonis Road
- South West Loop Road/Adonis Road
- Access 8/Adonis Road
- South East Loop Road/Adonis Road

Traffic Impact Analysis Executive Summary (cont'd)

The remaining study intersections currently operate and are expected to continue operating at an adequate LOS during the 20-year study period without and with the project.

Turn Lane Analysis
A northbound right turn lane is warranted at Adonis Road/Cochie Canyon Trail. This turn lane will require 1,150 feet of storage; however, a turn lane of this length is unrealistic to be constructed.

A southbound right turn lane is warranted at Manderina Boulevard/Tangerine Road. This turn lane should be constructed to provide 150 feet of storage with a 180-foot taper to meet Town of Marana (TOM) guidelines.

Eastbound right turn lanes are warranted at Moore Road, Access 7, Access 8, and South East Loop Road on Adonis Road. These turn lanes should be constructed to provide 150 feet of storage with a 180-foot taper to meet TOM guidelines.

The turn lanes at Adonis Road/Cochie Canyon Trail and Manderina Boulevard/Tangerine Road are expected to provide adequate storage for turning vehicles.

Traffic Signal Warrant Analysis
Traffic signal warrant #1 is expected to be met at the intersection of Adonis Road/Cochie Canyon Trail in 2042 with traffic from the project.

Traffic signal warrants #1 and #2 are expected to be met in 2022, 2027, 2032, 2037, and 2042 with traffic from the project at Manderina Boulevard/Tangerine Road.

Mitigation
Mitigation options at the existing I-10 traffic interchanges (TI's) at Cochie Canyon Trail and Tangerine Roads are limited due to the lack of available information about improvements to them being completed by the Arizona Department of Transportation (ADOT) at an unspecified future date. It is expected that once these junctions are reconstructed into modern TI's, the levels of service will improve.

To reduce the delay experienced internally at the project site, roundabouts should be installed at the key intersections along Adonis Road. By installing roundabouts, delays at these intersections are expected be reduced to acceptable levels. Additionally, the impact caused by future project site traffic redirection due to a new TI at Moore Road/I-10 will be reduced due to the omni-directional effeciency such roundabouts can provide.

Recommendations
A westbound right turn lane should be installed at Manderina Boulevard/Tangerine Road.

An eastbound right turn lane should be installed at Adonis Road/Cochie Canyon Trail. These turn lanes should be constructed to provide 150 feet of storage with a 180-foot taper to meet TOM guidelines.

Traffic Impact Analysis Executive Summary (cont'd)

Due to the uncertainty of future traffic flow conditions, the traffic signals warranted at Adonis Road/Cochie Canyon Trail and Manderina Boulevard/Tangerine Road should not be installed. Upon the construction of the Moore Road TI and the subsequent redirection of project site traffic away from the existing study intersections, these warranted traffic signals may no longer be warranted. These intersections should be monitored and reanalyzed when this occurs.

It should be noted that depending on the location and design of the new Tangerine Road TI with I-10, there is a good chance that Manderina Boulevard/Tangerine Road will become a right in/right out only intersection or will require complete removal due to the spanning of the adjacent railroad tracks. Consideration should be given, or plans should be made, to continuing Adonis Road east of Manderina Boulevard, across the Central Arizona Project Canal (CAP) alignment to an intersection at last one quarter mile east of I-10.

During the first phase of the project, Adonis Road and Moore Road will both be constructed as three-lane roadways: a though lane in both directions separated by a two-way center left turn lane. Right-of-way will be set aside on the east side of Adonis Road for future widening to a five-lane roadway cross-section. As Moore Road may not be widened for quite some time, right turn lanes at key intersections along the roadway should be installed during Phase 1. Right of way should be set aside for a five-lane roadway cross section on Moore Road if a new interchange is constructed at I-10 in the future. The southbound right turn lanes on the west side of Adonis Road should also be installed at key intersections during this phase, as the roadway will be widened to the east.

During the second phase of the project, Adonis Road will be widened to a five-lane roadway cross-section: two through lanes in both directions separated by a raised median. This will be done by transitioning the two-way center left turn lane into a southbound through lane, reconstructing the northbound through lane to a raised median, and constructing two northbound through lanes. Northbound right turn lanes at key intersections on the east side of Adonis Road should be installed at this time.

K. PUBLIC UTILITIES

1. Water

   Marana Water will serve this subdivision. An extension of Marana's public water system will be required to be constructed by the developer as part of the development of the overall Stonegate Master Plan. See Exhibit III-K-1: Preliminary Potable Water Plan.

2. Sewer

   Much of the Stonegate Master Plan, including a portion of this Property, will gravity sewer to the recently installed manhole at the Master Plan's southwest corner along Interstate-10. The remainder, also including a portion of this Property, will gravity sewer to a new public lift station to be located southeast of the intersection of Interstate-10 and Moore Road. The wastewater will be pumped from that location to aforementioned manhole. The Town of Marana will be undertaking sewer line capacity improvements further downstream. The developer will provide a sewer master plan model to confirm all system capacities prior to improvement plan submittal. A sewer capacity letter was requested on 12/15/2021 but a response has not yet been received. See Exhibit III-K-2: Preliminary Sewer Plan.

3. Electric

   The property is located within the TRICO service area.

Existing TRICO Electric Lines along the Western Property Boundary

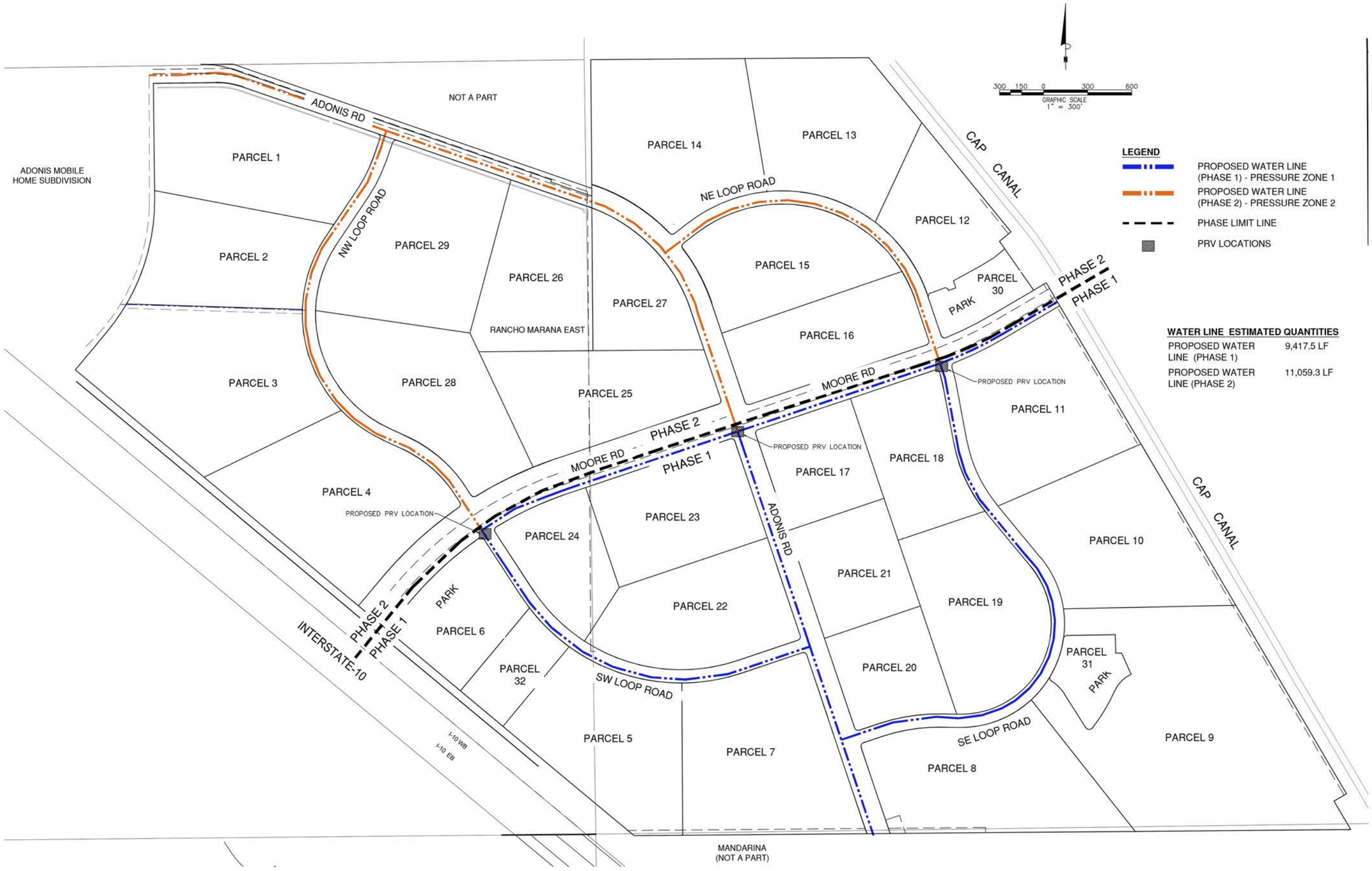


4. Natural Gas

   Southwest Gas will supply natural gas services to this development.

5. Telecommunications

   The development is within the Century Link service area.



WATER LINE ESTIMATED QUANTITIES

PROPOSED WATER LINE (PHASE 1)	9,417.5 LF
PROPOSED WATER LINE (PHASE 2)	11,059.3 LF

Bowman CONSULTING

Bowman Consulting Group, Ltd.
1295 West Washington Ste 108
Tempe, Arizona 85281
Phone: (480) 629-8830
www.bowmanconsulting.com
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PRELIMINARY POTABLE WATER PLAN

STONEGATE

EXHITBIT III-K-1

MARANA, AZ

PIMA COUNTY

PROJECT NUMBER

PLAN STATUS

DATE	DESCRIPTION

BTH DESIGN	BTH DRAWN	RS CHKD

SCALE H: 1"=300'
V: N/A

JOB No. 050985-01-001

DATE : 01/12/22

SHEET 1 OF 1

CAD FILE NAME: V:\050985 - Tortolita Shadows-Rancho Marana-\050985-01-001 (ENG) - Tortolita Shadows-Rancho Marana\Engineering\Exhibits\050985 Water Exhibit 113021.dwg 01/12/2022



Bowman CONSULTING

Bowman Consulting Group, Ltd.
1295 West Washington Ste 108
Tempe, Arizona 85281
Phone: (480) 629-8830
www.bowmanconsulting.com
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PRELIMINARY SEWER PLAN

STONEGATE

EXHIBIT III-K-2

PIMA COUNTY

MARANA, AZ

PROJECT NUMBER

PLAN STATUS

DATE	DESCRIPTION	
BTH DESIGN	BTH DRAWN	RS CHKD
SCALE	H: 1"=300' V: N/A	
JOB No. 050985-01-001		
DATE : 01/12/22		

SHEET 1 OF 1

CAD FILE NAME: V:\050985 - Tortolita Shadows-Rancho Marana-\050985-01-001 (ENG) - Tortolita Shadows-Rancho Marana\Engineering\Exhibits\050985-Sewer Exhibit 122021.dwg 01/12/2022

L. PUBLIC SERVICE IMPACTS

1. Police

   Stonegate is within Marana's town limits, and law enforcement jurisdiction.

2. Fire

   This project will be protected by the Northwest Fire District once it is annexed into the District.

3. Trash & Recycling

   The Town of Marana does not provide trash and recycling services. The homeowners within Stonegate will contract with a private solid waste pick-up provider.

4. Schools

   The Marana Unified School District uses a student generation factor of 0.25 per home for elementary students and 0.1 per home for secondary students. The District has indicated that is has capacity to serve this development at Estes Elementary School, Marana Middle School and Marana High School. See Exhibit III-L-1: School District Letter, which confirms that nearby Marana school District facilities have capacity for more houses than are currently proposed within this development.

5. Parks

   As discussed in Section I. of this site analysis, recreational opportunities are currently minimal on this side of Interstate-10 in Marana. In response, the Stonegate Master Plan will include a number of neighborhood and community parks to serve the recreational needs of future residents. Please see Section III.M.

Exhibit III-L-1: School District Letter

GOVERNING BOARD

Maribel Lopez, Ed.D., President
Hunter Holt, Vice President
Tom Carlson, Member
John Lewandowski, Member
Dan Post, Member

MARANA
UNIFIED SCHOOL DISTRICT

ADMINISTRATION

Daniel Streeter, Ed.D., Superintendent
Carolyn Dumler, Ed.D., Assistant Superintendent
Kristin Reidy, Assistant Superintendent
Dan Contorno, Chief Financial Officer

July 27, 2021

Paul Oland
Paradigm Land Design

RE: Proposed Development 908 Homes NE of Moore and I-10

Dear Mr. Oland,

Thank you for informing us of the proposed 908 home development NE of Moore Rd. and I-10. Marana Unified School District currently uses a factor of .25 students per home for elementary and .1 students per home for secondary. The 908 homes could generate about 227 elementary and 90 secondary students.

These future potential students would be supported by the following schools with their current enrollment/capacity numbers shown; Estes (514/787), Marana Middle School (1013/1434) and Marana High School (2044/2385). While all schools have capacity for the impact of this proposed development at this time, current growth trends are indicating that future school sites at both the elementary and secondary level may be needed in the near future.

Thank you for supporting the development of quality homes and businesses in our community. Marana Unified School District knows that one of the keys to the continued success of our wonderful community is the quality of our children's education. This belief is held so strongly that we have multiple developers providing the school district with rooftop impact development fees. The district uses these funds to ensure that necessary infrastructure is in place to support growth and maintain an inspiring education for every child. Voluntary developer participation in this process is an invaluable investment in our community. Please contact the Marana Schools Finance Office at 520-682-4756 to learn more about participation.

Please contact Dan Contorno at 520-682-4756, or myself at 520-616-4521 if you have any further questions.

Sincerely,

R Federico

Russell Federico, M.Ed.
Executive Director of Bond and Capital Projects
Marana Unified School District

Inspiring students to learn today and lead tomorrow.

11279 W. Grier Road • Marana, Arizona 85653 • (520) 682-3243 • www.maranausd.org

M. RECREATION & TRAILS



Image Courtesy the Marana Website

Subdivisions within the Property will include neighborhood parks conveniently located for their future residents and an internal connected network of trails and paths of varying sizes and surface materials that meet Town standards. Public trail easements may be dedicated by future subdivision plats to ensure that the general public has perpetual access through the project area

The Mandarina Specific Plan just south of the Property will include a community park. Similarly, the Tortolita Shadows Specific Plan, which is part of the Stonegate Master Plan, will include two community parks that will provide nearby recreational amenities to the Property. Developers of this project will coordinate with adjoining developments to ensure a seamless trail/path network.

The Town recently opened the Central Arizona Project Trailhead located off of Adonis Road, approximately one quarter mile north of Tangerine Road. The Town's Parks & Recreation website describes the trailhead as "the gateway to the CAP trail system that runs north from Marana 17 miles into Pinal County".

Future development within the rezoning area will comply with the recreational area requirements of Section 17-5-3.12 of the Marana Town Code, and a Recreational Area Plan will be submitted at the time of subdivision plat review.

N. CULTURAL, ARCHAEOLOGICAL & HISTORIC RESOURCES

The Property was surveyed for cultural resources by WestLand Resources in May 2021. Six sites of potential significance were identified and are currently the subject of further study in coordination with the Town of Marana's Environmental Services Department.

Council-Regular Meeting **A3**

Meeting Date: 10/04/2022

To: Mayor and Council

From: Jane Fairall, Town Attorney

Date: October 4, 2022

Strategic Plan Focus Area:
Not Applicable

Subject: Ordinance No. 2022.017: Relating to Land Development; revising Marana Town Code Title 17 (Land Development), chapter 17-15 (Floodplain and erosion hazard management code), section 17-15-10 (Provisions for flood hazard reduction) to clarify timing of issuance of building permits and certificates of occupancy in special flood hazard areas; and designating an effective date (Jane Fairall)

Discussion:

In the Town's current floodplain code, when a modification or removal of a FEMA special flood hazard area (SFHA) is sought for a development, no building permits will be issued until the FEMA Letter of Map Revision (LOMR) becomes effective. This effectively prevents any construction on the property even if the development has already implemented flood hazard reduction measures and is only waiting for official approval from FEMA.

The proposed code change will allow building permits to be issued once a development has obtained a Conditional Letter of Map Revision (CLOMR) from FEMA. A CLOMR is typically issued based on engineering measures taken by a development to reduce flood hazard. The change will allow developers to build at their own risk, anticipating final approval of LOMR at a later date. Certificates of occupancy will not be issued until the LOMR is effective.

Staff Recommendation:

Staff recommends approval of the ordinance.

Suggested Motion:

I move to adopt Ordinance No. 2022.017, revising Marana Town Code section 17-15-10 (Provisions for flood hazard reduction).

Attachments

Ordinance No. 2022.017

MARANA ORDINANCE NO. 2022.017

RELATING TO LAND DEVELOPMENT; REVISING MARANA TOWN CODE TITLE 17 (LAND DEVELOPMENT), CHAPTER 17-15 (FLOODPLAIN AND EROSION HAZARD MANAGEMENT CODE), SECTION 17-15-10 (PROVISIONS FOR FLOOD HAZARD REDUCTION) TO CLARIFY TIMING OF ISSUANCE OF BUILDING PERMITS AND CERTIFICATES OF OCCUPANCY IN SPECIAL FLOOD HAZARD AREAS (SFHA); AND DESIGNATING AN EFFECTIVE DATE

WHEREAS A.R.S. § 48-3610 provides that an incorporated city or town may assume floodplain management responsibility in its jurisdiction and may adopt regulations in conformance with A.R.S. § 48-3603 designed to promote the public health, safety and general welfare of its citizenry; and

WHEREAS the Town of Marana has adopted Marana Town Code Chapter 17-15: Floodplain and erosion hazard management code; and

WHEREAS the Mayor and Council of the Town of Marana find that the revisions adopted by this ordinance are in the best interest of the Town of Marana and the general public.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, as follows:

SECTION 1. Marana Town Code Title 17 (Land Development), chapter 17-15 (Floodplain and erosion hazard management code), section 17-15-10 (Provisions for flood hazard reduction) is hereby amended as follows (with deletions shown with ~~strikeouts~~ and additions shown with double underlining):

17-15-10 Provisions for flood hazard reduction

[No revisions to paragraphs A through D]

E. Standards for subdivisions and commercial developments

[No revisions to subparagraphs 1 through 9]

10. When a modification or removal of a FEMA SFHA is sought for a development, the following requirements apply:

[No revisions to subparagraphs a through c]

d. A CLOMR must be submitted to and accepted by FEMA prior to issuance of building permits for subdivision lots. ~~Building permits~~ Certificates of occupancy shall not be issued on subdivision lots to be affected by a LOMR until the LOMR has become effective.

e. A CLOMR must be submitted to and accepted by FEMA prior to issuance of building permits for ~~C~~commercial/industrial buildings. Certificates of occupancy shall not be issued for commercial/industrial buildings to be affected by a LOMR ~~shall not be granted a building permit~~ until the LOMR has become effective~~, unless the building as designed meets the requirements of this chapter for the pre-LOMR conditions~~.

[No revisions to subparagraph f]

[No revisions to subparagraph 11]

[No revisions to paragraphs F through M]

SECTION 2. The various town officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this ordinance.

SECTION 3. All ordinances, resolutions, or motions and parts of ordinances, resolutions, or motions of the Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

SECTION 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, the decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 5. This ordinance shall be effective the 31st day after its adoption.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, Arizona, this 4th day of October, 2022.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney