

SHOW LOW CITY COUNCIL
REGULAR MEETING - TUESDAY, OCTOBER 17, 2023

AMENDED*

PURSUANT to A.R.S. Section 38-431.02, notice is hereby given to the Show Low City Council and to the general public, that a **Regular Meeting** of the Show Low City Council will be held on Tuesday, October 17, 2023, at 7:00 PM in the City Council Chambers, 181 North 9th Street, Show Low, Navajo County, Arizona. The agenda for this meeting is as follows:

1. Call to Order.
2. Roll Call.
3. Invocation.
4. Pledge of Allegiance.

5. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that is within the jurisdiction of the City Council may do so at this time. Comments may be limited to three minutes per person and shall be addressed to the City Council as a whole, and not to any individual member. Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

6. **SPECIAL EVENTS:**

- A. Presentation of Snow Management Plan (Rick Austin/Ryan Hall)

7. **CONSENT CALENDAR:**

- A. Proclamation by the Mayor Proclaiming November 12 through 18, 2023, as **COMMUNITY FAST OF COMPASSION FOR THOSE IN NEED WEEK** in the City of Show Low (Rachael Hall)
- B. Proclamation by the Mayor Proclaiming October 15 through 21, 2023, as **ARIZONA CITIES AND TOWNS WEEK** in the City of Show Low (Rachael Hall)
- C. Consideration of Noncommercial Ground Lease with Desert Fish Aviation, LLC and Termination of Second Addendum to Noncommercial Ground Lease, for 3360 Corporate Way, Unit B with Roger Kevin Carson (Jacob Allen)
- D. Consideration of Purchase of Barracuda Web and Email Filter Systems (Chris

Tewalt)

- E. Consideration of Authorization to Purchase Caterpillar 926 Loader and Snowplow Attachment (Rick Austin)
- F. Consideration of Acceptance of Show Low Public Restroom Americans with Disabilities Act Upgrades, City of Show Low Project No. FM-1922B (Bill Kopp)
- G. Consideration of Minutes of Show Low City Council meetings:
 - 1. Retreat of October 19, 2022.
 - 2. Regular Meeting of September 19, 2023.

8. **NEW BUSINESS:**

- A. Consideration of Award of Contract for Professional and Contracting Services to Facilitate Bioremediation of Soil and Groundwater at Former Woody's Fuel Storage Facility (Justin Johnson)
- B. Consideration of Acceptance of Grant Funds from Arizona Department of Emergency and Military Affairs, Authorization of Associated Budget Transfers, and Hiring a Police Analyst (Brad Provost)
- C. *Consideration of Award of Construction Contract for Airport Hangar Infrastructure Improvements City of Show Low Project No. A-1723 2.1 (Bill Kopp)
- D. *Consideration of Amendments to Conditional Use Permit Submitted by Compassionate Care of Arizona, Inc. (Justen Tregaskes)

AT THIS TIME, THE CITY COUNCIL MAY RECESS INTO AN EXECUTIVE SESSION FOR FURTHER DISCUSSION AND LEGAL ADVICE FROM THE CITY ATTORNEY.

9. ***EXECUTIVE SESSION:**

- A. Confidentiality Statement.
- B. Discussion or consultation for legal advice with the attorney or attorneys of the public body or with designated representatives of the public body pursuant to A.R.S. Sections 38-431.03(A)(3).

(1) Conditional Use Permit Submitted by Compassionate Care of Arizona, Inc.

10. **POST EXECUTIVE SESSION:**

- A. Consideration of Amendments to Conditional Use Permit Submitted by Compassionate Care of Arizona, Inc.

11. SUMMARY OF CURRENT EVENTS:

- A. Council Members
- B. Mayor
- C. City Manager

12. SCHEDULE OF MEETINGS:

Scheduling of meetings, which may be brought up at this time.

13. ADJOURNMENT:**SCHEDULED MEETINGS/EVENTS:**

DATE	TIME	EVENT NAME
10/17/23	7:00 PM	CITY COUNCIL - REGULAR MEETING
10/24/23	7:00 PM	P&Z COMMISSION - REGULAR MEETING
10/25/23	9:00 AM	CITY COUNCIL - RETREAT

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Show Low makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Show Low City Council regular meetings are recorded and may be viewed on the City of Show Low's website. If you permit your child to attend/participate in a televised City Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

Pursuant to the Americans with Disabilities Act (ADA), the City Council endeavors to ensure the accessibility of its meetings to all persons with disabilities. If you need accommodation for a meeting, please call the City Clerk's office at (928) 532-4061 at least 48 hours prior to the meeting for accommodation.

Council Chambers will open at least fifteen minutes prior to the meeting to allow public access to the room. Council Chambers has a maximum occupancy of 139 people.

I, Kathy Clements, do hereby certify that the foregoing notice was posted on Friday, October 13, 2023, and an amended notice was posted at 12:23 p.m. on Monday, October 16, 2023.

Kathy Clements, Assistant City Clerk



SNOW MANAGEMENT PLAN 2023-2024

PURPOSE:

The purpose of this Snow Management Plan is to define responsibilities and procedures to effectively deal with the winter conditions of snow and ice.

OBJECTIVE:

The objective of this Snow Plan is to ensure that procedures are defined and followed to maintain safe driving conditions for the motorist or to return the City streets to a safe, usable condition in as short a time period as possible during a major storm event.

EMERGENCY CONDITIONS:

As ice and snow directly affect the safety and health of our community, mobilizing and removing snow/ice is considered an emergency situation requiring Public Works management staff to exercise prudent judgment and make decisions that may extend beyond normal City policies and procedures.

WEATHER PREDICTIONS:

Show Low's average annual snowfall is approximately 40 inches. The majority of storms in Show Low fall into the six to eight-inch range and the Snow Management Plan is designed for storms of this size. Alternate plans are also in place for storms that exceed the usual.

INITIAL RESPONSE:

Initial response will depend on the time of day of the storm's onset as well as the expected storm event conditions. If the onset occurs during non-work hours, close coordination between the City's Police Department and Public Works Streets Division supervisors should ensure timely initial response. Refer to the emergency call-out procedures (see next item).

EMERGENCY CALL OUT PROCEDURES:

- A. After hours, the police dispatcher will notify the Streets Supervisor or his designee of the need for ice control.
- B. The Supervisor will determine the need for additional manpower/equipment due to additional public safety requirements.
- C. In the event of the need for additional manpower/equipment, the Streets Division will react as first responders on limited/full City snowplowing.
- D. In the event of full City snowplowing, Public Works personnel will split into two crews with additional manpower from other divisions in Public Works.

LEVELS OF RESPONSE:

Level 1 - 0.5 to 2 inches

Priority 1 –Spot ice control as needed per road conditions. This will include cinders or a mix of cinders and deicer on priority areas.

Level 2 - 2 to 3 inches

Priority 1 – Limited plowing. Problem areas monitored. Hills, curves, and intersections are plowed and abrasives applied, as needed. School bus routes, collector roads, and transit routes will be closely monitored, plowed, and/or abrasives applied as needed. Staff has identified several areas around the City that historically have problems with ice buildup, resulting in increased danger to the motoring public. The City of Show Low does use a deicer to fight ice in known problem areas. Deicer will be applied to these problem areas to mitigate the problems associated with ice buildup. The deicer chosen by the City is a naturally mined product that is 70% less corrosive than sodium/magnesium chloride and has a proven track record in breaking up ice deposits. City-owned parking lots and sidewalks at City buildings will be cleared. City-owned parking lots will typically be plowed at two inches+ of accumulation. Priority will be given to City-owned parking lots and abutting sidewalks at facilities involved with public safety, i.e., the Police Department.

Level 3 - 3+ inches

Full call out of snow removal equipment. Twelve-hour shifts will operate around the clock until storms have passed and all City streets are open and passable. After snowfall has ceased, crews will begin street widening to provide access to mailboxes and, finally, snow berm removal for citizens with a berm removal request signed by a physician. Deicing work will continue until all identified areas are free from hazards.

Whenever possible, all routes will be plowed. In the event of overwhelming snowfall, priority will be as follows.

Priority 1	Streets with normally high-volume traffic
Priority 2	Collector streets
Priority 3	Subdivision streets

Level 4 - Haul off/Clean up

1. Haul off of snow in parking lots, if needed.
2. Contractor support called in pending weather or need.
3. Snow will be hauled to a pre-designated area.

SIDEWALKS:

Sidewalks in front of or abutting City property (buildings, parking lots, parks) will be plowed and shoveled by Parks Maintenance and Facility Maintenance Departments and will typically be cleared and ice melt applied as needed. Sidewalks within the Arizona Department of Transportation's (ADOT) right-of-way are the responsibility of ADOT, with the exception of both sides of the Deuce of Clubs from White Mountain Road west to Old Linden Road and both sides of Clark Road (HWY 260) from the Deuce of Clubs north to Old Linden Road. Sidewalks

and paths for which the City is responsible will be cleared as soon as snow has stopped falling and removal of snow from roadways is complete. Sidewalks in ADOT's area of responsibility are beyond our control and, therefore, the City is unable to provide a timeframe for their attention. Businesses and property owners are reminded that the snow that falls on their property is not the responsibility of the City; this snow must not be piled on sidewalks as this makes clearing them almost impossible.

SHOW LOW REGIONAL AIRPORT:

As snow/ice or rain accumulates, airport Staff will perform braking action tests with a Bowmonk AFM2 decelerometer (or similar) to help determine whether to remove snow or by leaving the snow in place will yield the best braking action. (For instance, dry snow over ice typically yields better braking friction than ice alone.) When braking action test results indicate the need for snow removal, plowing will begin with available staff and continue as required to yield the best braking action. In the event that braking action testing is not available, snow removal will begin when there is sufficient accumulation of snow to remove. Public Works and Airport personnel will coordinate this effort. Results of braking action tests are made available to pilots upon requests.

EQUIPMENT MAINTENANCE:

For Levels 3 and 4 operations, the mechanic will report to the Public Works shop to repair equipment that breaks. A Tech I will be utilized to help the mechanic, when necessary, otherwise the mechanic may be utilized in the plowing effort if it becomes necessary.

PHONE ANSWERING:

During any snow event there is a major increase in phone calls by residents and property owners identifying problems and inquiring when streets will be plowed. Phones will be manned between 7:00 a.m. and 4:00 p.m., Monday through Friday. At all other hours the incoming line has voice mail/voice messaging capabilities. Those choosing to leave a message will receive a return call as quickly as possible.

STAFFING:

For round-the-clock operations (Levels 3 and 4), a total of 14 pieces of equipment, 28 plow operators, and one mechanic are needed. Additionally, seven operators and four pieces of equipment are needed for the City parking lots and sidewalks. To achieve sustained operations, two shifts will be created, drawing from Public Works, Parks Maintenance, and Facility Maintenance, supplemented with Engineering personnel, as needed.

SUMMARY:

The Public Works Department fully recognizes the emergency conditions presented by snow and ice. Procedurally, the Snow Management Plan provides an organized approach to combating these emergency conditions. With resident and property owner cooperation, the Public Works Department is ready and able to keep the City streets and City-owned parking lots safe and drivable during most storm events and, when major snow accumulation occurs, to return the City streets to a safe and drivable condition quickly following the storm event's cessation.

City crews are prohibited from plowing private property or driveways. In addition, they are prohibited from pulling or pushing stuck vehicles. Crews can and will assist citizens by calling appropriate emergency response personnel.

In the event of a medical or other emergency, citizens are urged to call 911. Emergency response personnel will contact City crews to provide access as needed.

The City of Show Low has a Snow Removal Ordinance Sec 18-3-1. Parking Obstructions during snow removal.

SNOWPLOW ROUTES AND EQUIPMENT:

<u>ROUTES</u>	<u>EQUIPMENT</u>
1	10-WHEEL DUMP W/PLOW & SPREADER
2	10-WHEEL DUMP W/PLOW & SPREADER
3	10-WHEEL DUMP W/PLOW & SPREADER
4	6-WHEEL DUMP W/PLOW & SPREADER
5	6-WHEEL DUMP W/PLOW & SPREADER
6	LOADER W/PLOW
7	LOADER W/PLOW
8	LOADER W/PLOW
9	PICKUP W/PLOW
10	PICKUP W/PLOW
11	PICKUP W/PLOW
12	PICKUP W/PLOW
13	1 ½ TON TRUCK W/PLOW & SPREADER (deicer)
14	PICKUP W/PLOW



Proclamation

City of Show Low

Office of the Mayor and City Council

WHEREAS, community service has always been a part of America's, as well as Show Low's, heritage; and

WHEREAS, the number of those in need in our area seems to be an always-growing number, and the people of our community have always shown a sincere desire to help those in need, especially during the holiday season; and

WHEREAS, a number of faith-based and other organizations approached the City of Show Low in 2013 with a plan to help those in need in our community; and

WHEREAS, the City of Show Low embraced this concept, out of which was borne the Community Fast of Compassion for Those in Need; and

WHEREAS, the City of Show Low and its citizens have discovered that the Community Fast is a very worthwhile cause that has made a huge difference in the lives of many in our community.

NOW, THEREFORE, I, John Leech, Jr., Mayor, on behalf of the Show Low City Council, do hereby proclaim **November 12 to 18, 2023**, as

♣ Community Fast of Compassion for Those in Need Week ♣

and urge all citizens of Show Low to come together for the eleventh annual Community Fast of Compassion for Those in Need; join us in setting aside one day during this week to fast and pray for guidance, grace, and protection for our great City and Nation as we address the challenges of our time and the concerns of those in need; donate the cost of one or two meals (or more if possible) from this fast to this worthy cause (with donations accepted at Show Low City Hall, National Bank of Arizona, Chase Bank, the Arizona Central Credit Union, and online at www.showlowcommunityfast.org); and join us in a community celebration on Sunday, November 19, 2023, at 5:00 p.m. at the Show Low School District Auditorium.

Dated this **17th** day of **October, 2023**.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of Show Low.

John Leech, Jr.
Mayor



Proclamation

City of Show Low

Office of the Mayor and City Council

WHEREAS, the citizens of the City of Show Low rely on local government to experience a high quality of life in our community; and

WHEREAS, local governments in Arizona work 24 hours a day, seven days a week to deliver city services such as police, public works, and emergency services to create safe and viable communities; and

WHEREAS, the methods of funding these vital city services are not always clearly understood by citizens; and

WHEREAS, it is one of the responsibilities of city officials to ensure that legislators, media, and citizens understand their local government through open and frequent communication using various avenues and means; and

WHEREAS, it is important to work to encourage this connection and inform citizens of the importance of state-shared revenues to preserve the excellent delivery of services that our citizens have come to expect in our city; and

WHEREAS, through education and awareness, citizens, community leaders, and city staff work together to ensure that services provided by the City of Show Low remain exceptional elements of the quality of life of our community.

NOW, THEREFORE, I, John Leech, Jr., Mayor, on behalf of the Show Low City Council, do hereby proclaim **October 15 through October 21, 2023**, as

♣ Arizona Cities and Towns Week ♣

Dated this **17th** day of **October, 2023**.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of Show Low.

John Leech, Jr.
Mayor

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Noncommercial Ground Lease with Desert Fish Aviation, LLC and Termination of Second Addendum to Noncommercial Ground Lease, for 3360 Corporate Way, Unit B with Roger Kevin Carson (Jacob Allen)

RECOMMENDATION

I **MOVE** to approve a noncommercial ground lease with Desert Fish Aviation LLC, terminate the Second addendum to the noncommercial ground lease for 3360 Corporate Way, Unit B with Roger Kevin Carson at Show Low Regional Airport, and authorize the Mayor to sign the documents on behalf of the City.

BACKGROUND

Victor One Ninety Hangars, LLC, entered into a noncommercial ground lease agreement with the City on December 14, 2004, for a multi-unit aircraft storage hangar located at 3360 Corporate Way. Victor One Ninety Hangars entered into various sublease agreements with tenants for some hangar bays.

On May 16, 2017, the Council approved the assignment of 3360 Corporate Way, Unit B of the Victor One Ninety Hangars noncommercial ground lease to Roger Kevin Carson.

Desert Fish Aviation, LLC will be purchasing Unit B of the building from Roger Kevin Carson and has requested a new noncommercial ground lease per the airport ground lease policy. As a result of this purchase, the current noncommercial ground lease with Roger Kevin Carson will need to be terminated to allow the new owners to enter into a new noncommercial ground lease.

The terms and conditions of the agreement include the new annual lease rate of 0.335 cents per square foot per year for 2,359 square feet, which is \$790.32 annually plus tax. The agreement includes an annual Consumer Price Index (CPI) increase. Desert Fish Aviation LLC is responsible for paying all utility costs. The length of the agreement is 25 years, beginning October 17, 2023, with the option to extend the agreement for five additional five-year periods at an increased rate for a total lease period of 49 years. Staff has revised the standard form contract by removing portions of the document that dealt with building a facility on the ground since Desert Fish Aviation LLC is purchasing an existing hangar.

Staff recommends approving the noncommercial ground lease with Desert Fish Aviation LLC, terminating the second addendum to the noncommercial ground lease for 3360 Corporate Way, Unit B, with Roger Kevin Carson, and authorizing the Mayor to sign the documents on behalf of the City.

ATTACHMENTS

1. Desert Fish Aviation Noncommercial Ground Lease
2. Termination of Lease - Roger Kevin Carson

FISCAL IMPACT

Anticipated revenue: \$150.00 one-time reassignment fee plus a total of \$790.32 per year ground lease (plus taxes), subject to increases stipulated in the lease.

When Recorded Return To:
City Clerk
City of Show Low
180 N. 9th Street
Show Low, AZ 85901

Mail Tax bill to:
Desert Fish Aviation, LLC
22764 S. 214th Court
Queen Creek, AZ 85142

NONCOMMERCIAL GROUND LEASE

Show Low Regional Airport

THIS AGREEMENT IS MADE ON OCTOBER 17, 2023, between the City of Show Low, an Arizona Municipal Corporation of the State of Arizona ("LESSOR"), and Desert Fish Aviation, LLC, an Idaho limited liability company, ("LESSEE").

WHEREAS, LESSOR now owns, controls and operates the Show Low Regional Airport (Airport) in the City of Show Low, County of Navajo, State of Arizona; and

WHEREAS, LESSEE has purchased an aircraft storage hangar owned by Roger Kevin Carson for LESSEE's personal use at the Show Low Regional Airport; and

WHEREAS, LESSEE wishes to enter into a new lease with the LESSOR for the aircraft storage hangar; and

WHEREAS, LESSOR wishes to have LESSEE use a portion of the Show Low Regional Airport; and

NOW, THEREFORE, in consideration of the mutual promises expressed in this Agreement, the parties agree as follows:

1. Premises. LESSOR does hereby lease to LESSEE and LESSEE does hereby lease from LESSOR the following real property (Premises): 3360 Corporate Way, Unit B. The Premises shall be as described on Exhibit "A" and shall include the actual ground the hangar will sit upon (building footprint), any apron extensions necessary to match existing pavement grades to hangar floor grades, front, side, and rear setbacks of 20 feet, 5 feet, and 10 feet respectively, and any and all other ground which the LESSEE will utilize or occupy during the term of this Agreement.

Exhibit "A" is attached hereto and incorporated herein. The rights of ingress and egress from the Premises are granted to the LESSEE over and across

the public areas intended for use by pedestrian, vehicles, and aircraft pursuant to Paragraph 11.

2. Term. The term of this Agreement shall be for twenty-five (25) years commencing on the 17th day of October, 2023 and expiring on the 16th day of October, 2048. The LESSEE has the option of extending this agreement for five (5) additional five (5) year periods for a total lease period of 49 years, upon LESSOR approval and subject to renegotiation of the ground lease fee.
3. LESSEE's Noncommercial Use. LESSOR grants to LESSEE the privilege of operating and maintaining a hangar at the Airport for storage of LESSEE's personal aircraft, and the aircraft of sublessee's of the hangar.

The premises shall be used only for storage of LESSEE's or sublessee's aircraft except to temporarily store or park automobiles. No commercial activity of any kind whatsoever shall be conducted by LESSEE or sublessee in, from, or around the premises. No maintenance on the aircraft shall be performed on the premises except in accordance with all city, state, and federal laws, ordinances, rules, and regulations.

LESSEE is granted the use of the leased premises, subject to the ownership and easement rights necessary for LESSOR to operate and maintain the Airport or for FAA requirements, to the terms and provisions of this Agreement, and to ordinances, rules and regulations promulgated by LESSOR.

4. Rights and Obligations of LESSEE.

A. Operating Standards.

1. LESSEE shall comply with the City of Show Low Airport Minimum Standards, promulgated by the LESSOR and as adopted by City of Show Low Resolution No. 715, including subsequent amendments, as applicable to each of the LESSEE's activities on the Airport; and LESSEE shall comply with the City of Show Low Airport Rules and Regulations, promulgated by the LESSOR and as adopted by City of Show Low Ordinance No. 415, including subsequent amendments.
2. LESSEE shall meet all expenses and payments in connection with the use of the Premises and the rights and privileges herein granted, including water and sewer tap fees, permit fees, and license fees. LESSEE shall be responsible for all applicable taxes relating to the subject Premises and improvements.

3. LESSEE shall be responsible for the maintenance and repair of the entire Premises as described in Exhibit A and shall keep and maintain the Premises in good condition, order and repair, and shall surrender the same upon the expiration of this Agreement, in the condition which they are required to be kept, reasonable wear and tear and damage by the elements not caused by LESSEE's negligence excepted. LESSEE's maintenance shall include, but not be limited to, weed and grass cutting and snow and ice removal.
 4. LESSEE shall have the right to choose, in its sole discretion, its vendors and suppliers, except aviation fuels purchased on the airport, which will be provided by the LESSOR or LESSOR's designated supplier.
 - B. Fixtures. During the term of this Agreement, LESSEE shall have the right, at its expense, to place in or on the Premises fixtures, furnishings, personal property, equipment and materials necessary to perform any services required or authorized hereunder. Said fixtures, furnishings, personal property equipment and material shall remain the property of LESSEE.
5. Appurtenant Privileges.
 - A. Use of Airport Facilities. LESSEE shall be entitled, in common with others so authorized, to the use of all public airport facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including but not limited to, the use of landing areas, runways, taxiways, navigational aids, and aircraft parking areas designated by LESSOR.
 - B. Maintenance of Airport Facilities. LESSOR shall maintain all public and common or joint use areas of the Airport, including the Air Operations Area, in good repair, and shall make such repairs, replacements or additions thereto as it considers, in its sole discretion, necessary for the safe and efficient operations of the Airport.
 - C. Aerial Approaches. LESSOR reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which LESSOR reasonably believes would limit usefulness of the Airport or constitute a hazard to aircraft.
6. Leasehold Improvements. There are constructed leasehold improvements on the premises which include a permanent hangar of approximately 1,350

square feet and those additional areas as described in Exhibit A, if any, for a total leasehold area of approximately 2,359 square feet.

Obstruction lighting as outlined in FAA Advisory Circular 70/7460-1K, or subsequent amendments, shall be installed and maintained on all buildings directly facing any of the Airport's runways. Buildings behind or shielded by buildings facing the runways may not be required to install and maintain obstruction lighting depending on the height of the buildings and any comments received from the FAA on the Form 7460 submitted.

It is agreed and understood that the leasehold improvements undertaken pursuant to this Agreement shall become the property of the LESSOR upon the termination of the lease.

LESSEE shall, at all times throughout this lease, maintain the structure(s) and site improvements and all other portions of the leased premises in good serviceable condition and repair except for reasonable wear and tear, acts of God and other unavoidable casualties.

LESSEE shall keep the leased premises and improvements clear of all liens in any way arising out of the action or use of the premises by LESSEE.

7. Rentals, Charges, and Fees. LESSEE agrees to pay the LESSOR, for the use and enjoyment of the Premises, public Airport facilities, rights, licenses, services, and privileges granted herein, monthly rent for the leased premises plus three months prepaid rent, and charges, all as set forth below. The LESSEE shall pay rent to the LESSOR at Show Low City Hall at 180 N. 9th Street, Show Low, AZ 85901, for the leased premises in advance and without any setoff of any kind, commencing on the first day of November, 2023.

LESSEE further agrees to pay to LESSOR prepaid rent in an amount equal to three months of rent based on the first year's Ground lease rate. This amount shall be deposited by LESSOR and used as guaranteed funds to draw from in the event LESSEE is in default of payment of any or all amounts due to LESSOR. LESSEE's obligation to pay all amounts due shall not be waived due to prepaid amounts. Should LESSEE be delinquent on any amounts, LESSOR will undertake to collect on these amounts and will implement the applicable sections of the Agreement pertaining to termination of the Agreement by LESSOR. Should the LESSEE allow this Agreement to terminate at the conclusion of the first 25 years of the Agreement, the three months of prepaid rent will be credited towards partial payment of the amounts due in these last three months.

Prepaid rent shall be due on the first day of the term of this Agreement as set forth in paragraph 2 herein. LESSEE's initial Ground Lease payment

shall include the first month's rent payment plus the aforementioned three month's prepayment.

- A. Ground Lease Rent. The LESSEE agrees to pay the LESSOR thirty-three and one-half (\$0.335) cents per square foot per year plus applicable transaction privilege tax for the leased Premises, paid monthly in twelve (12) equal installments of approximately \$65.86, or approximately \$790.32 annually, as compensation and rent for the ground lease of the Premises.

The ground rent will be subject to readjustment every July on an annual basis. The readjustment will account for inflation and will be based on a Consumer Price Index (CPI) applicable to the State of Arizona and as determined by the LESSOR. The summation of all increases in ground rent which are due to readjustment will not exceed three hundred percent (300%) of the initial ground rent over the initial term of the Agreement and any extensions. The LESSOR reserves the right to renegotiate rental rates for any extensions based on fair market value of the premises leased at the time of the extension.

Additionally, the LESSEE may assign, in accordance with Section 17, Assignment, Peaceful Possession; rent or sublease the Premises. When rented or subleased, LESSEE shall pay to LESSOR an additional five percent (5%) surcharge of LESSEE's ground lease rate as defined by the terms of this Agreement. LESSEE shall immediately notify the LESSOR of LESSEE's intent to enter into any subleases. Notwithstanding any sublease, LESSEE shall remain fully liable for the amounts due under this lease. A sublease shall be declared if LESSEE stores aircraft other than those registered in LESSEE's name in or on any portion of the leased premises.

Rental fees shall be paid in advance on a monthly or annual basis including Ground Lease Fees as listed above.

- B. Charges. Monthly late fees are set by the Show Low City Council in accordance with monthly user fees and are amended from time to time. Any rent or fees payable by LESSEE hereunder which are not paid within fifteen (15) days after the due date shall be assessed the monthly late penalty fee in effect at the time of the delinquency. At the time of execution of this Lease the late penalty fee is ten (\$10) dollars.

LESSEE shall pay, in addition to rent and charges as specified above, all permit and license fees attributable to LESSEE's operations. In the event LESSEE fails to pay any permit or license

fee when due, LESSOR may, at its option, pay the same and collect from the LESSEE the amounts so disbursed, plus interest at the rate of 1 1/2% per month or fraction thereof.

8. Restrictions of Other Statutes and Agreements. This Agreement shall be subject and subordinate to any existing or future federal or state statute or any existing or future lease or agreement between the LESSOR and the United States or the State of Arizona relative to the development, construction, operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development, construction, operation or maintenance of the Airport; provided, however, that LESSOR shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of LESSEE.

9. Signs, Displays, Inspection by LESSOR. LESSEE shall illuminate the apron around the Hangar from dusk to dawn and shall also install, maintain, and operate such obstruction or warning lights on structures in or constituting part of the Premises as may be required to conform to Federal Aviation Administration standards or to conform to the standards prescribed by any other governmental agency having jurisdiction. All exterior lighting shall be shielded and pointed downward so as not to pose a light hazard to aircraft and pilots in the area.

LESSEE shall not install, erect or place, or permit others to do so, any signs, placards, illuminated signs, displays, advertising, or other media on the Airport, without the prior written consent of the LESSOR. All signage shall comply with the Show Low City Code and shall be approved by the Airport Manager or the Public Works Director.

10. Title, Cost of Fixed Improvements and Amortization. Title to the site improvements to the premises and to all subsequent alterations shall be in LESSEE's name during the term of this Agreement, but shall vest in the LESSOR after the expiration of this Agreement and any extensions of this Agreement.

In case the premises or any part of them, as will substantially impair LESSEE's ability to use the premises for the purposes specified in this Agreement, are required for use by the United States, the State of Arizona, or for other Airport purposes prior to the expiration of this Agreement, LESSOR may, upon one hundred twenty (120) days advance written notice to the LESSEE, direct LESSEE to vacate the premises and this Agreement shall terminate. LESSOR, within one hundred twenty (120) days after LESSEE's removal, will pay to LESSEE the Pro Rata cost of the permanent structures constructed and installed there. The Pro Rata cost is to be

calculated by averaging two appraisals for the structure(s) and then multiplying that average by the ratio of years and months remaining on the Agreement term to the total number of years and months of the Agreement term including any extensions. The costs for the two appraisals will be borne by the LESSOR and the appraisers will be mutually agreeable to the LESSOR and LESSEE.

11. Access, Ingress, Egress, and Conduct of Operations. LESSOR grants to LESSEE the right of access and ingress to and egress from leased premises to the public streets by LESSEE and its contractors, suppliers, servicemen, guests, patrons, and invitees if those rights of access, ingress and egress are always exercised in conformance with all City of Show Low ordinances and all regulations promulgated by the LESSOR, the FAA, the State of Arizona, or other lawful authority, for the care, operation, maintenance and protection of the Airport and the public.

The operations of the LESSEE shall be conducted in an orderly and proper manner so as not to annoy, disturb, or be offensive to others at the Airport. LESSOR shall have the right to complain to LESSEE as to the demeanor, conduct, or appearance of the premises or LESSEE's visitors, or servicemen. The LESSEE will take steps necessary to remove the cause of any legitimate complaint.

LESSEE and its invitees, and those doing business with the LESSEE shall have no right to park vehicles upon the Airside premises including any parking aprons, extensions to the aircraft ramp or other aircraft operating areas. Vehicle parking shall only be allowed in places leased to LESSEE under this Agreement, with the exception of the aforementioned areas, or in designated parking areas.

LESSOR, by its representatives, shall have the right at any reasonable time, with reasonable notice except in cases of emergency, and as often as it considers necessary to inspect the leased premises and (without any obligation to do so) to enter there to direct LESSEE to make the repairs described in this Agreement.

12. Damage to or Destruction of Premises. If during the term of this Agreement all or part of the leased premises are damaged or destroyed by fire or other casualty, LESSEE shall, with all reasonable dispatch after such damage or destruction, cause plans, specifications and estimate of cost for repairing, replacing, or reconstructing the damaged or destroyed property according to the original design, subject to modifications as may be approved by LESSOR. The plans and specifications for that work (except for emergency repairs) shall be submitted to and receive the approval of LESSOR prior to the commencement of work. Upon approval of the plans and specifications for work as mentioned, LESSEE shall, with reasonable diligence, proceed,

except for unavoidable delays, to repair, restore, replace, or rebuild, according to the approved plans and specifications, the buildings, structures or other improvements as nearly as possible to their condition immediately before that damage or destruction.

If the LESSEE certifies to the LESSOR that insurance proceeds are insufficient to repair, replace, or reconstruct the Premises to substantially the same condition as before the damage or destruction, LESSEE may upon written notice terminate its ground lease under this Agreement. In that case all of the insurance proceeds shall be paid to LESSOR and LESSEE, at its expense, upon notice to do so by LESSOR, shall demolish the remaining improvements and clear the debris. If LESSEE fails to exercise that right to terminate its ground lease, it shall repair, replace or reconstruct the Premises regardless of the sufficiency of insurance proceeds for that purpose.

Except in the case provided in the above paragraph, in which LESSEE may choose to terminate its ground lease, all insurance proceeds recovered on account of damage or destruction to the Premises are to be applied and disbursed in the following order to the limits of the funds available:

- A. To pay or reimburse the LESSEE for all expenses incurred in connection with the adjustment or collection of such loss.
 - B. To pay or reimburse the LESSEE for all costs and expenses incurred in connection with the preparation of the mentioned plans, specifications and estimates of cost for repairing, replacing or restoring the damaged or destroyed property.
 - C. To pay or reimburse the LESSEE for the costs and expenses of that work as it progresses so that the leased premises shall always be free from liens for any labor, services or materials performed, furnished or delivered in connection with that work.
 - D. To pay LESSOR for any losses incurred by LESSOR.
 - E. The balance of any remaining proceeds may be retained by LESSEE.
13. Indemnity. LESSEE agrees to indemnify, defend, and save harmless the LESSOR, its Mayor and Council, appointed board and commissions, officials, officers and employees, individually and collectively from all losses, claims, suits, demands, expenses, attorney's fees or actions of any kind and nature resulting from personal injury to any person (including bodily injury and death) or damages to any property, arising out of the LESSEE's negligent acts, errors, omissions, or violations of the law through the use or occupancy of the leased premises by the LESSEE or others with

its consent or out of any other acts or omissions of the LESSEE, its officers, agents and employees, on the premises or elsewhere on the Airport. This indemnity shall include injuries, death, damage to property, environmental liability, etc. which arises out of LESSEE's use of the premises.

The amount and type of insurance coverage requirements set forth in paragraph 14 will in no way be construed as limiting the scope of indemnity in this paragraph.

14. Insurance. The LESSEE shall obtain and maintain continuously in effect at all times during the term of this Agreement, at LESSEE's sole expense, insurance of the type and in the amount as set forth below. The required insurance coverage and limits will be determined by the LESSOR's liability carriers and shall be subject to review and adjustment at two (2) year intervals, at the sole discretion of the LESSOR with the first adjustment date to be two (2) years following the commencement date of this Agreement.

Insurance must cover all aspects of LESSEE's operations and reflect any deviations from, changes to, or additions of activities, services, or operations. Insurance provisions must be renewed annually, and the LESSOR named as additional insured. LESSEE shall provide but not be limited to the following types of insurance:

- A. Comprehensive General Liability insurance of an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate protecting LESSOR against any and all liability arising by reason of LESSEE's conduct incident to the use of the Premises.
- B. Property Insurance against loss or damage in the amount of not less than 100% of replacement value.
- C. Motor Vehicle Insurance covering all motor vehicles that will be driven on aircraft operating areas including aircraft ramps and aprons during the course of LESSEE's operations.
- D. Any other insurance as may be required in the Airport Minimum Standards or as may be required by the LESSOR's insurance carriers.

All such insurance policies shall contain the following endorsements: (1) that a certificate of insurance be provided to the LESSOR when insurance coverage is effected, (2) written notice be given to the LESSOR at least ten (10) days prior to termination, cancellation, or reduction in coverage in any policy, and (3) the LESSOR is to be included as an additional insured as their respective interests may appear, (4) LESSEE's policies shall be primary non-contributory and subrogation waived. LESSEE shall provide

LESSOR with copies of all applicable insurance policies with the required endorsements.

15. LESSEE as Independent Contractor. In conducting its operations hereunder, LESSEE acts as an independent contractor and not as an agent of LESSOR. The selection, retention, assignment, direction and payment of LESSEE's employees shall be the sole responsibility of LESSEE, and LESSOR shall not attempt to exercise any control over the daily performance of duties by LESSEE's employees, subcontractors, and/or vendors.
16. Applicable Laws, Ordinances, Rules and Regulations. LESSEE, its visitors, servicemen and any other persons over which the LESSEE has control, shall comply with all lawful rules and regulations, including the Show Low Regional Airport's Minimum Standards and Rules and Regulations, and amendments or supplements to them governing or related to the use of the Airport or of the leased premises as may be promulgated by LESSOR, and with the applicable rules and regulations of any federal, state, or local governmental body having jurisdiction.

LESSEE shall always faithfully obey and comply with all lawful present and future laws and ordinances of federal, state or local governmental bodies and rules and regulations lawfully promulgated under them, whether or not of the type enumerated, applicable to, or affecting LESSEE and its operations and activities in the leased premises or elsewhere at the Airport.

The leased premises and the Show Low Regional Airport are included in the regulated industrial activities of the Clean Water Act and are required to comply with the conditions of a storm water discharge permit under the National Pollutant Discharge Elimination System (NPDES). The LESSEE, at its own expense, shall ensure that all activities under this Lease comply with the conditions of the NPDES permit.

17. Assignment, Peaceful Possession. LESSEE shall not sell, assign, transfer, mortgage, or pledge this Agreement or the leasehold interest it creates, without the express written approval of the City Council of the City of Show Low, which approval shall not be unreasonably withheld. LESSEE shall notify the Airport Manager in writing if LESSEE intends to sublease the premises. LESSEE shall be required to pay to LESSOR an additional 5% surcharge of LESSEE'S ground lease rent when a sublease occurs as outlined in Section 7. LESSEE shall not permit any transfer of its leasehold interest that may occur by operation of law.

The only exception to the prohibition of assignment without prior approval from LESSOR that LESSEE may enter into a mortgage or loan with a bank or financial institution for the purpose of constructing leasehold

improvements. The LESSEE is responsible for informing a mortgager or lender of the limitations on use and that the mortgager or lender will be subject to the provisions, covenants, and restrictions of this Agreement.

It is agreed that the only activity or activities which LESSEE may conduct from the leased premises, directly or indirectly, alone or through others, are those as referenced in Section 3, LESSEE's Noncommercial Use, and Section 4, Rights and Obligations of LESSEE, of this Agreement.

This Agreement does not make either party the agent or representative of the other for any reason.

LESSOR agrees that LESSEE shall and may peaceably enjoy the premises or space leased to it during the lease unless the lease shall cease, close or expire sooner or shall be terminated as provided in this Agreement.

18. Nondiscrimination in the Use of the Premises by LESSEE. This Agreement involves the construction or use of, access to, space on, over, or under real property acquired, or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity that provides services to the public.

LESSEE, or LESSEE and LESSEE's personal representatives, successors in interest, and assigns, as part of the consideration here, agrees as a covenant running with the land that (1) no person on the grounds of race, color, religion, sex, disability or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination in the use of the facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services there, no person on the grounds of race, color, religion, sex, disability or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination, and (3) that LESSEE shall use the premises in compliance with all other requirements imposed by, or pursuant to Title 49, Code of Federal Regulations (C.F.R.), the Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, the Arizona Civil Rights Act (A.R.S. Sec. 44-1401 et. Seq.), and as said regulations may be amended, and that (4) in the event of breach of any of the above non-discrimination covenants, LESSOR shall have the right to terminate this Agreement and to reenter and repossess the Premises and hold the same as if said Agreement had never been made or issued. This provision does not become effective until the procedures of 49 C.F.R. Part 21 have been followed and completed, including expiration of appeal rights.

LESSEE assures that it will undertake an affirmative action program, as required by 14 C.F.R. Part 152, Subpart E, to ensure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any employment, contracting, or leasing activities covered in 14 C.F.R. Part 152, Subpart E. LESSEE assures that no person shall be excluded, on these grounds, from participating in or receiving the services or benefits of any program or activity covered by Subpart E. LESSEE assures that it will require that its covered organizations provide assurance to the LESSEE that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 C.F.R. Part 152, Subpart E, to the same effect.

19. Storm Water Compliance.

A. Acknowledgements

1. Notwithstanding any other provisions or terms of the Lease, LESSEE acknowledges that the airport is subject to Federal Storm Water regulations, 40 C.F.R. Part 122, for "vehicle maintenance shops" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or de-icing operations that occur at the Airport as defined in these regulations and, if applicable, state storm regulations. LESSEE further acknowledges that it is familiar with these storm water regulations; that it conducts or operates "vehicle maintenance" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or de-icing activities as defined in the federal storm water regulations; and it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations.
2. Notwithstanding any other provisions or terms of this Lease, LESSOR acknowledges that it has taken steps necessary to apply for or obtain a storm water discharge permit as required by the applicable regulations for the Airport, including the Property occupied or operated by the LESSEE. LESSEE acknowledges that the storm water discharge permit issued to the Airport may name the LESSEE as co-permittee.
3. Notwithstanding any other provisions or terms of this Lease, including the LESSEE's right to quiet enjoyment, LESSOR and LESSEE both acknowledge that close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize costs. LESSOR acknowledges that, as discussed more fully below, it may have to undertake to

minimize the exposure of storm water (and snow melt) to "significant materials" generated, stored, handled or otherwise used by the LESSEE, as defined in the federal storm water regulations, by implementing and maintaining "Best Management Practices".

4. LESSEE acknowledges that the Airport's Storm Water discharge permit is incorporated by reference into the Lease and any subsequent renewals.
5. LESSEE, and those doing business with LESSEE shall be expressly prohibited from painting aircraft, equipment, or fixtures within, on, or around the Premises with the exception of those items that can be painted with a hand-held brush. The use of spray paint guns, or similar, is expressly prohibited.

B. Permit Compliance

1. LESSOR will provide LESSEE with written notice of those storm water discharge permit requirements that are in the Airport's storm water permit that LESSEE will be obligated to perform from time to time, including, but not limited to: certification of non-storm water discharges; collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of "good housekeeping" measures or Best Management Practices; and maintenance of necessary records. Such written notice shall provide LESSEE with reasonable time, not to exceed sixty (60) days, to perform the storm water requirements as directed by LESSOR. LESSEE shall notify LESSOR in writing if it disputes any of the storm water discharge permit requirements it is being directed to undertake. If LESSEE does not provide such timely notice, it is deemed to assent to undertake such requirements.
2. LESSEE agrees to undertake, at its sole expense unless otherwise agreed to in writing between LESSOR and LESSEE, those storm water discharge permit requirements for which it has received written notice from the LESSOR. LESSEE warrants that it shall meet any and all deadlines that may be imposed on or agreed to by LESSOR and LESSEE. LESSEE acknowledges that time is of the essence.
3. LESSOR agrees to provide LESSEE, at its request, with any non-privileged information collected and submitted to any governmental entity(ies) pursuant to applicable storm water regulations.
4. LESSEE agrees that the terms and conditions of the Airport's storm water discharge permit may change from time to time and hereby appoints LESSOR as its agent to negotiate with

the appropriate governmental entity(ies) any such permit modifications.

5. LESSOR will give LESSEE written notice of any breach by LESSEE of the Airport's storm water discharge permit or the provisions of this section when such a breach is significant, and, if of a continuing nature, LESSOR may seek to terminate this Lease pursuant to the terms of this Lease. Tenant agrees to cure promptly any breach.
 6. LESSEE agrees to participate in any Airport-organized task force or other work group established to coordinate storm water activities at the Airport.
-
20. Environmental. LESSEE shall comply with all environmental federal, state, and local laws and regulations regarding the storage, use, and disposal of hazardous materials, biological wastes and petroleum products.
 21. Holdover. In the event LESSEE shall occupy the leased premises after the termination of this Lease either by expiration of the Lease term or otherwise, such holdover shall not be construed as a holding over from month to month or year to year or term of years or for a periodic term of any kind, but shall be a holding over from day to day, wholly at the will of the LESSOR.
 22. Partial Invalidity. If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
 23. Termination by LESSOR. In any of the following events, which shall constitute "events of default", LESSOR shall have the right, at LESSOR's election, to terminate this Agreement immediately, or to terminate LESSEE's tenancy hereunder:
 - A. LESSEE shall fail to pay the rent in the amounts and at the times and in the manner provided here and that failure shall continue for thirty (30) or more days after written notice of it shall have been given to LESSEE.
 - B. LESSEE shall make an assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudged bankrupt, and that adjudication is not stayed or vacated within sixty (60) days later, or the interest of LESSEE under this Agreement shall be levied upon and sold upon execution or shall by operation of law become vested in another person, firm, or corporation because of the insolvency of LESSEE; or in the event that a receiver or trustee shall be appointed for LESSEE or the interest of LESSEE under this Agreement, and such appointment has not been vacated within sixty (60) days later.

- C. LESSEE shall vacate or abandon the premises, or shall permit them to remain vacant or unoccupied for more than sixty (60) days without first obtaining the consent of LESSOR.
 - D. LESSEE shall fail to observe any other provision of this Agreement after thirty (30) days written notice given by LESSOR of such failure, or, if such failure cannot be cured within thirty (30) days through no fault of LESSEE, LESSEE shall have further time as is reasonably necessary to cure.
 - E. LESSEE shall fail to complete the construction of all improvements as outlined in Section 6, Leasehold Improvements, of this Agreement, within the 270-day period as described.
 - F. This Agreement may be subject to immediate suspension of operations, without benefit of the thirty (30) day remediation period, and LESSEE's right to tenancy of the Premises may be suspended immediately if the safety and health of personnel in, on or around the Premises is in serious jeopardy and serious injury or death could occur. Immediate suspension may occur as the result of conditions, issues or events arising through LESSEE's use or occupancy of the Premises including, but not limited to, failure of LESSEE to maintain adequate insurance coverage as outlined in Section 14, Insurance; the presence of hazardous materials or conditions, adverse environmental conditions, structural damage to any structure on the Premises or other conditions, issues or events that may arise or be present on the Premises affecting personnel health or safety. Failure to cure the serious health or safety issues in a reasonably timely manner considering the circumstances, shall be grounds for termination.
24. Termination by LESSEE. This Agreement shall be subject to termination by LESSEE in the event of any one or more of the following events:
- A. The abandonment of the Airport as an airport or airfield.
 - B. The LESSOR fails to remedy, or undertake to remedy, to LESSEE's satisfaction, any of the following defaults for a period of thirty (30) days after receipt of notice from LESSEE:
 - 1. Fails to observe any provision of this Agreement.
 - 2. Condemns property for right-of-way purposes.
 - C. This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said airport of the exclusive or nonexclusive use of the

airport by the United States during the time of war or national emergency.

25. Default. Upon the occurrence of any of the events of default specified in paragraph 23, LESSEE's right to possession of the leased premises shall at LESSOR's option terminate and LESSEE shall surrender the premises immediately. In that event, LESSEE grants to LESSOR full license to enter into the premises, or any part of them, to take possession with or without process of law, and to remove LESSEE or any other person who may be occupying the premises, or any part of them, and LESSOR may use that force in removing LESSEE and that other person as may reasonably be necessary. And LESSOR may repossess itself of the premises as of its former estate, but that entry of the premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause a forfeiture of rents due, nor waiver of any agreement or promise in this lease that is to be performed by LESSEE. LESSEE shall make no claim of any kind against LESSOR, its agents and representatives by reason of that termination or any act incident to it.

At its option, LESSOR may terminate this Agreement for any uncorrected default. LESSOR may sue for all damages and rent accrued or accruing under this Agreement or arising out of any breach of it.

If it so elects, LESSOR may pursue any other remedies provided by law for the breach of this Agreement or any of its terms or conditions. No right or remedy conferred herein or reserved to LESSOR or LESSEE is intended to be exclusive of any other right or remedy, and each right and remedy shall be in addition to any other right or remedy given, or now or later existing at law or at equity or by statute.

The acceptance of rent by LESSOR, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach of this Agreement by LESSEE, or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express waiver in writing, shall not be construed as a waiver of LESSOR's right to act or of any other right here given LESSOR, or as an election not to proceed under the provisions of this Agreement.

In the event of default by LESSOR, LESSOR shall, within sixty (60) days of the date of such termination or cancellation, negotiate a payment schedule with the LESSEE for all of the leasehold improvements installed or constructed by LESSEE at an unamortized cost for said improvements. LESSEE agrees that, for purposes of this provision, it shall amortize the actual direct cost of such improvements on a straight-line basis, commencing with the effective date of this Agreement and extending for the term hereof.

26. Termination of Agreement. Upon termination of this Agreement by lapse of time or otherwise as provided here, LESSEE agrees to surrender the leased premises in good condition and repair, normal wear and tear excepted, without the receipt of any demand for rent, notice to quit or demand for possession.

LESSEE shall be entitled during the term of this Agreement and for fifteen (15) calendar days after its termination, to remove from the premises all aircraft, fixtures, tools, machinery, equipment, materials and supplies placed there by it under this Agreement, subject, however, to any valid lien LESSOR may have on those items for unpaid rents or other amounts payable by LESSEE to LESSOR, and provided that LESSEE shall have repaired all damage resulting from that removal.

LESSEE shall be deemed to have abandoned to LESSOR any of that equipment or property of LESSEE which LESSEE has failed to remove from the premises within the mentioned fifteen (15) calendar days after the end of the period of this Agreement or effective date of termination, unless the LESSOR shall grant in writing a further period for this purpose.

27. Choice of Law. This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Arizona. Venue for any litigation arising from this Agreement shall be in Navajo County, Arizona.
28. Notices. Notices to LESSOR provided for here shall be sent by registered or certified United States mail, postage prepaid, addressed to the Airport Manager, Show Low Regional Airport, 3150 Airport Loop Road, Suite 100, Show Low, Arizona 85901, and notices to LESSEE provided for here shall be sent by registered or certified United States mail, postage prepaid, addressed to LESSEE at: Desert Fish Aviation, LLC, Attn: Leif Isaacson, 22764 S. 214th Court, Queen Creek, Arizona 85142, or in either case to such other respective parties and addresses as the parties may designate in writing, and those notices shall be deemed to have been given when so sent.
29. Entire Agreement. This Agreement consisting of paragraphs numbered 1 to 30 including all Exhibits, if any, constitute the entire Agreement between the parties, and no warranties, inducements, considerations, promises or other inferences shall be implied or impressed upon such agreement that are not set forth here at length.
30. Attorney's Fees. In the event an action or proceeding arises regarding this Agreement, the prevailing party shall be entitled to recover its costs, and attorney's fees in such action.

In witness, the parties have caused this instrument to be executed under their respective seals on the day and year written first above:

CITY OF SHOW LOW (LESSOR):

ATTEST:

John Leech, Jr., Mayor

Rachael Hall, City Clerk

APPROVED AS TO FORM:

Anna M. Atencio, City Attorney

DESERT FISH AVIATION LLC (LESSEE):

Leif Isaacson, Member

STATE OF ARIZONA)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of October, 2023, by Leif Isaacson.

Notary Public

My Commission Expires:

EXHIBIT A

Unit B of A.P. No. 210-99-034Z

When recorded, return to:
City Clerk
City of Show Low
180 N. 9th Street
Show Low, AZ 85901

TERMINATION OF LEASE

The CITY OF SHOW LOW, an Arizona Municipal Corporation, ("LESSOR") and Victor One Ninety Hangars, LLC, entered into a Noncommercial Ground Lease Agreement on December 14, 2004, for a multi-unit aircraft storage hangar located at 3360 Corporate Way, in Show Low, Arizona. The lease was recorded on July 20, 2005, Instrument No. 2005-19218, records of Navajo County, Arizona. On May 2, 2017, a Second Addendum to Noncommercial Ground Lease was entered into to assign a portion of the Noncommercial Ground Lease at 3360 Corporate Way, Unit B, from Victor One Ninety Hangars, LLC to Roger Kevin Carson. The second addendum was recorded on May 25, 2017, Instrument No. 2017-07494, records of Navajo County, Arizona. Roger Kevin Carson has sold the aforementioned hangar and the second addendum for 3360 Corporate Way, Unit B, is hereby terminated by mutual agreement, effective October 17, 2023.

CITY OF SHOW LOW

John Leech, Jr., Mayor

ATTEST:

Rachael Hall, City Clerk

APPROVED AS TO FORM:

Anna M. Atencio, City Attorney

ROGER KEVIN CARSON

Roger Kevin Carson

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Purchase of Barracuda Web and Email Filter Systems
(Chris Tewalt)

RECOMMENDATION

I **MOVE** to authorize the purchase of the Barracuda Web and Email Filters not to exceed \$69,297.48.

BACKGROUND

Currently, the City of Show Low utilizes the Microsoft email filter and FortiGate web filtering, which gives us basic web and email filtering. The Barracuda filters will be a much more robust source of protection from cybersecurity attacks that may come from the email system as well as the websites that could have infected links or virus-related software embedded in them.

Barracuda is an award-winning security organization that has protected networks like ours for many years. Barracuda will assist in blocking viruses from emails and the Internet. It will be an essential part of our cybersecurity protection and will critically assist in protecting our network. Barracuda will come with professional services to assist with installation and setup, as well as support over the life of the contract. City staff will install the hardware and assist Barracuda with the remote setup.

Staff recommends authorizing the purchase of Barracuda Web and Email filtering system from CDW-G in an amount not to exceed \$69,297.48.

ATTACHMENTS

1. Barracuda Quote

FISCAL IMPACT

Anticipated cost: \$69,297.48

Funding Source (account no.): Equipment Purchase (11-440-495-7410-0000/4402403)



Thank you for choosing CDW. We have received your quote.

Hardware Software Services IT Solutions Brands Research Hub

QUOTE CONFIRMATION

CHRIS TEWALT,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
NNMM319	9/11/2023	BARRACUDA WEB SECURITY	3117675	\$69,297.48

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
Barracuda E-Mail Protection Premium - subscription license (1 month) - 1 us Mfg. Part#: EP-PREMIUM-USR-1M Electronic distribution - NO MEDIA Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)	2580	6799026	\$10.95	\$28,251.00
Barracuda Professional Services Remote Quick Start - implementation - for B Mfg. Part#: BPS-RMQS-EMAIL PRM Electronic distribution - NO MEDIA Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)	1	6978655	\$3,295.00	\$3,295.00
Barracuda Web Security Gateway 610b - security appliance Mfg. Part#: BYF610B Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)	1	7288100	\$13,775.00	\$13,775.00
Barracuda Advanced Threat Protection - subscription license (1 month) - 1 l Mfg. Part#: BYF610A-A UNSPSC: 43233205 Electronic distribution - NO MEDIA Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)	12	5754039	\$325.00	\$3,900.00
Barracuda Energize Updates - subscription license (1 month) - 1 license Mfg. Part#: BYF610A-E UNSPSC: 43233204 Electronic distribution - NO MEDIA Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)	12	5754040	\$339.00	\$4,068.00
Barracuda Instant Replacement - extended service agreement - 1 month - ship Mfg. Part#: BYF610A-H	12	5754041	\$269.00	\$3,228.00

QUOTE DETAILS (CONT.)

UNSPSC: 81111811

Electronic distribution - NO MEDIA

Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)

Barracuda Professional Services Remote Quick Start - implementation - for B

1

6978655

\$1,995.00

\$1,995.00

Mfg. Part#: BPS-RMQS-EMAIL PRM

Electronic distribution - NO MEDIA

Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)

Barracuda Spyware Firewall 310

1

789710

\$2,995.00

\$2,995.00

Mfg. Part#: BYF310A

UNSPSC: 43222501

Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)

Barracuda Advanced Threat Protection - subscription license (1 month) - 1 l

12

5754033

\$63.00

\$756.00

Mfg. Part#: BYF310A-A

UNSPSC: 43233205

Electronic distribution - NO MEDIA

Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)

Barracuda Energize Updates - subscription license (1 month) - 1 license

12

5754034

\$63.00

\$756.00

Mfg. Part#: BYF310A-E

UNSPSC: 43233204

Electronic distribution - NO MEDIA

Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)

Barracuda Instant Replacement - extended service agreement - 1 month - ship

12

5754035

\$61.00

\$732.00

Mfg. Part#: BYF310A-H

UNSPSC: 81111811

Electronic distribution - NO MEDIA

Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)

Barracuda Professional Services Remote Quick Start - implementation - for B

1

6978655

\$1,995.00

\$1,995.00

Mfg. Part#: BPS-RMQS-EMAIL PRM

Electronic distribution - NO MEDIA

Contract: Mohave ESC 20F-CDWG-1003 (20F-CDWG-1003)

SUBTOTAL

\$65,746.00

SHIPPING

\$0.00

SALES TAX

\$3,551.48

GRAND TOTAL**\$69,297.48****PURCHASER BILLING INFO****Billing Address:**

CITY OF SHOW LOW

ACCTS PAYABLE

180 N 9TH ST

SHOW LOW, AZ 85901-5144

Phone: (928) 537-5724**Payment Terms:** Net 30 Days-Govt State/Local**DELIVER TO****Shipping Address:**

CITY OF SHOW LOW

CHRIS TEWALT

180 N 9TH ST

SHOW LOW, AZ 85901-5144

Phone: (928) 537-5724**Shipping Method:** DROP SHIP-GROUND**Please remit payments to:**

CDW Government

75 Remittance Drive

Suite 1515

Chicago, IL 60675-1515



Sales Contact Info

Jeff Butchko | (877) 853-0557 | jeffbut@cdwg.com

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**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Authorization to Purchase Caterpillar 926 Loader and Snowplow Attachment (Rick Austin)

RECOMMENDATION

I **MOVE** to authorize the purchase of a Caterpillar 926 loader and snowplow attachment from Empire Southwest (Empire Cat) under the OMNIA Contract #161534 in an amount not to exceed \$275,677.85.

BACKGROUND

The fiscal year 2024 budget includes \$285,000.00 to purchase a Caterpillar 926 loader and a snowplow attachment.

This Caterpillar 926 loader and snowplow attachment will be purchased locally under the OMNIA Contract #161534 from Empire Southwest (Empire Cat) for \$275,677.85. Empire's Show Low facility is located within one-quarter mile of the public works operations yard, making service and warranty work very convenient.

ATTACHMENTS

1. CAT Loader Quote

FISCAL IMPACT

Anticipated cost: \$275,677.85

Funding source (account no.): Equipment Purchase (12-500-495-7410-0000/5002465)



RICK AUSTIN
CITY OF SHOW LOW-STREET DEPT
1281 E. THORNTON
SHOW LOW, AZ 85901-3801

10/9/2023

Dear RICK, On behalf of Empire Machinery and Caterpillar Inc., we are pleased to quote the following.

2024 New Caterpillar 926 WHEEL LOADER WITH CAB AND FUSION COUPLER (OMNIA CONTRACT #212816)

Standard Equipment

POWERTRAIN

Axle seal guards
Auto Idle shut down feature
Cat C7.1 ACERT engine
-Power modes (standard and performance)
-Power by range (high power in range 4)
-Tier 4 final/Stage V compliant
-Turbocharged and aftercooled
-Filtered crankcase breather
-Diesel particulate filter
-Selective catalyst reduction
Coolant protection to -34C (-29F)
Differential lock in front axle
Dry type air cleaner
Enclosed wet disc full hydraulic brakes
Fuel priming pump, automatic
Fuel water separator
Hydraulically driven demand cooling fan
Hydrostatic transmission with electronic control
-Operator modes (default, TC, hystat and ice)
-Directional shift aggressiveness (fast, medium, Slow)
-Rimpull control, adjust wheel torque
-Creeper control, adjust ground speed
Lubed for life driveshafts
Parking brake, electric
Single plane cooling package wide 6 fins per inch density
S-O-S port, engine, coolant, transmission oil

HYDRAULICS

Automatic lift and bucket kickouts, adjustable in-cab
Bucket and fork modes, adjustable in-cab
Cylinder damping at kickout and mechanical end stops
Fine mode control (fast, medium, slow) in Fork Mode
Hydraulic response setting (fast,

Emergency shutdown switch
LED rear stop and turn lights
Heavy duty gear reduction starter
Product Link
Remote jump start post
Resettable main and critical function breakers
Roading lights front and rear

OPERATOR ENVIRONMENT

75 mm (3 in) retractable seatbelt
Automatic temperature control
Cab, enclosed ROPS/FOPS pressurized and sound suppressed
Cup holders
External heated mirrors with lower parabolic
Ground level cab door release
Gauges
-Digital hour meter, odometer and tachometer
-Digital ground speedometer and direction indicator
-Engine coolant temperature gauge
-Fuel and diesel exhaust fluid level indicator
-Hydraulic oil temperature gauge
Hydraulic control lockout
Interior cab lighting, door and dome
Interior rearview mirrors (2)
Lunch box storage
Operator warning system indicators
Radio ready speakers
Rear window defrost, electric
Seat mounted electronic implement controls, adjustable
Sliding glass on the side windows
Column mounted multi function control
-lights, wipers, turn signal
Suspension seat, fabric
Tilt and telescope steering wheel
Tinted front glass

medium, slow)
Hydraulic diagnostic connectors and
S-O-S ports
Hydraulic sight gauge, visible
Load sensing hydraulics and steering
Seat mounted hydraulic joystick controls

ELECTRICAL

Alternator, 115-amp, heavy duty
12V power supply in cab (2)
Batteries, 1,000 CCA (2) 24 volt system,
disconnect switch
Back up alarm

Configured as Follows

STEERING, STANDARD
ENVIRONMENT, MEDIUM DEBRIS
OPERATOR TRAINING, NO CHARGE
HYDRAULICS, STANDARD
JUMPER LINES, AUX 3RD
LIGHTS, ROADING, LED, RH
SEAT, DELUXE
PRODUCT LINK, CELLULAR PL641
FENDERS, STANDARD
QUICK COUPLER, FUSION
SERIALIZED TECHNICAL MEDIA KIT
SIDE MIRROR, RH
GUARD, CRANKCASE
GUARD, HITCH
BUCKET-GP, 3.25 YD3, FUSION, BOCE

Wet arm wiper/washer, 2-speed and
intermittent, front
Wet arm wiper washer, rear

OTHER STANDARD EQUIPMENT

Large-access enclosure doors with
adjustable close/open force
Parallel lift loader linkage
Recovery hitch with pin
Remote mounted lubrication points
Vandalism protection-
lockable compartments

DIFFERENTIAL, OPEN REAR
WEATHER, STANDARD
HYDRAULICS, 3V
LINES, AUX 3RD, STD LIFT
LIGHTS, AUX, LED, PREMIUM
CAB, DELUXE
STANDARD RADIO (12V)
TIRES, 20.5R25 MX XHA2 * L3
CTWT, AGGREGATE, 1420LBS, 3PCS
HYDRAULIC OIL, STANDARD
RIDE CONTROL
GUARD, POWERTRAIN, LOWER
GUARD, DRIVESHAFT
FILM GP, AGGREGATE
SNOW PLOW, 12', FUSION

Warranty

7 Year 5000 Hour Gov PT Hydraulics + Tech (WITH 12-MONTHS TRAVEL COVERAGE)

Powertrain+Hydraulic ESC Coverage includes Powertrain components (see below), as well as specified hydraulic system parts and components. Hydraulic components are associated with steering and implement control. COVERED Hydraulic/steering hoses & lines Hydraulic quick-couplers & swivels Hydraulic tanks/oil filter base Hydraulic pumps & motors Hydraulic valves & controls Hydraulic cylinders EXCLUDED Winch pumps & valves Hydraulic brake system parts Hydraulic actuated worktools & attachments

Pricing Summary (DELIVERED SHOW LOW)

Sale Price:	\$254,245.00
Sales Tax:	\$21,432.85
Net Total:	\$275,677.85

If you have any questions regarding this information please call me at 928-205-8747. Thank you for allowing Empire Machinery to assist with your Caterpillar equipment needs.

Sincerely,

Greg Smith

This quote is good for thirty days and prices are subject to change. All finance options are subject to credit approval. By purchasing goods or services from Empire, you agree to Empire's Terms (www.empire-cat.com/sales serviceterms), which are incorporated into this quote. Due to market issues outside of Empire's control, any tires listed on this quote may not be available at time of shipment. All tire makes, models and costs are subject to change.

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Acceptance of Show Low Public Restroom Americans with Disabilities Act Upgrades, City of Show Low Project No. FM-1922B (Bill Kopp)

RECOMMENDATION

I **MOVE** to accept the construction of Show Low Public Restroom, Americans with Disabilities Act Upgrades Project No. FM-1922B, release the final payment to LD&B, LLC, and initiate the warranty period.

BACKGROUND

The City of Show Low applied for and was awarded a Community Development Block Grant program grant to rebuild public restrooms to meet Americans with Disabilities Act requirements.

This project included the remodeling of three public restrooms to comply with the Americans with Disabilities Act. The restrooms are located at the Senior and Ponderosa ballfields at Show Low City Park and in the City Gym at 760 East McNeil. Each restroom has separate men's and women's facilities. The improvements include new stainless-steel plumbing fixtures, partitions, wallboard, paint, re-finishing concrete floors, lighting, doors, windows, paper and soap product dispensers, and other necessary appurtenances. The scope included the necessary demolition and disposal of generated waste materials. The project also included connections to existing power, water, and sewer services. In-slab plumbing was reconfigured in some areas.

A request for proposals was advertised per statutory requirements. City Council awarded the contract to LD&B, LLC in an amount not to exceed \$255,000.00. All of the work has now been completed for a final project cost of \$255,000.00.

Staff recommends accepting the construction of Show Low Public Restroom, Americans with Disabilities Act Upgrades, Project No. FM-1922B, releasing the final payment to LD&B, LLC, and initiating the warranty period.

ATTACHMENTS

None

FISCAL IMPACT

Anticipated cost: \$255,000.00

Funding source (account no.): City Park Restroom Remodel (CDBG) (22-610-495-7310-2339/6102339)

MINUTES OF THE RETREAT OF THE SHOW LOW CITY COUNCIL HELD ON WEDNESDAY, OCTOBER 19, 2022, AT 9:00 A.M. IN THE PUBLIC SAFETY HEADQUARTERS, DARRIN REED COMMUNITY ROOM, 411 EAST DEUCE OF CLUBS, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Mayor Leech called the meeting to order at 9:00 a.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor John Leech, Vice Mayor Connie Kakavas (telephonically), Council members Jon Adams, Mike Allsop (left the meeting at 12:45 p.m.), Brandt Clark, Brent Hatch, and Bryce Judd.

COUNCIL MEMBERS ABSENT: None.

STAFF PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Justen Tregaskes, Planning and Zoning Director; Bill Kopp, Public Works Director; Brad Provost, Chief of Police; Jay Brimhall, Community Services Director; Kristine Sleighter, Community Relations; Grace Payne, Communications Manager; Nicole Hudson, Deputy City Clerk; and Rachael Hall, City Clerk.

GUESTS: Mike Stefaniak.

3. Invocation

Councilman Hatch gave the invocation.

4. Pledge of Allegiance

Mayor Leech led the Council and audience in the pledge of allegiance.

5. Review/Update of Status of 2021 Retreat Items. (E. Muder)

Mr. Muder provided an update of the assignments and suggestions directed by the Council at the 2021 Council retreat. He briefly reviewed each of the following items:

- 1) ARPA Funds form to present to Council and projects list for ARPA Funds – Done. The treasury issued the final rule for ARPA funds and the City had flexibility to use ARPA funds for government services. Due to this change a project list was no longer required.
- 2) Update on Investment Policy to present to Council – Done. Council approved new investment policy on November 16, 2021 meeting.

- 3) Ellsworth Road improvements – Still in process. Staff was working with new developer and road improvements will be determined once a type of development has been established.
 - 4) City Showmobile stage checklist for preflight and postflight – Done. Staff created a checklist.
 - 5) Progress of 11th Street Parcel Improvements – Done. Grant for \$409,000 was awarded. A consultant was currently putting together a work plan and cleanup would begin after October 1.
 - 6) Naming of Zebulon Pearce Park – Council approved purchase of parcels near Sierra Pines subdivision for an open-space park, further discussion of naming parks would be held during today's Retreat.
 - 7) Show Low Rodeo Committee and Show Low Annual Rodeo at Linden Valley Arena – Still in process. Staff were still trying to find residents who would want to be part of the Committee. Once a Committee was selected, negotiations with the Perkins' family would begin.
 - 8) Adopt a Tree City USA Ordinance for standardized code in Tree City Communities – Done. Council adopted the ordinance on November 16, 2021.
 - 9) Historic Reidhead house preservation project – Looking for grants to preserve the home, build a museum, and improvements to parking lot between this property and Frontier Field. – In process. Foundation work was awarded on 2/1/22, and staff was working on historic preservation ordinance and grants. More discussion would be held on this project at today's Retreat.
 - 10) Update and Adopt Park and Recreation Fees – Done. Council adopted new fee ordinance on March 15, 2022.
 - 11) Law Enforcement Cultural Community Liaison agreement with Navajo County, Town of Pinetop-Lakeside, and White Mountain Apache Tribal – Done. Staff never received an agreement from Navajo County.
 - 12) City Code Change on Nepotism – Done. Council adopted ordinance on new changes on November 2, 2021.
6. City Council Vision, Priorities, and Goals. (J. Johnson)

Mr. Johnson said a review of the Council's vision, priorities, and goals was done annually since they drove the budget process and policy decisions.

Mr. Johnson reviewed the four major Council-identified priorities:

- 1) Infrastructure and preserving existing assets.
- 2) Economic and community development.
- 3) Organization.
- 4) Quality of life.

Mr. Johnson said the priority of Infrastructure and preserving existing assets included:

- ☐ Appearance and Image, such as beautifying and maintaining City facilities, parks, sports fields, and cemetery; pleasing landscaping features in public areas; clean and well-maintained City vehicles and equipment; maintaining open space to retain Show Low's small-town feel; maintaining amenities, and preserving and protecting the City's history.
- ☐ Protecting Investments, such as repairing and maintaining the City's infrastructure (roads, water, and sewer) through the Capital Improvements Program (CIP), pavement management plan, and job order contracts; and maintaining City facilities (e.g., police headquarters, city hall, library, aquatic center, city campus, and airport).
- ☐ Maintaining Standards, including setting aside funds annually through the five-year CIP and meeting government standards to ensure clean drinking water, an efficient sewer system, and safe roads and sidewalks; using job order contracts for specific projects (water wells and repairs, sewer manholes, sidewalks) to provide a consistent project; and City staff adhering to legal and industry standards.
- ☐ Financial Reserves meant consistently maintaining a conservative approach to the City budget and watching expenses closely; keeping a minimum of \$1 million in reserves as established by the Council and adopted by the voters; setting aside funds annually to save for future projects (e.g., completed—sewer treatment plant upgrades and public safety building; future--\$1.9 million set aside for a water treatment plant); managing debt responsibly and prepaying debt when additional finance resources were available; and reviewing and updating the CIP annually to prioritize and fund projects valued over \$50,000.

Mr. Johnson said Economic and Community Development consisted of:

- ☐ Recreation as an Economic Development Tool, e.g., using tournaments, athletic events, and other community programs and events either sponsored or co-sponsored by the City to attract visitors and enhance economic development.
- ☐ Community Partnerships promoted economic and community development through collaborative efforts with government and nongovernment organizations.
- ☐ Focused Future with an economic development plan and education helped to expand business growth and quality of life.
- ☐ Retail and Commercial Expansion with continued efforts to attract and retain businesses. Mr. Johnson said the newest commercial developments and expansions were El Charro restaurant, Marriott Fairfield, Sentry Fire, Arby's, Walmart, Northland Pioneer College, and CAL Ranch.

Mr. Johnson said Organization was split into:

- ☐ Strategic and Master Plans, including the General Plan (with the 2018 update adopted by Show Low's voters in 2018), White Mountain Regional

- Transportation Plan (currently being updated), water and sewer master plans, City Park Master Plan, etc.
- ☐ City Employees, with well-trained employees serving as the foundation of the City structure and providing quality service to Show Low's citizens. A positive work environment, opportunities for advancement, etc. were found to be key elements. The City's benefits included state retirement, paid time off, a competitive insurance plan, and an attractive compensation plan.
 - ☐ Emergency Preparedness plans and procedures, with cross-coordination and communication between the City, Navajo County, and area agencies, were in place to meet any emergency.
 - ☐ Regional Partnerships, both public and private, formed the basis for joint collaboration to expand comprehensive services through sharing resources and/or funding.

Mr. Johnson said Quality of Life included:

- ☐ Downtown Development, including beautification and creating a destination for citizens and visitors.
- ☐ Public Information, with more ways to engage and communicate with Show Low's citizens about events, programs, news, and activities.
- ☐ A Community Focus to provide amenities, services, volunteer opportunities for community services, and community education and outreach to enhance everyone's quality of life (e.g., the library events, aquatic center activities, Community Fast, Citizens Academy, public transit system, etc.).
- ☐ Safety, with an emphasis on public safety, signalized school zones for student safety, electronic speed limit signs, street design and maintenance for ease of travel, and an efficient snow management plan.

Mr. Johnson said if the Council wanted to add or change any of the priorities or goals to notify staff.

Mayor Leech said that the City's Project Clean Sweep was talked about throughout the State and many other municipalities asked how the City implemented the program. He was proud of the programs that the City held for citizens.

7. Budget Update and Local, State, National Trends. (J. Johnson)

Mr. Johnson said in the budget process, staff kept track of what was happening with the economy. He had searched the Internet to be able to provide a good summary of what was happening with the economy.

Mr. Johnson said the FED had increased interest rates significantly to try and curb inflation. He said staff would continue to monitor the situation closely.

Inflation had decreased slightly from 9.1% in June 2022 to 8.2% in September 2022. US economic growth was expected to slow down to 1.4% (year-over-year) in 2022 and 0.3% (year-over-year) in 2023. The overall expansion was that the economy would continue to slow the rest of 2022.

Mr. Johnson shared information regarding Arizona's economy. He said Arizona seasonally adjusted unemployment rate was stable at 3.5%, just below the national rate of 3.7%. Arizona added 46,300 jobs in August and Arizona was now 87,000 higher than their pre-pandemic level. Personal income growth, before adjustments for inflation, slowed significantly in 2022, reflecting the end of federal income support related to the pandemic. Population gains remained solid in the near term; however, they would begin to slow in 2024 as demographic forces began to take hold. The median home prices dropped by \$20,000.

Mr. Johnson said sales tax collections outperformed past collections. He said strong tourism numbers and increased local spending continued to generate elevated FY2023 revenues, which was performing better than budget and prior fiscal year. He said the City was financially able to complete all budgeting activities. He said there was improved reserves and fund balances in FY2023 and staff would continue to maintain conservative budgeting processes. He said staff would continue to monitor inflation and other key performance indicators and adjust accordingly.

Mr. Johnson said the City began diversifying investments in January 2022 adding Moreton Asset Management. He shared as of September 2022, there was a gain of \$216,989.68, or a 1.02% gain with Moreton Asset Management. He said with LGIP, between January to September 2022, there was a loss of \$108,898.78 or -0.461%.

Mayor Leech called for a break at 9:40 a.m. The meeting reconvened at 9:45 a.m.

8. Discussion Items:

A. Update Regarding Broadband (Navajo County)

Navajo County Board Supervisor Daryl Seymore introduced Glenn Kephart, County Manager for Navajo County, to give a presentation regarding broadband. He said there was a total of \$19.7 million in funding for broadband. He said the funding sources for broadband was \$10 million from American Rescue Plan Act (ARPA) funds allocated by County Board of Supervisors and \$9.7 million from Arizona Commerce Authority (ACA) Arizona Broadband Development Grant (ABDG). He said staff was working with their consultants regarding whether the fiber would be installed underground or overhead in the areas and what would be the best option and most cost-effective solution.

Many Council members commented on the importance of expanding broadband in the area for citizens. They said it was important for the growth and sustainability of our communities.

Grant Evans, Capital Project Manager for Navajo County, gave an overview on the planned routes for future connections. He said the planned connections were Highway 77 corridor from Holbrook to Show Low, Highway 260 corridor from Pinetop-Lakeside through Show Low to Heber-Overgaard, and a wireless connection from Heber-Overgaard to Winslow. Mr. Evans said the fiber would be installed all underground within Show Low city limits per City Code. He gave a timeline regarding the project. He said a tentative schedule estimated a completion date of 18 months after the contract was executed with a contractor.

Councilman Allsop asked about the rate of leasing out fiber from the County. Mr. Kephart said it was staff's recommendation to lease the fiber as cost neutral and it was not the intent to make a large profit or capitalize from the leases.

B. Update on Sports and Events Center (S. North)

Mr. North reviewed the project timeline of the sports and events center with consultants Sports Facilities Advisory. He said Phase 1 in May 2019 was to determine if the project could be feasible and full financial pro-forma was recommended. Phase 2 in September 2020 consisted of establishing facility parameters and opinion of cost/revenue/expenses projections and economic impact. Phase 3 in May 2022 consisted of the conceptual design and determination of support.

Mr. North said the conceptual design was 110,000 square feet with six basketball/volleyball courts, elevated track/mezzanine, leased sports medicine/performance space, event/meeting space, and a family entertainment space.

Mr. North said Sports Facilities Advisory said projections were that the facility could potentially be operationally sustainable by year three, revenue would cover operating expenses, and additional funding mechanisms would be required for debt service and capital improvements. He said it could generate \$6.9 million annually in new direct spending from out-of-town visitors and could generate 18,500 room nights per year.

Mr. North said the summary of findings from potential partner interviews showed that there was a need for the facility but no clear commitment from potential partners, no clear capital funding opportunity, difficulty to convince voters outside of Show Low to financially support this project, and there was interest but no clear commitment from potential tenants of upper-level leased space. Sports Facilities Advisory recommendations were to wait for construction cost to

normalize post pandemic, continue searching for other funding opportunities, consider scaled down facility or phased in approach.

Mayor Leech said he would like to start discussions of a bed tax in Show Low. He believed other municipalities around the City had a bed tax. He said a bed tax could help fund a project such as the sports and events center.

Councilman Allsop said he wanted to discuss a bed tax as well. He said he was opposed to it in the beginning but realized he paid for this type of tax when visiting other places and agreed with it now.

Mr. Muder said the average in this area for a bed tax was 3%. Mr. Muder said bed tax would equate for every 1% was \$75,000 to \$90,000 every year. Mr. Muder said that hotel owners had said previously that they would be in support of it if the tax was going towards a project like a sports and events center but he couldn't be sure where their feelings were presently at the moment.

Councilman Allsop asked if Airbnb or other short-term rentals would be considered for the bed tax as well. Mr. Muder said yes those could be considered for the bed tax.

Councilman Clark said he believed there would be community buy-in for this type of project.

Mr. Muder said in 1992, the Council tried to pass an ordinance for a bed tax. He said it passed its first reading but failed the second reading. He said if the ordinance had passed in 1992, there would be \$5 to 6 million saved for a project such as a sports and events center.

Councilman Adams believed there would be support and thought that the residents and businesses wanted this for the community.

Mayor Leech said the City should implement a bed tax whether or not the City pursued building a sports and events center.

Councilman Clark asked how the City could pay for a sports and events center. Mr. Muder said staff had applied for many grants but had been unsuccessful at this time. Mr. Muder said the City had budgeted \$10 million as of right now but it would cost \$45 million to build at this time. Mr. Muder said the City could try to pass a special tax for the project or go to the voters for a bond. Mr. Johnson said interest rates on a loan were high at the moment for building a project such as this center.

Councilman Allsop said that doing this project in phases had actually hurt the City now seeing that the building cost had increased by 55% to build the center.

Mr. Muder asked if the Council wanted staff to work on a new facility such as a downsized version and suggested having a study session at a later date to discuss a smaller center and the possibility of a bed tax.

Several Council members said they would like to have a study session for both the bed tax and sports and events center. Councilman Clark said he wouldn't want to pass the bed tax if it wouldn't help build the sports and events center.

C. Update on New Economic Development Opportunities (S. North)

Mr. North gave an overview of marketing preparation for new economic development which included updating buildings and sites on various websites, annual update of www.pickshowlow.com website, new general purpose economic development rack card, update and reprint of Show Low/Pinetop-Lakeside map, update and reprint of Show Low tourism brochure, and marketing intelligence.

Mr. North gave an overview of industrial development and marketing which included marketing "shovel-ready" site to site selectors, target industries and the Arizona Commerce Authority, marketing campaign to target industries and site selectors, and attending trade shows and trade missions. He said staff had a regular outreach to 200 targeted retailers and their Arizona brokers, sent out quarterly emails to inform about new space opportunities and update on ongoing opportunities. He said staff would continue to monitor and connect with newly expanding retailers to Arizona to get Show Low on the radar.

Mr. North gave an overview of tourism development and marketing which included developing tourism website and social media presence for Show Low, regular tourism related social media communications, ads in tourism publications, and attending trade shows and trade missions.

Mayor Leech said the funds that were given to the Show Low Chamber of Commerce were doubling the efforts that staff was already conducting for tourism. Mr. Muder said it was additional marketing and that the Chamber did other stuff that staff did not do for the City and there were things that staff did for the City that the Chamber did not do for the City.

Mr. North said for entrepreneurial development and marketing, staff would be conducting a business boot camp, business workshops, and continuing to work on the new business license surveys.

Mr. North said for business retention and expansion, staff visited local businesses (30-to-50 a month), built a business directory on the City's website,

hosted Show Low Business Expo, and send out annual thank you email blasts from City leadership to Show Low businesses.

Mr. North said other projects consisted of workforce housing research and recommendations, pursue additional sources and partners for sports and events center project, and assemble a list of Show Low related assets on Arizona Film Locations database (Arizona Film Office).

Councilman Clark asked if it was realistic in having a Target or Costco come to Show Low. Mr. North said no, because the issue was a low workforce for the area. He said the growth in Arizona was less risky for those types of businesses in the Phoenix metro area. Councilman Clark asked if there was a business that would go in at the other half of the building that CAL Ranch just remodeled and moved into. Mr. North said staff had been talking to multiple businesses for that building and the old CAL Ranch building. He didn't have a business to report at this time that would be moving into those buildings. He said he would update the Council when that changed.

D. Workforce Housing (S. North)

Mr. North said current housing conditions consisted of lack of available workforce with an unemployment rate of 3%, rising housing costs with the average home sale price was \$356,191 (an increase of 23% from 2020), few affordable options, limited rentable options, and only six permits being issued for multiple-family units since 2013.

Mr. North gave an overview on house affordability. He said 2021 median household income was \$55,969 and the average household spends 30% of income on housing. The average home sale price in Show Low in 2021 was \$356,191 and the average middle-income home buyer was short \$130,000 when seeking to purchase a home.

Mr. North said solutions included shrinking the financial gap by reducing housing costs which consisted of land costs, development costs, and cost of construction and materials.

Mr. North said some other communities were working on the same issue, he said Payson, Prescott, Lake Havasu City were all in the research/information gathering stage right now. He said Flagstaff and Verde Valley communities were creating a formal workforce housing plan. He said Bullhead City, Flagstaff and Verde Valley communities were looking into increased density to offset inclusion of affordable unit. He said Flagstaff and Verde Valley communities were also looking into fee waivers for building and plan reviews. He said Verde Valley communities were also looking into sales tax waivers on construction.

Mr. North said Page was looking into donating land and Sedona was researching down payment assistance programs. Sedona was also looking into a \$10,000 incentive to turn short-term rentals into long-term rentals.

Mr. North said next steps would be to look into an affordable housing study, develop a plan and incentive policy that encouraged development of workforce housing, and to discuss options in a future Council study session.

Councilman Judd said during the Annual Conference for the League of Cities and Towns, there was discussion about taking existing old apartment complexes and remodeling them into multi-family housing or long-term rentals.

Mr. Muder said there was an investor who bought the old Thunderbird motel and was currently doing long-term rentals and they were going to Motel 9 to look at doing the same type of rental there as well.

Councilman Clark said the City could be having a hard time getting qualified employees in open positions due to lack of housing. He said as a governing body of the community, the City needed to find a way to help out the residents and other businesses.

Mr. Muder said staff was working with Elk Ridge Apartments to get a few apartments under the City's name for new employees.

Councilman Clark mentioned that the City could do some kind of payback system for employees, such as an agreement that a city employee could stay at a City apartment but if they leave within three years they would have to pay a certain amount back, or the City could help with rental assistance or have a benefit package to help with housing.

Mayor Leech called for a lunch break at 11:45 a.m. The meeting reconvened at 12:15 p.m.

E. Naming of City Park and Facilities. (E. Muder)

Mr. Muder said the property off Old Linden Road (361 East Old Linden) was acquired by the City years ago and there was a need to formalize a name for the park. Mr. Muder gave a brief history on the land acquisition and said the Zebulon Pearce family donated 20 acres of land between McNeil and Cooley, location of the Fox Canyon subdivision, to the City. That donated property was traded for the majority of the property on Old Linden Road and the Council's intent was to create the property on Old Linden Road to become a passive park with possible bike trails, amphitheater, etc. He said one of the stipulations on the donation of land by the Pearce family was that the land or land acquired because of this donation would need to be named Zebulon Pearce Park. He said since last

year's Retreat, staff was able to contact the Pearce family and one of the sons came to visit the location where the donated property was located. He said staff then took him to the land that the City had recently acquired near Sierra Pines subdivision of 18 acres and the son was in support of putting the Zebulon Pearce Park name on the newly acquired land.

Mr. Muder said there had been many different names discussed for the park on Old Linden Road and at last year's Retreat, a few Council members suggested naming the park on Old Linden Road after Timothy McKay. He said staff needed direction from the Council to formalize a name for the park.

Councilman Adams said he still wanted to name the park on Old Linden Road "Tim McKay Memorial Park" in honor of Tim McKay. He said he talked with Norlis McKay and the family was honored and agreed to the naming of the park after his son as long as it wasn't a controversial issue for the Council.

Mayor Leech said as long as the family was in agreement with the naming of the park then Council was in agreement.

Mr. Muder asked for clarification on the name and asked if it should be "Tim McKay Memorial Park" or "Timothy McKay Memorial Park." Councilman Adams asked for staff to ask the family and go with their suggestion.

Mr. Muder said staff would bring a resolution to the Council at a future meeting to approve the park on Old Linden Road to be named once he had the correct name from the McKay family.

F. Showmobile Options (Mayor Leech)

Mayor Leech said he wanted to wrap the inside of the City's Showmobile because he believed that the stage was plain and boring to look at as it currently sat.

The Council was shown three options that staff came up with, the first option was to keep it as it, the second option had a background of trees and a mountain on all three panels, and the third option was the mountains and trees scene in the middle panel with the card players on one panel and City's history on the third panel.

Mayor Leech said he preferred the second option. Councilman Adams said he liked the third option but said maybe the City's history could be changed out for a picture of the Adams cabin or something else. He said the print might be hard to read. Councilman Clark preferred the third option but liked the idea of preserving the City's heritage more and doing a picture of the Adams cabin or old jail on the panel instead of the City's history.

G. Right-of-Way Maintenance (B. Kopp)

Mr. Kopp said the City had 110 miles of public City streets, with over 200 miles of drainage, 39 miles of sidewalks, and an estimated 280 acres of unpaved property between back of curb/sidewalk and right-of-way.

Mr. Kopp said concerning pavement management, each street received crack fill, patching and slurry seal every sixth year. He said the engineering staff performed annual pavement assessments using a Roadbotics software system that took photos every ten feet and used artificial intelligence to rate the surface in each photo. He said the current overall rating was 1.78 on a one to five scale (one being the best). This was very good and last year's overall rating was a 2.09. He said the sidewalk repairs included popped up panels in 29 locations.

Mr. Kopp said in roadway drainage, staff used a work order system to manage priorities. He said the City currently had 120 open drainage work orders for ditch cleaning and/or culvert cleaning. Drainage work orders and projects were performed by the streets crews (nine positions) with occasional help from the maintenance crew (five positions). He said crews were also working on larger "whole neighborhood" drainage projects at this time. Some of those projects included Park Valley, Sierra Pines, part of Fairway Park, 8th to 10th Street between Cooley and Old Linden Road, Westwood and the City Park. He said there was additional drainage work and the City had a consultant working on design of a retention pond to alleviate some of the downstream issues that the City encountered from a runoff from neighbors down north of Owens.

Mayor Leech said concerning drainage issues around the City Park neighborhood, some residents were landscaping their yards into the City's easements so the City had to notify the residents that they were in the easements and it made the City seem confrontational to try to fix the flooding in those areas. He said many Council members received hateful messages from residents in that area due to the flooding that occurred from the monsoon season the past few years.

Mr. Kopp said that project for the neighborhood by the City Park had been completed but now there were some residents who were mad at City staff because a culvert was installed where they used to park and not in a location that the resident would prefer. He said staff worked as much as they could with the residents in the area to help alleviate the drainage but wouldn't be able to make every resident satisfied.

Councilman Allsop shared concerns that were voiced from citizens to him about the drainage issues. He said staff needed to take it seriously and work with residents to solve the issues. Councilman Allsop then left the meeting.

Councilman Hatch commended the City staff for working on the drainage issues around the City.

Mayor Leech said staff was playing catch-up with some of the drainage issues and working with residents on easement agreements near the City Park. He commended staff on their work with the drainage issues around the City.

Mr. Kopp said staff had been working for over ten years with the residents on easement agreements for the City to be able to come on the properties to work on drainage and those agreements were just now being signed since the flooding had occurred near the City Park area. He said staff were doing their best to work on the issues and would continue to work on this project and with residents.

Mr. Kopp said drainage challenges included residential building had significantly increased over the past several years resulting in silt loading from construction vehicles disturbing erosion-prone soils which plugged ditches and culverts. Also, unusually large monsoon storms over the last two years. He said staffing levels did not allow uninterrupted drainage maintenance and the City was currently doing the best that staff could.

Councilman Adams asked how many other older subdivisions there were in the City that the City may need easement agreements so crews could go and work in areas that needed clean up in ditch areas. Mr. Kopp said most ditches were now in the right-of-way so staff didn't need special permission to clean the ditches. He said if residents called in due to flooding or water coming onto their property that could damage their home that was priority one for crews to go out and clean up the ditches. He said priority two was maintenance on the ditches throughout the City. He said crews were unable to get to all maintenance of ditches due to staffing levels at this moment.

Mr. Kopp said regarding weed management, the City had a contractor spray weeds on arterial and collector streets as well as the Deuce of Clubs and Clark Road two-to-three times per year as needed. He said all sidewalks were also sprayed. He said City crews performed mowing and weed-eating at City Park frontage, portions of Old Linden Road, Clark Road, and the Meadow frontage. Moving strips were four-foot minimum behind curb or sidewalk, some areas were wider. He said crews also pruned, weeded, and swept streetscape areas prior to any major holiday or City event. Commercial properties were required to install and maintain landscaping along their property frontage and were encouraged to maintain the right-of-way between their property and the street or sidewalk.

Mr. Kopp said regarding weed maintenance on residential streets, the City did not have the resources to mow or remove weeds in residential developments. He said most residents maintained their right-of-way in their frontage as a matter

of pride in ownership but not everyone. He said vacant lots seemed to be the worst but there were few occupied homes in every neighborhood that would let the weeds grow. There were a few municipalities in the area that required weed control in their city code. He said most of these requirements were under code sections address “Public Nuisance”, “Health and Safety”, or “Litter”. He said some of those municipalities were Cottonwood, Springerville, St. Johns, Taylor and Winslow.

Mr. Kopp said staff recommended having a public information campaign and exploring ways to codify right-of-way maintenance. He said staff was open for suggestions from the Council on ways to manage weeds in residential areas.

Mayor Leech said staff had created a video regarding landscaping needs and weed control on properties within the City. He said the high school football team has helped some areas with weed control. He didn’t like the idea of putting weed control in the City Code.

Ms. Payne said staff could continue to promote yard maintenance with videos to share on the City’s social media. Mr. Tregaskes suggested changing the name of “Project Clean Sweep” to maybe “Community Pride Day” or something more community minded instead of sounding like a government program.

Councilman Judd suggested more planned events for the community to help with cleaning up certain areas.

Mr. Kopp said training would need to be conducted for the youth when working with the City’s maintenance equipment.

H. Update from Southern Airways

Mark Cestari, Chief Commercial Officer for Southern Airways, gave a brief introduction and overview regarding Southern Airways. He said Southern had been flying for the last three months in Show Low and there had been some issues for the airlines. He said their supply chain had been an ongoing issue for them. The swiss company that made their aircrafts had a longer start up time and it was taking longer to receive their aircraft. The PC12 aircraft that was supposed to be for Show Low hadn’t made its way to the airport and so the company had two other PC12s from another airport but were inoperable at the moment. He said that Southern had then decided to charter an aircraft for those ticket holders who had previously purchased flight tickets. He said Southern had spent \$100,000 on chartering patrons from Show Low to Phoenix. He recognized that not every flight was seamless, and they would continue to work on improvements.

Mr. Cestari said that Southern sent out a survey to their customers in Show Low asking about reliability and what was something they could improve on. He said the rating in Show Low wasn't any different than the other markets and rating systems.

Mayor Leech said one issue that he received comments on with Southern was their lack of reliability. He said it was important for Southern to reach out to the community and prove their reliability to the citizens.

Mr. Cestari said that he'd rather not to make a broad message to the entire community but he would rather contact the individual citizens who had been affected by the lack of reliability of the airlines. He said Southern would be working on a marketing campaign that would talk about the comfort of the aircraft and discuss winter travel.

Councilman Clark said it would be important to highlight the good stats that the airline had and highlight social media marketing but also make it known that Southern was a private company that had a partnership with the City and the City did not own Southern. Mr. Cestari said Southern would work on that and also expressed the importance of reaching out to the customers who had been impacted negatively by the airlines and would work towards a solution.

Mayor Leech called for a break at 1:30 p.m. The meeting reconvened at 1:40 p.m.

I. Reidhead House Update and Historic Preservation Ordinance (L. Robertson/G. Payne/M. Brown)

Ms. Payne gave an update regarding the Reidhead house. She said there had been some improvements made such as stabilization to the foundation, cleared land of debris, refurbished inside of the home with new flooring, repaired cracks in the walls, and fixed electrical and plumbing issues.

Ms. Payne said staff recommended surveying the land for historic significance, outline future renovations, continue to seek out appropriate grant opportunities, delay creation of Historic Preservation Ordinance, and pursue Certified Government Agency designation.

Ms. Robertson said the grant that was currently being pursued was through the Arizona State Park Preservation Fund, which was for \$150,000 with a 40% match. She said that grant application was due in three weeks and staff was working to obtain an archaeology survey that was required with the application.

Ms. Robertson said the Certified Government Agency designation would give staff other grant opportunities for the Reidhead house.

Mr. Brown said last year during the Retreat, staff had discussed the need to pass a Historic Preservation Ordinance. He said upon further research staff had found the City would be better off obtaining the Certified Government Agency designation and not try to pass a Historic Preservation Ordinance.

Mr. Muder said the City would be coordinating with Navajo County with their master plan for continued planning in that area.

J. Citizens Survey (G. Payne)

Ms. Payne gave an overview of a citizens survey. She said the last survey was conducted in 2015. There were 365 responses collected with a total of 15 questions asked and 71% rated the quality of life in Show Low as "high" or "very high".

Ms. Payne said staff wished to conduct another survey. She said the survey would be conducted via phone and mail from voter registration and/or water customer lists. She said some of the questions being asked would be to rate the overall quality of neighborhoods, does the City meet your expectations, rate the quality of services provided by the City, along with other questions. She said staff would update the Council on the survey.

K. Group Home (J. Tregaskes)

Mr. Tregaskes gave the City definition of "Group Home" which was found in the City Code. He gave an overview of the Americans with Disabilities Act (ADA) and the Fair Housing Act. He said the Fair Housing Act prohibited discrimination on the basis of disability in all types of housing transactions. In review, he said housing could not discriminate based on race or color, religion, sex, national origin, familial status and disability. He said housing could not have codes or policies that treated a protected class more strictly.

Mr. Tregaskes gave examples that a City could not require that disabled individuals reside in a facility located in a commercial zoning district and not in a residential neighborhood. These individuals could choose to live in a residential neighborhood regardless of level of care and care provider. The City could not prohibit or place special restrictions that were not applicable to other residents in a sober living home.

Mr. Tregaskes said the current City requirements included: homes meeting definition of "Group Home for the Handicapped" required a conditional use permit, under ADA and Fair Housing, the City could not prohibit housing for protected classes, including disabilities. He said recent court cases indicated that the placement of special conditions not required for non-protected classes violated the ADA and Fair Housing requirements.

Mr. Tregaskes said staff recommended revising the City Code to remove “Group home for the handicapped” from the list of conditional use permits, making it a permitted use in all residential zoning districts. Updating the definition of “Group home for the handicapped” and updating the website with a FAQ page similar to other cities. He said group homes still must be licensed through the state and must still meet general City Code such as noise, trash, parking, etc.

Mayor Leech asked if someone were to purchase a hotel and remodel it into a group home if it would require a conditional use permit. Mr. Tregaskes said staff would still review it on the same standards as any other request and could not require special conditions based on any protected classes.

L. Revising Business Permit Code (J. Tregaskes)

Mr. Tregaskes said types of business permits included general business, home occupation, special events, temporary merchants, medical marijuana, sexually oriented businesses, and short-term residential rentals.

Mr. Tregaskes said today’s focus was general business permits, special event permits, and short-term residential rentals. Mr. Tregaskes gave the definition of business in the City Code along with exceptions. He said it was unlawful for any person to conduct any business from within the city boundaries without first obtaining a permit from the City in accordance with the City Code. He said currently the City charged \$25 for the first calendar year, or portion thereof, and a \$10 annual renewal fee every year thereafter if renewed within specified time period. Application requirements included: name, address, date of birth, type of business, email, transaction privilege tax information, and licensing information. Applications were reviewed for zoning compliance, building and fire code, other licensing requirements (health department), with background check performed by the police department. He said there were approximately 700 active business permits.

Mr. Tregaskes said staff recommended adopting a one-time fee for standard business permits of \$100, no additional fees or renewals required.

Mr. Tregaskes said it was unlawful for any person to conduct or sponsor a special event or carnival within the city limits without first obtaining a special event permit pursuant to the requirements of the City Code. It was also unlawful for any person to sell or offer for sale goods or services at a special event within the city limits without being listed as a recognized vendor by the organizer of the event pursuant to the requirements of the City Code. He said special event applications required the organizer to list vendors on the application, vendor name and date of birth required a background check. He said the City notified the organizer of the special event that all vendors were required to comply with

state requirements for sales tax collection and applicable health department requirements. He said staff recommended to continue to inform the special event organizer of requirements but not require the special event vendors to provide this information prior to the event.

Mr. Tregaskes gave a history regarding short-term residential rentals. He said state legislation prevented cities and towns from requiring a business permit and charging a fee. Cities and towns were required to allow short-term residential rentals with no restrictions in locations. New state statutes allowed for some regulation on behalf of cities including neighbor notification, sex offender verification, and insurance requirements, it also allowed cities and towns to charge a fee for registration/permitting. He said it was difficult to know exact number of vacation rentals in city limits but one consultant had estimated approximately 550. He said that included part-time rentals, and partial rentals, such as room only.

Mr. Tregaskes said current City Code said short-term residential rentals were required to register with the city. A short-term residential rental was defined as any residential property utilized as a residential rental for less than thirty consecutive days. The owner of the property should provide to the City the address of the property, and the name, phone number, address, and email of the owner and of the emergency contact on the form provided by the City. The owner of the property was responsible for ensuring that the property complied with all applicable federal, state and local laws, including noise, parking, refuse collection, and property maintenance. Short-term rentals should be utilized for residential purposes only and should not be utilized for commercial purposes. Short-term rentals should not be utilized for sober living homes or the housing of sex offenders. The owner of the vacation rental must display the phone number and email address of the property owner or property owner's agent who had authority and responsibility to respond to a complaint in person, over the phone, by email, or text at any time of the day. This information must be displayed in a conspicuous place visible to the outside within ten feet of the primary entrance to the short-term rental.

Mr. Tregaskes said staff recommended leaving short-term vacation rental requirements as it was and add revocation process for problem rental properties. He said staff also recommended amending the zoning code to allow more flexibility in offering both short- and long-term rental options.

9. Adjournment.

There being no further business to be brought before the Council, **MAYOR LEECH ADJOURNED THE RETREAT OF THE SHOW LOW CITY COUNCIL OF OCTOBER 19, 2022 AT 2:33 P.M.**

ATTEST:

APPROVED:

Rachael Hall
City Clerk

John Leech, Jr.
Mayor

T:\doclc101922.retreat

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **RETREAT** of the City Council of Show Low held on October 19, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Rachael Hall, City Clerk

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, SEPTEMBER 19, 2023, AT 7:00 PM IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Linsey Lewis called the meeting to order at 7:00 p.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Leech, Councilman Adams, Councilman Allsop, Councilman Clark, Councilman Hatch, Councilman Judd

COUNCIL MEMBERS ABSENT: Vice Mayor Kakavas

STAFF MEMBERS PRESENT: Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Greg Westover, Police Commander; Bill Kopp, Public Works Director; Shane Hemesath, City Engineer; Rick Austin, Public Works Operations Manager; Katie Fechtelkötter, Planner; Officer Jose Fragoso; Kathy Clements, Assistant City Clerk; and Rachael Hall, City Clerk.

GUESTS: Dan and Jen Jerome, Gary Martinson, Doug Roberts, and others.

3. Invocation.

Lindsey Lewis gave the invocation.

4. Pledge of Allegiance.

Natalie Behn led the Council and audience in the pledge of allegiance.

5. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that is within the jurisdiction of the City Council may do so at this time. Comments may be limited to three minutes per person and shall be addressed to the City Council as a whole, and not to any individual member. Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

Doug Roberts said the annual Run to the Pines Car Show would be held from September 22 to September 24, 2023, in Pinetop-Lakeside, with the Cavalcade of Cars driving from Show Low to Pinetop-Lakeside on Friday.

6. **SPECIAL EVENTS:**

- A. Presentation Regarding League of Arizona Cities and Towns Conference by Show Low's Youth Delegation.

Harmonie Fifield said she, along with Lindsey Lewis, Leonor Bernier, and Kirstin Goodman, attended the League of Arizona Cities and Towns annual conference as student representatives for the City of Show Low. She said they would summarize what they learned during the conference.

Ms. Bernier said the students carried Show Low's flag for the presentation of flags ceremony at the conference. They were given the opportunity to network with other schools, learn about different perspectives, and gain a broader understanding of the importance of youth and student councils in communities.

Ms. Lewis said one of the presenters talked about the importance of mental health awareness by sharing her struggle with mental illness and how she and her peers worked to prioritize mental health in their school district.

Ms. Bernier said the Mental Health presentation included a section about effective advocacy for mental health support in schools. The students learned the importance of understanding the issues, using available resources, and creating a positive environment.

Ms. Goodman said another presenter talked about how to tell your story. Through personal stories, everyone could inspire others in different ways, and everyone had something to bring to the community.

Ms. Fifield said a panel discussed exploring careers in local government. This panel advocated for all people, especially women, in politics.

Mayor Leech thanked the students for participating and doing a great job.

The students thanked the City of Show Low and the City Council for the opportunity to represent Show Low.

7. **CONSENT CALENDAR:**

- A. Proclamation by the Mayor Proclaiming October 2023 as **DOMESTIC VIOLENCE AWARENESS MONTH** in the City of Show Low (Rachael Hall)
- B. Consideration of Reappointment of Board Member to Show Low Municipal Property Corporation (Morgan Brown)
- C. Consideration of Purchase of Water Stock Parts (Rick Austin)
- D. Consideration of Acceptance of 2023 Slurry Seal Project, City of Show Low Project No. R-5223 (Shane Hemesath)
- E. Consideration of Minutes of Show Low City Council meetings:
 - 1. Regular Meeting of September 5, 2023

COUNCILMAN CLARK MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN JUDD; PASSED 6 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN ALLSOP, COUNCILMAN JUDD, COUNCILMAN HATCH, COUNCILMAN CLARK VOTING IN FAVOR.

Ms. Hall read the proclamation aloud for Domestic Violence Awareness Month.

8. **NEW BUSINESS:**

A. Consideration of Approval of Amended Final Plat for Silver City at Buffalo Bill's (Katie Fechtelkötter)

Ms. Fechtelkötter said at its regular meeting on June 7, 2022, the City Council approved the final plat for Silver City at Buffalo Bill's. This development consisted of a chapel, barn, and eight two-story residential units with three bedrooms, two baths, and a two-car garage underneath. The proposed development was zoned C-2 (General Commercial).

Ms. Fechtelkötter said the gross area of the amended final plat was the same size as the original final plat at approximately 1.24 acres with a minimum lot size of 1,600 square feet, maximum lot size of 44,431 square feet, and an average lot size of 4,713 square feet with an overall density of 5.6 units per acre. The previous final plat had an overall density of 6.41 units per acre. Tracts A1 through A5 consisted of 20,793 square feet of common area, ingress/egress, open space, and private drainage. The developer indicated that the units would be sold and individually owned. The Property Owner's Associations would own and maintain parking areas and driveways.

Ms. Fechtelkötter said Gary Martinson submitted an amended final plat, which would reduce the number of residential units from eight to four and add three additional commercial lots. The chapel and barn were removed and would be replaced with a brewery, an event center, and a small hotel. At their meeting on September 12, 2023, the Planning and Zoning Commission approved CUP 602-04-263 to allow for a microbrewery and an event center serving alcohol. All other portions of the development remain unchanged. Staff reviewed the final plat and improvement plans and found that all City Code requirements were met.

Mayor Leech thanked Gary Martinson for his vision and efforts in making Show Low a destination.

COUNCILMAN ALLSOP MOVED TO APPROVE THE AMENDED FINAL PLAT FOR SILVER CITY AT BUFFALO BILL'S AND AUTHORIZE THE MAYOR TO SIGN THE ASSOCIATED DOCUMENTS; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN ALLSOP, COUNCILMAN JUDD, COUNCILMAN HATCH, COUNCILMAN CLARK VOTING IN FAVOR.

B. Consideration of Award of Construction Contract for Show Low Lake Campground Power Improvements, City of Show Low Project No. FM-5923 (Shane Hemesath)

Mr. Hemesath said the City's Fiscal Year 2024 Capital Improvements Plan budget included \$70,000.00 for an electrical improvement project labeled "Power at Show Low Lake Campground." The entire campground and clubhouse building shared a single 200-amp electrical service that has reached capacity. The scope of work for the project included constructing approximately 600 linear feet of new four-inch and six-inch electrical conduit along Show Low Lake Road to serve as the main new backbone for future power expansion in the area. The work also included installing a new 600-amp transformer near the Show Low Lake clubhouse. The clubhouse would receive its own 200-amp service, and the remainder of the park would stay on the existing power service for this phase. The conduit installed included three pull boxes to allow future power expansion into the campground spots as funding allows.

Mr. Hemesath said City engineering staff designed the project with a construction estimate of \$70,000.00. The project was publicly bid according to statutory requirements with the following results:

<u>Contractor</u>	<u>Total Bid</u>
Apache Underground and Excavating	\$ 87,350.00
HT4	\$154,714.00

Mr. Hemesath said staff recommended awarding the construction contract for the Show Low Lake Campground Power Improvements, City of Show Low Project No. FM-5923-A to Apache Underground and Excavating, in an amount not to exceed \$87,350.00, and authorizing associated budget transfers.

COUNCILMAN ADAMS MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE SHOW LOW LAKE CAMPGROUND POWER IMPROVEMENTS, CITY OF SHOW LOW PROJECT NO. FM-5923 TO APACHE UNDERGROUND AND EXCAVATING, IN AN AMOUNT NOT TO EXCEED \$87,350.00, AND AUTHORIZE ASSOCIATED BUDGET TRANSFERS; SECONDED BY COUNCILMAN HATCH; PASSED 6 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN ALLSOP, COUNCILMAN JUDD, COUNCILMAN HATCH, COUNCILMAN CLARK VOTING IN FAVOR.

C. Consideration of Award of Construction Contract for East Cooley Roadway Improvements, City of Show Low Project No. R-3323 (Shane Hemesath)

Mr. Hemesath said the City's fiscal year 2023 Capital Improvements Plan budget included \$150,000.00 for a roadway improvement project labeled "Widening Road by Chase Bank." The work included removing parking islands along East Cooley between North 11th Street and SR-260. These improvements would allow proper roadway width for two-way traffic along this

corridor. American with Disabilities sidewalk ramps would also be installed. The streetlights and trees would remain in place.

Mr. Hemesath said the City engineering staff designed the project with a construction estimate of \$185,000.00. The project was publicly bid on June 9 and received no bids. The project was publicly re-bid on July 14 but was rejected due to errors and omissions. The project was re-bid again, and the City received the following results:

<u>Contractor</u>	<u>Total Bid</u>
Western Grade LLC	\$196,352.20
Navapache Construction	\$222,976.04
HT4	\$264,575.00
Surface Contracting	\$362,905.00

Mr. Hemesath said funding from the Streets General Improvements line item in the budget would be used to fully fund the improvements.

Mr. Hemesath said staff recommended awarding the construction contract for the East Cooley Roadway Improvements, City of Show Low Project No. R-3323-C to Western Grade LLC, in an amount not to exceed \$196,352.20, and authorizing associated budget transfers.

Councilman Allsop asked if the curbs and sidewalks to be removed were grant-funded items. Mr. Hemesath said he was not familiar with the funding source for the original construction of East Cooley. He stated that East Cooley was part of the first phase of the design for the downtown area years ago. It was the only one-way street designed for the area. Over time, it has transitioned to a two-way street.

Mayor Leech asked if the trees would be moved. Mr. Hemesath said the trees would remain in place.

Mayor Leech asked if the blue bollards would be removed. Mr. Hemesath said yes, he believed the bollards would be removed.

COUNCILMAN JUDD MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE EAST COOLEY ROADWAY IMPROVEMENTS, CITY OF SHOW LOW PROJECT NO. R-3323 TO WESTERN GRADE LLC IN AN AMOUNT NOT TO EXCEED \$196,352.20 AND AUTHORIZE ASSOCIATED BUDGET TRANSFERS; SECONDED BY COUNCILMAN CLARK; PASSED 6 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN ALLSOP, COUNCILMAN JUDD, COUNCILMAN HATCH, COUNCILMAN CLARK VOTING IN FAVOR.

- D. Consideration of Award of Construction Contract for Show Low Bluff Well #17 Waterline, City of Show Low Project No. R-2723 (Shane Hemesath)

Mr. Hemesath said at its regular meeting on November 1, 2022, the Show Low

City Council adopted Ordinance No. 2022-03 to approve an Agreement for the Exchange of Real Property with SRH Holdings, LLC. The City exchanged two parcels located in Show Low Bluff that the City had acquired during a public auction when the previous owners did not pay their assessments for two parcels owned by SRH Holdings LLC. These two parcels were located in Show Low Bluff, one located next to Well #13, and one contained a test well that could be used for future utility use. After an evaluation and test pumping of the well, it was determined the test well could serve as an additional water production source in the Show Low Bluff Subdivision. This well was later named Well #17.

Mr. Hemesath said the City's Fiscal Year 2024 Capital Improvements Plan budget included \$293,000.00 for a waterline improvement project labeled "Show Low Bluff Well Development" to develop the test well for use. The scope of work for the project included constructing approximately 700 linear feet of new eight-inch waterline from the Show Low Bluff Well #17 to the ten-inch transmission main in East Bluff Ridge Road. The ten-inch transmission main carries well water from Well #13 to Show Low Bluff Tank #13. This transmission main would also convey Well #17 well water to the Show Low Bluff Tank #13. The project included installing a new 40 HP submersible well to provide a redundant water production source for Tank #13. The project would be completed in two phases. This first phase included the installation of a new eight-inch waterline. The second phase would include the installation of the well and would be procured through our current Well Job Order Contract in the future.

Mr. Hemesath said the City engineering staff designed Phase 1 of the project with a construction estimate of \$161,000.00. The project was publicly bid according to statutory requirements with the following results:

<u>Contractor</u>	<u>Total Bid</u>
Navapache Construction	\$181,971.29
Apache Underground	\$217,800.00

Mr. Hemesath said staff recommended awarding the construction contract for the Show Low Bluff Well 17 Waterline Improvements, City of Show Low Project No. R-2723 to Navapache Construction, in an amount not to exceed \$181,791.29.

Councilman Adams asked if the addition of this well would cover water for future development at Show Low Bluff. Mr. Hemesath said that as Show Low Bluff continued to expand and develop, the developer would be responsible for providing additional production outside what this well would produce. The City's goal with this well was to provide a redundant water source for the area.

COUNCILMAN HATCH MOVED TO AWARD THE CONSTRUCTION CONTRACT FOR THE SHOW LOW BLUFF WELL #17 WATERLINE IMPROVEMENTS, CITY OF SHOW LOW PROJECT NO. R-2723 TO

NAVAPACHE CONSTRUCTION, IN AN AMOUNT NOT TO EXCEED \$181,971.29; SECONDED BY COUNCILMAN ALLSOP; PASSED 6 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN ALLSOP, COUNCILMAN JUDD, COUNCILMAN HATCH, COUNCILMAN CLARK VOTING IN FAVOR.

- E. Consideration of Award of Contract for Headworks Building City of Show Low Project FM-1324 (Bill Kopp)

Mr. Kopp said the existing headworks building at the City's Wastewater Treatment Plant (WWTP) was constructed in 1986. This building housed the coarse screens at the effluent entry point of the WWTP. Recently, some ceiling material started falling off the underlying structural steel. This revealed that the structure was in a high state of deterioration. The caustic environment in the building caused the structure to become unsafe to use. As a temporary measure, the walls and roof of the building were shored up with a wood structure. Staff budgeted funds in the 2023-2024 budget to reconstruct the building.

Mr. Kopp said the project's scope included removing the existing steel building and constructing a new building over the remaining foundation. The construction was complicated because it had to be completed while the equipment remained in place and continuously operated. Galvanized steel would protect the new steel structure from the caustic environment. The structure would also be coated with a high-density polyethylene spray foam.

Mr. Kopp said staff advertised the project for bid per statutory requirements. Two bids were received. The results were as follows.

<u>Contractor</u>	<u>Total Bid</u>
LD&B, LLC	\$267,853.92
Pointe Companies	\$374,400.00

Mr. Kopp said staff recommended approving the construction contract to LD&B, LLC for the reconstruction of the headworks building, City of Show Low Project FM-1324, in an amount not to exceed \$267,853.92 and approving associated budget transfers.

COUNCILMAN CLARK MOVED TO APPROVE THE CONSTRUCTION CONTRACT TO LD&B, LLC FOR THE RECONSTRUCTION OF THE HEADWORKS BUILDING CITY OF SHOW LOW PROJECT FM-1324 IN AN AMOUNT NOT TO EXCEED \$267,853.92 AND ASSOCIATED BUDGET TRANSFERS. SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN ALLSOP, COUNCILMAN JUDD, COUNCILMAN HATCH, COUNCILMAN CLARK VOTING IN FAVOR.

- F. Consideration of Award of Contract for Construction of Eight Pickleball Courts and Associated Improvements (Bill Kopp)

Mr. Kopp said in 2019, the City built four pickleball courts and improved other recreational facilities within the Show Low City Campus. As the popularity of pickleball increased in recent years, the need for additional courts to accommodate player demand became apparent.

Mr. Kopp said at its regular meeting on January 17, 2023, the City Council approved resolutions authorizing the City to accept a total of \$572,000.00 in grant funding from Arizona State Parks Land and Water Conservation Fund and Arizona State Parks Heritage Fund to construct eight pickleball courts and associated improvements. The grant funds became available in September 2023. The City Council also approved up to \$394,100.00 in matching funds. The 2023-2024 Budget included \$864,100.00 for this project. The improvements included site work, sidewalks, ramadas, drainage, fencing and windscreens, post-tensioned concrete slab, court surfacing and striping, light bases and conduit for future court lighting, and seating.

Mr. Kopp said staff used a cooperative purchasing agreement, Sourcewell, for procurement of the project. The cooperative purchasing program allowed participating public agencies to take advantage of competitive bids for construction services. Hellas Construction was a pre-selected contractor that participated in this program. Engineering staff provided plans for the facility, and Hellas Construction prepared a project scope and associated fees from these drawings. The total cost of the improvements was \$855,180.00.

Mr. Kopp said staff recommended approving the construction contract to Hellas Construction for the construction of eight pickleball courts and associated improvements in an amount not to exceed \$855,180.00.

Councilman Allsop asked for clarification on the funding allocation. Mr. Kopp said that regarding the approved amount by the City Council for the pickleball courts, the key phrase was approved "up to" \$394,100.00. The City was not required to provide that high an amount of matching funds. The City did not budget \$394,100.00 for this project.

Councilman Judd asked if a restroom was included in this project. Mr. Kopp said no, a bathroom was not part of this project as the grant funding agency would not fund a restroom. However, the City had funds budgeted for a restroom in another area of the City and may re-budget for that restroom so the Pickleball project could be completed with a restroom.

COUNCILMAN ALLSOP MOVED TO APPROVE THE CONSTRUCTION CONTRACT TO HELLAS CONSTRUCTION FOR THE CONSTRUCTION OF EIGHT PICKLEBALL COURTS AND ASSOCIATED IMPROVEMENTS IN AN AMOUNT NOT TO EXCEED \$855,180.00; SECONDED BY COUNCILMAN HATCH; PASSED 6 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN ALLSOP, COUNCILMAN JUDD, COUNCILMAN HATCH, COUNCILMAN CLARK VOTING IN FAVOR.

- G. Consideration of Sisterhood Agreement between the City of Imuris, Sonora,

Mexico and City of Show Low (Anna Atencio)

Ms. Atencio said in early 2023, City staff was contacted by the staff of the Consul General of Mexico, Jorge Mendoza Yescas, about entering a Sister Cities agreement with a City in Mexico. The Sister City would be similar in size and economic goals. The City of Imuris, of the State of Sonora, of the United Mexican States was identified.

Ms. Atencio said Imuris had approximately 11,000 inhabitants. Imuris was located on a hill at a junction between highways from Cananea to the east and Nogales to the north. Agriculture, cattle raising, and industry were the main economic activities. Imuris was about five and a half hours from Show Low. Many residents of Sonora spend time in the winter in Show Low and the White Mountains.

Ms. Atencio said the City of Show Low and Imuris expressed a mutual interest in strengthening ties and friendships and working cooperatively on commercial and social projects. The Sisterhood agreement allowed for the sharing of knowledge and approaches in business, education, culture, and technology. The Agreement sets forth business, culture, tourism, government development, and education objectives, which were encouraged but were not required.

Ms. Atencio said the Sisterhood Agreement holds opportunities that would benefit both Cities.

COUNCILMAN ADAMS MOVED TO ENTER INTO THE SISTERHOOD AGREEMENT WITH THE CITY OF IMURIS, SONORA, MEXICO AND AUTHORIZE THE MAYOR TO SIGN SAID AGREEMENT; SECONDED BY COUNCILMAN JUDD; PASSED 6 TO 0 WITH MAYOR LEECH, COUNCILMAN ADAMS, COUNCILMAN ALLSOP, COUNCILMAN JUDD, COUNCILMAN HATCH, COUNCILMAN CLARK VOTING IN FAVOR.

9. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Adams thanked everyone involved in Student Government Day and said this was a wonderful program that he hoped would continue.

Councilman Allsop introduced one of Show Low Police Department's newest officers, Officer Jose Fragozo. He said Officer Fragozo moved to Show Low when he was six years old. When Officer Fragozo attended Show Low High School, he participated in Student Government Day and the City Council meeting like the students here today. After high school, Officer Fragozo joined the Marine Corps, where he served for four years. After completing his service, he returned home to Show Low and became a Police Officer. Councilman Allsop said Officer Fragozo's story was just one of many that showed the benefits of the Student Government Day program.

Officer Fragoso said he believed that this program gave students the opportunity to lead and learn how the City really operated. He congratulated the students participating in the City Council meeting and said he hoped that one day they would have the opportunity to become leaders in the community.

Ms. Lewis said the Show Low High School Student Council was being very productive. This year, the seniors were allowed to paint their own parking spots. They were repainting the student section and exploring fundraising opportunities to raise money to paint the school's interior. The Homecoming football game would be on October 20 against Blue Ridge High School. The girls' soccer team was ranked number one in the state and were up six to three in tonight's game against Blue Ridge. The team had another big home game Friday against Northland Preparatory Academy. The boys' soccer team would be playing Wednesday night in Snowflake. On Thursday night, the girls' volleyball team would be playing Holbrook. On Friday night, the football team would be playing in Round Valley.

B. Mayor

Mayor Leech thanked the students for participating in the meeting and thanked Councilman Allsop and Rick Fernau for starting this program. Mayor Leech also thanked the staff for taking the time to meet with the students.

C. City Manager

Mr. Brown said the City received a Certificate of Appreciation from the Arizona Game and Fish Commission at their quarterly meeting for their partnership with the City of Show Low. At the meeting, they highlighted many of the activities the City had done to improve fishing in Show Low, such as the work at The Meadow and the improvements made at Show Low Lake, which included campground improvements, assisting with building fish habitats, and adding an American with Disabilities access ramp. The Arizona Game and Fish Department thanked City staff for all their work in the partnership. They also recognized that without the help of the City Council, many of these projects would not be a reality.

Mr. Brown said in public works projects, the City's contractor began work on the Fools Hollow Waterline Phase 1 project with milling and potholing. Rock was removed, and the contractor worked on concrete forms at the Show Low Lake American with Disabilities access project. Work was completed on the East Owens Extension project. This week, the road would open after East Owens was paved between the Community Center and 11th Street. The contractor was working on culverts in Nikolaus and McNeil Acres subdivisions, and the Arizona Department of Transportation was working on completing minor concrete repairs on White Mountain Road projects, which should be done by October 1. He thanked the citizens for their patience as important improvements were made around the City.

10. **SCHEDULE OF MEETINGS:**

Scheduling of meetings, which may be brought up at this time.

None.

11. **ADJOURNMENT:**

There being no further business to be brought before the Council, **MAYOR LEECH
ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL
OF SEPTEMBER 19, 2023, AT 7:54 P.M.**

ATTEST:

APPROVED:

Rachael Hall, City Clerk

John Leech, Jr., Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the City Council of Show Low held on September 19, 2023. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

Rachael Hall, City Clerk

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Award of Contract for Professional and Contracting Services to Facilitate Bioremediation of Soil and Groundwater at Former Woody's Fuel Storage Facility (Justin Johnson)

RECOMMENDATION

I **MOVE** to approve the Professional Services Agreement with Terracon Consultants for remediation of the Woody's fuel storage site in an amount not to exceed \$409,000.00.

BACKGROUND

The former Woody's fuel storage facility located at 180 North 11th Street has received several site investigations over the years to define the extent and magnitude of impacts from petroleum releases into the soil and groundwater. Upon acquiring the property, the City developed a site cleanup plan, and on November 2, 2021, the Council approved Resolution 2021-32 authorizing the City to submit the Cleanup Plan and grant application to the Environmental Protection Agency (EPA). On September 7, 2022, Show Low entered into a Brownfields Cooperative Cleanup Grant Agreement with the EPA in the amount of \$409,000.00 with a cost share of \$81,800.00 for a total project cost of \$490,800.00.

On September 14, 2022, the City entered into a Professional Services Agreement with Terracon Consultants in the amount of \$35,000.00 to implement the initial tasks of the EPA Agreement, which includes project planning and community outreach services. The final task (Task 3) outlined in the attached Terracon proposal is for on-site remediation using bioaugmentation injections and monitor wells to measure the effectiveness of the bioremediation process scheduled to begin January 2024. Site work is based on a two-week field duration with quarterly groundwater monitoring and confirmatory soil samples conducted through March 2025.

Staff recommends approving Terracon Consultants' proposal and Professional Services Agreement for Task 3 of the Woody's project cleanup oversight at 180 North 11th Street in an amount not to exceed \$409,000.00.

ATTACHMENTS

1. Professional Services Agree-Task 3
2. Terracon Proposal \$409,000-Exhibit A

FISCAL IMPACT

Anticipated cost: \$409,000.00

Funding source (account no.): 11th Street Abatement, Design, Construction (22-402-495-7400-2266/4022266)

**CITY OF SHOW LOW
CONTRACT FOR PROFESSIONAL SERVICES**

AGREEMENT made as of October 17, 2023, between the City of Show Low, Arizona, a municipal corporation ("City"), and Terracon Consultants, Inc., a Delaware corporation ("Consultant").

WHEREAS, City requires certain professional site management services for the Woody's Bulk Oil Storage Property ("Project"); and

WHEREAS, Consultant represents that it has the necessary expertise to provide such services in accordance with the terms of this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. **Services.** Consultant shall perform the work described in the Consultant's Scope of Work dated September 5, 2023, and those additional items set forth in the Consultant's schedule and fee proposal dated September 5, 2023, in a competent and professional manner to the satisfaction of City. The Scope of Work and the Consultant's schedule and fee proposal are attached hereto as Exhibit "A" and by this reference incorporated herein. If any incorporated term is inconsistent with the Agreement, this Agreement shall control.
2. **Consultant's Expertise.** Consultant warrants that it has the ability, authority, capacity and professional expertise to perform this Agreement. The project shall be accomplished, reviewed, and approved by professionals registered to practice in the pertaining field of endeavor in the State of Arizona and shall perform all work applying the ordinary standard of care of like professionals. Consultant shall provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of the work to be performed hereunder. Consultant shall assign specific individuals to key positions. Once assigned to work under this Agreement, key personnel shall not be removed or replaced without City's prior written approval.
3. **Independent Contractor.** Consultant acknowledges that it is an independent contractor. Neither party is or shall purport to be an agent, employee, partner, joint venture or associate of the other. An employee or agent of one party shall not be deemed an employer or agent of the other party for any purpose. Taxes or Social Security contributions will not be withheld from any payment by City, and Consultant shall be solely responsible for such matters.
4. **Subcontracts.** Consultant shall not enter into any subcontract with respect to any of the work to be performed hereunder without City's prior written approval. All subcontracts shall comply with applicable federal and state laws and regulations and shall impose on the subcontractor substantially the same obligations as are imposed on Consultant by this Agreement with respect to those matters covered

by Sections 8, 9, 10, 12, 15 and 18. Consultant is responsible for full performance of this Agreement regardless of whether subcontractors are used.

5. **Time for Completion.** Consultant shall complete the work in accordance with customary professional standards by January 31, 2026 after written issuance of the Notice to Proceed. The date for final performance shall be extended by the number of days that performance is delayed by governmental approval or review procedures or other causes beyond Consultant's reasonable control, as jointly confirmed in writing by the parties' representatives. Lack of timely performance may be cause for termination.
6. **Payment.** The City shall pay to Consultant a not-to-exceed sum of \$ 409,000 as payment in full for all services rendered by Consultant pursuant to this Agreement. Payments shall be made within 30 days of City's receipt of Consultant's invoices. Each invoice shall detail the work performed during the billing period. Invoice amounts in percent of Project cost shall not exceed the percentage of completion of the Project as approved by City. The City will retain 10% of the total Project cost until Consultant has fully performed all services required by this Agreement. If the City fails to make any payment due the Consultant for services and expenses within 30 days after receipt of Consultant's invoice, the amount due the Consultant will be increased at a rate of 1% per month from said thirtieth day.
7. **Defects in Work.** City may reject any work product that fails to meet an ordinary standard of care and performance for professional standards or Project specifications. Consultant agrees to promptly remedy all such deficiencies. The parties shall make a good faith effort to resolve any controversy or claim through informal negotiation or as set forth in Section 12. No compensation shall be paid for any rejected work until such issues have been resolved.
8. **Insurance Requirements.**
 - A. Consultant shall maintain in effect, at all times during the term of this Agreement, insurance adequate to protect the City (and their respective officers and employees, participants and equipment funded under this Agreement) against such losses as set forth below. Consultant shall provide City with a current Certificate of Insurance naming City as additional insured (except for Errors and Omissions coverage). All insurance policies shall be primary and non-contributory.
 - B. The following types and amounts of insurance are required as minimums:

General Liability

Comprehensive Form
Premises-Operation

Bodily Injury and
Property Damage

\$ 1,000,000
each occurrence

Personal Injury	Personal Injury	\$ 1,000,000 Aggregate
<u>Automobile Liability</u>		
Comprehensive Form Owner Hired Non-Owned	Bodily Injury and Property Damage Combined	\$500,000
<u>Workers' Compensation</u>	Statutory	
<u>Professional Liability/Errors & Omissions</u>		\$1,000,000 each claim

Standard minimum deductibles are allowed. Any deductibles are the responsibility of Consultant. Consultant shall immediately inform City of any cancellation of insurance or any decrease in the amount of coverage at least 30 days before such action takes place. A violation of this provision may be treated as a material breach by City. Consultant shall notify City upon any termination of its regular professional liability coverage and shall obtain extended liability coverage for a minimum of five years from the termination date.

C. Consultant acknowledges that the amounts of insurance coverage stated above shall not limit its liability under this Agreement.

9. **Indemnity.** To the fullest extent permitted by law, Consultant shall defend, indemnify and hold harmless the City, its agents, officers, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the costs of appellate proceedings) relating to, arising out of or resulting from the negligent acts, errors, mistakes, omissions, work or services of the Consultant, its agents, employees or subcontractors in the performance of this Agreement. Consultant's duty to defend, hold harmless and indemnify the City, its agents, officers, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death or injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any negligent act, error, mistake or omission in the performance of this Agreement including those by any person for whose negligent acts, errors, mistakes or omissions Consultant may be liable. The amount and type of insurance coverage requirements set forth above shall not limit the scope of the indemnity in this paragraph.
10. **Records and Documents.** All calculations, designs, original ink on Mylar drawings, special provisions, survey notes, "Cad" files and technical data resulting from this project shall be provided to and become the property of the City.

However, Consultant shall retain, and shall require each subcontractor to retain, copies of the same information relating to this Agreement for a period of five years after completion of the work. A legible copy of any, or all, such records and documents shall be produced by Consultant at the request and expense of City.

- 11. Non-Assignment.** Consultant shall not assign any right or interest in this Agreement without City's prior written approval, nor shall Consultant delegate any duty hereunder without City's prior written approval.
- 12. Claims and Disputes.** All claims, disputes, and matters in question between the City and Consultant arising out of this Agreement, which are not resolved to the satisfaction of either of the parties after having been submitted to the Grants Manager, will be decided by the City Manager upon his receipt of a demand for review. The demand for review shall be initiated by filing a written demand with the City Manager. The demand shall include the material previously filed with the Grants Manager, the written opinion of the Consultant in response thereto, and a concise statement of the alleged errors in the decision of the Grants Manager and the specific ground or grounds upon which the party contends he is entitled to relief. The decision of the City Manager shall be made within ten (10) calendar days of filing of the written demand. Failure to complete the review procedure specified herein shall be a complete bar to any legal action for any question which could have been submitted to the City for determination.
- 13. Suspension and Termination by City:**
 - A. Suspension.** City may, without cause, order Consultant in writing to suspend, delay or interrupt its performance in whole or part. An adjustment shall be made to the completion date and for any increase in the cost of performance resulting from the suspension, delay or interruption. No adjustment shall be made to the extent that performance is or would have been suspended, delayed or interrupted by another cause for which Consultant is responsible.
 - B. Termination for Cause.** City may terminate this Agreement for cause if Consultant refuses or fails to supply enough properly skilled workers to perform this Agreement; fails to make required payments to subcontractors; fails to perform the work in a timely manner; disregards laws, ordinances, rules, regulations or orders of a public authority having jurisdiction; or otherwise commits a material breach of this Agreement. When any of the foregoing causes exists, City shall give Consultant written notice and a ten-day opportunity to cure the default. If the default remains uncured, City may (without prejudice to any other rights or remedies it may have) terminate this Agreement and finish the work or cause it to be finished. If the unpaid balance of the Agreement exceeds the cost of finishing the work (including any expenses incurred by City as a result of Consultant's default), Consultant shall be entitled to payment for its performance up to the amount of such excess. If the cost of finishing the work exceeds the unpaid balance, Consultant shall pay

the difference to City.

C. Termination for Convenience. City, by written notice to Consultant, may terminate this Agreement in whole or part when in the sole discretion of City it is in City's best interests to do so. Consultant shall be paid for all material, equipment and services provided, as well as reasonable termination expenses and a reasonable allowance for profit and overhead, provided that such payments, exclusive of termination expenses, shall not exceed the total amount payable pursuant to Section 6 less any payments previously made to Consultant. Consultant shall not be entitled to profit and overhead on material, equipment and services which were not provided.

D. Consultant's Responsibilities. Upon receipt of a termination notice, Consultant shall (a) promptly discontinue all services (unless the notice directs otherwise), and (b) at City's choice, deliver or otherwise make available to City all data, design calculations, drawings, specifications, reports, estimates, summaries, and other information and materials developed or accumulated by Consultant in performing this Agreement.

- 14. Termination by Consultant.** Consultant may terminate this Agreement upon written notice to City if performance is made impossible for a period of 30 consecutive calendar days for any of the following reasons through no act or fault of Consultant or its agents, employees or subcontractors: issuance of an order by a court or other public authority having jurisdiction; an act of government, such as a declaration of national emergency; or a natural disaster or other Act of God. Consultant may also terminate this Agreement, upon written notice and a ten-day opportunity to cure, if the City fails to fulfill its obligations or to make any payment within the time set forth in Section 6. Consultant may also terminate this Agreement upon written notice if suspensions, delays or interruptions by City equal in the aggregate more than 100% of the total number of days scheduled for completion.
- 15. Governing Law.** This Agreement shall be governed by the laws of the State of Arizona. Any suit arising out of this Agreement shall be brought in the state courts of Arizona (with venue in Navajo County), but only after the review procedure specified in Section 12. In the event that litigation arises regarding this agreement the prevailing party shall be entitled to recover their reasonable attorney's fees and costs.
- 16. Incorporation of Applicable Laws.** Every provision of law required by statute or regulation to be in this Agreement will be read and enforced as though included herein. Each party shall promptly notify the other upon discovery that any such provision has been omitted.
- 17. Non-Collusion.** The provisions of A.R.S. §38-511 are incorporated herein by this reference.

18. **One-Year Limitation on Actions.** No action shall be maintained by Consultant on any claim based upon or arising out of this Agreement unless such action is commenced within one year after City's final payment hereunder.
19. **Entire Agreement.** This Agreement and those documents incorporated by reference represent the entire understanding between the parties. No amendment shall be effective unless executed by both parties with the same formality as this Agreement. Provided, however, that the City's Grants Manager is authorized to modify the Scope of Work, in writing, with the concurrence of Consultant so long as the project is not changed substantially or significant additional compensation is not required.
20. **Severability.** The provisions of this Agreement are severable. Any provision held to be invalid or unenforceable shall not affect the validity or enforceability of any other provision.
21. **Notices.** All notices, invoices and payments shall be in writing and may be given by personal delivery or certified mail. The designated recipients are as follows:

To Consultant: Noelle J. Espinosa, PhD, Project Scientist
Terracon Consultants
4685 S. Ash Avenue, Suite H-4
Tempe, AZ 85282
480-897-8200

To City: Lisa Robertson
Grants Manager
City of Show Low
180 N. 9th Street
Show Low, AZ 85901
(928) 532-4000 Fax: (928) 532-4009

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement as of the date first written above.

CITY OF SHOW LOW

By _____
John Leech, Jr., Mayor



4685 S. Ash Avenue, Suite H-4
Tempe, Arizona 85282
P (480) 897-8200
Terracon.com

October 10, 2023

City of Show Low, Arizona
180 North 9th Street
Show Low, Arizona 85901

Attn: Lisa Robertson, Grants and Transit Manager
Phone: (928) 532-4097
E-mail: lrobertson@showlowaz.gov

RE: Proposal for Consulting Services – Revision 1
FY2022 EPA Brownfields Cleanup Grant Implementation
Former Woody's Bulk Oil Storage Facility
Show Low, Arizona
Terracon Proposal No. 65227640.1

Dear Ms. Robertson:

Terracon Consultants, Inc. (Terracon) appreciates the opportunity to submit this revised proposal to the City of Show Low, Arizona to provide professional and contracting services to facilitate bioremediation of soil and groundwater at the former Woody's Bulk Oil Storage Facility in Show Low (hereafter referred to as 'site' in this proposal). This revised proposal reduces the proposed compensation amount from \$409,299 to \$409,000. The work will be conducted using funding from a Brownfields Cleanup grant awarded to Show Low by the United States Environmental Protection Agency (EPA).

Scope of Services (see Section 2.0 of attached Proposal Detail)	Site management through Arizona Department of Environmental Quality (ADEQ) Voluntary Remediation Program (VRP); bioaugmentation injection; and site monitoring in accordance with the Sampling and Analytical Program summarized in Table 1.
Schedule (see Section 5.0 of attached Proposal Detail)	Terracon will endeavor to complete the scope of work described in this proposal in accordance with the Proposed Project Schedule provided in Table 2.
Compensation (see Section 5.0 of attached Proposal Detail)	Time and materials: \$409,000 as summarized in Table 3.

Refer to the attached proposal detail for assumptions and limitations. This proposal is valid for 60 days. We appreciate the opportunity to provide this proposal and look forward to working with you on this project. Our services will be completed in accordance with the

mutually agreed upon contract terms between the City and Terracon. Work may be initiated upon receipt of email authorization to proceed followed by the City's Contract for Professional Services for the below scope of work.

If you should have any questions or comments regarding this proposal, please contact Noelle Espinosa at (520) 668-0626 or noelle.espinosa@terracon.com.

Sincerely,
Terracon Consultants, Inc.

A handwritten signature in black ink, appearing to read 'Noelle Espinosa'.

Noelle Espinosa, Ph.D.
Project Manager

A handwritten signature in black ink, appearing to read 'Bob Roth'.

Bob Roth, P.E.
Senior Environmental Engineer

A handwritten signature in blue ink, appearing to read 'Tod Whitwer'.

Tod Whitwer, P.E.
Manager Regional Services

Attachments:

- Exhibit 1 – Site Vicinity Map
- Exhibit 2 – Site Features
- Exhibit 3 – Soil Boring Locations and Summary of Analytical Data
- Exhibit 4 – Groundwater Monitoring Well Locations and Summary of Analytical Data
- Exhibit 5 – Proposed Permanent Groundwater Monitoring Well Locations

- Table 1 – Sampling and Analytical Program
- Table 2 – Proposed Project Schedule
- Table 3 – Proposal Fee Summary
- Table 4 – Proposed Fee Schedule

1.0 INTRODUCTION

1.1 Site Setting

The former Woody's bulk fuel storage facility (referred to as Woody's or site in this document) is comprised of Navajo County Assessor Parcel Number (APN) 210-16-039 and covers approximately 0.64 acres of land. The site is located at 180 North 11th Street in Show Low, Navajo County, Arizona (See Exhibit 1).

The site was vacant until about 1955 and was then operated by Woody's Enterprises as a bulk fuel storage facility from approximately 1955 to 2009. The site has reportedly not had active operations since 2009. The fuel facilities included four vertical 15,000-gallon capacity fuel aboveground storage tanks (ASTs) contained within concrete secondary containment, and a dispenser island connected to the fuel pump house. Associated support structures included a modular office building, covered loading/storage dock, storage room, fuel pump house, single-story garage, service bay, and a storage building. Exhibit 2 provides a plan view of the site features. Most of the site features were demolished with only the office building, concrete pads, and walls remaining on the site.

1.2 Site Studies

Several site investigations have been completed at the site to define the extent and magnitude of impacts to the site from releases to the soil and groundwater due to site activities. Soil boring and sample locations are shown on Exhibit 3. Groundwater monitoring well locations are shown on Exhibit 4. The previous site investigations demonstrated that the vadose zone extended from about 5 feet below ground surface (bgs) to about 10 feet bgs and was composed of sandy lean clay. Groundwater was encountered at the Site between 6 feet bgs and 16 feet bgs and had a thickness of about 20 feet. This water-bearing unit appears to be a sand/gravel lens under confining conditions due to a thick clay layer above and cemented, stiff clay layer below. The water-bearing unit was characterized as a paleo-channel deposit that appears to pinch out north of the fuel pump house. The inferred direction of groundwater flow is to the northeast at a flow velocity of 0.016 ft/ft.

Eight volatile organic compounds (VOCs) that are present in site soil in concentrations greater than the residential Soil Remediation Level (SRL), non-residential SRL, and/or Groundwater Protection Level (GPL) established by the Arizona Department of Environmental Quality (ADEQ): acrylonitrile, benzene, n-Hexane, methyl cyclohexane, tetra ethyl lead (TEL), 1,2,4-trimethylbenzene (TMB), 1,3,5-TMB, and xylenes (total). The inferred areal extent of soil containing benzene and TEL in concentrations greater than the residential or non-residential SRL is 9,800 square feet (ft²). Benzene, toluene, ethylbenzene, and total xylenes (BTEX) constituents are present in concentrations

exceeding the ADEQ-established Aquifer Water Quality Standard (AWQS) in several samples collected during site characterization activities.

1.3 Prospective Purchaser Agreement

The City of Show Low (City or Show Low) acquired title to the site from Partnership Investments III LLC on May 4, 2021. The City assumed potential liability for response costs for releases of the petroleum products at the site under §107(a)(1) of the Comprehensive Environmental Response, Compensation, and Recovery Act (CERCLA) and Title 49, Section 283 of the Arizona Revised Statutes (A.R.S. §49-283) as the facility owner. Show Low's potential owner liability for the Existing Contamination¹ at the site was resolved by entering into a Prospective Purchaser Agreement (PPA) with ADEQ dated July 19, 2021. The relevant terms included in the PPA include:

1. Provide a substantial public benefit
2. Cooperate with ADEQ and others in all cleanup activities
3. Provide ADEQ an easement on the site to ensure compliance with the PPA and to conduct removal or remedial actions on the site related to the Existing Contamination
4. Make the City's business records related to the Existing Contamination available to ADEQ
5. Fully comply with terms and conditions of the PPA and Environmental Access Agreement

Substantial public benefit is described in Section VII of the PPA. As outlined in this section, Show Low will acquire the site and develop it for productive reuse in alignment with the City's revitalization efforts to bring economic growth and vibrancy to the downtown district. The redevelopment plan for the site is described to contain perpendicular, off-street parking and will have the added benefit of containing contaminant vapor migration from petroleum products present in subsurface soil. The City is required to complete the substantial benefit within 36 months after the execution of the PPA (July 18, 2024).

1.4 Remedial Action Objectives

The anticipated redevelopment plan for the site is described to contain perpendicular, off-street parking for the adjoining municipal library and surrounding downtown retail, commercial, or civic uses. However, the City desires to remediate the site such that other uses (such as a learning center, community garden, and library expansion) can be accommodated in the future and, therefore, would like to obtain a determination from ADEQ

¹ Existing Contamination is defined in the PPA as hazardous substances (specifically benzene, ethylbenzene, toluene, and total xylenes) that were present in the soil and/or groundwater (underlying the site or groundwater migrating past the site boundary).

that no further action is required to remediate the site (NFA Determination). The property is not zoned for residential use and the City of Show Low does not foresee future residential use of the property.

The Remedial Action Objectives (RAOs) for the site are designed to ensure that remediation alternatives are protective of human health and the environment, allow for compliance with the PPA, support alternative future site uses, promote site closure, and assure regulatory permit and program compliance. The following primary site-specific RAOs are established for evaluating remedial alternatives:

1. Reduce short-term and long-term risks to human health and the environment
2. Allow implementation of substantial public benefit by July 18, 2024
3. Comply with EPA Brownfields Cleanup grant terms and conditions
4. Remediate Site soil and groundwater so that a NFA Determination can be obtained within 3 years of remedy implementation
5. Allow for future Site use for purposes other than public parking
6. Complete cleanup within the Fiscal Year 2022 Brownfields Cleanup grant budget of \$490,800 (EPA grant of \$409,000 for contractual plus Show Low Cost Share of \$81,800) and schedule (at least 70% expenditure by October 2025).

2.0 Cleanup Oversight Responsibility

2.1 EPA Brownfields Grant

Show Low was awarded a Fiscal Year 2022 Brownfields Cleanup grant from EPA to remediate the site. The City prepared a Work Plan to guide grant-funded activities and entered into a Cooperative Agreement with EPA on September 7, 2022 (Grant No. BF-98T42901) that contains the terms and conditions under which the Brownfields grant funding can be expended. The Work Plan contains outcomes, budget, milestones, and schedule commitments that the City has agreed to complete or comply with. Programmatic requirements outlined in the Cooperative Agreement include consideration of historical properties or threatened and endangered (T&E) species.

Terracon submitted a draft ABCA dated October 27, 2021 to EPA with the EPA Brownfields Cleanup grant application. The recommended cleanup option for the site was soil vapor extraction (SVE) for soil and bioaugmentation of groundwater to support bioremediation. After Show Low was awarded the grant, Terracon updated the ABCA to account for significantly increased remediation subcontractor costs and additional evaluation of site remedial alternatives. Terracon recommended that a bioaugmentation additive be injected into the vadose zone to stimulate bioremediation of volatile organic compounds (VOCs) in

soil and groundwater as the bioaugmentation chemical migrates into the groundwater. The proposed remedial action is more fully described in Section 4.0.

2.2 ADEQ VRP

The City intends to enroll the site into the Voluntary Remediation Program (VRP) with the goal to eventually receive a NFA Determination for the site. An ADEQ VRP Work Plan meeting the requirements of Title 49, Section 175 of the Arizona Revised Statutes (A.R.S. 49-175) using the Voluntary Remediation Program Work Plan Checklist (Checklist) will be prepared. Data quality requirements will be included in the Work Plan using VRP Data Quality Plan for Work Plan/SAP Development guidance and will incorporate the Remedial Projects Section Quality Assurance Program Plan (QAPrP). The Work Plan will be developed with the intent to obtain an NFA Determination for soil for VOCs after remedial actions are completed. Previous assessment activities conducted at the site will be used to provide requisite assessment and characterization data in the Work Plan. A final Work Plan, along with a letter that describes how the final Work Plan was revised to address ADEQ comments, will be sealed by a Professional Engineer registered in the State of Arizona and submitted to ADEQ.

Because soil will contain VOCs in concentrations greater than residential SRLs with several alternatives, Show Low will coordinate with ADEQ to develop a Declaration of Environmental Use Restriction (DEUR) for the site which will be enforced until the NFA Determination is obtained. The DEUR will inform the public and future property owners of site contamination and describe institutional and engineering controls to be implemented at the site to prevent or mitigate human exposure or migration of contamination. Institutional controls will include prohibition of disturbing the cap, vapor barrier, and underlying soil; limiting site use to a parking lot; and posting information about the impacts at the site. Terracon will assist Show Low with the release of the DEUR from the site once site characterization demonstrates that soil contains contaminants of concern (COCs) in concentrations less than residential SRLs and GPLs and groundwater contains COCs in concentrations less than the AWQS.

3.0 Applicable Regulations and Cleanup Standards

3.1 Remediation and Disposal Standards

Remedial activities will be conducted in accordance with applicable local, state, and federal rules and regulations related to the remediation and assessment activities at the site. Federal, state, and local laws regarding the cleanup will be followed, and all appropriate permits and notifications (e.g., AZ 811 utility notification center, soil disposal acceptance notification, soil transport/disposal manifests, etc.) will be obtained prior to the cleanup activities commencing.

3.1.1 Soil Remediation Levels and Groundwater Protection Levels

Soil and groundwater remediation will be conducted under the rules and regulations governing the VRP. The applicable soil remediation rules are contained in Title 49, Section 152 of the Arizona Revised Statutes (A.R.S. 49-152) and standards are established in the Arizona Administrative Code (A.A.C.) Title 18, Chapter 7, Article 2 (R18-7-203). SRLs for the site can be selected using Background Remediation Standards, Pre-Determined Remediation Standards, or Site-Specific Remediation Standards.

Groundwater must be remediated such that COCs are not present in concentrations greater than the AWQSs found at A.A.C. R18-11. In addition, soil remediation must be conducted such that remaining soil does not contain COCs in concentrations that will cause a violation of AWQS prescribed in 18 A.A.C. 11. ADEQ developed soil cleanup standards that are considered to be protective of groundwater called GPLs and published these in a document titled *A Screening Method to Determine Soil Concentrations Protective of Groundwater Quality*; (ADEQ, 1996).

The foreseeable site use is likely a municipal use such as a public parking lot to serve the adjoining public library and recreational spaces. For these uses, the minimum appropriate remedial goals for site soils are the ADEQ non-residential SRLs and the GPLs. However, the City's preferred closure strategy is to obtain a NFA Determination, which requires the remaining soil to contain VOCs in concentrations less than residential SRLs.

3.1.2 Special Waste

Special wastes is defined in A.R.S. 49-851(5) as a solid, non-hazardous waste that requires special handling and management to protect public health or the environment and are is statutorily listed as a special waste. Petroleum-contaminated soil (PCS) is designated as a special waste and is defined as soil excavated for storage, treatment, or disposal that contains certain petroleum product-based constituents in concentrations greater than the SRLs. Soil excavated from the site for off-site disposal will be designated as PCS and will need to be handled, transported, and disposed as a special waste. The City will need to obtain an Arizona Special Waste Identification Number and transport and dispose PCS using a Special Waste Manifest. In addition, as the special waste generator, the City will need to submit an annual report for the calendar year special waste was generated and disposed (likely two annual reports) until the cleanup is complete and the waste identification number is closed.

3.1.3 Hazardous Waste

Hazardous waste identification, classification, generation, transportation, and disposal are regulated under the Resource, Conservation and Recovery Act (RCRA) in 40 CFR 260-273. For this project, hazardous waste regulations are most likely going to be applicable to the discovery of soil containing VOCs in concentrations that would classify the soil as a hazardous waste if it was disposed of. Soil samples will be collected and analyzed for

leachable VOC concentrations using the Toxicity Characteristic Leaching Procedure (TCLP) and EPA Method 8260. VOC concentrations will be compared to the regulatory level to evaluate whether the excavated soil is a toxic hazardous waste for a VOC analyte characteristic. The City will obtain an EPA Hazardous Waste Generator permit and hazardous waste will be transported using proper manifesting to a landfill permitted to accept hazardous waste. If hazardous waste is generated, the City will need to submit annual reports and pay hazardous waste management fees.

3.1.4 Land Disposal Restrictions

According to RCRA provisions, land disposal includes, but is not limited to, "any placement of such hazardous waste in a landfill, surface impoundment, waste pile, injection well, land treatment facility, salt dome formation, salt bed formation, or underground mine or cave". Therefore, Land Disposal Restrictions (LDRs) generally include the "placement" of hazardous waste in a land disposal unit, defined by the RCRA provision. The EPA generally considers the placement in one of the land disposal units to mean the placement of hazardous waste into one of these units, not movement within a unit. Therefore, in accordance with the EPA's Area of Contamination Policy (EPA, 1995), excavated waste that is potentially hazardous waste for the toxicity characteristic, will remain in the area of contamination until the waste is analyzed and analytical results demonstrate the waste does not meet the definition of a hazardous waste. The excavated material may then be moved and placed in a temporary stockpile area awaiting the disposal of the material in a RCRA Subtitle D landfill, as discussed in Section 5.5.

In addition to the movement of contaminated soil within the Area of Contamination (AOC), land disposal restrictions apply to soil to be transported and disposed of off-site. On May 26, 1998, EPA promulgated land disposal restriction treatment standards specific to contaminated soils (see 63 FR 28555 and 40 CFR 268.49), one of the purposes of which was to encourage more cost-effective cleanup of hazardous contaminated soil (EPA, 2002). As found in A.A.C. R18-8-286, ADEQ incorporated the portions of 40 CFR 268 that are applicable to this site. Therefore, the Alternative LDR treatment standards are applicable to contaminated soil generated at this site and disposed of off-site.

The applicable Alternative LDR treatment regulations are found at 40 CFR 269.49(c) and state that prior to land disposal, contaminated soil subject to LDRs must be treated according to the Universal Treatment Standard (UTS) specified in 40 CFR 268.48 or as follows:

- Treatment must achieve 90 percent reduction in constituent concentrations as measured in leachate from the treated media (tested according to the TCLP); or
- Treatment to achieve constituent concentrations less than 10 times the UTS identified in 40 CFR 268.48 Table UTS.

To illustrate how the Alternative LDR is calculated, the UTS for acrylonitrile is 81 milligrams per kilogram (mg/kg); therefore, ten times the UTS is 810 mg/kg. The applicable treatment standard is the Alternative LDR treatment standard, and only soil containing acrylonitrile in a concentration less than 810 mg/kg will be transported and disposed of off-site as a non-hazardous waste. Alternative LDR Treatment Standards for VOCs present in concentrations greater than the SRL or GPL will be calculated in a like manner to confirm that materials requiring off-site disposal are classified as a non-hazardous waste.

3.2 Environmental Permits and Programs

3.2.1 Dust Control

ADEQ maintains primacy for air quality regulation in Navajo County but does not issue permits for control of non-point sources. Terracon is not aware of permits required specifically for dust control. The provisions of 18 A.A.C. 2, specifically R18-2-604 through R18-2-607, require reasonable precautions be made to limit excessive amounts of particulate generation on open areas, material handling, and storage piles.

3.2.2 Stormwater

Construction activities, including those associated with remediation, that disturb more than 1.0 acre and have the potential to enter waters of the United States or a storm drain system must obtain authorization to discharge prior to the discharge. This site does not meet the area threshold that would require authorization through a Construction General Permit (AZG2013-001) issued by ADEQ.

3.2.3 Well Installation Permit

Groundwater monitor/injection wells will be installed. Groundwater protection and use are regulated under the Groundwater Code found at A.R.S. Title 45, Sections 45-101 through 45-352. Terracon will receive permission to install monitor or injection wells into groundwater from the Arizona Department of Water Resources (ADWR) by submitting a Notice of Intent to Drill form and additional information necessary to obtain authorization from ADWR to drill the monitor and injection wells.

3.2.4 Right-of-Way Permitting and Traffic Safety

A right-of-way (ROW) permit will need to be obtained to conduct work within the public roadway. Based on the selected option, this work may require street closure, lane restrictions, ingress/egress of excavated soil transportation trucks and equipment, and other potential limitations to street use. Permission to work in the public ROW will be obtained through an application to the City of Show Low Public Works Department. Traffic control and safety will be included, as required and appropriate, to mitigate safety hazards associated with site remediation activities, especially as related to site ingress and egress. A traffic safety program will be developed to outline the processes and procedures

to be used to mitigate risk to the public and site workers and will be tailored to the site-specific traffic control requirements.

4.0 Scope of Work

The following sections describe Terracon's proposed scope of work to remediate the site. Assumptions and exclusions used to develop the scope of services and estimated to complete the scope of services are provided throughout this proposal and in Section 4.0.

4.1 Permitting and Regulatory Compliance

Terracon and its contractors will comply with applicable local, state, and federal rules and regulations related to the remediation and assessment activities at the site. The primary regulatory requirements for this project are described below.

4.1.1 Stormwater Discharge

Although a permit is not required, Terracon will implement Best Management Practices (BMPs) to reduce stormwater discharges from the site containing sediments and other pollutants. These practices will likely include use of filter socks, silt fences, proper chemical storage, and other site-specific BMPs.

4.1.2 Air Quality

Terracon will implement controls and procedures to minimize fugitive dust emissions to control dust from excavation areas, stockpiles, and vehicle track-out. Terracon will prepare a Dust Control Plan to minimize fugitive dust generation using methods such as wetting excavated and stockpiled soil, controlling vehicular speed, using track-out devices, and terminating work during high wind conditions.

4.1.3 Traffic Control

Terracon assumes road closures or other limitations will not be required; therefore, we do not anticipate the need to obtain a right-of-way use permit or develop a formal traffic control plan for agency review and approval. However, Terracon will coordinate with the City of Show Low Public Works Department and will develop procedures to allow for access to off-site roadways in a safe manner and minimizes traffic disruption.

4.1.4 Hazardous and Special Waste

Hazardous waste identification, classification, generation, transportation, and disposal are regulated under RCRA in 40 CFR 260 - 273. Terracon will use existing analytical data for screened landfill material to develop the landfill waste characterization profile, submit the profile to the landfill, and obtain approval from the landfill that it will accept the landfill

debris. Screened landfill debris will be stockpiled on-site temporarily and will be covered or otherwise protected from wind or precipitation.

For this project, hazardous waste regulations may also be relevant for the discovery of soil containing VOCs, semi-volatile organic compounds (SVOCs), or metals in concentrations that would classify the soil as a hazardous waste if it was disposed of. If soil or other materials are encountered that, based on the professional experience of the Terracon Field Manager and/or Project Manager could potentially be classified as a hazardous waste, samples will be collected and analyzed for the toxicity characteristic analyte concentration using the TCLP and appropriate chemical-specific analytical method to measure the total concentration of the suspect analyte. Analyte concentrations will be compared to the regulatory level to evaluate whether the excavated soil is a toxic characteristic hazardous waste.

This proposal assumes no hazardous waste will be generated at the site. If hazardous waste is generated, Terracon will provide a supplemental proposal to Show Low which, after approval by Show Low, we can assist with obtaining an EPA Hazardous Waste Generator permit, transporting and disposing hazardous waste to a landfill permitted to accept hazardous waste, and managing the process using manifests signed by Show Low and including the Show Low EPA ID number.

Special waste is defined in A.R.S. 49-851(5) as a solid, non-hazardous waste that requires special handling and management to protect public health or the environment and are statutorily listed as a special waste. PCS is designated as a special waste and is defined as soil excavated for storage, treatment, or disposal that contains certain petroleum product-based constituents in concentrations greater than the SRLs. If materials are encountered that, based on the professional experience of the Terracon Field Manager and/or Project Manager could potentially be classified as PCS or other special waste, Terracon will provide a supplemental proposal to Show Low that, after approval by Show Low, we can collect soil samples and analyze the samples for VOCs, SVOCs, 8 RCRA metals, and tetraethyl lead. If analytical results demonstrate the material is a special waste, Terracon can assist Show Low with obtaining an Arizona Special Waste Identification Number and transporting and disposing of PCS using a Special Waste Manifest.

4.2 Health and Safety

Arizona 811 will be contacted to identify the public subsurface utilities at the site. In addition, Terracon will subcontract a private utility locating company to further evaluate the excavation locations and Terracon personnel will use a hand-held Leica meter to scan excavation areas prior to breaking ground.

A site Health and Safety Plan (HASP) will be prepared to document potential health and safety concerns associated with proposed site activities, health hazards associated with the

contaminants anticipated to be encountered, and identify emergency response procedures and personnel responsibility in the event of an emergency response. The HASP will be prepared per Occupational Safety and Health Administration (OSHA) requirements (29 CFR 1910.120). site work will be performed using OSHA Level D personal protective equipment (PPE). Terracon and subcontractor personnel will be required to have successfully completed 40-hour Hazardous Waste Operations and Emergency Response (HAZWOPER) training with current 8-hour refresher training in compliance with OSHA regulations found at 1910.120(a)(1)(i-v) and 1926.65(a)(1)(i-v).

Terracon's field technician will frequently monitor airspace at the ground surface and within the excavation for the presence of VOCs using a photoionization detector (PID) to detect the presence of VOCs in the worker breathing zones and to quantitatively evaluate the presence of VOCs in the buried debris.

The site perimeter will be enclosed with a temporary chain-link fence with one gated entrance. The gate will normally remain closed except when in use and will be locked if site work is not being conducted.

4.3 ADEQ Voluntary Remediation Program

The City submitted an application to the ADEQ VRP program on August 4, 2023. Provided the site is accepted into the VRP program, Terracon will prepare a VRP Work Plan and submit the Work Plan to ADEQ for review and comment. The Work Plan will identify the COCs to be addressed, applicable soil and groundwater cleanup standards for the identified COCs, and proposed remediation scope of work. Terracon will support the community involvement requirements by assisting with general public outreach and notification. Terracon will also communicate and coordinate with VRP during project activities.

Terracon will prepare a Site Characterization Report (SCR) summarizing the site activities, analytical results, and demonstrating attainment with soil and groundwater cleanup standards. The draft report will be submitted to VRP for review and comments, and will revise the SCR to incorporate ADEQ input and issue a final, sealed SCR to ADEQ.

4.4 Vadose and Saturated Zone Treatment

RegenOx, a two-part chemical oxidant manufactured by Regenesys, will be mixed in an injection trailer with water in batches at the designated solution percentage and kept in suspension throughout the injection application. A direct push rig will be used to advance 200 points spaced 7 feet on center to a depth of approximately 6 feet below ground surface (bgs) to 10 feet bgs and RegenOx will be injected into the vadose zone. We assume 21,800 pounds of RegenOx will be applied to the subsurface. Pressure, flow rates, and total volume will be monitored for each injection monitor interval.

4.5 Groundwater Monitoring Well Installation and Monitoring

Six groundwater monitor wells, slotted between approximately 5 feet bgs and 20 feet bgs, will be installed to a depth of 20 feet bgs and completed with flush-mounted wellhead covers. The approximate location of the proposed groundwater monitor wells is shown on in Exhibit 5. Upon installation of the groundwater monitor wells, groundwater samples will be collected from each well and analyzed for VOCs and groundwater properties to measure the effectiveness of the enhanced bioremediation process. Groundwater samples will be collected from the groundwater monitor wells during four quarterly sampling events and analyzed for VOCs and groundwater properties to measure the effectiveness of the enhanced bioremediation process. The groundwater properties to be measured are temperature, pH, oxidation-reduction potential (ORP), dissolved oxygen (DO), nitrate (NO_3^-), soluble ferrous iron (Fe^{2+}), and sulfate (SO_4^{2-}). Groundwater analytical parameters, analytical methods, number of analytical samples to be collected during groundwater monitor well installation are provided in Table 1.

One soil sample will be collected from each groundwater monitor well boring during well installation. As summarized in Table 1, the soil samples collected during groundwater well installation will be analyzed for VOCs and soil properties (temperature, pH, and moisture, oxygen, nitrogen, and phosphorus) content to establish a baseline for the enhanced bioremediation process.

4.6 Final Site Confirmation Sampling and Closure

Terracon will collect final site soil and groundwater confirmation samples after the four groundwater monitoring events are completed. Eight soil borings will be advanced to a terminal depth of 25 feet bgs and soil samples will be collected at 5-foot intervals beginning at 5 feet bgs and terminating at 25 feet bgs (five samples per boring, 40 samples total). Primary samples and quality control samples (five duplicates, two equipment blanks, and three trip blanks) will be collected and analyzed for the parameters listed below. Analytical results will be compared to residential SRLs, non-residential SRLs, and minimum GPLs to evaluate closure options. One sample will be collected from each of the six groundwater monitoring wells and analyzed for the parameters listed below. Analytical results will be compared to AWQS to evaluate closure options.

Analyte	CAS Registration Number	Cleanup Standards (mg/kg)				
		Residential SRL			Non- Residential SRL	Minimum GPL
		Carcinogen		Non- Carcinogen		
		10 ⁻⁶ Risk	10 ⁻⁵ Risk			
Acrylonitrile	107-13-1	0.21	2.1	---	4.9	NE
Benzene	71-43-2	0.65	---	---	1.4	0.71
Toluene	108-88-3	---	---	650	650	402
Ethylbenzene	100-41-4	---	---	400	400	124
Total Xylenes	1330-20-7	---	---	270	420	2,200
n-Hexane	110-54-3	---	---	110	110	NE
Methyl Cyclohexane	108-87-2	---	---	230	230	NE
1,2,4-Trimethylbenzene	95-63-6	---	---	52	170	NE
1,3,5-Trimethylbenzene	108-67-8	---	---	21	70	NE
Tetra Ethyl Lead	78-00-2	---	---	0.0061	0.062	NE

CAS: chemical abstract service; SRL: soil remediation level; mg/kg: milligrams per kilogram; NE: SRL or GPL not established; ---: compound not designated to this chemical classification.

5.0 Schedule and Fee Proposal

Terracon will endeavor to complete the scope of work described in this proposal in accordance with the proposed project schedule provided in Table 2. The actual project schedule will be based on ADEQ VRP review and approvals times, availability of environmental drillers, and other subcontractors. If schedule delays are anticipated based on Contractor delays, subcontractor availability, weather, and/or encountered site conditions, the client will be contacted to discuss changes in the schedule.

Terracon offers to complete the scope of work listed in this proposal on a time and materials of \$409,000 as summarized in Table 3. Based on the EPA Grant Work Plan, \$35,299 of the \$409,000 will be paid by the City's as a part of the cost-share requirement of the EPA grant (refer to the EPA Work Plan). If, as a result of these services, additional services are required that are outside the scope of this proposal, you will be contacted to discuss associated costs. Client authorization will be obtained prior to the commencement of additional services outside the scope of this proposal. Additional work will be conducted using the rates provided in the attached proposed fee schedule (Table 4).

6.0 Assumptions

Our fee proposal has been developed based on assumptions and exclusions provided previously in this proposal and below, and may be subject to change. Terracon will notify Show Low if it appears that site conditions may cause the required scope of work to exceed the proposed budget.

- Client will provide to Terracon, prior to mobilization, legal right of entry to the site (and other areas if required) to conduct the scope of services.

- Client will notify Terracon, prior to mobilization, of any restrictions, special site access requirements, or known potentially hazardous conditions at the site (e.g., hazardous materials or processes, specialized protective equipment requirements, unsound structural conditions, etc.).
- Site work can be performed Monday through Saturday, 7:00 am to 7:00 pm.
- Proposed fee is based on a 2-week field duration, working 5 days per week and 10 hours per day.
- This project is not subject to the State of Arizona transaction privilege taxation.
- No hazardous waste or special waste will be generated and costs to characterize, manage, handle, transport, and dispose of special waste or hazardous waste are not included.
- No bonds will be required.
- No retention will be held by the client.
- Davis-Bacon Act applies.
- No utility removal or relocation is required.
- Samples collected for environmental analysis will be analyzed with standard laboratory analytical turnaround of 7 to 10 business days.
- No protected biological or cultural resources will be encountered.

7.0 Conditions

Terracon will be responsible for supervision and site safety measures for its own employees but shall not be responsible for the supervision or health and safety precautions for any third parties, including Show Low's contractors, subcontractors, or other parties present at the site. In addition, Terracon retains the right to stop work without penalty at any time Terracon believes it is in the best interests of Terracon's employees or subcontractors to reduce the risk of exposure to the coronavirus. Show Low agrees it will respond quickly to all requests for information made by Terracon related to Terracon's pre-task planning and risk assessment processes. Show Low acknowledges its responsibility for notifying Terracon of any circumstances that present a risk of exposure to the coronavirus or individuals who have tested positive for COVID-19 or are self-quarantining due to exhibiting symptoms associated with the coronavirus.

Terracon's services will be performed in a manner consistent with generally accepted practices of the profession undertaken in similar studies in the same geographic area during the same period. Terracon makes no warranties, express or implied, regarding its services, findings, conclusions, or recommendations. Please note that Terracon does not warrant the services of laboratories, regulatory agencies or other third parties supplying information used for this project and end use reports. The scope of services listed in the proposal will be

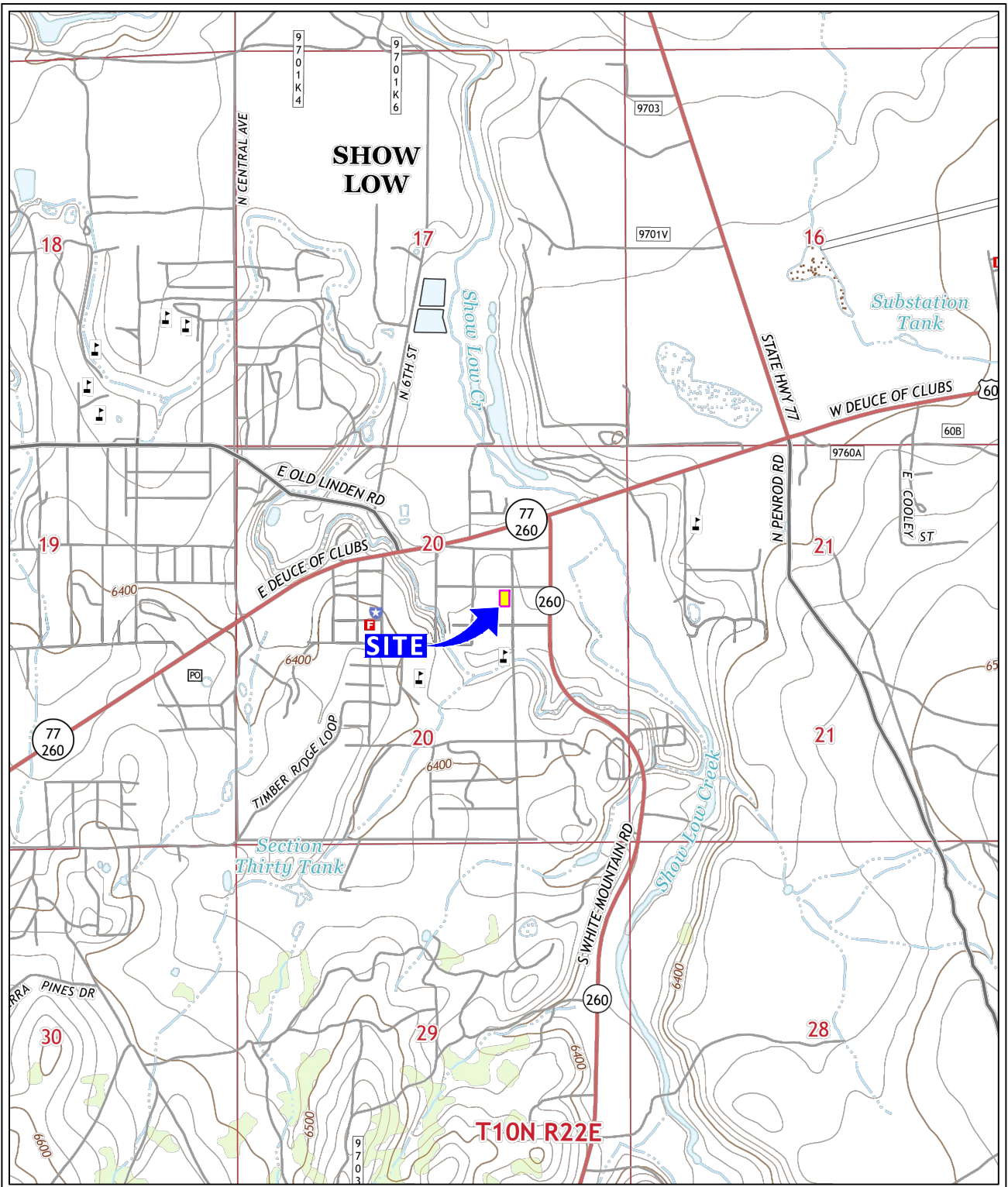


performed in accordance with the scope of services agreed with you, our client, as set forth in this proposal.

Reports will be prepared for the exclusive use and reliance of the City of Show Low. Reliance by any other party is prohibited without the written authorization of the City of Show Low and Terracon. Reliance on any reports by the client and all authorized parties will be subject to the terms, conditions, and limitations stated in the Agreement for Services, sections of this proposal incorporated therein, and the report. The defined contractual limitation of liability is the aggregate limit of Terracon's liability to the client and all relying parties.



Exhibits



SHOW LOW NORTH, AZ
DATED 2021

SHOW LOW SOUTH, AZ
DATED 2021

0 1000' 2000'
APPROXIMATE SCALE



Project Mngr:	JTB
Drawn By:	KLJ
Checked By:	JTB
Approved By:	JCT
Project No.:	65227640
Scale:	as shown
File No.:	see left margin
Date:	7/31/2023

Terracon

4685 South Ash Avenue, Suite H-4 Tempe, AZ 85282
PH. (480) 897-8200 FAX. (480) 897-1133 www.Terracon.com

SITE VICINITY MAP
FY2022 EPA Brownfields Cleanup Grant Implementation
Former Woody's Bulk Oil Storage Facility
Show Low, Arizona

EXHIBIT
1

E. HALL ROAD

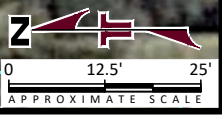
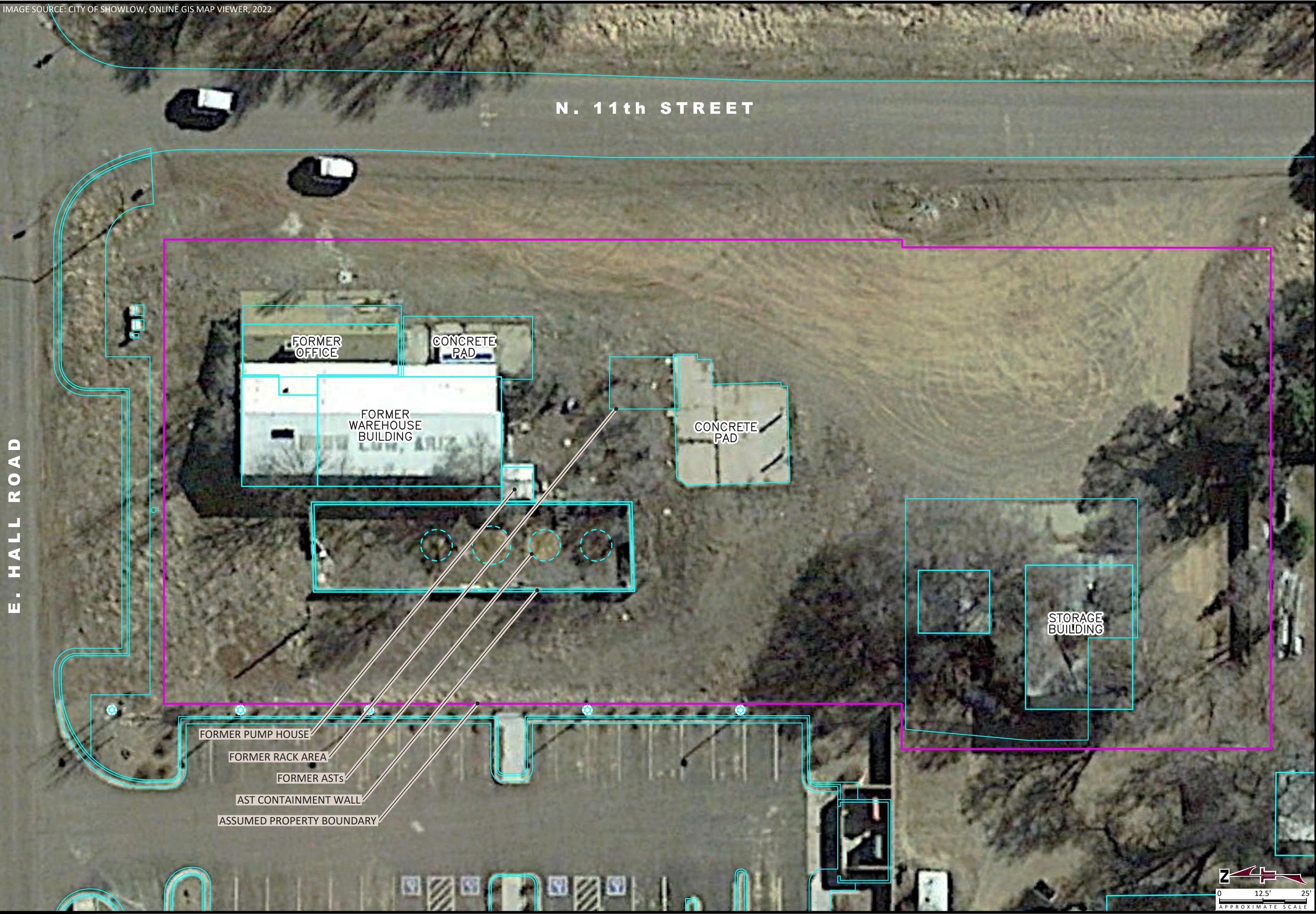


EXHIBIT		2	
SITE FEATURES		FY2022 EPA Brownfields Cleanup Grant Implementation Former Woody's Bulk Oil Storage Facility	
Project Mng'r:	NIE	Project No.:	65227640
Drawn By:	KLJ	Scale:	as shown
Checked By:	TW	File No.:	see left margin
Approved By:	TW	Date:	7/31/2023



4685 South Ash Avenue, Suite H-4
PH: (480) 897-8200 FAX: (480) 897-1133
Tempe, AZ 85282
www.Terracon.com

n:\projects\2022\65227640\working files\diagrams-drawings-figures\cod\65227640_cip.dwg / tab: FY2022_Ext 3 Boring Data Summary

E. HALL ROAD

Revised: 07/31/2023, 08:00 AM, 07/31/2023, 08:00 AM, 07/31/2023, 08:00 AM

N. 11th STREET

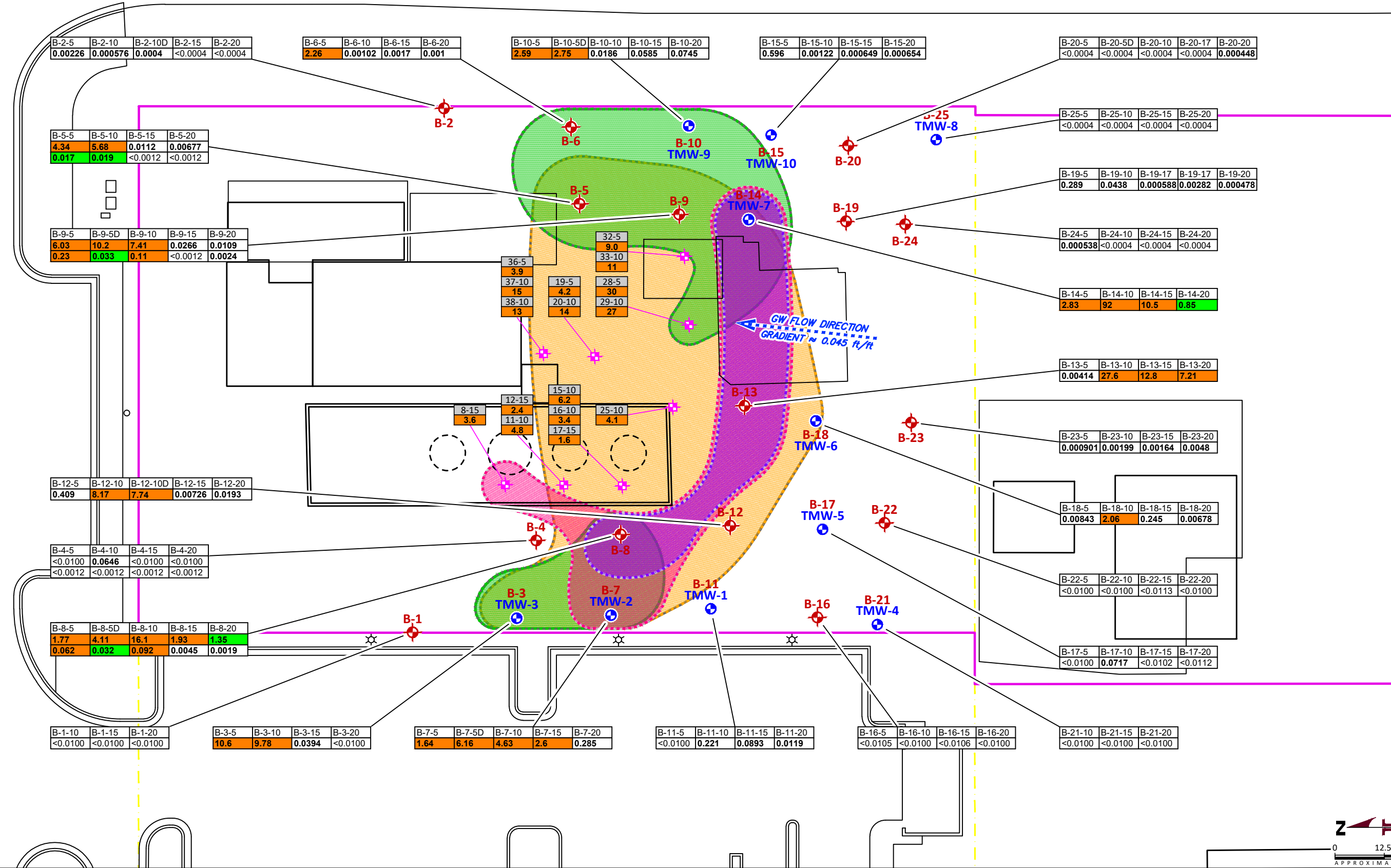
LEGEND:

- Mactec Boring
- Terracon Boring
- Terracon Boring

Benzene (mg/l)	4.34	5.68	0.0112	0.00677
Tetra Ethyl Lead (mg/l)	0.017	0.019	<0.0012	<0.0012

- Terracon Estimated Extent of Impact Above SRLs, 5 feet Below Surface
- Terracon Estimated Extent of Impact Above SRLs, 10 feet Below Surface
- Terracon Estimated Extent of Impact Above SRLs, 15 feet Below Surface
- Terracon Estimated Extent of Impact Above SRLs, 20 feet Below Surface

NOTE:
ORANGE highlight = Exceeds ADEQ Non-Residential SRLs
GREEN highlight = Exceeds ADEQ Residential SRLs



FIGURE

3

SOIL BORING LOCATIONS AND SUMMARY OF ANALYTICAL DATA

FY2022 EPA Brownfields Cleanup Grant Implementation
Former Woody's Bulk Oil Storage Facility

Show Low, Arizona



4685 South Ash Avenue, Suite H-4
PH: (480) 897-8200 FAX: (480) 897-1133
Tempe, AZ 85282
www.Terracon.com

Project No.: 65227640
Scale: as shown
File No.: see left margin
Date: 7/31/2023

Project Mgr: NIE
Drawn By: KLU
Checked By: TW
Approved By: TW

n:\projects\2022\65227640\working files\diagrams-drawings-figures\cod\65227640_cip.dwg / tab: FY2022_Ext 4 GW Data Summary

Issue Date: 09/16/2022, Drawn By: KLU, Checked By: TW, Approved By: TW

LEGEND:

AMEC Well

Terracon Boring

Terracon Well

TMW-1

Sample Date

Ground Water Elevation *

Benzene (mg/l)

Ethylbenzene (mg/l)

Tetra Ethyl Lead (mg/l)

MW-1

09/17/19

6258.90'

686

46.2

<0.028

BENZENE CONCENTRATIONS

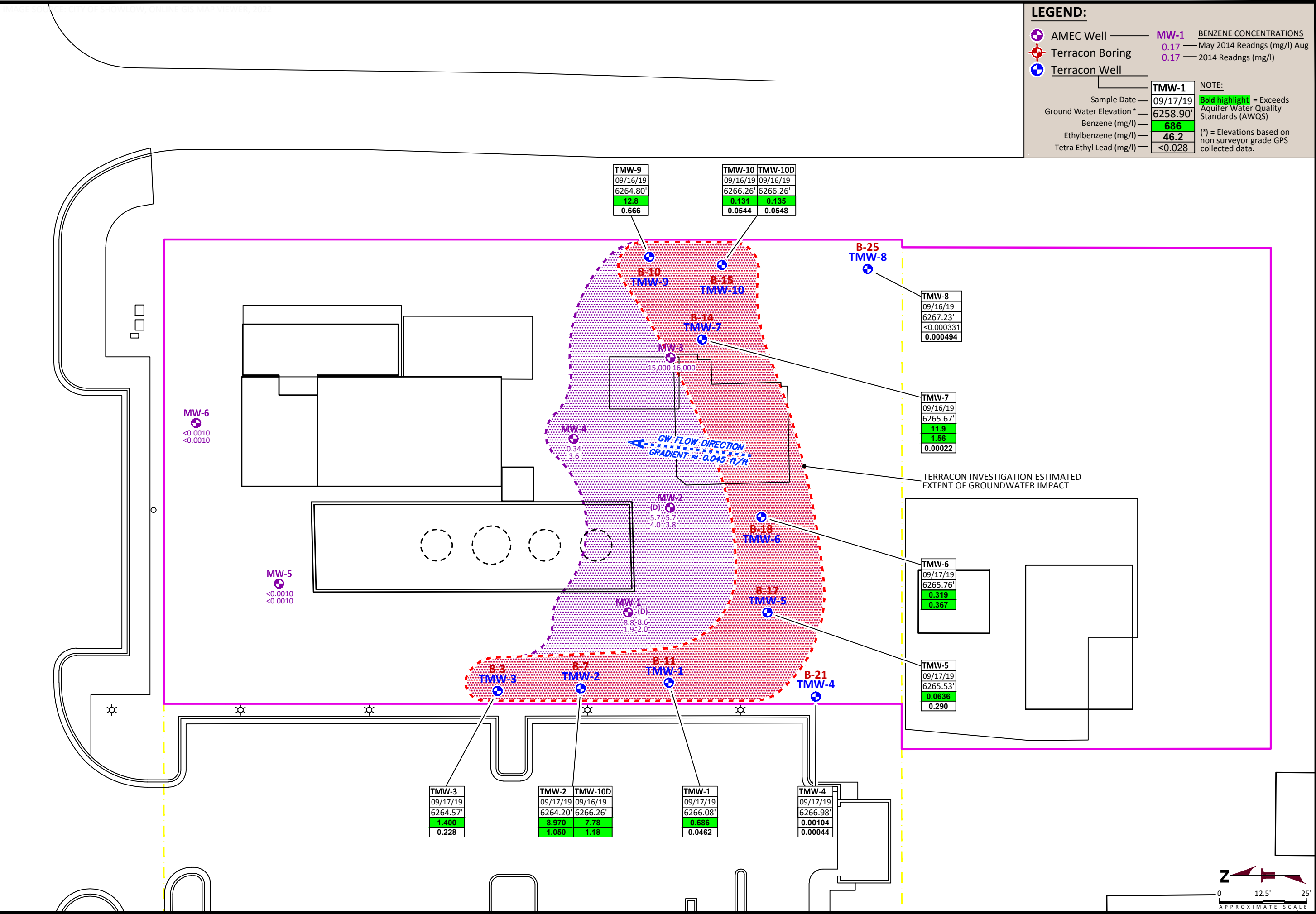
May 2014 Readngs (mg/l)

Aug 2014 Readngs (mg/l)

NOTE:

Bold highlight = Exceeds Aquifer Water Quality Standards (AWQS)

(*) = Elevations based on non surveyor grade GPS collected data.



FIGURE

4

GROUNDWATER MONITORING WELL LOCATIONS AND SUMMARY OF ANALYTICAL DATA

FY2022 EPA Brownfields Cleanup Grant Implementation
Former Woody's Bulk Oil Storage Facility
Show Low, Arizona

4685 South Ash Avenue, Suite H-4
PH: (480) 897-8200 FAX: (480) 897-1133
Tempe, AZ 85282
www.Terracon.com

Project No.: 65227640

Scale: as shown

File No.: see left margin

Date: 7/31/2023

Project Mng'r: NIE

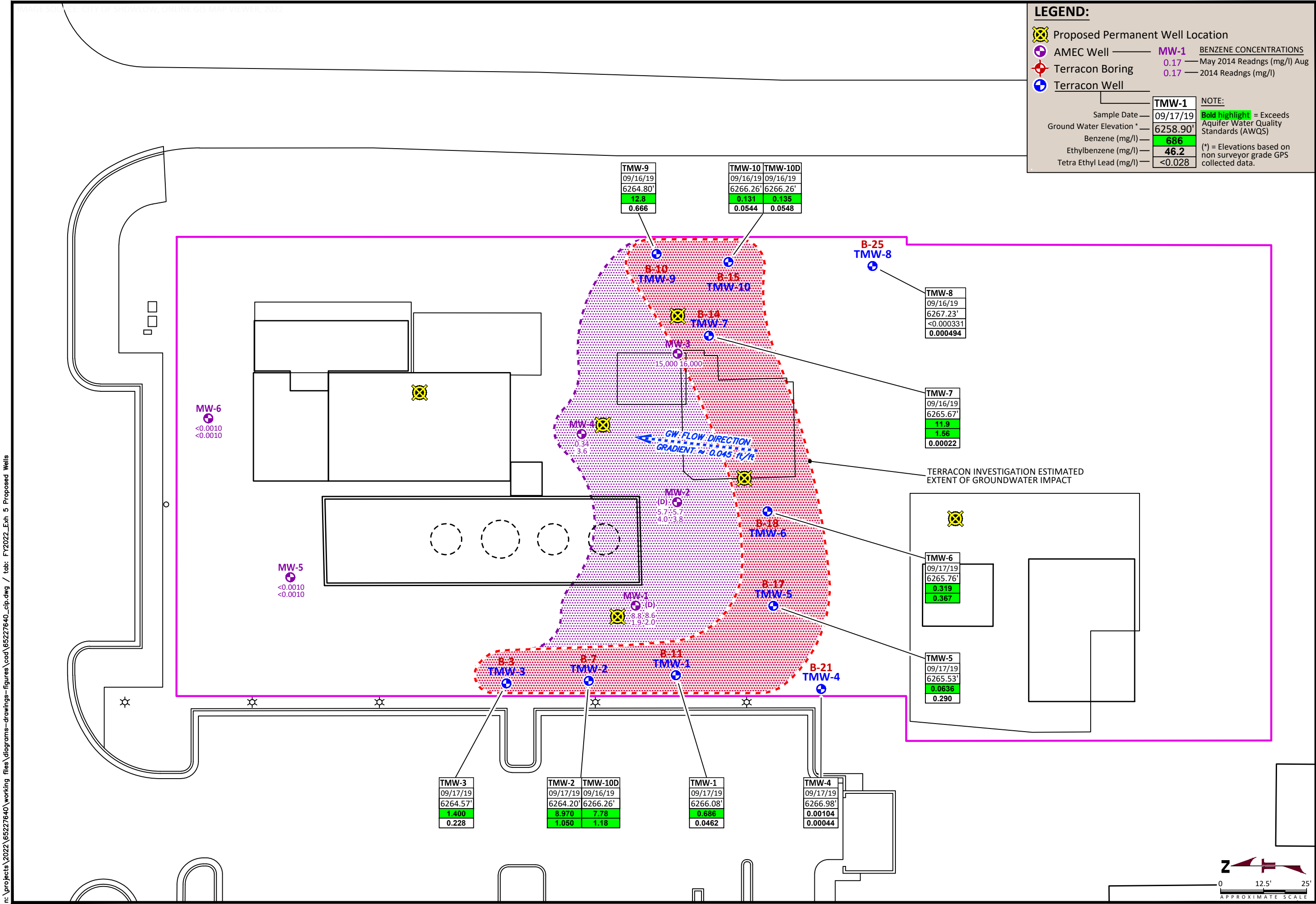
Drawn By: KLU

Checked By: TW

Approved By: TW

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n:\projects\2022\65227640\working files\diagrams-drawings-figures\cod\65227640_cip.dwg / tab: FY2022_Ext 5 Proposed Wells



FIGURE

5

PROPOSED PERMANENT GROUNDWATER MONITORING WELL LOCATIONS

FY2022 EPA Brownfields Cleanup Grant Implementation
Former Woody's Bulk Oil Storage Facility

Show Low, Arizona

4685 South Ash Avenue, Suite H-4
PH: (480) 897-8200 FAX: (480) 897-1133
Tempe, AZ 85282
www.Terracon.com

Project No.: 65227640

Scale: as shown

File No.: see left margin

Date: 7/31/2023

Project Mng'r: NIE

Drawn By: KLU

Checked By: TW

Approved By: TW

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Tables

TABLE 1
SAMPLING AND ANALYTICAL PROGRAM



Type and Designation	Matrix	Purpose	Advancement Method	Estimated Depth (ft)	No. Analytical Samples	Analytical Parameters
BGW-1 through BGW-8	Groundwater	Establish baseline COC concentrations and physical characteristics	Hollow stem auger	20	8	VOCs, temperature, pH, ORP, DO, nitrate (NO_3^-), soluble ferrous iron (Fe^{2+}), sulfate (SO_4^{2-})
BSS-1 through BSS-8	Soil	Establish baseline COC concentrations and physical characteristics	Hollow stem auger	20	8	VOCs, temperature, pH, moisture content, oxygen content, nitrogen, phosphorus
GWM-date-1 through GWM-date-8	Groundwater	Monitor groundwater remediation effectiveness	N/A	20	32	VOCs
GWM-date-1 through GWM-date-8	Groundwater	Monitor groundwater remediation effectiveness	N/A	20	16	Temperature, pH, ORP, DO, nitrate (NO_3^-), soluble ferrous iron (Fe^{2+}), sulfate (SO_4^{2-})
CGW-1 through CGW-6	Groundwater	Confirmatory samples for site closure	N/A	20	6	VOCs
CGW-101	Groundwater	Quality control sample (duplicate)	N/A	20	1	VOCs
CSS-sample <i>depth</i> -1 through CS-sample <i>depth</i> -6	Soil	Confirmatory samples for site closure	Hollow stem auger	5, 10, 15, 20, and 25	40	VOCs
CSS-sample <i>depth</i> -101 through CSS-sample <i>depth</i> -105	Soil	Quality control samples (duplicates) for site closure	Hollow stem auger	selected in field	5	VOCs
EB-1 and EB-2	Soil	Quality control samples (equipment) for site closure	N/A	selected in field	2	VOCs
TB-1 through TB-3	Water	Quality control samples (trip blanks) for site closure	N/A	N/A	3	VOCs

Notes:

Groundwater samples to be analyzed using the following methods:

Temperature, pH, oxidizing-reduction potential (ORP), dissolved oxygen (DO) to be measure to be measured in field using appropriate hand-held meter

Volatile Organic Compounds (VOCs): EPA method 8260

Nitrates: EPA Method 300.0

Ferrous Iron: SM4500

Sulfate: EPA Method 300.0

TABLE 2
PROJECT SCHEDULE

Milestone	Date
Submit application to Arizona Department of Environmental Quality (ADEQ) Voluntary Remediation Program (VRP)	July 2023
Submit Sampling and Analysis Plan (SAP) and Quality Assurance Project Plan (QAPP) to United States Environmental Protection Agency (EPA)	September 2023
VRP Site Acceptance	September 2023
Submit draft VRP Work Plan to ADEQ	September 2023
EPA SAP and QAPP approval	October 2023
ADEQ Work Plan approval	December 2023
Field Work	January 2024
Obtain Deed of Environmental Use Restriction (DEUR)	April 2024
FY 24 3 rd Quarterly Groundwater Monitoring Event No. 1	May 2024
FY 24 4 th Quarterly Groundwater Monitoring Event No. 2	August 2024
FY 25 1 st Quarterly Groundwater Monitoring Event No. 3	November 2024
FY 25 2 nd Quarterly Groundwater Monitoring Event No. 4	February 2025
Confirmation Soil and Groundwater Sampling	May 2025
Submit draft Site Characterization Report (SCR)	August 2025
ADEQ SCR approval	October 2025
Public Notice of Request for No Further Action Determination (NFA)	December 2025
Submit NFA Request	January 2026
ADEQ Issue NFA	March 2026
ADEQ Release DEUR	March 2026

TABLE 3
PROPOSED FEE SUMMARY



Alternative 7: In-Situ Vadose Zone Treatment

Cost Category	Rate	VRP		Planning and Permitting		In-Situ Vadose Zone Treatment		GW Monitor Well Install		GW Monitoring		Final Confirmation		Total
		Units	Total	Units	Total	Units	Total	Units	Total	Units	Total	Units	Total	
Consultant Labor														
Project Manager	\$210	39.0	\$8,190	13.0	\$2,730	8.0	\$1,680	3.0	\$630	8.0	\$1,680	2.0	\$420	\$15,330
APR	\$210	11.5	\$2,415	8.3	\$1,733	2.5	\$525	2.0	\$420	8.0	\$1,680	1.0	\$210	\$6,983
SME	\$200	8.5	\$1,700	96.5	\$19,300	1.5	\$300	1.0	\$200	---	\$0	2.0	\$400	\$21,900
Senior Professional	\$175	59.0	\$10,325	39.5	\$6,913	8.0	\$1,400	8.0	\$1,400	20.0	\$3,500	4.0	\$700	\$24,238
Data Validation/Verification	\$140	18.0	\$2,520	---	\$0	---	\$0	---	\$0	12.0	\$1,680	---	\$0	\$4,200
Project Professional	\$140	---	\$0	22.0	\$3,080	166.0	\$23,240	56.0	\$7,840	112.0	\$15,680	32.0	\$4,480	\$54,320
Staff Professional	\$110	43.0	\$4,730	36.0	\$3,960	---	\$0	---	\$0	144.0	\$15,840	40.0	\$4,400	\$28,930
Safety	\$135	---	\$0	4.0	\$540	---	\$0	---	\$0	---	\$0	---	\$0	\$540
GIS	\$110	6.0	\$660	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$660
CADD/Graphics	\$95	26.0	\$2,470	24.0	\$2,280	---	\$0	---	\$0	12.0	\$1,140	---	\$0	\$5,890
Admin/Clerical	\$65	4.0	\$260	17.0	\$1,105	---	\$0	---	\$0	6.0	\$390	---	\$0	\$1,755
Subtotal Consultant Labor			\$33,270		\$41,640		\$27,145		\$10,490		\$41,590		\$10,610	\$164,745
Analytical Laboratory	Rate	Units	Total	Units	Total	Units	Total	Units	Total	Units	Total	Units	Total	Total
VOCs (Water)	\$80	---	\$0	---	\$0	---	\$0	8	\$640	32	\$2,560	9	\$720	\$3,920
VOCs (Soil)	\$80	---	\$0	---	\$0	---	\$0	8	\$640	---	\$0	60	\$4,800	\$5,440
Soil Parameters	\$125	---	\$0	---	\$0	---	\$0	8	\$1,000	---	\$0	---	\$0	\$1,000
Groundwater Parameters	\$175	---	\$0	---	\$0	---	\$0	8	\$1,400	16	\$2,800	---	\$0	\$4,200
Subtotal Analytical Laboratory			\$0		\$0		\$0		\$3,680		\$5,360		\$5,520	\$14,560
Contractors	Rate	Units	Total	Units	Total	Units	Total	Units	Total	Units	Total	Units	Total	Total
Biostimulant Addition			\$0		\$0		\$89,842		\$0		\$0		\$0	\$89,842
Biostimulant	\$89,842.00	---	\$0	---	\$0	1	\$89,842	---	\$0	---	\$0	---	\$0	\$89,842
Excavation/Ex-Situ Mixing/Piping Install			\$0		\$0		\$0		\$0		\$0		\$0	\$0
Mobilization/Demobilization (LS)	\$9,725	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$0
Fencing (LS)	\$3,000	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$0
Excavation and Stockpiling (yd³)	\$6.55	---	\$0	---	\$0	0	\$0	---	\$0	---	\$0	---	\$0	\$0
Backfill (yd3)	\$6.14	---	\$0	---	\$0	0	\$0	---	\$0	---	\$0	---	\$0	\$0
Shoring (LS)	\$60,000	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$0
Piping Gallery - Vadose and Saturated Zones	\$15,000	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$0
Driller			\$0		\$0		\$54,650		\$18,600		\$0		\$13,000	\$86,250
Biostimulant Addition	\$53,650	---	\$0	---	\$0	1	\$53,650	---	\$0	---	\$0	---	\$0	\$53,650
Well Installation (per well)	\$3,100	---	\$0	---	\$0	---	\$0	6	\$18,600	---	\$0	---	\$0	\$18,600
Soil Sampling (days)	\$4,000	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	3	\$12,000	\$12,000
Private Locator	\$1,000	---	\$0	---	\$0	1	\$1,000	---	\$0	---	\$0	1	\$1,000	\$2,000
Subtotal Remediation Subcontractors			\$0		\$0		\$144,492		\$18,600		\$0		\$13,000	\$176,092
SUBTOTAL CONTRACTED SERVICES			\$0		\$0		\$144,492		\$22,280		\$5,360		\$18,520	\$190,652
Other Direct Costs	Rate	Units	Total	Units	Total	Units	Total	Units	Total	Units	Total	Units	Total	Total
VRP Fees	\$5,000	1	\$5,000	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$5,000
DUER Fees	\$7,430	1	\$7,430	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$7,430
ADWR Fees	\$150	---	\$0	6	\$900	---	\$0	---	\$0	---	\$0	---	\$0	\$900
Stormwater CGP	\$350	---	\$0	1	\$350	---	\$0	---	\$0	---	\$0	---	\$0	\$350
Excavation Permit	\$500	---	\$0	1	\$228	---	\$0	---	\$0	---	\$0	---	\$0	\$228
ROW Permit	\$500	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$0
Traffic Control	\$250	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	---	\$0	\$0
Per Diem	\$150	---	\$0	---	\$0	15	\$2,250	5	\$750	16	\$2,400	6	\$900	\$6,300
Truck/fuel	\$150	---	\$0	---	\$0	15	\$2,250	5	\$750	8	\$1,200	3	\$450	\$4,650
PID	\$200	---	\$0	---	\$0	1	\$200	5	\$1,000	---	\$0	3	\$600	\$1,800
Nuclear Gauge	\$150	---	\$0	---	\$0	5	\$750	---	\$0	---	\$0	---	\$0	\$750
ORP/DO/pH meter (day)	\$85	---	\$0	---	\$0	---	\$0	5	\$425	8	\$680	1	\$85	\$1,190
Groundwater Sampling Supplies (day)	\$200	---	\$0	---	\$0	---	\$0	5	\$1,000	8	\$1,600	1	\$200	\$2,800
SUBTOTAL OTHER DIRECT COSTS			\$12,430		\$1,478		\$5,450		\$3,925		\$5,880		\$2,235	\$31,398
Contractor Management Fee	10%		\$0		\$0		\$14,449		\$2,228		\$536		\$1,852	\$19,065
ODC Fee	10%		\$1,243		\$148		\$545		\$393		\$588		\$224	\$3,140
TOTAL			\$46,943		\$43,266		\$192,081		\$39,316		\$53,954		\$33,441	\$409,000

Assumptions

- 1) Ex-situ treatment - 15 days/10 hrs per day + 8 hrs travel + 8 hrs planning
- 2) Well installation quote - Resilient 3/13/2023
- 3) Install 6 groundwater monitor wells - 4 days/10 hrs per day + 8 hrs travel + 8 hrs planning
- 4) Biostimulant quote - Regensis 6/28/2023
- 5) Relilient direct push quote for biostimulant addition dated 7/3/2023
- 6) 4 groundwater monitoring events
- 7) GW Monitoring - Personnel - 8 hrs prep (1 person) + 8 hours travel + 2 days/2 people field/10 hrs per day
- 8) GW samples - 4 events/6 samples per event + 1 trip and 1 dup per event
- 9) QC samples per sampling event - 1 trip, 1 duplicate
- 10) Confirmatory Soil Samples - 50 (8 borings - samples at 5, 10, 15, 20, 25 ft bgs + 3 trip + 4 duplicate + 3 equip blank)
- 11) No shoring required
- 12) No taxes required - ARS 45-5075(B)(6)
- 13) DEUR - Engineering control w/GW monitoring and release request

Table 4
FEE SCHEDULE

Position	Hourly Rate
Senior Principal/Principal/ Senior Architect, Scientist, Engineer & Geologist	\$210.00
Senior Project Manager	\$160.00
Project Architect, Scientist, Engineer & Geologist, Grants Manager	\$130.00
Staff Professional (Engineer/Scientist/IAQ)	\$100.00
Field Professional (Engineer/Scientist)	\$80.00
GIS Specialist/ Drafting	\$90.00
Clerical	\$60.00
Management Planner (Asbestos)	\$160.00
Building Inspector (Asbestos)	\$80.00
Air Monitoring Specialist (Asbestos)	\$80.00
Project Designer (Asbestos)	\$160.00
Miscellaneous	Unit Rate
Contract Services (i.e., Analytical Lab and Drilling)	Cost + 15%
Expendable Supplies & Other Direct Costs	Cost + 15%
Travel	0.60/mile
Per Diem	\$85/Person/Day

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Acceptance of Grant Funds from Arizona Department of Emergency and Military Affairs, Authorization of Associated Budget Transfers, and Hiring a Police Analyst (Brad Provost)

RECOMMENDATION

I **MOVE** to accept grant funds from the Arizona Department of Emergency and Military Affairs in the amount of \$584,722.20, authorize the associated budget transfers, and hire a Police Analyst.

BACKGROUND

On July 3, 2023, the Arizona Department of Emergency and Military Affairs awarded a grant to Show Low Police Department in the amount of \$584,722.20. The grant covers the associated costs of leasing ten Flock Safety Cameras and hiring a Police Analyst who will be responsible for deciphering large sets of data from the cameras to better assist in law enforcement deployments and identifying individuals who may commit or become a victim of a crime. The cameras will help tie together other License Plate Reader Technologies in our state and provide data to other Law Enforcement Agencies combating drug trafficking.

This grant has no match requirement.

A quote for \$145,000.00 has been received from Flock Safety for the installation and leasing of ten License Plate Reader Cameras for five years. It also includes a five-year subscription to the advanced search option.

The remaining \$439,722.20 will be used to fund the salary and fringe benefits of the Police Analyst for five years. The cost of hiring a Police Analyst is approximately \$79,400.00 per year.

Staff recommends accepting the grant award from the Arizona Department of Emergency and Military Affairs in the amount of \$584,722.20, authorizing the associated budget transfers, and hiring a Police Analyst.

ATTACHMENTS

1. DEMA Agreement
2. Estimate of Position Cost
3. Flock Safety Estimate

FISCAL IMPACT

Anticipated cost: \$584,722.20

Funding source (account no.): Equipment Purchase (22-455-495-7410-0000/4552472) \$145,000; Police Analyst Wages (22-455-420-1100-2472) \$439,722

Description		Account	Approved Budget	Transfer	Amended Budget
Unanticipated Revenue/Grants		22-402-350-3903-0000	\$8,916,743	(584,722)	\$8,332,021
License Plate Reader Camera		22-455-360-3342-2472	\$0	145,000	\$145,000
Police Analyst Wages		22-455-360-1100-2472	\$0	439,722	\$439,722
Unanticipated Expenditures/Grants		22-402-430-8150-0000	\$8,916,743	(584,722)	\$8,332,021
License Plate Reader Camera		22-455-495-7410-0000/4552472	\$0	145,000	\$145,000
Police Analyst Wages		22-455-420-1100-2472	\$0	439,722	\$439,722
Total			\$17,833,486	0	\$17,833,486



Katie Hobbs
GOVERNOR

STATE OF ARIZONA
DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

5636 East McDowell Road
Phoenix, Arizona 85008-3495
(602) 267-2700 DSN: 853-2700



Major General Kerry L. Muehlenbeck
THE ADJUTANT GENERAL

Agreement Type: Agreement
M23-0044

Effective Date: October 1, 2022
Termination Date: September 30, 2027

Agreement Title: City of Show Low, Border Fencing and Technology, Laws 2022 Chapter 334, Section 1.

**CITY OF SHOW LOW AGREEMENT
ADMINISTRATORS**

City of Show Low
180 North 9th Street

Show Low, AZ 85901
Contact Name: Shannon Adams, Grant Coordinator
Phone Number: (928) 532-4028
Email: SAdams@showlowaz.gov

Show Low Police Department
180 N 9th Street
Show Low, AZ 85901
Contact Name: Lisa Robertson, Grant Manager
Phone Number: (928) 532-4097
Email: LRobertson@showlowaz.gov

DEMA AGREEMENT ADMINISTRATOR

Arizona Department of Emergency and Military Affairs
5645 East McDowell Road,
Building M5800
Phoenix, AZ 85008
Contact Name: Kyle Matthew, Chief Procurement Officer
Phone Number: (602) 464-6491
Email: Kyle.Matthew@azdema.gov

THIS AGREEMENT, (hereinafter referred to as “Agreement”) is between the **STATE OF ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS** [hereinafter referred to as “DEMA”, a “budget unit” as defined in A.R.S. § 35-101 authorized to contract pursuant to A.R.S. § 26-102] and the **CITY OF SHOW LOW** and the **SHOW LOW POLICE DEPARTMENT** [hereinafter referred to together as the “City,” authorized to contract pursuant to A.R.S. § 9-241]. The purpose of this Agreement is to establish the process for oversight of activities conducted by the City and reimbursed by DEMA pursuant to Appropriation Legislation 2022-2023, approved by the Governor on June 28, 2022, and authorized in accordance with Laws 2021 Chapter 408, Section 106 to distribute to the City for the purposes outlined in Section 26-105, Arizona Revised Statutes.



Katie Hobbs
GOVERNOR

STATE OF ARIZONA
DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

5636 East McDowell Road
Phoenix, Arizona 85008-3495
(602) 267-2700 DSN: 853-2700



Major General Kerry L. Muehlenbeck
THE ADJUTANT GENERAL

IN WITNESS WHEREOF, the Parties hereto agree to carry out the terms of this Agreement

Executed this day by the duly authorized officer of the Eligible Entity:

City of Show Low	Arizona Department of Emergency and Military Affairs
Signature	Signature
Printed Name Morgan Brown	Printed Name Major General Kerry L. Muehlenbeck
Title City Manager	Title The Adjutant General
Date _____	The above referenced Agreement is hereby executed this _____ Day of _____, 20____

Show Low Police Department
Signature
Printed Name Brad Provost
Title Chief of Police
Date _____



Katie Hobbs
GOVERNOR

STATE OF ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

5636 East McDowell Road
Phoenix, Arizona 85008-3495
(602) 267-2700 DSN: 853-2700



Major General Kerry L. Muehlenbeck
THE ADJUTANT GENERAL

AGREEMENT TERMS

1. Recitals: The purpose of this Agreement is to define the terms under which DEMA will provide funds to the City with which to construct and maintain a physical border fence, to purchase or install border security technologies including cameras, sensors, drones, software, and other surveillance equipment, and to pay administrative costs, conducted by the City to be reimbursed by DEMA.

2. Definitions: The Parties agree to expeditiously initiate and complete the Scope of Work under this Agreement. The Parties warrant, represent and agree that they, their employees, and representatives will comply with all applicable provisions provided herein. The following definitions shall apply to the terms used in this Agreement, except where the context necessarily requires otherwise.

2.1. "A.R.S." means Arizona Revised Statutes.

2.2. "Agreement" means the terms and conditions of this Agreement between the State of Arizona Department of Emergency Management and Military Affairs (STATE) and City of Show Low, and its addendums: Scope of Work, (Addendum A), Price Sheet (Addendum B), and Budget and Justification (Addendum C), constitute the entire Agreement between the Parties and supersede other understandings, oral or written.

2.3. "City" means the City of Show Low and the Show Low Police Department together, unless context requires that they be treated as separate entities. Unless treated as separate entities, the City of Show Low and the Show Low Police Department shall be treated as a single Party to this Agreement, and shall jointly have, exercise, and be responsible for the same rights and obligations under this Agreement.

2.4 "FY" means State Fiscal Year.

2.5. "Party" and/or "Parties" means DEMA and/or the City of Show Low.

2.6. "Project" means activities conducted within Scope of Work and from Border Security funds.

2.7. "State" means the State of Arizona.

3. Access to Information: Subject to statutory confidentiality requirements of the State of Arizona, the Parties to this Agreement shall have full, complete, and equal access to data and information prepared under this Agreement on a no-charge basis.

4. Amendment: This Agreement, excluding Addendums, may be modified only by written Amendment signed and dated by authorized representatives of each signatory to this Agreement (treating the City of Show Low and the Show Low Police Department as separate signatories for this purpose). Amendments to this Agreement shall be executed with the same formalities as this Agreement and become effective upon the dated signature of the last signatory (again, treating the City of Show Low and the Show Low Police Department as separate signatories for this purpose). Executed copies of any Amendment shall be provided to each signatory.

4.1. Addendum Amendments: Addendums to this Agreement may be amended or modified, as necessary, only by the Parties' authorized contracting and procurement officers.



Katie Hobbs
GOVERNOR

STATE OF ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

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Major General Kerry L. Muehlenbeck
THE ADJUTANT GENERAL

5. Budget: The amount of \$584,722.20 was appropriated in FY2023 and transferred to the Border Security Fund effective October 1, 2022. DEMA shall make payment for services or reimbursement within thirty (30) days after receipt of valid invoices and supporting documentation from the City. Payments shall be made by electronic funds transfer in lieu of a State warrant whenever possible. Funds provided by DEMA to the City under this Agreement shall be used only for the purposes identified in this Agreement. Funds provided by DEMA to the City under this Agreement shall not be used to supplant Federal, State, County or local funds that would otherwise be available to the City for the purposes identified in this Agreement and shall be used to supplement funds already available to the City for the purposes identified in this Agreement.

6. Non-Availability of Funds: Pursuant to A.R.S. § 35-154(A), every payment obligation under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by either Party at the end of the period for which funds are available. No liability shall accrue to either Party in the event this provision is exercised, and the Parties shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

7. Payment Mechanism: Payments shall be made within thirty (30) days after receipt of a valid invoice and supporting documentation from the City.

8. Conflict Resolution Procedures:

8.1. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

8.2. In the event of any judicial proceeding related to this Agreement the Parties agree that venue shall be proper in Maricopa County, Arizona.

8.3. The Parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

9. Assignment: Neither Party may assign rights hereunder without the express, written, prior consent of the other Party.

10. Conflict of Interest: Either Party may cancel this Agreement for conflict of interest in accordance with the termination terms of this Agreement, without penalty or further obligation, pursuant to A.R.S. § 38-511.

11. Agreement Term: The term of this Agreement shall be from October 1, 2022, to September 30, 2027.

12. Effective Date: This Agreement shall become effective upon the date of the last signatory's signature

13. Notices, Correspondence, Reports:

13.1. Any notice given pursuant to this Agreement shall be in writing and shall be considered to have been given when actually received by the following persons at the following addresses: Notices and correspondence (except for correspondence relating to the execution of the Agreement, clarification of this Agreement, and Amendments to this Agreement) shall be sent to:



Katie Hobbs
GOVERNOR

STATE OF ARIZONA
DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

5636 East McDowell Road
Phoenix, Arizona 85008-3495
(602) 267-2700 DSN: 853-2700



Major General Kerry L. Muehlenbeck
THE ADJUTANT GENERAL

For the City of Show Low:	For DEMA:
Name: Shannon Adams	Name: Darlene Quihuis
Title: Grant Coordinator	Title: Assistant Director
Phone: (928) 532-4028	Phone: (602) 464-6454
Email: SAdams@showlowaz.gov	Email: Darlene.Quihuis@azdema.gov

13.2. Correspondence relating to the execution of the Agreement, clarification of this Agreement, and Amendments to this Agreement shall be sent to:

For the City of Show Low:	For DEMA:
Name: Shannon Adams	Name: Kyle A. Matthew
Title: Grant Coordinator	Title: Chief Procurement Officer
Address: 180 North 9 th Street, Show Low AZ 85901	Address: 5645 East McDowell Road, Phoenix AZ 85008
Phone: (928) 532-4028	Phone: (602) 464-6491
Email: SAdams@showlowaz.gov	Email: Kyle.Matthew@azdema.gov

13.3 Reports and deliverables shall be sent in accordance with Scope of Work, Reporting Requirement & Deliverables.

13.4. Either Party to this Agreement may designate a new contact by delivering written notice to all other signatories in accordance with these notice requirements.

14. Ownership of Information: Both Parties retain title to all documents, reports, data, and other materials prepared as a part of the Project. DEMA and The City shall have full and complete rights to reproduce, duplicate, disclose, perform, and otherwise use all information prepared under this Agreement.

15. Project Review: It is the responsibility of the City to coordinate with DEMA regarding the progress of the Project as defined in the Scope of Work and related attachments. DEMA may request in writing, at its discretion, written progress updates, which the City shall provide to DEMA within 15 calendar days of DEMA's request.

16. Severability: The provisions of this Agreement are severable to the extent that any provision or application to be invalid shall not affect any other provision or application of the Agreement, which shall remain in effect without the invalid provision or application.



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17. Termination:

17.1. DEMA or the City may terminate this Agreement at any time, with or without cause, after giving 30 days written notice of termination to DEMA or the City, as appropriate. The notice shall specify the effective date of termination. Any deviation or failure to comply with the purposes and/or conditions of this Agreement by the City without written permission from DEMA may constitute cause for DEMA to terminate this Agreement.

17.2. In the event the Agreement is terminated, the City shall deliver all financial and programmatic records, supporting documents, statistical records, electronic data, and other related records. All records and documents of both Parties shall be maintained and available for access in accordance with A.R.S. §§ 35-214, 39-101, 41-151 and any other State or local rule or regulation. Repayment to DEMA of a portion or full payment received by the City may be required.

17.3. Upon notice of termination of this Agreement, the Parties will cooperate and work diligently to prepare a transition plan to include a transition schedule and circumstances for transfer of deliverables including, but not limited to, records, funds (both unexpended and any previously expended funds that may have been spent in violation of the purposes and conditions of this Agreement), and compliance with closing auditing requirements to be performed at the City's expense.

18. Indemnification: Each Party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other Parties (as "Indemnatee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnatee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. The State of Arizona is self-insured per A.R.S. § 41-621.

In addition, should the City utilize contractor(s), the City's contract with each such contractor shall (a) include the following language: (b) require that the following language be included by the contractor in all its subcontracts; and (c) require the contractor to require all its subcontractors include the following language in their contracts with all of their subcontractors:

To the fullest extent permitted by law, the Contractor shall defend, indemnify, and hold harmless the City of Show Low, DEMA and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Contractor or any of the directors, officers, agents, or employees or subcontractors of such Contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the Parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. Additionally, on all applicable insurance policies, the Contractor and its subcontractors shall name the City of Show Low, the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds and also include a waiver of subrogation in favor of the City of Show Low, the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees.



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Major General Kerry L. Muehlenbeck
THE ADJUTANT GENERAL

19. E-Verify: To comply with A.R.S. § 41-4401(A), each Party hereby warrants its compliance with federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). If either Party uses contractors in performance of this Agreement, the contractors shall warrant their compliance with federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of this warranty shall be deemed a material breach of the Agreement subject to penalties up to and including termination of this Agreement. Each Party retains the legal right to inspect the papers of any contractor or subcontractor employee who works on the Agreement to ensure that the contractor or subcontractor is complying with this warranty.

20. Waiver: The waiver or failure to enforce any provision of this Agreement will not operate as a waiver of any future breach of any such provision or any other provision hereof.

21. Non-Discrimination: Pursuant to Title 41, Chapter 9, Article 4 of the A.R.S. and Executive Order 2009-09, the City shall provide access to equal employment opportunities for all persons, regardless of race, color, religion, sex, age, national origin, or political affiliation, and to all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Parties shall take affirmative action to ensure that applicants for employment and employees are treated without regard to race, age, color, religion, sex, or national origin and in compliance with the Americans with Disabilities Act.

22. Implied Consent Terms: Each provision of law and any terms required by law to be in this Agreement are a part of this Agreement as if fully stated in it.

23. Record Keeping Requirements: Pursuant to A.R.S. §§ 35-214 and 35-215, the Parties shall retain all data, books, accounts and other records ("records") relating to this Agreement for a period of five years after completion of the Agreement, after any litigation, claim, negotiation, audit, cost recovery, or action involving the records has been completed or from the date of complete resolution of any dispute and any applicable appeals, unless a longer period is required by statute or rule. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, either Party shall produce the original of any or all such records.

24. Lobbying: Upon signature of this Agreement, the City shall disclose all lobbying activities to DEMA to the extent they are an actual or potential conflict of interest or where such activities would create an appearance of impropriety. The City shall implement and maintain adequate controls to ensure that monies paid this Agreement shall not be used for lobbying.

25. Antitrust Recovery: The City assigns to DEMA any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the City toward fulfillment of this Agreement.

26. Compliance with Laws. The City agrees to comply with all state and local laws and regulations applicable to the terms and conditions of this Agreement including but not limited to State of Arizona Accounting Manual (SAAM) and State and local procurement codes; whichever is more restrictive will apply.



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ADDENDUM A SCOPE OF WORK

1. **Project Title:** City of Show Low, Border Fencing and Technology.
2. **Project Timeline:** October 1, 2022 to September 30, 2027.
3. **Purpose:**
 - a. Reimburse City of Show Low for costs incurred to construct and maintain a physical border fence, to purchase or install border security technologies including cameras, sensors, drones, software and other surveillance equipment, and to pay administrative costs.
4. **Tasks:**
 - a. Purchase supplies and equipment in accordance with the budget approved by DEMA. Copies of all contracts are to be provided to DEMA upon request.
5. **Cost**
 - a. Not to exceed \$584,722.20.
6. **Reporting Requirements and Deliverables:**

Timeframe	Deliverable	Description	Due Date	Send To:
Quarterly	Financial Expenditure Report	Provide an accurate and detailed expenditure report with backup documentation. <u>Period of Performance:</u> Qtr. 1: July 1 – Sept. 30 Qtr. 2: Oct.1 – Dec.31 Qtr. 3: Jan.1 - March 31 Qtr. 4: April 1 - June 30	Qtr. 1: Oct. 15 Qtr. 2: Jan. 15 Qtr. 3: April 15 Qtr. 4: July 15 In the event that the 15 th falls on a weekend or holiday, it is due the next business day.	Grants.border@azdema.gov with a copy to: Dema.Finance@azdema.gov
Final	Financial Summary Report	Provide an accurate and detailed expenditure financial summary report of project period.	Due 30 Days after the end of the period of performance or completion of the Project.	Grants.border@azdema.gov with a copy to: Dema.Finance@azdema.gov



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Timeframe	Deliverable	Description	Due Date	Send To:
Quarterly	Programmatic Report	Provide a progress report of all Border Security Fund activities & metrics by the jurisdiction during the reporting period. <u>Period of Performance:</u> Qtr. 1: July 1 – Sept. 30 Qtr. 2: Oct. 1 – Dec. 31 Qtr. 3: Jan. 1 - March 31 Qtr. 4: April 1 - June 30	Qtr. 1: Oct. 15 Qtr. 2: Jan. 15 Qtr. 3: April 15 Qtr. 4: July 15 In the event that the 15 th falls on a weekend or holiday, it is due the next business day.	Grants.border@azdema.gov with a copy to: Dema.Finance@azdema.gov
Final	Programmatic Report	Provide a final report to include a summary narrative of annual accomplishments and metrics.	Due 30 Days after the end of the period of performance or completion of the Project.	Grants.border@azdema.gov with a copy to: Dema.Finance@azdema.gov

7. Additional Requirements:

- a. Ensure all procurement of goods and services are following established applicable procurement law and the City's written policies and procedures. All procurement transactions shall be conducted in a manner to provide to the maximum extent practical, open, and free competition.
- b. All Border Security funds must be accounted for by the City in writing and in compliance with the State of Arizona Accounting Manual (SAAM), available at <https://gao.az.gov/publications/saam>.



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ADDENDUM B
PRICE SHEET

Budget October 1, 2022, to September 30, 2027

ACCOUNT CLASSIFICATION	AMOUNT
Personnel	\$268,123.29
Fringe	\$171,598.91
Travel (Not Applicable)	\$0
Equipment (Not Applicable)	\$0
Supplies (Not Applicable)	\$0
Contractual	\$145,000.00
Other (Not Applicable)	\$0
Total Direct Costs (Not Applicable)	\$0
Administration (Not Applicable)	\$0
TOTAL (Not to Exceed)	\$584,722.20

With prior written approval, the City is authorized to transfer up to a maximum of 10% of the total budget amount between line items. Transfers of funds are only allowed between funded line items. Transfers exceeding 10% or to a non-funded line item shall require a DEMA review and amendment to the Price Sheet, Addendum B.



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ADDENDUM C

BUDGET AND JUSTIFICATION

October 1, 2022, to September 30, 2027

A. Personnel: \$268,123.29

Position (1)	Name (2)	Annual Salary/ Rate (3)	Level of Effort (4)	Total Salary (5)
Police Analyst	Vacant	\$50,000.00 Year 1 \$51,750.00 Year 2 \$53,561.25 Year 3 \$55,435.89 Year 4 \$57,376.15 Year 5	100 %	\$268,123.29

TOTAL PERSONNEL COST	\$268,123.29
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The Police Analyst will analyze large sets of data from the cameras to help decide where to deploy police or to identify individuals who are more likely to commit or be a victim of a crime. The total accounts for a 3.5% raise in salary annually throughout years 1-5.

B. Fringe Benefits: \$171,598.91

Position (1)	Name (2)	Rate (3)	Total Salary (4)	Total Fringe (5)
Police Analyst	Vacant	64.00%	\$50,000.00 Year 1 \$51,750.00 Year 2 \$53,561.25 Year 3 \$55,435.89 Year 4 \$57,376.15 Year 5	\$32,000.00 Year 1 \$33,120.00 Year 2 \$34,279.20 Year 3 \$35,478.97 Year 4 \$36,720.74 Year 5



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TOTAL PERSONNEL COST

\$171,598.91

Fringe Category	Rate
Medical Insurance	37.97%
Health Savings Account	2.38%
Dental Insurance	2.46%
Vision	0.17%
Consult A Doc	0.08%
Employee Assistance Program	0.06%
Life Insurance	0.61%
Short-Term Disability	0.22%
FICA	6.2%
Medicare	1.45%
Retirement	12.02%
LTD	0.14%
Worker's Compensation 8810	0.24%
Total	64.00%

The fringe benefits rate is fixed at 64.00% and applied throughout years 1-5 in accordance with the increases.

C. Travel: Not Applicable

D. Equipment (Over \$5,000 per item): Not Applicable

E. Supplies (Under \$5,000.00 per item): Not Applicable

F. Contractual: \$145,000.00

Name (1)	Service (2)	Rate (3)	Other (4)	Cost (5)
Flock Safety	Set-up fee for Cameras	\$750.00/camera	10 cameras	\$7,500.00
Flock Safety	Annual Lease	\$2,750.00/camera/year x 5 years	10 cameras x 5 years	\$137,500.00

TOTAL CONTRACTUAL COST

\$145,000.00



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THE ADJUTANT GENERAL

10 cameras will be used near the following locations to ensure all of Show Low has LPR capabilities for vehicles traveling into our city and through critical locations.

1. On the 77 southbound, north of the 60 (to capture traffic coming from Snowflake/Holbrook/I-40 and remote surrounding areas)
2. On the 60 westbound, east of the 77 (east of the Airport to capture traffic coming from the Eager/Springerville/Concho area)
3. On Woolford southbound, south of the 60 (to capture traffic that skirts Show Low on Woolford)
4. 4 at the intersection of the 60/260 to capture traffic traveling in all directions (major intersection through town)
5. On the 260 southbound, north of the 60 (to capture traffic coming from Overgaard/Clay Springs/Pinedale & surrounding areas)
6. On the 60 eastbound, west of the 260 (to capture traffic coming from the San Carlos and Fort Apache Reservations/Globe, etc.)
7. On the 260 northbound, south of the Wal-Mart (to capture traffic from Pinetop Lakeside/the reservation & surrounding areas)

G. Other: Not Applicable

H. Total Direct Charges:

TOTAL DIRECT CHARGES	\$584,722.20
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I. Administration: Not Applicable

J. Total Project Costs:

TOTAL PROJECT COSTS (Sum of Total Direct Charges and Administrative Costs)	\$584,722.20
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JUSTIFICATION

Show Low serves as an economic hub for the White Mountains region of central-eastern Arizona, serving several communities within a 50-mile radius. The City of Show Low is a relatively small community with a year-round population of approximately 18,000; however, the actual service population is approximately 95,000. Recent surveys have shown that approximately 1.2 to 1.4 million vehicles per month travel through the community's main highways.

Show Low sits along a drug trafficking route between the Mexican border and the I-40 Interstate known as "The Pipeline." Drug traffickers frequently use this route to avoid detection from law enforcement. Illegal drugs have had, and continue to have, a serious impact on Show Low and the surrounding areas. As a result, agencies including DPS, the Navajo County Sheriff's Office and Police Departments from Show Low, Pinetop-Lakeside, Snowflake-Taylor, Winslow, and Holbrook have banded together to form the Major Crime Apprehension Team (MCAT), the region's drug task force.



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The illegal distribution and consumption of counterfeit fentanyl pills (M30) has become an epidemic in Show Low and the surrounding areas. In 2020, MCAT seized approximately 209,000 fentanyl pills. This year (2022), MCAT has already seized more than 2 million fentanyl pills, along with other illicit drugs. Drug overdose deaths are also increasing each year due to this drug epidemic.

Flock Safety offers camera systems capable of providing real-time intelligence to Local, State, Federal and Tribal law enforcement agencies. The cameras can capture a vehicle's license plate number, the vehicle make, color, type and other identifying characteristics which would allow Show Low PD and MCAT to collect objective data, decode evidence, and deliver actionable leads for criminal investigations. Flock Safety cameras are installed in more than 1,500 cities, throughout 42 states, capturing data from more than 4 billion vehicles per month with a 97% license plate capture rate. Flock Safety studies indicate their cameras have helped reduce crime by up to 70%. Not only does it help identify accurate and objective leads, but it also helps assess crime hotspots and prevent crime.

The use of actionable intelligence to combat illegal drug activities traveling through Show Low and the surrounding area is vital. East-central Arizona does not have camera equipment like Flock Safety that can provide actionable intelligence for law enforcement. Funding from The Border Security Fund will enable local law enforcement to place cameras strategically throughout Show Low and the surrounding region to augment the city's drug detection and enforcement strategies. The information captured from the cameras will be shared with agencies across the state, so that a vehicle that picks up drugs from Mexico can be tracked through the Metro-Phoenix area, through the White Mountains and all the way to its destination. The money and weapons are then tracked back to the border. Additionally, the cameras will help identify vehicle movement patterns where drug traffickers change license plates or vehicles to try to avoid detection by law enforcement. A police analyst correlates the information and identifies trends.

The City of Show Low will use funding in this budget towards 10 Flock Safety cameras and hire a Police Analyst who will be responsible for deciphering large sets of data from the cameras to better assist in law enforcement deployments and identifying individuals who are more likely to commit or become a victim of a crime. The cameras will help tie together other License Plate Reader technologies in our State and provide data to other Law Enforcement Agencies combating drug trafficking.

K. Budget Summary:

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
Personnel	\$50,000.00	\$51,750.00	\$53,561.25	\$55,435.89	\$57,376.15	\$268,123.29
Fringe	\$32,000.00	\$33,120.00	\$34,279.20	\$35,478.97	\$36,720.74	\$171,598.91



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Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
Travel						
Equipment						
Supplies						
Contractual	\$35,000.00	\$27,500.00	\$27,500.00	\$27,500.00	\$27,500.00	\$145,000.00
Other						
Total Direct Charges	\$117,000.00	\$112,370.00	\$115,340.45	\$118,414.86	\$121,596.89	\$584,722.20

From: [Stephanie Mcquillan](#)
To: [Shannon Adams](#)
Subject: RE: DEMA Grant for PD
Date: Monday, October 2, 2023 10:40:37 AM
Attachments: [image004.png](#)
[image005.png](#)
[image003.png](#)

The Job Description is fine. The pay should be updated see below:

Employee Number					
Name					
Department	Police				
Position	Police Analyst Range 118				
Updated	10/2/2023				
		Salary & Premiums			
		Base Wages	23.78	4,121.87	49,462.40
		Longevity			
		Total Salary		4,121.87	49,462.40
		Benefits			
				Monthly	Annual
		Medical Insurance		1,433.31	17,199.72
		Health Savings Account		90.00	1,080.00
		Dental Insurance		92.94	1,115.28
		Vision		6.32	75.84
		Consult A Doc		3.00	36.00
		Employee Assistance Program		2.40	28.80
		Life Insurance		23.21	278.52
		Short-Term Disability		8.37	100.44
		FICA		255.56	3,066.67
		Medicare		59.77	717.20
		Pension		500.39	6,004.74
		LTD		6.18	74.19
		Worker's Comp 8810		9.89	118.71
		Total Benefits		2,491.34	29,896.11
		Compensation Summary			
				Monthly	Annual
		Total Salary & Benefits		6,613.21	79,358.51
		Benefits as a % of Total Salary		60.44%	60.44%
		Average Scheduled Work Hours		173.33	2,080.00
		Gross Hourly Compensation		38.1531	38.1531



Stephanie McQuillan

Human Resources Manager

City of Show Low

180 N 9th Street

Show Low, AZ 85901

(928) 532-4027

(928) 242-0267

showlowaz.gov

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To ensure compliance with the Open Meeting Law, the Council and/or Board/Commission members who are recipients of this message should not forward it to other members of the Council or Board/Commission of the City of Show Low. Council members or Board/Commission members may reply to this message, but they should not "reply all" or otherwise send a copy of the reply to other Council or Board/Commission members.

From: Shannon Adams <sadams@showlowaz.gov>

Sent: Wednesday, September 27, 2023 4:25 PM

To: Stephanie Mcquillan <smcquillan@showlowaz.gov>

Cc: Lisa Robertson <lrobertson@showlowaz.gov>

Subject: DEMA Grant for PD

Hi Stephanie,

I received the agreement from DEMA for the License Plate Reader and analysis position in the PD. I am going to send it over to Anna for review and start drafting a Staff Summary for Chief. Please confirm the attached job description and employee costs are still accurate.

Thanks,



Shannon Adams

Grants Coordinator

City of Show Low

180 N 9th Street

Show Low, AZ 85901

(928) 532-4028

showlowaz.gov

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From: [Kraig Gardner](#)
To: [Flock Safety Support](#)
Cc: [Shannon Adams](#)
Subject: Re: Estimate
Date: Friday, December 16, 2022 3:33:52 PM
Attachments: [image001.png](#)

Hi Shannon,

Happy to help here!

Cameras are \$2,500 per year and \$350 to install (ADOT Installs are \$750, instead).

Additionally, most agencies choose to buy advanced search, which is \$2,500 per year total.

So, 10 cameras:

- \$27,500/yr (including advanced search)
- \$3,500 one time install
- = \$31,000 year one and \$27,500 after that.

Let me know if that helps!

Kraig

On Fri, Dec 16, 2022 at 3:07 PM Flock Safety Support <support@flocksafety.com> wrote:
Hi there,

Thank you for reaching out! I'm looping in our wonderful Territory Manager for Arizona, Kraig Gardner, to assist you with any questions you may have, and to work on pulling that proposal together for you. :)

Stay safe,
Rhianna

----- Original Message -----

From: Shannon Adams [sadams@showlowaz.gov]
Sent: 12/16/2022, 2:59 PM
To: support@flocksafety.com
Subject: Estimate

Hello,

Our police department saw a demo of the product and would like to pursue grant opportunities to fund it.

Can you please send me a quote for 10 cameras, installation and any needed subscription for a 3-year period. I am unable to pursue funding opportunities without this.

Thanks,



Shannon Adams
Grants Coordinator
City of Show Low
180 N. 9th St.
Show Low, AZ 85901
(928) 532-4028
showlowaz.gov

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To unsubscribe from this group and stop receiving emails from it, send an email to support+unsubscribe@flocksafety.com.

**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Award of Construction Contract for Airport Hangar Infrastructure Improvements City of Show Low Project No. A-1723 2.1* (Bill Kopp)

RECOMMENDATION

I **MOVE** to award the bid for the Airport Hangar Infrastructure Improvements, City of Show Low Project No. A-1723 2.0. to Show Low Construction in an amount not to exceed \$590,792.51.

BACKGROUND

The City of Show Low solicited bids for infrastructure improvements at the south hangar area at the Show Low Regional Airport. The purpose of the project was to expand this area to accommodate the demand for additional hangars at the Show Low Regional Airport. The infrastructure will serve ten new hangars ranging from 60 by 65 feet to 75 by 65 feet. The improvements include grading and paving for taxi lanes, water, sewer, and electric services, and a sewer lift station. The upfront construction cost will be paid by Big Dog Development in exchange for ground lease credits.

The project was designed by the City of Show Low Engineering Department. The engineer's estimate was \$660,000.00, and it was publicly bid according to statutory requirements. Six bids were received with the following results:

<u>Contractor</u>	<u>Total Bid</u>
Show Low Construction	\$590,792.51
Apache Underground	\$592,086.00
Conco Concrete Specialist	\$640,014.00
Western Grade LLC	\$697,503.45
W W Clyde & Co.	\$975,785.00
Standard Construction	\$954,930.00

Staff recommends awarding the contract for the Airport Hangar Infrastructure Improvements, City of Show Low Project No. A-1723 2.1. to Show Low Construction in an amount not to exceed \$590,792.51.

ATTACHMENTS

1. Airport Hangar Infrastructure Bid Tab Sheet
2. Airport Hangar Infrastructure Subject Map

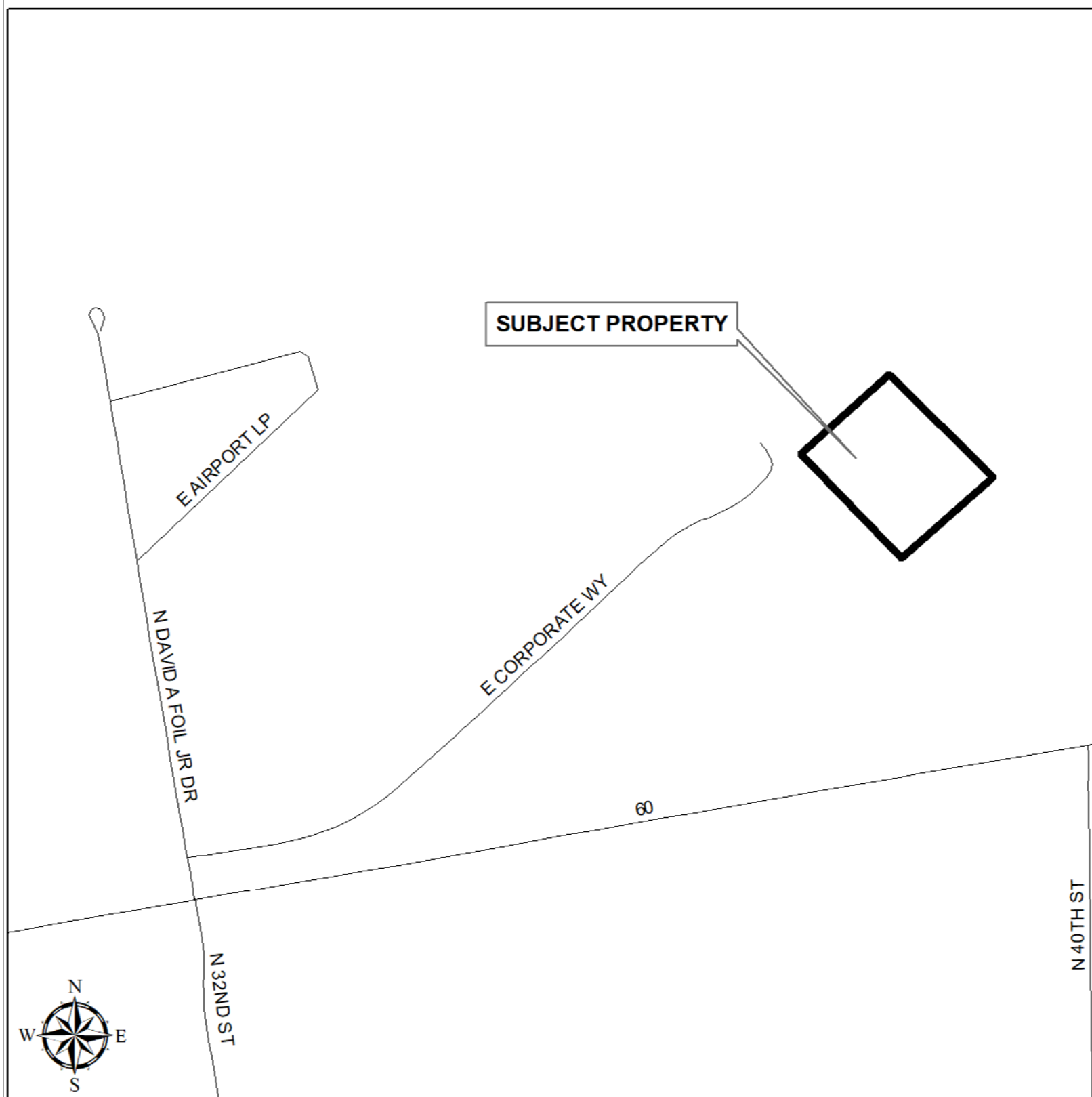
FISCAL IMPACT

Anticipated cost: \$590,792.51

Funding source (account no.): Large Hangar/Taxiway Expansion (11-750-495-7300-2325/7502325)

Project Name: Airport Hangar Infrastructure Project No. A-1723 2.1
Bid Opening October 11, 2023 @ 2:00 PM
Bid Tabulation Sheet

	BID SCHEDULE A			Show Low Construction, Inc	1	Apache Underground & Excavating	2	Conco Concrete Specialists	3	Western Grade LLC	4	W.W. Clyde & Co	5	Standard Construction	6
Item	Description	Unit	No. of Units	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	Mobilization	LS	1	\$99,235.42	\$99,235.42	\$30,000.00	\$30,000.00	\$106,669.00	\$106,669.00	\$54,585.03	\$54,585.03	\$80,500.00	\$80,500.00	\$95,000.00	\$95,000.00
2	Sawcut Existing Pavement	LF	80	\$6.16	\$492.80	\$20.00	\$1,600.00	\$3.00	\$240.00	\$13.50	\$1,080.00	\$9.00	\$720.00	\$15.00	\$1,200.00
3	Clear and grub	SF	18000	\$0.27	\$4,860.00	\$0.70	\$12,600.00	\$0.30	\$5,400.00	\$1.40	\$25,200.00	\$0.50	\$9,000.00	\$0.50	\$9,000.00
4	Remove Existing Tree	EA	2	\$622.85	\$1,245.70	\$1,200.00	\$2,400.00	\$700.00	\$1,400.00	\$132.50	\$265.00	\$1,800.00	\$3,600.00	\$1,000.00	\$2,000.00
5	Install 13"X17" Culvert	LF	50	\$88.76	\$4,438.00	\$100.00	\$5,000.00	\$120.00	\$6,000.00	\$63.37	\$3,168.50	\$400.00	\$20,000.00	\$185.00	\$9,250.00
6	Install 1-1/4" Waterline (Pipe only, trenching in line 10)	LF	2170	\$4.79	\$10,394.30	\$6.00	\$13,020.00	\$12.00	\$26,040.00	\$17.54	\$38,061.80	\$4.00	\$8,680.00	\$15.00	\$32,550.00
7	Live tap 8" x 2"	EA	2	\$2,580.79	\$5,161.58	\$500.00	\$1,000.00	\$6,000.00	\$12,000.00	\$235.59	\$471.18	\$11,500.00	\$23,000.00	\$3,000.00	\$6,000.00
8	Install water meter manifold Complete	EA	2	\$13,615.55	\$27,231.10	\$14,687.00	\$29,374.00	\$5,000.00	\$10,000.00	\$4,995.41	\$9,990.82	\$10,000.00	\$20,000.00	\$7,500.00	\$15,000.00
9	Install 3/4" water meter box and resetter	EA	10	\$354.54	\$3,545.40	\$1,086.00	\$10,860.00	\$3,000.00	\$30,000.00	\$1,074.64	\$10,746.40	\$3,100.00	\$31,000.00	\$900.00	\$9,000.00
10	Waterline trenching, bedding, shading, backfill	LF	770	\$34.98	\$26,934.60	\$15.00	\$11,550.00	\$18.00	\$13,860.00	\$107.98	\$83,144.60	\$65.00	\$50,050.00	\$50.00	\$38,500.00
11	Cut in 1-1/4" tee on existing force main	EA	1	\$1,330.96	\$1,330.96	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,360.41	\$1,360.41	\$10,000.00	\$10,000.00	\$6,000.00	\$6,000.00
12	Install 1-1/4" Poly Sewer Force Main	LF	450	\$47.41	\$21,334.50	\$40.00	\$18,000.00	\$12.00	\$5,400.00	\$2.34	\$1,053.00	\$130.00	\$58,500.00	\$40.00	\$18,000.00
13	Install Sewer Lift Station	EA	1	\$39,919.93	\$39,919.93	\$48,000.00	\$48,000.00	\$50,000.00	\$50,000.00	\$42,467.77	\$42,467.77	\$122,500.00	\$122,500.00	\$95,000.00	\$95,000.00
14	Install flush connect	EA	2	\$1,041.95	\$2,083.90	\$3,600.00	\$7,200.00	\$2,500.00	\$5,000.00	\$37.60	\$75.20	\$4,400.00	\$8,800.00	\$1,500.00	\$3,000.00
15	Install 1-1/4 force main valve	EA	2	\$799.65	\$1,599.30	\$1,000.00	\$2,000.00	\$2,500.00	\$5,000.00	\$806.80	\$1,613.60	\$3,800.00	\$7,600.00	\$1,750.00	\$3,500.00
16	Install 6" SDR-35 PVC Sewer Line	LF	370	\$117.56	\$43,497.20	\$100.00	\$37,000.00	\$85.00	\$31,450.00	\$82.03	\$30,351.10	\$147.00	\$54,390.00	\$135.00	\$49,950.00
17	Install 4' Dia. Sewer Manhole	EA	1	\$8,065.97	\$8,065.97	\$32,500.00	\$32,500.00	\$12,000.00	\$12,000.00	\$6,480.00	\$6,480.00	\$13,800.00	\$13,800.00	\$21,000.00	\$21,000.00
18	Install 3" Sewer Service Line	LF	510	\$91.57	\$46,700.70	\$75.00	\$38,250.00	\$78.00	\$39,780.00	\$36.13	\$18,426.30	\$118.00	\$60,180.00	\$120.00	\$61,200.00
19	Install 6" sewer cleanout	EA	1	\$825.03	\$825.03	\$700.00	\$700.00	\$2,400.00	\$2,400.00	\$16,469.13	\$16,469.13	\$1,600.00	\$1,600.00	\$3,200.00	\$3,200.00
20	Install 3" Sewer Cleanout	EA	10	\$503.91	\$5,039.10	\$125.00	\$1,250.00	\$1,200.00	\$12,000.00	\$1,938.31	\$19,383.10	\$1,500.00	\$15,000.00	\$1,350.00	\$13,500.00
21	Electrical Trenching, bedding shading, backfill	LF	940	\$20.35	\$19,129.00	\$15.00	\$14,100.00	\$16.75	\$15,745.00	\$19.75	\$18,565.00	\$46.00	\$43,240.00	\$42.00	\$39,480.00
22	Install 2" Electrical Conduit (conduit only trenching in line item 21)	LF	2905	\$3.64	\$10,574.20	\$10.00	\$29,050.00	\$18.00	\$52,290.00	\$4.31	\$12,520.55	\$15.00	\$43,575.00	\$20.00	\$58,100.00
23	Install Electrical Pull Box	EA	4	\$416.29	\$1,665.16	\$831.00	\$3,324.00	\$1,200.00	\$4,800.00	\$250.44	\$1,001.76	\$2,200.00	\$8,800.00	\$950.00	\$3,800.00
24	Install uni-strut frame for power meters	EA	2	\$2,568.73	\$5,137.46	\$3,000.00	\$6,000.00	\$5,000.00	\$10,000.00	\$1,725.00	\$3,450.00	\$2,900.00	\$5,800.00	\$9,500.00	\$19,000.00
25	Install 3" AC	TON	300	\$195.57	\$58,671.00	\$197.00	\$59,100.00	\$200.00	\$60,000.00	\$139.26	\$41,778.00	\$270.00	\$81,000.00	\$250.00	\$75,000.00
26	Install 7" ABC	CY	350	\$78.17	\$27,359.50	\$71.00	\$24,850.00	\$45.00	\$15,750.00	\$187.00	\$65,450.00	\$113.00	\$39,550.00	\$150.00	\$52,500.00
27	Install 8" Sub Base	CY	400	\$60.90	\$24,360.00	\$62.00	\$24,800.00	\$45.00	\$18,000.00	\$144.50	\$57,800.00	\$100.00	\$40,000.00	\$135.00	\$54,000.00
28	Install Geogrid	SF	16200	\$0.25	\$4,050.00	\$1.14	\$18,468.00	\$2.00	\$32,400.00	\$0.65	\$10,530.00	\$2.00	\$32,400.00	\$0.75	\$12,150.00
29	Install 4" Select Backfill under Geogrid	CY	200	\$60.90	\$12,180.00	\$57.75	\$11,550.00	\$45.00	\$9,000.00	\$153.00	\$30,600.00	\$108.00	\$21,600.00	\$135.00	\$27,000.00
30	Install Pavement Marking	LF	560	\$5.92	\$3,315.20	\$5.25	\$2,940.00	\$4.00	\$2,240.00	\$4.57	\$2,559.20	\$15.00	\$8,400.00	\$5.00	\$2,800.00
31	Roadway Excavation	CY	1100	\$22.13	\$24,343.00	\$31.00	\$34,100.00	\$9.00	\$9,900.00	\$41.81	\$45,991.00	\$20.00	\$22,000.00	\$80.00	\$88,000.00
32	Rock Excavation*	CY	250	\$144.29	\$36,072.50	\$200.00	\$50,000.00	\$95.00	\$23,750.00	\$131.46	\$32,865.00	\$82.00	\$20,500.00	\$85.00	\$21,250.00
33	Force Account	FA	1	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
				Total	\$590,792.51	Total	\$592,086.00	Total	\$640,014.00	Total	\$697,503.45	Total	\$975,785.00	Total	\$954,930.00



**City of Show Low
STAFF SUMMARY REPORT**

AGENDA TITLE: Consideration of Amendments to Conditional Use Permit Submitted by Compassionate Care of Arizona, Inc.* (Justen Tregaskes)

RECOMMENDATION

I **MOVE** to approve amendments to Conditional Use Permit 602-04-240 submitted by Compassionate Care of Arizona, Inc. to allow for extended hours of operation.

Or

I **MOVE** to deny the requested amendments to Conditional Use Permit 602-04-240 submitted by Compassionate Care of Arizona, Inc. to allow for extended hours of operation.

BACKGROUND

At its regular meeting on June 4, 2013, the Show Low City Council approved Conditional Use Permit (CUP) 602-04-156, submitted on behalf of Green Hills Patient Center, Inc., to allow the sale of medical marijuana at 3191 South White Mountain Road. The Council included 17 conditions as part of this approval, including the stipulation that hours of operation would be limited to six days a week from 9:00 a.m. to 6:00 p.m. This condition was reviewed by the Council at Green Hills' request on June 20, 2017, in an effort to extend the hours of operation to 9:00 a.m. to 8:00 p.m. during the summer months, from Memorial Day to Labor Day. At this meeting, the Council unanimously voted to retain the hours of operation of 9:00 a.m. to 6:00 p.m. as previously approved. Green Hills Patient Center is no longer in operation within the City.

On December 14, 2021, the Planning and Zoning Commission approved Conditional Use Permit 602-04-240, which allowed for a marijuana dispensary operated by Compassionate Care of AZ, Inc. at 1350 North Penrod Road. Included in this approval was condition 15, which stated, "The hours of operation are limited to six days a week from 9:00 a.m. to 6:00 p.m." As part of the record, the Green Hills representative stated they would be closed on Sundays. This condition was recommended by staff and approved by the commission in an effort to be consistent with conditions previously approved by the Council related to hours of operation for Green Hills Patient Center, Inc. Compassionate Care has submitted a request to amend condition 15 to allow extended hours of operation, "from 9:00 a.m. to 8:00 p.m., Monday through Saturday." All other conditions of approval would remain unchanged.

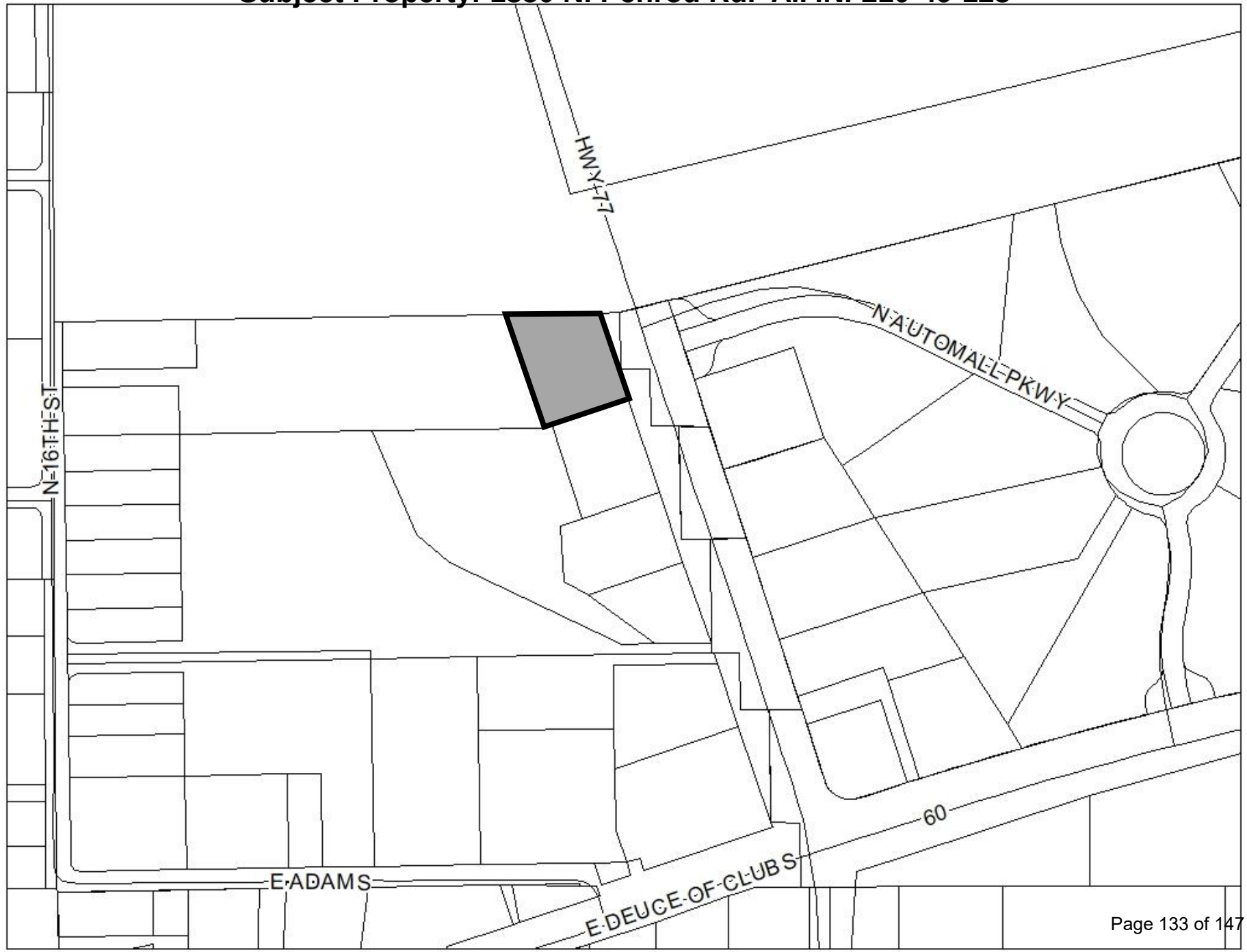
After reviewing this request, the Council may approve or deny the application to extend the hours of operation. Please contact City staff with any questions related to this issue. If a Council member has any questions about a particular condition and its legality, the City Attorney should be consulted prior to including it in any motion.

ATTACHMENTS

1. CUP Amendment Compassionate Care- Subj Prop
2. CUP Amendment Compassionate Care- Attachments

FISCAL IMPACT

None.





Subject Property:
1350 N. Penrod Rd.
A.P.N. 210-49-123

The image is an aerial photograph overlaid with a map showing property boundaries. A red rectangle highlights a specific property located at the intersection of N-16TH ST and HWY 77. To the right of this property is a large parking lot and several commercial buildings. Further right, a roundabout is visible on N AUTOMALL PKWY. At the bottom of the image, E ADAMS and E DEUCE OF CLUBS are labeled. A road with the number 60 is also visible near the roundabout.

N-16TH ST

HWY 77

N AUTOMALL PKWY

E ADAMS

E DEUCE OF CLUBS

60



City of Show Low Planning & Zoning
180 N. 9th Street, Show Low, AZ 85901
(928) 532-4040

Conditional Use Permit Application
(Filing Fee: \$150.00)

For Office Use Only

Date received: 9.5.23
Time received: 2 PM
Received By: KBF

OWNER INFORMATION

Name: 1350 Penrod LLC

Address: 4801 Emerson Ave Suite 112
Mailing Address *Apartment/Unit#*
Palatine Illinois 60067
City *State* *ZIP Code*
Phone: 847-404-6687 Email: mitch@ptsgrows.com

APPLICANT INFORMATION (if different)

Name: Compassionate Care of AZ, Inc. d/b/a Consume Cannabis

Address: 6122 N. 7th Street Suite D
Mailing Address *Apartment/Unit#*
Phoenix Arizona 85014
City *State* *ZIP Code*
Phone: 315-382-0174 Email: leonardd@ptsgrows.com

PROPERTY INFORMATION

Address of Property: 1350 N. Penrod Rd., Show Low, AZ 85901 Parcel Number (A.P.N.): 210-49-123

Legal Description of Property: The land is situated in the county of Navajo, State of Arizona, and is described as follows:
Lot 123, Crossroads Commerce Center, according to Book 18 of maps, pages 67, 68 and 69 records of Navajo County,
Arizona

Zoning Classification: C-2 Applicant's interest in Land: Tenant

What is the Nature of the Request? _____

Amendment to CUP File #602-04-240 –Applicant hereby requests an amendment solely to Stipulation #15 of the CUP
File #602-04-240 whereby our hours of operations are extended from 9:00 AM to 6:00 PM to 9:00 AM to 8:00 PM,
Monday-Saturday.

APPLICATION REQUIREMENTS

1. One (1) copy of 24" X 36" map and one (1) copy of the same map in 11" X 17" (additional maps may be required if requested by Staff) All maps must be drawn to scale and shall include:

- ☐ Lot dimensions.
- ☐ Location, size, height, use and exterior materials of all buildings and structures.
- ☐ Size and dimensions of yards and space between buildings.
- ☐ Location and height of walls and fences.
- ☐ Location, number of spaces, dimensions, circulation patterns, and surface materials for all off- street parking and loading areas, driveways, access ways and pedestrian walkways.
- ☐ Location, dimensions area, materials, and lighting of signs.
- ☐ Location and general nature of exterior lighting.
- ☐ Street dedications and improvements.
- ☐ Existing and proposed grades and drainage systems.
- ☐ Size and location of all existing and proposed public and private utilities. All easements must be shown.
- ☐ Natural features such as mesas, rock outcroppings, or streams and manmade features such as existing roads and structures, with indication as to which are to be retained and which are to be removed or altered.
- ☐ Landscaping, including all surfacing material around buildings and in all open spaces.
- ☐ A vicinity sketch showing the location of the site in relation to the surrounding street system.
- ☐ Adjacent properties and their uses shall be identified.
- ☐ A legal description of the land included in the site plan and of the lot; the name, address and telephone number of the owner, developer and designer.
- ☐ Any information which the zoning administrator may find necessary to establish compliance with this and other ordinances.

2. A statement of how this proposed project or use will comply with the goals and objectives of the Show Low General Plan:

The applicant currently complies with the 2018 amended Show Low General Plan by operating this location as a retail space in accordance with the General Plan. Moreover, the only other medical marijuana dispensary in Show Low recently closed. More availability outside of traditional working hours better serve the customers and patients in and around Show Low and will prevent the Applicant from turning away customers and patients if they are unable to make it to the Applicant's facility in time.

3. A statement as to what steps will be taken to avoid and minimize any adverse impact on the public health, peace, convenience, comfort, safety and general welfare of the surrounding property owners and users as well as the general welfare of the City.

Applicant has installed multiple security cameras and systems around the property. Additionally, per state statute, only one entrance (south entrance) is accessible to the public and the building remains well lit during night hours.

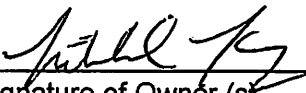
4. Explain what utility demands are going to be required and what steps, if any, will have to be made to meet your utility demands.

No additional utility demands will be required. The proposed location already has all necessary utility improvements (including turning lanes on Hwy 77).

5. **PLEASE NOTE:** In accordance with City Code, Title 19.20.030(C) and (D), you or your authorized representative must be present at all Planning and Zoning Commission and/or City Council hearings or public meetings regarding this application. Below please list any person(s) authorized to represent you during this application process. Representations made during those meetings or hearings and designated in the record shall be deemed conditions of approval.

Mitchel Kay	Jeff Cox
David Householder	Mike Greco
Leonard DeStefano	
David Flood	

I certify that the information on this application form and attachments are true and correct to the best of my knowledge. I realize that any incorrect information may lead to the cancellation of any proceedings and the Conditional Use Permit if a Conditional Use Permit has been issued.



Signature of Owner (s)

9/8/2023

Date

Signature of Owner (s)

Date

Signature of Applicant (If other than owner)

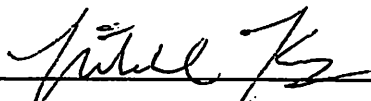
Date

WAIVER OF CLAIMS UNDER ARIZONA REVISED STATUTES § 12-1134

I, Mitchel Kay; Authorized signatory for 1350 Penrod LLC, the owner of the property described as A.P.N. 210-49-123

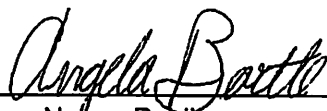
Show Low, Arizona, hereby waive any and all claims for diminution in value to my property which may arise under A.R.S. § 12-1134 as a result of my request and application for a CONDITIONAL USE PERMIT. Further, I agree to defend, indemnify, and hold harmless the City of Show Low, its officers, employees, and agents from and against any and all such claims for diminution in value to my property as defined in A.R.S. § 12-1134 arising out of my application or request for the applicable land use action as described above.

DATED this 5th day of September, 2023

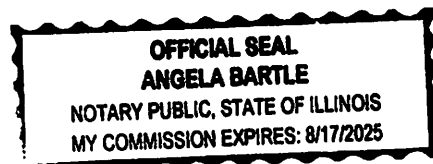

Signature of Property Owner

ILLINOIS
STATE OF ~~ARIZONA~~)
) ss.
County of Cook)

SUBSCRIBED AND SWORN before me this 5th day of September, 2023
by Angela Bartle
Name of Signer


Notary Public

[Notary Seal]



INTRODUCTION

This application is submitted on behalf of Compassionate Care of AZ, Inc. (the "Applicant" or "Compassionate Care") and 1350 Penrod LLC (the "Owner"), to allow for an amendment to stipulation #15 of Conditional Use Permit File # 602-04-240 (the "Original CUP", attached hereto as **Exhibit A**) at Applicant's medical marijuana dispensary facility, located at 1350 N. Penrod Road (the "Subject Site") in Show Low, Arizona, also known as Navajo County Assessor's Parcel Number 210-49-123. This amendment to the Original CUP shall be referred to as the "Conditional Use Permit" for purposes of this narrative. Compassionate Care operates under the direction of experienced medical marijuana parent company PTS Corp. ("PTS"). PTS is passionate about providing a natural alternative medication to replace harmful prescription drugs for state approved patients and adult customers. They also believe strongly about giving back to the community. PTS is a proud financial contributor for Cancer Awareness Charities. The past several years, PTS has created "Limited Edition" Tonics for sale during the month of October with proceeds going to cancer charities.

BACKGROUND

In 2010 the voters of Arizona approved the Arizona Medical Marijuana Act and the Department of Health Services ("DHS") established rules for the sale and use of medical cannabis. At that time the state issued 126 operating licenses for potential dispensary facilities based on the state's Community Health Analysis Area ("CHAA") system. Since then, the list of state approved patients has significantly and continually grown every year. In 2016, the state issued 31 additional licenses to better serve the consistently increasing number of patients/card holders. In November 2020, the voters approved the use of recreational marijuana which opened up the possible consumer market to anyone over the age of 21 in the state of Arizona. The demand for cannabis product has undoubtedly hit an all-time high and the need for supply has overwhelmingly increased.

PTS continues to successfully do business across the United States through the operation of nine medical marijuana dispensaries and more on the horizon. PTS has been dedicated to providing patients with quality cannabis since 2015. PTS is committed to learning and improving their processes to create the highest quality products and aim to make cannabis accessible to all of those in need by improving their lives through their variety of brands of cannabis.

REQUEST

Throughout the years, the City of Show Low has adopted many amendments to the City's Zoning Ordinance to regulate the placement of medical marijuana establishments. Specifically, Section 19.20.070(A) of the Zoning Ordinance permits medical marijuana dispensaries to locate only in C-2 General Commercial zoning districts so long as the facility obtains a Conditional Use Permit and meets required setbacks from "protected uses" outlined as follows: 500 feet from a (i) church, synagogue, mosque, temple, or building which is used primarily for religious worship and related religious activities; (ii) public or private educational facility; (iii) public park or recreational area which has been designated for park or recreational activities; (iv) the property line of a lot devoted to a residential substance abuse diagnostic and treatment facility or other residential drug or alcohol rehabilitation facility; (v) entertainment business which is oriented primarily toward children or family entertainment; or (vi) licensed premises, licensed pursuant to the alcoholic beverage control regulations of the state.

The Subject Site satisfies all criteria and has been operating pursuant to the Original CUP for almost two years.

This application is requesting an amendment solely to Stipulation #15 of the Original CUP to allow the dispensing of medical and recreational marijuana at the Subject Site for expanded hours of operation. The current hours of operation at this location are from 9:00 AM to 6:00 PM, Monday through Saturday. The application seeks to amend the hours of operation to 9:00 AM to 8:00 PM, Monday through Saturday. Effective January 3, 2022, the city approved the Original CUP for the Applicant to operate its dispensary at the Subject Site; however, the only other dispensary in Show Low has recently closed, creating an influx of customers and patients at Applicant's dispensary. Since the Applicant is only able to operate its dispensary for one hour after traditional working hours and given the increase in customers and patients who may not be able to easily access this location due to the recent closure of the other dispensary, the Applicant is forced to consistently turn away people seeking out its essential services. Moreover, allowing more time to operate will remove or ameliorate vehicle traffic congestion around one of the main thoroughfares. While the City Council has previously rejected such later hours of operation, given the current situation, the Applicant believes the extension to 8:00 PM would (i) help ensure potential customers and patients have sufficient time to reach the dispensary after working hours, (ii) relieve vehicle traffic, (iii) align Show Low more closely with other local

municipal dispensary operating hours (e.g. Payson permits 8 AM - 9 PM) and (iv) keep valuable tax dollars within the City of Show Low.

APPLICATION MEETS CONDITIONAL USE PERMIT CRITERIA

- 1. The application provides one (1) copy of 24" X 36" map and one (1) copy of the same map in a size at least 8 ½" X 11" and not to exceed 11" X 17" (or 6 copies of a 24" X 36" map) showing the required items "a." through "o." listed on the Conditional Use Permit Application.***

Applicant has provided all material for the Original CUP and continues to be in compliance with same. Given the limited scope, no additional map has been provided.

- 2. The application is consistent with and conforms to the Show Low General Plan (the "Plan").***

The Subject Site's use, under the Original CUP, as a medical marijuana dispensary conforms to the goals and objectives of the Plan by providing a business that allows Show Low to comply with the eleven basic elements laid out in the Plan, most specifically land use and economic development. Nothing has changed since the Original CUP was granted.

- 3. The proposed change is not detrimental to and there will be no adverse impact on the public health, peace, convenience, comfort, safety and general welfare of the persons or property in the surrounding area, nor to the general welfare of the City.***

As required by the City of Show Low Zoning Code, "[n]o person shall operate or cause to be operated a medical marijuana dispensary or infusion facility in any zoning district other than C-2 (General Commercial)." As previously mentioned, the Subject Site is currently in compliance zoned C-2 (General Commercial) and located within a general commercial and industrial area of the city. The use, under the Original CUP, has no adverse impacts on the surrounding area because it is surrounded by other general commercial and industrial uses.

related businesses. This application is fully in compliance with the conditional use permit requirements; thus, this application requires no variance requests. Furthermore, if granted the amended Conditional Use Permit will be reviewed by city staff as reasonably necessary to ensure continued compliance.

CONCLUSION

The City of Show Low has enacted very restrictive zoning regulations for the siting and operation of medical marijuana-related land uses. The Subject Site is an ideal location for their dispensary facility within a commercial and industrial area. Granting this amendment to the Original CUP will allow the Applicant to better service customers and patients who have been adversely impacted by the closure of Show Low's only other dispensary. As previously mentioned, this Subject Site has successfully obtained a Conditional Use Permit to operate as a medical marijuana dispensary without issue within the City of Show Low and has demonstrated its cooperativeness with the City of Show Low and its strict adherence to the Original CUP. Further, PTS has been operating nine successful medical marijuana establishments across the United States with similar if not greater, hours of operation, and has proved it has the required knowledge and experience to run a thriving medical marijuana dispensary. By the approval of the the Original CUP granted on the Subject Site, it is evident that medical marijuana uses will have *no negative impact* on the surrounding area. If anything, the expanded hours of operation will better serve the community at large and ensure customers and visitors have sufficient time to obtain the essential services of the Applicant and continue to provide a solution to the longstanding opioid crisis within Arizona.

Thus, because of the beneficial impact the expanded hours can have on the City of Show Low, there is no doubt the Applicant should have the opportunity to operate safely and successfully for expanded operational hours with the grant of this Conditional Use Permit.

- 4. Applicant is fully prepared to work with the necessary utility providers to ensure utility demands are met.**

As evidenced through the Applicant's successful tenure since the Original CUP was granted, Applicant shall continue to work with the necessary utility providers to ensure utility demands are met. Furthermore, this use will operate just like any other retail use and will not create unusual burden on public utilities.

- 5. There shall be no significant adverse or intrusive effect upon property within three hundred (300) feet of the external boundaries of the Subject Site as a result of the proposed use.**

As the Subject Site has a previously approved Conditional Use Permit to operate as a medical marijuana dispensary, the Subject Site has objectively shown that there will be no adverse or intrusive effects upon the property within three hundred feet of the external boundaries as a medical marijuana dispensary. With the previous Conditional Use Permit as precedent, it is clear the Subject Site is an ideal location for this type of use. If anything, the Subject Site encourages the goals of medical marijuana-related facilities as described in Chapter 19.120.080 of the City of Show Low Zoning Code.

Further, the Applicant for the proposed use is an experienced and reputable dispensary operator with a positive track record of operating professional and lawful cannabis establishments.

As required by the Conditional Use Permit application, a list of all property owners within 300 feet of all external boundaries of the Subject Site are attached hereto, **EXHIBIT B**.

APPLICATION MEETS MEDICAL MARIJUANA CONDITIONAL USE PERMIT CRITERIA

- 6. The conditional use will be in compliance with all provisions of the Zoning Ordinance and the laws of the City of Show Low, including the additional requirements for medical marijuana-related facilities found in Chapter 19.120.080.**

The use is in full compliance with not only the City of Show Low laws and the ordinance, but also with State laws that regulate medical marijuana-

EXHIBIT A

CONDITIONAL USE PERMIT



City of Show Low

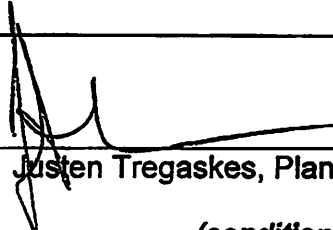
Issued to Compassionate Care of AZ, Inc. dba Consume Cannabis **Date** December 22, 2021

Mailing Address 6122 N 7th St, Ste D, Phoenix, AZ 85014

Address of Use 1350 N. Penrod Rd. Show Low, AZ 85901

Parcel Number 210-49-123 **Case Number** 602-04-240

For A marijuana dispensary

Authorized Signature  **Date** 1-3-22
Justen Tregaskes, Planning and Zoning Director

(conditions listed on back)

CONDITIONS

1. All development shall comply with all applicable state and local requirements including Arizona Department of Health Services requirements, city zoning, and business permit requirements.
2. This conditional use permit is non-transferable. Should a change in ownership or location occur, a new conditional use permit shall be required.
3. The applicant shall comply with all documents submitted to the city as part of this conditional use permit, including the Operational Procedures and supplemental materials.
4. Signage shall only display the facility name.
5. Submission of an application for a dispensary registration certificate constitutes permission for the city to enter and inspect the dispensary.
6. An on-site inspection of the dispensary shall occur at a date and time agreed to by the dispensary and the city that is no later than five working days after the date the city submits a written request to the dispensary to schedule the certification or compliance inspection, unless the city agrees to a later date and time.
7. The city may, after receiving allegations of the dispensary's noncompliance with this conditional use permit or state law from a verified source, inspect the property for compliance with notice.
8. If the city identifies a violation of City Code Chapter 19.120 or any condition of approval, the city may schedule a hearing related to the revocation of this conditional use permit.
9. The applicant shall be responsible for installing and maintaining exterior lighting to facilitate surveillance.
10. A security plan meeting the approval of the Arizona Department of Health Services with a copy provided to the city shall be required prior to the opening of the business. All alarm systems shall comply with Chapter 7.25, Alarm System Regulations, of the City Code. Panic buttons shall be installed in the interior of the building. A security guard shall be on the premises at all times the dispensary is open for business.

11. No loitering shall be permitted on the exterior of the proposed business.
12. Only qualifying individuals, employees of the business, or other qualified individuals, including city and state staff members shall be permitted inside the proposed business.
13. The dispensary shall not dispense, deliver, or otherwise transfer marijuana to an entity other than another dispensary with a valid dispensary registration certificate issued by the Arizona Department of Health Services, a qualifying patient with a valid registry identification card, or a designated caregiver with a valid registry identification card; or acquire usable marijuana from any entity other than another dispensary with a valid dispensary registration certificate issued by the Arizona Department of Health Services, or cultivation facility with a valid cultivation registration certificate issued by the Arizona Department of Health Services.
14. This permit is for the sale of marijuana and related paraphernalia only. On-site cultivation is prohibited.
15. The hours of operation are limited to six days a week from 9:00 AM to 6:00 PM.