



MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
NOTICE AND AGENDA

11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, May 20, 2025, at or after 6:00 PM

Jon Post, Mayor
Roxanne Ziegler, Vice Mayor
Patrick Cavanaugh, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
Teri Murphy, Council Member
John Officer, 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 May 20, 2025, at or after 6:00 PM located in the Council Chambers of the Ed Honea 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. Revisions to the agenda 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 Ed Honea 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 Ed Honea 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

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

PRESENTATIONS

- P1 Relating to Budget; presentation of third quarter results (July-March) for the Town's General Fund and other selected major funds for the 2024-2025 fiscal year (Yiannis Kalaitzidis)

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. 2025-040: Relating to Development; approving a Final Plat for Silverbell Ridge, Lots 1 - 55 and Common Areas "A-1" through "A - 4" (Natural Open Space), Common Areas "B-1 through B-5" (Landscape/Grading/Drainage) and Common Area "C" (Recreation) located approximately one-quarter of a mile south of Ina Road, west of Silverbell Road (Scott Radden)
- C2 Resolution No. 2025-041: Relating to Traffic and Highways; approving and authorizing the Mayor to execute the Fiber Optic Communications License Assignment with Licenser Consent (Ting Fiber, LLC to Wyverd Connect LLC) and the First Amendment to Fiber Optic Communications License issued to Wyverd Connect LLC (Jane Fairall)
- C3 Relating to Procurement; approving a change order to the contract with Westland Resources Inc. in the amount of \$27,514.75 for the Marana Park Reservoir project (WT046) and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order (Heidi Lasham)

- C4 Approval of Regular Council Meeting Summary Minutes of May 6, 2025 (Jill McCleary)

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

- A1 Resolution No. 2025-042: Relating to Mayor and Council; establishing the compensation and vehicle and phone allowances for the elective officers of the Town; providing that the elective officers of the Town may choose a Town-issued phone in lieu of a phone allowance; and designating effective dates (Jane Fairall)
- A2 Resolution No. 2025-043: Related to Real Estate; authorizing the Mayor to sign an "Agreement for Purchase and Sale of Real Property and Escrow Instructions" with Marana Health Center, Inc.; and approving the transfer of up to \$1,004,000 in budgeted expenditure authority from the General Fund Contingency line item to the Land Acquisition line item for fiscal year 2024-2025 for acquisition and expenses related to the Marana Health Center, Inc. land acquisition (George Cardieri)
- A3 Ordinance No. 2025.010: Relating to Finance; amending the Town of Marana Comprehensive Fee Schedule; and designating an effective date (Yiannis Kalaitzidis)
- Resolution No. 2025-044: Relating to Finance; declaring as a public record filed with the Town Clerk the amendments to the Town of Marana Comprehensive Fee Schedule adopted by Ordinance No. 2025.010 (Yiannis Kalaitzidis)
- A4 PUBLIC HEARING: Resolution No. 2025-045: Relating to Budget; adopting the fiscal year 2025-2026 tentative budget (Yiannis Kalaitzidis)

ITEMS FOR DISCUSSION / POSSIBLE ACTION

- D1 Relating to Legislation and Government Actions; discussion and possible action or direction regarding all pending state, federal, and local legislation/ government actions and on recent and upcoming meetings of other governmental bodies (Terry Rozema)

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

P1

Meeting Date: 05/20/2025

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: May 20, 2025

Strategic Plan Focus Area:

Not Applicable

Subject: Relating to Budget; presentation of third quarter results (July-March) for the Town's General Fund and other selected major funds for the 2024-2025 fiscal year (Yiannis Kalaitzidis)

Discussion:

The purpose of this item is to present a summary of the Town's third quarter financial results (July-March) for the Town's General Fund and other selected major funds for fiscal year 2024-2025. It is important to note that these results are preliminary, unaudited, and subject to change based upon adjusting entries, as necessary. The attached provides a high-level revenue and expenditure summary at the end of the current quarter.

Revenue

Overall, revenues are within or above expectations for all funds at this time of the year when considering cyclical trends.

- Revenues for the General Fund are better than expected due to consistently better than anticipated sales taxes in most categories. Higher than anticipated development revenues and investment income have also contributed significantly.
- HURF fund revenues are just above expectations due to 3rd party contributions. Activity for vehicle-related tax categories is within expectations at this time of the year.
- Transportation fund revenues are above expectations due to higher than anticipated commercial activity, including some large road projects.
- Bed Tax fund revenues are slightly above expectations due to resilient pricing rates which have resulted in higher than anticipated revenues in the hospitality

industry.

- Half Cent Sales Tax fund revenues which are being used for the multi-generational community and aquatics center continue to average above \$600,000 per month since the fund's inception.
- Charges for services revenues in the enterprise funds are within or above expectations for this time of year.

Expenditures

Expenditures in all funds are at or below expectations through the third quarter of the fiscal year. This is partly due to the timing of one-time projects and programs, some of which are multi-year in nature including the Tangerine Road widening east of I-10. The Water and Water Reclamation funds are within expectations and in line with prior year activity when excluding transfers out of the fund which are recorded at the end of the fiscal year and mainly pay for capital projects funded from user rates.

The quarterly update will be available on the Town's website following tonight's meeting. The public may interact with the Power BI tool by drilling down into the data. The tool can be found on the following page:

<http://www.maranaaz.gov/financial-documents>

Staff Recommendation:

Presentation of third quarter financial results only.

Suggested Motion:

Presentation of third quarter financial results only.

Attachments

3rd Quarter Financial Update FY25

Financial Brief: Third Quarter

Fiscal Year

2024 – 2025

Prepared by: Finance Department

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FISCAL YEAR 2024 - 2025 THIRD QUARTER FINANCIAL BRIEF

This financial brief is intended to provide a broad overview and status of revenues and expenditures for the Town's selected major funds through the third quarter of fiscal year 2025 (July 2024 - March 2025). Major funds included in this financial brief are the General Fund, Highway User Revenue Fund (HURF), Bed Tax Fund, Half Cent Sales Tax Fund and Transportation Fund. Also included are the Airport, Water, and Water Reclamation enterprise funds. Please note that all amounts are preliminary, unaudited and subject to change based upon adjusting entries, as necessary.

The table below shows an overview for each fund.

REVENUES				EXPENDITURES			OVER/UNDER
Fund	FY 2025 Budget	Actual	% Budget	FY 2025 Budget	Actual	% Budget	YTD Over/Under
GENERAL FUND	80,688,255	67,919,145	84%	110,044,468	60,691,369	55%	7,227,776
HURF	4,991,037	4,062,984	81%	8,116,176	2,539,597	31%	1,523,387
TRANSPORTATION FUND	12,090,997	14,595,197	121%	33,982,791	5,734,103	17%	8,861,094
BED TAX FUND	1,600,000	1,304,586	82%	2,152,840	1,214,394	56%	90,192
1/2 CENT SALES TAX	8,790,654	6,735,625	77%	39,880,292	26,375,976	66%	-19,640,351
WATER FUND	12,866,308	8,129,553	63%	15,734,077	7,210,617	46%	918,936
WATER RECLAMATION FUND	6,739,941	3,626,093	54%	7,462,725	3,659,614	49%	-33,521
AIRPORT FUND	857,505	181,443	21%	857,505	457,784	53%	-276,341

FY 2024-2025 THIRD QUARTER: GENERAL FUND

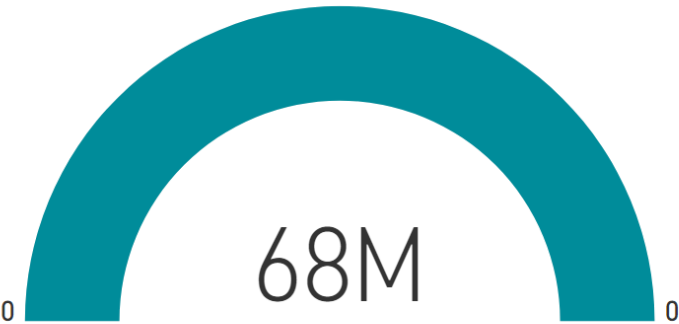
REVENUES

Select Revenue or Expense

☐ EXPENSES

☒ REVENUES

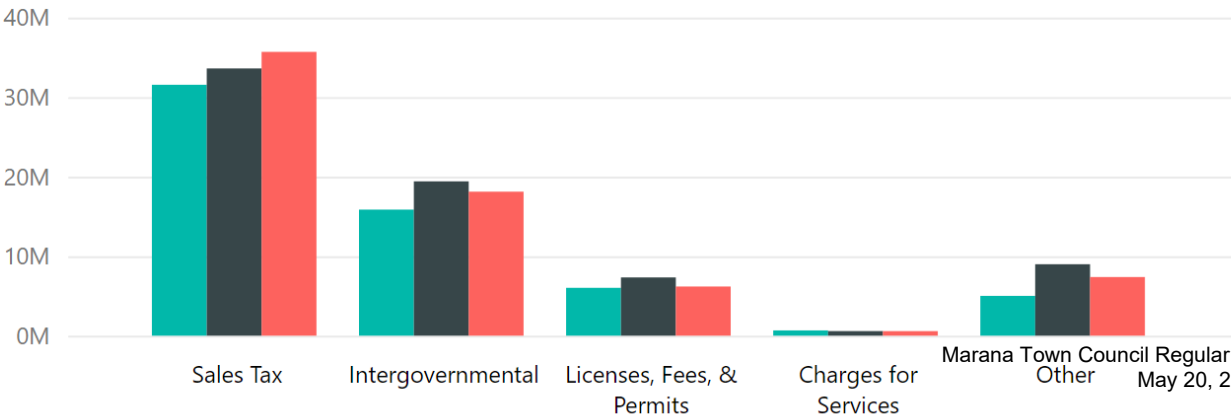
Category	FY 2025 Budget	Actual	% Budget
Sales Tax	43,684,077	35,685,701	82%
Intergovernmental	23,316,474	18,106,900	78%
Licenses, Fees, & Permits	7,039,000	6,181,991	88%
Charges for Services	723,500	571,013	79%
Other	5,925,204	7,373,540	124%
Total	80,688,255	67,919,145	84%



General Fund Relevant Information

The General Fund is the Town's primary operating fund. Sales Tax, Intergovernmental Revenues and Licenses, Fees, & Permits make up over 90% of budgeted revenues for the fund. Overall, collections are above expected levels through the third quarter of FY2025. Contracting tax revenues are well above budgeted expectations, while other sales tax revenues are in line with budget due to continued economic stability. Intergovernmental revenues include amounts received from the State's shared revenue program and are distributed based upon population estimates and economic conditions. Licenses, Fees, & Permits also exceed expectations with greater third quarter revenues this year in a number of development areas including commercial permits. Other revenues comprised of various sources include investment income earnings and insurance dividends. Significantly higher than anticipated investment income is the result of investment decisions from the prior year and higher than anticipated rates.

Year ● 2023 ● 2024 ● 2025



Category	2023	2024	2025
Sales Tax	31,549,616	33,602,422	35,685,701
Intergovernmental	15,852,324	19,403,351	18,106,900
Licenses, Fees, & Permits	6,016,274	7,324,355	6,181,991
Charges for Services	661,050	576,381	571,013
Other	5,004,729	8,983,351	7,373,540
Total	59,083,994	69,889,861	67,919,145

FY 2024-2025 THIRD QUARTER: GENERAL FUND

EXPENSES

Select Revenue or Expense

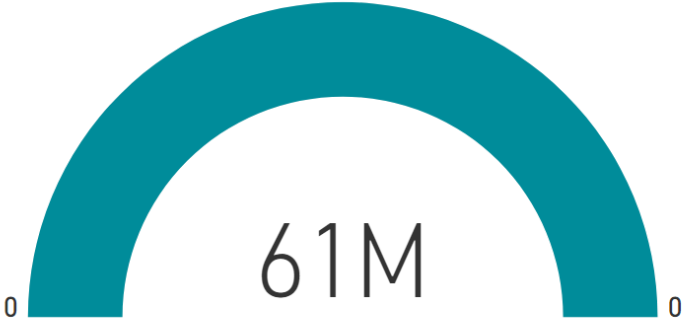
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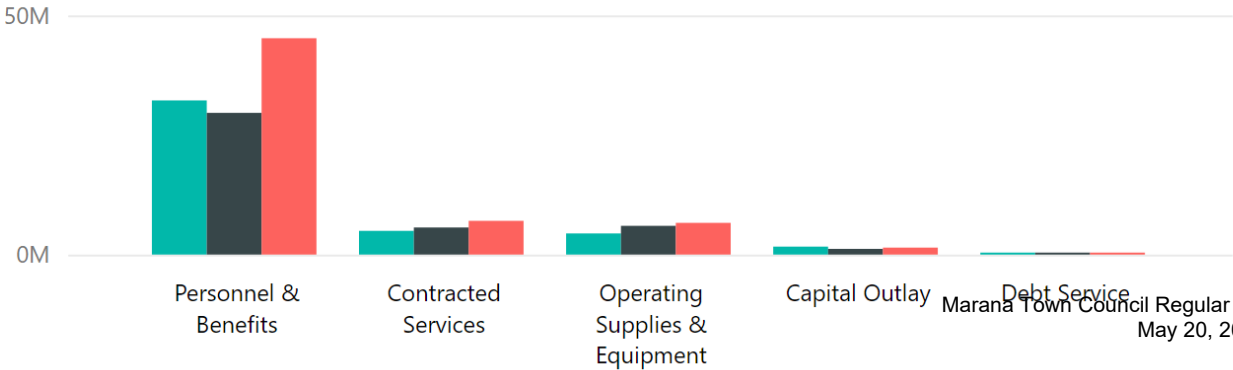
Category	FY 2025 Budget	Actual	% Budget
Personnel & Benefits	60,210,353	45,225,325	75%
Contracted Services	12,296,186	7,048,267	57%
Operating Supplies & Equipment	15,452,637	6,626,197	43%
Capital Outlay	9,197,394	1,450,188	16%
Debt Service	60,000	52,739	88%
Other Financing Uses	12,827,898	288,654	2%
Total	110,044,468	60,691,369	55%

General Fund Relevant Information

General Fund expenses through the third quarter of FY2025 overall are as anticipated. Personnel & Benefits expenses are in line with expectations and include a one-time down payment of the Public Safety Pension Retirement System’s outstanding liability balance. Capital Outlay is associated with several projects and capital equipment purchases, many of which will occur later in the fiscal year or are being carried over for completion in the next fiscal year. Other Financing Uses is related to budgeted transfers which will also be completed later in the year, as well as \$7.76 million in restricted budget, the majority of which is for the Facilities Project Design Startup plan.



Year ● 2023 ● 2024 ● 2025



Category	2023	2024	2025
Personnel & Benefits	32,222,831	29,622,780	45,225,325
Contracted Services	4,955,147	5,660,214	7,048,267
Operating Supplies & Equipment	4,414,673	6,005,397	6,626,197
Capital Outlay	1,657,367	1,187,025	1,450,188
Debt Service	32,762	33,947	52,739
Other Financing Uses	314,393	389,547	288,654
Total	43,597,173	42,898,911	60,691,369

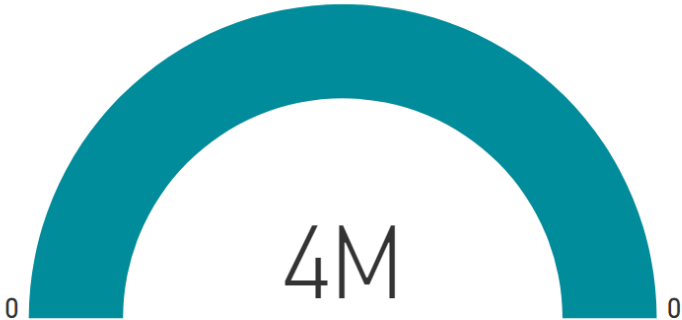
FY 2024-2025 THIRD QUARTER: HURF REVENUES

Select Revenue or Expense

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☒ REVENUES

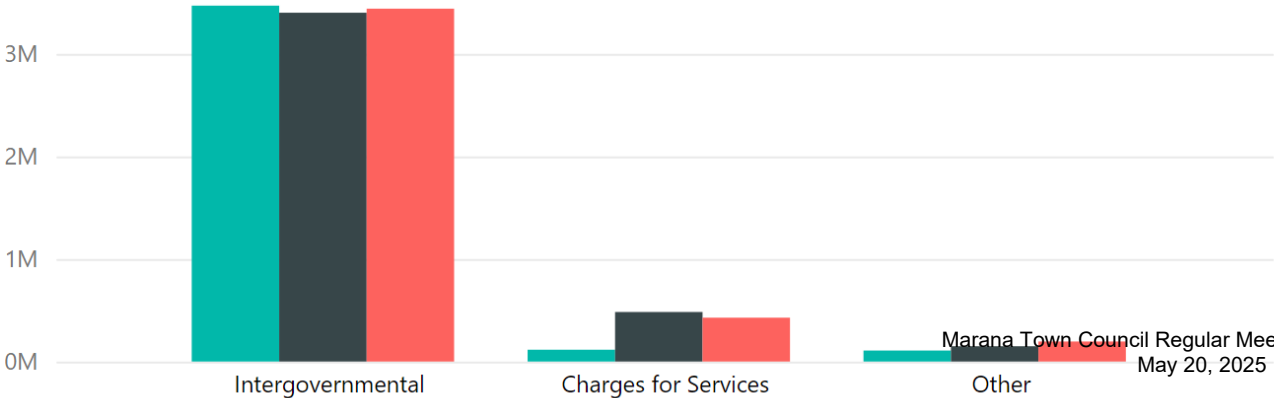
Category	FY 2025 Budget	Actual	% Budget
Intergovernmental	4,651,037	3,440,370	74%
Charges for Services	230,000	427,465	186%
Other	110,000	195,149	177%
Total	4,991,037	4,062,984	81%



HURF Relevant Information

The Highway User Revenue Fund or HURF is set by the collection of fees and taxes from users of the State's roads and highways which the State collects. Cities and towns receive a percentage of revenues based on population estimates and gasoline sales within each county. Third quarter HURF revenue collections are slightly below budgeted expectations when excluding revenues from charges for services and investment income. Charges for Services are payments in lieu of fees collected from third parties to be expended for the preservation of roads. Significantly higher than anticipated investment income is the result of investment decisions from the prior year and higher than anticipated rates.

Year 2023 2024 2025



Category	2023	2024	2025
Intergovernmental	3,470,002	3,400,992	3,440,370
Charges for Services	115,029	482,883	427,465
Other	107,097	149,059	195,149
Total	3,692,128	4,032,934	4,062,984

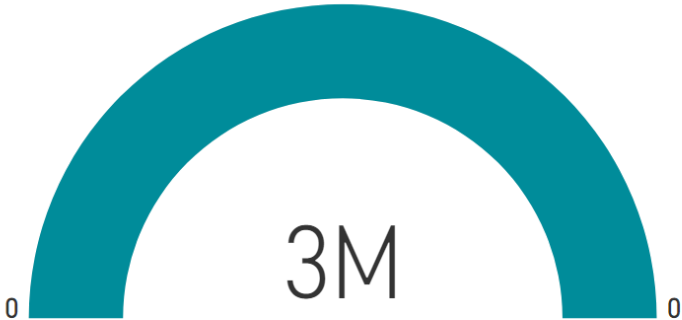
FY 2024-2025 THIRD QUARTER: HURF EXPENSES

Select Revenue or Expense

EXPENSES

REVENUES

Category	FY 2025 Budget	Actual	% Budget
Contracted Services	6,554,154	1,961,716	30%
Operating Supplies & Equipment	383,500	233,441	61%
Capital Outlay	978,522	343,187	35%
Debt Service	0	1,253	0%
Other Financing Uses	200,000		
Total	8,116,176	2,539,597	31%



HURF Relevant Information

HURF expenses are overall below budgeted amounts through the third quarter of FY2025. Contracted Services is below budget due to the timing of the Town's Pavement Preservation Program. The prior year preservation program budget was carried forward to the current budget year due to a variety of reasons and is on-going during the third quarter. Operating Supplies & Equipment expenses to date are a little below budgeted expectations but comparable to prior year activity. Capital Outlay is associated with construction and vehicle and equipment purchases, some of which will be carried forward to the next year. Other Financing Uses reflect restricted budget for possible monsoon storm damage or other unanticipated needs.

Year 2023 2024 2025



Category	2023	2024	2025
Contracted Services	1,617,530	2,164,922	1,961,716
Operating Supplies & Equipment	211,696	207,828	233,441
Capital Outlay	507,104	386,724	343,187
Debt Service		34	1,253
Total	2,336,329	2,759,508	2,539,597

FY 2024-2025 THIRD QUARTER: TRANSPORTATION FUND

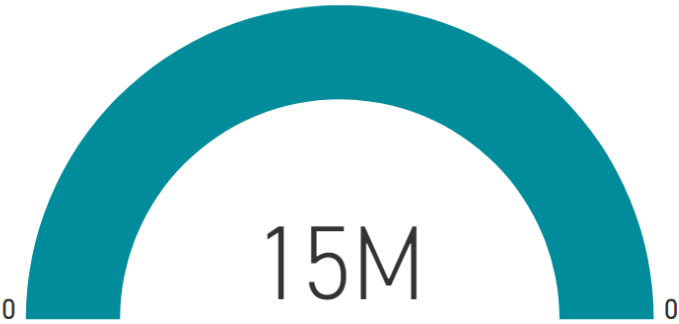
REVENUES

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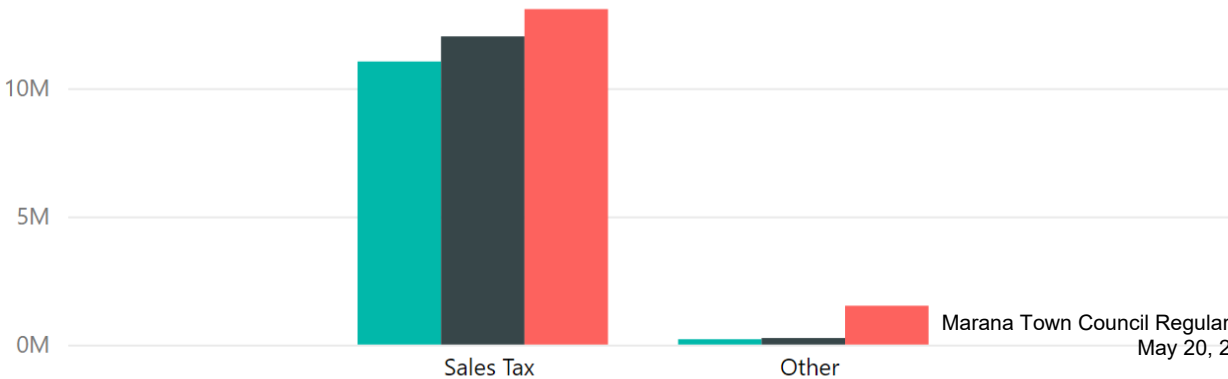
Category	FY 2025 Budget	Actual	% Budget
Sales Tax	9,000,000	13,081,947	145%
Charges for Services	1,232,526		
Other	1,858,471	1,513,251	81%
Total	12,090,997	14,595,197	121%



Transportation Fund Relevant Information

The Transportation Fund comprises 75% of all contracting taxes collected by the Town and is used for new road construction and reconstruction projects. Third quarter revenue collections are surpassing expectations to date due to stronger than anticipated construction activity throughout the Town. Charges for Services is comprised of drainage in lieu of fees. Other revenue includes donations, investment income, and planned transfers.

Year 2023 2024 2025



Category	2023	2024	2025
Sales Tax	11,038,749	12,018,252	13,081,947
Other	207,121	253,384	1,513,251
Total	11,245,871	12,271,636	14,595,197

FY 2024-2025 THIRD QUARTER: TRANSPORTATION FUND

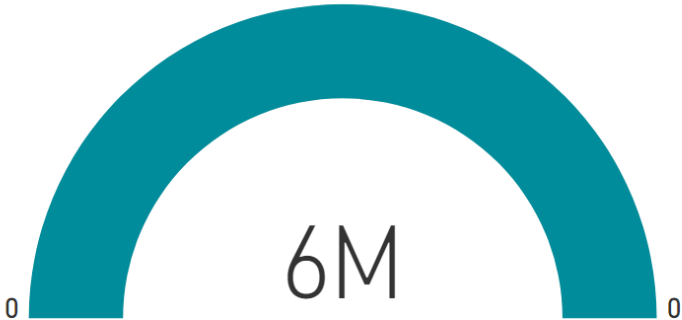
EXPENSES

Select Revenue or Expense

EXPENSES

REVENUES

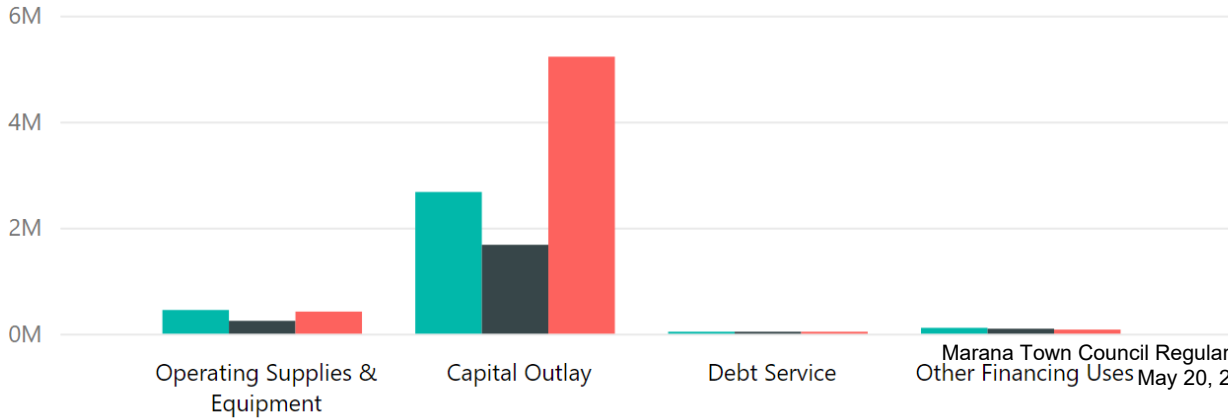
Category	FY 2025 Budget	Actual	% Budget
Operating Supplies & Equipment	650,000	416,629	64%
Capital Outlay	31,948,301	5,224,217	16%
Debt Service	20,000	16,167	81%
Other Financing Uses	1,364,490	77,090	6%
Total	33,982,791	5,734,103	17%



Transportation Fund Relevant Information

Overall, Transportation Fund expenses are below budgeted levels through the third quarter of FY2025. Operating Supplies & Equipment is associated with ongoing developer reimbursements paid on a semi-annual basis. Capital Outlay is associated with multi-year CIP projects, including Tangerine Road widening east of I-10 and Twin Peaks Road & Rattlesnake Pass widening. Other Financing Uses is primarily associated with planned transfers related to debt service.

Year 2023 2024 2025



Category	2023	2024	2025
Operating Supplies & Equipment	446,610	241,983	416,629
Capital Outlay	2,672,603	1,676,434	5,224,217
Debt Service	13,994	14,204	16,167
Other Financing Uses	109,872	93,890	77,090
Total	3,243,079	2,026,511	5,734,103

FY 2024-2025 THIRD QUARTER: BED TAX FUND

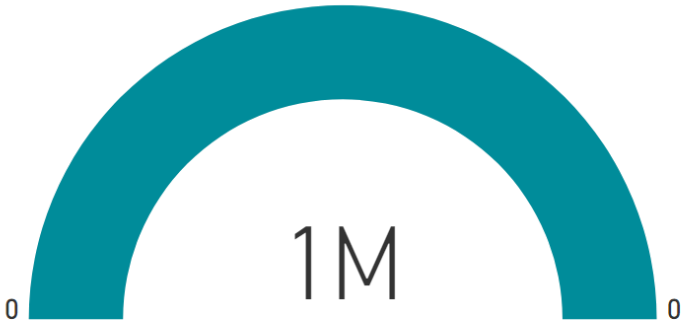
REVENUES

Select Revenue or Expense

☐ EXPENSES

☒ REVENUES

Category	FY 2025 Budget	Actual	% Budget
Sales Tax	1,600,000	1,304,586	82%
Total	1,600,000	1,304,586	82%



Bed Tax Fund Relevant Information

The Bed Tax Fund accounts for the collection of the discriminatory portion of revenues restricted for tourism initiatives. Third quarter revenue collections for FY2025 exceeded second quarter revenue collections and are in line with expectations. Overall, hotel revenues continue to be resilient.

Year 2023 2024 2025



Category	2023	2024	2025
Sales Tax	1,288,736	1,169,453	1,304,586
Total	1,288,736	1,169,453	1,304,586

FY 2024-2025 THIRD QUARTER: BED TAX FUND

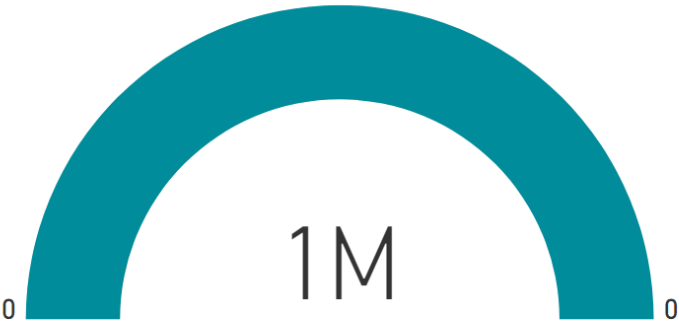
EXPENSES

Select Revenue or Expense

EXPENSES

REVENUES

Category	FY 2025 Budget	Actual	% Budget
Personnel & Benefits	249,374	125,005	50%
Contracted Services	1,196,121	1,022,545	85%
Operating Supplies & Equipment	207,345	66,844	32%
Other Financing Uses	500,000		
Total	2,152,840	1,214,394	56%



Bed Tax Fund Relevant Information

The Bed Tax Fund spending is as expected through the third quarter of FY2025. Personnel & Benefits expenses are less than budgeted to date as the hiring of a new Tourism & Marketing Specialist did not occur until late in the first quarter. Contracted Services is primarily related to the annual State Land lease payment, which was paid in the second quarter, and also includes planned advertising costs in support of tourism activities. Operating Supplies & Equipment includes developer rebates. Other Financing Uses is restricted budget for unanticipated needs and includes \$500,000 for future tourism related opportunities not yet identified by the department.

Year 2023 2024 2025



Category	2023	2024	2025
Personnel & Benefits	37,590	112,814	125,005
Contracted Services	796,855	885,474	1,022,545
Operating Supplies & Equipment	1,017	519	66,844
Total	835,462	998,807	1,214,394

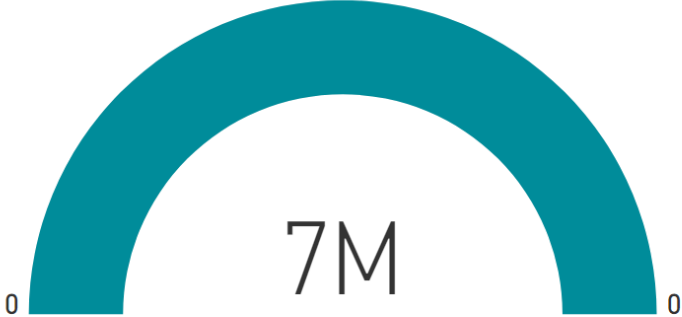
FY 2024-2025 THIRD QUARTER: HALF CENT SALES TAX FUND REVENUES

Select Revenue or Expense

☐ EXPENSES

☒ REVENUES

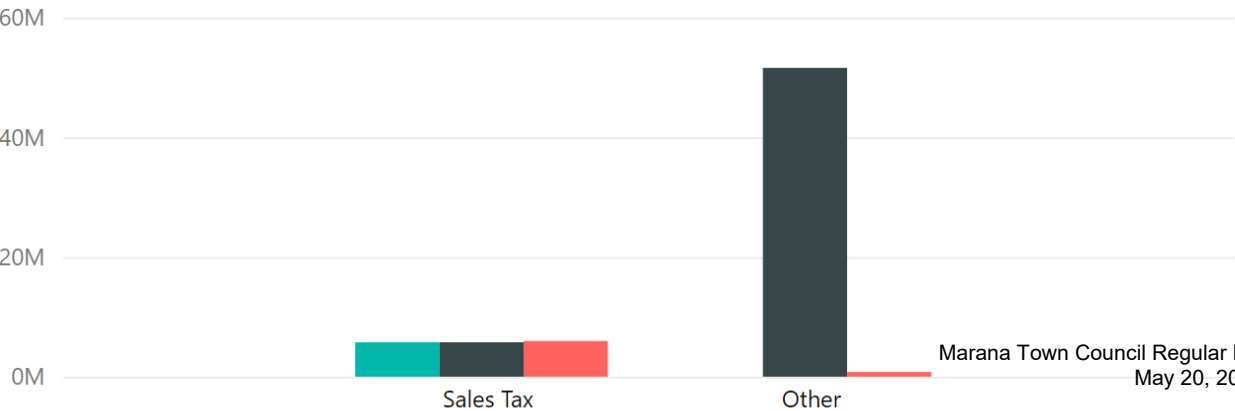
Category	FY 2025 Budget	Actual	% Budget
Sales Tax	7,790,654	5,959,652	76%
Other	1,000,000	775,973	78%
Total	8,790,654	6,735,625	77%



1/2 Cent Sales Tax Fund Relevant Information

Town Council adopted Ordinance 2021.022 to amend the Town Tax Code by increasing the tax rate on certain activities by one-half cent for a new multi-generational recreation facility. Collections through the third quarter of the fiscal year continue to meet expectations as the economy remains stable. Collections from the tax continue to average more than \$600,000 per month. Other revenues are related to investment income from debt proceeds to help pay for the construction of the facility.

Year 2023 2024 2025



Category	2023	2024	2025
Sales Tax	5,752,550	5,745,889	5,959,652
Other		51,590,275	775,973
Total	5,752,550	57,336,164	6,735,625

FY 2024-2025 THIRD QUARTER: HALF CENT SALES TAX FUND

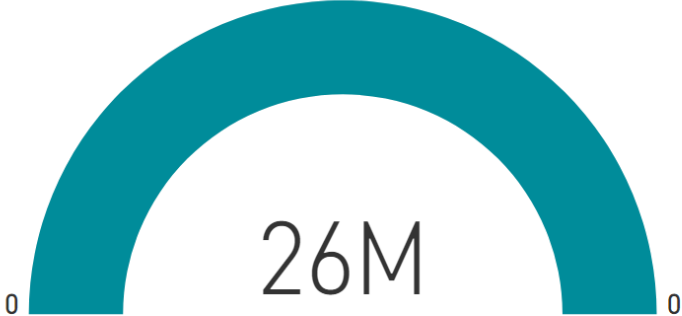
EXPENSES

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EXPENSES

REVENUES

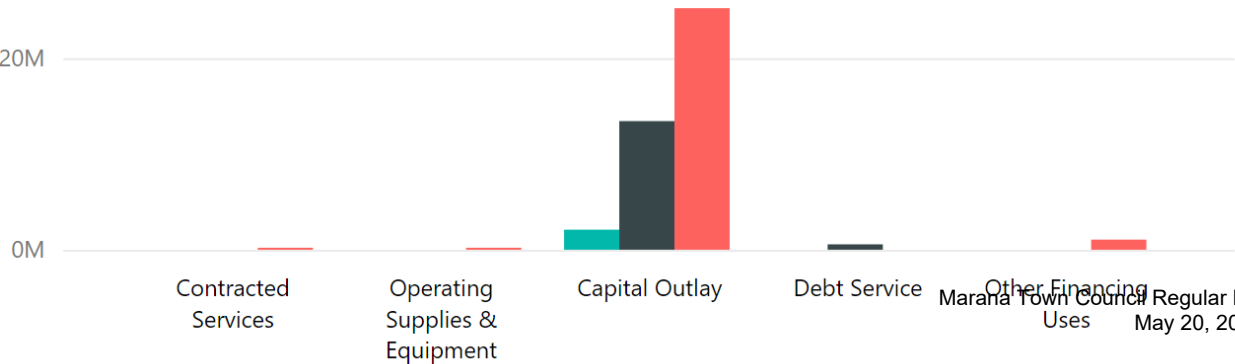
Category	FY 2025 Budget	Actual	% Budget
Contracted Services	116,082	73,367	63%
Operating Supplies & Equipment	863,857	18,061	2%
Capital Outlay	35,309,103	25,232,485	71%
Other Financing Uses	3,591,250	1,052,063	29%
Total	39,880,292	26,375,976	66%



1/2 Cent Sales Tax Fund Relevant Information

The FY2025 budget is associated with the design, construction and equipping of the new multi-generational recreation facility. Construction of the facility began in the second quarter of FY2024. Capital Outlay costs reflect construction costs for the facility which is scheduled to be completed and opened to the public in the last quarter. Other Financing Uses is related to interfund transfers for principal and interest payments associated with debt issued to pay for the facility's construction.

Year 2023 2024 2025



Category	2023	2024	2025
Contracted Services			73,367
Operating Supplies & Equipment			18,061
Capital Outlay	2,090,911	13,434,680	25,232,485
Debt Service		559,984	
Other Financing Uses			1,052,063
Total	2,090,911	13,994,664	26,375,976

FY 2024-2025 THIRD QUARTER: WATER OPERATING FUND

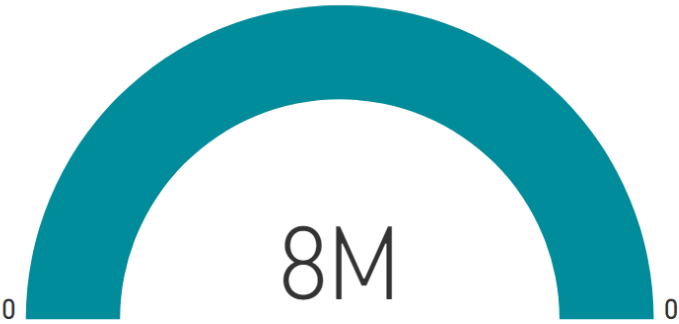
REVENUES

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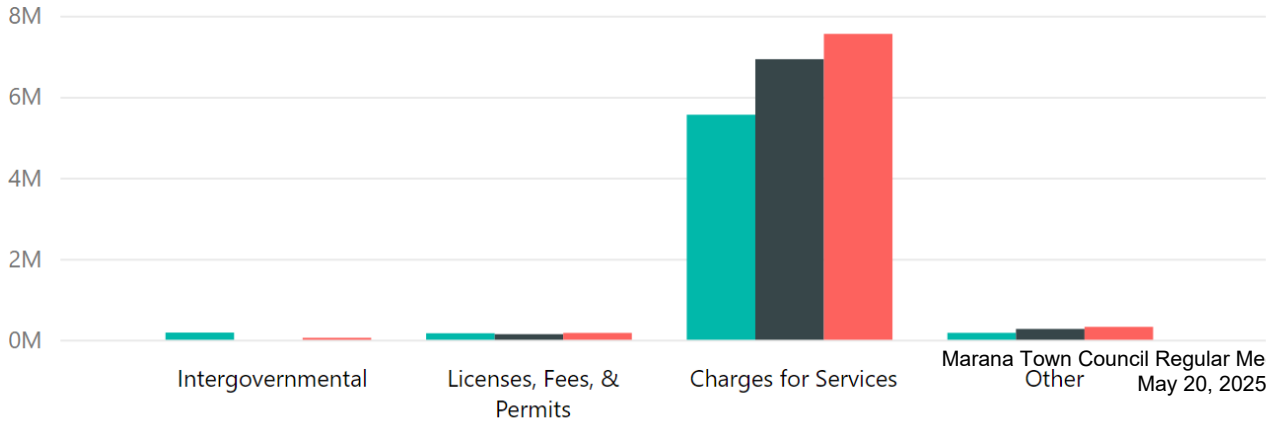
Category	FY 2025 Budget	Actual	% Budget
Intergovernmental	1,386,000	2,198	0%
Licenses, Fees, & Permits	200,000	168,473	84%
Charges for Services	9,685,592	7,606,588	79%
Other	1,594,716	352,293	22%
Total	12,866,308	8,129,553	63%



Water Fund Relevant Information

The current rates and fees for Marana Water customers can be found at - <http://www.maranaaz.gov/water-rates-and-fees>. Charges for Services (water sales) comprise the majority of the revenue for the fund. Revenue collections through the third quarter of FY2025 are in line with budget expectations. Intergovernmental includes anticipated revenues from WIFA and other grants, which are recorded on a reimbursement basis, as well as water credits. Other revenue is primarily comprised of planned interfund transfers used for debt service payments.

Year 2023 2024 2025



Category	2023	2024	2025
Intergovernmental	176,897		2,198
Licenses, Fees, & Permits	160,235	137,538	168,473
Charges for Services	5,599,968	6,988,627	7,606,588
Other	206,403	302,597	352,293
Total	6,143,504	7,428,763	8,129,553

FY 2024-2025 THIRD QUARTER: WATER OPERATING FUND

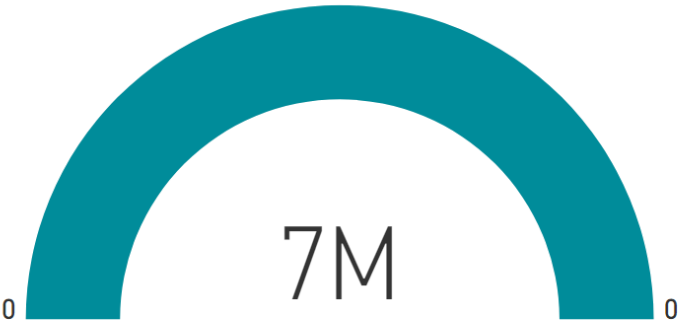
EXPENSES

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EXPENSES

REVENUES

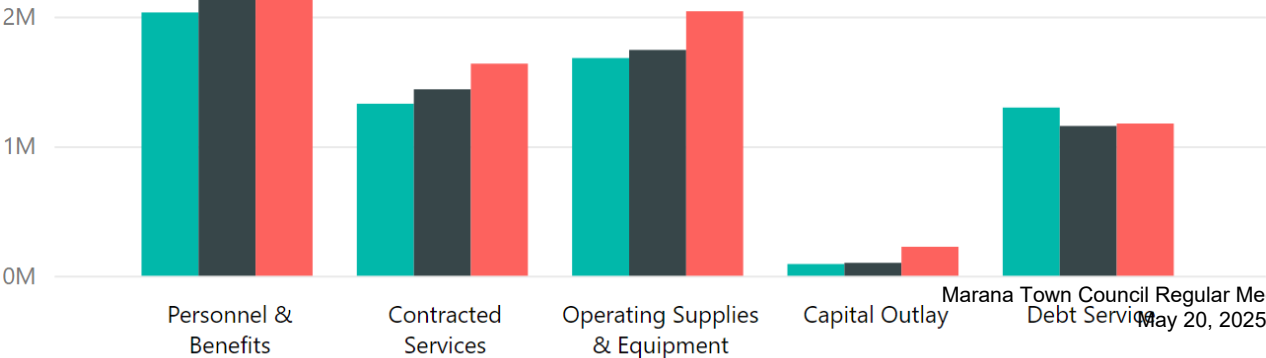
Category	FY 2025 Budget	Actual	% Budget
Personnel & Benefits	3,792,917	2,137,829	56%
Contracted Services	3,841,540	1,634,857	43%
Operating Supplies & Equipment	2,869,122	2,040,137	71%
Capital Outlay	392,850	223,567	57%
Debt Service	1,384,586	1,174,228	85%
Other Financing Uses	3,453,062		
Total	15,734,077	7,210,617	46%



Water Fund Relevant Information

Overall, FY2025 third quarter expenses for the Water Operating Fund are below budget levels but within expectations. Personnel & Benefits are below expectations due to higher than anticipated turnover in several positions, many of which have now been filled. Capital Outlay budget is for vehicle purchases, some of which will be carried forward to next fiscal year. Debt Service is related to WIFA loan and bond payments during FY2025. Capital costs associated with infrastructure and CIP projects are captured in separate funds. Other Financing Uses is associated with transfers to the Water Capital Fund for the construction of capital projects.

Year 2023 2024 2025



Category	2023	2024	2025
Personnel & Benefits	2,031,011	2,285,499	2,137,829
Contracted Services	1,326,628	1,438,053	1,634,857
Operating Supplies & Equipment	1,679,328	1,741,297	2,040,137
Capital Outlay	90,339	99,599	223,567
Debt Service	1,297,402	1,155,378	1,174,228
Total	6,424,708	6,719,826	7,210,617

FY 2024-2025 THIRD QUARTER: WATER RECLAMATION OPERATING FUND

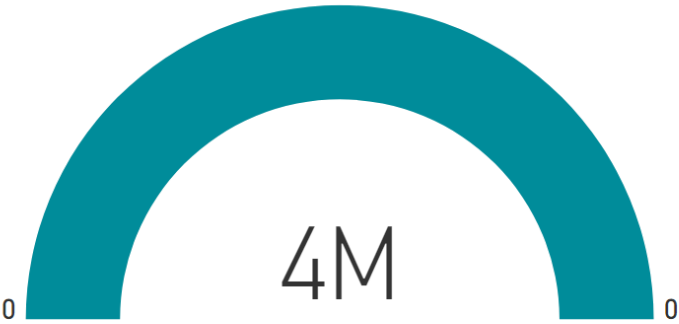
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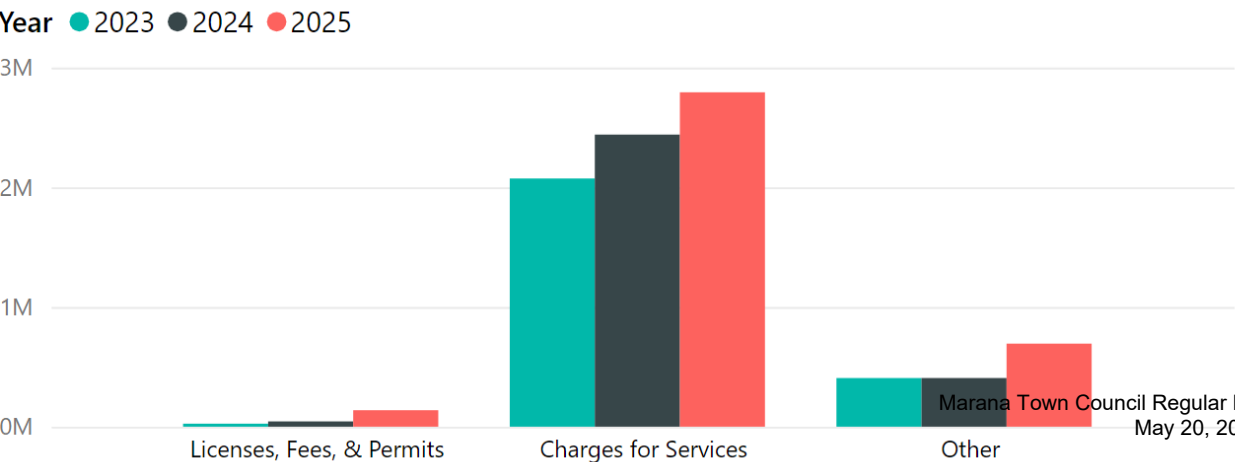
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Category	FY 2025 Budget	Actual	% Budget
Licenses, Fees, & Permits	100,000	137,485	137%
Charges for Services	3,645,407	2,793,186	77%
Other	2,994,534	695,422	23%
Total	6,739,941	3,626,093	54%



Water Reclamation Fund Relevant Information

The current rates and fees for Marana Sewer customers can be found at - <http://www.maranaaz.gov/water-rates-and-fees>. Charges for Services (sewer rates) comprise the majority of the revenue for the fund. Overall, FY2025 third quarter revenue collections meet expectations. Other planned revenue is primarily related to budgeted transfers between funds for debt service payments.



Category	2023	2024	2025
Licenses, Fees, & Permits	24,999	43,928	137,485
Charges for Services	2,073,163	2,439,945	2,793,186
Other	406,188	406,347	695,422
Total	2,504,350	2,890,219	3,626,093

FY 2024-2025 THIRD QUARTER: WATER RECLAMATION OPERATING FUND

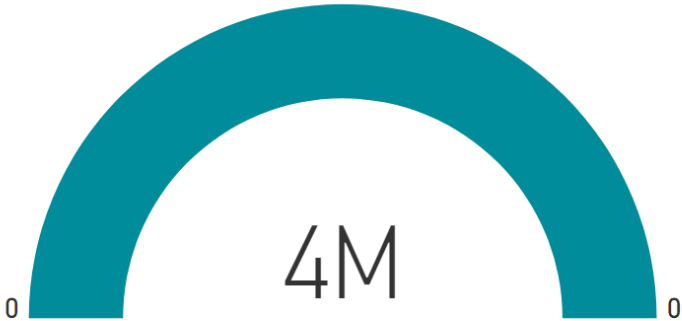
EXPENSES

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EXPENSES

REVENUES

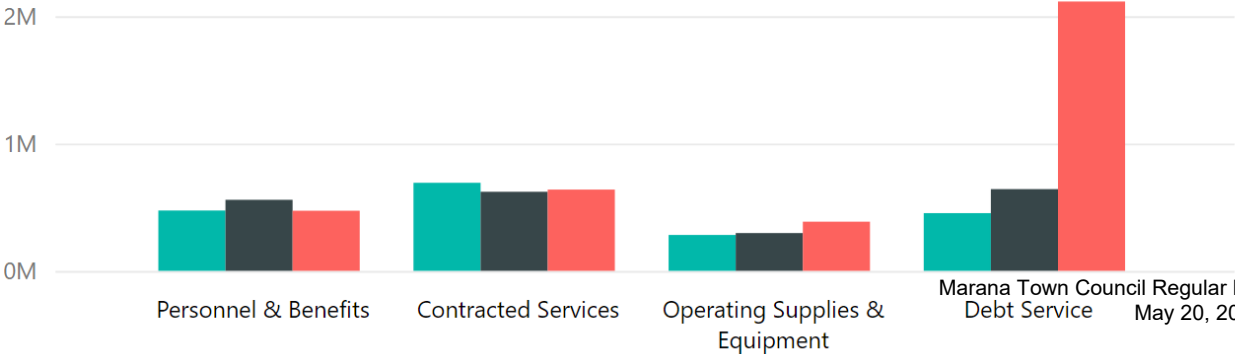
Category	FY 2025 Budget	Actual	% Budget
Personnel & Benefits	847,840	471,994	56%
Contracted Services	1,656,800	638,186	39%
Operating Supplies & Equipment	580,623	386,034	66%
Capital Outlay	164,000	48,073	29%
Debt Service	2,465,530	2,115,328	86%
Other Financing Uses	1,747,932		
Total	7,462,725	3,659,614	49%



Water Reclamation Fund Relevant Information

Overall, third quarter expenses for the Water Reclamation Operating Fund are below budget expectations but comparable to prior year activity. Debt Service is related to annual WIFA loan and bond payments. Capital costs associated with infrastructure and CIP projects are captured in separate funds. Other Financing Uses is associated with transfers for capital improvement projects.

Year 2023 2024 2025



Category	2023	2024	2025
Personnel & Benefits	473,789	557,850	471,994
Contracted Services	691,447	619,054	638,186
Operating Supplies & Equipment	281,582	296,637	386,034
Capital Outlay			48,073
Debt Service	453,199	641,781	2,115,328
Other Financing Uses		14,185,150	
Total	1,900,018	16,300,471	3,659,614

FY 2024-2025 THIRD QUARTER: AIRPORT OPERATING FUND

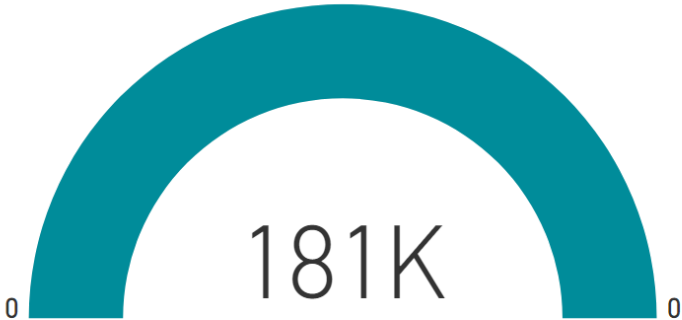
REVENUES

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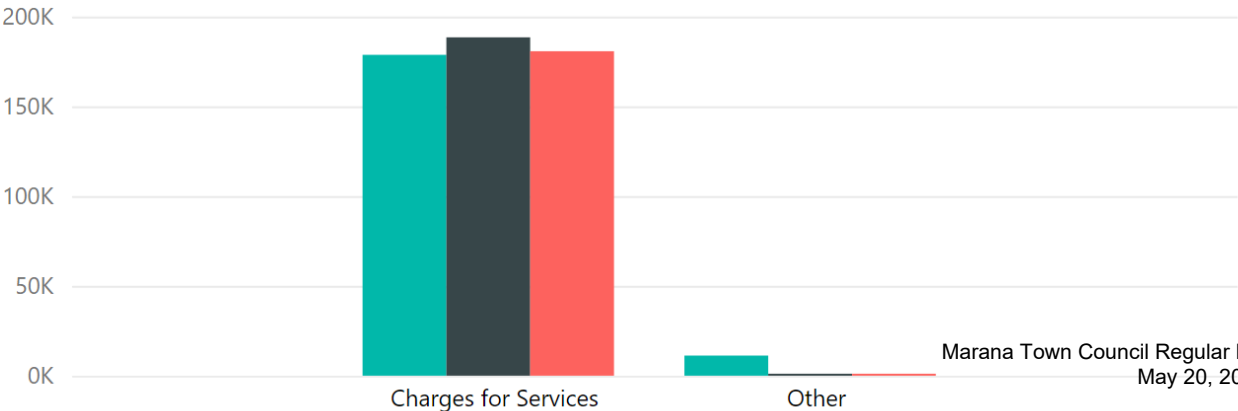
Category	FY 2025 Budget	Actual	% Budget
Licenses, Fees, & Permits	0	100	0%
Charges for Services	368,551	180,683	49%
Other	488,954	660	0%
Total	857,505	181,443	21%



Airport Fund Relevant Information

Overall, third quarter revenue collections for the Airport Fund are in line with expectations. Other revenue is primarily comprised of miscellaneous revenues and transfers between funds scheduled to be completed as the Town reconciles and closes the books at the end of the fiscal year.

Year 2023 2024 2025



Category	2023	2024	2025
Licenses, Fees, & Permits			100
Charges for Services	178,676	188,415	180,683
Other	11,191	315	660
Total	189,867	188,730	181,443

FY 2024-2025 THIRD QUARTER: AIRPORT OPERATING FUND

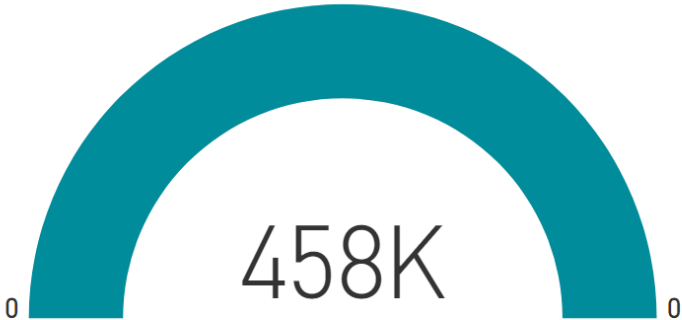
EXPENSES

Select Revenue or Expense

☒ EXPENSES

☐ REVENUES

Category	FY 2025 Budget	Actual	% Budget
Personnel & Benefits	437,730	272,102	62%
Contracted Services	259,850	83,694	32%
Operating Supplies & Equipment	76,925	45,263	59%
Capital Outlay	83,000	56,725	68%
Total	857,505	457,784	53%



Airport Fund Relevant Information

Overall, expenses for the Airport Fund are in line with expectations through the third quarter of FY2025. Contracted Services general maintenance expenses were less than anticipated to date. Costs related to CIP projects are captured in other funds.

Year 2023 2024 2025



Category	2023	2024	2025
Personnel & Benefits	212,547	217,916	272,102
Contracted Services	110,426	96,403	83,694
Operating Supplies & Equipment	39,598	43,068	45,263
Capital Outlay			56,725
Total	362,571	357,386	457,784



Council-Regular Meeting

C1

Meeting Date: 05/20/2025

To: Mayor and Council

Submitted For: Scott Radden, Senior Planner

From: Scott Radden, Senior Planner

Date: May 20, 2025

Strategic Plan Focus Area:

Not Applicable

Subject: Resolution No. 2025-040: Relating to Development; approving a Final Plat for Silverbell Ridge, Lots 1 – 55 and Common Areas “A-1” through “A – 4” (Natural Open Space), Common Areas “B-1 through B-5” (Landscape/Grading/Drainage) and Common Area “C” (Recreation) located approximately one-quarter of a mile south of Ina Road, west of Silverbell Road (Scott Radden)

Discussion:

Request

Baker and Associates Engineering, on behalf of Mattamy Tucson LLC, is requesting approval of a final plat for fifty-five single-family residential lots and common areas, on approximately 49 acres of land.

Location

The site of the proposed development is located approximately one-quarter of a mile south of Ina Road, west of Silverbell Road, within a portion of Section 2, Township 13 South and Range 12 East.

Zoning and Land Use

The zoning for the development is Single-Family Residential (R-6), allowing single-family detached homes with a minimum lot size of 6,000 square feet. The final plat provides approximately 19.7 acres of land for the fifty-five lots, with 32.5 acres of natural open space. There are approximately 3.6 acres for landscape, grading and

drainage, with approximately 0.6 acres for recreation. The gross density for the subdivision is 1.2 residents per acre (RAC).

Transportation

This development proposes 0.68 miles of new public streets. There are two main access points into the subdivision from Silverbell Road. Access will be provided to lots 49-55 via Promise Ridge Place on the north side of the property. All other lots will be accessed from Silverbell Ridge Drive. There is also a public utility/emergency access easement provided south of Lot 17, off Carillon Ridge Lane, for emergency access to Silverbell Road.

Utilities

Water service will be provided by Tucson Water and sanitary sewer service will be provided by Pima County Regional Wastewater Reclamation. Tucson Electric Power (TEP) and Southwest Gas will provide electric and natural gas services.

Preliminary Plat

The Preliminary Plat for Silverbell Ridge Lots 1-55 and Common Area "A" (Natural Open Space), Common Area "B" (Landscape, Grading & Drainage), Common, was approved by Town Staff on April 1, 2024.

Staff Recommendation:

Staff has reviewed the proposed final plat against the requirements of the Marana Town Code, and the Marana General Plan. The final plat is in substantial conformance with all required development regulations and staff recommends approval.

Suggested Motion:

I move to adopt Resolution 2025-040, approving a Final Plat for Silverbell Ridge, Lots 1 - 55 and Common Areas "A-1" through "A - 4" (Natural Open Space), Common Areas "B-1 through B-5" (Landscape/Grading/Drainage) and Common Area "C" (Recreation).

Attachments

Resolution No. 2025-040

Final Plat

Location Map

Application

MARANA RESOLUTION NO. 2025-040

RELATING TO DEVELOPMENT; APPROVING A FINAL PLAT FOR SILVERBELL RIDGE, LOTS 1 – 55 AND COMMON AREAS “A-1” THROUGH “A – 4” (NATURAL OPEN SPACE), COMMON AREAS “B-1 THROUGH B-5” (LANDSCAPE/GRADING/DRAINAGE) AND COMMON AREA “C” (RECREATION) LOCATED APPROXIMATELY ONE-QUARTER OF A MILE SOUTH OF INA ROAD, WEST OF SILVERBELL ROAD

WHEREAS, on September 17, 2002, the Mayor and Town Council adopted Ordinance No. 2002.19, approving a rezoning of approximately 61.2 acres located west of Silverbell Road and south of Ina Road from R- 144 (Single Family Residential) to R-16 (Single Family Residential) (the “Property”); and

WHEREAS, on December 20, 2005, the Mayor and Town Council adopted Resolution No. 2005-151, approving a final plat for the Property (the “Ina & Silverbell Plat”) recorded in the Pima County Recorder’s office at Book 61 of Maps and Plats at Page 20 (Sequence No. 20060910729); and

WHEREAS, on January 20, 2015, the Mayor and Town Council adopted Ordinance No. 2015-003, amending various conditions of Ordinance No. 2002.19; and

WHEREAS, on September 4, 2018, the Mayor and Town Council adopted Resolution No. 2018-077, approving the final block plat for Silverbell Ridge Estates, Blocks 1-3, a new block plat for the Property; and

WHEREAS, on August 17, 2021, the Mayor and Town Council adopted Ordinance No. 2021.016, approving a rezoning of 49 acres of the Property from R-16 (Residential) to R-6 (Residential); and

WHEREAS, on January 16, 2024, the Mayor and Town Council adopted Ordinance No. 2024.002, modifying a condition of Ordinance No. 2021.016 related to transportation requirements; and

WHEREAS, on April 1, 2024, the preliminary plat for Silverbell Ridge Lots 1-55 and Common Area “A”(Natural Open Space), Common Area “B” (Landscape, Grading & Drainage), Common , was approved by Town Staff; and

WHEREAS, on November 19, 2024, the Mayor and Town Council adopted Ordinance No. 2024.024, modifying a condition of Ordinance No. 2021.016 related to undergrounding of utilities; and

WHEREAS Baker and Associates Engineering, on behalf of Mattamy Tucson LLC, has applied for approval of a final plat for 55 single-family residential lots and common areas on the Property; and

WHEREAS the Marana Town Council, at the regularly scheduled meeting on May 20, 2025, determined that the final plat for Silverbell Ridge, Lots 1 – 55 and Common Areas “A-1” Through “A-4”, Common Areas “B-1 Through B-5”, and Common Area “C” should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Marana, Arizona, that the final plat for Silverbell Ridge, Lots 1 – 55 and Common Areas “A-1” through “A – 4” (Natural Open Space), Common Areas “B-1 through B-5” (Landscape/Grading/Drainage) and Common Area “C” (Recreation) is hereby approved.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of May, 2025.

Mayor Jon Post

ATTEST:

APPROVED AS TO FORM:

Jill McCleary, Town Clerk

Jane Fairall, Town Attorney

DEDICATION

WE, THE UNDERSIGNED, HEREBY WARRANT THAT WE ARE ALL AND THE ONLY PARTIES HAVING ANY FEE TITLE INTEREST IN THE LAND SHOWN ON THIS PLAT, AND WE CONSENT TO THE SUBDIVISION OF SAID LAND IN THE MANNER SHOWN ON THIS PLAT.

WE HEREBY DEDICATE TO THE TOWN OF MARANA ALL RIGHTS-OF-WAY SHOWN ON THIS PLAT, INCLUDING ALL STREETS.

UTILITY EASEMENTS AS SHOWN ON THIS PLAT ARE GRANTED TO THE TOWN OF MARANA, PIMA COUNTY, AND ALL PUBLIC AND PRIVATE UTILITY COMPANIES FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF, AND ACCESS TO, PUBLIC AND PRIVATE UTILITIES AND PUBLIC SEWERS.

OTHER EASEMENTS SHOWN ON THIS PLAT ARE GRANTED TO THE TOWN OF MARANA FOR THE PURPOSE OR PURPOSES NOTED ON THIS PLAT.

WE, THE UNDERSIGNED, OUR SUCCESSORS AND ASSIGNS, DO HEREBY HOLD THE TOWN OF MARANA, ITS EMPLOYEES, OFFICERS, AND AGENTS, HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS FOR DAMAGES RELATED TO THE USE OF THESE LANDS NOW AND IN THE FUTURE BY REASON OF FLOODING, FLOWAGE, EROSION, OR DAMAGE CAUSED BY WATER, WHETHER SURFACE, FLOOD OR RAINFALL. NATURAL DRAINAGE SHALL NOT BE ALTERED, DISTURBED, OR OBSTRUCTED WITHOUT THE WRITTEN APPROVAL OF THE TOWN OF MARANA.

ALL COMMON AREAS, AS SHOWN ON THIS PLAT ARE RESERVED FOR THE PRIVATE USE AND CONVENIENCE OF ALL OWNERS OF PROPERTY WITHIN THIS SUBDIVISION, THEIR GUESTS AND INVITEES.

ALL COMMON AREAS ARE GRANTED AS EASEMENTS TO THE TOWN OF MARANA, PIMA COUNTY, AND ALL PUBLIC AND PRIVATE UTILITY COMPANIES FOR THE PURPOSE OF ACCESS TO, INSTALLATION AND MAINTENANCE OF PUBLIC AND PRIVATE UTILITIES AND PUBLIC SEWERS.

TITLE TO ALL COMMON AREAS SHALL BE VESTED IN AN ASSOCIATION OF INDIVIDUAL LOT OWNERS AS ESTABLISHED BY COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN SEQUENCE NO. _____ IN THE OFFICE OF THE PIMA COUNTY RECORDER. EACH AND EVERY LOT OWNER WITHIN THE SUBDIVISION SHALL BE A MEMBER OF THE ASSOCIATION, WHICH IS RESPONSIBLE FOR THE CONTROL, MAINTENANCE, SAFETY, AND LIABILITY OF ALL COMMON AREAS WITHIN THIS SUBDIVISION.

TITLE SECURITY AGENCY, L.L.C.
A DELAWARE LIMITED LIABILITY COMPANY, FKA TITLE SECURITY AGENCY OF ARIZONA, L.L.C., AS TRUSTEE UNDER TRUST NUMBER 201527R, AND NOT IN ITS CORPORATE CAPACITY.

TRUST OFFICER

BENEFICIARY

MATTAMY TUCSON L.L.C., A DELAWARE LIMITED LIABILITY COMPANY
3561 E. SUNRISE DRIVE, SUITE 247, TUCSON, ARIZONA 85718
PHONE: 520-277-5408

ACKNOWLEDGMENT

STATE OF ARIZONA } S.S.
COUNTY OF PIMA

ON THIS, THE _____ DAY OF _____, 20____, BEFORE ME PERSONALLY APPEARED _____ WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE THE TRUST OFFICER OF TITLE SECURITY AGENCY, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY, FKA TITLE SECURITY AGENCY OF ARIZONA, L.L.C., AS TRUSTEE UNDER TRUST NO. 201527R AND NOT IN ITS CORPORATE CAPACITY AND ACKNOWLEDGED THAT HE/SHE, AS THE TRUST OFFICER, BEING AUTHORIZED TO DO SO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE(S) THEREIN CONTAINED.

IN WITNESS WHEREOF: I HEREBY SET MY NAME AND OFFICIAL SEAL.

NOTARY PUBLIC

ASSURANCES

ASSURANCE IN THE FORM OF A THIRD PARTY TRUST AGREEMENT FROM TITLE SECURITY AGENCY, L.L.C., TRUST NO. 201527R, AS RECORDED IN SEQUENCE NO. _____ IN THE OFFICE OF THE RECORDER OF PIMA COUNTY, ARIZONA HAS BEEN PROVIDED TO GUARANTEE INSTALLATION OF REQUIRED STREET, SEWER, ELECTRIC, GAS, AND WATER UTILITIES, DRAINAGE, FLOOD CONTROL AND OTHER SUBDIVISION IMPROVEMENTS MEETING ESTABLISHED MINIMUM STANDARDS OF DESIGN AND CONSTRUCTION.

BY: _____
TOWN OF MARANA DATE

RECORDING DATA

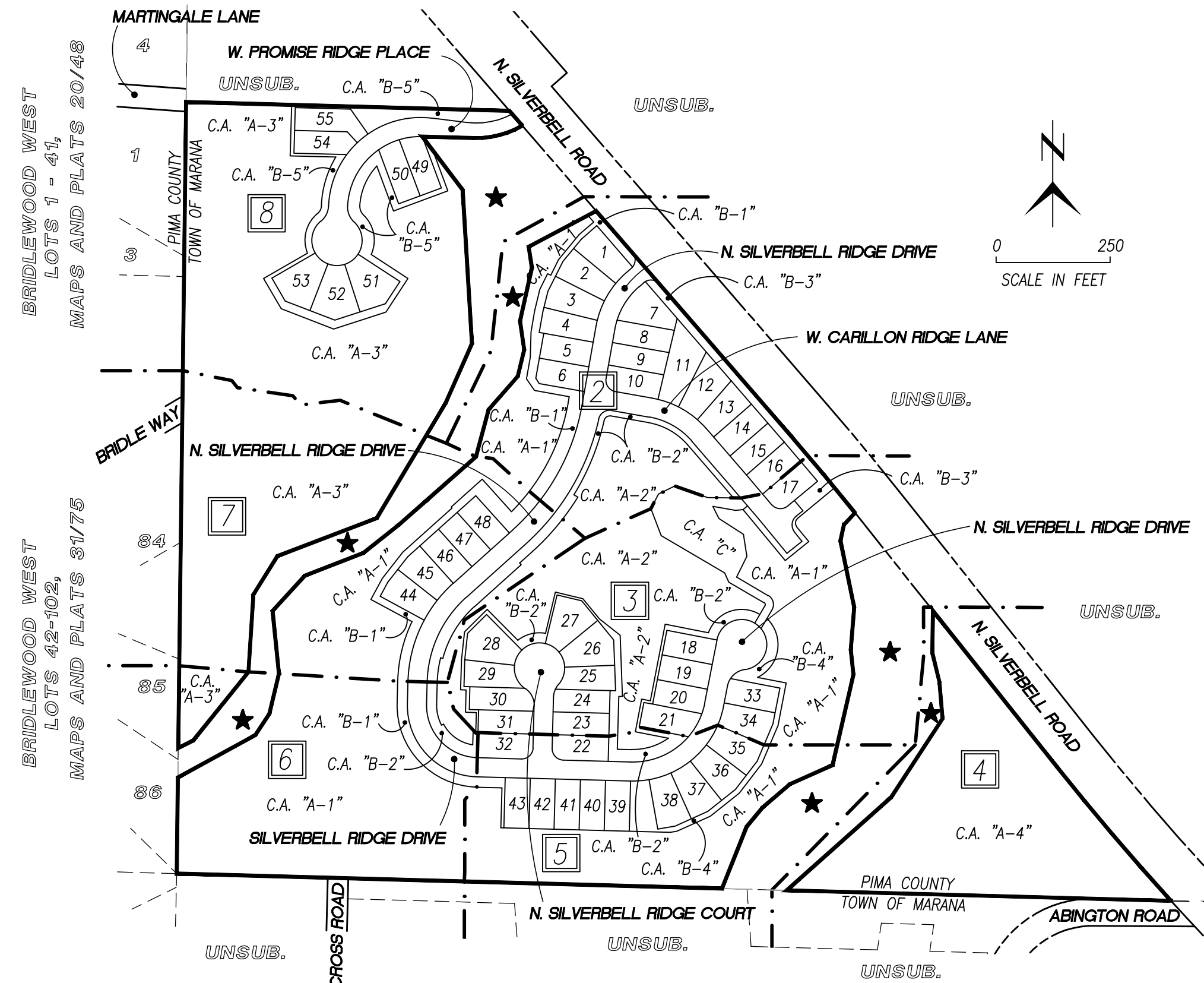
STATE OF ARIZONA } S.S. FEE _____
COUNTY OF PIMA SEQUENCE NO. _____

THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF BAKER AND ASSOCIATES ENGINEERING, INC., ON THIS _____ DAY OF _____, 20____, AT _____ M. IN SEQUENCE NO. _____ THEREOF.

GABRIELLA CAZARES-KELLY, PIMA COUNTY RECORDER
DEPUTY COUNTY RECORDER DATE

GENERAL NOTES

- THE GROSS AREA OF THIS SUBDIVISION IS 49.0 ACRES (2,134,440 S.F.).
- THE TOTAL NUMBER OF LOTS IS 55.
- TOTAL AREA OF COMMON AREA "A" (NATURAL OPEN SPACE): 32.3 ACRES (1,408,730 S.F.).
TOTAL AREA OF COMMON "B" (LANDSCAPE/GRADING/DRAINAGE): 3.6 ACRES (158,563 S.F.).
TOTAL AREA OF COMMON "C" (RECREATION): 0.6 ACRES (27,739 S.F.).
- TOTAL MILES OF NEW PUBLIC STREETS IS 0.68 MILES.
- MINIMUM ALLOWABLE LOT SIZE IS 6,000 SF.
MINIMUM PROVIDED LOT SIZE IS 6,002 SF.
AVERAGE LOT SIZE IS 6,783 SF.
MAXIMUM LOT SIZE PROVIDED IS 10,340 SF (NOT A RESTRICTION).
MAXIMUM ALLOWABLE BUILDING HEIGHT FOR SINGLE STORY IS 20'.
- THE BUILDING SETBACKS ARE AS FOLLOWS:
FRONT: 16' (20' FROM FRONT LOADED GARAGE)
SIDE: 5' (SIDE ADJACENT TO STREET = 10')
REAR: 15'
CORNER: 10'
- THERE WILL BE 2 PARKING SPACES PROVIDED FOR EACH LOT ON-SITE (2 x 55 = 110).
- THE APPROVED ZONING FOR THIS PROJECT IS R-6 (SINGLE FAMILY RESIDENTIAL).
- THE GROSS DENSITY FOR THIS PROJECT IS 1.16 RAC.
- NO FURTHER LOT SPLITTING SHALL BE DONE WITHOUT THE WRITTEN APPROVAL OF THE TOWN OF MARANA.
- APPROVAL OF THIS PLAT DOES NOT AFFIRM, CERTIFY OR APPROVE ANY LAND DIVISION THAT MAY BE CONTRARY TO STATE LAW, NOR DOES IT CERTIFY THE EXISTENCE OF, OR COMPLIANCE WITH, ANY DEED RESTRICTIONS OR EASEMENTS.
- OBJECTS AND MATERIALS WITHIN THE SIGHT-VISIBILITY TRIANGLES SHALL BE PLACED SO AS NOT TO INTERFERE WITH A VISIBILITY PLANE DESCRIBED BY TWO HORIZONTAL LINES LOCATED 30 INCHES AND 72 INCHES ABOVE THE FINISHED GRADE OF THE ROADWAY SURFACE, AND SHALL CONFORM TO SECTION 4.8 OF THE TOWN OF MARANA SUBDIVISION STREET STANDARDS.
- THE PROFESSIONAL ENGINEER OF RECORD SHALL CERTIFY AS TO THE FORM, LINE AND FUNCTION OF ALL PUBLIC AND PRIVATE ROADWAYS AND DRAINAGE STRUCTURES BEFORE THE RELEASE OF ASSURANCES.
- THE AREA BETWEEN 100-YEAR FLOOD LIMITS REPRESENTS AN AREA THAT MAY BE SUBJECT TO FLOODING FROM A 100-YEAR FREQUENCY FLOOD AND ALL LAND IN THIS AREA WILL BE RESTRICTED TO USES THAT ARE COMPATIBLE WITH THE FLOOD PLAIN MANAGEMENT AS APPROVED BY THE FLOODPLAIN ADMINISTRATOR.
- INSTALLATION OF ITEMS SUCH AS LANDSCAPING, IRRIGATION, SIGNAGE, MONUMENTS, WALLS AND DRAINAGE IMPROVEMENTS IN THE PUBLIC RIGHTS-OF-WAY SHALL REQUIRE A PERPETUAL LICENSE AGREEMENT FOR INSTALLATION, MAINTENANCE AND INDEMNIFICATION. THIS LICENSE AGREEMENT SHALL BE EXECUTED AND APPROVED BY THE TOWN OF MARANA PRIOR TO APPROVAL OF THE CLOSEOUT PACKAGE FOR THIS PROJECT.
- THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF TUCSON SERVICE AREA, WHICH HAS BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY UNDER A.R.S. SEC 45-576.
- THIS SUBDIVISION IS SUBJECT TO THE SILVERBELL RIDGE REZONE, TOWN OF MARANA CASE #PCZ2101-001, AS APPROVED ON AUGUST 10, 2021.
- THE REZONING CONDITIONS APPLICABLE TO THIS PROJECT ARE PER ORDINANCE NO. 2021.016, AS RECORDED IN SEQUENCE #20212320150.
- PER REZONING CONDITION #16, SINGLE STORY HOMES (ONLY) ARE ALLOWED ON LOTS 18 - 55.
- PER ORDINANCE NO. 2024.002, APPROVED JANUARY 16, 2024, REZONING CONDITION #4 WAS AMENDED AS FOLLOWS:
 - THE PROPERTY OWNERS SHALL DESIGN AND CONSTRUCT LEFT-TURN LANES FOR NORTHBOUND TRAFFIC ON SILVERBELL ROAD FOR BOTH ENTRANCES INTO THE REZONING AREA.
- PER ORDINANCE NO. 2024.024, APPROVED NOVEMBER 19, 2024, REZONING CONDITION #15 WAS AMENDED AS FOLLOWS:
 - ALL OPEN SPACE EASEMENTS AND WILDLIFE CORRIDORS SHALL BE LEFT ENTIRELY UNDISTURBED AND IN THEIR NATURAL DESERT STATE, EXCEPT FOR NECESSARY UTILITY INSTALLATIONS, WHICH SHALL BE REVEGETATED. ALL SUCH EASEMENTS AND CORRIDORS SHALL BE DEDICATED TO THE APPROPRIATE ENTITY, ACCEPTABLE TO THE TOWN AND AT A TIME ACCEPTABLE TO THE TOWN. ALL NEW UTILITIES WHICH WILL SERVICE THE REZONING AREA SHALL BE UNDERGROUND, AND ALL UTILITY TRENCHES SHALL BE REVEGETATED TO BE IDENTICAL WITH THE SURROUNDING DESERT. ALL EXISTING OVERHEAD ELECTRIC LINES WITHIN EXISTING TEP AND WAPA EASEMENTS SHALL BE TO WAPA AND TEP SPECIFICATIONS AND ARE NOT REQUIRED TO BE UNDERGROUND.
- THIS PROJECT IS SUBJECT TO DRIVE-A DESIGN EXCEPTION, #ENG2311-021, AS APPROVED ON JANUARY 19, 2024.
- THE LANDS IDENTIFIED IN COMMON AREAS "A-1" TO "A-4" ARE SUBJECT TO AN OPEN SPACE COVENANT THAT PRESERVES THE LAND AS NATURAL OPEN SPACE FOR THE CONSERVATION OF NATURAL HABITAT AND FOR WILDLIFE, THE PROTECTION OF RARE AND UNIQUE NATIVE PLANTS AND ANIMALS, AND FOR SCENIC ENJOYMENT, ALL AS RECORDED IN THE COVENANTS, CONDITIONS AND RESTRICTIONS FOR THIS PROJECT (SEE "DEDICATION", THIS SHEET).
- HOMES 18-48 WILL BE EQUIPPED WITH RESIDENTIAL FIRE SPRINKLERS.



SHEET/KEY MAP

- SHEET #
- EXISTING BLOCK "A" PER SEQ. #20182500098 - OWNER: TOWN OF MARANA (BLOCK NOT A PART OF THIS FINAL PLAT)
- PLAT BOUNDARY
- SHEET/KEY MAP MATCHLINE

CERTIFICATIONS

I HEREBY CERTIFY THAT THE BOUNDARY SURVEY AS SHOWN ON THIS PLAT WAS PERFORMED UNDER MY DIRECTION AND THAT ALL EXISTING OR PROPOSED SURVEY MONUMENTS AND MARKERS SHOWN ARE CORRECTLY DESCRIBED.

BRIAN J. LIVERNOIS, R.L.S.
ON POINT SURVEYING, PLLC
REGISTERED LAND SURVEYOR NO. 58324
STATE OF ARIZONA

I HEREBY CERTIFY THAT THE INTERIOR SUBDIVISION GEOMETRY FOR THIS PLAT WAS REVIEWED AND SHOWN UNDER MY SUPERVISION.

WILLIAM H. BAKER, JR.
BAKER & ASSOCIATES ENGINEERING, INC.
REGISTERED LAND SURVEYOR NO. 16784
STATE OF ARIZONA

I HEREBY CERTIFY THAT THE NEW FLOODPRONE LIMITS AND NEW EROSION SETBACK LINES WERE REVIEWED AND SHOWN UNDER MY SUPERVISION.

LARRY K. ROBERTS
ARROYO ENGINEERING, L.L.C.
REGISTERED ENGINEER NO. 25331
STATE OF ARIZONA

TOWN OF MARANA APPROVALS

BY: _____ P.E.
MARANA TOWN ENGINEER/DEVELOPMENT ENGINEER DATE

BY: _____
MARANA PLANNING MANAGER DATE

PIMA COUNTY APPROVAL

BY: _____
PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT DATE

ASSURED WATER SUPPLY

THE UNDERSIGNED CERTIFIES THAT IT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND WILL PROVIDE WATER SERVICE TO THIS SUBDIVISION.

BY: _____
ITS: CITY OF TUCSON WATER DEPARTMENT DATE

MARANA TOWN COUNCIL CERTIFICATION

I, _____, CLERK OF THE TOWN OF MARANA, HEREBY CERTIFY THAT THIS PLAT WAS APPROVED BY THE TOWN COUNCIL OF THE TOWN OF MARANA ON THE _____ DAY OF _____, 20____.

BY: _____
CLERK OF THE TOWN OF MARANA DATE

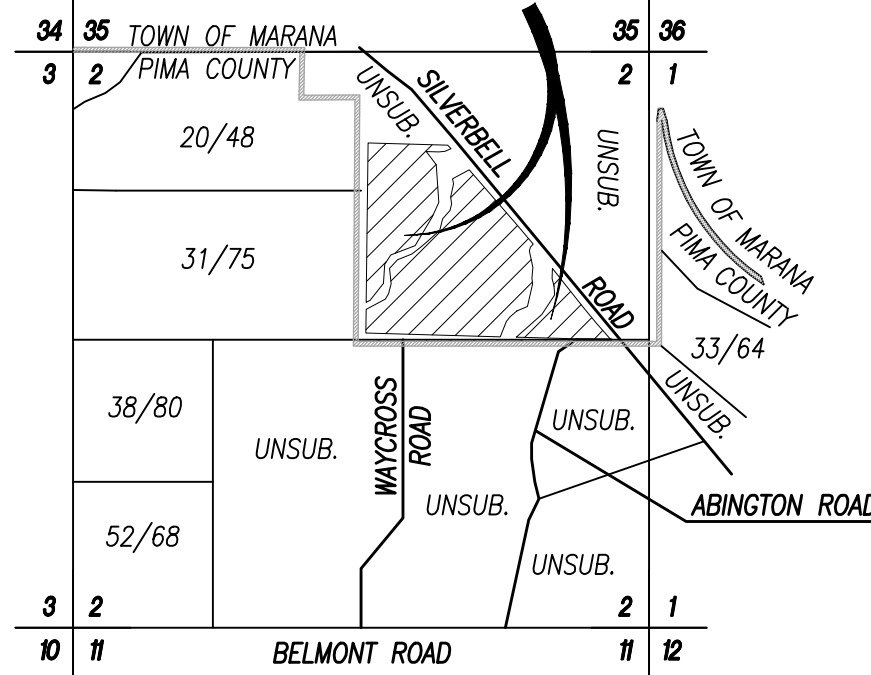
BASIS OF BEARING

NORTH 01°06'53" EAST BETWEEN MONUMENTS FOUND ON THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 2 (ACCORDING TO SEQUENCE #20182500098)

SHEET INDEX

- SHEET #1 COVER SHEET, NOTES
- SHEET #2 - #8 FINAL PLAT PLAN SHEETS
- SHEET #9 EASEMENT RELEASE DETAIL SHEET

THIS PROJECT



LOCATION PLAN

A PORTION OF SECTION 2, T13S, R12E, G&SRM,
TOWN OF MARANA, PIMA COUNTY, ARIZONA

LEGEND

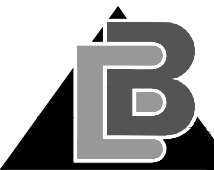
- FOUND 3" BRASS CAPPED SURVEY MONUMENT STAMPED "TOWN OF MARANA"
- SET 2" BRASS CENTERLINE SURVEY MONUMENT PER TOWN OF MARANA STD. DTL. M-103B
- SET 1/2" REBAR TAGGED "RLS 58324" AT PROPERTY CORNERS EXCEPT WHERE OTHERWISE LABELED AS FOUND
- CALCULATED POINT - NOTHING FOUND OR SET
- 1/2" REBAR TO BE SET BY A REGISTERED LAND SURVEYOR AT ALL PROPERTY CORNERS (SEE ALSO MONUMENTS PROVIDED ON SHEETS 2 - 8 FOR CLARIFICATION)
- SUBDIVISION BOUNDARY
- C5 CURVE DATA (SEE TABLE, SHEET 4)
- L10 LINE DATA (SEE TABLE, SHEET 6)
- ★ ADDRESSING/ACCESS LOCATION
- (NEW PUBLIC STREET)
- NEW PUBLIC RIGHT-OF-WAY DEDICATED BY THIS PLAT
- NEW RIGHT-OF-WAY LINE
- EXISTING RIGHT-OF-WAY LINE
- STREET CENTERLINE
- EASEMENT LINE AS SHOWN (SEE ALSO "ONSITE EASEMENT KEYNOTES", SHEETS #2 - #8, AND "EXISTING EASEMENTS TO BE RELEASED KEYNOTES", SHEET #9)
- (R) RADIAL
- P/L BOUNDARY/PROPERTY LINE
- C/L CENTERLINE
- SVT SIGHT VISIBILITY TRIANGLE AREA (SEE ALSO "ONSITE EASEMENT KEYNOTES")
- NATURAL OPEN SPACE NATURAL OPEN SPACE TO BE PROTECTED IN PERPETUITY AS CONSERVATION EASEMENTS
- JURISDICTIONAL LIMITS (PIMA COUNTY/TOWN OF MARANA LINE)

ADMINISTRATIVE ADDRESS

6975 N. SILVERBELL ROAD, MARANA, AZ 85743

FINAL PLAT for
SILVERBELL RIDGE, LOTS 1 - 55 AND COMMON AREAS "A-1" THROUGH "A-4"
(NATURAL OPEN SPACE), COMMON AREAS "B-1" THROUGH "B-5"
(LANDSCAPE/GRADING/DRAINAGE) AND COMMON AREA "C" (RECREATION)

BEING A RE-SUBDIVISION OF
SILVERBELL RIDGE ESTATES SUBDIVISION, BLOCKS 1-3, SEQUENCE #20182500098
LOCATED IN SECTION 2, T13S, R12E, G&SRM,
TOWN OF MARANA, PIMA COUNTY, ARIZONA

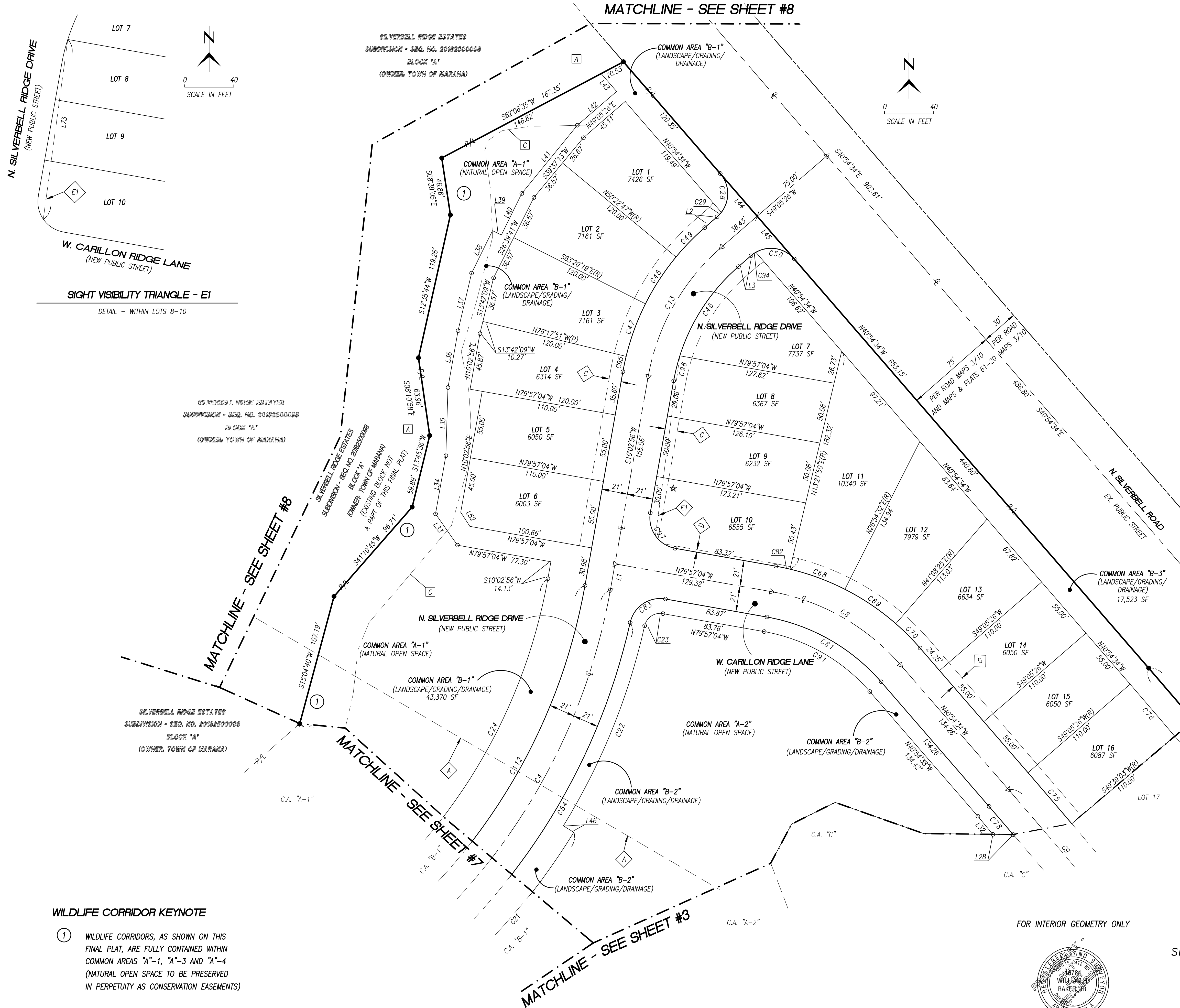


Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930

#PRV2309-002

REF.: #PRV-2112-002; PRV-1804-001; JOB #2541.4 DATE: APRIL 8, 2025 SHEET 1 OF 9
PCZ-2102-001; ENG2311-002

SEQUENCE #



- ONSITE EASEMENT KEYNOTES**
- A** EX. 100' RECLAMATION ESMT. PER DOCKET 19, PAGE 394, TO REMAIN
 - B** EX. 20' ELECTRIC ESMT. PER DOCKET 600, PAGE 529, TO REMAIN
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 - D** NEW 1' NO ACCESS EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT
 - E** NEW SIGHT VISIBILITY TRIANGLE ("SVT") EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT (SEE DETAILS)
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 - L** NEW 15' PUBLIC ELECTRIC EASEMENT GRANTED TO TUCSON ELECTRIC POWER BY THIS PLAT
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- 100 YEAR FLOODPLAIN/EROSION SETBACK LINE KEYNOTES**
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BEING A RE-SUBDIVISION OF
SILVERBELL RIDGE ESTATES SUBDIVISION, BLOCKS 1-3, SEQUENCE #20182500098
LOCATED IN SECTION 2, T13S, R12E, G&SRM,
TOWN OF MARANA, PIMA COUNTY, ARIZONA



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#PRV2309-002 REF.: #PRV-2112-002; PRV-1804-001; JOB #2541.4 DATE: APRIL 8, 2025 SHEET 2 OF 9
PCZ-2102-001; ENG2311-002

WILDLIFE CORRIDOR KEYNOTE
① WILDLIFE CORRIDORS, AS SHOWN ON THIS FINAL PLAT, ARE FULLY CONTAINED WITHIN COMMON AREAS "A"-1, "A"-3 AND "A"-4 (NATURAL OPEN SPACE TO BE PRESERVED IN PERPETUITY AS CONSERVATION EASEMENTS)

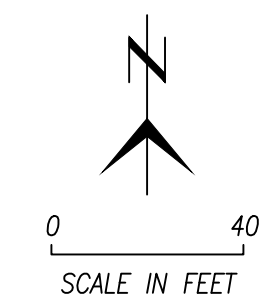
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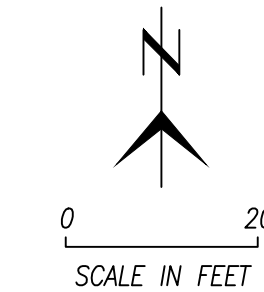
MATCHLINE - SEE SHEET #2



SEQUENCE #

MATCHLINE
SEE SHEET #2

MATCHLINE - SEE SHEET #4



NEW ELECTRIC EASEMENT - "H"

SILVERBELL RIDGE ESTATES
SUBDIVISION - SEQ. NO. 20182500098
BLOCK "A"
(OWNER: TOWN OF MARANA)
(EXISTING BLOCK NOT A PART OF THIS FINAL PLAT)

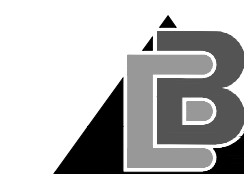
SILVERBELL RIDGE ESTATES
SUBDIVISION - SEQ. NO. 20182500098
BLOCK "A"
(OWNER: TOWN OF MARANA)

FOR INTERIOR GEOMETRY ONLY



FINAL PLAT for
SILVERBELL RIDGE, LOTS 1 - 55 AND COMMON AREAS "A-1" THROUGH "A-4"
(NATURAL OPEN SPACE), COMMON AREAS "B-1" THROUGH "B-5"
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LOCATED IN SECTION 2, T13S, R12E, G&SRM,
TOWN OF MARANA, PIMA COUNTY, ARIZONA



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#PRV2309-002

REF.: #PRV-2112-002; PRV-1804-001;
PCZ-2102-001; ENG2311-002

JOB #2541.4

DATE: APRIL 8, 2025

SHEET 3 OF 9

SEQUENCE #

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NUMBER	DELTA ANGLE	RADIUS	ARC LENGTH
C1	02°11'13"	5733.42	218.85
C2	03°49'29"	5772.85	385.36
C3	31°39'31"	202.00	111.61
C4	38°00'48"	500.00	331.73
C5	46°29'20"	279.00	226.38
C6	90°00'03"	135.41	212.70
C7	80°36'03"	181.00	254.62
C8	39°02'29"	181.00	123.33
C9	01°16'33"	5582.42	124.32
C10	00°39'43"	5582.42	64.51
C11	34°52'23"	188.00	114.43
C12	94°01'55"	181.00	297.05
C13	39°02'29"	181.00	123.33
C14	28°51'27"	223.00	112.32
C15	48°07'32"	24.00	20.16
C16	71°10'53"	76.00	94.42
C17	49°55'03"	24.00	20.91
C18	47°45'31"	77.10	64.27
C19	53°33'18"	87.31	81.61
C20	29°25'32"	92.31	47.41
C21	16°27'41"	543.10	156.04
C22	18°58'41"	533.10	176.58
C23	87°25'49"	12.90	19.68
C24	33°37'28"	448.30	263.09
C25	01°16'28"	448.30	9.97
C26	23°58'49"	322.70	135.06
C27	90°00'00"	179.11	281.35
C28	78°27'47"	25.00	34.24
C29	11°32'13"	25.00	5.03
C30	09°51'36"	300.00	51.63
C31	09°51'36"	300.00	51.63
C32	14°13'53"	202.00	50.17
C33	14°13'53"	202.00	50.17
C34	14°13'53"	202.00	50.17
C35	14°13'53"	202.00	50.17
C36	11°33'04"	202.00	40.72
C37	20°59'07"	160.00	58.60
C38	50°48'30"	160.00	141.88
C39	15°30'40"	45.00	12.18
C40	59°58'28"	55.00	57.57
C41	38°56'33"	55.00	37.38
C42	58°15'19"	55.00	55.92
C43	37°09'50"	55.00	35.67
C44	37°09'50"	55.00	35.67
C45	42°57'26"	55.00	41.24
C46	31°31'23"	160.00	88.03
C47	12°57'32"	202.00	45.69
C48	12°57'32"	202.00	45.69
C49	09°28'13"	202.00	33.39
C50	78°27'45"	25.00	34.24
C51	22°43'29"	45.00	17.85
C52	19°09'57"	55.00	18.40
C53	18°26'00"	160.00	51.48
C54	18°03'50"	160.00	50.44
C55	80°15'52"	55.00	77.05
C56	49°58'13"	45.00	39.25
C57	52°12'37"	160.00	145.80
C58	38°56'33"	55.00	37.38
C59	38°56'33"	55.00	37.38
C60	38°56'33"	55.00	37.38
C61	34°25'52"	202.00	121.39
C62	48°06'01"	45.00	37.78
C63	80°17'49"	55.00	77.08
C64	10°03'42"	202.00	35.47
C65	08°31'02"	202.00	30.03

NUMBER	DELTA ANGLE	RADIUS	ARC LENGTH
C66	34°56'19"	169.00	103.06
C67	41°48'27"	202.00	147.40
C68	13°32'42"	202.00	47.75
C69	14°13'53"	202.00	50.17
C70	07°57'00"	202.00	28.03
C71	00°18'44"	5603.42	30.53
C72	89°35'48"	25.00	39.09
C73	00°15'31"	5603.42	25.30
C74	89°35'48"	25.00	39.09
C75	00°33'37"	5603.42	54.80
C76	00°33'37"	5713.42	55.88
C77	00°34'08"	5713.42	56.73
C78	00°18'43"	5561.42	30.29
C79	00°13'49"	5561.42	22.36
C80	01°23'44"	5561.42	135.46
C81	39°02'29"	160.00	109.02
C82	03°18'54"	202.00	11.69
C83	87°25'49"	25.00	38.15
C84	35°26'37"	521.00	322.29
C85	71°58'27"	76.00	95.47
C86	40°25'27"	139.00	98.07
C87	101°03'37"	77.10	135.99
C88	37°19'45"	132.90	86.59
C89	33°22'51"	230.90	134.52
C90	01°28'37"	5733.42	147.56
C91	39°02'26"	147.90	100.78
C92	90°03'57"	12.90	20.28
C93	109°51'43"	79.70	152.82
C94	11°32'15"	25.00	5.03
C95	03°39'13"	202.00	12.88
C96	07°31'06"	160.00	21.00
C97	90°00'00"	25.00	39.27
C98	46°29'20"	258.00	209.34
C99	90°00'03"	114.41	179.71
C100	90°00'00"	25.00	39.27
C101	56°55'34"	45.00	44.71
C102	01°43'45"	55.00	1.66
C103	23°44'58"	45.00	18.65
C104	90°00'00"	25.00	39.27
C105	08°48'25"	160.00	24.59
C106	110°23'22"	55.00	105.97
C107	121°46'54"	55.00	116.90
C108	48°36'44"	45.00	38.18
C109	12°07'26"	202.00	42.74
C110	90°00'03"	156.41	245.69
C111	26°46'09"	300.00	140.16
C112	38°00'48"	479.00	317.80
C113	00°42'45"	5733.42	71.05
C114	13°06'29"	235.90	53.97
C115	00°13'39"	5561.42	22.07
C116	46°59'51"	25.00	20.51
C117	45°46'07"	25.00	19.97
C118	31°40'55"	55.00	30.41
C119	00°17'32"	5733.42	29.25
C120	90°00'00"	5.00	7.85
C121	90°00'00"	23.00	36.13
C122	03°34'38"	521.00	32.53
C123	39°54'57"	64.00	44.59
C124	28°30'42"	80.00	39.81
C125	21°10'19"	146.00	53.95
C126	21°10'19"	126.00	46.56
C127	28°30'42"	60.00	29.86
C128	25°23'30"	84.00	37.23
C129	04°56'25"	202.00	17.42

CURVE TABLE

⊙ NORTHEAST CORNER
SECTION 2
2" BRASS CAP STAMPED RLS 19862 2019
2" BRASS CAP STAMPED RLS 19862 2019

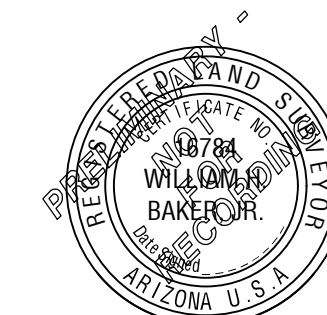
⊙ E 1/4 CORNER SECTION 2
1.5" LEAD CAPPED REBAR

N01°06'53"E 2590.83'
BASIS OF BEARING

WILDLIFE CORRIDOR KEYNOTE

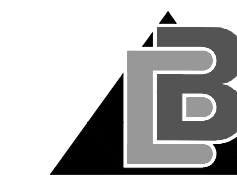
- ① WILDLIFE CORRIDORS, AS SHOWN ON THIS FINAL PLAT, ARE FULLY CONTAINED WITHIN COMMON AREAS "A"-1, "A"-3 AND "A"-4 (NATURAL OPEN SPACE TO BE PRESERVED IN PERPETUITY AS CONSERVATION EASEMENTS)

FOR INTERIOR GEOMETRY ONLY



FINAL PLAT for
SILVERBELL RIDGE, LOTS 1 - 55 AND COMMON AREAS "A-1" THROUGH "A-4"
(NATURAL OPEN SPACE), COMMON AREAS "B-1" THROUGH "B-5"
(LANDSCAPE/GRADING/DRAINAGE) AND COMMON AREA "C" (RECREATION)

BEING A RE-SUBDIVISION OF
SILVERBELL RIDGE ESTATES SUBDIVISION, BLOCKS 1-3, SEQUENCE #20182500098
LOCATED IN SECTION 2, T13S, R12E, G&SRM,
TOWN OF MARANA, PIMA COUNTY, ARIZONA



Baker & Associates Engineering, Inc.
361 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930

#PRV2309-002

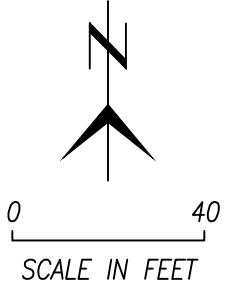
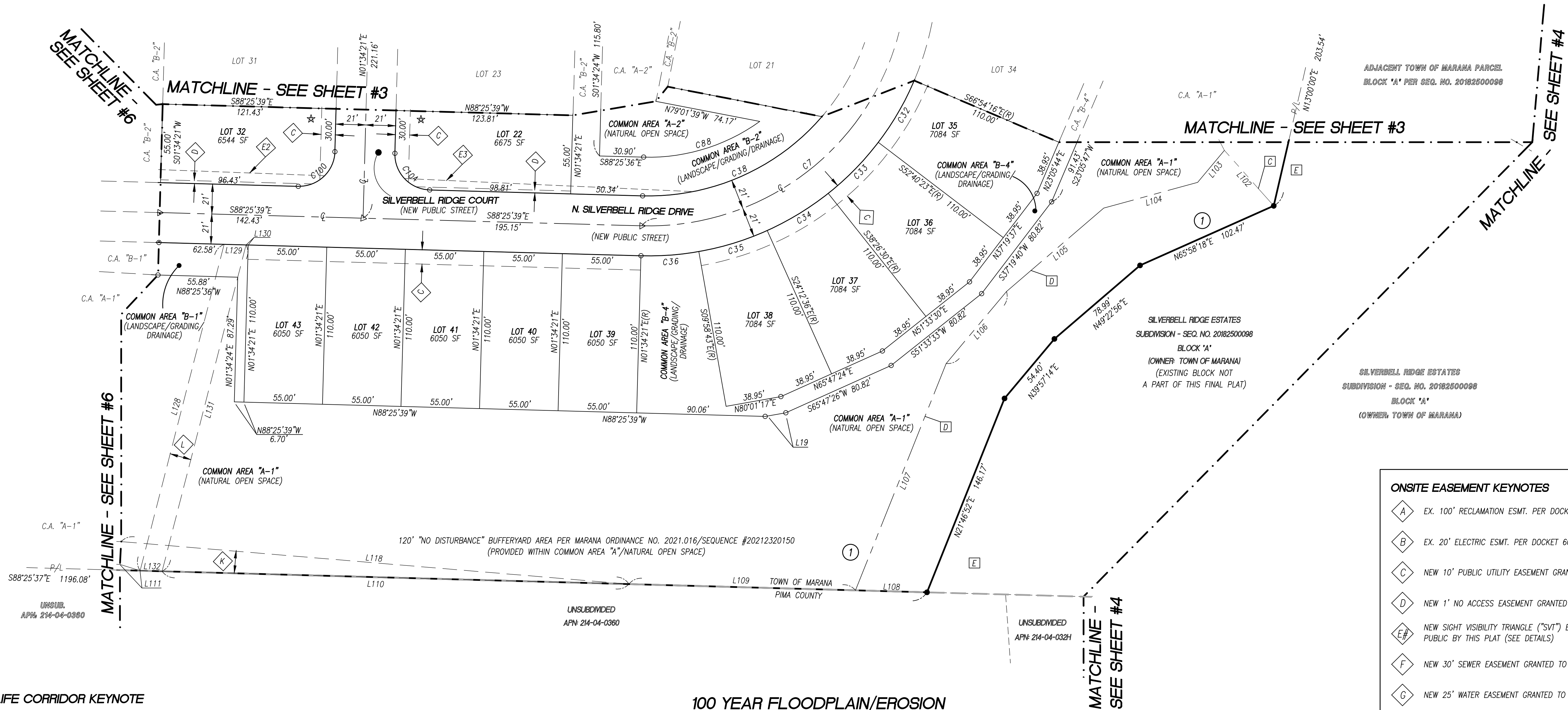
REF.: #PRV-2112-002; PRV-1804-001;
PCZ-2102-001; ENG2311-002

JOB #2541.4

DATE: APRIL 8, 2025

SHEET 4 OF 9

SEQUENCE #



WILDLIFE CORRIDOR KEYNOTE

- ① WILDLIFE CORRIDORS, AS SHOWN ON THIS FINAL PLAT, ARE FULLY CONTAINED WITHIN COMMON AREAS "A"-1, "A"-3 AND "A"-4 (NATURAL OPEN SPACE TO BE PRESERVED IN PERPETUITY AS CONSERVATION EASEMENTS)

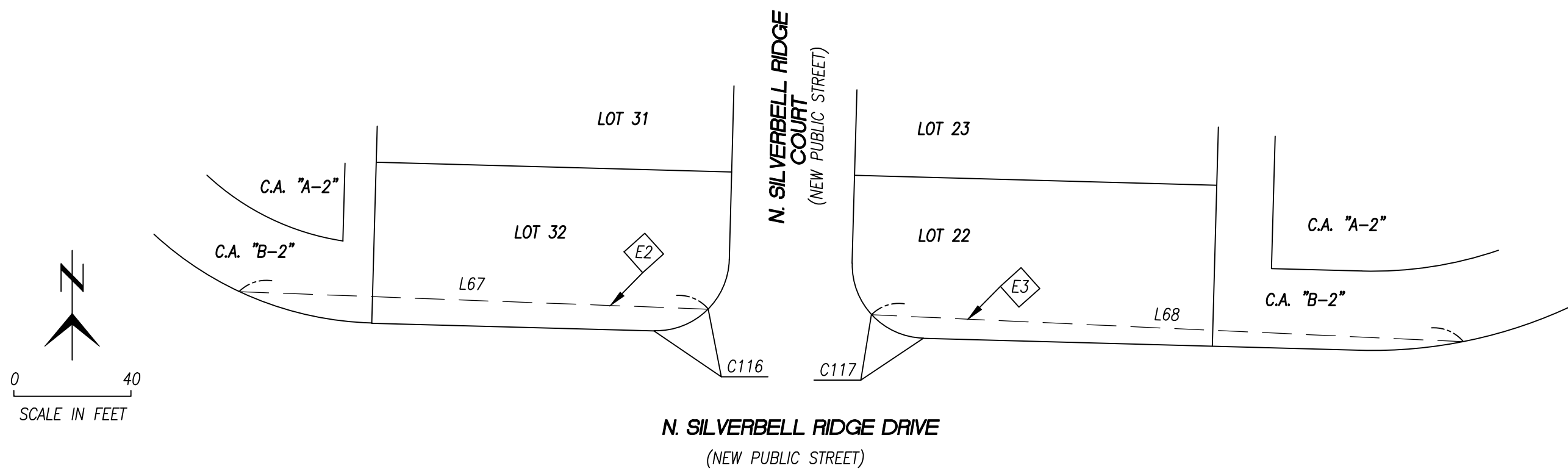
100 YEAR FLOODPLAIN/EROSION SETBACK LINE KEYNOTES

- [A] EXISTING 100 YEAR FLOODPRONE ("F.P.L.") PER INA AND SILVERBELL FINAL PLAT, M&P 61/20 (OFFSITE - FULLY CONTAINED WITHIN ADJACENT BLOCK "A")
- [B] NEW 100 YEAR FLOODPRONE ("F.P.L.") LIMITS PER THIS FINAL PLAT
- [C] EXISTING EROSION SETBACK LINE ("E.S.L.") PER INA AND SILVERBELL FINAL PLAT, M&P 61/20 (AND AS AMENDED AT LOT 1 AND LOT 49 PER THIS FINAL PLAT)
- [D] NEW EROSION SETBACK LINE ("E.S.L.") PER THIS FINAL PLAT
- [E] EXISTING 100 YEAR FLOODPRONE ("F.P.L.") PER INA AND SILVERBELL FINAL PLAT, M&P 61/20 AND FEMA ZONE "A" (OFFSITE - FULLY CONTAINED WITHIN ADJACENT BLOCK "A")

ONSITE EASEMENT KEYNOTES

- [A] EX. 100' RECLAMATION ESMT. PER DOCKET 19, PAGE 394, TO REMAIN
- [B] EX. 20' ELECTRIC ESMT. PER DOCKET 600, PAGE 529, TO REMAIN
- [C] NEW 10' PUBLIC UTILITY EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT
- [D] NEW 1' NO ACCESS EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT
- [E#] NEW SIGHT VISIBILITY TRIANGLE ("SVT") EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT (SEE DETAILS)
- [F] NEW 30' SEWER EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT
- [G] NEW 25' WATER EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT
- [H] NEW 10' ELECTRIC EASEMENT GRANTED TO TUCSON ELECTRIC POWER BY THIS PLAT (SEE DETAIL - SHEET #3)
- [I] NEW 29.25' PUBLIC UTILITY/EMERGENCY ACCESS EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT
- [J] NEW 20' UTILITY EASEMENT GRANTED TO WESTERN AREA POWER ADMINISTRATION BY THIS PLAT
- [K] NEW 16' (NOM.) PUBLIC ELECTRIC EASEMENT GRANTED TO TUCSON ELECTRIC POWER BY THIS PLAT
- [L] NEW 15' PUBLIC ELECTRIC EASEMENT GRANTED TO TUCSON ELECTRIC POWER BY THIS PLAT

NOTE: SEE SHEET #9 FOR EASEMENTS TO BE RELEASED BY THE RECORDING OF THIS FINAL PLAT



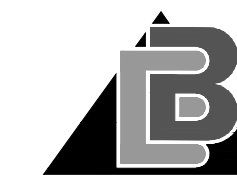
SIGHT VISIBILITY TRIANGLES - E2 AND E3

DETAIL - WITHIN LOTS 22 AND 32 (AND COMMON AREA "B"-2)

FOR INTERIOR GEOMETRY ONLY



FINAL PLAT for
SILVERBELL RIDGE, LOTS 1 - 55 AND COMMON AREAS "A"-1 THROUGH "A"-4
(NATURAL OPEN SPACE), COMMON AREAS "B"-1 THROUGH "B"-5
(LANDSCAPE/GRADING/DRAINAGE) AND COMMON AREA "C" (RECREATION)
BEING A RE-SUBDIVISION OF
SILVERBELL RIDGE ESTATES SUBDIVISION, BLOCKS 1-3, SEQUENCE #20182500098
LOCATED IN SECTION 2, T13S, R12E, G&SRM,
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JOB #2541.4

DATE: APRIL 8, 2025

SHEET 5 OF 9

SEQUENCE #

BRIDLEWOOD WEST
LOTS 42-102,
MAPS AND PLATS 3175

MATCHLINE -
SEE SHEET #7

C.A. "A-3"

SILVERBELL
RIDGE ESTATES
SUBDIVISION -
SEQ. NO. 20182500098
BLOCK "A"
(OWNED TOWN
OF MARANA)

C.A. "A-1"

LOT 85

BRIDLEWOOD WEST LOTS 42-102, MAPS AND PLATS 3175

LOT 86

LOT 87

FOUND CONCRETE NAIL
WITH TAG "RLS 58324"
CENTER 1/4 SECTION 2

UNSUBDIVIDED
APN: 214-04-0380

120' "NO DISTURBANCE" BUFFERYARD AREA PER MARANA ORDINANCE NO. 2021.016/SEQUENCE #20212320150
(PROVIDED WITHIN COMMON AREA "A"/NATURAL OPEN SPACE)

TOWN OF MARANA
PIMA COUNTY

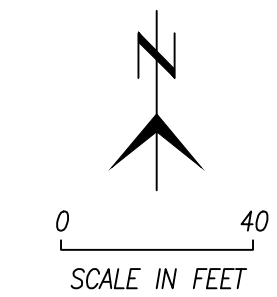
WAYCROSS ROAD

UNSUBDIVIDED
APN: 214-04-0380

C.A. "A-1"

UNSUB.
APN: 214-04-0380

MATCHLINE - SEE SHEET #5



MATCHLINE - SEE SHEET #7

MATCHLINE -
SEE SHEET #8

N. SILVERBELL RIDGE DRIVE
(NEW PUBLIC STREET)

COMMON AREA "A-1"
(NATURAL OPEN SPACE)
530,615 SF

COMMON AREA "B-1"
(LANDSCAPE/GRADING/
DRAINAGE)

COMMON AREA "B-2"
(LANDSCAPE/GRADING/
DRAINAGE)

COMMON AREA "A-1"
(NATURAL OPEN SPACE)

S88°25'37"E 1196.08'

100 YEAR FLOODPLAIN/EROSION SETBACK LINE KEYNOTES

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- [C] EXISTING EROSION SETBACK LINE ("E.S.L.") PER INA AND SILVERBELL FINAL PLAT, M&P 61/20 (AND AS AMENDED AT LOT 1 AND LOT 49 PER THIS FINAL PLAT)
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ONSITE EASEMENT KEYNOTES

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- [L] NEW 15' PUBLIC ELECTRIC EASEMENT GRANTED TO TUCSON ELECTRIC POWER BY THIS PLAT

NOTE: SEE SHEET #9 FOR EASEMENTS TO BE RELEASED BY THE RECORDING OF THIS FINAL PLAT

WILDLIFE CORRIDOR KEYNOTE

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FOR INTERIOR GEOMETRY ONLY



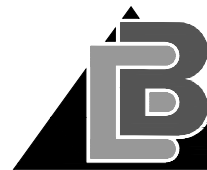
NUMBER	DIRECTION	DISTANCE
L1	S10°02'56"W	21.52'
L2	S49°05'26"W	13.43'
L3	S49°05'26"W	13.43'
L4	S39°38'01"E	14.63'
L5	S39°38'01"E	14.62'
L6	S50°21'59"W	19.14'
L7	S40°54'34"E	14.27'
L8	N40°54'34"W	19.45'
L9	N40°54'34"W	9.52'
L10	N48°03'44"E	10.34'
L11	S41°56'16"E	3.00'
L12	N62°08'52"E	5.00'
L13	S88°25'36"E	6.00'
L14	S88°25'36"E	23.82'
L15	S88°24'18"E	12.03'
L16	S01°34'24"W	44.50'
L17	N88°25'36"W	8.03'
L18	N79°01'39"W	19.26'
L19	S80°01'20"W	14.65'
L20	S10°58'18"W	8.15'
L21	S30°20'52"W	22.09'
L22	N30°20'52"E	22.30'
L23	N30°20'52"E	25.77'
L24	S30°20'52"W	21.98'
L25	N24°12'28"W	22.37'
L26	S83°15'23"W	16.73'
L27	S50°31'53"W	13.02'
L28	N89°19'35"W	16.69'
L29	N75°19'07"W	5.00'
L30	N41°56'16"W	5.00'
L31	S37°09'34"E	37.64'
L32	S39°41'59"E	19.14'
L33	N34°57'04"W	31.11'
L34	N10°02'56"E	48.00'
L35	N01°46'23"E	55.58'
L36	N10°02'56"E	46.94'
L37	S13°15'00"W	48.14'
L38	N26°12'40"E	38.65'
L39	N63°47'20"W	8.00'
L40	N26°12'40"E	37.70'
L41	N39°10'20"E	71.60'
L42	N49°20'06"E	42.22'
L43	N40°54'34"W	19.27'
L44	N40°54'34"W	46.00'
L45	S40°54'34"E	46.00'
L46	S58°10'40"E	10.00'
L47	N89°19'35"W	56.35'
L48	N43°19'11"W	32.31'
L49	N51°01'42"E	21.00'
L50	N51°01'42"E	21.00'
L51	N51°01'42"E	66.21'
L52	S32°59'48"E	13.68'
L53	S01°34'24"W	26.65'
L54	S50°21'59"W	85.98'
L55	S51°01'42"W	8.36'
L56	S50°21'59"W	85.98'
L57	S04°42'07"E	241.60'
L58	N48°03'44"E	5.94'
L59	S04°42'07"E	216.26'
L60	S48°03'44"W	37.67'
L61	S10°58'21"W	21.59'
L62	S36°06'34"W	230.05'
L63	N36°06'34"E	180.48'
L64	N36°06'34"E	206.34'
L65	S36°06'34"W	193.51'
L66	S38°58'18"E	7.35'
L67	N87°52'00"W	160.41'
L68	S87°23'48"E	202.31'
L69	N51°01'42"E	10.00'
L70	S38°58'18"E	10.00'

NUMBER	DIRECTION	DISTANCE
L71	S51°01'42"W	10.00'
L72	S38°58'18"E	10.00'
L73	S07°42'13"W	147.91'
L74	S49°32'41"E	17.43'
L75	S21°10'55"E	34.27'
L76	S03°10'57"E	20.52'
L77	N17°43'32"W	35.59'
L78	S04°39'26"E	31.12'
L79	S26°01'05"W	15.48'
L80	N41°56'16"W	25.24'
L81	S41°56'16"E	19.79'
L82	S48°03'44"W	24.89'
L83	S48°52'00"E	20.96'
L84	N68°25'04"W	28.27'
L85	S48°35'38"W	62.71'
L86	S00°41'49"W	416.57'
L87	S00°41'49"W	34.52'
L88	N52°29'00"E	68.90'
L89	N43°07'24"E	299.53'
L90	N03°49'02"E	54.44'
L91	S70°36'05"W	92.43'
L92	N77°53'54"E	194.77'
L93	N76°08'18"W	34.68'
L94	N66°05'24"W	22.00'
L95	S23°54'36"W	110.13'
L96	S03°26'41"E	83.41'
L97	S46°08'05"W	143.09'
L98	S66°12'57"W	294.03'
L99	S39°26'10"W	338.34'
L100	S49°35'23"W	61.06'
L101	S20°20'21"E	24.33'
L102	S41°39'10"E	51.96'
L103	S39°58'44"W	29.18'
L104	N74°38'24"E	68.14'
L105	S49°22'56"W	89.72'
L106	N39°57'14"E	65.79'
L107	S21°46'52"W	170.99'
L108	N88°25'37"W	50.08'
L109	N88°25'37"W	158.70'
L110	S88°25'37"E	285.32'
L111	S85°12'44"E	71.33'
L112	N88°25'37"W	295.47'
L113	S86°02'18"E	335.86'
L114	S00°41'49"W	18.00'
L115	N00°41'52"E	16.03'
L116	S86°02'18"E	336.43'
L117	S88°25'37"E	295.59'
L118	S85°12'44"E	356.65'
L119	N00°41'49"E	276.34'
L120	S00°41'49"W	27.27'
L121	N80°01'53"E	21.46'
L122	N51°31'11"E	33.48'
L123	N30°20'52"E	16.92'
L124	N59°39'08"W	20.00'
L125	N30°20'52"E	16.92'
L126	N51°31'11"E	33.48'
L127	S80°01'53"W	21.46'
L128	N14°26'00"E	235.92'
L129	S88°25'39"E	15.39'
L130	S88°25'39"E	1.52'
L131	S14°26'00"W	235.92'
L132	S88°25'37"E	15.39'
L133	N00°41'49"E	16.28'
L134	S66°28'10"E	245.80'
L135	S88°25'24"E	113.03'
L136	N88°25'24"W	119.20'
L137	N66°28'10"W	249.45'
L138	S00°41'49"W	18.62'

LINE TABLE

FINAL PLAT for
SILVERBELL RIDGE, LOTS 1 - 55 AND COMMON AREAS "A-1" THROUGH "A-4"
(NATURAL OPEN SPACE), COMMON AREAS "B-1" THROUGH "B-5"
(LANDSCAPE/GRADING/DRAINAGE) AND COMMON AREA "C" (RECREATION)

BEING A RE-SUBDIVISION OF
SILVERBELL RIDGE ESTATES SUBDIVISION, BLOCKS 1-3, SEQUENCE #20182500098
LOCATED IN SECTION 2, T13S, R12E, G&SRM,
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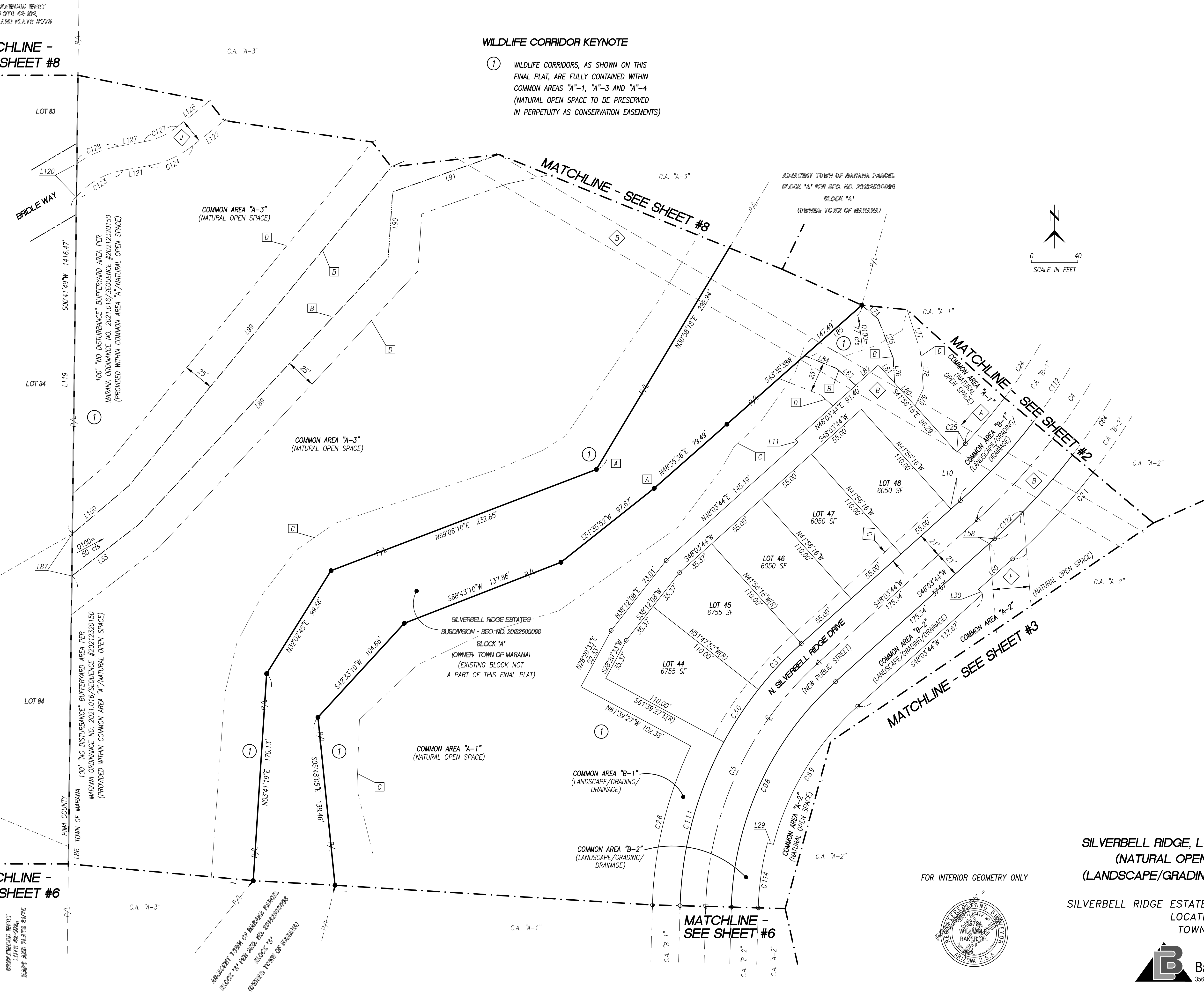
SHEET 6 OF 9

SEQUENCE #

MATCHLINE -
SEE SHEET #8

BRIDLEWOOD WEST LOTS 42-102, MAPS AND PLATS 31/75

MATCHLINE -
SEE SHEET #6



ONSITE EASEMENT KEYNOTES

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- K NEW 16' (NOM.) PUBLIC ELECTRIC EASEMENT GRANTED TO TUCSON ELECTRIC POWER BY THIS PLAT
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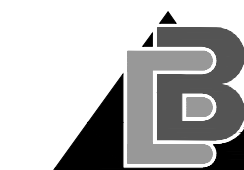
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100 YEAR FLOODPLAIN/EROSION
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(NATURAL OPEN SPACE), COMMON AREAS "B-1" THROUGH "B-5"
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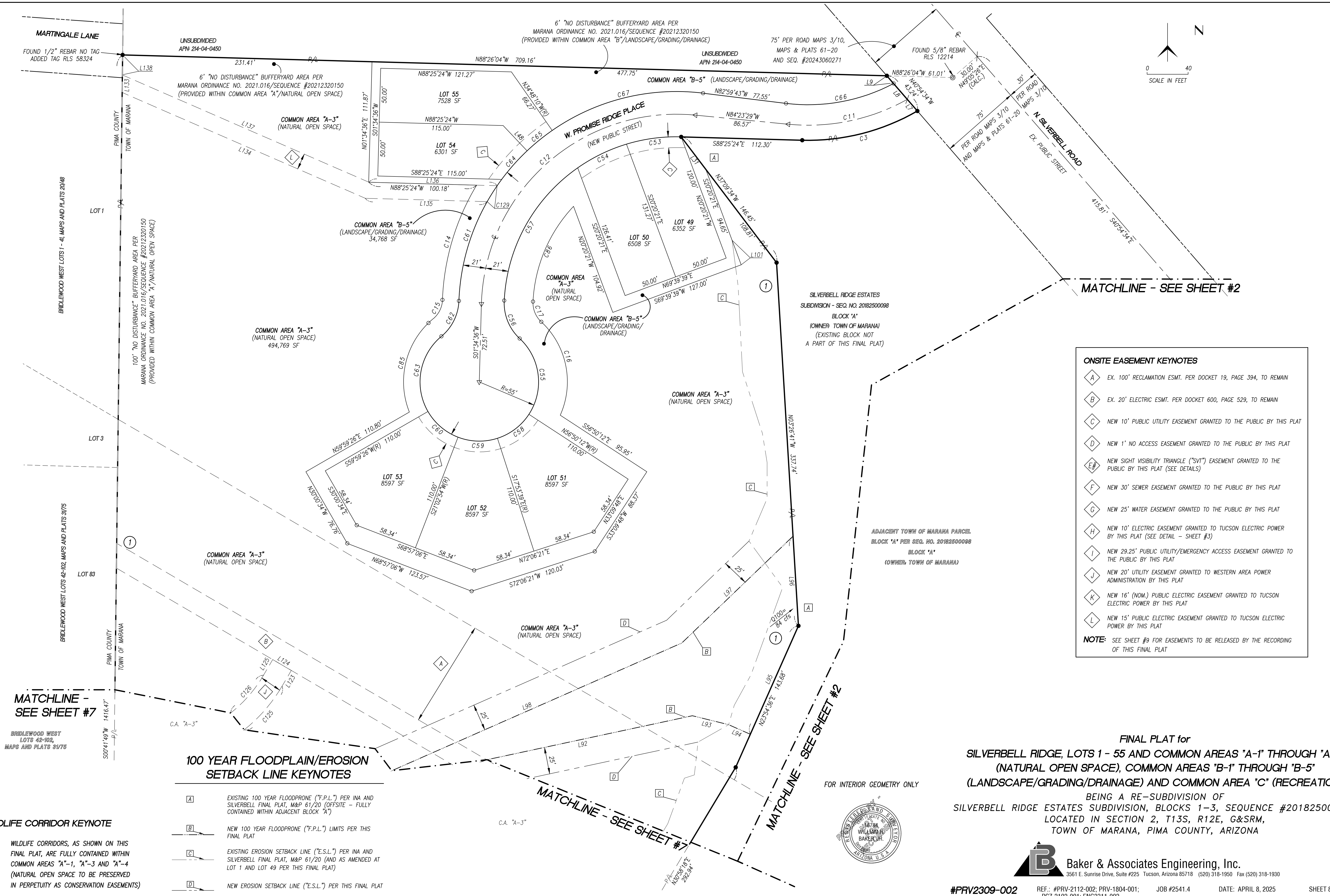
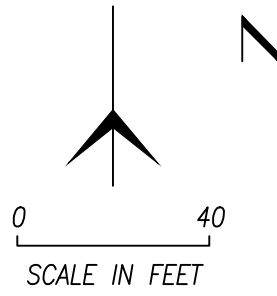
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JOB #2541.4

DATE: APRIL 8, 2025

SHEET 7 OF 9

SEQUENCE #



ONSITE EASEMENT KEYNOTES	
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	NEW 30' SEWER EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT
	NEW 25' WATER EASEMENT GRANTED TO THE PUBLIC BY THIS PLAT
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	NEW EROSION SETBACK LINE ("E.S.L.") PER THIS FINAL PLAT

WILDLIFE CORRIDOR KEYNOTE

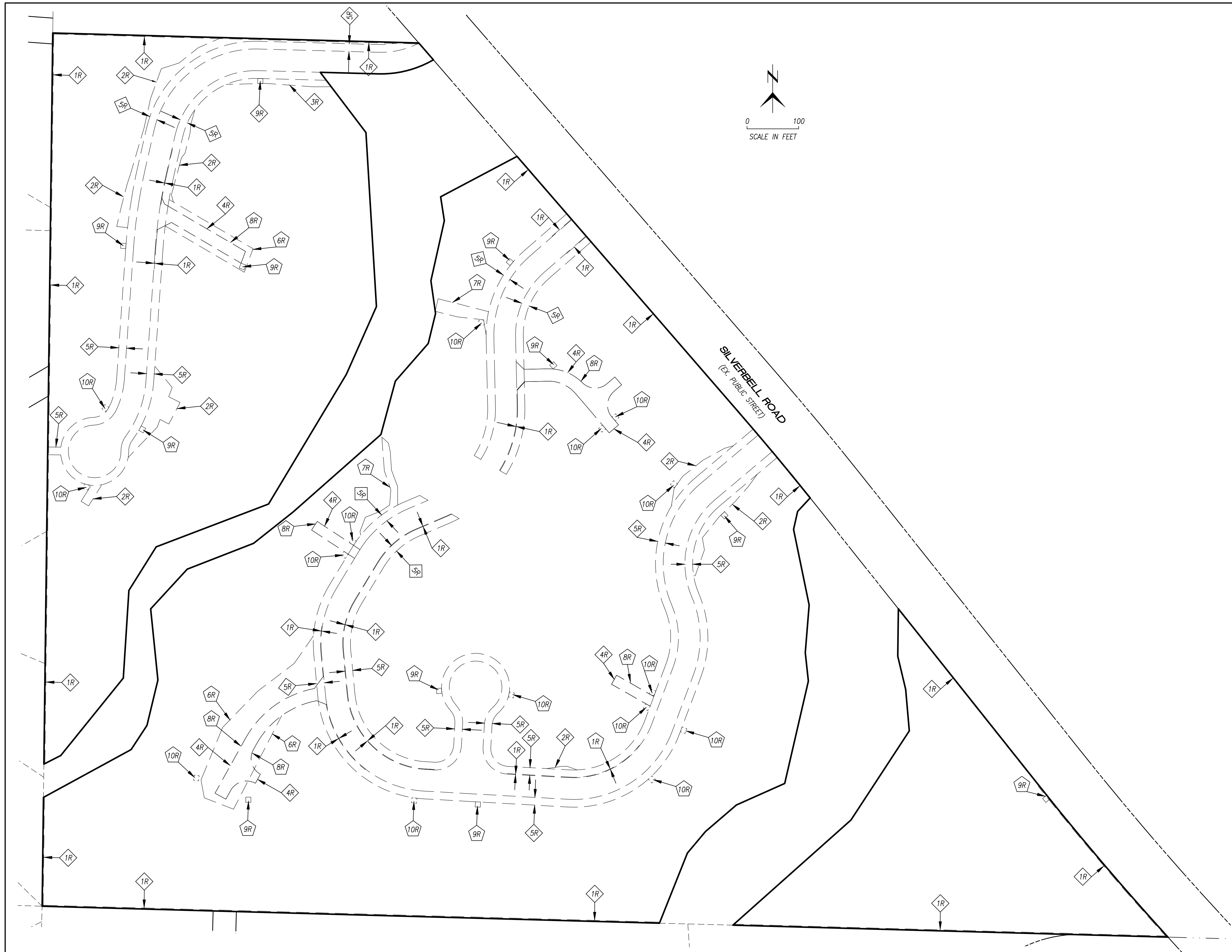
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(NATURAL OPEN SPACE), COMMON AREAS "B-1" THROUGH "B-5"
(LANDSCAPE/GRADING/DRAINAGE) AND COMMON AREA "C" (RECREATION)
BEING A RE-SUBDIVISION OF
SILVERBELL RIDGE ESTATES SUBDIVISION, BLOCKS 1-3, SEQUENCE #20182500098
LOCATED IN SECTION 2, T13S, R12E, G&SRM,
TOWN OF MARANA, PIMA COUNTY, ARIZONA

FOR INTERIOR GEOMETRY ONLY



Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930



EXISTING PUBLIC EASEMENT EXHIBIT/KEYNOTES

FOR INTERIOR GEOMETRY ONLY



EXISTING PUBLIC EASEMENTS TO BE RELEASED BY THE TOWN OF MARANA
(SIMULTANEOUS WITH THE RECORDING OF THIS PLAT)

- 1R EX. 1' NO ACCESS ESMT. PER M&P 61/20
- 2R EX. PUBLIC DRAINAGE/SLOPE ESMT. PER M&P 61/20
- 3R EX. PUBLIC SLOPE ESMT. PER M&P 61/20
- 4R EX. PUBLIC P.U.E./SEWER ESMT. PER M&P 61/20
- 5R EX. 15' PUBLIC MULTI-USE ESMT. (P.U.E./SLOPE/DRAINAGE) PER M&P 61/20

EXISTING PRIVATE EASEMENTS TO BE RELEASED BY THIS PLAT

- 6R EX. VARYING WIDTH PRIVATE SLOPE ESMT. PER M&P 61/20
- 7R EX. VARYING WIDTH PRIVATE DRAINAGE/SLOPE ESMT. PER M&P 61/20
- 8R EX. VARYING WIDTH INGRESS/EGRESS/ACCESS ESMT. PER M&P 61/20

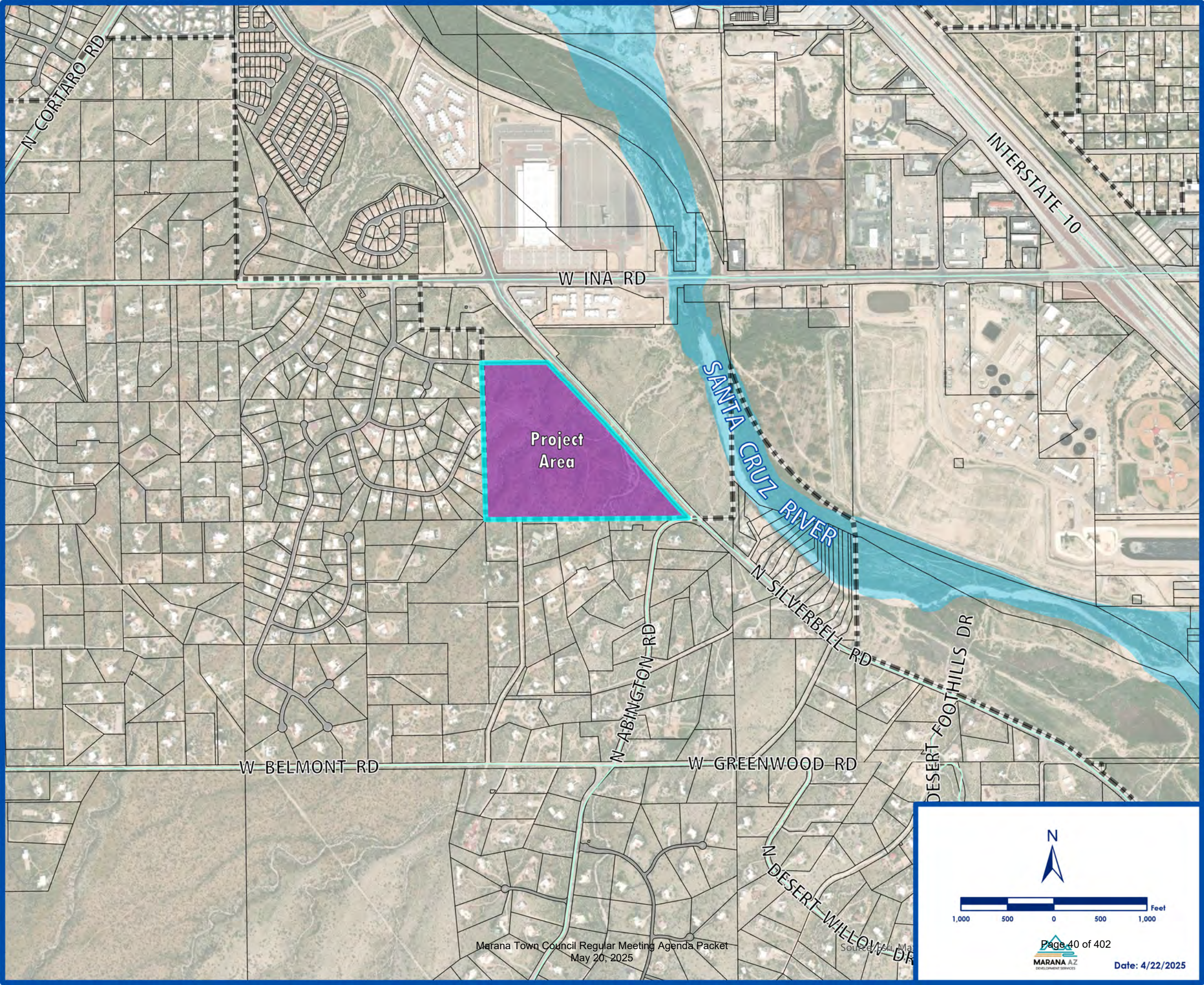
EXISTING PRIVATE EASEMENTS RELEASED BY SEPARATE INSTRUMENT

- 9R EX. 10'x10' TUCSON ELECTRIC POWER ESMT. PER M&P 61/20, RELEASED PER SEQ. 20240520566
- 10R EX. 6'x6' TUCSON ELECTRIC POWER ESMT. PER M&P 61/20, RELEASED PER SEQ. 20240520566

FINAL PLAT for
SILVERBELL RIDGE, LOTS 1 - 55 AND COMMON AREAS "A-1" THROUGH "A-4"
(NATURAL OPEN SPACE), COMMON AREAS "B-1" THROUGH "B-5"
(LANDSCAPE/GRADING/DRAINAGE) AND COMMON AREA "C" (RECREATION)

BEING A RE-SUBDIVISION OF
SILVERBELL RIDGE ESTATES SUBDIVISION, BLOCKS 1-3, SEQUENCE #20182500098
LOCATED IN SECTION 2, T13S, R12E, G&SRM,
TOWN OF MARANA, PIMA COUNTY, ARIZONA





Project
Area

SANTA CRUZ RIVER

N CORTARO RD

INTERSTATE 10

W INA RD

W BELMONT RD

W GREENWOOD RD

N ABINGTON RD

N SILVERBELL RD

DESERT FOOTHILLS DR

N DESERT WILLOW DR





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: Silverbell Ridge, Lots 1 - 55

Description of Project: Single Family Residential Subdivision

Number of Lots: 55

Parcel No.(s): 214-04-1170, 214-04-1180 and 214-04-1190

Gross Area (Acres): 49.0

Project Address: 6975 N. Silverbell Road, Tucson, AZ 85743

Ref. Project No.: PRV2112-002, PRV1804-001, PCZ2102-001

CONTACT INFORMATION

Owner: Fidelity National Title Trust 60204

Contact Name: c/o Bud Cardinal

Address: 7608 N. La Cholla Blvd.

City: Tucson

State: AZ

Zip: 85741

Email: budc@theriver.com

Phone No.: (520) 575-0600

Applicant: Baker & Associates Engineering

Contact Name: Mike Baker

Address: 3561 E. Sunrise Dr., #225

City: Tucson

State: AZ

Zip: 85718

Email: mike@baetucson.com

Phone No.: (520) 318-1950

Consultant/Engineer: Baker & Assoc. Engineering

Contact Name: Mike Baker

Address: 3561 E. Sunrise Drive., #225

City: Tucson

State: AZ

Zip: 85718

Email: mike@baetucson.com

Phone No.: (520) 318-1950

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.)

Charles Cardin
owner / Applicant Name (PRINT)

[Signature]
Signature

9/7/2023
Date

FOR OFFICIAL USE ONLY

Revision Date 03/29/2019

Project No. _____

Date Received _____



Council-Regular Meeting

C2

Meeting Date: 05/20/2025

To: Mayor and Council

From: Jane Fairall, Town Attorney

Date: May 20, 2025

Strategic Plan Focus Area:

Thriving Commerce, Vibrant Community, Proactive Public Services

Subject: Resolution No. 2025-041: Relating to Traffic and Highways; approving and authorizing the Mayor to execute the Fiber Optic Communications License Assignment with Licenser Consent (Ting Fiber, LLC to Wyverd Connect LLC) and the First Amendment to Fiber Optic Communications License issued to Wyverd Connect LLC (Jane Fairall)

Discussion:

On August 1, 2023, the Town Council adopted Resolution No. 2023-080, approving and authorizing the Mayor to execute the Town of Marana Fiber Optic Communications License issued to Ting Internet, LLC (the "License"). A copy of the License is included in the agenda packet for reference. The agreement granted to Ting nonexclusive and revocable rights and nonexclusive and revocable privileges to construct, install, operate, and maintain its infrastructure and communications facilities and equipment in the Town's Public Rights-of-Way and on other Town-owned property for the purpose of providing broadband internet access services to subscribers. Ting Internet performed certain fiber-to-the-home ("FTTH") network construction pursuant to the License prior to ceasing installation of new facilities in December 2024. On March 26, 2025, pursuant to section 8.2 of the License, Ting Internet assigned the License to its affiliate and indirect parent company, Ting Fiber, LLC with proper notice to the Town.

On or about April 4, 2025, Ting Fiber and Wyverd Connect LLC ("Wyverd") entered an asset purchase agreement whereby Wyverd is purchasing all of Ting Fiber's FTTH network assets located in the Town of Marana. Wyverd intends to utilize these assets and the License to continue to deploy a FTTH network in the Town and provide FTTH services to the residents and businesses of the Town. Section 8.1 of the License provides

that the License and the related rights and privileges may not be assigned or otherwise transferred without the written consent of the Town, and that the Town may not unreasonably withhold, condition, or delay its consent. Ting Fiber desires to assign the License to Wyverd, Wyverd desires to accept assignment of the License, and Ting Fiber and Wyverd request the written consent of the Town to the assignment.

Additionally, after assignment of the License from Ting Fiber to Wyverd, Wyverd and the Town desire to amend the License to, among other items, reflect that Wyverd may use its system to provide telecommunications services, including voice phone services, under the license, as those services are defined in A.R.S. § 9-581 *et seq.*

The proposed Fiber Optic Communications License Assignment with Licensors Consent will assign the License from Ting Fiber, LLC to Wyverd Connect, LLC. Pursuant to the terms of the License, Wyverd acknowledges and agrees that upon assignment of the License, the assigned License is subject to all the obligations and privileges of the License, which will remain in effect, as if the assigned License was the original License. The proposed First Amendment to the License will among other items, do the following:

- Permit Wyverd to use the right-of-way to provide Telecommunications Services as those services are defined by state law
- Establish the appropriate annual fee structure for Wyverd for the Telecommunications Services as permitted by state law
- Allow for Wyverd to offset its fees by providing fiber strands to the Town for the Town's internal use as an in-kind contribution
- Reduce the term of the License from the original 10 years of the Ting agreement to 5 years, with renewal options

Financial Impact:

The License Agreement will provide a new revenue source for the Town, but is not anticipated to materially impact the Town's budget.

Staff Recommendation:

Staff recommends approval of the resolution, assigning the agreement to Wyverd and amending the agreement to allow for Wyverd to provide telecommunications services.

Suggested Motion:

I move to adopt Resolution No. 2025-041, approving and authorizing the Mayor to execute the Fiber Optic Communications License Assignment with Licensors Consent (Ting Fiber, LLC to Wyverd Connect LLC) and the First Amendment to Fiber Optic Communications License issued to Wyverd Connect LLC.

Attachments

Resolution No. 2025-041
Exhibit A - Assignment
Exhibit B - First Amendment
Original Ting License Agreement

MARANA RESOLUTION NO. 2025-041

RELATING TO TRAFFIC AND HIGHWAYS; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE FIBER OPTIC COMMUNICATIONS LICENSE ASSIGNMENT WITH LICENSOR CONSENT (TING FIBER, LLC TO WYERD CONNECT LLC) AND THE FIRST AMENDMENT TO FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO WYERD CONNECT LLC

WHEREAS the Town Council is authorized by A.R.S. § 9-240 to exercise exclusive control over the streets, alleys, avenues and sidewalks of the town; and

WHEREAS, on August 1, 2023, the Mayor and Town Council adopted Resolution No. 2023-080 approving the Fiber Optic Communications License agreement with Ting Internet, LLC (the "License"), granting Ting Internet, LLC nonexclusive and revocable rights and nonexclusive and revocable privileges as set forth in the License to construct, install, operate, and maintain its system in the Public Rights-of-Way and on other Town-owned property to provide broadband internet access services to subscribers; and

WHEREAS Ting Internet performed certain fiber-to-the-home ("FTTH") network construction pursuant to the License prior to ceasing installation of new facilities on or about December 2024; and

WHEREAS, on or about March 26, 2025, pursuant to section 8.2 of the License, Ting Internet assigned the License to its affiliate and indirect parent company, Ting Fiber, LLC with proper notice to the Town; and

WHEREAS, on or about April 4, 2025, Ting Fiber and Wyverd Connect LLC ("Wyverd") entered an asset purchase agreement whereby Wyverd is purchasing all of Ting Fiber's FTTH network assets located in the Town of Marana; Wyverd intends to utilize these assets and the License to continue to deploy a FTTH network in the Town and provide FTTH services to the residents and businesses of the Town; and

WHEREAS Section 8.1 of the License provides that the License and the related rights and privileges may not be assigned or otherwise transferred and the License may not be sublet or assigned, nor must any of the related rights or privileges be leased, assigned, sold or transferred, either in whole or in part, nor must title, either legal or equitable, or any right, or property interest pass to or vest in any Person other than Licensee, by act of the Licensee or operation of law, without the written consent of Town, which consent will not be unreasonably withheld, conditioned, or delayed; and

WHEREAS Ting Fiber desires to assign the License to Wyverd, Wyverd desires to accept assignment of the License, and Ting Fiber and Wyverd request the written consent of the Town to the assignment; and

WHEREAS after assignment from Ting Fiber to Wyverd, Wyverd and the Town additionally desire to amend the Fiber Optic Communications License to, among other items, reflect that Wyverd may use its system to provide telecommunications services under the license, as those services are defined in A.R.S. § 9-581 *et seq.*; and

WHEREAS the Mayor and Council of the Town of Marana find it is in the best interests of its citizens to consent to assignment of the Fiber Optic Communications License agreement with Ting Internet, LLC to Wyverd Connect LLC and to enter into the First Amendment to Fiber Optic Communications License issued to Wyverd Connect LLC.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, approving the Fiber Optic Communications License Assignment with Licenser Consent (Ting Fiber, LLC to Wyverd Connect LLC) and the First Amendment to Fiber Optic Communications License issued to Wyverd Connect LLC, attached to this resolution as Exhibits A and B respectively, and authorizing the Mayor to execute them for and on behalf of the Town of Marana.

IT IS FURTHER RESOLVED that the Town Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, conditions and objectives of the assignment and the license agreement, including the approval of future Conduit Requests by the Information Technology Director and the Town Engineer, or their respective designees, as set forth in the agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of May, 2025.

Mayor Jon Post

ATTEST:

APPROVED AS TO FORM:

Jill McCleary, Town Clerk

Jane Fairall, Town Attorney

**FIBER OPTIC COMMUNICATIONS LICENSE ASSIGNMENT
WITH LICENSOR CONSENT
(TING FIBER, LLC TO WYYERD CONNECT LLC)**

This Fiber Optic Communications License Assignment (this “**Assignment**”) is made and entered into by and between TING FIBER, LLC, a Delaware limited liability company (“**Ting Fiber**” or “**Licensee**”) and WYYERD CONNECT LLC, a Delaware limited liability company (“**Wywerd**” or “**Assignee**”), with the consent of the TOWN OF MARANA, an Arizona municipal corporation (the “**Town**” or “**Licensor**”). The Town, Ting Fiber, and Wywerd are each a “**Party**” and collectively, the “**Parties**.”

RECITALS

A. On or about August 16, 2023, the Town and Ting Internet, LLC, a Delaware limited liability company (“**Ting Internet**”), entered into a Fiber Optic Communications License (the “**License**”), granting Ting Internet nonexclusive and revocable rights and nonexclusive and revocable privileges as set forth in the License to construct, install, operate, and maintain its System in the Public Rights-of-Way and on other Town-owned property.

B. Ting Internet performed certain fiber-to-the-home (“FTTH”) network construction pursuant to the License prior to ceasing installation of new facilities on or about December 2024.

C. On or about March 26, 2025, pursuant to section 8.2 of the License, Ting Internet assigned the License to its affiliate and indirect parent company, Ting Fiber, with proper notice to the Town.

D. On or about April 4, 2025, Ting Fiber and Wywerd entered an asset purchase agreement whereby Wywerd is purchasing all of Ting Fiber’s FTTH network assets located in the Town of Marana. Wywerd intends to utilize these assets and the License to continue to deploy a FTTH network in the Town and provide FTTH services to the residents and businesses of the Town.

E. Section 8.1 of the License provides that the License and the related rights and privileges may not be assigned or otherwise transferred and the License may not be sublet or assigned, nor must any of the related rights or privileges be leased, assigned, sold or transferred, either in whole or in part, nor must title, either legal or equitable, or any right, or property interest pass to or vest in any Person other than Licensee, by act of the Licensee or operation of law, without the written consent of Town, which consent will not be unreasonably withheld, conditioned, or delayed.

F. Ting Fiber desires to assign the License to Wyverd, Wyverd desires to accept assignment of the License, and Ting Fiber and Wyverd request the written consent of the Town to this Assignment.

AGREEMENT

1. **Definitions; Recitals.** Except as amended in this Assignment, capitalized words and phrases in this Assignment shall have the meanings set forth in the License. The recitals set forth at the beginning of this Assignment are hereby acknowledged and confirmed to be accurate and are incorporated herein by this reference.

2. **Assignment.** Ting Fiber hereby assigns to Wyverd, and Wyverd hereby accepts, all of Ting Fiber's rights, title and interest, in, under and to the License and the Town hereby expressly consents to the assignment pursuant to the terms and conditions of the License and this Assignment.

3. **Effect of Assignment**

a. Pursuant to Section 8.1 of the License, Wyverd agrees and acknowledges that upon assignment of the License to Wyverd, the assigned License is subject to all the obligations and privileges of the License, which will remain in effect, as if the assigned License was the original License.

b. Pursuant to Section 8.4 of the License, Wyverd agrees and acknowledges that after assignment, the License is binding upon Wyverd to the full extent that it was binding upon Ting Fiber.

c. Further, pursuant to Section 8.1 of the License and by their signatures below, Ting Fiber and Wyverd hereby submit a binding license and warranty to the Town stating all of the following:

i. Wyverd has read, accepts, and agrees to be bound by the terms of the License;

ii. Wyverd assumes all obligations, liabilities, and responsibility pursuant to the License for the acts and omissions of Ting Fiber, known and unknown, for all purposes, and agrees that the transfer will not permit it to take any position or exercise any right which Ting Fiber could not have exercised; and

iii. The transfer will not substantially diminish the financial resources available to Wyverd.

4. **Assignment Effective Date.** The effective date of this Assignment shall be the signature date of the last Party to sign this Assignment.

[SIGNATURE PAGE FOLLOWS]

Exhibit A to Marana Resolution No. 2025-041

IN WITNESS WHEREOF, the Parties have executed this Assignment as of the last date set forth below their respective signatures.

CONSENT TO ASSIGNMENT:

“TOWN”:
Town of Marana, an Arizona municipal corporation

By: _____
Jon Post, Mayor

Date: _____

ATTEST:

Jill McCleary, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

“TING FIBER”:
TING FIBER, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

Date: _____

“WYYERD”:
WYYERD CONNECT LLC, a Delaware limited liability company

By: WYYERD GROUP LLC, a Delaware limited liability company, its Manager

By: _____
Name: _____

Title: _____

Date: _____

Exhibit A to Marana Resolution No. 2025-041

State of _____)
 ss
County of _____)

The foregoing instrument was acknowledged before me on _____, 2025, by _____, _____ of TING FIBER, LLC, a Delaware limited liability company, on behalf of the LLC.

(Seal)

Notary Public

State of _____)
County of _____)
SS

The foregoing instrument was acknowledged before me on _____, 2025, by _____, _____ of WYYERD GROUP LLC, a Delaware limited liability company, Manager of WYYERD CONNECT LLC, a Delaware limited liability company, on behalf of the LLC.

(Seal)

Notary Public

**FIRST AMENDMENT TO FIBER OPTIC COMMUNICATIONS LICENSE ISSUED
TO WYYERD CONNECT LLC**

THIS FIRST AMENDMENT to Fiber Optic Communications License issued to Wyyerd Connect LLC (this “First Amendment”) is made and entered into by and between WYYERD CONNECT LLC, a Delaware limited liability company (“**Wyyerd**” or “**Licensee**”), and the TOWN OF MARANA, an Arizona municipal corporation (the “**Town**” or “**Licensor**”). The Town and Licensee are each a “Party” and collectively, the “Parties.”

RECITALS

A. On or about August 16, 2023, the Town and Ting Internet, LLC, a Delaware limited liability company (“Ting Internet”), entered into a Fiber Optic Communications License (the “**License**”), granting Ting Internet nonexclusive and revocable rights and nonexclusive and revocable privileges as set forth in the License to construct, install, operate, and maintain its System in the Public Rights-of-Way and on other Town-owned property.

B. Ting Internet performed certain fiber-to-the-home (“FTTH”) network construction pursuant to the License prior to ceasing installation of new facilities on or about December 2024.

C. On or about March 26, 2025, pursuant to section 8.2 of the License, Ting Internet assigned the License to its affiliate and indirect parent company, Ting Fiber, LLC, a Delaware limited liability company (“Ting Fiber”), with proper notice to the Town.

D. On or about April 4, 2025, Ting Fiber and Wyyerd entered an asset purchase agreement whereby Wyyerd is purchasing all of Ting Fiber’s FTTH network assets located in the Town of Marana. Wyyerd intends to utilize these assets and the License to continue to deploy a FTTH network in the Town and provide FTTH services to the residents and businesses of the Town.

E. Section 8.1 of the License provides that the License and the related rights and privileges may not be assigned or otherwise transferred and the License may not be sublet or assigned, nor must any of the related rights or privileges be leased, assigned, sold or transferred, either in whole or in part, nor must title, either legal or equitable, or any right, or property interest pass to or vest in any Person other than Licensee, by act of the Licensee or operation of law, without the written consent of Town, which consent will not be unreasonably withheld, conditioned, or delayed.

F. Contemporaneous with this First Amendment, the Town, Wyyerd and Ting Fiber have executed a Fiber Optic Communications License Assignment with Licensor Consent

(the “Assignment”), whereby Ting Fiber is assigning all of its rights and obligations under the License to Wyyerd with the Town’s written consent.

G. Section 4.6 of the License provides that the Licensee must pay an Annual Fee of \$150,000 per year for the first three years of the License, in lieu of all permitting, plan review, inspection, testing or other applicable fees associated with permitting and construction in the Public Rights-of-Way. Section 4.6 further provides that after the first three years of the License term, Licensee shall then pay those fees and charges for Right-of-Way Use Permit applications, inspection, testing, plan review, pavement damage fees, and any other fees adopted by Town and applicable to Persons doing work in the Public Rights-of-Way or on other Town-owned property at the time of Licensee’s application(s).

H. Pursuant to Section 4.6, Ting Internet and/or Ting Fiber paid the Annual Fee for the first year of the License, from October 2023 to October 2024, and paid a prorated Annual Fee for the partial year of October 2024 until the Assignment.

I. Section 14.17 of the License provides that no supplement, modification, or amendment of any term of the License will be deemed binding or effective unless executed in writing by the Parties.

J. The Town and Wyyerd now desire to amend the License as set forth in this First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth in this First Amendment, the Parties hereby agree as follows:

1. **Definitions; Recitals.** Except as amended in this First Amendment, capitalized words and phrases in this First Amendment shall have the meanings set forth in the License. The recitals set forth at the beginning of this First Amendment are hereby acknowledged and confirmed to be accurate and are incorporated herein by this reference.

2. **Assignment.** The terms and conditions of the Assignment are hereby incorporated by this reference as if set forth in full in this First Amendment.

3. **Parties to the License; Title.** Pursuant to and in accordance with the Assignment, Wyyerd shall replace Ting Fiber throughout the License as the “Licensee.” In addition, the title of the License is changed from “Town of Marana Fiber Optic Communications License Issued to Ting Internet, LLC” to “Town of Marana Fiber Optic Communications and Telecommunications License Issued to Wyyerd Connect LLC”.

4. **Licensee’s provision of Telecommunications Services.** In addition to the provision of Fiber Optic Communications Services, including Broadband Service, Licensee may use its System to provide Telecommunications Services. The terms of the License are hereby amended to conform to this paragraph 4 and permit Licensee’s provision of Telecommunications Services, including the following specific revisions:

- a. Recital B is hereby deleted in its entirety and replaced with the following:

Licensee desires to install, operate, maintain, and use a System (as defined below) to provide Fiber Optic Communications Services (as defined below) including Broadband Services (as defined below) and Telecommunications Services (as defined below) in, along, under, over, and across certain Public Rights-of-Way within the Town or on other Town-owned property.

b. Section 1 (Definitions) is hereby amended to delete the definitions of “Gross Broadband Revenue”, “Subscriber”, and “System” in their entirety and replace the definitions with the following:

“Gross Revenue” means: (i) all cash, credits, property of any kind or nature or other consideration that is received directly or indirectly by Licensee, its affiliates, or any person, firm, or corporation in which Licensee has a financial interest or that has a financial interest in Licensee and that is derived from Licensee's operation of its System to provide Broadband Services or Telecommunication Services in the Service Area; and (ii) includes all revenue from charges for Broadband Services or Telecommunications Services to subscribers and all charges for installation, removal, connection or reinstatement of equipment necessary for a subscriber to receive Broadband Services or Telecommunication Services and any other receipts from subscribers derived from Licensee's operation of the System to provide Broadband Services or Telecommunications Services, including receipts from forfeited deposits, sale or rental of equipment to provide Broadband Services or Telecommunications Services, late charges, interest and sale of program guides; and (iii) the use or lease, in whole or in part, of Licensee's System located in Public Right-of-Way. Gross Revenue does not include: (i) any revenue not received by Licensee, even if billed, such as bad debt net of any recoveries of bad debt or any refunds, credits, allowances or discounts to subscribers to the extent that the refund, rebate, credit, allowance or discount is attributed to Broadband Services or Telecommunication Services; and (ii), license fees, taxes or other fees or charges that Licensee collects and pays to any governmental authority; and (iii) any increase in the value of any stock, security or asset, or any dividends or other distributions made from any stock or securities.

“Subscriber” means any Person who is lawfully receiving Broadband Services or Telecommunications Services provided by Licensee using the System within the territorial limits of the Town.

“System” means Licensee's infrastructure and communications facilities and equipment including, but not limited to, conduit, fiber optic cables, splice cases, manholes, hand holes, and related and associated facilities installed in the Public Rights-of-Way, and when specifically authorized by the Town on other Town-owned property, and which are used to provide Fiber Optic Communications Services and Telecommunications Services.

c. Section 2.2 (Description of the Services, System, and its Construction) is hereby amended to delete Sections 2.2.1 and 2.2.2 in their entirety and replace the sections with the following:

2.2.1 Licensee may use its System only to provide Fiber Optic Communications Services, including Broadband Services, and Telecommunications Services. Licensee represents and warrants that Licensee does not provide services that are considered Cable Service or Video Programming service.

2.2.2 Licensee acknowledges, represents, warrants, and agrees that: (i) Licensee is authorized to provide Telecommunications Services throughout the State of Arizona as a Competitive Local Exchange Carrier ("CLEC") pursuant to its Certificate of Convenience and Necessity ("CC&N") issued by ACC Decision No. 78050 date June 24, 2021; and (ii) Licensee will indemnify, defend, save and hold harmless the Town as provided in the License and assume all liability and risk for Licensee's failure to possess the proper legal authorization to provide some or all of the Services under this License.

5. **Definitions.** Section 1 (Definitions) is hereby amended to delete the definitions of "Adjusted Per Linear Foot Fee", "Annual Fee", and "Per Linear Foot Fee."

6. **Annual Fee.** Section 4.1 (Annual Fee) of the License is hereby deleted in its entirety and replaced with the following:

4.1 Annual Fee. Licensee must pay an annual fee to use the Public Rights-of-Way and other Town-owned property under the terms and conditions of this License and as calculated under this section (collectively, "Annual Fee").

4.1.1 The Town will assess, and Licensee must pay, any Annual Fee in accordance with A.R.S. §§ 9-582-583. On an annual basis, Licensee will bear the burden of establishing what portions of its network are subject to the Annual Fee in accordance with A.R.S. § 9-583 and to this end, Licensee shall provide the Town with a duly authorized officer's certificate with appropriate network maps indicating (based on industry standard traffic studies and metrics, and applicable network engineering reports) those portions of Licensee's network that carries interstate traffic between and among Licensee's interstate points of presence exclusive of facilities used by the local network and the portion of the interstate network that carries intrastate calls. Licensee must pay all taxes on intrastate telecommunications services as provided by applicable law and Licensee must pay any Annual Fee as provided in this License for the portions of the Licensee's System that are not exempt from the Annual Fee under A.R.S. §§ 9-582-583.

4.1.2 If Licensee's System carries interstate traffic between and among Licensee's interstate points of presence (exclusive of facilities used by the local network and the portion of the interstate network that carries intrastate calls) or leases its dark fiber to another carrier for purposes of carrying interstate traffic between and among that telecommunication corporation's interstate

points of presence, Licensee must pay the lesser amount of: (i) \$2.43 (for calendar year 2025) per linear foot for trench located in the Public Rights-of-Way or on other Town-owned property; or (ii) 3% of Gross Revenue for such use.

4.1.3 If Licensee's System carries interstate traffic between and among Licensee's interstate points of presence (exclusive of facilities used by the local network and the portion of the interstate network that carries intrastate calls) or leases its dark fiber to an entity not included in Section 4.1.2, Licensee must pay the lesser amount of (i) \$2.43 (for calendar year 2025) per linear foot for trench located in the Public Rights-of-Way or on other Town-owned property; or (ii) 3% of Gross Revenue for such use.

4.1.4 If Licensee places empty conduit in the Public Rights-of-Way or on other Town-owned property for services other than those listed in Section 4.1.1, Licensee must pay the lesser amount of (i) \$2.43 (for calendar year 2025) per linear foot for trench located in the Public Rights-of-Way or on other Town-owned property; or (ii) 3% of Gross Revenue for such use.

4.1.5 On the Anniversary Date, Licensee will report to the Town the amount of linear feet of trench, if any, or the amount of Gross Revenue, if any, subject to the Annual Fee under Sections 4.1.2, 4.1.3, or 4.1.4 permitted and installed in the Public Rights-of-Way or on other Town-owned property. If the Annual Fee is based on the amount of linear feet of trench located in Public Rights-of-Way or on Town-owned property, the Annual Fee is calculated by multiplying the current annual per linear foot fee, as adjusted by annual CPI under Section 4.1.7 for the year of payment, by the linear footage of trench permitted or installed in the Public Rights-of-Way or on other Town-owned property. If the Annual Fee is based on Gross Revenue, Licensee will report the amount of Gross Revenue generated during the 12 consecutive months prior to the Anniversary Date and multiply this amount by 3%. The Licensee must pay, and the Town must receive, any Annual Fee that is due before the Town will issue any new encroachment permits for additional facilities or equipment in the Public Rights-of-Way or other Town-owned property.

4.1.6 If Licensee discontinues construction in any year after payment of the annual Area Permit Fee described in Section 4.6 below, a prorated portion of the Area Permit Fee, based on the number of months that Licensee performed construction in the Public Rights-of-Way in the year in question, may be applied as a credit to a future Annual Fee or may be refunded to Licensee by Town.

4.1.7 The Annual Fee will be adjusted annually based on the percentage of change in the consumer price index ("CPI") for the previous twelve-month period. Any change in the Annual Fee will be referred to herein as the "Adjusted Fee." In no event may the Adjusted Fee be less than the Annual Fee for the prior year. For purposes of this License, CPI is defined as the Western

Region Consumer Price Index for All Urban Consumers, All Items, as published by the Bureau of Labor Statistics (BLS), United States Department of Labor. Base period 1982-84 = 100. Adjusted Fees will be effective upon the next subsequent Anniversary Date. The change in CPI will be calculated based on the change in the CPI for the previous twelve-month period. If the BLS ceases publication of the specified CPI, Town and Licensee may determine an agreeable inflation index that most clearly approximates the Western Region CPI for the remaining term of the License.

7. **In-Kind.** Section 4.2 (In-Kind) of the License is hereby amended by adding the following:

4.2.1 In addition to the Town Dedicated Conduit described in Section 4.2 above, the Town may from time to time request that Licensee install two dark fiber strands to be dedicated to the Town's ownership for the Town's internal use in segments of the System that, at the time of the request, have not yet been constructed. If the Town makes a request for dark fiber strands pursuant to this Section 4.2.1, the Parties shall proceed in the same manner as described in Section 4.2 for Town Dedicated Conduit.

8. **Invoice and Payment Information.** Section 4.4.1 of the License is hereby amended by deleting Licensee's invoicing contact information and replacing it with the following:

Wyverd Connect LLC
C/o SVP Finance & Treasurer
1601 29th St., Ste.1292 PMB 1042
Boulder, CO 80301
Invoicing contact information: Phone 303.263.7299
Email: tim.gentry@wyverd.com

9. **Permit Fees and Construction Costs.** For the first two years after the effective date of this First Amendment, Licensee shall pay to the Town the Area Permit Fee of \$150,000, as set forth in Section 4.6 of the License, in lieu of all regular Town permitting, plan review, inspection, testing, or other applicable fees associated with permitting and construction in the Public Rights-of-Way. Licensee must pay the Area Permit Fee prior to commencing any construction in the Public Rights-of-Way. The second year's payment of the Area Permit Fee shall be due upon the one-year anniversary of the payment of the first year's payment and Licensee will not be permitted to continue construction in the Public Rights-of-Way until the second year Area Permit Fee is paid in full. At the end of the two-year period described above, Licensee shall have the right to unilaterally extend the Area Permit Fee payment structure for a maximum of two additional years, under the same terms and conditions described in this paragraph. After the expiration of the Area Permit Fee structure, Licensee shall then pay those fees and charges for Right-of-Way Use Permit applications, inspection, testing, plan review, pavement damage fees, and any other fees adopted by Town and applicable to Persons doing work in the Public Rights-of-Way or on other Town-owned property at the time of Licensee's application(s). Section 4.6 of the License is hereby amended to conform to the provisions of this paragraph.

10. Performance Bond. Within 45 days of the effective date of this First Amendment and prior to commencing any construction in the Public Rights-of-Way, Licensee must furnish to the Town a performance bond as described in and pursuant to the provisions of Section 4.7 of the License.

11. Term of License. Section 5 (Term of License) of the License is hereby deleted in its entirety and replaced with the following:

The term of this License and duration of the rights, privileges, and authorizations granted hereunder will be for five years from the Effective Date, unless terminated sooner as provided in this License. The term will automatically renew for up to three additional five-year terms unless written notice of termination is provided by either Party no less than six months before the end of the initial term or any renewal term. Licensee's renewal rights shall be in accordance and compliance with A.R.S. § 9-583(G).

12. Insurance and Indemnity. Prior to commencing any construction in the Public Rights-of-Way, Licensee must furnish to the Town proof of insurance coverage as required in Section 7 and Section 7.7 of the License.

13. Revocation for Nonuse. Not later than 24 months after the effective date of this First Amendment, Licensee must offer and provide Fiber Optic Communications Services to at least one Subscriber within the Service Area authorized by the License or amended License unless the Licensee cannot meet the requirement for reasons beyond the Licensee's control as provided in the License. If the Licensee fails to comply with this section, the Town may revoke this License for the affected Service Area. Section 12.1 of the License is hereby amended to conform to the provisions of this paragraph.

14. Notices. Section 14.15 of the License is hereby amended by deleting Licensee's contact information and replacing it with the following:

Wyverd Connect LLC
Attn: Chief Legal Officer/Legal Dept
1601 29th St., Ste.1292 PMB 1042
Boulder, CO 80301
Phone: 303.725.8815
Email: scott.beer@wyverd.com
With copy to: reginald.jaramillo@wyverd.com

15. Co-Location of Licensee Equipment. Exhibit D to the License is hereby deleted. Licensee is not permitted to rent co-location space for equipment within municipal facilities.

16. Effect on the License. Except as expressly modified in this First Amendment, the terms, provisions and obligations of the License shall remain in full force and effect.

17. Effective Date. The effective date of this First Amendment shall be the signature date of the last party to sign this First Amendment. Upon the effective date of this First Amendment, the Anniversary Date as defined in Section 1 of the License shall mean the annual anniversary of the effective date of this First Amendment.

Exhibit B to Marana Resolution No. 2025-041

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the last date set forth below their respective signatures.

"TOWN":

Town of Marana, an Arizona municipal corporation

By:

Jon Post, Mayor

Date: _____

ATTEST:

Jill McCleary, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

"WYYERD":

WYYERD CONNECT LLC, a Delaware limited liability company

By: WYYERD GROUP LLC, a Delaware limited liability company, its Manager

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B to Marana Resolution No. 2025-041

State of _____)
SS

County of _____)

The foregoing instrument was acknowledged before me on _____, 2025, by _____, _____ of WYYERD GROUP LLC, a Delaware limited liability company, Manager of WYYERD CONNECT LLC, a Delaware limited liability company, on behalf of the LLC.

(Seal)

Notary Public

**TOWN OF MARANA
FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC**

THIS LICENSE ("License") is issued by the Town of Marana, an Arizona municipal corporation, as represented by the Town Council and acting through the Town Manager or the Town Manager's designee ("Town" or "Licensor") to Ting Internet, LLC, a Delaware limited liability company ("Licensee"). The Town and Licensee are each a "Party" and collectively, the "Parties."

RECITALS

A. Town is responsible for management of the Public Rights-of-Way (as defined below) and has the authority to grant licenses authorizing occupancy and use of the Public Rights-of-Way; and

B. Licensee desires to install, operate, maintain, and use a System (as defined below) to be used to provide Fiber Optic Communications Services (as defined below) including Broadband Services (as defined below) in, along, under, over, and across certain Public Rights-of-Way within the Town or on other Town-owned property.

LICENSE

NOW, THEREFORE, Town hereby grants Licensee this License under the following terms and conditions:

SECTION 1. DEFINITIONS

For the purpose of this License, unless the context otherwise requires, the following terms, phrases, words, and their derivatives have these meanings. When not inconsistent with the context, words in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural. The word "shall" is always mandatory and not merely directory. If a conflict or ambiguity exists among the definitions in Arizona Revised Statutes, the Marana Town Code, and this License, the definitions in the following order prevail and control: (1) Arizona Revised Statutes; (2) Marana Town Code; (3) this License. Additional definitions for this License include:

"ACC" means the Arizona Corporation Commission.

"Adjusted Per Linear Foot Fee" has the meaning set forth in Section 4.1.5.

"A.R.S." means Arizona Revised Statutes, as amended.

"Anniversary Date" means the annual anniversary of the Effective Date.

"Annual Fee" has the meaning set forth in Section 4.1.1.

"Broadband Services" means the offering of broadband Internet access services to Subscribers.

"Cable Service" means the transmission to subscribers of video programming or other programming service and subscriber interaction, if any, that is required for the selection or use of the video programming or other programming service over a Cable System.

"Cable System" means any facility consisting of a set of closed transmission paths and associated signal generation reception and control equipment that is designed to provide cable service that includes video programming and that is provided to multiple subscribers within a community. Cable system does not include (1) a facility that serves fewer than fifty (50) subscribers; (2) a facility that serves subscribers without using any public street, road or alley; (3) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (4) a facility of a

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

common carrier that is subject, in whole or in part, to 47 United States Code Sections 201 through 276, except that the facility is considered a cable system, other than for purposes of 47 United States Code Section 541(c), to the extent the facility is used in the transmission of video programming directly to subscribers, unless the extent of the use is solely to provide interactive on-demand services; (5) an open video system that complies with 47 United States Code Section 573; or (6) a facility of an electric utility that is used solely for operating its electric utility system.

"Day" means calendar day unless noted otherwise.

"Effective Date" means the signature date of the last Party to sign this License.

"Environmental Laws" means all federal, state, and local laws, ordinances, rules, regulations, statutes, and judicial decisions now or subsequently in effect, in any way relating to or regulating human health, or safety, or industrial hygiene, or environmental conditions, or protection of the environment, or prevention or cleanup of pollution or contamination of the air, soil, surface water, or groundwater.

"FCC" means the Federal Communications Commission.

"Fiber Optic Communications Services" means communications services that are excluded from the definition of "Telecommunications" set forth in A.R.S. § 9-581(4).

"Gross Broadband Revenue" means any and all consideration of any kind or nature, including cash, credits, property, and in-kind contributions (services or goods) arising from or attributable to Licensee's provision of Broadband Services over the System within Town to Subscribers (including fees attributable to Broadband Service when sold individually or as part of a package or bundle, with services other than Broadband Services), without regard to the billing address of the Subscriber. The term "Gross Broadband Revenue" shall not include the following: (1) any revenue not actually received, even if billed, provided that uncollectible fees written off as bad debt which are subsequently collected shall be included in gross revenues in the period collected; (2) refunds, rebates, credits or discounts to Subscribers or Town to the extent not already offset by (1) immediately above and to the extent such refund, rebate, credit, or discount is attributable to Broadband Service; (3) any revenues received by Licensee or its Affiliates from the provision of services other than Broadband Service; (4) any revenues received by Licensee or its Affiliates for the provision of Internet advertising, including banner advertisement and electronic publishing; (5) any amounts attributable to the provision of any service to Subscribers at no charge, including the provision of such service to public institutions without charge; (6) any tax of general applicability imposed on the Subscriber or the transaction (but not on Licensee) by a federal, state, or local government or any other governmental entity, collected by Licensee, and required to be remitted to the taxing entity, including, to the extent applicable to Broadband Services, sales and use taxes, and utility user taxes (the Annual Fee imposed herein is not such a tax); (7) any forgone revenue from the provision of service at no charge to any Person, except that any forgone revenue exchanged for trades, barter, services, or other items of value shall be included in gross revenue; (8) any value of capital assets or surplus equipment; (9) the sale of Broadband Service for resale to the extent the purchaser thereof certifies to Licensee in writing that it will resell the Broadband Service and pay a fee to Town with respect thereto; and (10) any revenue derived from rental of modems or other equipment used to provide or facilitate the provision of the Broadband Services.

"Hazardous Substances" means those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Laws and the following substances: gasoline, kerosene, or other petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

"License" means this non-exclusive authorization granted by the Town to construct, operate, maintain, reconstruct, repair, and remove the System or any portion thereof in, over, under, and across public rights of way owned or controlled by the Town.

"Licensee" has the meaning set forth in the Preamble.

"Licensor" has the meaning set forth in the Preamble.

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

"Per Linear Foot Fee" has the meaning set forth in paragraph 4.1.2.

"Person" means an individual, corporation, limited liability company, partnership, association, trust or any other entity or organization, including a governmental or political subdivision, including Town, or an agency or instrumentality thereof.

"Pre-existing Environmental Condition" means the presence, emission, disposal, discharge, or release of any Hazardous Substance at, in, on, under, or about the System, however caused, existing prior to the placement of the System within the Public Rights-of-Way, whether the nature and extent of such contamination is known or unknown at the time.

"Provider" means a Person that constructs, installs, operates, or maintains fiber optic communications facilities or Fiber Optic Communications Services in or using the Public Rights-of-Way.

"Public Rights-of-Way" means all roads, streets, alleys, and all other dedicated public rights-of-way and public utility easements located within the Town's corporate boundaries.

"Right-of-Way Use Permit" means the nonexclusive permission granted by the Town to Licensee within the Public Rights-of-Way for the specific location of Licensee's System, and includes fees (if any) for the specific location, and other terms and conditions in accordance with the Marana Town Code Chapter 12-7, applicable Rights-of-Way construction regulations, and other applicable law.

"Subscriber" means any Person who is lawfully receiving Broadband Services provided by Licensee using the System within the territorial limits of Town.

"System" means Licensee's infrastructure and communications facilities and equipment including, but not limited to, conduit, fiber optic cables, splice cases, manholes, hand holes, and related and associated facilities installed in the Public Rights-of-Way, and when specifically authorized by the Town on other Town-owned property, and which are used to provide Fiber Optic Communications Services.

"Telecommunications" has the same meaning as defined in A.R.S. § 9-581(4), as amended.

"Telecommunications Services" has the same meaning as defined in A.R.S. § 9-581(6), as amended.

"Town" means the Town of Marana, Arizona.

"Town Council" means the Council of the Town of Marana.

"Town Dedicated Conduit" has the meaning set forth in Section 4.2.

"Video Programming" means programming that is provided by, or generally comparable to programming provided by, a broadcast television station.

SECTION 2. PERMISSION GRANTED

2.1. Grant. Subject to the provisions of this License, the Marana Town Code, and Arizona and federal law, the Town grants to Licensee nonexclusive and revocable rights and nonexclusive and revocable privileges as set forth in this License to construct, install, operate, and maintain its System in the Public Rights-of-Way and on other Town-owned property.

2.1.1 At any time during the term of this License, Licensee may apply to the Town for Right-of-Way Use Permits that set forth the specific location of Licensee's System and other terms and conditions as provided in Exhibit B

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

hereto. The Town may approve, deny, or conditionally approve Licensee's Right-of-Way Use Permit application based on the following, but not exclusive, reasons: (i) availability of space at the location sought by Licensee; (ii) public health, safety, and welfare; and (iii) other considerations in accordance with this License (including Exhibit B) and applicable construction regulations, and other applicable law.

2.1.2 Subject to the permission of the affected property owner, this License also authorizes Licensee to place its System on property owned by third parties, such as an electric utility company or other private property owners; provided, however, the System installed or constructed by Licensee on the private property must comply with applicable Town regulations and other applicable laws. Upon request from the Town, Licensee must promptly furnish to the Town documentation of the third party's permission. By executing this License, the Town does not waive any rights that Town may have against any public utility or other third party to require such owners to obtain the Town's prior approval for such uses of their property or facilities, or that revenues received by any public utility or other property owner from Licensee be included in the computation of the use fees owed by such parties to the Town.

2.1.3 No component or part of Licensee's System may be installed, constructed, located on, or attached to any property within the Town until Licensee has applied for and received approval for a Right-of-Way Use Permit or other applicable permit under the Marana Town Code and this License. Additionally, Licensee must comply with all other provisions of the Marana Town Code and this License related to construction, including without limitation the requirements set forth in Marana Town Code Section 12-7-9 regarding work on asphalt pavements having an overall condition index (OCI) of over 70, and other applicable Town regulations. Notwithstanding the foregoing, Licensee may deviate from Marana Town Code Section 12-7-9(E) as follows: with respect to Licensee's work in the Public Rights-of-Way, permanent pavement repairs as the result of daylighting (potholing) associated with safe construction pursuant to Arizona's underground locates laws (A.R.S. §§ 40-360.21 through 40-360.32), shall be a minimum of 1 foot by 1 foot asphalt restoration, for each excavation to be completed for daylighting (potholing), and no more than 2 square feet total. Areas of restoration larger than 2 square feet may be subject to applicable provisions of the Marana Town Code.

2.1.4 Any right or privilege claimed under this License by Licensee for any use in the Public Rights-of-Way and on other Town-owned property is subordinate to any Town prior or subsequent lawful occupancy or use or any other governmental entity and is subordinate to any prior easements, provided, however, nothing in this License extinguishes or otherwise interferes with the Parties' property rights established independently of this License.

2.1.5 Nothing in this License will be construed to prevent the Town from abandoning, altering, improving, repairing, or maintaining the Town's facilities in the Public Rights-of-Way, and for any or more of such purposes or any other lawful purpose requiring Licensee to remove, relocate, or abandon in place Licensee's System to accommodate the Town's projects and activities (a "Required Relocation"). Licensee shall be responsible for its own costs of any Required Relocation of Licensee's System or any portion thereof, provided, however, that Town shall take all reasonable actions to minimize costs of any such Required Relocation to Licensee, including without limitation making reasonable efforts on its own and in cooperation with Licensee to seek reimbursements and other available federal or state funding that, under applicable law, may be used by municipalities to fund or subsidize the costs of relocating underground facilities, and passing through to Licensee its pro-rata portion (based on the linear feet of Licensee's facilities subject to the Required Relocation as a share of the total linear feet of the Public Rights-of-Way that is abandoned, altered, improved, repaired, or maintained) of any funds received by Town from federal or state funding sources for such purpose. The Town will not be liable for Licensee's lost revenues, however caused, due to any Town activity or project in the Public Rights-of-Way, when such costs or lost revenues result from the construction, operation, or maintenance of Town facilities and any other lawful project or activity in the Public Rights-of-Way; provided, however, that the Town's activities and projects that result in such costs or lost revenues to Licensee are conducted in accordance with applicable laws and regulations. Required Relocations must be accomplished in accordance with the directions from Town including the Town's reasonable construction schedule and made under the same terms and conditions as the initial installation allowed pursuant to this License and Right-of-Way Use Permit. Licensee must reimburse the Town for any direct or indirect damages incurred by the Town as a result of unreasonable delays in the Required Relocation caused by Licensee's negligence, willful misconduct, or undue delay.

2.2 Description of the Services, System, and its Construction.

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

2.2.1 Licensee may use its System only to provide Fiber Optic Communications Services, including Broadband Service. Licensee represents and warrants that Licensee does not provide services that are considered Telecommunications Service, Cable Service, or Video Programming service.

2.2.2 Licensee acknowledges, represents, warrants, and agrees that: (i) the Services authorized under this License do not require a Certificate of Convenience and Necessity ("CC&N") or other legal authorization; (ii) if a CC&N or other authorization is required by law for certain Services, Licensee agrees that it will not provide these Services under this License until Licensee receives the proper authorization; (iii) if Licensee obtains a CC&N or other legal authorization during the term of this License, Licensee will furnish a copy of any legal authorization to Town as provided in this License within 30 days of receipt of the same or the Effective Date, whichever is later; and (iv) Licensee will indemnify, defend, save, and hold harmless the Town as provided in this License and assume all liability and risk for Licensee's failure to possess the proper legal authorization to provide some or all of the Services under this License.

2.2.3 As part of Licensee's authorized System, Licensee may install empty conduit and dark fiber within the Public Rights-of-Way or on other Town-owned property.

2.2.4 Licensee must obtain the proper and necessary Right-of-Way Use Permit before Licensee begins any work or construction in the Public Rights-of-Way. Licensee must obtain any other applicable permit before Licensee begins any work or construction on Town-owned property or public Rights of Way.

2.2.5 Unless otherwise permitted by applicable law or this License and associated exhibits, including, for the avoidance of doubt, the construction specifications set out in Exhibit C hereto, Licensee must install and construct Licensee's System in accordance with the Marana Town Code and this License. Licensee may lease fiber or other assets as it deems necessary from other Persons to provide service to business customers. It is the Parties' intent that the Parties will work to minimize inconvenience to Marana residents and other Public Rights-of-Way users. Before Licensee installs the System, Licensee shall submit plans and specifications for proposed construction to the Town for approval, which approval the Town will not unreasonably delay or withhold. All work on Licensee's System shall comply with all lawful and reasonable requirements of Town, and must follow and comply with industry best practices and standards, which shall be deemed to include the construction specifications set out in Exhibit C.

2.2.6 Any changes to the System that would have required approval in Licensee's initial Right-of-Way Use Permit for the affected part of the System must be approved in writing by Town, whose approval will not be unreasonably withheld, delayed, or conditioned.

2.2.7 Licensee's installation of the System must be reasonably coordinated with other utilities and Town to accommodate construction being simultaneously undertaken at the same location by another utility. In accordance with applicable law, all installations must be located underground unless an exception is granted by the Town Engineer; provided, however, that nothing in this License requires Licensee to incur any additional expense to accommodate common installations. The provisions relating to additional expense in the foregoing sentence relate only to coordinated common installations and are not applicable to any other section of this License.

2.3 Location of the System.

2.3.1 At the time of proposed construction, Licensee must submit a Right-of-Way Use Permit application(s) together with the details, plans, and specifications for Town's review and approval, and pay all applicable application, review, and inspection fees required by Section 4.6 before any and all construction work is performed under the rights and privileges granted under this License. The proposed locations of Licensee's planned installation of its System, including related facilities or equipment, is depicted on the map attached and made a part of this License as Exhibit A ("Service Area"). The System may be depicted more specifically in the Right-of-Way Use Permit process, as reasonably required by Town, and shall be updated annually on the Anniversary Date of this License. Proposed locations of the System that are part of any Right-of-Way Use Permit(s) must also be made a part of a general depiction of Licensee's System in Exhibit A and must be

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

updated at the time of License renewal or amendment.

2.3.2 If Licensee desires to change the location of any of the System, including any related facilities or equipment, from the location depicted in initial Right-of-Way Use Permit application(s), Licensee must submit revised plans to apply for and obtain approval for an amendment to the Right-of-Way Use Permit prior to installation and construction of the facilities or equipment.

2.4 Licensee Use of Town Conduit

2.4.1. The Town has constructed and is the owner, in whole or in part, of an Intelligent Transportation Systems (ITS) conduit system constructed for the purposes of telecommunications connectivity in Marana, Arizona comprised of conduit, innerduct, manholes, handholes, vaults, pull boxes, and support structures needed for the use of the ITS conduit.

2.4.2 Licensee desires to acquire from the Town, from time-to-time and as the need arises, the right to use certain ITS conduit within portions of the Town for the purpose of installing Licensee facilities, which includes but is not limited to fiber optic cables, innerduct, tracer wires, equipment and associated hardware, owned and/ or utilized by Licensee, and the Town desires to allow Licensee to use such certain ITS conduit in the Town's system.

2.4.3 The following definitions shall apply to this Section 2.4:

"Additional Conduit" means Conduit for which Licensee is granted a right to use after the Effective Date of this License and which is made subject to this License pursuant to the execution of one or more Conduit Request(s) (as defined in this Section 2.4.3 below). Upon the execution of a Conduit Request by both parties, the term "Additional Conduit" shall be included in the definition of "Conduit" for all purposes under this License.

"Connected Points" means the beginning and ending points of the Conduit as more specifically described in a Conduit Request.

"Conduit" means the system of four-inch Intelligent Transportation Systems (ITS) conduit, innerducts, shared manholes, handholes, vaults, pull boxes, support structures, and assist points needed for the use of the ITS conduit, together with certain other associated facilities owned or operated by the Town that provide communications continuity between the Connected Points and to which Licensee is granted use of from the Town pursuant to this License, as it may be amended from time to time. For the purposes of this License, "Conduit" does not include Town owned conduit installed for traffic signal operations and street lighting.

"Conduit Request" means an executed supplement to this License, a form of which is attached hereto and incorporated herein by this reference as Exhibit E.

"Equipment" means the telecommunications equipment owned or used by Licensee to generate signals across fiber optic cable, or copper cables, as the case may be, including tracer wires, equipment, and associated hardware.

"Facilities" means fiber optic or copper cables and associated hardware and conduit.

"Fiber Cable" means the fiber optic cable sheath installed in the Conduit and owned by Licensee.

"Innerduct" means a system of three 1.25-inch smaller conduit (or tubes) used to subdivide larger conduit ducts for the placement of optical fiber cables in the underground conduit system.

"Manhole" means a below ground level enclosure entered through a hole on the surface covered with a cast iron, cast aluminum, steel, concrete or other cover, which personnel may enter and use for the purpose of installing, operating, and maintaining facilities associated with a fiber optic communications system. As used in this License, the term "Manhole" refers to manhole structures owned or operated by the Town and which are components of the Conduit.

"Pull Box " means a buried No. 7 pre-cast concrete box with an extension and a removable cover as identified in Pima Association of Governments Standard Details, used to facilitate the pulling of cables.

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

"Route" means the physical path of the Conduit required to provide continuity between the Connected Points, as more specifically described in each Conduit Request.

"Splice" means the splicing or terminating of fiber optic cables, copper cables, or both.

"Vault" means a pre-cast concrete buried Arizona Department of Transportation No. 9 pull box with a lid for pulling and terminating fiber optic cable runs.

- 2.4.4 The Town hereby grants to Licensee a non-exclusive right to access and use the Conduit, Connected Points, Vaults, Pull Boxes, and Manholes, including permission to install Fiber Cable in the Conduit, to interconnect Licensee's own conduit network with the Conduit, and to terminate or Splice Fiber Cable at the Connected Points, and to provide all necessary maintenance and repairs to the Conduit, subject to the conditions set forth in this License. Licensee may interconnect its conduit to the Manholes or Conduit to facilitate the Splices. All work is to be performed by Licensee at Licensee's sole cost and expense.
- 2.4.5 Licensee shall mark with a stamp or medallion (or other form of identification) each Town Pull Box cover where Licensee has placed Fiber Cable.
- 2.4.6 If Licensee requires the use of Conduit that is not currently populated with three 1.25-inch Innerducts, Licensee shall be required to install a system of three 1.25-inch Innerducts in the empty Conduit prior to use. Licensee shall notify the Town of empty Innerducts installed by but not being used by Licensee and those empty Innerducts shall be made available for Town use.
- 2.4.7 If Licensee requires the use of Conduit that is populated with Town fiber optic cable but no Innerduct, Licensee shall install Innerduct and maintain Town fiber optic cable.
- 2.4.8 No Splices shall be made in Town-owned Pull Boxes. Splices may be made in Vaults.
- 2.4.9 Licensee shall be responsible for repairing any damage that Licensee causes to Town owned Conduit, Pull Boxes, Vaults or fiber optic cable.
- 2.4.10 Licensee's right to use Additional Conduit shall be memorialized in separate and independent Conduit Requests. Licensee may request the inclusion of Additional Conduit by executing a Conduit Request, in the form attached hereto as Exhibit E. Approval of a Conduit Request, when deemed to be technically and operationally feasible in the sole reasonable discretion of the Town, shall not be unreasonably withheld, conditioned or delayed by the Town. The Town shall not unreasonably condition or delay execution of a Conduit Request. The Town shall review and act on Conduit Requests within 15 Town business days of receipt of the request. Subject to the provisions of Section 2.4.16 below, Licensee shall be solely responsible for costs associated with use of Additional Conduit. Upon execution, the Conduit Request will be incorporated into this License and fully subject to the terms and conditions of this License.
- 2.4.11 Each Conduit Request executed pursuant to this License shall continue in effect until terminated by Licensee as set forth in this License, or until expiration of the term of this License. Licensee may terminate a Conduit Request, or Route within a Conduit Request, at any time upon 90 days' prior written notice to the Town. Upon termination or expiration of a Conduit Request, or a Route within a Conduit Request, the right to use granted by that Conduit Request shall immediately terminate, all rights granted to Licensee for use of the Conduit shall terminate, and neither Party shall owe the other any further duties or consideration. Licensee shall remove all Licensee Property from the Conduit as prescribed in Section 2.4.21 of this License, unless the Town gives Licensee permission to abandon any Facility or Equipment laid, directly constructed, operated, or maintained.
- 2.4.12 Any Conduit Request must be jointly approved by the Town's Technology Services Director and the Town Engineer, or their respective designees.
- 2.4.13 Licensee shall pay the Town a fee for the right to use granted under each Conduit Request pursuant to this License as follows:
 - 2.4.13.1 The fee shall be calculated by multiplying the total aggregate length of the Conduit, in feet, by the applicable per foot rate, per year and shall be paid on an annual basis.

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- 2.4.13.2 The Conduit use rate for the initial term of this License is \$0.40 per foot, per year.
- 2.4.13.3 The payment period for each Conduit Request shall begin on the applicable Conduit Request Acceptance Date (as defined in Section 2.4.16 below) and conclude upon termination or expiration of the Conduit Request for the Conduit in use. The fee shall be due and payable by Licensee annually on July 30 of each year for the fiscal year in which the payment is received (July – June Town fiscal year) and will be prorated for any conduit Request placed during that fiscal year, payable 30 days after the applicable Conduit Request Acceptance Date.
- 2.4.13.4 All charges for Conduit are net of Applicable Taxes (as defined below). Except for taxes or surcharges based on the Town's corporate existence, status, net income, corporate property taxes, or payroll taxes, Licensee will be responsible for all Applicable Taxes that arise in any jurisdiction, including, without limitation, consumption, sales, use, gross receipts (except those in lieu of income taxes), excise or other taxes, fees, charges or surcharges, however designated, imposed on, incident to, or based upon the provision, sale, or use of the Conduit (collectively "Applicable Taxes"). The Town represents that it has paid all applicable sales or use tax with respect to the Conduit on the basis that the Conduit was incorporated in real property at the time it was installed in the Town's system, and the Parties agree to treat the transactions contemplated in this License in a manner consistent with that position. Licensee shall pay and be solely responsible for any state or local transfer taxes and sales taxes arising from the transactions contemplated by this License, and shall indemnify the Town for all such taxes assessed against or paid by the Town.
- 2.4.14 The Conduit shall remain the property of the Town and will never be deemed a fixture to any real property owned by Licensee or any third party. The Town and Licensee will each retain title to all of their respective equipment, cable, electronics and facilities used in connection with this License.
- 2.4.15 Upon request of the Licensee, the Town will provide Licensee with CADD as-built plans that include the Conduit. No later than 30 days after each installation of Licensee facilities in the Conduit, Licensee will provide the Town with CADD as built plans of all Licensee facilities placed in the public right-of-way.
- 2.4.16 The Town does not guarantee that the condition of the Conduit is acceptable for Licensee's purposes. Licensee shall have 20 days after being notified by the Town that Conduit is ready for acceptance inspection to inspect, accept or reject the Conduit (hereinafter "Inspection Period"). Licensee will perform such tests as it deems necessary to determine the acceptability of the Conduit for its intended use. All testing shall be at the sole cost of Licensee. If, based on the sole determination of the Licensee, the Conduit is deemed unacceptable, the Town will assign, where available, different Conduit to the Licensee. If any Conduit made available to Licensee along a Route fails to meet Licensee's acceptance criteria, Licensee shall be entitled, at Licensee's sole discretion, to either (i) repair the unacceptable Conduit, at Licensee's sole cost and expense, or (ii) reject the affected portion of Conduit and be released from any further related obligations without affecting other rights granted by this License, or (iii) terminate this License and be released from any further obligations under the License. The "Acceptance Date" shall be (a) the date Licensee notifies the Town in writing that it has accepted the Conduit, or (b) if Licensee fails to respond within the Inspection Period, the date following expiration of the Inspection Period.
- 2.4.17 Each Party is responsible for the safety and health of its employees, agents, and contractors while working on the Conduit, or the facilities installation pursuant to this License. Each Party shall comply with all applicable rules and regulations, as well as all local, state and federal environmental, health and safety requirements, including without limitation those relating to the use and handling of hazardous materials.
- 2.4.18 Licensee shall be responsible for obtaining all applicable permits, licenses, or other forms of approval or authorization necessary to install its facilities in the Conduit, prior to installation. This includes Licensee's obligation to obtain a right-of-way use permit pursuant to Marana Town Code Chapter 12-7 (Construction in town rights-of-way) each time Licensee or its contractor installs, replaces, or maintains its facilities in the Conduit.
- 2.4.19 Licensee shall be responsible for ownership, maintenance, and operation of its Facilities installed in the Conduit and for compliance with all applicable laws and regulations regulating the same. Licensee shall

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- at all times retain exclusive right, title, and interest in the Facilities or any other Equipment installed by Licensee pursuant to this License.
- 2.4.20 Licensee, its agents or subcontractor may perform industry standard maintenance, locates and repairs for the Conduit to ensure proper protection and functioning of the Conduit, subject to all permits and authorizations required by applicable law, to be secured at Licensee's sole expense. Licensee shall bear all costs associated with industry standard maintenance, locates and repairs of the Conduit during the Term of this License.
- 2.4.21 The Town may give Licensee permission to abandon, without removing, any Facility or Equipment laid, directly constructed, operated, or maintained in the Conduit pursuant to this License.
- 2.4.21.1 Except for Facilities and Equipment authorized to remain in place pursuant to the preceding Section 2.4.23, Licensee shall, within a reasonable period of time, remove all abandoned Facilities and Equipment installed in the Conduit and shall restore any affected right-of-way to its former state at the time the Facilities and Equipment were installed in the Conduit.
- 2.4.21.2 Licensee shall refill, at its own expense, any excavation made by Licensee and shall leave all right-of-way in as good condition as existed prior to the removal without materially interfering with any electrical or telephone cable or other utility wires, poles or attachments.
- 2.4.21.3 The Town shall have the right to inspect and approve the condition of the Facilities and the public right-of-way prior to and after removal from the Conduit.
- 2.4.21.4 The liability, indemnity and insurance provisions of this License shall continue in full force and effect during the period of removal and until full compliance with the terms and conditions of this Section 2.4.21.
- 2.4.21.5 Upon Licensee's abandonment of its Facilities pursuant to this section 2.4.21 the exclusive right to use the Conduit is returned to the Town.
- 2.4.22 If the Town is required or desires to remove any of the Conduit, the Town agrees to provide Licensee not less than 60 calendar days' prior written notice of such removal. Upon receipt of the notice, Licensee shall have 45 calendar days to remove all Equipment from the affected use area. Licensee shall be entitled, at Licensee's sole discretion, to either terminate the Conduit Request(s) covering the affected portion of Conduit and be released from any further obligations related thereto without affecting other rights granted in paragraph 2 above, or to terminate this License as provided in paragraph 4 above.
- 2.4.23 If any provision of this Section 2.4 conflicts with another provision of this License, this Section 2.4 shall take precedence for purposes of the Licensee's use of Town Conduit only.

SECTION 3. SCOPE

3.1 Use of Licensee's System by Others. This License authorizes Licensee in its ordinary course of business: (i) to lease to or contract with others for use of all or part of the System, attach to poles and/or store aerial fiber for purposes of leasing or contracting with others for use of all or part of the system, and (ii) to sell or lease dark fibers, conduit, or any other facilities that are parts of the System to others that have an agreement, franchise, or other licenses with the Town to use the Public Rights-of-Way or other Town-owned property. Under this section, Licensee must first provide written notice to the Town of the identity of the proposed user or purchaser and a description of the proposed use or sale arrangement. In the event the lease or agreement provides for the other entity to construct, install, operate, or maintain any of Licensee's System, no such arrangement may proceed until the other entity enters into a license with the Town for use of the Public Rights-of-Way. Licensee may not allow third parties to use its System for any use for which Licensee itself does not have authority under this License.

3.2 Joint Trenching. Licensee's installation of the System must be reasonably coordinated with other utilities and the Town to accommodate opportunities for common installation along with Licensee's project as set forth in this license. All installations must be located in conduit unless otherwise approved by the Town Engineer.

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3.3 Compliance with Laws. Licensee must comply with all applicable laws as amended from time to time, including but not limited to, the Marana Town Code and Arizona and federal law, in the exercise and performance of its rights and obligations under this License. If it is necessary for Licensee to comply with any law or regulation of the FCC or the Arizona Corporation Commission ("ACC") to engage in the business activities anticipated by this License, Licensee must comply in all material respects with such laws or regulations as a condition precedent to exercising any rights granted by this License; provided; however, that no such law or regulation of the FCC or ACC may enlarge or modify any of the rights or duties granted by this License without a written modification to this License.

3.4 Reports.

3.4.1 Upon request, Licensee will provide to Town copies of any communications and reports submitted by Licensee to any federal or state regulatory commission or agency with jurisdiction regarding any matters that directly affect this License, subject to the same confidentiality protections, if any, applicable to the federal or state regulatory submission.

3.4.2 In addition to the reports required in Section 4.1.3 of this License, upon Town's reasonable request, Licensee will provide Town with regular reports, as needed, to establish Licensee's compliance with the various requirements, fees, and other provisions of this License.

3.5 Non-Interference.

3.5.1 Licensee's System must be constructed, installed, operated, and maintained to interfere as little as possible with traffic or other authorized uses over, under, or through the Public Rights-of-Way and on other Town-owned property. All phases of permitting, construction, traffic control, backfilling, compaction and paving, and the location or relocation of the System are subject to Town's jurisdiction and authority. Licensee must keep accurate construction and installation records of the location of all its System and facilities, both aboveground and underground within the Town and furnish them to Town within 30 days of installation. Licensee must furnish such information in an electronic format compatible with the then current Town electronic format.

3.5.2 Licensee must locate and relocate, at its own expense, any facilities, equipment or other encroachment installed or maintained in, on, or under the Public Rights-of-Way and on other Town-owned Property as may be necessary to facilitate any public purpose or any governmental action by Town whenever directed to do so by Town in writing on a non-discriminatory basis. Such relocations must be accomplished in accordance with the directions from Town including the Town's construction schedule and made under the same terms and conditions as the initial installation allowed pursuant to this License and Right-of-Way Use Permit. Licensee must reimburse the Town for any direct or indirect damages incurred by the Town as a result of delays in locations or relocations as required by this paragraph if caused by Licensee's negligence, willful misconduct, or undue delay.

3.5.3 Licensee agrees to obtain construction and excavation permits as required by this License prior to removing, abandoning, relocating, or repairing any portion of its System in the Public Rights-of-Way and on other Town-owned property. Notwithstanding the foregoing, Town understands and acknowledges there may be instances when Licensee is required to make repairs that are of an emergency nature or in connection with an unscheduled disruption of the System. Licensee will maintain any annual permits required by the Town for such repairs. Licensee will notify Town, if practicable, before the repairs and will apply for and obtain the necessary permits the next business day after the repairs are initiated.

SECTION 4. FEES, CHARGES, PERFORMANCE BOND, DAMAGE TO THE PUBLIC RIGHTS-OF-WAY AND OTHER TOWN-OWNED PROPERTY

Except as expressly stated otherwise herein, Licensee will be solely responsible for the payment of all fees and charges in connection with Licensee's performance under this License, including those set forth below.

4.1 Annual Fee.

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4.1.1 Licensee must pay an annual fee to use the Public Rights-of-Way and other Town-owned property under the terms and conditions of this License and as calculated and assessed under this Section 4.1 (collectively "Annual Fee"), subject to any offset provided for in Section 4.2 (In-Kind).

4.1.2 Licensee must pay an Annual Fee equal to \$2.43 per linear foot of the System located in the Public Rights-of-Way or on other Town-owned property used to provide Fiber Optic Communications Services (the "Per Linear Foot Fee") up to a maximum amount that shall not exceed 3% of Licensee's annual Gross Broadband Revenue (the "Annual Fee Cap"). Town may, but is not obliged to, accept in-kind consideration in lieu of all or any portion of the Annual Fee if offered by Licensee.

4.1.3 On each Anniversary Date, Licensee will report to the Town (i) the amount of linear feet of those portions of the System, if any, subject to the Annual Fee under Section 4.1.2 permitted and installed in the Public Rights-of-Way or on other Town-owned property (the "Linear Feet Total") and a statement showing the product of multiplying the Linear Feet Total by the Per Linear Foot Fee (or Adjusted Per Linear Foot Fee (as defined in Section 4.1.5), as applicable); and (ii) a summary of Licensee's Gross Broadband Revenue for the twelve-month period ending on the last day of the calendar quarter ending no less than ninety (90) days prior to the Anniversary Date, multiplied by 3%. If the amount calculated under Section 4.1.3(ii) is greater than the amount calculated under Section 4.1.3(i), the Annual Fee Cap will not be applicable and the Annual Fee shall be equal to the amount calculated under Section 4.1.3(ii). If the amount calculated under Section 4.1.3(ii) is less than the amount calculated under Section 4.1.3(i), the Annual Fee Cap will be applicable and the Annual Fee shall be equal to the amount calculated under Section 4.1.3(i). Licensee shall pay the amount of Annual Fee that is due no later than sixty (60) days following its receipt of an invoice from Town after each Anniversary Date. The Licensee must pay and the Town must receive any Annual Fee that is due, as calculated in the preceding sentences, before the Town will issue any new Right-of-Way Use Permits for additional facilities or equipment in the Public Rights-of-Way or other Town-owned property.

4.1.4 In the event Licensee cancels or returns a Right-of-Way Use Permit and does not construct or install the System approved by such Right-of-Way Use Permit, the fees Licensee previously paid for the respective Right-of-Way Use Permit may be applied as a credit to a future Annual Fee or may be refunded to Licensee by Town.

4.1.5 The Per Linear Foot Fee will be adjusted annually based on the percentage of change in the consumer price index ("CPI") for the previous twelve-month period. Any change in the Per Linear Foot Fee will be referred to herein as the "Adjusted Per Linear Foot Fee." In no event may the Adjusted Per Linear Foot Fee be less than the Per Linear Foot Fee for the prior year. For purposes of this License, CPI is defined as the Western Region Consumer Price Index for All Urban Consumers, All Items, as published by the Bureau of Labor Statistics (BLS), United States Department of Labor. Base period 1982-84 = 100. Adjusted Per Linear Foot Fees will be effective upon the next subsequent Anniversary Date. The change in CPI will be calculated based on the change in the CPI for the previous twelve-month period. In the event that the BLS ceases publication of the specified CPI, Town and Licensee may determine an agreeable inflation index that most clearly approximates the Western Region CPI for the remaining term of the License.

4.2 In-Kind. Town may from time to time request Licensee to install additional conduit to be dedicated to Town's ownership and use for any purpose ("Town Dedicated Conduit") in segments of the System that, at the time of the request, have not yet been constructed. Licensee shall evaluate such requests and engage in good faith discussions with Town as to the schedule, specifications, fair market value, and other terms and conditions of Licensee's construction of such Town Dedicated Conduit. If the Parties agree on such terms and conditions, which shall be memorialized in writing, then upon Licensee's completion of construction of the Town Dedicated Conduit, Licensee shall dedicate the same to Town by a bill of sale substantially in the form attached hereto as Exhibit F. The agreed upon fair market value of Town Dedicated Conduit in a given year shall be offset against the total amount next due and payable by Licensee to Town, including the Annual Fee and Area Permit Fee. Unless otherwise agreed to by the Parties, the fair market value of Town Dedicated Conduit shall be the sum of: (i) Licensee's actual incremental cost of installing the Town Dedicated Conduit, and (ii) a proportionate share of Licensee's fixed costs of installation of the segment of the System in which the Town Dedicated Conduit is located, calculated based on the total linear feet of the Town Dedicated Conduit as a percentage of the total linear feet of the conduit installed in such segment of the System.

4.3 Failure to Pay. Any undisputed amounts not paid by Licensee when due as described in this License shall bear
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interest at the rate of 1.5%, or the highest lawful rate, whichever is less, from the date due until paid. If it is determined that Licensee owes a disputed amount, the amount shall accrue interest from the date the amount was originally due.

4.4 Invoice and Payment Information:

4.4.1 The Town will send invoices for fees and charges under this License to Licensee at the following address:

Ting Internet, LLC.
c/o Tucows, Inc
96 Mowat Avenue
Toronto, ON, M6K 3M1 Canada

Invoicing contact information: Phone: 520.545-0400

Email: ap_fiber@ting.com

4.4.2 Licensee will send payment to Town under this License made payable to the "Town of Marana" at the following address:

Town of Marana
ATTN: Finance Department
11555 W Civic Center Dr
Marana, AZ 87653

Phone: 520-382-1999

Email: financemgr@maranaAZ.gov

4.5 Taxes. Licensee must obtain any required business/sales tax licenses and pay any generally applicable Town, county, and state transaction privilege and use tax. The Annual Fee must not be an offset to any transaction privilege tax due and owing by Licensee.

4.6 Permit Fees and Construction Costs. In addition to the fees and taxes set forth in this Section 4, Licensee must pay \$150,000 per year (Area Permit Fees) in lieu of all permitting, plan review, inspection, testing or other applicable fees associated with the permitting and construction of the first three (3) years. After the first three (3) years, Licensee shall then pay those fees and charges for Right-of-Way Use Permit applications, inspection, testing, plan review, pavement damage fees, and any other fees adopted by Town and applicable to Persons doing work in the Public Rights-of-Way or on other Town-owned property at the time of Licensee's application(s). The Parties acknowledge and agree that Licensee's payment of the Area Permit Fees is to reimburse Town for the additional resources that Town will commit to process and approve Right-of-Way Permit and other required construction and excavation permits in a timely manner. Accordingly, as long as Licensee is not delinquent in the payment of Area Permit Fees and Annual Fees, Town shall process and approve all Right-of-Way Permit applications and other required construction and excavation permit applications within 30 business days of its receipt of the same.

4.7 Performance Bond. In lieu of the bonding requirements set forth in Marana Town Code § 12-7-5(B)(6), Licensee must furnish a performance bond as set forth below.

4.7.1 Amount; Purpose. Within 45 days after the Effective Date of this License, Licensee must furnish the Town with a surety bond ("Bond") in the amount of \$150,000 issued by a corporate surety or financial institution reasonably acceptable to Town and authorized to do business in the State of Arizona. The Bond will be used to ensure: (i) the faithful performance by Licensee of all provisions of this License; (ii) compliance with all orders, permits, and directions of any Town department having jurisdiction over Licensee's acts or defaults under this

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License; and (iii) Licensee's payment of any penalties, liquidated damages, claims, liens, and taxes due to the Town that arise by reason of the construction, operation, or maintenance of the System, including cost of removal or abandonment of any of Licensee's property.

4.7.2 Claims Against Bond. Town may make a claim against the Bond pursuant to the terms of the Bond. Payments to Town under the terms of the Bond shall not be deemed a cure of the default that led to the claim and payment. Town may not seek recourse against the Bond for any costs or damages for which Town has previously been compensated through a payment under the Bond or otherwise by Licensee. Payment of any claim under the Bond shall constitute a credit against the amount of the applicable liability of Licensee to Town, but only to the extent of such payment.

4.7.3 Replenishing. The terms of the Bond shall provide that, if a claim is paid under the Bond, the full amount of the Bond shall remain in effect as surety for any subsequent claims that may be made by Town.

4.8 Damage to Public Rights-of-Way or Town-owned Property. Whenever the installation, removal, or relocation of any of Licensee's System is required or permitted under this License, and such installation, removal, or relocation causes damage to Public Rights-of-Way or other Town-owned property, Licensee at its sole cost and expense must promptly repair and return Public Rights-of-Way or other Town-owned property in which the System components are located to a safe and satisfactory condition in accordance with applicable laws and to the specifications of the Town Engineer. Licensee shall not be obligated to install or provide any betterment or upgrade that would exceed the characteristics of such Public Right-of-Way or Town-owned property prior to the disturbance or damage by Licensee. If weather conditions or the availability of materials delay permanent pavement restoration, Licensee shall provide a temporary cover consistent with industry practice until a permanent restoration can be completed. If Licensee does not initiate the action to repair the Public Rights-of-Way or other Town-owned property as just described, then Town shall have the option, upon 15 days' prior written notice to Licensee, to perform or cause to be performed such reasonable and necessary work on behalf of Licensee and to charge Licensee for the actual costs incurred by the Town at Town's standard rates, plus an administrative fee of 15%. Upon the receipt of a demand for payment accompanied by detailed explanation of cost and fees incurred by Town, Licensee must, within 30 days, reimburse Town for such costs. Licensee agrees to pay within 30 days from the date of issuance of an invoice and explanation of costs and fees from Town.

SECTION 5. TERM OF LICENSE

The term of this License and duration of the rights, privileges, and authorizations granted hereunder will be for ten (10) years from the Effective Date. The term will automatically renew for up to three additional five (5) year terms unless written notice of termination is provided by either Party no less than six (6) months before the end of the initial term or any renewal term.

SECTION 6. ACCEPTANCE AND VALIDITY

6.1 Written Acceptance. Licensee’s execution of this License constitutes Licensee’s acceptance of the License as granted and Licensee’s agreement to be bound by and to comply with and to do everything, which is required of the Licensee by this License. This License is effective upon the signature date of the last Party to sign this License.

6.2 Validity of License. Licensee must acknowledge that as a condition of acceptance of this License, Licensee was required to be represented throughout the negotiations of the License by its own attorneys and Licensee had the opportunity to consult with its own attorneys about its rights and obligations regarding the License. Licensee has reviewed Town’s authority to execute and enforce this License and has reviewed all applicable law, both federal and state, and, after considering the same, Licensee acknowledges and accepts the right and authority of Town to execute this License, to issue this License and to enforce the terms herein, and Licensee agrees it will not contest or challenge Town’s authority under applicable federal, state, or local law, as of the Effective Date, to enter into and enforce this License in any city, state, or federal court, or regulatory or administrative agency.

SECTION 7. INSURANCE AND INDEMNITY

7.1 Insurance Responsibility. During the entire term of this License, Licensee must insure its property and activities and must provide insurance and indemnification as follows. Licensee must procure and maintain, and must cause its contractors to procure and maintain as provided in Section 7.2 below, until all their respective obligations have been discharged, insurance against claims for injury to persons or damage to property that may arise from or in connection with Licensee’s obligations under this License and Licensee’s activities including, but not limited to, the installation, construction, relocation, removal, repair, operation, and maintenance of the System by Licensee, its agents, representatives, employees, or contractors. The insurance requirements herein are minimum requirements for this License and in no way limit the indemnity covenants contained in this License. The Town in no way warrants that the minimum limits contained herein are sufficient to protect Licensee from liabilities that might arise out of this License by Licensee, its agents, representatives, employees or contractors, and Licensee is free to purchase such additional insurance as may be determined necessary.

7.2 Minimum Scope and Limits of Insurance: Licensee must provide coverage with limits of liability not less than those stated below.

7.2.1 Commercial General Liability – Occurrence Form

Said insurance must also include coverage for products completed operations, independent contractors, personal injury, property damage, and advertising injury.

Products – Completed Operations Aggregate	\$10,000,000
Each Occurrence	\$10,000,000

The policy must be endorsed to include the following additional insured language: "The Town of Marana, its agents, representatives, officers, directors, officials, employees, and volunteers are named as an additional insured with respect to liability arising out of the activities performed by Licensee." This endorsement may not contain an exclusion or limitation of completed operations coverage as regards the additional insured except with respect to the stated aggregate limits of liability.

The policy may not exclude the explosion/collapse/underground ("xcu") hazard.

7.2.2 Automobile Liability – Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of work under this License.

Combined Single Limit (CSL) \$1,000,000

7.2.3 Worker's Compensation and Employers' Liability

Workers' Compensation

Statutory

Employers' Liability

Each Accident \$1,000,000
Disease – Each Employee \$1,000,000
Disease – Policy Limit \$1,000,000

Policy must contain a waiver of subrogation against the Town of Marana.

7.2.4. Tech E&O, Network Security and Privacy Liability Insurance (Cyber):

Technology E&O \$5,000,000
Data Breach Liability \$5,000,000

Sublimits:

Privacy Breach Expenses \$2,000,000
Public Relations Expenses \$2,000,000
Network Extortion \$2,000,000
Network Business Interruption \$2,000,000
Network Asset Damage \$2,000,000
Privacy Regulatory Proceedings, Fines & Penalties \$500,000

(a) In the event that the Tech E&O, Network Security and Privacy liability insurance required by this License is written on a claims-made basis, Licensee warrants that any retroactive date under the policy will precede the Effective Date of this License; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two years beginning at the Effective Date of this License. If such insurance is maintained on an occurrence form basis, Licensee must maintain such insurance for an additional period of one year following termination or expiration of this License. If such insurance is maintained on a claims-made basis, Licensee must maintain such insurance for an additional period of three years following termination or expiration of this License. If Licensee contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), Licensee must provide proof of same.

(b) The insurance must provide coverage for the following risks: (i) Liability arising from a Privacy Breach (as defined below); (ii) Network security liability arising from the unauthorized access to the Licensee's Computer Systems, use of or tampering with the System including hacker attacks and, denial of service, unless caused by a mechanical or electrical failure; and (iii) Liability arising from "Malicious Attack" (as defined below).

(c) Cyber Definitions:

(1) "Privacy Breach" means the actual, alleged or suspected Unauthorized Collection unauthorized release, disclosure or failure to protect from theft, loss or other misappropriation, of Confidential Business Information or Personally Identifiable Information, and shall include:

- (i) Identity theft and identity fraud;
- (ii) The violation of the Licensee's procedures and policies intended to protect the confidentiality of Confidential Business Information or Personally Identifiable Information by an employee of the Licensee;
- (iii) the unintentional violation by a Senior Executive of the Licensee's procedures and policies intended to protect the confidentiality of Confidential Business Information or

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- Personally Identifiable Information, or;
- (iv) Actual or alleged violation of any federal, provincial, territorial, state, foreign or local privacy statute or law directly resulting from the foregoing.
 - (v) Privacy Breach shall also include any actual or alleged failure to provide any required notices in connection with the matters as described above in this paragraph.
- (2) "Malicious Attack" means intentional hacking, damaging, corrupting or misusing the Licensee's Computer systems, including Unauthorized Access or the insertion of Malicious Code by a third party or an employee of the Licensee. A Malicious Attack does not include hacking or the insertion of Malicious Code by a Senior Executive if such hacking or insertion of Malicious Code by a Senior Executive is intentional and with intent to cause harm.
- (3) "Malicious Code" means any virus, trojan horse, worm or other similar software program, code or script intentionally designed to insert itself into computer memory, a computer file, onto a computer disk or spread itself from one computer to another with intent to cause harm.

7.3 Hazardous Substances: Licensee does not anticipate that work under the license will require the movement of Hazardous Substances. In the event that the work performed under the License requires the transportation of any Hazardous Substances by motor vehicle, Licensee must inform the Town of Marana and obtain appropriate insurance.

7.4 Additional Insurance Requirements: The policies must contain, or be endorsed to contain, the following provisions: Licensee's insurance coverage must be primary insurance and non-contributory with respect to the obligations that Licensee has undertaken under this License. The policies must contain a severability of interest clause and waiver of subrogation against the Town, its officers, officials, agents, volunteers, and employees, for losses arising from work performed by the Licensee under this License.

7.5 Notice of Cancellation: Each insurance policy required by the insurance provisions of this License will endeavor to provide the required coverage and must not be canceled except after 30 days' prior written notice has been given to the Town. Such notice must be sent directly to the addresses listed below:

Town of Marana
Attention: Town Manager
11555 W Civic Center Drive
Marana, Arizona 85653
Phone: 520-382-1904
Email: townmanager@maranaAZ.gov

With a copy to: Marana Legal Department
11555 W Civic Center Drive
Marana, Arizona 85653
Phone: 520-382-1999

7.6 Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than A-VII. Town in no way warrants that the above-required minimum insurer rating is sufficient to protect Licensee from potential insurer insolvency.

7.7 Verification of Coverage: Licensee must furnish Town with certificates of insurance (ACORD form or equivalent approved by Town) and endorsements as required by this License. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by Town before work commences. Each insurance policy required by this License must be in effect at or prior to commencement of work under this License and remain in effect for the duration of the License. Failure to maintain the insurance policies as required by this License or to provide evidence of renewal is a material breach of this License. All certificates required by this License must be sent directly to the Town of Marana at the addresses listed in Section 7.5. The License number and description are to be noted on the certificate of insurance. At Town's request, Licensee must make copies of all insurance policies required by this License available for Town's review through a representative and at a location within Maricopa County, Arizona designated by Licensee.

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7.8 Contractors: Licensee's certificate(s) contractors must maintain separate insurance as determined by Licensee and contractors must name Town of Marana as an additional insured, however, contractor's limits of liability must not be less than \$1,000,000 per occurrence, \$2,000,000 aggregate.

7.9 Approval: Any modification or variation from the insurance requirements in this License must have prior approval from the Office of the Town Attorney, whose decision will be final. Such action will not require a formal contract amendment, but may be made by administrative action.

7.10 Indemnity.

7.10.1 Licensee shall defend, indemnify and hold harmless the Town, its Mayor and Councilmembers, officers, agents, employees, boards, and commissions (collectively, including Town, "Town Indemnitees") from and against all third-party claims, demands, damages, losses and expenses of any nature (including an award of reasonable attorneys' fees), sustained by the Town Indemnitees on account of any suit, judgment, execution, claim or demand whatsoever arising out of or resulting from the acts or omissions of Licensee, its customers, officers, agents, employees, contractors, successors or assigns (collectively, "Licensee and its Agents"), or the performance of work by Licensee and its Agents pursuant to this License or the installation, operation, or maintenance of the System, whether or not any act or omission complained of is authorized, allowed or prohibited by this License (each, a "Claim"), except to the extent such Claim arises due to the sole and active negligence or willful misconduct of the Town Indemnitees. The amount and type of insurance coverage requirements set forth in this License will not be construed as limiting the scope of the indemnity stated in this section. In the event of any Claim specified in this section, the Town Indemnitees shall give reasonable, prompt notice to Licensee of such Claim. Failure of the Town Indemnitees to timely give such notice to Licensee shall relieve Licensee of its indemnity obligations hereunder only to the extent Licensee is actually prejudiced or damaged by such failure. Licensee shall have reasonable control of the defense of any action or litigation of a Claim and all negotiations for the settlement or compromise of the same, except that Licensee may not make any non-monetary settlement or compromise without the Town Indemnitees' consent, which consent shall not be unreasonably withheld or delayed. The Town Indemnitees shall cooperate with Licensee in the defense and settlement of any Claim at Licensee's expense. No Town Indemnitee shall take any action to settle, to compromise or otherwise to make any payment, admission, or statement to or for the benefit of any third-party claimant without Licensee's written consent.

7.10.2 For the avoidance of doubt, Licensee's customers shall be considered third parties for purposes of this Section 7.10, and the Parties acknowledge that Licensee shall indemnify Town Indemnitees against any suit, judgment, execution, claim or demand whatsoever from its customers, so long as it is alleged to arise or result from the installation, operation, maintenance, repair, or condition of any facilities authorized under this License including the System, the delivery of services over the System, or the condition of public or private property altered as a result of Licensee's activities.

7.11 Risk of Loss. Licensee assumes the risk of any and all loss, damage or claims related to Licensee's use of the Public Rights-of-Way or other Town-owned property, Licensee or third parties throughout the term of this License and the term(s) of any and all permits. Licensee must be responsible for any and all damage to its property and equipment related to this License unless caused by the negligence of the Town or its agents or contractors.

SECTION 8. TRANSFER OF LICENSE

8.1 Assignment Requiring Consent. Except as otherwise set forth in this Section 8, (i) this License and the related rights and privileges may not be assigned or otherwise transferred without the express written consent of the Town, which consent will not be unreasonably withheld, conditioned, or delayed and (ii) this License may not be sublet or assigned, nor must any of the related rights or privileges be leased, assigned, sold or transferred, either in whole or in part, nor must title, either legal or equitable, or any right, or property interest pass to or vest in any Person other than Licensee, by act of the Licensee or operation of law, without the written consent of Town, which consent will not be unreasonably withheld, conditioned, or delayed. If the License is assigned or otherwise transferred pursuant to this Section, it must be subject to all the obligations and privileges of this License including any amendments, which will remain in effect, as if the assigned License was the original License. No such assignment or transfer will be valid unless Licensee and the proposed

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transferee submit a binding license and warranty to the Town stating that:

8.1.1 The proposed transferee has read, accepts, and agrees to be bound by the terms of the License;

8.1.2 The proposed transferee assumes all obligations, liabilities, and responsibility pursuant to the License for the acts and omissions of Licensee, known and unknown, for all purposes, and agrees that the transfer will not permit it to take any position or exercise any right which Licensee could not have exercised; and

8.1.3 The transfer will not substantially diminish the financial resources available to the Licensee.

8.2 Assignment Requiring Notice. Notwithstanding the foregoing, prior consent will not be required for transfer to any entity which owns or controls, is owned or controlled by, or under common control with the Licensee, or to any entity that acquires (whether through merger, acquisition, sale of assets, or otherwise) all or substantially all of the broadband Internet access business of Licensee together with the broadband Internet access businesses of all of Licensee's Affiliates.

8.3 Notice to Town. Prior to executing such transfer described in section 8.2, Licensee and the proposed transferee must submit to the Town a description of the nature of the transfer, and submit complete information regarding the effect of the transfer on the direct and indirect ownership and control of the Licensee.

8.4 Binding on Assignee. After assignment, this License, including any amendments, shall be binding on the assignee to the full extent that was binding upon Licensee.

8.5 Conditional Ownership. Nothing in this Section prohibits a pledge, hypothecation, mortgage, or similar instrument transferring conditional ownership of all or part of Licensee's assets to a lender or creditor in the ordinary course of business. In the event a lender assumes control of the assets and operation of Licensee, the lender may assume the rights and obligations of the Licensee. The Lender may not transfer or change control of the License without submitting the change to the Town for approval. If the lender does continue operation on any basis at any time, the lender shall be subject to all provisions of the License. No later than three (3) years after assumption of control by the lender, the lender must apply to the Town for the right to continue assumption of control or to transfer the License. Application by the Lender for approval of assumption of control or transfer must be subject to consent by the Marana Town Council that may not be unreasonably denied, conditioned, or withheld. A "Lender" for the purposes of this License does not include a Licensee, Person, or corporation, or other entities that operate cable television systems or fiber optics telecommunications systems as a principal or important business. This paragraph is intended to prohibit the intentional use of lending and/or foreclosure as a method for effecting change of control or transfer of the License without Town Council review and approval.

SECTION 9. NON-EXCLUSIVE RIGHTS

9.1 Non-Exclusive Rights. This grant is not exclusive and nothing herein contained may be construed to prevent Town from granting other like or similar grants or privileges to any other Person, or to deny to or lessen the powers and privileges granted Town under the Constitution and laws of the State of Arizona.

9.2 Priority Rights. Any and all rights granted to Licensee under this License must be exercised at Licensee's sole cost and expense and are subject to the prior and continuing right of Town to use all the Public Rights-of-Way and other Town-owned property concurrently, with any other Person or Persons, and further will be subject to all deeds, easements, dedications, conditions, covenants, restrictions, encumbrances, and claims of title that may affect the Public Rights-of-Way and on other Town-owned property. Nothing in this License will be construed to grant, convey, create, or vest a perpetual real property interest in land to Licensee, including any fee or leasehold interest, easement, or any franchise rights.

SECTION 10. MATERIAL BREACH

10.1 Material Breach by Licensee. Licensee, its affiliates, agents, employees, contractors, successors, assigns, and representatives must comply with and perform each obligation required of Licensee as set forth in this License. Licensee's failure to cure an Event of Default as described in Section 10.2 within 30 days from the date the notice is deemed received from the Town, or such longer period of time as may be reasonable under the circumstances, provided the cure is commenced within the thirty (30) day period after notice from Town and Licensee is proceeding with reasonable diligence to complete such cure, constitutes a material breach by Licensee.

10.2 Events of Default. All agreements and permits issued to Licensee under this License are approved upon the condition that each of the following events will be deemed an "Event of Default" for Licensee's failure to perform or satisfy the following material obligations:

10.2.1 If Licensee fails to make timely payment of the fees and charges required under any license agreement or permit granted by the Town.

10.2.2 If Licensee fails to operate the System under the terms and conditions set forth in this License.

10.2.3 If Licensee fails to maintain any insurance or surety bond required under this License.

10.2.4 If Licensee engages in a pattern of repeated failure (or neglect) to timely perform or observe any provision of this License. After Town has once given notice of any failure by Licensee to comply with its obligations set forth in this License, the following constitute a repeated failure by Licensee to comply with such provision: (i) the Town issues a notice of default to Licensee within any 30-day period following the notice date of a prior event of default, (ii) the Town issues three or more notices of default related to the same obligation under this License to Licensee within any 90-day period following the notice date of a prior event of default, or (iii) the Town issues six or more notices of default related to the same obligation under this License to Licensee within any 12-month period following the notice date of a prior event of default.

10.3 Town's Remedies for Material Breach. Upon the occurrence of any uncured material breach or at any time thereafter, Town may, at its option, exercise at Licensee's expense any or all or any combination of the following cumulative remedies in any order and repetitively at Town's option: (i) revoke any or all license agreements and permits to the extent permitted by Section 12; the Town's revocation does not terminate Licensee's obligations arising during the time simultaneous with or prior to the revocation, and in no way terminates any of Licensee's liability related to any breach of this License; (ii) pay or perform, for Licensee's account, in Licensee's name, and at Licensee's expense, any or all payments or performances required to be paid or performed by Licensee; (iii) abate at Licensee's expense any violation of this License; (iv) notwithstanding anything under this License to the contrary, unilaterally and without Licensee's or any other Person's consent or approval, draw upon, withdraw or otherwise realize upon or obtain the value of any letter of credit, escrowed funds, insurance policies, or other deposits, sureties, bonds, or other funds or security held by Town or pledged or otherwise obligated to Town by Licensee or by any third party (whether or not specifically mentioned herein) and use the proceeds for any remedy permitted by this License; (v) require an additional security deposit adequate in Town's sole discretion to protect the Public Rights-of-Way; or (vi) assert, exercise, or otherwise pursue at Licensee's expense any and all other rights or remedies, legal or equitable, to which Town may be entitled.

10.4 Non-waiver. Licensee acknowledges Licensee's unconditional obligation to comply with this License. No failure by Town to demand any performance required of Licensee under this License, and no acceptance by Town of any imperfect or partial performances under this License, will excuse such performance or impair in any way Town's ability to insist, prospectively and retroactively, upon full compliance with these terms and conditions. No acceptance by Town of payments or other performances hereunder will be deemed a compromise or settlement of any right Town may have for additional, different, or further payments or performances as provided for in these terms and conditions. Any waiver by Town of any breach of condition or covenant herein contained to be kept and performed by Licensee will not be deemed or considered as a continuing waiver and will not operate to bar or otherwise prevent Town from declaring a default for any breach or succeeding or continuing breach either of the same condition or covenant or otherwise. No statement, bill, or notice by Town or Licensee concerning payments or other performances due hereunder, or failure by Town to demand any performance hereunder, will excuse Licensee from compliance with its obligations nor estop Town (or otherwise impair

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Town's ability) to at any time correct such notice and/or insist prospectively and retroactively upon full compliance with this License. No waiver of any description (including any waiver of this sentence or paragraph) will be effective against Town unless made in writing by a duly authorized representative of Town specifically identifying the particular provision being waived and specifically stating the scope of the waiver.

10.5 Reimbursement of Town's Expenses. Licensee must pay to Town within 30 days after Town's demand any and all amounts expended or incurred by Town in performing Licensee's obligations (upon Licensee's failure to perform the same after notice from Town).

SECTION 11. ABANDONMENT

11.1 Abandonment; Removal of Facilities. In the event that the use of a substantial part of any of the System is discontinued for any reason for a continuous period of two years for reasons other than Force Majeure, or in the event such System or property has been installed in any Public Rights-of-Way or other Town-owned property without complying with the requirements of this License, or this License has terminated or been revoked, Licensee must promptly, upon being given 60 days' notice from the Town, begin removal of the System and related appurtenances from the Public Rights-of-Way and other Town-owned property other than such underground facilities which the Town may permit to be abandoned in place. In the event of such removal, Licensee must restore the Public Rights-of-Way and other Town-owned property or other area from which such property has been removed to a condition as existed prior to the removal of the structure or property consistent with Section 12.5.

11.2 Permanent Abandonment. The System and any other property of Licensee remaining in the Public Rights of-Way and other Town-owned property without the consent of the Town 180 days after the revocation of the License will be at the option of the Town considered permanently abandoned. Any Licensee property permitted to be abandoned in place will be abandoned consistent with applicable law.

SECTION 12. LICENSE REVOCATION

In addition to the remedies set forth in Section 10, the Town may revoke, alter, or suspend this License as follows.

12.1 Revocation for Nonuse. Not later than 24 months after the Effective Date, Licensee must offer and provide Fiber Optic Communications Services to at least one Subscriber within the Service Area authorized by the License or amended License unless the Licensee cannot meet the requirement for reasons beyond the Licensee's control as provided in the License. If the Licensee fails to comply with this section, the Town may revoke this License for the affected Service Area.

12.2 Revocation for Cause. This License may, after Town Council consideration, be revoked, altered, or suspended by the Town as the Town deems necessary for any of the following events of default: (i) Licensee's failure to comply with any federal, state, local, or administrative order, law, permit, regulation, or consent decree as such may apply to Licensee's activities and services as contemplated in this License; (ii) fraud by Licensee, in its conduct or relations under this License; (iii) Licensee's willful or grossly negligent repeated violation of this License; and (iv) if Licensee is the subject of a voluntary or involuntary bankruptcy, receivership, insolvency, or similar proceeding or if any assignment of any of Licensee's property is made for the benefit of creditors or if Licensee is not regularly paying its debts as they come due.

12.3 Additional Cure Period. Due to the gravity of the events of default listed in Section 12.2, Licensee is provided additional time (when compared to Section 10) to cure these events of default. If any of the foregoing events in Section 12.2 occur, Licensee must cure the default within 60 days after receipt of notice from the Town as provided in Section 14.15. Licensee will be held in material breach under this Section 12: (i) if Licensee fails to cure the event of default listed in Section 12.2 within 60 days after notice from the Town; or (ii) if an event of a default listed in Section 12.2 cannot be cured within 60 days after notice from the Town and Licensee fails to begin and diligently pursue to cure the default.

12.4 Town Determination; Town Council Consideration. If Licensee fails to provide services as set forth in Section 2.2 or Licensee is held in material breach as provided in Section 10.1, the Town will notify Licensee as provided in Section 14.15 of the Town's determination to terminate, postpone for a period, or proceed with the revocation, alteration, or suspension of

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this License. As part of this determination, the Town will state the principal reasons that support the Town's determination. Licensee may appeal the Town's determination within ten business days from the date of the determination by sending notice as provided in Section 14.15. If Licensee fails to timely appeal the Town's determination or if Licensee's appeal fails, the Town may proceed to terminate, postpone for a period, or proceed with the revocation, alteration, or suspension of this License by presenting this matter to the Marana Town Council for consideration at a regularly scheduled Council meeting. The Town will send a written statement of proposed action by certified U.S. mail, return receipt requested, to Licensee as provided in Section 14.15. The written statement of proposed action must include the date and time of the Town Council meeting and the principal reasons for the proposed action. The Town Council may take any final action the Council deems necessary and prudent related to the License.

12.5 Removal of Facilities. Upon revocation of this License, the Town may declare a forfeiture, whereupon all rights and privileges of Licensee under this License will immediately be divested without a further act upon the part of Licensee, and Licensee must promptly remove its structures or property from the Public Rights-of-Way and other Town-owned property and restore the Public Rights-of-Way and other Town-owned property to the condition as existed prior to the removal of the structure or property. Upon Licensee's failure to do so within six months of revocation, the Town may perform the work and collect the Town's cost from Licensee. At the Town's option, Licensee may abandon structures or property in place as provided in this License. At a minimum, the Public Rights-of-Way and other Town-owned property must be restored to a condition as existed before the removal of the structures or property.

SECTION 13. EFFECT OF EXPIRATION, REVOCATION, OR TERMINATION OF LICENSE

13.1 Services. Upon expiration, revocation, or termination of this License due to Licensee's lack of a license, permit, or other approval or agreement that may be lawfully required to allow Licensee to continue use of the Public Rights-of-Way and other Town-owned property, Town shall give Licensee 180 days from the date of expiration, revocation, or termination to commence the necessary proceedings to obtain any such license, permit, or other approval or agreement.

13.2 Holding Over. In any circumstance whereby Licensee continues to occupy the Public Rights-of-Way and other Town-owned property after the expiration of this License, the Licensee's hold over operates as a renewal or extension of this License on a month-to-month basis that may be terminated at any time by the Town upon 60 days' written notice to Licensee, or by Licensee upon 60 days' written notice to the Town.

SECTION 14. GENERAL CONDITIONS

14.1 License Administrator and Enforcement. In all matters of License administration, Town has authority to determine Licensee's compliance with the terms and provisions of the License, and in the event of non-compliance, to exercise any or all of the remedies included in this License.

14.2 Right of Inspection of Construction. Town may inspect all construction or installation work performed subject to the provisions of this License and to make such tests as it deems necessary to ensure compliance with the terms of this License and other pertinent provisions of law.

14.3 Right of Intervention. Town may intervene in any suit or proceeding related to or arising out of this License to which Licensee is party, and Licensee may not oppose such intervention by Town.

14.4 Public Records Acknowledgment. Notwithstanding any provision in this License, Licensee acknowledges and understands that Town is a political subdivision of the State of Arizona and is subject to the disclosure requirements of Arizona's Public Records Law (A.R.S. §§ 39-121 *et seq.*).

14.5 Permission of Property Owner Required. This License does not convey the right to install any part of Licensee's System on private property.

14.6 Compliance With Laws. Licensee must comply with all federal, state, and Town ordinances, resolutions, rules, and regulations related to the rights and duties granted Licensee under this License.

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14.7 No Recourse. Licensee has no recourse whatsoever against Town or its officials, boards, commissions, agents, or employees for any loss, costs, expense, or damage arising out of any provision, requirement, enforcement, or defect in this License.

14.8 License Documents. Licensee must submit to Town the Bond within 30 days of the Effective Date and insurance certificates as required by the License within 90 days of the Effective Date. The License granted is not legally operative until all of Licensee's requirements in this Section are completed. In the event Licensee does not timely satisfy these, this License will be deemed null and void unless Licensee's time period to comply is extended by the Town Council.

14.9 Survival of Warranties. Licensee's representations and warranties made as part of the grant of this License or any permit issued under this License survive termination or revocation of this License.

14.10 Hazardous Substances. Licensee will, at its own cost, be responsible for proper investigation and management of all Hazardous Substances under its control, including Hazardous Substances Licensee uses, generates, or disposes of, and must comply with all Environmental Laws to carry out its obligations under this License. In the event Licensee releases to the environment Hazardous Substances under its control, to the extent that a governmental agency with jurisdiction requires reporting, investigation, cleanup or remedial measures to be taken, Licensee must, at its sole cost and expense, promptly undertake such required actions. If Licensee discovers a Pre-existing Environmental Condition, Licensee will immediately notify Town in writing as provided in Section 14.15.

14.11 Right of Cancellation. Licensee acknowledges that this License is subject to cancellation by Town under A.R.S. § 38-511.

14.12 Covenant Against Contingent Fees. Licensee warrants that no Person has been employed or retained to solicit or secure this License upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee; and that no member of the Town Council, or any employee of the Town has any interest, financially or otherwise, in this License. For breach or violation of this warranty, Town has the right to annul this License without liability or at its discretion to deduct from the License price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

14.13 Independent Contractor. Any provision in this License that may appear to give Town the right to direct Licensee or Licensee the right to direct Town as to the details of accomplishing the work or to exercise a measure of control over the work means that the party will follow the wishes of the other party as to the results of the work only.

14.14 Jurisdiction; Governing Law; Venue. As a condition of the grant of this License, Licensee acknowledges and accepts that Licensee is subject to personal and subject matter jurisdiction of Arizona state courts. Arizona law governs this License, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding to enforce this License must be instituted in a court located in Pima County, Arizona.

14.15 Delivery, Procedure of Notices and Communications. All notices, consent, or other communication under this License must be in writing and: (i) delivered in person; or (ii) sent by electronic mail and deposited in the United States mail, postage prepaid, certified mail, return receipt requested; or (iii) deposited with any commercial air courier or express service and addressed as follows:

To Licensee: Ting Internet, LLC
Attn: Chief Networks Officer and EVP of Operations
5225 N. Sabino Canyon Rd.
Tucson, AZ 85750
Phone: 919.698.5341
Email: jason.s@ting.com
with a copy to: ewoods@tu cows.com

To the Town: Town of Marana
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Attention: Town Manager
11555 W Civic Center Drive
Marana, Arizona 85653
Phone: 520-382-1904
Email: townmanager@maranaAZ.gov

With a copy to: Marana Legal Department
11555 W Civic Center Drive
Marana, Arizona 85653
Phone: 520-382-1999

Notice will be deemed received at the time it is personally served, on the second day after its deposit with any commercial air courier or express service, on the next business day following the day it is sent by electronic mail with record of delivery confirmation through electronic mail return-receipt, or by confirmation that the electronic mail was accessed, downloaded or printed, or, if mailed, three calendar days after the notice is deposited in the United States mail as evidenced by the certified mail receipt. Any time period stated in a notice will be computed from the time the notice is deemed received unless noted otherwise. Any party may change its mailing address, phone number, email address or the person to receive notice by notifying the other party as provided in this Section. Notices sent by electronic mail must also be sent by certified mail to the recipient at the above address.

14.16 Organization/Employment Disclaimer. This License is not intended to constitute, create, give rise to, or otherwise recognize a joint venture, agreement, or relationship, partnership, or formal business organization of any kind, and the rights and obligations of the Parties will be only those expressly set forth in this License.

14.17 Entire Agreement; Amendment; Waivers. This License, and its exhibits, which are incorporated herein by this reference and are attached and/or on file at Town and available for inspection, constitute the entire agreement between Town and Licensee with respect to the transactions contemplated therein and supersede all prior negotiations, communications, discussions and correspondence, whether written or oral, concerning the subject matter hereof. No supplement, modification, or amendment of any term of this License will be deemed binding or effective unless executed in writing by the Parties. No waiver of any of the provisions of this License will be deemed, or will constitute, a waiver of any other provisions, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver is binding unless expressly executed in writing by the Party making the waiver.

14.18 Right of Parties. Nothing in this License, whether express or implied, is intended to confer any right or remedies under or by reason of this License on any Persons other than the Parties to this License and their respective successors and permitted assigns, nor is anything in this License intended to relieve or discharge any obligation or liability of any Person who is not a party to this License, nor will any provisions in this License give any Persons not a party to this License any right of subrogation or action over or against any Party to this License.

14.19 Construction. This License is the result of negotiations between the Parties, none of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions of this License will be construed in accordance with their usual and customary meanings. The Parties hereby waive the application of any rule of law that otherwise would be applicable in connection with the construction of this License that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed License or any earlier draft of the same. The words "hereof," "herein," "hereunder" and similar terms in this License refer to this License as a whole and not to any particular provision of this License. All references to "Sections" herein refer to the sections and paragraphs of this License unless specifically stated otherwise. The section and other headings contained in this License are inserted for convenience of reference only, and they neither form a part of this License nor are they to be used in the construction or interpretation of this License.

14.20 Severability. If any covenant, condition, term, or provision of this License is held to be illegal, or if the application of this License to any Person or in any circumstances to any extent be judicially determined to be invalid or unenforceable, the remainder of this License or the application of such covenant, condition, term, or provision to Persons or in circumstances other than those to which it is held invalid or unenforceable, must not be affected, and each covenant, term, and condition of this License is valid and enforceable to the fullest extent permitted by law.

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14.21 Cooperation and Further Documentation. Each of the Parties agree to provide the other with such additional and other duly executed documents as are reasonably requested to fulfill the intent of this License.

14.22 Force Majeure. For the purpose of any of the provisions of this License, neither Licensee nor Town, as the case may be, will be considered in breach of or in default of their obligations under this License as a result of the enforced delay in performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to: acts of God, acts of the public enemy, acts of the Federal Government, acts of the Salt River Project, acts of Pima County, acts of the State of Arizona or any of its departments, acts of any railroad, fire, floods, epidemics, pandemics, strikes, lock outs, freight embargoes, and unusually severe weather; it being the purpose and intent of this provision that in the occurrence of any such enforced delay, the time for performance of Licensee's and the Town's obligations, as the case may be, will be extended for the period of the enforced delay, provided that the party seeking the benefit of this provision will have notified the other party in writing of the cause or causes, and requested an extension for the period of the enforced delay. If notice by the party claiming such extension is sent to the other party more than 30 days after commencement of the cause, the period of delay will be deemed to commence 30 days prior to the giving of such notice.

14.23 On-Call Assistance. Licensee must be available 24 hours a day, seven days a week to Town staff of any Town department with jurisdiction over Licensee's activities related to problems or complaints resulting from the installation, operation, maintenance, or removal of the System.

14.24 Legal Worker Requirements. A.R.S. § 41-4401 prohibits Town from awarding a contract to any party who fails, or whose contractors fail, to comply with A.R.S. § 23-214(A). Therefore, Licensee and each contractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of this License and may be subject to penalties up to and including revocation of the License. Town retains the legal right to inspect the papers of Licensee's or contractor's employees who provide services under this License to ensure that Licensee and its contractors comply with this warranty.

14.25 Lawful Presence Requirement. A.R.S. §§ 1-501-502 prohibits Town from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a Town-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

14.26 Written Acceptance. Licensee's execution of this License constitutes Licensee's acceptance of this License as granted and its agreement to be bound by and to comply with the terms and conditions of this License. Licensee's signature must be acknowledged by Licensee before a notary public.

14.27 Data Confidentiality and Data Security. As used in this License, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information obtained by or transmitted to Licensee as part of the terms and conditions of this License. Except as specifically provided in this License, Licensee must not divulge data to any third party without the Town's prior written consent. These prohibitions do not apply to the following data: (i) data which was known to the Licensee prior to the Effective Date; or (ii) data which was acquired by the Licensee in its performance under this License and which was disclosed to the Licensee by a third party, who to the best of the Licensee's knowledge and belief, had the legal right to make such disclosure and the Licensee is not otherwise required to hold such data in confidence; or (iii) data which is required to be disclosed by virtue of law, regulation, or court order, to which the Licensee is subject. Licensee assumes all liability to maintain the confidentiality of the data in its possession and agrees to compensate the Town if any of the provisions of this Section are violated by the Licensee, its employees, agents, or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court.

14.28 Personal Identifying Information-Data Security. Personal identifying information, financial account information, or restricted Town information, whether electronic format or hard copy, must be secured and protected at all times by

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

Licensee. At a minimum, Licensee must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted Town information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Licensee or its agents in connection with this License is believed to have been compromised, Licensee or its agents must immediately notify the Town contact. Licensee agrees to reimburse the Town for any costs incurred by Town to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. The obligations of Holder under this Section must survive the termination of this License.

14.29 Public Emergency. Town shall have the right, because of a public emergency, to sever, disrupt, dig-up or otherwise destroy facilities of Licensee without any prior notice to Licensee, if the action is deemed reasonably necessary by the Town Manager, Town Engineer, Police Chief, Public Works Director, or Water Director. A public emergency may be any condition which, in the opinion of any of the officials named, poses an immediate threat to the lives or property of the residents of the Town or others caused by any natural or man-made disaster, including but not limited to, storms, floods, fire, accidents, explosions, major water main breaks, hazardous material spills, etc. Licensee will be notified by the Town of the public emergency and the action taken by the Town as soon as reasonably possible. Licensee shall be responsible for repair at its sole expense of any of its facilities damaged pursuant to any such action taken by Town.

14.30 Blue Stake. Licensee must comply with A.R.S. §§ 40-360.21-360.32 by participating as a member of the Arizona Blue Stake Center with the necessary records and persons to provide location service of Licensee's facilities upon receipt of a locate call or as promptly as possible, but in no event later than two working days. A copy of the License or proof of membership must be filed with the Town.

14.31 Inspection and Audit of License Provisions. All books, accounts, reports, files, and other records related to the calculation of the Annual Fee (and the basis on which the Annual Fee is calculated) License (collectively "Records") are subject at all reasonable times to inspection and audit by the Town, including for five years after the expiration or termination of this License. Licensee must produce the Records at a mutually agreed to time and location within Pima County, Arizona.

14.32 Authority. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into, and bind such party to the commitments and obligations set forth herein.

[Signature page follows]

IN WITNESS WHEREOF, the Parties duly execute and agree to be bound by this License as of the Effective Date.

The "Town":

TOWN OF MARANA, an Arizona municipal corporation

By: [Signature]

Ed Honea, Mayor

Date: 8/16/23

ATTEST:

[Signature]

David L. Udall, Town Clerk

APPROVED AS TO FORM:

[Signature]

Jane Fairall, Town Attorney

"User":

TING INTERNET, LLC., a Delaware limited liability company

By: [Signature]

Name: Phillip Jason Smith

Title: Chief Network Officer & EVP

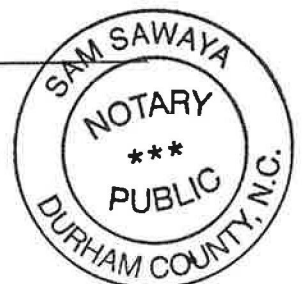
Date: 8-4-23

STATE OF NORTH CAROLINA)
) ss.
County of DURHAM)

The foregoing instrument was acknowledged before me this 04 day of August, 2023, by PHILIP JASON SMITH for TING INTERNET, LLC., a Delaware limited liability company, on behalf of the LLC.

(Seal)

[Signature]
Notary Public
Commission Expires on: 07/29/2024



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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

EXHIBIT A Service Area

Licensee intends to build its network in the below service area, in four construction Area Work Zones. Build sequence to be confirmed by Final Construction Plan.

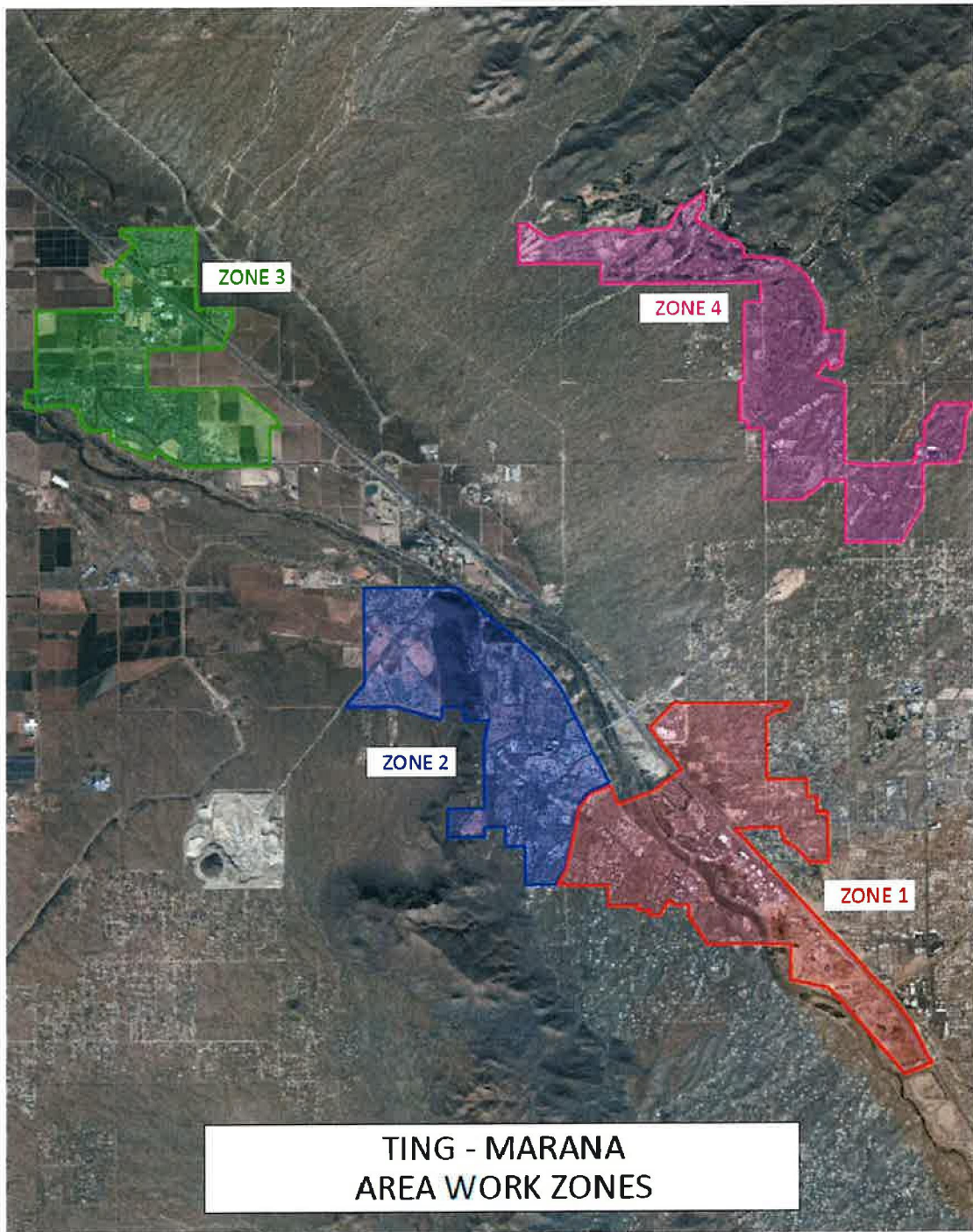


EXHIBIT B
Right-of-Way Use Permit Specifications

- A. Licensee's Overall Town Final Construction Plan shall designate four to twelve geographic regions, in each of which Licensee shall apply for an individual Area Permit.
- B. All Right-of-Way Use Permitting by the Licensee shall be subject to the Town's general permit requirements, subject to the exceptions and additions noted below. For the avoidance of doubt, in the event of a conflict between the Town's general permit requirements and this Exhibit B, this Exhibit B shall govern.
- C. Licensee shall, at the time it applies for each Area Permit:
 - 1. Submit to the Town Engineer the permit application information, which shall identify the specific location of the Public Rights-of-Way in which the proposed construction is to take place, which shall include:
 - a. The geographic overview of the extent of the projected Public Rights-of-Way to be permitted by the Area Permit.
 - i. To conform with the Town Code 12-7-5 B.5.a, Licensee will use the Town supplied 2022 imagery layer to depict the pavement, curbs, driveway, sidewalks and landscaping;
 - ii. To conform with the Town Code 12-7-5 B.5.b, Licensee will depict all relevant Town utilities and structures requested by Licensee and provided to the Town.
 - b. The Design Plan (showing the north arrow, design details, method of construction details, restoration details, locations of proposed conduits and structures) shall be prepared at a print sizing of 24" x 36". As Licensee intends to using boring methodology not currently covered under Town Code or Pima County code, the diagraming shall include:
 - i. North Arrow correctly oriented.
 - ii. Labels for Streets and cross streets
 - iii. Parcel address numbers where applicable.
 - iv. The size and type as well as the approximate running line of new duct and fiber facilities
 - v. The size and type as well as the approximate placement of Licensee handholes and service boxes, pull points, and junctions.
 - vi. Designate the construction techniques to be used in accomplishing the installation.
 - vii. Typicals will include:
 - 1. Bore, trench, structure installation and restorations typicals
 - 2. Standard offset from curb or sidewalk
 - c. Typical Traffic Control Plans for traffic lanes and sidewalks per the federal Manual Uniform Traffic Control Devices guidelines.
 - d. Preliminary schedule of the work to be performed
 - e. Sample of the notification letter/door hangers
 - f. Certificate of Insurance as described by the Fiber Optic Communications License.
 - g. Performance Bond as described by the Fiber Optic Communications License
 - 2. Verify that Licensee has obtained, or will obtain prior to commencing the construction, approval for the placement of the Facilities and any required permits from any other entity (not including departments or agencies of the Town) whose approval is required by law.
 - 3. Be current on all applicable fees for the requested permit or permits; and
 - 4. Submit the Area Permit application through the Town portal.
- D. Upon reasonable consideration of the dates requested by the Licensee and other planned

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

and/or ongoing construction work in the affected Public Rights-of-Way, and without causing material delay to Licensee, the Town Engineer, after consultation with Licensee, shall determine the timing of the proposed construction and duration of Area Permits. It is anticipated Area Permits will apply for no less than 12 months with the option to renew for additional six-month periods as needed.

- E. In addition to the Area Permit, Licensee shall apply for and be granted a Blanket Permit to install Service Drops. A Service Drop shall be defined as a singular network extension from the existing Licensee Infrastructure to a building or structure where a service request has been made.
 - 1. A Simple Drop shall be defined as a singular from the ROW to Private Property and terminating to the same Private Property.
 - 2. Complex Drop would encompass any Service Drop that is constructed underneath hardscape Town assets such as sidewalks.
 - 3. A Single Blanket Permit shall be submitted at the end of each Calendar Month and consist of a list of:
 - a. The address of Each Service Drop installation for the previous Calendar Month.
 - b. The designation of Simple or Complex of Each Service Drop.
 - c. Dates during which any excavation occurred for Each Service Drop.
 - d. Brief Description for Each Service Drop.
 - e. Quality Photos of the restoration of Each Service Drop.
 - 4. Blanket Permits for Service Drops are subject to the notification, inspection, and restoration requirements of the Area Permit.
- F. Licensee shall publicize scheduled work related to the construction of the Network by providing:
 - 1. Written notice of such work to the Public Works Director or his/her Designee at least thirty (30) days before the commencement of such work. No later than ten (10) days prior to beginning construction along any specific portion of the Public Rights-of-Way,
 - 2. Notification to those Persons affected by such construction not less than three (3) days prior to construction. Affected Persons may be notified by mail, distribution of flyers and/or door hangers to residences.
 - 3. Licensee shall create and maintain a website for public dissemination of the general progress and updates to provide adequate notice to affected Persons.
 - 4. Any notification must provide adequate information to notify the affected Persons of the construction work that is to be undertaken, as well as the name and telephone number of a contact person designated by Licensee to respond to questions that affected Persons may raise.

EXHIBIT C

Construction Specifications

- A. All construction in the Public Rights-of-Way by the Licensee shall be subject to the Town's general Public Rights-of-Way construction and restoration requirements, subject to the exceptions and additions noted below. For the avoidance of doubt, in the event of a conflict between the Town's general construction and restoration requirements and this Exhibit C, this Exhibit C shall govern.
- B. Licensee agrees that construction of Facilities in the Public Rights-of-Way shall be done in such locations and in such manner so as not to unreasonably interfere with existing water, gas, storm or sanitary sewers, traffic signal, street light and other utilities and conduits in the Public Rights-of-Way, or with the public's use of the Public Rights-of Way, and shall to the maximum degree feasible, be coordinated with any construction being simultaneously undertaken at the same location by another provider of telecommunications, broadband, or cable service, or by a provider of utilities. A drawing will be required showing the location of the work or the use requested in the permit application and any associated equipment, together with typical Traffic Control Plan (TCP) plans shall be submitted with the Area Permit application. The TCP plan shall be separate from drawings identifying the typical location within each Public Rights-of-Way in which the proposed construction is to take place. The TCP plan must meet the requirements of the current version of the Manual on Uniform Traffic Control Devices.
- C. Licensee will comply with the Town's construction noise ordinance, as it is in effect at the time construction is occurring, regardless of the date of permit issuance date.
- D. The following exceptions to the Town's general Public Rights-of-Way construction and restoration requirements shall apply:
 - 1. Licensee shall be permitted to deploy at any one time, without separate written permission from the Town Engineer, at least one but no more than twenty excavation crews. Permission may be granted for deployment of more than twenty crews, or for crews in excess of the stated size, upon submission of a written request and coordination with the Town Engineer.
 - 2. After work is started in one Area Permit, a new permit may be filed by Licensee for the next Area Permit. Work in up to three permit regions may be permitted simultaneously provided field work progress, including resolution to any issues that may arise in due course of the work that have been identified are proactively being addressed to the satisfaction of the Town Engineer.
 - 3. The typical depth of the underground facilities may be 24 inches from the existing grade in all road classifications except those non-residential roads classified as Major Streets at the time the permit is issued and as depicted on the Marana interactive Web Viewer.
 - a. Underground facilities placed in nonresidential streets that are classified as Major Streets may be placed at 48 inches from the existing grade.
 - 4. Licensee shall provide the name and contact information for Licensee's liaison who will participate in contact meetings with Town permit staff to ensure traffic and parking impact information has been provided for the current Permit for 311 and communication purposes.
- E. In compliance with and with exceptions to Marana Town Code, the underground facilities installations by Licensee will primarily utilize directional boring or similar construction techniques will:

1. Install HDPE micro ducts bundled as the fiber network design requires with individual ducts no greater than 1 inch in outside diameter. Individual ducts may be sheathed together in one or more bundles.
2. Installation of extra conduits will be placed on an as needed basis according to the Licensee network design criteria.
3. Will not require the encasement in concrete and magnetic tapes not practical for boring methodologies. However tracer wire will be placed with underground installations, such that the conduit can be located per blue stake laws.
4. The applicant shall be responsible for verifying the location of all underground utilities in accordance with the "blue stake" provisions of state law, A.R.S. § 40-360.22. The excavator shall visually check the drill head each time it passes through potholes, entrances and exit pits, including during pullback. The pothole excavation in paved areas shall be restored to the extent of the excavation as described in section.
5. Licensee shall follow standard pothole restoration for boring methodology regardless of pavement condition:
 - a. Edges of pothole to be saw cut with lines either perpendicular or parallel to direction of travel or by circular cores not to exceed 8" diameter.
 - b. Sand layer may be used to encapsulate existing and proposed utilities with at least 1" of cover
 - c. Layered with flowable cementitious slurry approved by the Town Engineer
 - d. Topped with the Perma-Patch products, a hot asphalt mix, or other material approved by the Town Engineer.
 - e. Compacted prior to traffic
 - f. Pothole restoration to be performed in 1 sq ft increments not to exceed 2 sq ft total.

Exhibit D Co-Location of Licensee Equipment

- A. Licensee may be provided colocation space for certain equipment within specific municipal facilities (the "Properties"). Licensee has requested and the Town of Marana has agreed to allow the following equipment placement for fee as follows:
1. Marana Operations Center
 - a. Licensee will place 2 secured Equipment Cabinets (the Racks) measuring approximately 32 x 32 x 84 inches.
 - b. Town to provide Licensee with generator backed AC power via 2 dedicated 240V-30A circuits terminated to two L6-30R outlets above each of the Rack locations. Licensee shall pay for the cost associated with the delivery of the circuits.
 - c. Licensee shall construct 2 redundant paths of underground conduit for ingress and egress cabling from the public right of way to the Racks.
 - d. All ducts and raceways constructed and paid for by Licensee as a result of this License, will remain the sole responsibility of the Licensee for the purposes of ownership, maintenance, and access, until the termination of this License.
 - e. With prior written approval from the Town, Licensee may utilize existing points of entry conduits owned by Town. Town will work in good faith with Licensee to modify existing or install new cable management from cable entry/exit points to location of Licensee Racks.
 - f. Town will work in good faith with Licensee to modify existing or install new cable management from cable entry/exit points to location of the Racks.
 2. Marana Municipal Complex
 - a. Licensee will place 2 secured Equipment Cabinets (the Racks) measuring approximately 32 x 32 x 84 inches.
 - b. Town to provide Licensee with generator backed AC power via 2 dedicated 240V-30A circuits terminated to two L6-30R outlets above each of the Rack locations. Licensee shall pay for the cost associated with the delivery of the circuits.
 - c. Licensee shall construct 2 redundant paths of underground conduit for ingress and egress cabling from the public right of way to the Racks.
 - d. All ducts and raceways constructed and paid for by licensee as a result of this License, will remain the sole responsibility of the licensee for the purposes of ownership, maintenance, and access, until the termination of this License.
 - e. With prior written approval from the Town, Licensee may utilize existing points of entry conduits owned by Town. Town will work in good faith with Licensee to modify existing or install new cable management from cable entry/exit points to location of Licensee Racks.
 - f. Town will work in good faith with Licensee to modify existing or install new cable management from cable entry/exit points to location of the Racks.

- B. For consideration of the aforementioned, Licensee will pay the Town of Marana:
1. \$250 per month for each equipment rack
 2. Pay the actual cost of electrical usage at a rate that is current to the prevailing rate paid by the Town. Licensee, at its sole cost, will do one of the following as agreed to by the Town
 - a. Place a sub-meter that can be read and reimburse the cost of electric to the Town of Marana; or
 - b. Place a meter that will be billed directly to Ting by the serving electric company; or
 3. Town and Licensee may mutually agree upon in-kind compensation per Section 4.2 of the Town of Marana Fiber Optic Communications License issued to Licensee.
- C. All operations, maintenance, repairs, and replacement of Licensee equipment shall be performed at the sole expense of the Licensee in a workmanlike manner, after any and all permits required by law have been obtained, in compliance with all applicable laws to minimize impact and interference to the Town's operations. Licensee shall, at its own expense, replace or repair any damage caused to the facility as a result of installation, operation, or maintenance by any of its agents, employees, representatives, contractors, sub-contractors, or invitees. If Licensee fails to repair any such damage, Town may, in its sole discretion, repair or refinish such damage and Licensee shall reimburse Town for its actual costs incurred by the Town at Town's standard rates, plus an administrative fee of 15%. Town shall provide the Licensee with 10 days' notice prior to completing or taking action of any repair of damage.
- D. Licensee shall at all times be solely responsible for, maintaining and keeping Licensee equipment, hardware, and racks in a clean, sanitary, safe working condition, free of defects at all times during this License.
- E. ACCESS. Subject to the reasonable Building Rules and Regulations (hereinafter defined) from time to time in effect in the Buildings (including Town's reasonable restrictions to ensure security and privacy in the Buildings), Town agrees that Licensee and its employees, contractors, subcontractors, agents and representatives shall have access to the sites and the Licensee Equipment 24 hours a day, 365 days a year. As used herein, "Building Rules and Regulations" shall mean the reasonable security, access, construction, operational, technical, sales, advertising, marketing, service and similar policies, standards, and guidelines (including requirements relating to contractor qualifications, procedures and insurance), as may be promulgated by the Town, as such Building Rules and Regulations may be reasonably modified from time to time, which Building Rules and Regulations shall be uniformly enforced against all Licensees, building contractors and telecommunications service Licensees in a nondiscriminatory manner.
- F. VEHICULAR INGRESS AND EGRESS. Town grants to Licensee, and Licensee's agents, employees and contractors, a non-exclusive right and easement for pedestrian and vehicular ingress and egress across the Properties. Licensee's vehicular access is limited to areas paved with asphalt or concrete only, which Licensee acknowledges and understands do not extend directly to the sites, but Licensee shall have full pedestrian access over the Properties from the paved areas to the sites. Furthermore, in the event that circumstances

so require, Licensee shall have vehicular access over the non-paved areas to the sites only with the prior consent of Town. In such an event, Licensee shall be responsible for and will promptly repair any damage caused by such access.

- G. **AUTHORIZED PERSONNEL LIST.** For security purposes, Licensee shall provide Town with a list of the names of all personnel who are authorized to enter onto the sites pursuant to this License. The list shall be updated whenever a change of personnel occurs. Town is authorized to block entry to any personnel whose name is not on the list.
- H. Damage to Licensee equipment, caused by Town, its employees, agents, contractors, subcontractors, or invitees, shall be reported to Licensee immediately upon Town becoming aware. Town shall reimburse the Licensee for any and all reasonable costs associated with the replacement or repair of equipment.
- I. Town shall, at its sole cost and expense except as set forth below, install and maintain an HVAC system capable of maintaining temperature of the leased space within reasonable working and operating temperatures of 72 degrees Fahrenheit, +/- 6 degrees Fahrenheit. If Licensee finds temperatures that exceed normal operating/working temperatures, Licensee to alert Town, who shall move forward with a remediation or repair of the issue immediately upon being alerted in a timely manner.
 - 1. Town shall provide Licensee a quote to conduct a site assessment with a qualified professional to determine if upgrades are required to the building in order to facilitate the co-location space request by Licensee. Licensee shall cover third party consultant costs for this assessment, up to a maximum of \$10,000 USD, per site. This assessment shall be completed for both the Marana Operations Center, and the Marana Municipal Complex.
 - 2. Any upgrades that are determined to be required as a result of the site assessment, shall be discussed with Licensee prior to commencement of work, and Licensee shall have the right to decline to proceed with the required upgrades at its sole discretion, as a result of expected cost, time to complete, or other factors. If Licensee declines to proceed with the required upgrades, Licensee shall not place its equipment in the Town facility. If Licensee decides to proceed with the upgrades, Licensee shall pay for the HVAC and electrical upgrades required to accommodate Licensee's requested co-location space. Licensee shall provide written notice to Town as to whether Licensee wishes to proceed with or cancel the co-location request. The co-location requests for the Marana Operations Center and Marana Municipal Complex are independent, and Licensee reserves the right to approve the cost for upgrades at both, one, or none of the facilities.
 - 3. Licensee shall provide Town with the proposed BTU output of equipment expected to be installed within colocation racks to assist with the site assessment.
- J. Any maintenance to be completed to the components within the facility that directly or indirectly affect Licensee operations, such as maintenance to items including but not limited to backup power or cooling systems of Licensee racks, Town should provide Ting with 14 days of notice, or as much as is reasonably possible, prior to date of work performance.
- K. Any maintenance to be completed to the electrical circuits directly feeding Licensee racks, that can be reasonably expected to impact or provide a loss of power to racks, shall be

completed during an overnight period between 2am and 6am local time, with no fewer than 21 days of notice to Licensee prior to work performance, unless otherwise specified in writing by the Licensee.

Exhibit E: Form of Conduit Request

Conduit Request # _____

This document constitutes a "Conduit Request" pursuant to Section 2.4 of the FIBER OPTIC COMMUNICATIONS LICENSE (the "License") entered into by and between the Town of Marana, an Arizona municipal corporation (the "Town"), and Ting Internet, LLC., a Delaware limited liability company ("Licensee") on _____, 20____. This Conduit Request is hereby incorporated into the License and is expressly made subject to all of the terms and conditions set forth in the License. To the extent that there is any inconsistency between the License and this Conduit Request, the License shall control except as expressly provided herein to the contrary. Capitalized terms used in this Conduit Request shall have the same meanings set forth in the License, unless the context requires otherwise. The effective date of this Conduit Request shall be the date of the last signature by the Parties.

Upon execution of this Conduit Request by both Parties, and subject to the provisions of the License, the Town hereby grants to Licensee, and Licensee hereby accepts from the Town, a non-exclusive right to access and use the Additional Conduit described in Section A of this Conduit Request.

Section A

Additional Conduit

1. The Additional Conduit shall follow a Route as generally depicted on the map attached to this Conduit Order as Attachment 1. The Additional Conduit shall begin and end at the Connected Points described in Table A.1 below.
2. The total aggregate length of the Additional Conduit is _____ feet.

Table A.1

Route #	Starting Connection Point	Ending Connection Point	Conduit Footage

Section B

Delivery Date; General

1. The Town shall make ready the Additional Conduit and notify Licensee, in writing, of its availability for acceptance inspection by , _____ 20____.
2. This Conduit Request may be executed via facsimile, electronic signature, or scanned documents

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC

and in multiple counterparts, each of which when taken together shall constitute one and the same document.

In confirmation of their consent and agreement to the terms and conditions contained in this Conduit Request, and intending to be legally bound by this Conduit Request, the Parties have executed this Conduit Request on the dates set forth below.

"Town":

Town of Marana

By: _____
Name: _____
Title: _____
Date: _____

"Licensee":

Ting Internet LLC

By: _____
Name: _____
Title: _____
Date: _____

Attachment 1 to Conduit Request #_____

Map of Additional Conduit Requested

Exhibit F: Bill of Sale of Licensee-Built Town Dedicated Conduit

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Ting Internet, LLC., a Delaware limited liability company ("Seller"), does hereby grant, bargain, transfer, sell, assign, convey and deliver to the Town of Marana, an Arizona municipal corporation, as represented by the Town Council and acting through the Town Manager or the Town Manager's designee ("Buyer"), all of its right, title, and interest in and to the Town Dedicated Conduit, as such term is defined in the Fiber Optic Communications License Issued to Ting Internet, LLC, dated as of the last date of signature thereto (the "License Agreement") by and between Seller and Buyer, and as further described pursuant to written agreement between Buyer and Seller dated [●], and in Table 1 below, to have and to hold the same unto Buyer, its successors and assigns, forever.

1. The Dedicated Conduit shall follow a Route as generally depicted on the map attached to this Bill of Sale as Attachment 1. The Dedicated Conduit shall begin and end at the Points described in Table A.1 below.

Table A.1

Route #	Starting Point	Ending Point	Conduit Footage	Sale Price
			Total:	

Buyer acknowledges that Seller makes no representation or warranty with respect to the assets being conveyed hereby except as specifically agreed upon in writing between Seller and Buyer in the License Agreement.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale as of [●].

TING INTERNET, LLC

Town of Marana

By _____

By _____

Name:

Name:

Title:

Title:

Attachment 1 to Bill of Sale

Map of Town Dedicated Conduit

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TOWN OF MARANA FIBER OPTIC COMMUNICATIONS LICENSE ISSUED TO TING INTERNET, LLC



Council-Regular Meeting

C3

Meeting Date: 05/20/2025

To: Mayor and Council

Submitted For: Heidi Lasham, Water Director

From: Heidi Lasham, Water Director

Date: May 20, 2025

Strategic Plan Focus Area:

Not Applicable

Subject: Relating to Procurement; approving a change order to the contract with Westland Resources Inc. in the amount of \$27,514.75 for the Marana Park Reservoir project (WT046) and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order (Heidi Lasham)

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 the amounts set forth in section 3-4-8(A)(3) of the town code.

The budget for fiscal year 2024-2025 was adopted on June 18, 2024 and included the Town's 5 year CIP program. The Marana Park Reservoir and Well Equipping Project (WT046) was properly included within the Town of Marana's FY2025 Capital Improvement Plan.

Effective November 17, 2023, the Town entered into a professional services agreement with Westland Resources Inc. ("Consultant") for the Construction Administration Services of the Marana Park Reservoir and Well Equipping Project (WT046) in the amount of \$150,300.00 ("Agreement"). This change order for Council's consideration in the amount of \$27,514.75 is for continued construction administration and observation services for the Marana Park Reservoir and Well Equipping Project. In addition, this change order also incorporates a time extension request from February 28, 2025 to July 15, 2025 (five and a half months) to coincide with the latest contractor construction

schedule. The change order includes: Additional Phase 1 Services (Construction Administration), Additional Phase 3 Services (Construction Observation), and Phase 4 Services (Construction EOR). The original contract and purchase order amount was for \$150,300.00. Staff have already processed a change order in the amounts of \$53,985.15 and \$59,588. This change order is for \$27,514.75, bringing the cumulative financial impact of the change orders to \$141,087.90 and, therefore, requires Council's approval under Marana Town Code 3-4-7(B)(3).

Financial Impact:

The combined financial impact of all change orders for the project is \$141,087.90. The impact of the current change order is \$27,514.75.

Staff Recommendation:

Staff recommends approval of the change order to the Westland Resources Inc. contract for the Marana Park Reservoir project (WT046) in the amount of \$27,514.75.

Suggested Motion:

I move to approve the change order to the contract with Westland Resources Inc. in the amount of \$27,514 for the Marana Park Reservoir project (WT046) and to authorize the Town Manager or designee to execute the necessary documents to effectuate the change order.

Attachments

Westland Change Order



March 11, 2025

Mr. Francis Hemmah
Town of Marana Water Department
11555 W. Civic Center Drive
Marana, AZ 85653

**RE: CHANGE ORDER REQUEST FOR CONSTRUCTION ADMINISTRATION SERVICES FOR MARANA PARK RESERVOIR (CWP1) AND WELL EQUIPPING (CWP2) | TOM PSA NO. 2021-007-01
WESTLAND PROJECT NO. 10314 | CHANGE ORDER NO. 4 | REVISION 1**

Dear Mr. Hemmah:

WestLand Engineering & Environmental Services (WestLand) is providing this Change Order No. 4 to the Town of Marana Water Department (Town) for continued construction administration and observation services for the Marana Park Reservoir and Well project.

Change Order No. 3 was requested and issued as per the revised schedule submitted by Ashton (Contractor). The revised schedule moved the end of the project from July 1, 2024 (CO No. 2) to February 7, 2025. Per discussions with the Town, Change Order No. 3 was revised to include assumptions to decrease WestLand's scope and hours for Phases 1 and 3 including reduced meetings from weekly to bi-weekly once the reservoir was completed (end of November), and the assumption that the last 60-days (December 7, 2024 through February 7, 2025) would require only special electrical inspections, contractor payment application reviews, certified payroll tracking, final testing, completion of punch list inspection, and Engineer of Record/Approval of Construction services (Phase 2 and 4 services). The Purchase Order #22300427-3 for Change Order No. 3 was issued by the Town on November 27, 2024.

As of February 7, 2025, the reservoir nor construction had been completed. Marana continued weekly meetings until February 5, 2025, before moving to a bi-weekly schedule. Other than submittal reviews, Special electrical inspections have not started (budget under Phase 2) nor have any of the Engineer of Record/Approval of Construction services (budget under Phase 4). Due to continued weekly meetings and additional administration costs resulting from the delays in construction, any remaining budget for Phase 1 and 3 services was exhausted by mid-January.

The Town has requested WestLand continue to provide services through May 31, 2025. This proposal is based on that request; however, it is likely that construction will not be fully completed within that period. With this in mind, WestLand is assuming that after May 31, 2025, the only services required from WestLand will be for administrative (Phase 1), special inspections for electrical (budgeted under Phase 2) and all or part of the three ADEQ testing/filing for Approval of Construction applications (budgeted under Phase 4).

A budget is attached that includes the anticipated Construction Administration and Observations fees. The budget for Change order No. 4 fee is based on the assumption that a majority of the cost for the last 60 days (after May 31, 2025) would be for special inspections (Phase 2) and Engineer of Record tasks

(Phase 4) with minimal Construction Administration charges (Phase 1). The total fee is based on time-and-materials with a not-to-exceed budget.

As discussed in WestLand's January 23, 2025, email, to assist with offsetting a portion of the above fees, \$13,661.25 has been reallocated from CMT's budget (part of Phase 2) and divided between Phases 1 and 3, as shown in **Table 1**.

Table 1. Phase 2 Special Inspections Schedule

Discipline	Initial	Reallocated Budget	Balance
Structural Inspections – CMT	\$14,411.25	\$13,661.25	\$750.00
Coatings inspection – RFI	\$1,612.00		\$1,612.00
Electrical Inspections – Quantum	\$17,236.00		\$17,236.00
Turner – not in original Budget	\$(250.00)		\$(250.00)
Remaining Phase 2 Balance	\$33,009.25		\$19,348.00

Table 2, Phases 1 and 3 fees for the extended schedule shows the anticipated additional fee for Phases 1 and 3 as they relate to extension of the construction.

Table 2. Phases 1 and 3 for Extended Schedule

Phase	Description	May 31, 2025 Extension	Reallocated Budget	Balance
Phase 1	Construction Administration	\$22,017.00	\$6,830.63	\$15,186.37
Phase 3	Construction Observation	\$19,159.00	\$6,830.62	\$12,328.38
Total		\$41,176.00	(\$13,661.25)	\$27,514.75
Change Order No. 4 Balance				\$27,514.75

The proposed fee for continued Phase 1 and 3 services is \$41,176.00. After applying the moved budget of \$13,661.25 to the proposed fee, the amount requested in this Change Order No. 4 is \$27,514.75. Phase 4 – Engineer of Record services budget of \$8,869.00 remains intact as of the date of this Change Order Request and Phase 2 – Special Inspections has a new balance of \$19,348.00.

Phase 1. Construction Administration Services will continue to include:

- Management and tracking of remaining submittals, Requests for Information (RFIs), design changes, administrative review of submittals for the well pump, disinfection, docking stations, AIS certs, etc. It is assumed only one review for each. The electrical subconsultant will have new electrical reviews to complete once submitted. The existing budget in Phase 2 is anticipated to be enough to cover the subconsultant review of new submittals and provide the necessary electrical inspections. Electrical submittals review assumes one re-review.
- Tracking of payment applications including field review for completeness, administrative review, and engineer approval. Coordination of lien waivers with Contractor.
- Management, verification, and approval of remaining AIS certifications for American Iron and Steel products used in the construction of the Marana Park Reservoir Project.

- Management, tracking, and verification of the remaining Davis Bacon certified payroll including interviews of all new personnel.
- Attendance of bi-weekly MS Teams meetings. Prepare and document agenda and meeting minutes.
- Update logs and update SharePoint.
- As-needed coordination with Contractor and the Town during construction. Including weekly reminders to Contractor of items that are due and follow-up with Vendors as needed.
- Assist Contractor with preparation of testing sequence.
- Upload and manage all pertinent information to SharePoint.

Phase 2. Special Inspection Services will continue to include:

- Electrical Special Inspections Services.
- Structural welding inspection of canopy.
- Structural Special inspection of antenna base, if required.
- NACE certified final coating inspection of above ground piping.

Phase 3. Observations Services will continue to include:

- Construction observation of storage tank construction/installation per AWWA D100 standards and site plans.
- Construction observation of new chlorinator and structure.
- Construction observation of well equipping.
- Review of remaining shop drawings and submittals (assumed up to two remaining submittals with a maximum of one review per submittal).
- Engineer or Senior Inspector response to RFIs and detailed reviews of Pump Submittal.
- Verify construction status for remaining pay requests.
- Maintain digital photographic records while onsite.
- Identify and develop resolutions for unsatisfactory work.
- Evaluate and assist in resolution of issues.
- Evaluate conditions involving requests for change orders.
- Create and maintain project punch list.
- Review contractor's record drawings for as-builts.
- Observe startup.
- Observe all onsite piping installations.
- Substantial Completion inspections and punch list.
- Final Completion inspections.

Phase 4. Approval of Construction and Engineer Record of Services will continue to include:

- Observe testing of tank, chlorinator and well: pressure tests, hi-lo chlorination, and Bacteriological testing.
- Certification of Engineer's Certificate of Completion
- As-builts
- Approval of Construction application package submittal (3)

ASSUMPTIONS

- On or before May 31, 2025, Phase 3 services will be completed with minimal Phase 1 services for up to an additional 60 days.
- Biweekly MS teams meetings
- Up to 60 hours of on-site observation services (Phase 3) including shutdowns.
- One remaining Nace coatings inspection is required, one reinspection is included.
- Bacteriological retesting fees for failed tests are not included.

LIMITATIONS AND EXCLUSIONS

WestLand will perform its services in a manner consistent with the standards of care and skill ordinarily exercised by members of the profession practicing under similar conditions in the geographic vicinity and at the time the services will be performed. Services exceeding the scope of the services listed above will be considered additional services. A separate scope of work and estimate will be prepared for any succeeding services that the Town is determined to engage WestLand to undertake.

Construction Observation Services provided by WestLand are techniques employed to assist with compliance, safeguarding health, and public welfare for drinking water systems, and to reduce the risk of potential problems with required testing that may arise during construction. The provision of these services by WestLand is not insurance, nor does it constitute a warranty or guarantee of any kind. Even with diligent observation, latent construction defects may be missed. In all cases, Contractors shall retain responsibility for the safety of the jobsite and their personnel, the quality of their work, for adhering to approved plans and specifications, and for repairing defects regardless of when they are found. No warranty or guarantee, express or implied, is provided as part of the services offered by this proposal. This proposal neither makes nor intends a warrantee or guarantee, express or implied, nor does it create a fiduciary responsibility to the Town by WestLand.

With prior notification to Marana, WestLand reserves the right to move budget between tasks without exceeding the overall budget.

To continue our efforts an additional budget will be needed as described above. It is our understanding that the Town will issue an additional or revised Purchase Order/modification for this work.

If you have any questions or require additional information, please do not hesitate to call.

Respectfully,
WestLand Engineering & Environmental Services

Dina Miller

Dina Miller
Project Manager

Susan K. Gilbert

Susan K. Gilbert, PE (WA, UT)
Director of Discipline Services

DBM:bsh

Attachment: Budget CO#4 R1

cc: Joe Cliett, WestLand Engineering & Environmental Services

Build budget based on discrete efforts with measurable units.
Right click and unhide/hide extra rows and columns for easy viewing. Scroll right to enter expenses & subs. For sub scope that is not tied to discrete efforts, enter sub fee on separate row with qty=1 DE unit=LS.



Staff Name →

Role →

Bill Rate →

Total Hrs →

Total Hrs →

Total Hrs →

Total Hrs →

Total Hrs →

LABOR HOURS											
Susan Gilbert	Dina Miller	Catherine McMillan	Clay Jerald	Rigo Ceja	Drew Godfredsen	Becky Hammond	Ally Patterson				Total Hours ↓
Senior Principal Consultant	Senior Project Manager	Engineer III	Senior Construction Inspector II	Construction Inspector III	Senior Designer II	Senior Document Production Specialist I	Project Controller III				
\$278	\$228	\$190	\$169	\$133	\$169	\$110	\$169				
2.5	57.5	8	106	15		36.25	5				
2.5	57.5	8	11			36.25	5				120.3
2.5	57.5	8	11			36.25	5				120.3

EXPENSES	
Vehicle (Premium Truck or SUV Rental)	Vehicle Fuel Card Charges [Rough Estimate; Calc for Project
day	mile
\$136.00	\$0.33
7	476

Marana Park Feb 7 thru May 31		
Phase 1 - construction admin		
Task 1 -		
Discrete Effort (DE) Description		Qty
MS Teams mtgs/prep		11
Updates/emails/coordination (bi-weekly)		9
Memo/LD		1
Remaining submittals		1
Billings/WUDRS/Accounting		5
CPR/Payment requests		1
Additional hours 12/01/24 thru 2/0725 extra mtgs		4
Pump Submittal		1

Phase 3 -	
Task 1 - Observations	
Discrete Effort (DE) Description	Qty
Remaining observations (Not inc EOR services in Phase 4	1
Construction Management/schedule/coordination	5
MS Teams Meeting	11
Shut downs/extra hours	1
Extra MTGS	1

			95	15						110	\$18,050
			95	15						110	\$18,050
Hours/DE Unit by Individual											
			45	5						50	\$8,270
			5							25	\$4,225
			1							11	\$1,859
			10	10						20	\$3,020
			4							4	\$676

7	476	\$1,109
7	476	\$1,109
7	476	\$1,109

TOT. BUDGET
\$41,176
\$22,017
\$22,017
\$6,226
\$5,342
\$1,368
\$1,006
\$2,110
\$1,775
\$3,050
\$1,140

\$19,159
\$19,159
\$9,379
\$4,225
\$1,859
\$3,020
\$676



Council-Regular Meeting

C4

Meeting Date: 05/20/2025

To: Mayor and Council

From: Jill McCleary, Town Clerk

Date: May 20, 2025

Subject: Approval of Regular Council Meeting Summary Minutes of May 6, 2025 (Jill McCleary)

Attachments

Regular Council Meeting Summary Minutes, 05/06/2025



MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, May 6, 2025, at or after 6:00 PM

Jon Post, Mayor
Roxanne Ziegler, Vice Mayor
Patrick Cavanaugh, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
Teri Murphy, Council Member
John Officer, Council Member

SUMMARY MINUTES

CALL TO ORDER AND ROLL CALL

Mayor Post called the meeting to order at 6:00 PM. He directed the Town Clerk to call the roll. **Council Member Officer** was noted as excused during roll call and later arrived at 6:14 PM during the Call to the Public. All other Council Members were present, constituting a quorum.

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE: Led by **Mayor Post**.

APPROVAL OF AGENDA

Mayor Post asked for a motion to approve the agenda.

Council Member Cavanaugh moved to approve the agenda as presented. Council Member Comerford seconded the motion. Motion passed, 6-0.

CALL TO THE PUBLIC

Randy Karrer, Jennie DeBray, Angela Cohen, Cheryl Hall, John Harkey, Linda Jimenez, Linden Roberts, and Mark Brazier addressed the Council, expressing

opposition to the proposed Linda Vista 52 Annexation. General concerns expressed by the speakers related to water resources, viewsheds, property values, the appearance of potential new development, traffic congestion, increased density, crime rates, potentially unfavorable zoning for surrounding residents, environmental and wildlife impacts, and the cost of additional responsibilities to the Town versus the benefits of annexation. All speakers urged the Council to oppose the annexation, with some speakers requesting that the Council work with residents the annexation proceeds. A video recording, along with an accompanying transcript, of the entire meeting, including the Call to the Public, is currently available at the following website:

<https://maranaaz.new.swagit.com/videos/341931>

[Council Member Officer was noted as present at 6:14 PM.]

Lori Shaeffler addressed the Council and presented each Council Member with items related to the upcoming 35th Run for the Wall event. The Run for the Wall group honors Vietnam veterans who were left behind in Vietnam. **Ms. Shaeffler** invited the Council to attend the event on Thursday, May 15, 2025.

PROCLAMATIONS

PR1 Proclamation Recognizing National Public Works Week (Jill McCleary)

Town Clerk Jill McCleary read the proclamation as **Mayor Post** presented it to Public Works representatives. **Mayor Post** then thanked the Public Works staff and emphasized the importance of the department's work.

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

Council Member Officer praised the successful opening of the Marana Aquatics & Recreation Center (MARC) and noted the strong community turnout for the event.

Council Member Murphy also expressed praise for the MARC and commented on her appreciation for the community's use of the facility.

Council Member Kai added that it was gratifying to see the community actively using the facility. He also commended the staff for their efforts.

Council Member Cavanaugh stated he was impressed with the MARC's grand opening and shared his positive experience speaking with children at the pool.

Council Member Comerford expressed appreciation to the Parks and Recreation Department, and everyone involved in the MARC.

Vice Mayor Ziegler agreed with the previous positive comments about the MARC. She also provided updates on several events, including the Marana Police Awards ceremony, a resolution presented by State Senator Vince Leach on April 16, 2025, honoring former **Marana Mayor Ed Honea**, an HOA meeting at the Highlands at Dove Mountain, and the Grand Opening and Ribbon Cutting of Sol Dog Lodge.

Mayor Post noted the success of the State of the Town event and expressed appreciation to the Marana Chamber of Commerce for its efforts. He also reported attending the Highlands at Dove Mountain and praised the artwork displayed outside the MARC. Additionally, he commended the contributions of **Tourism and Marketing Manager Stefanie Boe** for her work with Discover Marana at the Society of Automotive Engineers' Baja event, and he highlighted the event's success.

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

Town Manager Terry Rozema reported that 78 single-family residential permits were issued in April 2025, compared to 110 during the same period last year. He noted the decrease and commented that anticipated growth was expected as new developments become available. He highlighted the successful grand opening events of the MARC and noted that the street leading to the facility was officially named Jim Conroy Place in honor of **Marana Parks and Recreation Director Jim Conroy**. **Mr. Rozema** also noted that membership and enrollment numbers for the MARC exceeded expectations. He mentioned the upcoming Mother's Day 5K Run scheduled for Saturday, May 10, 2025, and encouraged community members to participate.

PRESENTATIONS

CONSENT AGENDA

C1 Resolution No. 2025-037: Relating to the Police Department; exempting undercover vehicles used by the Marana Police Department in felony investigations or activities of a confidential nature from Arizona state laws related to the designation of political subdivision motor vehicles; authorizing the Chief of Police to renew existing vehicle registrations for these undercover police vehicles and to obtain vehicle registrations for new undercover vehicles to be used in felony investigations or activities of a confidential nature (Chief Jeffrey Pridgett)

C2 Resolution No. 2025-038: Relating to Public Works; approving and authorizing the Mayor to sign the Intergovernmental Agreement between Pima County and the Town of Marana for Twin Peaks Road/Rattlesnake Pass Project (Jane Fairall)

C3 Resolution No. 2025-039: Relating to Municipal Court; approving the appointment of Alfred McDonald as a magistrate pro tempore for the Marana Municipal Court (Libby Shelton)

C4 Approval of Regular Town Council Meeting Summary Minutes of April 15, 2025 and Town Council Study Session Summary Minutes of April 22, 2025 (Jill McCleary)

Vice Mayor Ziegler moved to approve the consent agenda. Council Member Officer seconded the motion. Motion passed, 7-0.

LIQUOR LICENSES

L1 Relating to Liquor Licenses; recommendation to the Arizona Department of Liquor Licenses and Control regarding an application for a new series #012 Restaurant liquor license submitted by Ranbir Aujla on behalf of Amore, located at 12130 North Dove Mountain Boulevard Suite 104, Marana, Arizona, 85653 (Jill McCleary)

Vice Mayor Ziegler moved to submit to the Arizona Department of Liquor Licenses and Control an order recommending approval of an application for a new series #012 Restaurant liquor license submitted by Ranbir Aujla on behalf of Amore, located at 12130 North Dove Mountain Boulevard Suite 104, Marana, Arizona, 85653. Council Member Cavanaugh seconded the motion. Motion passed, 7-0.

L2 Relating to Liquor Licenses; recommendation to the Arizona Department of Liquor Licenses and Control regarding an application for a new series #009 Liquor Store liquor license submitted by Jared Michael Repinski on behalf of Quik Mart #1301, located at 8685 North Silverbell Road, Tucson, Arizona, 85743 (Jill McCleary)

Council Member Kai moved to submit to the Arizona Department of Liquor Licenses and Control an order recommending approval of an application for a new series #009 Liquor Store liquor license submitted by Jared Michael Repinski on behalf of Quick Mart #1301, located at 8685 North Silverbell Road, Tucson, Arizona, 85743. Vice Mayor Ziegler seconded the motion. Motion passed, 7-0.

L3 Relating to Liquor Licenses; recommendation to the Arizona Department of Liquor Licenses and Control regarding an application for a new series #012 Restaurant liquor license submitted by Julia Sarai Rubio on behalf of Filiberto's Mexican Food, located at 5730 West Cortaro Farms Road Suite 100, Tucson, Arizona, 85742 (Jill McCleary)

Council Member Cavanaugh moved to submit to the Arizona Department of Liquor Licenses and Control an order recommending approval of an application for a new series #012 Restaurant liquor license submitted by Julia Sarai on behalf of Filiberto's Mexican Food, located at 5730 West Cortaro Farms Road Suite 100, Tucson, Arizona, 85742. Council Member Officer seconded the motion. Motion passed, 7-0.

L4 Relating to Liquor Licenses; recommendation to the Arizona Department of Liquor Licenses and Control regarding an application for a new series #012 Restaurant liquor license submitted by Kevin Arnold Kramber on behalf of Ciao Down Kitchen, located at 6781 North Thornydale Road Suite 261, Tucson, Arizona, 85741 (Jill McCleary)

Vice Mayor Ziegler moved to submit to the Arizona Department of Liquor Licenses and Control an order recommending approval of an application for a new series #012 Restaurant liquor license submitted by Kevin Arnold Kramber on behalf of Ciao Down Kitchen, located at 6781 North Thornydale Road Suite 261, Tucson, Arizona, 85741. Council Member Officer seconded the motion. Motion passed, 7-0.

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

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)

Development Services Director Jason Angell provided an update related to public and private projects and development applications in the Town, as currently listed on the following website:

<https://maranaegov.com/portal/apps/experiencebuilder/experience/?draft=true&id=dae15ad306fb4a3fba65ee3bab21d54&page=Page&views=Water-Management%2CInspections>

During the presentation, **Mr. Angell** answered questions about the various projects.

D2 Relating to Legislation and Government Actions; discussion and possible action or direction regarding all pending state, federal, and local legislation/government actions and on recent and upcoming meetings of other governmental bodies (Terry Rozema)

Mr. Rozema provided an update on recent legislative activities, highlighting key developments in the Arizona Legislature. He reported that the legislative session was expected to conclude by Memorial Day. He also stated that housing legislation discussions stalled due to a lack of consensus among stakeholders.

Mr. Rozema also reported the following:

- The law enforcement defunding prohibition bill passed and was awaiting the Governor's signature.
- A bill supporting communities with sober living homes was signed into law.
- Senate Bill 1294, concerning the lease of the Marana prison, did not pass.

Mr. Rozema stated that the Marana prison had been sold, with Management & Training Corporation (MTC) expected to take ownership and reopen the facility. **Mayor Post** inquired about the type of prisoners the facility will house. **Mr. Rozema** responded that discussions are ongoing, but it may be used as an immigration facility.

Vice Mayor Ziegler inquired about the security of the facility if it were to be used as an immigration facility, expressing concerns about safety. **Mr. Rozema** acknowledged the concerns and commented on the necessary requirements for the facility. **Vice Mayor Ziegler** requested regular updates on operational plans and security considerations. **Mr. Rozema** confirmed that information will be shared as it becomes available.

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).

Mayor Post asked for future agenda items. There were no requests for future agenda items.

ADJOURNMENT

Mayor Post asked for a motion to adjourn the meeting.

Council Member Officer moved to adjourn the meeting. Council Member Kai seconded the motion. Motion passed, 7-0. Meeting adjourned at 7:03 PM.

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the Marana Town Council meeting held on May 6, 2025. I further certify that a quorum was present.

Jill McCleary, Town Clerk



Council-Regular Meeting

A1

Meeting Date: 05/20/2025

To: Mayor and Council

From: Jane Fairall, Town Attorney

Date: May 20, 2025

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2025-042: Relating to Mayor and Council; establishing the compensation and vehicle and phone allowances for the elective officers of the Town; providing that the elective officers of the Town may choose a Town-issued phone in lieu of a phone allowance; and designating effective dates (Jane Fairall)

Discussion:

Marana Town Code Section 2-1-8 provides that the compensation of elective officers of the Town shall be fixed from time to time by resolution of the Town Council. The Council last set the compensation of elective officers of the Town in 2008, by adoption of Resolution No. 2008-86 on June 17, 2008. Resolution No. 2008-86 established the salary for Mayor and Council effective July 1, 2009 at \$1,367 per month, with a monthly phone allowance of \$125 and a monthly vehicle allowance of \$250. The resolution also provided that the Mayor's salary would increase to \$1,750 per month effective July 1, 2011, and that effective July 1, 2011, the Mayor would be provided a Town-owned vehicle for official business use in lieu of a vehicle allowance. Resolution No. 2008-86 further provided that the Vice Mayor's vehicle allowance would increase to \$275 per month effective July 1, 2011. On October 21, 2008, the Town Council adopted Resolution No. 2008-144, eliminating the two-year phase-in for phone and vehicle allowances, making the phone and vehicle allowances effective on October 1, 2008, and providing that until an appropriate Town-owned vehicle was purchased or made available for the Mayor's official business use, the Mayor's monthly vehicle allowance would be \$350. Copies of Resolution Nos. 2008-86 and 2008-144 are included in the agenda packet for reference.

At the Council's February 2025 retreat, the Council discussed the Mayor and Council Members' current salaries, including a comparison to the salaries of elected officials in similar jurisdictions, as well as an overview of the process for modification. As part of the discussion, the Council noted that if the salaries had increased by a 3% cost of living adjustment for every year, the salaries would be approximately \$31,000 per year.

Article 4, Pt. 2, § 17 of the Arizona Constitution provides that the compensation of a public officer shall not be increased or decreased during the public officer's term of office, but that when a member of a multi-person public body begins a new term of office, all members of the public body may receive the same increase or decrease in compensation. The next Council elections will take place in 2026, when the Town will hold a regular election for four Council Member seats and a special election for Mayor, with the general election to be held on the first Tuesday after the first Monday in November 2026; thus any changes to the Mayor and Council Members' salaries may not be effective until after the November 2026 election. The Town's Legal Department has concluded that Article 4, Pt. 2, § 17 of the Arizona Constitution does not apply to vehicle and phone allowances.

Adoption of the proposed resolution will do all of the following:

- Effective July 1, 2025, establish new vehicle allowances as follows:
 - Mayor - \$500 per month
 - Vice Mayor - \$400 per month
 - Council Members - \$350 per month
- Keep the monthly phone allowance for Mayor, Vice Mayor, and Council Members at \$125, and allow the Mayor, Vice Mayor, and any Council Member to elect to receive a Town-owned cell phone in lieu of the phone allowance.
- Effective on the first day of the first full Town of Marana pay period after the date of the 2026 general election, establish new salaries as follows:
 - Mayor - \$37,000 per year
 - Vice Mayor - \$31,000 per year
 - Council Members - \$31,000 per year

Financial Impact:

Fiscal Year: 2026
Budgeted Y/N: Y
Amount: \$31,800

The FY26 budget includes the proposed increases of \$9,300 to the Mayor and Council monthly vehicle allowances.

Staff Recommendation:

Staff recommends approval of the resolution.

Suggested Motion:

I move to adopt Resolution No. 2025-042, establishing the compensation and vehicle and phone allowances for the elective officers of the Town; providing that the elective officers of the Town may choose a Town-issued phone in lieu of a phone allowance; and designating effective dates.

Attachments

Resolution No. 2025-042

Resolution No. 2008-086

Resolution No. 2008-144

MARANA RESOLUTION NO. 2025-042

RELATING TO MAYOR AND COUNCIL; ESTABLISHING THE COMPENSATION AND VEHICLE AND PHONE ALLOWANCES FOR THE ELECTIVE OFFICERS OF THE TOWN; PROVIDING THAT THE ELECTIVE OFFICERS OF THE TOWN MAY CHOOSE A TOWN-ISSUED PHONE IN LIEU OF A PHONE ALLOWANCE; AND DESIGNATING EFFECTIVE DATES

WHEREAS Marana Town Code Section 2-1-8 provides that the compensation of elective officers of the Town shall be fixed from time to time by resolution of the Town Council; and

WHEREAS the Town Council last set the compensation of elective officers of the Town in 2008, by adoption of Resolution No. 2008-86 on June 17, 2008; and

WHEREAS Resolution No. 2008-86 established the salary for Mayor and Council effective July 1, 2009 at \$1,367 per month, with a monthly phone allowance of \$125 and a monthly vehicle allowance of \$250; and

WHEREAS Resolution No. 2008-86 also provided that the Mayor's salary would increase to \$1,750 per month effective July 1, 2011, and that effective July 1, 2011, the Mayor would be provided a Town-owned vehicle for official business use in lieu of a vehicle allowance; and

WHEREAS Resolution No. 2008-86 further provided that the Vice Mayor's vehicle allowance would increase to \$275 per month effective July 1, 2011; and

WHEREAS, on October 21, 2008, the Town Council adopted Resolution No. 2008-144, eliminating the two-year phase-in for phone and vehicle allowances, making the phone and vehicle allowances effective on October 1, 2008, and providing that until an appropriate Town-owned vehicle was purchased or made available for the Mayor's official business use, the Mayor's monthly vehicle allowance would be \$350; and

WHEREAS Article 4, Pt. 2, § 17 of the Arizona Constitution provides that the compensation of a public officer shall not be increased or decreased during the public officer's term of office, but that when a member of a multi-person public body begins a new term of office, all members of the public body may receive the same increase or decrease in compensation; and

WHEREAS the Town's Legal Department has concluded that Article 4, Pt. 2, § 17 of the Arizona Constitution does not apply to vehicle and phone allowances; and

WHEREAS the next Council elections will take place in 2026, when the Town will hold a regular election for four Council Member seats and a special election for Mayor, with the general election to be held on the first Tuesday after the first Monday in November 2026; and

WHEREAS the Mayor and Council find that establishing the compensation and vehicle and phone allowances for the elective officers of the Town as set forth in this resolution is in the best interests of the Town.

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

SECTION 1. Effective July 1, 2025, the monthly vehicle allowances of the Town's elected officials are established as follows:

	Vehicle Allowance
Mayor:	\$500
Vice Mayor:	\$400
Council Members:	\$350

SECTION 2. The monthly phone allowances of the Town's elected officials shall remain at \$125. Notwithstanding the phone allowance, the Mayor, Vice Mayor, and any Council Member may elect to receive a Town-owned cell phone in lieu of the phone allowance.

SECTION 3. Effective on the first day of the first full Town of Marana pay period after the date of the 2026 general election, the annual compensation of the Town's elected officials is established as follows:

	Salary
Mayor:	\$37,000
Vice Mayor	\$31,000
Council Members	\$31,000

SECTION 4. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to give effect to this resolution.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 20th day of May, 2025.

Mayor Jon Post

ATTEST:

Jill McCleary, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

MARANA RESOLUTION NO. 2008-86

RELATING TO MAYOR AND COUNCIL; ESTABLISHING THE COMPENSATION OF THE ELECTIVE OFFICERS OF THE TOWN; AND DESIGNATING EFFECTIVE DATES.

WHEREAS Marana Town Code Section 2-1-8 provides that the compensation of elective officers of the Town shall be fixed from time to time by resolution of the Town Council; and

WHEREAS a Citizen's Task Force appointed to review and make recommendations regarding Mayor and Council compensation has recommended that the Mayor's annual salary be increased to \$21,000, that Council members' annual salary be increased to \$16,400, that Mayor and Council members receive a cell phone allowance of \$125 per month, that the Vice Mayor receive a vehicle allowance of \$275 per month, that Council members receive a vehicle allowance of \$250 per month and that the Town purchase a Town vehicle for the Mayor for official business use, in lieu of a vehicle allowance; and

WHEREAS the Town Council finds that the recommendations of the Citizen's Task Force will provide fair and adequate compensation for the performance of the Mayor and Council's official duties; and

WHEREAS Article 4, Pt. 2, § 17 of the Arizona Constitution provides that the compensation of a public officer shall not be increased or decreased during the public officer's term of office, but that when a member of a multi-person public body begins a new term of office, all members of the public body may receive the same increase or decrease in compensation; and

WHEREAS the two-step process set forth in this Resolution to adopt the Task Force's recommendations meets the requirements of Article 4, Pt. 2, § 17 of the Arizona Constitution and is in the best interests of the Town.

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

SECTION 1. The Town Council hereby approves the recommendations of the Citizen's Task Force.

SECTION 2. Effective July 1, 2009, the monthly compensation of the Town's elected officials is established as follows:

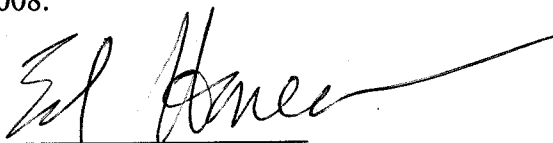
	Salary	Cell Phone	Vehicle	Total
Mayor & Council:	\$1,367	\$125	\$250	\$1,742

SECTION 3. Effective July 1, 2011, the monthly compensation of the Town's elected officials is established as follows, where "(Town)" means that a Town-owned vehicle is provided for the Mayor for official business use, in lieu of a vehicle allowance:

	Salary	Cell Phone	Vehicle	Total
Mayor:	\$1,750	\$125	(Town)	\$1,875
Vice Mayor:	\$1,367	\$125	\$275	\$1,767
Council Members:	\$1,367	\$125	\$250	\$1,742

SECTION 4. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to give effect to this resolution.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 17th day of June, 2008.



Mayor Ed Honea

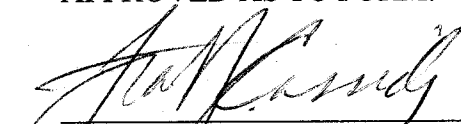
ATTEST:



Jocelyn C. Bronson, Town Clerk



APPROVED AS TO FORM:



Frank Cassidy, Town Attorney

MARANA RESOLUTION NO. 2008-144

RELATING TO MAYOR AND COUNCIL; AMENDING THE IMPLEMENTATION OF MAYOR AND COUNCIL VEHICLE AND PHONE ALLOWANCES UNDER RESOLUTION NO. 2008-86; ADOPTING AN ALTERNATIVE MAYOR'S VEHICLE ALLOWANCE; AND DECLARING AN EMERGENCY.

WHEREAS Marana Town Code Section 2-1-8 provides that the compensation of elective officers of the Town shall be fixed from time to time by resolution of the Town Council; and

WHEREAS the Mayor and Council adopted Resolution No. 2008-86 on June 17, 2008, implementing the recommendations of a Citizen's Task Force appointed to review and make recommendations regarding Mayor and Council compensation; and

WHEREAS Resolution No. 2008-86 phased in the Mayor and Council compensation and vehicle and phone allowances pursuant to Article 4, Pt. 2, § 17 of the Arizona Constitution, which provides that the compensation of a public officer shall not be increased or decreased during the public officer's term of office; and

WHEREAS the Town's Legal Department has concluded that Article 4, Pt. 2, § 17 of the Arizona Constitution does not apply to vehicle and phone allowances; and

WHEREAS the Council concludes that budget considerations require the Town to forego purchasing a Town vehicle for the Mayor's use, making it necessary and appropriate to adopt a vehicle allowance for the Mayor.

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

SECTION 1. Marana Resolution No. 2008-86 is hereby amended by eliminating the two-year phase-in for cell phone and vehicle allowances, and making the Citizen's Task Force recommendations concerning cell phone and vehicle allowances effective on October 1, 2008.

SECTION 2. Until an appropriate Town-owned vehicle is purchased or made available for the Mayor's official business use, the Mayor's monthly vehicle allowance is set at \$350, effective on October 1, 2008.

SECTION 3. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to give effect to this resolution.

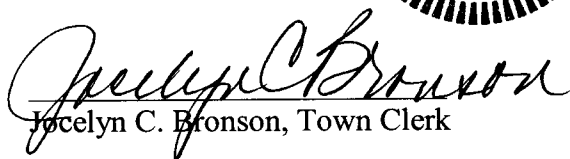
SECTION 4. Since it is necessary for the preservation of the peace, health and safety of the Town of Marana that this resolution become immediately effective, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage and adoption.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 21st day of October, 2008.

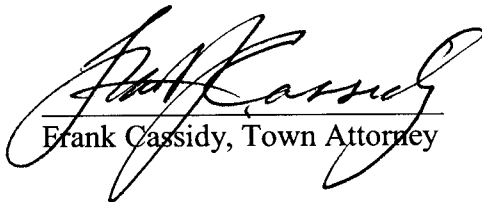



Vice Mayor Herb Kai

ATTEST:


Jocelyn C. Bronson, Town Clerk

APPROVED AS TO FORM:


Frank Cassidy, Town Attorney



Council-Regular Meeting

A2

Meeting Date: 05/20/2025

To: Mayor and Council

Submitted For: George Cardieri, Real Property Manager

From: George Cardieri, Real Property Manager

Date: May 20, 2025

Strategic Plan Focus Area:
Thriving Commerce

Strategic Plan Focus Area Additional Info:

Goal 1: Provide a supportive environment for industry leaders, startups, small businesses, and entrepreneurs through every stage of business development. Strategy 3. Develop a conceptual vision, design standards, and implementation strategy for Downtown Marana.

Subject: Resolution No. 2025-043: Related to Real Estate; authorizing the Mayor to sign an "Agreement for Purchase and Sale of Real Property and Escrow Instructions" with Marana Health Center, Inc.; and approving the transfer of up to \$1,004,000 in budgeted expenditure authority from the General Fund Contingency line item to the Land Acquisition line item for fiscal year 2024-2025 for acquisition and expenses related to the Marana Health Center, Inc. land acquisition (George Cardieri)

Discussion:

Marana Health Center, Inc. owns about 3.11 acres (about 135,684 square feet) of land at the northeast corner of Sandario Road and Bill Gaudette Drive, located immediately west of the Marana Aquatic and Recreation Center. The property consists of the three tax parcels listed in the table and shown on the aerial map provided as backup material for this agenda item. Town staff has negotiated the purchase agreement being presented today.

If this purchase agreement is approved as presented, the Town will purchase the property for \$1,000,000 (about \$7.37 per square foot), which is the market value of the

property based on an appraisal report completed by Axia Real Estate Appraisers on October 4, 2024. Additional costs will be incurred for closing costs (about \$2,000), and Phase 1 environmental consultant fees (about \$2,000).

Financial Impact:

Fiscal Year: 2025

Budgeted No

Y/N:

Amount: \$1,004,000.00

To fund the acquisition and related costs, the draft resolution to be adopted by this agenda item will, if approved, transfer 1,004,000 from the General Fund Contingency the appropriate line items and department budgets for this Land Acquisition.

Staff Recommendation:

Staff recommends adoption of Resolution No. 2025-043, authorizing the acquisition of about 3.11 acres of land from Marana Health Center, Inc., and authorizing General Fund Contingency transfer to cover the acquisition price and related costs.

Suggested Motion:

I move to adopt Resolution No. 2025-043, authorizing the Mayor to sign an "Agreement for Purchase and Sale of Real Property and Escrow Instructions" with Marana Health Center, Inc.; and approving the transfer of up to \$1,004,000 in budgeted expenditure authority from the General Fund Contingency line item to the Land Acquisition line item for fiscal year 2024-2025 for acquisition and expenses related to the Marana Health Center, Inc. land acquisition.

Attachments

Resolution No. 2025-043

Exhibit A to Resolution - Purchase and Sale Agreement

Appraisal

MHC Table and Aerial

MARANA RESOLUTION NO. 2025-043

RELATED TO REAL ESTATE; AUTHORIZING THE MAYOR TO SIGN AN "AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS" WITH MARANA HEALTH CENTER, INC.; AND APPROVING THE TRANSFER OF UP TO \$1,004,000 IN BUDGETED EXPENDITURE AUTHORITY FROM THE GENERAL FUND CONTINGENCY LINE ITEM TO THE LAND ACQUISITION LINE ITEM FOR FISCAL YEAR 2024-2025 FOR ACQUISITION AND EXPENSES RELATED TO THE MARANA HEALTH CENTER, INC. LAND ACQUISITION

WHEREAS the Town of Marana has the opportunity to acquire vacant land at the northeast corner of Sandario Road and Bill Gaudette Drive, located immediately west of the Marana Aquatic and Recreation Center, for a price the Town finds advantageous to the Town and its citizens; and

WHEREAS on June 18, 2024, the Town Council adopted the fiscal year 2024-2025 budgetary document and overall financial plan which set the legal level of budgetary control at the department level for the General Fund and at the fund level for all other funds; and

WHEREAS the fiscal year 2024-2025 budget did not include funding for acquisition of land from Marana Health Center, Inc.; and

WHEREAS the Town Council desires to transfer budgeted expenditure authority in the fiscal year 2024-2025 budget of up to \$1,004,000 from the General Fund Contingency line item to Object 8005 – Land Acquisition for acquisition and expenses related to the Marana Health Center, Inc. land acquisition; and

WHEREAS transferring budgeted expenditure authority from the contingency fund of up to \$1,004,000 within fiscal year 2024-2025 will not significantly impact the General Fund; and

WHEREAS reallocations of budgeted expenditure authority between the contingency line item in the General Fund to other line items are necessary from time to time; and

WHEREAS the Council finds that the land acquisition and budget reallocation addressed by this resolution are in the best interest of the Town of Marana and its citizens.

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

SECTION 1. The Mayor is authorized to execute the “Agreement for Purchase and Sale of Real Property and Escrow Instructions” with Marana Health Center, Inc., in substantially the form attached to this resolution as Exhibit A, for and on behalf of the Town of Marana.

SECTION 2. The Town Council hereby approves the transfer of up to \$1,004,000 in budgeted expenditure authority from the General Fund’s budgeted Contingency line item to Object 8005—Land Acquisition for fiscal year 2024-2025 for acquisition and expenses related to the Marana Health Center, Inc. land acquisition.

SECTION 3. 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 this resolution.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 20th day of May 2025.

Mayor Jon Post

ATTEST:

APPROVED AS TO FORM:

Jill McCleary, Town Clerk

Jane Fairall, Town Attorney

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS

This Agreement for Purchase and Sale of Real Property and Escrow Instructions (this "Agreement") is made and entered into by and between **MARANA HEALTH CENTER, INC.**, an Arizona non-profit corporation (collectively, the "Seller") and the **TOWN OF MARANA**, an Arizona municipal corporation (the "Purchaser"), this ____ day of May, 2025 (the "Effective Date"). The Seller and the Purchaser are sometimes referred to collectively in this Agreement as the "Parties" and individually as a "Party."

RECITALS

A. The Seller owns certain real property located in Marana, Pima County, Arizona, more particularly described on Exhibits "A", "B" and "C" attached to and incorporated in this Agreement by this reference and referred to in this Agreement as the "Property".

B. The Seller desires to sell and the Purchaser desires to purchase the Property, in accordance with the terms and conditions as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. Purchase and sale. Except as otherwise provided in this Agreement, the Seller by this Agreement agrees to sell and convey to the Purchaser, and the Purchaser agrees to purchase and take from the Seller, that certain Property situated in Pima County, Arizona, as more particularly described on Exhibits "A", "B" and "C", including any right, title, and interest of the Seller in and to adjacent streets rights-of-way, all collectively referred to as the Property in this Agreement.

2. Purchase price. The total purchase price for the Property (the "Purchase Price") is One Million and No/100 Dollars (\$1,000,000.00), which shall be paid as set forth in paragraph 3 below.

3. Payment of purchase price. The Purchase Price shall be payable at Closing of the sale of the Property, in the following manner:

a. Upon full and final execution of this Agreement, escrow shall be opened with the Escrow Agent by depositing a copy of the fully executed Agreement with Escrow Agent, and a sum of Five Thousand and No/100 Dollars (\$5,000.00) (the "Earnest Money") shall be paid by the Purchaser to Escrow Agent by check or wire transfer within fourteen (14) days of the Effective Date.

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

b. The balance of the Purchase Price shall be paid in cash by the Purchaser by check or wire transfer, by depositing this sum with Escrow Agent on or before the Closing.

4. Joint escrow instructions. Escrow Agent is by this Agreement appointed and designated to act as such and is authorized and instructed to deliver, pursuant to the terms of this Agreement, such documents and monies deposited with Escrow Agent as provided in this Agreement. The provisions of this Agreement shall constitute joint Escrow Instructions to the Escrow Agent; provided however, that the Parties shall execute such additional instructions as requested by the Escrow Agent not inconsistent with the provisions of this Agreement.

5. Closing date. The closing of this transaction (the "Closing", "Closing Date" or "Close of Escrow") shall mean the date of which the Warranty Deed is recorded. The Closing shall occur at the office of Stewart Title & Trust of Tucson, Attn: Jenny Marrow, Escrow Officer ("Escrow Agent"), located at 3939 E. Broadway Blvd., Tucson, Arizona 85711, or at such other place as may be mutually agreed upon by the Parties. The Closing Date shall be 15 days following the expiration of the Inspection Period as defined in subparagraph 6.a, or as otherwise mutually agreed by the Seller and the Purchaser.

6. Inspection Period, title commitment review, disapproval and title insurance.

a. Inspection Period. The Purchaser shall have 30 days from the Effective Date to enter upon and conduct inspections and investigations of the Property to satisfy with respect to its physical condition, appraised value, the condition of title, title exceptions, and as to the feasibility and suitability of the Purchaser's intended purpose (the "Inspection Period"). During the Inspection Period, the Purchaser at its own expense, shall: (i) conduct all desired physical, environmental, geotechnical, and other types of inspections and investigations to determine the value and condition of the Property; (ii) make inquiries and consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities concerning the feasibility and suitability of the Property and the surrounding areas; (iii) investigate applicable building, zoning, floodplain, fire, health, and safety codes, violations or defects; and (iv) verify any other material fact or condition that Purchaser deems necessary or desirable to inspect the Property and satisfy its diligence with regard to the Property.

b. Title commitment review. Within five (5) days of the Effective Date, the Purchaser shall order from Stewart Title & Trust of Tucson (the "Title Company") a commitment for a standard owner's title insurance policy for the Property. The Purchaser shall have until the end of the Inspection Period as defined in subparagraph 6.a to object to the condition of title to the Property, and to approve the title exceptions.

c. Disapproval. If the Purchaser, in the Purchaser's sole discretion, disapproves of any aspect of the Property, condition of title, title exceptions, or other matter, Purchaser shall deliver to Seller, by the end of the Inspection Period, notice of

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the items disapproved and state in the notice that Purchaser elects to either: (1) immediately cancel this Agreement whereas the Purchaser shall be entitled to the return of its Earnest Money, or (2) provide Seller an opportunity to correct the items disapproved. Purchaser's failure to give notice of disapproval of items or cancellation of this Agreement within the Inspection Period shall conclusively be deemed Purchaser's election to proceed with the transaction without correction of any disapproved items.

d. Title policies. The Escrow Agent shall issue to the Purchaser at Closing the Owner's Policy (or the Title Company's irrevocable commitment to issue such Owner's Title Policy within 30 days after Closing). The Owner's Policy shall be issued by the Title Company in the full amount of the Purchase Price, effective as of the Closing, and shall insure the Purchaser that fee simple title to the Property is vested in the Purchaser subject only to title exceptions approved by the Purchaser.

7. Representations and warranties of the Seller and the Purchaser.

a. The Seller's representations and warranties. The Seller represents and warrants, as of the date of this Agreement, as follows:

i. The Seller is the owner of the Property, and the Seller shall convey title to the Property to the Purchaser at Closing by Warranty Deed, free of all liens, claims or encumbrances not otherwise approved or accepted by Purchaser, subject only to title exceptions accepted by the Purchaser;

ii. At the Close of Escrow, the Seller shall be ready, willing, and able to perform in accordance with the terms of this Agreement and all Exhibits to this Agreement.

iii. The execution and delivery of this Agreement and the consummation of the transaction contemplated by this Agreement have been duly authorized on the part of the Seller.

iv. The Seller will perform, observe, and comply with all of the covenants, agreements, and conditions required by this Agreement to be performed, observed and complied with by the Seller on or before the Closing and will execute and deliver all documents required to be executed and delivered by the Seller in order to consummate the transaction contemplated by this Agreement on or before the Closing (if such shall close in accordance with the terms of this Agreement) and of the time periods set forth in this Agreement.

v. The Seller has not been notified that the Property is not in compliance (both as to condition and use) with all applicable federal, state and local laws, statutes, ordinances, codes and administrative rules or regulations and with any applicable orders of any court or other judicial body having jurisdiction over the Property, including, but not limited to, building, subdivision, pollution, environmental protection, water disposal, health, fire and safety engineering codes, rules or

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regulations, and as of Closing the Seller shall have taken no action to knowingly cause the Property to violate any of the foregoing as the same existed upon the Opening of Escrow.

vi. The Seller has no actual notice of any issues relating to access to the Property or utility service to the Property.

vii. Other than the representations and warranties expressly stated in this Agreement, the Seller makes no further representations or warranties of any sort whatsoever. Except as expressly provided within this Agreement, the Purchaser is relying entirely on the Purchaser's own investigations and examinations as to the physical condition and every other condition and aspect of the Property, including without limitation, conformity to past, current or future zoning or building code requirements, the existence of soil instability, soil repairs, and any other soil conditions, sufficiency of undershoring and drainage, the existence of any flood plains or flood hazards or similar conditions, every other matter affecting the stability or integrity of the Property and any improvements or buildings located on the Property, the environmental condition of the Property and the income and expenses generated by the Property. The Purchaser acknowledges that it has performed a thorough investigation, that any information provided or made available or to be provided or made available to the Purchaser by the Seller, or its employees, officers, agents, brokers, members, managers, partners, representatives, or others was provided or made available or will be provided or made available solely as a courtesy, and that the Purchaser has the sole and absolute responsibility for determining the existence or nonexistence of any fact related in anyway to the Purchaser's decision to purchase the Property. The Purchaser acknowledges that the Purchaser is purchasing the Property on an "AS-IS, WHERE-IS" basis WITH ALL FAULTS, except as specifically and expressly represented and warranted in this subparagraph 7.a of this Agreement, without any implied warranties, and the Purchaser is completely at risk with respect to all attributes and conditions, patent, latent or otherwise, of the Property. The Seller does not warrant the Property to be free from defects and the Purchaser expressly accepts the possibility of such defects, in any form, whenever discovered by Purchaser. By executing this Agreement, the Purchaser by this Agreement gives the Seller, as a material inducement for the Seller to enter into this Agreement, a full and complete release of any and all claims or causes of action arising at common law, under statute or otherwise, whether sounding in contract or in tort, arising out of or related to the condition of the Property and any equipment remaining on the Property. Notwithstanding the foregoing or anything else in this Agreement to the contrary, the Purchaser does not release the Seller from any claims or causes of action the Purchaser may have now or in the future based upon fraudulent misrepresentation by the Seller.

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

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b. The Purchaser's representations and warranties. The Purchaser represents and warrants, as of the date of this Agreement, as follows:

i. At the Close of Escrow, the Purchaser shall be fully authorized, ready, willing, and able to perform in accordance with the terms of this Agreement and all Exhibits to this Agreement.

ii. The execution and delivery of this Agreement and the consummation of the transaction contemplated by this Agreement have been duly authorized on the part of the Purchaser.

iii. The Purchaser warrants to the Seller that the Purchaser understands that this is a binding contract, that there are no oral or verbal representations about the Property which have been made by the Seller which will survive the execution of this Agreement including, but not limited to, statements as to size, acreage, boundaries, location, zoning, suitability or any other representation, unless said statement is in expressly made in writing in this Agreement or related documents and signed by the Seller.

iv. The Purchaser will, prior to Closing, fully inspect the Property, in accordance with subparagraph 6.a above, and at Closing, will accept the Property in an "AS-IS, WHERE-IS" condition, WITH ALL FAULTS, unless this Agreement has been canceled in accordance with its terms and conditions.

v. The Purchaser will perform, observe, and comply with all of the covenants, agreements, and conditions required by this Agreement to be performed, observed and complied with by the Purchaser on or before the Closing and will execute and deliver all documents required to be executed and delivered by the Purchaser in order to consummate the transaction contemplated by this Agreement on or before the Closing (if such shall close in accordance with the terms of this Agreement) and of the time periods set forth in this Agreement.

c. Survival of representations and warranties after Closing. The Parties acknowledge that each and every representations and warranty contained in this paragraph 7 shall be true and accurate as of the date of this Agreement and also as of the Closing and shall constitute a material part of the consideration under this Agreement and shall survive the Closing. All obligations to be performed at the Closing will survive the Closing and will not be deemed to merge upon delivery and acceptance of the conveyance instruments at Closing.

8. Closing.

a. The Seller's deliveries. No later than Closing, the Seller shall deliver or cause to be delivered to Escrow Agent each of the following:

i. A Warranty Deed executed and acknowledged on behalf of the Seller, in recordable form, conveying good and indefeasible fee simple title to the Property

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to the Purchaser, free and clear of any liens, encumbrances, easements, or other matters affecting title to the Property not otherwise accepted by Purchaser, including but not limited to such title exceptions accepted by the Purchaser;

ii. An Affidavit of Property Value;

iii. Such evidence or other documents that may be reasonably required by the Title Company evidencing the status and capacity of the Seller in connection with the sale of the Property; and

iv. All additional documents and instruments this Agreement requires to be provided by the Seller at Closing and all additional documents and instruments as are reasonably necessary for the proper consummation of this transaction.

b. The Purchaser's deliveries. Not later than Closing, the Purchaser shall deliver or cause to be delivered to Escrow Agent each of the following:

i. An Affidavit of Property Value;

ii. All additional documents and instruments this Agreement requires to be provided by the Purchaser at Closing and all additional documents and instruments as are reasonably necessary for the proper consummation of this transaction; and

iii. Such evidence or other documents that may be reasonably required by the Title Company evidencing the status and capacity of the Purchaser in connection with the sale of the Property.

iv. The funds required to purchase the Property.

c. Possession. At Closing, possession shall be transferred from the Seller to the Purchaser and the Seller shall have removed all of the Seller's personal property, and shall leave the Property in the same condition as of the date of this Agreement. Any personal property remaining upon the Property at Closing shall be transferred to the Purchaser gratis at Closing. Upon or as soon after Closing as is practical, the Escrow Agent shall issue and deliver the Owner's Policy to the Purchaser as provided in this Agreement.

d. Prorations. Ad valorem taxes for the then-current period shall be prorated at the Closing, effective as of the date of Closing. If the Closing shall occur before the tax rate is fixed for the then-current period, the apportionment of the taxes shall be upon the basis of the tax rate for the preceding period applied to the latest assessed valuation, but any difference in actual and ad valorem taxes for the period of sale actually paid by the Purchaser shall be adjusted between the Parties upon receipt of written evidence of their payment. Special assessments which are or will become a lien on the Property shall be paid in full by the Seller, if any, no later than the Closing.

e. Closing costs. Payment of all escrow fees, document preparation expenses, sales, intangible and documentary transfer taxes, recording fees, and other reasonable

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

and necessary costs incident to the transaction shall be split evenly by the Purchaser and Seller. A standard form of title insurance policy for the Property shall be provided to the Purchaser and shall be paid for by the Seller at Closing.

f. Escrow Agent obligations. Without limitation, it shall be the obligation of Escrow Agent at Closing:

i. To record with the Pima County Recorder the Warranty Deed delivered under this Agreement;

ii. To deliver to the Pima County Recorder the Affidavit of Property Value; and

iii. To cause the issuance and delivery to the Purchaser of the Owner's Policy.

9. Indemnification.

a. The Purchaser's indemnity. The Purchaser agrees to indemnify, defend, protect and hold the Seller harmless of and from any and all liabilities, claims, demands, and expenses, of any kind or nature (except those items, which by the terms of this Agreement specifically remain the obligation of the Seller) arising or accruing on and after the Closing Date and which are in any way related to the ownership, maintenance, or operation of the Property, or from the Purchaser's use of the Property prior to Closing including during the Inspection Period, or from any activity, work or things done, permitted or suffered by the Purchaser in or about the Property prior to Closing including during the Inspection Period, including, but not limited to, court costs and attorney's fees.

b. The Seller's indemnity. The Seller agrees to indemnify, defend, protect and hold the Purchaser harmless of and from any and all liabilities, claims, demands, and expenses, of any kind or nature (except those items, which by the terms of this Agreement specifically remain the obligation of the Purchaser) arising or accruing prior to the Closing Date and which are in any way related to the Seller's ownership, maintenance, or operation of the Property, including, but not limited to, court costs and attorney's fees.

c. Notice of claim. If either Party receives notice of a claim or demand which results or may result in indemnification pursuant subparagraphs 9.a or 9.b of this Agreement, the Party receiving notice of the claim shall as soon as practicable give notice of request for indemnity to the other Party. The Party receiving the notice of request for indemnity shall immediately take such measures as may be reasonably required to properly and effectively defend the claim, and may defend same with counsel of its own choosing. If the Party receiving notice of request for indemnity fails to properly and effectively defend the claim, the Party giving notice of request for indemnity may defend the claim and seek reimbursement of all expenses and of any final judgment that should have been covered by the indemnifying Party.

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

10. Default and remedies.

a. If the Purchaser fails to consummate this Agreement for any reason except: (i) the Seller's default, (ii) termination of this Agreement by the Purchaser pursuant to a right of termination given in this Agreement, or (iii) the failure of a condition to Closing or to the Purchaser's obligations under this Agreement as set forth in this Agreement, the Purchaser shall be in default under this Agreement in which event the Seller, as its sole and exclusive remedy, may terminate this Agreement and Escrow Agent shall transfer to the Seller the Earnest Money, which sum shall constitute the Seller's liquidated damages for the breach of this Agreement and not a penalty, it being the agreement and understanding of the Parties that the Seller's damages would otherwise be difficult if not impossible to determine.

b. If default by the Seller causes the Seller not to close, the Purchaser shall have all remedies available at law against the Seller, including but not limited to, return of its Earnest Money and specific performance.

c. Except at otherwise provided in this Agreement, any Party who wishes to cancel this Agreement because of any breach by the other Party, or because escrow fails to close by the agreed date, and who is not himself in breach of this Agreement, except as occasioned by a breach by the other Party, may cancel this Agreement by delivering a notice to either the breaching party and to the Escrow Agent stating the nature of the breach and that this Agreement shall be cancelled unless the breach is cured within 15 days following the delivery of the notice. Any notice delivered to any Party must be delivered to the Escrow Agent. Within three days after receipt of such notice, the Escrow Agent shall send the notice by mail to the Party in breach at the address contained in the notice. No further notice shall be required. If the breach is not cured within 15 days following the delivery of the notice, this Agreement shall be cancelled.

11. Brokers. The Parties represent that they have not retained the services of a real estate broker or agent with respect to the sale of the Property. The Seller will indemnify, defend, and hold harmless the Purchaser from and against any and all claims from any real estate broker or agent arising from or related to this Agreement, who purports to have engaged with Seller with regard to the sale of the Property. The Purchaser will indemnify, defend, and hold harmless the Seller from and against any and all claims from any real estate broker or agent arising from or related to this Agreement which purports to have engaged with Purchaser with regard to the purchase of the Property. **The terms and provisions of this paragraph shall survive Closing.**

12. Miscellaneous provisions.

a. Date of this Agreement. The terms "date of this Agreement" or "effective date of this Agreement" as used in this Agreement, shall mean the date indicated in the first paragraph of this Agreement.

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

b. Notices. Any notice or communication required or permitted under this Agreement shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail, addressed to the intended recipient at the address on the signature page of this Agreement or when received if delivered personally. Notices delivered by email shall also be allowed and shall be effective upon transmission provided electronic confirmation of the transmission is kept by the Party giving notice. Any address for notice may be changed by five days prior written notice so given. Any notice to a Party required or permitted under this Agreement shall be delivered to the following:

i) If to the Seller:

MARANA HEALTH CENTER, INC.
Attn: Timothy Morgan
13395 N. Marana Main Street
Marana, AZ 85653
tmorgan@mhhealthcare.org

ii) If to the Purchaser:

TOWN OF MARANA
Attn: George Cardieri
11555 W. Civic Center Drive, Bldg. A3
Marana, Arizona 85653
gcardieri@maranaaz.gov

iii) If to the Escrow Agent:

Jenny Morrow, Escrow Officer
STEWART TITLE & TRUST OF TUCSON
3939 E. Broadway Blvd.
Tucson, Arizona 85711
jenny.morrow@stewart.com

c. Interpretation. The Parties acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions of this Agreement. The Parties have equal bargaining power and intend the plain meaning of the provisions in this Agreement. In the event of an ambiguity in, or dispute regarding, the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the draftsman.

d. Risk of loss. The risk of loss or damage to the Property and all liability to third persons until the Closing shall be borne by the Seller and thereafter, beginning on the Closing Date, shall be borne by the Purchaser.

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e. Counterpart and electronic signatures. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and this Agreement may be executed by the affixing of the signature page of each of the Parties to one of such counterpart signature pages and all such counterpart signature pages shall be attached to one Agreement, and read having the same force and effect as though all of the signatories had signed a single page. Further, the execution and delivery of this Agreement may be effectuated by the use of electronic transmission and the electronic signature shall be considered an original signature.

f. Attorneys' fees. If either Party shall be required to employ an attorney to enforce or defend its rights under this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees, all such fees to be set by the Court and not by the jury.

g. Integration. This Agreement contains the complete agreement between the Parties and cannot be varied except by the written agreement of the Parties. The Parties agree that there are no oral agreements, understandings, representations, or warranties which are not expressly set forth in this Agreement.

h. Binding effect. This Agreement shall inure to the benefit of and bind the Parties and their respective heirs, representatives, successors, and permitted assigns.

i. Days. All references to days in this Agreement shall be construed as calendar days and a day shall begin at 12:00 a.m. and end at 11:59 p.m.

j. Dates and time periods. Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for in this Agreement fall on a Saturday, Sunday or other legal holiday, such date shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

k. Non-waiver. No delay or failure by either Party to exercise any right under this Agreement and no partial or single exercise of such right will constitute a waiver of that or any other right, unless expressly provided in this Agreement.

l. Assignment. The Purchaser shall have no right, without the prior written approval of the Seller, which approval shall not be unreasonably withheld, to sell, assign, or transfer this Agreement or any rights or responsibilities of the Purchaser under this Agreement.

m. Exhibits. All exhibits referenced in this Agreement and attached to this Agreement are by this Agreement incorporated in this Agreement.

n. Not a partnership/no third-party beneficiaries. Nothing in this Agreement shall be deemed to create a partnership or joint venture among the Parties. This

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Agreement is not intended to benefit and shall not be construed as conveying any rights upon any parties other than the Parties to this Agreement.

o. Choice of law/venue. This Agreement shall be governed by Arizona law. Venue for any action brought under this Agreement shall be Pima County.

p. Time is of the essence. Time is of the essence in the performance of this Agreement.

q. Severability. If any one or more of the provisions of this Agreement or the applicability of any provisions to a specific situation is held to be invalid or unenforceable, the provision will be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all of such provisions of this Agreement and all other application of such provisions will not be affected by any such invalidity or unenforceability.

r. Independent counsel. The Seller and the Purchaser each represent and acknowledge that it has had the benefit and advice of independent legal counsel in connection with the preparation and execution of this Agreement or has been advised to seek such counsel and has voluntarily or knowingly chosen not to do so.

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

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IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

THE SELLER:

MARANA HEALTH CENTER, INC., an
Arizona non-profit corporation

By: Joshua Carzoli
Name: Joshua Carzoli

Title: CEO

Date: 5/14/2025

THE PURCHASER:

TOWN OF MARANA, an Arizona municipal
corporation

By: _____
Jon Post, Mayor

Date: _____

ATTEST:

Jill McCleary, Town Clerk

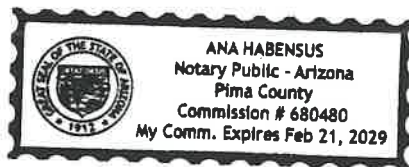
APPROVED AS TO FORM:

Jane Fairall, Town Attorney

STATE OF ARIZONA)
 ss.
County of Pima)

The foregoing instrument was acknowledged before me this 14th day
of May, 2025, by Ana Habensus the
Notary of MARANA HEALTH CENTER, INC., an Arizona
non-profit corporation, on behalf of the corporation.

(Seal)



[Signature]
Notary Public

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

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EXHIBIT "A"

Pima County Assessor Parcel Number 217-37-030A.

That portion of the West half of the Northwest quarter of Section 27, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona, bounded and described as follows:

BEGINNING at a point which is 1148.0 feet Southerly and 30 feet Easterly from the Northwest corner of said Section 27;

AND RUNNING THENCE Easterly and parallel to the North section line of said Section 27, a distance of 467.3 feet to a point;

THENCE Southerly and parallel to the West section line of said Section 27, a distance of 175.2 feet to a point;

THENCE Westerly and parallel to the North section line of said Section 27, a distance of 467.3 feet to a point;

THENCE Northerly and parallel to the West section line of said Section 27, a distance of 175.2 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM that portion conveyed to the Town of Marana by Deed of Dedication recorded July 23, 2009, in Docket 13606, page 1663 in the office of the Pima County Recorder, Pima County, Arizona.

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

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EXHIBIT "B"

Pima County Assessor Parcel Number 217-37-0280.

That portion of the Northwest quarter of the Northwest quarter of Section 27, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona, particularly described as follows:

BEGINNING at a point, which point is 972.8 feet Southerly and 30 feet Easterly from the Northwest corner of said Section 27, and running thence Easterly and parallel to the North section line of said Section 27, a distance of 467.3 feet to a point;

THENCE Southerly and parallel to the West section lines of said Section 27, 175.2 feet to a point;

THENCE Westerly and parallel to the North section line of said Section 27, 467.3 feet to a point;

THENCE Northerly and parallel to the West section line of said Section 27, 175.2 feet to the POINT OF BEGINNING;

EXCEPT the East 145 feet thereof.

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

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EXHIBIT "C"

Pima County Assessor Parcel Number 217-37-0290.

Parcel No. 1:

The East 145 feet of the following described property:

That portion of the Northwest quarter of the Northwest quarter of Section 27, Township 11 South, Range 11 East, of the Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at a point, which point is 972.8 feet Southerly and 30 feet Easterly from the Northwest corner of said Section 27;

Thence Easterly and parallel to the North section line of said Section 27, a distance of 467.3 feet to a point;

Thence Southerly and parallel to the West section lines of said Section 27, 175.2 feet to a point;

Thence Westerly and parallel to the North section line of said Section 27, 467.3 feet to a point;

Thence Northerly and parallel to the West section line of said Section 27, 175.2 feet to the Point of Beginning.

Parcel No. 2:

An easement for ingress and egress over the South 20 feet of the following described property:

That portion of the Northwest quarter of the Northwest quarter of Section 27, Township 11 South, Range 11 East, of the Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at a point, which point is 972.8 feet Northerly and 30 feet Easterly from the Northwest corner of said Section 27;

Thence Easterly and parallel to the North section line of said Section 27, a distance of 467.3 feet to a point;

Thence Southerly and parallel to the West section line of said Section 27, 175.2 feet to a point;

Thence Westerly and parallel to the North section line of said Section 27, 467.3 feet to a point;

Thence Northerly and parallel to the West section line of said Section 27, 175.2 feet to the Point of Beginning;

Except the East 145 feet.

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AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

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APPRAISAL REPORT

OF

VACANT LAND

LOCATED AT THE

NORTHEAST CORNER OF
SANDARIO ROAD AND BILL GAUDETTE DRIVE,
MARANA, PIMA COUNTY, ARIZONA 85653

PREPARED FOR THE

TOWN OF MARANA

PREPARED BY

ANDRES A. RUBAL, MAI, AI-GRS
JAMES S. BRADLEY, MAI, AI-GRS

DATE OF REPORT: OCTOBER 4, 2024

EFFECTIVE DATE OF THE APPRAISAL: SEPTEMBER 19, 2024

AXIA JOB NO. 28263-241

OWNERSHIP: MARANA HEALTH CENTER, INC.

TAX CODE: 217-37-0280, -0290, & -030A



October 4, 2024

File No. 28263-241

Ms. Beatriz Gallivan
Real Property Coordinator
11555 W. Civic Center Drive, A-2
Marana, AZ 85653

RE: Appraisal report of vacant land located at the northeast corner of Sandario Road and Bill Gaudette Drive, Marana, Pima County, Arizona 85653.

Dear Ms. Gallivan:

In accordance with your request, we have completed an appraisal report of the property described above. This document is written in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as issued by the Appraisal Foundation 2024. All information pertinent to the value conclusions is summarized within this report. This report is considered sufficient such that the client and intended users of the report should understand it, and that they should deem the data, analysis and conclusions contained herein to be credible. Any additional information, if necessary, is contained within the file and is available to the client.

The ***purpose*** of this valuation is to develop a fee simple market value opinion of the land, “as is”. The ***intended use*** of this report is for potential sale. The ***client and intended user*** of this report is the Town of Marana. Other ***intended users*** include the property owner. Besides the client and appropriate regulatory agencies, parties other than those specified may not use or rely on this report. AXIA Real Estate Appraisers and the signatory of this report assume no responsibility to any party, other than the client and other intended users, who uses or relies on any information in this report. The ***effective date of appraisal*** is September 19, 2024, the most recent date of our inspection. We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The ***Scope of Work*** for this report includes completing an appraisal inspection of the subject, analyzing the local market for trends that impact real estate values, and searching the local market for comparable data. The subject reflects vacant land. Overall, we have analyzed the fee simple interest in the land. The Sales Comparison Approach is completed to develop a market value opinion for the subject “as is.” Additional details on scope of work are in the body of the report.

This report or any portion thereof is for the exclusive use of the client for the above stated purpose and intended use, and is not intended to be used, given, sold, transferred, or relied upon by any persons other than the client without the prior, express written permission of the authors, as set forth within the limiting conditions found within this report. Any party other than the client, who uses or relies upon any information in this report, without the preparer's written consent, does so at their own risk.

Based upon the data and discussions contained within this report and supported by information contained in the file, our market value opinions of the subject follow:

**FEE SIMPLE MARKET VALUE
OF THE SUBJECT PROPERTY "AS IS"**

AS OF SEPTEMBER 19, 2024\$1,000,000

The exposure time, as premised upon the prior value conclusions, is estimated to be less than 12 months.

We hereby certify that Andres A. Rubal, MAI, AI-GRS, inspected the subject property; that the fee was not contingent upon the opinions of value contained herein; and that we have no interest, present or prospective, in the property appraised. Furthermore, we certify that, to the best of our knowledge and belief, all statements, and opinions contained in this report are correct, subject to the assumptions, conditions, special limiting conditions, and certification that are made as part of this report.

Respectfully submitted,


ANDRES A. RUBAL, MAI, AI-GRS
AXIA Real Estate Appraisers
Certified General Real Estate Appraiser
Arizona Certificate #31801


JAMES S. BRADLEY, MAI, AI-GRS
Certified General Real Estate Appraiser
Arizona Certificate #30432

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INTRODUCTION

This appraisal is being written in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) 2024 as issued by the Appraisal Foundation. All information pertinent to the value conclusions contained herein is summarized within this report. This report is considered sufficient such that the client and intended users of the report should understand it, and that they should deem the data, analysis and conclusions to be credible. Any additional information, if necessary, is contained within the file and is available to the client. If questions regarding this valuation arise, the client is advised to consult my file for additional data.

Property Identification

The subject property is generally located at the northeast corner of Sandario Road and Bill Gaudette Drive, a secondary, unsignalized corner in Marana, Arizona. The physical addresses are 13418, 13416 and 13420 North Sandario Road, Marana, Pima County, Arizona 85653. The property reflects 3.11 acres of vacant land. The subject is identified by the Pima County Assessor by parcel numbers 217-37-0280, -0290 and -030A.



Legal Descriptions

Abbreviated legal descriptions, as abstracted from the Pima County Assessor, follow:

APN 217-37-0280: S175.2' N1148' E467.3' W497.3' NW4 NW4 EXC E145'1.30 AC SEC 27-11-11, Pima County, Arizona.

APN 217-37-0290: E145' W497.3' S175.2' N1148' NW4 NW4.58 AC SEC 27-11-11, Pima County, Arizona.

APN 217-37-030A: N113.20' S175.20' E467.30' W497.30' NW4 NW4 1.21 AC SEC 27-11-11, Pima County, Arizona.

Purpose, Intended Use, Intended User

The ***purpose*** of this valuation is to develop a fee simple market value opinion of the land, “as is”. The ***intended use*** of this report is for potential sale. The ***client and intended user*** of this report is the Town of Marana. Other ***intended users*** include the property owner. Besides the client and appropriate regulatory agencies, parties other than those specified may not use or rely on this report. AXIA Real Estate Appraisers and the signatory of this report assume no responsibility to any party, other than the client and other intended users, who uses or relies on any information in this report.

Interest Appraised

The interest appraised is that interest arising from fee simple ownership. Fee simple ownership can be defined as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat”¹.

Effective Date of Appraisal

September 19, 2024, the most recent date of inspection.

Definition of Market Value

Market value means the most probable price, which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well-informed or well-advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and

¹ The Dictionary of Real Estate Appraisal, 7th Edition, published by the Appraisal Institute

(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Coronavirus Uncertainty

The effect of the current and ongoing pandemic outbreak of SARS COV-2 (Coronavirus) throughout the world and the United States on the real estate market is uncertain. A prolonged pandemic could have a significant, though currently unquantifiable impact on various sectors of the commercial real estate market. Limited market data, post pandemic, was available for this analysis. As a result, caution should be employed when relying on this valuation, depending on the timing and extent of the national and regional economy returning to normal market conditions.

Property History/Ownership

Title to the subject is currently vested to Marana Health Center, Inc. The ownership acquired the property in three transactions. Parcel 217-37-0280 was acquired on August 27, 2012, for \$198,000 or \$3.50/SF, per recording number 20122400613 in the Pima County Recorder's Office. Parcel 217-37-0290 was acquired on August 27, 2012, for \$90,000 or \$3.44/SF, per recording number 20122400614 in the Pima County Recorder's Office. Lastly, parcel 217-37-030A was acquired as a vacant lot for \$66,240 or \$1.25/SF. Cumulatively, the acquisition price was \$354,240 or \$2.61/SF.

Subject Parcels Prior Sales Information							
APN	Prior Sales Date	Purchase Price	Land SF	\$/SF	Prior Use	Notes	Affidavit
217-37-0280	8/27/2012	\$198,000	56,628	\$ 3.50	Mobile home	Demolished 2 manufactured homes in 3/2013	20122400613
217-37-0290	8/27/2012	\$ 90,000	26,136	\$ 3.44	SFR	Demolished in 2013	20122400614
217-37-030A	9/6/2012	\$ 66,240	52,920	\$ 1.25	Vacant lot	Demolished SFR in 2008.	20122500012
Totals:		\$354,240	135,684	\$ 2.61			

David Dixon, Director, Accounting and Finance, Marana Health Center, provided the appraisers with a partially executed sales agreement from Marana Health Center to USPS. The agreement was for \$1,050,000 or \$7.74/SF and was signed by the sellers on January 18, 2024. The price was set by brokers which USPS completed their due diligence but never ended up signing and fully executing the contract.

The Town of Marana is interested in acquiring the property from Marana Health Center, but no purchase price has been established and the appraisal will be the basis for negotiations.

The subject is not presently listed for sale nor under contract to the appraiser's knowledge.

SCOPE OF THE APPRAISAL

The firm of AXIA Real Estate Appraisers has been requested to develop an “as is” market value of the subject. In order to evaluate the subject, relevant data has been gathered and analyzed. Data gathered for appraisals are of two types: general and property specific. General data include information on social, economic, governmental, and environmental trends and conditions affecting the subject property. Each of these items has an impact on property value and the study of these forces enables the appraiser to identify the underlying causes of change in property values and what future market expectations might be. The geographic extent of our search for general market information included the areas surrounding the subject property. Property specific information includes data about the subject site, tax information and zoning classifications.

Property specific information was obtained from the Pima County Assessor's Office as well as inspections and discussions with parties familiar with the subject site and the surrounding neighborhood. Additionally, we performed an appraisal inspection of the property as well as reviewed aerial photographs. The general and specific data form the basis for the conclusions with respect to the highest and best use of the subject.

Comparable information was obtained from sources including the Pima County Assessor's Office, Loopnet, CoStar Comps, Multiple Listing Service (SAZMLS), and interviews with knowledgeable real estate brokers and other market participants. The information contained in this report is considered to provide a well-supported conclusion as to the subject's market value as of the date of value.

Sources of general market information included government publications, census data, local newspapers, and other public and private organizations. Real estate oriented market information was abstracted from knowledgeable real estate agents, brokers, developers, and public officials in the area.

The subject reflects vacant unencumbered land. Therefore, the Cost and Income Approaches to value were not applicable as these approaches are primarily utilized for improved properties. The Sales Comparison Approach was considered to represent the most applicable valuation approach with respect to the “as is” fee simple market value opinion.

Sales Comparison Approach – The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties, based on relevant, market-derived elements of comparison. The principal of substitution is fundamental to this approach.

The Sales Comparison Approach utilizes sales of similar properties to indicate a probable value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per acre, price per unit, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sales. The unit of comparison chosen for the subject is then used to determine a total value. Economic units of comparison are not generally adjusted, but rather analyzed as to relevant differences with the final opinion derived based on the general comparisons. The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; and (d) the absence of atypical conditions affecting the sales price.

We searched for sales in the Marana and the northwest metropolitan Tucson market. For this appraisal assignment, an adequate quality and quantity of land sales were available to provide reasonable support for the land value of the subject.

Overall, this methodology is considered sufficient to development credible appraisal results.

AREA OVERVIEW

The purpose of this section of the report is to identify and analyze the social, economic, governmental, and environmental forces that can influence property values in the vicinity of the subject. The primary area of influence is the **neighborhood**, defined as a group of complimentary land uses; a residential neighborhood may contain residential uses along with ancillary commercial uses that provide services for the residents. A **district**, on the other hand, has one predominate land use such as apartments, commercial, industrial, or agricultural.

ARIZONA

Arizona is in the southwestern area of the United States within the Sunbelt Region and ranks sixth in the nation in terms of size with 113,417 square miles. The state can be divided into three geographical areas, each with its own distinct topography and climate. The northeastern portion of the state is a high plateau, which tends to be cool and dry. Most of this area is within the boundaries of the Navajo Nation, the largest Native American reservation in the United States. The mountainous region, extending diagonally across the state from northwest to southeast, offers cool summertime temperatures and winter sports opportunities, attracting visitors to this area year-round. The remaining half of the state, south and west of the mountainous region, consists of desert valleys divided by low desert mountain ranges and is home to most of the state's population; about 80 percent of the state population resides in the Tucson and Phoenix metropolitan areas.

Per the Arizona Department of Administration Office of Employment & Population Statistics, Arizona's estimated 2020 population has reached nearly 7.3 million. As of August 2024, Arizona's unemployment rate was reported at 3.4%.

Arizona

Data Series	Back Data	Mar 2024	Apr 2024	May 2024	June 2024	July 2024	Aug 2024
Labor Force Data							
Civilian Labor Force ⁽¹⁾		3,735.6	3,738.5	3,740.6	3,747.4	3,758.3	(P) 3,761.6
Employment ⁽¹⁾		3,592.1	3,605.4	3,613.9	3,623.9	3,631.5	(P) 3,633.0
Unemployment ⁽¹⁾		143.5	133.1	126.7	123.5	126.7	(P) 128.6
Unemployment Rate ⁽²⁾		3.8	3.6	3.4	3.3	3.4	(P) 3.4

It should be noted that the recent (March 2020) onset of travel and assembly restrictions associated with the coronavirus pandemic throughout the county appear to be likely to cause a national economic recession during the near term. With still relatively modest restrictions on business and assembly currently imposed by Arizona state government, this could well negatively impact the state's economy and various sectors of the real estate market if they are required over an extended period of time. We retain in our files a more complete overview of Arizona's economy and how it is impacting real estate.

STATE MAP



METROPOLITAN TUCSON OVERVIEW

The population of Pima County, which approximates the metropolitan area, increased from 666,954 in July 1990 to 758,050 in 1995, to 843,746 in 2000, to 980,263 in 2010, according to the latest U.S. Census data. This reflects compounded annual growth rates of 1.6 percent from 2000 to 2010. The current metro area population of Tucson in 2020 is estimated at 982,000, a 1.13% increase from 2019.

The Pima Association of Governments (PAG), projects that the population of the County will grow by 1.6 to 2.1 percent annually over the next 20 years. The northwest and southeast quadrants of the metropolitan area, where ample land is available, are expected to be the focal points for most of the growth.

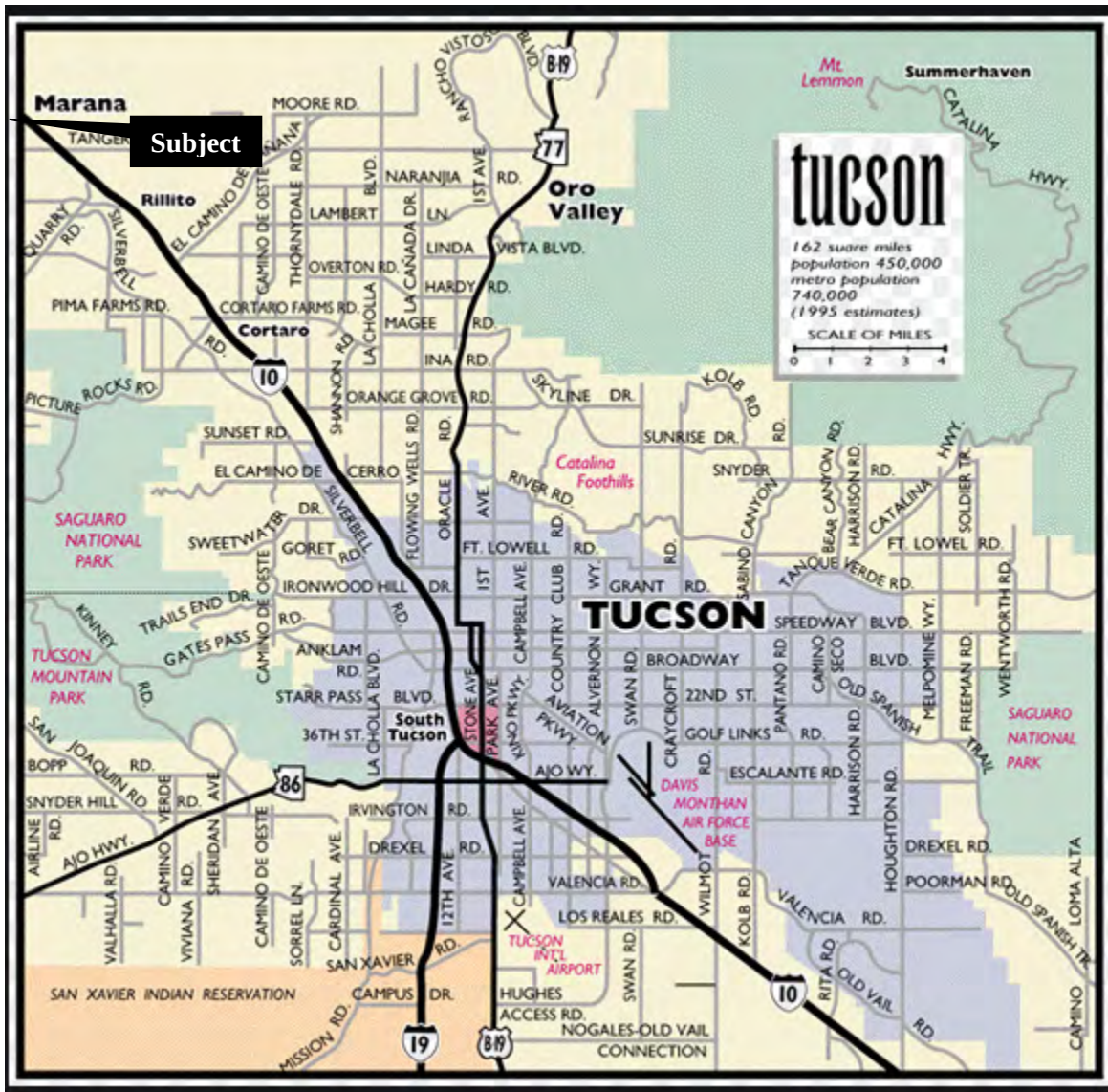
Data from the Arizona Department of Economic Security indicates that unemployment rates are trending downward in the state. As of August 2024, Arizona's unemployment rate was reported at 3.4%, down from 13.4% in April 2020, after the commencement of Covid-19. The Tucson unemployment rate was 4.3%, as of July 2024, down from the record high of 12.8% in May 2020.

The long-term outlook for Tucson is positive. Population and employment, though currently down for the first time in nearly a decade, are projected to continue to increase at rates in excess of the nation as a whole as the market recovers over the next one to two years. The cyclical nature of the economy reflected in the population, employment, and development segments is now stabilized from the peak of the previous cycle. Overall, the Tucson Metropolitan area is considered to be in the growth stage of its life cycle and, even with the problems currently shown by the residential and commercial markets, should have a positive long-term impact upon properties in the area.

Since the end of the Great Recession, economic growth and job creation in Tucson have noticeably lagged behind that experienced in metro Phoenix. However, several positive recent announcements may portend coming improvements in this regard. These include 1) Caterpillar's announcement of locating a regional headquarters in Tucson (600 new jobs); 2) HomeGoods opening of a new 800,000-square foot distribution center near South Alvernon Way (900 jobs), 3) Comcast's establishment of new customer-support call center due north of Tucson Mall near Oracle and River Roads (1,100 jobs), 4) extension of the A-10 deployment at Davis-Monthan Air Force Base; and 5) establishment of Tucson Roadrunners, a minor league hockey affiliate of the Phoenix Coyotes and associated 3.7 million dollar upgrade to the Tucson Community Center.

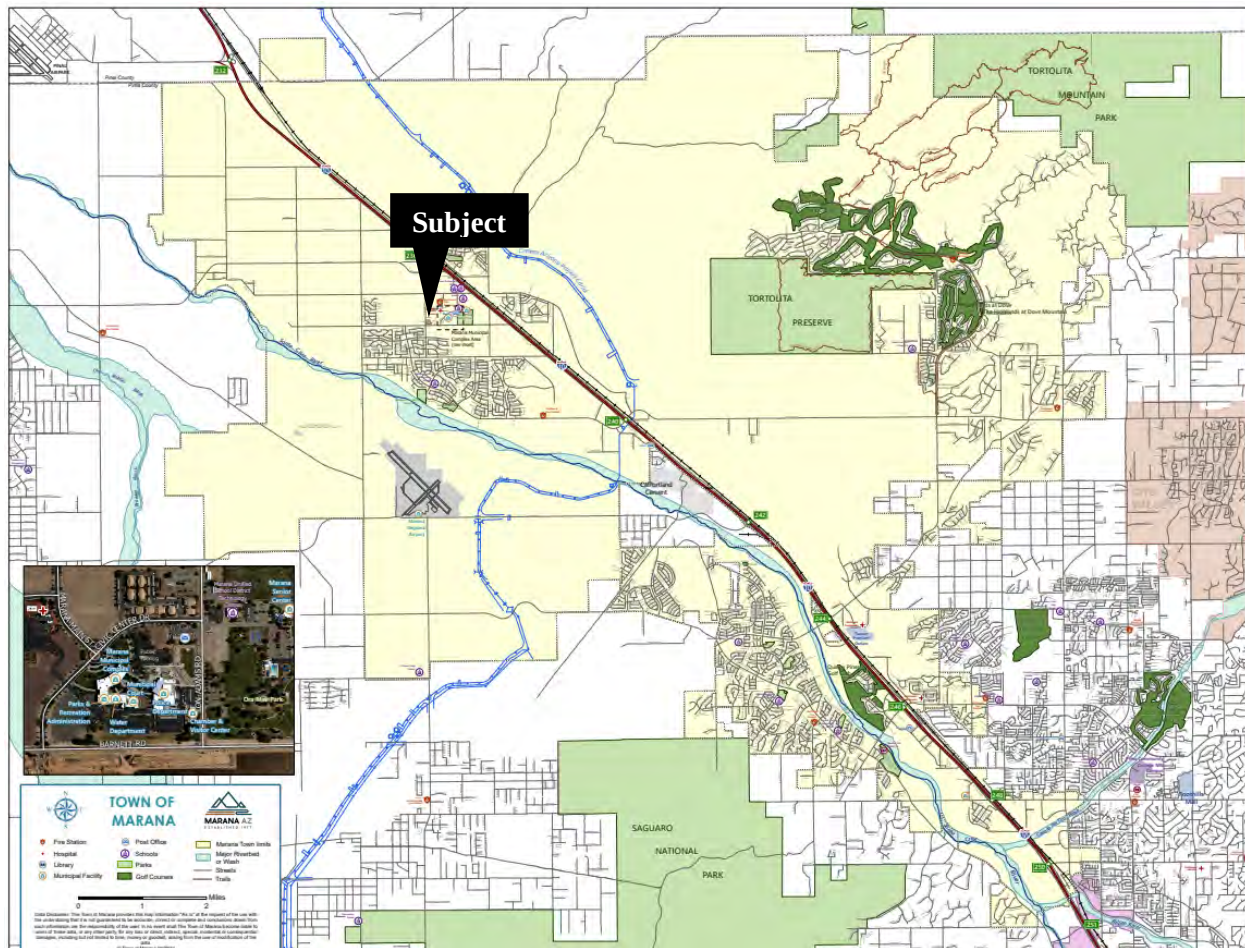
General market trends are considered to have a long-term positive influence on the subject property. Additional details are contained in a detailed Metro Tucson Overview, which is retained in our files and available for review by the client at their request.

Metropolitan Tucson Map



NEIGHBORHOOD OVERVIEW

The subject property is located approximately 25 miles North of the Central Business District of the City of Tucson in the Town of Marana. The boundaries for the subject neighborhood are identified as the Pinal County/ Pima County boundary to the north, Ina Road to the South; Trico Road to the West; and Camino De Oeste to the East. The Marana Regional Airport is located in the center of the neighborhood. These boundaries are considered appropriate due to physical divisions and social characteristics of the area.



Boundaries

North: Pinal/ Pima County boundary
East: Camino De Oeste
South: Ina Road
West: Trico Road

Transportation

The most heavily-trafficked roadways in the neighborhood are Interstate-10, Tangerine Road, Twin Peaks Road and Cortaro Road. The neighborhood is adequately served by a grid system of arterial roadways that provide adequate and easy access to most sections of the Tucson Metropolitan area.

North/South: Twin Peaks Road, Silverbell Road, Sandario Road

East/West: Tangerine Road, Cortaro Farms Road, Avra Valley Road, Marana Road

Interstate 10 extends along the western boundary of the neighborhood with southbound I-10 providing access to the Central Business District (CBD) and other employment centers. Northbound I-10 connects to Marana and Phoenix.

Demographics

QuickFacts Marana town, Arizona

QuickFacts provides statistics for all states and counties. Also for cities and towns with a population of 5,000 or more.

-- Select a fact --

Table

All Topics	Marana town, Arizona
Population estimates, July 1, 2023, (V2023)	NA
PEOPLE	
Population	
Population estimates, July 1, 2023, (V2023)	NA
Population Estimates, July 1, 2022, (V2022)	55,962
Population estimates base, April 1, 2020, (V2023)	NA
Population estimates base, April 1, 2020, (V2022)	51,897
Population, percent change - April 1, 2020 (estimates base) to July 1, 2023, (V2023)	NA
Population, percent change - April 1, 2020 (estimates base) to July 1, 2022, (V2022)	7.8%
Population, Census, April 1, 2020	51,908
Population, Census, April 1, 2010	34,961
Housing	
Housing units, July 1, 2022, (V2022)	X
Owner-occupied housing unit rate, 2018-2022	82.8%
Median value of owner-occupied housing units, 2018-2022	\$347,700
Median selected monthly owner costs -with a mortgage, 2018-2022	\$1,773
Median selected monthly owner costs -without a mortgage, 2018-2022	\$610
Median gross rent, 2018-2022	\$1,579
Building permits, 2022	X
Families & Living Arrangements	
Households, 2018-2022	19,949
Persons per household, 2018-2022	2.60
Living in same house 1 year ago, percent of persons age 1 year+, 2018-2022	88.4%
Language other than English spoken at home, percent of persons age 5 years+, 2018-2022	15.3%

Land Use Patterns

% Built-up: The neighborhood is in the growth stage of its life cycle with considerable development occurring over the past several years. Projections are for continued economic and population growth at similar or greater levels over the long-term.

Residential Uses:

Gladden Farms features 830 acres of green space, including 28 parks, scenic landscaped trails, over 20 playgrounds, playfields and a splash pad. Meritage Homes, KB Homes, Richmond American Homes, Lennar and Mattamy currently are building in the community. North of this community, LGI and Meritage homes are active within Rancho Marana. Further development is planned east of Interstate 10, north of Tangerine Road in the projects of Mandarin (Belaflor Homes) and Stonegate.

The Final Block Plat for Mandarin, Blocks 1-7 and Parcels A, B and C, was approved on June 1, 2023. Per the Marana Current and Proposed Project website, there are approximately 1,000 single-family residential lots under various stages of submittal. Multi-family and commercial uses will also be incorporated into the development. The development includes 342 gross acres with 271.46 acres designated as development parcels with Parcels A, B and C designated as common area parcels, or 46.83 acres (13.7%). Bela Flor is the developer, based out of Mesa, Arizona.

Mandarin South is an additional 162 acres, owned by Bela Flor Communities. The development will also involve a mix of residential and commercial uses. Presently, infrastructure is being added and extended, including roadways and utilities. According to an article written by AZ Central, this project will occur in phases estimated from six to fifteen years.

Stonegate is located on 214.46 acres and contains 10 blocks. This is a detached single-family residential subdivision located on the east side of Interstate 10 at Moore Road.

Key Land Uses: Tucson Premium Outlets-(Built 2015)
New Retail Development I-10 & Cortaro Farms Road-(Work Began 2018)
Dove Mountain Ritz Carlton-(Built 2009)

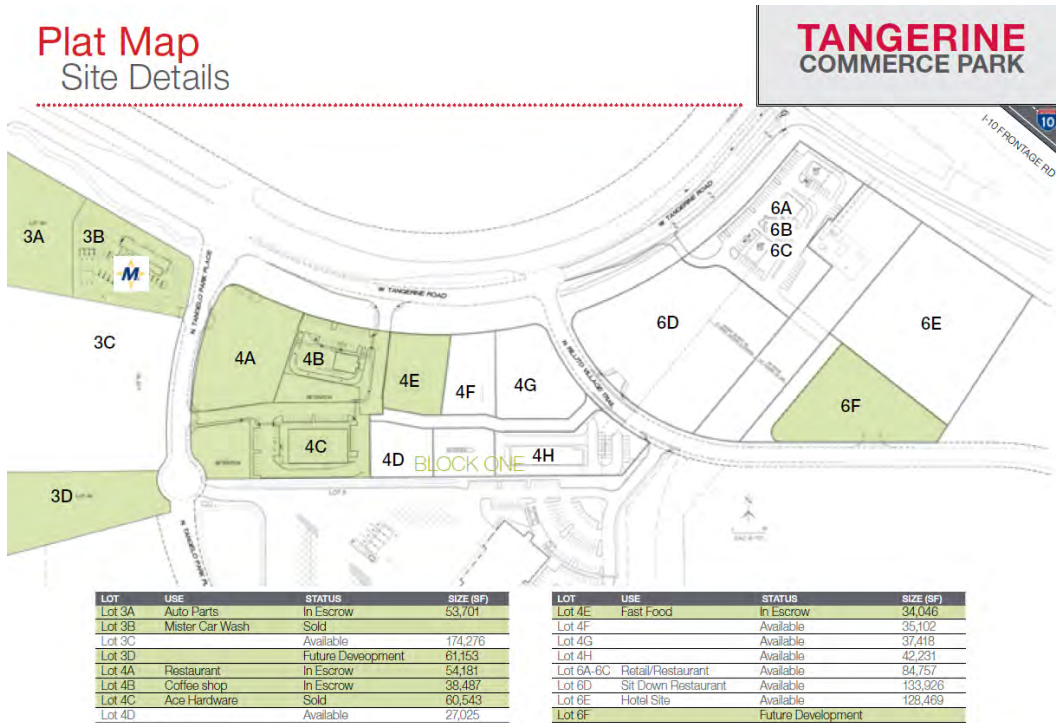
Shopping Centers: Tucson Premium Outlets-(Built 2015)
New Retail Development (I-10/Cortaro Farms Road)-(Began 2018)
The Shoppes at Tangerine Crossing-(Built 2008)

Major Retailers: Fry's Marketplace at Tangerine Road and Lon Adams Road (Opening ~3Q' 2024)
Circle K (Built 2021) at Heritage Park
Fry's Marketplace-(Built 2008)
QT Gas Station (2022)
Pima Federal Credit Union (Pad site planned)

Heritage Park



Tangerine Commerce Park



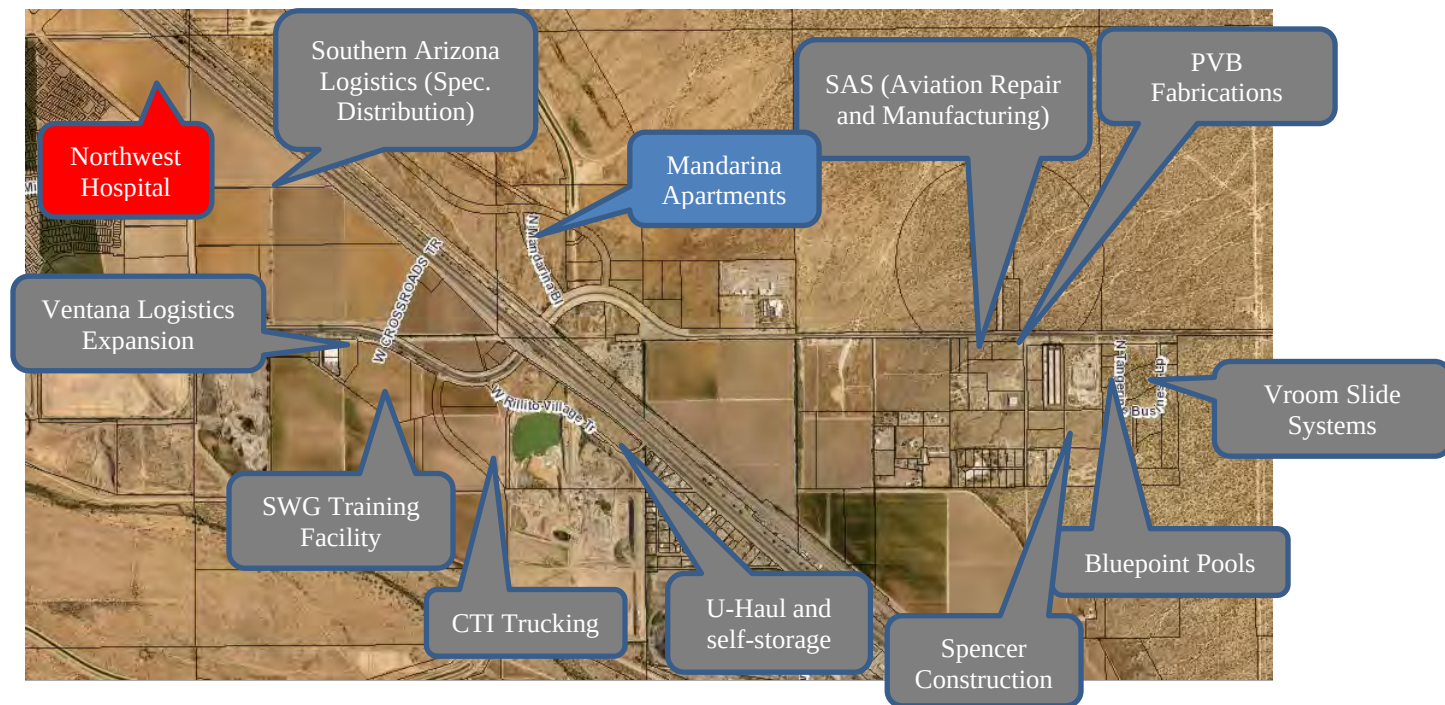
Marana Main Street

The larger shopping center (Marana Main Street) reflects a partially-absorbed retail node with 21 lots on 28-acres, situated along the frontage road of Interstate 10 in the Town of Marana. The project is comprised of a combination of retail, dining, and office uses. The currently developed lots include McDonald's, Bisbee Breakfast Club, National Bank, Marana Dental Care, and the most recently added Dutch Brothers. Panda Express, Dunkin Donuts and Dairy Queen are also proposed in the development. The project provides a link to Marana Main Street with access and exposure from Interstate 10, prominently publicized by a 70' tall monument sign.



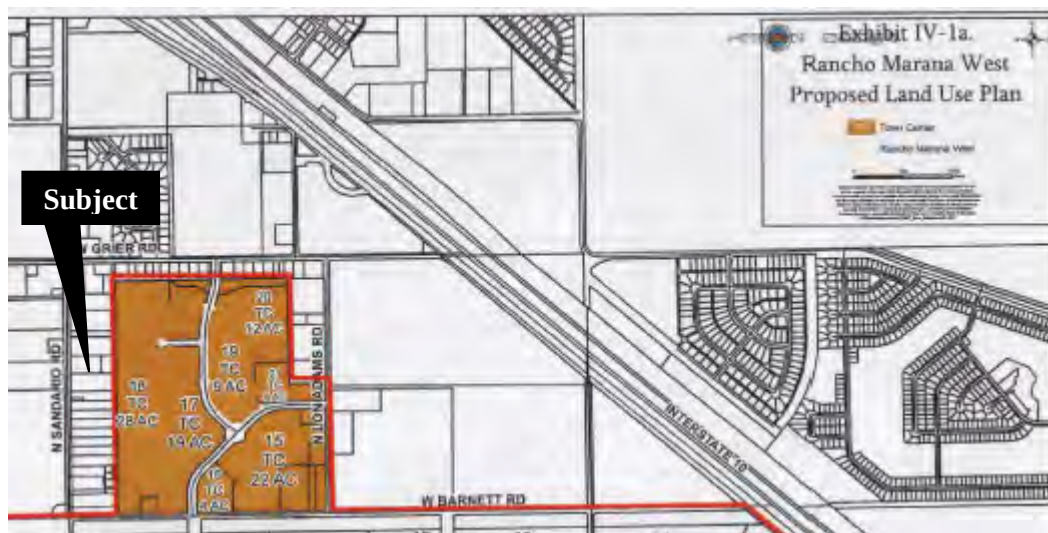
Major Industrial:

- Ventana Medical (2015)
- Ventana Logistics Expansion, 60,437 SF (2023)
- Southwest Gas Training Facility (~Proposed 2023)
- Arizona Portland Cement Plant
- CTI (20-acre site under construction)
- Southern Arizona Logistics, Speculative Industrial Distribution (~1.7 million SF, under construction)



Town Center

The Town Center is comprised of approximately 99 acres, located within Grier Road to the north, Barnett Road to the south, Lon Adams Road to the east and Sandario Road to the west. This is a component of Downtown Marana. Current uses in the development include Northwest Fire District Station #36, Marana Apartments (2-story), MHC Healthcare and the Marana Municipal Complex, including Municipal Court, Chamber of Commerce and Visitor Center, Municipal Administration Building, Parks & Recreation Administration, Police Department and the Water Department. The Marana Community Center and Aquatic Complex is presently under construction and will contain 55,000 square feet of a recreational/community center which will include fitness and exercise facilities, multi-use gymnasium, indoor walking track, classroom and meeting space and a 50 by 25-meter competition pool, with an additional shallower recreation pool.





Marana Municipal Complex
11,555 W. Civic Center Drive
Marana, AZ 85653
(520) 382-1999

The Marana Municipal Complex is located in northwest Marana at the intersection of Marana Main Street and Civic Center Drive. The complex includes:

- Chamber of Commerce and Visitor Center
- Municipal Administration Building
- Municipal Court
- Parks & Recreation Administration
- Police Department
- Water Department

From Phoenix:

1. Exit I-10 at Marana Exit (Exit 236)
2. Turn right onto Sandario Road
3. Turn left on Grier Road
4. Turn right on Marana Main Street
5. Turn left at Civic Center Drive roundabout
6. Public Parking at first right turn

From Tucson:

1. Exit I-10 at Tangerine Road (Exit 240)
2. Turn left onto Tangerine Road (continues to Tangerine Farms Rd.)
3. Turn right on Moore Road
4. Turn left on Sandario Road
5. Turn right on Barnett Road
6. Turn left on Civic Center Drive
7. Public parking is the first right after the roundabout



Tucson Industrial Market Vacancy Summary 2nd Quarter 2024										
#	Submarket	# of Buildings	Total RBA	Share	Vacancy Rate	Last Qtr.	% Chg.	12-Month Absorption	12-Month Deliveries	Quoted Rates
1	Downtown Tucson	419	4,150,000	8.0%	1.8%	1.9%	-0.1%	45,643	-	\$ 10.87
2	Northeast Tucson	244	2,830,000	5.4%	2.2%	2.0%	0.2%	25,055	-	\$ 11.25
3	NW Tucson/Oro Valley	780	12,361,000	23.7%	9.6%	9.6%	0.0%	278,829	847,000	\$ 11.97
4	Palo Verde	551	6,823,000	13.1%	2.5%	4.1%	-1.6%	(85,860)	-	\$ 10.27
5	Park/Ajo	272	4,210,000	8.1%	2.6%	1.5%	1.1%	(59,381)	-	\$ 10.03
6	Pima/Green Valley	15	675,000	1.3%	0.0%	0.0%	0.0%	-	-	\$ 11.47
7	Southeast Tucson	110	8,394,000	16.1%	2.7%	5.3%	-2.6%	(31,318)	175,000	\$ 11.43
8	SW Tucson/Airport	285	12,652,000	24.3%	9.3%	9.5%	-0.2%	302,509	814,000	\$ 10.36
9	E & W Outlying	7	64,000	0.1%	0.0%	0.0%	0.0%	-	-	\$ 11.28
Total		2,683	52,159,000	100.0%	5.7%	6.3%	-0.6%	475,477	1,836,000	\$ 10.80
Note: Rate based on total physical space and does not include self-storage space Source: CoStar Group, Inc., 2nd Q 2024 Tucson Industrial Market Report										

Tucson Office Market Vacancy Summary 2nd Quarter 2024										
#	Submarket	# of Buildings	Total RBA	Share	Vacancy Rate	Last Qtr.	% Chg.	12-Month Absorption	12-Month Deliveries	Quoted Rates
1	Ajo/ W. Outlying	9	105,000	0.4%	0.0%	0.0%	0.0%	-	-	\$ 23.00
2	Central Tucson	1,122	10,423,000	36.0%	13.9%	13.2%	0.7%	(232,338)	18,000	\$ 21.88
3	Downtown Tucson	338	6,302,000	21.8%	3.3%	2.9%	0.4%	(47,376)	-	\$ 22.28
4	East Tucson	141	1,315,000	4.5%	17.3%	20.8%	-3.5%	58,286	-	\$ 22.57
5	Foothills	100	1,436,000	5.0%	9.2%	8.7%	0.5%	(17,907)	-	\$ 27.40
6	Green Valley/South Tucson	50	382,000	1.3%	7.1%	7.3%	-0.2%	(3,875)	-	\$ 23.72
7	North Tucson/Oro Valley	366	3,854,000	13.3%	9.9%	9.0%	0.9%	(61,331)	12,000	\$ 25.38
8	Northwest Tucson	58	541,000	1.9%	1.9%	1.1%	0.8%	13,557	4,000	\$ 24.45
9	Southeast Tucson	41	720,000	2.5%	30.7%	31.4%	-0.7%	(38,746)	7,000	\$ 22.43
10	Southwest Tucson	189	2,373,000	8.2%	2.6%	2.6%	0.0%	19,192	-	\$ 23.95
11	West Tucson	221	1,510,000	5.2%	26.7%	22.9%	3.8%	(73,744)	-	\$ 20.35
Total		2,635	28,961,000	100.0%	10.8%	10.3%	0.5%	(384,282)	41,000	\$ 23.00
Note: Rate based on total physical space Source: CoStar Group, Inc., 2nd Q 2024 Tucson Office Market Report										

Tucson Retail Market Summary 2nd Quarter 2024										
#	Submarket	# of Buildings	Total GLA*	Share	Vacancy Rate	Last Qtr.	% Chg.	12 Month Net Absorption	12 Month Deliveries	Quoted Rates
1	Central East	1,121	8,846,000	15.7%	8.2%	8.6%	-0.4%	(114,251)	14,000	\$ 17.43
2	Central West	769	7,381,000	13.1%	6.0%	5.7%	0.3%	(16,238)	-	\$ 17.81
3	Downtown Tucson	319	1,852,000	3.3%	4.7%	1.4%	3.3%	(24,866)	-	\$ 19.35
4	East Tucson	789	9,843,000	17.4%	8.8%	8.9%	-0.1%	99,445	9,000	\$ 18.51
5	Foothills	299	5,891,000	10.4%	2.8%	3.2%	-0.4%	(13,408)	5,000	\$ 24.23
6	North / Oro Valley	189	2,563,000	4.5%	10.7%	9.8%	0.9%	(52,365)	7,000	\$ 23.60
7	Northeast Tucson	27	325,000	0.6%	5.7%	7.0%	-1.3%	39,889	7,000	\$ 20.03
8	Northwest Tucson	306	4,608,000	8.2%	2.8%	2.9%	-0.1%	160,845	10,000	\$ 21.56
9	South Tucson	1,034	7,010,000	12.4%	4.2%	4.2%	0.0%	(4,571)	12,000	\$ 16.93
10	Southeast Tucson	152	1,903,000	3.4%	1.9%	2.6%	-0.7%	1,563	1,000	\$ 20.34
11	Southwest Tucson	220	3,112,000	5.5%	1.7%	2.2%	-0.5%	78,703	20,000	\$ 21.68
12	West Tucson	137	891,000	1.6%	4.4%	4.1%	0.3%	(4,165)	1,000	\$ 21.38
13	E,W, S/SW Outlying	209	2,235,000	4.0%	5.3%	4.8%	0.5%	(41,264)	-	\$ 19.80
Total		5,571	56,460,000	100.0%	5.7%	5.8%	-0.1%	109,317	86,000	\$ 19.50
* Individual Submarket Inventory rounded to nearest thousand - total is without round Note: Rate based on total physical space Source: CoStar Group, Inc., 2nd Q 2024 Tucson Retail Market Report										

Tucson Apartment Market Summary 2nd Quarter 2024							
#	Submarket	# of Projects	Total Units	Share	Vacancy Rate	Last 4 Q's	Last Qtr.
1	Marana / Avra Valley	1	80	0.1%	17.50%	10.00%	10.00%
2	Oro Valley / Catalina	13	2,615	3.4%	8.29%	7.25%	7.46%
3	Northwest Tucson	41	8,851	11.6%	8.00%	7.45%	7.11%
4	Catalina Foothills	22	5,726	7.5%	7.49%	7.42%	7.11%
5	Northeast Tucson	10	2,181	2.9%	8.10%	8.00%	7.05%
6	East Tucson	41	8,222	10.8%	8.60%	8.11%	8.57%
7	North Central Tucson	71	8,256	10.8%	8.63%	8.57%	8.69%
8	Flowing Wells	66	8,857	11.6%	9.74%	9.26%	9.04%
9	Tucson Mountain Foothills	20	4,277	5.6%	8.77%	8.40%	9.12%
10	University	42	4,511	5.9%	9.76%	5.76%	5.15%
11	South Central Tucson	47	6,602	8.7%	9.06%	8.53%	8.40%
12	Pantano / Lakeside	28	5,412	7.1%	8.78%	9.69%	10.32%
13	South Tucson / Airport	51	6,927	9.1%	7.62%	7.94%	9.25%
14	Southwest Tucson	16	2,415	3.2%	7.08%	7.34%	6.40%
15	Southeast Tucson	5	1,257	1.6%	6.49%	7.27%	6.17%
Total		474	76,189	100.0%	8.48%	8.19%	8.23%
<i>Note: Based on total conventional 40+ unit projects</i> <i>Source: 2nd Quarter 2024 Apartment Insights Statistic/Trends Summary</i>							

Summary: The immediate neighborhood had been experiencing rapid residential growth spurred primarily by the success of the Gladden Farms master planned community. The long-term outlook for the area is positive and a resurgence of growth is anticipated as the market achieves stabilization over the next few years. Population estimates indicate that the northwest area is experiencing increases greater than those of Tucson as a whole, which is considered positive for retail and other commercial uses within the neighborhood. The transportation networks are well established with relatively easy access to employment and shopping. Overall, the neighborhood is considered to have a positive impact on the subject.



SITE DESCRIPTION

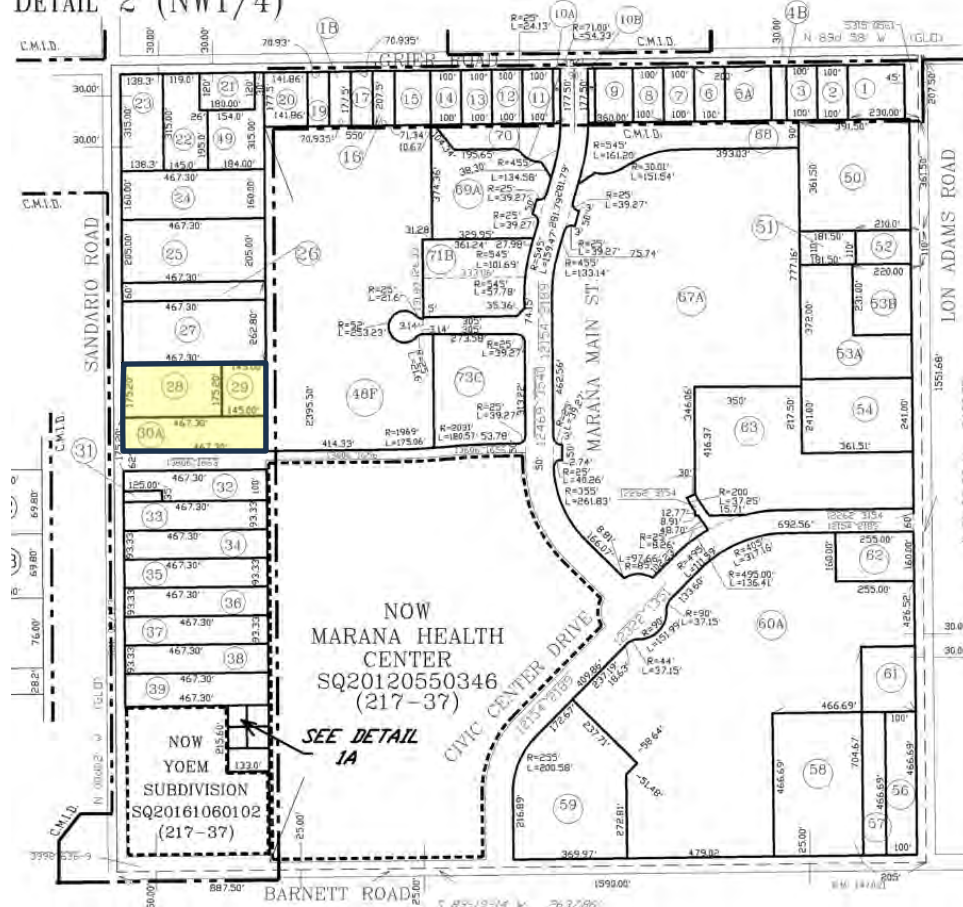
Location: The subject property is generally located at the northeast corner of Sandario Road and Bill Gaudette Drive, a secondary, unsignalized corner in Marana, Arizona. The physical addresses are 13418, 13416 and 13420 North Sandario Road, Marana, Pima County, Arizona 85653. The subject is identified by the Pima County Assessor by parcel numbers 217-37-0280, -0290 and -030A.



Site Size/Shape: According to the Pima County Assessor's Office, the subject is comprised of three parcels measuring 135,684 square feet or 3.11 acres. This site size is assumed to be correct and reliable and will be used throughout this report. The parcel is rectangular in shape.

Property Identification			
APN	Address	Lot Size (SF)	Lot Acres
217-37-0280	13418 N. Sandario Rd.	56,628	1.30
217-37-0290	13420 N. Sandario Rd.	26,136	0.60
217-37-030A	13416 N. Sandario Rd.	52,920	1.21
Totals		135,684	3.11

RECORD MAP
SECTION 27, TOWNSHIP 11 SOUTH, RANGE 11 EAST
DETAIL 2 (NW1/4)



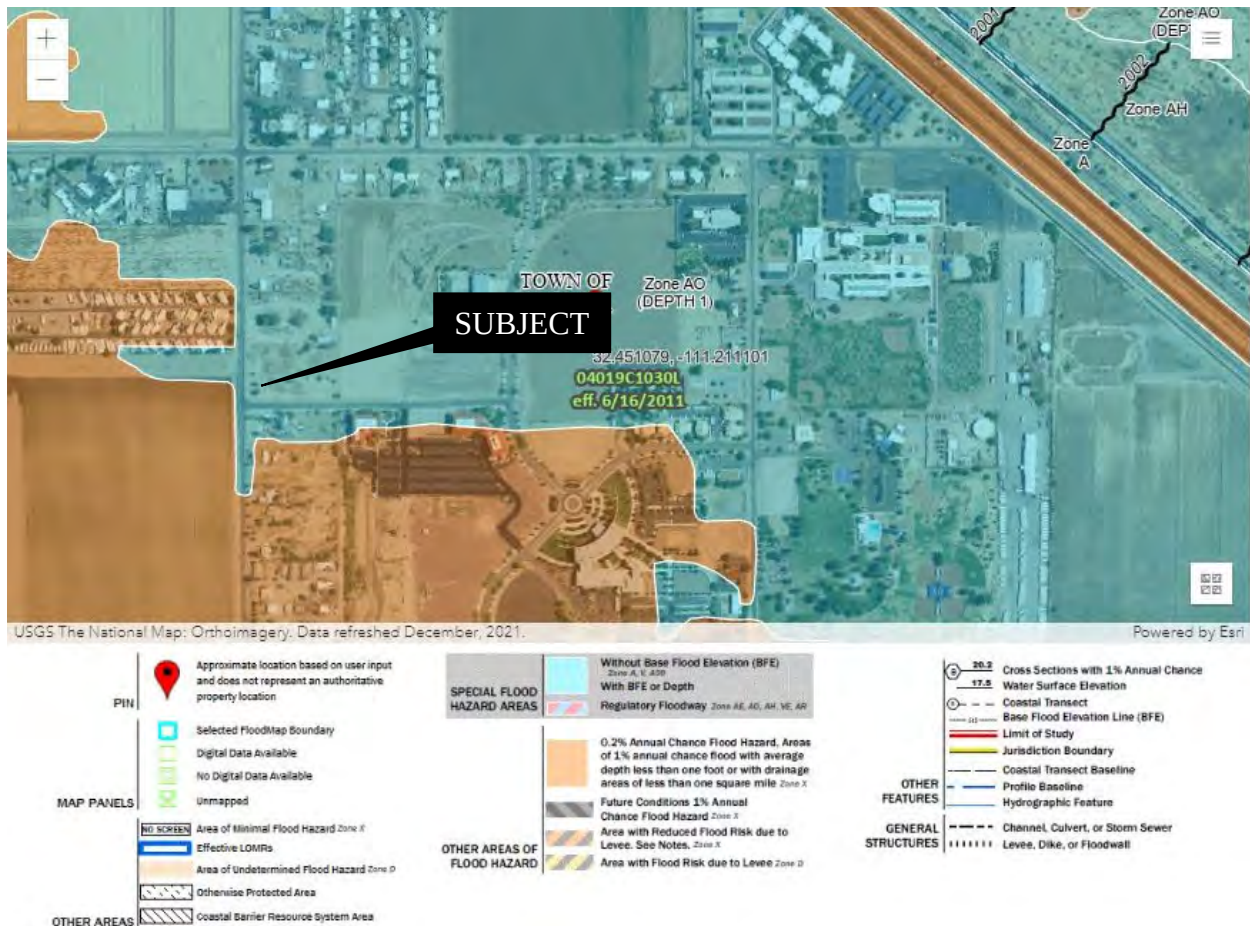
**Frontage, Arterials
And Access:**

The site is located at the northeast corner of Sandario Road and Bill Gaudette Drive, a secondary, non-signalized corner. Sandario Road and Bill Gaudette Drive each reflect a two-lane paved roadway. Bill Gaudette Drive contains curbing and a sidewalk on the south side of the roadway. This roadway provides as ingress/egress into the Marana Town Center. Sandario Road runs north to Interstate 10 through Downtown Marana, running underneath Interstate 10, providing access to the community of San Lucas. Eastbound Frontage Road and I-10 access are available, however (Marana Road and I-10 interchange). Overall, access and visibility are considered average to good as this property is located proximate to the core of Downtown Marana and the Town Center.

Traffic Counts:

Per the Pima Association of Governments, Sandario Road receives 4,145 vehicles per day (2023 counts). No counts are available along Bill Gaudette Road.

Seismic Zone:	The subject is situated in Seismic Zone 2A, reflecting a low to moderate risk of seismic activity that could realistically impact the subject improvements.
Site Condition:	The subject presently reflects vacant land.
Topography:	The subject site is generally level and at grade with surrounding roadways and properties.
Utilities:	All typical utilities are available to the subject. The subject is served for sewer and water by the Town of Marana. Electric is provided by Tucson Electric Power Company. Gas is provided by Southwest Gas.
Flood Condition:	According to Federal Emergency Management Agency, Flood Insurance Rate Map 04019C1030 L, dated June 11, 2011, the subject is sited within Zone AO 1. This is a special flood hazard area subject to inundation by the 1% annual chance flood with flood depths of 1 to 3 feet. Per conversation with Mr. Edward Eastburn, CFM, Floodplain Manager, Development Engineering, Town of Marana, the base flood is 1 foot deep as measured from the highest adjacent natural grade (HANG). Thus, building improvement pad areas must be elevated at least two feet above the HANG. This will not remove the buildings from the FEMA floodplain but meet code for development in flood hazard areas.



Soils/Subsoils:

A soil survey was not provided. During the inspection, no conditions indicative of a potential soil or subsoil problem was apparent. This appraisal assumes soil conditions suitable for development. Should any questions arise as to the suitability of the soil, a soils sample analysis can be obtained by a qualified company.

Environmental:

An environmental assessment of the property was not provided for this assignment. The inspection of the property did not indicate any obvious items of environmental concern. This report assumes that no environmental concerns are present that would prevent the site from being put to its Highest and Best Use. If this remains an area of concern for the client, a Phase I environmental study by a qualified firm is recommended.

Easements:

We were not provided a title report for the subject property. Based on review of the plat map and physical inspection of the site, there are no known easements other than typical utility easements, that would impact the site. Overall, there are no other readily observable easements that would limit the site from being developed to its highest and best use were revealed.

Adjacent Land Uses

North:	Manufactured homes, single-family residences and then Grier Road.
East:	Marana Community Center and Aquatic Complex (presently under construction), Northwest Fire District and then Marana Main Street.
West:	Sandario Road followed by a mobile home park and a platted and engineered SFR development, Cypress Gardens.
South:	Manufactured homes, single-family residences, a small tract of residences owned by the Pascua Yaqui Tribe (Yoem Pueblo Community) and then Barnett Road.

Municipal Services: The property is located within the incorporated boundaries of the Town of Marana. Police protection is provided by the Town of Marana and fire protection is provided by Northwest Fire.

Zoning: The subject site is zoned Small Lot (Zone A) by the Town of Marana. This zone permits a variety of uses including residential, commercial, industrial and quasi-public land uses, as long as each land use is conducted on a lot no larger than 2.5 acres. If a use larger, a rezone would be required. This is a “legacy zone” which are intended to be phased out over time. Building heights are not greater than 30’ with front and rear setbacks at 20’ and the side setbacks of 5 to 10 feet.



General Plan:

Per Scott Raden, Senior Planner, Town of Marana, the property is within the Traditional Neighborhood Future Land Use Designation. The existing zoning districts consistent with this land use category are: A, R-16, R-10, R-8, R-7, R-6, R-3.5, MH, MR-1, MR-2, NC, VC, and BU. If anyone were to develop this outside of putting a single-family home on it, the town would most likely require the owner to rezone it to one of the current zoning districts.

Tax Data:

The subject property is identified by the Pima County Assessor as parcel numbers 217-37-0280, -0290 and -030A. The 2024 full cash value is reported at \$339,120 and the limited cash value is in the amount of \$133,777. The 2025 full cash value is reported at \$339,210 and the limited cash value is in the amount of \$140,466.

Per the Pima County Treasurer's Office, the 2024 real estate taxes are in the amount of \$3,078.16. Taxes are current, although first half 2024 payable, with no reported delinquencies. Overall, taxes are reasonable and inline with similar property types.

SUBJECT TAXES						
APN	2024 FCV	2024 LCV	2025 FCV	2025 LCV	2023 Taxes	2024 Taxes
217-37-0280	\$141,570	\$ 41,738	\$141,570	\$ 43,825	\$ 922.36	\$ 960.41
217-37-0290	\$ 65,340	\$ 35,025	\$ 65,340	\$ 36,776	\$ 774.03	\$ 805.94
217-37-030A	\$132,300	\$ 57,014	\$132,300	\$ 59,865	\$ 1,259.82	\$ 1,311.81
Totals	\$339,210	\$133,777	\$339,210	\$140,466	\$ 2,956.21	\$ 3,078.16

Description of Improvements:

None. Vacant land.

SUBJECT PHOTOGRAPHS

Top photo: View of the subject looking east.
Bottom photo: View of the subject looking north.



SUBJECT PHOTOGRAPHS

Top photo: View of the subject looking south.

Bottom photo: View of the Sandario Road and Bill Gaudette Drive intersection.



SUBJECT PHOTOGRAPHS

Top photo: View of Sandario Road looking south.
Bottom photo: View of Sandario Road looking north.



HIGHEST AND BEST USE

Highest and Best Use is the basic premise of value and, as such, reflects an appraiser's opinion based upon an analysis of prevailing market occurrences. The subject is comprised of both the site and improvements. As the use of land can be limited by the presence of improvements, highest and best use is typically analyzed individually, for the land as though vacant and the property as improved.

According to *The Appraisal of Real Estate*; Fifteenth Edition, published by the Appraisal Institute, highest and best use is defined as:

The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.

The purpose of estimating the highest and best use of the subject site, as though vacant, is to identify the uses that cause the site to have value. The use of the subject site found to be legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest present land value is considered to be the highest and best use of the site, as if vacant. The purpose of estimating the highest and best use of the property, as improved, is to identify the use of the property that is expected to produce the highest overall return per dollar invested.

Highest and Best Use and Market Analysis, and Highest and Best Use and Feasibility Analysis are interrelated. Market and Feasibility Analyses are tools utilized in determining the highest and best use of a specific property.

In estimating the highest and best use of land, as if vacant, or a property as improved, there are essentially four stages of analysis:

- 1) Legally permissible uses - the uses of the subject that are permitted by zoning, existing leases, and/or deed restrictions;
- 2) Physically possible uses - the uses of the subject that are physically possible;
- 3) Financially feasible uses - the uses of the subject that are possible and permissible and that will produce a net return to the owner of the land; and
- 4) Maximally productive use - the use of the subject site among the feasible uses that produces the highest net return to the subject. This use is essentially the Highest and Best Use of the subject.

The stages of Highest and Best Use analysis have been applied to the subject parcel. Following is a discussion of the estimated Highest and Best Use of the subject site, as vacant.

Legally Permissible: The subject site is zoned Small Lot (Zone A) by the Town of Marana. This zone permits a variety of uses including residential, commercial, industrial and quasi-public land uses, as long as each land use is conducted on a lot no larger than 2.5 acres. If a use larger, a rezone would be required. This is a “legacy zone” which are intended to be phased out over time. Building heights are not greater than 30’ with front and rear setbacks at 20’ and the side setbacks of 5 to 10 feet.

Per Scott Raden, Senior Planner, Town of Marana, the property is within the Traditional Neighborhood Future Land Use Designation. The existing zoning districts consistent with this land use category are: A, R-16, R-10, R-8, R-7, R-6, R-3.5, MH, MR-1, MR-2, NC, VC, and BU. If anyone were to develop this outside of putting a single-family home on it, the town would most likely require the owner to rezone it to one of the current zoning districts.

Physically Possible: The site is located at the northeast corner of Sandario Road and Bill Gaudette Drive, a secondary, non-signalized corner. Sandario Road and Bill Gaudette Drive each reflect a two-lane paved roadway. Bill Gaudette Drive contains curbing and a sidewalk on the south side of the roadway. This roadway provides as ingress/egress into the Marana Town Center. Per the Pima Association of Governments, Sandario Road receives 4,145 vehicles per day (2023 counts). No counts are available along Bill Gaudette Road. Overall, access and visibility are considered average to good as this property is located proximate to the core of Downtown Marana and the Town Center. According to the Pima County Assessor’s Office, the subject is comprised of three parcels measuring 135,684 square feet or 3.11 acres. This site size is assumed to be correct and reliable and will be used throughout this report. The parcel is rectangular in shape. According to Federal Emergency Management Agency, Flood Insurance Rate Map 04019C1030 L, dated June 11, 2011, the subject is sited within Zone AO 1. This is a special flood hazard area subject to inundation by the 1% annual chance flood with flood depths of 1 to 3 feet. Per conversation with Mr. Edward Eastburn, CFM, Floodplain Manager, Development Engineering, Town of Marana, the base flood is 1 foot deep as measured from the highest adjacent natural grade (HANG). Thus, building improvement pad areas must be elevated at least two feet above the HANG. This will not remove the buildings from the FEMA floodplain but meet code for development in flood hazard areas.

Overall, there are no other physical restraints that would limit the site from being developed with its legally permissible uses.

Financially Feasible/Maximally Productive: Overall, the legally permissible and physically possible uses are considered to be commercial or residential uses. Given the location along Sandario Road, proximate to the Town Center, Downtown Marana and proximity to Interstate 10, industrial uses are not considered a financially feasible use.

The subject site is located at a secondary corner, providing access from the west into the Town Center, which is comprised of approximately 99 acres, located within Grier Road to the north, Barnett Road to the south, Lon Adams Road to the east and Sandario Road to the west. This is a component of Downtown Marana. Current uses in the development include Northwest Fire District Station #36, Marana Apartments (2-story), MHC Healthcare and the Marana Municipal Complex, including Municipal Court, Chamber of Commerce and Visitor Center, Municipal Administration Building, Parks & Recreation Administration, Police Department and the Water Department.

Additionally, proximate to the subject, the Marana Community Center and Aquatic Complex is under construction with an anticipated completion date of April 2025.

Residential growth in the Marana market continues to expand with thousands of residential lots planned in several residential communities including Gladden Farms, Stonegate and Mandarin. Consequently, commercial continues to follow with recent developments including Dutch Bros, Panda Express, Dunkin and Fry's Marketplace at Lon Adams Road and Tangerine Road under construction with a pad site recently sold to Pima Federal Credit Union. However, the subject does not contain enough traffic counts nor exposure to support a high intensity retail use such as a fast-food restaurant.

Overall, research indicates that similarly located properties are being acquired for commercial uses or residential uses including offices, multi-family or secondary retail uses. The most likely purchaser would be an owner user or developer.

SALES COMPARISON APPROACH

The Sales Comparison Approach to value considers recent sales and listings of similar vacant comparable properties. This approach has been utilized to develop an opinion of the market value of the subject. The technique is an application of the economic principle of substitution that affirms that when a property can be replaced, its value tends to be set by the cost of acquisition of an equally desirable substitute property that can be acquired without undue or costly delay.

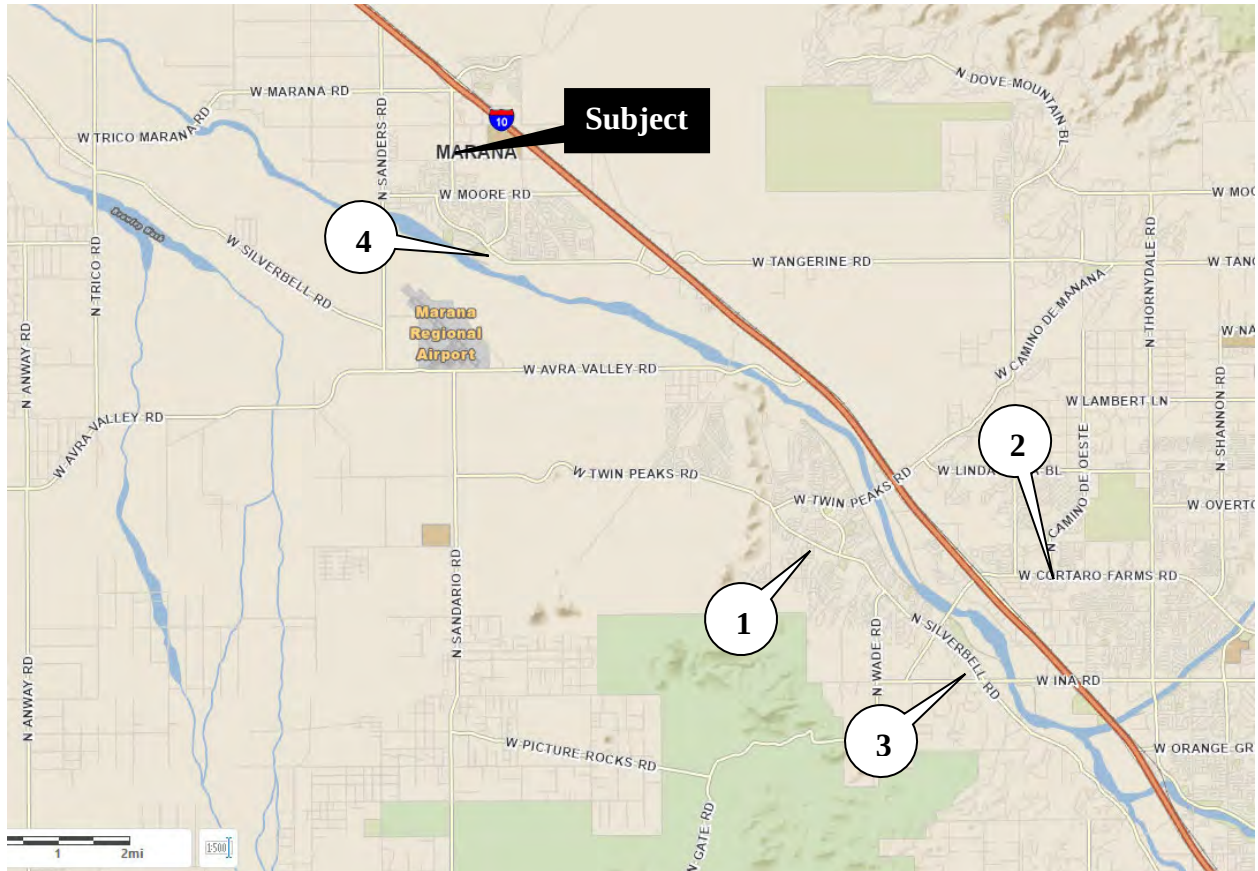
We conducted a search of the Marana and northwest metropolitan area in order to obtain sales market data of land sales. The overall quantity and quality of data are considered to be good, and provide for reasonable comparison given their similar overall utility. Please refer to the accompanying tabulation, data sheets, and map outlining these comparable sales.

Comparable Land Sales

Comparable Number:	1	2	3	4	Subject
Sale Date:	Apr-23	Jul-23	Oct-23	Apr-24	N/A
Location:	8551 and 8557 N. Silverbell Road, Marana	SEc Cortaro Farms Road and Sandy Desert Trail, Marana	5874 W. Ina Road, Marana, AZ	E of SEC Tangerine Farms Road and Lon Adams Road, Marana	NEc Bill Gaudette Dr. & Sandario Road, Marana
APN:	221-21-003F	221-18-4420	226-33-218B	217-53-8090, -8100 + 7 more	217-37-0280, -0290 & -030A
Zoning:	NC, Marana	NC & R-16, Marana	SP (Silverbell Gateway SP), Marana	VC, Marana	A (Small Lot Zone), Marana
Sales Price:	\$315,000	\$900,000	\$1,365,759	\$3,800,000	N/A
Terms of Sale:	Cash to seller	Cash to seller	Cash to seller	Cash to Seller	N/A
Use:	Retail/Investment	40 townhome rentals	AZ Department of Child Safety Building	Heritage Park Commercial Center. 8 Commercial Pad Sites	Vacant land
Gross Site Size (SF):	39,280	165,964	151,753	611,113	135,684
Gross Site Size (AC):	0.90	3.81	3.48	14.03	3.11
Sales Price Per Sq. Ft.	\$8.02	\$5.42	\$9.00	\$6.22	N/A

The indication of value used in this analysis is derived by utilizing comparable sales to "bracket" the subject property. The price per square foot of site area will be the base unit of comparison within our analysis. This is simply the sales price for the total property divided by the area of the land area. In order to estimate the market value of the subject site, the comparable sales have been analyzed based on their respective sales price per square foot. Adjustments to the comparables' price per square foot unit of comparison have been considered for differences in property rights, financing (cash equivalency), market conditions (time), location, highest and best use, site utility, site size and zoning. Here follows a discussion of each of the adjustments.

COMPARBLE LAND SALES MAP



COMPARABLE LAND SALE ONE

LOCATION: 8551 and 8557 N. Silverbell Road, Marana, Pima County, Arizona

TAX CODE NUMBER: 221-21-003F

RECORDING DATE: April 28, 2023

RECORDS: 20231180593

OWNERSHIP HISTORY: No recorded sales in previous three years.

SELLER: Aljaar Investment Corporation

BUYER: Goldman Ventures, LLC

PURCHASE PRICE: \$315,000

TERMS: Cash to seller

MARKETING TIME: Unknown

SITE SIZE: 0.90 Acres or 39,280 square feet

ZONING: NC (Neighborhood Commercial). Marana

ACCESS & VISIBILITY: Good via Silverbell Road

FLOOD PLAIN: Zone X, located outside of flood hazard

TOPOGRAPHY: Level

PRICE/SQ.FT: \$8.02

CONDITION: Vacant lot

UTILITIES: All to site.

COMMENTS: Buyer plans to build an additional retail building on this site. Irregular shaped parcel that sold as an investment to a buyer who acquired the adjacent three, improved properties in a separate transaction.

CONFIRMED WITH:

Bruce Suppes, CBRE, Listing Broker, Batoun Harrington,
Branel Real Estate Company, LLC, Buyers Broker, CoStar,
Public Records

CONFIRMED BY:

Andres A. Rubal, MAI, AI-GRS

DATE:

October 2024



COMPARABLE LAND SALE TWO

LOCATION: SEc Cortaro Farms Road and Sandy Desert Trail, Marana, Pima County, Arizona

TAX CODE NUMBER: 221-18-4420

RECORDING DATE: July 28, 2023

RECORDS: 20232090320

OWNERSHIP HISTORY: No recorded sales in previous three years.

SELLER: John Thomason Price Revocable Trust

BUYER: DSW Capital 1, LLC

PURCHASE PRICE: \$900,000

TERMS: Cash to seller

MARKETING TIME: Unk.

SITE SIZE: 3.81 Acres or 165,964 square feet

ZONING: NC (Neighborhood Commercial), Marana

ACCESS & VISIBILITY: Good Via Cortaro Farms Road and Sandy Desert Trail

FLOOD PLAIN: Zone X, located outside of flood hazard

TOPOGRAPHY: Sloping

PRICE/SQ.FT: \$5.42

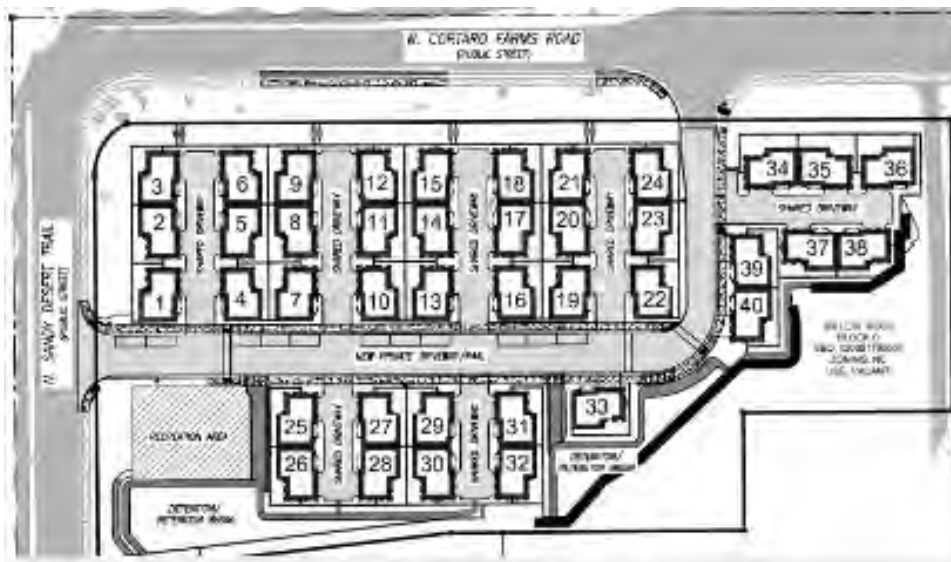
CONDITION: Vacant lot.

UTILITIES: All available to lot.

COMMENTS: Property was purchased for development of a 40-unit townhome rental development. Topography is sloping with east end elevated above west end and site work is significant with dirt infill required, although a specific amount of civil engineering cost was not provided. Located at a secondary, signalized intersection, east of Interstate 10.

CONFIRMED WITH:
CONFIRMED BY:
DATE:

Chris Itule, DSW Commercial, CoStar, Public Records
Andres A. Rubal, MAI, AI-GRS
October 2024



COMPARABLE LAND SALE THREE

LOCATION: 5874 W. Ina Road, Marana, Pima County, Arizona

TAX CODE NUMBER: 226-33-218B

RECORDING DATE: October 27, 2023

RECORDS: 20233000699

OWNERSHIP HISTORY: No recorded sales in previous three years.

SELLER: Doornoch Properties

BUYER: Innovative Technology Development Group

PURCHASE PRICE: \$1,365,759

TERMS: Cash to seller

MARKETING TIME: Unk.

SITE SIZE: 3.48 Acres or 151,753 square feet

ZONING: SP (Silverbell Gateway Specific Plan), Marana

ACCESS & VISIBILITY: Good via Ina Road

FLOOD PLAIN: Zone X, located outside of flood hazard

TOPOGRAPHY: Level

PRICE/SQ.FT: \$9.00

CONDITION: Vacant land

UTILITIES: All to site.

COMMENTS: Purchased as a build to suit for lease to Arizona Department of Child Safety Building.

CONFIRMED WITH: CoStar Comps, Public Records

CONFIRMED BY: Andres A. Rubal, MAI, AI-GRS

DATE: October 2024

COMPARABLE LAND SALE FOUR

LOCATION: E of SEC Tangerine Farms Road and Lon Adams Road,
Marana, Pima County, Arizona

TAX CODE NUMBER: 217-53-8090, -8100 + 7 more

RECORDING DATE: April 3, 2024

RECORDS: 20240940324

OWNERSHIP HISTORY: Property sold for \$2.0 million as a REO sale on December
7, 2021.

SELLER: HOH Land Holdings, LLC

BUYER: Oracle Greenock, LLC

PURCHASE PRICE: \$3,800,000

TERMS: Cash to seller

MARKETING TIME: Unknown

SITE SIZE: 14.03 Acres or 611,113 square feet

ZONING: VC (Village Commercial), Marana

ACCESS & VISIBILITY: Tangerine Road and Lon Adams Road.

FLOOD PLAIN: Zone X and Zone X Shaded

TOPOGRAPHY: Level

PRICE/SQ.FT: \$6.22

CONDITION: Vacant lots

UTILITIES: All available to site.

COMMENTS: Nine parcels sold to a local real estate developer who will
sell or develop the individual parcels. Reflects nine total
parcels. Located across the street from the Fry's
Supermarket, presently under construction with an
anticipated opening in 3rd Quarter 2024.

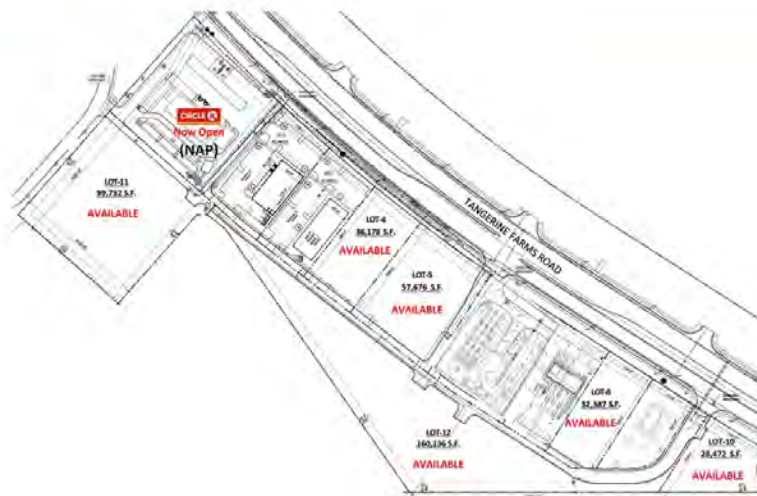
CONFIRMED WITH: Brian Harpel, Velocity Retail Group, CoStar, Public Records

CONFIRMED BY: Andres A. Rubal, MAI, AI-GRS

DATE: May 2024



SITE PLAN



History of the Sales

None of the sales transacted within the prior three years from the sales dates, indicated above.

Discussion of Adjustments

In order to develop an opinion of the market value of the subject, the comparable sales have been analyzed on a price per acre basis. Adjustments to the comparables price per square foot unit of comparison have been considered for differences in property rights, terms of sale (cash equivalency), market conditions (time), location, size, zoning/use, utility availability, and shape/site utility. Here follows a discussion of each of the adjustments.

Property Rights

All the sales analyzed involved a transfer of the fee simple estate; therefore, no adjustment is warranted for property rights.

Terms of Sale

Adjustments for terms of sale have been considered in this analysis. The analysis assumes a cash equivalent purchase. Cash equivalent sales imply those transactions, which are financed by third-party lenders such as savings and loan associations, insurance companies, or commercial banks. Transactions, which are financed by sellers, may provide advantages not available from third-party lenders. Typically, seller carry back financing includes a lower down payment than what would be available via third-party financing. However, in some cases, sellers consider a carry back either the same as or preferable to cash, depending upon the tax status of the sale or desire to defer sale proceeds.

All of the comparables sold for cash or cash equivalent terms warranting no adjustment for this factor.

Sale Conditions

The comparable sales were analyzed to determine if the transaction differed from the definition of a true market sale. All of the comparables in this analysis are considered to be market sales with typical buyer and seller motivations, and no adjustments to these comparables are warranted.

Market Conditions (Time)

Market conditions may have changed between the time of the sale of the comparable property and the date of the appraisal. Under such circumstances, the price of the comparable property would require an adjustment to reflect current prices. Changes in pricing may result from various effects such as inflation, deflation, changing demand, and changing supply.

The comparables range in date of sale from April 2023 to April 2024. The effective date of appraisal is September 2024. The market for commercial land continues to remain in good demand. However, rising interest rates are presenting challenges with developer's feasibility for projects, slowing the rate of sales. Overall, the sales all occurred within generally similar market conditions, with no adjustments warranted.

Physical Adjustments

Location

Property location is typically analyzed in terms of the relative time-distance relationship between a given property and all likely destinations and origins and its access, frontage and visibility to vehicular traffic. Respective to commercial parcels, the critical aspect of location is access and visibility from primary commercial thoroughfares. Such consideration can be divided into to portions: general location and specific location.

The site is located at the northeast corner of Sandario Road and Bill Gaudette Drive, a secondary, un-signalized intersection. Per the Pima Association of Governments, Sandario Road receives 4,145 vehicles per day (2023 counts). No counts are available along Bill Gaudette Road. Overall, access and visibility are considered average to good as this property is located proximate to the core of Downtown Marana and the Town Center.

All of the sales are located in Marana, warranting no adjustment for general location.

Sale One is located along Silverbell Road in the Continental Ranch community, considered superior to the subject, warranting a downward adjustment for this element of comparison. Sale Two and Three contain Ina Road and Cortaro Road frontage, superior to the subject, warranting downward adjustments. Comparable Four is located surrounding a signalized corner and across the street from a newly developing Fry's Supermarket, providing superior exposure, warranting a downward adjustment.

Site Size

In this analysis, adjustments for size have been considered for the comparable properties. The subject site has a site size of 3.11 acres. The comparables range in size from approximately 0.89 acres to 14.03 acres, bracketing the subject. Sales Two and Three are considered generally similar to the subject in size, with no adjustments warranted. Sale One is considered to be sufficiently smaller to warrant a downward adjustment while Sale Four is considered sufficiently larger to warrant an upward adjustment for this element of comparison.

Zoning/Use

The subject site is zoned Small Lot (Zone A) by the Town of Marana. This zone permits a variety of uses including residential, commercial, industrial and quasi-public land uses, as long as each land use is conducted on a lot no larger than 2.5 acres. If a use larger, a rezone would be required. The subject has a highest and best use for commercial uses or residential uses including offices,

multi-family or secondary retail uses. All of the comparables have similar zonings and highest and best uses, warranting no adjustments for this factor.

Utility Availability

The subject has all public utilities available to the lot. All of the sales contain similar access to utilities, warranting no adjustments for this factor.

Site Utility

Site utility relates to usability of the site and the level of engineering required to make the site suitable for construction. The site is level and at grade with surrounding properties and roadways and the parcel is rectangular in shape. According to Federal Emergency Management Agency, Flood Insurance Rate Map 04019C1030 L, dated June 11, 2011, the subject is sited within Zone AO 1. This is a special flood hazard area subject to inundation by the 1% annual chance flood with flood depths of 1 to 3 feet. Per conversation with Mr. Edward Eastburn, CFM, Floodplain Manager, Development Engineering, Town of Marana, the base flood is 1 foot deep as measured from the highest adjacent natural grade (HANG). Thus, building improvement pad areas must be elevated at least two feet above the HANG. This will not remove the buildings from the FEMA floodplain but meet code for development in flood hazard areas.

Sale One is inferior in regard to shape with an irregular shaped parcel but is not impacted by the floodplain. Considering these factors, a small downward adjustment is applied for this element of comparison.

Sales Three and Four are not impacted by the flood plain, warranting downward adjustments. Sale Two contains sloping topography with civil engineering challenges involving dirt fill requirements, warranting an upward adjustment for this factor.

Summary

The factors discussed above are considered to influence market price. Adjustments to the comparables utilized in this analysis for the various differences result in an indication of the market value range for the subject. The following table summarizes the adjustments considered appropriate for each of the comparable sales.

<i>Transactional Adjustments:</i>	1	2	3	4
Property Rights	0.0%	0.0%	0.0%	0.0%
	Fee simple	Fee simple	Fee simple	Fee simple
Adjusted Price/SF	\$8.02	\$5.42	\$9.00	\$6.22
Terms of Sale	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Adjusted Price/SF	\$8.02	\$5.42	\$9.00	\$6.22
Sale Conditions	0.0%	0.0%	0.0%	0.0%
	Typical	Typical	Typical	Typical
Adjusted Price/SF	\$8.02	\$5.42	\$9.00	\$6.22
Time of Sale	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Adjusted Price/SF	\$8.02	\$5.42	\$9.00	\$6.22

<i>Physical Adjustments:</i>	1	2	3	4
Location	-5.0%	-15.0%	-15.0%	-5.0%
	Superior	Superior	Superior	Superior
Size	-5.0%	0.0%	0.0%	30.0%
	Smaller	Similar	Similar	Larger
Zoning/Use	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Utility Availability	0.0%	0.0%	0.0%	0.0%
	Similar	Similar	Similar	Similar
Shape/Site Utility	-2.5%	25.0%	-5.0%	-5.0%
	Superior	Inferior	Superior	Superior
Gross Additional Adjustments	12.50%	40.00%	20.00%	40.00%
Net Additional Adjustments	-12.5%	10.0%	-20.0%	20.0%
Adjusted Price Per Sq. Ft.	\$7.02	\$5.97	\$7.20	\$7.46

The preceding transactions were analyzed in order to develop an opinion of the market value of the subject site. The prior tabulation reflects the physical adjustments that are considered appropriate for each of the comparable properties in comparison to the subject. While the comparables vary somewhat in comparison to the subject, they are considered to provide the best indication of value for the subject as of the date of valuation. Although support for specific quantifiable adjustments could not be abstracted from the market for each of the adjustments, the adjustments shown reflect subjective observations of the current market and are considered reasonable.

Conclusion

After adjustments are applied, the range is refined to about \$6.00 to \$7.45 per square foot. Sale Two involved extensive civil engineering challenges and sets the lower limit of value. The three remaining sales required a moderate level of net adjustments, reconciled from \$7.05 to \$7.45/SF. Multiplied by subject's size of 135,684 square feet totals \$956,572 to \$1,010,846, reconciled at \$1,000,000 or \$7.37 per square foot of land area.

David Dixon, Director, Accounting and Finance, Marana Health Center, provided the appraisers with a partially executed sales agreement from Marana Health Center to USPS. The agreement was for \$1,050,000 or \$7.74/SF and was signed by the sellers on January 18, 2024. The price was set by brokers which USPS completed their due diligence but never ended up signing and fully executing the contract. Overall, as the transaction was never executed, our valuation is considered reasonable and well supported by market levels.

**OPINION OF THE FEE SIMPLE MARKET VALUE
OF THE SUBJECT PROPERTY, "AS IS"**

VIA THE SALES COMPARISON APPROACH.....\$1,000,000

EXPOSURE PERIOD

Exposure time is presumed to precede the effective date of the appraisal, and reflects the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of the appraisal. It is a retrospective estimate based on an analysis of recent past events, assuming a competitive and open market, and assumes adequate marketing time and effort.

Demand for multi-family/commercial sites that are competitively priced continues as evidenced by the sales that have been occurring. Based on our analysis of market conditions that have prevailed in the local market during the last year, the subject, if properly priced, could have been sold within one year prior to the date of this appraisal.

APPRAISERS' CERTIFICATION

We certify that, to the best of our knowledge and belief:

The statements of fact contained in this appraisal report, which are used as the basis of my analyses, opinions, and conclusions, are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.

We have no present or contemplated future interest in the real estate that is the subject of this appraisal report and, further, we have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.

Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report. Our employment was not conditioned upon the appraisal producing a specific value or a value within a given range.

We certify that, to the best of our knowledge and belief, the reported analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute.

We certify that we have the appropriate knowledge and experience required to complete the assignment competently and certify the opinions contained herein.

No one provided significant professional assistance to the signer of this report unless noted. Further, no one other than the undersigned formed the analyses, conclusions, and opinions concerning real estate that are set forth in this appraisal report, unless such participation by another party is indicated by the co-signing of this report by such other party.

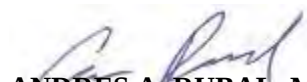
We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

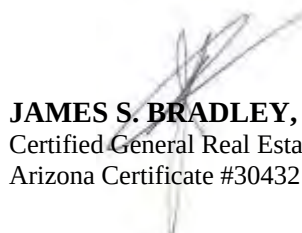
As of the date of this report, we have completed the continuing education program for Designated Members of the Appraisal Institute.

As of the date of this report, we have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Respectfully submitted,


ANDRES A. RUBAL, MAI, AI-GRS
AXIA Real Estate Appraisers
Certified General Real Estate Appraiser
Arizona Certificate #31801


JAMES S. BRADLEY, MAI, AI-GRS
Certified General Real Estate Appraiser
Arizona Certificate #30432

QUALIFICATIONS OF ANDRES A. RUBAL, MAI, AI-GRS

State of Arizona Certified General Real Estate Appraiser, Certificate #31801

EMPLOYMENT HISTORY

2007 - Present AXIA Real Estate Appraisers (previously known as KB Real Estate Appraisers), as Commercial Real Estate Appraiser and Valuation Analyst, Tucson, Arizona

PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

Member of the Appraisal Institute (MAI), designation earned in September 2022
Appraisal Institute – General Review Specialis (AI-GRS), designation earned in March 2024
Licensed Real Estate Broker, State of Arizona
Affiliate member of Southern Arizona pter
Member of the International Right of Way Association (IRWA)

FORMAL EDUCATION

Bachelor of Arts in Geography, University of Arizona with a minor in Geographic Information Systems (GIS), 2007

PROFESSIONAL EDUCATION

- 2023 7 Hour Update USPAP Course, Appraisal Institute (2024)
Review Theory-General, Appraisal Institute
- 2022 7 Hour Update USPAP Course, Appraisal Institute
Fundamentals of the Uniform Appraisal Standard for Federal Land Acquisitions, Appraisal Institute
Appraising Automobile Dealerships, Appraisal Institute
Rates and Ratios: Making Sense of GIMs, OARs and DCF, Appraisal Institute
- 2021 Supervisory Appraiser/ Trainee Course, Appraisal Institute
General Demonstration Report Writing, Appraisal Institute
- 2020 Advanced Concepts and Case Studies, Appraisal Institute
7 Hour Update USPAP Course, Hogan School of Real Estate
- 2018 Quantitative Analysis, Appraisal Institute
Housing and Land Market Perspective, Appraisal Institute
7 Hour Update USPAP Course, Hogan School of Real Estate
- 2016 • 7 Hour Update USPAP Course, Appraisal Institute
• Housing and Land: Market Perspective, Appraisal Institute
- 2015 • Appraising Convenience Stores, Appraisal Institute

APPRAISAL EXPERIENCE/SCOPE OF PRACTICE

- Clientele includes private individuals, corporate organizations, financial institutions, and governmental agencies.
- Appraisal assignments include industrial properties, improved and vacant land, subdivisions, detached single-family residences, office and retail buildings, as well as numerous special use properties.
- Experience in preparation of reports for conventional lending, SBA, eminent domain work and consultations.
- Appraisal assignments have been completed in Pima, Maricopa, Pinal, Cochise, Santa Cruz, Yuma, Coconino, Graham, Yavapai, Navajo, and Mohave Counties within the State of Arizona.

QUALIFICATIONS OF JAMES S. BRADLEY, MAI, AI-GRS

State of Arizona Certified General Real Estate Appraiser, Certificate #30432 (Expires 10/31/2024)
State of Wisconsin Certified General Real Estate Appraiser, Certificate #3082-10 (Expires 12/14/2025)

PROFESSIONAL EXPERIENCE

1988 - Present	AXIA Real Estate Appraisers, as Principal Appraiser/Consultant, owner since 1996 (previously known as KB Real Estate Appraisers).
1985 - 1988	Greenberg Chin and Associates, Inc., Real Estate Consultants and Appraisers, as Associate Consultant/Appraiser under Neil O. Kleinman, MAI and Bruce Greenberg MAI
1982 - 1985	Real Estate Broker in Grand Junction, Colorado, working in commercial sales and property management
1978 - 1982	Real Estate Broker in Cortez, Colorado, in residential and rural sales

PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

- Member, #9888 of the Appraisal Institute (MAI). The Institute conducts a voluntary program of continuing education for its designated members. MAI's who meet the minimum standards of this program are awarded periodic educational certification. Mr. Bradley received his designation in 1993.
- Mr. Bradley received his AI-GRS designation in August 2016. The AI-GRS (which stands for Appraisal Institute – General Review Specialist), is a designation held by real estate appraisers who are experienced in general appraisal review.
- Member #15817 of the CCIM Institute. Mr. Bradley received his CCIM designation in April 2009. He is a past president of the Southern Arizona CCIM Chapter.
- Member of Chapter 73 International Right of Way Association
- Designated Real Estate Broker, State of Arizona since 1985 (#BRO-12667000)
- Citizens Advisory Committee Regional Transportation Authority Pima County (Member)

FORMAL EDUCATION

Bachelor of Science in Business Administration, University of Arizona, with major in Marketing/Advertising, 1984

Certificate of Achievement in Real Estate, University of Colorado, 1981

Qualifications of James S. Bradley, MAI (continued)

PROFESSIONAL EDUCATION

All required classes to obtain MAI Designation and in conformance with the Appraisal Institute's requirements for continuing education. Additionally, all classes and exams necessary to obtain the CCIM Designation. Recognized by the Appraisal Institute as a Litigation Expert. Also all classes necessary to obtain and retain his Arizona Designated Brokers License.

SEMINARS/CLASSES

- 2022 USPAP 2022-2023
- 2020 Problems in the Valuation of Partial Acquisitions
Business Practices & Ethics
Appraising Convenience Stores
Appraising Automobile Dealerships
Divorce & Estate Appraisals – Elements of Non-Lender Work
- 2019 USPAP 2020-2021
Annual Arizona Ag Forum (ASFMRA)
- 2018 USPAP 2018 – 2019
Housing & Land: Market Perspective
Business Practices & Ethics
Annual Arizona Ag Forum (ASFMRA)
Various Continuing Education Classes For Broker's License
- 2017 Uniform Appraisal Standards For Federal Land Acquisitions: Practical Applications
Yellow Book Changes – Overview for Appraisers
Annual Arizona Ag Forum (ASFMRA)
- 2016 Reviewing Appraisals in Eminent Domain (IRWA)
Easement Valuation (IRWA)
Review Theory – General (Appraisal Institute - AI)
2016-2017 7 Hour National USPAP Update Course (AI)
Various Continuing Education Classes For Broker's License
Annual Arizona Ag Forum (ASFMRA)
- 2015 The Inns & Outs of a Certificate of Occupancy
- 2014 2014-2015 7 Hour National USPAP Update Course (AI)
Data Verification Methods (AI)
Small Hotel/Motel Valuation (AI)
Advance Internet Search Strategies (AI)
Numerous Real Estate Continuing Education Classes For Brokers License
- 2013 Business Practice & Ethics (AI)

ADDENDA

- 1) Assumptions and Limitations
- 2) Appraisers' Certificates

ASSUMPTIONS AND LIMITATIONS

APPRAISAL CONDITIONS, GENERAL ASSUMPTIONS AND LIMITATIONS OF THIS APPRAISAL

This appraisal is for no purpose other than property valuation, and the appraisers are neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

This appraisal is not a survey.

It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless otherwise noted. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern regarding boundaries, setbacks, encroachments or other survey matters.

This appraisal is not a legal opinion.

No responsibility is assumed for matters of a legal nature that affect title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable. The value opinion is given without regard to any questions of title, boundaries, encumbrances or encroachments. I am not usually provided an abstract of the property being appraised and, in any event, I neither made a detailed examination of it nor do I give any legal opinion concerning it.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report. Information and analysis shown in this report concerning these items is based only on a rudimentary investigation. Any significant question should be addressed to local zoning or land use officials and/or an attorney.

It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns on these items since we have not made a comprehensive examination of laws and regulations affecting the subject property.

This appraisal is not an engineering or property inspection report.

This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraisers are not construction, engineering, environmental or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

For properties in which the conditions of foundations, roofs, exterior walls, interior walls, floors, heating systems, plumbing, insulation, electrical service and all mechanical and construction items are described, these descriptions are based on a casual inspection only and no detailed inspection was made. For instance, I am not an expert on heating systems and no attempt was made to inspect the interior of a given property's furnace. Structures are not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.

Some items, such as conditions behind walls, above ceilings, behind locked doors or under the ground, are not exposed to casual view and, therefore, are typically not inspected. The existence of insulation, if any is mentioned, was found by conversation with others and/or circumstantial evidence. Since it is not normally exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

It is assumed that there are no hidden or unapparent conditions of the property, sub-soil or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in making this appraisal.

Unless stated otherwise in the report, wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use of the property.

If the client requires a more detailed property inspection, obtaining services of a qualified building inspector is highly recommended.

We are not environmental experts, and I do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If I know of any problems of this nature that I believe would create a significant problem, they are disclosed in this report. However, nondisclosure should not be taken as an indication that such a problem does not exist. An expert in the field should be consulted if any interested party has questions on environmental factors.

No chemical or scientific tests were performed by the appraiser on the subject property, and it is assumed that the air, water, ground and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed

that the subject site does not contain any type of dump site and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.

The age of any improvements to the subject property mentioned in this report should be considered a rough estimate. I am not sufficiently skilled in the construction trades to be able to reliably estimate the age of improvements by observation. I therefore rely on circumstantial evidence that may come into my possession (such as dates on architectural plans) or conversations with those who might be somewhat familiar with the history of the property such as property owners, on-site personnel or others.

Parties interested in knowing the exact age of improvements on the land should contact us to ascertain the source of the data and then make a decision as to whether they wish to pursue additional investigation.

Because no detailed construction, engineering, environmental or legal inspection was made and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of a given property's foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation or any other detailed construction matters. If any interested party is concerned about the existence, condition or adequacy of any particular item, I would strongly suggest that a construction expert be hired for a detailed investigation.

This appraisal is made under conditions of uncertainty with limited data.

As can be seen from limitations presented above, the appraisal is based on an analysis of many sources of data. Every attempt has been made to confirm the data as reliable and factual, however, there are a number of limitations with respect to data including: a lack of certain areas of expertise beyond real estate appraisal methodology and techniques; the inability of the appraiser to view certain portions of the property; and the inherent limitations of relying upon information provided by others such as: income and expense data; comparable sales data; and engineering analyses.

This appraisal is an opinion of value based on an analysis of information known to us at the time the appraisal was made. All values shown in the appraisal report are projections based on the analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. I take no responsibility for events, conditions or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of the field inspection, whichever occurs first.

Opinions and estimates expressed herein represent my best judgment but should not be construed as advice or recommendation to act. Before relying on any statement made in this appraisal report, interested parties should contact us for the exact extent of my data collection on any point that they believe to be important to their decision making. This will enable such interested parties to determine whether they believe the extent of my data gathering process was adequate for their needs.

Appraisal report limitations

Appraisal reports are technical documents addressed to the specific technical needs of clients. Casual readers should understand that this report does not contain all of the information I have concerning the subject property or the real estate market. While no factors I believe to be significant but unknown to the client have been knowingly withheld, it is always possible that I have information of significance that may be important to others but which, with my limited acquaintance with the property and in light of the limitations of my expertise (as outlined in this document), does not seem to be important to us.

Appraisal reports are technical documents, with their reporting formats guided by both the Uniform Standards of Appraisal Practice and specific technical requirements of a given client. Casual readers are cautioned about their limitations and are warned against possible misinterpretation of the information contained in these reports.

The liability of AXIA Real Estate Appraisers, its employees and/or agents is limited only to the Client and specifically identified intended users. Further, there is no accountability, obligation or liability to any third party. The appraiser(s) should be contacted with any questions before this report is relied on for decision making.

There are no requirements, by reason of this appraisal, to give testimony or appear in court or any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation and additional fees are paid by the client at my regular rates for such appearances and the preparation necessitated thereby.

This report is made for the information and/or guidance of the client and possession of this report, or a copy thereof, does not carry with it a right of publication. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.

It is suggested that those who possess this appraisal report should not give copies to others. Certainly, legal advice should be obtained on potential liability issues before this is done. Anyone who gives out an incomplete or altered copy of the appraisal report (including all attachments) does so at their own risk and assumes complete liability for any harm caused by giving out an incomplete or altered copy. Neither the appraiser nor this company assumes any liability for harm caused by reliance upon an incomplete or altered copy of the appraisal report given out by others. Anyone with a question on whether their copy of an appraisal report is incomplete or altered should contact my office.

Values and conclusions for various components of the subject property as contained within this report are valid only when making a summation; they are not to be used independently for any purpose and must be considered invalid if so used. The allocation of the total value in this report between land and improvements applies only under the reported highest and best use of the property. The separate valuations for land and buildings must not be used in conjunction with any

other appraisal and are invalid if so used.

In the case of limited partnerships, syndication offerings or stock offerings in real estate, the Client agrees that in case of a lawsuit (brought by lender, partner or part owner in any form of ownership, tenant or any other party), the Client and all parties will completely hold harmless this firm, its employees and/or agents.

No Assignment of Claims

Legal claims or causes of action relating to the appraisal are not transferable or assignable to a third part, except: (i) as a result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

Maximum Time Frame for Legal Actions

Unless the time frame is shorter under applicable law, any legal action or claim relating to the appraisal or Appraiser's services shall be filed in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration agreement) within two (2) years from the date of delivery to the Client of the appraisal report to which the claims or cause of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time frame stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time frame stated in this section shall apply to all non-criminal claims or causes of action of any type.

Americans with Disabilities Act (ADA)

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in valuing of the property.

Certificate of Occupancy (COO)

Each governmental jurisdiction has varying requirements for an improved property to be occupied. It is outside of the scope of this report to be able to quantitatively understand how the COO regulations apply to each property. Since I have no direct evidence relating to this issue as it concerns the subject, I did not consider possible noncompliance with the requirements of any COO regulations as they would apply to the subject in valuing of the property.

Arizona-specific considerations

Special consideration must be given to properties located in Arizona with respect to seismicity/subsidence. Seismic activity in Southern Arizona is rare but does occasionally occur. A more common geotechnical manifestation has been the development of subsidence cones caused by pumping of groundwater. A geologist should be consulted if there is any concern regarding these matters.

Due to the historic nature of the American Southwest, properties within Arizona may be impacted by the presence of archaeological features, such as Native American remains or artifacts (specifically the ancient Hohokam and Anasazi settlements). The presence of such features may require mitigation on the part of the property owner or developer and could involve significant costs or time delays. It is an assumption of this report that no such archeological issues impact the subject property, unless otherwise noted in the appraisal report. Should a competent archeologist specifically identify significant archeology and quantify the cost of data recovery, I reserve the right to alter the valuation opinion contained in this report.

Extraordinary Assumptions and Hypothetical Conditions

None noted.

APPRAISERS' CERTIFICATES

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-31801



CREDENTIAL TYPE	ISSUE DATE	EFFECTIVE DATE	EXPIRATION DATE
Certified General Appraiser	August 25, 2010	September 01, 2025	August 31, 2026

This certificate was printed on August 19, 2024 and will remain in effect until a change request has been approved by the Department or the credential is surrendered, suspended, revoked or expired.

Arizona Department of Insurance and Financial Institutions
difi.az.gov
100 N 15a Ave, Suite 261
Phoenix, AZ 85007-2630

Department of Insurance and Financial Institutions
State of Arizona

CGA - 30432

JAMES S. BRADLEY

This document is evidence that:
Arizona Revised Statutes, relating to the establishment and operation of a:

has complied with the provisions of

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

JAMES S. BRADLEY

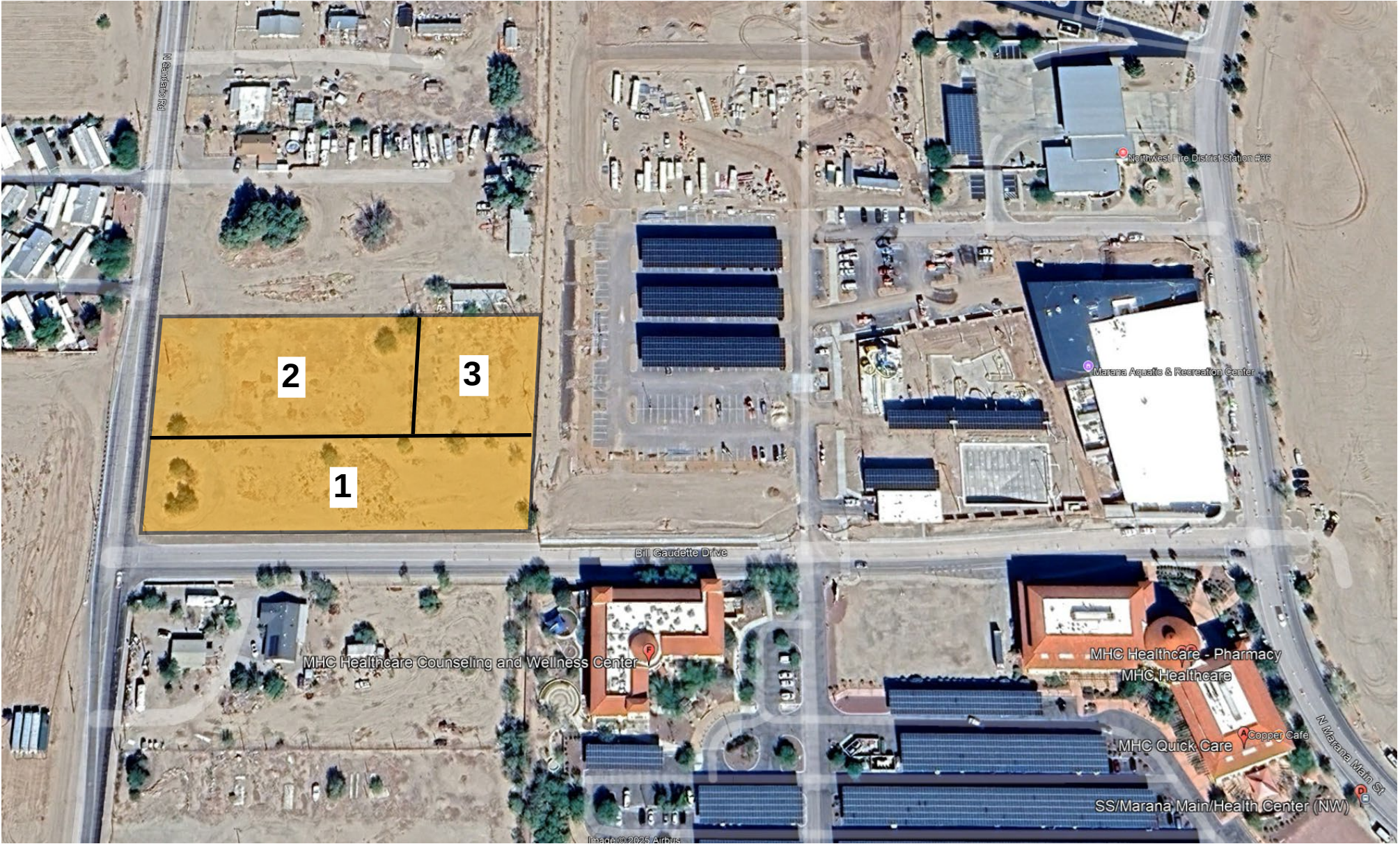
This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **October 31, 2024**

Marana Health Center, Inc.

	Address	Assessor Parcel Number (APN)	Acreage
1.	13416 N. Sandario Road	217-37-030A	1.21
2.	13418 N. Sandario Road	217-37-0280	1.30
3.	13420 N. Sandario Road	217-37-0290	0.60
			3.11

Marana Health Center, Inc.





Council-Regular Meeting

A3

Meeting Date: 05/20/2025

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: May 20, 2025

Strategic Plan Focus Area:

Thriving Commerce, Vibrant Community, Cherished Heritage, Proactive Public Services, Recreation, Healthy Lifestyles, Progress & Innovation

Subject: Ordinance No. 2025.010: Relating to Finance; amending the Town of Marana Comprehensive Fee Schedule; and designating an effective date (Yiannis Kalaitzidis)

Resolution No. 2025-044: Relating to Finance; declaring as a public record filed with the Town Clerk the amendments to the Town of Marana Comprehensive Fee Schedule adopted by Ordinance No. 2025.010 (Yiannis Kalaitzidis)

Discussion:

The Town created a town-wide, Comprehensive Fee Schedule (Schedule) and standardized fees across all departments. At the time of that ordinance's adoption, it was determined that an annual review of the Schedule should occur to ensure that the Town was continuing to cover its costs, where appropriate, and that it was charging fair and equitable fees to its customers.

Staff conducted this year's review of the Schedule with the following goals in mind:

- Ensure that fees reflect the actual cost of providing programs and services to customers, where appropriate.
- Identify opportunities to streamline, consolidate and modernize the application and use our fees to encourage/facilitate development.
- Eliminate errors, inconsistencies and unused items within the existing comprehensive fee schedule.

Staff presented the proposed changes to Council at the March 4, 2025 meeting.

Pursuant to A.R.S. Section 9-499.15, the Town did post notice of possible changes to the Schedule, as required. The statute requires that the Town provide notice on its website of any new or increased fees for businesses at least 60 days before the meeting is scheduled to consider approving the new fees and/or fee increases. Additionally, the Town published a notice of intent to establish or increase taxes, assessments, or fees on its website at least 15 days before the meeting scheduled to consider approving the new fees and/or fee increases.

If approved, the amendments to the Schedule will be effective on July 1, 2025.

Financial Impact:

The proposed approval of the amendments to the Town Comprehensive Fee Schedule will not have a material impact on revenues.

Staff Recommendation:

Staff recommends adoption of the amendments to the Comprehensive Fee Schedule.

Suggested Motion:

I move to adopt Ordinance No. 2025.010, adopting the amendments to the Town of Marana Comprehensive Fee Schedule and designating an effective date, and Resolution No. 2025-044, declaring the amendments a public record.

Attachments

Ordinance No. 2025.010

Resolution No. 2025-044

Exhibit A - Fee Schedule Amendments

MARANA ORDINANCE NO. 2025.010

RELATING TO FINANCE; AMENDING THE TOWN OF MARANA COMPREHENSIVE FEE SCHEDULE; AND DESIGNATING AN EFFECTIVE DATE

WHEREAS the Town Council is authorized by A.R.S. § 9-240(A) to control the finances of the town; and

WHEREAS the Town Council, via Ordinance No. 2021.008, adopted an amended comprehensive fee schedule on May 18, 2021, which was made a public record by and attached as Exhibit A to Resolution No. 2021-071; and

WHEREAS from time to time the Town Council has adopted amendments to the comprehensive fee schedule, most recently on April 15, 2025, via Ordinance No. 2025.009; and

WHEREAS amending the comprehensive fee schedule as set forth in this ordinance is in the best interests of the Town of Marana.

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

SECTION 1. The amendments to the Town of Marana Comprehensive Fee Schedule, one paper copy and one electronic copy of which are on file in the office of the Town Clerk of the Town of Marana, Arizona, which were made a public record by and attached as Exhibit A to Resolution No. 2025-044 of the Town of Marana, Arizona, are hereby referred to, adopted, and made a part of this ordinance as if fully set out here.

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; provided, however, that this repeal shall not affect the rights and duties that matured or penalties that were incurred and proceedings that were begun before the effective date of the repeal.

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 become effective on July 1, 2025.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, Arizona, this 20th day of May, 2025.

Mayor Jon Post

ATTEST:

APPROVED AS TO FORM:

Jill McCleary, Town Clerk

Jane Fairall, Town Attorney

MARANA RESOLUTION NO. 2025-044

RELATING TO FINANCE; DECLARING AS A PUBLIC RECORD FILED WITH THE TOWN CLERK THE AMENDMENTS TO THE TOWN OF MARANA COMPREHENSIVE FEE SCHEDULE ADOPTED BY ORDINANCE NO. 2025.010

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, that the amendments to Town of Marana Comprehensive Fee Schedule adopted by Marana Ordinance No. 2025.010, a copy of which is attached to and incorporated in this resolution as Exhibit A and one paper copy and one electronic copy of which are on file in the office of the Town Clerk, are hereby declared to be a public record and ordered to remain on file with the Town Clerk.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of May, 2025.

Mayor Jon Post

ATTEST:

APPROVED AS TO FORM:

Jill McCleary, Town Clerk

Jane Fairall, Town Attorney

*EXHIBIT A TO MARANA RESOLUTION NO. 2025-044
Amendments to the Town of Marana Comprehensive Fee Schedule
Pursuant to Marana Ordinance No. 2025.010*

SECTION 1. The Town of Marana comprehensive fee schedule adopted via Ordinance No. 2021.008, and made a public record by Resolution No. 2021-071, as previously amended, is hereby amended (with deletions shown with ~~strikeouts~~ and additions shown with double underlining) (only amendments to the fee schedule are shown; the remainder of the fee schedule is unchanged):

Fee/Description	Amount	Unit of Measure	Notes
<u>Minor Off-site Improvement Plan Package</u>	<u>\$1500.00</u>	<u>Per Application</u>	<u>Includes review of roadway improvement plans and landscape plans within the Town right-of-way for up to 3 submittals, \$450 for each additional submittal. Revision to accepted plans are charged 30% of original fee.</u>
<u>Major Off-site Improvement Package</u>	<u>\$2000.00</u>	<u>Per Application</u>	<u>Includes review of roadway improvement plans, landscape plans, and intersection or traffic signal plans within the Town right-of-way for up to 3 submittals, \$600 for each additional submittal. Revision to accepted plans are charged 30% of original fee.</u>
Wall Engineering Model Plan Review	\$200.00	Per application	
Traffic Signal Plans	\$300.00	Per Application	Fee is in addition to the construction plan review. Revisions to accepted plans are 30% of original fee.
<u>Surface Mining Resource Extraction Fee</u>	<u>\$0.05</u>	<u>Per ton of material extracted</u>	<u>Paid on a quarterly basis or pursuant to the terms of agreement.</u>
Temporary Business License; Short-Term Vendor (10 consecutive days or less)	\$20.00	Per License	License is valid for a maximum period of 10 days. <u>Fee is non-refundable.</u>
<u>Video Recording Fee Review/Redaction Fee</u>	<u>\$ 46.00</u>	<u>Per video recording hour reviewed</u>	<u>This fee is per copy of video recording produced in response to a public records</u>

EXHIBIT A TO MARANA RESOLUTION NO. 2025-044
Amendments to the Town of Marana Comprehensive Fee Schedule
Pursuant to Marana Ordinance No. 2025.010

Fee/Description	Amount	Unit of Measure	Notes
			<u>request</u> . Minutes reviewed in excess of video recording-hour reviewed shall be rounded down to the nearest hour. For victim requests, the fee shall be waived as required by A.R.S. §39-127
Extra-duty Police Services; Lieutenant; Hourly Rate	\$65.00 <u>\$80.00</u>	Per Hour	Per extra-duty police services agreement. Applies to police services hired for private events
Extra-duty Police Services; Sergeant; Hourly Rate	\$60.00 <u>\$75.00</u>	Per Hour	Per extra-duty police services agreement. Applies to police services hired for private events.
Extra-duty Police Services; Officer; Hourly Rate	\$55.00 <u>\$70.00</u>	Per Hour	Per extra-duty police services agreement. Applies to police services hired for private events.
Extra-duty Police Services; Dispatcher; Hourly Rate	45.00 <u>\$60.00</u>	Per Hour	Per extra-duty police services agreement. Applies to police services hired for private events.
Extra-duty Police Services; Lieutenant; Hourly Holiday Rate	\$97.50 <u>\$120.00</u>	Per hour	Applies to the following dates: New Year's Eve, New Year's Day, Civil Rights Day, President's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day. Overnight shifts starting or ending on one of these dates would be billed at the holiday rate.
Extra-duty Police Services; Sergeant; Hourly Holiday Rate	\$90.00 <u>\$112.00</u>	Per Hour	Applies to the following dates: New Year's Eve, New Year's Day, Civil Rights Day, President's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day. Overnight shifts starting or ending on one of these dates would be billed at the holiday rate.

*EXHIBIT A TO MARANA RESOLUTION NO. 2025-044
Amendments to the Town of Marana Comprehensive Fee Schedule
Pursuant to Marana Ordinance No. 2025.010*

Fee/Description	Amount	Unit of Measure	Notes
Extra-duty Police Services; Officer; Hourly Holiday Rate	\$82.50 <u>\$105.00</u>	Per Hour	Applies to the following dates: New Year's Eve, New Year's Day, Civil Rights Day, President's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day. Overnight shifts starting or ending on one of these dates would be billed at the holiday rate.
Extra-duty Police Services; Dispatcher; Hourly Holiday Rate	\$67.50 <u>\$90.00</u>	Per Hour	Applies to the following dates: New Year's Eve, New Year's Day, Civil Rights Day, President's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day. Overnight shifts starting or ending on one of these dates would be billed at the holiday rate.
Special Event Park Package — Minor less than 1000 attending	\$500.00 plus Special Event Application Fee (Parks Major or Parks Minor)	Per park/per day	Reservation of designated rentable park spaces, utilities, Event Application Fee, Beer & Wine Permit. (Additional fees may apply for public events in Parks). Event application can be submitted up to 6 months in advance.
Special Event Park Package — Major 1000 or more attending	\$1500.00	Per park/per day	Reservation of designated rentable park spaces, utilities, Event Application Fee, Beer & Wine Permit. (Additional fees may apply for public events). Event application can be submitted up to 6 months in advance.
<u>Special Event Permit – Parks Minor - less than 1,000 people attending</u>	<u>\$50.00 plus Special Event Park Package Fee</u>	<u>Per application</u>	<u>Event application can be submitted up to 6 months in advance. Special Event Park Package fee applies per park/per day.</u>
<u>Special Event Permit – Parks Major – 1,000 people or more attending</u>	<u>\$1,000.00 plus Special Event Park Package Fee</u>	<u>Per application</u>	<u>Event application can be submitted up to 6 months in advance. Special Event Park Package fee applies per park/per day.</u>

*EXHIBIT A TO MARANA RESOLUTION NO. 2025-044
Amendments to the Town of Marana Comprehensive Fee Schedule
Pursuant to Marana Ordinance No. 2025.010*

Fee/Description	Amount	Unit of Measure	Notes
Activity Registration Late Fee	25% of original fee	Per registration if an activity has a late registration.	If an activity has space available, a late (last minute) registration may be offered. The fee is determined based on the cost of the activity offered.
Senior Program Membership Fee	\$40.00	Per year	<u>Excludes MARC passes & memberships.</u>
Senior Program 4 Month Membership Fee	\$20.00	4 consecutive months	Seasonal rate for part-time visitors. <u>Excludes MARC passes & memberships.</u>
Senior Membership Trial	Free	Per Trial Period	Valid for 5 single days of attendance to the Marana Senior Program. Expires 30 days from date of activation. Certain activities are subject to additional fees. <u>Excludes MARC passes & memberships.</u>
Lost Membership Card Fee	\$5.00	Per lost card	<u>Excludes MARC membership cards</u>
Parks and Recreation Activity Registration or Refund Administration Fee	10% of Program Amount	Per cancellation or refund	Fee is applied for all customer-requested cancellations. Fee is not applied for Town-initiated cancellations. Online processing (convenience) fees are non-refundable and are not included in calculating the amount of the <u>Facility Activity Cancellation Fee</u> . Refund requests must be submitted in writing <u>at least four days in advance of reservation date prior to the start of the program</u> and can be emailed to marana.parks@maranaaz.gov
Non-Resident Fee	25% of established cost	Per class/ program/ lesson/ facility rental	This additional charge is applied to classes/lessons/programs <u>where there is a limited number of participants. /facility rentals.</u>

*EXHIBIT A TO MARANA RESOLUTION NO. 2025-044
Amendments to the Town of Marana Comprehensive Fee Schedule
Pursuant to Marana Ordinance No. 2025.010*

Fee/Description	Amount	Unit of Measure	Notes
Town Parks <u>and Recreation</u> Personnel Labor Rate	\$30.00 <u>\$60.00</u>	Per hour	Generic use, if needed for support of private events in Town facilities
<u>Group</u> Event Ramada - <u>Parks</u> Rental	\$30.00	Per hour	
<u>Group</u> Event Ramada - <u>Parks</u> Rental including Beer/Wine Permit	\$35.00	Per hour	(Additional fees for liquor license may apply for public events.)
Facility Cancellation Fee <u>applies to any reservable Park space</u> for: Park Facility Rental; Multi-Purpose, Baseball, Softball Field, Basketball Court, Tennis Court or Volleyball Court, available turf areas; Standard Ramada Rental; Event Ramada Rental; Youth Non-Profit Contract User Groups; Park Facility Rental; Multi-Purpose, Baseball, Softball Field, Basketball Court, Tennis Court or Volleyball Court (Premium Hour Fee)	10 % of Reservation Amount	Per Reservation Cancellation	Fee is applied for all customer-requested cancellations. Fee is not applied for Town initiated cancellations. Online processing (convenience) fees are non-refundable and are not included in calculating the amount of the Facility Cancellation Fee. Refund requests must be submitted in writing at least four days in advance of reservation date and can be emailed to marana.parks@maranaaz.gov . Does not apply to Park Rental Package <u>Special Event Park Package</u> .
<u>Facility Cancellation Fee applies to any reservable MARC Space</u>	<u>10% of Reservation Amount</u>	<u>Per Reservation Cancellation</u>	<u>Fee is applied for all customer-requested cancellations. Fee is not applied for Town initiated cancellations. Refund requests must be submitted in writing at least four days in advance of reservation date and can be emailed to marana.parks@maranaaz.gov. Does not apply to Special Event Package.</u>
Sewer Capacity Assurance & Conveyance Modeling Review	\$ 950 Flat Fee + Consultant Pass Through Fee	Per Submittal (Flat Fee + Consultant Fee Pass Through)	Fees may vary depending on size of development and time needed for review. Fee is \$950 + the pass-through cost of consultant fees. <u>In addition to the \$950 flat fee, applicant will be required to submit a deposit at the time of application in the estimated amount of the</u>

*EXHIBIT A TO MARANA RESOLUTION NO. 2025-044
Amendments to the Town of Marana Comprehensive Fee Schedule
Pursuant to Marana Ordinance No. 2025.010*

Fee/Description	Amount	Unit of Measure	Notes
			<u>consultant's pass through fee. The amount of the deposit is determined by the Water Department based on the project type. If actual cost of consultant fees is less than the deposit, a refund will be issued to the applicant. If actual cost of consultant fees exceeds the deposit, the applicant shall pay the balance.</u>
Water Hydraulic Modeling Review	\$950 Flat Fee + Consultant Pass Through Fee	Per submittal (Flat Fee + Consultant Fee Pass Through)	Fees may vary depending on size of development and time needed for review. Fee is \$950 + the pass through cost of consultant fees. <u>In addition to the \$950 flat fee, applicant will be required to submit a deposit at the time of application in the estimated amount of the consultant's pass through fee. The amount of the deposit is determined by the Water Department based on the project type. If actual cost of consultant fees is less than the deposit, a refund will be issued to the applicant. If actual cost of consultant fees exceeds the deposit, the applicant shall pay the balance.</u>



Council-Regular Meeting

A4

Meeting Date: 05/20/2025

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: May 20, 2025

Strategic Plan Focus Area:

Thriving Commerce, Vibrant Community, Cherished Heritage, Proactive Public Services, Recreation, Healthy Lifestyles, Progress & Innovation

Subject: PUBLIC HEARING: Resolution No. 2025-045: Relating to Budget; adopting the fiscal year 2025-2026 tentative budget (Yiannis Kalaitzidis)

Discussion:

In conformance with State law, the tentative budget must be adopted prior to the third Monday in July. The total budget may be reduced prior to final adoption, but it cannot be increased. Additionally, Mayor and Council may reallocate funding among departments and/or programs.

In coordination with Mayor and Council, staff has prepared a tentative budget of \$416,228,650 for fiscal year 2025-2026. This budget reflects the careful allocation of the Town's resources to Mayor and Council's goals. Additionally, this budget continues to make investments in current employees, resources and tools, and strategic positions.

The budget has been structurally balanced with ongoing revenues used to fund ongoing expenditures. Total revenues anticipated for fiscal year 2025-2026, excluding special taxing districts' secondary property taxes, are \$246,878,204. Debt financing and existing fund balances will be utilized for one-time expenditures, carryover requests and capital projects.

The current budget reflects a baseline budget that allowed for increases due to market increases while expanding services and staff in order to continue providing quality services to our residents. Increases include merit adjustments of 4% that should allow the Town to remain competitive. The Capital Improvement Plan includes a number of

large projects, including several interchange projects and other Council priorities.

The tentative budget reflects an addition of 21 full time equivalent (FTE) positions. Total FTEs are increasing from 475.6 FTE positions in fiscal year 2024-2025 to 496.6 FTE positions for fiscal year 2025-2026. Positions were added to multiple departments in support of multiple functions, including public safety, water, public works, technology services, finance and parks and recreation.

The proposed Capital Improvement Plan (CIP) totals \$271,131,446 or 65% of the tentative budget. A copy of the tentative five-year CIP schedule is included in this item as part of the overall tentative budget document.

The tentative budget is presented on forms prescribed by the Auditor General. The official budget forms will be published as required for two consecutive weeks in a newspaper of general circulation along with notices of public hearing on the final budget and the property tax levy. Staff will describe significant budget changes made since the Manager's Recommended budget presentation on April 22, 2025 at tonight's meeting.

Council will then hold a public hearing on June 17, 2025, and consider final budget adoption thereafter. The proposed tentative budget reflects the prudent allocation of financial resources required to meet the policy direction and vision of Mayor and Council. Accordingly, staff recommends adoption of the tentative budget for fiscal year 2025-2026 at \$416,228,650.

Financial Impact:

Fiscal Year: 2027

Budgeted Y

Y/N:

Amount: \$416,228,650

Establishment of the overall alternative annual expenditure limitation for fiscal year 2025-2026, if approved.

Staff Recommendation:

Staff recommends approval of the fiscal year 2025-2026 tentative budget.

Suggested Motion:

I move to adopt Resolution No. 2025-045; adopting the fiscal year 2025-2026 tentative budget.

Attachments

Resolution No. 2025-045

MARANA RESOLUTION NO. 2025-045

RELATING TO BUDGET; ADOPTING THE FISCAL YEAR 2025-2026 TENTATIVE BUDGET

WHEREAS in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the Town Council did, on April 22, 2025, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the Town of Marana; and

WHEREAS in accordance with said chapter of said title, and following due public notice, the Council is holding a public meeting on May 20, 2025, at which meeting any taxpayer is privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and

WHEREAS the sums to be raised by taxation as specified in the budget attached hereto as Exhibit A may not exceed, in the aggregate amount, the expenditure limitation to be set by the Council on June 17, 2025.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, that the budget setting forth the estimates of revenues and expenditures/expenses, attached hereto as Exhibit A and incorporated herein by this reference, as increased, decreased or changed by the Town Council, is hereby adopted as the tentative budget for the Town of Marana for fiscal year 2025-2026.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of May, 2025.

Mayor Jon Post

ATTEST:

APPROVED AS TO FORM:

Jill McCleary, Town Clerk

Jane Fairall, Town Attorney



TENTATIVE BUDGET

FISCAL YEAR
25
—
26
• TWENTY FIVE / TWENTY SIX •

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F I S C A L Y E A R
2025-2026
TOWN MANAGER'S
Tentative Budget Message



To the Honorable Mayor and Council:

I am pleased to present for your consideration the Fiscal Year (FY) 2025-2026 Manager's Tentative Budget for the Town of Marana (Town). This tentative budget is a structurally balanced spending plan that reflects the Town's commitment to responsible fiscal stewardship, transparency, and long-term sustainable financial planning. This budget prioritizes investments that foster growth, enhance the quality of life for our residents, and ensures that Marana remains a thriving community for generations to come.

Each year, as we begin the budgeting process, we take time to review our goals and progress to ensure alignment with the strategic priorities set by the Mayor and Town Council. Over the past year, we have made significant progress across the five Focus Areas of our Strategic Plan: Cherished Heritage, Vibrant Community, Thriving Commerce, Healthy Lifestyles, and Proactive Public Services. This budget represents a thoughtful and strategic approach to ensure we continue to make progress in each of the Town Council Focus Areas while delivering effective and efficient services to our growing community.

Cherished Heritage

Marana's heritage is not just a reflection of our past, it is the foundation upon which our community thrives. By embracing Cherished Heritage as a focus area, we honor Marana's rich historical and cultural legacy, increase community pride, and build heritage-driven tourism. This year, we launched the Local Legends program, which celebrates individuals who have made a lasting and profound impact on the Town of Marana. Our first honoree, Ora Mae Harn, known as *Marana's Matriarch*, was celebrated for her years of selfless service to the community.

In addition to honoring individuals who have shaped Marana, we are committed to educating the public about Marana's unique history and the moments that have shaped our Town's identity. As part of this commitment, we have created a series of engaging social media videos and heritage-focused podcast episodes, each capturing milestones and stories that highlight the essence of Marana's past. These initiatives play a crucial role in preserving the Town's history while making it accessible to both long-time residents and newcomers. Whether sharing stories of early settlers, celebrating cultural landmarks, or showcasing the resilient spirit of our

community, these efforts foster a deeper understanding of Marana's rich heritage and its enduring impact on the present and future.

Public art contributes to a strong sense of place and neighborhood pride. The Town is dedicated to investing in high-quality public art installations throughout Marana, while providing spaces where residents can connect with the Town's history and natural surroundings. In alignment with this goal, we designated the Marana Aquatic & Recreation Center (MARC) as a site for public art. The MARC will feature a unique, community-inspired art installation that reflects Marana's rich history throughout the years.

Our Signature Events series continues to celebrate our cultural heritage. Events such as the annual Marana Fall Festival and Marana Founders' Day showcase Marana's rodeo and agricultural roots, with an emphasis on the people who have shaped our community. These events have consistently drawn large crowds and provide engaging activities for all ages.

To increase recognition of Marana's heritage, we continue to enhance our heritage website: <https://www.maranaaz.gov/heritage>, which serves as a central hub for historical photos, resources, videos, and events.

Looking ahead to Fiscal Year 2026, we remain committed to celebrating Marana's history and traditions through continued investments in projects and programs that honor our heritage.

Vibrant Community

Marana remains the fastest-growing community in Southern Arizona, and as we continue to expand, we are strategically investing in infrastructure to meet the needs of our growing population. Over the past year, the Town has seen the development of key projects that demonstrate our commitment to safety, service, and a high quality of life for all residents.

Significant public projects are already underway. Notably, the design for the North Marana Sewer Interceptor Project has been finalized. Once completed, this project will provide additional capacity to support growth in northwest Marana. Our Twin Peaks Road – Rattlesnake Pass Widening Project is currently in the construction phase and will transform one of Marana's busiest corridors into a four-lane arterial road, improving traffic flow and commute times.

Additionally, the Tangerine Road and I-10 interchange improvements are being designed to alleviate congestion and keep traffic moving smoothly in one of Marana's most critical areas. These improvements, in partnership with the Regional Transportation Authority, will include sidewalks, multi-use paths, drainage enhancements, and landscaping to improve safety and accessibility.

We also recognize that the Cortaro Road Interchange has long been a significant traffic challenge for our region. To address this, we are thrilled to announce that the Town has been awarded \$20.4 million in federal grant funding from the Federal Railroad Administration. This funding will enable the design phase for the Cortaro Road Interchange Project, which will improve connectivity and traffic flow in this vital area, helping to alleviate congestion.

In addition to infrastructure advancements, Marana's reputation as a safe and secure community continues to be a top priority. In Fiscal Year 2025, the Marana Police Department was awarded reaccreditation certification from the Arizona Law Enforcement Accreditation Program, a testament to the department's commitment to maintaining high standards of public safety and service.

Finally, in our effort to build a connected community, transparent communication and timely distribution of information are essential. This year, we continued our commitment to keeping residents informed through our award-winning podcast, Real Talk with the Town. To date, we have released over seventy episodes, each addressing the community's most pressing questions and concerns. As we move forward, we will continue to expand the podcast's reach, exploring new and innovative ways to keep our residents engaged and well-informed about the Town's developments and initiatives.

These efforts demonstrate our ongoing dedication to creating a vibrant, safe, and well-connected community. We remain focused on delivering the infrastructure, services, and communication tools that ensure Marana's continued success.

Thriving Commerce

In Fiscal Year 2025, the Town's economic development initiatives continue to generate positive results for the community. The Town has not only seen higher-than-anticipated projections and collections for key revenue streams that fund essential services, but also significant wins in commercial and retail development around the community.

North Marana is experiencing a wave of commercial activity. Near Marana Road, this year, we welcomed a Panda Express and Dutch Bros. Along the Tangerine Corridor, we saw the opening of several highly anticipated establishments, including Fry's Superstore, McDonald's, Starbucks, and Mister Carwash. These new businesses are contributing not only to the local economy but also enhancing the convenience and accessibility of services for the community.

The Marana Center at Twin Peaks Road continues to be an attractive destination for new businesses. This year, the American Furniture Warehouse opened its doors, further solidifying the area as a prime destination for commercial activity. Along Cortaro Farms Road east of Interstate 10, the Town welcomed Super Star Car Wash and My Place Extended Stay Hotel.

In addition to the commercial growth, we continue to see an increase in both single-family residential projects and impressive gains in multifamily housing projects. Growth in multifamily is mostly led by the increase in commercial and retail development, and we anticipate a similar pace going into Fiscal Year 2026.

For years, we have envisioned creating a vibrant space where people can gather, shop, dine, and experience the unique culture of our Town. That vision is now becoming a reality. This year, the Town released a Request for Proposals (RFP) for the development of Downtown Marana. The Town will be partnering with a private developer to begin phase one of this project. We expect to break ground within the next couple of years, with this initial phase featuring a restaurant and brewery on 19 acres of Town-owned land.

Finally, our Economic Development and Tourism Department is nearing the completion of the first ever Tourism Master Plan. This plan will serve as a guiding document for the next decade of strategies aimed at making tourism a sustainable and thriving part of our local economy, all while ensuring that the aspects of Marana that make it special are preserved for future generations.

Healthy Lifestyles

Parks and Recreation is an essential cornerstone to any healthy and thriving community. Our main goal is to provide a variety of recreational, artistic, and cultural opportunities along with a flourishing natural environment to support healthy and active lifestyles. Bringing new parks, facilities, and outdoor recreational opportunities is a consistent priority for our community.

One of the most exciting milestones for our community is the Marana Aquatic and Recreation Center (MARC), set to open in May 2025. This state-of-the-art facility will include a 60,000-square-foot community center and a 56,000-square-foot outdoor aquatic center. Designed to cater to diverse needs, the MARC will provide spaces for fitness, leisure, and gathering spaces for residents of all ages. Whether it is a family enjoying a swim, seniors staying active, or community members coming together for social events, this facility will be a hub for health and wellness.

We are also always improving our regional trails system and connectivity. This year, we completed the Shared Use Path at CalPortland, a 1.8-mile section that now links North Marana to the entire Shared Use Path. This addition not only improves pedestrian and cyclist access but also boosts visitation to Marana's seven properties along the Santa Cruz River, offering residents and visitors opportunities to enjoy nature and outdoor activities.

In 2024, we completed construction of a new trailhead and parking lot at the Tortolita Preserve. This improvement enabled the successful launch of the Tortolita Traverse, a new event in the Run Marana race series. The event attracted 125 runners and 30 mountain bikers, highlighting the growing interest in Marana's outdoor recreational offerings.

Looking ahead, we are excited to continue expanding our parks and recreation opportunities. Major upcoming projects include the Saguaro Bloom Community Park and the Marana Disc Golf Course at the El Rio Recreation Area, both of which are slated for completion in Fiscal Year 2026.

Proactive Public Services

A thriving community demands exceptional governance. Marana is committed to the highest level of service for our residents, businesses, customers, and employees. From providing quality infrastructure to addressing concerns, our dedicated workforce is prepared to deliver the most efficient and transparent service possible.

As a water service provider, the Town continuously evaluates innovative ways to not only deliver the best quality drinking water to our customers but also enhance the overall service experience. This year, we introduced a new water billing system, designed to streamline the billing process and make it more customer friendly. This upgrade allows for greater efficiency and a smoother interaction between the Town and its residents.

The Town's commitment to long-term strategic planning is evident in the ongoing success of Strategic Plan Five. Under the guidance of the Town Council, Marana staff have made significant progress toward achieving the goals and initiatives outlined in this comprehensive plan. With 91 action items to be addressed, Fiscal Year 2025 marks the completion of most of these tasks. As we approach Fiscal Year 2026, we will begin the development of Strategic Plan Six, which will set the course for the next three years (Fiscal Year 2026-2028). This new plan will focus on evolving priorities and fresh opportunities to continue Marana's growth and success.

Through all Town initiatives, we recognize it is our dedicated team of Marana employees who see the projects and programs from start to finish. We are committed to continue investing in our workforce to ensure they have the skills, knowledge, and resources needed to excel. Professional development has been a top priority, and in 2025, our Human Resources department introduced two major initiatives: the Supervisor Academy and a town-wide Mentorship Program. These initiatives are designed to provide leadership training and foster growth at all levels of the organization, ensuring that every employee has the opportunity to develop their leadership capabilities and contribute to the Town's success.

As our community continues to grow, it is essential that we maintain a competitive and sustainable workforce. This budget includes investments in new positions to ensure that we can continue delivering the quality services our expanding population requires. Additionally, we are focused on maintaining a competitive compensation structure and ensuring that employee benefits are aligned with industry standards. While Marana has not faced significant challenges in recruiting and hiring top talent, we recognize the importance of remaining proactive and responsive to market trends, ensuring that our Town remains an employer of choice. By investing in our workforce, prioritizing continuous development, and focusing on the tools and systems that make our public services more efficient and customer-focused, Marana is building a strong foundation for continued success.

Closing

The recommended spending plan detailed in this budget proposal considers these accomplishments as a guide for future goals. Prudent financial decisions, coupled with conservative forecasting methods, have strengthened the Town's financial position. As we move into Fiscal Year 2026, we will remain financially prepared to respond to any potential economic volatility. As Marana succeeds and grows, we will continue to invest strategically while ensuring we deliver the best service to the community. This budget demonstrates a commitment to our vision of providing the best quality of life to our residents and to the tenets of the Strategic Plan.

I would like to thank the Finance Department staff, and all the employees of the Town who have contributed countless hours of preparation and deliberation in the development of the Fiscal

Year 2025-2026 annual budget. Lastly, thank you to the Mayor and Town Council for your guidance and leadership in establishing the vision for this great community.

Respectfully,

A handwritten signature in black ink, appearing to read "Terry S. Rozema". The signature is fluid and cursive, with the first name "Terry" and last name "Rozema" clearly distinguishable.

Terry S. Rozema
Town Manager

BUDGET SUMMARY



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Town of Marana Budget Summary

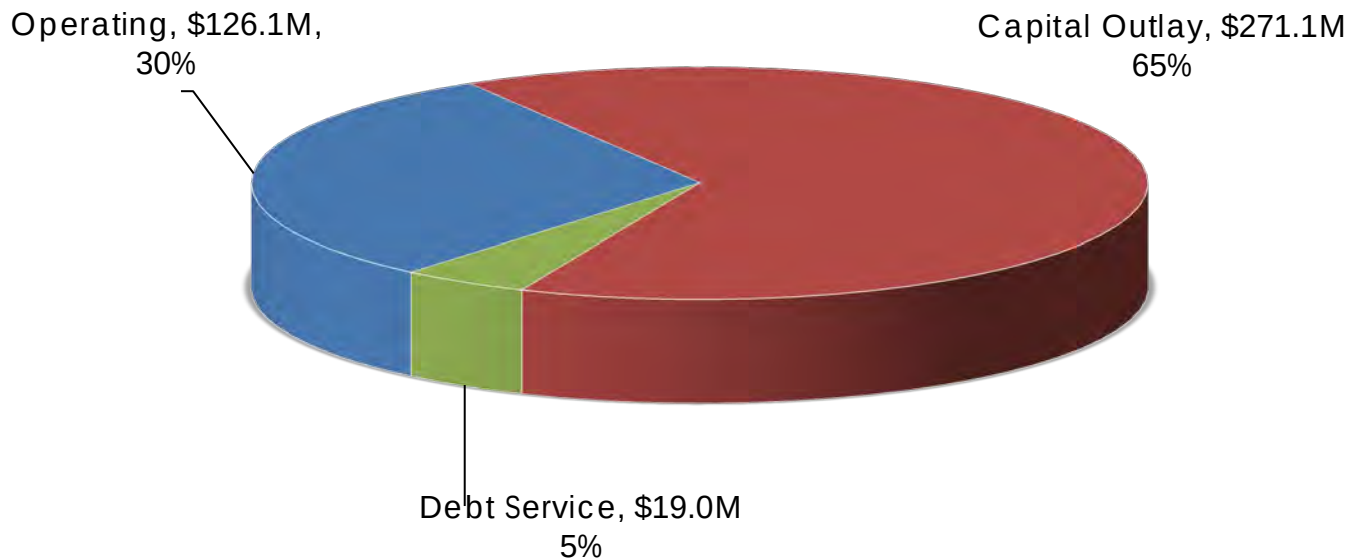
The Manager's Tentative Budget for fiscal year 2025-2026 (FY2026) totals \$416.2 million. The summary includes expenditure budget appropriations for all Town funds and special taxing district funds and reflects the Town's investments in multiple operating and capital areas.

Overall, the tentative budget represents a decrease of \$57.5 million as compared to the current year adopted budget of \$473.7 million. A resilient economy and low unemployment, combined with conservative budgeting and planning continue to allow the Town to make strategic investments in both infrastructure and personnel.

The FY2026 tentative budget reflects continued capital investments that will help advance key facilities, park, road, water, sewer, and public safety projects. Recognizing town employees are the most important asset of the organization, the tentative budget makes significant investments in personnel. Through a combination of performance, merit-based increases, and the addition of new positions, the Town will remain competitive within the region and continue to be able to provide residents with high-quality services.

Expenditure by Category

\$416.2 Million



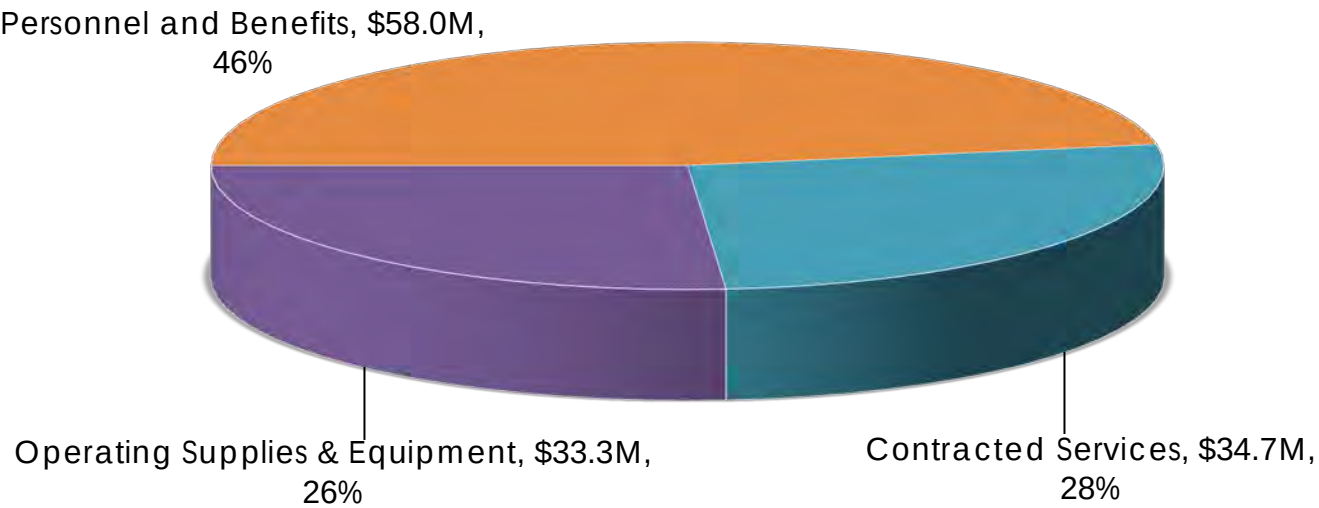
Operating expenditures continue to be a significant category for the Town at \$126.0 million or 30% of the total budget for FY2026. Primarily due to continued strong growth within the Town and in surrounding areas, but also due to significant investments for the community in the form of water quality

projects and a number of large road projects, capital outlay comprises the largest portion of the annual budget at \$271.1 million or 65%.

Major expenditures within the \$126.0 million tentative operating budget are personnel and benefits at 46%, which include all salaries and benefits for Town staff. Changes in this category include merit increases, the addition of 21 new positions (FTEs) across multiple departments, and medical benefits increase of 9.9%, only 5% of which is being passed on to employees. Pension contributions remained relatively flat this year for employees in the Arizona Retirement System, and Public Safety Personnel Retirement System (PSPRS). Additional contributions made in fiscal year 2024-2025 to pay for the unfunded liability for Public Safety will benefit Town contributions in fiscal year 2026-2027.

Operating supplies & equipment and contracted services comprise 26% and 28% of the operating budget, respectively. Amounts in these areas include additional funds for a number of programs and one-time expenses, such as the ongoing implementation of a new permitting and licensing system and other maintenance and improvements. Inflation also impacts the overall operating budget, as costs for many goods and services have increased. Contingency appropriations have remained unchanged at \$5.0 million.

Operating Budget by Line Item
\$126.0 Million



A summary of the Town's budget by fund type is presented on the next page. More detailed information on each fund category presented below is available in this document.

Summary of All Town Funds & Special Districts
Tentative Budget
Fiscal Year 2026

Primary Entity	2025 Adopted	2026 Tentative	\$ Change	% Change
General Fund	\$ 105,182,082	\$ 97,074,681	\$ (8,107,401)	-7.70%
Special Revenue Funds	14,809,088	15,077,661	268,573	1.80%
Capital Projects Funds	224,080,069	143,938,715	(80,141,354)	-35.80%
Debt Service Funds	9,087,464	9,008,161	(79,303)	-0.90%
Enterprise Funds	99,988,058	133,216,444	33,228,386	33.20%
Internal Service Funds	6,211,485	7,249,784	1,038,299	16.70%
Primary Entity	459,358,246	405,565,446	(53,792,800)	-11.70%
<u>Component Units</u>				
Special Districts	14,381,228	10,663,204	(3,718,024)	-25.90%
Total	\$ 473,739,474	\$ 416,228,650	\$ (57,510,824)	-12.10%

Fiscal year 2025-2026 highlights by fund types:

- General Fund – Overall the General Fund budget is decreasing by \$7.7 million. Notable factors for this change include:
 - o Personnel & benefits increased due to higher health care costs, pay for merit-based performance adjustments and other adjustments, including position grade adjustments, as well as 21 new FTEs, and full-time funding for new Marana Aquatics and Recreation Center. These increases were offset by a decrease in pension contributions from the previous year which paid off much of the Town's unfunded liability related to the police department pension plan.
 - o Funding is made available for a number of operational and facilities projects, with a number of projects continuing from the prior budget year, including a new permitting and licensing system, implementation of the building access control system, generator replacements and upgrades to ensure continuity of operations during power outages, HVAC repairs and replacements, as well as regular maintenance for buildings at the main Town complex and the Marana Operations Center.
 - o Several projects to be funded from General Fund available reserves are now being accounted for in the Other Capital Projects Fund to facilitate accounting for these projects.

As a result, transfers out of the General Fund show an increase from the prior budget year and account for almost half of the change in fund balance. Funding is included for the Ed Honea MMC Space Optimization project, the Barnett Channel design concept report and Tangerine Farms Road Extension project.

- Special Revenue Funds – The Town continues to participate in a number of grant opportunities including the Community Development Block Grant and several public safety grants. Pavement preservation continues to be a Town priority. Finally, the Bed Tax Fund includes an increase to the State Land Lease payment related to the Tortolita Preserve in accordance with the terms of the agreement with the State of Arizona.
- Capital Projects Funds – Capital projects budgeted in fiscal year 2025-2026 consist of facilities, transportation, parks, and utility projects which align with the Town's goals of providing quality, high level services and amenities to our growing community. These projects include funding for the completion of the Twin Peaks Road, Rattlesnake Pass Widening project and the Tangerine Road Widening, Phase 2A project. Funding is also included for drainage projects and for many traffic interchange improvements, some of which may be funded through federal funding if the Town is successful in securing federal grant awards.

Details on all capital projects planned for fiscal year 2025-2026 may be found in the Town's Capital Improvement Plan available in this document.

- Enterprise Funds – The Town is working on updating the utility rate studies with a goal of applying new rates by January of 2026. Rate studies approved by Council in fiscal year 2019-2020 restructured and increased rates in both the Water and Water Reclamation funds. Rate increases have been applied each January through 2024. During this five-year period, growth outpaced what was forecasted in the rate study. The current year budget includes 3 new positions (FTE) to ensure continuity of operations due to faster than anticipated account growth. Funding is also included for updates to water and wastewater master plans.

The majority of Enterprise fund budget increases are due to a number of large, multi-year capital projects including the expansion of the Water Reclamation Plant and related recharge basins, the design and construction of additional water quality treatment plants and the acquisition of additional water resources if those become available. Also, while delayed due to reasons beyond the Town's control, the Town continues the process of constructing a Control Tower at the airport, along with a number of other airport-related projects. Funding provided by impact fees, debt financing, as well as state and federal sources, is available for a variety of water, water reclamation and airport capital projects.

Details on all capital projects planned for fiscal year 2025-2026 may be found in the Town's Capital Improvement Plan available in this document.

- Internal Service Funds – Increases are due to higher medical claims expected for next year based on current year claims experience and industry trends. To provide funding for the overall increase in expenses, medical contribution premiums are increasing by 9.9% in total. Dental and vision premiums remain unchanged.
- Special Districts – During fiscal year 2025-2026, new debt issuance requests are anticipated for the acquisition of eligible infrastructure in the Saguaro Springs Community Facilities District (CFD) and in the Mandarin Community Facilities District. Rates for the CFDs will remain unchanged at the current target rate of \$2.50 per \$100 of limited assessed valuation with the exception of the Gladden CFD where rates will be reduced to \$2.25 per \$100 of limited assessed valuation.

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Summary of Changes from Manager's Recommended Budget



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Summary of Changes from Manager's Recommended Budget

Changes in the total amount of \$4,607,942 have been included in the Tentative Budget. These changes were due to updates of multiple CIP projects, amounts carried forward for FY2025 purchases and projects, and some new funding or increased funding requests. A summary is included below.

	Amount
Manager's Recommended Budget – Expenditures	\$411,620,708
Changes to specific funds or across multiple funds and departments	
Personnel & Benefits – multiple funds and departments	(151,280)
HURF – Vehicle carryforward	143,500
Water – Vehicle carryforward	138,800
Water Reclamation – Vehicle carryforward	62,000
Total changes	\$193,020
Changes to CIP Program – new and carry forward adjustments	
WRF Phase II	5,994,854
MOC Generator Replacement	189,831
Ora Mae Harn Park Expansion	(400,000)
Ora Mae Harn-MUSD Ballfields	(400,000)
Picture Rocks Interconnect	(1,167,899)
Marana Channel	(1,300,000)
Total changes to CIP program	\$2,916,786
Changes to General Fund budgets	
Restricted funding for possible land acquisition	1,400,000
IT – Carryforward for additional hardware purchases	106,885
All other changes	(8,749)
Total changes to General Fund budgets	\$1,498,136
Total Changes from Manager's Recommended Budget	\$4,607,942
Tentative Budget – Expenditures	\$416,228,650

The Town has not yet received updated revenue estimates from the League of Cities and Towns. As a result, revenue estimates currently remain unchanged but may still change prior to budget adoption.

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RECOMMENDED INVESTMENTS



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Recommended Investments

The following outline describes several of the Town's investments into identified priority areas. The General Fund's contributions to these are detailed below. These investments represent changes in costs that are included within the Tentative Budget, the summaries of which are presented later in the document.



I. Employee Compensation and Benefits Investment - \$4.1 million ongoing increase

- a. Positions, performance pay adjustments
 - Up to 4.0% team performance adjustment
 - New positions – 21 FTEs, 18 in the General Fund
 - Full year funding for the Marana Aquatics and Recreation Center
- b. Other pay and benefits:
 - Includes health, retirement, disability insurance, etc.
 - 1. Employee Retirement Contributions – fairly flat for the year with minor increase for new positions.
 - 2. Health Insurance & other benefits – medical premiums increasing by a total of 9.9%, with only a 5% increase to employee premiums and no changes to dental or vision premiums.

II. Resources and Tools Investment - \$9.8 million

- a. Vehicle & equipment purchases \$3.2 million. Most of this budgeted amount reflects the use of replacement dollars set aside in previous fiscal years and demonstrates the Town's commitment to ensure employees have safe, reliable vehicles and equipment needed to provide a high level of service. The remainder is primarily for new vehicles and equipment related to new positions and the expansion of services.
- b. New software solutions:
 - Procurement Software - \$100,000

- Asset Management System Software solution - \$434,400
- Permitting/Licensing System ongoing implementation - \$505,350
- c. Master Plans
 - Water Master Plan updates - \$77,500
 - SCADA Master Plan update - \$50,000
 - Development Master Plan – per 2040 General Plan - \$300,000
- d. Technology
 - Council Chambers and Conference Center AV updates - \$206,340
 - Police Radio replacements - \$350,000
 - Computer, printer and monitor replacements - \$353,275
- e. Facilities
 - Ed Honea MMC Space Optimization - \$4,955,000
 - Marana Gateway Monuments Signage - \$674,828
 - Court Room 2, remodel design - \$200,000
 - MMC & MOC Generator upgrades - \$3,189,676
 - MOC Roof & HVAC replacement - \$980,800
 - MMC HVAC Mechanical Systems upgrade - \$1,100,000
- f. Recreation
 - Tangerine Sky Park, Phase 2 - \$1,552,394
 - El Rio Preserve projects - \$428,527 (multiple sources)
 - Parking lot treatments - \$288,000
 - Heritage House Rehabilitation - \$250,000
- g. Water Department
 - Rate & Fee Study - \$30,000
 - Meter Replacement Program - \$1,096,000

III. Strategic Positions

The Tentative budget includes the addition of 21 new full-time equivalent (FTE) positions.

The following table shows the change in authorized positions by FTE for several fiscal years.

	FY2023	FY2024	FY2025	FY2026
Budgeted FTE	429.6	444.1	475.6	496.6
Position change from previous year	28.25	14.5	31.5	21.0
Percentage change from previous year	7.0%	3.4%	7.1%	4.4%

The following table lists the new full time equivalent positions added:

Working Position Title	FTE	Department	Funding Source
Court Security Officer	1.0	Courts	General Fund
Police Officer	2.0	Police	General Fund
Crime Scene Specialist	1.0	Police	General Fund
Records Redaction Specialist	1.0	Police	General Fund
Procurement Officer	1.0	Finance	General Fund
Executive Assistant	1.0	Finance	General Fund
Risk Management Specialist	1.0	Human Resources	General Fund
Building Inspector Apprentice	1.0	Development Services	General Fund
Cybersecurity Analyst	1.0	Information Technology	General Fund
Senior GIS Analyst	1.0	Information Technology	General Fund
Maintenance Coordinator	1.0	Parks	General Fund
Lead Maintenance Associate	1.0	Parks	General Fund
Fleet Technician II	1.0	Public Works	General Fund
Maintenance Associate II	2.0	Public Works	General Fund
Facilities Tradesman	1.0	Public Works	General Fund
CIP Project Manager	1.0	Public Works	General Fund
Water Operator II	1.0	Water	Water
Water Operator III	1.0	Water	Water
Associate Water Reclamation Mechanic	1.0	Waste Water	Water Reclamation
Total FTE Changes	21.00		

The addition of key positions is critical in maintaining service levels as the Town continues to grow fast.

Positions added this year include those that serve the public directly, such as Police Officers, Parks, Public Works and Development Services employees, as well as support services positions in central service departments such as Finance, Human Resources and Information Technology to allow for efficient and uninterrupted operations for our ever-growing Town.

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GOVERNMENTAL FUNDS BUDGET SUMMARY



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Governmental Funds Budget Summary

General Fund

The following General Fund summary is structurally balanced (i.e. ongoing revenues support ongoing services and programs). Of the amounts included below, \$73.9 million represents ongoing costs and \$32.1 million represents one-time costs, including transfers out and excluding \$5.0 million of contingency. Contingency appropriations may only be used with Council approval.

Summary of General Fund Tentative Budget Fiscal Year 2026

Revenues	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Sales tax revenues	\$ 43,684,077	\$ 46,589,787	2,905,710	6.7%
Intergovernmental revenues	23,316,474	24,076,666	760,192	3.3%
Licenses, fees & permits	7,039,000	6,345,000	(694,000)	-9.9%
Charges for services	723,500	1,395,461	671,961	92.9%
Fines and forfeiture	389,500	389,500	-	0.0%
Grants and contributions	172,325	368,475	196,150	113.8%
Investment income	4,565,479	7,300,000	2,734,521	59.9%
Miscellaneous revenues	797,900	829,850	31,950	4.0%
Total Revenue	80,688,255	87,294,739	6,606,484	8.2%
Expenditures				
Personnel & benefits	60,150,353	51,381,400	(8,768,953)	-14.6%
Contracted services	12,568,706	18,037,612	5,468,906	43.5%
Operating supplies & equip	9,530,066	10,170,746	640,680	6.7%
Capital outlay	17,869,957	12,397,923	(5,472,034)	-30.6%
Debt Service	63,000	87,000	24,000	38.1%
Contingency	5,000,000	5,000,000	-	0.0%
Total Expenditures	\$ 105,182,082	\$ 97,074,681	\$ (8,107,401)	-8.4%
Over/(Under)	\$ (24,493,827)	\$ (9,779,942)	14,713,885	-60.1%
Other Sources and (Uses)				
Transfers out	(6,201,898)	(13,870,304)	(7,668,406)	123.6%
Total Sources and (Uses)	(6,201,898)	(13,870,304)	(7,668,406)	123.6%
Change in fund balance	(30,695,725)	(23,650,246)	7,045,479	-23.0%

The following describes major changes between fiscal years:

Revenues

Sales tax revenues – Anticipated overall sales tax revenue increased by 6.7% across all categories. Forecasting assumptions rely on recent stable trends, combined with continued but slowing growth in a number of areas. Construction sales tax forecasts have been increased to reflect recent trends, while retail sales tax revenues are forecasted slightly below prior year levels to reflect the loss of a furniture store and slowing growth in Marana and the overall Tucson area. As uncertainty has been introduced in the market over the first quarter of calendar year 2025, staff continue to monitor the economy and may adjust the forecast during the budget process.

Intergovernmental revenues – Shared revenue estimates are based on HB2483, which authorizes the State of Arizona to utilize annual Federal Census population estimates as the basis for allocating state shared revenues to Arizona cities and towns. The intergovernmental revenue estimates shown above are based upon preliminary estimates developed by Town staff based on recent trends. Overall anticipated increases reflect reduced growth estimates for the next fiscal year, adjusted for higher than anticipated Urban Revenue Sharing revenues. Urban Revenue Sharing revenues were anticipated to be lower by 10% from the prior fiscal years. However, preliminary estimates will likely show this source to only be lower by 2.6% due to better than anticipated collections by the State of Arizona.

The above revenue estimates may be revised in the coming weeks as the League works to obtain updated information and further guidance from the Arizona Department of Transportation and the Department of Revenue.

Licenses, fees & permits – The majority of this revenue is attributable to single family residential permits (SFRs) and other commercial activity. Forecasts show lower revenues due to development constraints will likely cause a temporary reduction in available lots for development. Budgeted SFRs for fiscal year 2025-2026 are estimated at 786 to reflect current economic and development trends.

Charges for services revenue – This revenue stream is primarily comprised of user fees the Town charges for specific services rendered, such as park rentals and business licenses. The increase in revenues is mainly attributed to revenues from the opening of the Marana Aquatics and Recreation Center.

Fines and forfeiture – Based on recent trends, this item remains flat for fiscal year 2025-2026.

Investment income – Investment revenues were adjusted based on recent trends and based on future forecasts which include limited rate cuts from the Federal reserve.

Expenditures

In general, expenditures represent a baseline budget that includes a number of projects and capital purchases that will allow departments to continue their mission of providing quality services to residents.

Personnel and benefits – The decrease in personnel costs of 14.6% is primarily due to a one-time payment of \$13.6 million to PSPRS that paid down the plan's unfunded liability in fiscal year 2024-2025, offset by the following increases:

- o Performance pay increases of 4%, and other pay adjustments.
- o Higher health care premiums. Medical premiums are increasing by 9.9% in total due to higher claims experience and overall industry trends. Employee premiums are increasing by 5%, with the Town absorbing the difference in the overall increase. Dental and vision premiums remain unchanged.
- o Other higher costs, such as higher on-call and shift differential pay, worker's compensation rates and overtime costs.
- o The addition of 18 new FTEs in multiple departments will support Town operations, maintain Town assets, and provide services to residents. 16 new FTEs, which were partially funded in fiscal year 2024-2025, are dedicated to the operation of the new Marana Aquatics and Recreation Center, which are now fully funded in fiscal year 2025-2026.

Contracted services – Beyond normal year over year increases due to increased market costs, budgeted increases of 43.5% to contracted services are associated with several ongoing and one-time planned projects and investments. The increases are due to drainage maintenance projects planned throughout the Town, maintenance work on Town buildings, and parks facilities and parking lots. Approximately \$2 million of the increase is related to funding from the General Fund to replenish water and wastewater impact fees related to a recent legal settlement. Amounts include higher insurance premiums, and investments in software for hardware that will update and replace aging equipment and ensure uninterrupted service for Town employees and residents. Ongoing projects are also included such as the implementation of a new permitting and business license system and the update of the Town's website. Restricted budget amounts that may be used under specific circumstances are also included within this category.

Operating supplies & equipment – Increases are anticipated based on normal year over year market changes operating costs, including utility costs, and funding for one-time purchases such as furniture and equipment related to new positions being added in multiple departments. Additional funding was also included for developer-related reimbursements associated with existing agreements based on recent trends. This category also includes funding for the Town's Job Creation Incentive Program and for payments related to development agreements.

Capital outlay – Costs associated with capital outlay increased primarily due to a combination of new and ongoing funding for projects and vehicles. Vehicle purchases exceed \$2.6 million and include

several planned vehicle replacements and vehicles for some new employees. A number of HVAC, generator upgrades, and other facility equipment maintenance and remodel projects are budgeted for the MMC and MOC locations to ensure the continued uninterrupted operations of the Town while performing timely maintenance to the Town's physical assets. Many of those projects are continuing from the prior year. Also included is the expansion of the Tangerine Sky Park and parking lot. Finally, funding is included for some road and drainage projects which are in the design stage.

Transfers out – Transfers are included for two main purposes - for required debt service transfers, including Water and Water Reclamation related debt service payments and for projects programmed in the Other Capital Projects Fund, which will be funded by the General Fund. Finally, transfers are also included for planned Airport capital projects and operating subsidies, and cash matches for potential grant awards.

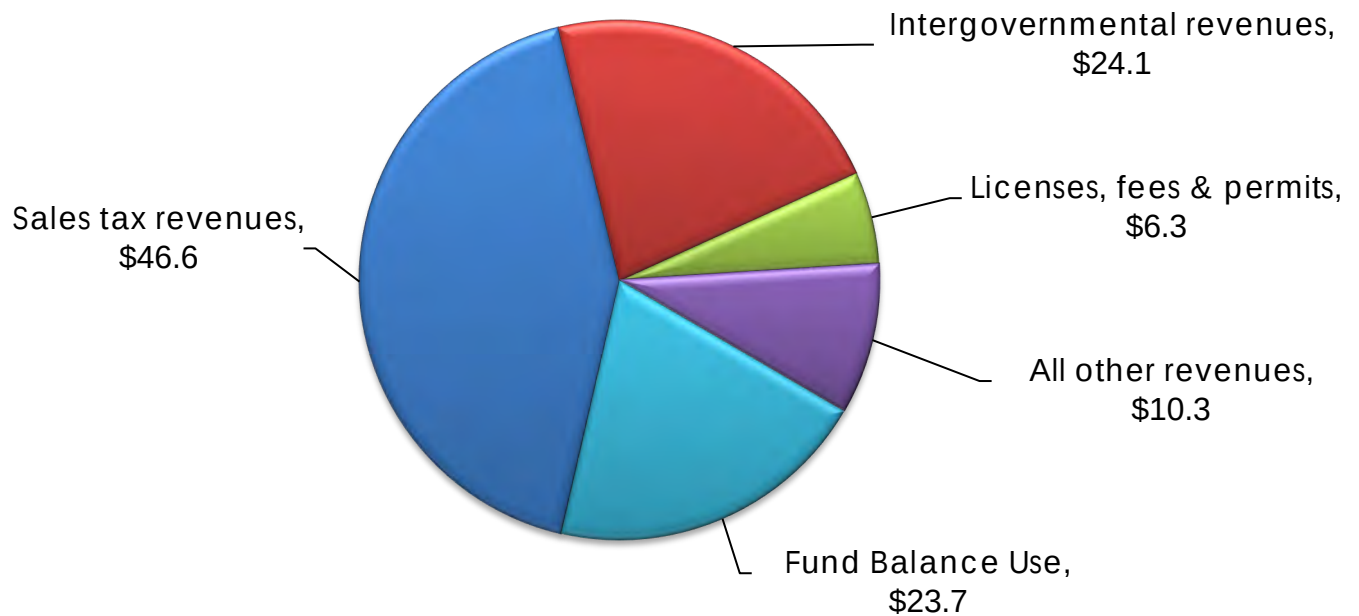
Change in Fund Balance

The General Fund is structurally balanced with ongoing expenses financed with ongoing revenues. Reserves are, by definition, a one-time resource which can only be deployed toward one-time projects and programs.

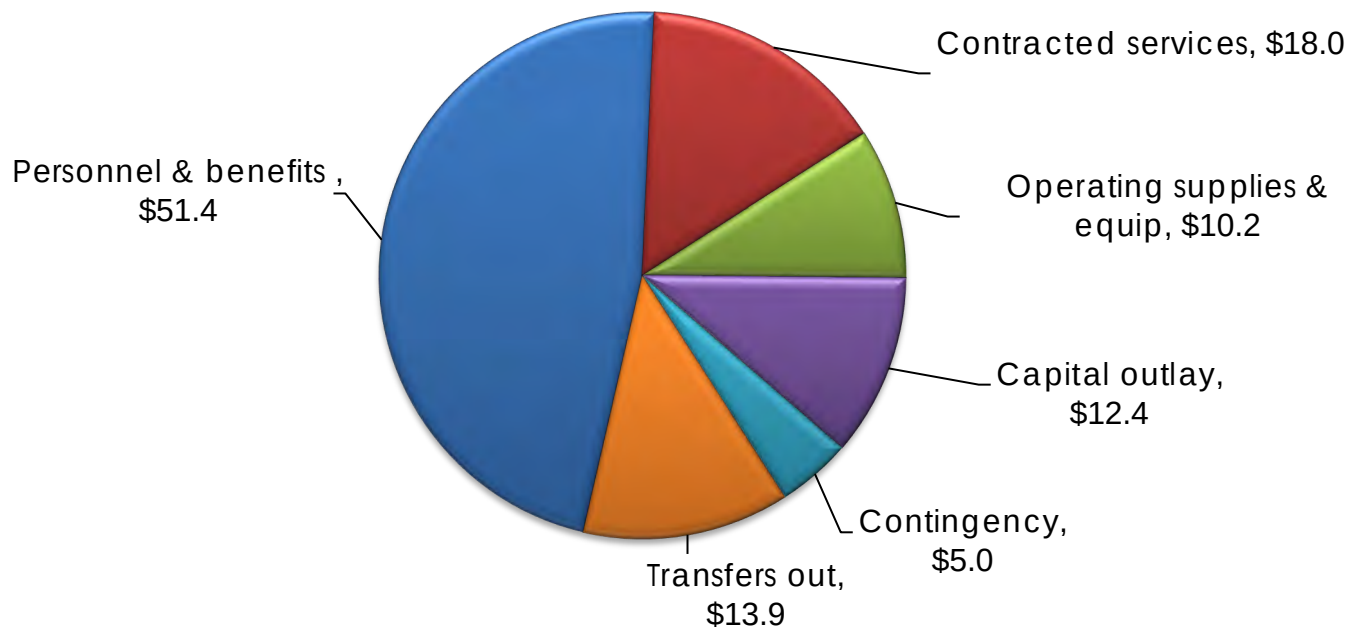
Utilization of \$23.6 million of reserve balances is related to several factors. These include a contingency appropriation of \$5.0 million that may be used only by Council approval, as well as multiple one-time requests for projects and purchases, many of which were budgeted in the prior fiscal year and are slated for completion in fiscal year 2025-2026 or later. Such carry forward requests exceed \$6.7 million. Additional details are available in the Carry Forward Requests section in this document.

The following charts present the overall General Fund sources and uses of projected resources.

FY2025-2026 General Fund - Sources (in millions)

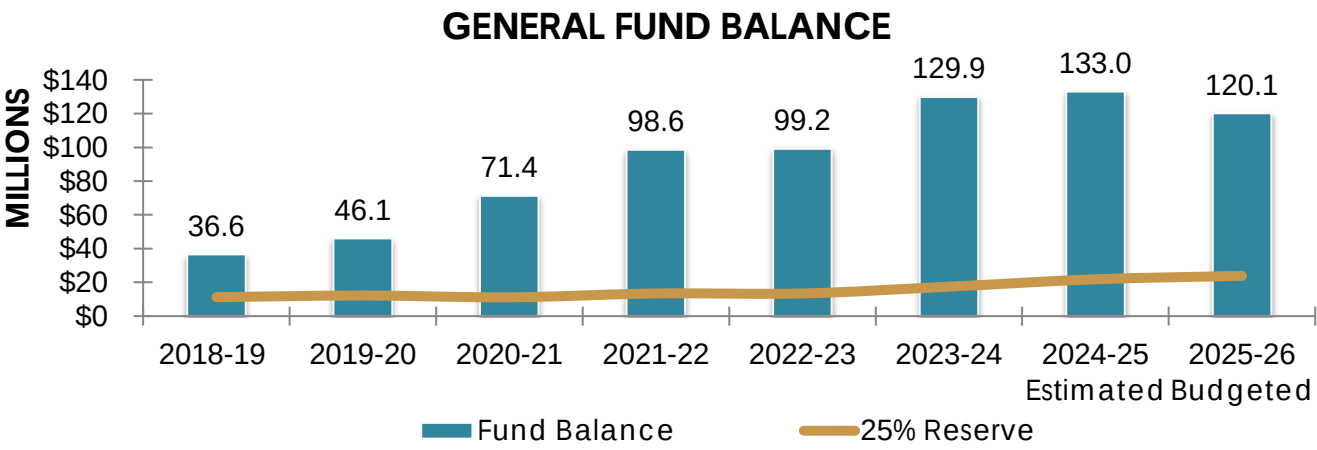


FY2025-2026 General Fund - Uses (in millions)



General Fund Balance and Available Reserves

Fund balance reserves provide the Town with the liquidity to meet current cash needs, the capacity to invest in key initiatives, and flexibility in determining how certain items are funded. Recognizing the importance of healthy reserve balances, Town Council adopted a target minimum reserve balance of 25% of estimated revenues for the budget year. As depicted in the chart below, the Town exceeded the minimum reserve balance in all fiscal years.



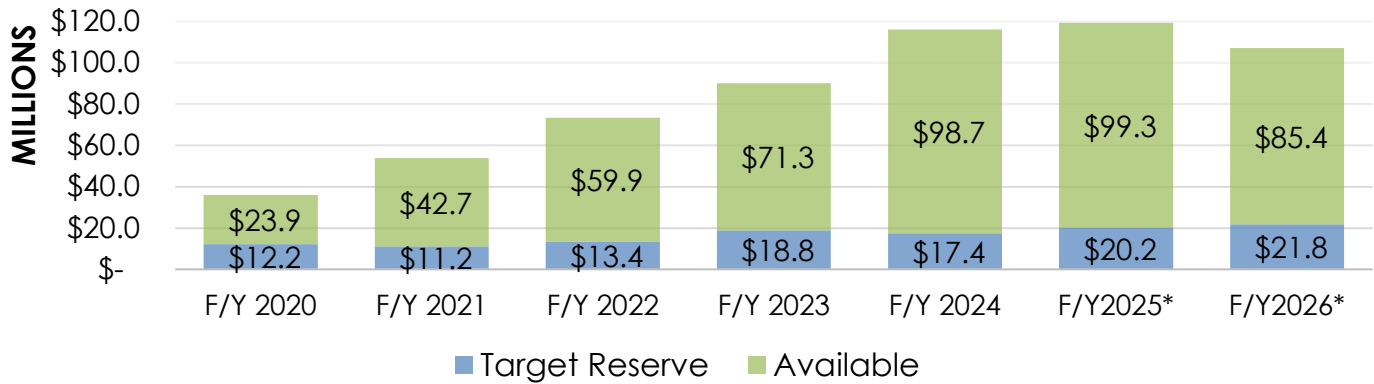
The Town’s General Fund reserve balances have continued to increase substantially in recent fiscal years due to a combination of conservative budgeting and strong unanticipated revenue growth.

The fiscal year 2025-2026 ending fund balance is projected to be \$122.9 million with the current proposed budget. The projected amount assumes continued strong revenues through the end of fiscal year 2024-2025, meeting projected fiscal year 2025-2026 revenues and spending approximately 95% of projected fiscal year 2025-2026 expenditures, excluding contingency funding.

As mentioned above, reserves are, by definition, a one-time resource which can only be deployed toward one-time projects and programs. Often, the nature of these one-time project uses is beyond the normal operating capital needs of the organization. The use of reserves may advance one or more important initiatives. Town staff continues work with Council to develop a plan to deploy some available balances for a variety of projects.

The following chart depicts the Town's Target Reserve and additional available reserves that may be used for such initiatives. Amounts other than the Target Reserve are available for use beyond those proposed in the current General Fund budget for fiscal year 2025-2026.

GENERAL FUND RESERVES



* Estimated ending balances based on projections

The proposed fiscal year 2025-2026 budget includes a contingency amount of \$5.0 million which is available upon Council approval to address any unanticipated events during the year and provide flexibility to Town operations. Historically, the majority of contingency amounts remain unspent. The amount of available reserves assumes contingency amounts are fully utilized and thus not part of General Fund reserves.

Some of the available funding shown above for fiscal year 2025-2026 will likely be utilized for transportation projects identified and discussed by staff and Council. As some of those projects are multi-year projects and just commencing, the funding remains in the General Fund and will be transferred to the capital project funds, accounting for those projects' expenditures in the future. Transfers are programmed out of the General Fund to the Other Capital Projects Fund to fund the ongoing progress of such projects.

Amounts Owed to the General Fund

In past years, the General Fund provided funding to other Town funds to facilitate the construction of projects which promoted growth or supported Town operations. This support was provided to the Water Reclamation Fund. The repayment of \$3.1 million in funding provided for the construction of infrastructure under a protected facility agreement continues with approximately \$2.0 to \$2.25 million anticipated outstanding at the end of fiscal year 2024-2025.

Special Revenue Funds

Bed Tax Fund

The Bed Tax Fund accounts for the discriminatory portion of the transient lodging (bed tax) rate which exceeds the Town's regular tax rate on other businesses. This portion must be used exclusively for the promotion of tourism as required by A.R.S. § 9-500.06(C).

Summary of Bed Tax Fund Tentative Budget Fiscal Year 2026

Revenues	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Sales revenues	\$ 1,600,000	\$ 1,850,000	\$ 250,000	15.6%
Total Revenue	\$ 1,600,000	\$ 1,850,000	250,000	15.6%
Expenditures				
Personnel & benefits	\$ 249,374	\$ 282,005	\$ 32,631	13.1%
Contracted services	1,196,121	1,332,314	136,193	11.4%
Operating supplies & equip	707,345	1,194,845	487,500	68.9%
Total Expenditures	\$ 2,152,840	\$ 2,809,164	656,324	30.5%
Over/(Under)	\$ (552,840)	\$ (959,164)	\$ (406,324)	73%
Change in fund balance	(552,840)	(959,164)	(406,324)	73%

The following describes major changes between fiscal years:

Revenues

Sales tax revenues – The forecasted revenue for fiscal year 2025-2026 represents recent trends that, while still robust, are slightly lower than recent record revenues in this fund.

Expenditures

Personnel & benefits – Amounts reflect anticipated staffing costs in this fund, including higher health premiums, and performance pay adjustments.

Contracted services – Amount include tourism related advertising costs and marketing consulting services from the Bed Tax Fund which are anticipated to remain fairly consistent with prior year expenses. The increase is due to additional budget appropriations for the anticipated increase related to the State Land lease payment for the Tortolita Preserve.

Operating supplies & equipment – The changes in operating costs are due to an additional \$500,000 from the prior year in restricted budget capacity to allow for the support of tourism related programs. These programs, which have been allocated restricted funding of \$1 million in fiscal year 2025-2026, are not yet determined and, at a minimum, will require Town Manager approval. This restricted funding accounts for the change in fund balance for the Fund.

Highway User Revenue Fund

The Highway User Revenue Fund (HURF) accounts for our portion of state shared taxes on the sale of gasoline, diesel fuels and other transportation related fees. A state constitutional restriction on the use of the highway user revenues requires that these funds be used solely for street and highway purposes within the public right-of-way. This shared gas tax is the primary source of revenue used for the maintenance of our transportation system.

Summary of Highway User Revenue Fund Tentative Budget Fiscal Year 2026

Revenues	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Intergovernmental revenues	\$ 4,651,037	\$ 4,857,296	\$ 206,259	4.4%
Charges for services	230,000	230,000	-	0.0%
Investment income	110,000	110,000	-	0.0%
Total Revenue	\$ 4,991,037	\$ 5,197,296	\$ 206,259	4.1%
Expenditures				
Contracted services	\$ 6,554,154	\$ 6,382,943	\$ (171,211)	-2.6%
Operating supplies & equip	583,500	589,340	5,840	1.0%
Capital outlay	978,522	520,000	(458,522)	-46.9%
Total Expenditures	\$ 8,116,176	\$ 7,492,283	(623,893)	-7.7%
Over/(Under)	\$ (3,125,139)	\$ (2,294,987)	\$ 830,152	-26.6%
Change in fund balance	(3,125,139)	(2,294,987)	830,152	-26.6%

The following describes major changes between fiscal years:

Revenues

Intergovernmental revenues – The HURF shared revenue estimate (intergovernmental revenues) is based on HB2483. This bill utilizes the annual Federal Census population estimate as the basis for allocating state shared revenues to the various cities and towns. The intergovernmental revenue estimate shown here is based upon a preliminary estimate prepared by Town staff based on prior year population estimates and anticipated revenue trends. **Therefore, the revenue estimate presented in the summary on the previous page could still change as the League works to obtain additional information on this revenue source.**

Charges for Services – Amount represents 3rd party contributions to reimburse the Town during pavement preservation work, in lieu of the 3rd party performing the work.

Expenditures

Contracted services – Includes the Town's pavement preservation and landscape services due to increased needs as the roadway system continues to grow. Staff continue to work on the Town's Pavement Preservation Roadway Assessment, which was last completed about five years ago.

Operating supplies & equipment – Amounts here include operating costs such as fuel, small tools and equipment, utility costs and other supplies. Fiscal year 2025-2026 continues to include restricted funding for potential monsoon related damage or other emergency purchases in the amount of \$200,000.

Capital outlay – Capital outlay is primarily associated with the replacement and purchase of vehicles and equipment required to maintain the Town's roads and right-of-way. Fiscal year 2025-2026 requests include a number of vehicles and equipment, all of which are replacing existing aging equipment which are beyond their useful life.

Changes in fund balance – Similar to the General Fund, the Town strives to ensure HURF is structurally balanced with ongoing expenses financed with ongoing revenues. For fiscal year 2025-2026, the fund is allowed to spend approximately one half million of expenses beyond ongoing revenues primarily for pavement preservation needs. The remaining reduction in fund balance is primarily due to one-time funding being used for the purchase of the vehicles and equipment mentioned above and restricted funding that may be used for potential monsoon-related damage or other emergency purchases. This fund continues to maintain a healthy fund balance.

All Other Special Revenue Funds

Other Special Revenue Funds include funds that account for a variety of grants and contributions including the Community Development Block and Affordable Housing grants, and public safety special revenue funds for the Town's Police Department and the Magistrate Court, including Racketeer Influenced and Corrupt Organizations Act funds (RICO), impound fees and various court fees, which are required to be kept in separate funds by Arizona Revised Statutes and grant agreements. Historically, the majority of revenues and expenses in these funds are provided by outside sources, with small amounts contributed by the General Fund to comply with grant matching requirements.

Summary of All Other Special Revenue Funds Tentative Budget Fiscal Year 2026

Revenues	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Intergovernmental revenues	\$ 2,790,272	\$ 2,999,478	\$ 209,206	7.5%
Fines and forfeiture	78,500	71,500	(7,000)	-8.9%
Grants and contributions	622,568	691,877	69,309	11.1%
Investment income	15,000	15,000	-	0.0%
Miscellaneous revenues	10,000	10,000	-	0.0%
Total Revenue	3,516,340	3,787,855	271,515	7.7%
Expenditures				
Personnel & benefits	\$ 1,048,553	\$ 1,186,137	\$ 137,584	13.1%
Contracted services	480,200	516,475	36,275	7.6%
Operating supplies & equip	2,902,593	3,064,302	161,709	5.6%
Capital outlay	108,726	9,300	(99,426)	-91.4%
Total Expenditures	\$ 4,540,072	\$ 4,776,214	\$ 236,142	5.2%
Over/(Under)	\$ (1,023,732)	\$ (988,359)	\$ 35,373	-3.5%
Other sources and (uses)				
Transfers in	100,000	100,000	-	0.0%
Total Other sources and (uses)	100,000	100,000	-	0%
Change in fund balance	(923,732)	(888,359)	35,373	-3.8%

The following describes major changes between fiscal years:

Revenues

Intergovernmental revenues – These revenues account for both anticipated and unanticipated grant award revenues. Fiscal year 2025-2026 revenues have been adjusted to account for grant funding which is anticipated to be renewed while also including a reasonably healthy amount for unanticipated awards as we often experience both new awards and unanticipated additional funding allocations to existing awards. Funding from the Smart & Safe proposition is also accounted for and expended out of this fund.

Grants and contributions – The change is primarily related to the Town's direct participation in the Community Development Block Grants (CDBG). The fiscal year increase is primarily due to unspent revenues that are being carried forward to be spent in fiscal year 2025-2026.

Expenditures

Personnel & benefits – Costs here account for grant funded salaries and related costs associated with a variety of grants such as the Vehicle Theft Taskforce grant, Drug Enforcement Agency, High Intensity Drug Trafficking Area, Counter Narcotics Alliance and School Resource Officers (SRO). Amounts may fluctuate from one year to the next based on anticipated grant award funding availability. Amounts have been adjusted to reflect baseline amounts of anticipated grant award renewals and are adjusted throughout the year to reflect actual amounts awarded for each grant.

Contracted services – Increase is primarily due to additional funding for Police Department expenditures for new software and training needs.

Operating supplies & equipment – The budget amount is primarily available for other unanticipated grants to allow the Town flexibility to accept grant awards that may become available on a first-come, first-served basis during fiscal year 2025-2026. Also reflected in the increase is unspent CDBG funding which was carried forward to be spent in fiscal year 2025-2026. A portion of the budget is for anticipated ongoing expenses out of non-grant award funds.

Capital Projects Funds

The Town's Capital Projects Funds are utilized for many of the projects presented in the Town's Capital Improvement Plan. Capital Projects Funds include funds that account for impact fees, construction sales taxes (Transportation Fund and Downtown Reinvestment Fund), and funding provided by outside sources like the Pima Association of Governments, Pima County, and private parties to be utilized for the construction and acquisition of capital projects.

Summary of Capital Projects Funds Tentative Budget Fiscal Year 2026

	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Revenues				
Sales tax revenues	\$ 17,317,154	\$ 23,324,704	\$ 6,007,550	34.7%
Intergovernmental revenues	105,401,332	\$ 79,677,018	(25,724,314)	-24.4%
Licenses, fees & permits	3,642,836	\$ 4,717,097	1,074,261	29.5%
Grants and contributions	75,000	-	(75,000)	-100.0%
Charges for services	1,232,526	-	(1,232,526)	-100.0%
Investment income	1,050,000	700,000	(350,000)	-33.3%
Total Revenue	128,718,848	108,418,819	(20,300,029)	-15.8%
Expenditures				
Contracted services	\$ 1,275,000	\$ 1,275,000	\$ -	0.0%
Operating supplies & equip	827,238	\$ 827,238	-	0.0%
Capital outlay	221,151,331	\$ 141,009,977	(80,141,354)	-36.2%
Debt service	826,500	826,500	-	0.0%
Total Expenditures	\$ 224,080,069	\$ 143,938,715	(80,141,354)	-35.8%
Over/(Under)	\$ (95,361,221)	\$ (35,519,896)	\$ 59,841,325	-62.8%
Other sources and (uses)				
Transfers in	1,808,471	10,705,000	8,896,529	491.9%
Transfers out	(5,785,060)	(5,688,498)	96,562	-1.7%
Bond proceeds	19,849,753	20,287,695	437,942	2.2%
Total Other sources and (uses)	15,873,164	25,304,197	9,431,033	59.4%
Change in fund balance	(79,488,057)	(10,215,699)	69,272,358	-87.1%

The following describes major changes between fiscal years:

Revenues

Sales tax revenues – The increase reflects recent trends for construction sales tax and stable but slowing growth for half-cent sales tax funds as compared to prior year forecasts.

Intergovernmental revenues – These revenues account for funding provided by outside sources including the Regional Transportation Authority (RTA) and federal grants to be utilized for the construction and acquisition of capital projects. Projects funded by these sources include the Barnett and Marana Channels, several traffic interchange improvements and the Twin Peaks Road and Rattlesnake Pass project. Some projects are conditional on obtaining federal awards prior to commencing on the project(s).

Licenses, fees & permits – This revenue is attributable to impact fees collected from the issuance of permits. The change reflects the activity of budgeted single family residential permits (SFR) for fiscal year 2025-2026 within several benefit areas. The Town's proximity to the highway along with land availability should allow new single-family residential and commercial development to continue to be attractive in future fiscal years.

Grants and contributions – These revenues are usually associated with TABY artwork grants awarded to the Town by the Pima Association of Governments (PAG) for artwork, which are available every three years. The prior year award was related to artwork at Marana Airport.

Transfers-in – Of the total amount being transferred, \$300,000 reflects impact fee repayments of \$2.40 million due to the Transportation Fund from the Wastewater Fund and from the Water and Wastewater impact fee funds, respectively, borrowed for the construction of the Water Reclamation facility. The remaining amount is related to funding being transferred from the General Fund to pay for a number of projects including the Tangerine Farms Road Extension project and the Ed Honea MMC Space Optimization project.

Bond Proceeds – The amount reflects the estimated amount of bond or other financing that will be required to construct impact fee funded projects before impact fees generate adequate cash flow. The projects being funded through impact fees include the Tangerine Road Widening, Phase 2A project, the Tangerine TI Improvements, the Tangerine Farms Road Extension, and the Marana Road Traffic Interchange.

Expenditures

Contracted services – Amounts here provide budget capacity for potential consulting fees and other yet to be determined development opportunities of the downtown area. Funding is also included for new public art projects per the Town's public art policy.

Operating supplies & equipment – Costs here account for developer agreement reimbursements to Cottonwood Properties Inc. made from the Town's Transportation Fund. Amounts reimbursed are dependent on actual construction sales taxes collected within the development areas covered by the agreements.

Capital Outlay – Costs account for a variety of Transportation, 3rd party (developer, federal award) and impact fee funded projects. Amounts may fluctuate from one year to the next based on a variety of factors, including funding availability, which projects were completed in prior years, and anticipated needs on Town infrastructure. Additional information on the projects included is available in the Town's Capital Improvement Plan included in this document.

Debt Service – Costs reflect professional fees paid for the investment of cash out of the various capital projects funds and costs of issuance for new debt to be issued if deemed necessary.

Transfers out – Amounts transferred from impact fees, Transportation fund and Half Cent Fund revenues toward the maintenance of debt service payments on financing used to construct Town infrastructure. The amounts reflect cash flows required for scheduled payments in early July of 2025 for the Series 2017B and Series 2024 debt.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal and interest. The Town's funds account for the payments of several prior year debt issuances and refunding of revenue bonds. Funding, in the form of transfers in, is provided from a variety of sources including General Fund, Transportation, and Impact Fee Fund revenues.

The amounts below fluctuate based on funding needs to maintain existing and new debt payments. Transfers-in are adjusted to reflect cash flows needed for the scheduled debt service payments due in July of 2026.

Summary of Debt Service Funds Tentative Budget Fiscal Year 2026

Expenditures	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Debt Service	\$ 9,087,464	\$ 7,984,898	\$ (1,102,566)	-12.1%
Total Expenditures	\$ 9,087,464	\$ 7,984,898	(1,102,566)	-12.1%
 Over/(Under)	 \$ (9,087,464)	 \$ (7,984,898)	 \$ 1,102,566	 -12.1%
Other sources and (uses)				
Transfers in	8,108,347	7,450,450	(657,897)	-8.1%
Total Other sources and (uses)	8,108,347	7,450,450	(657,897)	-8.1%
 Change in fund balance	 (979,117)	 (534,448)	 444,669	 -45.4%

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SPECIAL DISTRICTS BUDGET SUMMARY



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Special Taxing Districts (Districts)

Special Taxing Districts include several Community Facilities Districts (CFDs) and the Tangerine Farms Road Improvement District (Tangerine ID). The newly formed Mandarin CFD is also included in the current year presentation. CFDs levy property taxes to pay for bonds issued to finance the acquisition and construction of public infrastructure benefiting the district and to pay costs of issuance related to the bonds and certain maintenance and operations costs. The Tangerine ID accounts for special assessments collected by the property owners of the district to pay for bonds issued to finance the acquisition and construction of infrastructure improvements and to pay costs of issuance related to the bonds.

Summary of Special Taxing District Funds Tentative Budget Fiscal Year 2026

	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Revenues				
Property taxes	\$ 2,954,077	\$ 3,423,082	\$ 469,005	15.9%
Grants and contributions	1,729,002	1,023,263	(705,739)	-40.8%
Miscellaneous revenues	104,043	26,192	(77,851)	-74.8%
Total Revenue	4,787,122	4,472,537	(314,585)	-6.6%
Expenditures				
Contracted services	\$ 134,750	\$ 160,250	\$ 25,500	18.9%
Operating supplies & equip	1,954,000	2,292,000	338,000	17.3%
Capital outlay	7,800,000	5,350,000	(2,450,000)	-31.4%
Debt service	4,492,478	11,869,115	7,376,637	164.2%
Total Expenditures	\$ 14,381,228	\$ 19,671,365	\$ 5,290,137	36.8%
Over/(Under)	\$ (9,594,106)	\$ (15,198,828)	\$ (5,604,722)	58.4%
Other sources and (uses)				
Bond proceeds	8,500,000	5,950,000	(2,550,000)	-30.0%
Total Other sources and (uses)	8,500,000	5,950,000	(2,550,000)	-30.0%
Change in fund balance	(1,094,106)	(9,248,828)	(8,154,722)	745.3%

The following describes major changes between fiscal years:

Revenues

Property taxes – These revenues account for taxes levied on property owners within the boundaries of each CFD. The change is attributed to increases in property assessed valuations as compared to the prior fiscal year. The Gladden Farms CFD tax rate is expected to drop by \$0.25 per \$100 of assessed valuation as the District no longer issues debt and assessed values continue to increase. The decrease is required in order to comply with Arizona Revised Statutes. Also, the Mandarin CFD rates will be set at \$2.80 per \$100 of assessed valuation, \$2.50 of which will be levied in anticipation of the first debt issuance for that District. Tax rates levied by the remaining CFDs are not anticipated to change in fiscal year 2025-2026.

Grants and contributions – These revenues account for special assessments charged to the property owners within the Tangerine ID. Amounts remain unchanged from the prior fiscal year.

Miscellaneous revenues – These revenues account for potential developer contributions needed to cover debt service payment amounts beyond the max targeted tax rate of \$2.50. Contributions are anticipated to cover planned shortages related to debt issued in prior fiscal years for the Gladden Farms, Phase II, CFD.

Expenditures

Contracted services – The increase reflects budget capacity for the addition of the Mandarin CFD.

Operating supplies & equipment – Costs here account for the operations and maintenance of the Districts. The majority of the budget appropriation represents maintenance reserves for the Gladden Farms and Saguaro Bloom CFDs. Also, funds may be used toward the maintenance of District assets as allowed by an intergovernmental agreement between the corresponding District and the Town.

Capital outlay – Costs account for the purchase of infrastructure paid through new debt financing issued by the Districts. There is a planned acquisition of eligible infrastructure for the Saguaro Bloom CFD. Budget capacity has also been included for possible first issuance of debt for the acquisition of eligible infrastructure and other costs for the newly formed Mandarin CFD.

Debt service – Funding is available to make scheduled payments for the Gladden Farms, Phase II and Saguaro Bloom CFDs and special assessment payments funded from property owners in the Tangerine Farms Road ID. The debt associated with the Tangerine Farms ID matures with the final payment scheduled in January 2026.

Bond proceeds – Staff has included capacity for one debt issuance for the Saguaro Bloom CFD (\$5.1 million) and one debt issuance for the Mandarin CFD (\$0.9 million).

ENTERPRISE FUNDS BUDGET SUMMARY



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Enterprise Funds Budget Summary

Water Funds (Operating, Capital and Impact Fees)

The primary revenues for the Water Operating Fund are for charges for water delivered and sold to customers. As such, it is set up and operates as a stand-alone enterprise fund. Impact fees are used for water capital improvement projects and debt service payments and thus are presented as part of the Water Enterprise Fund.

Summary of Water Funds Tentative Budget Fiscal Year 2026

	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Revenues				
Charges for services	\$ 9,685,592	\$ 10,816,076	\$ 1,130,484	11.7%
Intergovernmental revenues	2,636,000	2,682,045	46,045	1.7%
Licenses, fees & permits	7,249,399	5,934,300	(1,315,099)	-18.1%
Grants and contributions	144,495	138,442	(6,053)	-4.2%
Investment income	100,000	100,000	-	0.0%
Miscellaneous revenues	208,100	217,139	9,039	4.3%
Total Revenue	20,023,586	19,888,002	(135,584)	-0.7%
Expenditures				
Personnel & benefits	\$ 3,792,917	\$ 3,902,337	\$ 109,420	2.9%
Contracted services	3,842,290	3,696,672	(145,618)	-3.8%
Operating supplies & equip	3,256,122	3,442,313	186,191	5.7%
Capital outlay	35,771,757	64,390,603	28,618,846	80.0%
Debt service	2,584,586	3,264,009	679,423	26.3%
Total Expenditures	\$ 49,247,672	\$ 78,695,934	\$ 29,448,262	59.8%
Over/(Under)	\$ (29,224,086)	\$ (58,807,932)	\$ (29,583,846)	101.2%
Other sources and (uses)				
Transfers in	4,707,278	4,754,133	46,855	1.0%
Transfers out	(5,280,307)	(5,325,662)	(45,355)	-0.9%
Loan proceeds	23,060,492	46,628,730	23,568,238	102.2%
Total Other sources and (uses)	22,487,463	46,057,201	23,569,738	104.8%
Change in fund balance	(6,736,623)	(12,750,731)	(6,014,108)	89%

The following describes major changes between fiscal years:

Revenues

Charges for services – Charges for services, or rate revenues, are the main source of revenue for the Water Fund. Rate revenues are solely based on the existing rate structure plus new account growth. These rates were restructured and increased in January 2020, 2021, 2022, 2023 and 2024 based on a water rate study approved by Council. Staff are currently working on an updated rate study which will likely be implemented in January 2026. The current increase in revenues includes a planned increase in rates as per the water study and anticipated account growth during the fiscal year.

Intergovernmental revenues – Current year revenues include a WIFA grant to be used toward phase II of the recharge basins.

Licenses permits & fees – This revenue is primarily comprised of impact fees. The change reflects the anticipated new home construction in benefit areas served by the Town's utility over the next fiscal year.

Miscellaneous revenues – The amount in this category represents administrative related revenues for resources expended by the Water Fund in the operation of water reclamation facilities and possible developer contributions.

Transfers in – Amounts are associated with transfers from the General Fund to the Water Fund and the Water Impact Fee fund for WIFA debt service payments for the WIFA loans and for intra-fund transfers for the funding of water capital projects.

Loan proceeds – Loan proceeds have been included for the funding of projects and water resource acquisitions if those become available during the fiscal year as impact fee cash flows might not be available when needed. Also included are WIFA loans awarded in prior fiscal years, which are drawn down on a reimbursement basis during the construction of projects which will be ongoing in fiscal year 2025-2026, and for possible new debt issuances for impact fee related projects if the need arises to have those project commence prior to adequate impact fee cash flow availability.

Expenditures

Personnel & benefits – The increase is primarily attributed to higher health premiums, performance pay and other adjustments. Funding is also included for two new positions; a Water Operator II and a Water Operator III needed to keep up with operational needs as the utility continues to grow.

Contracted services and Operating supplies and equipment – This category includes the majority of the Water Fund's maintenance and rehabilitation programs. Overall, expenses in these categories have remained consistent with the prior year. Amounts include funding from a grant awarded in the prior year for the replacement of meters.

Capital outlay – This category includes the purchase and replacement of vehicles and equipment necessary to provide services as well as water related capital improvement projects. Several projects are included such as the Northwest Recharge and Recovery Distribution System (NWRDRS) as well as, impact fee funding capacity if the opportunity arises to make new renewable water acquisitions. The department has also secured WIFA loans and grants to help pay for some of the capital projects. A significant portion of these loans is forgivable. For more details on projects please refer to the Town's Capital Improvement Plan.

Debt service – The fiscal year budget includes scheduled debt service payments for existing debt and some funding related to the cost of issuance for new debt which may be issued during the year for the funding of some of the capital projects, including the water reclamation plant expansion. Funding for existing debt service payment is provided by a combination of sources including user rates, the General Fund and impact fees.

Change in Fund Balance

The Water Operating Fund is structurally balanced with ongoing expenses financed with ongoing revenues. One of the goals of the recent Council approved rate study in fiscal year 2020-2021 was to establish and maintain adequate reserves to provide for 90 days of operations and maintenance expenses. As such, revenues in excess of expenses will be used for that stated purpose. Amounts over adequate reserves may also be deployed toward one-time projects and programs. The fund has established and plans to maintain the above stated reserves.

The Water Operating Fund budget includes a deficit balance. The deficit in the current operating budget consists of funding for several projects.

Water Reclamation Funds (Operating, Capital & Impact Fees)

The primary revenues for the Water Reclamation Operating Fund are for customer charges to deliver and treat sewer flows at the north Marana Water Reclamation Facility. The primary customers are outside of the organization. As such, it is set up and operates as a stand-alone enterprise fund.

Impact fees are used for water reclamation capital improvement projects and debt service payments and thus are presented as part of the Water Reclamation Enterprise Fund.

Summary of Water Reclamation Funds Tentative Budget Fiscal Year 2026

Revenues	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Charges for services	\$ 3,645,407	\$ 3,913,726	\$ 268,319	7.4%
Intergovernmental revenues	1,250,000	1,250,000	-	0.0%
Licenses, fees & permits	3,419,078	2,824,419	(594,659)	-17.4%
Grants and contributions	25,439	15,394	(10,045)	-39.5%
Investment income	16,854	16,854	-	0.0%
Miscellaneous revenues	12,950	23,800	10,850	83.8%
Total Revenue	8,369,728	8,044,193	(325,535)	-3.9%
Expenditures				
Personnel & benefits	\$ 847,840	\$ 872,834	\$ 24,994	2.9%
Contracted services	1,656,800	1,895,225	238,425	14.4%
Operating supplies & equip	580,623	609,392	28,769	5.0%
Capital outlay	28,084,934	43,376,769	15,291,835	54.4%
Debt service	2,465,530	3,000,932	535,402	21.7%
Total Expenditures	\$ 33,635,727	\$ 49,755,152	\$ 16,119,425	47.9%
Over/(Under)	\$ (25,265,999)	\$ (41,710,959)	\$ (16,444,960)	65.1%
Other sources and (uses)				
Transfers in	4,712,662	10,328,108	5,615,446	119.2%
Transfers out	(3,353,259)	(9,070,205)	(5,716,946)	-70.5%
Loan proceeds	-	12,892,803	12,892,803	100.0%
Total Other sources and (uses)	1,359,403	14,150,706	12,791,303	941.0%
Change in fund balance	(23,906,596)	(27,560,253)	(3,653,657)	15.3%

The following describes major changes between fiscal years:

Revenues

Charges for services – Charges for services, or rate revenues, are the main sources of revenue for the Water Reclamation Fund. Rate revenues are solely based on new account growth and rates charged to customers. These rates were increased in January 2020, 2021, 2022, 2023 and 2024 based on a wastewater rate study approved by Council. Staff are currently working on an updated rate study which will likely be implemented in January 2026. The current increase in revenues includes a planned increase in rates as per the water study and anticipated account growth during the fiscal year.

Intergovernmental revenues – Current year revenues include a WIFA grant to be used toward phase II of the recharge basins project.

Licenses permits & fees – This revenue is primarily comprised of impact fees. The change reflects the anticipated new home construction in benefit areas served by the Town's utility over the next fiscal year.

Expenditures

Personnel & benefits – Funding is included for performance pay and other adjustments and higher health premiums. Funding is also included for a new Associate Water Reclamation Mechanic needed to keep up with operational needs as the utility continues to grow.

Contracted Services – The increase is attributed to higher operating and maintenance costs, including a clarifier baffle replacement and an enclosure for a sand filter compressor.

Operating supplies and equipment – This category accounts for the majority of costs to operate the water reclamation facility. The increase is attributed to higher operational costs due primarily to increased electricity consumption as the plant is processing greater quantities of wastewater which is in line with the increased customer base.

Capital outlay – In the operating fund, this category includes the purchase and replacement of vehicles, equipment and infrastructure necessary to provide services.

In the capital and impact fee funds, this category includes budget for capital improvement projects. Funding for capital projects in fiscal year 2025-2026 includes the sewer conveyance system expansion, the water reclamation plant expansion, and related recharge basins which are necessary to sustain growth and new housing developments. Funding for the projects is provided through a combination of user rates, grant awards and impact fee funds. Additional information is available in the Capital Improvement Plan section in this document.

Debt service – The fiscal year budget includes scheduled debt service payments for existing debt and some funding related to the cost of issuance for new debt. New debt may be issued during the year for the funding of some of the capital projects, including the water reclamation plant expansion.

Transfers-out – Amounts transferred reflect funding from the Water Operating Fund to the Water Capital Fund for several capital projects.

Change in Fund Balance

The Water Reclamation Operating Fund is structurally balanced with ongoing expenses financed with ongoing revenues. One of the goals of the recent Council approved rate study in fiscal year 2020-2021 was to establish and maintain adequate reserves to provide for 60 days of operations and maintenance expenses. As such, revenues in excess of expenses will be used for that stated purpose. Amounts over adequate reserves may also be deployed toward one-time projects and programs. The fund has established and plans to maintain the above stated reserves.

The Water Reclamation Operating Fund budget includes a deficit balance. The deficit in the current operating budget consists of funding for several projects.

Airport Funds (Operating and Capital)

The primary revenues for the Airport Operating Fund are for customer charges for facility or ground lease revenues, open tie-down permits and fueling fees for planes at the airport. The primary services are to customers outside of the organization. As such, it is set up and operates as a stand-alone enterprise fund.

Federal and State grants, matched by Town funding are used for airport capital improvement projects as they become available and are accepted by Council.

Summary of Airport Funds Tentative Budget Fiscal Year 2026

Revenues	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Charges for services	\$ 368,551	\$ 406,836	\$ 38,285	10.4%
Intergovernmental revenues	15,550,342	3,739,544	(11,810,798)	-76.0%
Miscellaneous revenues	2,000	2,000	-	0.0%
Total Revenue	15,920,893	4,148,380	(11,772,513)	-73.9%
Expenditures				
Personnel & benefits	\$ 437,730	\$ 421,394	\$ (16,336)	-3.7%
Contracted services	259,850	196,950	(62,900)	-24.2%
Operating supplies & equip	76,925	70,140	(6,785)	-8.8%
Capital outlay	16,330,154	4,076,874	(12,253,280)	-75.0%
Total Expenditures	\$ 17,104,659	\$ 4,765,358	\$ (12,339,301)	-72.1%
Over/(Under)	\$ (1,183,766)	\$ (616,978)	\$ 566,788	-47.9%
Other sources and (uses)				
Transfers in	1,183,766	616,978	(566,788)	-47.9%
Total Other sources and (uses)	1,183,766	616,978	(566,788)	-47.9%
Change in fund balance	-	-	-	0.0%

The following describes major changes between fiscal years:

Revenues

Charges for services – This revenue source is comprised of air hangar leases, fuel charges, and open tie-downs. Revenues are expected to increase slightly primarily due to increases in leasing income.

Intergovernmental revenues – This revenue source is primarily comprised of federal and state grants awards, which are to be used toward airport capital improvement projects along with cash match funding from the Town. These revenues are directly related to the timing of projects. Revenues have decreased from the prior year as fewer projects are planned for this fiscal year.

Transfers in – The budgeted transfer in fiscal year 2025-2026 represents what may likely be an ongoing, operating subsidy from the General Fund as the airport does not generate adequate revenues to support the needs of an airport with significantly aged infrastructure and large capital improvement needs. Continued planning and coordination efforts with the Economic Development Department will hopefully improve the airport's ability to generate adequate revenues in the future.

Overall, for both operating and capital funds, transfers decreased from the prior fiscal year to help cover operating costs and matching funds for capital projects provided by the Town.

Expenditures

Personnel & benefits – The change reflects turnover in positions in the prior year which overall resulted in lower total costs. Amounts include pay for performance merit increases.

Contracted services and Operating supplies & equipment – The change is associated with completion of one-time non-capital projects in the prior year. Costs are included in these categories for maintenance and operations, insurance, vehicle maintenance and fuel costs. There are no large non-capital facilities projects budgeted for fiscal year 2025-2026.

Capital outlay – The change is primarily associated with anticipated airport capital improvement projects, conditional on funding availability by Federal or State sources. More details on all the projects are available in the Capital Improvement Plan section in this document.

INTERNAL SERVICE FUNDS BUDGET SUMMARY



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Internal Service Funds

Internal Service funds account for the Town's self-insured medical, dental and vision benefits for the Town's employees.

Summary of Internal Service Funds Tentative Budget Fiscal Year 2026

Revenues	FY2025 Budget	FY2026 Tentative	\$ Change	% Change
Miscellaneous revenues	\$ 6,211,485	\$ 7,199,465	\$ 987,980	15.9%
Total Revenue	6,211,485	7,199,465	987,980	15.9%
Expenditures				
Contracted services	\$ 758,440	\$ 1,243,839	\$ 485,399	64.0%
Operating supplies & equip	5,453,045	6,005,945	552,900	10.1%
Total Expenditures	\$ 6,211,485	\$ 7,249,784	\$ 1,038,299	16.7%
Over/(Under)	\$ -	\$ (50,319)	\$ (50,319)	-100.0%
Change in fund balance	-	(50,319)	(50,319)	-100.0%

The following describes major changes between fiscal years:

Revenues

Miscellaneous revenues – These revenues are comprised of employee and employer premiums. Increases in revenues are associated with new employee positions, plan enrollment changes and an increase of 9.9% to premiums. Employee premiums will only increase by 5%, with the Town absorbing the difference of the overall increase to the premiums.

Expenditures

Contracted services – Costs are increasing due to higher fixed costs for administration and stop-loss fees.

Operating supplies & equipment – Costs here account for medical, dental and vision claims. Fiscal year 2025-2026 increases are primarily related to industry related trends and inflation factors combined with recent internal claims trends.

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DEPARTMENT BUDGET SUMMARIES



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MAYOR & TOWN COUNCIL



Overview

The Marana Town Council is committed to providing its residents with a high standard of living through a combination of policy development, efficient municipal services, and progressive community planning. Council's actions are based on solid values, uncompromising integrity, and servant leadership for the community.

Fiscal Year 2024-25 Accomplishments

- Adopted a structurally balanced operating budget.
- Adopted a 2025 Arizona Legislative Session Policy Priority Program.
- Created the Marana Civic Committee to increase citizen engagement efforts.
- Participated in a Council Retreat to identify new policy goals and methods to achieve these goals.

Fiscal Year 2025-26 Goals & Objectives

- Approve and implement an updated Strategic Plan that aligns with key priorities.
- Identify and support legislative priorities.
- Ensure that Marana remains a safe, clean, and healthy community.
- Continue to develop, foster, and maintain relationships with Federal, State, County, and local partners.

Key Performance Indicators

Promote and increase Town representation throughout the state.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Number of regional and statewide committees with council member participation	8	8	8	✓	10

 **Target Met**
 **Target Not Met**
 N/A - New/Previous Measure

Committees:

Arizona Association of Economic Development
 Arizona League of Arizona Cities and Towns Executive Board
 Pima Association of Government Board
 Regional Transit Authority Board
 Sun Corridor Board
 Cortaro-Marana Irrigation District Board
 Cortaro Water Users' Association Board
 Metropolitan Pima Alliance

Staff Summary: Town Council does not have any FTE's. Town Council members are paid a stipend and are eligible to receive benefits.

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
General Fund	\$513,986	\$400,486	\$517,274	\$116,788	
Total Budget	\$513,986	\$400,486	\$517,274	\$116,788	(1)

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$335,706	\$340,005	\$351,768	\$11,763	
Contracted Services	15,524	41,756	41,756	-	
Operating Supplies & Equipment	162,756	18,725	123,750	105,025	
Total Budget	\$513,986	\$400,486	\$517,274	\$116,788	(1)

Budget Notes and Significant Changes

- 1 The majority of the increase to the Mayor & Town Council budget reflects the third contribution to the Marana Food Bank. In the prior year, this contribution was approved mid-year by Council through the use of contingency funds.

TOWN MANAGER



Overview

The Town Manager's Office, under the policy and direction of the Town Council, provides oversight, support and coordination of administrative activities across the Town. The Manager's Team provides leadership and vision to town staff for the benefit of the entire Marana community. Using the Strategic Plan, we implement successful strategies to tackle the challenges and growth in the Town. The Manager's Team promotes responsiveness and efficient policies and procedures to ensure the highest quality of life for residents and businesses. The Manager's Team believes in strong partnerships with our business and development communities, our neighboring municipalities, and various interest groups in the area. We are committed to providing the highest level of customer service and effective solutions to complex changes. The Manager's Team will never compromise our integrity or the public's trust.

Fiscal Year 2024-25 Accomplishments

- Maintained a structurally balanced budget and strengthened the Town's financial position.
- Provided quarterly progress updates on Strategic Plan 5 to both Town Council and the public, ensuring transparency and alignment with community goals.
- Finalized the design and began construction of the Marana Aquatic and Recreation Center with plans in place for a grand opening in the Spring of 2025.
- Hosted a Council Retreat to establish and identify new policy priorities and how to achieve them.
- Launched the Local Legends program which honors individuals who have made a significant impact to the Town of Marana.
- Successfully launched a new Town website that better serves local government needs and meets ADA compliance requirements.

Fiscal Year 2025-26 Goals & Objectives

- Maintain a structurally balanced budget that advances the priorities identified in the Strategic Plan.
- Collaborate with the Town Council and departments to develop a new iteration of the Strategic Plan that aligns with the Town's goals and priorities.
- Continue implementation of the Marana 2040 General Plan, including the various master plans and studies described within the plan.
- Continue expansion of community outreach resources and tools.

Key Performance Indicators

Invite citizen involvement and deliver transparent and timely distribution of information through a variety of innovative platforms.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of customer satisfaction rating of "Very Satisfied" or "Satisfied" for Communications services	94%	75%	84%	✓	85%
Community outreach and educational videos produced in-house	118	120	140	✓	120
Total number of podcast plays per year	7,242	10,000	23,882	✓	15,000
Heritage related events	N/A	N/A	N/A	N/A	24
Heritage related educational campaigns	N/A	N/A	N/A	N/A	4

 **Target Met**
 **Target Not Met**
 N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	9.00	10.00	9.00	-1.00
% of town's FTEs			1.81%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
General Fund	\$1,449,917	\$1,678,187	\$1,569,685	(\$108,502)
Total Budget	\$1,449,917	\$1,678,187	\$1,569,685	(\$108,502)

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$1,238,827	\$1,364,537	\$1,327,615	(\$36,922)	(1)
Contracted Services	140,101	184,050	164,610	(19,440)	(2)
Operating Supplies & Equipment	70,988	129,600	77,460	(52,140)	(3)
Total Budget	\$1,449,917	\$1,678,187	\$1,569,685	(\$108,502)	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Decrease is primarily attributed to move of one position from Town Manager's Office to City Clerk's Office for fiscal year 2025-2026.
- 2 Contracted Services - Decrease is primarily associated to one-time funding included in the prior year budget for the Town's contribution to be included in a federal grant regional action plan.
- 3 Operating Supplies & Equipment - Decrease is associated with a reduction to one-time funding available in the prior year for the Town's website update and the Town's strategic plan. Some funding needed to finalize the plan has been carried forward to fiscal year 2025-2026.

TOWN CLERK



Overview

The Town Clerk's Office is driven to serve, preserve, and enrich our community. We do this through proactively serving Marana residents, the Town Council, and Town staff; carefully preserving the Town's cherished heritage and records for future generations; timely providing access to public meetings, documents, and information; and fairly and impartially overseeing Town elections in accordance with the law.

Fiscal Year 2024-25 Accomplishments

- The Town Clerk's Office successfully prepared for and conducted an election for one Mayoral and two Council seats during the beginning of FY2024-2025. Due to the slim margin of votes between two of the three candidates running for the Council positions, the Clerk's Office also successfully conducted a recount in accordance with Arizona law.
- The Town Clerk's Office has provided greater access to Council meetings by implementing closed caption video services. It has also consistently processed and published Town Council agendas well before the statutory deadline; and in October, it broke its previous record in spearheading the preparation of the largest agenda packet since the Town was incorporated (822 pages) with a 1,247-page agenda packet and still published it within its normal publishing timeframes.
- From the beginning of the fiscal year until the present (January 2025), the Town Clerk's Office has professionally and timely processed over 400 public records requests - an increase of approximately 100 requests since last fiscal year around the same time.
- The Town Clerk's Office has successfully compiled and submitted the Town's list of essential records in coordination with department records liaisons, and it improved overall coordination with department records liaisons regarding records management throughout the Town.
- The Town Clerk's Office has increased its community outreach efforts by procuring and utilizing clerk-related promotional items and attending community events, such as the Halloween Treat Trail and an elementary school career day.

Fiscal Year 2025-26 Goals & Objectives

- Encourage and maintain electoral confidence by preparing to impartially oversee the 2026 election cycle through certifying and recertifying Town Clerk staff with the Arizona Secretary of State's Office and through updating and preparing all necessary election materials.

- Improve records management by exploring and pursuing options for upgraded storage of Town records currently stored off-site.
- Proactively serve and enrich our community by creatively increasing the community outreach efforts of the Town Clerk's Office.

Key Performance Indicators

Elevate the Town's public service by providing timely public access to Town information.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of agendas and notices posted in compliance with state law	100%	100%	100%	✓	100%
Percentage of public records requests acknowledged within 24 hours (excluding weekends/holidays)	100%	100%	100%	✓	100%
Percentage of draft Council and Community Facility District minutes with little to no modification prior to Council adoption	90	90%	90%	✓	90%

 **Target Met**
 **Target Not Met**
 N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	5.00	5.00	6.00	1.00
% of town's FTEs			1.21%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
General Fund	\$410,183	\$606,742	\$731,498	\$124,756
Total Budget	\$410,183	\$606,742	\$731,498	\$124,756

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$374,767	\$488,172	\$577,413	\$89,241	(1)
Contracted Services	32,336	96,050	79,945	(16,105)	(2)
Operating Supplies & Equipment	3,080	22,520	14,140	(8,380)	(3)
Restricted	-	-	60,000	60,000	(4)
Total Budget	\$410,183	\$606,742	\$731,498	\$124,756	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to move of one position from Town Manager's Office to City Clerk's Office, as well as performance pay for fiscal year 2025-2026.
- 2 Contracted Services - Decreases to contracted services are primarily related to no anticipated elections in fiscal year 2025-2026.
- 3 Operating Supplies & Equipment - Decreases are related to one-time funding for scanners in the previous year.
- 4 Restricted Budget - Available to ensure adequate capacity exists for elections outside the normal election cycles. Budget is appropriated in non-election years.

HUMAN RESOURCES



Overview

The Human Resources Department goal is to support and advance the Town of Marana by attracting, hiring, retaining, and developing those that align with our culture and values while enhancing workplace culture and employee engagement.

Fiscal Year 2024-25 Accomplishments

- Completed I-9 compliance audit and established electronic I-9 verification and retention
- Created standard recruitment templates and transitioned to e-signature on offer letters
- Standardized the employee relation process and created investigation plans
- Implemented Town-wide mentor program
- Established monthly professional learning communities for leadership development
- Re-established Wellness Committee and events

Fiscal Year 2025-26 Goals & Objectives

- Implement paperless onboarding processes
- Create Job Description audit schedule
- Automate Personnel Action Form (PAF)/Requisition (REQ) Entry Process
- Increase employee Wellness engagement and participation in activities and events
- Broaden scope of wellness beyond physical wellness (financial, emotional, mental)

Key Performance Indicators

Foster a workplace culture that attracts, retains, and motivates a talented workforce.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of employees who rate overall workplace culture as positive; agree and strongly agree	85%	80%	TBD		80%
Percentage of employees who feel the organization invests in their development; agree and strongly agree	73%	75%	TBD		75%
Percentage of employees who feel they are adequately prepared to compete for internal promotions when available; agree and strongly agree	TBD	80%	TBD		80%

 Target Met
  Target Not Met
 N/A - New/Previous Measure

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Staff Summary				
Full-time Equivalents	13.00	14.00	15.00	1.00
% of town's FTEs			3.02%	

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Expenditures By Fund				
General Fund	\$1,628,101	\$2,195,874	\$2,200,830	\$4,956
Total Budget	\$1,628,101	\$2,195,874	\$2,200,830	\$4,956

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Expenditures by Category					
Personnel & Benefits	1,310,705	\$1,706,315	\$1,747,351	\$41,036	(1)
Contracted Services	165,775	258,376	166,460	(91,916)	(2)
Operating Supplies & Equipment	151,620	225,183	282,019	56,836	(3)
Restricted Budget	-	6,000	5,000	(1,000)	
Total Budget	\$1,628,101	\$2,195,874	\$2,200,830	\$4,956	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed a new HR Manager position and increases to health care contributions and for performance pay and other adjustments budgeted for fiscal year 2024-2025.
- 2 Contracted Services - Increases are primarily attributed to funding provided for new organizational development software and for continuing education and training needs.
- 3 Operating Supplies & Equipment - Increases primarily due to higher expenses for employee recognition programs, health safety needs and for one-time funding for furniture and equipment for new HR Manager position.

FINANCE



Overview

The Finance Department provides financial support services throughout the Town including accounting, fiscal planning, treasury services, cash receipts, purchasing, accounts payable, payroll, debt management, development and monitoring of the annual operating budget, establishing and monitoring internal controls, preparing the Comprehensive Annual Financial Report, facilitating external audits and independent reviews and grant management.

Fiscal Year 2024-25 Accomplishments

- Received the 16th consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).
- Received the Certificate of Excellence in Financial Reporting for the GFOA for the 15th consecutive year.
- Participated in the successful implementation of a new water billing system.
- Issued new debt to finance the construction of the Town's Aquatics and Recreation Center and refunded existing eligible debt generating savings of approximately \$1.8 million.

Fiscal Year 2025-26 Goals & Objectives

- Receive the Distinguished Budget Presentation Award from the GFOA.
- Receive the Certificate of Excellence in Financial Reporting from the GFOA.
- Implement a new business licensing software system.
- Assist with the implementation of the Town's new permitting system.

Key Performance Indicators

Receive a clean audit opinion without any findings or questioned costs.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Unmodified audit opinion in financial statements by external CPA firm	✓	✓	✓	✓	✓

Invest idle cash to achieve best investment results considering safety, liquidity and yield.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Compliance with Town investment and financial policies	✓	✓	✓	✓	✓

Provide detailed and transparent financial information to the public about the use of public resources.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Receipt of GFOA Certificate of Achievement for Excellence in Financial Reporting	✓	✓	✓	✓	✓
Receipt of GFOA Distinguished Budget Presentation Award	✓	✓	✓	✓	✓

 Target Met
  Target Not Met
 N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	17.00	19.00	21.00	2.00
% of town's FTEs			4.23%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
General Fund	\$1,761,065	\$2,293,277	\$2,618,079	\$324,802
Total Budget	\$1,761,065	\$2,293,277	\$2,618,079	\$324,802

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$1,623,074	\$2,042,542	\$2,240,849	\$198,307	(1)
Contracted Services	127,706	184,870	202,170	17,300	(2)
Operating Supplies & Equipment	5,785	15,865	25,060	9,195	(3)
Capital Outlay	4,500	-	-	-	
Restricted	-	50,000	150,000	100,000	(4)
Total Budget	\$1,761,065	\$2,293,277	\$2,618,079	\$324,802	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to a new Executive Assistant and a new Procurement position and increases to health care contributions and for performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Increases primarily due to higher outside sales tax audit services as well as travel for continuing education and staff development.
- 3 Operating Supplies & Equipment - Increases for furniture for new positions being added to the department.
- 4 Restricted - Budget capacity to be used toward the implementation of new budget interactive software and procurement software.

LEGAL



Overview

The Marana Legal Department provides superior legal services to ensure that the Town is a safe, sustainable community with a high quality of life, now and in the future. We strive to achieve justice and to protect the Town by developing sound legal direction and strategies, protecting victims' rights, upholding the law with fairness and integrity, and maintaining a strong work ethic. Our Pillars of service are Unfailing Integrity, Proactive Protection, and Grounded Justice. The Legal Department provides legal advice to the Mayor and Council, the Town Manager's Office and all Town departments, and directly or through outside counsel represents the Town in litigation. The Legal Department also prosecutes misdemeanor offenses and Town Code violations committed within the Town limits, working closely with the Police Department and Marana Municipal Court.

Fiscal Year 2024-25 Accomplishments

- In coordination with Development Services, drafted and implemented amendments to the Town Code to add Data Centers as a defined use in the Town's zoning code and to provide comprehensive regulations for the development of Data Centers.
- Assisted with all legal aspects of construction, opening, and operation of the new Marana Community and Aquatics Center.
- Assisted the Town Clerk's Office in successfully administering the 2024 Council election, to include completing legal procedures in Superior Court necessary for automatic recount.
- Monitored and managed the Town's claims in the federal class action PFAS litigation, including assisting the Water Department in submitting voluminous records of PFAS test results and other information for participation in the settlements regarding PFAS contamination in Public Water Systems' Drinking Water.
- Provided top-quality municipal criminal and code enforcement, including efficiently and fairly handling 504 criminal prosecutions, 3 appeals, 8 aggressive dog designation cases, and 5 code enforcement cases in the first 6 months of FY2025.

Fiscal Year 2025-26 Goals & Objectives

- Provide legal advice and direction regarding development of a vibrant Downtown Marana, including an agreement to lease and develop Town-owned land pursuant to RFP 2024-015.
- Continue to assist the Airport with all legal aspects of funding and construction of the new Air Traffic Control Tower.
- Continue to provide top-quality municipal criminal prosecution services, by ethically and efficiently prosecuting cases with the goal of achieving justice, and protecting victims' legal rights.

- Work with the Town Manager's Office and all departments to ensure that all administrative directives are serving the purposes intended and are up-to-date.
- Continue to provide legal advice and direction regarding major Town CIP and water/wastewater infrastructure projects, including Tangerine Road, Twin Peaks Road, Tangerine/I-10 interchange, Marana Rd./I-10 interchange, Water Reclamation Facility (WRF) expansion, and Pioneer Well Treatment Campus.

Key Performance Indicators

Efficiently and effectively prosecute misdemeanor cases.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of cases with initial victim notices sent out by first pretrial conference	98%	100%	99%	✗	100%
Ratio of cases disposed to cases filed	105%	90%	134%	✓	90%

Provide timely and accurate legal advice to the Town.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of successful outcomes in personnel matters	100%	95%	100%	✓	95%
Percentage of ordinances/resolutions drafted within 30 days of request	88%	90%	85%	✗	90%

 **Target Met**
 **Target Not Met**
 N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	9.00	9.00	11.00	2.00
% of town's FTEs			2.22%	

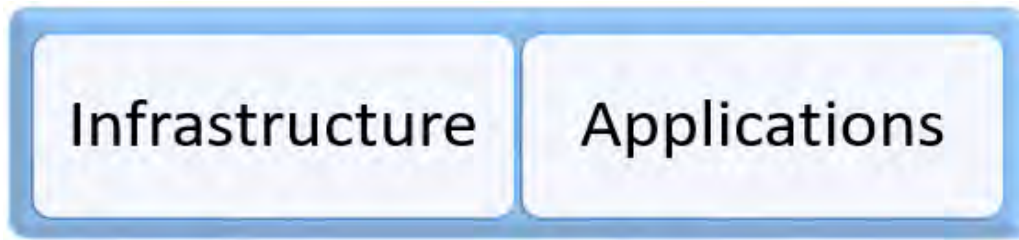
Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
General Fund	\$1,139,434	\$1,348,734	\$1,726,023	\$377,289
Total Budget	\$1,139,434	\$1,348,734	\$1,726,023	\$377,289

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$1,038,372	\$1,153,278	\$1,498,086	\$344,808	(1)
Contracted Services	98,040	189,756	176,661	(13,095)	(2)
Operating Supplies & Equipment	3,022	5,700	51,276	45,576	(3)
Total Budget	\$1,139,434	\$1,348,734	\$1,726,023	\$377,289	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to two positions moved from Development Services into Legal, and due to increases to health care contributions and for performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Decrease related to lower outside counsel fees, offset in part by budget moved into the department from Development Services for consulting fees.
- 3 Operating Supplies & Equipment - Increase is attributed to funding for a facilities project required to adequately accommodate employees moved from Development Services.

INFORMATION TECHNOLOGY



Overview

The Information Technology (formerly Technology Services) Department provides departments with the leadership, skills and technology infrastructure that enable the effective, secure, and efficient use of IT solutions in support of the vision, principles and strategic goals of the Town of Marana.

Fiscal Year 2024-25 Accomplishments

- Established annual project intake cycle to thoroughly review project requests to achieve an 80% success rate in completing projects on time, up from 62% in FY2024.
- Continued CityView permitting and licensing system implementation project with August 2025 launch date.
- Developed an IT disaster recovery plan to mitigate risks of unplanned service disruptions for critical applications and systems that support important Town services.
- Initiated network redesign project to improve reliability, security, and scalability of network access and expand fiber network to support proactive public services.
- Created a year-round cybersecurity training program to educate Town staff on effectively mitigating cybersecurity threats.

Fiscal Year 2025-26 Goals & Objectives

- Complete the CityView system implementation project to meet the August 2025 launch date with an improved experience for permitting and licensing services.
- Improve our asset management system deployment to enable Parks and Recreation, Public Works, and Water department to maximize the lifespan of critical assets.
- Create an artificial intelligence governance structure that enables Town staff to utilize AI systems for the benefit of the community while protecting against harm.
- Leverage the benefits of cloud-smart environments to optimize IT infrastructure and resource utilization. We are planning to transition Munis and Laserfiche to the cloud, and utilize the cloud for disaster recovery in FY26.
- Continue redesigning the Town's network and expanding fiber network to enable new advances in the Town's services and ensure business continuity and disaster recovery capabilities.

Key Performance Indicators

Elevate the Town's public service quality through efficient resolution of Town technology issues.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Average internal customer services satisfaction rating with technical support provided (on a scale of five stars)	4.95	90%	90%	✓	90%
Percentage of service requests completed within defined service level targets	84%	90%	90%	✓	90%
Percentage of unplanned downtime of major applications affecting business continuity	<1%	1%	<1%	✓	1%
Percentage of unplanned downtime of public facing applications (websites, GIS viewers) affecting public service	<1%	1%	<1%	✓	1%
Total number of departmental dashboards built to show asset management costs for Parks and Recreation, Public Works, and Water	1	3	3	✓	3

 **Target Met**
 **Target Not Met**
 N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	21.00	25.00	27.00	2.00
% of town's FTEs			5.44%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
General Fund	\$4,939,810	\$7,998,069	\$8,362,139	\$364,070
Total Budget	\$4,939,810	\$7,998,069	\$8,362,139	\$364,070

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$1,861,295	\$2,420,892	\$2,785,311	\$364,419	(1)
Contracted Services	2,331,491	3,742,904	4,445,277	702,373	(2)
Operating Supplies & Equipment	353,899	1,317,853	1,039,451	(278,402)	(3)
Capital Outlay	393,125	100,000	92,100	(7,900)	(4)
Restricted	-	416,420	-	(416,420)	(5)
Total Budget	\$4,939,810	\$7,998,069	\$8,362,139	\$364,070	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to a new Cybersecurity Analyst position and a Senior GIS Analyst position, increases to health care contributions and for performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Increase primarily due to one-time funding for a new asset management system, software maintenance and hardware network upgrades, partially offset by a decrease in budget for the one-time, new building access control system budgeted in fiscal year 2024-2025.
- 3 Operating Supplies & Equipment - Decrease is primarily due to additional one-time funding in the prior year for the replacement of aging police radios. This category also includes budget for computers, printers and other office equipment.
- 4 Capital Outlay - Amount is carry forward from the prior year for the design and planning of expanding the Town's fiber connection to create redundancy and help ensure continuity of operations.
- 5 Restricted - One-time funding capacity in previous year to complete network upgrades and for unanticipated cost increases or emergency needs.

DEVELOPMENT SERVICES



Overview

To ensure that all departmental activities (Building Safety, Planning, Engineering, and Environmental) enhance and support the vision of the strategic plan by providing responsiveness to, and creating partnerships with the development community.

Building Safety Division

The Building Safety division is responsible for establishing the minimum requirements that safeguard public health. This is accomplished by adopting the most up-to-date technical building code and enforcement of that code through field inspection. The division collectively works with a fire service agency within the Town to administer provisions of the fire code. The goal is to provide the highest level of service and to maintain the vision of the Town, by incorporating the strategic plan into the divisions' policies and procedures whenever possible.

Planning Division

The Planning division is dedicated to the physical, social and economic excellence of the Town through sound professional planning practices, consistent policy advice, active public participation and superior public service to promote the welfare and quality of life of the community. Planning is responsible for administering and implementing the General Plan, the Town Code and the Land Development Code. The division provides support and recommendations to the Town Council and Planning Commission to assist each in making decisions regarding land uses and development proposals. The division processes applications for new development and redevelopment within the Town such as site plan reviews, special use requests, planned development proposals, subdivision proposals and rezoning requests to ensure compliance with Town requirements.

Engineering and Environmental

The Engineering and Environmental division are responsible for addressing the infrastructure needs throughout the Town. The Engineering division provides oversight of projects to ensure that private development follows Town ordinances and engineering practices, maintains the safety of the public and the environment, recommends mitigation measures to reduce impacts from development. The division manages the floodplain and community rating system and ensures environmental compliance for private development. The division ensures the Town's compliance with state and federal mandates as well as clears public infrastructure projects. The Environmental division looks at all private development projects to ensure that the Town Stormwater Ordinance and the Town Cultural Resources Ordinance are being followed. Public projects such as the installation of utility infrastructure, roadway widening, and the construction of new parks are also reviewed for compliance with State and Federal regulations such as the Clean Water Act, the Endangered Species Act, and the National Historic Preservation Act. Environmental staff also ensure compliance with the Town's mandated MS4 permit through outreach activities, Town facility inspections, staff training, and stormwater quality monitoring. The Environmental staff works with almost all of the other departments in the Town to ensure that projects move forward while maintaining regulatory compliance.

Fiscal Year 2024-25 Accomplishments

- Planning - Planning staff, collaborating with other Town departments, delivered updates to the Land Development Code, particularly related to zoning regulation, that was incorporated into the Town Code by approval of Town Council. The Code amendments included streamlining regulation, correcting conflicts within the Code and creating new regulation to resolve real-world issues that were never contemplated in the past. Notably, staff assisted with the development of a new section of the Town Code that establishes criteria for data centers. Staff also prepared the town's annual housing report and assisted with the draft for the town's housing needs assessment, which were both required under a new State law.
- Building Safety - Implemented efficiencies in digital plan review and inspections, coordinate with Technology Services on digital document management, customer submittals and technology. Coordinated with regional partners, stakeholders and council on adoption of 2024 edition of the Model Code from ICC.
- Development Engineering—The Division completed and adopted a drainage Manual to guide the development of community drainage designs.
 - The development code was updated to clarify submittal requirements, dates on when reports expire, and the requirements to update them, and a review and update of the requirements for the closeout process for each project for residential and commercial.
- Environmental - Developed and implemented new Stormwater Training Sessions for Town departments as required in the Town's MS4 permit. Improved content on the Town's website and social media platform to increase information for developers, contractors, and the general public. Conducted the first open comment period for the Town's Stormwater Management Plan so citizens could review and provide feedback.

Fiscal Year 2025-26 Goals & Objectives

- Planning - The timely completion of the master plans and/or studies identified in the General Plan as well as the assigned goals found in the Town's Strategic Plan. Planning staff will also continuously monitor the actual implementation and use of the Land Development Code, tracking any issues or Code conflicts that arise in order to determine, if and when, additional revisions are required.
- Building Safety - Continue work with regional partners and stakeholders on the consistent application and enforcement of the 2024 model codes. Educate developer and builders on the application of 2024 model codes. Implement new permitting software across division and department. Inform and educate customers on new system.
- Development Engineering - The Goal for the division is to continue to develop on the standards, review and identify gaps that need to be improved, removed, and address to improve our responses to the applicants regarding plan approval and permit issuance.
- Environmental - Develop a geographic database that shows areas within the Town that have had cultural resources work done so potential development and re-development can be assessed more quickly. Develop a map the has the location of privately owned Post Construction Stormwater Infrastructure on it to help create a Town-wide infrastructure map that can be used by Development Services as well as Public Works.

Key Performance Indicators

Ensure sufficient response to public for permitting and inspections.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of single family dwelling plans reviewed within five days	97%	95%	99%	✓	95%
Percentage of model plan reviews completed within five days	90%	92%	99%	✓	92%
Percentage of field inspections completed within one business day of request	99%	99%	99%	✓	99%

Streamline public processes to facilitate work with public and developers.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
In-house plan reviews as a percentage of total plan reviews taken	Permits	90%	99%	✓	90%
	99%				
	Projects	90%	95%	✓	90%
	87%				

Provide exceptional customer service through our Development and Utility Services.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of development related projects reviewed within assigned time (first submittal)	67%	95%	98%	✓	90%
Percentage of permits approved within assigned time frame	95%	95%	95%	✓	90%

✓ Target Met ✗ Target Not Met N/A - New/Previous Measure

Department Summary | Development Services

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Staff Summary				
Full-time Equivalents	36.00	38.00	37.00	-1.00
% of town's FTEs			7.45%	

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Expenditures By Fund				
General Fund	\$3,629,009	\$4,810,906	\$4,813,281	\$2,375
Total Budget	\$3,629,009	\$4,810,906	\$4,813,281	\$2,375

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Expenditures by Category					
Personnel & Benefits	\$3,026,860	\$3,943,868	\$3,976,702	\$32,834	(1)
Contracted Services	476,637	764,609	608,490	(156,119)	(2)
Operating Supplies & Equipment	111,340	88,294	158,989	70,695	(3)
Capital Outlay	14,172	14,135	69,100	54,965	(4)
Total Budget	\$3,629,009	\$4,810,906	\$4,813,281	\$2,375	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Decrease is primarily attributed to a Real Property Coordinator and a Real Property Manager being moved to the Legal Department, offset by increases for a new Building Inspector position, higher health care contributions, performance pay increases and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Decrease due to lower credit card charges upon the implementation of new software that allows for charges to be paid by card holders.
- 3 Operating Supplies & Equipment - Increase is primarily due to one-time funding for the reconfiguration of the building inspector area.
- 4 Capital Outlay - Funding for a new vehicle for the new Building Inspector position.

OFFICE OF ECONOMIC DEVELOPMENT AND TOURISM



Overview

To provide clear direction and coordination of economic development and tourism activities in Marana by building public/private sector partnerships to attract and retain a diverse business and employment base, support new local businesses, develop amenities and attractions to create a world class destination and provide a high quality workforce. We aim to ensure that all departmental activities enhance and support the vision of the strategic plan by providing responsiveness to internal and external customers by the creation of those partnerships.

Fiscal Year 2024-25 Accomplishments

- Developer selected for downtown development. Negotiations began on Development Agreements.
- Obtained \$49,000 in grants through the Arizona Office of Tourism for advertising.
- All marketing channels increased reach and/or engagement
- Tourism Master Planning Draft Completed

Fiscal Year 2025-26 Goals & Objectives

- Procure a consultant for a new Economic Development Strategic Plan.
- Complete the DA for the 1st Phase of the downtown development and begin moving from conceptual to final drawings.
- Expand marketing strategies to engage a wider audience.
- Completion of Tourism Master Plan and 10 year tourism strategy for the town.
- Begin implementation of Phase 1 of the Tourism Master Plan.

Key Performance Indicators

Provide a supportive environment for industry leaders, startups, small businesses, and entrepreneurs through every stage of development.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Number of jobs served through the Marana Job Creation Incentive Program (MJCIP)	50	300	240	✗	300

Expand Marana's thriving tourism industry by promoting its heritage, cultural resources, scenic open spaces, and signature events.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Total number of Discover Marana website visits	160,000	200,000	220,000	✓	220,000
Total number of tourism marketing campaigns	6	3	5	✓	3

✓ Target Met ✗ Target Not Met N/A - New/Previous Measure

Department Summary | Economic Development and Tourism

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	3.50	4.00	4.00	-
% of town's FTEs			0.81%	

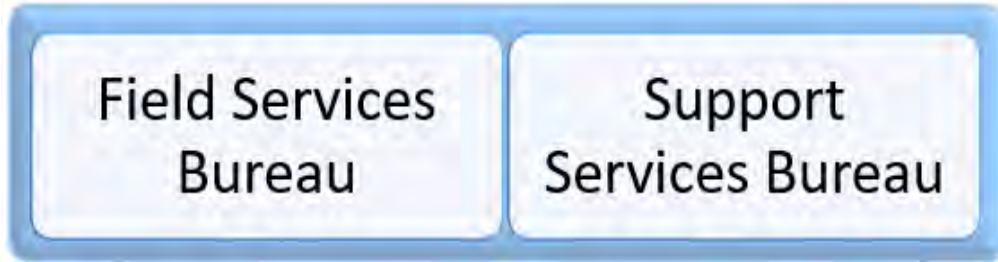
Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
General Fund	\$325,413	\$404,918	\$551,052	\$146,134	
Bed Tax Fund	522,865	1,330,349	1,841,200	510,851	(2)
Downtown Reinvestment Fund	-	1,125,000	1,125,000	-	
Grants and Contributions	32,875	-	-	-	
Total Budget	\$881,153	\$2,860,267	\$3,517,252	\$656,985	

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$421,322	\$537,567	\$582,346	\$44,779	(1)
Contracted Services	456,653	1,763,655	1,744,375	(19,280)	(2)
Operating Supplies & Equipment	3,179	19,045	6,545	(12,500)	(3)
Capital Outlay	-	40,000	183,986	143,986	(4)
Restricted Budget	-	500,000	1,000,000	500,000	(5)
Total Budget	\$881,153	\$2,860,267	\$3,517,252	\$656,985	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to higher health care contributions and performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Includes additional funding for marketing services and advertising in the Bed Tax Fund. Reduction in the General Fund is due to the one-time Airport Industrial park conceptual master plan budgeted in prior year.
- 3 Operating Supplies & Equipment - Decrease in Bed Tax funding is due to a one-time purchase of equipment budgeted in the prior year.
- 4 Capital Outlay - Funding availability for the Air Commerce Way Monument.
- 5 Restricted - Increase in Bed Tax funding programmed for future tourism related funding opportunities not yet identified.

POLICE



Overview

The mission of the Marana Police Department (MPD) is to provide unparalleled service and unwavering protection to every person in the Town of Marana and to do so with uncompromised integrity. We are committed to becoming the most well respected police department in the State of Arizona.

Fiscal Year 2024-25 Accomplishments

- The Marana Police Department received federal funding to purchase a 3D scanner to help document and prosecute violent crime scenes. This equipment was purchased and received in January 2025.
- The Marana Police Department received additional funding and renewed the contract for SPIDRTECH. This software enhances communication transparency, and trust with the community.
- Several promotions occurred during 2025 amongst the rank of detective, sergeant, lieutenant, deputy chief, and chief.

Fiscal Year 2025-26 Goals & Objectives

- Maintain or exceed department clearance rates for crimes of violence as compared to the previous year.
- Maintain or exceed department clearance rates for property crimes as compared to the previous year.
- Maintain response times with established criteria.
- Schedule and facilitate external agency audit of Property and Evidence at least every three years beginning this year.
- Schedule and facilitate an internal audit of the armory annually

Key Performance Indicators

Provide high-level public safety services that strengthen Marana's reputation as a safe and secure Town.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Maintain or exceed department clearance rates for all part 1 crimes* as compared to the previous year	38.3	40.23	48.20	✓	42.00
Maintain or reduce total number of part 1 crimes* (excluding shoplifting) per 1,000 residents as compared to the previous year	7.8	7.46	7.67	✓	7.46
Maintain or reduce traffic collision rates based on total number of collisions per 1,000 residents as compared to the previous year	20.4	19.4	18.96	✓	19.4
Part 1 Violent Crime rate per 1,000 residents	0.63	0.60	0.91	✓	0.60
Part 1 Property Crime rate per 1,000 residents (includes shoplifting)	16.36	15.54	15.14	✓	15.54
Part 1 Property Crime rate per 1,000 residents (excludes shoplifting)	7.91	7.5	6.75	✓	7.0

*Part I Crime as defined by the FBI's National Incident-Based Reporting System (NIBRS). Population of 61,293 as estimated by Town of Marana on 1/28/2025.

‡ Figures are projected based on the first six months of the Fiscal Year (i.e. the calculations were doubled to approximate a 12 month period).

✓ Target Met ✗ Target Not Met N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	139.00	143.00	147.00	4.00
% of town's FTEs			29.60%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
General Fund	\$21,492,028	\$35,868,017	\$23,136,060	(\$12,731,957)	(1)
Grants & Contributions Fund	1,664,844	1,499,179	1,616,112	116,933	(3)
RICO Fund	48,981	116,900	148,500	31,600	(2)
Police Impound Fund	-	30,000	39,000	9,000	
Total Budget	\$23,205,853	\$37,514,096	\$24,939,672	(\$12,574,424)	

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$19,641,290	\$33,097,494	\$21,202,950	(\$11,894,544)	(1)
Contracted Services	732,478	1,374,756	1,380,435	5,679	(2)
Operating Supplies & Equipment	1,916,847	2,294,421	2,005,867	(288,554)	(3)
Capital Outlay	915,237	727,425	350,420	(377,005)	(4)
Restricted Budget	-	20,000	-	(20,000)	
Total Budget	\$23,205,853	\$37,514,096	\$24,939,672	(\$12,574,424)	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Decrease is primarily attributed a one-time pension contribution of over \$13.6 million in prior year to pay off the remainder of the police officers unfunded liability, as of the June 30, 2023 actuarial report. This decrease was offset by increases in funding for two new Police Officers, a Crime Scene Specialist, a Records Redaction Specialist, increases to health care contributions, and for performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Changes include General Fund decreases to computer software and software fees, and additional ongoing and one-time expenses related to the new positions, including outfitting and equipping the officers. Grant funding includes increases for software programs and increases in funding from the Smart & Safe money for new drone for patrol operations as well as additional funding for training.
- 3 Operating Supplies & Equipment - Changes are primarily related to decreases to the vehicle replacement program. Funding here includes additional ongoing and one-time expenses related to the new positions, as well as additional funding for cell phone operating costs. Funding from grants and Smart and Safe increased for one-time purchases of bike unit equipment.

- 4 Capital Outlay - Decrease reflects fewer vehicle purchases and one-time outfitting of vehicles, including radios as compared to the prior year.

COURTS



Overview

Marana Municipal Court adjudicates civil and criminal traffic, Town ordinance, and criminal misdemeanor offenses that occur within the Town limits, as well as issuing civil orders of protection and injunctions against harassment. The mission of Marana Municipal Court is to provide a forum for the fair, impartial, and efficient adjudication of those violations in an environment that is respectful and safe for all who interact with the justice system.

Fiscal Year 2024-25 Accomplishments

- Simplified bond card, alleviating need for reprinting when fines and fees change.
- Upgraded jury deliberation room technology to ensure confidentiality of deliberations.
- Launched self represented litigant guides to increase access to justice.

Fiscal Year 2025-26 Goals & Objectives

- Increase courthouse security through better security camera coverage and increased security staffing.
- Determine feasibility of launching digital evidence portal or other safe mechanism for preserving and displaying digital evidence.
- Kickoff paperless file conversion.

Key Performance Indicators

Provide for a forum for fair, impartial, and efficient adjudication of alleged violations in an environment that is respectful and safe.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of cases with customer service complaints	<1%	<1%	<1%	✓	<1%
Percentage of cases referred to judicial commission	<1%	<1%	<1%	✓	<1%

Provide participants in the court system with necessary services for the fair adjudication of cases.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of qualified cases receiving court appointed counsel	100%	100%	100%	✓	100%
Percentage of qualified cases receiving interpreter services	100%	100%	100%	✓	100%

Promptly disburse monies received by the court, which are held in trust and payable as restitution, bonds, or fees.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of timely disbursements for bond refunds, restitution orders, fees to other government agencies, and payment for services	100%	100%	99%	✗	100%

 **Target Met**
 **Target Not Met**
 N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	14.00	14.00	15.00	1.0
% of town's FTEs			3.02%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
General Fund	\$1,289,719	\$1,589,174	\$1,808,754	\$219,580	(1)
JCEF Fund	-	131,805	131,805	-	
Fill the Gap Fund	-	34,500	34,500	-	
Local Technology Fund	25,680	82,500	82,500	-	
Total Budget	\$1,315,399	\$1,837,979	\$2,057,559	\$219,580	

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$1,139,088	\$1,228,024	\$1,402,477	\$174,453	(1)
Contracted Services	162,242	258,350	272,150	13,800	(2)
Operating Supplies & Equipment	14,069	151,605	182,932	31,327	(3)
Capital Outlay	-	200,000	200,000	-	
Total Budget	\$1,315,399	\$1,837,979	\$2,057,559	\$219,580	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to the addition of a new Court Security Officer, increases to health care contributions and for performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Service - Increase is primarily due to increases related to required competence evaluations of defendants.
- 3 Operating Supplies & Equipment - Increases for one-time workplace improvements related to staff office space.

PUBLIC WORKS



Overview

The Public Works Department is committed to providing the highest level of service and showcase Marana's high standard of excellence while planning, designing, constructing, operating, and maintaining safe and reliable infrastructure for the community. The department strives to spend taxpayer funds judiciously, execute cost-effective designs, and employ innovative ways to operate, improve, maintain, and enhance public facilities, roadways, bridges, sidewalks, ADA ramps, drainage-ways, landscaping, traffic signals, street lights, pavement markings, and Town fleet in an efficient manner and, subsequently, improve the quality of life in the Town. The airport which is a division of Public Works is presented as a separate department summary.

Fiscal Year 2024-25 Accomplishments

- Completed Cortaro Farms Rd. and Sandy Desert Trail Drainage Project.
- Secured \$20.4 million Federal Railroad Administration (FRA) Railroad Crossing Elimination (RCE) grant funding for preparation of a Design Concept Report (DCR) for the I-10 Cortaro Farms Interchange Grade Separation with Union Pacific Rail Road (UPRR)
- Completed construction of the Dove Mountain Blvd/Moore Rd traffic signal with AZ Dept of Transportation (ADOT)
- Established a maintenance responsibilities reference document for Parks, Public Works, Technology Services, and Water staff to identify which department is responsible for maintenance inspections, activities, and budgeting
- Completed construction on the Marana Aquatic and Recreation Center (MARC)

Fiscal Year 2025-26 Goals & Objectives

- Complete asset collection for storm water.
- Implement and evaluate updated traffic signal timing plans for Ina Rd and Thornydale Rd corridors reflecting new traffic patterns following completion of the I-10 Gap Widening Project
- Successful incorporation of the MARC asset into the Facilities' maintenance program
- Implementation of the RCE grant for I-10 Cortaro Farms Interchange Grade Separation with UPRR by updating the DCR and National Environmental Policy Act documents in compliance with grant milestone dates

Key Performance Indicators

Prioritize infrastructure and maintenance that support new growth and development in a proactive and sustainable manner.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of Right of Way Permits Reviewed within 10 days	100%	100%	100%	✓	100%
Achieve an Overall Condition Index (OCI) rating for the Town's street system above 70	78	75	76	✓	75
Percentage of Facilities Service Requests completed within 10 days	80%	80%	90%	✓	85%
Percentage of Fleet Service Requests completed within 5 days	92%	90%	93%	✓	90%

 **Target Met**
 **Target Not Met**
 N/A - New/Previous Measure

Department Summary | Public Works

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	62.00	64.00	69.00	5.00
% of town's FTEs			13.89%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
General Fund	\$7,497,346	\$21,578,304	\$17,199,113	(\$4,379,191) (6)
Grants & Contributions	-	-	\$9,300	\$9,300
Highway User Revenue Fund	3,677,983	7,519,099	6,782,943	(736,156) (7)
South Benefit Area Impact Fee	254,520	6,243,292	2,210,783	(4,032,509) (8)
Northwest Benefit Area Impact Fee	57,773	6,891,472	6,765,467	(126,005) (8)
N Benefit Area Impt Fee Pre SB			84,004	84,004 (8)
Transportation Fund	4,204,427	32,348,301	22,258,522	(10,089,779) (8)
Pima Association of Governments	-	9,032,000	340,000	(8,692,000) (8)
1/2 Cent Sales Tax	27,965,555	36,289,042	500,000	(35,789,042) (8)
Other Agency	1,645,666	84,035,603	56,419,090	(27,616,513) (8)
Regional Transportation	399,108	24,791,135	24,684,437	(106,698) (8)
Northeast Benefit Area Impact Fee	57,204	14,513,449	11,465,769	(3,047,680) (8)
Other Capital Projects Fund	1,007,446	664,789	9,699,942	9,035,153 (8)
Total Budget	\$46,767,027	\$243,906,486	\$158,419,370	(\$85,487,116)

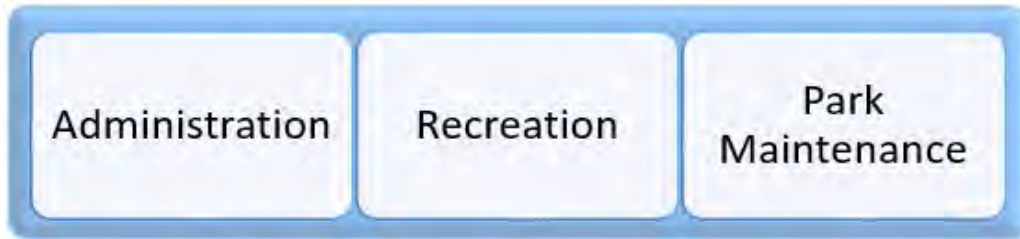
Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Personnel & Benefits	\$4,816,298	\$6,130,068	\$6,665,847	\$535,779 (1)
Contracted Services	4,271,638	8,441,191	8,742,507	301,316 (2)
Operating Supplies & Equipment	725,756	895,215	1,058,193	162,978 (3)
Capital Outlay	36,952,808	219,778,512	140,951,323	(78,827,189) (4)
Debt Service	527	801,500	801,500	-
Restricted	-	7,860,000	200,000	(7,660,000) (5)
Total Budget	\$46,767,027	\$243,906,486	\$158,419,370	(\$85,487,116)

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to the following new positions: Facilities Tradesman, CIP Project Manager, Fleet Technician II and two Maintenance Associate IIs. Also, amounts include increases for higher health care contributions and for performance pay and other adjustments budgeted for fiscal year 2025-2026.

- 2 Contracted Services - The overall increase is primarily due to town drainage channel maintenance, partially offset by decreases to computer software costs and decreases in the town pavement preservation roadway assessment which was included as a large carry forward in the HURF fund in the prior year budget. In addition, one-time carryforward HURF funding is included in the fiscal year 2025-2026 for landscape maintenance.
- 3 Operating Supplies & Equipment - Increases are primarily due to cell phone service charges as well as one-time funding for staff working space improvements.
- 4 Capital Outlay - Decreases are primarily related to the completion of the Marana Aquatics and Recreation Center, and a number of interchange related projects, some of which will only move forward if we obtain funding from regional or national sources. Please refer to the separate Capital Improvement Plan section in this document for more details on the all capital projects.
- 5 Restricted - Decreases in restricted contingency due primarily to one-time Facilities Project Design Startup of \$7.26 million budgeted in prior year. The project has been assigned an official name and is included in the Capital Improvement Plan section.
- 6 General Fund - Decrease is associated with restricted contingency for the Facilities Project Design Startup as well as reduction in software offset by increases in the personnel and benefits changes for new positions, increases for higher health care contributions and for performance pay and other adjustments and other facilities maintenance charges.
- 7 Highway User Revenue Fund - Decrease is due to reduced funding for pavement preservation, as the prior year included a one-time carryforward to complete work that was not completed due to contracting issues, and reduced one-time equipment purchase requests.
- 8 Remaining Funds - Funding is programmed from several sources for a number of ongoing and new capital projects. For more details please refer to the Town's Capital Improvement Plan section in this document.

PARKS & RECREATION



Overview

The Town of Marana Parks and Recreation department is dedicated to developing and implementing quality parks, trails, and leisure services for our community with a proud commitment to excellence, safety, and sustainability.

Fiscal Year 2024-25 Accomplishments

- The Town of Marana completed construction on and opened the CalPortland connection on the Chuck Huckleberry Loop for public use. The completion of this project connects North Marana to the entirety of the Loop.
- Marana Parks and Recreation received two Arizona Parks and Recreation Association State Awards. Fall Festival was named the outstanding Cultural Event for communities 50,000 – 99,999, and #SplashSavvy received the Media Award.
- Marana Parks and Recreation partnered with the Northwest Fire Department to produce a Compression Only CPR video, which won a NWFD Community Partner Commendation. Public outreach for this program includes QR codes in Marana Parks allowing visitors to access this potential life saving information.
- After completing construction of a new trailhead and parking lot at the Tortolita Preserve in 2024, Parks and Recreation successfully hosted the new Tortolita Traverse, welcoming 125 runners, and 30 Mountain Bikers to the newest event in the Run Marana race series.

Fiscal Year 2025-26 Goals & Objectives

- Construct and open the Marana Rock Disc Golf Course and parking lot at the El Rio Recreation Area.
- Open Saguaro Bloom Community Park Phase II in time to allow Little League games to be played in the 2026 Little League season.
- Complete the 5 year update of the Marana Parks and Recreation 2020-2030 ten year master plan.

Key Performance Indicators

Offer a wide variety of recreational programs, events, and amenities for residents of all ages and abilities.

	FY2025				
	FY2024 Actual	FY2025 Target	FY2025 Actual	Target Met	FY2026 Target
Number of Parks and Recreation programs offered	239	300	325	✓	375
Number of Parks and Recreation program participants	25,286	30,000	23,835	✗	40,000
Total number of Signature Event attendees	33,700	36,000	33,200	✗	33,500
Total number of hours dedicated to athletic maintenance	2,338	2,000	1,806	✗	2,000

✓ Target Met ✗ Target Not Met N/A - New/Previous Measure

Department Summary | Parks & Recreation

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	58.00	74.00	76.00	2.00
% of town's FTEs			15.30%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
General Fund	\$7,512,414	\$11,639,307	\$14,754,958	\$3,115,651	(1)
Grants & Contributions Fund	19,175	-	-	-	
Highway User Revenue Fund	350,739	597,077	709,340	\$112,263	(2)
Park Impact Fee Fund	2,623,112	7,295,986	7,060,701	(\$235,285)	(4)
Other Capital Projects Fund	-	-	550,000	\$550,000	(4)
Total Budget	\$10,505,440	\$19,532,370	\$23,074,999	\$3,542,629	

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$4,235,628	\$5,918,008	\$7,444,926	\$1,526,918	(1)
Contracted Services	1,045,658	1,664,071	2,504,864	\$840,793	(2)
Operating Supplies & Equipment	2,104,704	2,366,204	2,613,438	247,234	(3)
Capital Outlay	3,119,450	9,584,087	10,451,771	\$867,684	(4)
Other Financing Uses	-	-	60,000	\$60,000	(5)
Total Budget	\$10,505,440	\$19,532,370	\$23,074,999	\$3,542,629	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to the addition of a new Maintenance Coordinator and a new Lead Maintenance Associate, full year funding for all staff at the new Marana Aquatics and Recreation Center, increases for higher health care contributions and performance pay, and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Increase is primarily due to increased costs across many areas, including facilities, right-of-way landscape and parks' maintenance due to increased amenities and assets as the Town continues to grow. Increases also due to the opening of the recreation center and full year funding for additional classes and instructor hours.
- 3 Operating Supplies & Equipment - Increase is due to increased costs across many areas, including full year funding of utilities and general operational costs for the new recreation center.
- 4 Capital Outlay - The department has several projects budgeted for design or construction in the current fiscal year, including the El Rio Disc Golf Course, the Saguaro Community Park, Phase 2 and the Tangerine Sky Park, Phase 2. Also included are vehicle purchases to equip a new Management Coordinator and to replace outdated equipment that are at or beyond their useful life. Please refer to the separate Capital Improvement Plan section in this document for more details on the all capital projects.

- 5 Other Financing Uses - Restricted budget capacity made available to allow funding for the general maintenance of certain Parks' buildings and structures currently under evaluation.

COMMUNITY AND NEIGHBORHOOD SERVICES



Overview

Improving the quality of life for our residents and neighborhoods is the primary goal for Community and Neighborhood Services. Engaging the community in ongoing dialogue provides opportunities for the public and private sectors to: identify, refine and articulate needs; cooperatively problem-solve; collaboratively work to develop viable solutions to address needs; measure outcomes and celebrate successes; communicate regularly and clearly through relationships established by mutual trust and a shared vision.

Fiscal Year 2024-25 Accomplishments

- Successfully completed the first CDBG Consolidated Annual Performance and Evaluation for FY24 and our FY25 Annual Action Plan. Utilized the adopted Citizen Participation Plan.
- Added household paint recycling to the yearly electronics/paper shred event.
- Created a detailed multi-phase training program for both Code Enforcement and Animal Control divisions.

Fiscal Year 2025-26 Goals & Objectives

- Develop a recycled paint program where residents can utilize old paint that was collected at the yearly paint recycle event and repackaged in five gallon buckets.
- Expand Suntran bus service to Silverbell and Ina to provide transit to the new Amazon facility.
- Establish a program to utilize existing bus shelters and benches in the Town to promote Town sponsored events.
- Expand awareness of the Town's Utility Assistance CDBG program.
- Expand awareness on the importance of staying current on animal rabies vaccinations.

Key Performance Indicators

Support initiatives that enhance the quality of Marana neighborhoods.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Increase the voluntary compliance by property owners on violation notices	97%	95%	96%	✓	95%
Tons of refuse collected from utilization of the Community Trailer by residents/ communities	35	30	32	✓	30
Tons of refuse collected in community dumpsters provided in Neighborhoods	57	50	52	✓	50

Provide needed animal services to residents to protect pets and limit shelter intake.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Pets microchipped at Town events	140	125	150	✓	125
Number of pets receiving services from Town sponsored microchipping, vaccination, licensing, spay & neuter clinics	350	330	330	✓	330
Increasing number registered users on Marana Pets App	867	880	880	✓	880
Return more pets to owners than are taken to shelter	49%	51%	52%	✓	51%

✓ Target Met ✗ Target Not Met N/A - New/Previous Measure

Department Summary | Community and Neighborhood Services

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	10.60	10.60	10.60	-
% of town's FTEs			2.13%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
General Fund	\$1,262,377	\$1,414,734	\$1,402,433	(\$12,301)	(1)
Comm. Development Block Grant	72,238	348,691	418,000	69,309	(3)
Revolving Affordable Housing Fund	-	105,000	105,000	-	
Total Budget	\$1,334,615	\$1,868,425	\$1,925,433	\$57,008	

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$994,280	\$1,077,510	\$1,045,901	(\$31,609)	(1)
Contracted Services	189,961	313,050	345,205	32,155	(2)
Operating Supplies & Equipment	150,374	467,865	534,327	66,462	(3)
Restricted Budget	-	10,000	-	(10,000)	(4)
Total Budget	\$1,334,615	\$1,868,425	\$1,925,433	\$57,008	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Decrease is primarily attributed to health care contributions and other adjustments resulting from turnover in a number of positions during the prior year.
- 2 Contracted Services - Increase reflects anticipated increased costs to the agreement for transit services as well as Humane Society of Southern Arizona shelter services.
- 3 Operating Supplies & Equipment - Increase is primarily attributed to carrying forward unspent federal funding of CDBG grant awards from the prior award year. The current year federal funding award is anticipated at \$230,000.
- 4 Restricted - Funding capacity was included in the prior fiscal year for the promotion of staff members upon receipt of necessary certifications.

WATER



Overview

Marana Water is committed to providing our customers with safe, reliable, efficient water and water reclamation services through utilization of effective industry practices, innovative technology, and the strategic use of water resources. We have an obligation to make sure that our residential customers, business customers and other public entities such as our schools, medical facilities and parks have reliable access to the water they need. Marana is committed to this mission and is taking proactive steps to achieve it.

Fiscal Year 2024-25 Accomplishments

- Replaced approximately 614 meters as part of the aging meter program.
- Continued to maintain high levels of customer service and water system reliability.
- Completed Impact Fee Study.
- Installed approximately 600 new meters.
- Completed Implementation of new customer information system - Eye on Water.

Fiscal Year 2025-26 Goals & Objectives

- Continue meter replacement program to replace 3000 meters with a WIFA Grant.
- Complete New Rate Study.
- Complete construction of the Marana Park Reservoir and Marana Park Well.
- Start Construction of the NW Sewer Interceptor.
- Start Construction of the Northwest Recharge and Recovery Deliver System.

Key Performance Indicators

Maintain an assured water supply and provide high-quality water infrastructure to meet existing and future customer needs.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Percentage of lost and unaccounted for water	4.60%	< 6%	4.79%	✓	< 6%
Number of water meters replaced system-wide	614	3,000	1,000	✗	2,000
Percentage of preventative v. reactive work activities	95% 5%	80% 20%	95% 5%	✓	80% 20%
Continuously meet Safe Drinking Water Act Standards for water quality	Met	Meet	Met	✓	Meet

✓ Target Met ✗ Target Not Met N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	35.00	36.00	38.00	2.00
% of town's FTEs			7.65%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Water Operating Fund	\$9,027,996	\$12,281,015	\$12,599,181	\$318,166	(1)
Water Capital Fund	3,095,344	17,958,696	31,178,299	13,219,603	(4)
Water Infrastructure	2,941,906	12,110,549	14,058,085	1,947,536	(4)
Renewable Resources Fund	5,162,950	6,897,412	20,860,369	13,962,957	(6)
Total Budget	\$20,228,196	\$49,247,672	\$78,695,934	\$29,448,262	

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$3,274,172	\$3,792,917	\$3,902,337	\$109,420	(1)
Contracted Services	2,812,265	3,842,290	3,696,672	(145,618)	(2)
Operating Supplies & Equipment	2,511,336	3,256,122	3,442,313	186,191	(3)
Capital Outlay	11,274,496	35,771,757	64,390,603	28,618,846	(4)
Debt Service	355,927	2,584,586	3,264,009	679,423	(5)
Total Budget	\$20,228,196	\$49,247,672	\$78,695,934	\$29,448,262	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to new Water Operator II and Water Operator III positions and increases for higher health care contributions and for performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Decrease is primarily attributed to reduced funding for one-time items Water Master Plan and the Water rate study, as well as for a federally mandated Risk and Resiliency Assessment with an anticipated completion for all in fiscal year 2025-
- 3 Operating Supplies & Equipment - Increase is primarily attributed to higher electricity and CAP water fees, while also including costs for the replacement of computer equipment, and increases for water conservation programming.
- 4 Capital Outlay - A number of projects are included in the area. The department has secured a number of WIFA grants and loans, some of which have a forgivable component, to help pay for some of the project costs. For more details on the projects, please refer to the Town's Capital Improvement Plan in this document.
- 5 Debt Service - This item includes annual debt service payments, as well as budget capacity for possible new debt issuance toward the purchases of renewable water resources, or other capital projects, if such financing is deemed necessary.

- 6 Renewable Resource Fund - The increase is related to capital projects including the Airport Southeast Well Upgrade and the Renewable Water Resource acquisitions. The department continues to pursue opportunities for additional water resources.

WATER RECLAMATION



Overview

Marana Water is committed to providing our customers with safe, reliable, efficient water and water reclamation services through utilization of effective industry practices, state of the art technology, and the sustainable use of water resources.

Fiscal Year 2024-25 Accomplishments

- Successfully completed the design of the North Marana Sewer Augmentation Project (Design/Build).
- Successfully completed the 2nd Screw Press Project Design.
- Successfully completed the Rillito Vista Lift Station Rehabilitation Project soil sample and clean and close of existing lagoons.
- Clean, CCTV, and perform manhole inspections of the next quarter in the rotation of the sanitary sewer conveyance system (~20 miles).
- Continue to work with local, state, and federal regulatory agencies to maintain compliance and operation of the wastewater reclamation facility and sanitary sewer conveyance system.

Fiscal Year 2025-26 Goals & Objectives

- Successfully complete the construction of the North Marana Sewer Augmentation Project (Design/Build).
- Successfully complete the 2nd Screw Press Project construction at the Marana WRF.
- Successfully complete the Rillito Vista Lift Station Rehabilitation Project Design.
- Clean, CCTV, and perform manhole inspections of the next quarter in the rotation of the sanitary sewer conveyance system (~20 miles).
- Continue to work with local, state, and federal regulatory agencies to maintain compliance and operation of the wastewater reclamation facility and sanitary sewer conveyance system.

Key Performance Indicators

Maintain an assured water supply and provide high-quality water reclamation infrastructure to meet existing and future customer needs.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Number of sanitary sewer system overflows	0	0	2	✗	0
Percentage of preventative v. reactive work activities	96% 4%	80% 20%	97% 3%	✓	80% 20%
Number of gallons recharged	90%	75%	92%	✓	85%
Continuously meet Aquifer Protection Permit standards for treated water quality	Met	Meet	Met	✓	Meet

✓ Target Met ✗ Target Not Met N/A - New/Previous Measure

Staff Summary	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Full-time Equivalents	8.00	8.00	9.00	1.00
% of town's FTEs			1.81%	

Expenditures By Fund	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Water Reclamation Operating Fund	\$3,205,221	\$5,714,793	\$6,100,383	\$385,590	(5)
Water Reclamation Capital Fund	528,064	18,150,106	22,377,367	4,227,261	(4)
Water Reclamation Impact (Post SB)	218	9,770,828	21,277,402	11,506,574	(4)
Total Budget	\$3,733,502	\$33,635,727	\$49,755,152	\$16,119,425	

Expenditures by Category	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Personnel & Benefits	\$773,490	\$847,840	\$872,834	\$24,994	(1)
Contracted Services	876,921	1,656,800	1,895,225	238,425	(2)
Operating Supplies & Equipment	481,107	580,623	609,392	28,769	(3)
Capital Outlay	838,275	28,084,934	43,376,769	15,291,835	(4)
Debt Service	763,710	2,465,530	3,000,932	535,402	(5)
Total Budget	\$3,733,502	\$33,635,727	\$49,755,152	\$16,119,425	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Increase is primarily attributed to a new Associate Water Reclamation Mechanic position, higher health care contributions, for performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Increase is due primarily to higher costs associated with system upgrades, including emergency overflow basin liner repair, baffle replacement and one-time equipment improvements.
- 3 Operating Supplies & Equipment - Increase is primarily due to higher operating costs, including utilities, as volumes processed through the treatment plant continue to increase as more homes and other properties are connected for service.
- 4 Capital Outlay - A number of projects, some of which are multi-year projects, are included in the fiscal year 2025-2026 budget. These include the North Marana Sewer Interceptor Expansion and the expansion of the Water Reclamation Facility and recharge basins. For more details please refer to the Capital Improvement Plan in this
- 5 Debt Service - Includes scheduled debt service payments related to the water reclamation plant. Also, includes \$0.5 million in costs to be used if new debt is issued in relation to capital project funding needs.

AIRPORT

Superintendent

Support Staff

Overview

The Airport Department provides the community with a valuable general aviation air transportation resource that is part of the National Air Transportation System and enhances and promotes the aviation industry for the community while maintaining the highest level of safety and professional customer service. The department also markets and leases airport land for aviation related businesses and development.

Fiscal Year 2024-25 Accomplishments

- East Hangar Apron Reconstruction.
- West Hangar Apron Rehabilitation Design.
- ALP Update - Airport Layout Plan.
- AWOS Replacement - Automated Weather Observation System.

Fiscal Year 2025-26 Goals & Objectives

- Complete Environmental Study for future Airport Control Tower.
- Taxiway C Reconstruction Design.
- APMS - Airport Pavement Management System - crack seal and seal coast runway 12-30.
- Apply for FAA Grant for Airport Control Tower Design.

Key Performance Indicators

Maximize the economic impact of the airport by identifying and recruiting aviation and non-aviation related industries for business development opportunities.

	FY2024 Actual	FY2025 Target	FY2025 Actual	FY2025 Target Met	FY2026 Target
Total fuel flow revenue	\$62,596	\$55,000	\$61,194	✓	\$ 60,000
Total number of corporate jet operations	842	1,300	1,010	✗	1,300
Total number of aircraft operations	80,851	88,000	80,013	✗	80,000

✓ Target Met ✗ Target Not Met N/A - New/Previous Measure

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Staff Summary				
Full-time Equivalents	4.00	5.00	5.00	-
% of town's FTEs			1.01%	

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026
Expenditures By Fund				
Airport Operating Fund	\$514,810	\$857,505	\$743,484	(\$114,021)
Airport Capital Fund	2,540,283	16,247,154	4,021,874	(12,225,280)
Total Budget	\$3,055,093	\$17,104,659	\$4,765,358	(\$12,339,301)

	FY2024 Actual	FY2025 Adopted	FY2026 Tentative	Change FY2025 to FY2026	
Expenditures by Category					
Personnel & Benefits	\$316,851	\$437,730	\$421,394	(\$16,336)	(1)
Contracted Services	195,068	259,850	196,950	(62,900)	(2)
Operating Supplies & Equipment	60,723	76,925	70,140	(6,785)	(3)
Capital Outlay	2,482,452	16,330,154	4,076,874	(12,253,280)	(4)
Total Budget	\$3,055,093	\$17,104,659	\$4,765,358	(\$12,339,301)	

Budget Notes and Significant Changes

- 1 Personnel & Benefits - Decrease is primarily attributed to hiring a position below the budgeted amount, partially offset by increases to health care contributions, for performance pay and other adjustments budgeted for fiscal year 2025-2026.
- 2 Contracted Services - Decrease due to one-time surveillance security system upgrade budgeted and completed in the prior year.
- 3 Operating Supplies & Equipment - Decrease in anticipated costs for electricity, uniforms and other operating supplies.
- 4 Capital Outlay - Decrease is related to a combination of vehicle and equipment replacements for aging equipment to help with airport operations, as well as funding for a number of airport related capital projects included in the prior year. The number and timing of Airport Capital Fund projects are determined in coordination with State and Federal agencies.

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CAPITAL IMPROVEMENT PLAN



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CAPITAL IMPROVEMENT PLAN

Fiscal Year 2025 – 2026 Tentative Plan

Overview

The Fiscal Year 2025-2026 tentative Capital Improvement Plan (CIP) forecasts the Town's capital investments over a five-year period. Capital investments involve major Town projects that have at least a five year useful life and at least a \$100,000 total project budget. The CIP is both a fiscal and planning device that allows the Town to inventory and monitor all capital project costs, funding sources, departmental responsibilities, and timing schedules. Each year the CIP is reviewed within the context of ongoing Town, county, state, and federal planning programs and policies as well as the Town's General and Strategic Plans.

Capital improvements may include new construction or an expansion, upgrade, replacement, or other additions designed to improve, conserve, or maintain the value of Town assets or enhance service capacity and/or visual environment. At any given time, the Town has numerous capital projects in various stages that include the following: project planning, site selection, right-of-way acquisition, public hearing, utility relocation, site preparation, project agreement preparation, design, construction, and inspection.

The first year of the CIP, along with any carry-forward of funds from the prior fiscal years, comprise the total budget for each CIP project beginning July 1 of the new fiscal year. The remaining four years of the CIP serve as a financial plan for capital investments. The five-year financial plan is reviewed and updated each year, and the Mayor and Council adopt the capital budget and the five-year financial plan after recommendations from staff and the public.

The CIP committee met during the budget cycle to prioritize all requested CIP projects. The resulting recommendations were presented to the Town Council on February 20 and 21, 2025, at the Town Council retreat.

Funding Sources

The CIP presented incorporates a diverse financing plan. The plan not only utilizes development fees to ensure that new development is paying for costs associated with growth, but also includes funds from the General Fund that allow existing residents to contribute to the many projects that are planned. This is an important balance to maintain when a variety of projects are constructed which will benefit all residents of the community.

Proceeds used for the various capital improvements projects may include:

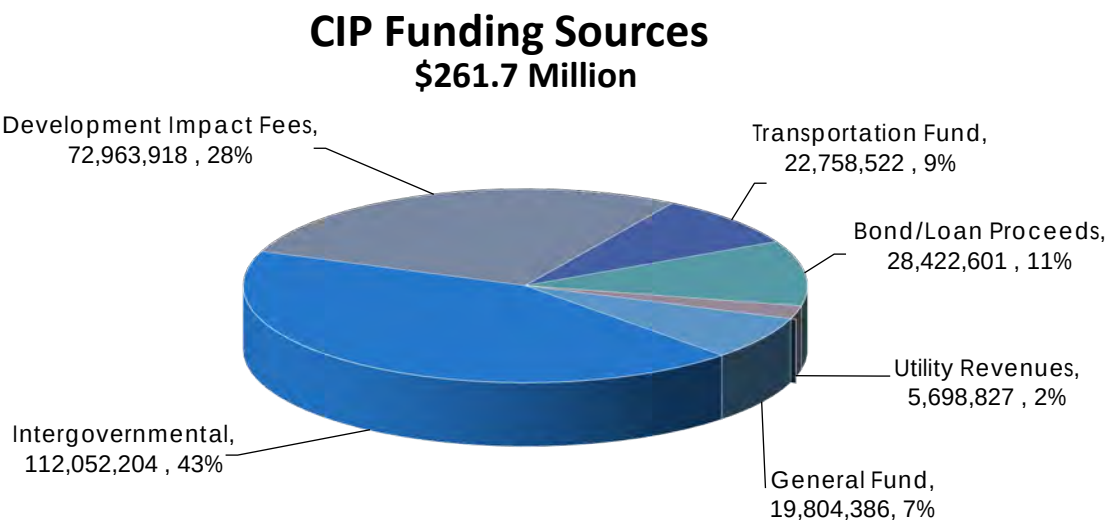
- Development related impact fees
- Transportation sales tax funds (75% of the Town's construction sales tax dollars are dedicated for transportation improvements)
- Intergovernmental sources including: State of Arizona, Pima Association of Governments (PAG), Regional Transportation Authority (RTA)
- Water and sewer utility revenues
- Water Infrastructure Financing Authority (WIFA) loans or other bond financing
- Various grant and third-party contributions
- General Fund revenues and reserves

As shown by the following chart, the largest single CIP funding source comes from Intergovernmental revenues in the amount of \$112 million. They contain HURF and other agency type funds, including funding received from the State of Arizona to be used for the Tangerine Road widening project and from possible state and federal aviation capital improvement grants.

Development Fees are the second largest funding source at \$72.9 million of the CIP funding sources. These are impact fee revenues associated with construction and development of new or expanded road, park, water, and sewer related infrastructure.

Bond and loan proceeds account for \$28.4 million of capital project funding. The proceeds will help ensure the timely construction of several projects that have dedicated funding sources, impact fees, but lack the cash flow needed to complete the projects in the planned timeframe. Planned projects include the expansion and rehabilitation of critical water and sewer infrastructure projects, including potential water resource acquisitions. The Marana Aquatics and Recreation Center, funded primarily by bond proceeds and the half cent sales tax revenues, will be substantially completed within its budget in May 2025.

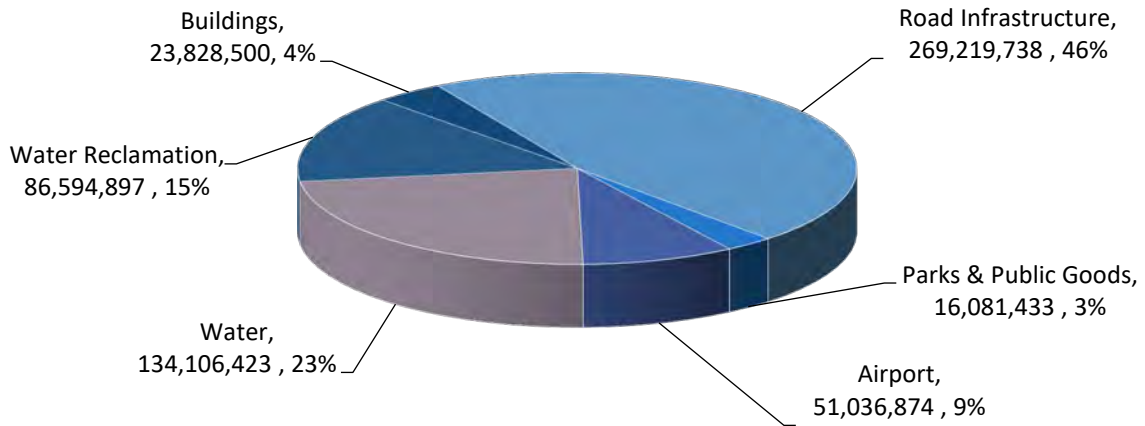
The Transportation Fund accounts for \$22.8 million. This funding source normally provides revenues for the majority of the Town's road infrastructure projects and the reconstruction of neighborhood subdivisions.



Capital Improvement Plan Summary

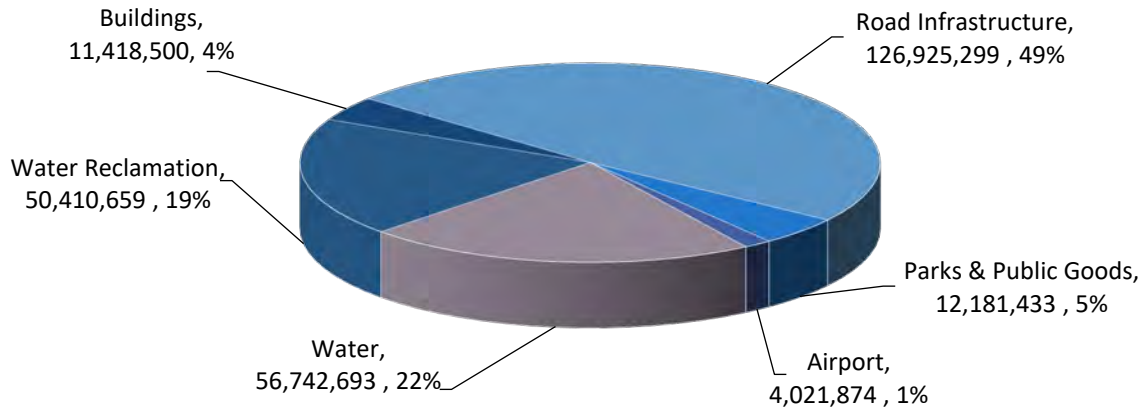
The cumulative five-year CIP for the Town of Marana totals \$580.9 million from FY2026 through FY2030. The chart below shows the breakdown by CIP category for the five-year period with Road Infrastructure being the largest of the categories at \$269.2 million, and Water related projects the second largest at \$134.1 million.

5-Year CIP (FY2026-2030) \$580.9 Million



The tentative fiscal year 2025-2026 CIP totals \$261.7 million and is approximately 63% of the tentative annual budget. Road Infrastructure encompasses the largest portion at \$126.9 million. Water projects are the second largest at \$56.7 million. A breakdown is shown below.

FY2026 CIP by Category \$261.7 Million



A detailed summary of all CIP projects encompassed in the Town of Marana's five-year CIP program can be found in the following table.

FISCAL YEAR 2025-2026
TOWN OF MARANA FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Name	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Grand Total
Adonis Road Extension Phase 2	274,165		8,750,000			9,024,165
Air Commerce Way Monument	183,986					183,986
Airport Control Tower, Construction		15,400,000				15,400,000
Airport Control Tower, Design	2,424,171					2,424,171
Airport Control Tower, Ea	59,424					59,424
Airport Control Tower, Siting Study	21,779					21,779
Airport Drainage Master Plan			450,000			450,000
Airport Master Plan Update		350,000				350,000
Airport NW PFAS Treatment			2,800,000	14,533,000	14,533,000	31,866,000
Airport Security Fence		480,000				480,000
Airport, RWY 12-30, Pavement Rehab	100,000					100,000
Barnett Channel	3,200,000					3,200,000
B-Zone Booster and Transmission Line			4,912,573			4,912,573
B-Zone Reservoir		67,860	618,744			686,604
Clark Farms Sewer Interceptor	982,121	4,827,723	5,168,880			10,978,724
Continental Reserve 24-inch Tie-in	3,072,479	200,000				3,272,479
Court Room 2, Remodel	200,000	700,000				900,000
C-Zone Booster			219,094	2,147,887		2,366,981
Dove Mnt Bl-Moore Rd Signal, North	50,000					50,000
Ed Honea MMC Additional Parking	100,000					100,000
Ed Honea MMC Space Optimization	4,955,000	4,805,000	4,805,000			14,565,000
El Rio Disc Golf	426,060					426,060
El Rio Preserve Expansion	268,693					268,693
El Rio Recreation Area Parking Lot	338,031					338,031
Gladden Farms Bike Park		1,700,000				1,700,000
Hartman Booster Stn Electrical Upgrade	220,000					220,000
Heritage House Rehabilitation	250,000					250,000
Heritage Park Food Court	300,000	1,500,000				1,800,000
Heritage Park PFAS Treatment	1,400,578	14,032,206				15,432,784
Heritage Park Water Plant	2,992,432	3,165,300				6,157,732
Honea Heights Emergency Sewer Program	75,000	75,000	75,000	75,000	75,000	375,000
Honea Heights Park, East	1,357,433					1,357,433
I-10 Cortaro Rd TI	30,400,000				20,000,000	50,400,000
Ina Rd-Meredith Bl, Median Modifications	550,000					550,000
Integrated Water Resources Plan and DAWS	116,896					116,896
Mandarina Community Park	350,000					350,000

FISCAL YEAR 2025-2026
TOWN OF MARANA FIVE YEAR CAPITAL IMPROVEMENT PLAN

Marana Channel	200,000			200,000
Marana Aquatic and Recreation Center	500,000			500,000
Marana Gateway Monument Signage	674,828	200,000	200,000	1,074,828
Marana Park PFAS Treatment	7,497,595	6,237,495		13,735,090
Marana Park Reservoir	1,517,697			1,517,697
Marana Park Well	534,990			534,990
Marana Park Well, Booster, Electric Upgrade	220,000			220,000
Marana Public Safety Facility	493,442			493,442
Marana Rd Traffic Interchange	800,000		9,200,000	10,000,000
Marana SC Effluent Collection	786,977	799,829		1,586,806
Marana WRF, Screw Press 2	1,979,624			1,979,624
MMC Fiber Optic Upgrade	92,100			92,100
MMC Generator Upgrade	2,529,507			2,529,507
MMC HVAC Mechanical Systems Upgrade	1,222,310	2,000,000		3,222,310
MMC Reception Remodel	157,006			157,006
MOC Fleet Warehouse Roof, HVAC, Replacement	980,800			980,800
MOC Generator Replacement	850,000			850,000
MOC Security Walls, New Entry Gate	431,777			431,777
Moore Rd - I10, Traffic Interchange	6,936,627	10,000,000	15,000,000	31,936,627
Moore Rd Rehab, East-West Dove Mtn	157,635			157,635
Moore Rd Rehab, Sanders Rd to I-10			700,000	700,000
MPD Dispatch Communications Center			100,000	100,000
New Renewable Water Resource Acquisition	7,041,613			7,041,613
North Marana Drainage Improvements	112,535			112,535
North Marana Pavement Rehab Phase 2			550,000	550,000
North Marana Sewer Interceptor	17,404,802			17,404,802
NW Recharge, Recovery, and Delivery System	15,689,532			15,689,532
Ora Mae Harn Park Remediation	450,000			450,000
Picture Rocks Interconnect	2,080,599			2,080,599
Pioneer Well Electrical Upgrade		220,000		220,000
Pioneer Well PFAS Treatment	2,276,397	1,887,399		4,163,796
Recharge Basins Phase II	6,365,763			6,365,763
Rillito Vista Lift Station Upgrade	1,336,589			1,336,589
RWY 30 Safety Mitigate, EA, Design	550,000			550,000
RWY 30 Safety Mitigate, PH1, Construction		2,700,000		2,700,000
RWY 30 Safety Mitigate, PH2, Construction		4,800,000		4,800,000
RWY 3-21 Rehabilitation, Design-Construct			4,700,000	4,700,000

FISCAL YEAR 2025-2026
TOWN OF MARANA FIVE YEAR CAPITAL IMPROVEMENT PLAN

Saguaro Bloom Community Park, Ph-2	4,654,644					4,654,644
Saguaro Bloom Lift Station Pump Replacement	200,000					200,000
Sandario Pedestrian Access	100,000					100,000
Sanders Rd 24-inch Water Line	356,095			6,049,343		6,405,438
Sanders Rd Drainage, Improvements	2,437,216					2,437,216
SCADA and Integrated Telemetry	673,097	350,000	350,000	350,000	350,000	2,073,097
Sewer Conveyance System Rehab	1,255,415	574,635				1,830,050
Stingray Sewer Interceptor	303,451	1,556,500	1,556,500			3,416,451
Tangerine Farms Rd, Marana Rd- I-10, Extension	5,757,942	2,500,000	19,494,439			27,752,381
Tangerine Rd Widening, Phase 2A	39,162,624					39,162,624
Tangerine Rd Widening, Phase 2B			28,000,000	20,000,000		48,000,000
Tangerine Sky Park, Phase 2	1,552,394					1,552,394
Tangerine TI Improvements	12,862,783					12,862,783
Taxiway A MITL Rehabilitation, Design	150,000					150,000
Taxiway A Rehabilitation, Design	405,000					405,000
Taxiway A Rehabilitation, MITL, Construction				5,500,000		5,500,000
Taxiway C Reconstruction, Construction			2,750,000			2,750,000
Taxiway C Reconstruction, Design	311,500					311,500
Thornysdale Rd North, Widening			100,000		8,000,000	8,100,000
Twin Peaks Rd, Rattlesnake Pass Widening	24,236,307					24,236,307
TWY B, E, Lighting Upgrade, Design, Construction				2,785,000		2,785,000
Water Field office	3,250,000	2,500,000				5,750,000
Water Line Replacements	309,954	120,000	120,000	120,000	120,000	789,954
Well Rehabilitation Program	140,000	140,000	140,000	140,000	140,000	700,000
West Apron Reconstruction Ph-1, Construct			2,300,000			2,300,000
West Apron Reconstruction Ph-2, Construct					4,800,000	4,800,000
WRF Phase II	26,948,657	22,500,000				49,448,657
Santa Cruz Sup At Calportland	94,387					94,387
Grand Total	261,700,458	106,388,947	93,260,230	60,650,887	58,867,343	580,867,865

OPERATING CAPITAL AND PROJECTS



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Operating Capital and Projects

Operating capital and projects capture costs associated with the repair and maintenance of capital assets, replacement of equipment, studies, and all other project type costs that do not result in the acquisition or construction of a capital infrastructure asset.

Operating Capital and Projects	Tentative Budget
Town Manager	
Strategic Plan Update	25,000
Total for Town Manager	<u>\$25,000</u>
Finance	
New Software for Budget Report	50,000
New Software for Procurement	100,000
Total for Finance	<u>\$150,000</u>
Technology Services	
New Permitting/Licensing System	505,350
New Asset Management System	434,400
Council Chambers AV Update	119,460
Conference Center AV Update	86,880
Munis and Laserfiche SaaS Implementations	141,621
Fiber Network Installation	92,100
PCWIN Maintenance Fees	205,275
Office Space Remodel	108,000
Computer, Printer, Monitor, and Equipment Replacements	353,275
Police Radio Replacements	350,000
Total for Technology Services	<u>\$2,396,361</u>
Development Services	
Master Plan Development– per 2040 General Plan	300,000
Office Space Reconfiguration	50,000
Total for Development Services	<u>\$350,000</u>
Public Works	
Drainage Maintenance – Multiple Locations	615,650
Facility Condition Assessment and Maintenance Plan Development	250,000
MMC Signage Replacement	100,000
Courtyard Benches And Trash Can Replacements	50,000
Visitors Center HVAC Replacement And Roof Maintenance	55,000
HVAC Replacements – Smaller Units At Multiple Locations	87,000
Consulting Services For Grant Opportunities And On-call Engineering	150,000
Total for Public Works	<u>\$1,307,650</u>

Operating Capital and Projects		Tentative Budget
Parks and Recreation		
Continental Ranch Fence Replacement		25,000
Parks Master Plan Update		200,000
Parking Lot Treatments At Multiple Locations		288,000
Total for Parks and Recreation		<u>\$513,000</u>
Water Fund Operating		
Rate & Fee Study		30,000
Meter Replacement Program		1,096,000
Master Plan Updates		77,500
Equipment Replacements		130,000
Total for Water Operating		<u>\$1,333,500</u>
Water Reclamation Fund Operating		
UV Lamp Replacement		80,000
Clarifier Baffle Replacement		160,000
SCADA Master Plan		50,000
Sand Filter Compressor Enclosure		65,000
Overflow Basin Liner Repair		150,000
Total for Wastewater Operating		<u>\$505,000</u>
New Vehicle Purchases (Not part of replacement program)		
Vehicles for 2 Police Officers		230,700
Vehicle for Crime Scene Specialist, Ford Transit 350		119,720
Vehicle for Building Inspector		57,250
Vehicle for Fleet Superintendent		48,000
Vehicle for Stormwater Section		103,000
Vehicle for Associate Water Reclamation Mechanic		160,000
Vehicle for Tradesman		85,550
Vehicle for Program Manager		45,129
Vehicle for Management Coordinator		45,129
Ford Explorer for M.A.R.C. & Admin		42,000
Toyota Tacoma for Parks Specialist		42,000
Toyota Tacoma for Trailers Team		48,000
Tool Cat – Parks Equipment for Shared Use Path Maintenance		158,000
Total for New Vehicle Purchases		<u>\$1,184,478</u>
Vehicle Replacements*		
Mower - Park Equipment		54,000
Trucksters – Park Equipment		100,000
Trailer – Park Equipment		20,000

Operating Capital and Projects	Tentative Budget
Unit 610 - Ford F-650 Chipper Truck Single Cab	185,000
Unit 2009 – 2010 Ford F-350 Crew Cab	65,000
Unit 2027 - 2010 Ford F-150 Extended Cab	58,000
Unit 2019 - 2012 Chevy Tahoe (Airport)	55,000
Unit 2022 - 2015 Ford F-550 Dump Truck Crew Cab	94,500
Unit 2045 - 2014 Ford F-350 Crew Cab 4x4	72,000
Unit 2058 - 2015 Ford F-550 Dump Truck Crew Cab	94,500
Unit 1010 (Police) - 2015 Ford Explorer Interceptor	105,000
Unit 1017 (Police) - 2015 Tahoe PPV	105,000
Unit 1018 (Police) - 2015 Tahoe PPV	105,000
Unit 1025 (Police) - 2016 Ford F-150	73,500
Unit 1042 (Police) - 2016 BMW R11200RTP motorcycle	46,000
Unit 1053 (Police) - 2018 Toyota Sienna	73,500
Unit 1066 (Police) - 2020 BMW R11200RTP motorcycle	46,000
Unit 573 (Police) - 2013 Chevrolet Tahoe 4x4 SSV	108,000
Unit 589 (Police) - 2013 Ford F-150	73,500
Unit 593 (Police) - 2014 Chevrolet Tahoe PPV	105,000
Unit 2022 - 2015 Ford F-550 Dump Truck Crew Cab (HURF)	94,500
Unit 2058 - 2015 Ford F-550 Dump Truck Crew Cab (HURF)	94,500
Unit 2045 - 2014 Ford F-350 Crew Cab 4x4 (HURF)	72,000
Unit 2036 - 2013 Prius (Water)	52,800
Unit 2062 - 2015 F150 (Water)	60,000
Total for Vehicle Replacements	\$2,012,300
Grand Total	\$ 9,777,289

** Vehicle Replacements reflect the use of replacement dollars set aside in previous fiscal years and reflect the organization's commitment to ensuring employees have safe and reliable vehicles and equipment needed to provide a high level of service.*

Capital Projects

A complete list of the Town's five year Capital Improvement Plan is included in a different section of this document.

The following projects and initiatives, being funded in part or in whole by the General Fund, are being considered in the 2025-2026 fiscal year budget process and are currently factored in when calculating the estimated ending fund balance for fiscal year 2025-2026. Many of these projects were included in the prior year budget and are being continued into the current year budget.

Project*	Description	Tentative Budget
Ed Honea MMC Space Optimization	Optimize existing space to allow for additional staffing as Town grows	4,955,000
Court Room 2, Remodel Design	Expand Court Room 2	200,000
El Rio Recreation Area Parking Lot	To create additional parking at the El Rio Recreation area	133,794
Marana Gateway Monument Signage	Create permanent structures at key Marana roadways and intersections	674,828
Heritage House Rehabilitation	Rehabilitation of the Heritage House	250,000
Tangerine Sky Park, Phase 2	Expansion of the Park and parking lot	1,552,394
MOC Generator Replacement	Replace and upgrade aging generator	660,169
MMC Generator Upgrade	Replace and upgrade aging generator to provide coverage to all electrical systems	2,529,507
MOC Roof & HVAC Replacement	Replace aging roof and HVAC equipment	980,800
MMC HVAC Mechanical Systems upgrade	Replace and upgrade aging equipment - design	1,100,000
MOC Security Walls & New Entry Gate	Security and safety improvements at the MOC	431,777
Ora Mae Harn Park Remediation	Close out and secure existing old pool	450,000
Total for General Fund		\$13,918,269

** Some of the projects above started design or construction in a prior fiscal year and will be completed in fiscal year 2025-2026 or later. Thus, amounts presented above reflect estimates of budget appropriation that may be needed to finish the projects and may be adjusted further prior to the issuance of the final budget.*

CARRY FORWARD REQUESTS



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Carry Forward Requests

The following items present select projects and purchases that were requested for carry forward into the fiscal year 2025-2026 budget. The amounts included within this section are projected carry forward, and only reflect the request to expend remaining budget approved in the prior fiscal year. Some projects funded by the General Fund include additional funding in the current year budget request beyond the amounts presented below due to higher costs necessary to complete the projects. Transportation related, infrastructure and impact fee funded projects are not included below.

A complete list of the Town's five-year Capital Improvement Plan is included in a different section of this document.

Carry Forward Requests - Updated		Tentative Budget
Town Manager's Office		
Strategic Plan Update		25,000
Total for Town Manager's Office		\$25,000
Public Works		
CIP Software Implementation		75,000
MMC Generator upgrade		2,029,507
MOC Roof & HVAC Replacement		980,800
MOC Security Walls, New Entry Gate		431,777
Marana Gateway Monument Signage		478,828
Court Room 2, Remodel Design		200,000
MMC HVAC Mechanical Systems upgrade		1,100,000
Total for Public Works		\$5,295,912
Parks and Recreation		
Tangerine Sky Park, Phase 2 - Design		1,552,394
Total for Parks and Recreation		\$1,552,394
Technology Services		
New Permitting/Licensing System		505,350
Fiber network installation		92,100
PC, Laptop Replacement		75,000
Total for Technology Services		\$672,450
General Fund Total		\$7,545,756

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AUTHORIZED PERSONNEL



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TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Town Manager							
Town Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant to the Town Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant to the Town Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cultural Heritage Specialist	-	-	0.50	0.50	1.00	1.00	-
Communication and Marketing Division							
Communications Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Visual Communications Designer	-	-	-	1.00	1.00	1.00	1.00
Visual Communications Designer	2.50	2.50	2.50	1.50	2.00	2.00	2.00
Total Town Manager	8.50	8.50	9.00	9.00	10.00	10.00	9.00
Town Clerk							
Town Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cultural Heritage Specialist	-	-	-	-	-	-	1.00
Records Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Town Clerk	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Human Resources							
Human Resources Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources Deputy Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Risk Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Risk Management Specialist	-	-	-	-	-	-	1.00
Organizational Development Manager	-	-	1.00	1.00	1.00	1.00	1.00
Sr. Human Resources Analyst	2.00	-	-	-	-	-	-

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Human Resources, continued							
Senior Human Resources Generalist	-	2.00	2.00	2.00	2.00	2.00	2.00
HRIS Administrator	1.00	-	-	-	-	-	-
HRIS & Payroll Manager	-	1.00	1.00	1.00	1.00	1.00	1.00
HR Manager	-	-	-	-	1.00	1.00	1.00
Payroll Administrator	-	1.00	1.00	1.00	1.00	-	-
Payroll Analyst	-	-	-	-	-	2.00	2.00
Payroll Technician	-	1.00	1.00	1.00	1.00	-	-
Human Resources Analyst	1.00	-	-	-	-	-	-
Human Resources Generalist	-	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Safety Division							
Safety & Emergency Management Coordinator	1.00	-	-	-	-	-	-
Safety & Health Coordinator	-	1.00	1.00	1.00	1.00	1.00	1.00
Safety Compliance Specialist	1.00	-	-	-	-	-	-
Safety & Health Specialist	-	1.00	1.00	1.00	1.00	1.00	1.00
Total Human Resources	10.00	12.00	13.00	13.00	14.00	14.00	15.00
Finance							
Finance Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance Deputy Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	-	-	-	-	-	-	1.00
Finance Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Revenue & Customer Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Budget Analyst	1.00	-	-	-	-	-	-
Budget Manager	-	1.00	1.00	1.00	1.00	1.00	1.00
Payroll Administrator	1.00	-	-	-	-	-	-
Payroll Technician	1.00	-	-	-	-	-	-
Procurement Officer	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Procurement Specialist	1.00	1.00	1.00	-	-	-	1.00
Financial Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Grants Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Accountant	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Senior Accounting Associate	1.00	1.00	1.00	1.00	1.00	1.00	1.00

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Finance, continued							
Accountant	-	-	-	-	1.00	1.00	1.00
Accounting Associate	1.00	1.00	1.00	1.00	1.00	1.00	1.00
License & Tax Specialist	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Customer Service Representative	3.00	-	-	-	-	-	-
Customer Service Specialist	-	3.00	3.00	3.00	3.00	3.00	3.00
Total Finance	19.00	17.00	17.00	17.00	19.00	19.00	21.00
Legal							
Town Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Town Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Assistant Town Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Town Attorney	2.00	1.00	1.00	1.00	1.00	2.00	2.00
Associate Town Attorney	-	1.00	1.00	1.00	1.00	-	-
Senior Legal Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Legal Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Legal Document Specialist	-	-	-	1.00	1.00	1.00	1.00
Legal Document Specialist	1.00	1.00	1.00	-	-	-	-
Senior Legal Specialist	-	-	-	1.00	1.00	1.00	1.00
Legal Clerk	1.00	1.00	1.00	-	-	-	-
Real Property Manager	-	-	-	-	-	1.00	1.00
Real Property Coordinator	-	-	-	-	-	1.00	1.00
Total Legal Department	9.00	9.00	9.00	9.00	9.00	11.00	11.00
Information Technology							
Information Technology Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology Deputy Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology Supervisor	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Senior Network Administrator	2.00	1.00	1.00	1.00	1.00	2.00	2.00
Network Administrator	-	1.00	1.00	1.00	1.00	-	-
Senior Software Developer	-	-	1.00	1.00	1.00	1.00	1.00
Software Developer	1.00	1.00	-	-	-	-	-
GIS Enterprise Administrator	-	-	-	-	-	1.00	1.00
Cybersecurity Analyst	-	-	-	-	-	-	1.00

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Information Technology, continued							
Senior GIS Analyst	1.00	1.00	1.00	1.00	1.00	-	1.00
GIS Analyst	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology Analyst	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Technology Support Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology Support Specialist III	-	-	-	-	-	1.00	1.00
Technology Support Specialist II	2.00	2.00	3.00	3.00	3.00	2.00	2.00
Technology Support Specialist I	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Asset Systems Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Assets Coordinator	-	-	-	1.00	1.00	1.00	1.00
Assets Coordinator	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Total Information Technology	20.00	20.00	21.00	21.00	22.00	22.00	24.00
Office of Economic & Tourism Development							
Director of Economic & Tourism Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tourism & Marketing Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tourism Marketing Specialist	-	-	-	-	1.00	1.00	1.00
Economic Development Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Visual Communications Designer	0.50	0.50	0.50	0.50	-	-	-
Total Office Economic & Tourism Developmen	3.50	3.50	3.50	3.50	4.00	4.00	4.00
Community & Neighborhood Services							
Community & Neighborhood Services Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Services Coordinator	-	-	-	-	-	1.00	1.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00	-	-
Housing Rehabilitation Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Code Enforcement Division							
Chief Code Enforcement & Animal Control Officer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Code Enforcement Officer II	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Code Enforcement Officer I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Animal Services Division							
Animal Control Officer	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Total Community & Neighborhood Services	10.60	10.60	10.60	10.60	10.60	10.60	10.60

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Development Services							
Development Services Administration							
Development Services Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Business Process Manager	-	-	-	1.00	1.00	1.00	1.00
Development Services Analyst	1.00	1.00	1.00	-	-	-	-
Business Financial Planner	-	-	-	-	-	-	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Safety							
Chief Building Official	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Building Official	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Business Process Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Permitting Supervisor	-	-	-	-	-	1.00	1.00
Senior Plans Examiner	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Plans Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector II	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Building Inspector I	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Building Inspector Apprentice	-	-	-	-	-	-	1.00
Permit Technician	3.00	3.00	3.00	3.00	5.00	5.00	5.00
Engineering							
Development Services Deputy Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Floodplain Manager	-	1.00	1.00	1.00	1.00	1.00	1.00
Civil Engineer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Environmental Project Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Environmental Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Engineering Specialist	-	-	-	1.00	1.00	1.00	1.00
Engineering Specialist	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Development Engineering Division Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Development Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Real Property Manager	1.00	1.00	1.00	1.00	1.00	-	-
Real Property Coordinator	1.00	1.00	1.00	1.00	1.00	-	-

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Development Services, continued							
Planning							
Planning Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Development Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Planner	5.00	5.00	5.00	5.00	5.00	5.00	4.00
Total Development Services Department	35.00	36.00	36.00	36.00	38.00	36.00	37.00
Police							
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Chief of Police	-	-	-	1.00	1.00	1.00	1.00
Police Captain	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police Lieutenant	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Police Sergeant	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Police Officer	73.00	73.00	78.00	77.00	80.00	80.00	82.00
Police Detective	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Police Records Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Telecommunications Supervisor	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Dispatcher	13.00	13.00	13.00	13.00	14.00	14.00	14.00
Police Records Specialist	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Police Records Clerk	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Crime Scene Property & Evidence Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Records Redaction Specialist	-	-	-	-	-	-	1.00
Property & Evidence Records Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Crime Analyst	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crime Scene Specialist	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Administrative Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Assets Coordinator	-	-	1.00	1.00	1.00	1.00	1.00

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Police, continued							
Customer Service Representative	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	-	1.00	-	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	-	-	-	-
Total Police Department	133.00	134.00	139.00	139.00	143.00	143.00	147.00
Courts							
Town Magistrate	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court Operations Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court Probation Monitor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court Security Officer	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Court Collections Specialist	1.00	1.00	1.00	1.00	1.00	-	-
Court Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Courtroom Specialist	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Courtroom Specialist	1.00	1.00	1.00	1.00	1.00	-	-
Court Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Senior Court Clerk	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Total Courts	14.00	14.00	14.00	14.00	14.00	14.00	15.00
Public Works							
Public Works Administration							
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Deputy Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Business Process Analyst	-	-	1.00	1.00	1.00	1.00	1.00
Fleet Division							
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Supervisor	-	1.00	1.00	1.00	1.00	1.00	1.00
Fleet Coordinator	-	-	-	-	1.00	1.00	1.00
Lead Fleet Technician	2.00	1.00	1.00	1.00	1.00	1.00	1.00

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Public Works, continued							
Fleet Technician II	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Fleet Technician I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Equipment Mechanic	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Streets Division							
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Technician III	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Technician II	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Signs & Markings Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Signs & Marking Specialist	1.00	1.00	1.00	1.00	1.00	-	-
Public Works Supervisor	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Equipment Operator II	1.00	1.00	1.00	1.00	1.00	-	-
Equipment Operator I	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Maintenance Associate III	5.00	-	-	-	-	-	-
Public Works Concrete Specialist	-	-	-	-	-	1.00	1.00
Public Works Maintenance Associate III	-	5.00	5.00	5.00	5.00	4.00	4.00
Maintenance Associate II	1.00	-	-	-	-	-	-
Public Works Maintenance Associate II	-	1.00	1.00	1.00	1.00	1.00	3.00
Maintenance Associate I	4.00	-	-	-	-	-	-
Public Works Maintenance Associate I	-	4.00	4.00	4.00	4.00	4.00	4.00
Engineering Aide	1.00	1.00	1.00	-	-	-	-
Senior Engineering Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering Specialist	-	-	-	1.00	1.00	1.00	1.00
Facilities Division							
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works Supervisor	1.00	1.00	1.00	1.00	1.00	4.00	4.00
Facilities Tradesman	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Facilities Technician II	3.00	1.00	1.00	1.00	1.00	1.00	1.00
Facilities Specialist	-	2.00	2.00	2.00	2.00	1.00	1.00
Facilities Technician I	1.00	1.00	1.00	1.00	1.00	1.00	1.00

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Public Works, continued							
Custodian Supervisor	-	-	-	-	-	1.00	1.00
Lead Custodian	1.00	1.00	1.00	1.00	1.00	-	-
Custodian	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Capital Improvement Program							
Town Engineer	1.00	-	-	-	-	-	-
CIP Engineering Division Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CIP Project Manager	-	-	-	-	-	-	1.00
Project Manager	4.00	4.00	4.00	4.00	4.00	4.00	4.00
CIP Process Analyst	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Construction Inspector	-	-	-	3.00	3.00	3.00	3.00
Construction Inspector	4.00	4.00	4.00	1.00	1.00	1.00	1.00
Senior Right of Way Inspector	-	-	-	1.00	1.00	1.00	1.00
Right of Way Inspector	1.00	1.00	1.00	-	-	-	-
Project Coordinator - CIP	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total Public Works Department	61.00	60.00	62.00	62.00	64.00	64.00	69.00
Parks & Recreation							
Parks & Recreation Administration							
Parks and Recreation Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks and Recreation Deputy Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Business Process Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Supervisor (Special Events)	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Division							
Superintendent	-	-	1.00	1.00	-	-	-
Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Programmer	1.00	1.00	1.00	1.00	1.00	1.00	1.00

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Parks & Recreation, continued							
Maintenance Division							
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks Maintenance Supervisor	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Parks and Recreation Maintenance Coordinator	-	-	-	-	-	-	1.00
Irrigation Control Technician	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Maintenance Associate III	16.00	-	-	-	-	-	-
Parks and Recreation Lead Maintenance Associate	-	-	-	5.00	5.00	5.00	6.00
Parks and Recreation Maintenance Associate III	-	17.00	17.00	12.00	12.00	13.00	13.00
Maintenance Associate II	4.00	-	-	-	-	-	-
Parks and Recreation Maintenance Associate II	-	4.00	5.00	5.00	5.00	5.00	5.00
Maintenance Associate I	7.00	-	-	-	-	-	-
Parks and Recreation Maintenance Associate I	-	5.00	5.00	5.00	5.00	4.00	4.00
Parks Project Specialist	-	1.00	1.00	1.00	1.00	1.00	1.00
Community Center and Aquatics Division							
Superintendent	-	-	-	-	1.00	1.00	1.00
Business Process Supervisor	-	-	-	-	1.00	1.00	1.00
Aquatic Maintenance Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Facilities Technician II	-	-	-	-	1.00	1.00	1.00
Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Programmer	1.00	1.00	1.00	1.00	7.00	7.00	7.00
Recreation Coordinator	-	-	-	-	2.00	2.00	2.00
Technology Support Specialist II	-	-	-	-	1.00	1.00	1.00
Customer Service Representative	-	-	-	-	1.00	1.00	1.00
Custodian	-	-	-	-	4.00	4.00	4.00
Special Interests Division							
Customer Service Representative	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Programmer	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Outdoor Division							
Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Programmer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Associate III	1.00	-	-	-	-	-	-
Parks and Recreation Maintenance Associate III	-	1.00	2.00	2.00	2.00	2.00	2.00

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Parks & Recreation, continued							
Maintenance Associate I	1.00	-	-	-	-	-	-
Parks and Recreation Maintenance Associate I	-	1.00	-	-	-	-	-
Total Parks Department	55.00	55.00	58.00	58.00	74.00	74.00	76.00
Water Department							
Water Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Deputy Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Business Services Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Business Financial Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Distribution Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Production Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Resource Coordinator	1.00	-	-	-	-	-	-
Water Resources Administrator	-	1.00	1.00	1.00	1.00	1.00	1.00
Chief Water Quality Operator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Quality Specialist	-	1.00	1.00	1.00	1.00	1.00	1.00
Water Quality Technician	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Water Construction Inspector	1.00	1.00	2.00	1.00	1.00	1.00	1.00
Backflow Prevention Inspector	-	-	-	1.00	1.00	1.00	1.00
Water Conservation Specialist	1.00	-	-	-	-	-	-
Water Conservation Analyst	-	1.00	1.00	1.00	1.00	1.00	1.00
Facilities Tradesman	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Operator III	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Water Operator II	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Water Operator I	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Civil Engineer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CIP Engineering Division Manager	1.00	-	-	-	-	-	-
Water Engineering Manager	-	1.00	1.00	1.00	1.00	1.00	1.00
Water Billing Specialist	3.00	3.00	3.00	3.00	4.00	4.00	4.00
SCADA Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00

TENTATIVE AUTHORIZED POSITION SCHEDULE

FISCAL YEAR 2025-2026

	2023 Adopted	2023 Actual	2024 Adopted	2024 Actual	2025 Adopted	2025 Estimated	2026 Tentative
Water, continued							
Water Technology Support Specialist II	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Operations Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total Water Department	34.00	34.00	35.00	35.00	36.00	36.00	38.00
Water Reclamation Department							
Water Reclamation Operations Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Chief Water Reclamation Operator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Reclamation Operator II	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water Reclamation Operator I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lead Water Reclamation Mechanic	-	-	-	-	-	1.00	1.00
Water Reclamation Mechanic	1.00	1.00	1.00	1.00	1.00	-	-
Associate Water Reclamation Mechanic	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Total Water Reclamation Department	8.00	8.00	8.00	8.00	8.00	8.00	9.00
Airport Operations							
Airport Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Airport Operations Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	-	-	-	-	-	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Maintenance Associate III	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Associate II	-	-	-	-	1.00	1.00	1.00
Total Airport Operations	4.00	4.00	4.00	4.00	5.00	5.00	5.00
TOTAL TOWN AUTHORIZED POSITIONS	429.60	430.60	444.10	444.10	475.60	475.60	496.60

AUDITOR GENERAL SCHEDULES



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Official Budget Forms

Town of Marana

Fiscal year 2026

Town of Marana

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Fiscal year 2026

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Schedule D—Other financing sources/(uses) and interfund transfers

Schedule E—Expenditures/expenses by fund

Schedule F—Expenditures/expenses by department (as applicable)

Schedule G—Full-time employees and personnel compensation

Town of Marana
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2026

Fiscal year	S c h	Funds							
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total all funds
2025 Adopted/adjusted budgeted expenditures/expenses*	E 1	104,432,082	14,809,088	21,452,942	226,095,819	0	100,738,058	6,211,485	473,739,474
2025 Actual expenditures/expenses**	E 2	79,659,555	10,230,032	9,824,563	85,923,527	0	30,140,481	5,270,273	221,048,431
2026 Beginning fund balance/(deficit) or net position/(deficit) at July 1***	3	133,032,590	13,531,776	5,908,456	71,093,545	0	40,470,152	4,158,812	268,195,331
2026 Primary property tax levy	B 4	0							0
2026 Secondary property tax levy	B 5			3,044,357	378,725				3,423,082
2026 Estimated revenues other than property taxes	C 6	87,294,739	10,835,151	1,049,455	108,418,819	0	32,080,575	7,199,465	246,878,204
2026 Other financing sources	D 7	0	0	5,950,000	20,287,695	0	59,521,533	0	85,759,228
2026 Other financing (uses)	D 8	0	0	0	0	0	0	0	0
2026 Interfund transfers in	D 9	0	100,000	7,450,450	10,705,000	0	15,699,219	0	33,954,669
2026 Interfund Transfers (out)	D 10	13,870,304	0	0	5,688,498	0	14,395,867	0	33,954,669
2026 Line 11: Reduction for fund balance reserved for future budget year expenditures	11								
Maintained for future debt retirement									0
Maintained for future capital projects									0
Maintained for future financial stability		21,823,685					3,356,307		25,179,991
Maintained for future retirement contributions									0
									0
2026 Total financial resources available	12	184,633,340	24,466,927	23,402,718	205,195,286	0	130,019,305	11,358,277	579,075,854
2026 Budgeted expenditures/expenses	E 13	97,074,681	15,077,661	17,292,115	146,317,965	0	133,216,444	7,249,784	416,228,650

Expenditure limitation comparison

- 1 Budgeted expenditures/expenses
- 2 Add/subtract: estimated net reconciling items
- 3 Budgeted expenditures/expenses adjusted for reconciling items
- 4 Less: estimated exclusions
- 5 Amount subject to the expenditure limitation
- 6 EEC expenditure limitation

	2025	2026
\$	473,739,474	416,228,650
		(17,315,977)
	473,739,474	398,912,673
		217,762,427
\$	473,739,474	181,150,246
\$		330,933,057

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

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Town of Marana
Tax levy and tax rate information
Fiscal year 2026

	<u>2025</u>	<u>2026</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
Property tax judgment		
B. Secondary property taxes	2,954,077	3,423,082
Property tax judgment		
C. Total property tax levy amounts	\$ 2,954,077	\$ 3,423,082
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies		
(3) Total primary property taxes	\$ _____	
B. Secondary property taxes		
(1) Current year's levy	\$ 2,909,766	
(2) Prior years' levies	29,098	
(3) Total secondary property taxes	\$ 2,938,864	
C. Total property taxes collected	\$ 2,938,864	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate		
Property tax judgment		
(2) Secondary property tax rate	2.8000	2.7115
Property tax judgment		
(3) Total city/town tax rate	2.8000	2.7115
B. Special assessment district tax rates		
Secondary property tax rates—As of the date the proposed budget was prepared, the city/town was operating <u>four</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

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

**Town of Marana
Revenues other than property taxes
Fiscal Year 2026**

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
General Fund			
Local taxes			
Sales taxes	\$ 43,684,077	\$ 46,697,951	\$ 46,589,787
Licenses and permits			
Building and development fees	5,885,300	6,253,579	5,193,300
Business and license fees	155,000	157,000	155,000
Animal fees	78,700	76,700	76,700
Franchise fees	600,000	600,000	600,000
Host fees	320,000	320,000	320,000
Intergovernmental			
State shared sales taxes	8,445,646	8,827,694	9,171,970
Urban revenue sharing	12,215,403	12,429,696	11,892,816
Auto lieu	2,655,425	2,952,822	3,011,880
Charges for services			
Charges for services	723,500	712,500	1,395,461
Fines and forfeits			
Court fines and fees	389,500	353,732	389,500
Interest on investments			
Interest	4,565,479	7,800,000	7,300,000
Contributions			
Voluntary contributions	172,325	219,825	368,475
Miscellaneous			
Other miscellaneous	797,900	797,846	829,850
Total General Fund	\$ 80,688,255	\$ 88,199,345	\$ 87,294,739

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Special revenue funds

Community development block grants	\$ 348,691	\$ 138,451	\$ 418,000
Affordable housing revolving	2,000	24,313	2,000
Other grants and contributions	3,057,149	1,886,237	3,266,355
RICO	30,000	66,216	30,000
	\$ 3,437,840	\$ 2,115,217	\$ 3,716,355
Impound	\$ 16,000	\$ 6,750	\$ 9,000
Bed tax	1,600,000	1,741,424	1,850,000
Local JCEF	8,000	4,376	8,000
Fill the GAP	4,500	3,002	4,500
	\$ 1,628,500	\$ 1,755,552	\$ 1,871,500
Local technology enhancement	\$ 50,000	\$ 21,078	\$ 50,000
Highway user revenue	4,991,037	5,258,916	5,197,296
	\$ 5,041,037	\$ 5,279,994	\$ 5,247,296
Total special revenue funds	\$ 10,107,377	\$ 9,150,763	\$ 10,835,151

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Town of Marana
Revenues other than property taxes
Fiscal Year 2026

Source of revenues	Estimated revenues 2025	Actual revenues* 2025	Estimated revenues 2026
Debt service funds			
Tangerine farms road improvement district	\$ 1,729,002	\$ 1,097,735	\$ 1,023,263
Gladden farms CFD debt			
Gladden farms, Phase II CFD debt	104,043		26,192
Mandarina CFD debt			
Saguaro springs CFD debt		994,240	
	\$ 1,833,045	\$ 2,091,975	\$ 1,049,455
Total debt service funds	\$ 1,833,045	\$ 2,091,975	\$ 1,049,455
Capital projects funds			
Transportation	\$ 10,282,526	\$ 17,830,568	\$ 15,746,522
Half cent sales tax	8,790,654	8,942,813	7,976,682
Impact fee funds	3,172,836	5,008,461	4,247,097
Other capital projects	72,048,197	6,405,517	55,462,581
	\$ 94,294,213	\$ 38,187,359	\$ 83,432,882
Downtown reinvestment	\$ 526,500	\$ 607,361	\$ 301,500
Regional transportation authority	24,791,135	151,800	24,684,437
Pima association of governments	9,107,000		
	\$ 34,424,635	\$ 759,161	\$ 24,985,937
Total capital projects funds	\$ 128,718,848	\$ 38,946,520	\$ 108,418,819
* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.			
Permanent funds			
	\$	\$	\$
	\$	\$	\$
Total permanent funds	\$	\$	\$
Enterprise funds			
Water utility	\$ 20,023,586	\$ 18,647,972	\$ 19,888,002
Airport	15,920,893	279,277	4,148,380
Water reclamation utility	8,369,728	7,129,553	8,044,193
	\$ 44,314,207	\$ 26,056,802	\$ 32,080,575
Total enterprise funds	\$ 44,314,207	\$ 26,056,802	\$ 32,080,575
* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.			
Internal service funds			
Health benefits	\$ 5,819,845	\$ 5,652,421	\$ 6,797,825
Dental benefits	391,640	357,593	401,640
	\$ 6,211,485	\$ 6,010,014	\$ 7,199,465
Total internal service funds	\$ 6,211,485	\$ 6,010,014	\$ 7,199,465
Total all funds	\$ 271,873,217	\$ 170,455,419	\$ 246,878,204

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Town of Marana
Other financing sources/(uses) and interfund transfers
Fiscal year 2026

Fund	Other financing 2026		Interfund transfers 2026	
	Sources	(Uses)	In	(Out)
General Fund				
Other grants and contributions	\$	\$	\$	\$ 100,000
Other capital projects				10,405,000
2014 debt service				2,000
2017 debt service				550,202
2024 refunding debt service				1,209,750
Airport				616,978
Water utility				986,374
Water reclamation utility				
Total General Fund	\$	\$	\$	\$ 13,870,304
Special revenue funds				
Other grants and contributions	\$	\$	\$ 100,000	\$
Total special revenue funds	\$	\$	\$ 100,000	\$
Debt service funds				
2014 debt service	\$	\$	\$ 2,000	\$
2017 debt service			2,645,200	
2024 debt service			3,593,500	
2024 refunding debt service			1,209,750	
Saguaro springs CFD	5,050,000			
Mandarina CFD	900,000			
Total debt service funds	\$ 5,950,000	\$	\$ 7,450,450	\$
Capital projects funds				
Transportation	\$	\$	\$ 300,000	\$ 864,980
Impact fees	20,287,695			1,230,018
Half cent sales tax				3,593,500
Other capital projects			10,405,000	
Total capital projects funds	\$ 20,287,695	\$	\$ 10,705,000	\$ 5,688,498
Permanent funds				
	\$	\$	\$	\$
Total permanent funds	\$	\$	\$	\$
Enterprise funds				
Airport	\$	\$	\$ 616,978	\$
Water utility	46,628,730		4,754,133	5,325,662
Water reclamation utility	12,892,803		10,328,108	9,070,205
Total enterprise funds	\$ 59,521,533	\$	\$ 15,699,219	\$ 14,395,867
Internal service funds				
	\$	\$	\$	\$
Total Internal Service Funds	\$	\$	\$	\$
Total all funds	\$ 85,759,228	\$	\$ 33,954,669	\$ 33,954,669

**Town of Marana
Expenditures/expenses by fund
Fiscal year 2026**

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
General Fund				
Non-departmental	\$ 4,425,976	\$ 450,000	\$ 4,596,713	\$ 9,045,002
Mayor and council	400,486	100,000	365,824	517,274
Town manager	1,678,187		1,506,707	1,569,685
Town clerk	606,742		579,916	731,498
Human resources	2,195,874		2,005,379	2,200,830
Finance	2,293,277		2,017,520	2,618,079
Legal	1,348,734		1,169,924	1,726,023
Technology services	7,898,069		6,017,723	8,270,039
Economic development and tourism	364,918		318,649	367,066
Development services	4,796,771		4,180,538	4,744,181
Police	35,249,318		32,445,089	22,785,640
Courts	1,389,174		1,266,872	1,608,754
Public works	16,123,659	(750,000)	7,606,110	10,176,366
Parks and recreation	9,386,206		8,381,135	11,913,888
Community development	1,414,734		1,296,206	1,402,433
Capital outlay	10,609,957	700,000	5,905,250	12,397,923
Contingency	5,000,000	(1,250,000)		5,000,000
Total General Fund	\$ 105,182,082	\$ (750,000)	\$ 79,659,555	\$ 97,074,681
Special revenue funds				
Highway user revenue	\$ 8,116,176	\$	\$ 6,385,065	\$ 7,492,283
Revolving affordable housing	105,000			105,000
Local JCEF	131,805			131,805
Fill the GAP	34,500			34,500
Local technology	82,500		24,569	82,500
Community development block grants	348,691		138,451	418,000
Bed tax	2,152,840		1,741,424	2,809,164
Other grants and contributions	3,690,676		1,886,237	3,816,909
RICO	116,900		46,090	148,500
Impound fees	30,000		8,196	39,000
Total special revenue funds	\$ 14,809,088	\$	\$ 10,230,032	\$ 15,077,661
Debt service funds				
Series 2013 debt	\$	\$	\$	\$
Series 2014 debt	655,416		655,416	653,198
Series 2017 debt	2,580,075		2,580,075	2,589,450
Series 2024	4,667,042			3,555,125
Series 2024 refunding debt	1,184,931			1,187,125
Tangerine farms ID debt	1,729,002		1,375,856	1,023,263
Gladden farms CFD debt	877,631		876,631	873,407
Galdden farms, Phase II CFD debt	4,436,544		3,865,510	935,147
Mandarina CFD debt				954,625
Saguaro springs CFD debt	5,322,301		471,075	5,520,775
Total debt service funds	\$ 21,452,942	\$	\$ 9,824,563	\$ 17,292,115

**Town of Marana
Expenditures/expenses by fund
Fiscal year 2026**

Fund/Department	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
Capital projects funds				
Transportation	\$ 33,018,301	\$	\$ 18,894,302	\$ 22,928,522
Impact fee funds	35,049,199	1,395,641	14,266,923	27,691,724
Other capital projects	84,700,392	(1,395,641)	17,374,994	66,669,032
Downtown reinvestment	1,125,000		1,740	1,125,000
Pima association of governments	9,107,000			340,000
Regional transportation authority	24,791,135		106,698	24,684,437
Half cent sale tax fund	36,289,042		35,275,126	500,000
Gladden farms CFD	1,253,500		1,494	1,378,500
Galdden farms, Phase II CFD	182,750		2,250	282,750
Mandarina CFD				28,500
Saguaro springs CFD	579,500			689,500
Total capital projects funds	\$ 226,095,819	\$	\$ 85,923,527	\$ 146,317,965
Permanent funds				
	\$	\$	\$	\$
Total permanent funds	\$	\$	\$	\$
Enterprise funds				
Water utility	\$ 49,247,672	\$ 750,000	\$ 14,765,755	\$ 78,695,934
Airport	17,104,659		609,483	4,765,358
Water reclamation utility	33,635,727		14,765,243	49,755,152
Total enterprise funds	\$ 99,988,058	\$ 750,000	\$ 30,140,481	\$ 133,216,444
Internal service funds				
Health benefits	\$ 5,819,845	\$	\$ 4,937,835	\$ 6,848,144
Dental benefits	391,640		332,438	401,640
Total internal service funds	\$ 6,211,485	\$	\$ 5,270,273	\$ 7,249,784
Total all funds	\$ 473,739,474	\$	\$ 221,048,431	\$ 416,228,650

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

Town of Marana
Expenditures/expenses by department
Fiscal year 2026

Department/Fund	Adopted budgeted expenditures/ expenses 2025	Expenditure/ expense adjustments approved 2025	Actual expenditures/ expenses* 2025	Budgeted expenditures/ expenses 2026
Economic development and tourism				
General fund	\$ 404,918	\$	\$ 318,649	\$ 551,052
Downtown Reinvestment fund	1,125,000		1,740	1,125,000
Bed tax fund	1,330,349		837,782	1,841,200
Department total	\$ 2,860,267	\$	\$ 1,158,171	\$ 3,517,252
List department:				
Police:				
General fund	\$ 35,868,017	\$	\$ 32,445,089	\$ 23,136,060
Grants and contributions	1,499,179		1,346,242	1,616,112
RICO	116,900		46,090	148,500
Impound fees	30,000		8,196	39,000
Department total	\$ 37,514,096	\$	\$ 33,845,617	\$ 24,939,672
List department:				
Court:				
General fund	\$ 1,589,979	\$	\$ 1,266,872	\$ 1,808,754
Local JCEF	131,805			131,805
Fill the GAP	34,500			34,500
Local tech enhancement	82,500		24,569	82,500
Department total	\$ 1,838,784	\$	\$ 1,291,441	\$ 2,057,559
List department:				
Public works:				
General fund	\$ 12,114,566	\$	\$ 7,606,110	\$ 17,699,113
Grants and contributions				9,300
Highway user revenue fund	7,519,099		7,169,914	6,782,943
Department total	\$ 19,633,665	\$	\$ 14,776,024	\$ 24,491,356
List department:				
Parks and recreation:				
General fund	\$ 11,639,307	\$	\$ 8,381,135	\$ 11,639,307
Highway user revenue fund	597,077		436,196	597,077
Department total	\$ 12,236,384	\$	\$ 8,817,331	\$ 12,236,384
List department:				
Community development:				
General fund	\$ 1,414,734	\$	\$ 1,296,206	\$ 1,402,433
CDBG	348,691		138,451	418,000
Revolving affordable housing	105,000			105,000
Department total	\$ 1,868,425	\$	\$ 1,434,657	\$ 1,925,433

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

Town of Marana
Full-time employees and personnel compensation
Fiscal year 2026

Fund	Full-time equivalent (FTE) 2026	Employee salaries and hourly costs 2026	Retirement costs 2026	Healthcare costs 2026	Other benefit costs 2026	Total estimated personnel compensation 2026
General Fund	442.60	\$ 35,578,161	\$ 5,775,556	\$ 6,470,267	\$ 3,557,416	\$ 51,381,400
Special revenue funds						
Bed tax	2.00	\$ 204,568	\$ 24,264	\$ 36,736	\$ 16,437	\$ 282,005
Total special revenue funds	2.00	\$ 204,568	\$ 24,264	\$ 36,736	\$ 16,437	\$ 282,005
Enterprise funds						
Water utility	38.00	\$ 2,774,773	\$ 321,454	\$ 557,459	\$ 248,651	\$ 3,902,337
Airport	5.00	279,669	32,143	71,035	38,547	421,394
Water reclamation utility	9.00	583,269	65,339	172,191	52,035	872,834
Total enterprise funds	52.00	\$ 3,637,711	\$ 418,936	\$ 800,685	\$ 339,233	\$ 5,196,565
Total all funds	496.60	\$ 39,420,440	\$ 6,218,756	\$ 7,307,688	\$ 3,913,086	\$ 56,859,970

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Saguaro National Park West