City Council Meeting Notice & Agenda

Tuesday, December 10, 2013
City Council Chamber
8401 West Monroe Street
Peoria, AZ 85345

Special Meeting & Study Session

5:00 P.M. Convene

Roll Call

Consent Agenda

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Consent

1C. **Authorization to Hold an Executive Session**

Discussion with legal counsel and designated representatives of the public body for legal advice regarding issues pertaining to a pending litigation case: Peter See and Casey See v. Arturo Francisco Avina, Jr. and City of Peoria, Maricopa County, Superior Court CV2012-094670 pursuant to A.R.S. § 38-431.03.A.3.

Study Session Agenda

Subject(s) for Discussion Only

2. Economic Analysis, Revised Sports Complex Redevelopment Project

Adjournment

Executive Session

Convene immediately following Special City Council Meeting
Executive Room, City Council Chamber

Under the provisions of A.R.S. § 38-431.02 there will be a **CLOSED EXECUTIVE SESSION**.

Executive Session Agenda

3. An Executive Session for the purpose of discussion with legal counsel and designated representatives of the public body for legal advice regarding issues pertaining to a pending litigation case: Peter See and Casey See v. Arturo Francisco Avina, Jr. and City of Peoria, Maricopa County, Superior Court CV2012-094670, pursuant to A.R.S. § 38-431.03.A.3.

Adjournment

The above-named Public Body of the City of Peoria, Arizona will convene into Executive Session pursuant to A.R.S. § 38-431.03 for those items listed on the agenda. Only those persons who are:

- Members of the Public Body, or
- Officers of the City that are required to attend, or
- Those individuals whose presence is reasonably necessary for the Public Body to carry out its Executive Session responsibilities as determined by the City Attorney may be present during the Executive Session.

All persons who remain present during the Executive Session are reminded that the business conducted in Executive Session, including all discussion taking place herein, is confidential and may not be disclosed to any person, except as permitted by law.

Arizona Open Meeting Act:

Arizona law requires that persons who are present in an executive session receive instruction regarding the confidentiality requirements of the Arizona Open Meetings Act. Minutes and discussions made during executive sessions are confidential and may not be disclosed to any party, except:

- Members of the council,
- Appointees or employees who were subject of discussion under the personnel item subsection of the Open Meetings Act,
- County Attorney or Attorney General pursuant to an investigation of a violation of the Open Meetings Act, and
- Arizona Auditor General in connection with an audit authorized by law.

Any person who violates or who knowingly aids, agrees to aid, or attempts to aid another person in violating the Arizona Open Meetings Law may be punished by fine of up to $500.00 per violation and/or by removal from public office.

Regular Meeting

7:00 P.M. Convene

Pledge of Allegiance
Roll Call
Final Call To Submit Speaker Request Forms
Presentation

4. Relay for Life Presentation - Katrina Eaton

5. Certificates of Appointment to the following Board and Commission members who were appointed by Resolution at the November 19, 2013 City Council meeting:

   - Brian Wiley to the Municipal Development Authority, and
   - Gloria Migal to the Personnel Board.

Consent Agenda

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Consent

6C. **General Plan Amendment, General Plan Circulation Element Text and Map Revisions**

Discussion and possible action to concur with the Planning and Zoning Commission's recommendation and adopt **RES. 2013-192** amending the General Plan Circulation Element, including the Circulation Plan Map and Street Classification Map pertaining to the City's transportation systems. (GPA 13-0005)

7C. **Intergovernmental Agreement, Maricopa County, HOME Investment Partnership Program**

Discussion and possible action to approve an Intergovernmental Agreement with Maricopa County for the use of the City's annual program allocation as a member of the Maricopa County HOME Consortium.

8C. **Agreement, Drug Enforcement Administration, Organized Crime Drug Enforcement Task Force**

Discussion and possible action to: (a) authorize the City Manager to enter into an Agreement with the Drug Enforcement Administration to allow the Peoria Police Department to participate in Organized Crime Drug Enforcement Task Force Investigations; and (b) approve a budget amendment in the amount of $15,000 from the Proposed Grants Contingency account to the Federal Drug Enforcement Administration account for overtime.

9C. **Temporary Water Service Agreement, EPCOR Water Arizona Incorporated**

Discussion and possible action to approve a Temporary Water Service Agreement with EPCOR Water Arizona Incorporated to enable the City to provide water in emergency situations in areas served by EPCOR Water Arizona Incorporated.

10C. **Fiscal Year 2013 Comprehensive Annual Financial Report, Single Audit, Management Letter, and SAS114 Letter**

Discussion and possible action to receive and file the Comprehensive Annual Financial Report, Single Audit, Management Letter, and SAS114 Letter for the fiscal year ended June 30, 2013.

11C. **Exemption Request, Requirement to Post Security for Self-Insured Workers Compensation Claims**

Discussion and possible action to authorize the execution of documents necessary to certify the City of Peoria exemption from the Industrial Commission of Arizona requirements to post security for pending self-insured Workers Compensation claims.

12C. **Termination, Nationwide Retirement Solutions Retiree Health Savings Plan, Peoria Police Officers Association**

Discussion and possible action to: (a) adopt **RES. 2013-193** approving the termination of the Peoria Police Officers Association's Retiree Health Savings Plan with Nationwide Retirement Solutions; and (b) authorize the City Manager to execute documentation for the distribution of funds to the International City Management Association Retirement Corporation, Retiree Health Savings Plan.

13C. **Budget Amendment, Fleet Reserve Fund, Fiscal Year 2014 Proposed Budget**

Discussion and possible action to approve a budget amendment in the amount of $133,000 from the General Fund Contingency account to the Fleet Reserve Fund, Trucks and Vans account for the purchase of one Ford F-250 4x4 for the North Peoria Battalion and one Ford F-550 4x4 chassis and related equipment to replace the existing Brush Truck.

14C. **Maintenance Improvement District No. 1110, The Meadows Parcel 11, 97th Avenue and Deer Valley Road**

Discussion and possible action to approve the Petition for Formation and adopt **RES. 2013-188** intention and ordering the formation of proposed Maintenance Improvement District No. 1110, The Meadows Parcel 11, located at 97th Avenue and Deer Valley Road; and adopt **RES. 2013-189** ordering the improvements within the proposed Maintenance Improvement District and declaring an emergency.

15C. **Street Light Improvement District No. 1053, The Meadows Parcel 11, 97th Avenue and Deer Valley Road**

Discussion and possible action to approve the Petition for Formation and adopt **RES. 2013-190** intention and ordering the formation of proposed Street Light Improvement District No. 1053, The Meadows Parcel 11, located at 97th Avenue and Deer Valley Road; and adopt **RES. 2013-191** ordering the improvements within the proposed Street Light Improvement District and declaring an emergency.

16C. **Final Plat, Habitat for Humanity on 86th Avenue, 86th Avenue and Monroe Street**

Discussion and possible action to approve the Final Plat of Habitat for Humanity on 86th Avenue, located at 86th Avenue and Monroe Street, subject to stipulations.

17C. **Final Plat, Vistancia Parcel A18, Ridgeline and El Mirage Road**

Discussion and possible action to approve the Final Plat of Vistancia Parcel A18, located at Ridgeline and El Mirage Road, subject to stipulations.

18C. **Final Plat, Vistancia Parcels A21 and A22, Westward Skies Drive and El Mirage Road**

Discussion and possible action to approve the Final Plat of Vistancia Parcels A21 and A22, located at Westward Skies Drive and El Mirage Road, subject to stipulations.

Regular Agenda

New Business

19R. **PUBLIC HEARING - Liquor Licenses, Various locations**

PUBLIC HEARING: RE: (a) A New Restaurant Liquor License (Series 12) for Sushi Doraku, located at 9940 West Happy Valley Road #1060, Eunjung Kim, Applicant, LL#20008355; (b) a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Pleasant Harbor Marina/Waterfront Grill, located at 40202 North 87th Avenue, Andrea Lewkowitz, Applicant, LL#20009425;(c) a New Wine and Beer Liquor License (Series 10) for Pleasant Harbor located at 8708 W. Harbor Blvd, Andrea Lewkowitz, Applicant, LL#20009425; and (d) a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Funugyz Sports Grill, located at 8378 West Thunderbird Road #B101-B104, Raymond A. Shelley, Applicant, LL#20009425.

Staff Report:
Open Public Hearing:
Public Comment:
Close Public Hearing:

COUNCIL ACTION: Discussion and possible action to recommend approval to the State Liquor Board for: (a) A New Restaurant Liquor License (Series 12) for Sushi Doraku, located at 9940 West Happy Valley Road #1060, Eunjung Kim, Applicant, LL#20008355; (b) a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Pleasant Harbor Marina/Waterfront Grill, located at 40202 North 87th Avenue, Andrea Lewkowitz, Applicant, LL#20009425;(c) a New Wine and Beer Liquor License (Series 10) for Pleasant Harbor located at 8708 W. Harbor Blvd, Andrea Lewkowitz, Applicant, LL#20009425; and (d) a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Funugyz Sports Grill, located at 8378 West Thunderbird Road #B101-B104, Raymond A. Shelley, Applicant, LL#20009425.

20R. **PUBLIC HEARING - Annexation, 83rd Avenue and Pinnacle Peak Road**

PUBLIC HEARING: RE: Proposed annexation of approximately 7.22 acres of City owned property located at the northwest corner of 83rd Avenue and Pinnacle Peak Road(ANX13-0004).

Staff Report:
Open Public Hearing:
Public Comment:
Close Public Hearing:

COUNCIL ACTION: No Council action required.

21R. **PUBLIC HEARING - Rezoning, Trilogy West, Vistancia Boulevard and Dixileta Parkway**

PUBLIC HEARING: RE: A request to rezone approximately 360 gross acres located west of the northwest corner of Vistancia Boulevard and Dixileta Parkway from Single Family Planned Area Developments (Z02-26, Z04-23, Z04-10) and Suburban Ranch SR-43, to the Trilogy West Planned Area Development.

Staff Report:
Open Public Hearing:
Public Comment:
Close Public Hearing:

COUNCIL ACTION: Discussion and possible action to concur with the Planning and Zoning Commission's recommendation and adopt **ORD. 2013-26** rezoning approximately 360 gross acres located west of the northwest corner of Vistancia Boulevard and Dixileta Parkway from Single Family Planned Area Developments (Z02-26, Z04-23, Z04-10) and Suburban Ranch SR-43, to the Trilogy West Planned Area Development (Z13-0007).

22R. **Fiscal Year 2014 Mid-Year Budget Request, Development Services Departments**

Discussion and possible action to: a) authorize and appropriate the use of one-time General Fund reserves, not to exceed $327,370, to fund various specified staffing and resource requests pertaining to the steady increase in development-related activities; b) approve a budget transfer in the amount of $11,232, from the General Fund Contingency account to the Planning and Community Development Services Contract Labor account; c) approve a budget transfer in the amount of $100,438, from the General Fund Contingency account to the Planning and Community Development Services Other Professional Services account; d) approve a budget transfer in the amount of $1,285, from the General Fund Contingency account to the Planning and Community Development Services Computer Hardware account and an amount of $630 to the Planning and Community Development Services Computer Software account; e) approve a budget transfer in the amount of $83,200, from the General Fund Contingency account to the Economic Development Services Building Development Division Other Professional Services account; f) approve a budget transfer in the amount of $22,500, from the General Fund Contingency account to the Economic Development Services Contract Labor account; g) approve a budget transfer in the amount of $60,000, from the General Fund Contingency account to the Economic Development Services Administrative Division Other Professional Services account; and h) approve a budget transfer in the amount of $50,000 from the General Fund Contingency account to the Economic Development Services Building Development Division Bank Services Charges account.

23R. **City Council Policy 1-3, Procedure for Consideration of Candidates when Vacancies Occur on the City Council**

Discussion and possible action to review City Council Policy 1-3; Procedure for Consideration of Candidates when Vacancies occur on the City Council and if, it meets with Council approval, adopt proposed amendments to the policy.

Call To The Public (Non-Agenda Items)
If you wish to address the City Council, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The City Council is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

Reports from City Manager

24. **Council Calendar**

25. **Reports with Presentation**

26. **Informational (The following items are included for informational purposes only. There will be no separate discussion of these items unless a Councilmember so requests.)**

    A. Council Subcommittee Update

    B. 2014 Winter Water Safety Day and Polar Plunge

    C. Sustainability Update

Reports from City Council
Reports from the Mayor

Adjournment

Vistancia Community Facilities District Board Meeting

Convene immediately following Regular City Council Meeting

Roll Call

Final Call To Submit Speaker Request Forms

VCFD Consent Agenda

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the District Board, and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

27C. **<u>Minutes</u>**

Discussion and possible action to approve the November 19, 2013 Special Meeting minutes.

28C. **<u>Fiscal Year 2013 Annual Financial Report</u>**

Staff recommends that the Board accept and file the Vistancia Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2013.

Call To The Public (Non-Agenda Items)

If you wish to address the Board, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The Board is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

Adjournment

<u>NOTE:</u> Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 8401 W. Monroe Street, Room 150, Peoria, AZ 85345.

Accommodations for Individuals with Disabilities. *Alternative format materials, sign language interpretation and assistive listening devices are available upon 72 hours advance notice through the Office of the City Clerk, 8401 West Monroe Street, Peoria, Arizona 85345 – Phone: (623) 773-7340 or FAX (623) 773-7304. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request. The City has a TDD line where accommodations may be requested at: (623) 773-7221.*

<u>PUBLIC NOTICE:</u>
In addition to the City Council members noted above, one or more members of the City of Peoria Boards and Commissions may be present to observe the City Council meeting as noticed on this agenda. City Council Meetings can be viewed live on Channel 11 (Cox Cable) and are available for viewing on demand at http://www.peoriaaz.gov/content2.aspx?id=2151.

Agenda Item: 2

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: October 23, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Scott Whyte, Economic Development Services Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Economic Analysis for the Revised Sports Complex Redevelopment Project**

Purpose:
To present an update on the Peoria Sports Park (PSP) revised project proposal (dated 9/30/13) and resulting economic analysis conducted by Ernst & Young LLP (EY).

Background/Summary:
Peoria Sports Park, LLC has a Ground Lease and Memorandum of Understanding (MOU) with the City of Peoria, providing the framework to explore a redevelopment opportunity next to the Sports Complex, and to negotiate a public/private partnership for the financing, acquisition, development and operation of a mixed-use redevelopment project. The MOU established a path forward for the City and PSP in terms of the steps required to be completed in moving the project forward. Such steps are contained in the MOU (see attached):

- Council approval of the MOU (effective 10/29/12)
- Council approval of the Ground Lease (1/22/13)
- Submittal of a Project Proposal by PSP (1st Proposal dated May 1, 2013)
- Completion of an Economic Analysis of the Project Proposal (6/25/13 Study Session. The Study Session resulted in PSP being required to submit a revised proposal by 9/30/13)
- Submittal of PSP's New Project Proposal (received 9/30/13)
- Completion of an Economic Analysis of the New Project Proposal (12/10/13 Study Session)
- City Council consideration of a Development Agreement with a final site plan
- PSP Satisfying all Tenant and Project Financing Commitments, such as:
    - Tenant Lease commitments
    - Equity Investment Commitments
    - Construction Lender Commitment to Lend
- City Council consideration of documents needed for the issuance of City debt for the design and construction of the Parking Garages.

Based on the EY report recommendations and findings from the 1st Project Proposal review, as discussed at the 6/25/13 study session, PSP re-evaluated and re-designed the project to reduce cost, address site plan issues, increase the project internal rate of return (IRR), as well as address the feasibility of the proposed hotel (see attached new project proposal from PSP dated 9/30/13). EY reviewed the new project proposal for economic feasibility (see attached report).

Section 1 (c)(vi) of the MOU establishes that prior to the parties entering into a development agreement, the economic analysis must be completed on the PSP project proposal, with the following documents needing review prior to a development agreement:

- Final proposed tenant mix matrix (part of the 1st project submission)
- Executed letters of intent (LOI) to lease from tenants (not included). An issue with being able to achieve this step is the lack of a final site plan which we believe is now achieved.
- Development program and structure for the project (part of 1st and 2nd submissions)
- Project construction and operating pro formas (part of project submissions)
- Project as-built appraisal (completed by CBRE and part of the 1st submission)

Previous Actions:
Following is a list of previous Council actions on this project:

- The City Council approved an Exclusive Negotiating Agreement (ENA) between the City and Osage West, LLC on March 22, 2011
- A request to extend the ENA for another year was approved by the City Council on February 8, 2012.
- A Memorandum of Understanding (MOU) was approved by City Council with Peoria Sports Park, LLC on October 23, 2012.
- A Ground Lease was approved by City Council on January 22, 2013.
- City Council approved the Ernst and Young consultant contract on April 9, 2013.
- On June 25, 2013 a Council study session was held on the results of EY's review of PSP's initial project proposal.

Options:
Provide input on the outcomes of the EY economic analysis and new PSP project proposal.

Fiscal Analysis:
There is no fiscal consideration at this time.

Exhibits:
Exhibit A: MOU dated 10/29/12
Exhibit B: PSP's Revised Project Submittal dated 9/30/13

Exhibit C: EY's Report on the Revised Project Submittal
Exhibit D: Retail Broker Letter dated 11/1/13 from the Velocity Retail Group

Contact Name and Number:
Dina Green at X7781

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the "Memorandum"), dated October 29, 2012, is by and between PEORIA SPORTS PARK, LLC, an Arizona limited liability company (the "PSP"), and CITY OF PEORIA, ARIZONA, a municipal corporation of the State of Arizona (the "City"). The City and PSP may be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

A. City is the owner of certain real property with surface parking improvements consisting of approximately seventeen and one half (17.5) acres located south of Bell Road adjacent to 83rd Avenue and Mariner Way in Peoria, Arizona along with all easement, water, signage, and parking rights appurtenant thereto (identified herein and on the attached **Exhibit A** map as the "Project Parcel/Preliminary Site Plan") located within the City's Peoria Eighty-Three (P83) Entertainment District (identified on the attached **Exhibit B** map as the "Map of District and Project Location").

B. On December 7, 2010 City issued a Request for Proposal (P11-0039) ("RFP") soliciting detailed proposals for the redevelopment of all the Project Parcel at the Peoria Sports Complex (the "Project").

C. On January 14, 2011 PSP (then under the corporate name "Osage West, LLC," which was changed on May 2, 2012 to "PSP") submitted to City a detailed Proposal in response to the Request for Proposal, and PSP was the only entity to submit a Proposal.

D. On March 29, 2011 City and PSP entered into an Exclusive Negotiating Agreement for Redevelopment of the Peoria Sports Complex Parking Areas ("ENA") so that the Parties would have a period of time to exclusively negotiate with each other in good faith for the purpose of forming a public/private partnership for the financing, development, and operation of the Project.

E. On February 8, 2012 City and PSP entered into an Extension of Exclusive Negotiation Agreement for Redevelopment of the Peoria Sports Complex Parking Areas extending the Term of the ENA until March 28, 2013.

F. Subsequent to the name change to "PSP" in May of 2012, Managing Member Michael Oliver added Jared Chandler and the Chandler Hotel Group to the PSP team. As part of the City's due diligence concerning PSP, the City has researched and confirmed that no lawsuits presently exist against Michael Oliver (personally), Jared Chandler (personally), Chandler Hotel Group (corporate), and Peoria Sports Park, L.L.C. (corporate).

G. PSP and the City are entering into this Memorandum to set forth their general understanding of the basic terms and conditions of the Project negotiations which have occurred under the ENA, for the redevelopment of the Project Parcel pursuant to the City RFP. PSP and the City acknowledge that this Memorandum is entered into in contemplation of, and in order to provide guiding principles for, more detailed negotiations that may lead to legally enforceable contractual commitments, including potentially a package of agreements listed in Recital H below.

H. The Parties anticipate that definitive contract documents may include a Ground Lease and Purchase Option Agreement ("Ground Lease") (with provisions addressing the Government Property Lease Excise Tax ("GPLET"), A.R.S. §§ 42-6201, et seq., as applicable), a Development Agreement, a Parking Facility Development and Use Agreement (including the Parking Garage(s) and Surface Parking Lots, collectively the "Parking Facilities"), a Master Signage Agreement, CC&R's and related Property Owner Association documents for the management of the uses within the Project, easements for infrastructure, and the use of the on-site water well (if any), and the Parking Facilities. Collectively these documents will memorialize the understanding of the Parties pursuant to the City's lease of a portion of the Project Parcel to PSP (the "Lease Parcel") authorizing PSP to develop, operate and maintain a mixed use commercial development on the Lease Parcel, PSP's obligation to pay rent to the City, PSP's authorization to construct, landscape, maintain and use the Parking Facilities and PSP's authorization to construct, operate and maintain Signage to the extent authorized under the RFP and ENA. The term "Signage" as used in this MOU includes static, digital and wireless components. Prior to entering in the Development Agreement, the City will complete, using an independent firm, an economic analysis of the deal points agreed to by the Parties, including the City contributions.

I. The Parties understand and agree that PSP's initiation of Project development on the Leased Parcel is conditioned upon the following being completed prior to any work proceeding:

1. City Council approval of this Memorandum.

2. City Council approval of the Ground Lease.

3. Completion of an economic analysis for the Project and the City Parking Garage(s) construction.

4. City Council approval of a Development Agreement, including a Parking Facilities Development and Use Agreement and Master Signage Agreement.

5. PSP satisfying the Tenant and Project Financing Commitments pursuant to Section 1(a) of this Memorandum.

6. City Council approval of any documents needed for the issuance of City debt for the design and construction of the Parking Garage(s).

7. City Council approval for implementation of the District identity, place-making and pedestrian connectivity improvements per the existing Design Concept Report process underway.

The Parties acknowledge that the various agreements and documents identified above must be entered into by the Parties before the City can pursue the issuance of any City debt for the construction of the Parking Garage(s) and related improvements. As a result, the Parties agree to make reasonable best efforts to finalize all of the necessary agreements after entering into this Memorandum.

NOW, THEREFORE, the Parties agree to enter into this Memorandum of Understanding as follows:

UNDERSTANDINGS

1. PROJECT PREPARATION

(a) Tenant and Project Financing Commitments.

In order to proceed with construction of the Parking Garage(s), the hotel and the retail portion of the Project, PSP must provide to the City documentation satisfying all of the following developer performance measures ("Tenant and Project Financing Commitments"):

(i) At least eighty percent (80%) of Phase 2 of the project retail, restaurant, and entertainment space must be absorbed, as evidenced by executed contingent leases, with the only contingency being construction of the Parking Garage(s). In the event PSP obtains written, unconditional approval from a viable construction lender to provide construction financing for the entirety of the Project (Phases 1 and 2), except for that portion of the Project devoted to multi-family housing (Phase 3), and upon City review of the construction lender's due diligence and underwriting package, the City agrees to accept executed contingent leases, with the only contingency being construction of the Parking Garage(s), absorbing no less than 60% of Phase 2 of the Project retail, entertainment, and restaurant space, as well as 100% of the Phase 1 hotel space. As part of the City accepting 60% contingent executed leases for the Phase 2 retail, restaurant and entertainment space in the Project, PSP must establish that 100% of the City approved anchor tenants are included in the 60% space absorption threshold.

(ii) An unconditional written commitment from PSP's construction lender to lend the funds necessary to construct Phase 2 of the Project.

(iii) An equity commitment to leverage PSP's construction loan.

(iv) If PSP's residential and hotel assets will be financed separately from the balance of the Project, then the information described in Subsections (ii) and (iii) for those assets.

(v) To the extent permitted by PSP's construction lender, PSP agrees to provide the City a copy of its construction lender's due diligence and underwriting package for the Project construction loan for the purpose of assessing the degree of additional documentation and information needed to assess the likely success of the Project going forward.

(b) **City Parking Facilities Development.**

(i) **Parking Garage(s) and Surface Parking Lot(s)**

City intends to own one or more Parking Garage(s) to accommodate 1,930+/- spaces within the Project Parcel to serve both the Peoria Sports Complex uses and Project. PSP will be responsible, at its cost, for the construction and maintenance of all surface parking lots within the Project (currently estimated to provide 374 spaces). The preliminary cost estimate for designing and constructing the Parking Garage(s) is approximately $30,000,000. The Parties agree to work together in good faith and perform additional analysis to refine and update this cost figure. The Parties intend to enter into a Parking Facilities Development and Use Agreement whereby the City will (1) contract with PSP to design and construct one or more Parking Garage(s), (2) design and construct the Surface Parking Lot(s), and (3) if necessary, convey easement/license rights to PSP to access and use the Parking Facilities for the benefit of the Project. Under the contract the Parking Garage(s) would be constructed by PSP for a not-to-exceed fee to be set by the Parties after the Garage(s) have been designed and a final construction cost contract is established by PSP. Upon completion of construction, the City will own the Parking Facilities. The Parking Facilities Development and Use Agreement will also address the post-construction management, operation, and maintenance of the Parking Facilities. PSP and the City agree to research and analyze the viability of constructing solar panels on shade structures constructed on the top parking level of the Parking Garage(s) and in the surface parking lot, which may be in partnership with the Seattle Mariners Baseball Club and/or San Diego Padres.

(ii) **Parking Garage Financing.**

The City is prepared to pay approximately $30,000,000 for the cost of constructing a number of parking spaces in the Parking Garage(s) which are equivalent to the number of parking spaces currently within the Project Parcel. Depending on the location of the Parking Garage(s) on the final Site Plan and the number of parking spaces planned for the Parking Garage(s), PSP may need to add or reserve a specific number of parking spaces in the Parking Garage(s) for the exclusive use of the Project. In the event that PSP does desire to add or reserve a designated number of parking spaces for the Project, PSP shall pay an amount calculated by the total Parking Garage(s) construction cost ÷ total number of parking spaces x the number of reserved spaces for PSP = PSP cost towards the cost to construct the Parking Garage(s). If PSP desires to add or modify design elements to the Parking Garage(s) (and the City approves of such design changes), PSP shall be responsible for paying for all such additional costs. The City will determine the best source(s) of funding for its share of the Parking Garage design and construction costs. As such, it may issue Municipal Development Authority (MDA) bonds backed by all City excise taxes. When the Parking Garage(s) design is completed, if the total construction cost of the Parking Garage(s), minus any funds contributed by PSP for Project purposes, is greater than the amount of available City funding, the Parties agree to meet in good faith to attempt to resolve the issue. If the issue cannot be resolved, the agreements will contain remedy provisions outlining the process by which the Parties may terminate the agreements.

(iii) **Design and Construction.**

Pursuant to the Parking Facilities Development and Use Agreement the Parties will enter into an agreement whereby PSP will design and build the Parking Garage(s). The Parties will designate representatives who will be extensively involved in all design and preconstruction activities. The Parties will choose different design elements and ideas, different construction elements and methods, as well as different improvements and finishes, etc. to ensure the Parking Garage(s) conform to the design elements of the mixed use project and the Sports Complex structures and improvements. All aspects of the Parking Garage(s) design will be subject to the approval of both Parties, both prior to bidding and throughout construction, including all change orders. PSP must follow all applicable State laws regarding public bidding, procurement, design, and construction.

(iv) **Construction Schedule**

PSP agrees to begin construction of the Parking Garage(s) at such time as (1) PSP obtains the necessary Tenant and Project Financing Commitments, (2) all final legal agreements are in place between the City and PSP, and (3) the City obtains the concurrence of the Seattle Mariners and San Diego Padres of the location, size, and design (including ingress and egress) of any applicable Parking Garage(s). The Parties acknowledge and agree that time is of the essence. The goal of the Parties is that construction of the Parking Garage(s) will begin no earlier than April 15, 2013 and be completed no later than February 15, 2014. The parties jointly will develop a timeline and will use their reasonable best efforts to meet the timeline for completion of the entitlement, contract drafting and negotiation and construction processes. At the time of entering into the Development Agreement, the Parties should be able to establish a firm construction schedule. Both Parties acknowledge that other construction activities will be taking place in the Peoria Sports Complex (the remodeling of two baseball clubhouses and the stadium) that will need to be coordinated in order to obtain the timely completion of the Project. The Parking Facilities Development and Use Agreement will include a liquidated damages provision imposing appropriate penalties upon PSP if it begins construction but then fails to complete the Parking Garage(s) by the beginning of any Spring Training season on February 15^{th}. In the event the Parties are unable to begin construction in time to complete construction of the Project prior to February 15, 2014, the Parties agree to work together in good faith to establish a revised construction schedule and with a goal of constructing the Project between April 15, 2014 and February 15, 2015.

(c) **Technical Studies and Project Zoning.**

In addition to the foregoing, and in support of the RFP and ENA, the following technical studies and Project zoning activities have occurred:

(i) **Traffic Study.**

PSP has completed, and City staff has reviewed, the initial Traffic Impact Analysis ("TIA"). Upon full build out, the proposed development is expected to add approximately 20,570 new trips with 1,460 occurring in the AM peak hour, and 940 occurring in the PM peak hour. The TIA indicates that the intersections along the 83rd Avenue corridor are predicted to operate at acceptable Level of Service D, or better. Some individual approaches of these intersections are predicted to experience poor levels of service; however, they can be improved by small adjustments to the signal timings.

The progression analysis concludes that the PM traffic along this corridor is expected to experience slightly lower speeds and increased delays in the future years. Additional traffic from events at the Peoria Sports Complex will have an impact on 83rd Avenue traffic by increasing travel time between Skunk Creek and Bell Rd.

(ii) **Parking Study.**

PSP has completed, and City staff has reviewed, a Project Parking Study ("Parking Study"). As part of assessing Project parking impacts, the Parking Study was completed to determine the maximum parking usage during high-demand daytime and nighttime Spring Training games on weekends and identify an appropriate standard to apply to the Project to ensure adequate capacity. It is required that the Project fully replace any stadium surface parking which it disrupts. The proposed Parking Garage(s) (1,930+/- spaces) will accommodate all of the affected surface parking spaces and provide adequate parking for the Project. The Parking Study concludes that 85% to 90% parking space utilization should be expected on days with maximum parking demand, which is consistent with numerous similar mixed use entertainment areas around the country. City staff agrees with the Parking Study's conclusions and shared parking solution.

(iii) **Design Concept Report.**

As part of the City advancing the principals of the adopted Sports Complex Urban Design Plan, the City has completed conceptual place-making and pedestrian orientation designs for the District and is now in the Design Concept Report process. The P83 Design Concept Report (DCR) process to transition from conceptual designs to engineered designs, alternatives and costs estimates is underway.

- Project kick-off meeting was held July 25, 2012
- Preliminary cost estimates are due by November 2012
- Preferred DCR scheduled for completion January 2013
- Final DCR scheduled for completion April 2013
- An objective of completing construction of appropriate portions of the DCR at the City's discretion on or before September 2014

(iv) **Minor Planned Area Development Amendment.**

As part of the District, the underlying Planned Area Development ("PAD") zoning regulations must be amended to accommodate the urban, pedestrian-friendly, quality-designed development desired for the Project. City staff has been working closely with the design team to craft regulations which speak to these needs while preserving the interests of the two baseball teams. The regulations will specify high-quality materials, pedestrian connectivity, exciting and dynamic signage and a variety of retail, dining, entertainment, lodging, convention, and residential uses. The PAD will promote multi-story, dense development that will begin the transition of the district from a suburban shopping and dining area to the vibrant district envisioned by the Peoria Sports Complex Urban Design Plan and the P83 identity plan. The draft regulations are expected to be complete in the fall of 2012.

The Minor PAD amendment was not subject to a protest within the applicable window pursuant to Section 14-33-4.E.2 of the City of Peoria Zoning Ordinance and is therefore an administrative review which does not require action by the City Council or Planning and Zoning Commission.

(v) **Technical Studies are Public Records.**

PSP and the City each have prepared and will continue to prepare (internally or through the use of consultants) various technical studies in furtherance of the investigation and analysis of the potential development of the Project. The Parties agree that such studies are Public Records that may be used by either Party for any future purpose.

(vi) **Economic Analysis.**

Prior to the Parties entering into the Development Agreement, an economic analysis by a City-commissioned third party consultant will be required. PSP will be required to submit the following documents as part of the economic analysis:

- Final tenant mix matrix.
- Executed Letters of Intent absorbing eighty percent (80%) of the retail, restaurant and entertainment space of the Project.
- Final development program and structure for the hotel and residential portions of the Project.
- Project construction pro forma.
- Parking Garage(s) construction pro forma.
- Project operating pro forma.
- Project as-built appraisal.

2. **Agreements and Understandings.**

(a) **Development Agreement.**

The Parties intend to draft and enter into a Development Agreement in compliance with the provisions of A.R.S. § 9-500.05, whereby the City would, among other things, contract with PSP to ground lease, plan, develop and construct the Project, to design and construct, or cause to be designed and constructed, the Parking Garage(s) and the Surface Parking Lot(s), and to construct, operate and maintain Signage to the extent authorized under the RFP and ENA. The Development Agreement will provide authorizations for PSP to conduct its work, as may be necessary, on adjacent City owned property and in the City's rights of way. It will address the process and procedures for the Parties to identify and share the costs of any necessary street and infrastructure needs of the Project. In order to enter into a Development Agreement, the Parties must agree on a Project Site Plan with a location and design of the Parking Garage(s) acceptable to all affected third parties (such as the baseball teams and potentially the Alter Group), PSP must submit to the City and the City approve a new market study (providing PSP's rent rolls, CAM charges, costs per square foot, and other relevant information), and the City must complete an economic analysis of the benefits and costs of the Project to the City.

(b) **Ground Lease.**

The Parties intend to enter into a Ground Lease in which the City would lease to PSP the Lease Parcel permitting PSP to develop a mixed use development that will include hotel, commercial, retail and multi-family uses. The Ground Lease would be for an initial term of 50 years with two 24.5 year extension options triggered by mutual agreement of the Parties. PSP would pay rent to the City based on an agreed upon percentage of the appraised value of the Lease Parcel. The Ground Lease may contain GPLET provisions providing property tax relief to PSP during the Lease term as authorized by State law. PSP would have the right to mortgage its leasehold interest so long as all Ground Lease terms continue to apply, but the City's fee simple interest in the land could not be encumbered or be subordinated to the lease or the lenders. The Project Parcel may be partitioned into no more than four (4) separate parcels. Three of those parcels would be located on the Lease Parcel covering the hotel, retail and multi-family portions of the Project, and the fourth parcel would be located on the lands the City retains within the Project Parcel. The Lessee would have an option to purchase all or portions of the Lease Parcel as well as a Right of First Refusal in the event the City was to elect to sell all or a portion of the Lease Parcel.

(c) **Master Signage Agreement.**

The Parties intend to enter into a Master Signage Agreement permitting PSP to construct, operate and maintain Signage to the extent authorized under the RFP and ENA. Signage within the Project Parcel will be addressed separately in the Ground Lease. Any Signage providers must be approved by the City, which may not unreasonably be delayed or withheld. Wireless signage is intended to broadcast information to the patrons of the District in the form of digital communication to all wireless devices in or near the District. A portion of all Signage may be used to communicate specifically with users of the Peoria Sports Complex for City events and to support promotion and advertising related to such events, including Spring Training baseball. The Parties agree to work in good faith to determine how Signage opportunities will be coordinated and addressed in relation to the Stadium's advertising, sponsorship, and marketing programs. All Signage shall comply with content standards provided by the City.

(d) **Easements and Licenses; Potential Water Use.**

The City intends to convey to PSP those certain easement or license rights necessary to support the development and operation of the Project, including easements for PSP to locate, construct and maintain, or cause to be located, constructed and maintained, all necessary City infrastructure, public and private utilities. In addition, subject to further research and discussion among the Parties, it is possible that the Parties may agree that the City will convey to PSP an easement to access the on-site water well and use water therefrom within the Project Parcel (which would need to comply with all applicable laws and Peoria City Code provisions, including potentially those addressing Non-Potable Water Service, Sections 25-68 *et seq.* and the City's adopted non-potable water rate). PSP is willing to bear the cost of the necessary water system improvements and the electricity to pump and deliver the water.

(e) **Covenants, Conditions and Restrictions (CC&R's).**

The Parties intend to draft and record against the Project Parcel a set of CC&R's that will set forth and regulate the approved land uses, to manage and direct the design and development, and to manage and maintain the Project area in order to promote its orderly development, maintenance, preservation, use and enjoyment.

(f) **Site Plan.**

The Site Plan reflects the proposed mixture of uses within the Project. The uses include a full service boutique Hilton Hotel with between 155 to 175 rooms and with 15-25 thousand square feet of conference room space (See example exhibit of Potential Hotel Design attached hereto as **Exhibit C**), a retail component of approximately 215,000 square feet, a multi-family development of approximately 110 units, and a parking garage for 1,930+/- spaces. A copy of the preliminary Project Site Plan (which the Parties understand will change before it is finalized) is attached hereto as **Exhibit A**. A copy of the Preliminary Construction Cost Pro Forma is attached hereto as **Exhibit D.**

(g) **Design and Architecture.**

PSP will design and construct the Project. The Parties will designate representatives who will be extensively involved in all design and preconstruction activities. PSP will choose different design elements and ideas, different construction elements and methods, as well as different improvements and finishes, etc. to ensure the Project conforms to the design elements of the Sports Complex structures and improvements and the Parking Garage(s). PSP's designs for the Project must comply with the City's approved Urban Design Plans for the District and will be processed through the Site Plan Review process for the City's approval, which will not unreasonably be delayed or withheld.

(h) **Parking Facilities.**

The Parties intend to draft and enter into a Parking Facilities Development and Use Agreement whereby the City would contract with PSP to develop, construct and landscape, or cause to be developed, constructed and landscaped:

- The Parking Garage(s),
- The Surface Parking Lot(s)

and convey the necessary easement or license rights authorizing PSP to access and use these Parking Facilities for the benefit of the Project. It is intended that the Parking Facilities will be shared by the Project and the Spring Training Baseball Games but the Parties agree to work together to ensure that nothing hinders the City's use of the Parking Facilities for Spring Training Baseball Games and other events held at the Peoria Sports Complex by the City or by entities under contract with the City.

(i) **Compliance with Baseball Agreements.**

The City has provided to PSP three agreements that the City recently entered into with the Seattle Mariners and San Diego Padres concerning their continued use of the Peoria Sports Complex for Spring Training baseball and other baseball uses throughout the year ("Baseball Team Agreements"). The Baseball Team Agreements are comprised of an Improvements Agreement among the City and both teams (effective June 19, 2012) and two substantively-identical Use Agreements between the City and each of the teams (Mariners: effective June 19, 2012 and Padres: effective June 29, 2012). The Baseball Team Agreements include provisions (Sections 4.1 and 4.2 of the Improvements Agreement and Section 7 of the Use Agreements) relating to development of the Peoria Sports Complex, including the Project Parcel. PSP has reviewed the Baseball Team Agreements generally and the cited provisions specifically, and PSP acknowledges and agrees that the Project as it moves forward is required to comply with the Baseball Team Agreements.

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date first above written.

PEORIA SPORTS PARK LLC, an Arizona limited liability company

By: [redacted]
Name: Michael Oliver
Title: Managing Member

L CON

CITY OF PEORIA, ARIZONA a municipal corporation of the State of Arizona

By: Susan Thorpe for
Name: CARL SWENSON
Title: City Manager

Attest:

for Linda Blas
City Clerk

CITY OF PEORIA

Approved as to Form:

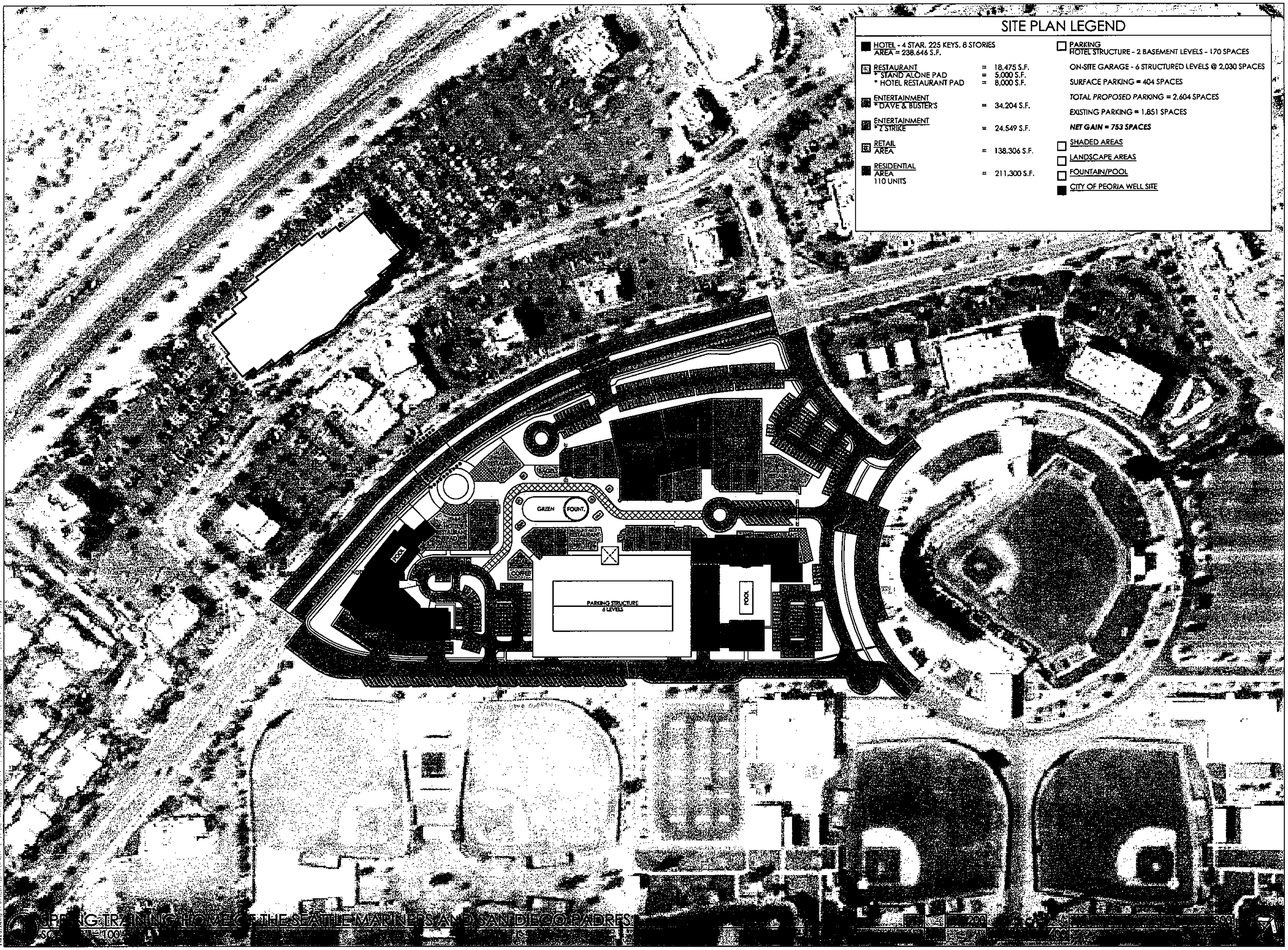
Stephen Burg
City Attorney

List of Exhibits

Exhibit A - Project Parcel/Preliminary Site Plan
Exhibit B - Map of District and Project Location
Exhibit C - Potential Hotel Design
Exhibit D - Preliminary Construction Cost Pro Forma

L CON 06612

Exhibit A
Project Parcel/Preliminary Site Plan



Baker

DRAFT
NOT FOR CONSTRUCTION

THE PEORIAN @ THE SPORTS COMPLEX

PEORIA, AZ.

PREPARED FOR PEORIA SPORTS PARK, LLC.

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DATE	SCALE
09-27-2012	1" = 100'-0"

SHEET NUMBER

SITE STUDY PLAN

Exhibit B
Map of District and Project Location

1 ENTERTAINMENT DISTRICT PLAN
SCALE: 1" = 300'-0"

Baker

DRAFT
NOT FOR CONSTRUCTION

THE PEORIAN @ THE SPORTS COMPLEX

PEORIA, AZ.

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DATE	SCALE
09-27-2012	1" = 300'-0"

SHEET NUMBER

ENTERTAINMENT DISTRICT PLAN

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Exhibit C
Potential Hotel Design

Hotel Indigo

San Diego, California

Hensel Phelps Construction Co.

Exhibit D
Preliminary Construction Cost Pro Forma

The Peorian @ The Sports Complex
Preliminary Cost Model Estimate

Concept Master Plan				Building Areas/Unit Cost				Parking Analysis			
ITEM				AREA		UNIT COST	TOTAL	Area	Stalls	SF/Stall	U.P./Stall
[redacted]	Keys	Net SF/Key	Gross SF/Key								
Lobby Level - (Core & Shell)				30,000	GSF	$120.00	$3,600,000				
Conf/Mtg Rooms Level 1 - (Core & Shell)				20,000	GSF	$120.00	$2,400,000				
Level 2 - Guestrooms (Core & Shell)	26	462	615	16,000	GSF	$110.00	$1,760,000				
Level 3 - Guestrooms (Core & Shell)	26	462	615	16,000	GSF	$110.00	$1,760,000				
Level 4 - Guestrooms (Core & Shell)	26	462	615	16,000	GSF	$110.00	$1,760,000				
Level 5 - Guestrooms (Core & Shell)	26	462	615	16,000	GSF	$110.00	$1,760,000				
Level 6 - Guestrooms (Core & Shell)	26	462	615	16,000	GSF	$110.00	$1,760,000				
Level 7 - Guestrooms (Core & Shell)	26	462	615	16,000	GSF	$110.00	$1,760,000				
Level 8 - Guestroom Suites (Core & Shell)	19	632	842	16,000	GSF	$110.00	$1,760,000				
Level 9 - Rooftop Bar (Core & Shell)				7,000	GSF	$110.00	$770,000				
Interior Finishes (Public Spaces & BOH)			0.80	40,000	GSF	$80.00	$3,200,000				
Interior Finishes (Guestrooms)			0.75	84,000	GSF	$60.00	$5,040,000				
Interior Finishes (Rooftop Bar)			0.85	5,950	GSF	$150.00	$892,500				
FF&E/OS&E Allowance							w/ Hotel Dev				
Totals	175		966	169,000	GSF	$167.00	$28,222,500				
Total Cost / Key							$161,271				
[redacted]											
Parking Level P1				30,000	GSF	$55.00	$1,650,000	30,000	85	353	
Parking Level P2				30,000	GSF	$55.00	$1,650,000	30,000	85	353	
Totals				60,000	GSF	$55.00	$3,300,000	60,000	170		
Total Cost / Stall							$19,412				
[redacted]	Units		SF/Unit								
(SF/Unit assumes 87% Eff. Factor)			0.85								
Level 1 - Parking Acess / Misc.	8		2,125	20,000	GSF	$110.00	$2,200,000				
Level 2 - Residential Units (Core & Shell)	24		1,240	35,000	GSF	$110.00	$3,850,000				
Level 3 - Residential Units (Core & Shell)	22		1,352	35,000	GSF	$110.00	$3,850,000				
Level 4 - Residential Units (Core & Shell)	22		1,159	30,000	GSF	$110.00	$3,300,000				
Level 5 - Residential Units (Core & Shell)	20		1,063	25,000	GSF	$110.00	$2,750,000				
Level 6 - Residential Units (Core & Shell)	14		1,214	20,000	GSF	$110.00	$2,200,000				
Interior Finishes (Residential Net Area)				140,250	GSF	$65.00	$9,116,250				
Add for Pool / Misc. Site Amenities				1	LSUM	$500,000	$500,000				
Totals	110			165,000	GSF	$168.28	$27,766,250				
							$252,420				
[redacted]											
Level 1 - Under Residential Condos/Apts.				19,239	GSF	$120.00	$2,308,680				
Anchor Retail - Multi Story (Core & Shell)				30,800	GSF	$120.00	$3,696,000				
Level 1 - Cup Cakes Bldg (Core & Shell)				6,700	GSF	$120.00	$804,000				
Retail - Ent. 2 Stories (Core & Shell)				18,000	GSF	$120.00	$2,160,000				
Retail - (Core & Shell)				3,000	GSF	$120.00	$360,000				
Retail - NW Prkg 2 Stories (Core & Shell)				13,200	GSF	$120.00	$1,584,000				
Retail - Coffee (Core & Shell)				1,800	GSF	$120.00	$216,000				
Retail - Hotel Pad (Core & Shell)				8,600	GSF	$120.00	$1,032,000				
Retail - 2 Stories (Core & Shell)				18,400	GSF	$120.00	$2,208,000				
Retail - Balance to Site Plan (7/20/12)				18,570	GSF	$120.00	$2,228,400				
Tenant Finish Allowance				138,309	GSF	$40.00	$5,532,360				
Totals				138,309	GSF	$160.00	$22,129,440				
[redacted]											
Dave & Buster's - 2 Stories (Core & Shell)				34,200	GSF	$130.00	$4,446,000				
Z Strike - 2 Stories (Core & Shell)				24,500	GSF	$100.00	$2,450,000				
Misc. - (Core & Shell)				1,900	GSF	$100.00	$190,000				
Tenant Finish Allowance				58,700	GSF	$80.00	$4,696,000				
Totals				60,600	GSF	$194.42	$11,782,000				
[redacted]											
Restaurant - Lux. Apts. (Core & Shell)				6,300	GSF	$130.00	$819,000				
Restaurant - Anchor Retail (Core & Shell)				5,300	GSF	$120.00	$636,000				
Restaurant - (Core & Shell)				4,400	GSF	$130.00	$572,000				
Restaurant - Bagels (Core & Shell)				1,700	GSF	$130.00	$221,000				
Restaurant - Separate Pad (Core & Shell)				5,000	GSF	$130.00	$650,000				
Restaurant - Hotel Pad (Core & Shell)				8,000	GSF	$130.00	$1,040,000				
Restaurant - Coffee (Core & Shell)				1,800	GSF	$140.00	$252,000				
Tenant Finish Allowance				32,500	GSF	$125.00	$4,062,500				
Totals				32,500	GSF	$253.92	$8,252,500				
Structured Parking Garage											
Precast Parking Garage				653,030	GSF	$37.81	$24,687,869	653,030	2004	326	$12,319
Escalator Elevator Tower				16,500	GSF	$349.58	$5,768,132				$2,878
Sitework				1	LSUM		$1,197,818				$598
				669,531	GSF	$47.28	$31,653,819	653,030	2,004		$15,795
Sitework											
Site Demolition & Preparation				20	ACRE	$9,500	$190,000				
New Surface Parking				130,900	SQFT	$5.00	$654,500	130,900	374	350	$1,750
Roadways & Parking Lots				1	LSUM	$250,000	$250,000				
Pedestrian Paving & Hardscape				20	ACRE	$15,000	$300,000				
Landscape and Irrigation per Site Plans *				20	ACRE	$45,500	$910,000				
Site Utilities (Sewer, Water, Storm)				20	ACRE	$25,000	$500,000				
Site Utilities (City Well Site Work)				1	LSUM	$150,000	$150,000				
Site Utilities (Electrical Distribution)				20	ACRE	$20,000	$400,000				
Site Lighting				20	ACRE	$25,000	$500,000				
Retail Kiosks - Enclosed				2	EACH	$100,000	$200,000				
Retail Kiosks - Open				4	EACH	$25,000	$100,000				
Monument Signage				1	LSUM	$50,000	$50,000				
Overall Site Signage				1	LSUM	$50,000	$50,000				
Off Site Improvements				1	LSUM	$250,000	$250,000				
				20.0	ACRE	$225,225	$4,504,500				

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AVENUE SHOPPES AT P83

The West Valley's elevated retail, dining, lodging and entertainment destination

Peoria Sports Park, llc.

Michael Oliver and Jared Chandler

Response to Ernst & Young Financial and Economic Analysis of Avenue Shoppes at P83

September 2013

AVENUE SHOPPES AT P83

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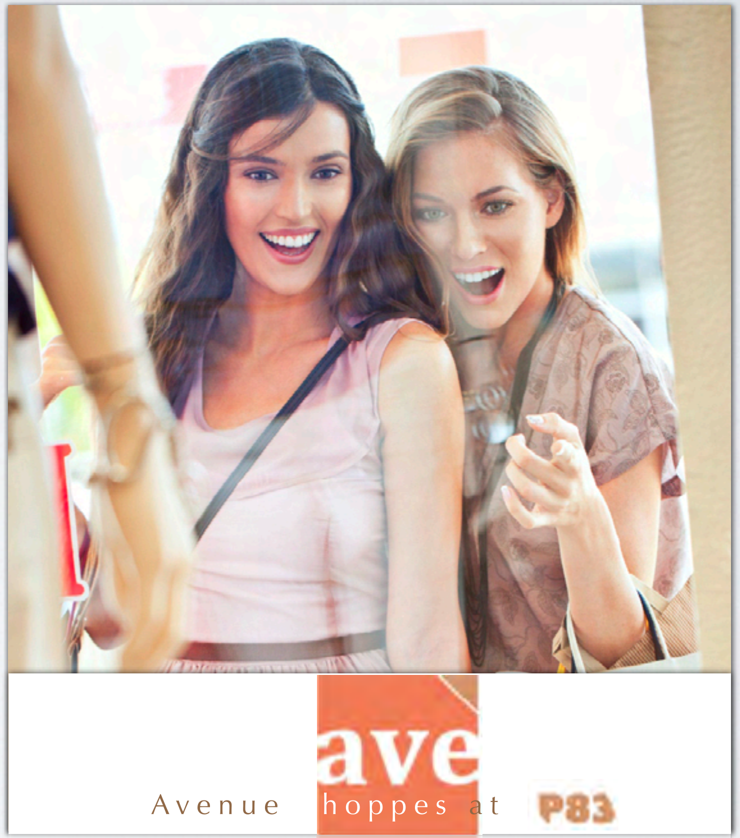


AVENUE SHOPPES AT P83

Response to Ernst & Young Financial and Economic Analysis

The following response to the Ernst & Young (EY) Financial and Economic Analysis of Avenue Shoppes at P83, presented to the Peoria City Council June 25, 2013, is compiled from comments and analysis by Peoria Sports Park, LLC (PSP), and the experts and consultants that make up the PSP Development Team.

AVENUE SHOPPES AT P83

City of Peoria

Attn: Scott Whyte
Economic Development Services Director
9875 North 85th Avenue,
Peoria, AZ 85345

Subject: Response to Ernst & Young Financial and Economic Analysis.

Dear Mr. Whyte,

Peoria Sports Park LLC (PSP) is pleased to be partnering with the City of Peoria on Avenue Shoppes at P83, an exciting mixed-use lifestyle destination that leverages our City's current assets and advances a sense of community and city identity, while improving the City's tax base.

PSP, as Master Developer welcomes the opportunity to respond to the findings of the Ernst & Young (EY) LLP Financial and Economic Analysis (Report) presented to the Peoria City Council, June 25, 2013.

The Report confirms the inherent strengths of Avenue Shoppes at P83's location, including its proximity to •101 Freeway and Bell Road retail corridor • Arrowhead Towne Center Mall • Peoria Sports Complex • Harkins and AMC multi-screen movie complexes.

The Report also confirms the Project's strengths: • Superior population base over many existing retail lifestyle centers • Strong growth projections well into the future • Increased growth and demand in the hotel industry • Strong retail occupancy levels in the immediate area • Stabilization and growth of the City's sales tax revenues • No comparable projects within 5 miles of the Project • Proximity to one of the top performing regional malls in the Phoenix Metropolitan Statistical Area (MSA).

We concur with several of the Report's recommendations and are currently negotiating with national retail developers. We believe that many of the recommended performance-based metrics are already built into the Memorandum of Understanding (MOU) with the City. In addition, PSP has addressed several of the Report's findings, including visibility and signage.

continued

AVENUE SHOPPES AT P83

PSP has received favorable responses from prospective tenants; many are awaiting sign-off on the site plan before entering into formal discussions and LOIs. The Report correctly states on page 17 that, "without a specific site plan it is difficult to establish a marketable plan to take to potential tenants." We also agree with the Report's recommendation to "finalize a site plan to allow the Developer to market the retail, hotel and residential components to potential tenants, and other developers." Securing agreements with the City is critical to moving forward and will ultimately benefit the tax base as predicted by the Report's strong sales tax revenue analysis.

This is the perfect time to invest in our entertainment district and create a true retail and entertainment destination for the City of Peoria. The local and regional economies are rebounding, interest rates remain at historic lows, and growth projections for the West Valley are strong.

Successful lifestyle destinations confirm that consumers today are looking for an elevated experience. Not just a trip to the mall, a meal at a chain restaurant, or a game at the ballpark, but an experience that feeds the soul as much as the senses, something you can't wait to share with others.

That is what Avenue Shoppes at P83 is all about. This will be a place to be and be seen, with a broad plaza and intimate courtyards, hip stores and eclectic dining, unique events, and a boutique hotel. Combined with the Sports Complex and outstanding freeway access, there will be every reason to drop by for an hour of shopping, an evening of entertainment, a day of activity, or a two-day getaway. A place where everyone in the family can say "See you there!" instead of "See you later."

As Master Developer, PSP is excited to bring this type of shopping and entertainment experience to Peoria and the West Valley. I offer you a Peoria Sports Park Development Team that has the commitment and necessary relationships with the demonstrated skills and experience to plan, finance and execute a dynamic, successful destination to serve our community. With your office and the City's continued support, we look forward to securing the final agreements and moving into the next phase of development.

Sincerely,
Mike Oliver
Director, Peoria Sports Park LLC

AVENUE SHOPPES AT P83

Developer

The Report states that the Developer did not provide evidence of its ability to plan, finance and execute a mixed-use retail development project. Peoria Sports Park LLC, as Master Developer, submitted a 680 page economic analysis detailing the planning, design, and feasibility of the project compiled by a team of leading architects, attorneys, brokers, and consultants assembled by PSP, and which are listed on the following pages.

As Master Developer, PSP has guided the project through the initial stages of development and negotiations with the various stakeholders to reach consensus: with the City, two major league baseball teams, the Alter Group, existing businesses in the area, and the public. PSP continues to forge agreements with the right partners at the appropriate times in the development phases.

PSP intends to bring on a national retail developer when all the contingencies are removed and the Development Agreement is approved by the City Council. The City of Peoria has entered into agreements with PSP based on PSP's ability to meet its stated commitments. Peoria Sports Park LLC remains confident that it can deliver on the unified vision for this location.

AVENUE SHOPPES AT P83

Development Team

Peoria Sports Park LLC – Developer Partner

Peoria developer Mike Oliver has successfully guided the redevelopment of obsolete or underutilized sites, melding them back with more prosperous communities. Over the past two and half years as the director of Peoria Sports Park, he has steered the Avenue Shoppes at P83 development through the RFP process, Exclusive Negotiation Agreement, Memorandum of Understanding, and Ground Lease Agreement with the City. Mr. Oliver was born and raised in Arizona and resides in Peoria. He has well established local and national connections in the real estate development industry. Mr. Oliver has followed, and been involved in the economic development of Peoria and the greater Phoenix area for more than three decades, and especially understands the unique challenges and tremendous potential of the Peoria and West Valley market.

Chandler Hotel Group – Developer Partner

Jared Chandler leads the Chandler Hotel Group. Chandler Hotel Group is made up of seasoned experts that have spent most of their professional life in the investment advisory, management, construction, and design of hospitality assets. With over two billion in transactions since its inception, Chandler Hotel Group provides the most comprehensive, value-added service to the hospitality investment industry. www.chandlerhotelgroup.com

Michael Baker Jr Corp – Designer/Architect

Michael Baker Jr. Inc., is a 73-year old design firm with offices throughout the United States. The Baker-led design team is positioned in Phoenix, AZ and is readily accessible to the project site, development team, and City of Peoria officials. In 2012, Baker reported gross revenues in excess of US $500 million, and has ample resources to complete the design work necessary for this project. The Baker lead designer for this project, Matt Lamont, is an Arizona Registered Architect with more than 25 years of experience. He has worked with high-profile clients throughout the United States in fashioning successful and lasting projects. www.mbakercorp.com

Development Team continued

Velocity Retail Group – Retail Broker

Velocity Retail Group is a full service retail commercial real estate company based in Phoenix, Arizona doing business throughout the Southwest. Velocity Retail Group specializes in retail tenant representation, landlord representation, build-to-suit, buy-to-suit, and investment advisory services. Its principals have more than 100 years combined experience helping their retail clients successfully outperform the market. Velocity Retail Group completed 11 transactions during the month of December 2012, totaling 300,000sf. www.velocityretail.com

Fennemore Craig, P.C. – Counsel

Fennemore Craig has helped the West's entrepreneurs, as well as its largest businesses, with their legal needs for more than 125 years. The firm is one of the largest legal firms in the State of Arizona and the Southwest with offices in Phoenix, Tucson, Denver, Las Vegas, Reno and Nogales. Fennemore Craig serves companies in real estate development, retail, technology and biotechnology, aerospace, petroleum, mining, sports, manufacturing, agribusiness, and financial services among many others. The firm's real estate group is one of the largest and most sophisticated in the Southwest. www.fclaw.com

Specialty Retail Properties – Restaurant Broker.

As part of Terrafirma Commercial Real Estate, Specialty Retail Properties provides full service commercial real estate brokerage services and tenant representation with emphasis on unique retail/restaurant tenants and properties. John A. Rigau, Principal, has more than 20 years of experience in commercial real estate leasing, sales and development. Mr. Rigau's commercial real estate and marketing experience ranges from super regional malls to grocery-anchored neighborhood centers, streetscape retail, lifestyle centers and office building development. www.tfcaz.com

Development Team continued

Redev Advisory Group LLC – Financial/Government Consultant

Redev Advisory Group provides professional consultant services to the private and public sectors in the areas of community and economic development as well as technical assistance in housing, planning, leadership training and grantsmanship.

Financial Consultant: Michael Watkins, Redev CEO, has more than 45 years experience in tax and financial analysis. He spent 35 years at KPMG, rising to the position of Senior Partner in the New York Executive Office. Mr. Watkins has served as financial consultant to Avenue Shoppes at P83 since 2008.

Government Consultant: Lynda Rahi, Principal, has served as a top administrator in State and City government for 23 years prior to entering the real estate industry. As Phoenix City Manager (1989-91) she was instrumental in the development of a 22-acre regional mall; negotiated and worked on the plans to obtain a 1.2 million square foot computer complex (Sun Microsystem); worked on the development of two twelve-story office buildings and a 266-room hotel complex.

CBRE, Inc. – Real Estate Consultant

CBRE Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm in terms of 2012 revenue. The Company has approximately 37,000 employees, and serves real estate owners, investors and occupiers through more than 300 offices worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. CBRE produced the As Built Appraisal of the Project, and submitted it to the City. www.cbre.com

AVENUE SHOPPES AT P83

Site Analysis

The Report's comments pertaining to site visibility, the shape of the site, and the shape of the proposed buildings, are considered to exceed the bounds, or scope, of a financial analysis. However, PSP will address the issues raised, as it is our belief that the Report does not take into account several key factors and information in coming to its conclusions.

Perspective by Baker Architectural Team

AVENUE SHOPPES AT P83

Visibility and Accessibility

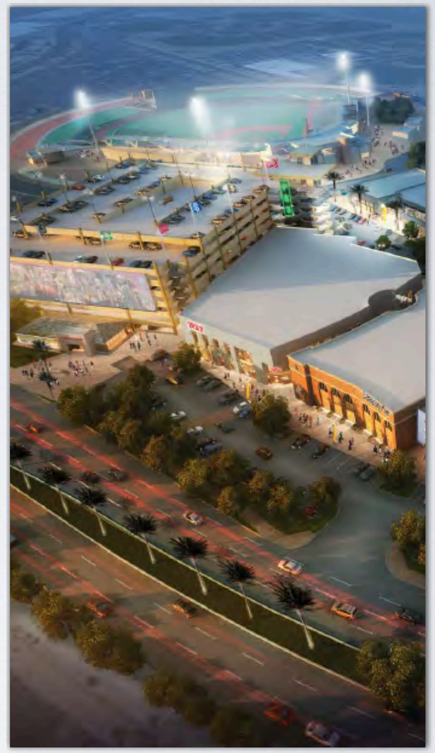
The Report asserts that the site has limited visibility from the nearby 101 Hwy. However, the visibility and accessibility to Avenue Shoppes at P83 from 101 Hwy is comparable to other similar successful projects around the country, and surpasses that of other very successful projects in the Phoenix MSA.

In terms of visibility, the project design contains several structures in excess of seventy-five feet (75'). The top of the spire atop the large parking structure will measure one hundred and twenty-seven feet (127') above grade, making it visible from the 101 Hwy. Additionally, both the hotel and multi-family structures will be in excess of five (5) stories, which would be the tallest structure in Peoria, making them visible from the freeway and Bell Rd as well.

It should also be noted that the location of a site immediately against a freeway is no guarantee of the success of a project, nor is location alongside a freeway a required ingredient of a project's success. A prime example is the Biltmore Shopping Center, constructed nearly a mile from the nearest freeway. Arrowhead Towne Center, the second highest performer of regional malls in the Greater Phoenix area, is also no closer to the freeway than the Project. Kierland Commons is located approximately three miles to the South of the 101 Hwy, and its distance from a freeway has not impacted its success.

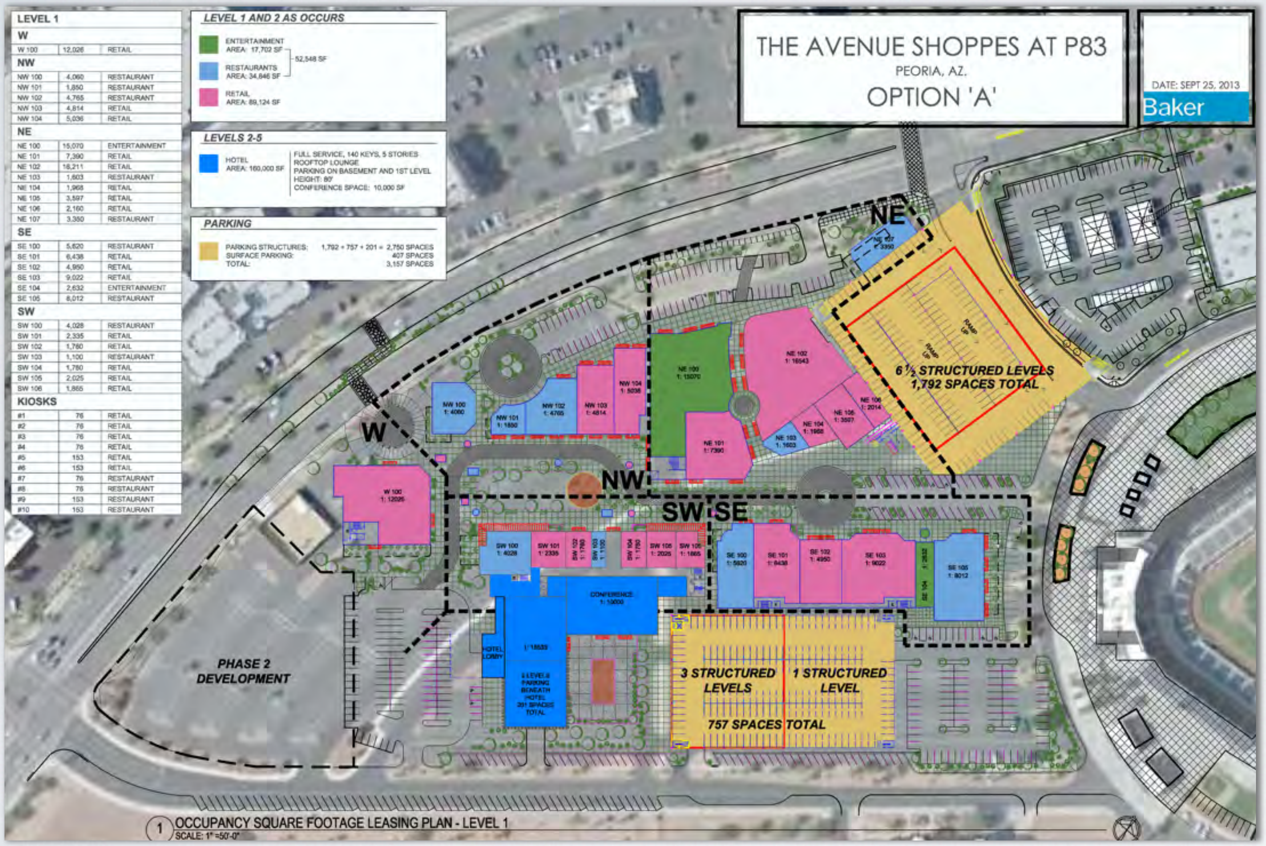
The Report also presupposes that the proposed parking structure will impair views of the Project from the North. However, with the new design and layout of the new garage, PSP has removed much of the mass along 83rd Avenue and has angled the garage away from 83rd Avenue, opening up an opportunity for a new restaurant pad. This has increased visibility to the project with greater exposure of the Retail component from 83rd Avenue.

The Development Team feels that the parking structure, through its design and innovative and captivating use of graphics on its elevations, will serve as a beacon, attracting customers to the project and to the Sports Complex. The Sports Complex light standards, which are visible from most locations in the vicinity of the Project and currently serve as a beacon to the existing Sports Complex venue, will continue to be visible.



AVENUE SHOPPES AT P83

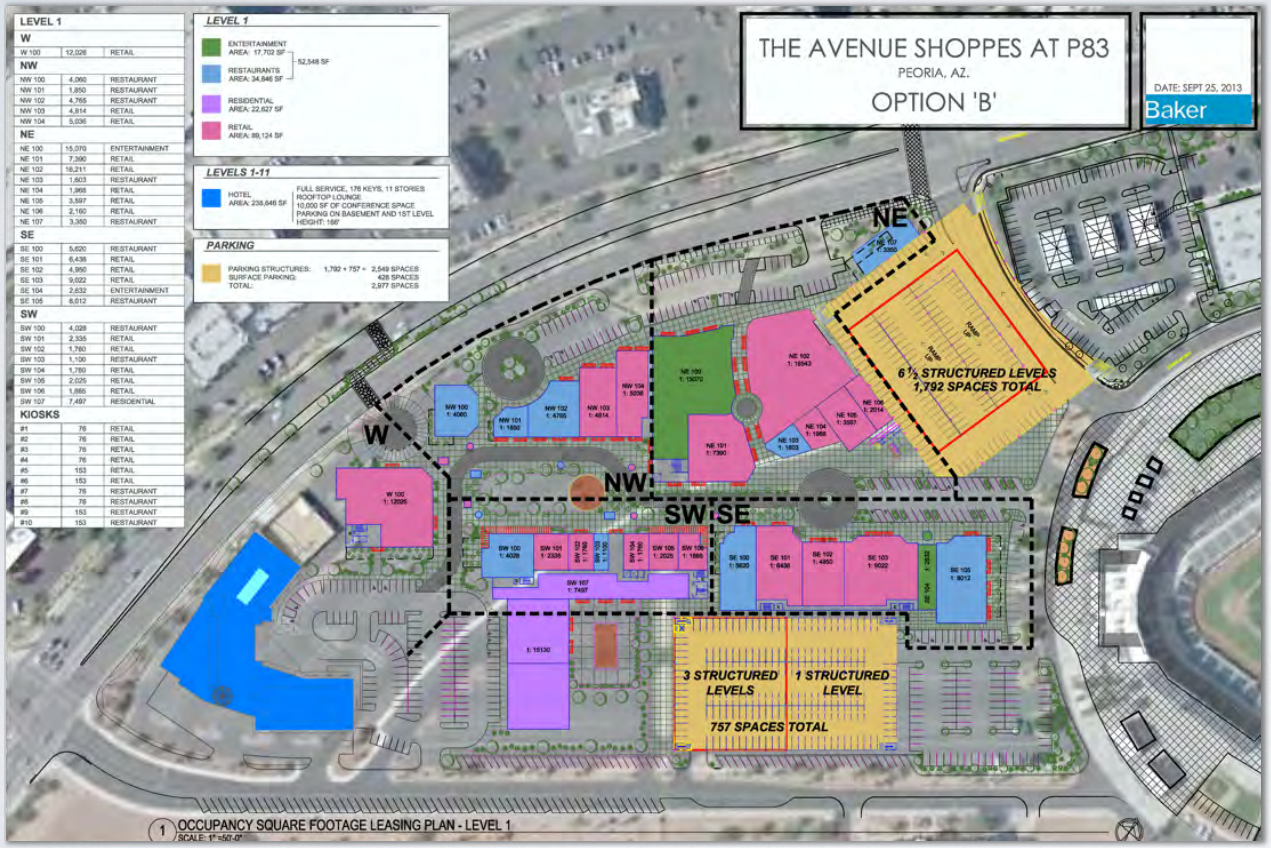
New Site Plan - Option A



Peoria Sports Park, llc.

AVENUE SHOPPES AT P83

New Site Plan - Option B



Peoria Sports Park, llc.

AVENUE SHOPPES AT P83

Shape

A retail development need not be perfectly rectangular or square in shape in order for it to be successful. The Grove, in Los Angeles, proves that an irregular and comparably-sized site can in fact yield a successful project. The northwest corner of Kierland Commons has a broad arc along Greenway Parkway.

Any challenges created by the irregular shape of the parcel are mitigated by the proposed design features along the outside of the project, multiple ingress points from every side of the property, alignment of parking fields around the property and the positioning of the hotel on the southern point of the project, removing the most difficult area of the property to lease. These features allow the retail, restaurant, and entertainment portion of the property to have a Main Street-like feel and flow, where shoppers can easily see most of the tenants from anywhere in the property.

While the Report characterizes the unusual building configurations or angles due to the site's odd shape as challenging, the Development Team views this as a positive. CBRE, engaged by PSP to do the As Built Appraisal and Market Values had no concerns on the shape of the project in determining its value or tenant acquisition. The variation in façade orientation, height, and complexion emphasizes the goal of differentiating the appearance of the retail and project structures from the typical, bland and perfectly square big-box structures which pervade the area.

This goal is further supported by both the Urban Design Study of PDC and the Market Analysis of SPCI. The design team has overcome any perceived flaw in the site shape with the dynamic integration of the various components which is both economical and appealing to the retail patron, and adds to the experience.

AVENUE SHOPPES AT P83

Digital Signs

The City engaged Gensler to conduct a visibility, signage, connectivity and identity study. It has already approved the study's recommendations and has instructed Staff to move forward with the P83 improvements. In addition to the City's separate commitment to improve lighting, accessibility, wayfinding signs, pedestrian walkways and the raised median in P83's shopping and dining area along 83rd Avenue, the City's RFP directed PSP to recommend independent sources to help fund these improvements. In response, PSP is proposing to pay for the cost, installation and maintenance of digital signs on the 101 Hwy and up to 19 locations throughout the entertainment district. Under PSP's proposal, the City would receive annual revenues over a 40-year master sign agreement, if the City adopts a digital sign ordinance in the near future. This signage will improve the visibility of the Project and the P83 Entertainment District.

The digital signs proposed on 101 Hwy include 2 strategic sites to bookend the P83 Entertainment District, one located at Skunk Creek Wash and 101 Hwy and the other located at Bell Road and 101 Hwy. All the signage will be designed with a consistent P83 theme, will be esthetically pleasing, and will allow advertisers to create custom content quickly and with maximum impact. Along with national and local advertisements, the signs can promote games and events at the ballpark, special city events and provide community information.

Digital signs have been shown to be highly effective. A recent study by Arbitron found that nine out of ten people notice the advertising copy on digital signs most of the time, and two out of three people agree that they are an appealing way to advertise. The digital signs will address the site visibility and wayfinding concern raised in the Report, be a significant source of additional revenue for the City and could help pay for the cost of the P83 improvements and identity campaign. It is PSP's hope that the City will adopt a sign ordinance in the near future to achieve these stated benefits to the Project and the City.

AVENUE SHOPPES AT P83

Project Analysis

Courtyard View

Perspective by Baker Architectural Team

AVENUE SHOPPES AT P83

Second Story Retail Space

It is clear that second-story retail space presents challenges in any project outside of a Regional Mall. However, two-story retail, where a retail tenant has multiple floors that are accessed by internal staircases or elevators, has proven to be very successful for Lifestyle Center Tenants. It is apparent that Restoration Hardware, Urban Outfitters, and H&M at Scottsdale Quarter successfully occupy multiple floors.

This is the vision for PSP's second-story retail space shown on the Conceptual Leasing Plans. This space will be tied to a ground floor retail suite, and is not intended to be separately leased without a ground-level retail presence. The exception would be for specialty users such as an iPic theatre that welcome second floor access, similar to the iPic theatre at Scottsdale Quarter and the AMC theaters at the Esplanade at 24 St and Camelback Rd.

This retail concept is tested, and is found to work quite successfully throughout the Southwestern United States.

AVENUE SHOPPES AT P83

Comparisons

The Report makes considerable comparisons to the Park West and Westgate developments, in terms of the amount of success and vacancy rates experienced at both venues. The Report fails to acknowledge that both of these venues were constructed during the worst recession in 80 years, which significantly detracted from their ability to gain market traction.

In addition to the recession, Park West was also ill-conceived, as it is at a freeway exit that is not heavily travelled, lacks surrounding traffic generators, and has an incredibly poor layout. Westgate was created to feed off the University of Phoenix Stadium and Glendale Arena. While this project is vibrant on event-days, it struggles mightily due to the lack of daytime employment and buying power within the immediate trade area. Both venues were also constructed in mostly vacant, undeveloped greenfield areas lacking significant existing residential areas, with poor demographics, detracting from their ability to gain market penetration.

The Avenue Shoppes Project has none of these detracting factors. The Project will be developed as an in-fill project in the middle of a more affluent trade area in the City, with strong complementary retail real estate, and the retail buying power that is validated by the high sales PSF at Arrowhead Towne Center. Not only is the Project surrounded by destination locations like the ballpark, movie and live theatre venues, but the area is popularly known as the City's restaurant row.



AVENUE SHOPPES AT P83

Competition and Attracting Shoppers

The Report postulates that it will be difficult to attract shoppers to a single Northwest Valley site, given the already high clustering of retail there. This would be true, *if* the retail experience envisioned by the developer sought to copy everything else along the Bell Road corridor and Arrowhead area.

By elevating the experience, as recommended by the SPCI Market Analysis and as proven a decade ago by Kierland Commons, retail patrons will be attracted to the project because it will be a high quality development offering a unique retail and entertainment experience.

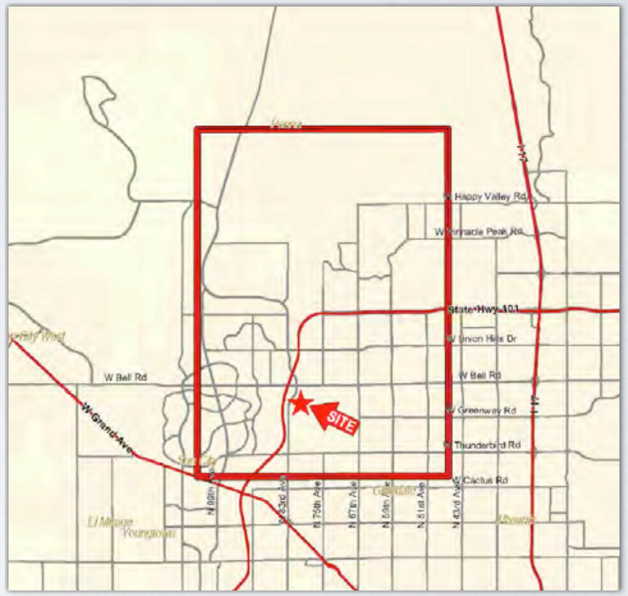
Presently, patrons of the North Peoria, North Glendale and Arrowhead areas who desire an elevated experience, and who possess significant levels of expendable household income, venture some twenty (20) miles to the East to Kierland Commons and Scottsdale Quarter. Further, as this project does not seek to copy those two highly successful projects, but rather to emulate their level of quality and experience, the intention is to draw patrons from those locations as well.

AVENUE SHOPPES AT P83

Demographic Analysis

The Report's narrative on the West Valley trade area, is surprising in its contrast to the data it presents. Based on the Report's Exhibit F – Summary of Comparable Projects, the data suggests that the Subject Property shows a higher population and median household income than not only Westgate and Park West, but also Scottsdale Fashion Square. Furthermore, the Project boasts a higher buying power than any analyzed comparable center, with the exception of The Village at Arrowhead, located approximately 3 miles away.

When analyzing these numbers, it is clear that a 5.0 mile radius is ineffective in assessing the true trade area for Avenue Shoppes at P83. Westgate is 6.3 miles from the Project, so the significantly lower median household income clearly shows the demographic to the south is not the target customer. To get a more accurate representation of the true trade area, Velocity Retail Group created a custom demographic report with the true trade area boundaries shown on the accompanying map.



Custom map boundaries, determined by Velocity Retail Group, display what the firm believes to be the true trade area.
Map generated by Pitney Bowes Mapinfo application.

AVENUE SHOPPES AT P83

Demographic Analysis

Assessing the trade area based on this custom demographic search, it certainly appears that the fundamentals and buying power (as defined by the Report as Median HH Income x # HH's) exist for a project like Avenue Shoppes at P83 to succeed. The Report's statement that "The Median household income...is comparable to the MSA overall, but significantly lower than most of the comparable lifestyle and regional mall properties." becomes erroneous when the trade area is judged based on the locality of the consumers a project such as this attracts.

In conclusion, based on the custom demographics map and report provided by Velocity Retail Group and reflected in the first column in the table below, the analysis of a more focused trade area validates the buying power of the Peoria/Arrowhead Trade Area.

Selected Excerpts from EY Report's Exhibit F

Summary of Comparable Projects

	Avenue Shoppes with custom demo by Velocity*	Arrowhead Towne Center	Village at Arrowhead	Parkwest	Westgate	Scottsdale Fashion Square
Population	215,278	279,501	255,781	282,425	321,507	182,444
Median HH income	$75,315	$46,682	$56,849	$38,985	$37,871	$40,564
Buying Power	$5,976,320,565	$5,436,527,368	$5,702,311,400	$3,876,879,798	$4,058,597.798	$3,524,123,055

* Based on map, page 20

AVENUE SHOPPES AT P83

Trade Area Sales and Vacancy

The sales PSF for regional malls owned by Macerich are based on company-reported data that is currently only six months old. While this data is fairly close, it is not entirely accurate.

The Mall sales PSF reported by Macerich as of Q2 2013 clearly show that Arrowhead Towne Center is the second highest sales PSF of any regional mall in Phoenix MSA owned by Macerich. This, coupled with their 98% occupancy, suggests that retailers are experiencing great success in this Trade area.

As of July 20, 2013, CoStar, the commercial real estate listing and analytics service used by the majority of commercial real estate professionals, shows a retail vacancy rate of 6% in the Arrowhead area, defined by 101 Hwy to the west and north, Skunk Creek to the south, and 59th Ave to the east. The Arrowhead area lists 6.02M square feet of total retail, with less than 400,000 total square feet available. This vacancy rate is approximately 30% lower than the vacancy rate listed in the Phoenix MSA. The additional GLA added by Avenue Shoppes at P83 (at 100% vacancy) would only increase the vacancy in the trade area to 9%, which would still be considered a healthy real estate market by most counts.

In conclusion, this lack of available retail space for tenants not currently present in the Arrowhead area leaves an opportunity for a unique destination-oriented project and the high retail sales PSF validates the assessment by Velocity Retail Group that this is a vibrant and successful trade area.

Selected Regional Mall	Sales PSF*
Biltmore Fashion Park	$986
Arrowhead Towne Center	$660
Scottsdale Fashion Square	$626
Chandler Fashion Center	$586

* Provided by Velocity Retail Group through confidential sources

AVENUE SHOPPES AT P83

Target Retailers

According to page 7 of the Report, "The Developer's target list of retailers is a wish list of many of the most sought-after retailers in the US that all lifestyle centers target. Several of these tenants would be difficult to attract to the Project location in the northwest market. Many of these anchors have one or two locations already in the Phoenix market or are not currently present in the Phoenix MSA."

The Report goes on to propose that the target anchors would either have concerns about cannibalization of their stores "within the same trade area", that they "have more limited retail locations and would target the more established mid-scale and lifestyle submarkets such as Scottsdale, Biltmore, or the San Tan submarkets", and that "The remaining target anchors not currently in Phoenix have more limited high-profile retail locations"

However, based on existing conditions, careful analysis, and preliminary discussions with tenants, the Velocity Retail Leasing Team and CBRE take issue with the Report's assessment of Avenue Shoppes at P83's ability to attract the target tenants, and addresses each of these assessments on the following pages.

AVENUE SHOPPES AT P83

Target Retailers

Cannibalization within the same trade area: **Only one of the target tenants stated they were unsure of the impact a west side location would make on their existing stores. Other target anchors have expressed that the Arrowhead area is a void for their brand and that a location in this trade area would not affect their locations at Scottsdale Fashion Square, Kierland Commons, or Biltmore Fashion Park. These target anchors do not have a presence in a trade area that would be impacted by Avenue Shoppes at P83.**

Proximity to competitive properties: **The Report states that a number of similar or competitive properties are located within 20 miles of the Project. However, the drive time and drive distances suggest this is an inefficient method of assessing the proximity. The map on the following page outlines the distances listed in the table below.**

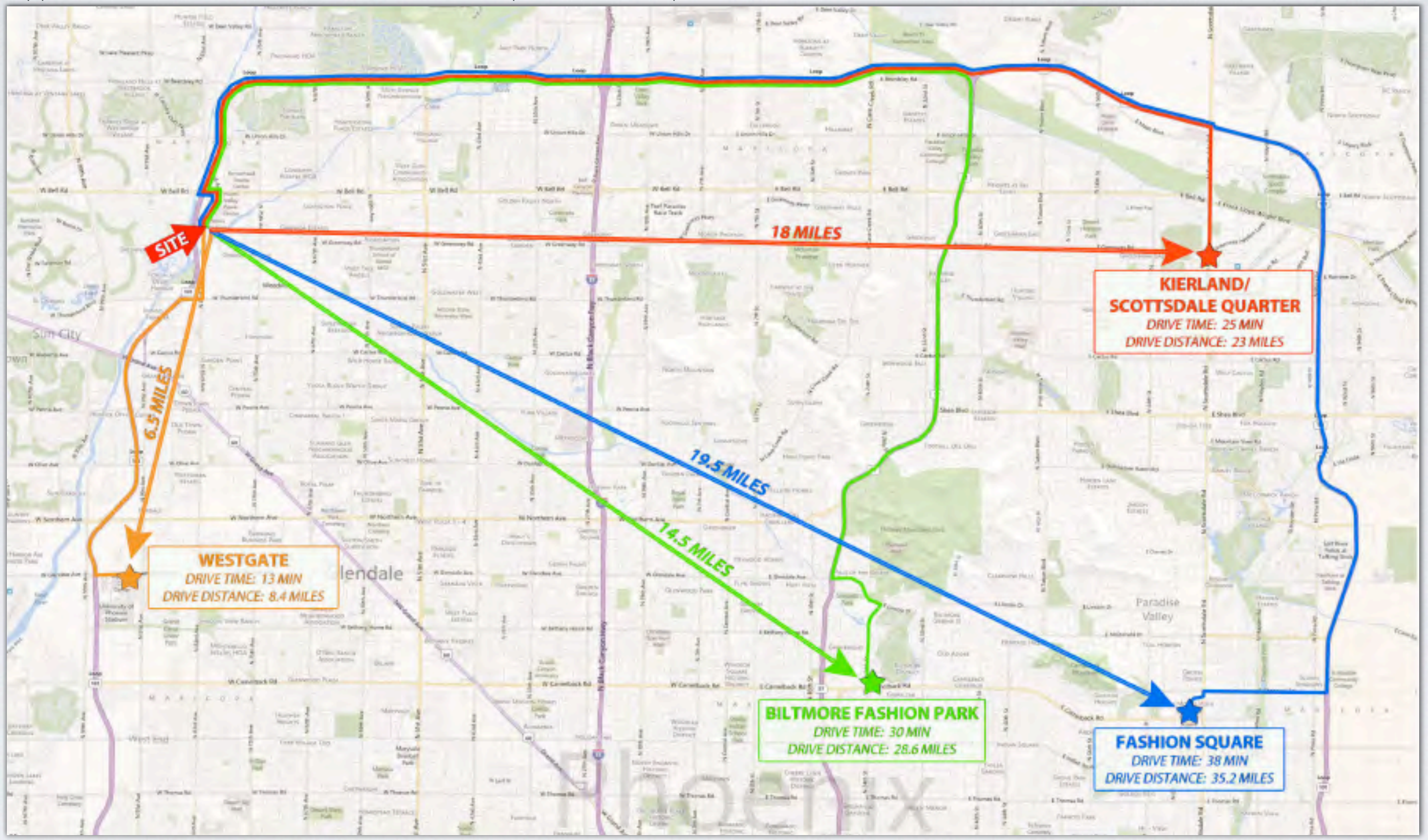
	Kierland Commons	Scottsdale Quarter	Scottsdale Fashion Square	Biltmore Fashion Park	Westgate
Distance from Avenue Shoppes (miles)	18	18	19.5	14.5	6.5
Driving Distance from Avenue Shoppes (miles)	23	23	35.2	28.6	8.4
Drive Time from Avenue Shoppes (minutes)	25	25	38	30	13

See distance map on following page

Table created by Velocity Retail Group

AVENUE SHOPPES AT P83

Approximate distance and drive times to competitive developments.



Map created by Velocity Retail Group
Map generated by Pitney Bowes Mapinfo application

AVENUE SHOPPES AT P83

Target Retailers continued

Attraction to the Northwest (Arrowhead) Market: As discussed in the true trade area, retail sales, and Arrowhead area retail vacancies, this is a healthy market with more demand than there is available retail space. Contrary to the Report's statement, this is a very well-established infill sub-market. Poor design and location are the reasons for the lack of success of the lifestyle projects discussed (Park West, Westgate). Avenue Shoppes at P83 is in the middle of a more affluent trade area surrounded by strong complementary retail real estate and destination locations like the ballpark, movie and live theatre venues, as well as popular restaurants.

Limited Phoenix locations or not in the MSA: The target anchor tenants being pursued at this time are all tenants that have a retail presence within the MSA, most having at least three locations. The target anchors with whom the leasing team has had discussions with are currently investigating the northwest market to determine if a site in the trade area meets their requirements. Note: These tenants are not investigating the viability of the market – they want to be in the Arrowhead area. Their research and investigation is to determine if a viable location currently exists, or is planned in this area for their brand.

More limited, high-profile retail locations: At no point does the Report reference any tenant that fits this classification. In Exhibit F of the Report, it specifically calls out Crate & Barrel, H&M, Williams-Sonoma, Pottery Barn, Dave & Busters as the anchors/major tenants for the Project. All of these tenants have multiple locations in the MSA.

For the stated reasons, Velocity Retail Group and CBRE have every confidence in Avenue Shoppes at P83's ability to attract the target tenants.

AVENUE SHOPPES AT P83

Public Parking Garage

PSP takes exception to the Report's recommendation that it construct the garage with reimbursement from the City over a pre-determined timeframe.

While the developer is building the parking garage, it is separate from the project in that it is a public garage, primarily benefiting the Sports Complex to meet the City's commitment to the teams to provide adequate parking. Regardless of what project is ultimately built on this site, the City will have to replace the current surface parking with a parking structure.

Additionally, the City is protected by the MOU, which clearly states that PSP must secure a sufficient number of tenant non-contingent contracts before the City will fund the construction of the garages.

Exterior Perspective - West of 83rd Ave at Stadium Way

Perspective by Baker Architectural Team

AVENUE SHOPPES AT P83

Perspective provided by PSP

Hotel

The hotel is an important and highly valued component of the Project.

A multi-year study by one of the nation's largest retail center owner-developers, whose assets include the Ritz-Carlton Tysons Corner Galleria and the Westin Dallas Galleria, found that "a hotel adjacent to retail results in a substantial boost to both the hotel and retail components – the increase in revenues ranged from 20-40%."

Moreover, according to the U.S. Travel Association, "more than 3 out of every 4 (77%) U.S. Domestic trips are for leisure, and for many years 'shopping' has been the #1 or #2 travel activity for leisure travelers."

Chandler Hotel Group currently operates hotels equal to those proposed for Avenue Shoppes at P83. Furthermore, the hotels suggested for this development will offer enhanced features and meeting space currently absent from the trade area.

While the preference is still an 11-story boutique hotel, the Development Team is pursuing alternatives to lower construction costs and improve the Project's IRR as the Report recommends. As such, PSP is submitting two options for the hotel along with a pro forma statement and site plan for each option.

AVENUE SHOPPES AT P83

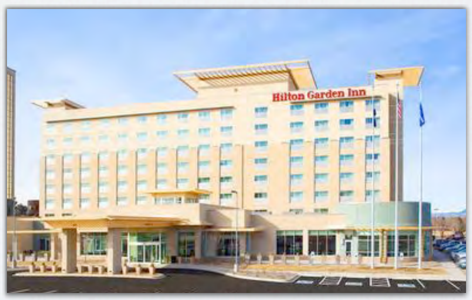
Hotel

Option A

PSP has been in discussion with Hilton Hotels regarding a four-story boutique Hilton Garden Inn. The plan is to replace the residential tower with a four-story hotel that is more integrated with the retail component. The hotel will be above two levels of parking, so the structure will be six stories and will still have a rooftop bar that will have a full view overlooking both the interior of the development, along with the baseball fields on the opposite side.

This hotel will be a three-and-a-half star asset with the finishes expected of an upper mid-tier full service hotel, and will be the nicest hotel in the trade area. The construction cost of Option A will be roughly 50% less than Option B due to its reduced size and type of construction. While Option A has fewer floors than Option B, it will only have 46 fewer rooms.

With Option A replacing the residential tower, it opens up the parcel where the 11-story hotel was planned. This parcel will be left vacant and would become Phase Two of the Project. Phase Two would include a list of proposed uses such as additional retail/anchor space, condominiums, class A offices, or a combination of the three. In the interim, the parcel would be used for more landscaping or parking.



AVENUE SHOPPES AT P83

Hotel

Option B

Option B is the 11-story hotel, minus the structured parking that has been moved to the retail area of the development. This will reduce the construction cost of the hotel by about $6 million which significantly improves the IRR. However, there is still a gap in the IRR and if the City is set on an 11-story hotel, it will have to provide additional incentives to procure a hotel at this level of quality.

This is not unprecedented. According to the Report, page 41, "It is common for municipalities to participate financially, for public infrastructure, remediation of environmental issues or other components of a project that benefit the overall City and generate accretive tax benefits."

Perspective provided by PSP

AVENUE SHOPPES AT P83

Debt Equity Plan and LOIs

Several traditional financial institutions, investment banking firms, private equity groups and national retail developers are expressing an interest in financing and participating in the Project. Additionally there is strong interest from the retail industry. We have received one letter of intent and are in discussions with multiple other interested parties.

However the remaining obstacles to securing commitments are not having a City-approved contingency-free site plan and a development agreement. The Report recognizes this challenge and on page 17 recommends the finalization of "a site plan to allow the Developer to market the retail, hotel and residential components to potential tenants, and other developers."

PSP is working with the City to remove the remaining contingencies, finalize and approve the site plan for the Project. The location of the City financed parking structure, up until recently, was in question, placing contingencies to completion of the development agreement. In an effort to move the process forward, PSP has identified an alternative location for the parking garage that tentatively meets all the stipulated requirements as well as the development agreement, and would immediately remove one of the two remaining contingencies that is currently delaying the site plan approval. Once the City signs off on a contingency-free site plan, PSP can actively market and finalize equity commitments and LOIs.

Moreover, while LOIs have yet to be secured, history shows that if one or two anchor tenants agree to open at a lifestyle/town center-type property, the remaining smaller tenants quickly follow suit, creating significant momentum in a very short time. The retail leasing team at Velocity Retail Group has had on-going conversations with several retailers that have expressed preliminary interest. We look for the next 3-6 months to create the preliminary interest from the anchor tenants that will push the leasing of Avenue Shoppes at P83 forward.

AVENUE SHOPPES AT P83

LOI

COMMERCIAL REAL ESTATE SERVICES

CBRE

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September 28, 2013

Via email drserventi@themiramargroup.com

Mr. D. Roy Serventi
The Miramar Group

Mr. Mike Oliver
Peoria Sports Park LLC

Re: The Avenue Shoppes @ P83

Dear Mr. Serventi and Mr. Oliver:

Thank you for sharing the great news about your project, The Avenue Shoppes @ P83 located in the City of Peoria, Arizona. CBRE Capital Markets, Inc., which includes our debt and equity practice and our investment professionals group, is excited about the development and working with The Miramar Group and Peoria Sports Park LLC on the project.

Hospitality and retail demand studies coupled with the existing high trade area, confirm the need for this type of project in Peoria. While the focus of my team will be on the debt and equity side, we have engaged our investment professionals to assist with the leasing assignment. Collectively, we have had preliminary discussions with capital sources for the debt and equity and potential national retail tenants interested in the retail component. While those discussions were very positive, we are waiting for the City of Peoria to finalize the site plan and Development Agreement before re-engaging capital and tenant discussions. We look forward to being a part of a successful project that will enhance the Entertainment District of Peoria.

Best regards,

CBRE Capital Markets, Inc.
/s/ Thomas D. Klein
Thomas D. Klein
Senior Vice President

TDK:tk

cc: The Miramar Group File

AVENUE SHOPPES AT P83

Perspective by Baker Architectural Team

GPLET Designation

The recent intent by the City to participate in qualifying for Government Property Lease Excise Tax (GPLET) would make Avenue Shoppes at P83 eligible for tax exempt status, based on the City's entertainment designation for the P83 District.

This exemption applies to projects that are used primarily for athletic, recreational, entertainment, artistic, cultural or convention activities. Preliminary financial analysis shows that the GPLET tax exemption would provide significant tax savings in the order of roughly a million dollars a year. a savings PSP, as Master Developer, can pass on, giving the Project a major advantage in attracting national tenants.

While the Project qualifies for GPLET tax exemption status, the Project does not want to benefit at the expense of local schools. Public schools are already under enormous pressures, and PSP is committed to paying an in-lieu fee equal to the amount it would pay to the local school district if the Project did not qualify for the GPLET tax exemption.

AVENUE SHOPPES AT P83

Financial Conclusion

As financial consultant for the Avenue Shoppes at P83, Redev Advisory Group contends that PSP has addressed the Report's concerns on the Project's perceived low IRR and shortfall in NPV. These concerns were based on an assumed conceptual cost for the Project of $212 million. The Report also observed that it would likely require $60 to $90 million in developer's equity and the remainder in construction financing to cover the $212 million of estimated cost.

The estimated cost of the new Project Plan A is now less than $100 million. This will reduce required developer equity down to $30 to $40 million, a much more attainable capital level for a Project reflecting the greatly improved IRR of Plan A.

As further support for the Plan A financing, PSP has secured Letters of Interest from major financial institutions indicating their desire to be a finance partner in the Plan A Project, and possibly Plan B, once a final agreement with the City is executed and certain contingencies resolved.

Finally, under the new Plan A, PSP has increased the number of parking spaces in the public garage by approximately 698 spaces, for a net of approximately 2,549 spaces. This will allow Avenue Shoppes to utilize the extra parking in the public garage and eliminates the need to build an additional structure, which also enhances the Project's IRR.

In conclusion, the redefinition of the Project as Plan A and the corresponding reduction in development cost to less than $100 million has improved the investor's IRR to an acceptable level and reduced their equity commitment to a much more reasonable amount of $30 to $40 Million, as evidenced by their LOIs. Additionally, the new Plan A has little or any adverse affect to the projected sales tax revenue of the calculated by EY.

AVENUE SHOPPES AT P83

Conclusion

Avenue Shoppes at P83 has benefitted from the Ernst & Young Financial and Economic Analysis. The Report confirms many of the Project's inherent strengths: its proximity to the 101 Freeway and Bell Road retail corridor, Arrowhead Towne Center Mall, and Peoria Sports Complex; its superior population base; Peoria's strong growth projections; high retail occupancy levels; and the lack of comparable projects within 5 miles of Avenue Shoppes at P83.

The Report also exposed weaknesses that the PSP Development Team took to heart. As a result PSP has submitted a revised site plan and improved pro formas to meet specific EY recommendations to raise the IRR and attract investors. The Report acknowledges that a city approved site plan and a development agreement will allow the Developer to market Avenue Shoppes at P83 to potential tenants, and other developers.

In areas where the PSP Development Team took exception to the Report's findings it has provided additional information and analysis to support its position, most notably on the perceived site challenges, visibility and accessibility, the true trade area and target retailers.

PSP, as Master Developer, has a vision for Peoria and the West Valley: A place where visitors can experience those magical moments when everything just feels right, a win that thrills you, a live show that moves you, a cafe that transports you, a room that soothes you, or a new dress that is "so you". These moments are often the result of inspired design.

Avenue Shoppes at P83 is inspired, designed to satisfy every mood, whether an action packed blockbuster at the theatre, a kaleidoscopic 3D laser show, or a hotly-contested baseball game. Maybe your mood is a quiet dinner for two and a hotel room to escape to, or perhaps its a new pair of shoes that's calling you. Avenue Shoppes at P83 is a true lifestyle destination, the first of its kind in Peoria. An elevated experience that will set the standard for future developments in the West Valley.

PSP, as Master Developer is committed and heavily invested in Peoria and Avenue Shoppes at P83. We have assembled an expert team of experienced professionals with successful track records in their respective fields, and will partner with a national retail developer. We look forward to continuing to work with the City to make this Avenue Shoppes at P83 a success.

AVENUE SHOPPES AT P83

Every reason to drop by for an hour of shopping, an evening of entertainment, a day of activity, or a two day getaway.

See you there!

Peoria Sports Park, llc.

AVENUE SHOPPES AT P83

Exhibits

ave
Avenue Shoppes P83

AVENUE SHOPPES AT P83

PEORIA SPORTS PK THE AVENUES SHOPPES AT P83 EY IRR PLAN B PUBLIC PARKING GARAGE COST SUMMARY

THE AVENUE SHOPPES AT P 83
DEVELOPER- PEORIA SPORTS PARK, LLC
MIKE OLIVER
JARED CHANDLER
CONCEPTUAL DESIGN AND DEVELOPMENT COSTS (PER GENERAL CONTRACTOR ESTIMATES , 8/22/2013)
MARCH 2013 TO MARCH 2015 REVISED

PARKING STRUCTURES TO BE FINANCED AND OWNED BY CITY:

PUBLIC PARKING GARAGES-

CONSTRUCTION COST ESTIMATE-P83	1730 SPACES	$	20,986,000
CONSTRUCTION COST ESTIMATE-P83	889 SPACES	$	9,187,000
ARCHITECT/DESIGN		$	500,000
WATER METERS		$	32,562
PROCUREMENT COST		$	124,500
TOTAL PARKING		$	30,830,062

Baker

A Unit of Michael Baker Corporation

Michael Baker Jr., Inc.

2929 North Central Avenue
Suite 800
Phoenix, AZ 85012
(602)279-1234
(602)279-1411

13 September 2013

The Avenue Shoppes @ P83 – Parking Needs Analysis
OPTION A

EXISTING PARKING

• West Lot	1,851 spaces
TOTAL EXIST. PARKING	1,851 SPACES

PARKING NEEDS @ 100% Maximum Utilization of BOTH the Project and Stadium

• Project Spaces Needed	1,029 spaces
• Hotel / Conference Needed	226 spaces
• Team Fan / Patron Parking	1,851 spaces (Use 0% Interaction*)
TOTAL PARKING NEED:	3,106 SPACES

NEW PARKING PROVIDED @ PROJECT

- 3,157 Spaces (surface + structured parking)
    - 1,792 Spaces at Large Onsite Garage (City financed public garage)
    - 757 Spaces at 'Mariner' Garage (City financed public garage)
    - 201 Spaces beneath Hotel (PSP owned and financed garage)
    - 407 Surface Spaces (@ immediate vicinity of project / former West Lot) (by PSP)

= 3,157 Spaces Provided which are available for use by project and stadium

SPACES PROVIDED:	3,157 spaces
SPACES REQUIRED:	3,106 spaces
TOTAL SURPLUS / deficit:	51 spaces

Notes:

- 1,155 parking space count for project need includes both patron and employee parking.

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13 September 2013

The Avenue Shoppes @ P83 – Parking Needs Analysis
OPTION B

EXISTING PARKING

• West Lot	1,851 spaces
TOTAL EXIST. PARKING	1,851 SPACES

PARKING NEEDS @ 100% Maximum Utilization of BOTH the Project and Stadium

• Project Spaces Needed	1,155 spaces
• Hotel / Conference Needed	269 spaces
• Team Fan / Patron Parking	1,851 spaces (Use 0% Interaction*)
TOTAL PARKING NEED:	3,275 SPACES

NEW PARKING PROVIDED @ PROJECT

- 3,304 Spaces (surface + structured parking)
  - 1,792 Spaces at Large Onsite Garage (City financed public garage)
  - 757 Spaces at ‘Mariner’ Garage (City financed public garage)
  - 327 Spaces at Hotel (PSP owned and financed garage)
  - 428 Surface Spaces (@ immediate vicinity of project / former West Lot) (by PSP)

= 3,304 Spaces Provided which are available for use by project and stadium

SPACES PROVIDED:	3,304 spaces
SPACES REQUIRED:	3,275 spaces
TOTAL SURPLUS / deficit:	29 spaces

Notes:

- 1,155 parking space count for project need includes both patron and employee parking.

AVENUE SHOPPES AT P83

Perini Cost Summary – P83 Public Parking Garage

P83 (Peoria Eighty Three): Parking Structures "Plan C"
Peoria, AZ
Conceptual Program Estimate (Rev. 5)
August 22, 2013

Executive Summary

	Area (SF)	Budget	Unit Cost ($/SF)
	8/22/2013	8/22/2013	8/22/2013
P83 North Garage (1,670 Cars) 8 Levels			
Foundations	536,734 SF	$1,756,800	$ 3.27
Superstructure	536,734 SF	$12,148,230	$ 22.63
M/E/P/FP	536,734 SF	$1,992,062	$ 3.71
Vertical Transportation	536,734 SF	$933,980	$ 1.74
Architectural Elements	536,734 SF	$3,236,594	$ 6.03
P83 North Garage (1,670 Cars) Subtotal	**536,734 SF**	**$20,067,666**	**$ 37.39**
Add Developer Fee		**$802,707**	
P83 North Garage (1,670 Cars) Total		**$20,870,373**	

Reference Information

321	**SF / Space**	**(Efficiency)**
$12,017	**/ Space**	**(Blended Unit Cost)**

AVENUE SHOPPES AT P83

Perini Cost Summary – Mariners Garage

P83 (Peoria Eighty Three): Parking Structures "Plan D"
Peoria, AZ
Conceptual Program Estimate (Rev. 6)
August 22, 2013

Executive Summary

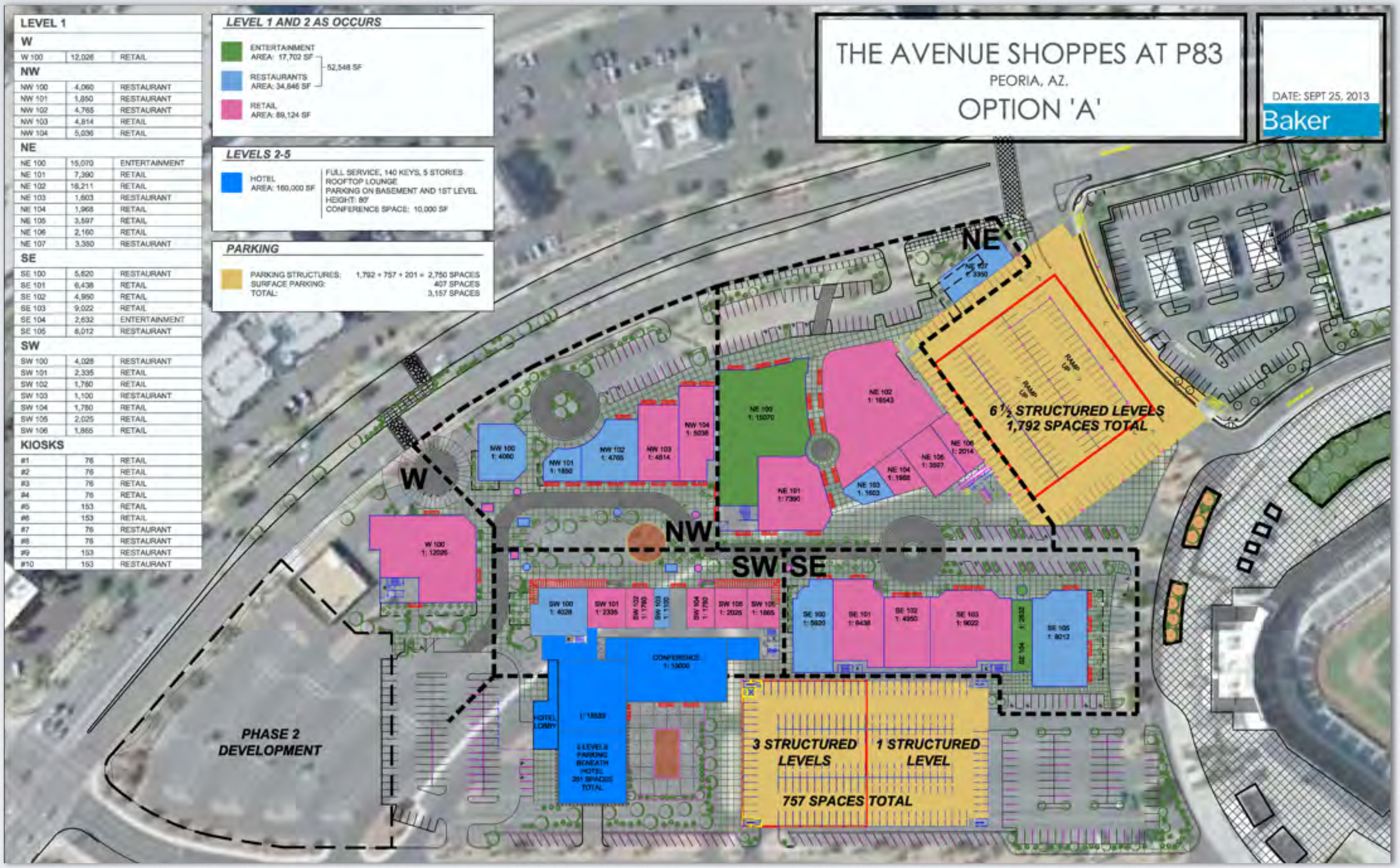
	Area (SF)		Budget	Unit Cost ($/SF)	
	8/22/2013		8/22/2013	8/22/2013	
P83 South Garage (889 Cars) 4 Levels					
Foundations	298,254	SF	$2,371,212	$	7.95
Superstructure	298,254	SF	$4,595,620	$	15.41
M/E/P/FP	298,254	SF	$1,172,139	$	3.93
Vertical Transportation	298,254	SF	$188,861	$	0.63
Architectural Elements	298,254	SF	$441,111	$	1.48
P83 South Garage (889 Cars) Subtotal	**298,254**	**SF**	**$8,768,943**	**$**	**29.40**
Add Developer Fee			**$350,758**		
P83 South Garage (889 Cars) Total			**$9,119,701**		

Reference Information

335	SF / Space	(Efficiency)
$9,864	/ Space	(Blended Unit Cost)

AVENUE SHOPPES AT P83

Option A Site Plan



AVENUE SHOPPES AT P83

PEORIA SPORTS PK THE AVENUES SHOPPES EY IRR PLAN A 60% FINANCED 140 KEY HOTEL,CONFERENCE CTR FINANCIAL PROFORMA REV 09272013

THE AVENUE SHOPPES AT P 83

140 KEY HOTEL CONFERENCE CTR

PROFORMA FINANCIAL PROJECTIONS

MIKE OLIVER/JARED CHANDLER, DEVELOPER
PEORIA SPORTS PARK

IRR
EY/CITY
PLAN A

ASSUMED 60% DEBT FINANCING $25,500,000

	12/2012-5/2013 2013	START Oct-13 2013	COMPLETE 3/31/2105 2014-2015	BEGINS 4/1/2015 PER. 3/31/2016	PER. 3/31/2017	PER. 3/31/2018	PER.3/31/2019	PER.3/31/2020	5 YEAR TOTAL	2021	2022	2023	2024	2025	10 YEAR TOTAL
HOTEL OPERATIONS:															
NUMBER OF ROOMS				140	140	140	140	140		140	140	140	140	140	
AVERAGE OCCUPANCY				60%	68%	70%	70%	73%		73%	75%	75%	75%	75%	
AVERAGE DAILY ROOM RATE				$ 99	$ 112	$ 115	$ 119	$ 122		$ 126	$ 130	$ 134	$ 138	$ 142	
REVENUES:															
ROOM				$ 3,035,000	$ 3,892,000	$ 4,134,000	$ 4,258,000	$ 4,573,000	$ 19,892,000	$ 4,711,000	$ 4,985,000	$ 5,120,000	$ 5,274,000	$ 5,430,000	$ 45,412,000
TELEPHONE				$ 46,000	$ 64,000	$ 65,000	$ 67,000	$ 56,000	$ 298,000	$ 56,000	$ 57,000	$ 57,000	$ 57,000	$ 57,000	$ 582,000
GIFT SHOP				$ 55,000	$ 142,000	$ 149,000	$ 159,000	$ 68,000	$ 573,000	$ 75,000	$ 78,000	$ 80,000	$ 83,000	$ 86,000	$ 975,000
RESTAURANT				$ 464,000	$ 652,000	$ 641,000	$ 690,000	$ 589,000	$ 3,036,000	$ 607,000	$ 642,000	$ 660,000	$ 680,000	$ 700,000	$ 6,325,000
LOUNGE				$ 489,000	$ 615,000	$ 655,000	$ 695,000	$ 720,000	$ 3,174,000	$ 738,000	$ 758,000	$ 784,000	$ 798,000	$ 815,000	$ 7,067,000
BANQUET				$ 650,000	$ 700,000	$ 745,000	$ 775,000	$ 790,000	$ 3,660,000	$ 825,000	$ 950,000	$ 985,000	$ 1,020,000	$ 1,055,000	$ 8,495,000
TOTAL FOOD/BEV				$ 1,603,000	$ 1,967,000	$ 2,041,000	$ 2,160,000	$ 2,099,000	$ 9,870,000	$ 2,170,000	$ 2,350,000	$ 2,429,000	$ 2,498,000	$ 2,570,000	$ 21,887,000
OTHER RENTS,INCOME				$ 100,000	$ 135,000	$ 148,000	$ 159,000	$ 137,000	$ 679,000	$ 141,000	$ 149,000	$ 153,000	$ 158,000	$ 164,000	$ 1,444,000
GARAGE				$ 146,000	$ 207,000	$ 217,000	$ 233,000	$ 200,000	$ 1,003,000	$ 206,000	$ 218,000	$ 224,000	$ 231,000	$ 238,000	$ 2,120,000
TOTAL REVENUE				$ 4,985,000	$ 6,407,000	$ 6,754,000	$ 7,036,000	$ 7,133,000	$ 32,315,000	$ 7,359,000	$ 7,837,000	$ 8,063,000	$ 8,301,000	$ 8,545,000	$ 72,420,000
DEPARTMENTAL PROFITS:															
ROOM				$ 1,993,000	$ 2,675,000	$ 2,840,000	$ 2,925,000	$ 3,142,000	$ 13,575,000	$ 3,236,000	$ 3,425,000	$ 3,518,000	$ 3,623,000	$ 3,730,000	$ 31,107,000
TELEPHONE				$ (28,000)	$ (36,000)	$ (39,000)	$ (40,000)	$ (34,000)	$ (177,000)	$ (34,000)	$ (35,000)	$ (34,000)	$ (34,000)	$ (34,000)	$ (348,000)
GIFT SHOP				$ 19,000	$ 50,000	$ 52,000	$ 56,000	$ 24,000	$ 201,000	$ 26,000	$ 27,000	$ 28,000	$ 29,000	$ 30,000	$ 341,000
RESTAURANT				$ 295,000	$ 389,000	$ 412,000	$ 429,000	$ 444,000	$ 1,969,000	$ 519,000	$ 533,000	$ 555,000	$ 572,000	$ 590,000	$ 4,738,000
LOUNGE				$ 352,000	$ 442,800	$ 471,600	$ 500,400	$ 518,400	$ 2,285,200	$ 553,000	$ 565,000	$ 582,000	$ 593,000	$ 606,000	$ 5,184,200
BANQUET				$ 475,000	$ 511,000	$ 541,000	$ 561,000	$ 577,000	$ 2,665,000	$ 602,250	$ 693,500	$ 719,050	$ 744,600	$ 770,150	$ 6,194,550
KITCHEN				$ (641,000)	$ (747,000)	$ (676,000)	$ (707,000)	$ (735,000)	$ (3,506,000)	$ (759,500)	$ (823,000)	$ (850,000)	$ (874,000)	$ (900,000)	$ (7,712,500)
TOTAL FOOD/BEV				$ 481,000	$ 595,800	$ 748,600	$ 783,400	$ 804,400	$ 3,413,200	$ 914,750	$ 968,500	$ 1,006,050	$ 1,035,600	$ 1,066,150	$ 8,404,250
OTHER RENTS,INCOME				$ 85,000	$ 115,000	$ 126,000	$ 135,000	$ 116,000	$ 577,000	$ 120,000	$ 127,000	$ 130,000	$ 134,000	$ 138,000	$ 1,226,000
GARAGE				$ 87,000	$ 124,000	$ 130,000	$ 140,000	$ 120,000	$ 601,000	$ 123,600	$ 130,800	$ 134,400	$ 138,600	$ 142,800	$ 1,271,200
TOTAL DEPT. PROFITS				$ 2,637,000	$ 3,523,800	$ 3,857,600	$ 3,999,400	$ 4,172,400	$ 18,190,200	$ 4,386,350	$ 4,643,300	$ 4,782,450	$ 4,926,200	$ 5,072,950	$ 42,001,450
DEDUCTIONS FROM INCOME:															
ADMINISTRATIVE & GENERAL			$ 50,000	$ 388,830	$ 499,746	$ 526,812	$ 548,808	$ 556,374	$ 2,570,570	$ 574,002	$ 611,286	$ 628,914	$ 647,478	$ 666,510	$ 5,698,760
UTILITIES				$ 149,550	$ 192,210	$ 202,620	$ 211,080	$ 213,990	$ 969,450	$ 220,770	$ 235,110	$ 241,890	$ 249,030	$ 256,350	$ 2,172,600
REPAIRS AND MAINTENANCE				$ 149,550	$ 192,210	$ 189,112	$ 197,008	$ 199,724	$ 927,604	$ 206,052	$ 219,436	$ 225,764	$ 232,428	$ 239,260	$ 2,050,544
SALES & MARKETING			$ 90,000	$ 249,250	$ 320,350	$ 337,700	$ 351,800	$ 356,650	$ 1,705,750	$ 367,950	$ 391,850	$ 403,150	$ 415,050	$ 427,250	$ 3,711,000
TOTAL DEDUCT. FROM INCOME			$ 140,000	$ 937,180	$ 1,204,516	$ 1,256,244	$ 1,308,696	$ 1,326,738	$ 6,173,374	$ 1,368,774	$ 1,457,682	$ 1,499,718	$ 1,543,986	$ 1,589,370	$ 13,632,904
HOTEL GROSS OPERATING PROFIT			$ (140,000)	$ 1,699,820	$ 2,319,284	$ 2,601,356	$ 2,690,704	$ 2,845,662	$ 12,016,826	$ 3,017,576	$ 3,185,618	$ 3,282,732	$ 3,382,214	$ 3,483,580	$ 28,368,546
OTHER DEDUCTIONS:															
FF&E RESERVE				$ 49,850	$ 128,140	$ 202,620	$ 211,080	$ 213,990	$ 805,680	$ 220,770	$ 235,110	$ 241,890	$ 249,030	$ 256,350	$ 2,008,830
MANAGEMENT FEE				$ 149,550	$ 192,210	$ 202,620	$ 211,080	$ 213,990	$ 969,450	$ 220,770	$ 235,110	$ 241,890	$ 249,030	$ 256,350	$ 2,172,600
BUILDING/LIABILITY INSURANCE				$ 49,850	$ 64,070	$ 67,540	$ 70,360	$ 71,330	$ 323,150	$ 73,590	$ 78,370	$ 80,630	$ 83,010	$ 85,450	$ 724,200
EQUIPMENT RENTAL				$ 24,925	$ 32,035	$ 33,770	$ 35,180	$ 35,665	$ 161,575	$ 36,795	$ 39,185	$ 40,315	$ 41,505	$ 42,725	$ 362,100
PROPERTY TAXES & GROUND LEASE(99YRS)				$ -	$ 364,000	$ 364,000	$ 364,000	$ 364,000	$ 1,456,000	$ 364,000	$ 367,000	$ 367,000	$ 367,000	$ 367,000	$ 3,288,000
TOTAL OTHER DEDUCTIONS			$ -	$ 274,175	$ 780,455	$ 870,550	$ 891,700	$ 898,975	$ 3,715,855	$ 915,925	$ 954,775	$ 971,725	$ 989,575	$ 1,007,875	$ 8,555,730
HOTEL NET PROFIT			$ (140,000)	$ 1,425,645	$ 1,538,829	$ 1,730,806	$ 1,799,004	$ 1,946,687	$ 8,300,971	$ 2,101,651	$ 2,230,843	$ 2,311,007	$ 2,392,639	$ 2,475,705	$ 19,812,816
SOURCES OF CASH-															
TOTAL PROJECT NET CASH FLOW,BEFORE DEPR. & DEBT SERVICE			$ (140,000)	$ 1,425,645	$ 1,538,829	$ 1,730,806	$ 1,799,004	$ 1,946,687	$ 8,300,971	$ 2,101,651	$ 2,230,843	$ 2,311,007	$ 2,392,639	$ 2,475,705	$ 19,812,816
EQUITY INVESTMENT-40%		$ 6,000,000	$ 4,200,000						$ 10,200,000						$ 10,200,000
DEBT FINANCING-60%			$ 16,000,000						$ 16,000,000						$ 16,000,000
TOTAL SOURCES OF CASH		$ 6,000,000	$ 20,060,000	$ 1,425,645	$ 1,538,829	$ 1,730,806	$ 1,799,004	$ 1,946,687	$ 34,500,971	$ 2,101,651	$ 2,230,843	$ 2,311,007	$ 2,392,639	$ 2,475,705	$ 46,012,816
USES OF CASH-															
DEVELOP. SOFT COSTS / 140 KEY HOTEL- TO 2015		$ 500,000	$ 315,000						$ 815,000						$ 815,000
DEVELOPMENT COSTS-HOTEL;CONVENTION CTR		$ 5,000,000	$ 19,685,000						$ 24,685,000						$ 24,685,000
DEBT SERVICE				$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 7,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$ 15,000,000
TOTAL USES OF CASH		$ 5,500,000	$ 20,000,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 33,000,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 40,500,000
NET ANNUAL CASH FLOW		$ 500,000	$ 60,000	$ (74,355)	$ 38,829	$ 230,806	$ 299,004	$ 446,687	$ 1,500,971	$ 601,651	$ 730,843	$ 811,007	$ 892,639	$ 975,705	$ 5,512,816
CUMULATIVE CASH FLOW	$ -	$ 500,000	$ 560,000	$ 485,645	$ 524,474	$ 755,280	$ 1,054,284	1,500,971		$ 2,102,622	$ 2,833,465	$ 3,644,472	$ 4,537,111	$ 5,512,816	
FISCAL YR	2012/2013	2013	3/31/15	3/31/16	3/31/17	3/31/18	3/31/19	3/31/20		2021	2022	2023	2024	2025	

NOTES:

A. PROJECT HAS AN EXECUTED MOU BETWEEN DEVELOPER AND CITY.THE 99 YEAR GROUND LEASE HAS BEEN COMPLETED AND FINAL EXECUTION AND APPROVAL BY CITY COUNCIL ON 1/22/2013.

AVENUE SHOPPES AT P83

PEORIA SPORTS PK THE AVENUES SHOPPES AT P83 EY IRR PLAN A 60% DEBT FINANCED RETAIL,ENTERTAINMENT FINANCIAL PROFORMA REV 09272013

THE AVENUE SHOPPES AT P 83
RETAIL & HOTEL & PARKING GARAGE
RETAIL,ENTERTAINMENT
PROFORMA FINANCIAL PROJECTIONS

MIKE OLIVER/JARED CHANDLER, DEVELOPER
PEORIA SPORTS PARK
ASSUMED 60% DEBT FINANCING

IRR
EY/ CITY
PLAN A
$65,000,000

START COMPLETE 3/31/2105

	SF/SPACE	PROJECT. REV.	12/2012-5/2013 2013	Oct-13 2013	2014-2015	BEGINS 4/1/2015 PER. 3/31/2016	PER. 3/31/2017	PER. 3/31/2018	PER.3/31/2019	PER.3/31/2020	5 YEAR TOTAL	2021	2022	2023	2024	2025	10 YEAR TOTAL
GROSS LEASE REVENUE:																	
RETAIL SPACE	144,045	$ 3,457,080				$ 3,111,372	$ 3,284,226	$ 3,382,753	$ 3,484,235	$ 3,588,762	$ 16,851,349	$ 3,696,425	$ 3,807,318	$ 3,921,538	$ 4,039,184	$ 4,160,359	$ 36,476,172
RESTAURANTS& ENTERTAIN.	96,859	$ 2,542,549				$ 2,288,294	$ 2,415,421	$ 2,487,884	$ 2,562,520	$ 2,639,396	$ 12,393,516	$ 2,718,578	$ 2,800,135	$ 2,884,139	$ 2,970,664	$ 3,059,783	$ 26,826,815
RECOVERABLE EXP.-NNN	230,000	$ 2,530,000				$ 2,277,000	$ 2,403,500	$ 2,475,605	$ 2,549,873	$ 2,626,369	$ 12,332,347	$ 2,705,160	$ 2,786,315	$ 2,869,905	$ 2,956,002	$ 3,044,682	$ 26,694,412
KIOSK RENTAL	846	$ 282,000				$ 282,000	$ 287,640	$ 293,393	$ 299,261	$ 305,246	$ 1,467,539	$ 311,351	$ 317,578	$ 323,929	$ 330,408	$ 337,016	$ 3,087,821
TOTAL LEASE OPERATING REVENUE						$ 7,958,666	$ 8,390,787	$ 8,639,635	$ 8,895,890	$ 9,159,774	$ 43,044,751	$ 9,431,514	$ 9,711,346	$ 9,999,511	$ 10,296,257	$ 10,601,841	$ 93,085,221
LEASE OPERATING EXPENSES:																	
RETAIL/REST/ CAM COSTS						$ 1,349,916	$ 1,424,912	$ 1,467,659	$ 1,511,689	$ 1,557,040	$ 7,311,216	$ 1,603,751	$ 1,651,863	$ 1,701,419	$ 1,752,462	$ 1,805,036	$ 15,825,747
GENERAL ADMINISTRATIVE EXPENSES						$ 400,000	$ 420,000	$ 441,000	$ 463,050	$ 486,203	$ 2,210,253	$ 510,513	$ 536,038	$ 562,840	$ 590,982	$ 620,531	$ 5,031,157
MANAGEMENT FEES-3.0%						$ 238,760	$ 251,724	$ 259,189	$ 266,877	$ 274,793	$ 1,291,343	$ 282,945	$ 291,340	$ 299,985	$ 308,888	$ 318,055	$ 2,792,557
PROPERTY MANAGEMENT COSTS-4.3%						$ 342,223	$ 360,804	$ 371,504	$ 382,523	$ 393,870	$ 1,850,924	$ 405,555	$ 417,588	$ 429,979	$ 442,739	$ 455,879	$ 4,002,664
GROUND LEASE /99 YEARS						$ -	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 480,000	$ 120,000	$ 130,000	$ 130,000	$ 130,000	$ 130,000	$ 1,120,000
TOTAL LEASE OPERATING EXPENSES						$ 2,330,899	$ 2,577,439	$ 2,659,353	$ 2,744,139	$ 2,831,906	$ 13,143,735	$ 2,922,764	$ 3,026,830	$ 3,124,224	$ 3,225,071	$ 3,329,501	$ 28,772,125
RETAIL LEASE NET INCOME			-	-		$ 5,627,767	$ 5,813,348	$ 5,980,282	$ 6,151,751	$ 6,327,868	$ 29,901,016	$ 6,508,750	$ 6,684,517	$ 6,875,287	$ 7,071,186	$ 7,272,339	$ 64,313,096
SOURCES OF CASH-																	
TOTAL PROJECT NET CASH FLOW,BEFORE DEPR. & DEBT SERVICE					$ -	$ 5,627,767	$ 5,813,348	$ 5,980,282	$ 6,151,751	$ 6,327,868	$ 29,901,016	$ 6,508,750	$ 6,684,517	$ 6,875,287	$ 7,071,186	$ 7,272,339	$ 64,313,096
EQUITY INVESTMENT-40%				$ 15,000,000	$ 11,000,000						$ 26,000,000						$ 26,000,000
DEBT FINANCING-60%					$ 40,000,000						$ 40,000,000						$ 40,000,000
TOTAL SOURCES OF CASH			$ -	$ 15,000,000	$ 51,000,000	$ 5,627,767	$ 5,813,348	$ 5,980,282	$ 6,151,751	$ 6,327,868	$ 95,901,016	$ 6,508,750	$ 6,684,517	$ 6,875,287	$ 7,071,186	$ 7,272,339	$ 130,313,096
USES OF CASH-																	
DEVELOP. SOFT COSTS / RETAIL,REST,ENTERT- TO 2015				$ 6,000,000	$ 2,235,000						$ 8,235,000					2,000,000	$ 10,235,000
DEVELOPMENT COSTS- RETAIL,REST,ENTERT,OFFICE&PARK				$ 8,000,000	$ 48,765,000						$ 56,765,000						$ 56,765,000
RENOVATION/TENANT IMPROVEMENTS											$ -	2,000,000					$ 2,000,000
DEBT SERVICE						$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 17,750,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 35,500,000
TOTAL USES OF CASH			$ -	$ 14,000,000	$ 51,000,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 82,750,000	$ 5,550,000	$ 3,550,000	$ 3,550,000	$ 3,550,000	$ 5,550,000	$ 104,500,000
NET ANNUAL CASH FLOW			$ -	$ 1,000,000	$ -	$ 2,077,767	$ 2,263,348	$ 2,430,282	$ 2,601,751	$ 2,777,868	$ 13,151,016	$ 958,750	$ 3,134,517	$ 3,325,287	$ 3,521,186	$ 1,722,339	$ 25,813,096
CUMULATIVE CASH FLOW			$ -	$ 1,000,000	$ 1,000,000	$ 3,077,767	$ 5,341,115	$ 7,771,397	$ 10,373,148	$ 13,151,016		$ 14,109,766	$ 17,244,283	$ 20,569,570	$ 24,090,756	$ 25,813,096	
FISCAL YR			2012/2013	2013	3/31/15	3/31/16	3/31/17	3/31/18	3/31/19	3/31/20		2021	2022	2023	2024	2025	

NOTES:

A. THE AVERAGE LEASE RATE FOR RETAIL IS ESTIMATED AT $24/SF PLUS $11/SF NNN IN 2015 AND SHOULD ACHIEVE 90% OCCUPANCY BY 2015 AND 95% BY 2016.

B. THE AVERAGE LEASE RATE FOR RESTAURANT SPACE IS ESTIMATED AT $26.50/SF PLUS $11SF NNN IN 2015.ENTERTAINMENT SPACE TO RENT FOR $26.00SF AND SHOULD ACHIEVE 90% OCCUPANCY BY 2015 AND 95% BY 2016.

C. NO PROPERTY TAX ,ASSUMED EXEMPT UNDER GPLET RULES.

UNAUDITED- FORWARD LOOKING FINANCIAL PROJECTIONS ARE BASED ON DEVELOPERS/MANAGERS BEST ESTIMATE OF FUTURE EVENTS AND RESULTS.

PLAN A INTERNAL RATE OF RETURN(IRR):

COST		$ 65,000,000
DISCOUNT RATE-8%		
IRR	10 YR	11.5%

AVENUE SHOPPES AT P83

PEORIA SPORTS PK THE AVENUES SHOPPES AT P83 EY IRR PLAN A 60% DEBT FINANCED RETAIL,ENTERTAINMENT FINANCIAL PROFORMA REV 09272013

THE AVENUE SHOPPES AT P83

RETAIL, 140 KEY HOTEL — PLAN A — INTERNAL RATE OR RETURN (IRR)

FINANCIAL SUMMARY

	2015-16	2016-17	2017-18	2018-19	2019-20		2020-21	2021-22	2022-23	2023-24	2024-25	10 YEAR TOTAL
RETAIL,RESTAURANT,ENTERTAINMENT:												
NET CASH FLOW BEFORE DEBT SERVICE	$5,627,767	5,813,348	5,980,282	6,151,751	6,327,868		4,508,750	6,684,537	6,875,287	7,071,186	5,272,339	$60,313,115
TERMINAL YEAR CALCULATION- 8% DISCOUNT RATE												$90,906,000
PROJECTED COST OF RETAIL,REST						$65,000,000						
INTERNAL RATE OR RETURN (IRR)-10 YEAR			11.52%									
140 KEY HOTEL AND CONFERENCE CTR:												
NET CASH FLOW BEFORE DEBT SERVICE	$1,425,645	1,538,829	1,730,805	1,799,004	1,946,687		2,101,651	2,230,843	2,311,007	2,392,639	2,475,705	$19,952,815
TERMINAL YEAR CALCULATION-8% DISCOUNT RATE												$30,946,313
PROJECTED COST OF HOTEL						$25,500,000						
INTERNAL RATE OF RETURN (IRR)-10 YEAR			8.90%									
TOTAL SUMMARY COST-PLAN A						$90,500,000						

OBSERVATIONS:

A. THE 8.9% IRR FOR THE 140 KEY HOTEL IS BASED ON A TERMINAL YEAR DISCOUNT RATE OF 8% AND IS ASSUMED NET OF ANY COST OF SALE. HOWEVER, IT SHOULD BE NOTED THAT THE HOTEL OPERATIONS MAY NOT GENERATE SUFFICIENT CASH FLOW IN THE INITIAL YEARS OF OPERATION TO SUPPORT DEBT SERVICE AND A REASONABLE RETURN TO AN INVESTOR INSPITE OF AN OPTIMISTIC OCCUPANCY LEVEL.

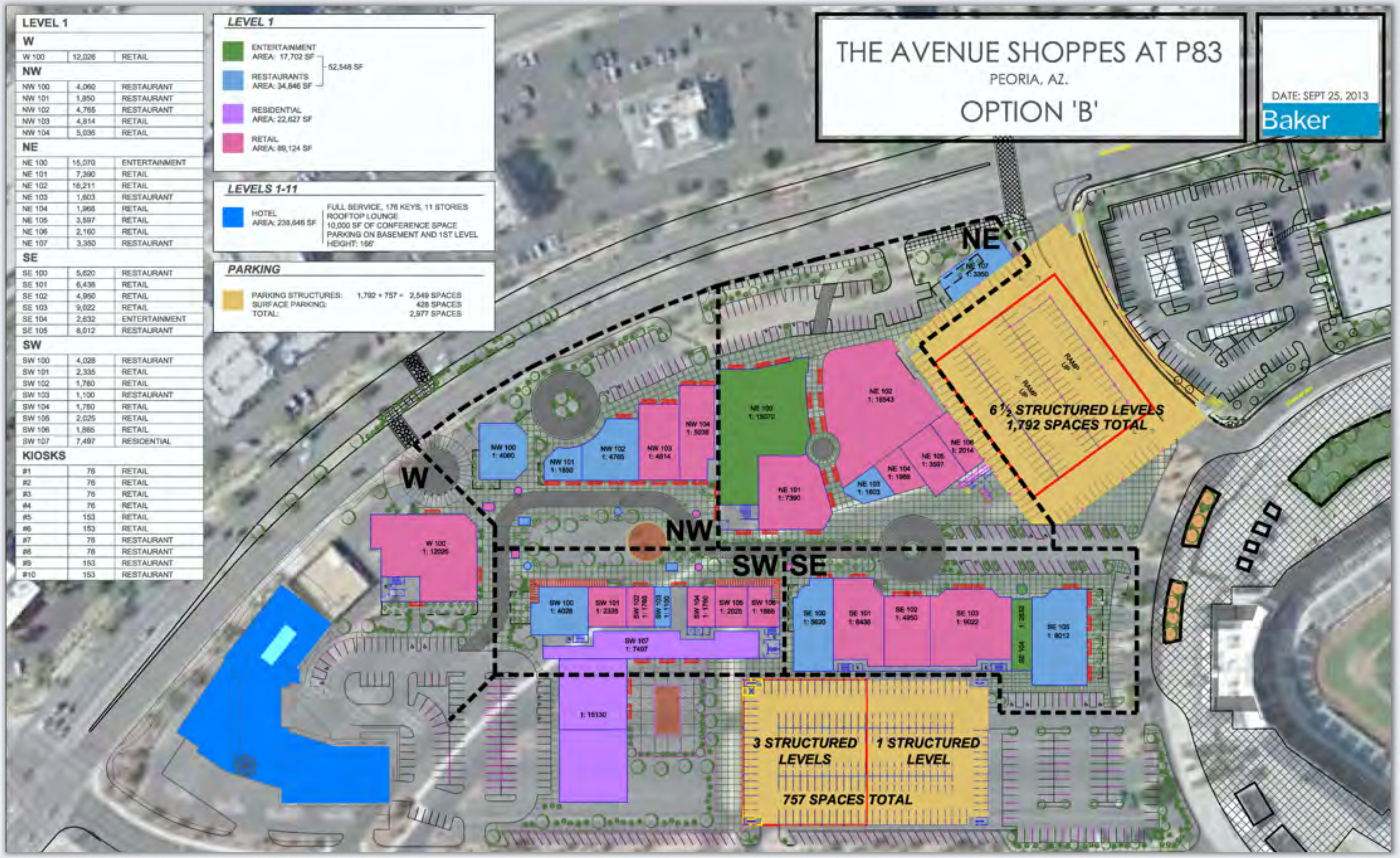
B. THE PROJECTIONS FOR RETAIL,RESTAURANT, AND ENTERTAINMENT RENTAL REVENUES ARE BASED ON ACHIEVING AN INITIAL YEAR OCCUPANCY LEVEL OF 90% AND 95% BY THE SECOND YEAR. WE ALSO ASSUMED AN ANNUAL RATE INCREASE OF 3% BEGINNING IN THE THIRD YEAR AND EACH YEAR THEREAFTER.
CONSIDERATION WAS GIVEN IN THE CASH FLOW FOR $2,000,000 OF TENANT IMPROVEMENTS BY THE SIXTH YEAR AND $2,000,000 OF BROKER RENEWAL COMMISSIONS DURING THE TEN YEAR PERIOD.

C. PROJECT COSTS ARE BASED ON CONTRACTOR ESTIMATES PROVIDED BY THEIR LATEST CONCEPTUAL COSTS. THE DEVELOPER COST ESTIMATES FOR ENTITLEMENT AND "SOFT COSTS" DO NOT INCLUDE PROJECT MANAGER FEES OR POST-CONSTRUCTION OPERATIONAL RESERVES.

D. OPERATING COST BUDGETS FOR BOTH THE RETAIL AND THE HOTEL INCLUDE ESTIMATES FOR ANNUAL GROUND LEASE EXPENSES. HOWEVER, WE HAVE INCLUDED A PROJECTED BUDGET FOR PROPERTY TAX ONLY FOR THE HOTEL ON THE ASSUMPTION THAT RETAIL AND RESTAURANT PROPERTY WILL FALL UNDER THE ENTERTAINMENT EXEMPTION RULES OF GPLET.

AVENUE SHOPPES AT P83

Option B Site Plan



AVENUE SHOPPES AT P83

PEORIA SPORTS PK THE AVENUES SHOPPES AT P83 IRR EY PLAN B 60% FINANCED 186 KEY HOTEL FINANCIAL PROFORMA 9272013

THE AVENUE SHOPPES AT P 83

BOUTIQUE 186 KEY HOTEL — HOTEL

PROFORMA FINANCIAL PROJECTIONS

MIKE OLIVER/JARED CHANDLER, DEVELOPER
PEORIA SPORTS PARK

ASSUME 60% DEBT FINANCING

IRR
EY/CITY
PLAN B
$ 41,450,000

START 12/2012-5/2013 — COMPLETE MAR 2015 Mar-15

	2012-2013	2013 2014/2015	3/31/16	3/31/17	3/31/18	3/31/19	3/31/20	5 YEAR TOTAL	2021	2022	2023	2024	2025	10 YEAR TOTAL
HOTEL OPERATIONS:														
NUMBER OF ROOMS			186	186	186	186	186		186	186	186	186	186	
AVERAGE OCCUPANCY			50%	63%	67%	70%	70%		70%	70%	70%	70%	70%	
AVERAGE DAILY ROOM RATE			$ 116	$ 119	$ 123	$ 127	$ 131		$ 134	$ 139	$ 143	$ 147	$ 151	
REVENUES:														
ROOM			$ 3,992,000	$ 5,106,000	$ 5,603,000	$ 6,029,000	$ 6,210,000	$ 26,940,000	$ 6,396,000	$ 6,588,000	$ 6,767,000	$ 6,970,000	$ 7,199,000	$ 60,860,000
TELEPHONE			$ 48,000	$ 60,000	$ 64,000	$ 67,000	$ 67,000	$ 306,000	$ 67,000	$ 67,000	$ 67,000	$ 67,000	$ 67,000	$ 641,000
GIFT SHOP			$ 104,000	$ 135,000	$ 148,000	$ 159,000	$ 164,000	$ 710,000	$ 169,000	$ 174,000	$ 179,000	$ 184,000	$ 190,000	$ 1,606,000
RESTAURANT			$ 447,000	$ 580,000	$ 637,000	$ 686,000	$ 706,000	$ 3,056,000	$ 728,000	$ 749,000	$ 770,000	$ 793,000	$ 819,000	$ 6,915,000
LOUNGE			$ 383,000	$ 497,000	$ 546,000	$ 588,000	$ 606,000	$ 2,620,000	$ 624,000	$ 642,000	$ 660,000	$ 680,000	$ 702,000	$ 5,928,000
BANQUET			$ 1,874,000	$ 2,730,000	$ 3,097,000	$ 3,409,000	$ 3,542,000	$ 14,652,000	$ 3,678,000	$ 3,818,000	$ 3,949,000	$ 4,098,000	$ 4,265,000	$ 34,460,000
TOTAL FOOD/BEV			$ 2,704,000	$ 3,807,000	$ 4,280,000	$ 4,683,000	$ 4,854,000	$ 20,328,000	$ 5,030,000	$ 5,209,000	$ 5,379,000	$ 5,571,000	$ 5,786,000	$ 47,303,000
OTHER RENTS,INCOME			$ 104,000	$ 135,000	$ 148,000	$ 159,000	$ 164,000	$ 710,000	$ 169,000	$ 174,000	$ 179,000	$ 184,000	$ 190,000	$ 1,606,000
GARAGE			$ 152,000	$ 197,000	$ 216,000	$ 233,000	$ 240,000	$ 1,038,000	$ 247,000	$ 254,000	$ 261,000	$ 269,000	$ 278,000	$ 2,347,000
TOTAL REVENUE			$ 7,104,000	$ 9,440,000	$ 10,459,000	$ 11,330,000	$ 11,699,000	$ 50,032,000	$ 12,078,000	$ 12,466,000	$ 12,832,000	$ 13,245,000	$ 13,710,000	$ 114,363,000
DEPARTMENTAL PROFITS:														
ROOM			$ 2,906,000	$ 3,696,000	$ 4,055,000	$ 4,363,000	$ 4,494,000	$ 19,514,000	$ 4,629,000	$ 4,768,000	$ 4,897,000	~~$ 5,044,000~~	$ 5,210,000	$ 44,062,000
TELEPHONE			$ (29,000)	$ (36,000)	$ (39,000)	$ (40,000)	$ (40,000)	$ (184,000)	$ (40,000)	$ (40,000)	$ (40,000)	$ (40,000)	$ (40,000)	$ (384,000)
GIFT SHOP			$ 36,000	$ 47,000	$ 52,000	$ 56,000	$ 57,000	$ 248,000	$ 59,000	$ 61,000	$ 63,000	$ 64,000	$ 67,000	$ 562,000
RESTAURANT			$ 246,000	$ 319,000	$ 351,000	$ 377,000	$ 389,000	$ 1,682,000	$ 400,000	$ 412,000	$ 423,000	$ 436,000	$ 450,000	$ 3,803,000
LOUNGE			$ 276,000	$ 358,000	$ 393,000	$ 423,000	$ 436,000	$ 1,886,000	$ 449,000	$ 463,000	$ 475,000	$ 489,000	$ 505,000	$ 4,267,000
BANQUET			$ 1,368,020	$ 1,992,900	$ 2,260,810	$ 2,488,570	$ 2,585,660	$ 10,695,960	$ 2,684,940	$ 2,787,140	$ 2,882,770	$ 2,991,540	$ 3,113,450	$ 25,155,800
KITCHEN			$ (1,482,000)	$ (1,827,000)	$ (1,848,000)	$ (1,989,000)	$ (2,049,000)	$ (9,195,000)	$ (2,110,000)	$ (2,174,000)	$ (2,233,000)	$ (2,300,000)	$ (2,375,000)	$ (20,387,000)
TOTAL FOOD/BEV			$ 408,020	$ 842,900	$ 1,156,810	$ 1,299,570	$ 1,361,660	$ 5,068,960	$ 1,423,940	$ 1,488,140	$ 1,547,770	$ 1,616,540	$ 1,693,450	$ 12,838,800
OTHER RENTS,INCOME			$ 88,000	$ 115,000	$ 126,000	$ 135,000	$ 139,000	$ 603,000	$ 144,000	$ 148,000	$ 152,000	$ 156,000	$ 162,000	$ 1,365,000
GARAGE			$ 91,000	$ 118,000	$ 130,000	$ 140,000	$ 144,000	$ 623,000	$ 148,000	$ 153,000	$ 157,000	$ 161,000	$ 167,000	$ 1,409,000
TOTAL DEPT. PROFITS			$ 3,500,020	$ 4,782,900	$ 5,480,810	$ 5,953,570	$ 6,155,660	$ 25,872,960	$ 6,363,940	$ 6,578,140	$ 6,776,770	$ 7,001,540	$ 7,259,450	$ 59,852,800
DEDUCTIONS FROM INCOME:														
ADMINISTRATIVE & GENERAL		$ 50,000	$ 554,112	$ 736,320	$ 815,802	$ 883,740	$ 912,522	$ 3,952,496	$ 942,084	$ 972,348	$ 1,000,896	$ 1,033,110	$ 1,069,380	$ 8,970,314
UTILITIES			$ 213,120	$ 283,200	$ 313,770	$ 339,900	$ 350,970	$ 1,500,960	$ 362,340	$ 373,980	$ 384,960	$ 397,350	$ 411,300	$ 3,430,890
REPAIRS AND MAINTENANCE			$ 213,120	$ 283,200	$ 292,852	$ 317,240	$ 327,572	$ 1,433,984	$ 338,184	$ 349,048	$ 359,296	$ 370,860	$ 383,880	$ 3,235,252
SALES & MARKETING		$ 90,000	$ 639,360	$ 849,600	$ 941,310	$ 1,019,700	$ 1,052,910	$ 4,592,880	$ 1,087,020	$ 1,121,940	$ 1,154,880	$ 1,192,050	$ 1,233,900	$ 10,382,670
TOTAL DEDUCT. FROM INCOME		$ 140,000	$ 1,619,712	$ 2,152,320	$ 2,363,734	$ 2,560,580	$ 2,643,974	$ 11,480,320	$ 2,729,628	$ 2,817,316	$ 2,900,032	$ 2,993,370	$ 3,098,460	$ 26,019,126
HOTEL GROSS OPERATING PROFIT		$ (140,000)	$ 1,880,308	$ 2,630,580	$ 3,117,076	$ 3,392,990	$ 3,511,686	$ 14,392,640	$ 3,634,312	$ 3,760,824	$ 3,876,738	$ 4,008,170	$ 4,160,990	$ 33,833,674
OTHER DEDUCTIONS:														
FF&E RESERVE			$ 71,040	$ 188,800	$ 313,770	$ 453,200	$ 467,960	$ 1,494,770	$ 483,120	$ 498,640	$ 513,280	$ 529,800	$ 548,400	$ 4,068,010
MANAGEMENT FEE			$ 213,120	$ 283,200	$ 313,770	$ 339,900	$ 350,970	$ 1,500,960	$ 362,340	$ 373,980	$ 384,960	$ 397,350	$ 411,300	$ 3,430,890
BUILDING/LIABILITY INSURANCE			$ 35,520	$ 47,200	$ 52,295	$ 56,650	$ 58,495	$ 250,160	$ 60,390	$ 62,330	$ 64,160	$ 66,225	$ 68,550	$ 571,815
EQUIPMENT RENTAL			$ 35,520	$ 47,200	$ 52,295	$ 56,650	$ 58,495	$ 250,160	$ 60,390	$ 62,330	$ 64,160	$ 66,225	$ 68,550	$ 571,815
PROPERTY TAXES & GROUND LEASE(99YRS)			$ -	$ 550,000	$ 550,000	$ 550,000	$ 550,000	$ 2,200,000	$ 550,000	$ 560,000	$ 560,000	$ 560,000	$ 560,000	$ 4,990,000
TOTAL OTHER DEDUCTIONS			$ 355,200	$ 1,116,400	$ 1,282,130	$ 1,456,400	$ 1,485,920	$ 5,696,050	$ 1,516,240	$ 1,557,280	$ 1,586,560	$ 1,619,600	$ 1,656,800	$ 13,632,530
HOTEL NET PROFIT		$ (140,000)	$ 1,525,108	$ 1,514,180	$ 1,834,946	$ 1,936,590	$ 2,025,766	$ 8,696,590	$ 2,118,072	$ 2,203,544	$ 2,290,178	$ 2,388,570	$ 2,504,190	$ 20,201,144
STATEMENT OF CASH FLOW:														
SOURCES OF CASH-														
NET PROFIT,BEFORE DEPR. & DEBT SERVICE		$ (140,000)	$ 1,525,108	$ 1,514,180	$ 1,834,946	$ 1,936,590	$ 2,025,766	$ 8,696,590	$ 2,118,072	$ 2,203,544	$ 2,290,178	$ 2,388,570	$ 2,504,190	$ 20,201,144
EQUITY INVESTMENT/ 40%	$ 4,000,000	$ 12,500,000	2,100,000					$ 18,600,000						$ 18,600,000
CONSTRUCTION FINANCING/60%		$ 26,000,000						$ 26,000,000						$ 26,000,000
								$ -						$ -
TOTAL SOURCES OF CASH	$ 4,000,000	$ 38,360,000	$ 3,625,108	$ 1,514,180	$ 1,834,946	$ 1,936,590	$ 2,025,766	$ 53,296,590	$ 2,118,072	$ 2,203,544	$ 2,290,178	$ 2,388,570	$ 2,504,190	$ 64,801,144
USES OF CASH-														
DEVELOPMENT- SOFT COSTS	$ 1,000,000	$ 794,000						$ 1,794,000						$ 1,794,000
DEVELOPMENT COSTS-HOTEL;CONVENTION CTR	$ 2,000,000	$ 37,656,000						$ 39,656,000						$ 39,656,000
DEBT SERVICE			$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 11,500,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 23,000,000
TOTAL USES OF CASH	$ 3,000,000	$ 38,450,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 52,950,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 2,300,000	$ 64,450,000
NET ANNUAL CASH FLOW	$ 1,000,000	$ (90,000)	$ 1,325,108	$ (785,820)	$ (465,054)	$ (363,410)	$ (274,234)	$ 346,590	$ (181,928)	$ (96,456)	$ (9,822)	$ 88,570	$ 204,190	$ 351,144
CUMULATIVE CASH FLOW	$ 1,000,000	$ 910,000	$ 2,235,108	$ 1,449,288	$ 984,234	$ 620,824	346,590		$ 164,662	$ 68,206	$ 58,384	$ 146,954	$ 351,144	
2012/2013	2013	2014	2015	2016	2017	2018	2019		2020	2021	2022	2023	2024	

NOTES:

A. PROJECT HAS AN EXECUTED MOU BETWEEN DEVELOPER AND CITY.THE 99 YEAR GROUND LEASE HAS BEEN COMPLETED AND FINAL EXECUTION AND APPROVAL BY CITY COUNCIL ON 1/22/2013.

B. FINANCIAL PROFORMA REFLECTS CONSTRUCTION OF BOUTIQUE 186 KEY, 12 STORY HOTEL, ESTIMATED COST OF $41,450,000.

UNAUDITED-FORWARD-LOOKING FINANCIAL PROJECTIONS ARE BASED ON DEVELOPERS'/MANAGERS' BEST ESTIMATE OF FUTURE EVENTS AND RESULTS.

PLAN B INTERNAL RATE OF RETURN (IRR):

COST $41,450,000

DISCOUNT RATE-8%

IRR 10 YEARS 2.65% PRESUME INVESTOR WOULD DESIRE IRR OF 9.5% TO 10.0%

AVENUE SHOPPES AT P83

PEORIA SPORTS PK THE AVENUES SHOPPES AT P83 EY IRR PLAN B 60% DEBT FINANCED RETAIL,ENTERTAINMENT FINANCIAL PROFORMA REV 09272013

THE AVENUE SHOPPES AT P 83

RETAIL & HOTEL, LUXURY RESIDENCES & PARKING GARAGE

RETAIL,ENTERTAINMENT

PROFORMA FINANCIAL PROJECTIONS

MIKE OLIVER/JARED CHANDLER, DEVELOPER

PEORIA SPORTS PARK

ASSUMED 60% DEBT FINANCING

IRR

EY/CITY

PLAN B

$62,375,000

	SF/SPACE	PROJECT. REV.	12/2012-5/2013 2013	START Oct-13 2013	COMPLETE 3/31/2105 2014-2015	BEGINS 4/1/2015 PER. 3/31/2016	PER. 3/31/2017	PER. 3/31/2018	PER.3/31/2019	PER.3/31/2020	5 YEAR TOTAL	2021	2022	2023	2024	2025	10 YEAR TOTAL
GROSS LEASE REVENUE																	
RETAIL SPACE	144,045	$ 3,457,080				$ 3,111,372	$ 3,284,226	$ 3,382,753	$ 3,484,235	$ 3,588,762	$ 16,851,349	$ 3,696,425	$ 3,807,318	$ 3,921,538	$ 4,039,184	$ 4,160,359	$ 36,476,172
RESTAURANTS& ENTERTAIN.	96,859	$ 2,542,549				$ 2,288,294	$ 2,415,421	$ 2,487,884	$ 2,562,520	$ 2,639,396	$ 12,393,516	$ 2,718,578	$ 2,800,135	$ 2,884,139	$ 2,970,664	$ 3,059,783	$ 26,826,815
RECOVERABLE EXP.-NNN	230,000	$ 2,530,000				$ 2,277,000	$ 2,403,500	$ 2,475,605	$ 2,549,873	$ 2,626,369	$ 12,332,347	$ 2,705,160	$ 2,786,315	$ 2,869,905	$ 2,956,002	$ 3,044,682	$ 26,694,412
KIOSK RENTAL	846	$ 282,000				$ 282,000	$ 287,640	$ 293,393	$ 299,261	$ 305,246	$ 1,467,539	$ 311,351	$ 317,578	$ 323,929	$ 330,408	$ 337,016	$ 3,087,821
TOTAL LEASE OPERATING REVENUE						$ 7,958,666	$ 8,390,787	$ 8,639,635	$ 8,895,890	$ 9,159,774	$ 43,044,751	$ 9,431,514	$ 9,711,346	$ 9,999,511	$ 10,296,257	$ 10,601,841	$ 93,085,221
LEASE OPERATING EXPENSES																	
RETAIL/REST/ CAM COSTS						$ 1,349,916	$ 1,424,912	$ 1,467,659	$ 1,511,689	$ 1,557,040	$ 7,311,216	$ 1,603,751	$ 1,651,863	$ 1,701,419	$ 1,752,462	$ 1,805,036	$ 15,825,747
GENERAL ADMINISTRATIVE EXPENSES						$ 400,000	$ 420,000	$ 441,000	$ 463,050	$ 486,203	$ 2,210,253	$ 510,513	$ 536,038	$ 562,840	$ 590,982	$ 620,531	$ 5,031,157
MANAGEMENT FEES-3.0%						$ 238,760	$ 251,724	$ 259,189	$ 266,877	$ 274,793	$ 1,291,343	$ 282,945	$ 291,340	$ 299,985	$ 308,888	$ 318,055	$ 2,792,557
PROPERTY MANAGEMENT COSTS-4.3%						$ 342,223	$ 360,804	$ 371,504	$ 382,523	$ 393,870	$ 1,850,924	$ 405,555	$ 417,588	$ 429,979	$ 442,739	$ 455,879	$ 4,002,664
GROUND LEASE /99 YEARS						$ -	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 480,000	$ 120,000	$ 130,000	$ 130,000	$ 130,000	$ 130,000	$ 1,120,000
TOTAL LEASE OPERATING EXPENSES						$ 2,330,899	$ 2,577,439	$ 2,659,353	$ 2,744,139	$ 2,831,906	$ 13,143,735	$ 2,922,764	$ 3,026,830	$ 3,124,224	$ 3,225,071	$ 3,329,501	$ 28,772,125
RETAIL LEASE NET INCOME			-	-		$ 5,627,767	$ 5,813,348	$ 5,980,282	$ 6,151,751	$ 6,327,868	$ 29,901,016	$ 6,508,750	$ 6,684,517	$ 6,875,287	$ 7,071,186	$ 7,272,339	$ 64,313,096
SOURCES OF CASH-																	
TOTAL PROJECT NET CASH FLOW,BEFORE DEPR. & DEBT SERVICE					$ -	$ 5,627,767	$ 5,813,348	$ 5,980,282	$ 6,151,751	$ 6,327,868	$ 29,901,016	$ 6,508,750	$ 6,684,517	$ 6,875,287	$ 7,071,186	$ 7,272,339	$ 64,313,096
EQUITY INVESTMENT-40%				$ 12,000,000	$ 12,950,000						$ 24,950,000						$ 24,950,000
DEBT FINANCING-60%					$ 38,500,000						$ 38,500,000						$ 38,500,000
TOTAL SOURCES OF CASH			$ -	$ 12,000,000	$ 51,450,000	$ 5,627,767	$ 5,813,348	$ 5,980,282	$ 6,151,751	$ 6,327,868	$ 93,351,016	$ 6,508,750	$ 6,684,517	$ 6,875,287	$ 7,071,186	$ 7,272,339	$ 127,763,096
USES OF CASH-																	
DEVELOP. SOFT COSTS / RETAIL,REST,ENTERT- TO 2015				$ 4,000,000	$ 3,673,000						$ 7,673,000					2,000,000	$ 9,673,000
DEVELOPMENT COSTS- RETAIL,REST,ENTERT,OFFICE&PARK				$ 7,000,000	$ 47,702,000						$ 54,702,000						$ 54,702,000
RENOVATION/TENANT IMPROVEMENTS											$ -	2,000,000					$ 2,000,000
DEBT SERVICE						$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 17,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 35,000,000
TOTAL USES OF CASH			$ -	$ 11,000,000	$ 51,375,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 79,875,000	$ 5,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 5,500,000	$ 101,375,000
NET ANNUAL CASH FLOW			$ -	$ 1,000,000	$ 75,000	$ 2,127,767	$ 2,313,348	$ 2,480,282	$ 2,651,751	$ 2,827,868	$ 13,476,016	$ 1,008,750	$ 3,184,517	$ 3,375,287	$ 3,571,186	$ 1,772,339	$ 26,388,096
CUMULATIVE CASH FLOW			$ -	$ 1,000,000	$ 1,075,000	$ 3,202,767	$ 5,516,115	$ 7,996,397	$ 10,648,148	$ 13,476,016		$ 14,484,766	$ 17,669,283	$ 21,044,570	$ 24,615,756	$ 26,388,096	
FISCAL YR			2012/2013	2013	3/31/15	3/31/16	3/31/17	3/31/18	3/31/19	3/31/20		2021	2022	2023	2024	2025	

NOTES:

A. PROJECT HAS AN EXECUTED MOU BETWEEN DEVELOPER AND CITY.THE 99 YEAR GROUND LEASE HAS BEEN COMPLETED AND FINAL EXECUTION AND APPROVAL BY CITY COUNCIL ON 1/22/2013.

B. THE AVERAGE LEASE RATE FOR RETAIL IS ESTIMATED AT $24/SF PLUS $11/SF NNN IN 2015 AND SHOULD ACHIEVE 90% OCCUPANCY BY 2015 AND 95% BY 2016.

C. THE AVERAGE LEASE RATE FOR RESTAURANT SPACE IS ESTIMATED AT $26.50/SF PLUS $11SF NNN IN 2015.ENTERTAINMENT SPACE TO RENT FOR $26.00SF AND ACHIEVE 90% OCCUPANCY BY 2015 AND 95% BY 2016.

D. NO PROPERTY TAX ,ASSUMED EXEMPT UNDER GPLET RULES.

UNAUDITED- FORWARD LOOKING FINANCIAL PROJECTIONS ARE BASED ON DEVELOPERS/MANAGERS BEST ESTIMATE OF FUTURE EVENTS AND RESULTS.

PLAN B INTERNAL RATE OF RETURN:

COST		$62,375,000
DISCOUNT RATE-8%		
IRR	10 YEARS	12.16%

AVENUE SHOPPES AT P83

PEORIA SPORTS PK THE AVENUES SHOPPES AT P83 PLAN B IRR INVESTOR 60% DEBT FINANCED RESIDENCES FINANCIAL PROFORMA 9272013

THE AVENUE SHOPPES AT P 83 — MIKE OLIVER/JARED CHANDLER, DEVELOPER — PEORIA SPORTS PARK — REVISED SEPTEMBER 27, 2013

RETAIL & HOTEL, LUXURY RESIDENCES & PARKING GARAGE — PLAN B — INVESTOR

LUXURY RESIDENCES — ASSUMED 60% DEBT FINANCED — $44,300,000

PROFORMA FINANCIAL PROJECTIONS

			12/2012-5/2013 2013	START Oct-13 2013	COMPLETE 3/31/2105 2014-2015	BEGINS 4/1/2015 PER. 3/31/2016	PER. 3/31/2017	PER. 3/31/2018	PER.3/31/2019	PER.3/31/2020	5 YEAR TOTAL	2021	2022	2023	2024	2025	10 YEAR TOTAL
LUXURY CONDO RESIDENCES:																	
NUMBER OF UNITS/PLATS	84 units/110 plats	1225sf			110	110	110	110									
ASSUMED UNITS/PLATS SOLD,CUMULATIVE						25	70	110									
AVERAGE SALES PRICE PER SQUARE FT		$375-420/SF			$ -	$ 11,484,375	$ 21,578,375	$ 20,776,000									
REVENUE:																	
PRE-SALES DEPOSITS,10%/ESCROW ACCT/(APPLIED)					$ 1,000,000	$ (1,000,000)					$ -						$ -
NET UNIT SALES REVENUE					$ -	$ 11,484,375	$ 21,578,375	$ 20,776,000			$ 53,838,750						$ 53,838,750
RESERVED PARKING SALES	126 SPACES	$20,000/SPACE			$ -	$ 500,000	$ 900,000	$ 1,246,000			$ 2,646,000						$ 2,646,000
UPGRADE REVENUE						$ 1,722,656	$ 3,236,756	$ 3,116,400			$ 8,075,813						$ 8,075,813
HOA FEES	$500/MO/PER PLAT				$ -	$ 150,000	$ 570,000	$ 660,000	$ 660,000	$ 660,000	$ 2,700,000	$ 679,800	$ 679,800	$ 679,800	$ 679,800	$ 679,800	$ 6,099,000
PROPERTY TAX RESERVE	$800/MO/PER PLAT					$ 260,000	$ 672,000	$ 1,056,000	$ 1,056,000	$ 1,056,000	$ 4,100,000	$ 1,087,680	$ 1,087,680	$ 1,087,680	$ 1,087,680	$ 1,087,680	
TOTAL REVENUES					$ -	$ 14,117,031	$ 26,957,131	$ 26,854,400	$ 1,716,000	$ 1,716,000	$ 71,360,563	$ 1,767,480	$ 1,767,480	$ 1,767,480	$ 1,767,480	$ 1,767,480	$ 80,197,963
LAND PURCHASED-1.3 ACRES AT $5.00/SF-RESIDENCES					$ 283,140						$ 283,140						$ 283,140
COST OF UPGRADES						$ 689,063	$ 1,294,703	$ 1,246,560			$ 3,230,325						$ 3,230,325
LESS REAL ESTATE COMMISSION ON SALES					$ -	$ 548,281	$ 1,028,605	$ 1,005,536			$ 2,582,423						$ 2,582,423
GROSS PROFIT					$ (283,140)	$ 12,879,688	$ 24,633,824	$ 24,602,304	$ 1,716,000	$ 1,716,000	$ 65,264,675	$ 1,767,480	$ 1,767,480	$ 1,767,480	$ 1,767,480	$ 1,767,480	$ 74,102,075
OPERATING EXPENSES:											$ -						
RESIDENTIAL PARKING/ CAM COSTS					$ -	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 300,000	$ 61,200	$ 61,200	$ 61,200	$ 61,200	$ 61,200	$ 606,000
RESIDENTIAL / CAM COSTS					$ -	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 1,200,000	$ 247,200	$ 247,200	$ 247,200	$ 247,200	$ 247,200	$ 2,436,000
GENERAL ADMINISTRATIVE EXPENSES					$ 6,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 606,000	$ 123,600	$ 123,600	$ 123,600	$ 123,600	$ 123,600	$ 1,224,000
MANAGEMENT FEES					$ -	$ 88,000	$ 88,000	$ 88,000	$ 88,000	$ 88,000	$ 440,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 920,000
MAINTENANCE						$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 48,000	$ 240,000	$ 50,400	$ 50,400	$ 50,400	$ 50,400	$ 50,400	$ 492,000
GROUND LEASE /99 YEARS/PARKING					$ -	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 75,000	$ 16,200	$ 16,200	$ 16,200	$ 16,200	$ 16,200	$ 156,000
REPLACEMENT RESERVE					$ -	$ 25,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 445,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 105,000	$ 970,000
PROPERTY TAX						$ 260,000	$ 672,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 3,932,000	$ 1,030,000	$ 1,030,000	$ 1,030,000	$ 1,030,000	$ 1,030,000	$ 9,082,000
TOTAL OPERATING EXPENSES					$ 6,000	$ 856,000	$ 1,348,000	$ 1,676,000	$ 1,676,000	$ 1,676,000	$ 7,238,000	$ 1,729,600	$ 1,729,600	$ 1,729,600	$ 1,729,600	$ 1,729,600	$ 15,886,000
RESIDENTIAL NET INCOME					$ (289,140)	$ 12,023,688	$ 23,285,824	$ 22,926,304	$ 40,000	$ 40,000	$ 58,026,675	$ 37,880	$ 37,880	$ 37,880	$ 37,880	$ 37,880	$ 58,216,075
LESS REVERSION TO HOA									$ 40,000	$ 40,000	$ 80,000	$ 37,880	$ 37,880	$ 37,880	$ 37,880	$ 37,880	$ 269,400
TOTAL PROJECT NET PROFIT,BEFORE DEPR. & DEBT SERVICE					$ (289,140)	$ 12,023,688	$ 23,285,824	$ 22,926,304	$ -	$ -	$ 57,946,675	$ -	$ -	$ -	$ -	$ -	$ 57,946,675
SOURCES OF CASH-																	
TOTAL PROJECT NET CASH FLOW,BEFORE DEPR. & DEBT SERVICE					$ 710,860	$ 11,023,688	$ 23,285,824	$ 22,926,304	$ -	$ -	$ 57,946,675	$ -	$ -	$ -	$ -	$ -	$ 57,946,675
											$ -						$ -
EQUITY INVESTMENT-40%				$ 6,000,000	$ 11,800,000						$ 17,800,000						$ 17,800,000
DEBT FINANCED- 60%					$ 26,000,000						$ 26,000,000						$ 26,000,000
TOTAL SOURCES OF CASH			$ -	$ 6,000,000	$ 38,510,860	$ 11,023,688	$ 23,285,824	$ 22,926,304	$ -	$ -	$ 101,746,675	$ -	$ -	$ -	$ -	$ -	$ 101,746,675
USES OF CASH-																	
DEVELOP.SOFT COSTS/RESIDENCES-TO 2015				$ 600,000	$ 2,590,500						$ 3,190,500						$ 3,190,500
DEVELOPMENT COSTS-RESIDENTIAL&PARKING				$ 5,000,000	$ 36,109,500						$ 41,109,500						$ 41,109,500
DEBT SERVICE						$ 10,000,000	$ 18,900,000				$ 28,900,000						$ 28,900,000
TOTAL USES OF CASH			$ -	$ 5,600,000	$ 38,700,000	$ 10,000,000	$ 18,900,000	$ -	$ -	$ -	$ 73,200,000	$ -	$ -	$ -	$ -	$ -	$ 73,200,000
NET ANNUAL CASH FLOW			$ -	$ 400,000	$ (189,140)	$ 1,023,688	$ 4,385,824	$ 22,926,304	$ -	$ -	$ 28,546,675	$ -	$ -	$ -	$ -	$ -	$ 28,546,675
CUMULATIVE CASH FLOW			$ -	$ 400,000	$ 210,860	$ 1,234,548	$ 5,620,371	$ 28,546,675	$ 28,546,675	$ 28,546,675		$ 28,546,675	$ 28,546,675	$ 28,546,675	$ 28,546,675	$ 28,546,675	
	FISCAL YR		2012/2013	2013	3/31/15	3/31/16	3/31/17	3/31/18	3/31/19	3/31/20		2021	2022	2023	2024	2025	

NOTES:

B. PROJECT HAS AN EXECUTED MOU BETWEEN DEVELOPER AND CITY.THE 99 YEAR GROUND LEASE HAS BEEN COMPLETED AND FINAL EXECUTION AND APPROVAL BY CITY COUNCIL ON 1/22/2013.

C. MULTI-FAMILY LUXURY RESIDENCE COMPONENT ASSUMED SOLD AS CONDOMINIUMS DURING 2015-2017. PRESALE 10% DEPOSIT ON 20 UNITS IN 2014.

D. RESIDENTIAL RESERVED PARKING FOR 126 SPACES AND 35 SP STORAGE IS ESTIMATED TO COST $2,505,000.

UNAUDITED- FORWARD LOOKING FINANCIAL PROJECTIONS ARE BASED ON DEVELOPERS/MANAGERS BEST ESTIMATE OF FUTURE EVENTS AND RESULTS.

PROJECTED CAPITALIZATION VAULUATION AND RETURN ON INVESTMENT(ROI): — YEAR 3 2018

AVENUE SHOPPES AT P83

PEORIA SPORTS PARK THE AVENUE SHOPPES P83 IRR PLAN B (HP)HOTEL 186 KEY PKG GARAGE DEVELOP COSTS 2013-2015 9272013

THE AVENUE SHOPPES AT P 83
DEVELOPER- PEORIA SPORTS PARK, LLC
MIKE OLIVER
JARED CHANDLER
CONCEPTUAL DESIGN AND DEVELOPMENT COSTS (PER GENERAL CONTRACTOR ESTIMATES , 8/22/2013)
MARCH 2013 TO MARCH 2015 HENSEL PHELPS/HOTEL

IRR COST
PLAN B

	PROJECT COMPONENTS:				PER COST ESTIMATES	HOTEL	RETAIL RESTAURANTS ENTERTNMNT	LUXURY RESIDENCES	TOTAL
	A. HOTEL/CONVENTION COMPLEX								
	HOTEL		186 KEYS	125,825 SF	$ 29,115,000				
	CONVENTION CENTER			10,000 SF	$ 3,000,000				
	SITEWORK, POOL/DECK & COCHERE			3 ACRES	$ 1,560,000				
	TOTAL-HARD				$ 33,675,000				
	FURNISHINGS AND FIXTURES		$ 30,000	PER KEY	$ 5,580,000				
BB	ALLOCATED ADDL SITE COSTS				$ 377,941				
AA	ALLOCATED "SOFT" COSTS				$ 1,794,000				
	TOTAL OTHER				$ 7,751,941				
	TOTAL HOTEL				$ 41,426,941	$ 41,426,941			
	B. RETAIL, RESTAURANTS, ENTERTAINMENT,SPA,OFFICE-								
	RETAIL,SPA			149,193 SF	$ 21,350,000				
	TI ALLOWANCE-RET	144,045	$ 51.09	PER SF	$ 7,359,259				
	RESTAURANTS			34,846 SF					
	TI ALLOWANCE-REST		$ 129.20	PER SF	$ 4,502,103				
	ENTERTAINMENT			62,013 SF					
	TI ALLOWANCE-ENT		$ 80.13	PER SF	$ 4,969,102				
	PARKING GARAGE		201 SPACES		$ 4,295,000				
	SITEWORK,GENERAL CONDITIONS,PRECONST				$ 5,950,000				
	TOTAL-HARD				$ 50,425,464				
BB	ALLOCATED ADDL SITE COSTS				$ 4,266,287				
AA	ALLOCATED "SOFT" COSTS				$ 7,673,000				
	TOTAL OTHER				$ 11,939,287				
	TOTAL RETAIL,REST, ENTERT.				$ 62,364,751		$ 62,364,751		
	C. LUXURY RESIDENCES-								
	CONDOMINIUMS		84 UNITS	171,522 SF	$ 19,691,000				
	LUXURY BASIC FINISHES				$ 16,165,000				
	SITEWORK, POOL/DECK			126,099 SF	$ 1,849,000				
	RES PARKING/STORE		126 SP/35 STOR		$ 2,505,000				
	TOTAL-HARD				$ 40,210,000				
BB	ALLOCATED ADDL SITE COSTS				$ 864,338				
AA	ALLOCATED "SOFT" COSTS				$ 1,983,000				
	TOTAL OTHER				$ 2,847,338				
	TOTAL RESIDENCES				$ 43,057,338			$ 43,057,338	
	TOTAL PROJECT				$ 146,849,029	$ 41,426,941	$ 62,364,751	$ 43,057,338	$ 146,849,029
	USE				$ 146,900,000	$41,450,000	$62,375,000	$43,075,000	$ 146,900,000

ALLOCATED DEVELOPMENT COSTS:
AA "SOFT" COSTS-

LEASING COMMISSION	$ 3,150,000
DEVELOPMENT COSTS ACCRUED AND REIMBURSEABLE THRU 4/1/2013	$ 1,500,000
SITE & LAND PLANNING, DESIGN, ARCHITECTURAL	$ 5,000,000
SALES AND MARKETING	$ 400,000
OFFICE, ACCOUNTING, AND ADMINISTRATION-20 MONTHS	$ 700,000
LEGAL(APRIL 2013 TO COMPLETION)	$ 200,000
CONSULTANTS,ENGINEERING STUDIES	$ 400,000
INSURANCE	$ 100,000
TOTAL	$ 11,450,000

ALLOCATED:	ALLOCATE COST %	DIRECT	ALLOCATED		TOTAL %
HOTEL	20.0%	$ 1,350,000	$ 444,000	$ 1,794,000	15.7%
RETAIL,REST,ENTERT.	65.0%	$ 6,230,000	$ 1,443,000	$ 7,673,000	67.0%
RESIDENCES	15.0%	$ 1,650,000	$ 333,000	$ 1,983,000	17.3%
PARKING GARAGE	0.0%		$	$	0.0%
TOTAL	100.0%	$ 9,230,000	$ 2,220,000	$ 11,450,000	100.0%

BB. ADDITIONAL SITE COSTS

RETAIL KIOSKS/ENCLOSED	3	$55,000	$ 165,000
FOOD SERVICE KIOSKS/ENCLOSED	2	$65,000	$ 130,000
ATM SITES	2	$2,500	$ 5,000
MONUMENT/SITE SIGNAGE	1	$400,000	$ 400,000
BUILDING PERMIT & PLAN CHECK FEES	1	$708,908	$ 708,908
WET UTILITY EXPANSION & IMPACT FEES	1	$3,544,657	$ 3,544,657
OUTDOOR FURNISHINGS	1	$200,000	$ 200,000
OTHER COSTS/INSURANCE,MISC	1	$355,000	$ 355,000
TOTAL			$ 5,508,565

ALLOCATED:	ACREAGE ALLOC %	DIRECT	ALLOCATED		TOTAL %
HOTEL	13.16%	370,703	$ 7,238	$ 377,941	6.9%
RETAIL,REST,ENTERT.	80.11%	$4,222,226	$ 44,061	$ 4,266,287	77.4%
RESIDENCES	6.73%	860,636	$ 3,702	$ 864,338	15.7%
				$ -	0.0%
TOTAL	100%	$ 5,453,565	$ 55,000	$ 5,508,565	100.0%

AVENUE SHOPPES AT P83

Pg 53 PEORIA SPORTS PARK AVENUE SHOPPES PLAN B FINANCIAL SUMMARY IRR EY,CITY 9272013

THE AVENUE SHOPPES AT P83												
RETAIL, 186 KEY HOTEL,RESIDENCES	PLAN B	INTERNAL RATE OR RETURN (IRR)										
FINANCIAL SUMMARY												
	2015-16	2016-17	2017-18	2018-19	2019-20		2020-21	2021-22	2022-23	2023-24	2024-25	10 YEAR TOTAL
RETAIL,RESTAURANT,ENTERTAINMENT:												
NET CASH FLOW BEFORE DEBT SERVICE	$5,627,767	5,813,348	5,980,282	6,151,751	6,327,868		4,508,750	6,684,537	6,875,287	7,071,186	5,272,339	$60,313,115
TERMINAL YEAR CALCULATION-DISCOUNT RATE 8%												$90,904,238
PROJECTED COST OF RETAIL,REST						$62,375,000						
INTERNAL RATE OR RETURN (IRR)-10 YEAR			12.16%									
186 KEY HOTEL AND CONFERENCE CTR:												
NET CASH FLOW BEFORE DEBT SERVICE	$1,385,108	1,514,180	1,834,946	1,936,590	2,025,766		2,118,072	2,203,544	2,290,178	2,388,570	2,504,190	$20,201,144
TERMINAL YEAR CALCULATION-DISCOUNT RATE 8%												$31,302,375
PROJECTED COST OF HOTEL						$41,450,000						
INTERNAL RATE OF RETURN (IRR)-10 YEAR			2.65%									
INCREMENTAL NET INCOME NEEDED			OVER 10 YEAR PERIOD			$19,000,000						
INCREMENTAL TERMINAL YR CALCULATION						$20,000,000						
MEMO IRR % NEEDED FOR INVESTOR INTEREST			9.5-10%									
LUXURY RESIDENCES:												
NET CASH FLOW BEFORE DEBT SERVICE	$10,039,423	20,085,499	20,032,504									$50,157,426
PROJECTED COST OF RESIDENCES						$43,075,000						
INTERNAL RATE OF RETURN (IRR)-10YEAR			7.23%									
		PLAN B	TOTAL PROJECT COST			$185,900,000						

OBSERVATIONS:

A. NOTE THAT THE PROJECTED COST OF THE RETAIL COMPONENT ONLY INCLUDES THE PARKING SPACES ALLOCATED TO "RETAIL" WITH THE COST FOR 126 SPACES ALLOCATED TO THE RESIDENCES.

B. THE 186 KEY HOTEL DOES NOT PROJECT AN ECONOMICALLY VIABLE IRR PICTURE DUE TO THE REVISIONS MADE TO ADDRESS E&Y CONCERNS FOR OCCUPANCY LEVELS AND ROOM RATES. IT ALSO MAY FAIL TO GENERATE SUFFICIENT CASH FLOW TO SUPPORT DEBT SERVICE AND DELIVER A REASONABLE RETURN TO AN INVESTOR.
IT IS ESTIMATED THAT HOTEL NET INCOME WOULD HAVE TO INCREASE BY APPROXIMATELY $19,000,000 OVER THE 10 YEAR PERIOD AND ALSO INCREASE THE TERMINAL CALCULATION BY APPROXIMATELY THE SAME AMOUNT.

C. THE IRR PROJECTED FOR THE RESIDENCES IS LARGELY DEPENDENT OF ACHIEVING AN AVERAGE SELLING PRICE POINT OF AT LEAST $325 PER SF. WE ANTICIPATE THE HIGH END CONDO MARKET TO IMPROVE CONSIDERABLY DURING THE FOLLOWING TWO TO FOUR YEARS ESPECIALLY IN HE WESTERN VALLEY MARKET WHERE THERE IS A LIMITED SUPPLY OF THE PRODUCT WE PLAN TO DEVELOP.

AVENUE SHOPPES AT P83

LOI

COMMERCIAL REAL ESTATE SERVICES

CBRE

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Senior Vice President

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September 28, 2013

Via email drserventi@themiramargroup.com

Mr. D. Roy Serventi
The Miramar Group

Mr. Mike Oliver
Peoria Sports Park LLC

Re: The Avenue Shoppes @ P83

Dear Mr. Serventi and Mr. Oliver:

Thank you for sharing the great news about your project, The Avenue Shoppes @ P83 located in the City of Peoria, Arizona. CBRE Capital Markets, Inc., which includes our debt and equity practice and our investment professionals group, is excited about the development and working with The Miramar Group and Peoria Sports Park LLC on the project.

Hospitality and retail demand studies coupled with the existing high trade area, confirm the need for this type of project in Peoria. While the focus of my team will be on the debt and equity side, we have engaged our investment professionals to assist with the leasing assignment. Collectively, we have had preliminary discussions with capital sources for the debt and equity and potential national retail tenants interested in the retail component. While those discussions were very positive, we are waiting for the City of Peoria to finalize the site plan and Development Agreement before re-engaging capital and tenant discussions. We look forward to being a part of a successful project that will enhance the Entertainment District of Peoria.

Best regards,

CBRE Capital Markets, Inc.
/s/ Thomas D. Klein
Thomas D. Klein
Senior Vice President

TDK:tk

cc: The Miramar Group File

AVENUE SHOPPES AT P83

Perspective by Baker Architectural Team

Peoria Sports Park, llc.

AVENUE SHOPPES AT P83

Perspective by Baker Architectural Team

Peoria Sports Park, llc.

City of Peoria

Peoria Sports Complex

Summary of Findings

22 November 2013

Building a better working world

Ernst & Young LLP
Ernst & Young Tower
One Renaissance
Square
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City of Peoria
Attn: Scott Whyte
Economic Development Services Director
9875 North 85th Avenue, 2nd Floor
Peoria, AZ 85345

Peoria Sports Complex

Dear Mr. Whyte,

In accordance with our statement of work dated 8 October 2013, EY is pleased to present the following Report (the Report) summarizing our findings on the revised redevelopment proposal being considered by the City of Peoria (City). This phase of work incorporates prior work completed by EY on the project from April-September 2013. The City has entered into exclusive negotiations with Peoria Sports Park, LLC as the Master Developer (Developer), for the proposed project, and their development partners (the Development Team), to develop the site.

The proposed project (Project or Subject) includes a mixed-use lifestyle center development located on a 17.5-acre site adjacent to the Peoria Sports Complex Major League Baseball Stadium (Stadium). Specifically, the Project is planned to include 241,000 square feet of lifestyle and entertainment-oriented retail space, a 140-room hotel with a 10,000 square foot conference center, serviced by surface and parking structures totaling over 2,600 spaces. The Project has delayed the residential component; however an option of providing 110 residential units is included as a possible future phase.

In accordance with our engagement letter, our analysis is subject to the Assumptions and Limiting Conditions as well as the Terms and Conditions of the EY Engagement Letter dated 17 April 2013 and the Statement of Limiting Conditions in this Report. EY did not conduct a feasibility study, but analyzed the projected revenues and expenses and analyzed the figures for market support.

The purpose of our analysis is to analyze the responses provided by the Developer and his development advisors. EY did not conduct a feasibility study. The procedures performed by EY are included in the body of this report.

The procedures that we performed do not constitute an audit of the valuation information in accordance with generally accepted audit standards, nor do they constitute an examination of prospective financial statements in accordance with the standards established by the American Institutes of Certified Public Accountants.

The Report is based on facts of which EY is aware, estimates, assumptions and other information derived from its research, knowledge of the industry and meetings with you or your advisors. We will state our information sources and the basis of our estimates and assumptions in this Report. All such estimates and assumptions are inherently subject to uncertainty and variation depending upon future events, which cannot be accurately foreseen. Our estimates will in any event be based on general economic conditions as they exist on the date of the analysis and will not contemplate the potential for any sudden or sharp rise or decline in those conditions. We make no representation, and give no assurance, that any estimates or results can or will be achieved. Actual results may vary materially from the estimates presented.

Any financial analyses contained in the Report are not forecasts or projections as defined by the AICPA. Rather, they are used as contemplated by the Uniform Standards of Professional Appraisal Practice ("USPAP"). Accordingly, terms such as "project," "projections," or "forecast" in the Report relate to broad and generally perceived expectations of future events or market conditions.

EY did not conduct any architectural, engineering, soil or subsoil study, property survey, or environmental investigation, and will not assume any liability in connection with such.

We appreciate the opportunity to serve as advisors to the City of Peoria. Do not hesitate to contact Steven A. Klett at 602-322-3637 if you have any questions about this engagement or if we may be of any further assistance.

Sincerely,

[DRAFT]

Contents

Project overview

The City of Peoria is engaging in various economic development projects that would require financial analysis and fiscal impact analysis so as to determine the accuracy and cost reasonableness of development proposals that are submitted to the City and estimate the Project's return on investment.

Target projects include, but are not limited to, retail and entertainment expansions, parking garages, pedestrian connectivity and infrastructure improvements, university and healthcare campus developments, redevelopment and revitalization projects, and signage and way finding.

In March 2011, the City entered into exclusive negotiations with Oceans West as the Master Developer (Developer) and their development partners (the Development Team), for the development of the Peoria Sports Complex Redevelopment Project. The original development partner (affiliated with the Osage Indian tribe) withdrew from the Project and was replaced with Chandler Hotel Group, a hotel property manager and advisor.

On June 25, 2013 EY delivered the Phase I written report summarizing our findings to the City and presented these findings to the City Council in an Executive Session. As a result of the summary of findings and recommendations report, the City Council requested that the Developer address issues outlined in the Report.

On October 4, 2013 the City received the Developer's responses to our Phase I Report as well as a revised Project Plan. The City has asked EY to read the Developer's responses to assess whether the initial concerns were adequately addressed and identify any concerns which remain.

Procedures completed

We performed the following tasks related to a market analysis described below with respect to the Project. EY did not conduct a feasibility study, but analyzed the projected revenues and expenses provided by the Developer and his development advisors. If EY could not identify market support for the Developer's estimate, we discussed the assumption with the Developer's Team in more detail. EY completed the following tasks in this phase of work.

- Read the Developer's response packet.
- Requested any missing data or additional supporting information related to the Developer's responses.
- Met with the Developer and the City to get a current understanding of the Project's revisions and the most recent developer's proposal as well as the market information relied upon to support key assumptions.
- Reviewed the Developer's market support and documentation such as cash flow projections, market studies, appraisals; cost estimates, renderings, marketing report, leasing LOI's, financing plan, etc.
- Provided follow up questions to the Developer and read responses.
- Prepared a fiscal impact analysis assuming the Project performs at market levels.
- Prepared this summary report of our findings.

Overall summary

EY has completed our analysis of the proposed mixed-use lifestyle project. The key to the development project will be the identification of a regional or national retail developer to handle the design, financing and leasing of the retail space. These destination type retail projects are among the most difficult to finance and lease. The current project IRRs are also lower than we typically see and the cash flow assumptions could require future modifications to attract debt and equity (higher revenues or lower construction costs).

The Project contains a number of advantages including its proximity Arrowhead Mall, Peoria Stadium, the 101 Freeway and the Bell Road retail corridor. The Project also contains a number of safeguards outlined in the MOU, designed to protect the City's interests. Finally, the Phoenix real estate markets are projected to continue to improve over the next few years and housing growth will continue in the NW Valley.

EY recommends that the following be incorporated into the Development Agreement:

- Executed tenant leases for 60% of the space for tenants comparable to those identified in the initial development proposal
- National or regional lifestyle retail developer with signed agreement with a significant financial commitment to the Project
- Debt and equity commitments in place for retail and hotel portions of Project
- 100% anchor tenant approval rights for the City and a list of potential anchor tenants
- A parking garage model reimbursing the Developer for the public parking garage construction costs based on a percentage of actual taxes generated by the Project over a defined period of time

Based on the procedures completed and the assumptions outlined later in this Report, the proposed project is forecast by the Developer to generate $20 to $50 million in taxes to the City over 10 to 20 year periods.

Findings

The following table contains EY comments both from our analysis of the initial Developer's proposal (May 2013) and our analysis of the revised plan for the Project (September 2013). The Project's IRR calculations assume GPLET assumptions for the property taxes that were not analyzed by EY.

EY Comment	Developer Response	Conclusion
Developer does not have demonstrated experience in developing mixed use projects	The Developer intends to bring in an experienced regional or national lifestyle center developer for the retail portion of the Project. The Developer intends to develop the hotel component with the Chandler Hotel Group.	• Developer has agreed that an experienced national or regional lifestyle retail developer will be added to the Project and they have had initial discussions with potential interested parties. • EY recommends incorporating this performance requirement as part of the Development Agreement.
Developer does not have a debt/equity plan in place	The Developer has indicated that they are in discussions with several funding sources which will be accelerated when the retail development is scheduled. The Developer also indicated that securing financing is difficult given the lack of an approved Development Agreement and Site Plan.	• The MOU contains performance hurdles requiring sufficient debt and equity financing to complete the Project as planned.

EY Comment	Developer Response	Conclusion
Initial Project IRR is insufficient to attract debt or equity partners (4-7%)	Developer reevaluated development plan, eliminated residential component in the first phase, reduced size and quality of the hotel, lowered construction costs including the retail space, hotel and parking garage Developer noted the revised cash flow assumptions contain a GPLET property tax assumptions, which were not analyzed by EY	• Developer's retail IRR is now 11.5% based on Developer's revised projections and hotel IRR is 8.5% • The hotel's projected performance is below most IRR requirements for developers that we are aware of and the Developer may find it difficult to attract debt/equity and could require increases in revenues or margins, or decreases in construction costs
Trade area demographics – the median HHLD income is below the MSA average in 5- and 10-mile concentric rings	Development team broker provided a custom demographic trade area for the site showing significantly higher median household income figures The Developer also noted that median HHLD income figures for some of the regional malls in the original EY report were similar to the subject 5-mile ring (i.e. Scottsdale Fashion Square)	• Gravity, concentric ring and drive time models are commonly used in retail demographic analysis. EY finds it rare that a potential tenant would look at a custom defined trade area that maximizes the median household income figures • As an example, Macerich, Vestar and Red Group currently provide demographics in the leasing materials for their Phoenix-area shopping centers utilizing concentric rings for most of their projects • Arrowhead Mall has performed well as it is "the only game in town". The subject Project, would, likewise have limited west valley competition other than Westgate and Park West, which have not been successful projects but are located 6-7 miles south of the Subject on the fringe of the trade area. The Developer does not consider them competition

EY Comment	Developer Response	Conclusion
Low traffic counts past the site	Developer reiterated that the City's P83 wayfinding plan including new monument signage, raised landscape medians, pedestrian crossing and digital billboards, that will assist in guiding patrons to the Project	• EY believes the traffic counts past the site could be an issue for the site. Proximity to 101 Freeway and Arrowhead Mall area could mitigate these concerns to some degree • The signage plan proposed by the Developer is significant and could also help to mitigate the site's visibility and access issues
Site configuration	Developer has done some site reconfiguration and design work, altering some of the buildings as well as ingress and egress to the Project	• Site plan could continue to evolve and improve as development progresses through the development process • The City may also opt to create a design advisory board specifically assigned to the Project, with members of the retail brokerage community, the adjacent MLB teams as well as at-large community members • EY recommends that the City consider creating design guidelines specific to the Project to ensure that the design concepts and themes that are important to the City and potential tenants are adhered to through the completion of construction • These design guidelines should be included as part of the performance hurdles outlined in the Development Agreement with the Developer

EY Comment	Developer Response	Conclusion
Second floor retail	The Developer has indicated they intend to design a majority of the second floor retail space for two level tenants	• This would mitigate some of our concerns regarding the difficulty in leasing stand-alone second story retail space. It is uncertain that all of the second floor space can be occupied by two level tenants • The City may also consider establishing a minimum number of 2-story retailers as part of their Tenant List requirements within the Development Agreement
Local retail developers and brokers EY interviewed had concerns about the viability of the retail project	The Developer has reached out to several national retail and restaurant tenants who they say are interested in the Project and the Arrowhead area in general. The Development team was not able to release the names of the tenants contacted	• EY believes it could be challenging to locate a qualified retail development partner for the Project • EY recommends that the City enhance language in the Development Agreement to address this issue before any City funds are authorized for garage construction
Movie Theater- generates lower sales per SF and was not part of original proposal	Developer received interest from iPic Theaters	• iPic could be a good use of second floor space and could take the place of another entertainment tenant with similar sales per SF
Garage configuration/site visibility	Redesigned main public parking garage at an angle along 83rd Avenue to open up north side of site formerly blocked by the main public parking garage configuration and location	• Reconfiguration opened up the site but we believe that the garage still creates visibility issues • Due to the site shape and location of the stadium on the property, there are limited options for the Developer but they should continue to work on design concepts (i.e. a wedding cake design)

EY Comment	Developer Response	Conclusion
Performance-based metrics and project milestones in the development prior to authorizing garage funding	The MOU contains the following retail requirements: o 60-80% leased o 100% anchor tenants approval by the city o Debt commitments in place o Equity commitments in place	EY recommends that the following be incorporated in the Development Agreement: • Executed tenant leases for 60% of the space for tenants comparable to those identified in the initial development proposal • National or regional lifestyle retail developer with signed agreement with a significant financial commitment to the Project • Debt and equity commitments in place for retail and hotel portions of Project • 100% anchor tenant approval rights for the City and a list of potential anchor tenants • A parking garage model reimbursing the Developer for the public parking garage construction costs based on a percentage of actual taxes generated by the Project over a defined period of time

EY Comment	Developer Response	Conclusion
EY believes a number of the developer's cash flow assumptions may be better than market comparables would indicate including: retail rents, hotel F&B revenues, low hotel sales and marketing costs, lack of retail leasing costs (concessions, down time/vacancy) as well as sales and closing costs in the reversion sale, and the cost per space for parking garage	The Developer provided a response to our comments, but did not provide any market support addressing these issues	• While we do not believe the Developer has provided support for some of the changes from the original cash flow projections (which were modified due to insufficient project IRRs), the Phoenix real estate markets continues to improve. • There are no good comparable projects in the NW Phoenix market for comparison and the ultimate retail Developer has not been identified • While EY believes some of the assumptions may be aggressive at the present time, we are aware of mixed use projects in other markets that perform better than these cash flow estimates and the market will continue to improve until the Project opening over the next 2 years • It is also noted that the projections are two years in the future and they are not inflated over the construction period. The Phoenix real estate markets should continue to improve over the next few years

Fiscal impact analysis

EY also completed a fiscal impact analysis for the Project (tax revenue to the City). The fiscal impact analysis is still extremely speculative given there are no tenant leases in place, the development plan has not been finalized and the retail development partner is not in place. As such, the Project will continue to evolve and the actual retail sales generated by the Project will change based on its ultimate tenant mix. For example, the Developer's latest plans included an iPic movie theater. Movie theaters typically have significantly lower retail sales per SF than the overall average for the Project they are located in, often 20-35% of the center's average overall. These lower sales could be off-set by say a jewelry store that typically have extremely high sales per SF, many over $1,000 per SF.

Until the final tenant base is determined, the Project concept is finalized and the ultimate retail developer is identified, it is speculative to estimate retail sales in the Subject. The EY analysis was modeled based on the tenants proposed in the Developer's initial submission and EY's market knowledge.

Only tax items were directly collected by the City are included in the analysis. We did not, for example, include the City's portion of property taxes, revenue sharing, gasoline taxes or income taxes in our analysis. The fiscal analysis assumed the development and leasing plan proposed by the Developer is successful and the Project performs to market levels for a destination retail/entertainment project.

The City of Peoria fiscal benefits generated by the Project are summarized below.

Timeframe	Undiscounted Total Taxes to City (Millions)
10 Years	$20.1
15 Years	$34.5
20 Years	$50.8

Exhibit A - Fiscal impact analysis

Fiscal impact analysis

Revised Oct. 2013

Exhibit A

Tax Category	SF/Keys	Sales per SF/ or Unit	Tax Rate
Retail Sales	144,045	470	1.8%
Entertainment	96,859	250	2.8%
Kiosks	846	1000	1.8%
Transient Tax	140	99	5.6%
Hotel Room F&B	-	-	1.8%
Banquet/Convention (Per Occ. Hotel Room)	140	20	1.8%
Restaurant/Bars	4,000	300	2.8%
Misc	-	-	
Parking	-	-	
Commercial Rental Tax	-	-	1.8%
Construction Cost	-	-	1.8%

Retail Category	2014	2015	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35
Sales Growth Rate			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Retail & Restaurant[1]			1,152,282	1,210,393	1,240,653	1,271,670	1,303,461	1,336,048	1,369,449	1,403,685	1,438,777	1,474,747	1,511,615	1,549,406	1,588,141	1,627,845	1,668,541	1,710,254	1,753,011	1,796,836	1,841,757	1,887,801
Entertainment			641,104	673,436	690,271	707,528	725,216	743,347	761,930	780,979	800,503	820,516	841,029	862,054	883,606	905,696	928,338	951,547	975,335	999,719	1,024,712	1,050,330
Kiosks			14,399	15,125	15,503	15,891	16,288	16,695	17,113	17,541	17,979	18,429	18,889	19,362	19,846	20,342	20,850	21,371	21,906	22,453	23,015	23,590
Hotel Room			169,960	217,952	231,504	238,448	256,088	263,816	279,160	286,720	295,344	304,080	311,682	319,474	327,461	335,647	344,039	352,640	361,456	370,492	379,754	389,248
Hotel Gift Shop / Misc			1,540	3,976	4,172	4,452	1,904	2,100	2,184	2,240	2,324	2,408	2,468	2,530	2,593	2,658	2,724	2,793	2,862	2,934	3,007	3,082
Banquet/Convention			11,038	12,544	12,877	12,877	13,466	13,429	13,797	13,797	13,797	13,835	13,797	13,797	13,797	13,797	13,835	13,797	13,797	13,797	13,797	13,835
Restaurant/Bars			30,259	33,373	34,207	35,063	35,939	36,838	37,759	38,703	39,670	40,662	41,678	42,720	43,788	44,883	46,005	47,155	48,334	49,543	50,781	52,051
Commercial Tax			102,270	107,771	110,953	114,228	117,601	121,074	124,651	128,333	132,125	136,029	139,430	142,915	146,488	150,150	153,904	157,752	161,696	165,738	169,881	174,128
Construction Materials	38,025	600,649																				
Total Tax Revenue	**38,025**	**600,649**	**2,122,851**	**2,274,570**	**2,340,141**	**2,400,157**	**2,469,964**	**2,533,347**	**2,606,042**	**2,671,997**	**2,740,519**	**2,810,705**	**2,880,589**	**2,952,259**	**3,025,720**	**3,101,018**	**3,178,236**	**3,257,309**	**3,338,397**	**3,421,512**	**3,506,704**	**3,594,065**

10 Year	20,057,744
15 Year	34,467,536
20 Year	50,764,007

1 Fiscal impact relies on the Developer's cash flow. However, a number of the Developer's cash flow assumptions are outside the range of typical market support, including:
- Retail rents
- Hotel F&B revenues
- Retail and restaurant vacancy
- Hotel sales and marketing costs
- Lack of retail leasing costs (concessions, down time/vacancy)
- Lack of sales and closing costs in the reversion sale

Assumptions and limiting conditions

In addition to the Terms and Conditions outlined in our Master Services Agreement dated 17 April, 2013, the following Assumptions and Limiting Conditions are required.

1. Nothing has come to our attention to cause us to believe that the facts and data set forth in this Report are not correct.
2. Provision of valuation recommendations and considerations of the issues described herein are areas of regular valuation practice for which we believe that we have, and hold ourselves out to the public as having, substantial knowledge and experience. The services provided are limited to such knowledge and experience and do not represent audit, advisory or tax-related services that may otherwise be provided by Ernst & Young LLP. Notwithstanding this limitation, the advice contained herein was not intended or written by Ernst & Young to be used, and cannot be used, by the recipient or any other taxpayer for the purposes of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax laws.
3. No investigation of the title to the subject company and subject assets has been made, and the owner's claim to the subject company and subject assets is assumed to be valid. To the extent that Ernst & Young LLP's services include any analysis of assets, properties or business interests, Ernst & Young LLP assumes no responsibility for matters of legal description or title, and Ernst & Young LLP shall be entitled to make the following assumptions: (i) title is good and marketable, (ii) there exist no liens or encumbrances, (iii) there is full compliance with all applicable Federal, state, local and national regulations and laws (including, without limitation, usage, environmental, zoning and similar laws and/or regulations), and (iv) all required licenses, certificates of occupancy, consents, or legislative or administrative authority from any Federal, state, local, or national government, private entity or organization have been or can be obtained or renewed for any use on which Ernst & Young LLP services are to be based.
4. This Report has been prepared solely for the purpose stated, and may not be used for any other purpose. Neither this Report nor any portions hereof may be copied or disseminated through advertising, public relations, news, sales, Securities and Exchange Commission disclosure documents or any other public (or private) media without the express prior written approval of Ernst & Young LLP.
5. No responsibility is assumed for information furnished by others, including management, and such information is believed to be reliable.
6. In the course of our analysis, we were provided with written information, oral information, and/or data in electronic form, related to the structure, operation, and financial performance of the subject company and subject assets. We have relied upon this information in our analyses and in the preparation of this Report and have not independently verified its accuracy or completeness.

7. The estimates of cash flow data included herein are solely for use in the analysis and are not intended for use as forecasts or projections of future operations. We have not performed an examination or compilation, nor have we performed an agreed-upon procedures engagement with regard to the accompanying cash flow data in accordance with standards prescribed by the American Institute of Certified Public Accountants, and, accordingly, do not express an opinion or offer any form of assurance on the accompanying cash flow data or their underlying assumptions. Furthermore, there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.
8. We assume no responsibility for any financial and tax reporting judgments, which are appropriately those of management. It is our understanding that management accepts responsibility for any financial statement and tax reporting issues with respect to the assets covered by our analysis, and for the ultimate use of our Report.
9. Ernst & Young LLP is not required to furnish additional work or services, or to give testimony, or be in attendance in court with reference to the assets, properties, or business interest in question or to update any Report, recommendation, analysis, conclusion or other document relating to its services for any events or circumstances unless arrangements acceptable to Ernst & Young LLP have been separately agreed with the Company.
10. We have not made any determination of what constitutes a violation under fraud and abuse laws and regulations. City should consult with its legal counsel for that determination.
11. With respect to our analysis, our work did not include an analysis of the potential impact of any unexpected sharp rise or decline in local or general financial market or economic conditions or technological changes.
12. Disclosure of the contents of this Report is governed by the Bylaws and Regulations of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. Possession of this Report or a copy thereof, or any part thereof, does not carry with it the right of publication, nor may it be used by anyone but the party for whom it has been prepared without the prior written consent and approval of Ernst & Young LLP.
13. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

14. We have not performed an audit, review or compilation in accordance with standards established by the American Institute of Certified Public Accountants ("AICPA") on any historical or prospective financial information, which may be included in the accompanying Report. Accordingly, we do not express any opinion or any other form of assurance on such information.
15. Ernst & Young LLP shall not assume any responsibility for identifying structural conditions of property. No analysis will be made of the subsurface or the hazardous waste conditions, if any. Our services shall not take into consideration the possibility of the existence of toxic substances, hazardous or contaminated conditions, or underground storage tanks, nor the costs associated with remediating such substances or conditions. Ernst & Young LLP is not qualified to detect, and shall not be responsible for detecting, such substance or conditions.
16. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.

VELOCITY RETAILGROUP

1 November 2013

Michael Oliver
Peoria Sports Complex, LLC
8331 W. Briles Rd.
Peoria, AZ 85383

Re: Follow-up information from meeting with City of Peoria Economic Development, Ernst & Young

In an effort to clarify some of the information that was not discussed in detail at the meeting with Ernst & Young ("E&Y"), I wanted to provide you with some data that may offer some additional insight into our position that The Avenue Shops at P83 has viability from a retail perspective:

- As of October 14, 2013, CoStar, the commercial real estate listing and analytics service used by the majority of commercial real estate professionals, shows a retail vacancy rate of 7% in the "Arrowhead Area", defined by the Loop 101 to the West and North, Greenway Rd to the South, and 59th Ave to the East. The "Arrowhead Area" lists 5.60 M square feet of total retail, with approximately 425,000 total square feet available[1]. This vacancy rate is approximately 30% lower than the vacancy rate listed in the Phoenix MSA. The additional GLA added by The Ave Shops (at 100% vacancy) would only increase the vacancy in the trade area to 9.5%, which would still be considered a healthy real estate market by most counts.
- Lack of Available "quality" retail space in the immediate trade area. Arrowhead Mall has 98% Occupancy; Arrowhead Village is at 95%[2]. At this point, we have heard of no building or expansion plans at any existing retail property in the immediate trade area.
- This lack of available retail space for Tenants not currently present in the "Arrowhead Area" leaves an opportunity for a unique, destination-oriented project. The Target "Anchor" Tenants do not have another location within 20 driving miles of this area. They have communicated to our team that they want to be in the trade area, but have yet to find a viable option that fits their image.
- Arrowhead Mall is an older, prototypical regional mall. The retailers that are there don't have a viable alternative and will not pull out of the market, as Arrowhead represents some of their strongest volume stores.

In conclusion, we are very excited about the prospects of The Avenue Shops at P83, and being a part of the team intently focused on the success of this project. We believe this project has the make-up to be very successful in its mission to bring a unique, exciting shopping and dining experience that is unparalleled on the west side of the Phoenix MSA. Should you have any questions or need additional information from our team, please let me know how we can be of assistance.

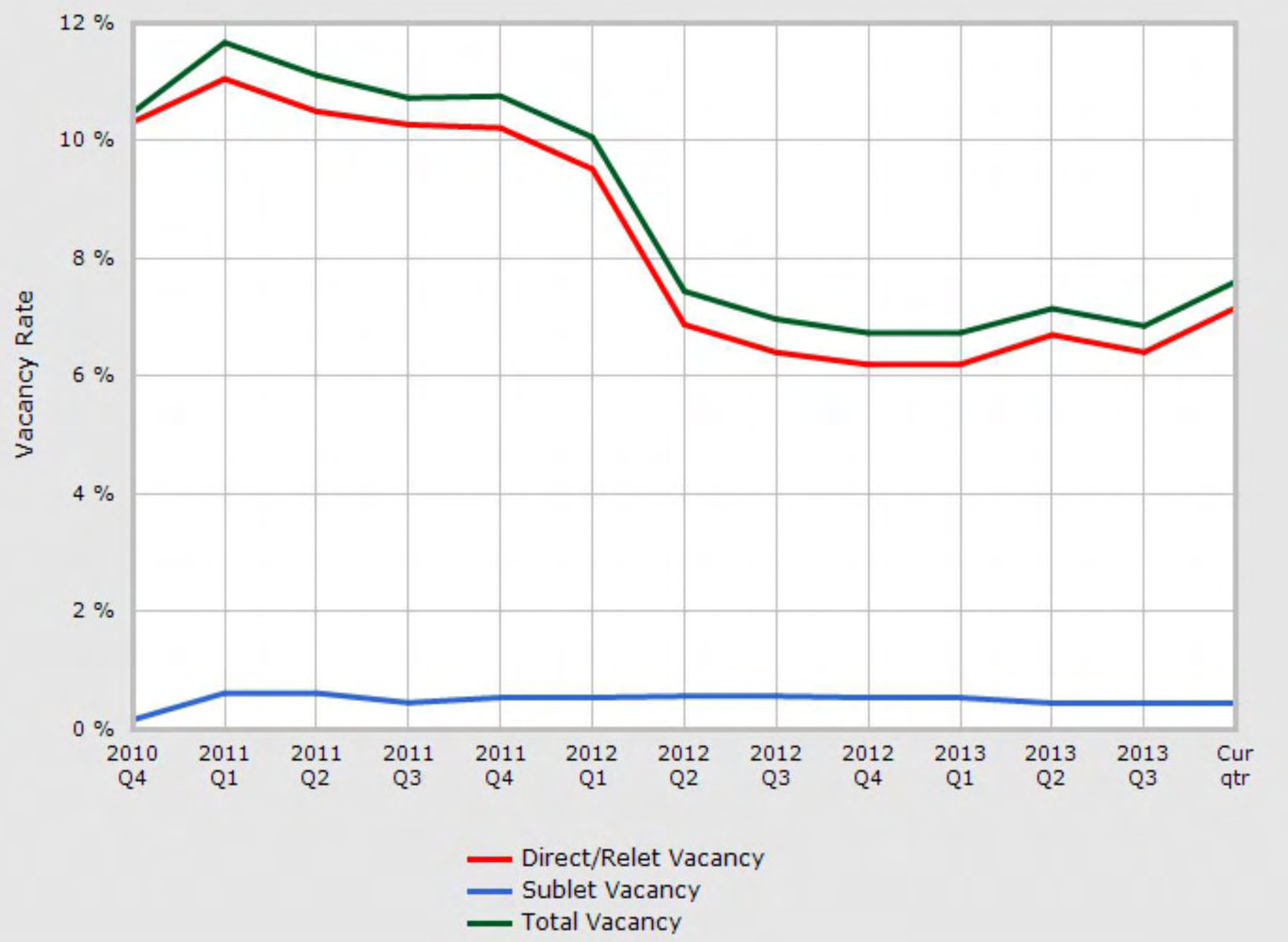
Respectfully,

[redacted]

Larry Miller, Jr.
Velocity Retail Group
2415 E. Camelback Rd., #400
Phoenix, AZ 85016
Direct: 602-682-8145
Cell: 480-231-7807
Email: larry.miller@velocityretail.com

[1] Source: CoStar Vacancy Analysis report; Custom trade area; 10/14/2013
[2] Source:Exhibit F to E&Y Report to City of Peoria.

Vacancy Rates



occupancy

Existing Bldgs:	171	
# Spaces:	124	
Existing RBA:	5,593,582	
Vacant:	<425,661>	8%
Occupied:	5,167,921	92%
Leased:	5,245,965	94%

availability

Vacant Avail:	372,617	7%
Total Avail:	414,836	7%
Direct Avail:	378,639	7%
Sublet Avail:	36,197	1%
Average Time:	31.3 Months	

leasing activity

Leasing YTD:	155,264	3%
Net Absorp YTD:	(48,946)	(1%)

Direct Triple Rent

Retail range:	$6.78-$50.00/yr
Retail Avg:	$15.24/yr

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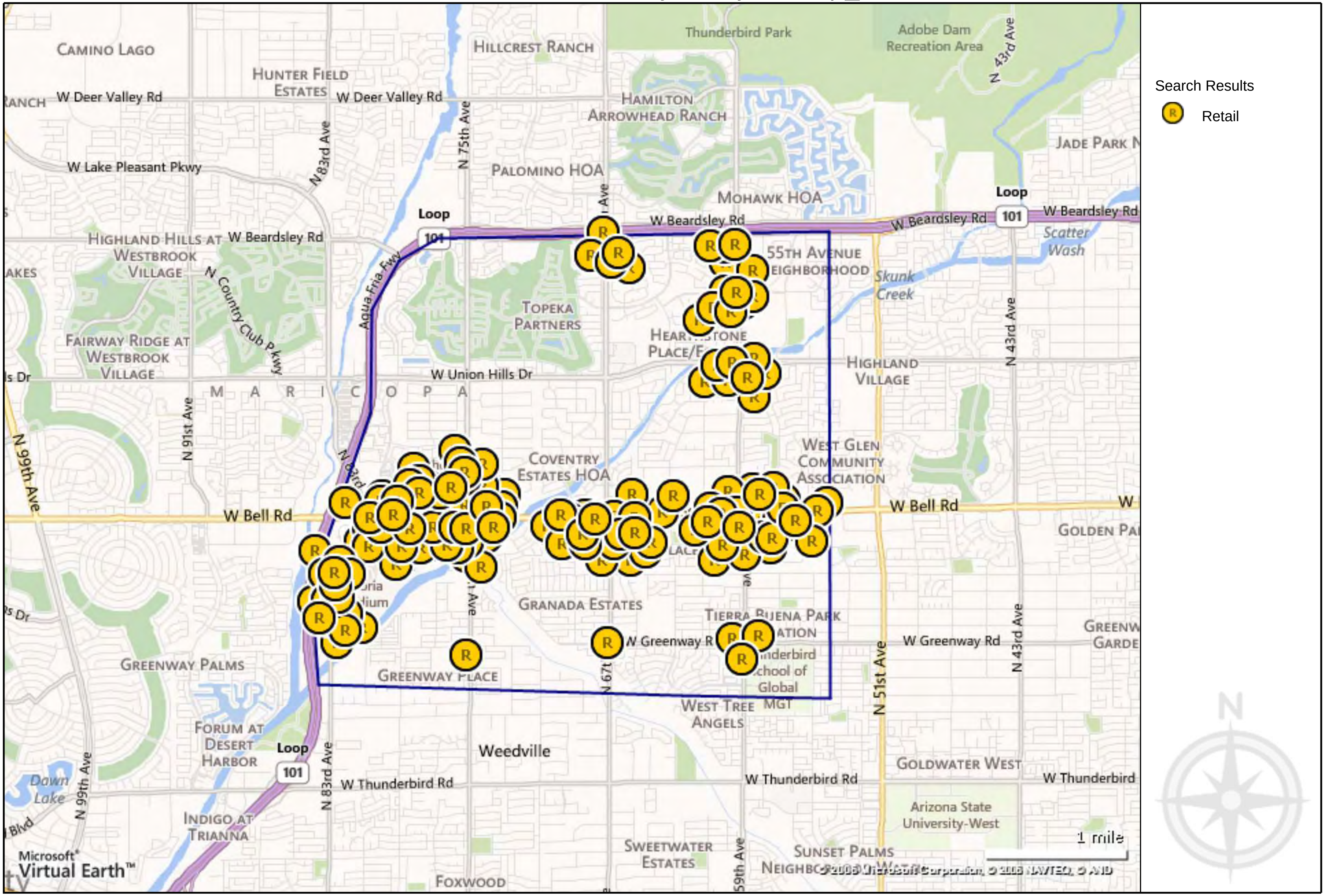
Arrowhead Area Vacancy Analysis Map_10.14.13



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CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 4

Date Prepared: 11/19/13 **Council Meeting Date: 12/10/13**

TO: Council Members

FROM: Mayor Bob Barrett

SUBJECT: Relay for Life Kick-Off Presentation

Purpose:

Katrina Eaton will present the Council with information about the 2014 Peoria Relay for Life.

Background/Summary:

Each year on the last Saturday in April, the American Cancer Society holds the Relay for Life Peoria at the Peoria Sports Complex.

Previous Actions:

Options:

Contact Name and Number: Bob Barrett, 623-773-7368

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 5

Date Prepared: November 5, 2013 **Council Meeting Date: December 10, 2013**

TO: Carl Swenson, City Manager

FROM: Rhonda Geriminsky, CMC, City Clerk

THROUGH: Susan Daluddung, Deputy City Manager

SUBJECT: Board and Commission Appointments Presentation

Purpose:

This is a request for City Council to present *Certificates of Appointment* to the newly appointed board/commission members as follows:

Member Name	Board/Commission
Brian Wiley	Municipal Development Authority
Gloria Migal	Personnel Board

Background/Summary:

Newly appointed board and commission members are invited to attend a Regular City Council meeting to personally accept *Certificates of Appointment* from the Mayor and City Council.

Previous Actions:

On October 30, 2013, the Council Subcommittee on Policy and Appointments recommended appointments for various boards and commissions.

On October 31, 2013, a memorandum was submitted to Mayor and Council, outlining the recommended appointments from the October 30, 2013 Subcommittee meeting, asking for concerns to be submitted in writing to the Mayor. No comments were received.

On November 19, 2013, City Council adopted Resolutions making the following new board/commission appointments:

Resolution No.	Member Name	Board/Commission	Member Status	Term Expiration
2013-181	Brian Wiley	Municipal Development Authority	Regular	11/2017
2013-182	Gloria Migal	Personnel Board	Alternate	6/2014

Options:

This is a presentation item only.

Staff's Recommendation:

That the Mayor and City Council present *Certificates of Appointment* to newly appointed board/ commission members who where appointed by Resolution at the November 19, 2013 City Council meeting.

Fiscal Analysis:

There is no fiscal impact regarding this item.

Narrative:

The newly appointed board/commission members have been invited to attend the December 10, 2013 City Council meeting to receive *Certificates of Appointment*.

Exhibit(s): There are no exhibits.

Contact Name and Number: Rhonda Geriminsky, City Clerk, 623-773-7340

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 6C

Date Prepared: November 7, 2013 **Council Meeting Date: December 10, 2013**

TO: Carl Swenson, City Manager

FROM: Chris Jacques, AICP, Planning & Community Development Director

THROUGH: Susan J. Daluddung, AICP, Deputy City Manager

SUBJECT: GPA 13-0005 – General Plan Circulation Element

Purpose:

This is a request for the City Council to approve a City-initiated application to amend the General Plan Circulation Element, which includes the Circulation Plan Map and the Street Classification Map.

Background/Summary:

The General Plan is comprised of fourteen chapters, each of which pertains to a unique focus area such as Land Use, Economic Development and Environmental Resources. Chapter 3 Circulation Element pertains to all of the City's transportation systems. Included in this chapter is a comprehensive list of the City's transportation Goals, Objective and Polices and the City's Circulation Plan map, which defines the functional classification for the existing and future roadway network in the city.

Staff is proposing an amendment to the Circulation Element of the Peoria General Plan. This amendment serves as an ongoing revision to the Peoria General Plan in an effort to maintain a document that is current with local and regional planning efforts. The proposed revisions also address circulation changes due to updated development plans. An itemized list of the changes to the Circulation Plan Map and an exhibit of the changes can be found in the Planning and Zoning Commission staff report (Exhibit 1). Some of the highlighted changes include:

- Revisions to the Circulation Plan map to address:
  - No longer depicting private, gated roadways on the map
  - Creation and portrayal of a new Functional Class, Limited Access Parkways
  - Coordination map data with General Plans of neighboring jurisdictions
  - Reclassification of existing streets based on analysis of level of service, and other listed corrections.
- Revisions to the Chapter 3 Circulation Element text to include improvements to Functional Classification definitions. Addition of Limited Access Parkways as a functional class. Emphasized commitment to providing multi-modal travel choices.

- The Street Classification Map is referenced in the Circulation Element of the Peoria General Plan in Policy 1.A.1. As a result of the update to the Circulation Map and Element in GPA 13-0005, the Street Classification Map was subsequently updated to be consistent. The difference between the Street Classification Map and the Circulation Map is that the Street Classification Map depicts the same Arterial and Collector Streets but then further defines them into Major and Minor categories. This map also provides an intersection lane configuration and right-of-way table that is not provided on the Circulation Map.

Previous Actions:

The GPA amendment has been subject to the City's annual Major General Plan Amendment process which includes:

- Public Posting on the City of Peoria Website (June 13, 2013 – August 19, 2013)
- Planning & Zoning Commission Public Hearing #1 (October 17, 2013)
- Planning & Zoning Commission Public Hearing #2 (November 7, 2013). The Commission unanimously forwarded a recommendation of approval for Case GPA 13-0005 to the City Council for adoption.

Options:

A: Approve as recommended by Staff and the Planning & Zoning Commission; or
B: Approve with modifications; or
C: Deny; or
D: Continue action to a date certain or indefinitely; or
E: Remand to the Planning & Zoning Commission for further consideration.

Per ARS 9-461.06.H, the adoption of a major amendment to the general plan requires the affirmative vote of at least two-thirds (5 of 7) of the City Council.

Staff's Recommendation:

Concur with the Planning & Zoning Commission's November 7, 2013 recommendation to approve Case GPA 13-0005 and the Street Classification Map.

Fiscal Analysis:

This request is not expected to have immediate budgetary impacts to the City.

Narrative:

No further action would be necessary should the City Council take action to approve this application.

Exhibit(s):
Exhibit 1: November 7, 2013 Planning & Zoning Commission Staff Report with Exhibits
Exhibit 2: Resolution

Contact Name and Number:
Laurie Kattreh, Principal Transportation Planner, x5164

MAJOR GENERAL PLAN AMENDMENT

REPORT TO THE PLANNING AND ZONING COMMISSION

CASE NO.:	GPA 13-0005
DATE:	November 7, 2013
AGENDA ITEM:	6R

Applicant:	City of Peoria
Request:	Amend the Circulation Element of the Peoria General Plan.
Location / Acreage:	Not Applicable. This is a citywide amendment to the General Plan.
Support / Opposition:	Staff has received and addressed written comments from the City of Surprise and additional input from the Peoria Unified School District.
Recommendation:	Recommend approval to the City Council

Changes to this report since the October 17, 2013 Planning and Zoning Commission Hearing are indicated in ***bold text.***

BACKGROUND

1. The City has proposed an amendment to the Circulation Element of the Peoria General Plan. This amendment serves as an ongoing revision to the Peoria General Plan in an effort to maintain a document that is current with local and regional transportation planning efforts. The proposed revisions also address traffic circulation changes due to updated development plans. More specifically, the amendment includes the following:

   - Revisions to the Circulation Plan Map were necessary to address the following: changes and corrections to the functional classification of roadways and the identification of Limited Access Parkways, corrections to map information along our city boundaries to represent data consistent between other city and county jurisdictions, updating and correcting existing and proposed roadway alignments based on the most recent available data. (see Exhibits A and B)

   - Staff needed to perform a detailed scrutinization, updating and refinement of the Geographical Information System (GIS) data used to portray the Circulation Map. The City is now able to use the same data to depict the information provided in the companion Street Classification Map which differentiates between major and minor categories of Arterial and Collector streets and identifies recommended right-of-way widths and intersection configurations. (see Exhibit C)

- Revisions were made to the Chapter 3 - Circulation Element text to more specifically identify and list the functional classifications of all roadway types within the city. "Limited Access Arterial Roadways" have now been established as "Limited Access Parkways" and more clear definitions of all functional classifications have been provided. A concise list of those roadways within the City has been provided. (see Exhibit D)

DISCUSSION / ANALYSIS

2. The proposed changes to the Circulation Element will assist in creating consistency with regional planning initiatives and to depict provisions for accommodating projected growth in the City and in the Northwest region of the Valley. Furthermore, the new language outlines the detailed definition and identification of roadway functional classifications for the City's major roadway network.

3. The improvements to the City's GIS geodatabase for the Circulation and Street Classification Maps will enhance the depiction of the City's functionally classified roadway network and integrate multi-agency information sharing.

4. Consolidation of the geodata for both the Circulation Plan and the Street Classification maps creates a consistent, accurate and compatible resource for the City and will create greater ease of future updates.

CIVIC ENGAGEMENT & NOTIFICATION

Citizen Participation

5. Due to the general nature of these changes, city staff elected not to host public information meetings regarding these revisions. The information was made available for citizens to download and comment on from the City's website. To date, we have not received any citizen comments regarding the proposed amendment.

General Public Awareness

6. This amendment was notified in accordance with ARS § 9-461.06 and routed to adjacent governments and reviewing agencies for a 60-day review period. In addition to the 60-day routing, any neighborhood meetings and the published advertisement for the public hearings, additional information regarding each of this year's Major General Plan Amendments, including the draft amendments and a summary document, were provided on the City's main website and again on the City's Planning Division website.

7. It should also be noted that all external routing materials were limited to a summary letter that outlined the proposed amendment and directed all reviewers to a website where the complete document could be reviewed and comments could be issued entirely online. All 2013 proposed Major General Plan amendments followed this protocol.

Planning & Zoning Commission Discussion from October 17, 2013 Hearing

8. **The Planning & Zoning Commission held the first of two hearings for the annual Major General Plan Amendment process on October 17th of this year. This first hearing was an opportunity for staff to present the amendment and for the Commission and the public to give testimony.**

9. **During this hearing, staff provided the definition of the new functional class "Limited Access Parkway" and a list of those roadways that are classified as such. The Commission inquired about how access guidelines would be administered to Limited Access Parkways. Staff indicated that we currently do not have specific guidelines for management of access to those limited access facilities presently listed in the General Plan. The City of Peoria Access Management Guidelines will be updated to include the new access control requirements for these types of facilities.**

10. **The Commission asked staff to clarify what happens to the data for those roads that were "deleted" from the Circulation Map in order to make sure that the roads were not permanently deleted from the GIS database for the use of other city departments such as fire and emergency. Staff indicated that the GIS database for emergency service is unaffected and will continue to identify addresses and all streets. The Circulation Element is intended to address only the major citywide roadway systems so the roadways depicted on the Circulation Map are only those functionally classified as a Collector or higher.**

Public Notice

11. Public notice was provided in the manner prescribed under Section 14.D of the General Plan. Due to this amendment being City-initiated and not pertaining to a specific land use change, the amendment was only required to be published in the Peoria Times at least fifteen (15) days prior to Planning and Zoning Commission.

School District Notification

12. Peoria Unified and Deer Valley School Districts received written notification of this amendment for the 60-day review period. No comments were received from the Deer Valley School District but communication was received from the Peoria Unified School District and all of their comments have been addressed.

Support/Opposition

13. As of this writing, the City has received no stated support or opposition pertaining to this amendment. Staff did receive a letter from the City of Surprise with recommendations for changes that would help to coordinate our two jurisdictions.

FINDINGS AND RECOMMENDATION

14. Based on the following findings:
    - The amendment constitutes an overall improvement to the City's General Plan and is not solely for the good or benefit of a particular landowner or owners at a particular point in time; and

    - The amendment improves the viability of the General Plan by including specific roadway functional classification information and enhanced GIS database utilization which provides ease of future map updates within the City of Peoria.

    - That the amendment will better reflect the future development needs of the city while accounting for the existing built environment; and

    - The amendment is in conformance with the Goals, Objectives, and Policies of the Peoria General Plan; and

    - That the amendment will not adversely impact the community as a whole or a portion of the community by:
      i. Significantly altering acceptable existing land use patterns,
      ii. Requiring larger and more expensive improvements to roads, sewer or water systems than are needed to support the prevailing land uses and which, therefore, may impact development of other lands,
      iii. Adversely impacting existing uses because of increased traffic on existing systems, or
      iv. Affecting the livability of the area or the health and safety of the residents.
      v. Provides a positive benefit to the community without unduly impacting the City's water supply.

It is recommended that the Planning and Zoning Commission take the following actions:

Recommend to the City Council approval of Case GPA13-0005.

Attachments:

Exhibit A:	Revised Circulation Plan map
Exhibit B:	Summary of Circulation Map Changes
Exhibit C:	Revised Street Classification Map
Exhibit D:	Proposed Amendment to General Plan Circulation Element Text
Exhibit E:	Comment Letter from City of Surprise

Prepared by: Laurie Kattreh
Principal Transportation Planner

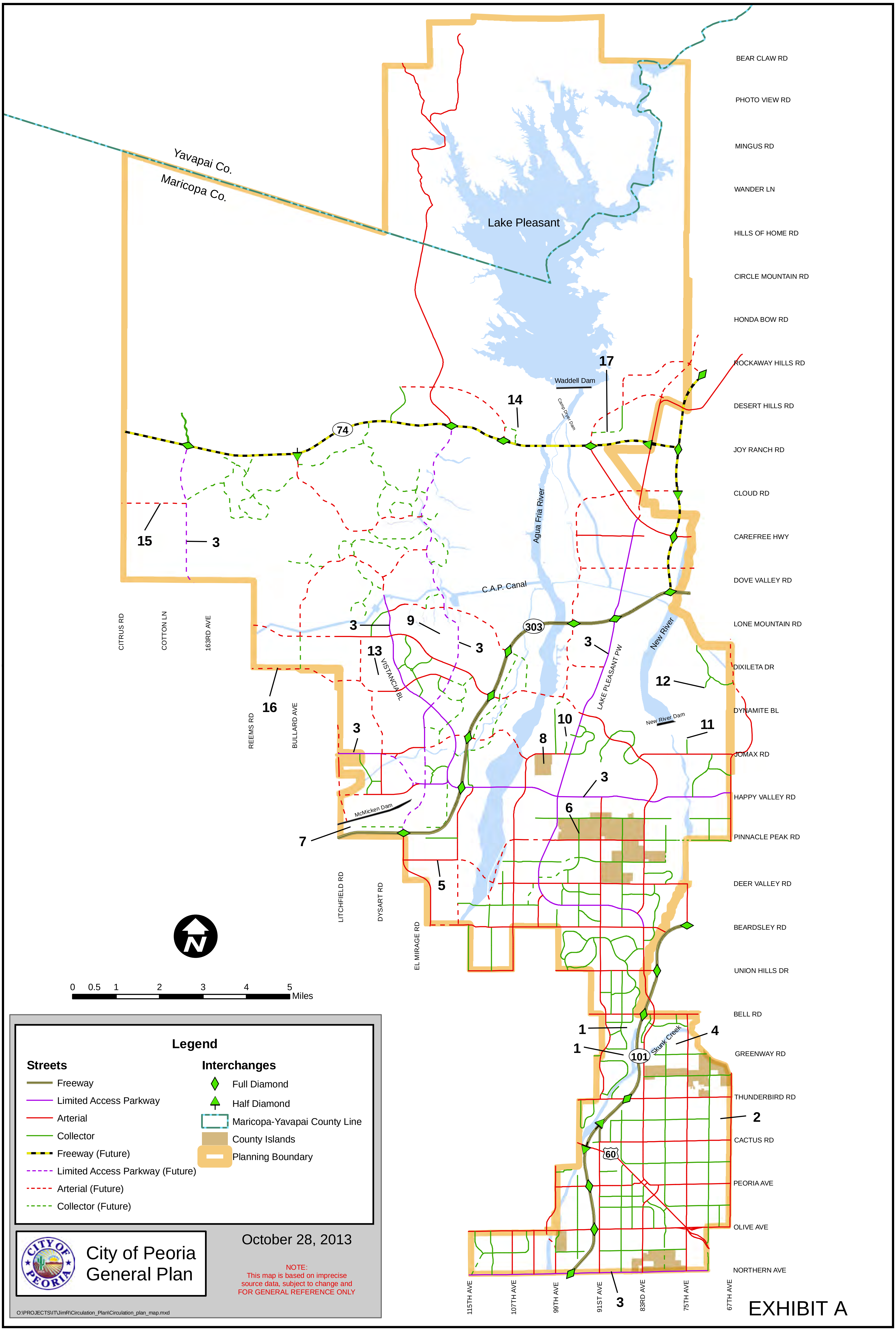
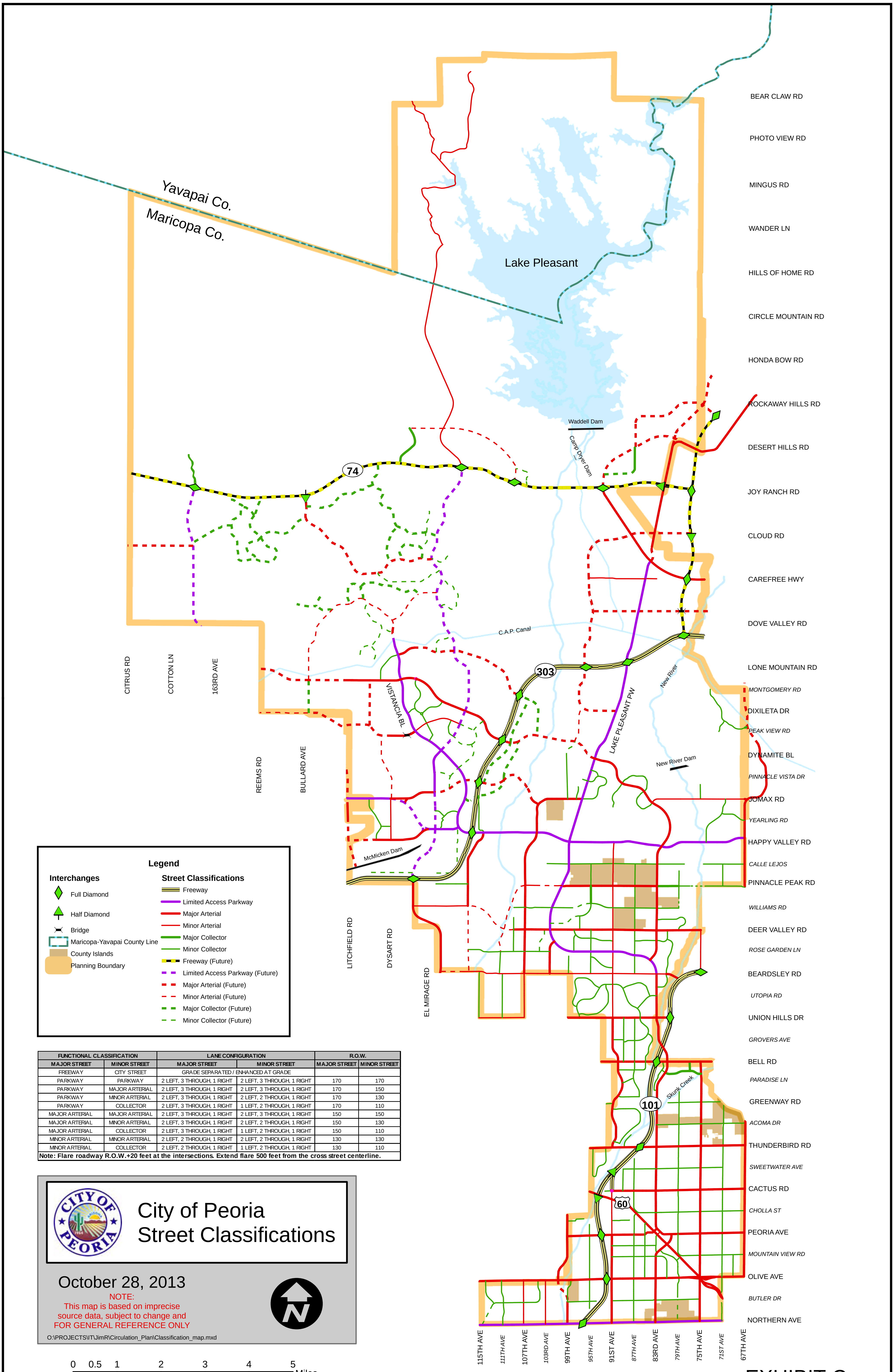


Figure 3.1 - Circulation Plan

EXHIBIT B

Summary of 2013 Circulation Map Changes

ITEM	DESCRIPTION	JUSTIFICATION
1	Terminate the line work for 87th Avenue, at Tumblewood Drive. Terminate the line work for Paradise Lane at 87th Ave. Those pieces of roadway are considered Local Streets.	Change line work on map to match count termini. The map depicted small portions of roadway that are now considered Local Streets and are not shown on this map.
2	Remove the line work depicting Sweetwater Avenue, at 69th Ave. Downgrade this link from Major Collector to Local Street.	Change line work on map to match count termini. Reclassify due to low volumes, >200 vehicles per day.
3	Add "Limited Access Parkway" category for Limited Access Facilities. Delineate Parkways as a separate category on the map. Add 167th Rd to list of Limited Access Parkways.	The following facilities are identified as limited access in the Circulation Element: Northern Parkway from 71st Ave to 115th Ave. Happy Valley Road form 67th Ave then following Jomax Rd alignment to Litchfield Rd., El Mirage Road from Loop 303 to SR 74, Lake Pleasant Parkway, Vistancia Blvd. and should be identified as such per Policy 1.D.1.
4	Reclassify Tierra Buena Ln from 75th - 79th Ave from a Major Collector to a Local Street.	This link has never been counted and is only a half street. Currently categorized as a Major Collector, downgrade the functional class to a Local Street.
5	Add Williams Dr from El Mirage to 115th Ave as 5 lane Minor Arterial.	To correspond to MCDOT project information. See Deer Valley Rd Design Concept Report.
6	Change 95th Ave from Pinnacle Peak Rd - Calle Lejos from Minor Arterial to Minor Collector.	This is a county road. Change the Functional Class to correspond to Maricopa County's classification.
7	Change Happy Valley Pw and Litchfield Road alignments	AZDOT Removed the proposed Litchfield Rd SR 303 interchange.
8	Correct Functional Class of 102nd Ave from Yearling Rd to Jomax Rd. and all roads depicted on the Circulation Map that reside within County Islands.	Verify and coordinate Functional Classes with County.
9	Remove Blackstone Drive as a Minor Collector on the map.	This is a private gated roadway.
10	Remove Buckhorn Tr and Pleasant Valley Drive as Major Collector on the map.	This is a private gated roadway.
11	Terminate the Minor Collector line depicting 75th Ave from Jomax Road to end of pavement.	The remaining portion of this road should be designated as a local street.
12	Terminate line work of Chalfen Bl at 71st Ave.	Private road.
13	Remove Trilogy Blvd and Blue Sky Dr from the map.	This is a private gated roadway.
14	Change Estates at Lakeside Drive roadway from Major Collector and Minor Arterial to Minor Collector.	Low volumes, short link.
15	Add future arterial from 163rd Rd to Surprise City Limit at Cloud Road alignment.	Correspond to City of Surprise proposed roadway network.
16	Match roadways to Surprise at the City Limits	Coordination between cities.
17	Correct the proposed alignment of 87th Avenue.	Updating and correlating City documents.
18	Match all functional classifications with the Street Classification Map.	Updating and correlating City documents. Consolidate the two separate GIS databases into one in order to correlate the two maps.



FUNCTIONAL CLASSIFICATION		LANE CONFIGURATION		R.O.W.	
MAJOR STREET	MINOR STREET	MAJOR STREET	MINOR STREET	MAJOR STREET	MINOR STREET
FREEWAY	CITY STREET	GRADE SEPARATED / ENHANCED AT GRADE			
PARKWAY	PARKWAY	2 LEFT, 3 THROUGH, 1 RIGHT	2 LEFT, 3 THROUGH, 1 RIGHT	170	170
PARKWAY	MAJOR ARTERIAL	2 LEFT, 3 THROUGH, 1 RIGHT	2 LEFT, 3 THROUGH, 1 RIGHT	170	150
PARKWAY	MINOR ARTERIAL	2 LEFT, 3 THROUGH, 1 RIGHT	2 LEFT, 2 THROUGH, 1 RIGHT	170	130
PARKWAY	COLLECTOR	2 LEFT, 3 THROUGH, 1 RIGHT	1 LEFT, 2 THROUGH, 1 RIGHT	170	110
MAJOR ARTERIAL	MAJOR ARTERIAL	2 LEFT, 3 THROUGH, 1 RIGHT	2 LEFT, 3 THROUGH, 1 RIGHT	150	150
MAJOR ARTERIAL	MINOR ARTERIAL	2 LEFT, 3 THROUGH, 1 RIGHT	2 LEFT, 2 THROUGH, 1 RIGHT	150	130
MAJOR ARTERIAL	COLLECTOR	2 LEFT, 3 THROUGH, 1 RIGHT	1 LEFT, 2 THROUGH, 1 RIGHT	150	110
MINOR ARTERIAL	MINOR ARTERIAL	2 LEFT, 2 THROUGH, 1 RIGHT	2 LEFT, 2 THROUGH, 1 RIGHT	130	130
MINOR ARTERIAL	COLLECTOR	2 LEFT, 2 THROUGH, 1 RIGHT	1 LEFT, 2 THROUGH, 1 RIGHT	130	110

Note: Flare roadway R.O.W.+20 feet at the intersections. Extend flare 500 feet from the cross street centerline.

City of Peoria Street Classifications

October 28, 2013

NOTE:
This map is based on imprecise source data, subject to change and FOR GENERAL REFERENCE ONLY

O:\PROJECTS\IT\JimR\Circulation_Plan\Classification_map.mxd

3. CIRCULATION ELEMENT

The City of Peoria understands that the city requires a transportation system that meets the ~~Meeting the~~ transportation needs of ~~residents~~all ~~,~~ residents, visitors and businesses in both existing and future areas. The Circulation Element provides the layout of a balanced, ~~calls for~~ comprehensive transportation system within the city's planning area. This transportation system strives to develop a ~~-~~multi-modal system that serves both local and regional travel needs that is dependable, safe, efficient and aesthetically pleasing while offering users choices in routes and modes of travel. ~~and forward-looking solutions and recognition that the transportation system must integrate multi-modal opportunities to reduce reliance on the automobile. The Circulation Element provides a policy framework for improving this system. Although it is intended to guide decisions over the life of this Plan (10-year horizon), Peoria must continue to make long-term plans and lay the groundwork for the distant future and its ultimate build-out. The City must develop transportation systems that serve local and regional travel and make infrastructure investments that will lead to a truly integrated system.~~The Circulation Element provides a policy framework for improving this system and provides the layout for its ultimate build-out.

The Circulation Element is organized in the following manner:

- 3.a. Introduction
- 3.b. Goals, Objectives and Policies
- 3.c. Circulation Plan

3.A. INTRODUCTION

The Circulation Element outlines the necessary transportation system components to serve the future needs of residents and visitors of the City and its planning area. The element utilizes the policy framework along with the Circulation Plan Map to depict and identify implementation measures to realize this system.

The goals, objectives and policies contained within this element will provide guidance for future recommendations on street, transit, commuter rail, bikeway and pedestrian transportation system improvements. The projected population forecasts suggest that upgrades and expanded multi-modal opportunities are critical components in the City's circulation system. The recommendations will assist the City Council and staff in decision-making on future development and redevelopment activities. The following is a discussion on the implementation tools used for this element.

The Circulation Plan Map (Figure 3-1), is a planning tool used to portray and define the ~~existing and~~ envisioned roadway transportation network. ~~of the future.~~ This network represents the system of streets ~~both the functional and locational criteria desired by citizens and City staff~~ to provide transportation mobility and ~~quality~~ access to existing and future residential, recreation, and economic uses throughout the City. The city also maintains a consistent Street Classification Map, which identifies

~~The Street Classification map is both a planning and engineering tool that identifies~~ specific functional classification of ~~a~~ roadways along with the ~~road widths,~~ number of lanes, future right-of-way needs, and intersection configurations for major ~~each collector and arterial r~~roadways in the c~~C~~ity. ~~The Street Classification map is the product of a highly sophisticated traffic simulation model utilizing the build-out density of the Land Use Plan and the identified Circulation Plan.~~ The Circulation Plan and Street Classification Map ~~traffic model~~ work together to identify ~~ies~~ the future roadway capacity needed to maintain an acceptable level of mobility in the City.

The Multi-Modal Transportation Master Plan uses the Circulation Plan Map as a base to create Transit maps that depict existing and future Bus Routes (Line and Express), along with Commuter Rail alternatives. It also depicts possible transit centers, park and ride lots as well as outlining a hierarchy of different transit stops to account for different purposes and passenger volumes.

3.B. GOALS, OBJECTIVES AND POLICIES

The following goals, objectives and policies provide the guidance for implementing the Circulation Plan and the subsequent completion of a consistent Street Classification tool.

GOAL 1:	**PROVIDE FOR A MULTI-MODAL TRANSPORTATION SYSTEM THAT WILL SERVE ALL MEMBERS OF THE COMMUNITY AND REGION IN A SAFE, EFFICIENT, DEPENDABLE~~SUSTAINABLE~~, COST EFFECTIVE AND AESTHETIC MANNER WHILE MINIMIZING ADVERSE IMPACTS TO NEIGHBORHOODS, BUSINESSES, AND THE NATURAL ENVIRONMENT.**

Objective 1.A:
Develop a sustainable transportation system within Peoria that is compatible with and designed to compliment, the existing and proposed land uses as provided in the Land Use Plan, without diminishing the efficient movement of all users, all modes, ~~people,~~ goods and services.

Policy 1.A.1:
Maintain a detailed Street Classification map which further defines functional classification into major and minor categories, identifies ~~future freeway, arterial and collector right-of-way (ROW),~~ ROW width, typical street cross-sections and intersection type~~functional classification~~. The map is ~~shall be~~ consistent with the General Plan Circulation ~~Plan~~ Map.

Policy 1.A.2:
Encourage land development patterns that efficiently integrate transportation and housing and foster social equity in affordable transportation options. P~~p~~romote the operational efficiency of the existing and future transportation system to reduce negative impacts on public health by improving roadway user traffic safety, improving air quality, promoting physical activity, fitness and increasing community cohesion.

Policy 1.A.3:
Require conveyance of right-of-way and the design and improvement of arterials and collectors consistent with the City's Street Classification and Transit maps.

Policy 1.A.4:
Require that all developments substantially meet the following criteria:

a) Development shall be located or designed in a manner that will not inhibit or impair future improvement of the transportation system.
b) Dedications of land may be required to implement the adopted Circulation Plan, Street Classification and Transit maps.
c) Residences should be located away and buffered from major arterial intersections.
d) Developments shall be designed and located so that access requirements and traffic generation characteristics do not impair the safety and maintenance of the transportation system.

e) Direct access to arterial streets from individual parcels shall be discouraged. Access will be controlled through the use of median-divided arterials, frontage roads and background collector streets and vehicle non-access easements.
f) The number of driveways on arterial streets shall be limited to improve traffic flow and safety.
g) A uniform spacing pattern of all new driveways and median breaks shall be required to simplify timing to support progression for traffic signals.
h) Intersections with arterial streets should be minimized; they should be limited to intersections with other arterials, collectors and major driveways/access roads.
i) Provisions should be made for safe pedestrian and bicycle crossings of collector, arterial or key intersections where high vehicular, pedestrian and bicycle traffic volumes are common or anticipated.
j) The City should encourage and support the development of a multi-modal path and trail network as alternative safe routes that connect with adjacent regional networks.

Policy 1.A.5:

Require the provision of parking facilities in a manner that will support the economic vitality of the land uses served, by ensuring that:

a) Off-street parking facilities are designed and located to minimize disruption and inconvenience to adjacent properties and streets.
b) Large parking areas are developed with screen walls or landscaped perimeter planting strips, bays and islands to provide shade and visual screening from direct traffic flow and high speed travel areas.
c) Adequate lighting is provided to minimize safety hazards.

Policy 1.A.6:

Promote the construction of new street system segments in coordination with its adopted Land Use Plan, Growth Areas, Transit and Rail maps, Street Classification map and Capital Improvement Program (CIP).

Policy 1.A.7:

Monitor the condition and use of all existing streets, and maintain these streets, as required, on a regular phased basis.

Policy 1.A.8:

Conduct an assessment that identifies bus stop, street improvement projects, estimates costs, establishes timing and identifies revenue sources to implement the projects in the CIP on an annual basis.

Policy 1.A.9:

Coordinate its efforts in transportation, transit, commuter rail and major roadway capital improvements programming with the Arizona Department of Transportation (ADOT), Maricopa County Department of Transportation (MCDOT), Maricopa Association of Governments (MAG), and the Regional Public Transit Authority (RPTA) to ensure timely provision of required transportation improvements.

Policy 1.A.10:

Develop designated routes for heavy use such as freight traffic and heavily utilized regional highways. These include Roads of Regional Significance (RRS), State Routes, freeways and City major arterial roadways.

Objective 1.B:

Provide for the functional needs of the City's transportation system by addressing urban, suburban, and rural conditions.

Policy 1.B.1:

Maintain a hierarchy of arterials, collectors and transit service levels based principally upon:

a) Existing one-mile grid system in urban areas.
b) Identified major and minor arterials and collectors in suburban and rural areas.
c) Land management regulations to maintain the established hierarchy.

Policy 1.B.2:

Require that new transportation facilities are developed as necessary to support the planned incremental population and economic growth of Peoria and designed to their planned function to provide for all modes of transportation.

Policy 1.B.3:

Ensure that as the City grows, it will be prepared to design and employ traffic control and access management measures to ensure that roadways function as intended.

Policy 1.B.4:

Expand our transportation networks in ways that offer competitive travel choices for people and goods, promote clean energy and enable us to respond quickly to disasters and emergencies.

Objective 1.C:

Develop neighborhood street (local) patterns and circulation systems which preserve neighborhood integrity and serve local traffic and discourages non-local or cut-through traffic.

Policy 1.C.1:

Approve the design and construction of local ~~and~~ /residential and -collector streets that contribute to the residential environment and minimize cut-through traffic and speeding and provide alternatives to automobile mobility.

Policy 1.C.2:

a) Ensure that residential areas have convenient access to local and collector roadways that connect to arterial streets. Residential developments may be permitted access to arterial roadways contingent on a site plan review that assesses the size of the development, daily trips generated, and impact on the functional integrity of the arterial roadway.
b) Connections to the arterial grid system should not result in a negative impact to the functional integrity of the roadway or in a manner that would reduce safety and mobility.
c) Connections to the arterial system should be safe and convenient and assist residents in accessing bus and/or rail routes and facilities.

Policy 1.C.3:

Discourage private streets unless the Peoria City Council determines that the streets meet the adopted standards and that the benefit to the City exceeds the liability. Any private street permitted must meet all access and connectivity standards established by the City.

Objective 1.D:

Develop and maintain ~~certain~~ limited-access ~~or controlled-access roadways~~ parkways throughout Peoria.

Policy 1.D.1:

Maintain ~~Lake Pleasant Parkway, Happy Valley Road/Parkway, El Mirage Road~~ ~~Northern Parkway~~ ~~and Vistancia Boulevard as~~ L~~l~~imited-A~~a~~ccess ~~arterial roadways~~ Parkways as defined on the Circulation Map.

Policy 3.1.D.2:

Enforce the goals and objectives of the State Route 74 Access Management Plan.

Policy 1.D.3:

Enforce the goals and objectives of the Northern Parkway design concept report.

Objective 1.E:
Develop a comprehensive, coordinated, sustainable, efficient and continuous multi-modal transportation system.

Policy 1.E.1:
Continually monitor, evaluate and update the adopted Trails Master Plan. The alternative modes identified in the Trails Master Plan should be consistent with emerging development patterns, and respond to opportunities presented, particularly in north Peoria.

Policy 1.E.2:
Continually monitor, evaluate, and update a city-wide Bicycle Development Plan.

Policy 1.E.3:
Develop a safe and convenient network of sidewalks, crossings, and paths for walking and bicycling that provide connections between schools, recreation facilities, residential areas, transit stops and business centers.

Policy 1.E.4:
Design, construct and revise culvert and bridge details as needed to allow for safe pedestrian/bicycle crossings.

Policy 1.E.5:
Work with the adjacent jurisdictions, Flood Control District of Maricopa County, Maricopa County, and the Maricopa Association of Governments (MAG) to ensure bicycle and pedestrian network continuity at municipal boundaries.

Policy 1.E.6:
Implement ~~a~~ the concepts of Complete Streets ~~process~~ to accommodate multi-modal transportation needs when designing and building all new streets and when improving existing street, using the most current MAG Complete Streets Guide as reference.

Objective 1.F:
Efficiently expand Peoria's transit and express route system and commuter rail access points as an attractive and convenient alternative for Peoria's residents, workforce and visitors.

Policy 1.F.1:
Plan and adopt both short, mid and long-term local and express route transit services.

Policy 1.F.2:
Seek to increase the frequency and service area of transit services.

Policy 1.F.3:
Seek express route service at strategic City locations to major employment centers.

Policy 1.F.4:
Partner with MAG and ADOT in the development of a commuter rail access plan along the BNSF railroad corridor.

Objective 1.G:
Provide for the existing and future linkage of bicycle, pedestrian and automobile traffic with existing and future public transit, and commuter rail systems and facilities.

Policy 1.G.1:
Coordinate with the Regional Public Transportation Authority (RPTA) to develop passenger transit and Park-and-Ride facilities at selected locations in commuter corridors.

Policy 1.G.2:
Encourage site planning and transit-oriented design and land uses around future express route, and commuter rail transit centers to emphasize the ease and safety of pedestrian circulation and orientation of compatible and mutually supportive uses.

Policy 1.G.3:
Include sidewalks, bus pullout bays and transit shelters within future development located along designated commuter corridors and transit routes.

Policy 1.G.4:
Establish transit-oriented and rail-oriented development regulations, guidelines and incentives to provide land uses and improvements around future transit and rail centers that facilitate and encourage ridership.

3.C. CIRCULATION PLAN

The multi-modal transportation system for Peoria should be well maintained and improved to accommodate the existing needs and long-range objectives for growth, revitalization and redevelopment. Each component of the Circulation Element achieves a wide range of objectives which, when combined into a comprehensive network, allow for the satisfaction of a variety of travel demands throughout the City.

To address each of the identified issues, a functional classification system establishing a hierarchy of streets required ~~has been prepared~~ to meet the needs of the designated land uses and functional circulation components. The functional classification system addresses both urban and rural conditions (based on the character of the recommended land use pattern) and provides for the comprehensive needs for all citizens whether they are driving a car to work, riding a bus to the store, riding a bicycle to school or walking to the neighborhood park.

In general, the primary purpose of roadway classifications is to:

- Establish a logical, integrated system for each jurisdiction,
- Relate geometric traffic control and other design standards to the roadways in each classification,
- Establish a basis for developing long-range programs, improvement priorities and fiscal plans, and
- Define the relationship between accessibility and mobility on existing and planned roadways.

The functional classification characteristics describe the service performed, typical trip lengths, access spacing and continuity of the Peoria roadway system. For transportation system planning, as well as specific design purposes, roadways are most effectively classified by function.

Roadways have two basic functions:

- To provide mobility from point to point, and
- To provide access to adjacent land uses.

From a design standpoint, these two functions are incompatible. For property access with ingress and egress, low speeds are desirable, usually accompanied by inconsistent flows with a large number of turning movements. Mobility demands higher speeds and uniform flows with limited turning movement interference. The City of Peoria ~~supports (~~encourages~~)~~ th~~a~~e balance between mobility and access and places an emphasis on all modes of transportation ~~and on~~ for the enhancement of ~~-~~overall quality of the transportation ~~experience~~ system.

FUNCTIONAL CLASSIFICATION

In the City of Peoria, ~~five~~ the following functional categories are used to classify roadways. These categories are:

- Freeway,
- Limited Access Parkway,
- Major Arterial,
- Minor Arterial,
- Major Collector,
- Minor Collector,
- Local, and
- Rural.

These categories comprise the hierarchy of functional classification of roadways ~~-classes~~ in Peoria and relate directly to the different types and lengths of generated trips as well as access needs. Travel demand determines these characteristics.

Freeway is a major highway that provides for the expeditious movement of large volumes of through traffic and has full access control via interchanges only. All roadways classified as Freeways are under the jurisdiction of the Arizona Department of Transportation.

Limited Access Parkway is a major arterial that serves high volumes of traffic traveling relatively long distances and is managed to reduce conflict between through traffic and traffic entering, leaving and crossing the facility. By limiting access to intersections and interchanges, Limited Access Parkways regulate and control the spacing and design of driveways, medians, median openings, traffic signals and intersections to improve safe and efficient through traffic flow. Limited Access Parkways typically have up to three lanes in each direction.

Major Arterial is a roadway that is of regional importance and is intended to serve high volumes of traffic traveling relatively long distances. A major arterial is intended primarily to serve through traffic, ~~and~~ service to abutting land is limited and access is controlled. Opposing traffic flows are often separated by a raised medium. Major arterials typically have up to three lanes in each direction.

Minor Arterial is a roadway that is similar in function to major arterials, but operated under lower traffic volumes, serves trips of shorter distances, and provides a higher degree of property access than major arterials. Opposing traffic flows are often separated by a raised medium. Minor arterials typically have two lanes in each direction.

Major Collector is a roadway that provides for traffic movement between arterials and local streets and carries moderate traffic volumes over moderate distances (less than 3 miles). Provides direct access to abutting land and has some access control through spacing and location of driveways and intersections. Opposing traffic flows are ~~generally~~generally s~~uns~~eparated by~~ut may have~~ a continuous left turn lane. Major collectors normally have two lanes in each direction.

Minor Collector is a roadway that is similar in function to a major collector, but carries lower traffic volumes at lower speeds over shorter distances (less than 3 miles) and has a higher degree of property access. Minor collectors normally have one lane in each direction.

Local is a roadway that is intended to provide access to abutting properties, tends to accommodate lower traffic volumes at lower speeds, serves short trips, and provides connection to collector streets.

Rural is the same as local, just in a rural setting versus an urban or suburban setting for local.

Roadway function establishes the design characteristics and type of transportation service provided, which is related to the degree of access control. Increasing access control allows traffic to travel at higher speeds in a more uniform manner. Table 3-1, *Functional Classification System,* illustrates the relationship between roadway categories, primary function and degree of access control.

In addition to the ability of each classification to satisfy various travel demands, facility spacing, continuity and access control mechanisms are key distinguishing features of the functional system. Table 3-1 documents important characteristics of each functional class.

TABLE 3-1 -- Functional Classification System

Roadway Category	Primary Function	Degree of Private Access Control
Freeway	Mobility	Very High (at interchanges only)
Limited Access Parkway	Mobility	Very High
Major Arterial	Mobility	High
Minor Arterial	Mobility	~~High~~ Moderate
Major Collector	Mobility and Accessibility	Moderate
Minor Collector	Transition	Moderate
Local	Accessibility	Low

SOURCE: TRB ACCESS MANAGEMENT MANUAL

The ~~three~~ four major Functional Classifications, Freeway, Limited Access Parkway, Arterial, and Collectors, are illustrated on Figure 3-1, *Circulation Plan*. The City also maintains a Street Classification Map, which identifies ~~recommended right-of-way widths, numbers of lanes,~~ intersection configurations along with differentiating between the major and minor categories of Arterial and Collector streets as defined in Table 3-1.

The Major Arterial system should carry the major portion of trips entering and leaving the urban area, as well as the majority of through movements desiring to bypass major City centers. In addition, significant internal travel between commercial business districts and outlying residential areas, between older mature communities and between suburban centers should be served by this classification of roadway.

- ~~Lake Pleasant Parkway currently serves as a Major Arterial connecting to Carefree Highway (State Route 74).~~
- Loop 303 provides a regional freeway route complementing Loop 101.
- ~~In accordance with the Regional Transportation Plan, t~~The following will ~~also~~ serve as ~~Major Arterials~~ Limited Access Parkways and will maintain access control as outlined within this section:
  - Northern ~~Parkway~~ Avenue, from 71st Avenue to 115th Avenue,
  - Happy Valley Road/Parkway, from 67th Avenue to Litchfield Road, and
  - El Mirage Road, from Loop 303 to State Route 74.
  - Vistancia Blvd. from Happy Valley Road to ~~Twin Buttes Road~~ the CAP
  - Lake Pleasant Parkway from Beardsley Road to Carefree Highway (SR 74)

Because of the nature of the traffic volumes served by the Major Arterial system, all fully controlled access facilities will be part of this functional classification. Design types that are often included under the Major Arterial system are Limited Access Parkways ~~Controlled Roadways~~ (e.g., Lake Pleasant Parkway).

The distance between Major Arterials will depend upon the developed densities/intensities of particular portions of the urban and suburban areas. The spacing of Major Arterials may vary from less than two miles in highly developed central business areas to five miles or more in undeveloped areas in the north. The addition of the ~~seven~~ eight interchanges on Loop 303 within the planning area will also directly impact the Major Arterial system.

For Major Arterials, service to abutting land is secondary to the provision of service for major traffic movements. It should be noted that only partially controlled access facilities are capable of providing any direct access to land, and such service should be incidental to the primary functional responsibility of mobility.

The Minor Arterial street system for the City of Peoria should interconnect and augment the Major Arterial system to provide service trips of moderate length and a somewhat lower level of travel mobility than principal arterials. This system also distributes travel to geographic areas smaller than those identified in the Major Arterial system, and provides north-south and east-west continuity within the City.

The Minor Arterial system includes facilities that allow more land access than the Major Arterial system, at a lower level of traffic mobility. Such facilities provide inter-community continuity, but ideally should not penetrate identifiable neighborhoods. Because of the potential destination type land uses that has a high multi-modal (pedestrian and bicycle) destination and located near the Arterial system, additional specific area access plans may be required as the development of the area adjacent to the Arterial occurs.

The spacing of Major and Minor Arterial streets may vary from half mile to one mile in central commercial areas, but may be more than two to three miles elsewhere in the City, based on physical barriers. In the central and southern portions of the City, the Major and Minor arterial streets are usually located along and within the section-line grid system.

The Major and Minor Collector street system differs from the Major and Minor Arterial system by penetrating neighborhoods and distributing trips from the Arterial system to the ultimate destination, which may be on a Local or Collector street. In some cases, because of the design of the street system, through traffic may be carried on some Collector streets. The Collector system provides land access and local traffic movement within commercial and industrial areas and to residential neighborhoods.

The Local street system comprises all facilities that are not included within the higher classification systems. This system provides direct access to abutting land and access to the higher roadway systems with minimal through traffic movement. On-street parking is generally permitted on local streets, unless otherwise posted.

TRANSIT AND RAIL PLAN

The City recognizes that the transportation systems must integrate multi-modal opportunities to reduce reliance on the automobile. The Multi-Modal Transportation Plan is the City's guiding document for future transit services within Peoria. The Transportation Plan includes maps, which indicate the current and proposed line bus routes, commuter rail corridor and potential stations, potential park and ride, and transit station sites.

Light Rail and High Capacity Transit (HCT) options currently are not depicted in the plan as our land uses do not support them. Should future land uses change to justify HCT, the Transit/Rail Plan should be amended to reflect the new routes.

The Master Plan also creates new standards for transit stops within Peoria. These standards outline a hierarchy of different stops to account for different purposes and passenger volumes, and identify amenities to be provided at each type. In addition, the Plan outlines a process for incorporating art into bus stops to make them more attractive, improve the character of the surrounding areas and to help the city create unique identities for specific areas. In general, bus stops for local line routes should be located every quarter mile or at locations that have high potential use. All high use stops shall have pull-out bays.

BIKEWAYS, TRAILS AND PEDESTRIAN CIRCULATION

The street system illustrated on Figure 3-1, *Circulation Plan,* includes Collector, Arterial and Freeways streets. The City also maintains a Street Classification Map System which differentiates between Major and Minor Collectors, Major and Minor Arterials, and Freeways. The City's Parks, Recreation, Open Space, and Trails (PROST) Master Plan establishes corridors that have the potential to become the recreational "spines" of the City and provide significant transportation benefits. The Trails Vision is significant relating to recreation, transportation and civic pride. It states:

> *"We envision a City with an inter-linked trails network from Lake Pleasant to Northern Avenue that includes connections to other trails outside Peoria. The trails network has been developed to transition from the natural environment that exists in the northern region of the City to an urbanized character through the developed City. The network of trails provides a safe, non-motorized pathway system for diverse user groups as well as public safety and emergency personnel. The trail system was implemented through a public/private partnership and invites all trail users to enjoy the outdoors and the high quality of life in the City. The system relies on a dedicated group of Peoria private citizens for assistance with ongoing improvements, surveillance and maintenance."*

The Trails Plan identifies four types of system categories. They include:

- **On-Street Bicycle Routes** that consist of designated and non-designated on-street bicycle lanes that serve as on-street connectors to other bicycle facilities and multi-use paths and trails. Standards for on-street bicycle lanes are identified on the City's Street Classification Map.
- **Paved Multi-Use Paths** that consist of a paved off-street facility used by multiple user groups such as bicyclists, walkers, runners, hikers, strollers, in-line skaters, skateboarders, and others.
- **Unpaved Multi-Use Trails** that consist of an unpaved off-street facility used by multiple user groups such as mountain bicyclists, walkers, runners, hikers, equestrians and others.
- **Equestrian Trail** that consists of an unpaved off-street facility designated only for equestrian use that may connect to paved or unpaved multi-use trails.

Each of the trail elements are desired to be integrated into residential areas, City parks, and major activity centers creating a network promoting bicycling, recreational activities, and non-vehicular circulation access. Residential developers are encouraged to develop spur and through trails to neighborhood parks, schools, and business centers. Commercial development is encouraged to develop trail access that minimizes conflict between motorists, pedestrians and cyclists and provide pedestrian amenities such as bike storage racks, water faucets, pedestrian shade structures and benches.

The Bicycle Development Plan is a supplement to the PROST Master Plan by addressing the on-street network of bicycle lanes and bicycle routes, with a goal of establishing a network of bicycle facilities on all collector and arterial roadways.

FIGURE 3-1
CIRCULATION ~~PLAN~~MAP

SURPRISE
ARIZONA

Community & Economic Development Department
16000 N. Civic Center Plaza
Surprise, AZ 85374
Ph 623-222-3154
Fax: 623-222-3001
TTY: 623-222-1002

Date: July 30, 2013

To: **Stacey Bridge-Denzak, RLA**
City of Peoria
Planning & Community Development
9875 N. 85th Avenue
Peoria, AZ 85345

From: **Stephen S. Chang, AICP**
City of Surprise
16000 North Civic Center Plaza
Surprise, AZ 85374

Re: Comments on the Amendments to the Peoria General Plan

Dear Ms. Bridge-Denzak;

Thank you for the opportunity to comment on the Amendments to the Peoria General Plan Circulation Element. The City of Surprise provides the following questions and comments for your consideration.

1. The City of Surprise reviewed the Major General Plan Amendment for the Trilogy West development and has no comments.
2. Circulation Element Page 3-9, 2nd bullet, last sub-bullet: text refers to Lake Pleasant Parkway as a Limited Access Parkway from Beardsley Road to Carefree Highway (SR 74); however, Circulation Plan shows that Lake Pleasant Parkway as an Arterial north of SR 303L.
3. Circulation Element Page 3-9, Last full paragraph: "The addition of the *seven* interchanges on Loop 303…." Please specify which seven interchanges are new. The prior version of the Circulation Plan shows the same number of interchanges (9) on Loop 303. There are currently three interchanges on Loop 303: Happy Valley Parkway, Lone Mountain Road, and Lake Pleasant Parkway.
4. Summary of 2013 Circulation Map Changes, Item 11: Happy Valley Parkway and Litchfield Road alignments now match City of Surprise roadway alignments.
5. Summary of 2013 Circulation Map Changes, Item 19: Future arterial from 163rd Avenue to Surprise/Peoria city limit now matches City of Surprise proposed roadway network.
6. Circulation Plan – 2013 DRAFT: Northern Ave should be relabeled Northern *Parkway*.
7. Circulation Plan – 2013 DRAFT: Pleasant Harbor Parkway north of Desert Hills Road alignment is labeled as both an existing Collector and a future Arterial. Should it have only one designation?
8. Circulation Plan – 2013 DRAFT: Happy Valley Parkway across the Agua Fria River is labeled Item "5". Should it be labeled Item "4", according to the Summary of 2013 Circulation Map Changes?

9. Circulation Plan – 2013 DRAFT: Union Hills Drive west of 107th Avenue was an Arterial, but is now removed from the 2013 Circulation Map without explanation. The adjacent portion of Union Hills Drive in the City of Surprise is a Minor Arterial.
10. Circulation Plan – 2013 DRAFT: The roadway from Bullard Road to the Surprise city limit (155th Ave alignment) on the Dove Valley Road alignment is missing. Dove Valley Road west of 155th Avenue forms the border between Surprise and Peoria and is classified as a Minor Arterial in the City of Surprise.

Thank you again for the opportunity to comment on the amendments to the General Plan Circulation Element. If you have any questions regarding these comments, please contact me at 623-222-3136.

Sincerely,

[redacted]

Stephen S. Chang
Senior Transportation Planner

CC: Jeff Mihelich, Assistant City Manager, City of Surprise

RESOLUTION NO. 2013-192

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA AMENDING THE CIRCULATION ELEMENT OF THE PEORIA GENERAL PLAN AND THE STREET CLASSIFICATION MAP FOR THE CITY OF PEORIA, ARIZONA; AND PROVIDING FOR SEPARABILITY AND AN EFFECTIVE DATE.

WHEREAS, the General Plan heretofore adopted by the City of Peoria, Arizona provides for periodic review and amendment;

WHEREAS, the City of Peoria is required to follow the procedures of A.R.S. 9-461.06 in adopting any amendments to the General Plan; and

WHEREAS, the City Engineer is to prepare the Street Classification Map for the City; and

WHEREAS, the Street Classification Map has also been amended and updated and is now directly linked to the General Plan Circulation Map by a GIS database; and

WHEREAS, the Peoria Planning and Zoning Commission, after due and proper notice as required by law, held public hearings regarding amendment number GPA 13-0005, on October 17, 2013 and November 7, 2013; and

WHEREAS, after such public hearing and consideration of GPA 13-0005, the Peoria Planning and Zoning Commission recommended adoption of GPA 13-0005 on November 3, 2013, a copy of which recommendation is on file with the City Clerk of the City of Peoria, Arizona, and which said case number GPA 13-0005 was transmitted to the Mayor and Council of the City of Peoria prior to the meeting of December 10, 2013; and

WHEREAS, after notice in the manner and form provided by law, a public hearing regarding case number GPA 13-0005 was held by the City Council on December 6, 2013, as required by A.R.S. 9-461.06; and

WHEREAS, after due and proper consideration of such GPA 13-0005, the Mayor and Council of the City of Peoria, Arizona have found that GPA 13-0005 will properly aid in the orderly growth and development of the City of Peoria, Arizona.

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

SECTION 1. Amendments to the Peoria General Plan

The City Council of the City of Peoria, Arizona, does hereby accept and adopt amendment number GPA 13-0005 amending text of the Circulation Element of the Peoria General Plan, which includes the Circulation Plan Map, as shown in Exhibit A.

SECTION 2. Separability.

In the event any part, portion or paragraph of this Resolution is found to be invalid by any court of competent jurisdiction, the invalidity of such part, portion, or paragraph shall not affect any other valid part, portion, or paragraph of this Resolution and effectiveness thereof;

SECTION 3. This Resolution shall become effective in the manner provided by law.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Maricopa County, Arizona this 10th day of December, 2013.

Bob Barrett, Mayor

ATTEST:

Rhonda Germinsky, City Clerk

APPROVED AS TO FORM:

Stephen M. Kemp, City Attorney

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 7C

Date Prepared: November 21, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Chris Jacques, Planning and Community Development Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Intergovernmental Agreement, HOME Program**

Purpose:
This is a request for City Council to approve an Intergovernmental Agreement with Maricopa County governing the City's annual HOME Program grant allocation as a member of the Maricopa County HOME Consortium and authorize Staff to execute all required documents.

Background/Summary:
The U.S. Department of Housing and Urban Development (HUD) allows units of local government that are geographically contiguous to form a consortium for the purpose of participating in the HOME Investment Partnership Program (HOME) and receiving annual allocations of funds to further affordable housing projects. As allowed, the Cities of Avondale, Chandler, Glendale, Peoria, Scottsdale, Surprise and Tempe, the Town of Gilbert and the County of Maricopa collectively formed the Maricopa HOME Consortium (Consortium) with Maricopa County acting as the Lead Agency and HUD providing regulatory oversight.

The City already entered into an Intergovernmental Agreement with Maricopa County for the period of July 1, 2012 through June 30, 2015 for the purpose of continuing membership in the Consortium. HUD recently determined that each member of the Consortium must execute an annual Intergovernmental Agreement with the Lead Agency in order to receive their formula allocation of Consortium grant funds.

The City's allocation of HOME funds for Fiscal Year 2014 is $160,174. After recommendation by the Council Not-For-Profit Review and Housing Subcommittee, the City Council approved the funds to be used as follows:

Agency	Description	Funding
Habitat for Humanity Central Arizona	Construction of affordable housing and homebuyer assistance	$150,163
City of Peoria	Administration	$10,011
	Total	$160,174

Approval of the Intergovernmental Agreement will allow the City to administer the HOME Program grant as envisioned through the budget process.

Previous Actions:

June 4, 2013	Allocation approved with the City Council final budget adoption
May 21, 2013	Allocation approved with the City Council tentative budget adoption
April 4, 2013	Allocation recommended to City Council during the Planning and Community Development Budget Hearing
February 28, 2013	Allocation recommendation determined by the Council Not-For-Profit Review and Housing Subcommittee

Options:

A: Approve the Intergovernmental Agreement for the use of HOME funds for Fiscal Year 2014 and authorize Staff to executive all necessary documents.

B: Deny approval of the Intergovernmental Agreement and forfeit the City's annual allocation of HOME funds for Fiscal Year 2014.

Staff's Recommendation:

Staff recommends City Council approve the Intergovernmental Agreement with Maricopa County governing the City's annual HOME Program grant allocation as a member of the Maricopa County HOME Consortium and authorize Staff to execute all required documents.

Fiscal Analysis:

Expenditure authority for this request was approved with the Fiscal Year 2014 budget and exists in Fund 7100 Division 7150.

Narrative:

If approved, Staff will work with Maricopa County to execute all required documents and implement the HOME Program.

Exhibit(s):

Exhibit 1: Intergovernmental Agreement

Contact Name and Number:

Carin Imig, Neighborhood and Revitalization Manager, x7381

INTERGOVERNMENTAL AGREEMENT

for services between

MARICOPA COUNTY

Administered by its

Human Services Department

and

City of Peoria

Contract Amount: $160,174.00
Contract Start Date: July 1, 2013_
Contract Termination Date: Contract Term 24 months from Contract Start Date.
Contract Number: C-22-________
Program Number: ___________________
CFDA Number: 14.239, HOME Investment Partnership Program

County shall provide financial assistance in an amount up to One Hundred Sixty Thousand One Hundred Seventy-Four dollars ($160,174.00) subject to the terms of this Agreement and availability of funds. This Agreement price constitutes the County entire participation and obligation in the performance and completion of all work to be performed under this Agreement.

This Agreement is entered into by and between The City of Peoria a member of the HOME Consortium (hereinafter referred to as the "City and/or "Subrecipient"), and Maricopa County, administered by its Human Services Department, (hereinafter referred to as the "Lead Agency" and/or "County"). The Subrecipient and County are collectively referred to herein as the "Parties" and individually as a "Party."

The Subrecipient, for and in consideration of the covenants and conditions set forth in this Agreement, shall provide and perform the services set forth herein. All rights and obligations of the Parties shall be governed by the terms of this Agreement, its exhibits, attachments, and appendices, including any Subcontracts, Amendments, or Change Orders as set forth herein and in:

Section I – General Provisions – Contain uniform administrative requirements applicable to both Parties participating in the HOME Investment Partnerships (HOME) Program, which include, but are not limited to, definitions; non-discrimination and equal opportunity requirements; disclosure and retention requirements; and debarment, suspension, or ineligibility exclusions.

Section II – Special Provisions – Provides specific programmatic requirements upon the Subrecipient that are established by the HOME Program and applicable HUD regulations. This includes, but is not limited to, disposition of program income; financial record management; reporting requirements; and Subrecipient certifications.

Section III – Work Statement – The section contains, but is not limited to, a narrative of the project; a list of the tasks to be performed; established goals; performance measures; scheduling; budget; planned expenditures of income.

Section IV – Compensation – Contains provisions relating to compensation for Subrecipient, method of payment, terms of reimbursement, conditions-prior to the release of funds.

Subrecipient Representative: Carin Imig____________________ Phone: (623) 773-7381_____

____________________ E-mail:Carin.Imig@peoriaaz.gov______

Address: 9875 N. 85th Ave., Peoria, AZ 85345__________________________________

____

Lead Agency: Ursula Strephans__________________________ Phone: (602) 372-1526_____

____________________ E-mail: strephansu@mail.maricopa.gov___

Address: 234 N. Central Ave., Third Floor, Phoenix, AZ 85004_________________________

____

Notice under this Agreement shall be given by personal delivery or by registered or certified mail, postage prepaid and return receipt requested, to the persons at the addresses set forth above and shall be effective three (3) days after being mailed unless otherwise indicated in the notice.

This Agreement contains all the terms and conditions agreed to by the Parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any Party hereto. Nothing in this Agreement shall be construed as consent to any lawsuit or waiver of any defense in a lawsuit brought against the State of Arizona, County, or the Subrecipient in any State or federal court.

IN WITNESS THEREOF, the Parties have signed this Agreement:

Approved By: SUBRECIPIENT	Approved By: MARICOPA COUNTY (LEAD AGENCY)
____________________ Authorized Signature	____________________ Chairman, Board of Supervisors
____________________ DATE	____________________ DATE
Attested to:	Attested to:
____________________ City/Town Clerk	____________________ Clerk, Board of Supervisors
____________________ DATE	____________________ DATE

IN ACCORDANCE WITH A.R.S. §§ 11-952, 11-201, AND 11-251, THIS AGREEMENT HAS BEEN REVIEWED BY THE UNDERSIGNED DEPUTY COUNTY ATTORNEY**, AND, IN ACCORDANCE WITH A.R.S. § 11-952, THIS AGREEMENT HAS BEEN REVIEWED BY THE UNDERSIGNED ATTORNEY FOR SUBRECIPIENT ON BEHALF OF SUBRECIPIENT, AND, AS TO THEIR RESPECTIVE CLIENTS ONLY, EACH ATTORNEY** HAS DETERMINED THAT THIS AGREEMENT IS PROPER IN FORM AND WITHIN THE POWER AND AUTHORITY GRANTED UNDER THE LAWS OF THE STATE OF ARIZONA.

APPROVED AS TO FORM:	APPROVED AS TO FORM:
____________________ Attorney for the Subrecipient	____________________ Attorney for the Board of Supervisors
____________________ DATE	____________________ DATE

SECTION I

GENERAL PROVISIONS

Maricopa County

Human Services Department

A. <u>EFFECT</u>

To the extent that the Special Provisions are in conflict with the General Provisions, the Special Provisions shall control. To the extent that the Work Statement and the Special or General Provisions are in conflict, the Work Statement shall control. To the extent that the Compensation Provisions are in conflict with the General Provisions, Special Provisions or Work Statement, the Compensation Provisions shall control. Nothing herein shall operate to increase the Operating Budget without a written amendment thereto.

B. <u>DEFINITIONS</u>

As used throughout this Agreement, the following terms shall have the following meanings:

1. **Agreement** means this Contract for Services, which includes the General Provision, Special Provisions, Work Statement, Compensation, and all applicable attachments, exhibits, appendix, and any laws, rules, or regulations incorporated by reference.

2. **Assistant Director** means the Director of a specific Division within the Human Services Department.

3. **Board of Supervisors** means the Maricopa County Board of Supervisors.

4. **Contract Administrator** means the person administering this Agreement on behalf of the Department.

5. **Contract Specialist** means the liaison between the Department and the Subrecipient that is responsible for contract monitoring and technical assistance.

6. **County** means Maricopa County.

7. **Department** means the Maricopa County Human Services Department.

8. **Director** means the Director of the Maricopa County Human Services Department.

9. **Division** means a section of the Human Services Department.

10. **Fidelity Bond** means a bond to indemnify the Subrecipient against losses resulting from fraud or lack of integrity, honesty or fidelity of one or more employees, officers or other persons holding a position of trust.

11. **Intergovernmental Agreement** means an agreement entered between two or more public agencies for services, to jointly exercise any power common to them, or for joint or cooperative action to perform some or all of the services specified in their agreement as provided by A.R.S. § 11-952.

12. **Juvenile** means any person under the age of eighteen (18).

13. **Payment Bond** means a bond executed to assure payment as required by law of all persons performing work or providing materials in the execution of work provided in this Agreement.

14. **Performance Bond** means a bond executed to secure fulfillment of all of the Subrecipient's obligations under this Agreement.

15. **Program** means HOME subrecipients receive funds to carry out programs (e.g., downpayment assistance, homeowner rehabilitation, or tenant-based rental assistance

programs, etc.), and not to undertake specific projects. (Entities that carry out projects are generally owners, developers, or sponsors.) Work Statement include herein describe the Subrecipient programs to be administered.

16. **Program Manager** means the Assistant Director of a Division of Human Services.
17. **Projects** means HOME subrecipients that will commit home funds to projects in their jurisdictions.

18. **Provider** means any Subrecipient and/or Subrecipient providing services required by this Agreement.

19. **Public Agency** has the meaning prescribed by A.R.S. § 11-951.

20. **Subcontract** means any contract entered into by a Subrecipient with a third party for performance of any of the work or provision of any of the services covered by this Agreement.

21. **Subrecipient** means a public agency to administer all requirements of the HOME program and is the person, firm or organization listed on the Cover Page of this Agreement.

22. **Vendor** means an entity funded through the Subrecipient to provide services required by the Work Statement.

23. **Work Statement** means the section of this Agreement that contains a description of services to be delivered pursuant to this Agreement.

C. GENERAL REQUIREMENTS

1. The terms of this Agreement shall be construed in accordance with Arizona law and the applicable regulations of the United States Department of Housing and Urban Development (HUD). Any lawsuit arising out of this Agreement shall be brought in the appropriate court in Maricopa County, Arizona.

2. The Subrecipient shall, without limitation, obtain and maintain all licenses, permits and authority necessary to do business, render services and perform work under this Agreement, and shall comply with all laws regarding unemployment insurance, disability insurance and worker's compensation.

3. The Subrecipient is independent in the performance of work and the provision of services under this Agreement and is not to be considered an officer, employee or agent of the County.

4. Subrecipient shall comply with the regulations prohibiting a conflict of interest, and not make any payments, either directly or indirectly, to any person, partnership, corporation, trust or other organization that has a substantial interest in Subrecipient's organization or with which Subrecipient (or one of its directors, officers, owners, trust certificate holders or a relative thereof) has a substantial interest, unless Subrecipient has made full written disclosure of the proposed payments to the Department and has received written approval therefore. For purposes of this provision, the terms "substantial interest" and "relative" shall have the meanings prescribed by A.R.S. § 38-502.

D. ACCEPTANCE OF FUNDS

Subrecipient hereby accepts the award of funds under the terms of this Agreement and agrees to execute and return this Agreement to the County within 30 days of receipt unless Subrecipient received a written waiver of this requirement by the County.

E. <u>AMENDMENTS</u>

All Amendments to this Agreement shall be in writing, signed by authorized signers for both Parties, and be requested to the County no later than six (6) months prior to contract expiration.

F. <u>ASSIGNMENT AND SUBCONTRACTING</u>

No right, liability, obligation or duty under this Agreement may be assigned, delegated or subcontracted, in whole or in part, without the prior written approval of the Contract Administrator. Subrecipient shall bear all liability under this Agreement, even if it is assigned, delegated or subcontracted, in whole or in part, unless the Department agrees otherwise.

G. <u>AVAILABILITY OF FUNDS</u>

1. The provisions of this Agreement relating to the payment for services shall become effective when funds assigned for the purpose of compensating the Subrecipient, as provided herein, are actually available to the Department for disbursement. The Director shall be the sole authority in determining the availability of funds under this Agreement and the Department shall keep the Subrecipient fully informed as to the availability of funds.

2. If any action is taken by any State agency, federal department or any other agency or instrumentality to suspend, decrease or terminate its fiscal obligation under, or in connection with this Agreement, the Board of Supervisors may amend, suspend, decrease or terminate its obligations under or in connection with this Agreement. In the event of termination, the County shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services performed are in accordance with the provisions of this Agreement. The Department shall give written notice of the effective date of any suspension, amendment, or termination under this section at least ten (10) calendar days in advance.

H. <u>BUDGET ADJUSTMENTS</u>

Subrecipient must receive prior written approval from the County to move funds from one Budget Activity Line Item to another. If the County agrees to the budget adjustments, the County shall follow section E of this Agreement to amend this Agreement. Any requests for reasonable budget adjustments must be submitted six (6) months prior to the expiration of this Agreement. Requests for adjustments to this Agreement must be supported by appropriate documentation. The Subrecipient shall not retain any funds drawn down in excess of immediate cash needs (to be used within 15 days of draw down) to cover subsequent requests for reimbursement, and must return them to the County within 30 days of receipt. The Subrecipient must also return to the County any interest that is earned on these funds that are drawn down and not expended for eligible costs within 15 days of draw down.

I. <u>DISPUTES</u>

1. Except as may otherwise be provided for in this Agreement, any dispute arising out of this Agreement that is not resolved between the Parties within a reasonable period of time, which shall not exceed one hundred twenty (120) days, shall be submitted in accordance with the following dispute resolution process.

2. Disputes must be in writing and filed with the Contract Administrator, if one has been appointed, or, if not, with the County Procurement Officer within ten (10) working days from the date the Subrecipient knew or should have known of the basis of the dispute. The Contract Administrator or County Procurement Officer, as applicable, shall respond in writing to the Subrecipient within fourteen (14) working days. The decision of the Contract Administrator or County Procurement Officer shall be final and conclusive unless, within seven (7) working days from the date the Subrecipient receives the decision, Subrecipient files a written notice of appeal with the Director of the Materials Management Department of Maricopa County, who shall provide the

Subrecipient with a written response within fourteen (14) working days following receipt of the Subrecipient's notice of appeal. The decision of the Director shall be final.

3. Pending a final decision of the Director of the Materials Management Department, the Subrecipient shall proceed diligently with the performance of this Agreement in accordance with the Contract Administrator or County Procurement Officer's decision.

J. DEFAULT AND REMEDIES FOR NONCOMPLIANCE

Notwithstanding anything to contrary, this Section shall not be deleted or superseded by any other provision of this Agreement.

This Agreement may be immediately terminated by the County if the Subrecipient defaults by failing to perform any objective or breaches any obligation under this Agreement, or any event occurs that jeopardizes the Subrecipient's ability to perform any of its obligations under this Agreement. The County reserves the right to have service provided by persons other than the Subrecipient if the Subrecipient is unable or fails to provide required services with the specified time frame.

Failure to comply with the requirements of this Agreement and all the applicable federal, state, or local laws, rules, and regulations may result in suspension or termination of this Agreement, the return of unexpended funds (less just compensation for work satisfactorily completed that, to date, has not been paid), the reimbursement of funds improperly expended, or the recovery of funds improperly acquired. Noncompliance includes, but is not limited to:

a. Nonperformance of any obligations required by this Agreement.
b. Noncompliance with any applicable federal, state, or local laws, rules or regulations, including HUD guidelines, policies, or directives.
c. Unauthorized expenditure of funds.
d. Violation of the applicable affordability period.
e. Improper disposition of resale or recapture proceeds.
f. Improper disposition of program income.
g. Noncompliance with applicable financial record requirements, accounting principles, or standards established by OMB circulars.
h. Noncompliance with recordkeeping, record retention, or reporting requirements.

Notwithstanding the suspension or termination of this Agreement, or the final determination of the proper disposition of funds, SUBRECIPIENT shall, without intent to limit or with restrictions, be subject to the following:

a. All awards of funding shall be immediately revoked, and any approvals related to the project described in the Special Provision or Work Statement shall be deemed revoked and canceled. Thereby, any entitlements to compensation after suspension or termination of this Agreement are similarly revoked and unavailable.
b. Not be relieved of any liability or responsibility associated with the Special Provision or Work Statement.
c. Acknowledge that suspension or termination of this Agreement does not affect or terminate any rights against the SUBRECIPIENT at the time of suspension or termination, or that may accrue later. Nothing herein shall be construed to limit or terminate any right or remedy available under contract or rule.
d. Wavier of a breach or default of any term, covenant, or condition of this Agreement or any federal, state, or local law, rule, or regulation shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, condition, law, rule, or regulation.

K. **TERMINATION**

1. Either Party may terminate this Agreement at any time by giving the other Party at least sixty (60) calendar days prior notice in writing (unless terminated by the Board of Supervisors under the Availability of Funds provision). The notice shall be given by personal delivery or by registered or certified mail, postage prepaid and return receipt requested.

2. This Agreement may be terminated by mutual written agreement of the Parties specifying the termination date therein.

3. The County has the right to terminate this Agreement upon twenty-four (24) hour notice when the County deems the health or welfare of the service recipients are endangered or Subrecipient's non-compliance jeopardizes funding source financial participation. If not terminated by one of the above methods, this Agreement will terminate upon the expiration of the term of this Agreement stated on the Page One of this Agreement.

4. In accordance with 24 CFR § 85.43, COUNTY may suspend or terminate this Agreement if SUBRECIPIENT violates any term or condition of this Agreement or if SUBRECIPIENT fails to maintain a good faith effort to carry out the purpose of this Agreement.

5. COUNTY or SUBRECIPIENT may terminate this Agreement for convenience in accordance with 24 CFR § 85.44. Both Parties shall agree upon the termination conditions including the effective date of the termination. The party initiating the termination shall notify the other party in writing stating the reasons for such termination.

L. **SEVERABILITY**

Any provision of this Agreement that is determined to be invalid, void or illegal by a court shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions shall remain in full force and effect.

M. **STRICT COMPLIANCE**

The Department's acceptance of Subrecipient's performance that is not in strict compliance with the terms hereof shall not be deemed to waive the requirements of strict compliance for all future performance. All changes in performance obligations under this Agreement shall be in writing and signed by both Parties.

N. **NON-LIABILITY**

The County, its officers, representatives, agents and employees shall not be liable for any act or omission by the Subrecipient or Vendor or any officer, representative, agent or employee of Subrecipient or Vendor occurring in the performance of this Agreement, nor shall these entities be liable for purchases or contracts made by the Subrecipient, Vendor or any officer, representative, agent and employee of Subrecipient or Vendor, in connection with this Agreement.

O. **RECIPROCAL INDEMNIFICATION**

Each Party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other Party (as "Indemnitee") from and against all claims, losses, liability, costs, or expenses (including reasonable attorneys' fees, expert witnesses' fees and other litigation costs) (hereinafter collectively referred to as "Claims") arising out of bodily injury (including death) of any person or property damage, but only to the extent that such claims, which result in vicarious liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

P. **<u>TECHNICAL ASSISTANCE</u>**

The Department will provide reasonable technical assistance to the Subrecipient to assist in complying with State and federal laws, regulations and accountability for diligent performance and compliance with the terms and conditions of this Agreement and all applicable laws, regulations and standards. However, this assistance in no way relieves the Subrecipient of full responsibility and accountability for its actions and performance in compliance with the terms of this Agreement.

Q. **<u>SINGLE AUDIT ACT REQUIREMENTS</u>**

Subrecipients in receipt of federal funds through the Department are subject to the federal audit requirements of the Single Audit Act of 1984, as amended (Pub. L. No. 98-502) (codified at 31 U.S.C. §§ 7501, *et seq.*). Subrecipients shall comply with OMB Circular A-133. Upon completion, such audits shall be made available for public inspection. Audits shall be submitted within the twelve (12) months following the close of the fiscal year. Subrecipients shall take corrective actions within six (6) months of the date of receipt of the reports. The Department shall consider sanctions as described in OMB Circular A-133 for subrecipients not in compliance with the audit requirements.

R. **<u>AUDIT DISALLOWANCES</u>**

1. The Subrecipient shall, upon written notice thereof, reimburse the County for any payments made under this Agreement that are disallowed by a federal, State or County audit in the amount of the disallowance, as well as court costs and attorney's fees the County spends to pursue legal action relating to a disallowance. Court costs and attorney's fees incurred will be specifically identified as applicable to the recovery of the disallowed costs in question.

2. If the County determines that a cost for which payment has been made is a disallowed cost, the Department will notify the Subrecipient in writing of the disallowance and the required course of action, which shall be at the option of the Department, either to adjust any future claim submitted by the Subrecipient by the amount of the disallowance or to require immediate repayment of the disallowed amount by the Subrecipient issuing a check payable to the County.

S. **<u>STAFF AND VOLUNTEER TRAINING</u>**

The Department may make available to the Subrecipient the opportunity to participate in any applicable training activities conducted by the Department.

T. **<u>CLEAN AIR ACT</u>**

If the total face value of this Agreement exceeds $100,000, the Subrecipient agrees to comply with all regulations, standards and orders issued pursuant to the Clean Air Act of 1970, as amended (42 U.S.C. §§ 7401, *et seq.*), to the extent any are applicable by reason of performance of this Agreement.

U. **<u>LOBBYING</u>**

1. No federal appropriated funds have been paid or will be paid by or on behalf of the Subrecipient to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

2. If any funds, other than federal appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any federal contract, grant, loan or cooperative agreement, the Subrecipient shall

complete and submit OMB Form-LLL, titled "Disclosure of Lobbying Activities," in accordance with its instructions and 31 U.S.C. § 1352.

V. RELIGIOUS ACTIVITIES

The Subrecipient agrees that none of its costs and none of the costs incurred by any Vendor will include any expense for any religious activity.

W. POLITICAL ACTIVITY PROHIBITED

None of the funds, materials, property or services contributed by the County or the Subrecipient under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

X. COVENANT AGAINST CONTINGENT FEES

The Subrecipient warrants that no person or entity has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For breach or violation of this warranty, the County may immediately terminate this Agreement without liability.

Y. SAFEGUARDING OF PARTICIPANT INFORMATION

The use or disclosure by any Party of any information concerning an applicant for, or recipient of, services under this Agreement is directly limited to the conduct of this Agreement. Subrecipient and its agents shall safeguard the confidentiality of this information, just as Subrecipient would safeguard its own confidential information. Subrecipient shall include a clause to this effect in all Subcontracts.

Z. RIGHTS IN DATA

The Parties shall have the use of data and reports resulting from this Agreement without cost or other restriction, except as otherwise provided by law or applicable regulation. Each Party shall supply to the other Party, upon request, any available information that is relevant to this Agreement and to the performance hereunder.

AA. COPYRIGHTS

If this Agreement results in a book or other written material, the author is free to copyright the work, but the County reserves a royalty-free, nonexclusive, perpetual and irrevocable license to reproduce, publish, or otherwise use and to authorize other to use, all copyrighted material and all material which can be copyrighted resulting from this Agreement.

BB. PATENTS

Any discovery or invention arising out of, or developed in the course of, work aided by this Agreement shall be promptly and fully reported to the Department for determination as to whether patent protection on such invention or discovery shall be sought and how the rights in the invention or discovery, including rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.

CC. CONTRACT COMPLIANCE MONITORING

The Department will monitor the Subrecipient's compliance with, and performance under, the terms and conditions of this Agreement and the applicable federal regulations promulgated by HUD. On-site visits for compliance monitoring may be made by the Department and/or its grantor agencies at any time during the Subrecipient's normal business hours, announced or unannounced. During an on-site visit, the Subrecipient shall make all of its records and accounts related to work performed or services provided under this Agreement available to the Department for inspection and copying.

DD. CONTINGENCY RELATING TO OTHER CONTRACTS AND GRANTS

1. The Subrecipient shall, during the term of this Agreement, immediately inform the Contract Administrator in writing of the award of any other agreement or grant, including any other agreement or grant awarded by the County, where the award may affect either the direct or indirect costs being paid or reimbursed under this Agreement. Failure by the Subrecipient to notify the Department of such award shall be considered a violation of this Agreement and the County may immediately terminate this Agreement without liability.

2. The Contract Administrator may request, and the Subrecipient shall provide within a reasonable time, which shall not exceed ten (10) working days, a copy of such other agreement or grant, when in the opinion of the Contract Administrator the award of the agreement or grant may affect the costs being paid or reimbursed under this Agreement.

3. If the Contract Administrator determines that the award to the Subrecipient of such other agreement or grant has affected the costs being paid or reimbursed under this Agreement, the Contract Administrator will prepare an amendment to this Agreement effecting a cost adjustment. If the Subrecipient disputes the proposed cost adjustment, the dispute shall be resolved pursuant to the "Disputes" section contained herein.

EE. <u>MINIMUM WAGE REQUIREMENTS</u>

The Subrecipient warrants that it shall pay all its employees who are performing work or providing services under this Agreement not less than the minimum wage specified under Section 206(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. §§ 201, *et seq*.).

FF. <u>RECOGNITION OF DEPARTMENT SUPPORT</u>

The Subrecipient shall give recognition to the Department, the County and the funding source for its support when the Subrecipient publishes materials or releases public information that is paid for in whole or in part with funds received by the Subrecipient under this Agreement.

GG. <u>INSURANCE</u>

The Subrecipient shall have in effect at all times during the term of this Agreement, insurance which is adequate to protect the County, its officers and employees, participants and equipment funded under this Agreement against such losses as are set forth below. The Subrecipient shall name the County as an additional insured party. The Subrecipient shall provide the Department with documentation of insurance coverage by furnishing the Contract Administrator a certificate of insurance or a certified copy of the insurance policy or other documentation that is required by the Contract Administrator.

1. The following types and amounts of insurance are required as minimum:

   a. Worker's Compensation according to statutory limits.
   b. Unemployment Insurance as required by Arizona Law.
   c. Public Liability, Bodily Injury and Property Damage;
      1) General Liability, each occurrence, $1,000,000
      2) Property Damage $1,000,000; or
      3) Combined single limit, each occurrence, $1,000,000 minimum.
   d. Automobile and Truck Liability, Bodily Injury and Property Damages:
      1) General Liability, each occurrence, $1,000,000
      2) Property Damage $1,000,000; or
      3) Combined single limit, each occurrence, $1,000,000 minimum.
   e. Standard minimum deductible amounts are allowable. Any deductible amounts are the responsibility of the Subrecipient and reimbursement, if any, under this Agreement are subject to regulatory provisions of the funding source(s) of this Agreement.

f. Property or equipment purchased or furnished through funds provided under this Agreement shall be fully insured for the purchase or replacement cost of such property or equipment.

2. Subrecipients providing professional or semi-professional personal services for which malpractice or professional liability coverage is available, such as medical, psychiatric or legal services, shall carry minimum liability coverage of $1,000,000 each occurrence and provide the Department with proof of coverage.

HH. BONDING

1. The Subrecipient shall not receive any initial reimbursements under this Agreement in an amount greater than the Subrecipient's bonding limit. Subrecipient shall provide the Contract Administrator with documentation of required bonding.

2. Subrecipient shall have fidelity bonding of not less than the maximum amount of cash on hand or an amount equal to the initial reimbursement, whichever is greater.

3. Bonding requirements shall prevail throughout the term of this Agreement.

II. GRIEVANCE PROCEDURE

The Subrecipient shall establish a system through which applicants for, and recipients of, services may present grievances and may take appeals about eligibility and other aspects of the Subrecipient's work under this Agreement. The grievance procedure shall include provisions for notifying the applicants for, and recipients of, services of their eligibility or ineligibility for service and their right to appeal to the Department if the grievance is not satisfied at the Subrecipient's level.

JJ. NONDISCRIMINATION

The Subrecipient, in connection with any service or other activity under this Agreement, shall not in any way, discriminate against any person on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief. The Subrecipient shall include this clause in all of its Subcontracts.

KK. EQUAL EMPLOYMENT OPPORTUNITY

The Subrecipient shall not discriminate against any employee or applicant for employment because of race, age, disability, color, religion, sex or national origin. The Subrecipient shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, age, disability, color, religion, sex or national origin. Such action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient shall, to the extent such provisions apply, comply with Title VI and VII of the Civil Rights Act of 1964, as amended (42 U.S.C. §§ 2000a, *et seq.*); the Rehabilitation Act of 1973, as amended (29 U.S.C. §§ 701, *et seq.*); the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. §§ 621, *et seq.*); the Americans With Disabilities Act of 1990 (42 U.S.C. §§ 12101, *et seq.*); and Arizona Executive Order 99-4, which mandates that all persons shall have equal access to employment opportunities.

LL. FINANCIAL MANAGEMENT

The Subrecipient shall establish and maintain a separate, interest-bearing bank account for money provided under this Agreement, or an accounting system that assures the safeguarding and accountability of all money and assets provided under this Agreement. No part of the money deposited in the bank account shall be commingled with other funds or money belonging to the Subrecipient. All interest earned on the account shall be disposed of in a manner specified by the County in accordance with applicable State and federal regulations. The Subrecipient shall provide a signed bank account agreement authorizing the County to obtain information about the account. If an accounting system is used, it shall be in accord with generally accepted accounting principles.

MM. RETENTION OF RECORDS

1. This provision applies to all financial and programmatic records, supporting document, statistical records and other records of the Subrecipient that are related to this Agreement.
2. The Subrecipient shall retain all records relevant to this Agreement for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is longer, and the Department, federal and State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of any and all of the records.

NN. ADEQUACY OF RECORDS

If the Subrecipient's books, records and other documents related to this Agreement are not sufficient to support and document that allowable services were provided to eligible participants, the Subrecipient shall reimburse the County for the services not supported and documented.

OO. COMPETITIVE BID REQUIREMENTS

1. Equipment
   If this Agreement is with other than a Public Agency, the Subrecipient shall obtain all equipment to be utilized under this Agreement and purchased with funds provided under this Agreement at the lowest practical cost pursuant to the following competitive bidding system:
   a. Procurements in excess of $300, but less than $1,000, require oral price quotations from two or more vendors. The Subrecipient shall keep and maintain a record of the vendors' verbal quotations. The Subrecipient's award shall be made to the lowest bidder meeting specification requirements concerning price, conformity to specifications, and other purchasing factors.
   b. Procurements exceeding an aggregate amount of $1,000 must be approved by the Contract Administrator. At least three (3) bidders shall be solicited to submit written quotations. The Subrecipient shall solicit written quotations by issuing a Request for Quotation to at least three (3) vendors. The award shall be made to the lowest bidder meeting specification requirements concerning price, conformity to specifications, and other purchasing factors.
2. Supplies
   If this Agreement is with other than a Public Agency, the Subrecipient shall obtain all supplies to be utilized under this Agreement and purchased with funds provided under this Agreement at the lowest practical cost and pursuant to a system of written quotes whenever the price is expected to be greater than $300, unless the Subrecipient obtains the Contract Administrator's prior written approval to purchase supplies by an alternate method.
3. Minority, Women and Small Business Enterprises
   The Subrecipient shall take affirmative steps to provide an opportunity for minorities, women, and small businesses to compete in the procurement of equipment and supplies under this Agreement.
4. Bidding Procedures
   If the Subrecipient is a Public Agency, the Subrecipient's own bidding procedures shall govern.
5. Funding source requirements relating to competitive bid procedures may supersede any or all subparts of this clause and will be specified in the Special Provisions Section of this Agreement.

PP. PROPERTY

Any property furnished or purchased pursuant to the terms of this Agreement shall be utilized, maintained, repaired and accounted for in accordance with instructions furnished by the Department, and shall revert to the County upon termination of this Agreement, unless the Contract Administrator determines otherwise. The costs to repair such property are the responsibility of the Subrecipient within the limits budgeted herein. Repair costs beyond the budgeted amount shall be approved by the Contract Administrator.

QQ. **IMMIGRATION REFORM AND CONTROL COMPLIANCE**

Subrecipient understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 (Pub. L. No. 99-603) ("IRCA"). Subrecipient shall comply with the IRCA in performing under this Agreement and shall grant the County access to inspect its personnel records to verify such compliance.

RR. **DRUG FREE WORKPLACE ACT**

The Subrecipient agrees to comply with the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701, *et seq.*), which requires that subrecipients and grantees of federal funds must certify that they will provide drug-free workplaces. This certification is a precondition to receiving a grant or entering into this Agreement.

SS. **GOVERNOR'S EXECUTIVE ORDER NO. 88-26**

The Subrecipient is required to use the Arizona Taxonomy of Human Services for reporting and contracting purposes.

TT. **STATUTORY RIGHT OF CANCELLATION**

Notice is given that pursuant to A.R.S. § 38-511, the County may cancel this Agreement without penalty or further obligation within three years after execution of this Agreement, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the County is, at any time while this Agreement or any extension of this Agreement is in effect, an employee or agent of any other Party to this Agreement in any capacity or consultant to any other Party of this Agreement with respect to the subject matter of this Agreement. The County may also recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of this County from any other Party to this Agreement arising as the result of this Agreement.

UU. **EMPLOYMENT DISCLAIMER**

This Agreement is not intended to constitute, create, give rise to, or otherwise recognize a joint venture agreement, partnership or other formal business association or organization of any kind between the Parties, and the rights and obligations of the Parties shall be only those expressly set forth in this Agreement.

The Parties agree that no individual performing under this Agreement on behalf of the Subrecipient is to be considered a County employee, and that no rights of County civil service, County retirement, or County personnel rules shall accrue to such individual. The subrecipient shall have total responsibility for all salaries, wages, bonuses, retirement, withholdings, workman's compensation, occupational disease compensation, unemployment compensation, other employee benefits, and all taxes and premiums appurtenant thereto concerning such individuals and shall save and hold the County harmless with respect thereto.

VV. **CERTIFICATION REGARDING DEBARMENT, SUSPENSION INELIGIBILITY AND VOLUNTARY EXCLUSION**

The undersigned by signing and submitting this Agreement has the authority to certify the Subrecipient to the terms, representations and/or warrants of this Certification. The City of Peoria ("Subrecipient"), defined as the primary participant in accordance with 45 C.F.R. Part 76, certifies to the best of its knowledge and belief that it and its principals:

1 are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

2 have not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3 are not presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, State, or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

4 have not within a 3-year period preceding this Agreement had one or more public transactions (federal, State, or local) terminated for cause or default.

5 shall immediately notify the Department if, at any time during the term of this Agreement, it is debarred, suspended, declared ineligible, or voluntarily excluded from participation, The Department may pursue available remedies in the event of such occurrence, including immediate termination of this Agreement.

6 shall not enter into a subcontract or sub-recipient agreement with a person or organization that is debarred, suspended, declared ineligible, or voluntarily excluded from participation. The Department may pursue available remedies in the event of such occurrence, including immediate termination of this Agreement.

The Subrecipient shall include without modification this Certification's language, entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions," with all subgrantees or other subrecipients; in all lower tier covered transactions and in all solicitations for lower tier covered transactions in accordance with 45 C.F.R. Part 76.

Should the Subrecipient not be able to provide this Certification, an explanation as to why shall be immediately provided to the Department, Attention: Ursula Strephans, 234 N. Central Ave., Third Floor, Phoenix, AZ 85004.

WW. VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES § 23-214 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS

By entering into this Agreement, the Subrecipient represents and warrants compliance with the Immigration and Nationality Act (8 U.S.C. §§ 1101, *et seq.*) (INA) and all other federal and State immigration laws and regulations related to the immigration status of its employees. The Subrecipient shall obtain statements from its Vendors certifying compliance and shall furnish the statements to the Department upon request. These representations and warranties shall remain in effect throughout the term of this Agreement. The Subrecipient and its Vendors shall also maintain Employment Eligibility Verification forms (I-9), as required by the U.S. Department of Labor's Immigration Reform and Control Act of 1986 (Pub. L. No. 99-603), for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV.

The Subrecipient warrants that it is in compliance with A.R.S. § 41-4401 (e-verify requirements) and further acknowledges:

1. That Subrecipient and its Vendors, if any, warrant their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. § 23-214;

2. That a breach of a warranty under subsection 1 above, shall be deemed a material breach of this Agreement and the County may immediately terminate this Agreement without liability;

3. That the County and any contracting government entity retains the legal right to inspect the papers and employment records of any Subrecipient or Vendors employee who works on this Agreement to ensure that the Subrecipient or Vendors is complying with the warranty provided under subsection 1 above and that the Subrecipient agrees to make all papers and employment records of said employee(s) available during normal working hours in order to facilitate such an inspection.

SECTION II

SPECIAL PROVISIONS

Maricopa County

Human Services

A. EFFECT

To the extent that the Special Provisions are in conflict with the General Provisions, the Special Provisions shall control. To the extent that the Work Statement is in conflict with the General Provisions or the Special Provisions, then the Work Statement shall control. To the extent that the Compensation Provisions are in conflict with the General Provisions, Special Provisions or Work Statement then the Compensation Provisions shall control.

B. DEFINITIONS

As used throughout this Section as a supplement to Definitions in Section I, the following terms shall have the following meanings:

1. **HUD** means U.S. Department of Housing and Urban Development
2. **CDBG** means Community Development Block Grant Program
3. **HOME** means HOME Investment Partnership Program
4. **COUNTY** means Maricopa County Human Services Department, Community Development Division
5. **CD** means Community Development
6. **Admin Manual on CD** means Administrative Manual on Compact Disk produced by the Human Services Department/Community Development Division
7. **CDAC** means Community Development Advisory Committee
8. **BOS** means Maricopa County Board of Supervisors

C. STANDARDS

The SUBRECIPIENT shall perform the work and provide the services as identified in the Work Statement and shall immediately notify the Contract Administrator whenever the SUBRECIPIENT is unable to, or anticipates an inability to, perform any of the work, or provide any of the services required by the terms of this Agreement. The SUBRECIPIENT acknowledges that any inability to perform the work and provide the services, or comply with the standards set forth in this Agreement may subject the SUBRECIPIENT to the remedies provided in the Default and Remedies for Noncompliance established by the General Provisions.

D. COMPLIANCE WITH LAWS, RULES & REGULATIONS

This Agreement and the Parties hereto, are subject to all applicable federal, state, or local laws, rules, and regulations. The SUBRECIPIENT shall comply with all applicable laws, rules and regulations, without limitation to those designated within this Agreement. Refer to the Default and Remedies for Noncompliance provided in the General Provisions.

E. GENERAL PROVISIONS, SECTION I, SUPERSEDED IN SPECIAL PROVISIONS, SECTION II

"LL Financial Management" is superseded in Special Provisions
"RR Governor's Executive Order No. 88-26" is deleted

F. AUDIT REQUIREMENTS

The SUBRECIPIENT shall, at its own expense, file with the Human Services Department/Community Development Division by March 30th, either:

Audited financial statements prepared in accordance with federal single audit requirements; or,
Financial statements prepared in accordance with generally accepted accounting principles audited by an independent certified public accountant.

G. SPECIAL FEDERAL AND PROJECT PROVISIONS

1. PROGRAMS: In accordance with HOME Program regulations, the SUBRECIPIENT agrees to implement the Program fully as described in each Work Statement in accordance with the terms of the Five-Year Consolidated Plan and the Annual Action Plan submitted by the COUNTY to HUD for funds to carry out the Program and the Certifications which were submitted concurrently with the Annual Action Plan to HUD, and with any Cooperation Agreements with the Municipality (as applicable). The Annual Action Plan is hereby incorporated by reference into this Agreement. In summary, the Program is described in Work Statement, Section III. The SUBRECIPIENT shall be responsible to provide various reports of all activities related to the Scope of Work. The SUBRECIPIENT agrees to submit to the COUNTY Performance Reports:
   a. Quarterly Program Income Report and Supporting Documentation due on the 25th of July, October, January and April.
   b. Quarterly Progress Reports due on the 25th of July, October, January and April of the preceding three months (i.e. July report cover the months of April, May and June)and address all programs described in the scope of work. Failure to submit timely Quarterly Progress Reports (which include beneficiary information) will result in suspension of payment reimbursement requests until all reports are brought current. Quarterly reports are continually due for rental projects to ensure that all beneficiary data is regularly updated with beneficiary information during lease-up along with vacant unit reports. Within six months from the date of project completion, if a rental unit remains unoccupied, the Subrecipient must provide the County information about current marketing efforts and, if appropriate, an enhanced plan for marketing the unit so that it is leased as quickly as possible. Within 18 months from the date of project completion, if efforts to market the unit are unsuccessful and the unit is not occupied by an eligible tenant, HUD will require repayment of all HOME funds invested in the unit. A unit that has not served a low- or very low-income household has not met the purposes of the HOME program. Therefore, the costs associated with the unit are ineligible. This tracking provides the County with early notice of any units at risk of going unrented as described in §92.252.
   c. Request for Payment Reimbursement on the County required form and must include all supporting documentation and have a Match Log and supporting documentation;
   d. HOME Setup and HOME Completion Report.;
   e. MBE/WBE information; and
   f. Other HUD-required reporting data as applicable shall be submitted.

2. PROGRAM INCOME: All income received from HOME Funds shall be considered program income and subject to the requirements set forth in HOME Program regulations. Program Income includes, but is not limited to: [1] payments of principal and interest on loans. Program Income may be retained and used by the SUBRECIPIENT subject to the following conditions: [1] program income shall be tracked by the SUBRECIPIENT and accounted for in a separate fund or account; [2] program income funds shall be expended for eligible program expenses before additional HOME Funds are requested; [3] documentation supporting the amount of program income received and expended shall be submitted the 25th of quarterly to the County; and [4] a yearly program income log that states program income received and expended shall be submitted at the end of each fiscal year, June 30th. Program income that is not expended at the end of this Agreement shall be sent to the COUNTY in accordance with 24 CFR § 92.503 within 30 days of receipt.

3. REAL PROPERTY ACQUIRED or IMPROVED WITH HOME FUNDS: Upon expiration of this Agreement, any real property under the Subrecipient control that was acquired or improved in whole or in part with HOME funds must be occupied by low and/or very low income households and in compliance

with HOME occupancy limits and must meet the requirements to qualify as affordable housing subject to encumbrances and obligations described in any applicable recorded covenants running with the land. The option to use deed restrictions or covenants running with the land must include period of affordability set forth in §92.252.

4. DEOBLIGATION: The County may reduce funds from the funding award evidenced by this Agreement without regard to the source of funding, under the following circumstances:
    a. The Subrecipient completes performance under the Scope of Work without using all funds provided by the County under this Agreement;
    b. This Agreement expires all funds are expended and ;
    c. The County original allocation was a loan and the Subrecipient paid the loan;
    d. Cancelled or changed an Program required under the Work Statement for reasons other than non-performance;
    e. This Agreement has otherwise been terminated. The County may deobligate funds under this Agreement under the foregoing circumstances upon written notice to the Subrecipient.

5. REDUCTION IN FUNDS: The County may reduce funds from the amount of the funding award evidenced by this Agreement, under the following circumstances: 1) The County determines that the Subrecipient failed to use the funds provided by the County under this Agreement in compliance with the terms and conditions outlined herein; or 2) the Subrecipient fails to perform in accordance with the performance obligations set forth in the Statement of Work and Project Schedule or the terms of this Agreement. The County may reduce funds under this Agreement under the foregoing circumstance upon written notice to the Subrecipient.

6. REPAYMENT OF FUNDS: Subrecipient agrees to repay funds provided under this Agreement in compliance with the terms of this Agreement or the requirement of applicable laws and regulations. The County may specify in writing, the terms of the repayment or alternative terms in lieu of repayment however in no case shall repayment or alternative terms be accomplished later than one hundred eight (180) days following the written determination of noncompliance by the County.

7. FUNDS REMAINING AT EXPIRATION: Upon expiration of the Agreement, the Subrecipient shall transfer to the County any unexpended funds advanced to the Subrecipient by the County under this Agreement.

8. ADMINISTRATIVE REQUIREMENTS: In accordance with federal regulations, including 24 CFR § 92 et seq., the COUNTY is responsible for ensuring the administration of HOME Program Funds in accordance with all program requirements.
    a. FINANCIAL RECORDS: SUBRECIPIENT accounting system and financial records shall comply with the applicable requirements and standards of OMB Circulars A-110, A-122, A-133 and 24 CFR Part 225. Such systems shall be subject to monitoring from time to time by the COUNTY or by HUD.
        i. The SUBRECIPIENT agrees to adhere to accounting principles and procedures, to utilize adequate internal controls and maintain necessary source documentation for all costs incurred. The SUBRECIPIENT further agrees to maintain an adequate accounting system that provides for appropriate grant accounting (including calculation of program income).

ii. SUBRECIPIENT is to adhere to applicable audit requirements as described and in accordance with OMB Circular A-133. In addition, all SUBRECIPIENTS must provide annual single-audit reports or annual audited financial statements to the COUNTY.

iii. SUBRECIPIENT is to adhere to the repayment of investment requirements set forth in 24 CFR § 92.503. Any HOME Funds invested in housing that does not meet the affordability requirements for the period specified in § 92.252 or § 92.254, as applicable, must be repaid in accordance with 24 CFR § 92.503(b)(3).

b. <u>DOCUMENTATION AND RECORD KEEPING:</u>

i. <u>Records to be Maintained</u> The SUBRECIPIENT shall maintain all records required by the Federal regulations specified in 24 CFR § 92.508 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

1. Records demonstrating that the SUBRECIPIENT is and remains a qualified SUBRECIPIENT;
2. Records providing a full description of each projects undertaken and its impact;
3. Records required determining the eligibility of activities;
4. Records which demonstrate compliance with environmental review requirements;
5. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with HOME assistance (Properties retained shall continue to meet eligibility criteria);
6. Records which demonstrate citizen participation;
7. Records which demonstrate compliance regarding acquisitions, displacement, relocation and replacement housing;
8. Records demonstrating continuing compliance for all activities and/or compliance with resale or recapture provisions of the affordability standards;
9. Records documenting compliance with the fair housing and equal opportunity components of the HOME program;
10. Financial records as required by OMB Circular A-110;
11. Other records necessary to document compliance with HOME requirements;
12. Records documenting compliance with Section 3 of the Housing Development Act of 1968;
13. Records which demonstrate compliance with deeds of trust, promissory notes, and forgivable loans associated with owner-occupied housing activities;
14. Records supporting that the SUBRECIPIENT has maintained client data demonstrating clients served meet the income and other criteria required by federal law and that no unlawful discrimination occurs in the solicitation or selection process of low income persons or groups and that no conflict of interest exists.
15. All Applicable Federal, State and local laws and regulations, including compliance with ARS § 1-501 and § 1-502 (Attachment A).

ii. <u>Outcome Measures</u> – The SUBRECIPIENT shall maintain data that supports the accomplishment of the desired outcomes as indicated in the Work Statement.

iii. Disclosure – The SUBRECIPIENT understands that client information collected under this agreement is private and the use or disclosure of such information, when not directly connected with the administration of the COUNTY's or SUBRECIPIENT's responsibilities with respect to services provided under this Agreement is prohibited unless written consent is obtained from such person receiving service.

iv. Activity Reports – Such reports as required by the COUNTY including, but not limited to HOME Setup/Completion Report, Quarterly Progress Reports, Quarterly Program Income Reports, Match Reports, MBE/WBE information, and other HUD-required reporting data as applicable shall be submitted in accordance with the Administrative Manual on CD at the completion of each Program which is described under the Scope of Work.

v. Audits and Inspections – All SUBRECIPIENT records with respect to any matters covered by this Agreement shall be made available to the COUNTY, their designees or the Federal Government, at any time during normal business hours, as often as the COUNTY deems necessary, to audit, examine and make excerpts or transcripts of all relevant data. Any relevant deficiencies noted in audit reports must be addressed by the SUBRECIPIENT within 45 days after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT to comply with the above audit requirements shall constitute a violation of this Agreement and may result in the withholding of future payments. The SUBRECIPIENT hereby agrees to have an Annual Audit conducted in accordance with Administrative Manual on CD concerning SUBRECIPIENT audits. The Annual Audit requirement is applicable to all levels of funding received by SUBRECIPIENTS via this Agreement, even if the level of funding is less than the current thresholds cited in OMB Circular A-133.

vi. Performance Monitoring – The COUNTY shall monitor the SUBRECIPIENT to determine if HOME-funded activities are implemented and administered in accordance with all applicable federal requirements and gauge performance of the SUBRECIPIENT against goals and performance standards required herein. SUBRECIPIENT will prepare for monitoring and assure all required files and documentation are available at scheduled monitoring as set forth in the HOME Consortium Monitoring Current Practices. Failure of SUBRECIPIENT to administer, implement and perform as determined by federal regulations and COUNTY shall constitute non-compliance with this Agreement. Non-compliance is a violation of this Agreement and may result in the withholding of future payments.

vii. Policy/Administrative Manuals Use - SUBRECIPIENT agrees to be familiar with and comply with the policies/procedures established in the most recent Administrative Manual on CD. Noncompliance with the Administrative Manual on CD shall constitute a breach of contract.

9. ENVIRONMENTAL REVIEW CONDITIONS: Completion of the Environmental Review Record (ERR) is mandatory before taking any physical action on a site or entering into contracts. Only exempt activities such as administration may be taken and reimbursed by the County prior to receiving a written release of HOME funds to the Subrecipient. Exempt activities described in § 24 CFR 58.34(a)(1)-(11) are activities that generally have no physical impact on the environment. If federal funds are involved in an activity, neither federal nor non-federal funds may be expended or committed by contract (conditional or not) for property acquisition, rehabilitation, conversion, lease, repair or construction activities, until HUD and/or the County provides written authorization based on approval of an ERR.

An option agreement (to purchase land or a single family residence) on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is contingent upon a HUD authorization to use fund based on a completion ERR. The cost of the option must be a nominal portion of the purchase price.

a. The SUBRECIPIENT agrees to comply with: the National Environmental Policy Act of 1969 (P.L. 91-190) pursuant thereto 40 CFR Parts 1500 – 1508; Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities pursuant thereto Title 24 CFR Part 58, Subpart A; CPD Notice 01-11 HOME Environmental Review Requirements and with all conditions required in the process of the environmental assessment.
b. Air and Water - The SUBRECIPIENT agrees to comply with the following requirements insofar as they apply to the performance of this Agreement.
    i. Clean Air Act, 42 USC § 7401, *et seq*., as amended.
    ii. Federal Water Pollution Control Act, as amended, 33 USC § 1251, *et seq*., as amended, 1318 relating to inspection, monitoring, entry, reports and information, as well as other requirements specified in said Section 114 and Section 308 and all regulations and guidelines issued thereunder.
    iii. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.
    iv. SUBRECIPIENT agrees to comply with conditions set forth by the Air Quality Department or other COUNTY agency, as required.
c. Flood Disaster Protection - In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC § 4001), the SUBRECIPIENT shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes. The homeowner must obtain and maintain flood insurance as a condition of funding, or funds may not be utilized.
d. Historic Preservation - The SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 USC § 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement. In general, this requires concurrence from the State Historic Preservation Office for all rehabilitation and demolition of historic properties that are fifty (50) years old or older or that is listed or eligible for the National Register of Historic places, or included on any state or local historic property inventory or any archaeological findings.
e. Release Of Funds (ROF) - No funds may be encumbered prior to the completion of the Environmental Review. The Environmental Review Record (ERR) must be completed before any funds are obligated. Funding is also conditioned upon the completion of the ERR of every activity site by address. The responsibility for certifying the appropriate Environmental Review Record and ROF shall rest with the COUNTY. It is the responsibility of the SUBRECIPIENT to notify the COUNTY, and to refrain from making any commitments and expenditures on a site until a Release of Funds has been issued by the COUNTY. Failure to meet these conditions will mean that requested funds will not be disbursed.

10. THE SUBRECIPIENT CERTIFIES:
    a. That it is a municipality that meets the applicable requirements of the HOME Program.
    b. That it possesses legal authority to execute this Agreement.

c. That its governing body has duly adopted or passed as an official act, a resolution, motion, or similar action authorizing the person identified as the official representative of the SUBRECIPIENT to execute this Agreement and to comply with the terms of this Agreement.

d. That the activity described shall be carried out and services administered in compliance with all federal laws and regulations as follows:

   i. SUBRECIPIENTS that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments ”OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations”: and with 24 CFR Part 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments".

11. ADDITIONAL CERTIFICATIONS, WARRANTIES, AND AGREEMENTS:

a. The Parties to this Agreement agree that they will utilize and make available the HOME funds in conformity with the non-discrimination and equal opportunity requirements set out in the HUD regulations in the National Housing Affordability Act. These regulations listed in 24 CFR §§ 92.350-92.454 include:

   i. The requirements of the Fair Housing Act, 42 CFR §§ 3601-20, and implementing regulations at 24 CFR Part 100: Executive Order 11063 (Equal Opportunity in Housing) as amended by Executive Order 12259 (3 CFR, 1958-1963 Come, p. 652 and 3 CFR 1980 Come. p. 307) and implementing regulations at 24 CFR §107: and Title VI of the Civil Rights Act of 1694, 42 U. S. C. § 2000d, and implementing regulations at 24 CFR Part 1 (Nondiscrimination in Federally Assisted Programs);

   ii. Executive Order 13166 entitled “Improving Access to Services for Persons with Limited English Proficiency” pursuant to Title VI of the Civil Rights Act;

   iii. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101-07) and the regulations at 24 CFR § 146;

   iv. The prohibitions against discrimination on the basis of handicap under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and implementing regulations at 24 CFR Part 8; and, Americans with Disabilities Act 1990;

   v. The requirements of the Executive Order 11246 (Equal Employment Opportunity) and the regulations issued under the Order at 41 CFR Chapter 60 (3 CFR §§ 1964-65, Come, p. 339);

   vi. The requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. § 1702u (Employment Opportunities for Business and Lower Income Persons in Connection with Assisted Activities); and

   vii. The requirements of Executive Orders 11625 and 12432 regarding Minority Business Enterprise, and 12138 regarding Women's Business Enterprise, and Regulations S. 85.36 (e) and of Section 281 of the National Housing Affordability Act.

b. The Parties to this Agreement agree that they will prepare and adopt acceptable procedures and requirements for affirmatively marketing units in the HOME Activities, when HOME assisted housing contains 5 or more rental units, by providing information about the availability of HOME-assisted units that are vacant at the time of completion or that later become vacant. The parties agree that they will make good faith efforts to provide information and to otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market to the available housing during the period of affordability. These procedures and requirements are not applicable when units are occupied by families referred from a Public Housing Authority's (PHA) waiting list, or to families receiving tenant-based rental assistance provided from HOME funds.

c. HOME funds may not be used for operations or modernization of public housing projects financed under the Housing Act of 1937.
d. COUNTY, as the participating jurisdiction, assumes all the responsibilities for environmental review, decision making, and action under the National Environmental Policy Act of 1969 (42 U.S.C. § 4321) and the other provisions of the law that would apply to HUD were HUD to undertake such Activities as Federal Activities in accordance with 24 CFR Part 58. The COUNTY will assume the responsibilities for the Request for Release of Funds. The SUBRECIPIENT agrees not to commit or incur any expenditures for HOME activities until this environmental review process has been completed. Should it be determined that the SUBRECIPIENT has incurred expenses in violation of the NEPA requirements, the SUBRECIPIENT will be responsible for the full costs for such expenditures and repayment of any related reimbursements. The SUBRECIPIENT agrees to provide all necessary assistance to the COUNTY in completing this environmental review process.
e. The Parties to this Agreement agree to abide with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. §§ 4291-4655) and the governmental implementing regulations at 49 CFR Part 24 as they apply to this HOME Program.
f. The Parties to this Agreement agree to abide with the Davis-Bacon Act (40 U.S.C. § 276a-5) and the Agreement Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333).
g. The Parties to this Agreement agree to abide by the Flood Disaster Protection Act of 1973 (42 U.S.C. §§ 4001-4128) as they apply to this HOME Program.
h. The Parties to this Agreement agree to abide by the Drug-Free Workplace Act of 1988 as it applies to the HOME Program.
i. Housing assisted with HOME funds constitutes HUD-assisted housing for the purposes of the Lead-Based Paint Poisoning Prevention Act (42.U.S.C. § 4821. et seq.) and is therefore subject to 24 CFR Part 35.
j. No person who is an employee, agent, consultant, officer or elected official, or appointed official who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME assisted activity, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.
k. The SUBRECIPIENT warrants that it is in compliance with A.R.S. § 41-4401 and further acknowledges
    i. That the SUBRECIPIENT and its subcontractors/vendors, if any, warrant their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. § 23-214 (A);
    ii. That a breach of a warranty under subsection a above, shall be deemed a material breach of the contract that is subject to penalties up to and including termination of the contact;
    iii. That the COUNTY retains the legal right to inspect the employment papers of any subrecipient or vendors employee who works on the Agreement to ensure that the subrecipient or vendor is complying with the warranty provided under subsection a above and that the subrecipient agrees to make all papers and employment

records of said employee(s) available during normal working hours in order to facilitate such an inspection; and

iv. That nothing herein shall make any subrecipient, or vendor an agent or employee of the COUNTY;

l. That the Administrative Manual on CD shall be made accessible to all applicable SUBRECIPIENT staff.

12. REGARDING SUBCONTRACTS AND VENDORS:

a. Approvals – The SUBRECIPIENT shall not commit to any pre-Agreement costs or enter into any subcontract(s) with any agency or individual in the performance of this Program without the Release of Funds (ROF) from the COUNTY prior to the execution of such Agreement.

b. Selection Process – The SUBRECIPIENT shall ensure that all subcontracts let in the performance of this Agreement are awarded on a fair and open competitive basis. Executed copies of all subcontracts shall be forwarded to the COUNTY along with documentation, if requested concerning the selection process.

c. Section 3 of the Housing and Urban Development Act of 1968 – The SUBRECIPIENT shall include the Section 3 clause in every subcontract and shall take appropriate action pursuant to the subcontract upon a finding that the vendor is in violation of regulations issued by the grantor agency. The SUBRECIPIENT shall not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR § 135. The Subrecipient has the responsibility of determining Section 3 eligibility.

d. Monitoring – The Subrecipient shall monitor/review all subcontracted services on an annual basis to assure contract compliance. Results of monitoring efforts shall be summarized in Quarterly Progress Reports and supported with documented evidence, if requested, of follow-up actions taken to correct areas of noncompliance.

13. THE COUNTY CERTIFIES:

a. That the public purpose is served by the financial participation of the COUNTY in the Statement of Work.

b. That the HOME Program funds designated for the Statement of Work constitutes reasonable and prudent assistance necessary for completion of the Program.

ACTIVITY COMPLETION Upon completion of the Work Statements, all unspent HOME resources shall be forfeited to the COUNTY for reallocation as defined by Maricopa HOME Consortium Policies and Procedures. The SUBRECIPIENT shall continue to be responsible for compliance activities until all HOME requirements and contractual obligations are met including affordability restrictions. The Subrecipient obligation shall not end until all close-out requirements are completed. The COUNTY will notify the Subrecipient in writing that a Completion Report is due to the COUNTY within sixty (60) days of one of the following occurrences:

a. Funds have been expended for the activity;
b. The Scope of Work has been completed;
c. The contract period set forth in this Agreement has expired; or
d. The Agreement has otherwise been terminated.

Following the receipt and approval of the Completion Report for each activity, the County will notify the Subrecipient in writing that each activity is closed.

14. FAILURE TO MAKE PROGRESS Failure of the Subrecipient to make progress according to the Schedule of Completion may result in contract termination, deobligation of funds or recapture of funds. Subrecipient agrees to meet with the County at the site in which the funded activity is taking place to discuss progress and allow the County to provide technical assistance if:
    a. The Subrecipient fails to begin work on its Environmental Review pursuant to section 5 within sixty (60) calendar days from the date the County executes this Agreement;
    b. The Subrecipient fails to expend any funds in performance of and in accordance with the terms of this Agreement within ninety (90) calendar days from the execution date of this Agreement.
    c. The County will terminate any Agreement and recapture funds from the same Agreement in which the Subrecipient does not commence any of the activities described in the Statement of Work or fails to expend any funds in accordance with the Compensation within one-hundred eighty (180) calendar days from the full execution dated of this Agreement. The County in its sole discretion may forgo providing technical assistance and recapture funds as outlined in this Agreement under Section I hereof and/or terminate Agreement for cause pursuant to Section I of this Agreement.

15. GENERAL CONDITIONS:
    a. It is expressly understood by the parties hereto that this Agreement has been negotiated and executed in anticipation of receipt of funds by the County from HUD pursuant to the HOME Program and that therefore, the terms, conditions and sums payable under this Agreement are subject to any changes or limitations which may be required by HUD and the HOME Program regulations. Notwithstanding any other provisions of this Agreement, any payment to SUBRECIPIENT by County under this Agreement is contingent upon the actual receipt of funds from HUD.
    b. Both parties acknowledge that no member of the governing body, nor any employee of the County who exercises any functions or responsibilities in connection with the carrying out of the activity to which this Agreement pertains, has any personal interest direct or indirect in this Agreement.
    c. The County may amend this Agreement at any time provided that such amendments make specific reference to this Agreement and are executed in writing, signed by a duly authorized representative of both organizations and in compliance with the procedures in the Administrative Manual on CD. Such amendments shall not invalidate this Agreement nor relieve or release the County or Subrecipient from its obligations under this Agreement. Amendments shall be filed with the original Agreement.
    d. Changes – The County may, at any time, by written order, make changes within the general scope of this Agreement in any one or more of the following areas:
        i. Scope of Work activities reflecting changes in Federal, State, County or local regulations, policies or requirements;
        ii. Administrative requirements such as changes in reporting periods, frequency of reports, or report formats required by HUD or local regulations, policies or requirements. It is the responsibility of the SUBRECIPIENT to ensure the latest documents are consulted and followed.
        iii. Increase/decrease Agreement funding per Consortium/CDAC/BOS policies.
    e. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
    f. SUBRECIPIENT agrees to be familiar with, update as necessary, and comply with the policies/procedures established in the most recent CDAC/BOS Manual and all provisions in

the most recent Administrative Manual on CD. Non-compliance with the Administrative Manual on CD shall constitute a breach of contract.

g. SUBRECIPIENT agrees to give all notices and comply with all laws, ordinances, and rules, building codes, regulations and lawful orders of any public authority bearing on the performance of activities pursuant to this Agreement. If the SUBRECIPIENT observes that any of the Agreement documents are in conflict with any laws, statutes, building codes and/or regulations, it shall promptly notify the County, in writing, and any necessary changes shall be accomplished by appropriate written modification.

h. Should the SUBRECIPIENT perform any work knowing it to be contrary to applicable laws, ordinances, rules, building codes and/or regulations, it shall assume full responsibility, therefore, and shall bear all cost incurred due to its negligence. Any dispute not disposed of by mutual agreement by the parties hereto shall be decided in accordance with the applicable Arizona laws, ordinances, and codes of the state and local governments.

i. Acknowledge the contribution of the Maricopa Urban County HOME Program in all published literature, brochures, programs, flyers, etc., during the term of the Agreement.

j. Execute and abide by Certifications mandated by HOME Program requirements as listed in HOME CERTIFICATIONS.

16. REVERSION OF ASSETS: Upon expiration of this Agreement, the SUBRECIPIENT shall transfer all remaining unspent funds or the value of other assets as defined by the terms of affordability (Attachment III) relating to the HOME Program to the County. A written letter of intent to terminate must be submitted to the County a minimum of 30 days prior to termination of Agreement.

SUBRECIPIENT HOME CERTIFICATION

In accordance with the provisions of the Home Investment Partnerships Act and with 24 CFR 92.150 of the Home Investment Partnership Program Rule, the SUBRECIPIENT certifies that:

(A) Before committing any funds to a activity, the SUBRECIPIENT will evaluate the activity in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

(B) The SUBRECIPIENT will only utilize HOME funds to pay for eligible activities and costs of those activities permitted in 24 CFR 92.205 through 92.209 and not specifically prohibited under 92.214.

(C) The SUBRECIPIENT understands tenant-based rental assistance is an element of the Consolidated Plan. However, tenant-based rental assistance must be approved as part of an original application for project funding.

(D) The submission of the program description is authorized under State and local law (as applicable), and that the SUBRECIPIENT possesses the legal authority to carry out the Home Investment Partnership (HOME) Program, in accordance with the HOME regulations;

(E) The SUBRECIPIENT will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations and the requirements of 24 CFR 92.353;

(F) The SUBRECIPIENT will use HOME funds pursuant to its Consolidated Plan(s) approved by the U.S. Department of Housing and Urban Development HUD and all requirements of 24 CFR Part 92;

(G) The SUBRECIPIENT will provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about:
   (a) The dangers of drug abuse in the workplace;
   (b) The participating jurisdiction's policy of maintaining a drug-free workplace;
   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (1);
4. Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the grant, the employee will:
   (a) Abide by the terms of the statement; and
   (b) Notify the employee in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the County in writing, within ten calendar days after receiving notice under paragraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal

agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under paragraph 4(b), with respect to any employee who is so convicted
   (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal State, or local health, law enforcement, or other appropriate agency.
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5, and 6.

(H) To the best of its knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the County, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant, loan, or cooperative agreement, the SUBRECIPIENT will complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions; and
3. The SUBRECIPIENT will require that the language of paragraph (F) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and agreements under grants, loans, and cooperative agreements) and that all Vendors shall certify and disclose accordingly.

(I) The SUBRECIPIENT shall, upon proper notice or with knowledge obtained by itself or others, take any and all proactive actions necessary, and provide any and all applicable remedies to address and correct any act by itself, its employees, officials, successors, assigns, subrecipients, or vendors that resulted in any wrongdoing (intentional or unintentional); misuse or misappropriation of funds; the incorrect or improper disposition of funds; any violation of any federal, state, or local law, rule, or regulation; or the breach of any certification or warranty provided in this Agreement.

______________________________	______________________________
Signature (SUBRECIPIENT Representative)	Date
______________________________	______________________________
Printed/Typed Name	Title

JURISDICTION CERTIFICATION

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction shall affirmatively further fair housing, which means it shall conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It shall comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It shall or shall continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that shall be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -
   (a) The dangers of drug abuse in the workplace;
   (b) The grantee's policy of maintaining a drug-free workplace;
   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee shall -
   (a) Abide by the terms of the statement; and

   (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

(a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5, and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or shall be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or shall be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It shall require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all sub awards at all tiers including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements and that all SUBRECIPIENTs shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It shall comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

______________________________	______________________________
Signature/Authorized City Official	Date
______________________________	______________________________
Printed/Typed Name	Title
______________________________	
City Name	

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

4. Workplace identifications must include the actual address of buildings (or parts of buildings)~~,~~ or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).

6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

   Place of Performance (Street address, city, county, state, zip code)

Check ___ if there are workplaces on file that are not identified here.

The certification with regard to the drug free-workplace is required by 24 CFR Part 24, subpart F.

7. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent subrecipients not on the grantee's payroll; or employees of SUBRECIPIENTs or vendors in covered workplaces).

ATTACHMENT A

Maricopa County Human Services Department
HB2008 Working Procedures
January 2010

The Arizona State Legislature passed HB2008 (ARS § 1-501 and § 1-502) which states that public benefits shall only be provided to eligible applicants who are citizens of the United States, or are Qualified Non-Citizens. Therefore:

- All applicants authorized to receive public benefits must provide documentation of their lawful presence in the United States through a verification process.

- All eligible applicants must also execute a sworn affidavit stating that the documentation provided during the verification process to prove citizenship or qualified non-citizen is true.

- Employees of Maricopa County and its subcontracted entities are required to report "discovered violations" of federal immigration law.

Maricopa County Human Services Department (MCHSD) is committed to administering the new law completely and fairly. This set of procedures and forms establishes policy for all employees and subcontracted Community Action Program (CAP) agencies to follow.

The public benefits that have been identified by the funding sources as services subject to this requirement include:

- Neighbors Helping Neighbors (NHN)
- Short Term Crisis Services/TANF (STCS/TANF)
- Low Income Home Energy Assistance Program (LIHEAP) (including weatherization)
- Department of Energy (DOE) Weatherization
- Arizona Department of Housing/Housing Trust Fund (ADOH/HTF)
- Housing and Urban Development (HUD) Emergency Shelter Grant Program (ESGP)
- Housing and Urban Development (HUD) Homeless Prevention & Rapid Re-Housing Program (HPRP)

The law requires that MCHSD employees and subcontracted agencies perform three distinct steps prior to providing services to authorized or eligible applicants for these specified funded services. Those key steps are:

1. Request evidence of U.S. citizenship and/or immigration status of the authorized or eligible applicant or child if STCS/TANF.
2. Require eligible applicants to execute a sworn affidavit stating the documentation provided is true.
3. Report violations of Federal Immigration law to the Federal Immigration Authorities

It is very important that all employees and vendors strictly follow this policy in all cases. HB2008 (ARS § 1-501 and § 1-502) contains serious penalties for non-compliance with the Law. Failure to report suspected violations of Federal Immigration Law by an employee is a Class 2 misdemeanor. If that employee's supervisor knew of the failure to report and failed to direct the employee to make the report, the supervisor is also guilty of a Class 2 misdemeanor.

Each subcontracted agency is also responsible for developing their own procedures to ensure compliance with ARS § 1-501 and § 1-502 and A.R.S. § 46-140.01. The vendor agency may need to be advised by their legal counsel. If these differ from those established by MCHSD, MCHSD must be notified of and approve these procedures prior to their implementation.

The following procedure is a "work in progress." The procedure may change as interpretations of HB2008 (ARS § 1-501and § 1-502) are updated. The following procedure is required by MCHSD.

Procedures

These are the requirements that authorized or eligible applicants for MCHSD funded services must fulfill in order to qualify to receive a specifically funded service.

1. Evidence of U.S. citizenship and/or immigration status of the authorized or eligible applicant (or child if STCS/TANF) must be provided.
2. Eligible applicants must execute a sworn affidavit stating the documentation provided is true.

These procedures must be followed for MCHSD funded services that are governed by HB2008 (ARS § 1-501 and § 1-502) specifically, the following fund sources:

- Neighbors Helping Neighbors (NHN)
- Short Term Crisis Services/TANF (STCS/TANF)
- Low Income Home Energy Assistance Program (LIHEAP) (including weatherization)
- Department of Energy (DOE)
- Housing and Urban Development (HUD) Emergency Shelter Grant Program (ESGP)
- Housing and Urban Development (HUD) Homeless Prevention & Rapid Re-Housing Program (HPRP)
- Arizona Department of Housing/Housing Trust Fund (ADOH/HTF)

If the funding source is not listed, then the requirements in HB2008 do not apply to the funding source.

Evidence Of U.S. Citizenship Or Lawful Presence

The fund sources differ in the acceptable documents that can be used to demonstrate lawful presence. Therefore these are listed separately below.

For Arizona Department of Housing / Housing Trust Fund (ADOH/HTF):

An applicant for an ADOH funded service is required to submit at least one of the following **original** documents to verify the applicant's lawful presence in this country.

SECTION III

WORK STATEMENT

Contract # C-22-

Maricopa County

Human Services

MARICOPA COUNTY
HOME Investment Partnership Program
FY 2013-2014

Date: June 30, 2013 DUNS # 02494128

Agency: City of Peoria

Program Year: FY 2013-2014

Project: Homebuyer Assistance

Type of Property: Single Family Units

Describe the Scope of Work:

To provide homebuyer assistance for three low/moderate income families.

Consolidated Plan – Describe goals to be addressed:

Increase the supply of affordable owner-occupied housing by providing DPA to low and moderate income families.

Describe special program or development requirements, environmental, technical or legal obstacles that must be resolved to implement this activity.

Identify Homebuyers, sweat equity hours, homeowner counseling, complete construction.

Priority rated in the Consolidated Plan:

☑ **High** ☐ **Medium** ☐ **Low**

A. OBJECTIVES AND OUTCOMES (Check appropriate box below.)

OBJECTIVE	OUTCOMES		
	AVAILABILITY/ ACCESSIBILITY	AFFORDABILITY	SUSTAINABILITY
DECENT HOUSING	☑ Single Family Housing Rehab and Emerg. Rehab, Homebuyer Assistance	☐ Homebuyer Activities, Acq/Rehab if rental housing, Acq/New Construction of rental housing, Preservation of existing public housing units and TBRA, Expansion of assisted rental units in the private marketplace	☐ Housing Activities in a targeted revitalization area

B. LOGIC MODEL: PERFORMANCE INDICATORS

	OUTPUTS			
INPUTS/RESOURCES	**ACTIVITIES**	**PARTICIPATION**	**OUTCOMES**	**OBJECTIVES**
HOME Program Funding, City Staff Administration, Client Volunteeer Sweat Equity Hours.	Construction of 3 owner-occupied, single family homes for low and moderate income homeowners	3 low/moderate income households (approximately 12 persons)	Increase the supply of affordable single-family, owner-occupied homes.	Local Strategic objective: Affordability

C. SITE INFORMATION

The municipality will waive any permit or building fees to facilitate this construction?

☐ **Yes** ☐ **No** ☑ N/A This site is currently under control in the form of (check all that apply):

☑ **Deed** ☐ **Purchase** ☐ **Lease** ☐ **Purchase**

☐ **Agreement to Lease/Lease Option**

Will the project result in the demolition or change in use of any existing low-income housing units?

☐ **Yes** ☑ **No** ☐ N/A If yes explain:

Will this property contain temporary relocation? ☐ **Yes** ☑ **No** If yes explain:

Will the property require lead based paint abatement? ☐ **Yes** ☑ **No** If yes explain:

D. PROPOSED BENEFICIARIES

Targeted Population by Income Level	Number of Households	Total Number of Units	Number of <u>County Assisted</u> Units in program (if rental)
Households at or below **50%**			
Households at or below **60%**		3	
Households at or below **80%**			
TOTAL		**3**	

Complete the table below only if the Activity will specifically set-aside units for a priority population. Set-asides will be enforced through contract provisions.

Priority Populations	No. of Units
Elderly	
Physically Disabled	
Other Priority Populations:	

SECTION III WORK STATEMENT

ACQUISITION	**TOTAL COST**	**HOME FUNDS FY13/14**	**Source #1 Other: Foundation and Coorporate Support**	**Source #2 Volunteer/ In-Kind Contributions**	**MATCH**
Land					
Buildings					
Closing Costs					
Legal Fees					
TOTAL					
SITE & DEMOLITION					
Site Work					
Demolition					
TOTAL					
NEW CONSTRUCTION or REHAB					
Construction Costs-Materials					
Builder Overhead					
Builder Profit					
General Requirements					
Consultant/Specialist					
Permits & Fees					
Construction Contingency					
Sales Tax					
Other-Infrastructure					
TOTAL					
ARCHITECTURAL FEES					
Design					
Supervision					
Other					
TOTAL					
CONSTRUCTION INTEREST & FEES & LEGAL FEES					
Construction Interest					
Bond Premium					
Title & recording					
Insurance					
Legal Fees					
Other					
TOTAL					
ADMINISTRATION COSTS					
Program Delivery-Personnel Costs **Vounteer Labor**					
TOTAL					
OTHER					
Homebuyer Assistance	$15,000	$15,000			$3,750
HB Counseling and Closing Costs			$6,450		
TOTAL	$15,000	$15,000	$6,450		$3,750

E. PERFORMANCE REPORTING - GOALS:

Completion date: December 31, 2014
Must be completed within 24 months of contract execution

TIMELINE OF ACTIVITIES

MILESTONES	START DATE	COMPLETION DATE
Families identified and meet the eligibilty requirements. Home visit and Family Services Committee review and approval.	July 2013	Feb 2014
Sweat Equity hours, lot selection, homeowner counseling classes.	Dec 2013	Jun 2014
Close of escrow and move in	May 2014	Sept 2014
Project Completion		Dec 2014

Any change to the Timeline will need to be approved by the Maricopa County and be submitted to the County.

F. ACTIVITY FOLLOWUP AND LONG TERM COMMITMENT:

Provide method for assuring activity will be used for the original purpose for the required time period (inspections, maintenance, liens, years of affordability per HUD regulations etc.).

Once sold to an eligible homebuyer a lien of $5,000 will be placed on the property and a deed will be recorded with the Maricopa Country Recorders office. The homebuyer will have a five year affordability per HUD regulations. Primary residence will be checked annually to ensure compliance.

G. ACTIVITY BUDGET SUMMARY:

To provide a total of $15,000 in Homebuyer Assistance to three low/moderate income families. Each family will receive $5,000. This will come from FY13-14 HOME funds ($15,000). In addition, Habitat for Humanity will provide funding towards Homebuyer Counseling and Closing costs to each family at approximately $2,150 each (Total $6,450). Habitat for Humanity will provide a cash match of all HOME funds used. The total match will be $3,750.

H. SOURCE AND AMOUNT OF OTHER RESOURCES:
(Attach documentation)

FUNDING AGENCY	CASH AMOUNT	VOLUNTEER/ IN-KIND AMOUNT
City of Peoria-FY13-14 HOME funds	**$15,000**	
Habitat for Humanity	**$6,450**	
TOTALS	**$21,450**	**$0.00**

I. ACTIVITY MATCH BY SOURCE:

IDENTIFY MATCH SOURCES AND AMOUNTS THAT HAVE BEEN COMMITTED.
(Match commitment must equal 25% of the HOME funds requested. Documentation due at the time of request for payment(s). Submit Match Logs annually by June 30th of each year.)

FUNDING AGENCY	MATCH TYPE	*CASH MATCH	VOLUNTEER/IN-KIND AMOUNT	TOTAL
Habitat for Humanity (FY13-14 HOME funds)	**CASH**	**$3,750.00**		**$3,750.00**
TOTALS		**$3,750.00**		**$3,750.00**

* Total Match reported here must equal Total Match on the Budget Summary.

J. PROGRAM INCOME:

PROGRAM INCOME: ☐ Will ☑ Will not be generated with this activity
Submit Program Income log monthly

Program Income will be used for: N/A

K. COST OVERRUNS

Cost overruns will be handled by: There will be no cost overruns, as there are only three units available and therefore only three possible famlies to receive homebuyer asssitance.

MARICOPA COUNTY
HOME Investment Partnership Program
FY 2013-2014

Date: June 30, 2013 DUNS # 02494128

Agency: City of Peoria

Program Year: FY 2013-2014

Project: Infrastructure, Construction

Type of Property: Single Family Units

Describe the Scope of Work:

To build three single family homes on the two vacant parcels located near 86th Ave. and Jefferson St. in Peoria, Arizona. Completion of the preliminary plat on the two existing parcels will yield three individual lots to accommodate the three homes. The homes will be sound, safe, LEED for Homes Silver certifiable designs in frame/stucco construction with an attached two car garage, block wall, desert landscaping and drip system. The homes will compliment the styles and designs of the homes within the neighborhood.

Infrastructure improvements are required on the parcel. Typical improvements will include grading and drainage work, block walls, permits and fees, surveys, soils and engineering, dry utilities, curbs and sidewalks and installing or connecting water service.

Consolidated Plan – Describe goals to be addressed:

Production of New Homebuyer Units

SECTION III WORK STATEMENT

Describe special program or development requirements, environmental, technical or legal obstacles that must be resolved to implement this activity?
Platting Process will take approximately six months.

Priority rated in the Consolidated Plan:

☑ **High** ☐ **Medium** ☐ **Low**

A. OBJECTIVES AND OUTCOMES (Check appropriate box below.)

OBJECTIVE	OUTCOMES		
	AVAILABILITY/ ACCESSIBILITY	AFFORDABILITY	SUSTAINABILITY
DECENT HOUSING	☐ Single Family Housing Rehab and Emerg. Rehab, Homebuyer Assistance	☐ Homebuyer Activities, Acq/Rehab if rental housing, Acq/New Construction of rental housing, Preservation of existing public housing units and TBRA, Expansion of assisted rental units in the private marketplace	☑ Housing Activities in a targeted revitalization area

L. LOGIC MODEL: PERFORMANCE INDICATORS

INPUTS/RESOURCES	OUTPUTS		OUTCOMES	OBJECTIVES
	ACTIVITIES	PARTICIPATION		
HOME Program Funding, City Staff Administration, Client Volunteeer Sweat Equity Hours.	Construction of 3 owner-occupied, single family homes for low and moderate income homeowners	3 low/moderate income households (approximately 12 persons)	Increase the supply of affordable single-family, owner-occupied homes.	Provide decent housing.

M. SITE INFORMATION

The municipality will waive any permit or building fees to facilitate this construction?

☐ **Yes** ☑ **No** ☐ N/A This site is currently under control in the form of (check all that apply):

☑ **Deed** ☐ **Purchase** ☐ **Lease** ☐ **Purchase**

☐ **Agreement to Lease/Lease Option**

Will the project result in the demolition or change in use of any existing low-income housing units?

☐ **Yes** ☑ **No** ☐ N/A If yes explain:

Will this property contain temporary relocation? ☐ **Yes** ☑ **No** If yes explain:

Will the property require lead based paint abatement? ☐ **Yes** ☑ **No** If yes explain:

N. PROPOSED BENEFICIARIES

Targeted Population by Income Level	Number of Households	Total Number of Units	Number of County Assisted Units in program (if rental)
Households at or below **50%**			
Households at or below **60%**		3	
Households at or below **80%**			
TOTAL		**3**	

Complete the table below only if the Activity will specifically set-aside units for a priority population. Set-asides will be enforced through contract provisions.

Priority Populations	No. of Units
Elderly	
Physically Disabled	
Other Priority Populations:	

O. PERFORMANCE REPORTING - GOALS:

Completion date: December 31, 2014
Must be completed within 24 months of contract execution

TIMELINE OF ACTIVITIES

MILESTONES	START DATE	COMPLETION DATE
Property Conveyed	Mar 2013	Jul 2013
Preliminary Plat Process	Mar 2013	Dec 2013
I/S Design, Approval, Permits & Installation	Jul 2013	Apr 2014
House Design, Approval, Permits & Construction	Sept 2013	Sept 2014
Sold to Homebuyer	Jun 2014	Sept 2014
Project Completion		Dec 2014

Any change to the Timeline will need to be approved by the Maricopa County and be submitted to the County.

P. ACTIVITY FOLLOWUP AND LONG TERM COMMITMENT:

Provide method for assuring activity will be used for the original purpose for the required time period (inspections, maintenance, liens, years of affordability per HUD regulations etc.).

A 24 month lien with Habitat for Humanity, listed as the Trustor has been placed on the two parcels to secure the project for the timeframe indicated above-completion by December 31, 2014.

Once the units are sold to eligible homebuyers, a new lien/deed will be recorded with the homebuyer as the Trustor for the appropriate years of affordability per HUD regulations. Primary residence will be checking annually to ensure compliance.

Developer is required to schedule inspections for each permit issued with the City of Peoria's Building Department to ensure compliance of local and state building codes.

Quarterly updates from HFHCAZ will outline their progress to date.

ACQUISITION	**TOTAL COST**	**HOME FUNDS FY13/14**	**FY12/13 HOME $146,291**	**Source #1 Other: Foundation and Coorporate Support**	**Source #2 Volunteer/ In-Kind Contributions**	**MATCH**
Land						
Buildings						
Closing Costs						
Legal Fees						
TOTAL						
SITE & DEMOLITION						
Site Work						
Demolition						
TOTAL						
NEW CONSTRUCTION or REHAB						
Construction Costs-Materials	$209,400	$135,163	$16,861	$57,376		$38,006
Builder Overhead						
Builder Profit						
General Requirements						
Consultant/Specialist						
Permits & Fees	$45,600		$45,600			$11,400.00
Construction Contingency						
Sales Tax						
Other-Infrastructure	$83,830		$83,830			$20,957.50
TOTAL	**$338,830**	**$135,163**	**$146,291**	**$67,539**		**$70,363.50**
ARCHITECTURAL FEES						
Design						
Supervision						
Other						
TOTAL						
CONSTRUCTION INTEREST & FEES & LEGAL FEES						

Construction Interest						
Bond Premium						
Title & recording						
Insurance						
Legal Fees						
Other						
TOTAL						
ADMINISTRATION COSTS						
Program Delivery-Personnel Costs **Vounteer Labor**					$72,000	$0
TOTAL					$72,000	$0
OTHER						

Q. ACTIVITY BUDGET SUMMARY:

To build three single family units the total cost will be $410,830. This will come from a combination of FY12-13 HOME funds ($146,291), FY13-14 HOME funds ($135,163), Foundation/Coorporate Support ($57,376) and Volunteer/In-Kind funds ($72,000). Habitat for Humanity will provide a cash match of all HOME funds used. The total match will be $70,363.50.

R. SOURCE AND AMOUNT OF OTHER RESOURCES:
(Attach documentation)

FUNDING AGENCY	CASH AMOUNT	VOLUNTEER/ IN-KIND AMOUNT
City of Peoria-FY12-13 HOME funds	**$146,291**	
City of Peoria-FY13-14 HOME funds	**$135,163**	
Habitat for Humanity	**$57,376**	
Habitat for Humanity		**$72,000**
TOTALS	**$338,830**	**$72,000**

S. ACTIVITY MATCH BY SOURCE:

IDENTIFY MATCH SOURCES AND AMOUNTS THAT HAVE BEEN COMMITTED.
(Match commitment must equal 25% of the HOME funds requested. Documentation due at the time of request for payment(s). Submit Match Logs annually by June 30th of each year.)

FUNDING AGENCY	MATCH TYPE	*CASH MATCH	VOLUNTEER/IN-KIND AMOUNT	TOTAL
Habitat for Humanity (FY12-13 HOME funds)	**CASH**	**$36,572.75**		**$36,572.75**
Habitat for Humanity (FY13-14 HOME funds)	**CASH**	**$33,790.75**		**$33,790.75**

TOTALS		**$70,363.50**		**$70,363.50**

* Total Match reported here must equal Total Match on the Budget Summary.

T. PROGRAM INCOME:

PROGRAM INCOME: ☐ Will ☑ Will not be generated with this activity
Submit Program Income log monthly

Program Income will be used for: N/A

U. COST OVERRUNS

Cost overruns will be handled by: Subrecipient/Developer (Habitat for Humanity Central Arizona) will use its General Funds or funds from the "Fund for Humanity Mortgage Pool" to handle any cost overruns.

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SECTION IV

COMPENSATION

Contract # C-22-

Maricopa County

Human Services

SECTION IV COMPENSATION

A. COMPENSATION
Subject to the availability and authorization of funds for the explicit purposes set forth below, County will pay the SUBRECIPIENT compensation for services rendered as indicated in the following subsections.

B. METHOD OF PAYMENT
SUBRECIPIENT agrees to submit monthly reimbursement requests utilizing the approved Reimbursement Request Form (Attachment B) to County unless monthly expenditures for the activity do not exceed One Thousand Dollars ($1,000.00). County agrees to reimburse SUBRECIPIENT for actual allowable costs incurred, upon certification of Release of Funds and submittal by SUBRECIPIENT of an itemized statement of actual expenditures incurred, supported by appropriate documentation. Reimbursement by County is not to be construed as final in the event that HUD disallows reimbursement for the Program or any portion thereof.

C. REIMBURSEMENT
The County shall provide financial assistance in an amount up to One Hundred Sixty Thousand One Hundred Seventy-Four dollars ($160,174.00) subject to the terms of this Agreement and availability of funds. This Agreement price constitutes the County entire participation and obligation in the performance and completion of all work to be performed under this Agreement.

D. RELEASE OF FUNDS (ROF)
No funds may be encumbered prior to the completion of the Environmental Review. The Environmental Review Record (ERR) must be completed before any funds are obligated. Funding is also conditioned upon the completion of the ERR of every activity site by address. The responsibility for certifying the appropriate Environmental Review Record and ROF shall rest with the County. It is the responsibility of the SUBRECIPIENT to notify the County, and to refrain from making any commitments and expenditures on a site until a Release of Funds has been issued by the County. Failure to meet these conditions will mean that requested funds will not be disbursed.

REIMBURSEMENT REQUEST FORM

MARICOPA COUNTY HUMAN SERVICES DEPARTMENT

HOME INVESTMENT PARTNERSHIPS PROGRAM

Invoice Date:

CONSORTIUM MEMBER City of Peoria

CM Address: 9875 N. 85th Ave

City/Zip: Peoria, AZ 85345

FOR MCHSD USE ONLY			
CM ALLOCATION	$ 160,174.00		
ENCUMBRANCE	$ -	EXPENDED	0
BALANCE	$ 160,174.00	BALANCE	$ 160,174.00

FISCAL YEAR GOAL: Homebuyer Assistance (3) $15,000.00; Acquisition and New Construction for Homebuyer (3) $135,163.00

ACCOMPLISMENTS:

FY 2013/2014

ENCUMBRANCE DEADLINE July 2015 EXPENDITURE DEADLINE June 2015

PROJECT		PROJECT BUDGET								
IDIS #	ACTIVITY		ACTIVITY BUDGET	SUM OF PRIOR INVOICES	THIS INVOICE TO MCHSD	BALANCE	MATCH APPLIED	OTHER HOME FY FUNDING	PROGRAM INCOME	OTHER FUNDING
Homebuyer Assistance		$15,000								
						$ -	$ -			
						$ -				
						$ -				
Acq / New Const. for Homebuyer		$135,163								
						$ -				
Admin		$10,011								
				$ -		$ -				
		TOTALS	$ -	$ -	$ -	$ -	$ -	$ -		$ -

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 8C

Date Prepared: November 19, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Roy W. Minter, Chief of Police**

THROUGH: **Jeff Tyne, Deputy City Manager**

SUBJECT: **Authorization to enter into an Agreement with the Drug Enforcement Administration's Organized Crime Drug Enforcement Task Force Program**

Purpose:

This is a request for the City Council to authorize the City Manager to enter into an Agreement with the Drug Enforcement Administration (DEA) in order to participate in Organized Crime Drug Enforcement Task Force Investigations.

Background/Summary:

The DEA has invited the Peoria Police Department to participate in their strategic initiative and join their Organized Crime Drug Enforcement Task Force (OCDETF) Investigations.

Due to the nature of ongoing investigation, Peoria officers will be called to participate in Task Force activities during all police shifts. Since all officers who participate in this OCDETF Investigation must be approved and deputized by the DEA, the Peoria Police Department has designated seventeen officers to be deputized. This will ensure that duly authorized Peoria officers are available when needed, without negatively impacting normal police coverage levels. The DEA will reimburse any overtime expenses incurred from participation on the Task Force (up to a total of $15,000 for all Peoria officers), and any assets seized and forfeited to the DEA will be equitably shared among participating agencies.

The Peoria Police Department is committed to dismantling criminal organizations involved in illicit drug trafficking. Partnering with the DEA and members of this OCDETF Investigation will allow the Peoria Police Department to maximize resources, share information, and serve the public interest.

Previous Actions:

For more than ten years, the City Council has authorized collaborative agreements between the Peoria Police Department and the DEA.

Options:

A. Authorize the City Manager to enter into an Agreement with the Drug Enforcement Administration (DEA) in order to participate in an Organized Crime Drug Enforcement Task Force Investigation, and approve a budget amendment in the amount of $15,000 from the Proposed Grants Contingency Account (7990-7990-570000) to the Federal DEA Account for overtime (7525-7775-510200) to provide expenditure authority.

B. Do not authorize the City Manager to enter into an Agreement with the Drug Enforcement Administration (DEA), which would prevent the Peoria Police Department from participating in ongoing criminal investigations.

Staff's Recommendation:

Authorize the City Manager to enter into an Agreement with the Drug Enforcement Administration (DEA) in order to participate in an Organized Crime Drug Enforcement Task Force Investigation, and approve a budget amendment in the amount of $15,000 from the Proposed Grants Contingency Account (7990-7990-570000) to the Federal DEA Account for overtime (7525-7775-510200) to provide expenditure authority.

Fiscal Analysis:

Request a budget adjustment of $15,000 from the Proposed Grants Contingency Account (7990-7990-570000) to the Federal DEA Account for overtime (7525-7775-510200) to provide expenditure authority.

The DEA will provide reimbursement for overtime expenses resulting from participation in this investigation. Reimbursement will not exceed $15,000.

Narrative:

Once authorized by the City Council, the Agreement will be executed as needed.

Exhibit 1:
FY14 Organized Crime Drug Enforcement Task Force Agreement (redacted for security purposes).

Contact Name and Number: Brenda Hope (623) 773-7072.

ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES

Agreement

FOR THE USE OF THE STATE AND LOCAL
OVERTIME AND AUTHORIZED EXPENSE/STRATEGIC INITIATIVE PROGRAM

Federal Tax Identification #: [redacted] DC#:

Amount Requested: **$ 15,000**

Number of Officers Listed: **17**

OCDETF Investigation / Strategic Initiative Number: [redacted]

Federal Agency Investigation Number: [redacted]

From: **November 25, 2013**
Beginning Date of Agreement

To: **September 30, 2014**
Ending Date of Agreement

State or Local Agency Name and Address:

Peoria Police Department
8351 W. Cinnabar Avenue
Peoria, AZ 85345

State or Local Agency Narcotics Supervisor: **Lt. Bob Pottenger**

Telephone Number: **623-773-8004**

E-mail Address: **Bob.Pottenger@peoriaaz.gov**

Fax # (if applicable):

Sponsoring Federal Agency Group/Squad Supervisor: **Phoenix DEA Task Force 2/Kenny Pulce, Jr.**

Telephone Number: **602-664-5600**

E-mail Address: **Kenny.Pulce@usdoj.gov**

Sponsoring Federal Agency(ies): **DEA**

Please provide the name, telephone number, e-mail address, and fax number for the administrative or financial staff person at the State or Local Agency, who is directly responsible for the billings under this Reimbursement Agreement:

Name: **Teresa Corless**

Telephone Number: **623-773-7035**

E-mail Address: **Teresa.Corless@peoriaaz.gov**

Fax# (if applicable): **623-773-7015**

This Agreement is between the above named State or Local Law Enforcement Agency and the Organized Crime Drug Enforcement Task Forces (OCDETF) Program. This Agreement shall be effective when signed by an authorized State or Local Agency official, the sponsoring Federal Agency Special Agent-In-Charge, the sponsoring Agency Regional OCDETF Coordinator, the Assistant United States Attorney Regional OCDETF Coordinator, and the OCDETF Executive Office.

1. It is agreed that the State or Local Law Enforcement officers named on this Agreement will assist in OCDETF Investigations, Strategic Initiatives and prosecutions as set forth in the Organized Crime Drug Enforcement Task Forces State and Local Overtime and Authorized Expense/Strategic Initiative Programs, Policies and Procedures Manual, Fiscal Year 2013.

2. No individual Agreement with a State or Local department may exceed $25,000, and the cumulative amount of OCDETF State and Local overtime monies that may be expended on a single OCDETF Investigation or Strategic Initiative in a single fiscal year may not exceed $50,000 without express prior approval from the OCDETF Executive Office. The OCDETF Executive Office will entertain requests to exceed these funding levels in particular cases. Please submit a written request including justification approved by the AUSA Regional Coordinator to the OCDETF Budget Officer/Deputy Budget Officer when seeking to exceed the above stated funding levels.

3. Each Reimbursable Agreement will be allowed no more than six (6) modifications per year. In addition, if the funds for a particular Agreement are completely deobligated with the intention of closing that Agreement, it will not count as a modification for purposes of this policy. These amendments must be transmitted by a memorandum approved and signed by the AUSA Regional OCDETF Coordinator or designee for the region and sent to the OCDETF Executive Office.

4. If an Agreement does not have any activity during the last ninety (90) days, the funds shall automatically be deobligated. The OCDETF Executive Office will assist with the monitoring of the aging Agreements. Further, if a State or Local Agency indicates that it is no longer performing work under a particular Agreement, the State and Local Overtime and Authorized Expense/Strategic Initiative Programs, Policies and Procedures Manual requires that a modification memorandum identifying the amount to be deobligated be submitted to the OCDETF Executive Office as soon as possible after determining that no work is being performed.

5. The State and Local Law Enforcement Agency must provide billing estimates or activity on a monthly basis.

6. The State or Local Law Enforcement Agency agrees to provide experienced drug Law Enforcement officers who are identified in this Agreement to work on the specified OCDETF Investigation or Strategic Initiative. Any change in Law Enforcement officers assigned must be agreed to by all approving officials.

7. Officers who are not deputized shall possess no Law Enforcement authority other than that conferred by virtue of their position as a commissioned officer of their parent Agency.

8. Officers who are deputized may possess Federal Law Enforcement authority as specified by the Agency affording the deputation.

9. Any State or Local officers assigned to an OCDETF Investigation or Strategic Initiative in accordance with this Agreement are not considered Federal employees and do not take on the benefits of Federal employment by virtue of their participation in the Investigation or Strategic Initiative.

10. OCDETF and the sponsoring Federal Law Enforcement Agency(ies) for the approved OCDETF Investigation or Strategic Initiative will provide to the assigned State/Local officers the clerical, operational and administrative support that is mutually agreed to by the parties in this Agreement.

11. Officers assigned to OCDETF Investigations or Strategic Initiatives must work full-time on the Investigation(s) or Strategic Initiative(s) in order to be paid overtime. In order to satisfy the "full-time" requirement, a Law Enforcement officer must work forty (40) hours per week or eight (8) hours per day on a single or multiple OCDETF Investigation(s) or Strategic Initiative(s). Any established exceptions or waivers to this definition shall be requested by the Regional Coordination Group and attached as Addendum A to the Agreement. [The parent State or Local Agency must pay the base salary of its officers. In the event officers must work overtime on an OCDETF Investigation or Strategic Initiative, the OCDETF Program will reimburse the parent State or Local Law Enforcement Agency for a limited amount of those overtime costs.] The Agency is responsible for paying its Law Enforcement officer(s) for their overtime, travel and per diem expenses. To ensure proper and complete utilization of OCDETF overtime and expense allocations, reimbursement claims must be submitted monthly on the OCDETF Reimbursement Request Form. The OCDETF Executive Office may refuse payment on any reimbursement request that is not submitted to the OCDETF Regional Coordination Group within thirty (30) days of the close of the month in which the overtime was worked.

12. It is the responsibility of the State & Local Agency to retain and have available for inspection sufficient supporting documentation for all regular hours and overtime hours worked towards a specific OCDETF case. Officers' timesheets must reflect work towards a specific OCDETF case and must be reviewed and signed by an authorized State & Local official.

13. Analysis of reimbursement claims by the Regional Coordination Group may result in a modification of the obligation of funds contained within this Agreement as well as the time period covered. The Agency affected by any such modification will receive a memo notifying them of the changes.

14. Overtime payments, including all other non-OCDETF Federal sources (such as Safe Streets, HIDTA, IRS, ICE, FEMA, etc.) may not, on an annual per person basis, exceed 25% of the current approved Federal salary rate in effect at the time the overtime is performed. The State or Local Agency is responsible for ensuring that this annual payment is not exceeded. The Executive Assistant/OCDETF Program Specialist will monitor these payments via MIS and communicate to the Federal Agency Regional OCDETF Coordinators who provide status updates to any officer approaching the threshold.

15. The overtime log must be attached to the reimbursement request when submitting the monthly invoices. The Sponsoring Federal Agency Supervisory Special Agent and the State or Local official authorized to approve the Reimbursement Request must certify that only authorized expenses are claimed, the regular hours requirement is satisfied, and that overtime has not exceeded 25% of the current Federal salary rate in effect at the time the overtime was worked.

16. Under no circumstances will the State or Local Agency charge any indirect costs for the administration or implementation of this Agreement.

17. The State or Local Agency shall maintain complete and accurate records and accounts of all obligations and expenditures of funds under this Agreement for a period of six (6) years and in accordance with generally accepted accounting principles to facilitate inspection and auditing of such records and accounts.

18. The State or Local Agency shall permit examination and auditing by representatives of the OCDETF Program, the sponsoring Federal Agency(ies), the U.S. Department of Justice, the Comptroller General of the United States, and/or any of their duly-authorized agents and representatives, of any and all records, documents, accounts, invoices, receipts, or expenditures relating to this Agreement. Failure to provide proper documentation will limit State or Local Law Enforcement Agencies from receiving OCDETF funding in the future.

19. The State or Local Agency will comply with Title VI of the Civil Rights Act of 1964 and all requirements applicable to OCDETF Agreements pursuant to the regulations of the Department of Justice (see, e.g., 28 C.F.R. Part 42, Subparts C and G; 28 C.F.R. 50.3 (1991)) relating to discrimination on the grounds of race, color, sex, age, national origin or handicap.

20. This Agreement may be terminated by any of the parties by written notice to the other parties ten (10) business days prior to termination. Billing for outstanding obligations shall be received by OCDETF within thirty (30) days of the notice of termination.

21. The Debt Collection Improvement Act of 1996 requires that most payments made by the Federal government, including vendor payments, must be made by electronic funds transfer (EFT). In accordance with the act, all OCDETF reimbursement payments will be issued via EFT. All participating State and Local Agencies must complete and submit the attached EFT form. The OCDETF Executive Office must receive one EFT form from each participating Agency or police department prior to processing their reimbursement payments. In certain circumstances the OCDETF Executive Office may make exceptions for Agencies that are unable to accept this form of payment, however, such Agencies must include written justification in the addendum of each new Agreement.

22. All changes made to the original Agreement must be approved by the OCDETF Executive Office and initialed by the Executive Assistant/OCDETF Program Specialist of the Regional Coordination Group making the revision. The AUSA Regional OCDETF Coordinator or designee must initial all funding changes.

23. The Regional Coordination Group is responsible for identifying and implementing any additional policy requirements, as needed, for its specific region. Those regional policies will be documented in the Addendum B and attached to the approved Agreement. The Agencies are agreeing to adhere to these additional requirements and must have written approval by the Regional Coordination Group for any exceptions to the regional policies.

This Agreement is not a contract or obligation to commit Federal funds in the maximum amounts projected. Funding allocations for the time period set forth and agreed to herein represent projections only and are based upon consultation between the sponsoring Federal Agency and the State or Local Law Enforcement Agency. They are, therefore, subject to modification by OCDETF based upon the progress and needs of the OCDETF Investigation or Strategic Initiative. Additionally, resources are contingent upon the availability of funds per the approval and signature of the OCDETF Executive Office obligating authority. The OCDETF Executive Office will approve and certify that all the terms and conditions of the Agreement have been met.

MONTHLY ESTIMATES ARE NOW REQUIRED. ESTIMATE FOR THE CURRENT MONTH MUST BE SENT TO AGENCY COORDINATOR NO LATER THAN FIFTH (5th) BUSINESS DAY OF THE CURRENT MONTH.

Approved By: ____
Authorized State or Local Official *Title* *Date*

Approved By: ____
Sponsoring Federal Agency Special Agent in Charge or Designee *Date*

Approved By: ____
Sponsoring Agency Regional OCDETF Coordinator *Date*

Approved By: ____
Assistant United States Attorney Regional OCDETF Coordinator *Date*

Funds are encumbered for the State/Local Agency overtime costs and authorized expense/Strategic Initiative Programs specified above. **Subject to availability of funds**.

Funds Certified: ____
OCDETF Executive Office *Date*

Approving Official: ____
OCDETF Executive Office *Date*

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 9C

Date Prepared: November 20, 2013 **Council Meeting Date:** December 10, 2013

TO: Carl Swenson, City Manager

FROM: William Mattingly, Public Works – Utilities Director

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: EPCOR Temporary Water Service Agreement

Purpose:

This is a request for City Council to approve a Temporary Water Service Agreement with EPCOR Water Arizona Inc. This agreement will enable the City to provide temporary water to EPCOR Water Arizona Inc. in emergency situations.

Background/Summary:

EPCOR Water Arizona Inc. (EPCOR) is a water utility which serves a portion of the City of Peoria. EPCOR has requested that the City allow a temporary water service connection with the City of Peoria water system. This temporary service connection would be located at approximately 99th Avenue and Jomax Road to provide water to the Tierra Del Rio subdivision for short periods of time in the event of a water service interruption. Under this agreement, the cost of the interconnect will be paid for by EPCOR and EPCOR will pay the existing commercial customer rate for City of Peoria water when the interconnect is being used.

Previous Actions:

1. The City Council approved a similar agreement with the Sunrise Water Co. on June 7, 2011.
2. The City Council approved a similar agreement with the New River Utility on August 23, 2011.
3. On September 20, 2011, the City Council approved an agreement with EPCOR (Arizona American Water Company) which allows EPCOR to share water consumption information for Peoria's use in billing wastewater customers.

Options:

A: The City Council could act to approve the proposed Temporary Water Service Agreement as outlined.

B: The City Council could decline to approve the agreement. The City has no legal obligation to supply water to a private water company. In the event that the water company had a service disruption it would be responsible to seek other sources of supply and/or attempt to deliver minimal service to some or all of its customers.

Staff's Recommendation:

Staff recommends that the City Council approve a Temporary Water Service Agreement with EPCOR. This agreement will enable the City to provide temporary water to EPCOR in emergency situations.

Fiscal Analysis:

There are no City of Peoria one-time or ongoing operational costs associated with this agreement. All costs of the Temporary Service Connection will be paid by EPCOR. EPCOR will pay for water provided by the City at current commercial water rates. The commercial water rate for monthly use in excess of 50,000 gallons is $3.66 per 1,000 gallons.

Narrative:

The City has no obligation to provide water to EPCOR; however the EPCOR customers in the service area that would benefit from this interconnection are Peoria residents. Providing a temporary service connection is a prudent, proactive measure to help ensure that during service interruption, water could be provided to these residents. The City would provide the same water at the same quality as it delivers to its own customers. The City makes no representation regarding water pressure and the City's responsibilities end at the point of connection. EPCOR will continue to be responsible for the operation and distribution of water within their system.

In the absence of this agreement, EPCOR could request an emergency connection to the City's water system which the City could choose to approve or deny. Approval under this circumstance would delay the implementation of an emergency connection and could result in significant service disruptions.

Exhibit(s):

Exhibit 1: EPCOR Water Arizona Inc. Temporary Water Service Agreement

Exhibit 2: Appendix "A" (the "Connection Point")

Contact Name and Number: Michael D. Weber, P.E., Deputy Utilities Director, 623-773-7181

AGREEMENT BETWEEN THE CITY OF PEORIA AND EPCOR WATER ARIZONA INC. FOR A TEMPORARY WATER SERVICE CONNECTION

THIS AGREEMENT ("Agreement") is made and entered into this ______ day of _______________ 2013, by and between the City of Peoria, a municipal corporation of the State of Arizona ("Peoria"), and EPCOR Water Arizona Inc., an Arizona corporation ("Company") (collectively, "Parties" and, individually, a "Party").

RECITALS:

A. Company is a public service corporation within the meaning of Article 15, Section 2, of the Arizona Constitution, and is authorized to provide potable water service within portions of Peoria pursuant to a Certificate of Convenience and Necessity ("CC&N") granted by order of the Arizona Corporation Commission ("Commission").

B. Peoria provides potable water service within other portions of its area contiguous with the area subject to the CC&N.

C. Each Party owns and operates, within its respective service area, certain wells, pumps, booster stations, pipelines, valves, and related hardware and facilities (collectively, a " Water Distribution System") that may be expanded from time to time, and through which that Party delivers potable water to its customers.

D. Company desires Peoria to provide Company with potable water in times of temporary water shortage, emergency, and/or disaster, at the rates and under the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the respective rights, privileges and obligations of the Parties set forth in this Agreement, the Parties hereby agree as follows:

AGREEMENTS:

1. Agreement to Furnish Water Connection.

Peoria agrees to provide a water connection to Company's Water Distribution System at a location designated in Appendix "A" (the "Connection Point"). The Parties may agree in writing to amend Appendix "A" without amending this entire Agreement. Peoria makes no representations or warranties regarding the quality and quantity of the water delivered to Company at the Connection Point other than the representation that the quality of water delivered to Company at the Connection Point will be of the same general quality of water that Peoria transports and distributes to customers within its municipal Water Distribution System.

2. Payment for Water Service.

Company agrees to pay Peoria for all water delivered to Company at the Connection Point. Peoria will invoice Company for such water and the Company shall tender payment to Peoria within thirty (30) days of receipt of such invoice. The amount paid by Company shall be based on Peoria's rate schedule in effect at the time of water delivery. For the purpose of determining the applicable rate, Company shall be classified as a commercial rate customer. Peoria will waive any base meter charges for any billing period, when no water has been used.

3. Limitation on Service.

The water deliveries provided by Peoria to Company under this Agreement shall be strictly limited for use to customers of Company situated within the boundaries of the CC&N. Company shall not extend service to other customers or otherwise utilize water delivered by Peoria to Company under this Agreement for the purpose of providing water utility service to locations outside of the boundaries of the CC&N.

4. Construction of Connection.

Company shall be responsible for and pay all costs associated with the construction of the physical connection to Peoria's Water Distribution System. The connection shall be made at the Connection Point. In connection with constructing the connection to the Connection Point, Company shall install necessary valves and fittings to allow the connection to be securely closed if necessary. Forty-eight (48) hours prior to connection construction, Company shall notify, in writing, any Peoria customers whose water supply will be interrupted. Peoria will provide a list of customers that will be affected.

5. Engineering Review: Inspection of Construction.

Prior to the commencement of construction of the connection to Peoria's Water Distribution System, Company shall submit engineering plans and specifications for the connection to Peoria for review and approval. Peoria's representative shall have the right to inspect the construction and installation of said facilities and require conformance with the engineering plans and specifications and shall approve said facilities prior to the commencement of water deliveries to Company under this Agreement. Said inspection and approval, however, is not intended nor understood to be nor constitutes more than a determination that the specifications set forth herein have been complied with and is not an approval or ratification by Peoria of the quality or fitness of the construction of the connection.

Company shall also ensure it receives all regulatory required approvals from Maricopa County and the State of Arizona before water deliveries are made. This includes Approval to Construct and Approval of Construction, if required.

6. Company's Distribution System.

Peoria's obligations to Company under this Agreement shall terminate at the Connection Point as shown in the engineering plans. Company shall be responsible for the construction, operation and maintenance of all water distribution mains and related facilities and improvements necessary to transport and deliver water from the Connection Point to Company's customers. Peoria shall have no right, title or interest in such water distribution mains and related facilities and improvements.

7. Term of Agreement.

The Agreement shall be effective on the date on which it has been approved and executed by both Parties, as reflected on the signature page below. The Agreement shall thereafter have a term of five years. At the end of the five (5) year period, the Agreement will automatically renew on an annual basis unless either Peoria or Company provides to the other Party a notice of intent to terminate this Agreement.

This Agreement may be terminated at any time upon one Party giving the other Party at least sixty (60) days written notice of termination before the effective termination date. The notice shall be in writing and be provided in accordance with Section 8 below to the non-noticing Party.

At the time of termination, Company will be fully responsible, at its sole cost and expense, for disconnecting and abandoning the constructed and installed facilities associated with water delivery, as required by Peoria and to Peoria's satisfaction.

8. Notices.

All notices, claims, requests and demands hereunder shall be in writing and served in person or via certified (return receipt requested) mail, postage prepaid, addressed as follows:

If to Peoria: City of Peoria
8401 West Monroe Street
Peoria, Arizona 85345
Attn: Public Works – Utilities Director

If to Company: EPCOR Water Arizona Inc.
2355 West Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027
Attn: Director of Engineering

9. Conflict of Interest.

This Agreement is subject to cancellation by Peoria pursuant to the provisions of Section 38-511, Arizona Revised Statutes, which provides, in general, that a contract may be canceled within three years after its execution if any person significantly involved in initiating, negotiating, securing, drafting or creating a contract on behalf of Peoria becomes an employee or agent of, or consultant to, Company.

10. Indemnification.

Each Party shall indemnify and agrees to pay, defend and hold harmless the other Party, its directors, officers, employees, and agents, for, from and against any liability, obligation, action, suit, judgment, fine, award, loss, claim, demand or expense (including reasonable attorneys' fees) to the extent arising from any act or omission of the indemnifying Party relating to this Agreement. The provisions of this Section 10 shall survive the revocation and/or termination of this Agreement.

11. Entire Agreement.

This Agreement sets forth the entire agreement between the Parties with respect to its subject matter. Any amendment or modification of this Agreement shall be in writing and shall be effective when executed by a duly authorized representative of each Party.

12. Waiver.

The failure of a Party at any time to require performance by the other Party of any term, condition or provision in this Agreement shall not affect the Parties' subsequent rights and obligations under such provision. Waiver by either Party of a breach of any term, condition in this Agreement shall not constitute a waiver of any subsequent breach of such provision or a waiver of such provision itself.

13. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. Neither Party shall assign any of its interests under this Agreement without first obtaining the prior written consent of the other Party, provided however, that after notifying Peoria of its intent to do so, Company may assign its interests under this Agreement to any third party assuming the CC&N with the approval of the Commission without obtaining the consent of Peoria. In the event that either Party attempts to assign its interests under this Agreement without first obtaining the prior written consent of the other, then such assignment shall be null and void.

14. Counterparts.

This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Agreement.

15. Exhibits & Appendix.

All exhibits attached to this Agreement are incorporated in this Agreement by reference as though fully set forth in this Agreement.

16. Governing Law.

This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona, without regard to conflicts of law principles.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers and agents on the day and year first written above.

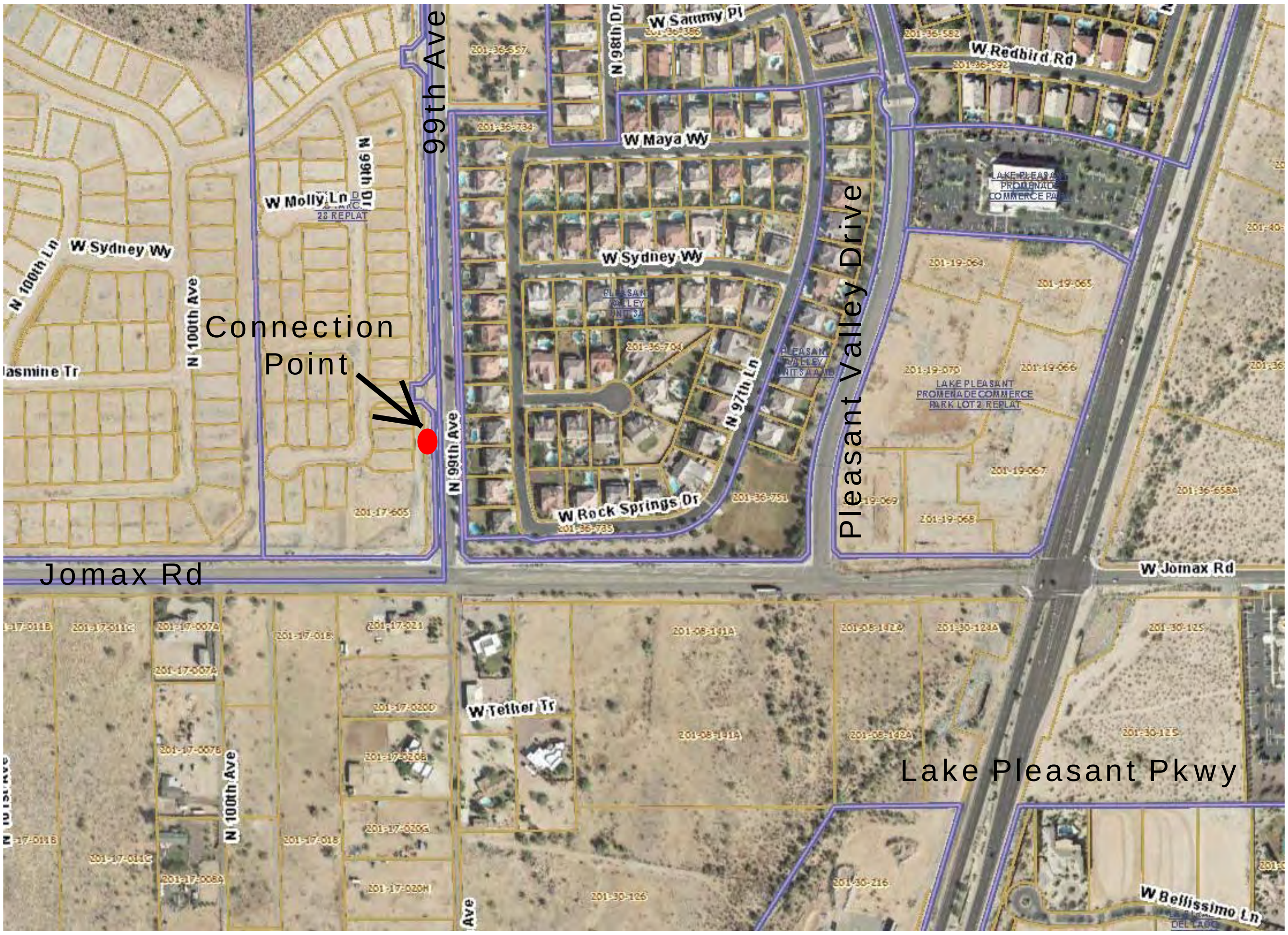
CITY OF PEORIA, an Arizona municipal corporation	EPCOR WATER ARIZONA INC., an Arizona corporation
By____________________________ Carl Swenson, City Manager	By____________________________
Date:__________________,2013	Its:____________________________
ATTEST:	Date:__________________________

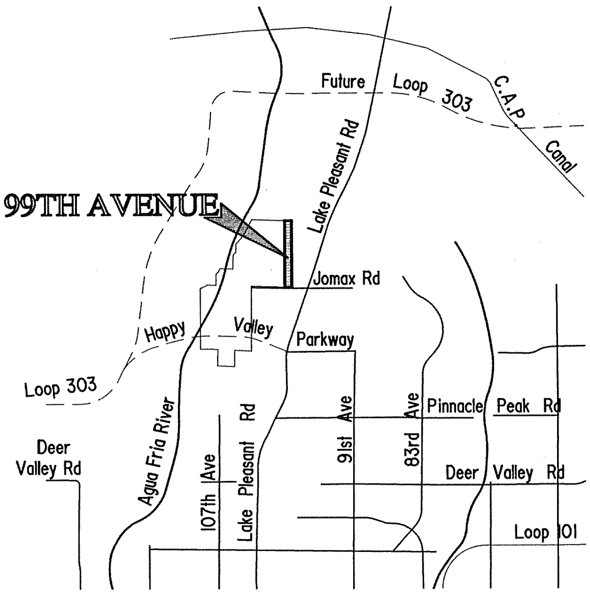
____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Kemp, City Attorney

Appendix A





VICINITY MAP

N.T.S

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 10C

Date Prepared: November 25, 2013 **Council Meeting Date:** December 10, 2013

TO: Carl Swenson, City Manager

FROM: Brent Mattingly, Chief Financial Officer

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Fiscal Year 2013 Comprehensive Annual Financial Report, Single Audit, Management Letter, and SAS114 Letter

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Purpose:

This is a request for City Council to receive and file the Comprehensive Annual Financial Report, Single Audit, Management Letter and SAS114 Letter for the fiscal year ended June 30, 2013.

Background/Summary:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Peoria, Arizona for the fiscal year ended June 30, 2013. The report was prepared by the Finance Department. The basic financial statements, combining fund financial statements, related footnotes and other supplementary information have been examined by an independent firm of Certified Public Accountants, Heinfeld, Meech & Co., P.C., whose report is included within. The examination satisfies Article VI, Section 7, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant. Additionally, the administration of Federal financial assistance received by the City directly from Federal agencies, or passed through to the City by the State of Arizona or other governmental entities during fiscal year 2013 was tested by Heinfeld, Meech & Co., P.C. for compliance with applicable laws and regulations.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. We believe the data is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The CAFR is presented in three sections. An Introductory Section includes the table of contents, transmittal letter, principal officials and organization chart. The Financial Section includes the independent auditor's report, management's discussion and analysis highlighting significant aspects of financial operations during the fiscal year, the government-wide financial statements, the fund financial statements, including fund combining statements, and related notes and other supplementary information. The Statistical Section includes a number of tables of unaudited data depicting the financial history of the City, as well as demographic and other miscellaneous statistics, generally presented on a multi-year basis. As part of this agenda package, each City Council member received a copy of the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013.

These financial statements have been prepared in accordance with accounting standards generally accepted in the United States of America for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). Staff believes the CAFR meets the standards and requirements of the Governmental Accounting Standards Board in the presentation of financial data, exhibits, and footnote disclosures.

Additionally, the City is required to have an independent audit of Federal financial assistance received by the City from Federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year (the "Single Audit"). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements having a direct impact and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards. The reports from Heinfeld, Meech & Co., P.C. are included in the City of Peoria, Arizona's separately issued Single Audit Report, copies of which have been provided to Council.

As part of the audit process, the auditors also prepare a management letter as a separate report. A copy of the management letter for the fiscal year ended June 30, 2013, is included with this agenda item. The management letter presents the auditor's comments and recommendations intended to improve the internal controls and operating efficiencies of the City. Staff responses to the auditor's recommendations are included in the body of the management letter.

Additionally, the auditors are required by professional standards to communicate certain information to "those charged with governance". The attached SAS114 letter is that communication. This letter: 1) communicates the responsibilities of the auditors and the City, 2) discusses the audit process, and 3) discusses any issues that may have arisen during the audit or as a result of the audit.

Previous Actions:

There are no previous actions for this item.

Options: *(include as many as reasonable)*

A: Receive and file the Comprehensive Annual Financial Report, Single Audit, Management Letter, and SAS114 Letter for the fiscal year ended June 30, 2013.

B: Do not receive and file the Comprehensive Annual Financial Report, Single Audit, Management Letter, and SAS114 Letter for the fiscal year ended June 30, 2013.

Staff's Recommendation:

Staff recommends that Council receive and file the Comprehensive Annual Financial Report, Single Audit, Management Letter, and SAS114 Letter for the fiscal year ended June 30, 2013.

Fiscal Analysis:

This item has no financial implications.

Narrative:

The finance department prepares the Comprehensive Annual Financial Report (CAFR) to demonstrate the financial position and results of operation for the fiscal year ended June 30. This report is prepared according to professional standards and contains management's discussion and analysis, financial statements, footnotes to the financial statements, a statistical section and other supplementary information deemed to be useful to the readers of the report. The financial information contained in the CAFR is audited by an independent firm of Certified Public Accountants whose report is contained within the CAFR.

The City is also required to have an independent audit of Federal financial assistance received by the City from Federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year (the "Single Audit"). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements having a direct impact and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards. The reports from Heinfeld, Meech & Co., P.C. are included in the City of Peoria, Arizona's separately issued Single Audit Report.

After the completion of the annual audit, staff forwards to Council the Comprehensive Annual Financial Report, the Single Audit Reporting Package, the Management Letter from the auditors and the SAS114 Letter for the Council to receive and file in the official records of the City. Such documents for the fiscal year ended June 30, 2013 are hereby forwarded.

Exhibit 1: Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013

Exhibit 2: Single Audit Reporting Package for the year ended June 30, 2013

Exhibit 3: 2013 Management Letter

Exhibit 4: 2013 SAS114 Letter

Contact Name and Number: Brent Mattingly, X7134

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

3033 N. Central Ave., Suite 300
Phoenix, Arizona 85012
Tel (602) 277-9449
Fax (602) 277-9297

November 25, 2013

To the Honorable Mayor and Members of the City Council
City of Peoria, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Peoria, Arizona for the year ended June 30, 2013. We also have audited the financial statements of each of the City's non-major governmental, internal service, and fiduciary funds presented as supplementary information. Lastly, we have audited the financial statements of the City of Peoria, Arizona, Employee Benefit Trust and Workers' Compensation Trust, component units of the City of Peoria, Arizona, as of and for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to you during the planning phase of the audit. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Peoria, Arizona are described in Note 1 to the financial statements. During the fiscal year ended 2013, the City implemented the following new accounting standards issued by the Governmental Accounting Standards Board: 1) GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and 2) GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. The application of existing policies was not changed during the year. We noted no transactions entered into by the City of Peoria, Arizona during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. During the fiscal year ended 2013, the City reported a Special Item of $2,101,809 for the close out of the Public Housing Program.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

TUCSON • PHOENIX • FLAGSTAFF

Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During the course of the audit we did not identify any uncorrected misstatements and/or audit adjustments that we deemed to be material.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter provided to us at the conclusion of the audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Peoria, Arizona's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Issue

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management throughout the course of the year. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention as the City's auditors.

Responsibility for Fraud

It is important for both management and the members of the Board to recognize their role in preventing, deterring, and detecting fraud. One common misconception is that the auditors are responsible for detecting fraud. Auditors are required to plan and perform an audit to obtain reasonable assurance that the financial statements do not include material misstatements caused by fraud. Unfortunately most frauds which occur in an organization do not meet this threshold.

The attached document is provided as a courtesy and provides some basic steps that should be taken to help prevent fraud from occurring in your organization. Some of these steps may already be in place, others may not. Not even the most well-designed internal controls or procedures can prevent and detect all forms of fraud. However, an awareness of fraud related factors, as well as the active involvement by management and the members of the Board in setting the proper "tone at the top", increases the likelihood that fraud will be prevented, deterred and detected.

The information in this letter is intended solely for the use of the members of the Board and management of City of Peoria, Arizona and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

Steps Management Should Take in Preventing the Occurrence of Fraud

First and Foremost, acknowledge that fraud can and does occur – Fraud occurs in organizations often because management provides the perpetrator with a substantial amount of authority and a high degree of trust. Consequently, management performs limited or no review of the individual's work. Recognizing that fraud can occur in any organization, including your own, is the first step in prevention.

Clearly communicate to employees the behavior that is expected of them – Believe it or not, ignorance has been cited as a common cause of fraud. Some employees have been trained to commit fraudulent acts without knowing what they were doing, just assuming that "that's the way it's done".

Take strong action against employees who commit fraud – Call the police or other law enforcement agency and press charges. Failing to do so sends a message to other employees that management doesn't take fraud seriously.

Provide employees an opportunity to report the occurrence of fraud or other abuse anonymously – In a recent national survey, one in five employees said they were personally aware of the occurrence of fraud in the workplace. Eighty percent said they would be willing to report fraud if they did not have to identify themselves. Management can establish a fraud hotline, "suggestion boxes," or other means to enable employees to bring the occurrence of fraud to its attention without requiring employees to give their names.

Conduct your own activities on a high ethical level – Employees will follow the lead of the governing body and management, whether that lead is ethical or not. More than what is said or included in a policy manual, the actions of the governing body and management establish behavioral norms.

Be alert to changes in employee attitudes, behavior and lifestyles – Because of day-to-day contact, management is in the best position to observe the unusual – attitudes that are hostile or defensive toward management or the organization in general, changes in behavior that are inconsistent with employees' normal disposition or lifestyles that are not reasonable based on the employees' level of compensation. Matters that may be of particular concern include:

- Indications of dissatisfaction with compensation, or a lack of promotion
- Indications of gambling
- Indications of drug use or excessive use of alcohol
- Indications of financial distress
- Indications of severe stress

Steps Management Should Take in Preventing the Occurrence of Fraud

Perform thorough background checks on all new employees – Call former employers and educational institutions for verification of previous employment and education. Beware of "gaps" in employment or educational history. Consider obtaining a credit report (if authorized by the candidate) before employment.

Require uninterrupted vacations for all employees and establish a schedule of rotation of employee responsibilities – More than just good management, rotation of duties provides a strong disincentive to commit fraud. In addition, it provides an opportunity to discover fraud that has already occurred.

Establish a budget – The governing body/management should establish an operating budget and monitor actual results on a regular basis. Any significant variances should be investigated.

Monitor exception reports – Unprocessed transactions should be carefully examined for propriety. This includes revenues, expenses, purchasing and payroll transactions.

Control the mail –The mail should be picked up by an employee who has no responsibilities related to the handling or recording of deposits, accounts receivable records or revenues. All remittances should be directed to a post office box. Limiting access to the organization's mail is essential in preventing the unauthorized negotiation of cash receipts.

Control the bank statements – Similarly, the bank statements should be picked up by an employee who has no related responsibilities and delivered to the management or other person independent of the reconciliation process. This person should review the contents of the statements before they are reconciled. Specific items to be alert to include:

- Missing checks
- Checks issued out of sequence
- Unknown payees
- Checks that appear to have been altered
- Checks not signed by authorized signatories
- Other unusual items

Account for sequences – Whether it is checks, invoices, credit memoranda, receiving reports, shipping documents, or other pre-numbered items, all sequences should be accounted for. Voided documents should be defaced to prevent unauthorized use and retained to complete sequences.

Steps Management Should Take in Preventing the Occurrence of Fraud

Control general journal entries – Management should either make or personally review and approve all general journal entries. Supporting documentation should be reviewed before approving general journal entries. In particular, the following items should be investigated:

- Entries made to unrelated accounts
- Entries made to receivables or revenues at or near the close of a period
- Entries made by persons whose responsibilities are not consistent with the accounts being adjusted

Obtain reasonable fidelity bond coverage – If the unthinkable occurs, insurance coverage is the most likely means of recovery of amounts misappropriated. The amount of coverage should be reviewed periodically for adequacy.

Evaluate the internal control framework – Lastly, evaluate the internal control framework of your organization. One particular useful evaluation tool is available in the Committee of Sponsoring Organization's (COSO) guidance on internal control over financial reporting for smaller organizations. This guidance may be obtained through the AICPA's website at www.cpa2biz.com (product #990017).

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Comprehensive Annual Financial Report

For Fiscal Year Ended
June 30, 2013

City of Peoria, Arizona

City Council:
Bob Barrett, Mayor
Tony Rivero, Vice Mayor
Cathy Carlat
Ron Aames
Carlo Leone
Jon Edwards
Bill Patena

Administrative Staff:
Carl Swenson, City Manager
Jeff Tyne, Deputy City Manager
Susan Daluddung, Deputy City Manager

Prepared By: Finance Department
Brent D. Mattingly, Chief Financial Officer, Finance Director
Katie Gregory, Deputy Finance and Budget Director
Christen Wilcox, Acting Accounting Supervisor

Core Values

"The City of Peoria team members share a commitment to provide quality service for our community."

Professional

Demonstrates professional skills and knowledge needed to perform the job; keeps informed of developments in the professional field and applies this knowledge to the job; encourages and supports the development of subordinate personnel.

Ethical

Maintains the highest standards of personal integrity, truthfulness, honesty, and fairness in carrying out public duties; avoids any improprieties; trustworthy, maintains confidentiality; never uses City position or power for personal gain.

Open

Communicates effectively orally and in writing; involves appropriate individuals and keeps others informed; acts as a team member; participates and supports committees/boards/commissions/task forces; approachable; receptive to new ideas; supports diversity and treats others with respect; actively listens.

Responsive

Consistently emphasizes and supports customer service; takes responsibility to respond to all customers in a prompt, efficient, friendly, and patient manner; represents the City in an exemplary manner with civic groups/organizations and the public.

Innovative

Demonstrates original thinking, ingenuity, and creativity by introducing new ideas or courses of action; supports innovative problem-solving by identifying and implementing better methods and procedures; takes responsible risks; demonstrates initiative and "follows through" on development and completion of assignments.

Accountable

Accepts responsibility; committed to providing quality service to our community; plans, organizes, controls and delegates appropriately; work produced is consistent and completed within required timeframes; implements or recommends appropriate solutions to problems; acknowledges mistakes; manages human and financial resources appropriately.

Introductory
Slip Sheet

CITY OF PEORIA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2013

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CITY OF PEORIA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2013

City of Peoria

FINANCE DEPARTMENT

8401 West Monroe Street
Peoria, Arizona 85345
T 623.773.7150
F 623.773.7033

October 31, 2013

Honorable Mayor, City Council, City Manager and Citizens of Peoria, Arizona:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Peoria, Arizona (the City) for the fiscal year ended June 30, 2013. The report was prepared by the Financial Services Division of the Finance Department.

This report represents management's report to its governing body, constituents, legislative and oversight bodies, investors, and creditors. Copies of this report will be sent to elected officials, management personnel, bond rating agencies, Nationally Recognized Municipal Securities Information Repositories, and other agencies which have expressed interest in the City's financial matters. Copies of this financial report will also be placed in the City's libraries, as well as on the City's website, for use by the general public.

Management's Discussion and Analysis presented on pages 3-17 has a different focus and purpose than the transmittal letter and should be read in conjunction with this transmittal.

THE FINANCIAL REPORTING ENTITY

The City of Peoria, chartered in 1954, has a Council-Manager form of government with the City Council consisting of the Mayor and six Council Members. Pursuant to an amendment to the City Charter approved by the voters in 1997, the Mayor is elected at-large for a four-year term. Council members are elected, by district, for four-year terms. The City Council is vested with policy and legislative authority and is responsible for passing ordinances; adopting the budget; appointing committee, commission, and board members; and appointing the positions of City Manager, City Attorney, and Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the City.

The City encompasses approximately 179 square miles in the northwestern portion of Maricopa County, and is one of several major cities comprising the greater Phoenix metropolitan area. Between the 2000 census and the 2010 census the City's population increased by more than 42 percent, from approximately 108,300 to approximately 154,065. This followed the more than 100 percent growth that occurred in the preceding 10 years. The estimated current population is 159,600. The City's tremendous growth is attributable to the comparatively affordable housing, an excellent school district, and the expansion of the metropolitan freeway systems, allowing Peoria residents to commute effectively to other cities in the metropolitan area. Population growth trends are expected to continue, though at a slower pace. While growth is positive, this growth will continue to present challenges to the City in providing a high level of services.

The City provides a full range of municipal services, including police and fire protection, solid waste services, water and sewer services, construction and maintenance of streets, recreational and cultural events, library services, public transportation, planning and zoning services, and general administrative services. Peoria offers a wide range of community facilities including two community centers, three swimming pools, two libraries, and 33 neighborhood parks encompassing 356 acres. The Peoria Sports Complex—operated by the City—is the nation's first two-team baseball spring training facility and the spring training home of the San Diego Padres and Seattle Mariners. Lake Pleasant, in northern Peoria, is the second largest lake in Arizona. The City opened its first large community park, Rio Vista Community

Park, in the southern part of the City in fiscal year 2004. This 50-plus acre facility has athletic fields, playgrounds, armadas, an urban lake, skate park and other amenities for the citizens' enjoyment. Phase II of Rio Vista Park, which included a recreation center and additional fields, was completed in 2007. The City's second community park is under construction and will open in fiscal year 2014. The City also has a performing arts center with a 250-seat main auditorium, 80-seat black box theater, and classroom and administrative space in the downtown area.

This report includes financial statements on both a government-wide and fund basis for the primary government as well as its component units. Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Criteria used by the City for inclusion of activities in preparing its financial statements are in conformity with GASB Statement No.14, *The Financial Reporting Entity,* as amended by GASB Statement No.61. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the financial reporting entity consists of the City and four blended component units, the City of Peoria Municipal Development Authority, Inc., the Vistancia Community Facilities District, the City of Peoria Employee Benefits Trust and the City of Peoria Workers' Compensation Trust as discussed further in Note 1.A of the notes to the financial statements.

MAJOR INITIATIVES, SERVICE EFFORTS, AND ACCOMPLISHMENTS

For The Year

In fiscal year 2013, the City continued to invest in programs and amenities that keep Peoria a very livable community. Emphasis was placed on public safety, parks and open space, neighborhood preservation, and human services. Below are some of the service efforts and accomplishments of the City during the fiscal year.

Communications

- Redesigned the Building Peoria website to interface with the Engineering Department's database, providing the ability to update information about capital projects without the need to edit pages.
- Added a new interactive bulk trash collection map to Peoriaaz.gov, allowing users to enter an address and immediately determine the date of the next pickup.
- Completed the redesign of the Police Department's web pages and added a department employee directory.
- Implemented new citywide graphic design standards.
- Completed 509 design jobs, saving more than $200,000 in design costs. Projects included the City's Tourism Guide, mobile app, and website; Spring Training material, ads, and promotional items; Economic Development identity and brochures; and Police Annual Report, among others.
- Delivered 324 news releases to the media, generating an equivalent ad value of more than $3.3 million.
- Hosted another successful seven-week Peoria Leadership Institute, a program to give citizens insight into the operations of the City.

Planning & Community Development

- Successfully placed the First Presbyterian Church on the National Register of Historic Places.
- Designed and installed interpretive signs at Palo Verde Park, which was recently placed on the National Register of Historic Places.
- Managed the design and installation of new street signs in the Old Town core celebrating the area's historic and cultural heritage.
- Completed the transfer of the City's Public Housing Authority to the Housing Authority of Maricopa County, culminating a four-year effort to transition the City away from public housing and Section 8 management.
- Successfully completed Neighborhood Pride in the Brown Street neighborhood, enhancing 51 homes and leveraging the City's investment through donated goods, materials, and volunteer labor.

Economic Development Services

- Welcomed Trine University, an Indiana-based non-profit university founded in 1884 and boasting academic strengths in graduate and undergraduate engineering programs.
- Maxwell Technologies, a global leader in developing, manufacturing and marketing energy storage and power delivery solutions, opened a manufacturing facility in the City and will create 150 new jobs over three years. The project's capital investment is $26 million.
- The City's medical device accelerator, BioInspire, opened to six companies in September 2012. In the nine months that it has been operating, BioInspire has created 30 jobs with an average salary of $50,000. The City's investment of $977,000 has leveraged $4.4 million in outside funding, including public grants, angel investment, and venture capital.
- Completed phase 2 of the Commercial Rehabilitation Program at Wagoner Plaza, which included the rehabilitation of a strip center with eight suites. In the two years that the rehabilitation program has been implemented, over $428,000 has been reinvested by private property owners and vacancy in the two centers has dropped from 50 percent to 10 percent.
- The City's Peoria Eighty Three Entertainment District (P83) improvements, designed to increase pedestrian connectivity, vitality, and safety, will be defined in a design concept report. The first phase has already been funded.
- City Council approved a variety of customer service enhancements regarding site and building development, including the following new programs: electronic plan submittal, over-the-counter permitting, online permitting, and self-certification for certain tenant improvement projects.

Community Services

- Opened the doors of the newly renovated and expanded Peoria Community Center with a re-Grand Opening November 30.
- In November, the City Council adopted the Peoria Youth Master Plan, a comprehensive agenda for children and youth services in the Peoria community.
- Initiated the self-assessment exercise to become an accredited agency through the Commission for Accreditation of Parks and Recreation Agencies (CAPRA).
- Organized several new special events, including Keep It Safe: A Family Affair, Fish with your Kids Day, Festival in the Plaza, Triathlon/Duathlon, Get Your Green On, Big Band Swing On, and St. Patrick's Day Event.
- Received the Outstanding Program Award for populations over 100,000+ from the Arizona Parks and Recreation Association for the City's P83 Party.
- Installed three public art pieces in Old Town Peoria – at Centennial Plaza, Osuna Park, and 84th Avenue.
- Use of library computer labs increased 77 percent, with more than 198,000 users logging in at both facilities.
- Encouraged new digital readers by making 50 ereaders available for circulation. Digital circulation increased 53 percent due to the special project.
- Celebrated 20 years of Spring Training in Peoria.

City Clerk

- Successfully conducted the 2012 Primary and General Election.
- Developed a Public Records Request Policy that can be used citywide for processing public records requests.
- Reorganized the City Clerk Department structure to realize efficiencies and maximize resources.
- Developed a Lobbyist Handbook in accordance with state statute and created corresponding registration and reporting forms.

Engineering

- Widened and reconstructed 83rd Avenue from Butler Drive to Mountain View Road and constructed the north half-street of Butler Drive from 83rd Avenue to 79th Avenue.
- Widened and reconstructed the 75th Avenue and Thunderbird Road intersection to accommodate three through lanes, dual left turn and right turn lanes, and traffic signal improvements.
- Completed rehabilitation of 1,916 linear feet of trunk sewer mains throughout Peoria.

- Opened Scotland Yard Neighborhood Park. This eight-acre park features a playground, basketball and tennis courts, enclosed dog park, walking trail, picnic area, ramadas, and citrus orchard.
- Earned LEED Gold certification for the renovation and expansion of the Peoria Community Center, which added 12,000 square feet of program space to the existing 14,000 square foot building in Old Town Peoria.
- Installed conduit, fiber, and network nodes on 75th Avenue from Peoria Avenue to Thunderbird Road to complete a redundant fiber link for the City.
- Performed a before and after study on Bell Road to verify the operation of the pilot Adaptive Traffic Control System (In-Synch). The results were positive. The system will be relocated to the Sports Complex area for permanent installation to help improve signal timing in the area.

Finance & Budget
- Issued $35.5 million in Municipal Development Authority bonds to fund renovations of the team clubhouses at the Peoria Sports Complex.
- Received an incremental increase in rating from Fitch Ratings for the City's bond ratings on Municipal Development Authority bonds.
- Received the 28th consecutive Certificate for Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association for the fiscal year 2012 CAFR.
- Completed a major PeopleSoft Financials system upgrade.
- Received the Distinguished Budget Award from the Government Finance Officers Association for fiscal year 2013 budget documents, the City's 20th such award.
- Received the Certificate of Excellence from the International City/County Management Association (ICMA) Performance Management Program. This is the seventh consecutive year the City has been recognized for its performance management program.

Fire
- Took possession of a new Rosenbauer Type-3 fire engine that will be stationed at the Lake Pleasant Fire Station and used in an urban–interface capacity.
- Purchased a new support services building to house the department's mechanics and support personnel. The building should be refurbished and occupied early in FY2014.
- Hired six additional firefighters using funds awarded to the City by the U.S. Department of Homeland Security as part of its Staffing for Adequate Fire and Emergency Response (SAFER) grant program. The two-year, $930,000 grant will give the City the ability to provide 24/7 staffing at the Lake Pleasant Fire Station.
- Participated in studies relating to traumatic brain injury and out-of-hospital cardiac arrests in cooperation with the Arizona Department of Health Services and the University of Arizona.
- Received a 98 percent satisfaction rating for quality of fire service on the 2013 Citizen Survey.

Human Resources
- Held the third annual PACE Civic Engagement Conference. Keynote speakers included John Quinones of ABC News and Pearl Chang Esau, president and CEO of Expect More Arizona.
- Graduated the first class of the Aspiring Supervisor program.
- Coordinated screenings of "Freemont USA" as part of the Diversity Committee Film Series.
- Participated in an Emergency Operations Center tabletop exercise.

Information Technology
- Replaced network infrastructure equipment in City Hall and the Technology Center, and replaced microwave equipment at two locations.
- Implemented new Police computer-aided dispatch (CAD), records management, and mobile systems.
- Installed network and technology equipment in the new Community Center facility.
- Overhauled the PC replacement process and deployment strategy, which resulted in 100 percent of projected deployments being successfully completed.
- Restructured the IT Department project management program, resulting in the creation of the IT Project Oversight Committee that oversees project approvals, prioritization, and scheduling, and monitors ongoing project status.

Intergovernmental Affairs
- Continued to provide a presence in the area of regional transportation to ensure that the City is well represented at all levels of governance and transportation planning.
- Led the City's efforts to explore an international partnership with Mexico with the aim of creating mutually beneficial economic development opportunities.
- Played a key role at the state capital during negotiations over tax reform, helping to strip the final bill of its most detrimental provisions to cities and saving Peoria an estimated $2 million.
- Received more than $2.1 million in grant awards.

Police
- Received a meritorious award from the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The meritorious award recognizes agencies for having been CALEA-accredited for six or more continuous years.
- Expanded the department's park watch program—a partnership among citizens, police, and park rangers. The program protects neighborhood parks and educates citizens about criminal activity in and around their parks.
- More than 50 volunteers and interns donated approximately 10,000 hours to the department, performing critical tasks that saved approximately $220,000.
- Handed out Community Partnership Awards honoring 10 local organizations that assisted in strengthening the department's relationship with the community on crime prevention.
- Partnered with the Peoria Unified School District and the Glendale Police Department in training for an active-shooter scenario.
- Joined with the Peoria Police Officers Association to honor more than 200 students from the Students With Aspiring Goals (S.W.A.G.) program at the Peoria Sports Complex before taking them to a Diamondbacks game at Chase Field. The program brings together high school students as mentors to middle school students to help them set and achieve high academic goals.
- Expanded the department's Social Media Plan, which includes the department's myPD phone app, Pinterest, Twitter and Facebook. The plan is a communication tool that strengthens community engagement to reduce crime and the fear of crime.

Public Works – Utilities
- Achieved re-accreditation from the American Public Works Association (APWA) with 100 percent full compliance. APWA recognized the City for five model Best Management Practices.
- Received a 94 percent satisfaction rating for solid waste service on the 2013 Citizen Survey.
- Micro sealed 11 miles of roadway, slurry sealed 26.5 miles of roadway, chip sealed 1.5 miles of roadway, and crack filled over 387 miles of roadway.
- Replaced 28 street lights and upgraded 48 others as part of the Street Light Infill and Replacement Program.
- Secured an Americans with Disabilities Act (ADA) reimbursement allocation of $208,000.
- Remained 100 percent compliant with federal, state, and county water and wastewater quality standards.
- Increased the use of reuse water at our wastewater treatment plants to reduce potable water use and costs.
- Received a $50,000 grant from the Bureau of Reclamation to install state-of-the-art smart irrigation control devices at several City parks and homeowner associations.
- Developed and implemented a uniform recycling and trash receptacle standard at the City Hall campus. Existing trash receptacles were repurposed to minimize costs.
- Increased the City's drought protection supply to approximately 3.4 years of our six-year goal—a 4 percent increase from 2013.
- Diverted approximately 145,000 pounds of household hazardous waste and recyclables from the landfill.

For The Future

The Council utilizes a process to assist in the identification, prioritization, and management of emerging strategic issues that, by virtue of their scope, complexity, and/or potential impact, require a coordinated multi-departmental action plan and budget. The City Council works closely with City management to implement specific objectives and tasks designed to meet these goals.

The following summarizes the goals identified by the City Council in the 24-Month Business Plan:

- Community Building – Preserve and expand our quality of life:
  - Arts/Culture
  - Parks and recreation opportunities.
  - Quality neighborhoods / revitalization of older neighborhoods / Old Town / Arrowhead Entertainment District
  - Community-oriented services, including Fire and Police
  - Expand civic and not-for-profit partnerships.
- Enhance Current Services:
  - Our City organizational culture
  - Business model for the future
  - IT backup systems off site
  - Cost effective service delivery
  - Next generation of recycling
  - Continue energy reduction programs and LEED-certified buildings
  - Peoria is the employer of choice
  - Use technology to enhance and streamline services
  - Aggressive pursuit of grant opportunities
- Preserve our Natural Environment:
  - Land banking for parks and open space
  - Incorporate open space into our built environment
- Total Planning:
  - Employment / Jobs / Corridor
  - Mix of living environments
  - Infrastructure
  - Prudent fiscal stewardship
  - Broad Internet access
  - Sustainability Action Plan
  - Traffic study
  - Multi-modal transportation infrastructure
- Economic Development:
  - State, National, and the Pacific Rim
  - Analysis – Look at resources to expand Peoria's presence in other states and countries
  - Continue focus on downtown
  - Partner with economic development groups like GPEC
  - Assess new models for economic development
  - Partner with State Lands
  - Strengthen Sister Cities relationships and add an Asian city
  - University / higher education strategy
  - Health care strategy
- Leadership and Image:
  - Locally and regionally
  - Within Arizona
  - Community relations
  - Become a major player
  - Peoria as a destination
  - Marketing campaign promoting Peoria

Progress has been made on these goals during fiscal year 2013. The City has strategically placed itself in a better position to take advantage of opportunities as the economy recovers and development increases.

LOCAL ECONOMIC CONDITION AND OUTLOOK

As the local economy starts to improve, Peoria continues to face many important growth issues as well as opportunities. Peoria leadership is committed to implementing the City Council approved Economic Development Implementation Strategy (EDIS) to meet the development needs of our community. This commitment has helped to make 2013 another successful year and continues to provide a foundation for success in the years to come. The City maintains a strong commitment to continue its focus on the new economic reality and to be a leader in areas such as cost-effective service delivery, improved customer service, and strategic partnerships to maintain and enhance the quality of life in Peoria.

The American League Seattle Mariners and the National League San Diego Padres, professional major league baseball teams, continue their Cactus League Spring Training and minor league activities in Peoria at the City-owned, two-team stadium. In 2013, both teams signed a new twenty-year joint use contract to share the facilities with an option of extending their contracts for an additional ten years. This agreement contributes significantly to the economic impact of the Spring Training Cactus League of Maricopa County and to the City. The already successful Peoria Eighty Three (P83) Entertainment District surrounding the Sports Complex remains a primary focus of continued economic development. The City has begun implementation of the 2010 adopted urban design plan, as a new identity has been established and a Design Concept Report is underway to improve pedestrian connectivity, safety, and vibrancy in the area. Another implementation aspect of that plan is the development of 400,000 SF of mixed use space outside the Sports Complex stadium. An exclusive negotiating agreement is in place with a developer for that project.

In fiscal year 2013, the City has experienced an uptick in the overall economy, especially in terms of new residential development. On the commercial side, space absorption continues to be the most active sector while new builds are slowly on the rise.

This year, new developments are expected to continue in three main focus areas of economic development: entertainment; health care; and higher education. The entertainment concept for the area surrounding the sports complex is already well underway and the City's health care initiative has resulted in progressive efforts as hospital systems plan their next strategic move into the West Valley. Peoria's aggressive university recruitment strategy has resulted in a Trine University branch campus opening in the fall of 2013. The City has also entered into an Exclusive Negotiation Agreement with Huntington University and expect to finalize an agreement by this fall. The City's aggressive pursuit of university expansions involving these private universities has netted other potentially interested candidates to enter the market over the next three years.

There is also significant momentum in redevelopment of the City's older and historic downtown as interest in revitalization continues to rise. The City's implementation of the Old Town Peoria Revitalization Plan is well underway. The City has completed significant capital projects in the area, including two parks, the courthouse renovation and the Community Center remodel. The first and second phase of the Commercial Rehabilitation Program, Wagoner Plazas 1 & 2 have been completed. Contact has also been made with the new owner of the Peoria Town Center and his architectural team in developing a behavior health center in the former Wal-Mart building. Finally, the City has contracted with a development team to do two things: create a Building Re-Use Implementation Strategy for underutilized and vacant buildings in the Old Town area and actively recruit users to those buildings.

The northern part of the City also experienced a boost in prospecting activity resulting from the completion of the Loop 303 freeway and the addition of a secondary access point for the Vistancia Commercial Core. The City has a development agreement in place with the developer, Vistancia LLC that takes an aggressive approach to economic development for the area, primarily through the allocation of free land and funding for infrastructure development. To further promote the Vistancia Commercial Core, Peoria is partnering with Vistancia to produce a familiarization tour and golf luncheon this fall. The objective of the event will be to attract brokers valley wide, to promote and educate on the development opportunities in the 500 acres of Vistancia Commerical Core.

Finally, in 2013, Peoria's BioInspire, a medical device incubator, has celebrated it's first year with significant success and recognition. Both Yolia Health and Nasseo, two of BioInspire's companies, were nominated for the "INNOVATOR OF THE YEAR AWARD" presented at the Governor's Celebration of Innovation Awards in November 2013. The facility, managed by BioAccel, a non-profit company that specializes in new technology development, will offer 7,000 SF to house 5-7 start-up companies.

In February 2013, Peoria's third annual investment conference targeting bankers, Real Estate Investment Trusts (REITS), investors, developers, site consultants and entrepreneurs, was held. It is the only one of its kind in Maricopa County and a premier opportunity for the City to showcase itself, its implementation plan, and its economic development initiatives to provide investment and development opportunities for those looking for viable projects to invest in.

Economic Outlook

The unemployment rate in the Phoenix Metropolitan area for June 2013 was 7.2 percent, which remains below both the state (8.0 percent) and national (7.6 percent) averages. The regional economy continues to recover at a slow pace, with population growth in the 1 percent range and modest improvements in job creation over the 12-month period at 2.0 percent, slightly faster than the national rate of 1.6 percent. Construction activity began to improve markedly over the previous year (though much lower than after previous recessions) in the region as home values and re-sale activity rebounded. Most job gains in the state were in the construction, leisure, and hospitality; business and financial services; education; and health care sectors. Peoria also experienced growth in new home starts, with a 40 percent increase in single-family home permits compared to the previous fiscal year. Commercial activity improved during the year, but reflects increases over historically low levels during the previous two fiscal years.

The local housing market began to return to more normal conditions and to recover price losses experienced during the previous years. Growth in median re-sale home prices began to level-off in June 2013 after experiencing consistently strong growth that began in the fall of 2012. At $200,000 in June 2013, the median price had risen 38 percent from a low-point in January 2012. More importantly, by spring 2013, the number of distressed properties had been reduced significantly, allowing traditional re-sale transactions to return as the primary type of re-sale transaction in the market. Whereas in June 2012, these transactions represented 40 percent of total re-sales, by June 2013 the level had increased 40 percent to a share of almost 70 percent of re-sale transactions. As lower-priced distressed inventory has decreased, so has the downward pressure on overall prices. These factors are anticipated to continue in the future, which will allow the Peoria re-sale market to return to more normal conditions in terms of price appreciation and listings available for sale. New home sale activity increased significantly during FY2013 to end at over 762 units. This compares to 473 during the prior fiscal year, a 60 percent increase. Peoria's median new home sale prices averaged almost $287,000 in FY2013 compared to $267,100 during FY2012.

Retail Sales: The City of Peoria, like all Arizona cities, places significant reliance on City-collected sales tax. Overall, local sales tax revenue comprised 34 percent of the City's General Fund revenue in fiscal year 2013. The City's sales tax rate (including the 0.03% transportation sales tax discussed below) remained at 1.8 percent, with a 5.6 percent rate for hotels/lodging activities, 3.3 percent on utilities, and 2.8 percent for restaurant/bar and amusement activities. Approximately 52 percent of sales tax collections were derived from retail sales in FY2013. This category experienced an 8.4 percent increase in FY2013 over the previous fiscal year and accounted for a significant share of tax revenue gains. The primary factor behind the retail gains was the performance of the City's automobile dealerships. Peoria has approximately 20 vehicle dealerships that draw a regional customer base. Auto-related revenue increased by over 17 percent compared to FY2012 and represented approximately 38 percent of all retail sales tax collections.

The City's second-largest source of sales tax revenues is from restaurant/bar activity. This category's 4.4 percent improvement over the prior fiscal year reflects consumers' growing confidence and improved outlook. Construction contracting revenues increased by over 40 percent compared to the prior fiscal year primarily due to the higher level of new home sales cited above. Fiscal year 2013 sales tax collections (all funds) increased 8.6 percent over the prior fiscal year. Fiscal year 2014 sales tax revenues are anticipated to increase at a more moderate pace of approximately 3 percent. The moderating pace reflects anticipated reductions in the rates of growth in both the automobile sectors as well as in construction activity, but relies on more fundamental sources of growth in consumer spending and expected population increases.

Dedicated City Sales Tax for Transportation: During fiscal year 2005, a Citizens' Bond Committee recommended to City Council that voters be asked to consider an increase of .03 percent (three-tenths of one percent) to the sales tax rate for the purpose of funding the transportation needs of the City. These needs include construction and maintenance of streets as well as expansion of the City's transit program. On September 13, 2005, the citizens approved the sales tax increase by an affirmative vote of 68 percent. The dedicated transportation sales tax, which became effective January 1, 2006, generated $9.8 million in revenue in fiscal year 2013, up from $9.0 million in fiscal year 2012. As with other sales tax revenues, a small increase is expected in fiscal year 2014 collections.

State Shared Revenues: The City receives significant revenue allocations from the State of Arizona These "state shared revenues" include allocations of the state-collected income tax, sales tax, and motor vehicle license fees. Revenues from these sources provided approximately 33 percent of the City's General Fund revenue in FY2013, which helps support the City's day-to-day activities. The City projects an overall increase of nearly 10 percent in these revenues in FY2014, reflecting continuing recovery in the statewide economy and income tax collections. These revenues are distributed based on census population numbers. Peoria's share of the state allocations is approximately 3.1 percent.

Property Tax: The City's property tax rate was $1.44 per $100 of assessed valuation for FY2013. The tax rate has not changed since FY2009. Of this, $.19, or about 13 percent of the total, was levied as the City's primary property tax. The primary tax can be used for any general government purpose, but is limited in size by state statute. The primary tax generated $2.2 million in revenue for the General Fund in fiscal year 2013.

With an anticipated 7.2 percent decline in the primary assessed value, the City is forecasting $1.9 million in primary property tax revenue for FY2014—the fourth consecutive year of declining revenue. The primary assessed value will reflect the growth in housing prices seen over the last 18 months beginning in FY2015, and is expected to increase at a moderate rate thereafter.

Labor Force: Peoria has a well-educated and technically skilled labor force. This economic resource is at the forefront of our economic development efforts. The City is a member of the Greater Phoenix Economic Council (GPEC), which has been successful in introducing new businesses to the City. In addition, the City's Economic Development Services Department continues to aggressively seek new development for the City.

FINANCIAL CONTROLS

Internal Controls

The management of the City of Peoria is responsible for establishing and maintaining a system of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

The system of internal control is subject to periodic evaluation by management and is also considered by the independent auditors in connection with the annual audit of the City's financial statements. All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The City of Peoria, like all cities in the State of Arizona, is subject to numerous budget and related legal requirements. Article IX, Section 20 (1) of the Arizona Constitution sets limits on the City's legal budget capacity. At a general election held in March 2003, the citizens of Peoria approved a permanent adjustment of the expenditure base from the original 1979-80 base of $3,247,857 to a new base of $18,247,857. The permanent adjustment eliminated the need for voter approval every four years. After adjustment for inflation and population growth, the City's expenditure limitation for fiscal year 2013 was $759,367,985. The City may utilize the additional expenditure authority for any local budgetary purposes.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated operating budget approved by the Mayor and Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted by the City Council. The City additionally exercises management control and oversight of the budget at the department level within each fund. In addition to maintaining budgetary control via a formal appropriation, the City maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the issuance of a purchase order. Encumbered appropriations lapse at fiscal year-end and are re-budgeted as needed in the next fiscal year.

Financial Policies

The City has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. The City needs to ensure that it is capable of adequately funding and providing those government services desired by the community. Ultimately, the City's reputation and success depends on the public's awareness and acceptability of the management and delivery of these services.

The City operates under a comprehensive set of financial policies adopted by Council. The *Principles of Sound Financial Management* establishes guidelines for the City's overall fiscal planning and management. These principles are intended to foster and support the continued financial strength and stability of the City of Peoria as reflected in its financial goals. The City's financial goals are broad, fairly timeless statements of the financial position the City seeks to attain:

- To deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar.
- To maintain an adequate financial base to sustain a sufficient level of municipal services, thereby preserving the quality of life in the City of Peoria.
- To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the City's residents.
- To maintain a high bond credit rating to ensure the City's access to the bond markets and to provide assurance to the City's taxpayers that the City government is well managed and financially sound.

These policies establish minimum and recommended fund balance/net asset reserves, as well as establishing policies on the use of one-time revenues (to be used for one-time expenditures), fiscal planning and budgeting, expenditure control, capital improvement program, cash management, debt management, and economic development.

Strategic Planning

The City annually updates a five-year long-range forecast, incorporating both projected revenues and expenditures for the City's major operating funds. The five-year revenue forecast only includes revenues that are anticipated to be sustainable over the five-year period. Expenditure projections include anticipated operating impacts of the adopted capital improvement program.

Additionally, the City maintains a 10-year Capital Improvement Program which the City Manager submits annually for review by the City Council. The program is updated annually and includes the cost of construction and operating expenditures. No capital improvement projects will be authorized or awarded until the funding sources have been established to finance the project. When current revenues or resources are available for Capital Improvement Projects, consideration will be given first to those capital assets with the shortest useful life, and for assets whose nature make them comparatively more difficult to finance with bonds or lease financing.

OTHER INFORMATION

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the management of the City. The City has established and maintains a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to allow the compilation of sufficient reliable information for the preparation of financial statements. We believe the data, as presented in this report, is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City on both a government-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The basic financial statements and related notes have been audited by an independent firm of certified public accountants, Heinfeld, Meech & Co., P.C., whose report is included herein. The audit satisfies Article VI, Section 7, of the City Charter, which requires an annual audit of all accounts of the City by an independent certified public accountant. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Peoria, Arizona, for the fiscal year ended June 30, 2013, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of the City of Peoria, Arizona, for the fiscal year ended June 30, 2013, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Additionally, the City is required to have an independent audit ("Single Audit") of federal financial assistance received by the City directly from federal agencies, or passed through to the City by the State of Arizona or other governmental entities during the fiscal year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements having a direct and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards. The results of the City's single audit for the fiscal year ended June 30, 2013, found no instances of material weakness or significant deficiencies in the internal controls. The reports from Heinfeld, Meech & Co., P.C. are available in the City of Peoria, Arizona's separately issued Single Audit Report.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Peoria, Arizona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This is the 28th consecutive year the City of Peoria has received this prestigious award. In order to be awarded a

Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements. As such, we are submitting this report to the GFOA to determine its eligibility for a certificate.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department, especially the Financial Services Division. We want to give special recognition to the City's accounting team for their diligent efforts and superior contributions to this report. We also wish to thank the members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Sincerely,

Brent D. Mattingly
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Peoria

Arizona

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2012

[redacted]

Executive Director/CEO

City of Peoria Organizational Chart

- Peoria Citizens
  - Mayor and City Council
    - Citizen Advisory Boards & Commissions
    - **Municipal Court**
    - **City Manager**
      - Assistant to the City Manager
      - **Deputy City Manager Operations**
        - Public Works/Utility Operations
        - Information Technology
        - Human Resources
        - Management and Budget
        - City Clerk
        - Finance
        - Intergovernmental Affairs
      - Fire
      - Police
      - **Deputy City Manager Community Building**
        - Engineering
        - Economic Development Services
        - Planning and Sustainability
        - Community Services
        - Communications
    - **City Attorney**

City of Peoria
Principal Officials of the City
Fiscal Year 2013

Bob Barrett
Mayor

Tony Rivero
Vice-Mayor

Cathy Carlat
Councilmember

Carlo Leone
Councilmember

Ron Aames
Councilmember

Jon Edwards
Councilmember

Bill Patena
Councilmember

Carl Swenson
City Manager

Jeff Tyne
Deputy City Manager – Operations and Administrative Services
Susan Daluddung
Deputy City Manager – Development and Community Services

George Anagnost
Municipal Judge

John Sefton
Community Services Director

Julie Ayers
Human Resources Director

Bobby Ruiz
Fire Chief

Rhonda Geriminsky
City Clerk

Bill Mattingly
Public Works /Utility Operations Director

John Imig
Information Technology Director

John Schell
Intergovernmental Affairs Director

Stephen M. Kemp
City Attorney

Andrew Granger
Engineering Director

Scott Whyte
Economic Development Services Director

Roy Minter
Chief of Police

Brent D. Mattingly
Chief Financial Officer, Finance Director

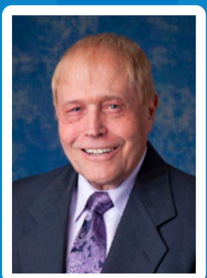
Chris Jacques
Planning & Community Development Director

Bo Larsen
Public Information Director

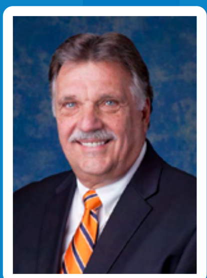
City of Peoria Council Districts

Mayor
Bob Barrett

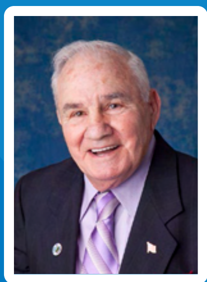
Vice Mayor
Tony Rivero
Acacia District



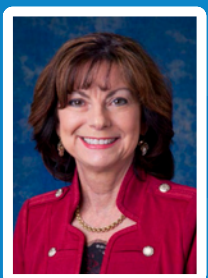
Councilmember
Ron Aames
Palo Verde District



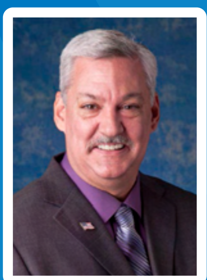
Councilmember
Bill Patena
Ironwood District



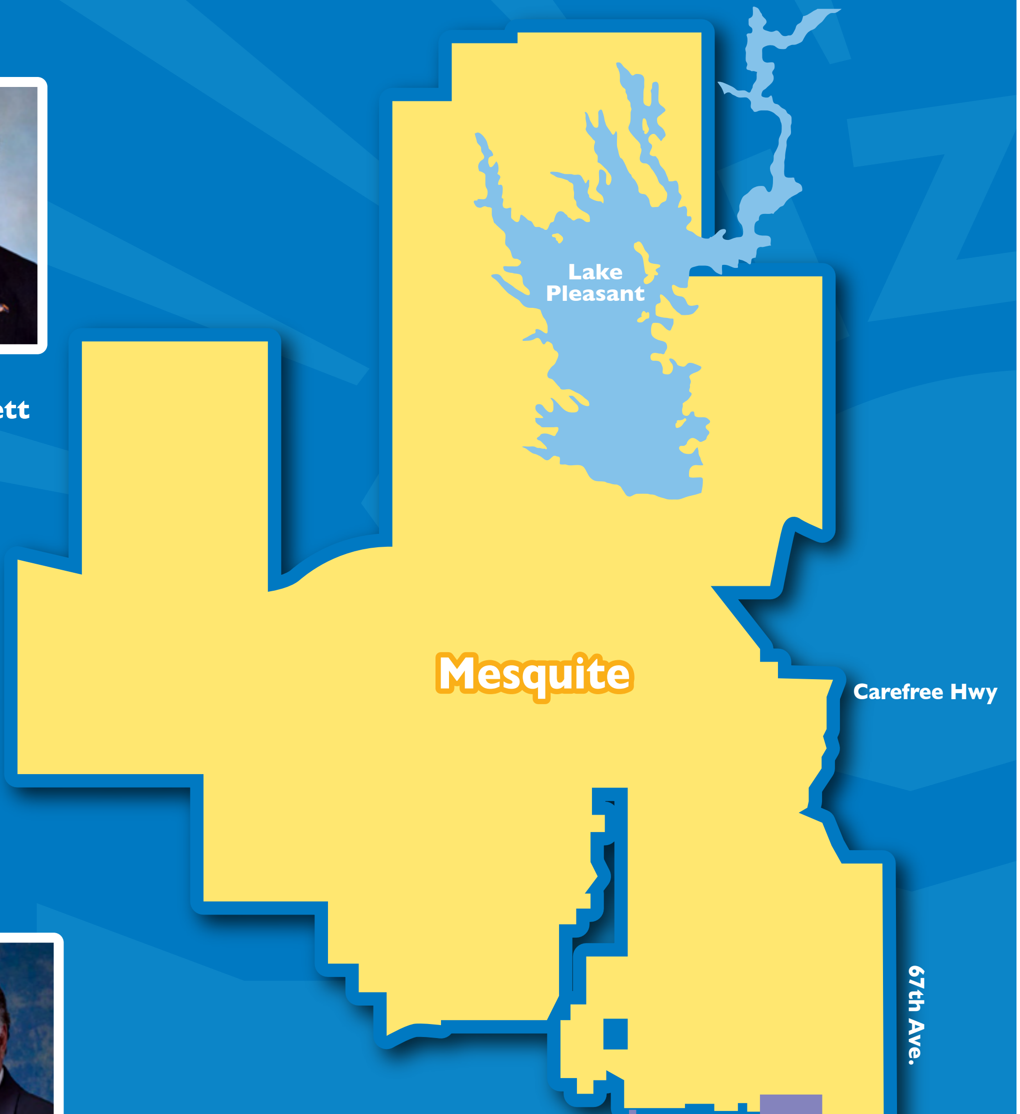
Councilmember
Carlo Leone
Pine District

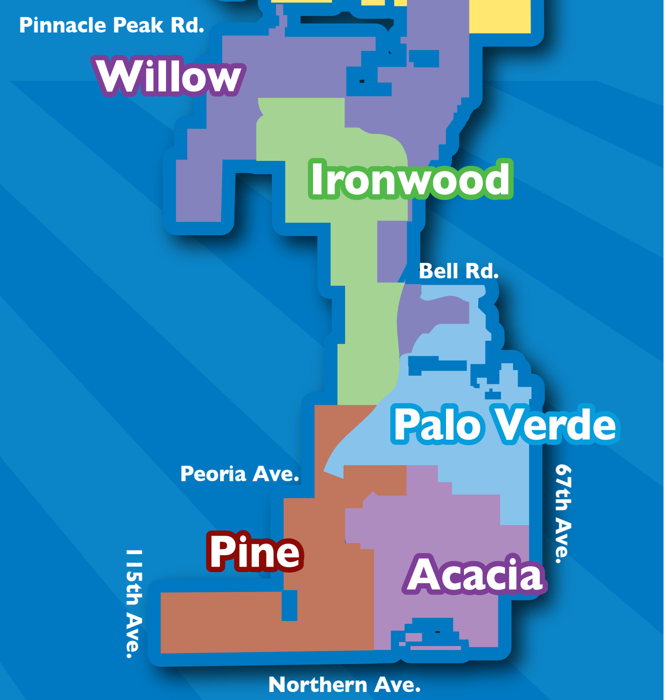


Councilmember
Cathy Carlat
Mesquite District



Councilmember
Jon Edwards
Willow District





Financial
Slip Sheet

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

3033 N. Central Ave., Suite 300
Phoenix, Arizona 85012
Tel (602) 277-9449
Fax (602) 277-9297

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Peoria, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's non-major governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peoria, Arizona, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Half-cent Sales Tax, Highway User Revenue, and Transportation Sales Tax Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, internal service, and fiduciary fund of the City of Peoria, Arizona, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1T., the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended June 30, 2013, which represents changes in accounting principles. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, statistical section, and schedules listed in the table of contents as Supplementary Information and Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information and Other Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and Other Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2013, on our consideration of City of Peoria, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Peoria, Arizona's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 31, 2013

Management's Discussion and Analysis Slip Sheet

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Peoria, Arizona (the City), we offer this narrative overview and analysis of the financial activities of the City of Peoria, Arizona for the fiscal year ended June 30, 2013. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position, (4) identify any material deviations from the financial plan (the approved annual budget), and (5) identify individual fund issues or concerns.

This discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter presented on pages v-xvi of this report. It is designed to be read in conjunction with the transmittal letter as well as the financial statements beginning on page 19 and the accompanying notes to the financial statements. The City also issues separate financial reports, including management's discussion and analysis, for the Vistancia Community Facilities District, the Employee Benefit Trust and the Workers' Compensation Trust, which are blended component units of the City.

Financial Highlights

- The City's total net position increased $24.3 million (1.5%) in fiscal year 2013, an increase of $8.8 million (0.8%) in governmental activities and an increase of $15.5 million (2.8%) in business-type activities.

- Total net position of the City is $1,634.9 million, of which $158.9 million is unrestricted (down $13.7 million, (7.9%), from last year's $172.6 million unrestricted net position).

- The governmental activities program revenues decreased by approximately $5.8 million (9.9%) from the previous year. This was primarily due to a decrease in donated capital assets with fewer large developments being completed in fiscal year 2013.

- The business-type activities program revenues decreased by approximately $0.02 million (0.0%) from the previous year. Charges for services increased $1.1 million (1.7%), and Public Housing decreased by $0.1 million as the City turned it over to Maricopa County as of March 31, 2013.

- At June 30, 2013, total fund balance of the governmental funds was $275.5 million, up $5.3 million (2.0%) from the previous year. Of this, $14.0 million (up 9.4%) was unassigned (available for spending at the government's discretion).

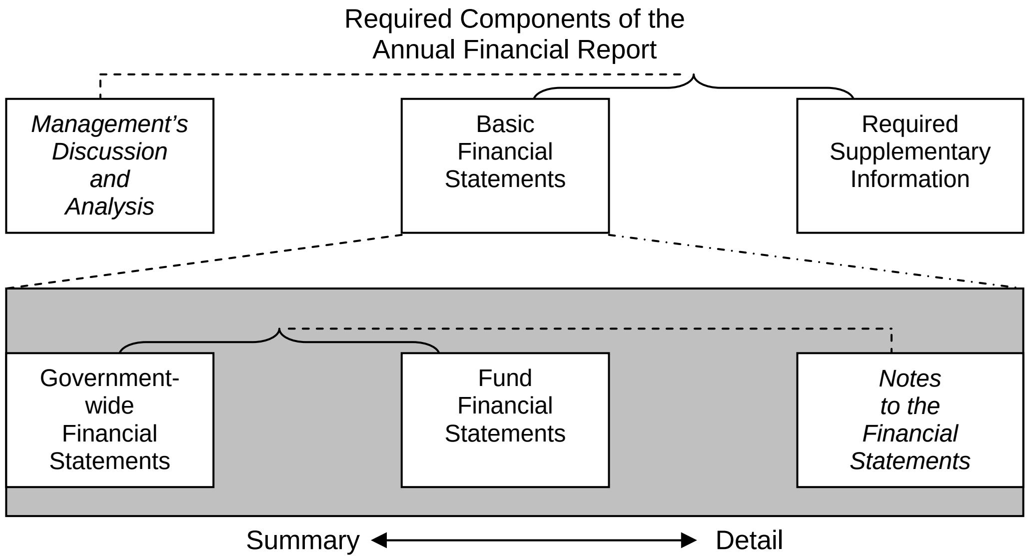
- General Fund inflows (on a budgetary basis) were higher than budgeted inflows by $5.0 million for fiscal year 2013. Budgetary basis outflows of the General Fund were 93.0% ($8.6 million in savings) of the final budgeted outflows.

- At June 30, 2013, unassigned fund balance for the General Fund was $14.0 million, or 13.8% of General Fund expenditures for fiscal year 2013.

- During fiscal year 2013, the City issued $35.5 million in Municipal Development Authority (MDA) Revenue Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

As pictured in the following table, the financial section of the Comprehensive Annual Financial Report (CAFR) for the City of Peoria, Arizona consists of this discussion and analysis, the basic financial statements, other required supplementary information and other non-required financial schedules. The basic financial statements include the government-wide financial statements, fund financial statements, including the budgetary statements for the general fund and major special revenue funds, and notes to the financial statements. The additional non-required information includes combining schedules and other supplementary schedules presented after the basic financial statements (Combining Statements, Supplemental Information and Statistical Sections of this report).



Government-wide Financial Statements

The government-wide financial statements (see pages 19-21) are designed to provide a broad overview of the City's finances in a manner similar to those used by private businesses. All of the activities of the City, except those of a fiduciary nature, are included in these statements.

The activities of the City are broken into two columns on these statements – governmental activities and business-type activities. A total column for the City is also provided.

- The *governmental activities* include the basic services of the City including general government (administration), culture and recreation, police, fire, development services, highways and streets, public works, and human services. These activities are generally supported by taxes and general revenues.

- The *business-type activities* include the private sector type activities such as the water, wastewater solid waste, and storm drain utilities, the stadium, and public housing. These activities are primarily supported through user charges or fees.

The *statement of net position* presents information on all of the City's assets and liabilities (excluding fiduciary funds), both current and long-term, with the difference between assets and liabilities reported as net position. The focus on net position is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the City may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the City may have used previously accumulated funds (i.e. cash funding of capital projects). To assess the overall health of the City, other indicators, including non-financial indicators such as the City's property tax base and condition of its infrastructure, should also be considered.

The *statement of activities* presents information showing how the City's net position changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net position are reported at the time the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also focuses on both the gross and net costs of the various functions of the City, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions depend on general taxes and revenues for support.

Fund Financial Statements

Also presented are fund financial statements for governmental funds, proprietary funds and fiduciary funds. The fund financial statements focus on major funds of the City. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements as well as for managerial control to demonstrate fiduciary responsibility over the assets of the City.

Governmental funds – Governmental funds are used to account for most of the City's basic services. These are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental activities column on the government-wide financial statements, these fund financial statements (pages 22-34) focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Since the governmental fund financial statements focus on near-term spendable resources, while the governmental activities on the government-wide financial statements have a longer-term focus, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. To facilitate this comparison, reconciliations of the differences between the two are provided immediately following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances and in Note 2 (pages 61-65).

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Half-Cent Sales Tax Fund, Highway User Revenue Fund, Transportation Sales Tax Fund, Development Fee Fund, and GO Bond Debt Service Fund, which are considered to be major funds of the City. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements (pages 100-103).

Proprietary funds – Proprietary funds are used to account for services primarily supported by user fees. The proprietary fund financial statements (pages 36-43) are prepared with the same long-term focus as the government-wide financial statements. The City maintains the following two types of proprietary funds.

> **Enterprise funds** are used for activities that primarily serve customers outside the governmental unit. The enterprise funds generally provide information similar to the business-type activities column of the government-wide financial statements, but provide more detail and additional information such as cash flows. Any reconciliation necessary between the enterprise funds and the business-type activities column of the government-wide financial statements is provided on the face of the fund statements. The City's enterprise funds are the Water, Wastewater, Storm Drain and Solid Waste utilities, as well as the sports complex (Stadium Fund) and public housing activities. All of the enterprise funds are considered to be major funds of the City. The Storm Drain Utility Fund was reclassified in fiscal year 2012 from a governmental fund to an enterprise fund. This change was due to a change in the revenue source from primarily transfers from other governmental funds to a user fee to external customers.
>
> **Internal service funds** are used for activities where the primary customer is the City itself. Because the primary customers of the internal service funds are the governmental activities, the assets and liabilities of those funds are included in the governmental activities column of the government-wide statement of net position. The costs of internal service funds are allocated to the various user functions on the government-wide statement of activities. The internal service funds are combined into a single column on the proprietary fund statements. Additional detail of the internal service funds

is provided in combining statements (pages 122-124). The internal service funds of the City include the Motor Pool, Self-Insurance, Facilities Maintenance, and Information Technology Funds.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of others. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support programs of the City. The fiduciary fund statements (pages 44-45 and 130-131) are prepared on the same basis as the government-wide and proprietary fund statements.

Notes to the financial statements – The notes to the financial statements (pages 47-89) provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

Required supplementary information other than MD&A – Governments have an option of including the budgetary comparison statements for the general fund and major special revenue funds as either part of the fund financial statements within the basic financial statements, or as required supplementary information after the footnotes. The City has chosen to present these budgetary statements as part of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2013, with comparative information for the previous year.

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the City for June 30, 2013, compared to the prior year.

Statement of Net Position
As of June 30
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		Percent
	2013	2012	2013	2012	2013	2012	Change
Current and other assets	$ 328.7	$ 325.4	$ 95.8	$ 94.0	$ 424.5	$ 419.4	1.2%
Capital assets	1,129.3	1,108.4	621.4	615.6	1,750.7	1,724.0	1.5
Total assets	1,458.0	1,433.8	717.2	709.6	2,175.2	2,143.4	1.5
Total deferred outflows of resources	0.4	-	0.3	-	0.7	-	100.0
Other liabilities	27.1	27.4	8.5	7.3	35.6	34.7	2.6
Long-term liabilities outstanding	376.6	363.4	128.8	138.0	505.4	501.4	0.8
Total liabilities	403.7	390.8	137.3	145.3	541.0	536.1	0.9
Net position:							
Net investment in capital assets	829.0	813.3	493.8	478.4	1,322.8	1,292.7	2.4
Restricted	131.6	118.1	21.6	24.9	153.2	143.0	7.1
Unrestricted	94.1	111.6	64.8	61.0	158.9	172.6	(7.9)
Total net position	$ 1,054.7	$ 1,043.0	$ 580.2	$ 564.3	$ 1,634.9	$ 1,607.3	1.7

The net position of the City increased $27.6 million (1.7%) in fiscal year 2013. Net position of governmental activities increased $11.6 million (1.1%), while the business-type activities increased $15.9 million (2.8%).

Net position consists of three components. The largest portion of net position ($1,322.8 million or 80.9%) reflects the City's investment in capital assets net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to its citizens. Consequently, it is not the City's intention to sell these assets, and they are therefore not available for future spending. Although the capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate these liabilities. This category of net position increased $31.1 million in fiscal year 2013 due to $54.7 million in capital asset expenditures, $15.4 million in donated assets, and a $4.1 million decrease in net capital related debt, offset by $43.5 million in depreciation expense, and asset disposals.

The second portion of the City's net position ($153.2 million or 9.4%) represents resources that are subject to external restrictions on how they may be used. The increase of $10.1 million includes an increase of $4.2 million in restricted for development fees with increased development fee revenues; a decrease of $.5 million in reserved for grant purposes, a $2.2 million increase in restricted for transportation purposes due to decreased capital project activity and a $4.0 million increase in net position restricted for trust purposes.

The third portion consists of Unrestricted Net Position of $158.9 million (9.7%). This category of net position may be used to meet the City's ongoing obligations to citizens and creditors. This category decreased $13.7 million (7.9%) in fiscal year 2013. Unrestricted net position is the balance of net position remaining after calculating the other two categories discussed above. Unrestricted net position of governmental activities decreased $17.5 million, while unrestricted net position of business-type activities increased $3.8 million.

Changes in Net Position

The following table compares the government-wide revenue and expenses for the current and previous fiscal year.

Changes in Net Position
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		Percent
	2013	2012	2013	2012	2013	2012	Change
REVENUES:							
Program revenues:							
Fees, fines & charges for services	$ 18.7	$ 17.3	$ 67.2	$ 66.1	$ 85.9	$ 83.4	3.1%
Federal grants	2.9	2.2	0.1	0.1	3.0	2.3	30.4
Capital contributions	6.7	9.9	7.3	8.4	14.0	18.3	(23.5)
Other grants and entitlements	24.3	29.0	-	-	24.3	29.0	(16.2)
General revenues:							
Property taxes	19.5	22.2	-	-	19.5	22.2	(12.2)
Sales and use taxes	66.0	60.7	-	-	66.0	60.7	8.7
Franchise taxes	4.1	4.1	-	-	4.1	4.1	0.0
State shared sales tax	12.7	12.1	-	-	12.7	12.1	3.1
Urban revenue sharing	14.4	13.2	-	-	14.4	13.2	9.1
Auto-in-lieu taxes	5.2	4.9	-	-	5.2	4.9	6.1
Investment earnings	0.6	1.0	0.2	0.3	0.8	1.3	(38.5)
Gain on sale of capital assets	0.1	0.1	-	-	0.1	0.1	0.0
Forgiveness of debt	0.6	0.0	-	-	0.6	0.0	100.0
Miscellaneous	4.4	3.5	-	-	4.4	3.5	25.7
Total revenues	180.2	180.2	74.8	74.9	255.0	255.1	(0.0)
EXPENSES:							
Program activities:							
Governmental activities:							
General government	19.1	20.9	-	-	19.1	20.9	(8.6)%
Culture and recreation	22.4	23.5	-	-	22.4	23.5	(4.7)
Police	35.4	35.9	-	-	35.4	35.9	(1.4)
Fire	21.4	22.3	-	-	21.4	22.3	(4.0)
Development services	8.4	5.4	-	-	8.4	5.4	55.6
Highways and streets	30.0	31.8	-	-	30.0	31.8	(5.7)
Public works	7.0	7.4	-	-	7.0	7.4	(5.4)
Human services	2.2	1.7	-	-	2.2	1.7	29.4
Interest expense on debt	12.7	12.6	-	-	12.7	12.6	0.8
Unallocated depreciation	0.6	0.6	-	-	0.6	0.6	0.0
Business-type activities:							
Water utility	-	-	29.1	30.8	29.1	30.8	(5.5)
Wastewater utility	-	-	20.3	21.9	20.3	21.9	(7.3)
Solid Waste utility	-	-	10.5	10.8	10.5	10.8	(2.8)
Stadium	-	-	5.1	5.3	5.1	5.3	(3.8)
Storm Drain utility	-	-	0.8	0.8	0.8	0.8	-
Housing	-	-	0.3	0.4	0.3	0.4	(25.0)
Total expenses	159.2	162.1	66.1	70.0	225.3	232.1	(2.9)
Excess (deficit) before transfers	21.0	18.1	8.7	4.9	29.7	23.0	29.1
Transfers	(9.4)	(3.3)	9.4	3.3	-	-	-
Special Item: Close out of Public Housing	-	-	(2.1)	-	(2.1)	-	
Increase (decrease) in net position	$ 11.6	$ 14.8	$ 16.0	$ 8.2	$ 27.6	$ 23.0	20.0

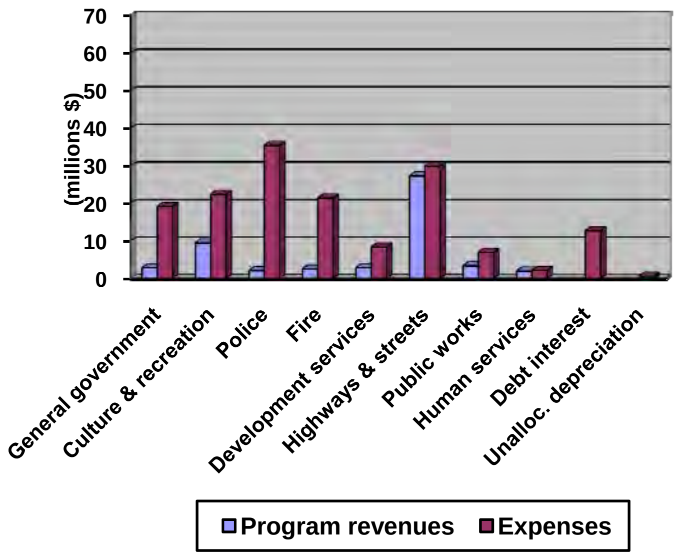
For fiscal year 2013, total governmental activities revenues remained constant at $180.2 million, and total business-type activities revenues decreased $0.1 million (0.1%). Expenses decreased $3.0 million (1.7%) and $3.9 million (5.5%) for the governmental activities and business-type activities, respectively. While some functions had increased expenses with a slowly recovering economy, general government expenses decreased by $1.8 million (8.6%); culture & recreation expenses decreased by $1.1 million (4.7%); public works decrease $0.4 million (5.7%); and public safety decreased $1.5 million (2.5%). Development services expenses increased by $3.0 million (55.6%), human services increased by $0.5 (29.4) and highways and streets expenses decreased by $1.8 million (5.7%). The decrease in the business-type activities expenses are primarily in the Water Utility ($1.7 million, 5.5%), Wastewater Utility ($1.6 million, 7.3%) and the Solid Waste Utility ($0.3 million, 2.8%). For further explanation of these expense changes, refer to the financial analysis of the City's funds later in this document.

The general revenues of governmental activities increased $5.7 million (4.7%) from the previous year. The primary drivers were decreases in property tax and capital contributions, offset by increased local and state sales taxes. Property tax revenues decreased by $2.7 million (12.3%) in fiscal year 2013 as assessed values continued to decline. Capital contributions decreased by $3.2 million (32.4%) in fiscal year 2013. Local sales and use taxes increased $5.2 million (8.6%) as retail and restaurant & bar sales taxes increased $2.6 million and $0.4 million respectively while state shared sales taxes increased $.6 million (4.8%).

Program revenues of governmental activities decreased $5.8 million (9.9%) mainly as a result of the following change: Donations of capital assets decreased by $3.2 million (32.4%) with fewer large developments being completed in 2013. The program revenues of business-type activities remained steady primarily due to a $1.1 million (1.7%) increase in charges for services revenues as water and wastewater rates increased 4.5% in fiscal year 2012 and Public Housing decreased by $0.1 million (39.7%) as the City turned over Public Housing to Maricopa County effective March 31, 2013.

The following graph shows the functional revenues and expenses of governmental activities to demonstrate the extent to which the governmental functions produce direct revenues to offset the program costs. It should be noted that this is not intended to represent full cost allocation to these

Governmental Activities Program Revenues & Expenses

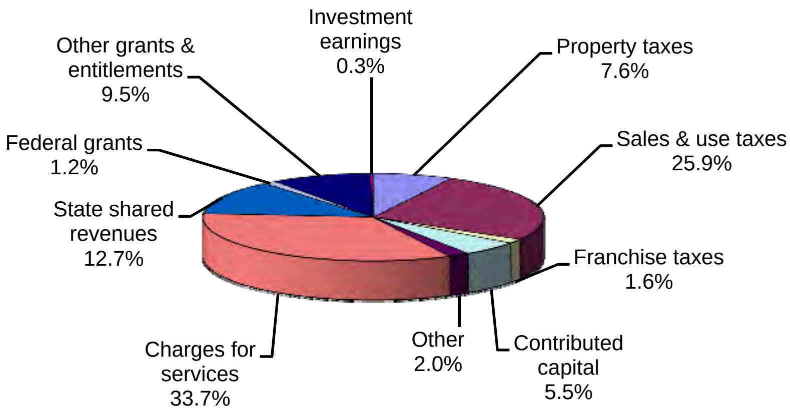


functions. Expenses not covered by direct program revenues are covered by general revenues of the City, primarily taxes and state shared revenues. In the governmental activities, the program revenues of $52.7 million are 33.1% of the governmental activities expenses for fiscal year 2013, down from 36.0% in fiscal year 2012. In the business-type activities, program revenues of $74.6 million are 112.7% of the business-type expenses for fiscal year 2013. This compares to $74.6 million and 106.6% in fiscal year 2012.

Governmental activities account for 70.7% of the total revenues of the City and 70.6% of the total expenses in fiscal year 2013. These percentages were 70.6% and 69.8% respectively in fiscal year 2012.

As seen in the following graph, one of the largest financing sources for the City in fiscal year 2013 is charges for services (33.7%), primarily because this is the major funding source of the business-type activities (90.1% of business-type revenues in fiscal year 2013). The major funding sources of the governmental activities are property, franchise and sales/use taxes (35.1% of total revenues, 49.7% of governmental revenues) and state shared revenues (12.7% of total revenues, 17.9% of governmental revenues).

Government-Wide Revenue Sources
Fiscal Year 2013

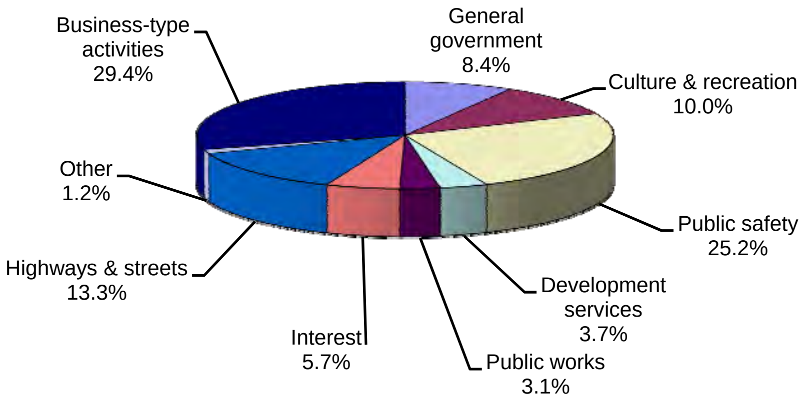


Property taxes decreased 1.1% from fiscal year 2012 with a continued decline in assessed value. The tax rates did not change in fiscal year 2013 compared to the previous year.

Total government-wide expenses (not including transfers out) of the City decreased $6.8 million (2.9%) in fiscal year 2013. Expenses of the governmental activities decreased $2.9 million (1.8%). This includes increases of $2.9 million (55.6%) for development services, and $0.5 million (29.4%) for human services offset by a decrease of $1.7 million (8.4%) for general government, $1.8 million (5.7%) for highways and streets, $1.0 million (4.5%) for culture and recreation, $0.5 million (1.4%) for police, $0.9 million (4.3%) for fire, and $0.4 million (5.7%) for public works. Highways and streets expenses decreased primarily due to a decrease of $2.8 million in depreciation expense. Culture and recreation expenses decreased primarily due to a decrease of $1.3 million in lower depreciation expense. General government expenses decreased with $1.6 million in lower depreciation expense. Expenses in business-type activities decreased $3.9 million (5.5%) primarily due to lower depreciation expense.

As shown in the following Government-Wide Functional Expenses graph, business-type activities account for 29.4% of the functional expenses of the City for fiscal year 2013, while governmental activities account for 70.6% of the functional expenses. For the governmental activities, the largest users of resources are public safety (25.2% of total expense, 35.6% of governmental expenses), general government (8.4% of total expenses, 12.0% of governmental expenses), highways and streets (13.3% of total expenses, 18.8% of governmental expenses), and culture and recreation (10.0% of total expenses, 14.1% of governmental expenses).

Government-Wide Functional Expenses
Fiscal Year 2013



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City maintains fund accounting to demonstrate compliance with budgetary and legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

Governmental funds

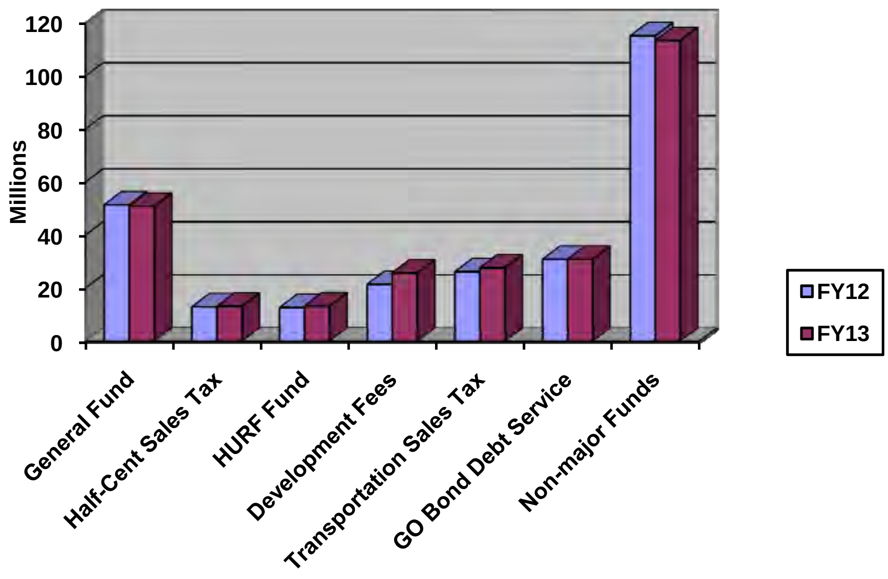
The focus of the governmental fund financial statements (pages 22-29) is to provide information on near-term inflows, outflows and balances of spendable resources. All major governmental funds are discretely presented on these financial statements, while the non-major funds are combined into a single column. Combining statements for the non-major funds may be found on pages 100-103. Although the Half-Cent Sales Tax Fund, Highway User Revenue Fund, Transportation Sales Tax Fund, Development Fee Fund and GO Bond Debt Service Fund do not meet the GASB 34 criteria of a major fund, the City has chosen to present them as major funds due to local significance or outstanding debt.

The fund balance of the governmental funds is $275.5, an increase of $5.3 million, or 2.0%, from the previous year. Of this, $188.9 million (up $19.4 million (11.4%) from the previous year) is classified as Unspendable or Restricted because it is not appropriable for expenditure or is legally segregated for a specific future use. The increase in restricted fund balance is caused by increases in restricted for debt service of $123,453, in restricted for capital projects of $13.5 million, in restricted for development fees of $4.4 million due to increased development fee revenues, and in restricted for transportation purposes of $2.3 million due to decreased capital expenditures; a decrease of $0.3 million in unspendable.

An additional $72.6 million of the governmental fund balance (down $15.4 million (17.5%) from the previous year) has been committed or assigned for specific purposes by council or administrative action. These commitments include various stabilization reserves ($36.6 million), debt service reserves ($1.0 million), capital projects ($18.5 million) and arts capital and various other purposes ($16.5).

The remaining $14.0 million of governmental fund balance is classified as Unassigned. This balance may serve as a useful indicator of a government's net resources available for spending at the end of the year. By Council policy, these resources are used to fund one-time needs of the City including capital facilities and transportation improvements. The unassigned fund balance increase of $1.2 million (9.4%) during fiscal year 2013 is due primarily to increased General Fund revenues.

Governmental Funds - Fund Balance



The General Fund is the chief operating fund of the City and accounts for many of the major functions of the government, including public safety, parks and recreation, community development and general administrative services. The General Fund revenues increased $6.5 million (7.4%) from the previous year. Urban revenue sharing increased $1.2 million (9.0%). Property taxes decreased by $.3 million (12.2%) as assessed values continue to decrease, and investment earnings decreased $.09 million (54.1%) due to continuing low interest rates. The City's sales tax revenues in the General Fund increased $3.0 million (8.8%) and state shared sales tax revenues increased $.6 million (4.8%) due to a recovering retail sales and restaurant & bar sales. Auto-in-lieu revenue (licensing fees) increased .2 million (4.3%) with an increase in auto sales. Total General Fund expenditures increased $6.3 million (6.7%). Personnel costs increased $3.3 million while other costs (contractual services and commodities) increased $1.5 million as the economy begins to recover. Capital outlay increased by $.5 million (19.8%). The unassigned fund balance of the General Fund was 13.8% of expenditures at June 30, 2013, compared to 13.5% at June 30, 2012.

The Half-Cent Sales Tax Fund tracks the revenues from a $.05 sales tax committed for specific purposes by Council policy. Revenues in this fund increased $1.4 million (9.3%) from the previous year due to increased sales tax revenues. Expenditures in this fund decreased $1.0 million (26.0%) due to increased debt service payments on development agreements in fiscal year 2012 that did not repeat in fiscal year 2013. Transfers out from the Half-Cent Fund increased $2.6 million with higher debt service transfers. Total fund balance of the Half-Cent Sales Tax Fund increased by $0.7 million (5.8%) in fiscal year 2013.

The Highway User Revenue Fund (HURF Fund) is required by state statute to the track the receipt of the state allocation of gasoline taxes and other state revenues shared with local governments that are required to be used for transportation purposes. Also, there is a sales tax on utilities and property tax revenues from street light improvement districts included in this fund. Revenues increased by $0.9 million (7.5%) due to increased highway user revenues ($0.7 million or 9.3%) and a small increase in sales taxes. Expenditures increased by $0.3 million (2.3%) in fiscal year 2013 primarily due to an increase in capital outlay expenditures. Fund balance increased $0.7 million (5.9%) in fiscal year 2013.

The Transportation Sales Tax Fund tracks the collection and expenditure of the .3% voter approved sales tax to address transportation issues. Revenues in this fund increased $0.8 million (9.2%) while expenditures decreased $1.1 million (20.9%). The increased revenues are due to increasing sales tax revenue while the decreased expenditures are primarily capital outlay. The fund balance increased $1.5 million (5.8%) in fiscal year 2013. All fund balance in this fund is restricted.

Another major governmental fund of the City is the Development Fee Fund, which collects governmental impact fees for parks and recreational facilities, public safety, and streets and intersections. Revenues in the Development Fee Fund increased $1.7 million (23.9%) with a moderate increase in development activity in the City, while expenditures decreased $0.3 million (5.4%) in fiscal year 2013 due to increased principal payments on development agreements. Fund balance increased $4.4 million (20.4%) in fiscal year 2013, primarily due to increased revenues. All fund balance in this fund is restricted.

The GO Bond Debt Service Fund accounts for the payment of general obligation bonds and the related interest. Revenues in this fund decreased $2.2 million (12.9%) due to decreased secondary property tax revenues and investment earnings. The secondary assessed value of the City decreased 10.9% in fiscal year 2013 while the secondary tax rate was unchanged. Expenditures decreased by $3.4 million (18.5%) due to decreased principal payments on general obligation bonds issued in fiscal year 2009. The Series 2009 bond debt service was structured with large payments in fiscal year 2010 and 2011 to lower the fund balance in this fund. Fund balance increased $0.04 million (0.1%) in fiscal year 2013.

All non-major governmental funds of the City are combined into one column on the governmental fund statements.

Proprietary funds

The proprietary fund financial statements are prepared on the same accounting basis and measurement focus as the government-wide financial statements, but provide additional detail since each major enterprise fund is shown discretely. Although the Solid Waste Fund, Stadium Fund, Storm Drain Utility Fund, and Public Housing Fund do not meet the GASB 34 criteria of a major fund, the City has chosen to present them as major funds due to local significance.

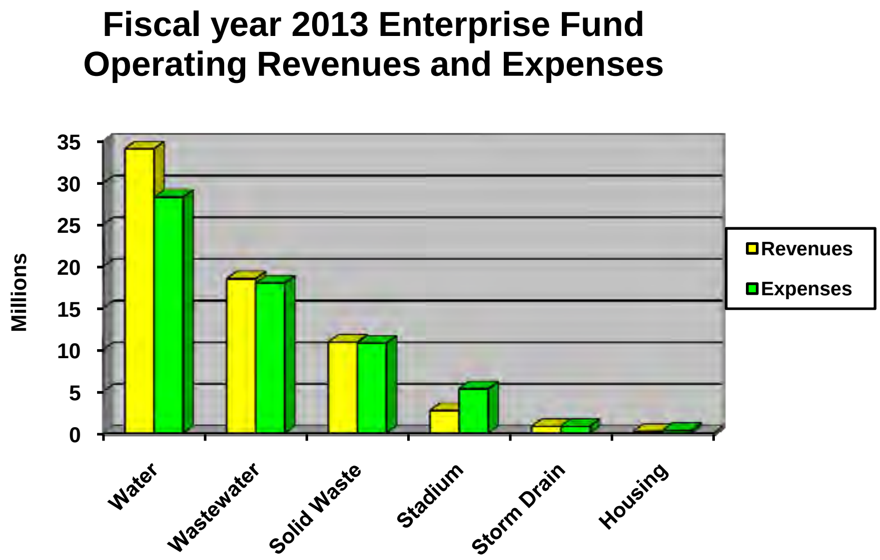
Total net position of the enterprise funds increased $14.6 million (2.6%) in fiscal year 2013. Net investment in capital assets increased $15.4 million (3.2%) with the addition of utility infrastructure and equipment in the Water and Wastewater Funds and renovation of the clubhouses and sports complex in the Stadium Fund. Restricted net position decreased $3.3 million (13.4%) primarily due to an increase in capital project activity in the Water Utility, Wastewater Utility, and Stadium Funds. The unrestricted net position increased $2.9 million (4.9%) primarily due to increased net income in the utility operating portions of the Utility Funds. The Water Utility Fund, Wastewater Utility Fund, Solid Waste Fund, and Stadium Fund experienced increases in total net position of $7.9 million (2.8%), $3.6 million (1.5%), $0.2 million (.8%), and $5.2 million (22.1%) respectively. The Storm Drain Utility Fund net position increased $37,175 (4.9%) and the Public Housing Fund total net position was reduced to $0 with the transfer of the program to Maricopa County. The Water Utility unrestricted net position increased $3.4 million (11.1%), the Wastewater Utility unrestricted net position increased $0.3 million (2.3%), and the unrestricted net position of the Solid Waste Fund decreased $.3 million (2.3%).

Operating revenues of the enterprise funds increased $1.0 million (1.5%) in fiscal year 2013. Charges for services in the Water Utility Fund increased $.2 million (.6%) due to increased usage. The Wastewater Utility Fund charges for services increased $1.8 million (11.0%) and the Solid Waste Fund charges for services decreased by $0.9 million primarily due to an adjustment in the rates between the two utilities. Wastewater Utility service fees were increased by 8% and solid waste service fees were decreased by 13% with no net rate increase to the utility customer. Operating expenses of the enterprise funds decreased $1.2 million (1.9%) in fiscal year 2013. The Water Utility Fund operating expenses decreased $0.4 million (1.3%) and the Wastewater Utility Fund decreased $1.0 million (5.1%) primarily due to decreases in depreciation expense of $0.4 million (5.0%) and $1.1 million (10.5%) respectively. In the Solid Waste Fund, operating expenses increased $0.2 million (1.7%) due to an increase of $0.2 million (3.5%) in contractual services/commodities primarily in sanitation system supplies.

Operating income for the Water Utility Fund increased by $0.6 million (10.8%) from fiscal year 2012 due to the increase in charges for services and a decrease in depreciation expense. Operating income for the Wastewater Utility Fund increased by $2.8 million (121.9%) in fiscal year 2013 with the increase in charges for services and the decrease in depreciation expense discussed above. The Solid Waste Utility Fund operating income decreased $1.1 million (91.9%) based on decreased charges for services as discussed above. The Stadium Fund and the Public Housing Fund had operating losses in fiscal years 2012 and 2013. The Stadium Fund's operating loss is substantially covered by transfers from the Half-

Cent Sales Tax Fund for governmental use and support of this facility. The Public Housing Fund operating loss is lower in fiscal year 2013 than 2012 primarily due to decreased depreciation expense. The Storm Drainage Fund essentially broke even in fiscal years 2012 and 2013.

The following graph shows the operating revenues and expenses for the enterprise funds for fiscal year 2013.



BUDGETARY HIGHLIGHTS

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found on pages 30-34. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgetary schedules for the other governmental funds as well as the proprietary funds are also presented on pages 94-95, 104-112, 114-119, and 125-128.

Amendments to the adopted budget may occur throughout the year in a legally permissible manner (see Note 1.E on page 53 for more information on budget policies). Some of these amendments include transfers from contingency to cover approved carryovers from the previous budget, capital projects with budget overages (or whose timing was accelerated), and other unanticipated costs. Also, throughout the year, budget amendments are processed to provide expenditure authority from unanticipated revenue sources. These include new or increased grants and intergovernmental agreements. It is generally the policy of the City to not include revenues and operational expenditure authority for these types of items in the operational budgets unless the funding is reasonably assured at the time of completion of the annual budget. Instead, the City budgets contingency accounts to allow for later transfer to operational budgets if and when the funding is received.

No amendments increasing the City's total adopted budget of $473 million occurred during fiscal year 2013. Budget amendments between funds or departments or from budgeted contingencies into operational expense/expenditure accounts did occur.

General Fund inflows (revenues and other sources) of $112.6 million, on a budgetary basis, exceeded budgeted inflows of $107.6 million by $5.0 million (4.6%) while budgetary basis outflows (expenditures and other uses) of $116.0 million were 93.0% of final budgeted outflows. Revenues, on a budgetary basis, exceeded budgeted revenues in sales tax, property tax, state shared sales tax, urban revenue sharing, auto in-lieu tax, charges for other services, licenses and permits, rents, while falling short in franchise tax, investment earnings and fines and forfeitures. Reduced General Fund outflows resulted primarily from unspent contingency. There were no expenditure overages for any of the functional categories, with the exception of capital outlay.

During the fiscal year, the original General Fund expenditures and other uses budget of $134.7 million was amended by $10.1 million to the final expenditure and other uses budget of $124.6 million. Notable General Fund transfers were as follows:

- Contingency appropriation of $0.3 million was transferred from General Fund to the Outside Sources Fund for amounts received from developers for CIP projects; Lake Pleasant Parkway and Annual Sidewalk Program.

- Appropriation of $6.9 million was transferred from General Fund contingency to the Sports Complex Fund for Sports Complex Improvement Project.

- The purchase of turf maintenance equipment resulted in a contingency appropriation of $0.4 million from the General Fund to the Sports Complex Fund.

- Contingency appropriation of $2.4 million was transferred from the General Fund contingency to the Capital Project Funds for the carryover of capital improvement projects from FY2012.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2013, the City had $1.3 billion invested in various capital assets, net of accumulated depreciation and related debt, up 1.5% from the previous year. The capital assets of the City (net of depreciation, but not capital debt) are $1.8 billion. This is a net increase of $26.6 million from June 30, 2012. Net assets of business-type activities increased $5.8 million while governmental activities increased $20.8 million.

Major additions to capital assets during the fiscal year included the following:

- ✓ The City spent $7.3 million beginning a major renovation of the team clubhouses and the stadium at the Peoria Sports Complex. These improvements are pursuant to the new lease agreement with the San Diego Padres and the Seattle Mariners. The presence of these two teams has proven to be an important community asset, as well as an important economic driver. Recently constructed Spring Training complexes have raised the bar for these facilities, and the Padres and Mariners are desirous that the Peoria Sports Complex reflect this new standard. The total project costs is $34.3 million.

- ✓ Current fire department support services facilities are inadequate to meet the department's needs. In responses, an industrial building at the corner of 78th Avenue and Seldon Lane was acquired; that with minor renovations can meet the program needs for high bay engine servicing, parts storage, shower/lockers, pandemic supplies storage, equipment and turn-out laundry/repair, SCBA compressor room ,and office facilities. The City spent $1.1 million to acquire the industrial building.

- ✓ Located at the southeast corner of 83rd and Olive Avenue, the City constructed a second community park, Pioneer Park. The park has approximately 80 acres of area to include six baseball/softball fields with associated concessions, restrooms, spectator areas and parking, four lighted soccer fields and support facilities, a five-acre lake, a skate park, a dog park, a splash park, picnic areas and gardens. The City spent an additional $16.9 million in fiscal year 2013 for a total cost of $19.7 million. Pioneer Park opened in September 2013.

- ✓ Sections of roadway along 83rd Ave have been widened due to development. However, the section between Butler Ave and Mountain View Road continues to be one lane in each direction. It has been determined that the area between Butler Ave and Grand Ave needs to be widened to four-lane roadway, with bike lanes and a raised landscape median. In fiscal year 2013, the City spent $3.9 million on this street project.

The following table provides a breakdown of the capital assets of the City at June 30, 2013, and 2012. Additional information on the City's capital assets may be found in Note 12 on pages 73-75.

Capital Assets at June 30
(Net of depreciation)
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Percent
	2013	2012	2013	2012	2013	2012	Change
Buildings and building improvements	$ 137.7	$ 133.3	$ 21.5	$ 23.7	$ 159.2	$ 157.0	1.4%
Furniture	.4	.6	.1	.1	.5	.7	(29.3)
Equipment	13.1	12.3	5.3	2.8	18.4	15.1	21.8
Vehicles	7.1	7.1	4.7	3.7	11.8	10.8	9.0
Surface water system	58.6	60.6	-	-	58.6	60.6	(3.2)
Street system	362.8	370.2	-	-	362.8	370.2	(2.0)
Park system	48.6	48.4	-	-	48.6	48.4	0.4
Water system	-	-	237.6	241.2	237.6	241.2	(1.5)
Water rights	-	-	11.3	11.6	11.3	11.6	(2.2)
Wastewater system	-	-	274.8	281.2	274.8	281.2	(2.3)
Land	339.2	336.7	16.6	17.0	355.8	353.7	0.6
Work in progress	161.7	139.2	49.5	34.3	211.2	173.5	21.7
Total	$ 1,129.2	$ 1,108.4	$ 621.4	$ 615.6	$ 1,750.6	$ 1,724.0	1.5

The City has adopted a ten year capital improvement plan budgeted at $524.5 million, including $154.1 million in fiscal year 2014. Anticipated funding for this plan for fiscal year 2014 is through a combination of impact fees (12.6%), general obligation bonds (19.2%), municipal development authority bonds (22.1%), operating revenues (23.3%), City (15.5%) and County (5.0%) transportation sales taxes and other outside funding sources (2.3%). The estimated operating budget impact of the capital improvement program over the next five fiscal years is expected to be $14.7 million. The capital improvement plan is updated annually as part of the City's budget process.

Long-term Debt

The City's outstanding non-current long-term debt, including bonds, loans, notes, leases, contracts, compensated absences, and deferred bond premiums, net of deferred loss on bond refunding, was $463.7 million at June 30, 2013. Of this total, $345.4 million was in governmental activities and $118.3 million was in business-type activities. The City's outstanding non-current debt increased $3.2 million in fiscal year 2013. In fiscal year 2013, the Municipal Development Authority issued $35.5 in excise tax bonds to finance improvements to the City's sports complex facility.

Of the total outstanding bonds of $424.4 million, $162.4 million is general obligation bonds backed by the full faith and credit of the City. An additional $3.5 million is special assessment bonds where the City is contingently liable in the event that the assessment revenues are insufficient to pay the debt payments. The outstanding debt also includes $53.7 million in Community Facilities District bonds where the City has no obligation for payment. All other outstanding debt is secured by pledges of specific revenue sources of the City.

The State constitution imposes certain debt limitations on the City of six percent (6%) and twenty percent (20%) of the assessed valuation of the City. The City's available debt margin at June 30, 2013, is $66.6 million in the 6% category and $66.8 million in the 20% category. Additional information on the debt limitations and capacities may be found in Note 14 (page 75) and also in Table XXIII in the statistical section of this report (page 167).

The following schedule shows the outstanding debt of the City (both current and long-term) as of June 30, 2013, and 2012. Further detail on the City's outstanding debt may be found in Note 14 on pages 75-80.

Outstanding Debt
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Percent
	2013	2012	2013	2012	2013	2012	Change
General obligation debt	$ 162.4	$ 171.0	$ -	$ -	$ 162.4	$ 171.0	(5.0)%
Municipal Development Authority debt	85.2	52.5	-	-	85.2	52.5	62.3
Special assessment debt	3.5	4.7	-	-	3.5	4.7	(25.5)
Water/Sewer Revenue bonds	-	-	119.5	128.3	119.5	128.3	(6.9)
Community Facilities District bonds	53.7	56.2	-	-	53.7	56.2	(4.4)
Contracts payable	57.2	62.9	6.3	6.9	63.5	69.8	(9.0)
Compensated absences	6.9	7.0	0.8	0.8	7.7	7.8	(1.3)
Total	$ 368.9	$ 354.3	$ 126.6	$ 136.0	$ 495.5	$ 490.3	1.1

The City currently maintains the following ratings on its general obligation debt: “AA+” from Standard & Poor’s, “Aa1” from Moody’s and “AA+“ from Fitch. For the water and sewer revenue bonds, the ratings are “AA” from Standard & Poor’s, “Aa3” from Moody’s and “AA” from Fitch.

ECONOMIC FACTORS

The unemployment rate in the metropolitan Phoenix region for June 2013 was 7.2%, which remains below both the state (8.0%) and national average (7.6%). The regional economy continues to recover at a slow pace with population growth in the 1% range and modest improvements in job creation over the 12-month period at 2.0%, slightly faster than the national rate of 1.6% Construction activity began to improve markedly over the previous year (though, much lower than after previous recessions) in the region as home values and re-sale activity rebounded. Most job gains in the state were in the construction, leisure and hospitality, business and financial services, education, and healthcare sectors. Peoria also experienced growth in new home starts with a 40% increase in single-family home permits compared to the previous fiscal year. Commercial activity improved during the year, but reflects increases over historically low levels during the previous two fiscal years.

The adopted fiscal year 2014 budget is $468 million, a decrease of 1.1% from the fiscal year 2013 budget as the City anticipates slight property tax revenue decreases due to lag between the time properties are valued and the time they are billed. The operating budget totals $313.9 million, which is an increase of 3.7% from 2013. The capital projects portion of the budget, $154.1 million (a 9.6% decrease), is divided in the following manner: $0.5 million for drainage projects, $6.5 for operational facilities, $46.1 million for parks, trails and open space, $7.1 million for public safety projects, $54.3 million for streets and traffic control projects, $15.6 million for economic development projects, $6.7 million for wastewater projects, and $17.3 million for water projects.

The General Fund operating budget (not including contingency) is $119.5 million, up 6.5% from the prior year budget. With the muted economic recovery, the citizens’ needs for City services were balanced with a slowly increasing revenue base. The budget continues to focus on preserving the City’s excellent quality of life, while preserving our future financial viability.

The fiscal year 2014 budget no longer required staff cuts, but adhering to the commitment to avoid ongoing commitments, ten new positions were added in the budget.

The City has maintained cash balances over the last few years, both for financial stability and in anticipation of the capital and ongoing operational needs of an ever-changing city. The City has established several stabilization reserves within the General Fund and Half-Cent Sales Tax Fund in accordance with the City’s adopted financial policies – The Principles of Sound Financial Management. These reserves totaled $31.4 million in the General Fund and $5.2 million in the Half-Cent Sales Tax Fund at June 30, 2013. The City also maintains working capital policy reserve, rate stabilization, and debt stabilization reserves in the Utility Funds. At June 30, 2013, those reserves were $11.9 million in the Water Utility, $8.5 million in the Wastewater Utility, and $2.2 million in the Solid Waste Utility. It should be noted that while these reserves are established to address immediate and dramatic fiscal difficulties, they are not intended to cover structural budget shortfalls. With this in mind, the fiscal year 2014 budget does not anticipate the use of reserves to address recurring expenses.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the City of Peoria, Arizona's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the City's Finance Director at the following address: City of Peoria, 8401 W. Monroe Street, Peoria, Arizona 85345.

Basic Financial Statements Slip Sheet

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 46,528,320	$ 17,458,605	$ 63,986,925
Cash with fiscal agents	3,745,828	-	3,745,828
Investments	183,903,685	67,517,836	251,421,521
Accounts receivable, net	10,470,509	8,472,448	18,942,957
Interest receivable	248,263	73,228	321,491
Internal balances	(1,917,820)	1,917,820	-
Due from other governments	4,287,261	-	4,287,261
Prepaid items	171,060	2,610	173,670
Supply inventories	403,255	326,492	729,747
Restricted cash and cash equivalents	47,182,046	-	47,182,046
Restricted investments	28,362,497	-	28,362,497
Other assets	1,800,000	-	1,800,000
Special assessments receivable	3,520,000	-	3,520,000
Capital assets:			
Non-depreciable	500,850,130	66,115,381	566,965,511
Depreciable (net)	628,395,502	555,314,356	1,183,709,858
Total assets	1,457,950,536	717,198,776	2,175,149,312
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	407,974	331,807	739,781
LIABILITIES			
Accounts payable	11,956,686	3,599,571	15,556,257
Accrued payroll	1,122,629	134,898	1,257,527
Interest payable	6,389,570	1,901,629	8,291,199
Due to other governments	1,257,224	676,177	1,933,401
Other liabilities	3,037,933	277,171	3,315,104
Customer deposits	3,567	1,901,298	1,904,865
Unearned revenue-other	3,354,815	26,450	3,381,265
Non-current liabilities:			
Due within one year:			
Current portion of claims payable	1,660,785	-	1,660,785
Current portion of compensated absences	5,102,910	614,690	5,717,600
Current portion of contracts payable	5,174,034	563,190	5,737,224
Current portion of bonds payable	16,705,000	9,007,117	25,712,117
Due in more than one year:			
Noncurrent portion of claims payable	2,174,989	-	2,174,989
Noncurrent portion of compensated absences	1,779,189	228,040	2,007,229
Noncurrent portion of contracts payable	51,991,948	5,734,014	57,725,962
Noncurrent portion of bonds payable	288,145,000	110,500,533	398,645,533
Plus: Unamortized bond premium	3,850,154	2,167,805	6,017,959
Total liabilities	403,706,433	137,332,583	541,039,016
NET POSITION			
Net investment in capital assets	829,001,871	493,788,885	1,322,790,756
Restricted for:			
Debt service	53,849,607	-	53,849,607
Capital projects	3,396,396	21,475,445	24,871,841
Development fees	25,743,432	-	25,743,432
Transportion purposes	40,936,011	-	40,936,011
Grant purposes	2,725,456	-	2,725,456
Facilities maintenance	108,517	100,000	208,517
Trust purpose	4,791,144	-	4,791,144
Unrestricted	94,099,643	64,833,670	158,933,313
Total net position	$ 1,054,652,077	$ 580,198,000	$ 1,634,850,077

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

		Program Revenues		
Functions/Programs	**Expenses**	**Fees, Fines & Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 19,175,790	$ 2,712,644	$ 162,996	$ -
Culture and recreation	22,434,968	7,055,179	416,918	2,020,935
Police	35,396,834	1,135,692	491,838	467,546
Fire	21,360,706	1,664,610	356,547	622,335
Development services	8,374,619	2,398,630	495,153	-
Highways and streets	29,967,207	456,791	8,435,926	18,374,213
Public works	6,989,988	3,278,257	128,745	-
Human services	2,196,801	43,320	1,952,637	-
Interest on long-term debt	12,739,029	-	-	-
Unallocated depreciation	574,557	-	-	-
Total governmental activities	159,210,499	18,745,123	12,440,760	21,485,029
Business-type activities:				
Water Utility	29,094,123	34,100,166	-	4,106,779
Wastewater Utility	20,342,376	18,459,924	-	3,216,703
Solid Waste Utility	10,503,928	11,003,792	-	-
Stadium	5,140,500	2,716,778	-	-
Storm Drain Utility	806,658	816,478	-	-
Housing programs	273,528	100,165	67,915	-
Total business-type activities	66,161,113	67,197,303	67,915	7,323,482
Total primary government	$ 225,371,612	$ 85,942,426	$ 12,508,675	$ 28,808,511

General revenues:
Taxes:
Property taxes, levied for general purposes
Property taxes, levied for debt service
Sales and use taxes
Franchise taxes
State shared sales taxes- unrestricted
Urban revenue sharing- unrestricted
Auto in-lieu taxes- unrestricted
Investment earnings
Gain on sale of capital assets
Expired development agreement debt
Miscellaneous
Special Item: Close out of Public Housing
Transfers in (out)
Total general revenues and transfers
Change in net position
Net position - beginning
Cummulative effect of change in accounting principle (note 1)
Net position - beginning - restated
Net position - ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (16,300,150)	$ -	$ (16,300,150)
(12,941,936)	-	(12,941,936)
(33,301,758)	-	(33,301,758)
(18,717,214)	-	(18,717,214)
(5,480,836)	-	(5,480,836)
(2,700,277)	-	(2,700,277)
(3,582,986)	-	(3,582,986)
(200,844)	-	(200,844)
(12,739,029)	-	(12,739,029)
(574,557)	-	(574,557)
(106,539,587)	-	(106,539,587)
-	9,112,822	9,112,822
-	1,334,251	1,334,251
-	499,864	499,864
-	(2,423,722)	(2,423,722)
-	9,820	9,820
-	(105,448)	(105,448)
-	8,427,587	8,427,587
$ (106,539,587)	$ 8,427,587	$ (98,112,000)
$ 2,848,691	$ -	$ 2,848,691
16,628,634	-	16,628,634
65,950,235	-	65,950,235
4,136,004	-	4,136,004
12,665,191	-	12,665,191
14,425,958	-	14,425,958
5,155,206	-	5,155,206
599,263	176,176	775,439
66,465	-	66,465
630,104	-	630,104
4,397,616	-	4,397,616
-	(2,101,809)	(2,101,809)
(9,394,454)	9,394,454	-
118,108,913	7,468,821	125,577,734
11,569,326	15,896,408	27,465,734
1,045,833,799	564,684,770	1,610,518,569
(2,751,048)	(383,178)	(3,134,226)
1,043,082,751	564,301,592	1,607,384,343
$ 1,054,652,077	$ 580,198,000	$ 1,634,850,077

CITY OF PEORIA, ARIZONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	Major Funds			
	General Fund	**Half-Cent Sales Tax Fund**	**Highway User Revenue Fund**	**Transportation Sales Tax Fund**
ASSETS & DEFERRED OUTFLOWS				
Assets:				
Cash and cash equivalents	$ 10,098,918	$ 2,430,727	$ 2,665,138	$ 5,653,583
Cash with fiscal agents	-	-	-	-
Investments	39,116,129	9,660,852	10,592,510	22,469,994
Accounts receivable, net	5,487,712	1,499,009	304,087	899,536
Interest receivable	39,907	11,112	11,709	25,475
Due from other funds	175,375	-	-	-
Due from other governments	2,599,327	-	802,007	-
Prepaid items	123,315	-	-	-
Supply inventories	136,328	-	73,819	-
Restricted cash and cash equivalents	326,568	-	-	-
Restricted investments	-	-	-	-
Special assessments receivable	-	-	-	-
Interfund receivable (non-current)	-	-	-	-
Total assets	58,103,579	13,601,700	14,449,270	29,048,588
Total assets & deferred outflows	$ 58,103,579	$ 13,601,700	$ 14,449,270	$ 29,048,588
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,849,386	$ -	$ 1,055,695	$ 1,461,825
Accrued payroll	984,392	-	39,300	-
Due to other funds	-	-	-	-
Due to other governments	1,256,919	-	-	-
Customer deposits	3,567	-	-	-
Other liabilities	1,918,272	-	-	-
Unearned revenue-other	1,147,133	-	-	-
Interfund payable (non-current)	-	-	-	-
Total liabilities	7,159,669	-	1,094,995	1,461,825
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	18,922	-	5,027	
Unavailable revenue-special assessments	-	-	-	
Total deferred inflows of resources	18,922	-	5,027	-
Fund balances:				
Nonspendable:				
Supply inventories	136,328	-	73,819	-
Prepaid items	123,315	-	-	-
Restricted for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Development fees	-	-	-	-
Transportation purposes	-	-	13,275,429	27,586,763
Grant purposes	-	-	-	-
Arts Center maintenance	108,517	-	-	-
Committed to:				
Debt service	-	1,000,000	-	-
Economic development	1,829,466	-	-	-
Arts capital	-	-	-	-
Operating reserve	13,400,000	-	-	-
Emergency reserve	9,000,000	-	-	-
Budget stabilization reserve	9,000,000	5,200,000	-	-
Assigned to:				
Capital projects	-	-	-	-
Municipal Complex reserve	3,330,705	-	-	-
Council Half-Cent Policy	-	7,401,700	-	-
Other purposes	-	-	-	-
Unassigned:	13,996,657	-	-	-
Total fund balance	50,924,988	13,601,700	13,349,248	27,586,763
Total liabilities, deferred inflows & fund balance	$ 58,103,579	$ 13,601,700	$ 14,449,270	$ 29,048,588

The accompanying notes are an integral part of the financial statements

GO Bond Debt Service Fund	Development Fee Fund	Non-Major Governmental Funds	Total Governmental Funds
$ 5,805,329	$ 5,743,892	$ 8,033,551	$ 40,431,138
-	-	3,745,828	3,745,828
23,073,104	22,828,923	31,929,107	159,670,619
1,853,418	-	391,547	10,435,309
18,781	30,080	85,720	222,784
-	-	1,200,000	1,375,375
176,777	-	709,150	4,287,261
-	-	25,000	148,315
-	-	-	210,147
-	-	46,855,478	47,182,046
-	-	28,362,497	28,362,497
-	-	3,520,000	3,520,000
-	-	890,133	890,133
30,927,409	28,602,895	125,748,011	300,481,452
$ 30,927,409	$ 28,602,895	$ 125,748,011	$ 300,481,452
$ 720	$ 628,318	$ 5,421,163	$ 10,417,107
-	-	11,076	1,034,768
-	1,341,012	34,363	1,375,375
-	-	305	1,257,224
-	-	-	3,567
-	-	1,119,661	3,037,933
-	-	2,207,682	3,354,815
-	890,133	-	890,133
720	2,859,463	8,794,250	21,370,922
101,123	-	14,287	139,359
-	-	3,520,000	3,520,000
101,123	-	3,534,287	3,659,359
-	-	-	210,147
-	-	25,000	148,315
30,825,566	-	23,024,041	53,849,607
-	-	65,254,257	65,254,257
-	25,743,432	-	25,743,432
-	-	-	40,862,192
-	-	2,725,456	2,725,456
-	-	-	108,517
-	-	-	1,000,000
-	-	-	1,829,466
-	-	3,804,379	3,804,379
-	-	-	13,400,000
-	-	-	9,000,000
-	-	-	14,200,000
-	-	18,491,040	18,491,040
-	-	-	3,330,705
-	-	-	7,401,700
-	-	95,301	95,301
-	-	-	13,996,657
30,825,566	25,743,432	113,419,474	275,451,171
$ 30,927,409	$ 28,602,895	$ 125,748,011	$ 300,481,452

CITY OF PEORIA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

Fund balances - total governmental funds balance sheet		$ 275,451,171
Amounts reported for governmental activities in the statement of net position are different because (also see note 2):		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 1,381,949,305	
Less accumulated depreciation	(270,648,570)	1,111,300,735
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred loss on bond refunding		407,974
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental bonds payable	304,850,000	
Governmental contracts payable	57,165,982	
Compensated absences	6,168,169	(368,184,151)
Certain long-term debt is offset by an intangible asset (goodwill) for government-wide reporting		1,800,000
Advances for long-term special assessments is shown on the governmental governmental funds balance sheet, but is not on the statement of net position		3,520,000
Bond premiums are recognized at the time of issuance in the governmental funds, but recognized over the life of the bonds for goverrnment-wide reporting		(3,850,154)
Property tax revenue earned but not received within 60 days of year-end is a deferred inflow of resources for the governmental statements, but is recognized as revenue for the government-wide statements		139,359
Interest payable on long-term debt is not reported in the governmental funds.		(6,389,570)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds that are reported with the governmental activities.		40,456,713
Total net position of governmental activities - statement of net position		$ 1,054,652,077

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Major Funds			
	General Fund	**Half-Cent Sales Tax Fund**	**Highway User Revenue Fund**	**Transportation Sales Tax Fund**
REVENUES:				
Taxes:				
Sales and use taxes	$ 36,450,780	$ 16,355,776	$ 3,338,510	$ 9,805,169
Property taxes	2,392,199	-	504,985	-
Franchise taxes	4,136,004	-	-	-
Intergovernmental:				
State shared sales taxes	12,665,191	-	-	-
Urban revenue sharing	14,425,958	-	-	-
Auto in-lieu taxes	5,155,206	-	-	-
Highway user revenue	-	-	8,435,926	-
From federal government	442	-	-	-
Other	304,007	-	-	-
Charges for services	11,726,961	-	162,815	-
Licenses and permits	2,564,075	-	-	-
Fines and forfeitures	2,058,925	-	-	-
Rents	1,101,082	-	-	-
Investment earnings	78,830	26,779	27,448	61,437
Special assessments	-	-	-	-
Miscellaneous	1,207,942	27,125	65,056	60,830
Total revenues	94,267,602	16,409,680	12,534,740	9,927,436
EXPENDITURES:				
Current:				
General government	13,158,069	1,441,015	-	-
Culture and recreation	19,043,986	-	-	-
Police	34,647,501	-	-	-
Fire	21,001,220	-	-	-
Development services	6,219,633	-	-	-
Highways and streets	-	-	12,332,717	1,991,302
Public works	4,785,975	-	-	-
Human services	-	-	-	-
Debt service:				
Principal payments	-	1,352,910	-	-
Interest and other charges	-	18,010	-	-
Capital outlay	2,820,652	-	530,090	2,303,153
Total expenditures	101,677,036	2,811,935	12,862,807	4,294,455
Excess (deficiency) of revenues over (under) expenditures	(7,409,434)	13,597,745	(328,067)	5,632,981
OTHER FINANCING SOURCES (USES):				
Capital-related debt issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	8,469,088	496,659	1,066,230	-
Transfers out	(1,543,141)	(13,353,028)	-	(4,126,930)
Total other financing sources and uses	6,925,947	(12,856,369)	1,066,230	(4,126,930)
Net change in fund balances	(483,487)	741,376	738,163	1,506,051
Fund balances - beginning	51,408,475	12,860,324	12,611,085	26,080,712
Fund balances - ending	$ 50,924,988	$ 13,601,700	$ 13,349,248	$ 27,586,763

The accompanying notes are an integral part of the financial statements

GO Bond Debt Service Fund	Development Fee Fund	Non-Major Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 65,950,235
14,781,897	-	2,183,404	19,862,485
-	-	-	4,136,004
-	-	-	12,665,191
-	-	-	14,425,958
-	-	-	5,155,206
-	-	-	8,435,926
-	-	2,929,258	2,929,700
-	-	5,915,156	6,219,163
-	8,916,126	599,721	21,405,623
-	-	-	2,564,075
-	-	198,552	2,257,477
-	-	-	1,101,082
45,322	72,792	225,124	537,732
-	-	1,217,271	1,217,271
-	-	4,519,558	5,880,511
14,827,219	8,988,918	17,788,044	174,743,639
2,800	495	492,487	15,094,866
-	127,442	497,170	19,668,598
-	37,521	690,144	35,375,166
-	4,267	321,613	21,327,100
-	-	2,348,380	8,568,013
-	13,205	2,018,281	16,355,505
-	-	128,745	4,914,720
-	-	2,213,374	2,213,374
8,585,000	3,777,253	6,405,000	20,120,163
6,294,094	-	6,221,935	12,534,039
-	640,004	33,318,799	39,612,698
14,881,894	4,600,187	54,655,928	195,784,242
(54,675)	4,388,731	(36,867,884)	(21,040,603)
-	-	35,510,000	35,510,000
-	-	1,039,481	1,039,481
97,738	-	6,838,390	16,968,105
-	(21,242)	(8,160,725)	(27,205,066)
97,738	(21,242)	35,227,146	26,312,520
43,063	4,367,489	(1,640,738)	5,271,917
30,782,503	21,375,943	115,060,212	270,179,254
$ 30,825,566	$ 25,743,432	$ 113,419,474	$ 275,451,171

CITY OF PEORIA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds	$ 5,271,917
Amounts reported for governmental activities in the statement of activities are different because (also see note 2):	
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	146,071
Certain revenues are advances in the governmental funds because they do not provide current financial resources, but are considered revenue on the statement of activities.	(385,158)
Certain long-term obligations are offset by goodwill that is amortized over the life of the debt. Goodwill amortization is included in the statement of activities, but not the governmental fund statements	(540,000)
Special assessment principal payments received are revenues on the govermental operating statement, but are reductions in the outstanding special assessment debt for government-wide reporting.	(1,031,324)
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.	(204,990)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($39,612,698), plus other capital $0, is exceeded by depreciation ($27,952,231) in the current period.	11,660,467
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources Thus, the change in net position differs from the change in fund balance by the cost of the assets sold or disposed of. Also gains/losses on sales of capital assets are not shown in the governmental funds, but are revenues or expenses on the statement of activities.	61,607
Donations of capital assets are not reflected on the governmental fund statements but are shown in the statement of activities.	6,704,158
A development agreement (long-term debt) expired during the year. This had no effect on the governmental financial statements, but creates a special item on the statement of activities.	630,104
The issuance of long-term debt provides current financial resources in the governmental funds, but creates a long-term liability in the statement of activities.	(35,510,000)
Repayment of bonds/contracts principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. No effect on net position.	20,120,163
Bond premiums or discounts and gains or losses on bond refunding are sources or uses of current financial resources for governmental fund reporting but are deferred outflows or inflows of resources for government-wide reporting.	(1,039,481)
The donation of governmental capital assets from Governmental Funds is not shown in the governmental fund statements but is a transfer out in the statement of activities	(1,342,130)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	7,027,922
Change in net position of governmental activities- statement of activities	$ 11,569,326

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	**Final**	**(budgetary basis)**	**(Under)**
Budgetary fund balance, July 1, 2012	$ 47,457,106	$ 47,457,106	$ 47,457,106	$ -
RESOURCES (INFLOWS):				
Taxes:				
Sales and use taxes	33,773,042	33,773,042	36,075,747	2,302,705
Property taxes	2,317,569	2,317,569	2,342,812	25,243
Franchise taxes	4,206,352	4,206,352	4,120,373	(85,979)
Intergovernmental:				
State shared sales taxes	12,446,215	12,446,215	12,534,939	88,724
Urban revenue sharing	15,344,410	15,344,410	15,737,409	392,999
Auto in-lieu taxes	4,793,869	4,793,869	5,090,274	296,405
From federal government	-	-	442	442
Other	248,667	248,667	258,687	10,020
Charges for services	23,098,605	23,098,605	23,603,776	505,171
Licenses and permits	1,839,088	1,839,088	2,564,075	724,987
Fines and forfeitures	2,352,061	2,352,061	2,058,925	(293,136)
Rents	365,400	365,400	1,102,069	736,669
Investment earnings	232,000	232,000	64,119	(167,881)
Miscellaneous	701,440	701,440	1,207,942	506,502
Transfers from other funds	5,900,537	5,900,537	5,899,770	(767)
Total inflows	107,619,255	107,619,255	112,661,359	5,042,104
Amounts available for appropriation	155,076,361	155,076,361	160,118,465	5,042,104
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government:				
Mayor and council	652,117	652,117	605,405	(46,712)
City manager	3,859,336	3,859,336	3,787,296	(72,040)
Human resources	2,448,513	2,448,513	2,431,744	(16,769)
Attorney	3,115,442	3,235,442	3,218,558	(16,884)
City clerk	949,360	949,360	780,536	(168,824)
Court	1,953,037	1,953,037	1,869,818	(83,219)
Economic development	1,255,884	1,258,894	1,177,958	(80,936)
Finance	9,968,360	9,611,146	9,259,854	(351,292)
Non-departmental	2,680,574	2,893,031	1,489,478	(1,403,553)
Culture and recreation	19,672,918	19,928,163	19,161,408	(766,755)
Police	35,211,761	35,111,261	34,857,071	(254,190)
Fire	21,233,589	21,233,589	21,130,710	(102,879)
Development services	5,343,350	6,783,320	6,255,982	(527,338)
Public works	5,086,175	5,106,150	4,813,484	(292,666)
Debt service:				
Capital outlay	3,720,814	4,625,248	4,786,777	161,529
Contingencies	17,159,120	4,601,803	-	(4,601,803)
Transfers to other funds	373,713	373,713	372,896	(817)
Total charges to appropriations	134,684,063	124,624,123	115,998,975	(8,625,148)
Budgetary fund balance, June 30, 2013	$ 20,392,298	$ 30,452,238	$ 44,119,490	$ 13,667,252

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures	
Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 160,118,465
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(47,457,106)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(5,899,770)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules	(12,112,496)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(381,491)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 94,267,602
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 115,998,975
Differences - budget to GAAP:	
The City budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	144,221
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(728,503)
Capital outlay recognized as expenditures in proprietary fund for budgetary purposes, but assets reclassified to expenditure in governmental funds for financial reporting purposes	
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(1,252,265)
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(12,112,496)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(372,896)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 101,677,036

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
HALF-CENT SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 14,399,133	$ 14,399,133	$ 14,399,133	$ -
RESOURCES (INFLOWS):				
Taxes:				
Sales and use taxes	15,082,827	15,082,827	16,179,417	1,096,590
Investment earnings	79,000	79,000	22,481	(56,519)
Miscellaneous	-	-	27,125	27,125
Transfers from other funds	-	-	496,659	496,659
Total inflows	15,161,827	15,161,827	16,725,682	1,563,855
Amounts available for appropriation	29,560,960	29,560,960	31,124,815	1,563,855
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government- non-departmental	1,364,265	2,043,731	1,441,015	(602,716)
Debt service:				
Principal payments	1,330,000	1,330,000	1,352,910	22,910
Interest and other charges	26,000	26,000	18,010	(7,990)
Capital outlay	-	112,560	143,209	30,649
Contingencies	3,000,000	1,594,315	-	(1,594,315)
Transfers to other funds	9,995,940	9,995,940	10,770,783	774,843
Total charges to appropriations	15,716,205	15,102,546	13,725,927	(1,376,619)
Budgetary fund balance, June 30, 2013	$ 13,844,755	$ 14,458,414	$ 17,398,888	$ 2,940,474

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 31,124,815
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(14,399,133)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(496,659)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	180,657
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 16,409,680
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 13,725,927
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(30,649)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(112,560)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(10,770,783)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 2,811,935

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
HIGHWAY USER REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	**Final**	**(budgetary basis)**	**(Under)**
Budgetary fund balance, July 1, 2012	$ 12,174,696	$ 12,174,696	$ 12,174,696	$ -
RESOURCES (INFLOWS):				
Taxes:				
Sales and use taxes	3,288,499	3,288,499	3,322,354	33,855
Property taxes	516,729	516,729	500,171	(16,558)
Intergovernmental:				
Highway user revenue	7,854,000	7,854,000	8,387,623	533,623
Charges for services	450,500	450,500	521,678	71,178
Investment earnings	118,771	118,771	22,183	(96,588)
Miscellaneous	-	-	65,056	65,056
Transfers from other funds	1,516,729	1,516,729	1,569,745	53,016
Total inflows	13,745,228	13,745,228	14,388,810	643,582
Amounts available for appropriation	25,919,924	25,919,924	26,563,506	643,582
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Highways and streets	9,481,864	9,416,864	8,877,710	(539,154)
Capital outlay	4,605,215	4,720,114	3,818,245	(901,869)
Contingencies	1,268,627	1,250,375	-	(1,250,375)
Transfers to other funds	632,062	632,062	503,515	(128,547)
Total charges to appropriations	15,987,768	16,019,415	13,199,470	(2,819,945)
Budgetary fund balance, June 30, 2013	$ 9,932,156	$ 9,900,509	$ 13,364,036	$ 3,463,527

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 26,563,506
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(12,174,696)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(1,569,745)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB 34's allocation rules.	(295,000)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	10,675
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 12,534,740
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 13,199,470
Differences - budget to GAAP:	
The City budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	(6,795)
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	468,647
Certain interdepartmental service charges are recognized as expenditures for budgetary purposes but are eliminated from the financial statements under GASB34's allocation rules	(295,000)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(503,515)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 12,862,807

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON STATEMENT
TRANSPORTATION SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 26,581,990	$ 26,581,990	$ 26,581,990	$ -
RESOURCES (INFLOWS):				
Taxes:				
Sales and use taxes	9,087,148	9,087,148	9,698,473	611,325
Investment earnings	119,000	119,000	51,052	(67,948)
Miscellaneous	-	-	60,830	60,830
Total inflows	9,206,148	9,206,148	9,810,355	604,207
Amounts available for appropriation	35,788,138	35,788,138	36,392,345	604,207
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
Highways and streets	1,255,904	930,756	556,643	(374,113)
Capital outlay	17,027,087	17,590,681	3,191,716	(14,398,965)
Contingencies	1,619,053	1,307,527	-	(1,307,527)
Transfers to other funds	5,415,552	5,415,552	4,126,930	(1,288,622)
Total charges to appropriations	25,317,596	25,244,516	7,875,289	(17,369,227)
Budgetary fund balance, June 30, 2013	$ 10,470,542	$ 10,543,622	$ 28,517,056	$ 17,973,434

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 36,392,345
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(26,581,990)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	-
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	117,081
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 9,927,436
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 7,875,289
Differences - budget to GAAP:	
The city budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	-
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	546,096
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(4,126,930)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 4,294,455

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Business-type Activities - Major Enterprise Funds			
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Stadium Fund
ASSETS				
Current assets:				
Cash and cash equivalents	$ 9,040,935	$ 3,469,612	$ 4,057,988	$ 278,701
Investments	35,789,121	13,933,665	16,128,352	1,097,741
Accounts receivable, net	4,948,947	2,182,225	1,247,379	4,250
Interest receivable	39,979	12,090	18,472	2,031
Prepaid items	-	-	2,610	-
Supplies inventory	248,655	-	77,837	-
Total current assets	50,067,637	19,597,592	21,532,638	1,382,723
Non-current assets:				
Capital assets:				
Buildings and improvements	1,744,850	7,659,795	10,799	25,781,679
Distribution and collection systems	311,274,825	348,408,169	-	-
Water Rights	12,889,809	-	-	-
Equipment	5,301,047	2,185,969	28,430	916,344
Vehicles	1,722,934	1,246,720	10,300,730	503,728
Furniture	186,058	29,004	-	-
Less accumulated depreciation and amortization	(78,663,359)	(76,480,736)	(6,279,421)	(13,477,872)
Land and improvements	6,031,539	3,878,001	-	6,703,349
Construction in progress	26,550,656	15,413,169	-	7,538,667
Capital assets, net	287,038,359	302,340,091	4,060,538	27,965,895
Total assets	337,105,996	321,937,683	25,593,176	29,348,618
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	314,357	17,450	-	-
Total deferred outflows of resources	314,357	17,450	-	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,394,146	999,706	545,530	651,004
Accrued payroll	50,597	28,013	33,546	19,526
Accrued interest payable	618,112	1,283,517	-	-
Due to other governments	207,746	-	-	215
Customer Deposits	1,901,298	-	-	-
Other current liabilities	127,795	146,873	-	2,503
Current portion of claims payable	-	-	-	-
Current portion of compensated absences	268,390	109,800	149,430	71,990
Current portion of bonds & contracts payable	4,345,727	5,224,580	-	-
Unearned revenue-other	-	-	-	26,450
Total current liabilities	8,913,811	7,792,489	728,506	771,688
Non-current liabilities:				
Long-term portion of claims payable	-	-	-	-
Long-term portion of compensated absences	108,610	30,850	49,610	35,270
Long-term portion of bonds & contracts payable	37,920,044	78,050,446	264,057	-
Plus: Deferred bond premium	1,662,197	505,608	-	-
Total non-current liabilities	39,690,851	78,586,904	313,667	35,270
Total liabilities	48,604,662	86,379,393	1,042,173	806,958
NET POSITION				
Net investment in capital assets	243,424,748	218,576,907	3,796,481	27,965,895
Restricted:				
Capital projects	10,964,351	3,166,309	7,127,160	217,625
Sports Complex OM&R	-	-	-	100,000
Trust purpose	-	-	-	-
Unrestricted	34,426,592	13,832,524	13,627,362	258,140
Total net position	$ 288,815,691	$ 235,575,740	$ 24,551,003	$ 28,541,660

Some amounts reported for *business-type activities* in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.
Net position of business-type activities

The accompanying notes are an integral part of the financial statements

	Storm Drain Utility Fund	Public Housing Fund	Total	Governmental Activities - Internal Service Funds
	$ 143,153	$ 468,216	$ 17,458,605	$ 6,097,182
	568,957	-	67,517,836	24,233,066
	89,647	-	8,472,448	35,200
	656	-	73,228	25,479
	-	-	2,610	22,745
	-	-	326,492	193,108
	802,413	468,216	93,851,219	30,606,780
	-	-	35,197,123	148,102
	24,856	-	659,707,850	-
	-	-	12,889,809	-
	-	-	8,431,790	33,301,962
	-	-	13,774,112	23,786,609
	-	-	215,062	30,745
	(2)	-	(174,901,390)	(42,292,588)
	-	-	16,612,889	-
	-	-	49,502,492	2,970,067
	24,854	-	621,429,737	17,944,897
	827,267	468,216	715,280,956	48,551,677
	-	-	331,807	-
	-	-	331,807	-
	9,185	-	3,599,571	1,539,579
	3,216	-	134,898	87,861
	-	-	1,901,629	-
	-	468,216	676,177	-
	-	-	1,901,298	-
	-	-	277,171	-
	-	-	-	1,660,785
	15,080	-	614,690	507,950
	-	-	9,570,307	-
	-	-	26,450	-
	27,481	468,216	18,702,191	3,796,175
	-	-	-	2,174,989
	3,700	-	228,040	205,980
	-	-	116,234,547	-
	-	-	2,167,805	-
	3,700	-	118,630,392	2,380,969
	31,181	468,216	137,332,583	6,177,144
	24,854	-	493,788,885	17,944,897
	-	-	21,475,445	-
	-	-	100,000	-
	-	-	-	4,791,144
	771,232	-	62,915,850	19,638,492
	$ 796,086	$ -	$ 578,280,180	$ 42,374,533
			1,917,820	
			$ 580,198,000	

CITY OF PEORIA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Major Enterprise Funds			
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Stadium Fund
OPERATING REVENUES				
Charges for services	$ 34,061,533	$ 18,423,204	$ 10,934,962	$ 1,283,732
Rents	-	-	-	1,434,296
From federal government	-	-	-	-
Miscellaneous	33,483	36,720	776	(1,250)
Total operating revenues	34,095,016	18,459,924	10,935,738	2,716,778
OPERATING EXPENSES				
Salaries, wages and employee benefits	4,740,579	2,391,747	3,294,605	1,573,767
Contractual services, materials and supplies	15,213,706	6,628,958	6,524,869	2,991,318
Insurance claims and expenses	-	-	-	-
Depreciation and amortization	8,352,791	8,935,712	1,017,792	710,500
Total operating expenses	28,307,076	17,956,417	10,837,266	5,275,585
Operating income (loss)	5,787,940	503,507	98,472	(2,558,807)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	96,628	29,193	44,626	3,157
Interest expense	(1,073,334)	(2,507,798)	-	(81)
Gain(loss) on sale of capital assets	5,150	-	68,054	-
Total non-operating revenues (expenses)	(971,556)	(2,478,605)	112,680	3,076
Income (loss) before contributions and transfers	4,816,384	(1,975,098)	211,152	(2,555,731)
Capital contributions	5,448,909	3,216,703	-	-
Special Items	-	-	-	-
Transfers in	1,714,544	3,083,246	3,258	7,718,860
Transfers out	(3,849,754)	(618,844)	(23,842)	-
Change in net position	8,130,083	3,706,007	190,568	5,163,129
Total net position - beginning	280,943,952	231,994,567	24,360,435	23,378,531
Cumulative effect of changes in accounting principle (note 1)	(258,344)	(124,834)	-	-
Total net position - beginning, restated	280,685,608	231,869,733	24,360,435	23,378,531
Total net position - ending	$ 288,815,691	$ 235,575,740	$ 24,551,003	$ 28,541,660

Some amounts reported for *business-type activities* on the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

Change in net position of business-type activities

Storm Drain Utility Fund	Public Housing Fund	Total	Governmental Activities - Internal Service Funds
$ 816,478	$ -	$ 65,519,909	$ 37,326,644
-	95,131	1,529,427	-
-	67,915	67,915	-
-	5,034	74,763	230,759
816,478	168,080	67,192,014	37,557,403
290,845	-	12,291,543	7,984,645
515,811	211,239	32,085,901	12,596,334
-	-	-	11,298,944
2	62,289	19,079,086	4,028,636
806,658	273,528	63,456,530	35,908,559
9,820	(105,448)	3,735,484	1,648,844
2,499	73	176,176	61,531
-	-	(3,581,213)	-
-	-	73,204	42,513
2,499	73	(3,331,833)	104,044
12,319	(105,375)	403,651	1,752,888
-	-	8,665,612	19,000
-	(2,101,809)	(2,101,809)	-
24,856	-	12,544,764	2,312,937
-	-	(4,492,440)	(128,300)
37,175	(2,207,184)	15,019,778	3,956,525
758,911	2,207,184	563,643,580	38,418,008
-	-	(383,178)	-
758,911	2,207,184	563,260,402	38,418,008
$ 796,086	$ -	$ 578,280,180	$ 42,374,533
		876,630	
		$ 15,896,408	

CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Major Enterprise Funds			
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Stadium Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 34,532,094	$ 18,383,050	$ 11,101,683	$ 2,738,364
Payments to suppliers	(13,618,073)	(5,884,957)	(2,525,716)	(2,270,382)
Payments to employees	(4,707,677)	(2,378,805)	(3,297,799)	(1,559,237)
Self-insurance costs	-	-	-	-
Payments to internal service funds	(1,409,308)	(451,731)	(3,803,916)	(352,269)
Net cash provided (used) by operating activities	14,797,036	9,667,557	1,474,252	(1,443,524)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	1,714,544	3,083,246	3,258	7,718,860
Transfers out	(3,849,754)	(618,844)	(23,842)	-
Interfund loans payable	-	-	-	-
Special Item	-	-	-	-
Net cash provided (used) by non-capital financing activities	(2,135,210)	2,464,402	(20,584)	7,718,860
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(6,323,015)	(5,419,445)	(1,592,830)	(7,677,237)
Disposal of capital assets	6,189	-	68,054	-
Capital contributions	2,108,860	1,096,764	-	-
Principal payments on capital debt	(3,841,461)	(5,573,941)	-	-
Interest paid on capital debt	(1,373,606)	(2,668,579)	-	(81)
Net cash provided (used) by capital and related financing activities	(9,423,033)	(12,565,201)	(1,524,776)	(7,677,318)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(5,399,800)	(2,101,400)	(2,432,000)	(167,200)
Proceeds from sale of investments	1,858,077	2,481,627	2,617,829	1,307,126
Interest received on investments	77,898	23,848	36,220	2,360
Net cash provided (used) by investing activities	(3,463,825)	404,075	222,049	1,142,286
Net increase (decrease) in cash and cash equivalents	(225,032)	(29,167)	150,941	(259,696)
Cash and cash equivalents at beginning of year	9,265,967	3,498,779	3,907,047	538,397
Cash and cash equivalents at end of year	$ 9,040,935	$ 3,469,612	$ 4,057,988	$ 278,701

The accompanying notes are an integral part of the financial statements

Storm Drainage Fund	Public Housing Fund	Total	Governmental Activities - Internal Service Funds
$ 820,591	$ 180,455	$ 67,756,237	$ 37,522,203
(368,618)	248,212	(24,419,534)	(12,742,714)
(286,663)	-	(12,230,181)	(7,987,372)
-	-	-	(13,897,850)
(150,841)	-	(6,168,065)	-
14,469	428,667	24,938,457	2,894,267
24,856	-	12,544,764	2,312,937
-	-	(4,492,440)	(128,300)
-	(4,531)	(4,531)	-
-	(2,101,809)	(2,101,809)	-
24,856	(2,106,340)	5,945,984	2,184,637
(24,856)	-	(21,037,383)	(3,943,256)
-	1,628,634	1,702,877	179,065
-	-	3,205,624	-
-	-	(9,415,402)	-
-	-	(4,042,266)	-
(24,856)	1,628,634	(29,586,550)	(3,764,191)
(87,400)	-	(10,187,800)	(30,330,251)
79,513	-	8,344,172	29,466,366
2,202	73	142,601	50,187
(5,685)	73	(1,701,027)	(813,698)
8,784	(48,966)	(403,136)	501,015
134,369	517,182	17,861,741	5,596,167
$ 143,153	$ 468,216	$ 17,458,605	$ 6,097,182

(continued)

CITY OF PEORIA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Major Enterprise Funds			
	Water Utility Fund	Wastewater Utility Fund	Solid Waste Utility Fund	Stadium Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ 5,787,940	$ 503,507	$ 98,472	$ (2,558,807)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	8,352,791	8,935,712	1,017,792	710,500
(Increase) decrease in assets:				
Accounts receivable	206,430	(76,874)	165,945	15,236
Prepaid items	310,678	-	(2,610)	-
Supplies inventory	(2,883)	-	(58,805)	-
Increase (decrease) in liabilities:				
Accounts payable	(154,577)	153,866	268,037	373,698
Accrued payroll	7,702	4,982	4,026	3,080
Due to other governments	(31,474)	-	-	9
Other liabilities	64,581	138,404	(11,385)	(5,040)
Deposits payable	230,648	-	-	-
Claims payable	-	-	-	-
Unearned revenue - other	-	-	-	6,350
Compensated absences	25,200	7,960	(7,220)	11,450
Total adjustments	9,009,096	9,164,050	1,375,780	1,115,283
Net cash provided (used) by operating activities	$ 14,797,036	$ 9,667,557	$ 1,474,252	$ (1,443,524)
	-	-	-	-
Non-cash investing, capital and financing activities:				
Capital assets acquired through contributions from developers and property owners	$ 3,340,049	$ 2,119,939	$ -	$ -
Decrease in fair market value of investments	(57,490)	(17,566)	(26,585)	(898)
Total non-cash investing, capital and financing activities	$ 3,282,559	$ 2,102,373	$ (26,585)	$ (898)

Storm Drainage Fund	Public Housing Fund	Total	Governmental Activities - Internal Service Funds
$ 9,820	$ (105,448)	$ 3,735,484	$ 1,648,844
2	62,289	19,079,086	4,028,636
4,113	26,568	341,418	(35,200)
-	2,647	310,715	(22,745)
-	2,822	(58,866)	(32,590)
(2,642)	(14,234)	624,148	(91,045)
792	-	20,582	8,938
-	468,216	436,751	-
(1,006)	-	185,554	(28,605)
-	(14,193)	216,455	-
-	-	-	(2,598,906)
-	-	6,350	-
3,390	-	40,780	16,940
4,649	534,115	21,202,973	1,245,423
$ 14,469	$ 428,667	$ 24,938,457	$ 2,894,267
	-	-	
$ -	$ -	$ 5,459,988	$ 19,000
(31)	-	(102,570)	(36,691)
$ (31)	$ -	$ 5,357,418	$ (17,691)

(concluded)

CITY OF PEORIA, ARIZONA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Firemen's Pension Fund	Agency Funds
ASSETS		
Cash and cash equivalents	$ 21,929	$ 88,933
Investments (pooled), at fair value	87,156	353,460
Interest receivable	109	
Total assets	109,194	442,393
LIABILITIES		
Accounts payable		1,200
Other liabilities		441,193
Total liabilities	-	442,393
NET POSITION		
Held in trust for pension benefits	$ 109,194	

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Firemen's Pension Fund
ADDITIONS	
Contributions:	
State insurance premium tax rebate	$ 612
Total contributions	612
Investment earnings:	
Interest and investment income	$ 294
Total investment earnings	294
Less investment expenses:	
Investment management fees	32
Net investment earnings	262
Total additions	874
DEDUCTIONS	
Retirement payments	24,650
Total deductions	24,650
Change in net position	(23,776)
Net position - beginning of the year	132,970
Net position - end of the year	$ 109,194

The accompanying notes are an integral part of the financial statements

Notes to the Financial Statements

The Notes to the Basic Financial Statements include a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying financial statements.

The City of Peoria (City) was incorporated in 1954 under the Arizona Revised Statutes. The current City charter provides for the Council - Manager form of government and provides such services as authorized by the charter as limited by the constitution of the State of Arizona.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments.

The following is a summary of other significant accounting policies:

A. Financial Reporting Entity

The City's major operations include police and fire protection, parks and recreation, development services, public works, certain social services and general administrative services. In addition, the City owns and operates enterprise funds, which include water, wastewater, solid waste and storm drain operations, a baseball stadium complex, and the public housing operations.

The financial reporting entity presented in these financial statements consists of the City and four blended component units. In accordance with GASB Statement #14, as amended by GASB Statement #61, these component units, discussed below, are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These component units are governed by boards, wholly or substantially, comprised of the government's elected council and the City is financially accountable for these component units. Additionally, these component units provide services entirely to the City.

<u>Individual Component Units - Blended</u>

City of Peoria Municipal Development Authority, Inc.

City of Peoria Municipal Development Authority, Inc. (Authority), an Arizona not-for-profit corporation, was organized for the purpose of financing the construction of municipal facilities within the City through the issuance of bonds. Concurrent with these bond issues, the City entered into contracts with the Authority whereby the City will pay, to the Authority, amounts sufficient to retire the Authority's bonds and related interest. The outstanding Municipal Development Authority, Inc. bonds are reported as a debt service fund in the City's financial statements. All of the oustanding debt of the Authority will be repaid by revenues of the City. No separate financial statements are prepared for the Municipal Development Authority, Inc.

Vistancia Community Facilities District

The Vistancia Community Facilities District (the District) was formed by petition to the City Council in 2002. The district's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owned in the designated areas is assessed for the District's property taxes, and thus for the costs of operating the District. The City Council serves as the Board of Directors of the District and City management has operational responsibility for the District. The City has no liability for the District's debt. For reporting purposes, the transactions of the District are included as governmental type funds as if they were part of the City's operations.

Stand-alone financial statements are prepared for the Vistancia Community Facilities District. The accounting records of the District are maintained by the City and the financial statements for the District are available from the City of Peoria Finance Department at 8401 West Monroe Street, Peoria, AZ 85345.

City of Peoria Employee Benefit Trust

The City of Peoria Employee Benefit Trust (the Trust) was formed by petition to the City Council on January 1, 2010. The Trust's purpose is to fund health, welfare and related benefit programs by the City in accordance with the provisions of Arizona law. Plan premiums are paid by Participants and the City. The City Council Sub Committee on Boards and Commissions nominate individuals to serve as Trustees overseeing the management and administration of the Trust. For financial reporting purposes, the transactions of the Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

Stand-alone financial statements are prepared for the Trust. The accounting records of the Trust are maintained by the City and the financial statements are available from the City of Peoria Finance Department at 8401 West Monroe Street, Peoria, AZ 85345.

City of Peoria Workers' Compensation Trust

The City of Peoria Workers' Compensation Trust (the Trust) was formed by petition to the City Council in 2009. The Trust's purposes is to fund workers' compensation benefit programs by the City in accordance with the provisions of Arizona law. Plan premiums are paid by the City. The City Council Sub Committee on Boards and Commissions nominate individuals to serve as Trustees overseeing the management and administration of the Trust. For financial reporting purposes, the transactions of the Trust are included as part of the Self-Insurance Fund, an internal service fund in the City's financial statements.

Stand-alone financial statements are prepared for the Trust. The accounting records of the Trust are maintained by the City and the financial statements are available from the City of Peoria Finance Department at 8401 West Monroe Street, Peoria, AZ 85345.

B. Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (statement of net position and statement of activities) report on the City and its component units as a whole, excluding fiduciary activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. All activities, both governmental and business type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. The "doubling up" effect of internal service fund activity has been removed from the government-wide statements with the expenses shown in the various functions and segments on the Statement of Activities. Quasi-external transactions, like the sale of utility services from the Enterprise Funds to the other funds, are not eliminated for the financial statements. Elimination of these charges would distort the direct costs and program revenue reported for the various functions.

The City does not currently employ an indirect cost allocation system. The General Fund and certain other funds charge administrative service fees to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration). These administrative fees are eliminated from the financial statements at both the government-wide and fund level like a reimbursement, by reducing revenues and expenditures/expenses in the allocating fund.

The government-wide Statement of Net Position reports all financial and capital resources of the government (excluding fiduciary funds). It is displayed in a format of assets plus deferred outflows of resources less liabilities less deferred inflows of resources equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) net investment in capital assets, 2) restricted and 3) unrestricted. Net investment in capital assets is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position balances are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, are shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position balances are available.

Commitments or assignments of net position imposed by the reporting government, whether by administrative policy or legislative action of the reporting government, are not shown on the government-wide financial statements. Note 11 discusses the internal commitments and assignments of net position in the various funds to demonstrate the government's intended use of those net position balances.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of the various functions and segments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on long-term debt and depreciation expense on assets shared by multiple functions are not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income and other revenues not identifiable with particular functions or segments are included as general revenues. State shared revenues, such as sales taxes, urban revenue sharing and auto-in-lieu taxes, that are not restricted for use in any function, are also included as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Also part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds. Although GASB Statement #34 sets forth minimum criteria for the determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of the fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. The City has opted to add some funds as major funds because of outstanding debt or community focus. Other non-major funds, as well as the internal service funds, are combined in a single column on the fund financial statements and are detailed in combining statements included as supplementary information after the basic financial statements.

The internal service funds, which provide services to the other funds of the government, are presented in a single combined column in the proprietary fund financial statements. Because the principal users of the internal service funds are the City's governmental activities, the assets and liabilities of the internal service funds are consolidated into the governmental activities column of the government-wide Statement of Net Position. The costs of the internal service funds services are spread to the appropriate function or segment on the government-wide Statement of Activities and the revenues and expenses within the internal service funds are eliminated from the government-wide financial statements to avoid any doubling up effect of these revenues and expenses.

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the City's actual revenues and expenditures conform to the annual budget. Since the governmental fund financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements. Additional reconciliations are also provided in Note 2.

Externally imposed restrictions as well as internally imposed commitments and assignments of fund balance, as defined by GASB Statement 54, are shown on the face of the governmental fund financial statements as well as discussed in Note 11. Generally, the order in which the City would apply resources when multiple categories of fund balance are available is as follows: restricted, committed, assigned and unassigned.

The proprietary fund and fiduciary fund financial statements, except for the Agency Funds which have no measurement focus, are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds may be eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary fund financial statements. The net costs/income of the internal service funds are also partially allocated to the business-type activities column on the government-wide financial statements. A reconciliation of the total enterprise funds on the fund financial statements to the business-type activities column on the government-wide financial statements is provided on the face of the fund statements.

On the proprietary fund financial statements, operating revenues are those that flow directly from the operations of that activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items like investment income and interest expense that are not a result of the direct operations of the activity.

C. Basis of Presentation

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which includes assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following fund categories (further divided by fund type) are used by the City:

Governmental Funds

Governmental funds are used to account for the City's general government activities. The focus of Governmental Fund measurement, in the fund financial statements, is upon determination of financial position and changes in financial position rather than upon net income. The following are the Governmental Funds of the City:

<u>General Fund</u> is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

<u>Special Revenue Funds</u> account for revenue sources that are restricted to expenditures for specific purposes (not including major capital projects). The restrictions may be imposed by outside parties or by the governing body. The special revenue funds presented as major funds in the basic financial statements are as follows: Half-Cent Sales Tax Fund accounts for the revenues generated from a sales tax increase designated for specific uses per Council policy; Highway User Revenue Fund is required by state statute to track receipts of specific state shared revenues and the expenditure of those funds;

and the Transportation Sales Tax Fund accounts for the revenues generated from a sales tax increase designated by public vote for use in funding transportation needs throughout the City.

Debt Service Funds account for the resources accumulated and the servicing of long-term debt not being financed by proprietary funds. One debt service fund is presented as a major fund in the basic financial statements. The GO Bond Debt Service Fund accounts for the principal and interest requirements of the City's general obligation bonds, with revenues generated from the general property tax levy sufficient to meet the debt service.

Capital Projects Funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. One capital projects fund is presented as a major fund in the basic financial statements. The Development Fee Fund accounts for the receipt and expenditure of development impact or expansion fees for all governmental activities as governed by state statutes.

Proprietary Funds

Proprietary funds account for activities of the City similar to those found in the private sector, where cost recovery and the determination of net income is useful or necessary for sound fiscal management. The focus of Proprietary Fund measurement is upon the determination of operating income, changes in net position, financial position and cash flows. The following are the Proprietary Funds of the City:

Enterprise Funds are used to account for those operations that provide services to the general public for a fee. Enterprise funds are required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed *solely* by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs. All of the enterprise funds of the City are presented discretely in the basic financial statements.

The enterprise funds of the City are as follows:

The Water Utility, Wastewater Utility, Solid Waste Utility and Storm Drain Utility Funds all account for the revenues from charges to the customers of these services and the costs of these services.

The Stadium Fund accounts for the revenues generated by and the costs of operation of a sports complex owned by the City. This facility is used for spring training by two major league baseball teams as well as multiple other uses throughout the year.

The Public Housing Fund accounts for the revenues and expenses of the low income housing program operated by the City. While this program does receive Federal subsidies through the Department of Housing and Urban Development, it also generates substantial user fees. As of March 31, 2013, the City turned over operations of the Public Housing Fund to Maricopa County.

Internal Service Funds account for operations that provide services to other departments or agencies of the government or to other governments on a cost-reimbursement basis. The internal service funds are presented as one column on the proprietary fund financial statements. Combining financial statements are also presented for the internal service funds, but are not part of the basic financial statements. The internal service funds of the City are as follows:

Motor Pool Fund – accounts for the costs of operating the City garage. These costs are charged out to user departments based on direct charges for services used. This fund also accounts for the vehicle replacement fund for all of the City’s general governmental vehicles.

Self-Insurance Fund – accounts for the Risk Management function of the City as well as maintaining the costs of the City’s liability insurance and any claims paid under the City’s self-insurance program. Also, beginning in fiscal year 2010, the City became self-insured for workers’ compensation claims and health insurance claims. The City carries excess insurance coverage and uses third party administrators to monitor the workers compensation and health claims programs.

The workers' compensation and health insurance programs operate under a trust. The costs of all these programs are allocated to all operational activities of the City.

Facilities Maintenance Fund – allocates the costs of operations and maintenance of the City's facilities to the user departments.

Information Technology Fund – maintains the costs of operation and maintenance of the City's computer systems. The computer replacement fund for all functions is also in this fund. Revenues are internal charges to user departments.

Fiduciary Funds

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary Funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs. The City maintains the following types of fiduciary funds:

<u>Pension Trust Funds</u> are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans. The City has one Pension Trust Fund to account for the activities of the volunteer firemen's retirement plan.

<u>Agency Funds</u> account for assets the City holds as an agent for individuals, private organizations, other governments or other funds in a temporary custodial capacity. The City currently maintains four agency funds. One fund accounts for the monies collected from developers in one area of the City and held in trust by the City until reimbursed by the City to a developer that made certain infrastructure improvements in that area. Two funds account for monies held on behalf of separate not-for-profit agencies for which the City operates as an administrator. These are PLAY Peoria and Peoria Citizens Corp Council. The fourth fund accounts for monies held on behalf of Westside Fire Training IGA, a consortium of area fire departments that pool monies for training activities, for which the City acts as the administrator.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All funds are reported in the government-wide financial statements on the flow of economic resources measurement focus and accrual basis of accounting.

Governmental fund types are presented, in the fund financial statements, using the flow of current financial resources measurement focus. With this measurement focus, operating statements present increases and decreases in net current assets, and unassigned fund balance is a measure of available spendable resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. The City considers revenues available under modified accrual, if they are earned by June 30 (all eligibility requirements have been met) and the revenue is expected to be collected within six months after year-end, except for property taxes. For property taxes, the City uses a 60 day collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

When applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement #33 – *Recipient Reporting for Certain Shared Non-exchange,* receivables and revenues are recognized when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances or deferred inflows of resources.

Property taxes and special assessments are susceptible to accrual when an enforceable legal claim has arisen. As noted above, the City recognizes property taxes received within 60 days of fiscal year-end to be revenues under modified accrual. The remaining taxes levied are considered deferred inflows of resources on the governmental fund financial statements. State Shared Sales Taxes and Highway User revenues collected and held by the state at year-end on behalf of the City are also recognized as revenue. Transaction privilege taxes (sales taxes) are considered susceptible to accrual at the time of the underlying transaction (sale). In practice, taxes collected by local businesses in June and remitted to the City or State in July are recognized as revenue in the previous fiscal year. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Interest and dividend income is recognized on the modified accrual basis. Changes in fair value of investments are recognized in investment income at the end of the year.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. For the governmental fund statements, grant revenue earned but not expected to be received within six months of year end is a deferred inflow of resources.

Proprietary funds and pension trust funds are accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income.

The accrual basis of accounting is used for proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus.

E. Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.

- In April, the proposed budget for the following fiscal year is presented by the City Manager to the City Council. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain citizen comment.

- Prior to June 30, the City Council legally enacts the budget, through the passage of an ordinance. The ordinance sets the limit for expenditures for the year, within the voter mandated state expenditure limitation (see Note 1.F). Additional expenditures may be authorized if directly necessitated by a natural or man-made disaster as prescribed in the state constitution. There were no supplemental appropriations made during fiscal year 2013.

- The maximum legal expenditure permitted for the year is the total budget as adopted. The expenditure appropriations in the adopted budget are maintained in the City's financial system by department within individual funds. Departmental appropriations may be amended during the year, within administrative guidelines and adopted Council policies.

- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.

- The City Manager is generally authorized to transfer budgeted amounts within any specific department's expenditure appropriation. Any budget revisions requiring a transfer between departments must be approved by the City Council. Additionally, budget revisions involving personnel or capital asset expenditures/expenses or the use of contingency budgets must be approved by the City Council.

- All unencumbered expenditure appropriations expire at the end of the fiscal year.

- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary after review by the Budget Office staff. Budgetary carry forwards are approved by the City Council.

- All funds of the City, except the agency funds, have legally adopted budgets. Formal integration of these budgets into the City's financial systems is employed as a management control device during the year for all funds.

The City prepares its annual budget on a modified cash basis, which differs from GAAP. GASB Statement #34 requires that budgetary comparison statements for the General Fund and major special revenue funds be presented in the annual financial statements. These statements must display original budget, amended budget and actual results (on a budgetary basis). The City has also shown this information as supplementary schedules for other governmental funds as well as enterprise funds and internal service funds.

F. Expenditure Limitation

On June 3,1980, the voters of Arizona approved an expenditure limitation for all local governments. The limitation restricts the annual growth of expenditures to a percentage determined by population and inflation. Certain types of expenditures are excluded from the limitation. Article 9, Sections 20 and 21 of the Arizona Constitution require the Economic Estimate Commission to determine each year the expenditure limitation for the following fiscal year for all cities in Arizona. The limitation is calculated based on the amount of fiscal year 1979-1980 actual payments of local revenues, referred to as the "base limit". Each year, the base limits for local jurisdictions are adjusted for population growth and inflation to calculate the new expenditure limitations for the cities. Local governments may carry forward revenues which were not subject to the expenditure limitation, and which were not expended in the year of receipt, to later years.

The State Constitution also gives local jurisdictions several methods of seeking approval from their citizens to override the state expenditure limitation. One of these is local approval of a permanent base adjustment. In March 2003, the voters of Peoria approved a $15 million permanent adjustment of the expenditure base. This permanent base adjustment was effective beginning in fiscal year 2005-2006. The City of Peoria's state calculated expenditure limitation for fiscal year 2012-2013, including the permanent base adjustment, was $759,367,985.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed by the City. Since they do not constitute expenditures or liabilities, encumbrances are not reported in either the fund financial statements or the government-wide financial statements. Further information about commitments outstanding at June 30 may be found in Note 20.

H. Deposits and Investments

The City generally reports investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred. It is generally the City's policy to hold investments to maturity.

Investment Policy

The City's funds are invested through the City's Finance Department in accordance with the City's investment policy and Arizona Revised Statutes. The City's policy is to invest in certificates of deposit, money market mutual funds, repurchase agreements, corporate securities, direct U.S. Treasury debt, securities guaranteed by the U.S. Government or any of its agencies and the State of Arizona local government investment pool. In addition, the function of the Finance Department is to review and monitor the City's investment policy and to monitor compliance with the investment policy and reporting provisions of the law through an annual audit.

The investment balances are comprised of two components: 1) pooled deposits and investments and 2) dedicated investment funds. The dedicated investment funds represent restricted funds and relate to bond issuances of the Enterprise funds and the General Fund's cash reserve requirements. In addition to these, the City has other funds that are held by trustees. These funds are related to the issuance of bonds and certain loan programs of the City.

Investment Valuation

Local Government Investment Pool - Investments are carried at fair value. The fair value of pooled investments is determined annually and is based on current market prices. The fair value of participants' position in the pool approximates the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal.

Other Investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market price are reported at estimated fair value.

The City's investment policy permits the City to invest in fixed coupon dollar repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase similar securities in the future at a lower price that reflects a financing rate. The fair value of securities underlying fixed coupon dollar repurchase agreements must equal at least 102% the cash received. If the dealers default on their obligations to resell these securities to the City at the agreed upon buyback price, the City could suffer an economic loss if the securities have to be purchased in the open market at a price higher than the agreed-upon buyback price.

Other non-pooled investments are also generally carried at fair value. However, money market investments (such as short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations) and participating interest-earning investment contracts (such as negotiable certificates of deposit, repurchase agreements and guaranteed or bank investment contracts) that have a remaining maturity at the time of purchase of one year or less, are carried at amortized cost. The fair value of non-pooled investments is determined annually and is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the funds' current share price.

Investment Income

Except for certain specific investments, generally those held in trust for a specific purpose, the City maintains pooled cash and investments. Income from pooled cash and investments is allocated to the individual funds based on the fund's month end cash balance in relation to the total pooled investments. City management has determined that the investment income related to certain Special Revenue Funds should be allocated to the General Fund. Each fund's equity in the pooled cash and investments is tracked on an ongoing basis. In the event that a certain fund overdraws its share of pooled cash, the overdraft is reported as a due to the General Fund at year-end.

Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

I. Inventory and Prepaid items

Inventories are valued at cost and the City uses the first-in, first-out (FIFO) flow assumption in determining cost. Inventory in the governmental funds, which consists of expendable supplies held for consumption, is recorded as an expenditure at the time individual inventory items are consumed and is offset by a fund balance reserve (nonspendable) in the governmental fund financial statements indicating it does not constitute available expendable resources. No reservation of net position is shown in the proprietary fund statements or the government-wide financial statements for inventories.

Prepaid items are generally for payments made by the City in the current fiscal year for goods or services to be received in the subsequent fiscal year. Such items are recorded as prepaid at the time of the payment and recognized as expenditures/expenses when the related goods or services are received. Prepaid items are offset by a reservation of fund balance (nonspendable) in governmental funds to indicate it does not constitute available expendable resources. No reservation of net position is shown in the proprietary fund statements or the government-wide financial statements for prepaid items.

J. Capital Assets

All capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. The City has chosen not to apply the modified approach to any networks or subsystems of infrastructure assets. No long-term assets or depreciation are shown in the governmental fund financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the City) are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed. For the year ended June 30, 2013, the City did not capitalize any net interest costs in the business-type activities of the government-wide financial statements (also in the Enterprise Funds on the proprietary fund statements). Total interest incurred, not including agent fees or other costs, of the business-type activities (and the Enterprise Funds on the proprietary fund statements) before capitalization was $3,579,904.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful life (Years)
Water Rights	50
Buildings and improvements	20-40
Water and sewer systems	5-40
Storm drainage systems	40
Street system	20
Park facilities and landscape	40

Streetlights and traffic control devices	10
Equipment	7
Furniture and fixtures	7
Vehicles	3-15
Computers/software	3

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation) or net realizable value, if lower, as of the date of the transfer.

K. Water Rights

The City entered into a lease agreement with Gila River Indian Community (GRIC) for the rights to 7,000 acre-feet of water each year through 2057. These rights, costing $12,889,809, are being amortized over the 50 year life of the agreement on a straight-line basis starting in fiscal year 2008. Fiscal year 2013 amortization was $257,796 and the net book value at June 30, 2013 was $11,343,032. Also see Note 14 for debt service on this purchase.

L. Transactions Between Funds

Transactions that would be treated as revenue, expenditures or expenses if they involved organizations external to the governmental unit, like the sale of water from the Water Utility to various functions of the General Fund, are accounted for as revenue and expenditures or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. Administrative service fees that are charged to other operating funds to support general services used by the other operating funds (like purchasing, accounting and administration) are treated as reimbursement transactions and the revenue and expenditures/expenses reduced in the allocating fund. Transfers between funds are included in the results of both governmental and proprietary funds (as other sources/uses in governmental funds and as non-operating revenues/expenses in proprietary funds).

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds” for the current portion and “interfund receivables and payables” for the non-current portion (if applicable).

Certain transactions occurring between funds that are combined within the same fund type or displayed in the same financial statement column for presentation in these annual financial statements have been eliminated from the financial statements. These transactions include transfers between funds and interdepartmental service charges. In the government-wide financial statements, only the net interfund activity and balances between governmental activities and business-type activities are shown (reported as “internal balances”). Also see Note 8.

M. Receivables

All receivables are shown net of an allowance for uncollectible accounts. For trade accounts receivable (miscellaneous receivables and utility billing receivables), amounts outstanding in excess of 90 days are included in the allowance. Also see Notes 5 and 7.

N. Restricted Assets

Certain proceeds of the City’s bonds, as well as certain resources set aside for their repayment, are classified as restricted on the balance sheet, or statement of net position, because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts in the period in which the bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The long-term debt of the City is serviced by various funds, according to the type of debt and the funds benefiting from that debt. The General Obligation Bonds Debt Service Fund, Municipal Development Authority Bonds Debt Service Fund, Community Facilities District Bonds Debt Service Fund, and Special Assessment Debt Service Fund are all specifically established to service those specific types of debt obligations of the City. The Highway User Revenue Fund services the highway user revenue bonds, if any, which are funded by state shared gas tax revenues. The Half-Cent Sales Tax Fund and Development Fee Fund service debt obligations from development agreements. Each enterprise fund individually accounts for and services the applicable bonds and contracts payable that benefit that fund.

P. Compensated Absences

Annual leave, based on a graduated scale of years of employment, is credited to each employee as it accrues. The maximum annual leave accrual for permanent employees is 320 hours. Upon employment termination, payment is made to the employee for the unused leave.

City employees are granted one sick leave day per month. The maximum an employee may accumulate varies according to union status; however, the City makes no payment on the unused portion upon employment termination except on the condition of retirement. Any sick time accrued above the maximum allowed to be carried is paid out annually in May at a rate of 25% and the employees' sick leave is reduced to the allowable maximum.

For the governmental fund financial statements, compensated absences are accrued only when due. For the government-wide financial statements, as well as the proprietary fund financial statements, all of the outstanding vacation, compensatory time and benefits, as well as an estimate of the retirement sick-time payout for eligible employees, are recorded as a liability. Compensated absences are liquidated when mature by the various operating funds accruing the liability.

Q. Risk Financing Activities

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; workers' compensation; and health insurance. The City maintains a Self-Insurance Fund (accounted for in the Internal Service Funds) to account for and finance its uninsured risks of loss. Premiums are paid into the internal service fund by the other operating funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to fund claim expenses reported in the internal service fund. The City uses third party administrators to monitor the workers' compensation and health insurance claims programs. As with any risk retention program, the City is contingently liable with respect to claims beyond those actuarially projected.

Risk management -
The City is self-insured for property and public liability up to $1,000,000 and for damage to City vehicles valued up to $100,000. Vehicles with a value in excess of $100,000 have a $5,000 deductible. Excess coverage insurance policies purchased through commercial insurance carriers cover individual claims in excess of these amounts up to $40,000,000.

The operating funds of the City pay monthly premiums to the risk management fund based upon a budget model taking into consideration prior loss experience, staffing, and operating budget.

Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

Workers' compensation -
On July 1, 2009, the City established a workers' compensation trust fund for work-related injuries to employees. For workers' compensation insurance, the City is self-insured up to $850,000 per claim on public safety employees and $750,000 for all other employees up to an aggregate stop loss of $3,423,282 for fiscal year 2013. Commercial insurance is purchased to cover claims above the self-insurance amounts.

Operating funds with employees covered under the workers' compensation insurance program pay monthly premiums to the workers' compensation fund based upon staffing levels.

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the workers' compensation trust fund. Employee wages while off work for workers' compensation injuries (2/3rds of weekly wages) are also paid from this fund. There have been no settlements paid in excess of insurance in the last three years, nor has insurance coverage been significantly reduced in recent years.

Health insurance -
On January 1, 2010, the City established a health insurance trust fund for health insurance coverage for City employees and dependants. The City is self-insured for employee health claims up to $200,000 per claimant. Commercial insurance is purchased for claims in excess of those limits as well as aggregate insurance for claims in excess of 125% of the City's total actuarially projected claims.

Premiums are collected through contributions from employee paychecks and department budgets. COBRA participants contribute 100% of the premiums for their insurance coverage. Premiums for the medical, vision, dental, and life insurance plans are determined prior to each renewal period by estimating the costs of claims and administration of the plan based on a number of factors including: the demographics of the group, previous claims history, plan design changes and any new mandated benefits.

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the health insurance trust fund. There have been no settlements in excess of insurance in the past three years, nor have insurance coverage been significantly reduced in recent years.

Estimated liability –
The total claims liability of $3,835,774 reported in the Self-Insurance Fund at June 30, 2013 is based on the requirements of Governmental Accounting Standards Board Statement #10 which requires that liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The claims liability consists of $1,898,573 for liability/property claims, $1,378,432 for workers' compensation claims and $558,769 for health insurance claims.

For additional information on insurance amounts, see Table XXXIV in the Statistical Section of this report. The claims liability includes an estimated amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. Non-incremental claims adjustment expenses are not included in the calculation. Changes in the Self-Insurance Fund's claims liability amount (claims only, exclusive of other insurance expenses) during the last two fiscal years are as follows:

Fiscal Year 2012:

	Beginning of Fiscal Year Liability	Changes in Estimates	Current Year Claims	Claims Payments	Balance at Fiscal Year-end
Risk management	$ 1,761,000	$ 1,383,409	$ 2,226,420	$ (2,226,420)	$ 3,144,409
Workers' comp	675,000	1,902,748	2,331,374	(2,331,374)	2,577,748
Health insurance	719,000	(6,477)	11,700,457	(11,700,457)	712,523
	$ 3,155,000	$ 3,279,680	$ 16,258,251	$(16,258,251)	$ 6,434,680

Fiscal Year 2013:

	Beginning of Fiscal Year Liability	Changes in Estimates	Current Year Claims	Claims Payments	Balance at Fiscal Year-end
Risk management	$ 3,144,409	$(1,245,836)	$ 2,158,084	$ (2,158,084)	$ 1,898,573
Workers' comp	2,577,748	(1,199,316)	575,858	(575,858)	1,378,432
Health insurance	712,523	(153,754)	10,579,379	(10,579,379)	558,769
	$ 6,434,680	$(2,598,906)	$ 13,313,321	$(13,313,321)	$ 3,835,774

Detailed financial statements of the three functions making up the self-insurance fund may be found on pages 134-135.

R. Cash Equivalents

The City considers short-term investments (including restricted assets) in the State of Arizona investment pool, mutual fund-money market, U.S. Treasury bills and notes with maturities of three months or less at acquisition date to be cash equivalents.

S. New AccountingStandards

During fiscal year 2013, the City implemented the following new accounting standards issued by the Governmental Accounting Standards Board:

Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
Statement No. 65 – Items Previously Reported as Assets and Liabilities

T. Change in Accounting Principle

The implementation of GASB Statements #63 and 65 are a change in accounting principle, which cause certain prior period net position/fund balances to be restated. Under previous accounting principles, bond issuance costs which were expensed in the year incurred in the governmental funds, were deferred and amortized over the life of the bonds in the government-wide and proprietary fund statements. GASB Statement No. 65 requires that bond issuance costs no longer be deferred, causing an adjustment to beginning net position to reflect the removal of unamortized bond issuance costs.

The following re-statements of net position are included in the fund and government-wide financial statements:

Government-wide Statement of Activities:	
Governmental Activities	$ 2,751,048
Business-type Activities	383,178
Total	$ 3,134,226

Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position:

Water Utility Fund	$	258,344
Wastewater Utility Fund		124,834
Total	$	383,178

U. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of net position/balance sheet and the reported amounts of revenues and expenses/expenditures during the reporting period. Specifically, the city has made certain estimates and assumptions relating to the collectibility of its receivables (including accounts receivable), valuation of capital assets and depreciation expense, and the ultimate outcome of claims payable. Actual results could differ from those estimates.

2. RECONCILIATION OF GOVERNMENTAL FUND FINANCIAL STATEMENTS TO GOVERNMENT-WIDE STATEMENTS

The governmental fund financial statements are presented on a current financial resources measurement focus and modified accrual accounting basis while the government-wide financial statements are prepared on a long-term economic resources measurement focus and accrual accounting basis. Reconciliations briefly explaining the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements immediately follow each fund financial statement. Additional reconciliations are provided below.

Reconciliation of Governmental Funds Balance Sheet and the government-wide Statement of Net Position:

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Internal Service Funds (2)	Eliminations (3)	Statement of Net Position Totals
Assets					
Cash and cash equivalents	$ 40,431,138	-	6,097,182	-	46,528,320
Cash with fiscal agent	3,745,828	-	-	-	3,745,828
Investments	159,670,619	-	24,233,066	-	183,903,685
Accounts receivable, net	10,435,309	-	35,200	-	10,470,509
Interest receivable	222,784	-	25,479	-	248,263
Due from other funds	1,375,375	-	(1,917,820)	(1,375,375)	(1,917,820)
Due from other governments	4,287,261	-	-	-	4,287,261
Prepaid items	148,315	-	22,745	-	171,060
Supply inventories	210,147	-	193,108	-	403,255
Other assets	-	1,800,000	-	-	1,800,000
Restricted cash/cash equivalents	47,182,046	-	-	-	47,182,046
Restricted investments	28,362,497	-	-	-	28,362,497
Special assessment receivables	3,520,000	-	-	-	3,520,000
Interfund receivable (non-current)	890,133	-	-	(890,133)	-
Capital assets	-	1,111,300,735	17,944,897	-	1,129,245,632
Total assets	$ 300,481,452	1,113,100,735	46,633,857	(2,265,508)	1,457,950,536
Deferred outflows of resources					
Deferred loss on bond refunding	$ -	407,974	-	-	407,974
Total Assets & Deferred Outflows	$ 300,481,452	1,113,508,709	46,633,857	(2,265,508)	1,458,358,510

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Internal Service Funds (2)	Eliminations (3)	Statement of Net Position Totals
Liabilities					
Accounts payable	$ 10,417,107	-	1,539,579	-	11,956,686
Accrued payroll	1,034,768	-	87,861	-	1,122,629
Interest payable	-	6,389,570	-	-	6,389,570
Due to other funds	1,375,375	-	-	(1,375,375)	-
Due to other governments	1,257,224	-	-	-	1,257,224
Claims/deposits payable	3,567	-	1,660,785	-	1,664,352
Other liabilities	3,037,933	-	-	-	3,037,933
Unearned revenue-other	3,354,815	-	-	-	3,354,815
Interfund payable (non-current)	890,133	-	-	(890,133)	-
Unamortized bond premium	-	3,850,154	-	-	3,850,154
Compensated absences-current	-	4,594,960	507,950	-	5,102,910
Current bonds/contracts payable	-	21,879,034	-	-	21,879,034
Long-term liabilities	-	341,710,157	2,380,969	-	344,091,126
Total liabilities	$ 21,370,922	378,423,875	6,177,144	(2,265,508)	403,706,433
Deferred inflows of resources					
Unavailable revenue-property taxes	139,359	(139,359)	-	-	-
Unavailable revenue-special assessments	3,520,000	(3,520,000)	-	-	-
Total Deferred Inflows	$ 3,659,359	(3,659,359)	-	-	-
Fund Balance/Net Position					
Total fund balance/net position	$ 275,451,171	738,744,193	40,456,713	-	1,054,652,077
Total liabilities, deferred inflows & fund balance/net position	$ 300,481,452	1,113,508,709	46,633,857	(2,265,508)	1,458,358,510

(1) When capital assets (land, buildings, equipment, etc.) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds, and thus a reduction in fund balance. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Costs of capital assets	$ 1,381,949,305
Accumulated depreciation	(270,648,570)
	$ 1,111,300,735

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expense when paid.

Interest payable	$ (6,389,570)

Bond premiums are recognized at the time of issuance in the governmental funds, but are amortized over the life of the bonds on the statement of net position. $ (3,850,154)

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period, and accordingly are not reported as fund liabilities in the governmental fund statement. All liabilities, both current and long-term are reported in the statement of net position.

Contracts payable	$ (57,165,982)
Bonds payable	(304,850,000)
Compensated absences	(6,168,169)
Subtotal	(368,184,151)
Less: current compensated absences	(4,594,960)
current portion of bonds/contracts	(21,879,034)
	$ (341,710,157)

Loss on refunding bonds is expensed at the time of issuance in the governmental funds, but is amortized over the life of the bonds on the statement of net position. $ 407,974

Certain long-term debt obligations that are booked for the government-wide statements are offset by goodwill. $ 1,800,000

Advanced revenue for the long-term special assessment receivables shown on the governmental fund statements is not included on the statement of net position. Also, certain property tax revenues deferred under modified accrual for the governmental fund statements, is recognized as revenue in the year received under accrual accounting for the government-wide statements.

Advanced special assessment revenue	$ 3,520,000
Deferred property tax revenue	139,359
	$ 3,659,359

(2) Internal service funds are used by management to charge the costs of certain activities, such as insurance, motor pool, information technology, and facilities maintenance, to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position, but are not included on the governmental fund balance sheet.

ISF Net Position	$ 40,456,713

(3) Certain interfund transactions between governmental activities are eliminated in the consolidation of those activities for the statement of net position.

Interfund receivables - current	$ 1,375,375
Interfund receivables – non-current	890,133
Interfund payables – current	(1,375,375)
Interfund payables – non-current	(890,133)
	$ -

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities:

	Total Governmental Funds	Long-term Revenues/ Expenses(1)	Capital-related Items(2)	Internal Service Funds(3)	Long-term Debt Transactions(4)	Eliminations and Adjustments(5)	Statement of Activities
Revenues and Other Sources							
Taxes:							
Sales and use taxes	$ 65,950,235	-	-	-	-	-	65,950,235
Property taxes	19,862,485	(385,158)	-	-	-	-	19,477,327
Franchise taxes	4,136,004	-	-	-	-	-	4,136,004
Intergovernmental:							
State shared sales taxes	12,665,191	-	-	-	-	-	12,665,191
Urban revenue sharing	14,425,958	-	-	-	-	-	14,425,958
Auto-in-lieu taxes	5,155,206	-	-	-	-	-	5,155,206
Highway user revenue	8,435,926	-	-	-	-	-	8,435,926
From federal government	2,929,700	-	-	-	-	-	2,929,700
Other governmental	6,219,163	-	-	-	-	-	6,219,163
Charges for services	21,405,623	-	-	-	-	867,759	22,273,382
Licenses and permits	2,564,075	-	-	-	-	-	2,564,075
Fines and forfeitures	2,257,477	-	-	-	-	-	2,257,477
Rents	1,101,082	-	-	-	-	-	1,101,082
Investment earnings	537,732	-	-	61,531	-	-	599,263
Special assessments	1,217,271	(1,031,324)	-	-	-	-	185,947
Miscellaneous	5,880,511	-	19,093	-	-	(1,501,988)	4,397,616
Other sources:							
Gain on sale of capital assets	-	-	66,465	-	-	-	66,465
Capital contributions	-	-	6,704,158	-	-	-	6,704,158
Capital-related debt issued	35,510,000	-	-	-	(35,510,000)	-	-
Premium on bonds issued	1,039,481	-	-	-	(1,039,481)	-	-
Expired development agreement	-	-	-	-	630,104	-	630,104
Transfers in	16,968,105	-	3,777,254	2,312,937	36,549,481	(58,415,316)	1,192,461
Total revenues and other sources	228,261,225	(1,416,482)	10,566,970	2,374,468	630,104	(59,049,545)	181,366,740
Expenditures/Expenses							
Current:							
General government	15,094,866	514,910	4,156,703	(429,165)	-	(161,524)	19,175,790
Culture and recreation	19,668,598	31,910	3,817,353	(610,188)	-	(472,705)	22,434,968
Police	35,375,166	(16,980)	1,572,468	(1,533,820)	-	-	35,396,834
Fire	21,327,100	(230,910)	1,548,144	(1,283,628)	-	-	21,360,706
Development services	8,568,013	(22,890)	6,084	(176,588)	-	-	8,374,619
Highways and streets	16,355,505	39,130	14,117,536	(544,964)	-	-	29,967,207
Public works	4,914,720	81,060	2,143,565	(149,357)	-	-	6,989,988
Human services	2,213,374	(2,300)	39,771	(54,044)	-	-	2,196,801
Debt service:							
Principal payments	20,120,163	-	-	-	(20,120,163)	-	-
Interest and other charges	12,534,039	204,990	-	-	-	-	12,739,029
Capital outlay	39,612,698	-	(39,612,698)	-	-	-	-
Unallocated depreciation	-	-	574,557	-	-	-	574,557
Total expenditures/ expenses	195,784,242	598,290	(11,636,517)	(4,781,754)	(20,120,163)	(634,229)	159,210,499
Other financing uses/changes in net position							
Transfers out	27,205,066	-	5,119,384	128,300	36,549,481	(58,415,316)	10,586,915
Total expenditures/expenses & other financing uses	222,989,308	598,290	(6,517,133)	(4,653,454)	16,429,318	(59,049,545)	169,797,414
Net change for the year	$ 5,271,917	(2,015,402)	17,084,103	7,027,922	(15,799,214)	-	11,569,326

(1) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrual of long-term compensated absences	$ 146,071

Interest expense on long-term debt is accrued for the statement of activities but is not accrued for the governmental fund statements. Amortization of bond premiums and deferred loss on refunding is also included in the statement of activities, but not the governmental fund statements.

Accrued interest	$	(428,993)
Amortization of loss on refunding		(58,282)
Amortization of bond premium		282,285
	$	(204,990)

Property taxes revenues not received within 60 days of year-end are deferred for governmental fund reporting, but are not deferred for government-wide reporting. When these revenues are subsequently received, they are recognized in the governmental operating statement and reversed in the statement of activities. $ (385,158)

Special assessment principal payments received are reported as revenue on the governmental fund statements, but are reductions to the outstanding special assessment debt for government-wide reporting. Also, the sale of additional special assessment bonds is reported as a receivable and Advances in the governmental funds, but on the government-wide financial statements, it is reported as an increase in outstanding debt and the revenue is recognized.

Current year principal payments received	$	(1,031,324)

Certain long-term debt obligations are offset by a goodwill asset that is amortized over the life of the debt. Goodwill amortization is included in the statement of activities, but not the governmental fund statements. $ (540,000)

(2) When capital assets that are to be used in the governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of the financial resources expended, whereas net position decrease by the amount of depreciation expense charged for the year.

Capital outlay	$	39,612,698
Depreciation expense		(27,952,231)
	$	11,660,467

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of the capital assets is removed from the capital assets account in the statement of net position and offset against the sales proceeds resulting in a “gain on sale of capital assets” in the statement of activities. Thus, more revenue is reported in the governmental funds than gain in the statement of activities.

Cost of capital assets disposed of:	$	19,093

Donations of capital assets are not shown on the governmental funds, but are included in the assets of the City. On the statement of activities, these donations are shown as capital contributions.

Capital contributions	$	6,704,158

Gains and losses on sales of fixed assets are not shown on the governmental fund statements, but are included in the statement of activities.

Gains	$	66,465
Losses		(23,951)
	$	42,514

The donation of capital assets between Governmental and Proprietary Funds is not shown in the governmental fund statements but is a transfer in/out on the statement of activities.

Transfers out	$	(5,119,384)
Transfers in		3,777,254
	$	(1,342,130)

(3) Internal service funds are used by management to charge the costs of certain activities, such as insurance, motor pool, information technology, and facilities maintenance, to the individual funds. The adjustments for internal service funds “close” those funds by charging the additional amounts to participating governmental activities to completely cover the internal service funds’ costs for the year.

Revenue and other sources	$	2,374,468
Expenditures and other uses		4,653,454
Change in net position	$	7,027,922

(4) Repayment of bond principal is reported as an expenditure in governmental funds and thus has the effect of reducing fund balance because current financial resources have been used. For the City as a whole however, the principal payments reduce the long-term liabilities in the statement of net position and do not result in an expense in the statement of activities.

Principal payments made	$	20,120,163

The issuance of additional debt is reported as an other financing source in the governmental funds, but is an increase in outstanding debt, not an other financing source, for government-wide reporting.

Bonds issued	$ (35,510,000)

Certain bond transactions, like bond premiums and loss on refunding, are reported as revenues or expenditures in the governmental funds because they provide, or use, current financial resources. However, for the City as a whole, these costs are amortized (expensed) over the life of the bonds.

Bond premium	$ (1,039,481)
Loss on bond refunding	-
	$ (1,039,481)

A Development Agreement (long term not carried in the governmental funds) expired without meeting the revenue requirements necessary to cause the City to pay out the entire amount of the agreement. This transaction has no effect on the governmental statements, but creates a special item on the statement of activities $ 630,104

Certain debt transactions cause transfers between funds.

Transfers out	$ 36,549,481
Transfers in	(36,549,481)
	$ -

(5) Certain other transactions are treated differently under modified accrual accounting used in the governmental funds and full accrual accounting used for the statement of activities. Also interfund transactions between governmental funds or between business-type activities are eliminated in the statement of activities and only net transactions between governmental and business-type activities remain.

Interfund charges for service between governmental activities are eliminated in the consolidation of these activities for the statement of activities. The elimination is reflected as a reduction of revenues and expenditures in the charging fund so that the expenses remain in the charged activity.

Interfund charges for services revenue	$ 634,229
Interfund service charges	(634,229)
	$ -

Interfund transfers between governmental activities, other than Internal Service Funds, are eliminated in the consolidation of these activities for the statement of activities. The elimination is reflected as a reduction of transfers in and transfers out to eliminate the doubling up effect of these transactions within the governmental activities. Elimination of transfers to/from the Internal Service Funds is netted into the results of the Internal Service Funds in (3) above.

Transfers out	$ 58,415,316
Transfers in	(58,415,316)
	$ -

3. BUDGET BASIS OF ACCOUNTING

The City prepares the annual budget on a modified cash basis, which differs from GAAP, as discussed in Note 1.E. Budgetary comparison statements for the General Fund and major Special Revenue Funds are included with the basic financial statements. Budgetary comparison schedules for all other governmental funds as well as schedules of operation – budget and actual for the proprietary funds are presented as supplementary information. In all cases, the budgetary statements or schedules include a reconciliation of the adjustments required to convert the budgetary revenues and expenditures or change in net position on a budgetary basis, to revenues and expenditures/expenses or change in net position on a GAAP basis.

4. DEPOSITS AND INVESTMENTS

A. Deposits

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide Statement of Net Position, and on the fund financial statements, as "Cash and cash equivalents" and "Investments".

At June 30, 2013, the carrying amount of the City's deposits was $37,961,857 and the bank balance was $37,510,164. The entire bank balance was covered by federal depository insurance or collateralized by the City's agent in the City's name or in the Municipal Development Authority, Inc.'s trust name. The difference between the City's carrying amount and the bank balance of $451,693 represents deposits in transit, outstanding checks and other reconciling items.

B. Investments

City charter, ordinance, and trust agreements authorize the City to invest in obligations of the U.S. Treasury or its agencies and instrumentalities. In addition, the City may invest in certificates of deposit, mutual fund money market, repurchase agreements, corporate securities and the State of Arizona local government investment pool. The State Treasurer's Investment Pool is overseen according to Arizona State Statute by the State Board of Deposit.

Governmental Accounting Standards Board Statement No. 40 – Deposit and Investment Risk Disclosures (Statement 40) requires the City to disclose its deposit and investment policies regarding certain types of investment risks. The City's adopted investment policy is in compliance with Statement 40.

Interest rate risk: In order to limit interest and market rate risk, State law and the City's investment policy sets a maximum maturity on any investment of five years with a minimum of 35% invested for a period of one year or less and no more than 20% of the City's portfolio be invested for a period greater than three years. At June 30, 2013, 72.5% of the City's investments have a maturity of less than one year and 4.5% have maturities greater than three years. The City's investment policy also sets a maximum weighted average maturity (WAM) not to exceed one year. The WAM at June 30, 2013 was 356 days.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to those securities rated A-1/P-1 or the equivalent by two nationally recognized statistical rating agencies. The City's investment policy also limits the purchase of Banker's Acceptances to those securities rated Aa or better by two nationally recognized rating agencies and with a maximum maturity of 180 days. At June 30, 2013, the City's investments include $86.9 million in Commercial Paper and no Banker's Acceptance securities. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a market value of at least 102 percent of the cost of the repurchase agreement. The market values of securities underlying repurchase agreements were at or above the required level during the fiscal year.

Investment Type	Moody's Rating	S&P Rating	% of Investments
Federal Farm Credit Bank - Agency Note	Aaa	AA+	2.8
Federal Farm Credit Bank – Callable Agency Note	Aaa	AA+	4.2
Federal Home Loan Bank - Agency Note	Aaa	AA+	7.9
Federal Home Loan Bank - Callable Agency Note	Aaa	AA+	0.9
Federal Home Loan Mortgage Corp - Agency Note	Aaa	AA+	2.8
Federal Home Loan Mortgage Corp - Callable Agency Note	Aaa	AA+	8.7
Federal National Mortgage Assoc - Agency Note	Aaa	AA+	8.9
Federal National Mortgage Assoc - Callable Agency Note	Aaa	AA+	5.8

The City's investment in the State of Arizona local government investment pool is limited to a pool that invests only in government securities. At June 30, 2013, all investments of that pool were U.S. Government Obligations and Agencies, and it therefore does not carry a credit rating.

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2013, the City's investments include 46.1% invested in U.S. Agency Coupon securities, 7.9% in U.S. Treasury Notes, 24.3% in Commercial Paper, and 21.7% in money market funds, cash with fiscal agent, and the Arizona State Investment Pool.

Custodial credit risk: To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values along with original safekeeping receipts.

The City's investment in the State of Arizona's local government investment pool is stated at fair value, which also approximates the value of the investment upon withdrawal.

At June 30, 2013, the City’s investments included the following:

	Investment Maturities in Years				
.	**Less than 1**	**1-2**	**2-3**	**Over 3**	**Fair Value**
Unrestricted Investments:					
U.S. Treasury notes and strips	$ 26,183,530	-	-	-	$ 26,183,530
Agency coupon securities	55,286,942	48,958,628	29,944,500	16,096,624	150,286,694
Agency discount notes	1,999,153	-	-	-	1,999,153
Commercial paper	71,431,327	-	-	-	71,431,327
State of Arizona local government investment pool	297,072	-	-	-	297,072
Mutual fund-money market	25,342,820	-	-	-	25,342,820
Total unrestricted investments	180,540,844	48,958,628	29,944,500	16,096,624	275,540,596
Less: amount included in cash and cash equivalents					25,292,606
Plus: amount included in restricted investments					1,614,147
Unrestricted investments, net					$ 251,862,137
Total investments per statement of net position					$ 251,421,521
Plus: Investments in fiduciary funds					440,616
Net unrestricted investments					$ 251,862,137
Restricted Investments:					
Agency coupon securities	9,081,192	1,392,463	1,995,900	-	$ 12,469,555
Commercial paper	15,484,974	-	-	-	15,484,974
Mutual fund-money market	51,767,885	-	-	-	51,767,885
U.S. Treasury notes and strips	2,019,000	-	-	-	2,019,000
Total Restricted Investments	78,353,051	1,392,463	1,995,900	-	$ 81,741,414
Less: amount included in restricted cash with fiscal agents					3,745,828
Less: amount included in restricted cash and cash equivalents					48,018,941
Less: amount included in unrestricted investments					1,614,147
Net restricted investments					$ 28,362,498

Restricted cash, cash equivalents, and cash with fiscal agents at June 30, 2013, consisted of the following:

Restricted investments included in restricted cash and cash equivalents	48,018,941
Less: amount included in unrestricted cash and cash equivalents	836,895
Total restricted cash and cash equivalents per statement of net position	$ 47,182,046

Cash with Fiscal Agents at June 30, 2013, consisted of the following:

Cash with fiscal agents	$ -
Restricted investments included in cash with fiscal agents	3,745,828
Total cash with fiscal agents	$ 3,745,828

Unrestricted Cash and cash equivalents at June 30, 2013, consisted of the following:

Investments included in cash and cash equivalents	$	25,292,605
Carrying amount of city deposits		37,961,857
Amounts due from restricted cash		836,895
Cash on hand		6,430
Total cash and cash equivalents		64,097,787
Less: Cash and cash equivalents of Fiduciary funds		110,862
Total cash and cash equivalents per statement of net position	$	63,986,925

Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. City management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the City from having to sell investments below original cost.

Investment income is comprised of the following for the year ended June 30, 2013:

Net interest and dividends	$	1,169,148
Net decrease in the fair value of investments		(393,447)
Total net investment income		775,701
Less: net investment income of Fiduciary funds		262
Total net investment income per statement of activities	$	775,439

The net decrease in the fair value of investments during fiscal year 2012-2013 was approximately $393,447. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at June 30, 2013, was approximately $381,353.

5. PROPERTY TAXES

Arizona law provides for a two tiered tax system: (1) a primary system for taxes levied to pay for current operation and maintenance expenses, and (2) a secondary system for taxes levied to pay principal and interest on bonded indebtedness as well as for the determination of maximum permissible bonded indebtedness.

Specific provisions are made under each system for determining full cash values of property, the basis of assessment, and the maximum annual tax levies on certain types of property and by certain taxing authorities. Under the primary system, the full cash value of locally assessed real property (consisting of residential, commercial, industrial, agricultural and unimproved property) may increase by more than 10% annually only under certain circumstances. Under the secondary system, there is no limitation on annual increases in full cash value of any property. Primary levies on residential property are limited to one percent of the primary full cash value of such property. Additionally, primary taxes on all types of property are limited to a maximum increase of two percent over the prior year's levy, adjusted for new construction and annexations. Secondary property taxes levied to pay principal and interest on bonded indebtedness are not limited. The City’s primary and secondary assessed valuation for fiscal year 2013 are $1,133,938,910 and $1,137,434,740 respectively.

The Arizona tax year has been defined as a calendar year, not withstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year. The definition of the tax year is a function of the fact that the tax lien for the year attaches to the real property as of January 1 of the year in question.

The City Council adopts the annual tax levy each year on or before the third Monday in August. The basis of this levy is the full cash value as determined by the Maricopa County Assessor. For locally assessed property, the value is determined as of January 1 of the preceding year, known as the valuation year. For utilities and other centrally valued properties, the full cash value is determined as of January 1 of the tax year. The City has an enforceable claim on the property when the property tax is levied. Levies are due and payable in two installments, on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16 percent. A lien is placed on the property at the time the tax bill is sold. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions for sale of delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent. The purchaser is given a Certificate of Purchase issued by the County Treasurer. Five years from the date of sale, the holder of a Certificate of Purchase that has not been redeemed may demand a County Treasurer's Deed from the County Treasurer.

Property taxes are recognized as revenue in the government-wide financial statements when an enforceable legal claim has arisen. Therefore, the City recognizes revenue and a receivable, less any allowance for doubtful accounts deemed appropriate, for the entire tax levy in the year it is levied. For the governmental fund financial statements, property tax revenues not collected within 60 days of year end are deferred. Unsecured taxes on personal property, which are assessed on a monthly basis using different procedures than those mentioned above, are recognized as revenue on a cash basis for both the governmental fund statements and the government-wide statements.

6. DUE FROM OTHER GOVERNMENTS

The following amounts are due from other governments at June 30, 2013:

Governmental activities:	
General Fund:	
Due from Maricopa County for:	
Property tax	30,122
Due from State of Arizona for:	
State shared sales tax	2,177,346
Auto lieu tax	250,023
Miscellaneous other	24,849
Due from Peoria Unified School District	116,987
Subtotal	2,599,327
Highway User Revenue Fund:	
Due from State of Arizona (Highway user revenue)	797,774
Due from Maricopa County – Property tax (SLIDS)	4,233
Subtotal	802,007
GO Bond Debt Service Fund:	
Due from Maricopa County (Property tax)	176,777
Subtotal	176,777
Non-major Governmental Funds:	
Due from US Department of Housing & Urban Development	230,121
Due from US Department of Transportation	62,091
Due from US Department of Interior	38,972
Due from other Federal agencies	121,554
Due from Maricopa County:	
Home Grant	47,501
Property tax	28,805
Other	55,464
Due from State of Arizona	
Various Grants	124,642
Subtotal	709,150
Total Governmental Activities	$ 4,287,261

7. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are recorded in the various funds and displayed in the financial statements net of an allowance for uncollectible accounts as follows at June 30, 2013.

Fund	Receivables	Allowance	Net
Governmental funds:			
General Fund	$ 5,515,834	28,122	5,487,712
Half-Cent Sales Tax Fund	1,499,009	-	1,499,009
Highway User Revenue Fund	310,804	6,717	304,087
Transportation Sales Tax Fund	899,536	-	899,536
GO Bond Debt Service Fund	2,038,298	184,880	1,853,418
Other Governmental Funds	420,057	28,510	391,547
Total governmental funds	$ 10,683,538	248,229	10,435,309
Enterprise funds:			
Water Utility Fund	$ 7,762,103	2,813,156	4,948,947
Wastewater Utility Fund	2,804,668	622,443	2,182,225
Solid Waste Utility Fund	1,687,422	440,043	1,247,379
Stadium Fund	4,250	-	4,250
Storm Drain Utility Fund	118,367	28,720	89,647
Public Housing Fund	-	-	-
Total enterprise funds	12,376,810	3,904,362	8,472,448
Internal Service Funds	35,200	-	35,200
Grand totals	$ 23,095,548	4,152,591	18,942,957

8. INTERFUND TRANSACTIONS, RECEIVABLE AND PAYABLE BALANCES

Net interfund receivables and payables between governmental activities and business-type activities of $1,917,820 are included in the government-wide financial statements at June 30, 2013. These internal balances are between the proprietary funds (business-type activities) and the internal service funds (governmental activities). Other interfund payables and receivables, $34,363 at June 30, 2013, shown on the fund financial statements generally represent short-term cash loans at year end. Such balances are expected to be repaid in the next fiscal year.

At June 30, 2013, there are two interfund loans that are considered to be long-term loans: 1) The General Fund has an outstanding balance of $141,012 (all current) due from the Development Fee Fund for a cash loan for the completion of the Sunrise Mountain Branch Library construction, and 2) The Development Fee Fund owes the MDA Debt Service Fund $2,090,133 ($1,200,000 current and $890,133 long-term) to repay future debt service payments for bonds used to complete construction of Happy Valley Road.

The net transfers of $9,394,454 from governmental activities to business-type activities on the government-wide statement of activities are primarily operational subsidies from the Half-Cent Sales Tax Fund to the Stadium Fund and the transfer of completed capital assets from the MDA to the Stadium Fund and the General Fund to the Water Utility Fund. The following interfund transfers are reflected in the fund financial statements for the year ended June 30, 2013:

Fund	Transfers out	Transfers in
Governmental funds:		
General Fund	$ 1,543,141	8,469,088
Half-Cent Sales Tax Fund	13,353,028	496,659
Highway User Revenue Fund	-	1,066,230
Transportation Sales Tax Fund	4,126,930	-
GO Bond Debt Service Fund	-	97,738
Development Fee Fund	21,242	-
Non-Major Governmental Funds	8,160,725	6,838,390
Total governmental funds	27,205,066	16,968,105

Enterprise funds:		
Water Utility Fund	3,849,754	1,714,544
Wastewater Utility Fund	618,844	3,083,246
Solid Waste Utility Fund	23,842	3,258
Stadium Fund	-	7,718,860
Storm Drain Utility Fund	-	24,856
Total enterprise funds	4,492,440	12,544,764
Internal Service funds	128,300	2,312,937
Grand totals	$ 31,825,806	31,825,806

The interfund transfers generally fall within one of the following categories: 1) debt service payments made from a debt service fund but funded from an operating fund; 2) subsidy transfers; 3) transfers to fund internal service equipment replacement funds; or 4) capital assets purchased or constructed in one fund, but capitalized in another. There were no significant transfers during fiscal year 2013 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Both the Water Utility Fund and the Wastewater Utility Fund have revenue streams pledged in support of outstanding revenue bonds but since both segments are discretely presented in the proprietary fund financial statements, all required segment information is disclosed on the face of those statements.

10. DEFICITS IN FUND EQUITY/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2013, one fund, as shown in the basic financial statements, was in a deficit position. The Facilities Maintenance Fund, as shown in the Combining Statements for the Internal Service Funds, has a deficit balance of $144,158 at June 30, 2013. The City intends to remedy this situation through service charges to the various operating departments in future fiscal years.

For the year ended June 30, 2013, expenditures, including capital outlay and transfers, did not exceed budget at the fund level (i.e. the level of budgetary control) in any funds other than Facilities Maintenance Fund where higher capital outlay caused expenditures to exceed the budget by $9,226.

11. FUND BALANCE/NET POSITION RESTRICTIONS, COMMITMENTS AND ASSIGNMENTS

Only restrictions imposed by external sources are shown as Restricted Net Position on the government-wide financial statements. Additionally, restrictions for inventories, prepaid items, and long-term interfund loans are shown as nonspendable fund balance on the governmental fund financial statements. Restrictions imposed by external sources or State of Arizona enabling legislation are shown as restricted fund balance on the governmental fund financial statements. Commitments or assignments of fund balances imposed by the reporting government, whether by administrative policy or legislative action of the reporting government, are shown on the governmental fund financial statements, but not on the proprietary fund financial statements. The City does, however, commit or assign portions of net position in other funds to demonstrate the government's intended use of those net position balances. Commitments are created by legislative action of the City Council, the City's highest level of decision making authority, by resolution or ordinance and would require the same legislative action to reverse. Ordinances and resolutions both require public votes of the Council and, although the uses may differ, they are both considered to be of the highest level of decision making authority for the City. The authority to make assignments has been delegated by the City Council to the Chief Financial Officer. Much of the authority to commit fund balance is established in *Principals of Sound Financial Management* last adopted by Council by resolution in November 2010. As previously noted in Note 1.B, generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The order in which the City would apply resources when multiple categories of unrestricted fund balance are available is as follows: committed, assigned and unassigned. The committed and assigned fund balances of the governmental funds are shown on the fund financial statements. The following are the commitments or assignments of net position included in unrestricted net position on the proprietary fund financial statements at June 30, 2013:

Water Utility Fund:	
Committed for working capital policy reserve	$ 7,100,000
Committed for rate stabilization	1,600,000
Committed for debt stabilization	3,200,000
Committed for system asset maintenance	6,939,861
Committed for capital equipment replacement	1,035,990
	19,875,851
Wastewater Utility Fund:	
Committed for working capital policy reserve	4,500,000
Committed for rate stabilization	900,000
Committed for debt stabilization	3,100,000
Committed for system asset maintenance	4,725,000
Committed for capital equipment replacement	600,202
	13,825,202
Solid Waste Utility Fund:	
Committed for working capital policy reserve	2,200,000
Committed for capital equipment replacement	3,152,956
	5,352,956
Stadium Fund:	
Committed for capital equipment replacement	146,244
Total proprietary funds	39,225,253
Internal Service Funds:	
Committed for capital equipment replacement	12,337,917
Assigned for Workers' Compensation self-insurance reserve	650,000
Assigned for risk management purpose	6,256,183
Total internal service funds	19,244,100

The City has set aside funds for various stabilization arrangements. The authority for the stabilization arrangements is in the Council adopted *Principals of Sound Financial Management*. The governmental fund stabilization arrangements are shown as committed fund balance on the governmental fund financial statements. The commitments for stabilization arrangements in the proprietary funds are shown above. The City has the following stabilization arrangements at June 30, 2013:

Budget stabilization reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and the Half-Cent Sales Tax Fund (35% of the average fund revenues for the preceding five years). These reserves may be used to provide funding to deal with fluctuations in fiscal cycles and operating requirements that exceed $500,000. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the three fiscal years following the year in which the event occurred.

Emergency reserve – Maintained in the General Fund (10% of the average general fund revenues for the preceding five years) and is for unexpected, large-scale events where damage in excess of $250,000 is incurred and immediate remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, storm damage). Usage of the emergency reserve must be approved by City Council, but the City Manager may utilize these funds when immediate action must be taken to protect the health and safety of residents. The City Manager must then provide a summary report to the City Council as soon as practical on the usage of these funds. The City shall strive to restore the Emergency Reserve to the 10% level within the next fiscal year following the fiscal year in which the event occurred.

Operating Reserve - Maintained in the General Fund (15% of the average general fund revenues for the preceding five years) and is for unexpected events whose impact exceeds $500,000, such as failure of the State to remit shared revenues, unexpected mandates, unexpected loss of State Shared revenues, continuance of critical city services due to unanticipated events, or to offset unexpected loss of a significant funding source for the remainder of the fiscal year. Any use of these reserves must be formally approved by the City Council and include a repayment plan to restore the reserve within the two fiscal years following the year in which the event occurred.

Enterprise Operating Fund Working Capital Reserve – Maintained in the Water Utility Fund (25% of the operating expenditures of the fund for the fiscal year), the Wastewater Utility Fund (25% of the operating expenditures of the fund for the fiscal year), and the Solid Waste Utility Fund (20% of the operating expenditures of the fund for the fiscal year). These reserves are to provide the City with a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.

Rate Stabilization Reserve – In the Water and Wastewater Utility Funds (5% of the average operating fund revenues for the preceding three fiscal years). These funds may be used to moderate significant rate increases. In the event these funds are used, the City shall strive to restore the reserve to the 5% level within the next three fiscal years following the year in which the funds were used.

Debt Stabilization Reserve – In the Water and Wastewater Utility Funds (50% of the maximum annual debt service payment of the fund in the next five fiscal years). The Debt Stabilization Reserve is intended to provide additional security to insure the City's ability to meet debt service obligations. In the event the Debt Stabilization Reserve is used, the City shall strive to restore the fund to the defined level within the three fiscal years following the year in which the funds were used.

Asset Maintenance Reserve - In the Water and Wastewater Utility Funds (2% of the gross enterprise infrastructure assets). The Asset Maintenance Reserve may be used to provide funding for the repair and maintenance of critical enterprise infrastructure. In the event the Asset Maintenance Reserve is used, the City shall strive to restore the fund to the defined level within the three fiscal years following the year in which the funds were used.

In the event the Enterprise Funds do not have sufficient fund balance to fully fund the four reserves just discussed, the funding priority will be 1) Working Capital Reserve, 2) Rate Stabilization Reserve, 3) Debt Stabilization Reserve and 4) Asset Maintenance Reserve.

Capital Equipment Replacement Reserves – The City maintains various capital equipment replacement reserves to fund future replacement of certain capital equipment, primarily vehicles and computers. The annual internal charges to the operating funds are determined as part of the annual budget process.

12. CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the year ended June 30, 2013, follows:

	Balances June 30, 2012	Additions/ Transfers in	Disposals/ Transfers out	Balances June 30, 2013
Governmental activities:				
Non-depreciable assets:				
Work in Progress – Parks	$ 16,874,160	19,934,496	(10,509,062)	26,299,594
Work in Progress – Buildings	992,426	131,343	(311,545)	812,224
Work in Progress - Equipment	117,740	-	-	117,740
Work in Progress – Furniture	31,036	-	-	31,036
Work in Progress – Surface water	9,850,137	6,276	(38,214)	9,818,199
Work in Progress – Streets	104,999,631	13,446,354	(18,262)	118,427,723
Work in Progress – Technology	3,258,530	723,861	(1,926,964)	2,055,427
Work in Progress – Vehicles	446,428	384,175	(451,363)	379,240
Work in Progress – CFD	2,634,530	2,455,422	(1,342,130)	3,747,822
Land	336,691,112	2,470,013	-	339,161,125
Total non-depreciable assets	475,895,730	39,551,940	(14,597,540)	500,850,130

	Balances June 30, 2012	Additions/ Transfers in	Disposals/ Transfers out	Balances June 30, 2013
Depreciable assets:				
Buildings & Improvements	170,730,564	8,718,054	-	179,448,618
Furniture	2,131,775	-	-	2,131,775
Equipment	45,423,032	4,526,519	-	49,949,551
Vehicles	22,778,135	2,133,702	(1,119,055)	23,792,782
Surface water system	80,324,605	38,214	-	80,362,819
Street system	536,820,597	6,550,813	-	543,371,410
Park system	60,343,077	1,936,628	-	62,279,705
Total depreciable assets at historical cost	918,551,785	23,903,930	(1,119,055)	941,336,660
Less accumulated depreciation for:				
Buildings & Improvements	(37,394,414)	(4,306,635)	-	(41,701,049)
Furniture	(1,586,340)	(158,417)	-	(1,744,757)
Equipment	(33,086,884)	(3,773,366)	-	(36,860,250)
Vehicles	(15,697,079)	(1,996,205)	1,042,153	(16,651,131)
Surface water system	(19,778,414)	(1,979,144)	-	(21,757,558)
Street system	(166,594,210)	(13,989,888)	-	(180,584,098)
Park system	(11,893,739)	(1,748,576)	-	(13,642,315)
Total accum. depreciation	(286,031,080)	(27,952,231)	1,042,153	(312,941,158)
assets, net	632,520,705	(4,048,301)	(76,902)	628,395,502
Governmental activities capital assets, net	$ 1,108,416,435	35,503,639	(14,674,442)	1,129,245,632
Business-type activities:				
Non-depreciable assets:				
Work in Progress - Water	$ 23,497,031	3,053,625	-	26,550,656
Work in Progress - Wastewater	10,628,039	4,785,130	-	15,413,169
Work in Progress – Stadium	229,106	7,309,561	-	7,538,667
Land	17,020,639	2,600	(410,350)	16,612,889
Total non-depreciable assets	51,374,815	15,150,916	(410,350)	66,115,381
Depreciable assets:				
Buildings & improvements	38,474,045	-	(3,276,922)	35,197,123
Furniture	224,675	-	(9,613)	215,062
Equipment	5,027,793	3,428,348	(24,351)	8,431,790
Vehicles	12,100,600	2,091,346	(417,834)	13,774,112
Surface water system	-	24,856	-	24,856
Water Rights	12,889,809	-	-	12,889,809
Water system	307,604,328	3,670,497	-	311,274,825
Wastewater system	346,276,759	2,131,410	-	348,408,169
Total depreciable assets at historical cost	722,598,009	11,346,457	(3,728,720)	730,215,746
Less accumulated depreciation for:				
Buildings & improvements	(14,823,329)	(941,328)	2,061,629	(13,703,028)
Furniture	(175,939)	(15,865)	9,612	(182,192)
Equipment	(2,236,374)	(874,992)	20,256	(3,091,110)
Surface water system	-	(2)	-	(2)
Vehicles	(8,362,203)	(1,175,374)	417,832	(9,119,745)
Water Rights	(1,288,981)	(257,796)	-	(1,546,777)
Water system	(66,352,650)	(7,329,441)	66	(73,682,025)
Wastewater system	(65,092,223)	(8,484,288)	-	(73,576,511)
Total accum. depreciation	(158,331,699)	(19,079,086)	2,509,395	(174,901,390)
Total depreciable assets, net	564,266,310	(7,732,629)	(1,219,325)	555,314,356
Business-type activities capital assets, net	$ 615,641,125	7,418,287	(1,629,675)	621,429,737

Depreciation expense was charged to governmental functions in the government-wide financial statements as follows:

General government	$ 4,156,703
Culture and recreation	3,817,353
Police	1,609,945
Fire	1,490,878
Development services	6,084
Highways and streets	14,117,536
Public works	2,143,565
Human services	35,610

Unallocated	574,557
Total depreciation expense	$ 27,952,231

13. COMMUNITY FACILITIES DISTRICT DEBT

Community Facilities Districts (CFD's), special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City, are authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the district (for GO debt), or by specified revenues generated within the districts (revenue bonds). CFD's are created by petition to the City Council by property owners within the area to be covered by the district, and debt may be issued only after approval of the voters within the district.

On October 15, 2002 the City Council formed the Vistancia Community Facilities District (VCFD) pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes. VCFD was subsequently authorized, by the voters of the district on November 12, 2002, to issue up to $100,000,000 in general obligation bonds to construct public infrastructure within VCFD. VCFD issued $21,250,000 in fiscal year 2003 and $23,550,000 in fiscal year 2005 and $22,760,000 in fiscal year 2007 of general obligation bonds against this authorization. These bonds will be repaid by the property owners within VCFD. The bonds are obligations of the district only. The City has no obligation for VCFD debt other than the administration of the collection of the property taxes and payment of the debt service on behalf of VCFD.

14. LONG-TERM DEBT

A. General Obligation bonds

General: General obligation (GO) bonds are issued, after approval of the City of Peoria voters at an authorized bond election, to finance the purchase or construction of major capital facilities. While GO bonds may be issued for both governmental and business-type activities, at June 30, 2013, there are no outstanding GO bonds in the business-type activities.

GO bonds are backed by the "full faith and credit" of the City and are repaid through the City's levying of property (ad valorem) taxes. There is no legal limit on the secondary property tax used for debt service on GO bonds.

Statutory Debt Limitation: Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, (after January 1, 1974) parks and open space, and (after December 7, 2006) public safety and transportation purposes may not exceed 20 percent of a City's net secondary assessed valuation. Also outstanding general obligation bonded debt for all other purposes may not exceed 6 percent of a City's net secondary assessed valuation. The City's computation of legal debt margins available for creation of additional debt at June 30, 2013 was $66,581,084 and $66,776,948 for the 6 percent and 20 percent debt limits respectively. Also see Table XXIII in the Statistical Section.

B. Revenue bonds

Water and Sewer Revenue Bonds: Water and Wastewater Revenue Bonds are issued, pursuant to voter authorization, for the construction, acquisition, and equipping of water and wastewater facilities and related systems and infrastructure. The bonds are backed by the revenues of the water and wastewater utilities. Also see Table XXV in the Statistical Section of this report.

C. Municipal Development Authority bonds

Municipal Development Authority (MDA) Bonds are issued by a non-profit corporation created by the City for the purpose of financing certain capital construction projects. The MDA issues its own bonds, which are repaid through a lease purchase agreement with the City equal to the debt service requirements. The City utilizes the City's excise tax and other unrestricted revenues to pay the lease payments. Also see Table XXIV in the Statistical Section of this report.

D. Special assessment bonds with Governmental Commitment

Special Assessment Bonds are used to construct projects within special assessment districts created by the City after property owners within these districts agree to be assessed for the costs of debt service on these bonds. Payments made by the assessed property owners within the districts are pledged to pay the debt service on the bonds. In the event of default by a property owner, the lien created by the assessment is sold at public action, and the proceeds are used to offset the defaulted assessment. If there is no purchase at the public auction, the City is required to buy the property, and pay off the assessment, with funds appropriated from the General Fund.

As trustee for improvement districts, the City is responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

At June 30, 2013, special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, are adequate to meet the scheduled maturities of the bonds payable and related interest. There were no delinquent assessments at June 30, 2013. Also see Tables XXVI and XXVII in the Statistical Section of this report.

E. Community Facilities District bonds

Community Facilities District (CFD) bonds are issued by separate legal entities formed for the purposes of financing public infrastructure improvement within a specific area of the City. The repayment of these bonds is the responsibility of the district, not the City. As the administrator for the district, the City collects the property taxes and makes the debt payments on behalf of the district. See further discussion of CFD bonds outstanding in Note 13.

F. Authorized and issued debt

The voters of the City authorized $22,080,000 of general obligation bonds at a special bond election in March 1990, and $75,150,000 in September 1994 of which $592,560 and $12,000,657, respectively, was unissued at June 30, 2013. In September 1996, the voters authorized $75,550,000 in either general obligation bonds or utility revenue bonds. To date, the City has not issued general obligation bonds against this authorization; however, $60,380,132 in utility revenue bonds has been issued against the 1996 authorization, leaving $15,169,868 unissued against the authorization. In September 2000, the voters authorized $282,000,000 in bonds as follows: $164,000,000 in general obligation, utility revenue bonds or Water Infrastructure Finance Authority of Arizona Revolving Fund Loan for the acquisition and construction of water and wastewater facilities; $22,300,000 in general obligation or utility revenue bonds for storm drainage projects; $47,150,000 in general obligation or highway user revenue bonds for street, bridges and traffic control projects; and $48,550,000 in general obligation bonds for parks, open space, public safety and public service projects. General obligation bonds in the amount of $21,681,456 in 2003, $59,472,631 in 2007, $19,555,776 in 2009, $9,384,315 in 2010 and $495,000 in 2012; and water infrastructure debt of $13,965,546 in 2008, $8,575,248 in 2009, and $13,775,827 in 2010 have been issued against the 2000 authorization, leaving $135,094,201 unissued. In May 2005, the voters authorized $196,000,000 in general obligation bonds as follows: $52,000,000 for public safety and municipal operations, $109,000,000 for streets, bridges and traffic control projects, and $35,000,000 for parks, recreation and library projects. Also in May 2005 the voters authorized $160,000,000 in revenue or general obligation bonds for water treatment, water system, wastewater, and storm drainage projects. General obligation bonds in the amount of $24,087,416 in 2007, $38,511,231 in 2009, $9,497,031 in 2010, and $8,775,000 in 2012 were issued against the 2005 authorization leaving $115,129,322 unissued. Water infrastructure debt of $24,631,066 in 2007, $28,775,995 in 2008, $10,372,993 in 2009 and $4,045,230 in 2010 in general obligation bonds for drainage projects were issued against the 2005 water, wastewater and storm drainage authorization leaving $92,174,716 unissued at June 30, 2013.

In November 2008, the voters authorized $378,000,000 in bonds as follows: $276,700,000 in general obligation or utility revenue bonds for transportation and drainage projects, $60,300,000 for public safety and municipal operations projects, and $41,000,000 for parks, recreation and trails projects. General obligation bonds in the amount of $6,243,424 were issued in 2010 and $5,445,000 in 2012 against the 2008 authorization leaving $366,311,576 unissued as of June 30, 2013.

Additionally, in 1996 the citizens of Peoria approved $42,480,000 in Water Infrastructure Finance Authority of Arizona revolving fund loan for the acquisition and construction of water and wastewater facilities. These projects are financed by utility rates for water and wastewater. As of June 30, 2013, $23,605,000 remains available of this authorization. For further detail of authorized, issued and unissued bonds, see Table XXIX in the Statistical Section of this report.

G. Bond covenants and restrictions

There are various limitations and restrictions contained in debt covenants on some bonds requiring that the City maintain certain reserves or other restrictions. No violations of those covenants occurred during the fiscal year ending June 30, 2013.

H. Arbitrage

Under U.S. Treasury Department regulations, all government tax-exempt debt issued after August 31,1986 is subject to arbitrage rebate requirements. In general the requirements stipulate that the earnings from investments of tax-exempt bond proceeds that exceed related interest expenditures on the bonds, must be remitted to the Federal government on every fifth anniversary of each bond issue. The City has evaluated each general obligation bond and revenue bond issue subject to the arbitrage rebate requirement as of June 30, 2013. At June 30, 2013, there is no outstanding arbitrage liability.

Bonds and loans payable at June 30, 2013 are comprised of the following:

Delivery Date	Description	Purpose	Maturity Dates	Net Interest Rate	Ave. Life (Yrs)	Original Principal Balance	Principal Balance Outstanding
CLASSIFIED IN GOVERNMENTAL ACTIVITIES ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS:							
General Obligation Bonds							
03/01/07	Series A (2007)	Various improvements	7/1/07-26	4.27	20	94,380,000	61,090,000
03/01/07	Series B (2007)	Refunding portions of Series 1995, 1996, 2000	7/1/07-20	4.00	14	18,365,000	10,780,000
02/19/09	Series 2009	Various improvements	7/1/09-28	3.86	7.4	68,440,000	37,945,000
06/24/10	Series 2010	Various improvements	07/1/10-30	4.03	10.5	29,170,000	24,155,000
06/28/12	Series 2012A	Various improvements	07/1/12-32	3.32	11.38	14,715,000	14,715,000
06/28/12	Series 2012B	Refunding of Series 2003A	7/1/12-22	1.75	5.7	13,690,000	13,690,000
	Total General Obligation Bonds					238,760,000	162,375,000
Municipal Development Authority Bonds							
03/09/06	Series 2006	Revenue Bonds MDA Series 2006 – Community Theater	7/1/06-25	4.2	10.9	6,675,000	4,805,000
03/12/08	Series 2008	Revenue Bonds MDA Series 2008 - Transportation	7/1/08-26	4.6	10.5	47,000,000	37,385,000
06/08/11	Series 2011	Revenue Bonds MDA Series 2011	7/1/12-26	3.9	8.7	7,920,000	7,530,000
07/18/12	Series 2012	Revenue Bonds MDA Series 2012	7/1/13-32	3.3	11.6	35,510,000	35,510,000
	Total General Obligation Bonds					97,105,000	85.230,000
Special Assessment Bonds with governmental commitment (collateralized by the special assessments levied on the property benefiting from the improvements)							
04/01/07	ID# 0601	99th Ave & Northern ID-Street improvements	7/1/07-22	4.25	15	4,660,000	3,520,000
	Total Improvement District Bonds					4,660,000	3,520,000
Community Facility District Bonds (collateralized by ad valorem property taxes levied on the property benefiting from the improvements)							
12/17/02	Series 2002	Vistancia Community Facilities District infrastructure	7/15/05-22	6.69	12.7	21,250,000	14,450,000
04/27/05	Series 2005	Vistancia Community Facilities District infrastructure	7/15/07-24	5.47	13.2	23,550,000	18,900,000
12/28/06	Series 2006	Vistancia Community Facilities District Infrastructure	7/15/09-26	4.26	20	22,760,000	20,375,000
	Total Community Facilities District Bonds					67,560,000	53,725,000

Total bonds payable recorded in governmental activities	304,850,000
Less current portion	(16,705,000)
Long-term portion of bonds payable recorded in governmental activities	$288,145,000

CLASSIFIED IN BUSINESS-TYPE ACTIVITIES ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS:

Revenue Bonds							
07/26/02	WIFA Series 2000 (ph 3)	Water system improvements	7/1/03-22	3.94	11.8	1,964,789	1,169,884
12/08/06	WIFA Series 2006 CW 1	Butler Water Treatment Plant	7/1/08-26	3.06	20	27,183,342	22,349,661
02/15/08	WIFA Series 2006 CW 2	Butler Water Treatment Plant	7/1/09-27	3.30	20	42,741,541	35,791,511
05/16/08	WIFA Series 2006 CW 3	Butler Water Treatment Plant	7/1/10-28	3.48	19	8,575,253	7,562,886
07/17/09	WIFA Series CW0182009	Northern Ave Repairs	7/1/10-29	3.48	20	1,577,978	635,215
07/17/09	WIFA Series DW0382009	Various improvements	7/1/10-29	2.00	20	8,484,204	6,961,702
07/17/09	WIFA Series CW0412009	Beardsley upgrades & Northern Ave repairs	7/1/10-29	2.00	20	4,021,623	3,227,316
07/17/09	WIFA Series CW0172009	Beardsley reclamation facility	7/1/10-29	3.27	20	4,545,000	3,861,721
11/20/09	WIFA Series DW1272009	Pinnacle Peak Road improvements	7/1/10-29	3.23	20	1,780,000	652,756
05/27/10	WWW Series 2010	Refunding Series 1998A & Series 2000 Revenue Bonds	7/1/11-20	3.21	6.2	15,780,000	14,015,000
06/28/12	WWW Series 2012	Refunding Series1995,1997, WIFA Series 2000 PH 1&2	7/1/12-21	1.60	4.3	23,280,000	23,280,000
	Total Revenue Bonds					200,318,811	119,507,652

Total bonds payable recorded in business-type activities	119,507,652
Less current portion	(9,007,117)
Long-term portion of bonds payable recorded in business-type activities	110,500,535
Total long-term portion of bonds payable	$398,645,535
Reconciliation to total bonded debt principal:	
Total long-term portion of bonds payable	$398,645,535
Add:	
Current portion of bonds payable	25,712,117
Total bonded debt principal as of June 30, 2013	$424,357,652

Contracts Payable

The contracts payable listed below are generally development agreements where, in return for developers constructing capital infrastructure that the City would otherwise be responsible for constructing, and then dedicating (donating) that infrastructure to the City, the City has agreed to repay the developer at some future time. Both the liability (Contracts payable) and the capital asset are reported in the governmental activities on the government-wide financial statements. No other financing source or use is reported in the governmental fund financial statements since these are not cash transactions.

Other debt at June 30, 2013 consists of the following:

Agreement Date	Type	Nature of Improvements	Expiration Date	Interest Rate	Interest Cap	Original Amount	Principal Balance Outstanding
CLASSIFIED IN GOVERNMENTAL ACTIVITIES ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS:							
06/01/94	Planned area retail project	Offsite improvements-Bell Rd & Paradise Ln-IDs 8802 and 9303 – DMB Circle Road	06/20/17	Prime	7.0	4,538,187	309,094
03/16/99	Master-planned community	Street & infrastructure improvements-West Wing Pkwy; Park land; Trail improvements; Open space land – West Wing	03/16/14	-	-	4,316,327	3,940,961
10/22/01	Master-planned community	Fire station building, equipment & land; Street & infrastructure improvements-parts of El Mirage Road, Ridgeline Rd, Vistancia Blvd, Jomax Rd, Ln Mtn Rd, Westland Rd; Park land & improvements - Vistancia	10/22/26	-	-	45,251,014	23,348,852
07/01/03	Planned area retail project	Offsite improvements-91st Ave & Bell Rd – DIB Investment Group	05/20/20	-	-	1.800,000	1,022,194
11/18/03	Planned area retail project	Offsite improvements-91st Ave & Bell Rd- BCC Development (Acura)	04/30/14	-	-	1,800,000	929,815
02/17/04	Residential development	Neighborhood park land & improvements; Right of way land on 67th Ave – Sonoran Mtn Ranch	02/17/14	-	-	1,382,257	102,014
03/16/04	Residential development	Street & infrastructure improvements; Right of way land; Park land; Library land – Camino A Lago	08/31/14	-	-	14,512,075	11,094,044
10/19/04	Residential development	Street & infrastructure improvements; Right of way land; Trail land; Fire station land – Rock Springs	-	-	-	3,901,317	3,026,791
12/14/04	Planned area retail project	Offsite improvements-92nd Ave & Bell Rd – Phoenix Motor Co.	07/29/18	-	-	1,800,000	1,379,531
02/11/05	Master-planned community	Offsite improvements; Right of way land; Trail land; Open space land – Tierra del Rio	02/11/15	-	-	10,587,249	8,614,259
09/14/05	Residential development	Offsite improvements-Lake Pleasant Pkwy, Deer Valley to Williams – Casa Del Ray	-	-	-	588,659	54,935
10/12/06	Planned area retail project	Offsite improvements & Right of way land-Peoria east of 83rd Ave - Wal-Mart	10/01/13	-	-	6,926,205	2,342,091

Agreement Date	Type	Nature of Improvements	Expiration Date	Interest Rate	Interest Cap	Original Amount	Principal Balance Outstanding
CLASSIFIED IN GOVERNMENTAL ACTIVITIES ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued):							
12/22/06	Residential development	Right of way land – Peoria Place	-	-	-	748,209	748,209
03/05/09	Planned area retail project	Right of way land; Intersection improvements – Empire Center	-	-	-	253,192	253,192
Total contracts payable recorded in governmental activities							57,165,982
Less estimated current portion							(5,174,034)
Long-term portion of contracts payable in governmental activities							51,991,948
CLASSIFIED IN BUSINESS-TYPE ACTIVITIES ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS:							
12/14/00	Master-planned community	Water and wastewater treatment plant facilities and lift stations - Quintero	-	-	-	661,005	626,568
10/22/01	Master-planned community	Water rights-4,200 acre feet of assured water supply - Vistancia	10/22/26	-	-	4,841,000	2,348,454
02/17/04	Residential development	Wastewater infrastructure improvements –Sonoran Mtn Ranch	02/17/14	-	-	2,376,931	173,070
03/16/04	Residential development	Water rights-947 acre feet water allocation – Camino A Lago	08/31/14	-	-	426,208	292,851
02/11/05	Master-planned community	Offsite improvements; Right of way land; Trail land; Open space land – Tierra del Rio	02/11/15	-	-	3,427,985	2,856,261
Total contracts payable recorded in business-type activities							6,297,204
Less estimated current portion							(563,190)
Long-term portion of contracts payable							5,734,014
Total long-term contracts payable as of June 30, 2013							$ 57,722,962

The following is a summary of changes in non-current liabilities reported in the government-wide financial statements for the year ended June 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 170,960,000	-	8,585,000	162,375,000	9,555,000
MDA Bonds	52,480,000	35,510,000	2,760,000	85,230,000	4,195,000
Special assessment bonds	4,660,000	-	1,140,000	3,520,000	325,000
CFD bonds	56,230,000	-	2,505,000	53,725,000	2,630,000
Total bonds payable	284,330,000	35,510,000	14,990,000	304,850,000	16,705,000
Contracts payable	62,926,249	-	5,760,267	57,165,982	5,174,034
Compensated absences	7,011,230	8,394,712	8,523,843	6,882,099	5,102,910
Deferred bond premium	3,092,958	1,039,481	282,285	3,850,154	-
Deferred loss on refunding	(466,255)	-	(58,382)	(407,873)	-
Governmental activities totals	$ 356,894,183	44,944,193	29,498,013	372,340,362	26,981,944
Business-type activities:					
Bonds payable:					
Revenue bonds	128,283,906	-	8,776,254	119,507,652	9,007,117
Contracts payable	6,936,350	-	639,146	6,297,204	563,190
Compensated absences	801,950	863,196	822,416	842,730	614,690
Deferred bond premium	2,444,595	-	276,791	2,176,804	-
Deferred loss on refunding	(379,208)	-	(47,401)	(331,807)	-
Business-type activities totals	$ 138,087,593	863,196	10,467,206	128,483,583	10,184,997

The following is a summary of bond debt service requirements, including interest requirements, to maturity for long-term debt at June 30, 2013:

Fiscal Year	General Obligation Bonds	Municipal Development Authority Bonds	Special Assessment Bonds	Revenue Bonds	Community Facilities District Bonds	Total
2014	15,628,409	7,633,645	474,600	12,695,674	5,484,633	41,916,961
2015	15,638,309	7,595,408	475,788	12,684,630	5,476,311	41,870,446
2016	15,665,759	7,583,308	476,338	12,652,567	5,475,713	41,853,685
2017	15,263,734	7,576,707	476,250	12,952,581	5,468,074	41,737,346
2018	14,693,884	7,571,358	480,525	12,937,109	5,462,674	41,145,550
2019	14,681,728	7,549,657	478,950	12,001,210	5,455,359	40,166,904
2020	14,644,259	7,561,183	481,738	10,613,246	5,445,671	38,746,097
2021	14,665,603	7,557,017	483,675	10,633,223	5,443,926	38,783,444
2022	13,467,774	7,547,712	484,761	7,706,818	5,432,718	34,639,783
2023	13,453,315	7,546,978	-	6,888,325	5,425,388	33,314,006
2024	11,861,871	7,517,769	-	6,744,469	5,427,431	31,551,540
2025	11,846,175	7,532,213	-	6,741,606	5,419,936	31,539,930
2026	11,831,774	7,508,634	-	6,747,233	5,437,175	31,524,816
2027	11,835,219	3,157,307	-	6,753,332	5,430,802	27,176,660
2028	6,085,050	2,464,791	-	4,728,820	-	13,278,661
2029	6,076,688	2,463,106	-	1,656,385	-	10,196,179
2030	2,820,575	2,455,581	-	304,515	-	5,580,671
2031	2,815,638	2,459,128	-	-	-	5,274,766
2032	967,406	2,455,300	-	-	-	3,422,706
2033	957,622	2,457,263	-	-	-	3,414,885
Less Interest	(52,525,792)	(30,964,065)	(792,625)	(25,934,091)	(22,560,811)	(132,777,384)
	$162,375,000	85,230,000	3,520,000	119,507,652	53,725,000	424,357,652

The following table discloses the bond debt service requirements as of June 30, 2013, segregating principal and interest, for the next five years and in five-year increments thereafter.

Fiscal year	Principal	Interest	Total
2014	25,712,117	16,204,844	41,916,961
2015	26,539,387	15,331,059	41,870,446
2016	27,490,996	14,362,689	41,853,685
2017	28,422,081	13,315,265	41,737,346
2018	28,947,787	12,197,763	41,145,550
2019-2023	141,976,908	43,673,326	185,650,234
2024-2028	119,278,968	15,792,639	135,071,607
2029-2033	25,989,408	1,899,799	27,889,207
Totals	$ 424,357,652	132,777,384	557,135,036

The City had no outstanding variable rate bonds at June 30, 2013. The City had $309,094 in variable rate outstanding contracts payable at June 30, 2013. Interest on this debt is tied to the prime rate with an interest rate cap that varies per agreement. The City had no short-term debt activity during the year ended June 30, 2013.

Long-term compensated absences of governmental activities are expected to be liquidated by the operating funds (primarily the General Fund, Highway User Revenue Fund and Transit Fund) as they come due.

15. ADVANCE REFUNDINGS

In prior years, the City refinanced various bond issues through advance refunding arrangements. Under the terms of the refunding bond issues, sufficient assets to pay all principal and interest on the refunded bond issues have been placed in irrevocable trust accounts at commercial banks and invested in U.S. Government Securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues refunded.

Prior Years Refundings (amounts callable on October 31, 2013)

2000 Ph2	Water Infrastructure Authority Bonds	$7,912,547

16. PLEDGED REVENUES

The City has pledged certain future revenues to repay specific bonded debt as follows:

The City has pledged future water utility and wastewater utility revenues, net of specific operating expenses, to repay $15,780,000 in Revenue Refunding Bonds issued in 2010, $23,280,000 in Revenue Refunding Bonds issued in 2012 and $161,258,811 in Water Infrastructure Financing Authority Bonds issued in 1995-2010. The various bonds were issued for the purchase or construction of various water or wastewater infrastructure including wells, treatment plants, pumping stations and water and wastewater distribution or collection lines. At June 30, 2013, $119,507,652 in bonds remain outstanding to be repaid by future water and wastewater revenues. For the fiscal year ended June 30, 2013, the net revenues available for service of this debt were $26,911,394. The debt principal and interest paid on this debt in fiscal year 2013 was $12,356,158 (45.9% of available net pledged revenues). For further information on long-term debt, refer to Note 14. For additional information on pledged revenues for revenue bonds, refer to Table XXV of the Statistical Section.

The City has pledged certain revenues for the repayment of $50,105,000 in Municipal Development Authority (MDA) Bonds issued in 2006, 2011 and 2012. Pledged revenues for these bonds include excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes. At June 30, 2013, $47,845,000 in bonds remained outstanding to be repaid by these future revenues. The bonds were issued to construct various City operational facilities and to purchase water rights. For the fiscal year ended June 30, 2013, the pledged revenues available to service this debt were $105,886,977. The debt principal and interest paid on this debt in fiscal year 2013 was $1,162,481 (1.1% of available pledged revenues). For further information on long-term debt, refer to Note 14. For additional information on pledged revenues for MDA bonds, refer to Table XXIV of the Statistical Section.

The City has pledged certain revenues for the repayment of $47,000,000 in Municipal Development Authority Bonds issued in 2008. The bonds were issued to construct transportation infrastructure. The bonds have a senior lien on the .03% transportation sales tax and a secondary lien on the excise taxes and state shared revenues not specifically reserved by law or other regulation to be expended for other purposes (secondary after the MDA Bonds discussed above). At June 30, 2013, $37,385,000 of the bonds remained outstanding to be repaid by future revenues. For the fiscal year ended June 30, 2013, the net revenues available to service this debt were $114,651,932. The debt principal and interest paid on this debt in fiscal year 2013 was $3,898,588 (3.4% of available pledged revenues). For further information on long-term debt, refer to Note 14. For additional information on pledged revenues for revenue bonds, refer to Table XXV of the Statistical Section.

The City has pledged certain revenues for the repayment of Special Assessment Bonds. The bonds were issued to purchase or construct infrastructure within the various special assessment districts. Pledged revenues for these bonds include the fund balance of the Special Assessment Debt Service Fund, plus the collections of assessments against property owners in the districts. At June 30, 2013 $3,520,000 in bonds are outstanding to be repaid by these revenues. For the fiscal year ended June 30, 2013, the net revenues available to service this debt were $1,484,283. The debt principal and interest paid on this debt in fiscal year 2013 was $1,362,820 (91.8% of available pledged revenues). For further information on long-term debt, refer to Note 14. For additional information on pledged revenues for Special Assessment bonds, refer to Table XXVI of the Statistical Section.

17. RETIREMENT AND PENSION PLANS

All full-time employees of the City are covered by one of three pension plans. Benefits are established by state statute and the plans generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retiree's average compensation. Long-term disability benefits vary by circumstances, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a flat dollar amount per month towards the retiree's health care insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The Arizona State Retirement System (A.S.R.S.) is for the benefit of the employees of the state and certain other governmental jurisdictions. All full-time City employees, except sworn fire and police personnel, are included in the Arizona State Retirement System plan, which is a cost sharing, multiple-employer, defined benefit plan. Sworn police and fire personnel participate in the Public Safety Retirement System, which is an agent multiple-employer defined benefit plan. In addition, the Mayor and City Council members are covered by the State's Elected Officials Plan, which is also a multiple-employer defined benefit cost sharing plan.

Arizona State Retirement System:

a. **Plan Description**

All of the City's full-time employees, other than those covered by one of the other retirement plans, participate in the Arizona State Retirement System (System), a cost sharing multiple-employer defined benefit pension plan; health insurance premium plan; and long-term disability plan. The System was established by the State of Arizona to provide benefits for employees of the state and employees of participating political subdivisions and school districts. The System is administered in accordance with Title 38, Chapter 5, Article 2 of the Arizona Revised Statutes. The System provides for retirement, disability, health insurance premiums, and death and survivor benefits. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Arizona State Retirement System, 3300 N. Central Ave., Suite 1300, Phoenix, Arizona, 85012 or by calling 1-800-621-3778 or 602-240-2000.

b. **Funding Policy**

Covered employees were required by state statute to contribute 11.14 percent (10.9 percent for retirement and 0.24 percent for long-term disability) of their salaries to the System and the City was required to match it (10.25 percent for retirement, .65 percent for health insurance premium, and 0.24 percent for long-term disability). Arizona Revised Statutes (A.R.S.) provide statutory authority for determining the employees' and employers' contribution amounts as a percentage of covered payroll. Employers are required to contribute at the same rate as employees. Although the statutes prescribe the basis of making the actuarial calculation, the Arizona legislature is able to impose a contribution rate other than the actuarially determined rate. The City was also required to contribute an alternate contribution rate of 8.64 percent of salaries for those employees that are currently receiving retirement benefits from the System. These retirement members are not required to contribute to the System. These amounts have been included in the employer retirement fund contributions in the following table.

The City's contributions for the current year and two preceding years, all of which were equal to the required contributions, were as follows:

Fiscal Year Ended	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2011	4,439,940	290,740	123,195
2012	4,263,942	272,167	103,682
2013	5,048,667	320,008	117,811

Elected Officials Retirement Plan:

a. **Plan Description**

The City's Mayor and Council members participate in the Elected Officials Retirement System (EORP), a cost sharing, multiple-employer defined benefit pension plan and insurance premium plan. The Board of Trustees of the Public Safety Personnel Retirement System (PSPRS) is the administrator for the EORP which was established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes to provide pension benefits for state and county elected officials, judges and certain elected city officials. EORP provides retirement benefits, death and disability benefits, and health insurance premium benefits.

Because the health insurance premium plan benefit of the EORP is not established as a formal trust, it is reported in accordance with GASB Statement 45 as an agent multiple-employer plan. Accordingly, the disclosures that follow reflect the EORP as if it were an agent multiple-employer plan. According to GASB Statement 43, the health insurance subsidy paid by the Plan represents other post employment benefits. The Plan does not administer a separate healthcare plan as defined under IRC 401h or an equivalent arrangement. In addition, the Plan is not statutorily authorized to maintain a separate account for the health insurance subsidy assets and benefit payments. Therefore, in accordance with GASB Statement 43, the healthcare subsidy is reported by the Plan as an agency fund. All assets of the plan are available to pay both pension and health insurance subsidy. The pension benefits and health insurance subsidy are funded through employer contributions based on an annual actuarial valuation. Contributions are separately accounted for by employer but are not segregated by contribution type.

EORP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Elected Officials Retirement Plan, 3010 E. Camelback Rd., Ste 200, Phoenix, Arizona, 85016, by calling 602-255-5575, or on the internet at www.psprs.com.

b. **Funding Policy**

The EORP's funding policy (required by State Statutes) provides for periodic employer contributions at actuarially determined rates and employee contributions of 11.50 percent of their annual covered salary. The employer rate for fiscal year 2012-2013 was 36.44 percent. The health insurance premium portion of the contribution rate was actuarially set at 1.80 percent of covered payroll. The City's contributions from employer and employees for the fiscal year 2013, 2012, and 2011 were $17,410, $15,140, and $11,010, respectively for the employees and $55,166, $49,943, and $46,649, respectively for the employer. These contributions matched the required contributions for those years.

c. **Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual contributions are subject to continual revisions as actual results are compared to past expectations and new estimates are made.

Projections of benefits are based on 1) the plan as understood by the City and the plan's members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term prospective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The required contribution was determined as part of the June 30, 2011, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8.25 percent investment rate of return, (b) projected salary increases of 4.5 percent, and (c) payroll growth of 4.5

percent per year. Since the heath insurance premium benefits are fixed, no health care cost trend rate is used in the actuarial valuation.

The actuarial value of EORP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a seven-year period. EORP's assets in excess of actuarial accrued liabilities are amortized as level percents of payroll over an open period of 20 years, while unfunded actuarial liabilities are amortized as level percents of payroll over a closed period of 25 years.

Public Safety Personnel Retirement System:

a. **Plan Description**

The City contributes to the Public Safety Personnel Retirement System (PSPRS), an agent multiple-employer defined benefit pension plan and insurance premium plan, which acts as a common investment and administrative agent for the various fire and police agencies within the state. Sworn police and fire personnel are eligible to participate in the plan. The plan provides retirement and disability benefits, death benefits, and insurance premium benefits, to plan members and beneficiaries. The PSPRS is jointly administered by the Fund Manager and 209 Local Boards and was established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Public Safety Personnel Retirement System 3010 East Camelback Rd., Ste 200, Phoenix, Arizona, 85016, by calling 602-255-5575, or on the internet at www.psprs.com.

b. **Funding Policy**

PSPRS police personnel are required to contribute 9.55 percent of their annual covered salary and fire personnel are required to contribute 9.55 percent while the City is required to contribute an actuarially determined rate. Police personnel contributed $1,266,014 and fire personnel $1,015,995 during fiscal year 2012-2013. The City rate for fiscal year 2013 was 20.85 percent for police personnel and 16.15 percent for fire members. The City was also required to contribute 14.57 percent for those police and fire personnel that were currently drawing retirement benefits from a PSPRS retirement system and were not required to make employee contributions. The health insurance premium portion of the contribution rate was actuarially set at 1.02 percent of covered payroll for police and 1.01 percent for fire for fiscal year 2013. Benefit and contribution provisions are established by state law and may be amended only by the State of Arizona Legislature (A.R.S. Section 38-843).

c. **Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual contributions are subject to continual revisions as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on 1) the plan as understood by the City and the plan's members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term prospective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The most recent actuarial valuation and related information follow.

	Fire	Police
Valuation date	6/30/2012	6/30/2012
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of pay, closed for underfunded, open for overfunded	Level % of pay, closed for underfunded, open for overfunded
Remaining amortization period	24 years for underfunded 20 years for overfunded	24 years for underfunded 20 years for overfunded
Asset valuation method	7 years smoothed market	7 years smoothed market
Actuarial assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	5.0% - 9.0%	5.0% -9.0%
Includes inflation at	5.0%	5.0%
Cost of living adjustments	None	None

Since the heath insurance premium benefits are fixed, no health care cost trend rate is used in the actuarial valuation.

Annual Pension/OPEB Cost - Agent Plans:

The City's pension/OPEB costs for the agent plans for the year ended June 30, 2013, follows:

	PSPRS - Police		PSPRS - Fire		EORP	
	Pension	Health Insurance	Pension	Health Insurance	Pension	Health Insurance
Annual pension/OPEB cost	$2,622,025	$134,785	$1,632,474	$107,353	$52,441	$2,725
Contributions made	2,622,025	134,785	1,632,474	107,353	52,441	2,725

Three Year Trend Information for Agent Plans:

Annual pension cost information for the current and two preceding years follows for each of the agent plans.

Fiscal Year Ended	Annual Pension/ OPEB Cost	Annual Costs Contributed	Percentage of Net Pension/OPEB Obligation
PSPRP - Police - Pension			
2011	$2,112,544	100%	$ 0
2012	2,090,120	100	0
2013	2,622,025	100	0
PSPRP - Police – Health Insurance			
2011	$ 126,533	100%	$ 0
2012	123,935	100	0
2013	134,785	100	0
PSPRP - Fire - Pension			
2011	$1,457,929	100%	$ 0
2012	1,394,608	100	0
2013	1,632,474	100	0
PSPRP - Fire – Health Insurance			
2011	$ 99,083	100%	$ 0
2012	109,878	100	0
2013	107,353	100	0

EORP – Pension			
2011	$ 43,878	100%	$ 0
2012	47,233	100	0
2013	52,441	100	0
EORP – Health Insurance			
2011	$ 2,772	100%	$ 0
2012	2,710	100	0
2013	2,725	100	0

Volunteer Firemen's Pension Trust Fund

The Volunteer Firemen's Pension Trust plan covers participants in a volunteer firemen program formerly sponsored by the City. There are currently four individuals receiving monthly benefits of $425 each. There are no potential additional demands upon the fund since the volunteer program has been discontinued. An actuarial valuation of this pension plan has not been performed. The City believes the unfunded liability, if any, is not material.

Schedule of Funding Progress:

The funded status of the plans as of the most recent valuation date, June 30, 2012, and the prior two years follow. The EORP, by statute, is a cost-sharing plan. However, because of its statutory construction, in accordance with GASB Statement No. 43, paragraphs 5 and 41, the EORP is reported for such purposes as an agent multiple-employer plan. The Fund Manager obtains an actuarial valuation for the EORP on its statutory basis as a cost-sharing plan and therefore, actuarial information for the City, as a participating government, is not available.

Schedule of Funding Progress (Latest Available Actuarial Information)

Valuation Date June 30,	Actuarial Value of Plan Assets	Projected Unit Credit Actuarial Accrued Liability (AAL)	Percent Funded	Unfunded AAL	Annual Covered Payroll	Unfunded AAL as a % of Covered Payroll
Police – Retirement						
2010	$38,917,135	$54,236,036	71.8%	$15,318,901	$13,537,319	113.2%
2011	42,776,856	62,806,469	68.1	20,029,613	12,989,140	154.2
2012	47,252,572	72,134,658	65.5	24,882,086	12,995,169	191.5
Police – Health Insurance Subsidy						
2010	$ 0	$1,188,099	0.0%	$1,188,099	$13,537,319	8.78%
2011	0	1,547,097	0.0	1,547,097	12,989,140	12.12
2012	0	1,637,968	0.0	1,637,968	12,995,169	12.60
Fire – Retirement						
2010	$32,543,378	$37,236,602	87.4%	$4,693,224	$10,423,082	45.0%
2011	36,477,794	44,039,032	82.8	7,591,238	10,271,122	73.9
2012	41,223,476	49,863,454	82.7	8,639,978	10,470,454	82.5

Fire – Health Insurance Subsidy

2010	$ 0	$1,152,655	0.0%	$1,152,655	$10,423,082	11.06%
2011	0	1,390,847	0.0	1,390,847	10,271,122	13.54
2012	0	1,377,734	0.0	1,377,734	10,470,454	13.16

18. LEASES

The City leases vehicles, equipment and land under certain non-cancelable operating leases. Operating leases do not give rise to property rights or lease obligations (long-term debt), and therefore the results of the lease agreements are not reflected in the City's Statement of Net Position. Lease costs for the fiscal year ended June 30, 2013 were $158,989.

The following is a schedule of the future minimum lease payments on the operating leases.

Year Ending June 30,	Amount
2014	$ 192,356
2015	196,312
2016	196,518
2017	200,842
2018	205,286
Total	$ 991,314

The City is the lessor on several operating leases of land. The cost of the real property associated with these leases is $2,218,519. Operating lease revenues for fiscal year 2013 were $901,183.

The following is a schedule of five years minimum future rental revenues on these leases:

Year Ending June 30,	Amount
2014	$ 311,335
2015	314,739
2016	320,187
2017	348,889
2018	355,427

19. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Additionally, the City offers its management employees an additional deferred compensation plan created in accordance with Internal Revenue Code Section 401a. The deferred compensation is not available to employees, under either plan, until termination, retirement, death or unforeseeable emergency. The City's fiduciary responsibility is that of exercising "due care" in selecting a third-party administrator. Federal legislation requires that Section 457 and 401a plan assets be held in trust for employees. This means that employee assets held in Section 457 and 401a plans are not the property of the City and are not subject to claims of the City's general creditors. Also, the City exercises no administrative control nor makes investment decisions. Therefore, the deferred compensation assets are not included in the City's Basic Financial Statements.

20. COMMITMENTS AND CONTINGENCIES

The City is involved in litigation arising in the ordinary course of its operations. The City believes that it's ultimate liability, if any, in connection with these matters will not have a material adverse effect on the City's financial position, changes in financial position, or liquidity. The City is self-insured for the first $1,000,000 of any occurrence and then has additional coverage up to $40.0 million.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The following table presents the City's commitments and encumbrances as of June 30, 2013:

Fund/Description	Remaining Commitment
General Fund:	
Old Town Commercial Rehab	$ 219,968
Public Safety Equipment	130,583
Systems Upgrades	82,719
Parks and Recreation Facilities	7,877
	441,147
Highway User Revenue Fund:	
Streets/Traffic Infrastructure	51,504
Sidewalk Improvements	25,135
ADA Ramp Improvements	1,205
	77,844
Development Fee Fund:	
Parks and Recreation Facilities	106,759
Municipal Facilities	46,175
Streets/Traffic Infrastructure	3,713
	156,647
Transportation Sales Tax Fund:	
Streets/Traffic Infrastructure	4,459,993
Non-Major Governmental Funds:	
GO Bond Cap Proj – Streets/Traffic Infrastructure	6,807,067
GO Bond Cap Proj – Parks and Recreation Facilitities	300,674
GO Bond Cap Proj – Asset Management System Upgrade	136,819
GO Bond Cap Proj – Police CAD Replacement	136,488
GO Bond Cap Proj – Drainage Infrastructure	98,095
GO Bond Cap Proj – Municipal Facilities	48,410
Non-Bond Cap Proj –Parks and Recreation Facilities	2,496,195
Non-Bond Cap Proj –Drainage Infrastructure	555,828
Non-Bond Cap Proj –Streets/Traffic Infrastructure	505,567
CFD Cap Proj – Recharge Wells	222,361
MDA Bonds Capital Proj – Parks and Recreation Facilities	24,895,534
	36,203,038
Water Utility Fund:	
Water Lines	1,076,199
Wells and Reservoirs	354,942
Water Facilities	119,663
Systems Upgrades	82,720
Operational Purposes	80,944
	1,714,468
Wastewater Utility Fund:	
Wastewater Lines	1,075,589
Systems Upgrades	82,723
Operational Purposes	52,413
	1,210,725
Total commitments	$ 44,263,862

21. OTHER MATTERS

Park West Development

The City signed a development agreement with DJN Eagle Mountain, LLC on July 5, 2005, and amended on April 15, 2008, with provisions that reimbursement will be made by the City to the developer for certain public infrastructure improvements related to the retail component of a mixed use project called Park West in the southwest area of the City. The developer is required by the agreement to complete construction of 150,000 square feet of retail business space by July 31, 2008, and an additional 360,000 square feet of retail business space by March 31, 2010, and to have a capital investment of at least forty-five million dollars in the project within 36 months of the construction commencement date. Reimbursements will begin once certain construction obligations are met by the developer. The agreement caps the reimbursement amount at no more than $9,000,000. Payments will be made quarterly, consisting of fifty percent of one percent of sales tax revenues generated by the project. No liability will be recorded by the City until such time as the developer has met all obligations of the agreement. The developer is in default of the terms of the Agreement related to the improvement district, but the Agreement has not been terminated. Because of the default, the $9,000,000 has not been recorded as a liability as of June 30, 2013.

Vistancia

The City approved a development agreement with Shea Sunbelt Pleasant Point LLC on October 22, 2001, for development of a master-planned community north of Happy Valley Road and west of the Agua Fria River. Included in the agreement are certain infrastructure improvements, right-of-way and land dedications, water rights acquisition, fire station building and equipment, and park and trail development. In return the City agreed to certain impact fee reimbursements. Individual liabilities will not be recorded until the developer has met City requirements associated with each agreed-upon item. As of June 30, 2013, there are currently estimated potential impact fee reimbursements of the following that are not yet recorded as liabilities: One neighborhood park site currently estimated at $450,000; two community park sites currently estimated at $4,500,000; one library site currently estimated at $750,000; and street and intersection improvements and associated ROW land dedications currently estimated at $11,500,000.

Saddleback Heights

The City approved a development agreement with Diamond Ventures Inc. on December 24, 2002 for a master-planned community located on the southwest corner of 163rd Avenue and State Highway 74. Included in the agreement are certain infrastructure improvements, right-of-way and land dedications, and provision of certain equipment. Associated with some of these requirements, the City has agreed to credit the developer from impact fees and other sources. As of June 30, 2013, no building activities have commenced and the credits could not be reliably estimated. The agreement is in force for 25 years from the signing of the agreement. The developer is currently seeking an amendment to the development plan and agreement. As of June 30, 2013, these potential credits/reimbursements could not be reliably estimated.

Lake Pleasant Heights

On December 19, 2005, the City approved a development agreement with Group Three Properties, Noranda Properties Inc., and Pleasant Views LLC, which terminated an existing development agreement and enabled the developer to rely on existing City ordinances related to infrastructure improvements, right-of-way and land dedications. Subsequently, these entities no longer have ownership interests in the land, and new developers are looking to amend or restate a development agreement. The development is a master-planned community east of Vistancia North and south of State Route 74. As the developer(s) moves forward with the project, there may be infrastructure and land dedications resulting in impact fee credits due them from the City. As of June 30, 2013, the potential credits could not be reliably estimated.

Combining Statements & Budgetary Schedules Slip Sheet

Combining Fund Financial Statements and Budgetary Schedules

This section contains the combining financial statements for non-major governmental funds, internal service funds and fiduciary funds as well as the budget schedules other than those for the general fund and major special revenue funds (which may be found immediately following the governmental fund financial statements).

MAJOR GOVERNMENTAL FUNDS OTHER THAN GENERAL FUND & SPECIAL REVENUE FUNDS
Budgetary Comparison Schedules

Debt Service Funds

Debt service funds are used to account for and report financial resources, that are restricted, committed, or assigned to expenditure for principal and interest payments on debt. This includes financial resources that are being accumulated for principal and interest maturing in future years. Principal payments are due annually. Interest is due semiannually.

General Obligation Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the City's general obligation bonds. Provisions are made in the City's general property tax levy for funds sufficient to meet the general obligation debt service.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by proprietary funds.

Development Fee Fund

This fund accounts for the collection of governmental development/impact fees, including streets, parks and open space, library, public safety, and general government, and the expenditure of those funds for capital construction or new equipment needed because of new development.

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
Budgetary fund balance, July 1, 2012	$ 30,261,459	$ 30,261,459	$ 30,261,459	$ -
RESOURCES (INFLOWS):				
Property taxes	14,251,508	14,251,508	14,452,592	201,084
Investment earnings	112,000	112,000	37,374	(74,626)
Transfers in	-	-	-	-
Total inflows	14,363,508	14,363,508	14,489,966	126,458
Amounts available for appropriation	44,624,967	44,624,967	44,751,425	126,458
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contractual services	-	-	2,800	2,800
Debt service:				
Principal payments	8,585,000	8,585,000	8,585,000	-
Interest and other charges	6,480,202	6,480,202	6,293,374	(186,828)
Contingencies	500,000	490,098		
Total charges to appropriations	15,565,202	15,555,300	14,881,174	(184,028)
Budgetary fund balance, June 30, 2013	$ 29,059,765	$ 29,069,667	$ 29,870,251	$ 310,486

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 44,751,425
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(30,261,459)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	337,253
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 14,827,219
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 14,881,174
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	720
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 14,881,894

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT FEE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 32,114,798	$ 32,114,798	$ 32,114,798	$ -
RESOURCES (INFLOWS):				
Impact/expansion fees	4,940,100	4,940,100	8,916,126	3,976,026
Investment earnings	231,670	230,487	58,819	(171,668)
Total inflows	5,171,770	5,170,587	8,974,945	3,804,358
Amounts available for appropriation	37,286,568	37,285,385	41,089,743	3,804,358
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Current:				
General government-non departmental	-	-	-	-
Culture and recreation	261,162	284,457	71,705	(212,752)
Police	42,343	39,591	34,679	(4,912)
Fire	7,327	12,196	(31,570)	(43,766)
Highways and streets	186,024	176,229	11,705	(164,524)
Debt service:				
Principal payments	2,370,457	3,075,855	3,777,253	701,398
Capital outlay	11,271,537	11,355,120	346,858	(11,008,262)
Contingencies	1,587,710	848,010	-	(848,010)
Transfers out	-	-	-	-
Total charges to appropriations	15,726,560	15,791,458	4,210,630	(11,580,828)
Budgetary fund balance, June 30, 2013	$ 21,560,008	$ 21,493,927	$ 36,879,113	$ 15,385,186

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 41,089,743
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(32,114,798)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	13,973
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 8,988,918
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 4,210,630
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	410,799
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(21,242)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 4,600,187

NON-MAJOR GOVERNMENTAL FUNDS

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Public Transit Fund

This fund receives and expends the City's allocation of Federal Transit Authority grant money as well as the City's allocation of the Local Transportation Assistance Fund money. The amount of Federal Transportation Authority funds available to each city is based on the total funding available and the total requests for funds. The amount of Local Transportation Assistance funds available to each city is allocated on a population basis, which is determined by the latest federal census. Expenditures are for the administration and operating costs of the public transit system.

Other Grants Fund

This fund receives and expends much of the City's grant fund money. The amount of grants received is generally based upon application to granting agencies by the City and availability of funding by grantors. Grant money may be used only for the purpose of the approved budget and is subject to grantor expenditure guidelines.

Debt Service Funds

Debt service funds are used to account for and report financial resources, that are restricted, committed, or assigned to expenditure for principal and interest payments on debt. This includes financial resources that are being accumulated for principal and interest maturing in future years. Principal payments are due annually. Interest is due semiannually.

Municipal Development Authority Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the Municipal Development Authority's bonds. Provisions are made in the City's transaction privilege tax for funds sufficient to meet the Municipal Development Authority's debt service.

Community Facilities District (CFD) Bonds Debt Service Fund

This fund accounts for the principal and interest requirements of the Vistancia Communities Facilities District (a blended component unit) general obligation bonds. Provisions are made in the District's general property tax levy for funds sufficient to meet the general obligation debt service.

Special Assessment Bonds Debt Service Fund

This fund accounts for the collection of special assessment district revenues and the payment of the special assessment bonds.

Capital Projects Funds

A capital project fund is established to account for the acquisition and construction of major capital facilities other than those financed by Special Revenue Fund and Enterprise Fund resources. A capital project fund enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

General Obligation (GO) Bond Capital Projects Fund

This fund accounts for the receipt of proceeds from General Obligation bonds and the expenditure of those funds to purchase or construct capital assets for the City.

Community Facilities District (CFD) Bonds Capital Projects Fund

This fund accounts for the expenditure of Vistancia Community Facilities District bond proceeds for the construction of capital assets for the District. Once the capital assets are completed, they are turned over to the City for operation and maintenance.

Municipal Development Authority (MDA) Bonds Capital Projects Fund

This fund accounts for the construction or purchase of capital assets to be funded through the use of Municipal Development Authority Bonds.

Non-Bond Capital Projects Fund

This fund accounts for the purchase or construction of capital assets with funds other than bond proceeds. This includes monies received from outside sources, i.e. developers or other governments, and also City pay-as-you-go monies.

CITY OF PEORIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	**Other Grants Fund**	**Municipal Development Authority Bonds**	**CFD Bonds**	**Special Assessment Bonds**
ASSETS & DEFERRED OUTFLOWS					
Cash and cash equivalents	$ 179,906	$ 1,069,629	$ 1,628,228	$ -	$ 24,478
Cash with fiscal agents	-	-	3,745,828	-	-
Investments	715,033	4,251,209	6,471,340	-	97,289
Accounts receivable, net	39,926	61,650	-	116,281	-
Interest receivable	752	4,776	652	9,505	57
Due from other funds	-	-	1,200,000	-	-
Due from other governments	62,091	618,254	-	28,805	-
Prepaid items	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	4,444,414	-
Restricted investments	-	-	-	4,381,954	-
Special assessments receivable	-	-	-	-	3,520,000
Interfund receivable (non-current)	-	-	890,133	-	-
Total assets	997,708	6,005,518	13,936,181	8,980,959	3,641,824
Total assets & deferred outflows	$ 997,708	$ 6,005,518	$ 13,936,181	$ 8,980,959	$ 3,641,824
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES					
Liabilities:					
Accounts payable	$ 827	$ 243,237	$ -	$ 276	$ 360
Accrued payroll	5,008	6,068	-	-	-
Due to other funds	-	34,363	-	-	-
Due to other governments	-	305	-	-	-
Other liabilities	500	-	-	-	-
Unearned revenue-other	-	87,782	-	-	-
Total liabilities	$ 6,335	$ 371,755	$ -	$ 276	$ 360
Deferred inflows of resources:					
Unavailable revenue-property taxes	-	$ -	$ -	$ 14,287	$ -
Unavailable revenue-special assessments	-	-	-	-	3,520,000
Total deferred inflows of resources	-	-	-	14,287	3,520,000
Fund balances:					
Unspendable:					
Prepaid items	$ -	$ -	$ -	$ -	$ -
Restricted for:					
Debt service	-	-	13,936,181	8,966,396	121,464
Capital projects	-	-	-	-	-
Grant Purposes	991,373	1,734,083	-	-	-
Committed for:					
Arts Capital	-	3,804,379	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Other purposes	-	95,301	-	-	-
Total fund balance	991,373	5,633,763	13,936,181	8,966,396	121,464
Total liabilities, deferred inflows & fund balance	$ 997,708	$ 6,005,518	$ 13,936,181	$ 8,980,959	$ 3,641,824

Capital Projects Funds				Total
GO Bonds	CFD Bonds	MDA Bonds	Non-Bond	Non-Major Governmental Funds
$ -	$ -	$ -	$ 5,131,310	$ 8,033,551
-	-	-	-	3,745,828
-	-	-	20,394,236	31,929,107
30,546	-	-	143,144	391,547
15,409	22,524	-	32,045	85,720
-	-	-	-	1,200,000
-	-	-	-	709,150
25,000	-	-	-	25,000
5,780,760	2,748,658	33,881,646	-	46,855,478
16,169,607	7,810,936	-	-	28,362,497
-	-	-	-	3,520,000
-	-	-	-	890,133
22,021,322	10,582,118	33,881,646	25,700,735	125,748,011
$ 22,021,322	$ 10,582,118	$ 33,881,646	$ 25,700,735	$ 125,748,011
$ 1,040,927	$ 64,684	$ 2,695,727	$ 1,375,125	$ 5,421,163
-	-	-	-	11,076
-	-	-	-	34,363
-	-	-	-	305
247,364	95,859	457,664	318,274	1,119,661
-	-	-	2,119,900	2,207,682
$ 1,288,291	$ 160,543	$ 3,153,391	$ 3,813,299	$ 8,794,250
$ -	$ -	$ -	$ -	$ 14,287
-	-	-	-	3,520,000
-	-	-	-	3,534,287
$ 25,000	$ -	$ -	$ -	$ 25,000
-	-	-	-	23,024,041
20,708,031	10,421,575	30,728,255	3,396,396	65,254,257
-	-	-	-	2,725,456
-	-	-	-	3,804,379
-	-	-	18,491,040	18,491,040
-	-	-	-	95,301
20,733,031	10,421,575	30,728,255	21,887,436	113,419,474
$ 22,021,322	$ 10,582,118	$ 33,881,646	$ 25,700,735	$ 125,748,011

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds		Debt Service Funds		
	Public Transit Fund	Other Grants Fund	Municipal Development Authority Bonds	CFD Bonds	Special Assessment Bonds
REVENUES:					
Taxes:					
Property taxes	$ -	$ -	$ -	$ 2,183,404	$ -
Intergovernmental:					
From federal government	142,571	2,786,687	-	-	-
Other	610,091	705,073	-	-	-
Charges for service	43,316	556,405	-	-	-
Fines and forfeitures	-	198,552	-	-	-
Investment earnings	1,826	20,050	2,514	19,831	984
Special assessments	-	-	-	-	1,217,271
Miscellaneous	62,815	133,249	-	3,424,335	-
Total revenues	860,619	4,400,016	2,514	5,627,570	1,218,255
EXPENDITURES:					
Current operating:					
General government	-	172,494	-	-	-
Culture and recreation	-	492,983	-	-	-
Police	-	690,144	-	-	-
Fire	-	321,613	-	-	-
Development services	-	495,153	-	-	-
Highways and streets	-	-	-	-	-
Public works	-	128,745	-	-	-
Human services	1,013,401	1,199,973	-	-	-
Debt service:					
Principal payments	-	-	2,760,000	2,505,000	1,140,000
Interest and other charges	-	-	2,880,325	2,985,974	223,179
Capital outlay	-	218,200	-	-	-
Total expenditures	1,013,401	3,719,305	5,640,325	5,490,974	1,363,179
Excess (deficiency) of revenues over expenditures	(152,782)	680,711	(5,637,811)	136,596	(144,924)
OTHER FINANCING SOURCES (USES):					
Capital-related debt issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	200,000	12,349	6,626,041	-	-
Transfers out	(131,850)	(415,578)	(715,508)	-	(184,004)
Total other financing sources and uses	68,150	(403,229)	5,910,533	-	(184,004)
Net change in fund balances	(84,632)	277,482	272,722	136,596	(328,928)
Fund balances - beginning	1,076,005	5,356,281	13,663,459	8,829,800	450,392
Fund balances - ending	$ 991,373	$ 5,633,763	$ 13,936,181	$ 8,966,396	$ 121,464

Capital Projects Funds				Total Non-Major Governmental Funds
GO Bonds	CFD Bonds	MDA Bonds	Non-Bond	
$ -	$ -	$ -	$ -	$ 2,183,404
-	-	-	-	2,929,258
-	-	-	4,599,992	5,915,156
-	-	-	-	599,721
-	-	-	-	198,552
70,582	31,148	3	78,186	225,124
-	-	-	-	1,217,271
338,203	-	-	560,956	4,519,558
408,785	31,148	3	5,239,134	17,788,044
-	-	-	319,993	492,487
-	-	4,187	-	497,170
-	-	-	-	690,144
-	-	-	-	321,613
-	-	-	1,853,227	2,348,380
1,211,310	-	-	806,971	2,018,281
-	-	-	-	128,745
-	-	-	-	2,213,374
				-
-	-	-	-	6,405,000
15,800	-	116,657	-	6,221,935
15,936,518	2,455,422	-	14,708,659	33,318,799
17,163,628	2,455,422	120,844	17,688,850	54,655,928
(16,754,843)	(2,424,274)	(120,841)	(12,449,716)	(36,867,884)
-	-	35,510,000	-	35,510,000
-	-	1,039,481	-	1,039,481
-	-	-	-	6,838,390
(875,927)	-	(5,615,712)	(222,146)	(8,160,725)
(875,927)	-	30,933,769	(222,146)	35,227,146
(17,630,770)	(2,424,274)	30,812,928	(12,671,862)	(1,640,738)
38,363,801	12,845,849	(84,673)	34,559,298	115,060,212
$ 20,733,031	$ 10,421,575	$ 30,728,255	$ 21,887,436	$ 113,419,474

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
PUBLIC TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
Budgetary fund balance, July 1, 2012	$ 435,599	$ 435,599	$ 435,599	$ -
RESOURCES (INFLOWS):				
Intergovernmental:				
From federal government	125,646	125,646	141,837	16,191
Other	-	-	610,091	610,091
Charges for services	27,000	27,000	107,592	80,592
Investment earnings	2,500	2,500	1,369	(1,131)
Miscellaneous	15,000	15,000	62,815	47,815
Transfers from other funds	516,964	516,964	200,000	(316,964)
Total inflows	687,110	687,110	1,123,704	436,594
Amounts available for appropriation	1,122,709	1,122,709	1,559,303	436,594
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Human services	995,894	989,690	1,045,835	56,145
Capital outlay	-	131,850	131,850	-
Transfers out	125,646	125,646	-	(125,646)
Total charges to appropriations	1,121,540	1,247,186	1,177,685	(69,501)
Budgetary fund balance, June 30, 2013	$ 1,169	$ (124,477)	$ 381,618	$ 506,095

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 1,559,303
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(435,599)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(63,085)
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(200,000)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 860,619
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 1,177,685
Differences - budget to GAAP:	
The City budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	300
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(32,734)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(131,850)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 1,013,401

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	**Final**	**(budgetary basis)**	**(Under)**
Budgetary fund balance, July 1, 2012	$ 6,111,457	$ 6,111,457	$ 6,111,457	$ -
RESOURCES (INFLOWS):				
Intergovernmental:				
From federal government	2,761,833	2,761,833	2,866,919	105,086
Other	4,780,231	4,780,231	635,373	(4,144,858)
Charges for services	1,423,437	1,423,437	499,490	(923,947)
Fines and forfeitures	220,000	220,000	198,552	(21,448)
Investment earnings	16,800	16,688	18,144	1,456
Miscellaneous	12,000	12,000	133,249	121,249
Transfers from other funds	10,000	10,000	9,999	(1)
Total inflows	9,224,301	9,224,189	4,361,726	(4,862,463)
Amounts available for appropriation	15,335,758	15,335,646	10,473,183	(4,862,463)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government:				
Mayor and council	300	300	-	(300)
Attorney	45,587	89,975	73,475	(16,500)
City Manager	-	73,890	73,869	(21)
Court	328,432	328,432	11,987	(316,445)
Non-departmental	9,833	9,833	4,286	(5,547)
Culture and recreation	468,119	502,528	398,573	(103,955)
Police	856,782	1,219,698	651,445	(568,253)
Fire	57,443	1,042,987	321,613	(721,374)
Development services	1,198,204	1,198,204	470,696	(727,508)
Public works	153,853	198,297	135,422	(62,875)
Human Services	1,752,026	1,752,026	1,199,973	(552,053)
Capital outlay	486,958	620,049	369,786	(250,263)
Contingencies	3,635,308	1,939,856	-	(1,939,856)
Transfers out	328,841	328,841	296,495	(32,346)
Total charges to appropriations	9,321,686	9,304,916	4,007,620	(5,297,296)
Budgetary fund balance, June 30, 2013	$ 6,014,072	$ 6,030,730	$ 6,465,563	$ 434,833

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 10,473,183
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(6,111,457)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	48,289
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(9,999)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 4,400,016
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 4,007,620
Differences - budget to GAAP:	
The City budgets for claims and compensated absences on the cash basis, rather than on the modified accrual basis	350
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	126,913
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(119,083)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(296,495)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 3,719,305

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL DEVELOPMENT AUTHORITY (MDA) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 15,622,700	$ 15,622,700	$ 15,622,700	$ -
RESOURCES (INFLOWS):				
Investment earnings	10,000	10,000	1,862	(8,138)
Transfers from other funds	7,031,959	7,031,959	6,626,041	(405,918)
Total inflows	7,041,959	7,041,959	6,627,903	(414,056)
Amounts available for appropriation	22,664,659	22,664,659	22,250,603	(414,056)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contingencies	500,000	500,000	-	(500,000)
Debt service:				
Principal payments	3,969,954	6,425,449	2,760,000	(3,665,449)
Interest and other charges	3,097,396	3,221,061	2,880,325	(340,736)
Transfers to other funds	-	-	715,508	715,508
Total charges to appropriations	7,567,350	10,146,510	6,355,833	(3,790,677)
Budgetary fund balance, June 30, 2013	$ 15,097,309	$ 12,518,149	$ 15,894,770	$ 3,376,621

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 22,250,603
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(15,622,700)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	652
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	(6,626,041)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 2,514
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 6,355,833
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(715,508)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 5,640,325

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
Budgetary fund balance, July 1, 2012	$ 8,720,506	$ 8,720,506	$ 8,720,506	$ -
RESOURCES (INFLOWS):				
Property Taxes	2,193,084	2,193,084	2,150,438	(42,646)
Investment earnings	23,900	23,900	20,711	(3,189)
Miscellaneous	3,281,047	3,281,047	3,424,335	143,288
Total inflows	5,498,031	5,498,031	5,595,484	97,453
Amounts available for appropriation	14,218,537	14,218,537	14,315,990	97,453
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contractual services	5,056	5,056	-	(5,056)
Debt service:				
Principal payments	2,505,000	2,505,000	2,505,000	-
Interest and other charges	2,987,975	2,987,975	2,985,974	(2,001)
Total charges to appropriations	5,498,031	5,498,031	5,490,974	(7,057)
Budgetary fund balance, June 30, 2013	$ 8,720,506	$ 8,720,506	$ 8,825,016	$ 104,510

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 14,315,990
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(8,720,506)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	32,086
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 5,627,570
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 5,490,974
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 5,490,974

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 459,694	$ 459,694	$ 459,694	$ -
RESOURCES (INFLOWS):				
Special assessments	1,354,718	1,354,718	1,217,521	(137,197)
Investment earnings	950	950	1,082	132
Total inflows	1,355,668	1,355,668	1,218,603	(137,065)
Amounts available for appropriation	1,815,362	1,815,362	1,678,297	(137,065)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Debt service:				
Principal payments	1,140,000	1,140,000	1,140,000	-
Interest and other charges	214,718	224,620	222,819	(1,801)
Transfers out	-	-	-	-
Total charges to appropriations	1,354,718	1,364,620	1,362,819	(1,801)
Budgetary fund balance, June 30, 2013	$ 460,644	$ 450,742	$ 315,478	$ (135,264)

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 1,678,297
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(459,694)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(348)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 1,218,255
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 1,362,819
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	360
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 1,363,179

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION (GO) BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	Final Budget Over (Under)
Budgetary fund balance, July 1, 2012	$ 23,530,140	$ 23,530,140	$ 23,530,140	$ -
RESOURCES (INFLOWS):				
Capital-related debt issued	19,924,555	19,924,555	-	(19,924,555)
Investment earnings	45,000	45,000	62,499	17,499
Miscellaneous	-	-	338,203	338,203
Total inflows	19,969,555	19,969,555	400,702	(19,568,853)
Amounts available for appropriation	43,499,695	43,499,695	23,930,842	(19,568,853)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Highways and streets	1,623,221	1,664,008	1,751,989	87,981
Interest and fiscal charges	146,260	146,260	25,800	(120,460)
Capital outlay	40,317,811	45,794,320	16,265,166	(29,529,154)
Transfers out	-	-	753,333	753,333
Total charges to appropriations	42,087,292	47,604,588	18,796,288	(28,808,300)
Budgetary fund balance, June 30, 2013	$ 1,412,403	$ (4,104,893)	$ 5,134,554	$ 9,239,447

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 23,930,842
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(23,530,140)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	8,083
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 408,785
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 18,796,288
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	(854,471)
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(24,856)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(753,333)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 17,163,628

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 12,905,376	$ 12,905,376	$ 12,905,376	$ -
RESOURCES (INFLOWS):				
Investment earnings	38,500	38,500	11,055	(27,445)
Total inflows	38,500	38,500	11,055	(27,445)
Amounts available for appropriation	12,943,876	12,943,876	12,916,431	(27,445)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Capital outlay	12,816,516	12,891,516	2,356,037	(10,535,479)
Contingencies	75,000	-	-	-
Total charges to appropriations	12,891,516	12,891,516	2,356,037	(10,535,479)
Budgetary fund balance, June 30, 2013	$ 52,360	$ 52,360	$ 10,560,394	$ 10,508,034

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 12,916,431
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(12,905,376)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	20,093
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 31,148
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 2,356,037
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	99,385
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 2,455,422

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL DEVELOPMENT AUTHORITY (MDA) BONDS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ (10,700)	$ (10,700)	$ (10,700)	$ -
RESOURCES (INFLOWS):				
Investment earnings	-	-	3	3
Capital related debt issued	35,135,700	35,135,700	35,510,000	374,300
Premium on bonds issued	-	-	1,039,481	1,039,481
Total inflows	35,135,700	35,135,700	36,549,484	1,413,784
Amounts available for appropriation	35,125,000	35,125,000	36,538,784	1,413,784
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Culture and recreation	435,000	109,200	4,187	(105,013)
Capital outlay	29,474,009	36,240,606	3,403,640	(32,836,966)
Interest and other charges	346,900	346,900	116,657	(230,243)
Transfers to other funds	-	-	-	-
Total charges to appropriations	30,255,909	36,696,706	3,524,484	(33,172,222)
Budgetary fund balance, June 30, 2013	$ 4,869,091	$ (1,571,706)	$ 33,014,300	$ 34,586,006

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 36,538,784
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	10,700
Capital-related debt issued is a budgetary resource, but is not a revenue for financial reporting purposes	(35,510,000)
Premiums on bonds are a budgetary resource, but are not a revenue for financial reporting purposes	(1,039,481)
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 3
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 3,524,484
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	2,212,072
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(5,615,712)
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 120,844

CITY OF PEORIA, ARIZONA
BUDGETARY COMPARISON SCHEDULE
NON-BOND CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 36,264,119	$ 36,264,119	$ 36,264,119	$ -
RESOURCES (INFLOWS):				
Intergovernmental revenue:				
Other governmental revenue	-	-	4,142,971	4,142,971
Investment earnings	120,666	120,491	64,307	(56,184)
Miscellaneous	3,468,369	3,468,369	1,196,244	(2,272,125)
Total inflows	3,589,035	3,588,860	5,403,522	1,814,662
Amounts available for appropriation	39,853,154	39,852,979	41,667,641	1,814,662
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contractual services:				
General government - non-departmental	-	-	82,541	82,541
Development services	-	-	647,085	647,085
Highways and streets	1,952,028	2,749,353	806,971	(1,942,382)
Capital outlay	26,949,376	25,638,876	15,330,482	(10,308,394)
Contingencies	1,696,412	1,607,136	-	(1,607,136)
Total charges to appropriations	30,597,816	29,995,365	16,867,079	(13,128,286)
Budgetary fund balance, June 30, 2013	$ 9,255,338	$ 9,857,614	$ 24,800,562	$ 14,942,948

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 41,667,641
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(36,264,119)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	(164,388)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 5,239,134
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 16,867,079
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	1,043,917
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	(222,146)
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 17,688,850

ENTERPRISE FUNDS
Schedule of Operations – Budget and Actual

Enterprise Funds

Enterprise Funds are used to account for those operations that provide services to the general public for a fee. Enterprise funds are required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed *solely* by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs. All of the enterprise funds of the City are presented discretely in the basic financial statements.

Water Utility Fund

The Water Utility Fund accounts for the revenues from charges to the customers of the City's water services, as well as the expenditure of those funds to operate, maintain, and expand the water treatment and distribution systems.

Wastewater Utility Fund

The Wastewater Utility Fund accounts for the revenue from charges to the customers of the City's wastewater services, as well as the expenditure of those funds to operate, maintain, and expand the wastewater collection and treatment systems.

Solid Waste Utility Fund

The Solid Waste Utility Fund accounts for the revenue from charges to the customers of the City's solid waste services, as well as the expenditure of those funds to operate, maintain, and expand the solid waste collection and disposal systems.

Stadium Fund

The Stadium Fund accounts for the revenues generated by and the costs of operation of a sports complex owned by the City. This facility is used for spring training by two major league baseball teams as well as multiple other uses throughout the year.

Storm Drain Utility

This fund collects and expends storm water user fees included on utility bill sent out by the City. The fee is to provide funding for the Storm Water Management Plan to comply with the National Pollution Discharge Elimination System (NPDES).

Public Housing Fund

The Public Housing Fund accounts for the revenues and expenses of the low income housing program operated by the City. While this program does receive Federal subsidies through the Department of Housing and Urban Development, it also generates substantial user fees.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
WATER UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
OPERATING REVENUES:				
Charges for services	$ 34,303,172	$ 34,303,172	$ 34,559,991	$ 256,819
Miscellaneous	41,000	41,000	33,483	(7,517)
Total operating revenues	34,344,172	34,344,172	34,593,474	249,302
OPERATING EXPENSES:				
Salaries, wages and benefits	4,971,439	4,971,439	4,724,809	(246,630)
Contractual services, materials and supplies	16,586,970	16,244,484	14,736,887	(1,507,597)
Capital outlay	14,126,370	12,776,918	5,349,759	(7,427,159)
Depreciation and amortization			-	-
Contingencies	3,323,772	4,690,502	-	(4,690,502)
Total operating expenses	39,008,551	38,683,343	24,811,455	(13,871,888)
Operating income (loss)	(4,664,379)	(4,339,171)	9,782,019	14,121,190
NONOPERATING REVENUES (EXPENSES):				
Investment income	223,000	222,833	77,898	(144,935)
Proceeds from bonds or contracts payable	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Interest expense	(1,378,744)	(1,386,460)	(1,373,607)	12,853
Debt principal payments	(3,601,340)	(4,066,295)	(3,841,460)	224,835
Total nonoperating revenues (expenses)	(4,757,084)	(5,229,922)	(5,137,169)	92,753
Income (loss) before contributions and transfers	(9,421,463)	(9,569,093)	4,644,850	14,213,943
Capital contributions	920,000	920,000	2,108,860	1,188,860
Transfers in	-	-	38,254	38,254
Transfers (out)	(3,627,185)	(3,627,185)	(3,507,760)	119,425
Excess (deficit) revenues over expenses - budgetary basis	$ (12,128,648)	$ (12,276,278)	$ 3,284,204	$ 15,560,482

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(418,348)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(61,380)
Proceeds from the sale of bonds or contracts payable are revenues for budgetary purposes but are increases in long-term debt, and therefore not revenues, for GAAP purposes, netted with debt forgiveness which is an other source for GAAP purposes, but not for budget purposes.	-
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	61,380
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(15,770)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(71,410)
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	5,015,017
Donations of capital assets are an other financing source for GAAP purposes, but are not a revenue for budget purposes.	3,340,049
Debt principal payments are an expense for budgetary purposes, but are a reduction of long-term obligations and therefore not an expense for GAAP purposes.	3,841,460
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(8,352,791)
Loss on refunding and bond premiums are expensed in the year of issuance for budgetary purposes but are amortized to interest expense over the life of the bonds for GAAP purposes.	168,226
The gain on sale of capital assets is not a budgeted revenue/expense, but is a revenue/expense for GAAP purposes.	5,150
Certain transfers in/(out)out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	1,334,296
Change in net position per the statement of revenues, expenses and changes in fund net position	$ 8,130,083

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
WASTEWATER UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts (budgetary basis)	Over (Under)
OPERATING REVENUES:				
Charges for services	$ 19,348,140	$ 19,348,140	$ 19,638,862	$ 290,722
Miscellaneous	55,000	55,000	36,720	(18,280)
Total operating revenues	19,403,140	19,403,140	19,675,582	272,442
OPERATING EXPENSES:				
Salaries, wages and benefits	2,505,163	2,505,163	2,387,274	(117,889)
Contractual services, materials and supplies	8,405,636	8,302,404	6,928,609	(1,373,795)
Capital outlay	10,401,054	9,004,286	6,034,324	(2,969,962)
Depreciation and amortization			-	-
Contingencies	1,634,355	3,134,355	-	(3,134,355)
Total operating expenses	22,946,208	22,946,208	15,350,207	(7,596,001)
Operating income (loss)	(3,543,068)	(3,543,068)	4,325,375	7,868,443
NONOPERATING REVENUES (EXPENSES):				
Investment income	55,250	55,179	23,848	(31,331)
Proceeds from bonds or contracts payable	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Interest expense	(2,593,702)	(2,595,656)	(2,541,607)	54,049
Debt principal payments	(5,383,448)	(5,435,702)	(5,573,641)	(137,939)
Total nonoperating revenues (expenses)	(7,921,900)	(7,976,179)	(8,091,400)	(115,221)
Income (loss) before contributions and transfers	(11,464,968)	(11,519,247)	(3,766,025)	7,753,222
Capital contributions	330,000	330,000	1,096,764	766,764
Transfers in	2,699,123	2,699,123	2,672,707	(26,416)
Transfers out	(335,132)	(335,132)	(285,568)	49,564
Excess (deficit) revenues over expenses - budgetary basis	$ (8,770,977)	$ (8,825,256)	$ (282,122)	$ 8,543,134

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	82,219
Proceeds from the sale of bonds or contracts payable are revenues for budgetary purposes but are increases in long-term debt, and therefore not revenues, for GAAP purposes, netted with debt forgiveness which is an other source for GAAP purposes, but not for budget purposes.	-
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(1,292,532)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	1,292,532
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(4,473)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(201,121)
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	5,342,182
Donations of capital assets are an other financing source for GAAP purposes, but are not a revenue for budget purposes.	2,119,939
Debt principal payments are an expense for budgetary purposes, but are a reduction of long-term obligations, and therefore not an expense, for GAAP purposes.	5,573,641
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(8,935,712)
Loss on refunding and bond premiums are expensed in the year of issuance for budgetary purposes but are amortized to interest expense over the life of the bonds for GAAP purposes.	(65,809)
Certain transfers in/(out)out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	77,263
Change in net position per the statement of revenues, expenses and changes in fund net position	$ 3,706,007

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
SOLID WASTE UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget Over (Under)
	Original	Final		
OPERATING REVENUES:				
Charges for services	$ 12,246,910	$ 12,246,910	$ 12,168,659	$ (78,251)
Miscellaneous	-	-	776	776
Total operating revenues	12,246,910	12,246,910	12,169,435	(77,475)
OPERATING EXPENSES:				
Salaries, wages and benefits	3,352,141	3,352,141	3,309,184	(42,957)
Contractual services, materials and supplies	7,617,978	7,650,049	7,385,999	(264,050)
Capital outlay	1,725,000	1,725,000	1,616,673	(108,327)
Depreciation and amortization			-	-
Contingencies	2,500,000	2,467,929	-	(2,467,929)
Total operating expenses	15,195,119	15,195,119	12,311,856	(2,883,263)
Operating income (loss)	(2,948,209)	(2,948,209)	(142,421)	2,805,788
NONOPERATING REVENUES (EXPENSES):				
Investment income	93,000	93,000	36,220	(56,780)
Gain (loss) on sale of capital assets			-	-
Interest expense			-	-
Debt principal payments	(5,310)	(5,310)	-	5,310
Total nonoperating revenues (expenses)	87,690	87,690	36,220	(51,470)
Income (loss) before contributions and transfers	(2,860,519)	(2,860,519)	(106,201)	2,754,318
Capital contributions			-	-
Transfers in	290,000	290,000	293,258	3,258
Transfers (out)	(295,674)	(295,674)	(290,000)	5,674
Excess (deficit) revenues over expenses - budgetary basis	$ (2,866,193)	$ (2,866,193)	$ (102,943)	$ 2,763,250

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(157,539)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(1,067,752)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	1,067,752
The City budgets compensated absences on the cash basis, rather than the accrual basis.	14,579
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(206,622)
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	1,616,673
Debt principal payments are an expense for budgetary purposes, but are a reduction of long-term obligations and therefore not an expense for GAAP purposes.	-
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(1,017,792)
The gain on sale of capital assets is not a budgeted revenue/expense, but is a revenue/expense for GAAP purposes.	68,054
Certain transfers in/(out)out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	(23,842)
Change in net position per the statement of revenues, expenses and changes in fund net position	$ 190,568

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
STADIUM FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	Final Budget Over (Under)
OPERATING REVENUES:				
Charges for services	$ 1,354,239	$ 1,354,239	$ 1,323,166	$ (31,073)
Rents	1,317,000	1,317,000	1,434,296	117,296
Miscellaneous	-	-	(1,250)	(1,250)
Total operating revenues	2,671,239	2,671,239	2,756,212	84,973
OPERATING EXPENSES:				
Salaries, wages and benefits	1,590,739	1,590,739	1,564,277	(26,462)
Contractual services, materials and supplies	2,939,735	3,114,017	2,648,159	(465,858)
Capital outlay	1,300,000	1,881,311	1,879,940	(1,371)
Depreciation and amortization			-	-
Contingencies	500,000	459,997	-	(459,997)
Total operating expenses	6,330,474	7,046,064	6,092,376	(953,688)
Operating loss	(3,659,235)	(4,374,825)	(3,336,164)	1,038,661
NONOPERATING REVENUES (EXPENSES):				
Investment income	9,575	9,572	2,360	(7,212)
Proceeds from refunding of bonds			-	-
Gain (loss) on sale of capital assets			-	-
Interest expense	(4,339)	(10,005)	(81)	9,924
Debt principal payments	(55,437)	(167,942)	-	167,942
Total nonoperating revenues (expenses)	(50,201)	(168,375)	2,279	170,654
Income (loss) before transfers	(3,709,436)	(4,543,200)	(3,333,885)	1,209,315
Transfers in	2,027,329	2,027,329	1,921,563	(105,766)
Transfers (out)	(107,205)	(107,205)	-	107,205
Excess (deficit) revenues over expenses - budgetary basis	$ (1,789,312)	$ (2,623,076)	$ (1,412,322)	$ (1,210,754)

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(8,089)
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(30,548)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	30,548
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(9,490)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(373,707)
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(710,500)
Change in net position per the statement of revenues, expenses and changes in fund net position	$ 5,163,129

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
STORM DRAIN UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	**Final**	**(budgetary basis)**	**(Under)**
OPERATING REVENUES:				
Charges for services	$ 816,600	$ 816,600	$ 820,591	$ 3,991
Miscellaneous	-	-	-	-
Total operating revenues	816,600	816,600	820,591	3,991
OPERATING EXPENSES:				
Salaries, wages and benefits	316,321	316,321	287,669	(28,652)
Contractual services, materials and supplies	567,358	566,022	518,453	(47,569)
Capital outlay		-	-	-
Depreciation and amortization		-	-	-
Contingencies	50,000	51,336	-	(51,336)
Total operating expenses	933,679	933,679	806,122	(127,557)
Operating income (loss)	(117,079)	(117,079)	14,469	131,548
NONOPERATING REVENUES (EXPENSES):				
Investment income	4,000	4,000	2,202	(1,798)
Gain (loss) on sale of capital assets			-	-
Interest expense			-	-
Debt principal payments			-	-
Total nonoperating revenues (expenses)	4,000	4,000	2,202	(1,798)
Income (loss) before contributions and transfers	(113,079)	(113,079)	16,671	129,750
Capital contributions			-	-
Transfers in			-	-
Transfers (out)			-	-
Excess (deficit) revenues over expenses - budgetary basis	$ (113,079)	$ (113,079)	$ 16,671	$ 129,750

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(3,816)
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(3,176)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	2,642
Change in net position per the statement of revenues, expenses and changes in fund net position	$ 37,175

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
PUBLIC HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
OPERATING REVENUES:				
Charges for services	-	-	-	-
Rent	-	-	107,506	107,506
From federal government	327,871	327,871	67,915	(259,956)
Miscellaneous	-	-	5,034	5,034
Total operating revenues	327,871	327,871	180,455	(147,416)
OPERATING EXPENSES:				
Salaries, wages and benefits	-	-	-	-
Contractual services, materials and supplies	327,871	327,871	(248,212)	(576,083)
Capital outlay	-	-	-	-
Depreciation and amortization	-	-	-	-
Contingencies	-	-	-	-
Total operating expenses	327,871	327,871	(248,212)	(576,083)
Operating income (loss)	-	-	428,667	428,667
NONOPERATING REVENUES (EXPENSES):				
Investment income	100	100	73	(27)
Intergovernmental	-	-	-	-
Total nonoperating revenues (expenses)	100	100	73	(27)
Income (loss) before transfers	100	100	428,740	428,640
Special Items	-	-	(2,101,809)	(2,101,809)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Excess (deficit) revenues over expenses - budgetary basis	$ 100	$ 100	$ (1,673,069)	$ (1,673,169)

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(12,375)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(459,451)
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(62,289)
Change in net position per the statement of revenues, expenses and changes in fund net position	$ (2,207,184)

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

INTERNAL SERVICE FUNDS

Motor Pool Fund

The Motor Pool Fund is responsible for the maintenance and operation of the City's fleet of vehicles and various other equipment.

Self-Insurance Fund

The Self-Insurance Fund is responsible for the administration of the self-insurance programs, including liability and property damage, workers' compensation insurance, and employee health insurance. This fund provides the excess insurance coverage for claims over the self-insurance limits; claims under the limits are charged directly to the Self-Insurance Fund. Detailed Combining Schedules of the three self-insurance programs are provided in the Supplemental Information tab of this document.

Facilities Maintenance Fund

The Facilities Maintenance Fund is responsible for the maintenance and operations of the City's buildings and grounds.

Information Technology Fund

The Information Technology Fund is responsible for the maintenance and operations of the City's computer hardware and software systems.

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

	Motor Pool Fund	Self-Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 2,018,937	$ 3,334,927	$ 42,109	$ 701,209	$ 6,097,182
Investments	8,024,204	13,254,563	167,364	2,786,935	24,233,066
Accounts receivable, net	-	35,200	-	-	35,200
Interest receivable	9,203	13,190	74	3,012	25,479
Prepaid items	4,000	-	-	18,745	22,745
Supplies inventory	193,108	-	-	-	193,108
Total current assets	10,249,452	16,637,880	209,547	3,509,901	30,606,780
Non-current assets:					
Capital assets:					
Buildings and improvements	-	-	-	148,102	148,102
Equipment	1,173,585	-	17,741	32,110,636	33,301,962
Vehicles	23,786,609	-	-	-	23,786,609
Furniture	-	-	-	30,745	30,745
Less accumulated depreciation	(17,619,647)	-	(3,488)	(24,669,453)	(42,292,588)
Construction in progress	379,241	-	-	2,590,826	2,970,067
Total capital assets, net	7,719,788	-	14,253	10,210,856	17,944,897
Total assets	17,969,240	16,637,880	223,800	13,720,757	48,551,677
LIABILITIES					
Current liabilities:					
Accounts payable	179,725	1,096,320	60,748	202,786	1,539,579
Accrued payroll	14,479	1,719	29,020	42,643	87,861
Current portion of claims payable	-	1,660,785	-	-	1,660,785
Current portion of compensated absences	54,850	5,660	175,990	271,450	507,950
Total current liabilities	249,054	2,764,484	265,758	516,879	3,796,175
Non-current liabilities:					
Long-term portion of claims payable	-	2,174,989	-	-	2,174,989
Compensated absences	31,300	1,080	102,200	71,400	205,980
Total long-term liabilities	31,300	2,176,069	102,200	71,400	2,380,969
Total liabilities	280,354	4,940,553	367,958	588,279	6,177,144
NET POSITION					
Net investment in capital assets	7,719,788	-	14,253	10,210,856	17,944,897
Restricted - trust purpose	-	4,791,144	-	-	4,791,144
Unrestricted	9,969,098	6,906,183	(158,411)	2,921,622	19,638,492
Total net position	$ 17,688,886	$ 11,697,327	$ (144,158)	$ 13,132,478	$ 42,374,533

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Motor Pool Fund	Self-Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
OPERATING REVENUES					
Charges for services	$ 6,154,114	$ 17,752,762	$ 5,895,231	$ 7,524,537	$ 37,326,644
Miscellaneous	1,353	195,043	1,040	33,323	230,759
Total operating revenues	6,155,467	17,947,805	5,896,271	7,557,860	37,557,403
OPERATING EXPENSES					
Salaries, wages and employee benefits	857,818	179,861	2,823,449	4,123,517	7,984,645
Contractual services, materials and supplies	4,188,618	1,028,977	2,907,160	4,471,579	12,596,334
Insurance claims and expenses	-	11,298,944	-	-	11,298,944
Depreciation and amortization	2,051,021	-	2,534	1,975,081	4,028,636
Total operating expenses	7,097,457	12,507,782	5,733,143	10,570,177	35,908,559
Operating income (loss)	(941,990)	5,440,023	163,128	(3,012,317)	1,648,844
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment income	22,178	31,916	162	7,275	61,531
Gain (Loss) on sale of capital assets	42,513	-	-	-	42,513
Total non-operating revenues	64,691	31,916	162	7,275	104,044
Income (loss) before transfers	(877,299)	5,471,939	163,290	(3,005,042)	1,752,888
Capital contributions	19,000	-	-	-	19,000
Transfers in	440,736	-	29,000	1,843,201	2,312,937
Transfers out	(26,299)	(49,645)	(39,856)	(12,500)	(128,300)
Change in net position	(443,862)	5,422,294	152,434	(1,174,341)	3,956,525
Total net position - beginning	18,132,748	6,275,033	(296,592)	14,306,819	38,418,008
Total net position - ending	$ 17,688,886	$ 11,697,327	$ (144,158)	$ 13,132,478	$ 42,374,533

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Motor Pool Fund	Self-Insurance Fund	Facilities Maintenance Fund	Information Technology Fund	Total
Increase (decrease) in cash and cash equivalents					
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 6,155,467	$ 17,912,605	$ 5,896,271	$ 7,557,860	$ 37,522,203
Payments to suppliers	(4,265,025)	(955,960)	(2,928,412)	(4,593,317)	(12,742,714)
Payments to employees	(874,443)	(174,150)	(2,810,744)	(4,128,035)	(7,987,372)
Self-insurance costs	-	(13,897,850)	-	-	(13,897,850)
Net cash provided (used) by operating activities	1,015,999	2,884,645	157,115	(1,163,492)	2,894,267
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	440,736	-	29,000	1,843,201	2,312,937
Transfers out	(26,299)	(49,645)	(39,856)	(12,500)	(128,300)
Net cash provided (used) by non-capital financing activities	414,437	(49,645)	(10,856)	1,830,701	2,184,637
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,232,480)	-	-	(1,710,776)	(3,943,256)
Disposal of capital assets	179,065	-	-	-	179,065
Net cash flows used by capital and related financing activities	(2,053,415)	-	-	(1,710,776)	(3,764,191)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(10,043,142)	(16,589,490)	(209,474)	(3,488,145)	(30,330,251)
Proceeds from sale of investments	10,609,176	14,411,791	92,850	4,352,549	29,466,366
Interest received on investments	18,625	25,319	322	5,921	50,187
Net cash provided (used) by investing activities	584,659	(2,152,380)	(116,302)	870,325	(813,698)
Net increase (decrease) in cash and cash equivalents	(38,320)	682,620	29,957	(173,242)	501,015
Cash and cash equivalents at beginning of year	2,057,257	2,652,307	12,152	874,451	5,596,167
Cash and cash equivalents at end of year	$ 2,018,937	$ 3,334,927	$ 42,109	$ 701,209	$ 6,097,182
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	$ (941,990)	$ 5,440,023	$ 163,128	$ (3,012,317)	$ 1,648,844
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,051,021	-	2,534	1,975,081	4,028,636
(Increase) decrease in assets:					
Accounts receivable	-	(35,200)	-	-	(35,200)
Prepaid items	(4,000)	-	-	(18,745)	(22,745)
Supplies inventory	(32,590)	-	-	-	(32,590)
Increase (decrease) in liabilities:					
Accounts payable	(39,817)	73,017	(21,252)	(102,993)	(91,045)
Accrued payroll	3,565	1,039	2,107	2,227	8,938
Other liabilities	(2,980)	(238)	(10,122)	(15,265)	(28,605)
Claims payable	-	(2,598,906)	-	-	(2,598,906)
Compensated absences	(17,210)	4,910	20,720	8,520	16,940
Total adjustments	1,957,989	(2,555,378)	(6,013)	1,848,825	1,245,423
Net cash provided (used) by operating activities	$ 1,015,999	$ 2,884,645	$ 157,115	$ (1,163,492)	$ 2,894,267
Non-cash investing, capital and financing activities:					
Capital assets acquired through contributions from developers	$ 19,000	$ -	$ -	$ -	$ 19,000
Decrease in fair market value of investments	(13,300)	(18,931)	(124)	(4,336)	(36,691)
Total non-cash investing, capital and financing activities	$ 5,700	$ (18,931)	$ (124)	$ (4,336)	$ (17,691)

The accompanying notes are an integral part of the financial statements

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
MOTOR POOL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
OPERATING REVENUES:				
Charges for services	$ 6,612,485	$ 6,612,485	$ 6,180,980	$ (431,505)
Miscellaneous	-	-	1,353	1,353
Total operating revenues	6,612,485	6,612,485	6,182,333	(430,152)
OPERATING EXPENSES:				
Salaries, wages and benefits	942,042	942,042	874,443	(67,599)
Contractual services, materials and supplies	4,146,580	4,146,580	4,288,399	141,819
Capital outlay	2,473,383	2,546,917	1,950,708	(596,209)
Depreciation and amortization	-	-	-	-
Contingencies	1,100,000	1,070,094	-	(1,070,094)
Total operating expenses	8,662,005	8,705,633	7,113,550	(1,592,083)
Operating income (loss)	(2,049,520)	(2,093,148)	(931,217)	1,161,931
NONOPERATING REVENUES (EXPENSES):				
Interest and investment income	32,251	32,251	18,625	(13,626)
Gain (loss) on sale of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	32,251	32,251	18,625	(13,626)
Income (loss) before transfers	(2,017,269)	(2,060,897)	(912,592)	1,148,305
Capital Contributions	-	-	-	-
Transfers in	193,046	193,046	53,484	(139,562)
Transfers (out)	(36,714)	(36,714)	-	36,714
Excess (deficit) revenues over expenses - budgetary basis	$ (1,860,937)	$ (1,904,565)	$ (859,108)	$ 1,045,457

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	3,553
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(26,866)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	26,866
The City budgets compensated absences on the cash basis, rather than the accrual basis.	16,625
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	76,407
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	1,947,216
Donations of capital assets are an other financing source for GAAP purposes, but are not a revenue for budget purposes.	19,000
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(2,051,021)
The gain on sale of capital assets is not a budgeted revenue/expense, but is a revenue/expense for GAAP purposes.	42,513
Certain transfers in/(out)out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	360,953
Change in net position per the statement of revenues, expenses and changes in fund net position	$ (443,862)

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
SELF-INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
OPERATING REVENUES:				
Charges for services	$ 17,677,427	$ 17,677,427	$ 17,717,562	$ 40,135
Miscellaneous	-	-	195,043	195,043
Total operating revenues	17,677,427	17,677,427	17,912,605	235,178
OPERATING EXPENSES:				
Salaries, wages and benefits	163,337	163,337	174,151	10,814
Contractual services, materials and supplies	1,262,671	1,262,671	943,157	(319,514)
Insurance claims and expenses	16,442,792	16,442,792	13,904,383	(2,538,409)
Capital outlay			-	-
Contingencies	3,500,000	3,500,000	-	(3,500,000)
Total operating expenses	21,368,800	21,368,800	15,021,691	(6,347,109)
Operating loss	(3,691,373)	(3,691,373)	2,890,914	6,582,287
NONOPERATING REVENUES (EXPENSES):				
Interest and investment income	68,000	68,000	25,319	(42,681)
Total nonoperating revenues	68,000	68,000	25,319	(42,681)
Income (loss) before transfers	(3,623,373)	(3,623,373)	2,916,233	6,539,606
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Excess (deficit) revenues over expenses - budgetary basis	$ (3,623,373)	$ (3,623,373)	$ 2,916,233	$ 6,539,606

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	41,797
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(5,710)
The City budgets insurance claims on the cash basis, rather than the accrual basis.	2,592,636
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(73,017)
Certain transfers in/(out)out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	(49,645)
Change in net position per the statement of revenues, expenses and changes in fund net position	$ 5,422,294

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
FACILITIES MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
OPERATING REVENUES:				
Charges for services	$ 5,895,231	$ 5,895,231	$ 5,935,087	$ 39,856
Miscellaneous	-	-	1,040	1,040
Total operating revenues	5,895,231	5,895,231	5,936,127	40,896
OPERATING EXPENSES:				
Salaries, wages and benefits	2,853,037	2,853,037	2,810,744	(42,293)
Contractual services, materials and supplies	2,835,349	2,887,749	2,928,412	40,663
Capital outlay	29,000	29,000	39,856	10,856
Depreciation and amortization	-	-	-	-
Total operating expenses	5,717,386	5,769,786	5,779,012	9,226
Operating income (loss)	177,845	125,445	157,115	31,670
NONOPERATING REVENUES (EXPENSES):				
Interest and investment income	2,000	1,978	322	(1,656)
Total nonoperating revenues	2,000	1,978	322	(1,656)
Income (loss) before transfers	179,845	127,423	157,437	30,014
Transfers in	29,000	29,000	29,000	-
Transfers (out)	-	-	-	-
Excess (deficit) revenues over expenses - budgetary basis	$ 208,845	$ 156,423	$ 186,437	$ 30,014

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	(160)
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(12,705)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	21,252
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	39,856
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes	(2,534)
Change in net position per the statement of revenues, expenses and changes in fund net position	$ 152,434

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

CITY OF PEORIA, ARIZONA
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL
INFORMATION TECHNOLOGY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
OPERATING REVENUES:				
Charges for services	$ 7,570,289	$ 7,570,289	$ 7,553,170	$ (17,119)
Miscellaneous	-	-	33,323	33,323
Total operating revenues	7,570,289	7,570,289	7,586,493	16,204
OPERATING EXPENSES:				
Salaries, wages and benefits	4,177,160	4,177,160	4,128,035	(49,125)
Contractual services, materials and supplies	4,436,416	4,437,384	4,232,037	(205,347)
Capital outlay	1,822,460	1,822,460	1,328,966	(493,494)
Depreciation and amortization			-	-
Contingencies	500,000	500,000	-	(500,000)
Total operating expenses	10,936,036	10,937,004	9,689,038	(1,247,966)
Operating loss	(3,365,747)	(3,366,715)	(2,102,545)	1,264,170
NONOPERATING REVENUES (EXPENSES):				
Interest and investment income	7,750	7,750	5,921	(1,829)
Total nonoperating revenues	7,750	7,750	5,921	(1,829)
Income before transfers	(3,357,997)	(3,358,965)	(2,096,624)	1,262,341
Transfers in	1,058,977	1,058,977	1,058,977	-
Transfers (out)	-	-	-	-
Excess (deficit) revenues over expenses - budgetary basis	$ (2,299,020)	$ (2,299,988)	$ (1,037,647)	$ 1,262,341

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	1,354
The City budgets compensated absences on the cash basis, rather than the accrual basis.	4,518
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(28,633)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	28,633
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	121,738
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	939,053
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(1,975,081)
Certain transfers in/(out)out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	771,724
Change in net position per the statement of revenues, expenses and changes in fund net position	$ (1,174,341)

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee or agency capacity on behalf of others and therefore are not available to support City programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the City available to support City programs.

Agency Funds

Account for assets the City holds as an agent for individuals, private organizations, other governments or other funds in a temporary custodial capacity.

Terramar Infrastructure Fund

Accounts for the monies collected from developers in one area of the City and held in trust by the City until reimbursed by the City to a developer that made certain infrastructure improvements in that area.

PLAY Peoria NFP Fund

Accounts for monies held on behalf of PLAY Peoria, a separate not-for profit agency for which the City operates as the administrator. PLAY Peoria was formed for the purpose of accepting charitable donations and seeking grants that require a not-for-profit status, for the benefit of recreation programs and participants.

Peoria Citizens Corp Council NFP Fund

Accounts for monies held on behalf of Peoria Citizens Corp Council (PCCC), a separate not-for profit agency for which the City operates as the administrator. PCCC is organized for charitable and educational purposes supporting community activities that engage and train individuals in emergency preparedness and response, crime prevention, and promotion of good public health and safety practices through education, training, guidance, and volunteer service.

Westside Fire Training IGA Fund

Accounts for monies on behalf of the Westside Fire Training, a consortium of west valley fire departments for which the City operates as the administrator. This consortium was formed through an intergovernmental agreement to fund joint training opportunities for the member fire departments.

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2013

	Terramar Infrastructure Fund	PLAY Peoria NFP Fund	Peoria Citizens Corp Council NFP Fund	Westside Fire Training IGA Fund	Total
ASSETS					
Cash and cash equivalents	$ 77,390	$ 4,624	$ 414	$ 6,505	$ 88,933
Investments (pooled), at fair value	307,580	18,380	1,645	25,855	353,460
Total assets	384,970	23,004	2,059	32,360	442,393
LIABILITIES					
Accounts payable	-	1,200	-	-	1,200
Other liabilities	384,970	21,804	2,059	32,360	441,193
Total liabilities	384,970	23,004	2,059	32,360	442,393

CITY OF PEORIA, ARIZONA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Terramar Infrastructure Fund				
Assets:				
Cash and cash equivalents	$ 74,382	$ 925,751	$ 922,743	$ 77,390
Investments	310,588	922,742	925,750	307,580
Total Assets	384,970	1,848,493	1,848,493	384,970
Liabilities:				
Other liabilities	384,970	-	-	384,970
PLAY Peoria NFP Fund				
Assets:				
Cash and cash equivalents	6,101	80,920	82,397	4,624
Investments	25,476	55,140	62,236	18,380
Total Assets	31,577	136,060	144,633	23,004
Liabilities:				
Accounts payable	397	5,926	5,123	1,200
Other liabilities	31,180	-	9,376	21,804
Total Liabilities	31,577	5,926	14,499	23,004
Peoria Citizens Corp Council NFP Fund				
Assets:				
Cash and cash equivalents	398	4,952	4,936	414
Investments	1,661	4,936	4,952	1,645
Total Assets	2,059	9,888	9,888	2,059
Liabilities:				
Accounts payable	-	-	-	-
Other liabilities	2,059	-	-	2,059
Total Liabilities	2,059	-	-	2,059
Westside Fire Training IGA Fund				
Assets:				
Cash and cash equivalents	5,350	81,288	80,133	6,505
Investments	22,340	77,563	74,048	25,855
Total Assets	27,690	158,851	154,181	32,360
Liabilities:				
Accounts payable	27	2,543	2,570	-
Other liabilities	27,663	4,697		32,360
Total Liabilities	27,690	7,240	2,570	32,360
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	86,231	1,092,911	1,090,209	88,933
Investments	360,065	1,060,381	1,066,986	353,460
Total Assets	446,296	2,153,292	2,157,195	442,393
Liabilities:				
Accounts payable	424	8,469	7,693	1,200
Other liabilities	445,872	4,697		441,193
Total Liabilities	446,296	13,166	7,693	442,393

Supplemental Information Slip Sheet

OTHER SUPPLEMENTARY INFORMATION

This section contains schedules which the City deems necessary to provide detailed schedules of the self-insurance programs and the Federal Financial Data Schedule for Housing to enable the user of the financial statements to fully understand the financial position and results of operation of the City.

Description of Schedules

CITY OF PEORIA, ARIZONA
COMBINING DETAILED SCHEDULE OF NET POSITION
SELF-INSURANCE FUND
JUNE 30, 2013

	Risk Management Fund	Employee Trust: Workers' Compensation Fund	Employee Trust: Health Insurance Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,809,669	$ 532,490	$ 992,768	$ 3,334,927
Investments	7,192,475	2,116,363	3,945,725	13,254,563
Accounts receivable, net	-	-	35,200	35,200
Interest receivable	7,505	2,130	3,555	13,190
Total current assets	9,009,649	2,650,983	4,977,248	16,637,880
Total assets	9,009,649	2,650,983	4,977,248	16,637,880
LIABILITIES				
Current liabilities:				
Accounts payable	196,434	27,228	872,658	1,096,320
Accrued payroll	1,719	-	-	1,719
Current portion of claims payable	843,885	258,131	558,769	1,660,785
Current portion of compensated absences	5,660	-	-	5,660
Total current liabilities	1,047,698	285,359	1,431,427	2,764,484
Non-current liabilities:				
Compensated absences	1,080	-	-	1,080
Long-term portion of claims payable	1,054,688	1,120,301	-	2,174,989
Total long-term liabilities	1,055,768	1,120,301	-	2,176,069
Total liabilities	2,103,466	1,405,660	1,431,427	4,940,553
NET POSITION				
Restricted - trust purpose	-	1,245,323	3,545,821	4,791,144
Unrestricted	6,906,183	-	-	6,906,183
Total net position	$ 6,906,183	$ 1,245,323	$ 3,545,821	$ 11,697,327

CITY OF PEORIA, ARIZONA
COMBINING DETAILED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
SELF-INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2013

		Employee Trust		
	Risk Management Fund	Workers' Compensation Fund	Health Insurance Fund	Total
OPERATING REVENUES				
Charges for services	$ 2,467,922	$ 1,100,005	$ 14,184,835	$ 17,752,762
Miscellaneous	122,510	23,974	48,559	195,043
Total operating revenues	2,590,432	1,123,979	14,233,394	17,947,805
OPERATING EXPENSES				
Salaries, wages and employee benefits	135,902	43,959	-	179,861
Contractual services, materials and supplies	48,237	334,204	646,536	1,028,977
Insurance claims and expenses	912,248	(481,707)	10,868,403	11,298,944
Total operating expenses	1,096,387	(103,544)	11,514,939	12,507,782
Operating income	1,494,045	1,227,523	2,718,455	5,440,023
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment income	18,063	5,205	8,648	31,916
Total non-operating revenues	18,063	5,205	8,648	31,916
Income before transfers	1,512,108	1,232,728	2,727,103	5,471,939
Transfers out	(49,645)	-	-	(49,645)
Change in net position	1,462,463	1,232,728	2,727,103	5,422,294
Total net position - beginning	5,443,720	12,595	818,718	6,275,033
Total net position - ending	$ 6,906,183	$ 1,245,323	$ 3,545,821	$ 11,697,327

Supplementary Information - Federal Financial Data Schedule

The following is the schedule of Federal Financial Data as required by the United States Department of Housing and Urban Development under the Uniform Financial Reporting Standards Rule implementing requirements of 24 CFR, Part 5, Subpart H.

Line #	BALANCE SHEET	Public Housing 14.850A & 14.872	TOTAL PROJECTS
	ASSETS:		
	Current Assets:		
111	Cash-unrestricted	468,216	468,216
114	Cash-tenant security deposits	-	-
100	**Total Cash**	**468,216**	**468,216**
122-020	Accounts receivable - HUD other projects - Capital fund	-	-
122-030	Accounts receivable - HUD other projects - Other		-
122	**Accounts Receivable - HUD Other Projects**	**-**	**-**
125	Accounts receivable - miscellaneous	-	-
126	Accounts receivable - tenants	-	-
126.1	Allowance for doubtful accounts - tenants	-	-
126.2	Allowance for doubtful accounts - other	-	-
120	**Total Receivables, Net of Allowance for Doubtful Accounts**	**-**	**-**
142	Prepaid expenses and other assets	-	-
143	Inventories	-	-
143.1	Allowance for obsolete inventories	-	-
150	**Total Current Assets**	**468,216**	**468,216**
	Non-current Assets:		
161	Land	-	-
162	Buildings	-	-
164	Furniture, equipment and machinery - administration	-	-
166	Accumulated depreciation	-	-
160	**Total Capital Assets, Net of Accumulated Depreciation**	**-**	**-**
180	**Total Non-current Assets**	**-**	**-**
190	**Total Assets**	**468,216**	**468,216**
	LIABILITIES AND EQUITY:		
	LIABILITIES:		
	Current Liabilities:		
311	Bank Overdraft	-	-
312	Accounts payable <= 90 days	-	-
321	Accrued wage/payroll taxes payable	-	-
322	Accrued compensated absences - current portion	-	-
332	Accounts payable - HUD PHA Projects	-	-
333	Accounts payable - other government	-	-
341	Tenant security deposits	-	-
345	Other current liabilities	468,216	468,216
310	**Total Current Liabilities**	**468,216**	**468,216**
	Non-current Liabilities:		
354	Accrued compensated absences - non-current	-	-
350	**Total Non-current Liabilities**	**-**	**-**
300	**Total Liabilities**	**468,216**	**468,216**
	EQUITY:		
508.1	Invested in capital assets, net of related debt	-	-
511.1	Restricted net assets	-	-
512.1	Unrestricted net assets	-	-
513	**Total Equity/Net Assets**	**-**	**-**
600	**Total Liabilities and Equity/Net Assets**	**468,216**	**468,216**

(continued)

	INCOME STATEMENT	Public Housing Capital 14.872	Public Housing Operating 14.850A	TOTAL PROJECTS
	REVENUE:			
70300	Net tenant rental revenue	-	95,131	95,131
70400	Tenant revenue - other	-	5,035	5,035
70500	**Total Tenant Revenue**	**-**	**100,166**	**100,166**
70600-010	Housing assistance payments	-	-	-
70600-020	Ongoing administrative fees earned	-	-	-
70600	HUD PHA operating grants	66,222	67,915	134,137
71100-020	Administrative fee	-	-	-
71100	Investment income - unrestricted	-	73	73
71400	Fraud recovery	-	-	-
71500	Other revenue	-	-	-
7000	**Total Revenue**	**66,222**	**168,154**	**234,376**
	EXPENSES:			
91100	Administrative salaries	3,503	20,911	24,414
91200	Auditing fees	-	1,177	1,177
91300	Management fee	-	27,373	27,373
91310	Bookkeeping fee	-	3,851	3,851
91500	Employee benefit contributions - administrative	-	8,949	8,949
91600	Office expenses	-	23,765	23,765
91800	Travel	-	-	-
91900	Other	-	-	-
91000	**Total Operating - Administrative**	**3,503**	**86,026**	**89,529**
93100	Water	-	9,504	9,504
93200	Electricity	-	4,976	4,976
93300	Gas	-	3,055	3,055
93600	Sewer	-	2,371	2,371
93000	**Total Utilities**	**-**	**19,906**	**19,906**
94100	Ordinary maintenance and operations - labor	1,500	28,677	30,177
94200	Ordinary maintenance and operations - materials and other	15,524	25,913	41,437
94300-010	Ordinary maintenance and operations - garbage & trash removal contracts	-	4,380	4,380
94300-020	Ordinary maintenance and operations - heating & cooling contracts	-	-	-
94300-050	Ordinary maintenance and operations - landscape & grounds contracts	1,750	3,822	5,572
94300-060	Ordinary maintenance and operations - unit turnaround contracts	34,937	-	34,937
94300-070	Ordinary maintenance and operations - electrical contracts	-	-	-
94300-080	Ordinary maintenance and operations - plumbing contracts	-	170	170
94300-090	Ordinary maintenance and operations - extermination contracts	-	4,115	4,115
94300-100	Ordinary maintenance and operations - janitorial contracts	-	-	-
94300-110	Ordinary maintenance and operations - routine maintenance contracts	599	-	599
94300-120	Ordinary maintenance and operations - misc contracts	6,409	2,665	9,074
94300	**Total Ordinary Maintenance and Operations Contracts**	**43,695**	**15,152**	**58,847**
94500	Employee benefit contribution - ordinary maintenance	-	9,812	9,812
94000	**Total Maintenance**	**60,719**	**79,554**	**140,273**
95200	Protective services - other contract costs	-	829	829
95000	**Total Protective Services**	**-**	**829**	**829**
96130	Workmen's Compensation	-	1,051	1,051
96140	All other insurance	-	12,649	12,649
96100	**Total Insurance Premiums**	**-**	**13,700**	**13,700**
96200	Other general expenses	2,000	-	2,000
96210	Compensated absences	-	3,931	3,931
96300	Payments in lieu of taxes	-	-	-
96400	Bad debt - tenant rents	-	7,295	7,295
96600	Bad debt - other	-	-	-
96000	**Total Other General Expenses**	**2,000**	**11,226**	**13,226**
96900	**Total Operating Expenses**	**66,222**	**211,241**	**277,463**
97000	**Excess Revenue Over Operating Expenses**	**-**	**(43,087)**	**(43,087)**
97300-050	All other	-	-	-
97300	**Housing Assistance Payments**	-	-	-
97400	Depreciation expense	-	62,289	62,289
90000	**Total Expenses**	**66,222**	**273,530**	**339,752**
10080	Special Items		(2,101,807)	(2,101,807)
10100	**Total Other Financing Sources (Uses)**	**-**	**(2,101,807)**	**(2,101,807)**
1000	**Excess (Deficiency) of Revenue Over (Under) Expenses**	**-**	**(2,207,183)**	**(2,207,183)**

(continued)

CITY OF PEORIA, ARIZONA
SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	INCOME STATEMENT (continued)	Public Housing Capital 14.872	Public Housing Operating 14.850A	TOTAL PROJECTS
	OTHER INFORMATION:			
11030	Beginning equity	-	2,207,184	2,207,184
11170-001	Administrative Fee Equity - Beginning Balance	-	-	-
11170-010	Administrative Fee Revenue	-	-	-
11170-040	Investment Income	-	-	-
11170-045	Fraud Recovery Revenue	-	-	-
11170-050	Other Revenue	-	-	-
11170-060	Total Admin Fee Revenues	-	-	-
11170-080	Total Operating Expenses	-	-	-
11170-100	Other Expenses	-	-	-
11170-110	Total Expenses	-	-	-
11170-002	Net Administrative Fee	-	-	-
11170-003	**Administrative Fee Equity - Ending Balance**	**-**	**-**	**-**
11180-001	Housing Assistance Payments Equity - Beginning Balance	-	-	-
11180-010	Housing Assistance Payment Revenues	-	-	-
11180-015	Fraud Recovery Revenue	-	-	-
11180-020	Other Revenue	-	-	-
11180-030	Total HAP Revenues	-	-	-
11180-080	Housing Assistance Payments	-	-	-
11180-100	Total Housing Assistance Payments Expenses	-	-	-
11180-002	Net Housing Assistance Payments	-	-	-
11180-003	Housing Assistance Payments Equity - Ending Balance	-	-	-
11180	**Housing Assistance Payments Equity**	**-**	**-**	**-**
11190-210	Total ACC HCV Units	-	-	-
11190	**Unit Months Available**	**-**	**813**	**813**
11210	**Unit Months Leased**	**-**	**797**	**797**
11270	**Excess Cash**	**-**	23,121	**23,121**

Statistical Section
Slip Sheet

Statistical Section

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

Statistical information is different from financial statements in that the statistics usually cover more than one fiscal year and may present non-accounting information. The following tables present financial trends, information about the fiscal capacity of the government, and social and economic information, as necessary for complete disclosure and understanding of the City's financial activity. The information presented in these tables is not required for fair presentation in conformity with accounting principles generally accepted in the United States of America and is therefore not covered by the auditor's opinion.

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Statistical Section

Financial presentations included in the Statistical Section provide data on the financial, physical and economic characteristics of the City. These tables cover multiple fiscal years and provide users with a broader and more complete understanding of the City and its financial affairs.

CITY OF PEORIA, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table I

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Governmental Activities										
Net investment in capital assets	$ 396,789,364	$ 412,711,011	$ 523,429,904	$ 591,763,494	$ 602,715,532	$ 690,708,494	$ 782,205,232	$ 803,835,704	$ 816,149,271	$ 829,001,871
Restricted	22,011,167	35,660,531	41,483,246	40,822,727	65,528,725	54,945,644	37,649,086	118,382,244	118,105,425	131,550,563
Unrestricted	108,663,727	118,007,870	131,307,050	173,833,813	220,374,709	207,958,657	192,278,995	109,550,684	111,579,103	94,099,643
Total governmental activities net assets	$ 527,464,258	$ 566,379,412	$ 696,220,200	$ 806,420,034	$ 888,618,966	$ 953,612,795	$ 1,012,133,313	$ 1,031,768,632	$ 1,045,833,799	$ 1,054,652,077
Business-type Activities										
Net investment in capital assets	$ 216,306,907	$ 273,024,663	$ 311,724,201	$ 369,615,117	$ 427,331,359	$ 429,764,018	$ 469,854,140	$ 478,230,446	$ 478,738,661	$ 493,788,885
Restricted	73,597,149	83,015,115	79,329,431	32,749,544	32,967,702	33,558,490	19,474,349	22,733,731	24,912,356	21,575,445
Unrestricted	58,112,123	55,874,702	53,032,272	68,959,683	41,967,371	36,507,370	53,422,064	54,791,580	61,033,753	64,833,670
Total business-type activities net assets	$ 348,016,179	$ 411,914,480	$ 444,085,904	$ 471,324,344	$ 502,266,432	$ 499,829,878	$ 542,750,553	$ 555,755,757	$ 564,684,770	$ 580,198,000
Primary Government										
Net investment in capital assets	$ 613,096,271	$ 685,735,674	$ 835,154,105	$ 961,378,611	$ 1,030,046,891	$ 1,120,472,512	$ 1,252,059,372	$ 1,282,066,150	$ 1,294,887,932	$ 1,322,790,756
Restricted	95,608,316	118,675,646	120,812,677	73,572,271	98,496,427	88,504,134	57,123,435	141,115,975	143,017,781	153,126,008
Unrestricted	166,775,850	173,882,572	184,339,322	242,793,496	262,342,080	244,466,027	245,701,059	164,342,264	172,612,856	158,933,313
Total primary government net assets	$ 875,480,437	$ 978,293,892	$ 1,140,306,104	$ 1,277,744,378	$ 1,390,885,398	$ 1,453,442,673	$ 1,554,883,866	$ 1,587,524,389	$ 1,610,518,569	$ 1,634,850,077

Source: Statement of Net Position
City financial records and reports

CITY OF PEORIA, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table II

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
General Government	$ 16,794,131	$ 18,810,419	$ 21,608,973	$ 24,469,279	$ 17,077,115	$ 23,226,263	$ 24,518,718	$ 27,523,428	$ 20,935,141	$ 19,175,790
Culture & Recreation	13,580,663	15,135,836	16,304,875	17,947,721	21,834,144	23,185,665	21,167,750	21,066,722	23,499,906	22,434,968
Police	19,519,868	21,844,025	25,725,922	28,548,401	34,513,465	37,084,671	35,140,959	35,536,887	35,905,144	35,396,834
Fire	11,025,133	12,731,478	14,184,353	17,401,924	19,914,716	21,618,004	20,977,164	21,243,965	22,313,810	21,360,706
Development Services	4,280,766	4,557,154	4,882,448	5,605,618	6,542,413	6,354,769	6,539,886	6,135,184	5,437,784	8,374,619
Highways & Streets	16,554,235	21,839,566	18,713,722	23,031,544	22,909,823	24,046,432	22,414,044	25,598,067	31,778,203	29,967,207
Public Works	4,460,277	5,187,303	5,791,128	6,288,446	7,782,967	7,688,062	9,642,355	8,441,912	7,416,026	6,989,988
Human Services	1,665,219	1,869,601	2,054,042	2,316,358	2,887,625	2,382,604	2,188,730	1,992,977	1,655,935	2,196,801
Interest on long-term debt	6,884,380	6,017,664	7,223,963	8,065,449	11,168,041	12,610,988	12,571,503	12,616,562	12,595,752	12,739,029
Unallocated Deprecation	582,180	576,719	575,334	575,334	574,942	574,550	574,550	574,550	574,550	574,557
Total governmental activities expenses	$ 95,346,852	$ 108,569,765	$ 117,064,760	$ 134,250,074	$ 145,205,251	$ 158,772,008	$ 155,735,659	$ 160,730,254	$ 162,112,251	$ 159,210,499
Business-type Activities										
Water Utility	$ 21,344,055	$ 23,815,912	$ 25,859,997	$ 27,058,901	$ 28,677,086	$ 32,164,325	$ 29,715,038	$ 29,582,708	$ 30,777,765	$ 29,094,123
Wastewater Utility	11,049,354	12,469,667	12,782,965	14,523,268	17,324,471	31,039,534	30,212,381	19,891,729	21,923,061	20,342,376
Solid Waste Utility	7,798,343	8,462,126	8,688,437	9,458,194	13,250,526	10,624,589	9,985,889	9,773,553	10,859,872	10,503,928
Stadium	4,341,127	4,623,886	5,442,993	5,448,667	6,921,044	5,235,258	5,186,732	5,019,605	5,284,940	5,140,500
Storm Drain Utility	-	-	-	-	-	-	-	-	802,246	806,658
Housing	357,785	344,030	369,052	371,540	382,067	331,785	368,007	367,644	400,405	273,528
Total business-type activities expenses	$ 44,890,664	$ 49,715,621	$ 53,143,444	$ 56,860,570	$ 66,555,194	$ 79,395,491	$ 75,468,047	$ 64,635,239	$ 70,048,289	$ 66,161,113
Total primary government expenses	$ 140,237,516	$ 158,285,386	$ 170,208,204	$ 191,110,644	$ 211,760,445	$ 238,167,499	$ 231,203,706	$ 225,365,493	$ 232,160,540	$ 225,371,612
Program Revenues										
Governmental Activities										
Charges for services	$ 14,305,895	$ 21,078,973	$ 22,666,481	$ 23,226,773	$ 25,523,896	$ 20,130,962	$ 17,489,464	$ 17,722,889	$ 17,331,656	$ 18,745,123
Operating grants and contributions	10,450,539	10,836,600	12,117,734	13,954,308	14,382,484	12,574,749	13,096,036	13,709,669	11,071,988	12,440,760
Capital grants and contributions	27,215,210	37,599,732	103,368,209	59,793,946	41,598,499	51,366,296	55,978,635	34,932,888	30,063,998	21,485,029
Total governmental activities program revenues	$ 51,971,644	$ 69,515,305	$ 138,152,424	$ 96,975,027	$ 81,504,879	$ 84,072,007	$ 86,564,135	$ 66,365,446	$ 58,467,642	$ 52,670,912
Business-type Activities										
Charges for services	$ 47,136,002	$ 47,962,423	$ 53,196,965	$ 61,918,282	$ 61,936,451	$ 59,577,008	$ 62,457,821	$ 60,595,686	$ 66,048,140	$ 67,197,303
Operating grants and contributions	129,308	136,736	137,532	135,174	145,841	158,627	177,710	209,878	140,461	67,915
Capital grants and contributions	34,853,722	48,121,049	14,097,716	18,219,423	22,321,213	12,186,331	50,899,343	5,408,859	8,418,314	7,323,482
Total business-type activities program revenues	$ 82,119,032	$ 96,220,208	$ 67,432,213	$ 80,272,879	$ 84,403,505	$ 71,921,966	$ 113,534,874	$ 66,214,423	$ 74,606,915	$ 74,588,700
Total primary government program revenues	$ 134,090,676	$ 165,735,513	$ 205,584,637	$ 177,247,906	$ 165,908,384	$ 155,993,973	$ 200,099,009	$ 132,579,869	$ 133,074,557	$ 127,259,612
Net (Expense)/Revenue										
Governmental Activities	$ (43,375,208)	$ (39,054,460)	$ 21,087,664	$ (37,275,047)	$ (63,700,372)	$ (74,700,001)	$ (69,171,524)	$ (94,364,808)	$ (103,644,609)	$ (106,539,587)
Business-type Activities	37,228,368	46,504,587	14,288,769	23,412,309	17,848,311	(7,473,525)	38,066,827	1,579,184	4,558,626	8,427,587
Total primary government net expense	$ (6,146,840)	$ 7,450,127	$ 35,376,433	$ (13,862,738)	$ (45,852,061)	$ (82,173,526)	$ (31,104,697)	$ (92,785,624)	$ (99,085,983)	$ (98,112,000)

Continued

CITY OF PEORIA, ARIZONA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table II

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes, levied for general purposes	$ 2,724,739	$ 2,926,017	$ 3,274,982	$ 3,722,092	$ 3,728,615	$ 3,629,629	$ 3,833,445	$ 3,628,286	$ 3,187,679	$ 2,848,691
Property taxes, levied for debt service	9,940,516	11,240,627	12,930,561	14,392,472	22,569,309	28,162,003	26,225,535	22,406,879	19,030,940	16,628,634
Sales and use taxes	40,579,522	45,535,559	61,156,870	68,873,970	68,466,910	59,004,816	56,276,937	58,082,217	60,719,648	65,950,235
Franchise taxes	2,495,803	2,498,995	3,004,895	3,983,701	3,848,746	4,019,182	3,955,416	4,037,897	4,084,163	4,136,004
State shared sales taxes - unrestricted	9,116,684	10,038,874	11,681,284	13,130,116	12,695,890	10,991,095	10,137,682	11,649,489	12,087,651	12,665,191
Urban revenue sharing - unrestricted	9,786,943	10,076,455	11,707,782	15,996,992	19,539,768	20,395,663	17,469,936	13,408,996	13,231,006	14,425,958
Auto in-lieu taxes - unrestricted	4,390,706	4,639,457	5,251,577	5,725,299	5,546,558	5,018,384	4,634,263	4,548,154	4,944,181	5,155,206
Investment Earnings	1,698,168	2,930,923	6,723,061	12,100,831	13,328,215	7,896,100	2,199,984	1,354,607	959,479	599,263
Gain on sale of capital assets	160,917	148,518	81,122	60,785	40,953	115,412	102,409	76,640	50,192	66,465
Elimination of development agreement debt	839,099	-	17,279	23,941	2,358,431	-	-	801,394	-	630,104
Miscellaneous	443,892	2,480,978	5,584,218	7,439,193	3,555,171	3,528,043	5,885,847	5,124,916	3,965,187	4,397,616
Special Item: Close out of Section 8 Housing	-	-	-	-	-	-	-	-	(464,390)	-
Transfers in (out)	(1,404,110)	(14,546,789)	(12,660,507)	2,025,489	(9,779,262)	(3,066,497)	(3,029,412)	(11,119,348)	(3,335,912)	(9,394,454)
Total governmental activities	$ 80,772,879	$ 77,969,614	$ 108,753,124	$ 147,474,881	$ 145,899,304	$ 139,693,830	$ 127,692,042	$ 114,000,127	$ 118,459,824	$ 118,108,913
Business-type Activities										
Investment Earnings	$ 1,349,492	$ 2,846,925	$ 5,222,148	$ 5,851,620	$ 3,314,515	$ 1,970,474	$ 444,698	$ 306,672	$ 284,427	$ 176,176
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Forgiveness of debt	-	-	-	-	-	-	1,379,738	-	-	-
Special Item: Close out of Public Housing	-	-	-	-	-	-	-	-	-	(2,101,809)
Transfers in (out)	1,404,110	14,546,789	12,660,507	(2,025,489)	9,779,262	3,066,497	3,029,412	11,119,348	3,335,912	9,394,454
Total business-type activities	$ 2,753,602	$ 17,393,714	$ 17,882,655	$ 3,826,131	$ 13,093,777	$ 5,036,971	$ 4,853,848	$ 11,426,020	$ 3,620,339	$ 7,468,821
Total primary government	$ 83,526,481	$ 95,363,328	$ 126,635,779	$ 151,301,012	$ 158,993,081	$ 144,730,801	$ 132,545,890	$ 125,426,147	$ 122,080,163	$ 125,577,734
Change in Net Position										
Governmental Activities	$ 37,397,671	$ 38,915,154	$ 129,840,788	$ 110,199,834	$ 82,198,932	$ 64,993,829	$ 58,520,518	$ 19,635,319	$ 14,815,215	$ 11,569,326
Business-type Activities	39,981,970	63,898,301	32,171,424	27,238,440	30,942,088	(2,436,554)	42,920,675	13,005,204	8,178,965	15,896,408
Total primary government	$ 77,379,641	$ 102,813,455	$ 162,012,212	$ 137,438,274	$ 113,141,020	$ 62,557,275	$ 101,441,193	$ 32,640,523	$ 22,994,180	$ 27,465,734

Source: Statement of Activities
City financial records and reports

CITY OF PEORIA, ARIZONA
PROGRAM REVENUES
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table III

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program Revenues										
Governmental Activities										
Charges for services										
General Government	$ 1,576,952	$ 3,122,641	$ 3,346,730	$ 2,747,370	$ 2,293,928	$ 3,635,662	$ 2,955,225	$ 3,111,713	$ 2,839,814	$ 2,712,644
Culture & Recreation	4,278,605	5,117,914	5,793,176	6,927,760	8,111,802	8,035,499	7,133,645	6,642,642	6,810,891	7,055,179
Police	603,702	1,123,337	828,053	1,283,559	790,269	1,326,404	813,032	1,050,490	1,112,621	1,135,692
Fire	730,868	1,557,835	1,844,083	1,737,666	1,717,319	1,748,715	1,457,280	1,580,191	1,693,101	1,664,610
Development Services	4,121,816	5,840,631	5,660,591	4,614,166	3,526,784	1,568,529	1,231,534	1,323,358	1,720,697	2,398,630
Highways & Streets	176,195	205,291	104,654	433,400	345,417	348,351	445,074	516,778	424,505	456,791
Public Works	2,709,759	3,987,875	4,950,541	5,318,686	8,607,833	3,336,840	3,310,544	3,350,178	2,687,325	3,278,257
Human Services	107,998	123,449	138,653	164,166	130,544	130,962	143,130	147,539	42,702	43,320
Operating grants and contributions	10,450,539	10,836,600	12,117,734	13,954,308	14,382,484	12,574,749	13,096,036	13,709,669	11,071,988	12,440,760
Capital grants and contributions	27,215,210	37,599,732	103,368,209	59,793,946	41,598,499	51,366,296	55,978,635	34,932,888	30,063,998	21,485,029
Total governmental activities program revenues	$ 51,971,644	$ 69,515,305	$ 138,152,424	$ 96,975,027	$ 81,504,879	$ 84,072,007	$ 86,564,135	$ 66,365,446	$ 58,467,642	$ 52,670,912
Business-type Activities										
Charges for services										
Water Utility	$ 25,175,285	$ 24,932,796	$ 28,240,253	$ 33,511,407	$ 31,866,685	$ 30,104,254	$ 30,789,786	$ 30,004,279	$ 33,896,048	$ 34,100,166
Wastewater Utility	10,971,239	11,608,902	12,227,879	14,907,360	15,423,188	15,331,781	16,994,511	15,933,154	16,624,110	18,459,924
Solid Waste Utility	7,728,124	8,330,792	9,715,409	10,395,273	11,216,061	11,166,354	11,764,271	11,904,142	11,873,744	11,003,792
Stadium	3,133,022	2,961,792	2,859,794	2,953,365	3,279,780	2,866,609	2,800,976	2,629,765	2,711,665	2,716,778
Storm Drain Utility	-	-	-	-	-	-	-	-	804,487	816,478
Housing	128,332	128,141	153,630	150,877	150,737	108,010	108,277	124,346	138,086	100,165
Operating grants and contributions	129,308	136,736	137,532	135,174	145,841	158,627	177,710	209,878	140,461	67,915
Capital grants and contributions	34,853,722	48,121,049	14,097,716	18,219,423	22,321,213	12,186,331	50,899,343	5,408,859	8,418,314	7,323,482
Total business-type activities program revenues	$ 82,119,032	$ 96,220,208	$ 67,432,213	$ 80,272,879	$ 84,403,505	$ 71,921,966	$ 113,534,874	$ 66,214,423	$ 74,606,915	$ 74,588,700
Total primary government program revenues	$ 134,090,676	$ 165,735,513	$ 205,584,637	$ 177,247,906	$ 165,908,384	$ 155,993,973	$ 200,099,009	$ 132,579,869	$ 133,074,557	$ 127,259,612

Source: Statement of Activities
City financial records and reports

CITY OF PEORIA, ARIZONA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table IV

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011 ***	**2012**	**2013**
General Fund										
Reserved	$ 3,061,807	$ 150,764	$ 948,135	$ 216,652	$ 264,489	$ 275,184	$ 241,678	$ -	$ -	$ -
Unreserved	43,989,346	52,553,522	65,224,766	74,842,586	77,741,727	67,102,145	60,238,418	-	-	-
Nonspendable	-	-	-	-	-	-	-	537,000	1,163,721	259,643
Restricted	-	-	-	-	-	-	-	30,671	70,016	108,517
Committed	-	-	-	-	-	-	-	34,288,769	33,590,254	33,229,466
Assigned	-	-	-	-	-	-	-	3,891,174	3,705,809	3,330,705
Unassigned	-	-	-	-	-	-	-	13,429,595	12,878,675	13,996,657
Total General Fund	$ 47,051,153	$ 52,704,286	$ 66,172,901	$ 75,059,238	$ 78,006,216	$ 67,377,329	$ 60,480,096	$ 52,177,209	$ 51,408,475	$ 50,924,988
General Fund as % of current year revenues (1)										
Reserved	4.4%	0.2%	1.0%	0.2%	0.2%	0.3%	0.3%	-	-	-
Unreserved	62.6%	64.2%	67.6%	70.9%	71.1%	70.3%	69.5%	-	-	-
Unspendable	-	-	-	-	-	-	-	0.6%	1.3%	0.3%
Restricted	-	-	-	-	-	-	-	0.0%	0.1%	0.1%
Committed	-	-	-	-	-	-	-	39.7%	38.3%	35.4%
Assigned	-	-	-	-	-	-	-	4.5%	4.2%	3.6%
Unassigned	-	-	-	-	-	-	-	15.5%	14.7%	14.9%
Total General Fund	67.0%	64.4%	68.6%	71.1%	71.3%	70.6%	69.8%	60.4%	58.6%	54.3%
General Fund as % of current year expenditures (2)										
Reserved	4.7%	0.2%	1.1%	0.2%	0.2%	0.3%	0.2%	-	-	-
Unreserved	67.3%	68.2%	76.4%	72.0%	70.2%	61.1%	57.0%	-	-	-
Unspendable	-	-	-	-	-	-	-	0.5%	1.2%	0.3%
Restricted	-	-	-	-	-	-	-	0.0%	0.1%	0.1%
Committed	-	-	-	-	-	-	-	34.4%	35.2%	32.7%
Assigned	-	-	-	-	-	-	-	3.9%	3.9%	3.3%
Unassigned	-	-	-	-	-	-	-	13.5%	13.5%	13.8%
Total General Fund	72.0%	68.4%	77.5%	72.2%	70.4%	61.4%	57.2%	52.3%	53.9%	50.1%
All Other Governmental Funds										
Reserved	$ 60,276,977	$ 82,831,364	$ 84,931,450	$ 154,966,318	$ 143,600,643	$ 165,129,365	$ 147,974,858	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	21,662,579	25,365,373	41,501,121	49,251,757	62,170,663	57,506,689	55,546,744	-	-	-
Capital projects funds	8,300,215	(4,566,517)	(21,988,077)	18,917,375	23,589,696	29,428,677	22,203,699	-	-	-
Unspendable	-	-	-	-	-	-	-	108,919	95,828	98,819
Restricted	-	-	-	-	-	-	-	169,837,817	168,127,814	188,434,944
Committed	-	-	-	-	-	-	-	11,040,682	10,064,814	10,004,379
Assigned	-	-	-	-	-	-	-	30,055,251	40,566,996	25,988,041
Unassigned	-	-	-	-	-	-	-	-	(84,673)	-
Total All Other Governmental Funds	$ 90,239,771	$ 103,630,220	$ 104,444,494	$ 223,135,450	$ 229,361,002	$ 252,064,731	$ 225,725,301	$ 211,042,669	$ 218,770,779	$ 224,526,183

* The City implemented GASB Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* in 2011. Previous years have not been restated to the new required format.

(1) Revenues are operating revenues. Does not include Other Financing Sources.

(2) Expenditures are operating expenditures. Does not include Other Financing Uses.

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Balance Sheet - Governmental Funds
City financial records and reports

Table V

CITY OF PEORIA, ARIZONA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	$ 55,774,213	$ 62,170,531	$ 80,238,340	$ 90,780,140	$ 98,358,262	$ 93,896,013	$ 90,783,641	$ 88,244,772	$ 87,203,131	$ 89,948,724
Intergovernmental	34,841,183	36,747,293	41,899,532	64,283,444	52,612,549	62,718,223	45,621,921	43,917,343	54,562,371	49,831,144
Charges for services	18,430,649	30,768,591	34,863,016	39,290,401	37,609,937	18,479,664	18,137,718	16,356,566	18,359,757	21,405,623
Licenses and Permits	3,597,522	5,041,680	4,807,840	3,878,132	3,020,436	1,802,759	1,599,957	1,672,072	2,106,545	2,564,075
Fines and Forfeitures	1,086,327	1,823,626	2,112,799	2,203,756	2,666,731	3,733,047	2,755,104	3,068,861	2,757,022	2,257,477
Rents	89,829	174,837	228,492	249,069	358,215	395,834	421,289	403,321	486,932	1,101,082
Investment Earnings	1,467,703	2,652,530	6,050,060	10,942,001	12,125,018	7,174,109	1,992,817	1,238,174	859,146	537,732
Special assessments	2,598,445	2,252,142	2,262,770	1,971,991	1,803,344	2,200,782	2,214,167	2,201,463	2,069,613	1,217,271
Miscellaneous	3,293,560	2,560,291	5,562,231	6,992,363	7,882,947	7,488,740	8,485,570	18,441,696	4,588,218	5,880,511
Total Revenues	$ 121,179,431	$ 144,191,521	$ 178,025,080	$ 220,591,297	$ 216,437,439	$ 197,889,171	$ 172,012,184	$ 175,544,268	$ 172,992,735	$ 174,743,639
Expenditures										
General Government	$ 15,386,608	$ 18,144,444	$ 19,767,909	$ 22,833,440	$ 14,544,047	$ 17,798,947	$ 16,330,159	$ 15,818,173	$ 14,470,822	$ 15,094,866
Culture & Recreation	12,395,888	13,935,373	15,300,068	17,013,511	21,769,313	22,303,852	19,475,634	18,784,735	18,396,187	19,668,598
Police	18,663,675	20,915,014	24,715,113	28,163,474	33,340,756	36,458,108	34,131,465	33,926,463	33,717,021	35,375,166
Fire	10,440,007	12,206,093	13,422,870	16,522,036	19,120,991	20,516,345	19,745,446	19,463,905	20,673,956	21,327,100
Development Services	4,253,710	4,575,963	4,986,442	5,526,599	6,669,979	6,489,199	6,529,594	6,051,667	5,328,403	8,568,013
Highways & Streets	8,825,795	13,930,314	10,333,402	14,679,124	14,632,287	15,469,695	13,070,648	13,891,078	14,754,432	16,355,505
Public Works	3,107,787	3,993,427	4,640,211	5,010,116	6,408,150	6,187,633	7,955,394	6,748,102	4,884,713	4,914,720
Human Services	1,590,605	1,768,107	1,991,939	2,291,469	2,817,716	2,343,847	2,145,702	1,952,861	1,586,315	2,213,374
Other	16,823	3,849	539	45,912	-	-	-	-	-	-
Capital Outlay	52,502,380	33,148,181	34,944,336	76,919,805	74,142,416	77,515,142	60,269,181	29,176,335	26,336,595	39,612,698
Debt Service										
Interest	6,299,626	7,046,576	6,747,072	8,099,492	10,340,704	11,917,582	13,166,242	12,658,032	13,098,263	12,534,039
Principal	9,737,936	15,304,972	16,881,632	16,178,431	31,143,531	25,988,554	44,700,092	34,309,287	25,566,028	20,120,163
Total Expenditures	$ 143,220,840	$ 144,972,313	$ 153,731,533	$ 213,283,409	$ 234,929,890	$ 242,988,904	$ 237,519,557	$ 192,780,638	$ 178,812,735	$ 195,784,242
Excess of Revenues										
over (under) Expenditures	$ (22,041,409)	$ (780,792)	$ 24,293,547	$ 7,307,888	$ (18,492,451)	$ (45,099,733)	$ (65,507,373)	$ (17,236,370)	$ (5,820,000)	$ (21,040,603)
Other Financing Sources (Uses)										
Proceeds from borrowing	$ 164,548	$ 23,809,728	$ 6,722,550	$ 122,090,000	$ 47,000,000	$ 68,440,000	$ 29,170,000	$ 7,920,000	$ 14,715,000	$ 35,510,000
Proceeds from refunding	-	-	-	18,365,000	-	-	-	-	13,690,000	-
Payments to bond refunding escrow agent	-	-	-	(18,365,000)	-	-	-	-	(13,690,000)	-
Premium on bonds issued	-	75,552	20,559	1,502,204	273,310	808,192	495,890	16,960	645,188	1,039,481
Special Item: Close out Section 8 Housing	-	-	-	-	-	-	-	-	(464,390)	-
Transfers In	6,193,157	11,766,397	10,116,361	17,798,434	16,426,715	18,855,279	23,567,886	28,388,910	16,740,587	16,968,105
Transfers Out	(11,266,511)	(15,827,303)	(26,870,128)	(21,121,233)	(36,035,044)	(30,928,896)	(20,963,066)	(42,075,019)	(18,106,961)	(27,205,066)
Total Other Financing Sources (Uses)	$ (4,908,806)	$ 19,824,374	$ (10,010,658)	$ 120,269,405	$ 27,664,981	$ 57,174,575	$ 32,270,710	$ (5,749,149)	$ 13,529,424	$ 26,312,520
Net Change in Fund Balance	$ (26,950,215)	$ 19,043,582	$ 14,282,889	$ 127,577,293	$ 9,172,530	$ 12,074,842	$ (33,236,663)	$ (22,985,519)	$ 7,709,424	$ 5,271,917
Debt Service as a percentage										
of noncapital expenditures	17.68%	19.99%	19.89%	17.80%	25.80%	22.91%	32.65%	28.71%	25.36%	20.91%

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
City financial records and reports

CITY OF PEORIA, ARIZONA
GOVERNMENT-WIDE REVENUES BY FUNCTION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table VI

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
General Government	$ 3,842,493	$ 5,155,229	$ 5,471,741	$ 5,099,910	$ 3,872,997	$ 4,092,800	$ 3,512,654	$ 3,483,196	$ 3,138,886	$ 2,875,640
Culture & Recreation	8,427,932	11,784,749	14,003,877	12,243,385	12,673,351	9,516,656	8,872,476	8,255,882	8,783,964	9,493,032
Police	1,697,650	2,579,817	3,128,006	5,271,968	3,468,250	2,844,901	2,228,397	1,920,702	2,249,525	2,095,076
Fire	1,553,178	3,075,988	3,729,960	4,098,537	3,202,518	2,148,000	1,999,601	2,093,976	2,347,846	2,643,492
Development Services	4,756,969	6,545,647	6,459,264	5,437,544	4,148,578	2,195,564	2,077,759	2,188,283	2,243,301	2,893,783
Highways & Streets	24,079,992	34,210,694	98,404,102	57,310,910	42,357,347	58,042,435	61,824,066	41,466,907	35,542,046	27,266,930
Public Works	5,887,194	4,161,349	4,950,541	5,418,686	8,929,561	3,341,185	4,114,022	5,443,608	2,862,435	3,407,002
Human Services	1,726,236	2,001,832	2,004,933	2,094,087	2,852,277	1,890,466	1,935,160	1,512,892	1,299,639	1,995,957
Unallocated General Revenues	82,176,989	92,516,403	121,413,631	145,449,392	155,678,566	142,760,327	130,721,454	125,119,475	121,795,736	127,503,367
Total Governmental Activities	$ 134,148,633	$ 162,031,708	$ 259,566,055	$ 242,424,419	$ 237,183,445	$ 226,832,334	$ 217,285,589	$ 191,484,921	$ 180,263,378	$ 180,174,279
Business-type Activities:										
Water Utility	$ 45,639,906	$ 49,238,279	$ 36,888,294	$ 44,900,179	44,368,035	37,864,324	57,524,177	33,948,181	38,998,580	38,206,945
Wastewater Utility	24,595,006	34,300,518	16,668,034	21,116,119	24,784,247	19,647,683	41,038,763	17,276,923	19,869,458	21,676,627
Solid Waste Utility	8,493,458	9,454,742	10,732,529	11,017,165	11,674,865	11,276,713	11,884,971	12,025,330	11,944,178	11,003,792
Stadium	3,133,022	2,961,792	2,859,794	2,953,365	3,279,780	2,866,609	2,800,976	2,629,765	2,711,665	2,716,778
Storm Drain Utility	-	-	-	-	-	-	-	-	804,487	816,478
Housing	257,640	264,877	283,562	286,051	296,578	266,637	285,987	334,224	278,547	168,080
Unallocated General Revenues	1,349,492	2,846,925	5,222,148	5,851,620	3,314,515	1,970,474	1,824,436	306,672	284,427	176,176
Total Business-type Activities	$ 83,468,524	$ 99,067,133	$ 72,654,361	$ 86,124,499	$ 87,718,020	$ 73,892,440	$ 115,359,310	$ 66,521,095	$ 74,891,342	$ 74,764,876
Total Primary Government	$ 217,617,157	$ 261,098,841	$ 332,220,416	$ 328,548,918	$ 324,901,465	$ 300,724,774	$ 332,644,899	$ 258,006,016	$ 255,154,720	$ 254,939,155

Note: Unallocated General Revenues do not include transfers between governmental activities and business-type activities.

Source: Statement of Activities.
City financial records and reports

CITY OF PEORIA, ARIZONA **Table VII**

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Transaction Taxes (1)	$ 40,579,522	$ 45,535,559	$ 61,156,870	$ 68,873,970	$ 68,466,910	$ 59,004,816	$ 56,276,937	$ 58,082,217	$ 60,719,648	$ 65,950,235
Franchise Taxes	2,495,803	2,498,995	3,004,895	3,983,701	3,848,746	4,019,182	3,955,416	4,037,897	4,084,163	4,136,004
Property Taxes										
Primary Taxes	2,077,178	2,285,792	2,612,397	2,896,360	2,975,900	2,691,525	3,188,468	2,866,098	2,521,692	2,214,665
Secondary Taxes	9,749,392	10,688,571	12,393,713	13,211,927	19,176,935	24,105,340	23,564,788	20,037,286	16,735,182	14,568,676
Special District* Taxes	619,973	868,197	796,821	1,571,936	3,633,664	3,729,995	3,554,681	2,978,348	2,895,288	2,826,052
In Lieu Taxes	252,345	293,417	273,644	242,246	256,107	345,155	243,351	242,926	247,158	253,093
Total Property Taxes	$ 12,698,888	$ 14,135,977	$ 16,076,575	$ 17,922,469	$ 26,042,606	$ 30,872,015	$ 30,551,288	$ 26,124,658	$ 22,399,320	$ 19,862,485
Total Taxes	$ 55,774,213	$ 62,170,531	$ 80,238,340	$ 90,780,140	$ 98,358,262	$ 93,896,013	$ 90,783,641	$ 88,244,772	$ 87,203,131	$ 89,948,723

(1) See Detail in Table X

Notes: Includes all governmental fund types.

* Special Districts include Street Light Improvement Districts (SLIDs), Maintenance Improvement Districts (MIDs) and Community Facilities Districts (CFDs). SLIDs and MIDs levy primary property taxes. CFDs may levy both primary and secondary property taxes.

Source: City financial records

CITY OF PEORIA, ARIZONA **Table VIII**

INTERGOVERNMENTAL REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
State Shared Sales Tax	$ 9,116,684	$ 10,038,874	$ 11,681,284	$ 13,130,116	$ 12,695,890	$ 10,991,095	$ 10,137,682	$ 11,649,489	$ 12,087,651	$ 12,665,191
County Shared Sales Tax	-	-	-	-	-	12,837,089	-	-	-	-
Urban Revenue Sharing	9,786,943	10,076,455	11,707,782	15,996,992	19,539,768	20,395,663	17,469,936	13,408,996	13,231,006	14,425,958
Auto in-Lieu	4,390,706	4,639,457	5,251,577	5,725,299	5,546,558	5,018,384	4,634,263	4,548,154	4,944,181	5,155,206
HURF Revenues	7,501,918	7,878,977	8,475,784	9,870,460	9,488,625	8,287,891	7,852,103	8,018,271	7,714,173	8,435,926
Local Transportation Aid	650,734	650,056	657,162	658,598	666,237	640,826	375,639	-	-	-
Federal	2,340,738	2,685,415	2,822,321	3,101,796	2,904,788	2,970,534	4,043,930	5,036,285	2,226,322	2,929,700
Other	1,053,460	778,059	1,303,622	15,800,183	1,770,683	1,576,741	1,108,368	1,256,148	14,359,038	6,219,163
Total Intergovernmental Revenue	$ 34,841,183	$ 36,747,293	$ 41,899,532	$ 64,283,444	$ 52,612,549	$ 62,718,223	$ 45,621,921	$ 43,917,343	$ 54,562,371	$ 49,831,144

Notes: Includes all governmental fund types

Includes all governmental revenues, including revenues from federal government

Source: City financial records

CITY OF PEORIA, ARIZONA
DEVELOPMENT/EXPANSION FEES BY TYPE
LAST TEN FISCAL YEARS

Table IX

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Streets	$ 2,740,580	$ 7,029,058	$ 8,460,281	$11,093,775	$ 8,950,451	$3,425,308	$ 3,941,479	$ 2,754,212	$ 4,521,099	$ 5,824,877
Parks/Recreation	2,778,480	5,045,791	5,113,046	4,020,306	3,647,109	883,944	1,162,332	1,040,832	1,425,820	1,844,398
Library	586,200	1,028,504	969,582	691,434	501,209	99,061	109,019	108,307	141,526	176,537
Public Safety	1,461,477	2,730,568	3,275,831	5,649,715	3,515,573	654,919	789,170	480,085	869,324	1,070,881
General Government	1,381,237	2,020,208	2,105,106	2,167,340	1,413,319	326,373	391,226	239,759	184,101	(567)
Total Governmental Activities	$ 8,947,974	$ 17,854,129	$ 19,923,846	$23,622,570	$ 18,027,661	$5,389,605	$ 6,393,226	$ 4,623,195	$ 7,141,870	$ 8,916,126
Business-type Activities:										
Water Expansion	7,025,548	7,671,535	6,972,529	4,973,097	3,297,819	1,073,071	898,045	1,111,092	1,531,494	1,661,806
Water Resource	1,287,101	1,801,486	1,550,288	1,133,833	659,750	321,008	258,463	225,007	372,805	447,053
Wastewater Expansion	3,658,370	4,391,622	4,364,858	2,719,879	1,863,749	447,047	460,210	563,836	916,117	1,096,764
Solid Waste Expansion	765,334	1,123,950	1,009,520	621,892	458,804	110,359	120,700	121,188	70,434	-
Total Business-type Activities	$ 12,736,353	$ 14,988,593	$ 13,897,195	$ 9,448,701	$ 6,280,122	$1,951,485	$ 1,737,418	$ 2,021,123	$ 2,890,850	$ 3,205,623
Total Primary Government	$ 21,684,327	$ 32,842,722	$ 33,821,041	$33,071,271	$ 24,307,783	$7,341,090	$ 8,130,644	$ 6,644,318	$ 10,032,720	$ 12,121,749

Source: City financial records

CITY OF PEORIA, ARIZONA

CITY TRANSACTION PRIVILEGE TAXES BY CATEGORY

LAST TEN FISCAL YEARS

Table X

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Retail Sales	$ 19,946,715	$ 21,861,810	$ 26,832,950	$ 30,963,887	$ 30,721,220	$ 26,694,348	$ 26,857,263	$ 29,247,900	$ 31,483,859	$ 34,115,601
Contracting	6,147,387	7,871,565	14,022,558	13,910,951	11,271,722	7,014,131	4,550,512	3,611,614	3,305,409	4,716,985
Rentals	3,756,875	4,297,474	5,469,550	6,554,938	7,190,660	7,107,109	6,927,724	6,980,633	7,414,803	7,918,121
Utilities	2,445,199	2,576,655	4,949,457	6,005,833	6,584,854	6,836,000	6,906,904	6,917,391	7,232,286	7,343,965
Telecom/Cable TV	815,105	920,471	1,079,620	1,245,892	1,492,871	1,437,589	1,405,352	1,294,565	1,304,092	1,258,991
Restaurant/Bar	4,432,723	5,052,224	5,986,135	6,782,852	7,032,488	7,026,265	7,114,625	7,469,189	7,776,190	8,168,064
Amusement	443,680	549,702	655,728	814,307	838,550	727,023	814,694	856,274	896,320	992,752
Use	599,172	570,265	485,720	783,997	985,505	599,537	374,659	426,017	566,453	474,842
Other	1,992,666	1,835,393	1,675,151	1,811,313	2,349,040	1,562,814	1,325,204	1,278,634	740,236	960,914
Total	$ 40,579,522	$ 45,535,559	$ 61,156,869	$ 68,873,970	$ 68,466,910	$ 59,004,816	$ 56,276,937	$ 58,082,217	$ 60,719,648	$ 65,950,235
% Growth by Year										
Retail Sales	9.1%	9.6%	22.7%	15.4%	-0.8%	-13.1%	0.6%	8.9%	7.6%	8.4%
Contracting	14.4%	28.0%	78.1%	-0.8%	-19.0%	-37.8%	-35.1%	-20.6%	-8.5%	42.7%
Rentals	13.3%	14.4%	27.3%	19.8%	9.7%	-1.2%	-2.5%	0.8%	6.2%	6.8%
Utilities	8.4%	5.4%	92.1%	21.3%	9.6%	3.8%	1.0%	0.2%	4.6%	1.5%
Telecom/Cable TV	13.3%	12.9%	17.3%	15.4%	19.8%	-3.7%	-2.2%	-7.9%	0.7%	-3.5%
Restaurant/Bar	12.4%	14.0%	18.5%	13.3%	3.7%	-0.1%	1.3%	5.0%	4.1%	5.0%
Amusement	18.8%	23.9%	19.3%	24.2%	3.0%	-13.3%	12.1%	5.1%	4.7%	10.8%
Use	-0.5%	-4.8%	-14.8%	61.4%	25.7%	-39.2%	-37.5%	13.7%	33.0%	-16.2%
Other	87.2%	-7.9%	-8.7%	8.1%	29.7%	-33.5%	-15.2%	-3.5%	-42.1%	29.8%
Total	12.9%	12.2%	34.3%	12.6%	-0.6%	-13.8%	-4.6%	3.2%	4.5%	8.6%

Note: Includes all governmental fund types

Source: City financial records and reports

Table XI

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

	Year Taxes Are Payable									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Direct Rates:										
Retail Sales	1.50%	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Contracting	1.50%	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Rental	1.50%	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Hotel/Transient Lodging	5.00%	5.00%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Utilities	3.00%	3.00%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Telecom/Cable TV	1.50%	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Restaurant/Bar	2.50%	2.50%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Amusement	2.50%	2.50%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
Others	1.50%	1.50%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
County Rate										
Hotel/Transient Lodging	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%
All Others	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
State Rate										
Hotel/Transient Lodging	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	6.50%	6.50%	6.50%	5.50%
All Others	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	6.60%	6.60%	6.60%	5.60%

Source: Model City Tax Code, ADOR 91-5312

Table XII

CITY OF PEORIA, ARIZONA
SALES TAX PAYERS - BY CATEGORY
CURRENT YEAR AND EIGHT YEARS AGO

	2013				2005			
Category	# of Payers	Percentage of Total Payers	Sales Tax Paid	Percentage of Total City Sales Tax Revenue	# of Payers	Percentage of Total Payers	Sales Tax Paid	Percentage of Total City Sales Tax Revenue
Retail Sales	2,370	16.07%	$ 34,115,601	51.7%	2,365	23.4%	$ 21,861,810	48.0%
Contracting	3,948	26.77%	4,716,985	7.2%	3,216	31.8%	7,871,565	17.3%
Restaurant/Bar	348	2.36%	8,168,064	12.4%	235	2.3%	5,052,224	11.1%
Rental	6,447	43.71%	7,918,121	12.0%	2,867	28.3%	4,297,474	9.4%
Utilities	16	0.11%	7,343,965	11.1%	9	0.1%	2,576,655	5.7%
Telecom/Cable TV	135	0.92%	1,258,991	1.9%	126	1.2%	920,471	2.0%
Use	1,342	9.10%	474,842	0.7%	857	8.5%	570,265	1.3%
Amusement	59	0.40%	992,752	1.5%	45	0.4%	549,702	1.2%
Others	84	0.57%	960,914	1.5%	402	4.0%	1,835,393	4.0%
Total	14,749	100.00%	$ 65,950,235	100.00%	10,122	100.00%	$ 45,535,559	100.00%

Note: Information is unavailable prior to FY05 due to change in tax software.

Source: City Sales Tax system
City financial records

CITY OF PEORIA, ARIZONA **Table XIII**
SECONDARY ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Residential (Owner occupied)	$ 464,911,130	$ 497,294,057	$ 582,512,691	$ 626,591,494	$ 1,041,693,334	$ 1,219,595,280	$ 1,048,710,389	$ 818,535,888	$ 687,456,278	$ 620,970,965
Residential (Renter occupied)	42,487,659	51,436,849	64,003,067	75,761,506	116,115,688	146,413,989	155,720,660	147,284,152	122,978,913	119,387,647
Commercial, Industrial, Mines & Utilities	190,086,111	218,209,727	242,554,778	293,807,014	334,323,557	419,192,584	495,336,050	495,318,990	378,992,788	341,042,160
Agriculture & Vacant	51,802,238	58,949,534	73,674,495	117,630,028	148,077,787	207,476,727	193,685,182	147,216,152	85,330,391	54,523,204
Railroad	951,301	1,712,708	1,724,400	1,830,109	1,918,660	1,837,324	1,647,040	1,563,689	1,429,130	1,399,678
Historic & Environmental	190,782	30,780	-	-	58,450	76,020	64,530	53,641	140,493	103,122
Public Property Improvements	-	-	-	-	-	-	-	-	7,869	7,964
Net Assessed Value	$ 750,429,221	$ 827,633,655	$ 964,469,431	$ 1,115,620,151	$ 1,642,187,476	$ 1,994,591,924	$ 1,895,163,851	$ 1,609,972,512	$ 1,276,335,862	$ 1,137,434,740
% Growth	13.2%	10.3%	16.5%	15.7%	47.2%	21.5%	-5.0%	-15.0%	-20.7%	-10.9%
Net Assessed Value Per Capita	$ 5,651	$ 6,039	$ 6,646	$ 7,264	$ 10,557	$ 12,524	$ 12,301	$ 10,377	$ 8,141	$ 7,087
Population	132,805	137,045	145,125	153,592	155,560	159,263	154,065	155,148	156,780	160,504
Total Direct Secondary Tax Rate	1.30	1.30	1.30	1.20	1.25	1.25	1.25	1.25	1.25	1.25
Full Cash Value	6,743,773,145	7,525,637,782	8,736,985,007	9,999,273,539	15,118,988,316	18,279,838,277	17,162,776,025	14,588,623,722	11,862,384,776	10,635,350,631
% Growth	14.9%	11.6%	16.1%	14.4%	51.2%	20.9%	-6.1%	-15.0%	-18.7%	-10.3%
Full Cash Value Per Capita	$ 50,780	$ 54,914	$ 60,203	$ 65,103	$ 97,191	$ 114,778	$ 111,400	$ 94,030	$ 75,663	$ 66,262
Net Assessed Value as a Percentage of Full Cash Value	11.1%	11.0%	11.0%	11.2%	10.9%	10.9%	11.0%	11.0%	10.8%	10.7%

Note: In 1968, a statewide re-appraisal program was completed in which property's value was assessed by usage classification on varying percentages of actual cash value. These percentages for the last ten years are as follows:

Property Classifications (a)

Fiscal Year	**Commercial and Industrial (b)**	**Residential**	**Agriculture and Vacant Land**
2004	25.0%	10%	16%
2005	25.0%	10%	16%
2006	24.5%	10%	16%
2007	24.0%	10%	16%
2008	23.0%	10%	16%
2009	22.0%	10%	16%
2010	21.0%	10%	16%
2011	21.0%	10%	16%
2012	20.0%	10%	16%
2013	20.0%	10%	16%

(a) Several additional classes of property exist, but seldom amount to a significant portion of an entity's total valuation.
(b) Beginning in 1995, an annually adjusted exemption exists for commercial, industrial and agricultural property. Any portion of the full cash value in excess of that exemption is assessed at 25% or 16% as applicable.

Source: Arizona Department of Revenue - Property Tax Division abstract of the assessment roll
City financial records

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per $100 assessed value)

Table XIV

	Fiscal Year 2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Direct City										
Primary	$ 0.29	$ 0.29	$ 0.29	$ 0.28	$ 0.24	$ 0.19	$ 0.19	$ 0.19	$ 0.19	$ 0.19
Secondary	1.30	1.30	1.30	1.20	1.25	1.25	1.25	1.25	1.25	1.25
Total	1.59	1.59	1.59	1.48	1.49	1.44	1.44	1.44	1.44	1.44
School District (1)										
Primary	4.56	4.46	4.13	4.29	3.82	3.77	2.99	3.24	3.71	4.01
Secondary	4.04	3.90	3.80	3.31	2.72	1.90	2.46	2.09	1.68	3.02
County (2)										
Primary	2.59	2.59	2.59	2.06	1.92	1.78	2.05	2.20	2.68	2.87
Secondary	0.51	0.51	0.51	0.68	0.59	0.59	0.59	0.64	0.54	0.78
State										
Primary	-	-	-	-	-	-	-	-	-	-
Secondary	-	-	-	-	-	-	-	-	-	-
Total										
Primary	7.44	7.34	4.42	6.63	5.98	5.74	5.23	5.63	6.58	7.07
Secondary	5.85	5.71	6.56	5.19	4.56	3.74	4.30	3.98	3.47	5.05
Total	13.29	13.05	10.98	11.82	10.54	9.48	9.53	9.61	10.05	12.12

(1) The school district tax levies are for the Peoria Unified School District, which serves the majority of the City of Peoria.
Other areas of the City are served by the Deer Valley Unified School District, whose most recent rates are as follows:

	Deer Valley
Primary	$ 3.91
Secondary	2.85

(2) These tax rates include the rates for Maricopa County, Education Equalization, Maricopa Community College District, West Maricopa Education Center, Maricopa County Flood Control District, Fire District Assistance, County Free Library, Central Arizona Water Conservation District, and Special Health Care.
The various rates for the most recent year are as follows:

	Primary	Secondary
Maricopa County	$ 1.24	$ -
Education Equalization	0.47	-
Community College District	1.16	0.22
West Maricopa Education Center	-	0.05
County Flood Control District	-	0.18
Fire District Assistance	-	0.01
County Free Library	-	0.05
Central AZ Water Conservation	-	0.10
Special Health Care	-	0.17
	$ 2.87	$ 0.78

Note: All rates rounded to two decimal places from the four shown by the County
Source: Maricopa County Assessor - Tax Rates and Levies publication

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS

Table XV

	Tax Levies Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Total Direct City										
Primary	$ 2,077,622	$ 2,295,435	$ 2,640,883	$ 3,012,725	$ 3,002,150	$ 2,849,397	$ 3,202,665	$ 2,901,540	$ 2,411,739	$ 2,154,484
Secondary	9,755,580	10,759,238	12,538,103	13,387,442	20,527,343	24,932,399	23,689,548	20,124,656	15,954,198	14,217,934
Total	11,833,202	13,054,673	15,178,986	16,400,167	23,529,493	27,781,796	26,892,213	23,026,196	18,365,937	16,372,418
School District (1)										
Primary	45,718,267	48,345,544	50,475,795	58,945,121	61,400,326	71,071,459	63,259,063	63,956,114	60,801,278	58,370,644
Secondary	42,454,023	44,291,944	49,294,120	48,531,032	56,465,081	47,095,296	58,903,282	43,487,879	27,635,770	44,104,877
County (2)										
Primary	726,446,055	726,446,055	398,725,245	696,740,167	751,042,721	811,397,481	1,016,398,826	1,030,448,332	1,031,164,830	982,926,843
Secondary	145,100,016	145,100,016	167,896,576	240,972,424	272,271,935	312,172,569	312,960,824	295,233,122	264,170,408	249,995,761
State										
Primary	-	-	-	-	-	-	-	-	-	-
Secondary	-	-	-	-	-	-	-	-	-	-
Total										
Primary	774,241,944	777,087,034	451,841,923	758,698,013	815,445,197	885,318,337	1,082,860,554	1,097,305,986	1,094,377,847	1,043,451,971
Secondary	197,309,619	200,151,198	229,728,799	302,890,898	349,264,359	384,200,264	395,553,654	358,845,657	307,760,376	308,318,572
Total	971,551,563	977,238,232	681,570,722	1,061,588,911	1,164,709,556	1,269,518,601	1,478,414,208	1,456,151,643	1,402,138,223	1,351,770,543

(1) The school district tax levies are for the Peoria Unified School District, which serves the majority of the City of Peoria.
Other areas of the City are served by the Deer Valley Unified School District, whose most recent tax levies are as follows:

Primary	81,894,797
Secondary	59,824,187

(2) These tax rates include the rates for Maricopa County, Education Equalization, Maricopa Community College District, West Maricopa Education Center, Maricopa County Flood Control District, Fire District Assistance, County Free Library, Central Arizona Water Conservation District, and Special Health Care.
The various rates for the most recent year are as follows:

	Primary	Secondary
Maricopa County	$ 425,111,491	$ -
Education Equalization	161,622,544	-
Community College District	396,192,808	76,200,590
West Maricopa Education Center	-	6,142,163
County Flood Control District	-	54,584,578
Fire District Assistance	-	3,782,401
County Free Library	-	16,925,024
Central AZ Water Conservation	-	34,465,535
Special Health Care	-	57,895,470
	$ 982,926,843	$ 249,995,761

Note: All rates rounded to two decimal places from the four shown by the County

Source: Maricopa County Assessor - Tax Rates and Levies publication

CITY OF PEORIA, ARIZONA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Table XVI

Taxpayer	2013 Taxable Secondary Assessed Value	2013 Rank	2013 Percentage of Total City Taxable Secondary Assessed Value	2004 Taxable Secondary Assessed Value	2004 Rank	2004 Percentage of Total City Taxable Secondary Assessed Value
Arizona Public Service	$ 23,195,396	1	2.04%	$ 12,726,121	1	1.92%
Vestar Arizona XLVIII LLC	8,752,872	2	0.77%			
Parke West LLC	6,681,435	3	0.59%			
Qwest Corporation	5,418,735	4	0.48%	11,157,954	2	1.68%
DDRA Arrowhead Crossing LLC	4,939,537	5	0.43%			
Plaza III Limited Partnership	4,385,299	6	0.39%	2,898,316	11	0.44%
Target Corporation	4,259,111	7	0.37%	3,692,066	8	0.56%
Sprint Nextel Wireless LP	4,120,034	8	0.36%	5,762,882	4	0.87%
BCC Development Inc	4,007,925	9	0.35%			
Inland Western Glendale LLC	3,635,992	10	0.32%			
Lake Pleasant Pavilion LLC	3,302,683	11	0.29%			
Southwest Gas Corporation	3,304,493	12	0.29%	3,840,780	7	0.58%
RES-AZ HP 160 LLC	3,137,280	13	0.28%			
Wal-Mart Stores Inc	2,801,791	14	0.25%			
PDG America Properties LLC	2,872,495	15	0.25%			
Lifehouse Capital Montecito LLC	2,711,073	16	0.24%			
Cox Communications	-			5,862,831	3	0.88%
Developers Diversified Realty Corp	-			5,454,703	5	0.82%
Larry Miller Real Estate - Peoria LLC	-			5,012,676	6	0.76%
Albertsons Inc	-			3,540,311	9	0.53%
Safeway Inc	-			3,287,011	10	0.50%
North Valley Shopping Center LLC	-			2,740,568	12	0.41%
Camden Operations TR Arizona Inc	-			2,550,384	13	0.38%
Lou Grubb Chevrolet	-			2,459,818	15	0.37%
Peoria Sunset LLC	-			2,391,973	16	0.36%
Harkins Phoenix Cinamas LLC	-			2,515,185	14	0.38%
Total	$ 87,526,151		7.70%	$ 75,893,579		11.45%

Note - As a quasi-governmental entity, Salt River Project pays in-Lieu taxes, rather than property taxes. For Fiscal year 2013, the assessed value of Salt River Project property within the City of Peoria is $16,929,178.

Source - Maricopa County Treasurer's Office

CITY OF PEORIA, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table XVII

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Tax Levy	$ 11,833,202	$ 13,054,673	$ 15,178,986	$ 16,400,167	$ 23,529,493	$ 27,781,796	$ 26,892,213	$ 23,026,196	$ 18,365,937	$ 16,372,418
Collected within the Fiscal Year of the Levy:										
Amount Collected	11,624,426	12,817,287	14,827,945	15,926,805	22,822,879	26,269,411	25,792,963	22,021,842	17,780,536	16,071,438
Percentage of Levy	98.24%	98.18%	97.69%	97.11%	97.00%	94.56%	95.91%	95.64%	96.81%	98.16%
Collections in Subsequent Years (1)	$ 207,277	$ 235,057	$ 344,238	$ 469,736	$ 700,987	$ 1,504,838	$ 1,069,800	$ 989,465	$ 559,360	$ -
Total Collections to Date:										
Amount Collected	11,831,703	13,052,344	15,172,183	16,396,541	23,523,866	27,774,249	26,862,763	23,011,307	18,339,896	16,071,438
Percentage of Levy	99.99%	99.98%	99.96%	99.98%	99.98%	99.97%	99.89%	99.94%	99.86%	98.16%

(1) Amount is the difference between collections to date (from County reports) and the amount collected in the year of the levy.

Source: Maricopa County Treasurer
City financial records and reports

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA
LAST TEN FISCAL YEARS

Average Utility Bill Amounts
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water										
Average bill	$ 39.06	$ 35.53	$ 34.59	$ 34.85	$ 35.59	$ 36.73	$ 35.46	$ 34.36	$ 38.00	$ 37.41
% Increase	-1.39%	-9.04%	-2.65%	0.75%	2.12%	3.20%	-3.46%	-3.10%	10.59%	-1.55%
Wastewater										
Average bill	18.53	19.47	18.74	21.52	21.24	21.36	21.45	20.45	21.49	24.16
% Increase	-1.07%	5.07%	-3.75%	14.83%	-1.30%	0.56%	0.42%	-4.66%	5.09%	12.42%
Residential Solid Waste										
Average bill	12.49	13.32	14.58	14.91	14.85	15.18	15.36	15.35	15.40	13.38
% Increase	no change	6.65%	9.46%	2.26%	-0.40%	2.22%	1.19%	-0.07%	0.33%	-13.12%

Utility Service Connections
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water										
#	38,818	42,673	44,221	45,630	46,146	46,902	47,606	47,793	48,509	49,416
% Increase	3.06%	9.93%	3.63%	3.19%	1.13%	1.64%	1.50%	0.39%	1.50%	1.87%
Wastewater										
#	40,984	43,824	45,933	47,831	48,759	49,923	50,383	50,715	51,527	52,674
% Increase	2.96%	6.93%	4.81%	4.13%	1.94%	2.39%	0.92%	0.66%	1.60%	2.23%
Residential Solid Waste										
#	39,747	42,467	44,198	46,309	47,146	48,006	48,382	48,752	49,506	50,727
% Increase	3.12%	6.84%	4.08%	4.78%	1.81%	1.82%	0.78%	0.76%	1.55%	2.47%

Charges for Water Services
Base Minimum Monthly Bill
As of June 30, 2013

Meter Size	All Customers
5/8"-3/4"	$ 15.54
1"	18.39
1 1/2"	29.09
2"	40.85
3"	72.26
4"	107.55
6"	205.53
8"	323.16

Charges for Wastewater Services
As of June 30, 2013

	Monthly Base Fee (a)	Monthly Volume Charge (b)
Meter Size		All Customers
5/8"-3/4"	$ 7.42	2.18
1"	7.42	
1 1/2"	12.23	
2"	17.49	
3"	31.55	
4"	47.34	
6"	91.18	
8"	143.82	

Source: City customer service and billing records

(continued)

Volume Charges for Water Services
Usage Per Month
As of June 30, 2013

Volume Consumption (gallons)	Residential (per 1,000 gallons)	Multiplex (per 1,000 gallons)	Commercial (per 1,000 gallons)
0 - 4,000	$ 1.00	$ -	$ -
4,001 - 10,000	2.59	-	-
10,001 - 20,000	3.66	-	-
10,001 - 25,000	4.00	-	-
0 - 10,000		1.00	1.00
10,001 - 50,000		2.59	2.59
50,001+		3.66	3.66

Charges for Residential Solid Waste
As of June 30, 2013

	Monthly fee
Single container & recycling	$ 13.10
Additional container	10.50

Water Meter Permit Charges
As of June 30, 2013

Meter Size	Charge
3/4"	$ 317
1 1/2"	493
2"	629 - 1,033
3"	1,751 - 2,662
4"	2,231 - 3,172
6"	3,781 - 5,086
Hydrant meter	1,280
Commercial accounts	By meter size

Charges for Storm Water
As of June 30, 2013

Monthly	All Customers
Base charge	$ 1.00

(a) Base service charge is based on each bill rendered.
(b) For residential & multiplex users, volume is measured as the rate per 1,000 gallons of a three month winter average (December - February). For commercial users, the volume charge is based on actual monthly water usage.

Source: City customer service and billing records

(continued)

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA
LAST TEN FISCAL YEARS

Table XVIII

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Miscellaneous data on water utility										
Annual consumption (000's gal)	6,828,944	6,890,083	7,889,653	8,220,760	8,626,688	8,674,450	8,212,711	8,003,947	8,448,795	8,405,929
Average gallons/household/month	14,904	15,056	16,213	16,320	14,751	14,606	13,720	13,267	13,839	13,656
Average gallons/household/year	178,850	180,679	194,552	195,840	177,016	175,270	164,636	159,203	166,070	163,869
Average daily demand (MGD)	20.43	20.10	23.21	24.46	23.63	23.93	23.69	23.64	24.13	22.34
Peak demand (MGD)	30.00	32.00	32.00	34.40	33.39	34.84	35.40	32.45	32.45	32.59
Number of active wells in system	28	27	27	29	31	31	32	32	32	33
Available storage capacity (million gallon)	37.3	40.0	40.0	40.0	41.8	42.0	42.0	42.0	42.0	42.0
Miscellaneous data on wastewater utility										
Treatment plant capacity:										
Beardsley treatment plant (million gallon/day)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Jomax treatment plant (million gallon/day)	0.00	0.75	0.75	0.75	2.25	2.25	2.25	2.25	2.25	2.25
Tolleson regional plant (million gallon/day)	9.40	9.40	9.40	9.40	9.40	N/A	N/A	N/A	N/A	N/A
Butler treatment plant (million gallon/day)	0.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00	10.00
Annual wastewater treated:										
Beardsley treatment plant (billion gallon)	0.606	0.674	0.763	0.851	0.870	1.007	1.018	0.966	0.918	0.925
Jomax treatment plant (billion gallon)	-	0.0065	0.057	0.091	0.119	0.134	0.144	0.156	0.162	0.182
Tolleson regional plant (billion gallon)	2.620	2.731	2.731	2.727	2.600	0.009	N/A	N/A	N/A	N/A
Butler treatment plant (billion gallon)	-	-	-	-	0.036	2.732	2.546	2.381	2.527	2.529
Average daily flow:										
Beardsley treatment plant (million gallon/day)	1.67	1.85	2.09	2.33	2.40	2.75	2.78	2.65	2.52	3.22
Jomax treatment plant (million gallon/day)	-	0.02	0.16	0.25	0.33	0.37	0.39	0.43	0.44	0.52
Tolleson regional plant (million gallon/day)	7.19	7.48	7.88	7.47	7.12	N/A	N/A	N/A	N/A	N/A
Butler treatment plant (million gallon/day)	-	-	-	-	2.57	7.48	6.97	6.52	6.92	7.04
Peak flow:										
Beardsley treatment plant (million gallon/day)	3.20	2.30	2.50	3.00	3.50	3.30	3.50	3.20	3.04	3.22
Jomax treatment plant (million gallon/day)	-	0.278	0.278	0.33	0.26	0.53	0.67	0.63	0.66	0.74
Tolleson regional plant (million gallon/day)	11.80	10.88	10.88	8.92	10.99	N/A	N/A	N/A	N/A	N/A
Butler treatment plant (million gallon/day)	-	-	-	-	7.50	10.16	8.50	8.35	11.34	8.32
Miscellaneous data on solid waste service										
Residential tonnage processed	64,358	65,950	69,191	71,396	61,290	48,970	47,540	47,989	46,299	47,717
Commercial tonnage processed	19,157	18,436	22,943	25,260	20,519	22,856	21,981	20,340	19,700	20,561
Recycling tonnage processed	1,133	1,523	1,690	1,927	11,549	16,084	15,516	16,277	15,715	15,184
	84,648	85,909	93,824	98,583	93,358	87,910	85,037	84,606	81,714	83,462

Source: City records

Notes: The Butler treatment plant became operational in mid-June 2008
The City stopped using the Tolleson Regional Treatment Plant after opening the City's Butler Plant

(continued)

CITY OF PEORIA, ARIZONA
UTILITY STATISTICAL DATA
TEN LARGEST WATER USERS
CURRENT YEAR AND NINE YEARS AGO

Table XVIII

		2013			2004		
Entity	**Type of User**	**Avg Monthly Water Usage**	**Ranking**	**% of Average Monthly Water Usage**	**Avg Monthly Water Usage**	**Ranking**	**% of Average Monthly Water Usage**
City of Peoria Padre's Pump Station	Sports Complex	6,772	1	0.96%	3,097	2	0.56%
Desert Harbor	Homeowner's Association	5,656	2	0.80%	6,458	1	1.17%
Ventana Lakes N. of Beardsley Lake	Homeowner's Association	3,287	4	0.47%	1,279	9	0.23%
Trilogy at Vistancia	Commercial Landscape	2,415	3	0.34%	-		
Christ's Church of the Valley	Church	2,055	5	0.29%	-		
Sun Garden Park II H/O Assn.	Homeowner's Association	1,845	6	0.26%	1,920	3	0.35%
Freedom Plaza LTD Partnership	Health Care Facility	1,665	7	0.24%	1,711	4	0.31%
Sun Garden Mobile Home Park	Homeowner's Association	1,552	8	0.22%	1,692	6	0.31%
Centennial High School	Public School	1,488	9	0.21%	1,429	7	0.26%
Forum at Desert Harbor	Health Care Facility	1,478	10	0.21%	1,354	8	0.24%
Desert Harbor Landscaping	Homeowner's Association	1,272	11	0.18%	1,223	10	0.22%
Polynesian Village	Homeowner's Association	1,224	12	0.17%	1,693	5	0.31%

Source: City customer service and billing records

(concluded)

CITY OF PEORIA, ARIZONA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table XIX

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Governmental Activities										
General Obligation Bonds	$ 64,980,000	$ 55,380,000	$ 51,205,000	$ 142,835,000	$ 126,195,000	$ 183,060,000	$ 184,960,000	$ 167,580,000	$ 170,960,000	$ 162,375,000
Municipal Development Authority Bonds	22,255,141	20,199,999	24,628,578	21,653,530	65,795,653	60,985,393	55,943,338	58,365,965	52,480,000	85,230,000
Highway User Revenue Bonds	4,305,000	4,075,000	3,830,000	3,570,000	3,295,000	3,005,000	-	-	-	-
Special Assessment Bonds	12,938,689	11,431,553	9,822,570	13,292,064	12,027,427	10,402,812	8,042,321	6,155,000	4,660,000	3,520,000
Community Facilities District Bonds	21,250,000	44,800,000	44,075,000	66,085,000	64,610,000	63,060,000	60,890,000	58,615,000	56,230,000	53,725,000
Business-type Activities										
Water and Sewer Revenue Bonds	27,350,000	25,395,000	23,275,000	21,050,000	19,555,000	18,000,000	15,780,000	15,780,000	38,480,000	37,295,000
WIFA Bonds	52,606,867	50,042,301	47,387,253	88,021,820	127,917,495	117,346,302	130,298,508	121,975,538	89,803,906	82,212,652
Municipal Development Authority Bonds	2,759,859	2,505,001	2,226,422	1,906,470	1,579,347	1,229,607	861,662	449,034	-	-
Long-Term Loan Payable	-	-	-	-	1,235,000	1,064,632	6,883,276	-	-	-
Total Primary Government	$ 208,445,556	$ 213,828,854	$ 206,449,823	$ 358,413,884	$ 422,209,922	$ 458,153,746	$ 463,659,105	$ 428,920,537	$ 412,613,906	$ 424,357,652
Total debt per capita	$ 1,569.56	$ 1,560.28	$ 1,422.57	$ 2,333.55	$ 2,714.13	$ 2,876.71	$ 3,009.50	$ 2,764.59	$ 2,631.80	$ 2,643.91
Total Debt as a % of Personal Income	5.1%	4.8%	4.2%	6.7%	7.8%	8.4%	8.7%	7.7%	7.3%	7.2%

Source: City financial records. See Exhibits 1 & 2 and footnote 14.

CITY OF PEORIA, ARIZONA
RATIO OF NET GENERAL BONDED DEBT
TO FULL CASH VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Table XX

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Bonded Debt (1)	$ 64,980,000	$ 55,380,000	$ 51,205,000	$ 142,835,000	$ 126,195,000	$ 183,060,000	$ 184,960,000	$ 167,580,000	$ 170,960,000	$ 162,375,000
Less:										
Debt Service Reserves (2)	18,843,020	17,598,666	24,205,524	34,727,031	36,464,380	44,978,714	35,352,142	31,849,469	30,782,503	30,825,566
Net Bonded Debt	$ 46,136,980	$ 37,781,334	$ 26,999,476	$ 108,107,969	$ 89,730,620	$ 138,081,286	$ 149,607,858	$ 135,730,531	$ 140,177,497	$ 131,549,434
Percentage of Net Bonded Debt to Full Cash Value	0.7%	0.5%	0.3%	1.1%	0.6%	0.8%	0.9%	0.9%	1.2%	1.2%
Net Bonded Debt Per Capita	$347	$276	$186	$704	$577	$867	$971	$875	$894	$820
Net Bonded Debt as a % of Personal Income	1.12%	0.85%	0.54%	2.01%	1.66%	2.53%	2.82%	2.43%	2.48%	2.23%

(1) Represents face value of general obligation debt outstanding
(2) Fund balance of GO Bond Debt Service Fund per the fund financial statements

Note: Personal income and population information may be found on Table XXX
Full cash value information may be found on Table XIII

Sources - City debt service schedules. See Exhibits 1 & 2, also footnote 14.

CITY OF PEORIA, ARIZONA

Table XXI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - CURRENT FISCAL YEAR
AS OF JUNE 30, 2013

Governmental Unit	Secondary Assessed Valuation	Debt Outstanding	Percentage Applicable to City of Peoria	Amount Applicable to City of Peoria (1)	Secondary Tax Rate per $100 Assessed
Overlapping:					
State of Arizona	$ 56,283,023,907	$ -	2.02%	$ -	$ -
Maricopa County	34,400,455,716	-	3.31%	-	-
Community College District	34,400,455,716	766,085,000	3.31%	25,357,414	0.22
County Flood Control District	30,665,493,359	-	3.71%	-	0.18
County Free Library	34,400,455,716	-	3.31%	-	0.05
Fire District Assistance	34,400,455,716	-	3.31%	-	0.01
County Special Health Care	34,400,455,716	-	3.31%	-	0.17
Central AZ Water Conservation	34,465,534,205	-	3.31%	-	0.10
West MEC Vocational District	12,284,325,659	35,000,000	9.26%	3,241,000	0.05
Sub-total - City-wide overlapping				28,598,414	
Total City-wide debt levies (1)				394,056,576	
Unified School Districts:					
Peoria No. 11	1,460,442,551	185,730,000	87.78%	163,033,794	3.02
Deer Valley No. 97	2,100,573,053	210,025,000	11.98%	25,160,995	2.85
Nadaburg No. 81	55,821,853	1,295,000	22.00%	284,900	0.89
				188,479,689	
Total overlapping				217,078,103	
Direct:					
City of Peoria (3)	$ 1,137,434,740	$ 365,458,162	100.00%	365,458,162	$ 1.25
Total direct and overlapping debt				$ 582,536,265	

(1) - Percentage applicable to the City is determined from parcel tax codes assigned by Maricopa County for property taxation.
(2) - Total City-wide debt levies are County debt plus City debt.
(3) - Includes general obligation bonds, special assessment bonds, municipal development authority bonds, community facilities district bonds, deferred amounts on refundings, unamortized bond premiums and contracts payable

Note: Secondary property taxes are restricted for debt service. For information on total tax rates, see Table XIV.

Sources:
- Exhibit 1 to the Financial Statements
- Maricopa County Treasurer
- Maricopa County Assessor
- State of Arizona, Department of Revenue, Abstract of the Assessment Roll

CITY OF PEORIA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
LAST TEN FISCAL YEARS

Table XXII

Governmental Unit	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Overlapping:										
State of Arizona	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maricopa County	550,505	-	-	-	-	-	-	-	-	-
Community College District	71,257	11,690,706	11,594,345	10,710,280	18,505,348	17,301,999	21,354,408	23,908,932	22,084,125	25,357,414
County Flood Control District	-	-	-	-	-	-	-	-	-	-
County Free Library	-	-	-	-	-	-	-	-	-	-
Fire District Assistance	-	-	-	-	-	-	-	-	-	-
Education Equalization	-	-	-	-	-	-	-	-	-	-
West MEC Vocational District	-	-	-	-	-	-	-	-	-	3,241,000
Central AZ Water Conservation	-	-	-	-	-	-	-	-	-	-
Sub-total - City-wide overlapping	621,762	11,690,706	11,594,345	10,710,280	18,505,348	17,301,999	21,354,408	23,908,932	22,084,125	28,598,414
Total City-wide levies (1)	140,717,106	160,387,744	163,028,901	297,071,313	331,783,787	393,645,062	405,549,288	384,534,551	371,967,077	394,056,576
Unified School Districts:										
Peoria No. 11	142,493,656	134,340,540	196,625,176	205,291,709	224,219,333	210,241,616	166,217,415	196,735,864	177,729,492	163,033,794
Deer Valley No. 97	3,571,920	4,063,815	20,573,318	24,204,834	15,471,750	21,558,687	26,201,313	24,618,198	25,445,126	25,160,995
Nadaburg No. 81	-	-	-	-	-	-	-	7,800	4,524	284,900
	146,065,576	138,404,355	217,198,494	229,496,543	239,691,083	231,800,303	192,418,728	221,361,862	203,179,142	188,479,689
Total overlapping	146,687,338	150,095,061	228,792,839	240,206,823	258,196,431	249,102,302	213,773,136	245,270,794	225,263,267	217,078,103
Direct:										
City of Peoria	140,095,344	148,697,038	151,434,556	286,361,033	313,278,439	376,343,063	384,194,880	360,625,619	349,882,952	365,458,162
Total direct and overlapping debt	$ 286,782,682	$ 298,792,099	$ 380,227,395	$ 526,567,856	$ 571,474,870	$ 625,445,365	$ 597,968,016	$ 605,896,413	$ 575,146,219	$ 582,536,265

(1) - Total City-wide debt levies are County debt plus City debt.

Sources: - Exhibit 1 to the Financial Statements for City debt
- Maricopa County Treasurer for debt of other entities

CITY OF PEORIA, ARIZONA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

Table XXIII

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Secondary Assessed Value	$ 750,429,221	$ 827,633,655	$ 964,469,431	$ 1,115,620,151	$ 1,642,187,476	$ 1,994,591,924	$ 1,895,163,851	$ 1,609,972,512	$ 1,276,335,862	$ 1,137,434,740
6% Limitation										
Debt limit	$ 45,025,753	$ 49,658,019	$ 57,868,166	$ 66,937,209	$ 98,531,249	$ 119,675,515	$ 113,709,831	$ 96,598,351	$ 76,580,152	$ 68,246,084
Total net debt applicable to limit	25,500,000	16,400,000	13,350,000	28,470,000	13,310,000	6,745,000	5,565,000	4,570,000	2,735,000	1,665,000
Legal 6% Debt Margin	$ 19,525,753	$ 33,258,019	$ 44,518,166	$ 38,467,209	$ 85,221,249	$ 112,930,515	$ 108,144,831	$ 92,028,351	$ 73,845,152	$ 66,581,084
Total net debt applicable to the limit as a percentage of debt limit	56.6%	33.0%	23.1%	42.5%	13.5%	5.6%	4.9%	4.7%	3.6%	2.4%
20% Limitation										
Debt limit	$ 150,085,844	$ 165,526,731	$ 192,893,886	$ 223,124,030	$ 328,437,495	$ 398,918,385	$ 379,032,770	$ 321,994,502	$ 255,267,172	$ 227,486,948
Total net debt applicable to limit	39,480,000	38,980,000	37,855,000	114,365,000	112,885,000	176,315,000	179,395,000	163,010,000	168,225,000	160,710,000
Legal 20% Debt Margin	$ 110,605,844	$ 126,546,731	$ 155,038,886	$ 108,759,030	$ 215,552,495	$ 222,603,385	$ 199,637,770	$ 158,984,502	$ 87,042,172	$ 66,776,948
Total net debt applicable to the limit as a percentage of debt limit	26.3%	23.5%	19.6%	51.3%	34.4%	44.2%	47.3%	50.6%	65.9%	70.6%

Note: See footnote 14 for discussion of 6% and 20% limitations.

Source: Maricopa County Assessor
Exhibit 3 to the Financial Statements

Table XXIV

CITY OF PEORIA, ARIZONA
PLEDGED REVENUE COVERAGE - MUNICIPAL DEVELOPMENT AUTHORITY BONDS
GOVERNMENTAL PORTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
MDA Debt other than Transportation										
Pledged Revenues (1)	$ 77,041,031	$ 89,807,396	$ 108,336,399	$ 117,980,567	$ 122,039,417	$ 105,935,592	$ 95,507,133	$ 96,318,307	$ 98,320,667	$105,886,977
Debt Service Requirements										
Principal (2) & (6)	1,385,000	2,310,000	2,524,999	3,295,000	3,185,000	3,400,000	3,575,000	3,990,001	1,569,999	665,000
Interest (2) & (6)	748,795	1,124,432	1,017,160	1,117,252	1,005,806	842,867	670,386	482,594	505,827	1,065,571
Total Annual Requirements (2)	2,133,795	3,434,432	3,542,159	4,412,252	4,190,806	4,242,867	4,245,386	4,472,595	2,075,826	1,730,571
Estimated Coverage	36.11	26.15	30.58	26.74	29.12	24.97	22.50	21.54	47.36	61.19
Transportation MDA Debt (3)										
Net Pledged Revenues from above (4)					117,848,611	101,692,725	91,261,747	91,845,712	96,244,841	104,156,406
Additional Pledged Revenues (5)					10,978,453	9,356,675	8,491,097	8,682,846	9,088,210	9,927,436
Total					128,827,064	111,049,400	99,752,844	100,528,558	105,333,051	114,083,842
Debt Service Requirements										
Principal					-	1,760,000	1,835,000	1,920,000	2,005,000	2,095,000
Interest					-	1,659,171	2,005,188	1,940,963	1,873,763	1,803,588
Total Annual Requirements					-	3,419,171	3,840,188	3,860,963	3,878,763	3,898,588
Estimated Coverage					-	32.48	25.98	26.04	27.16	29.26

Note: (1) Pledged revenues on the Municipal Development Authority (MDA) Bonds are the "Excise Taxes" and "State Shared Revenues." Excise Taxes are defined to include the transaction privilege and use taxes, business license and permit and franchise fees, user fees and charges, rents, and fines and forfeitures which the City imposes. However, the transaction privilege tax increase of 0.3% approved by voters in September 2005 is not part of pledged revenue for this debt. State Shared Revenues are defined as any excise tax, transaction privilege and use taxes and income taxes imposed by the State of Arizona and allocated or apportioned to the City, except the City's share of any such taxes which by State law, rule or regulation must be expended for other purposes.

(2) Debt service requirements reflect all outstanding MDA issues other than the 2008 MDA Transportation issue discussed below. Although the debt service on some MDA bonds, including the 2011 MDA Bonds, are funded by Enterprise Funds, the pledged revenue for all MDA debt is excise tax.

(3) The Transportation MDA Bonds of 2008 are backed by a primary lien on the .03% transaction priviledge tax approved by voters in 2005 and a secondary pledge of the "Excise Taxes" discussed in #1 above.

(4) Pledged revenues on the non-transportation MDA Bonds, less the debt requirements for the non-transportation MDA Bonds.

(5) Revenues of the Transportation Sales Tax Fund, primarily consisting of the 0.3% transaction priviledge tax discussed above.

(6) In fiscal year 2012 the City defeased the 2003 MDA Bonds, including $2,760,000 principal and $139,000 interest. These amounts have removed from the debt service requirements above so as not to distort the comparative information.

Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Debt service schedules, City financial records

CITY OF PEORIA, ARIZONA **Table XXV**

PLEDGED REVENUE COVERAGE - REVENUE BONDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross Revenue (1)	$ 39,176,675	$ 39,037,367	$ 44,982,822	$ 53,290,996	$ 49,812,486	$ 46,956,831	$ 48,087,688	$ 46,141,098	$ 50,720,705	$ 52,680,761
Operating and Maintenance Expenses (2)	22,617,415	26,151,794	27,318,074	30,532,640	34,287,751	33,751,517	28,067,908	28,610,625	28,823,261	28,974,990
Net Revenue Available for Debt Service	$ 16,559,260	$ 12,885,573	$ 17,664,748	$ 22,758,356	$ 15,524,735	$ 13,205,314	$ 20,019,780	$ 17,530,473	$ 21,897,444	$ 23,705,771
Development Fee Revenue	11,971,019	13,864,643	12,887,675	8,826,809	5,821,318	1,841,126	1,616,718	1,899,935	2,820,416	3,205,623
Total Net Revenue	$ 28,530,279	$ 26,750,216	$ 30,552,423	$ 31,585,165	$ 21,346,053	$ 15,046,440	$ 21,636,498	$ 19,430,408	$ 24,717,860	$ 26,911,394
Debt Service Requirements										
Principal (3)	5,867,214	4,425,405	4,672,124	4,855,563	4,220,006	4,372,224	7,362,889	7,025,129	7,941,123	8,776,254
Interest (4)	3,301,391	3,139,142	2,961,997	2,641,850	3,316,344	4,852,315	4,332,089	4,501,266	4,242,754	3,579,904
Total Debt Service Requirements	$ 9,168,605	$ 7,564,547	$ 7,634,121	$ 7,497,413	$ 7,536,350	$ 9,224,539	$ 11,694,978	$ 11,526,395	$ 12,183,877	$ 12,356,158
Ratio of Total Net Revenue/ Total Bond Expense	3.11	3.54	4.00	4.21	2.83	1.63	1.85	1.69	2.03	2.18
Ratio of Net Available/ Total Bond Expense (5)	1.81	1.70	2.31	3.04	2.06	1.43	1.71	1.52	1.80	1.92
						Note 2			Note 6	

(1) Includes total operating revenues and investment income of the Water Utility and Wastewater Utility Enterprise Funds.

(2) Includes total operating expenses of the Water Utility and Wastewater Utility Enterprise Funds, less depreciation amortization. For FY09 also excludes a one-time insurance claim ($7,930,000) and a one-time charges from Central Arizona Project for back billed water capital recovery charges ($3,670,364).

(3) Includes principal for Water and Sewer Revenue bonds and Water Infrastructure Finance Authority bonds. Although some MDA bonds are financed by the Utility Funds, the pledged revenue is excise tax therefore the debt is included in the MDA Bond debt coverage calculations on Table 24.

(4) Bond interest payments only. Does not include amortization of loss on refunding, capitalized interest, agent fees or amortization of bond issuance costs that are included in interest expense on the statement of revenues, expenses, and changes in net assets.

(5) Excludes Development Fee Revenue.

(6) In FY2012 $24,810,509 in principal and $405,829 in interest were defeased. These additional debt payments have been removed from the FY12 debt service requirements so as not to distort the ratios.

Source: Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds
Repayment schedules for debt serviced by the Water and Sewer Utility Enterprise Funds

CITY OF PEORIA, ARIZONA **Table XXVI**

PLEDGED REVENUE COVERAGE - SPECIAL ASSESSMENT BONDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Pledged Revenues (1)	$ 4,756,382	$ 3,547,789	$ 3,516,277	$ 3,216,095	$ 3,167,933	$ 3,365,342	$ 3,402,865	$ 2,645,451	$ 2,262,112	$ 1,484,283
Debt Service Requirements										
Principal	2,505,652	1,507,136	1,608,983	1,480,506	1,264,637	1,624,615	2,360,492	1,887,322	1,495,000	1,140,000
Interest (2)	972,553	828,532	747,720	638,657	697,840	675,958	559,205	432,302	316,720	222,820
Total Annual Requirements	$ 3,478,205	$ 2,335,668	$ 2,356,703	$ 2,119,163	$ 1,962,477	$ 2,300,573	$ 2,919,697	$ 2,319,624	$ 1,811,720	$ 1,362,820
Estimated Coverage	1.37	1.52	1.49	1.52	1.61	1.46	1.17	1.14	1.25	1.09

(1) - Pledged revenues equals Special Assessment Debt Service Fund current year fund balance plus current year principal & interest payments.

(2) - Bond interest payments only. Does not include agent fees included in interest expense on the Statement of Revenues, Expenditures and Changes in Fund Balance.

Source: City financial records
Governmental Fund Financial Statements

CITY OF PEORIA, ARIZONA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

Table XXVII

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Current Assessments Due	$ 2,088,695	$ 2,065,519	$ 1,987,461	$ 1,965,107	$ 1,749,724	$ 2,196,027	$ 2,211,609	$ 2,171,435	$ 1,849,026	$ 1,213,646
Assessments Collected	2,069,962	2,057,821	1,983,885	1,961,724	1,749,246	2,193,992	2,211,599	2,171,435	1,848,788	1,213,646
Prepaid Assessments Collected	504,165	186,624	275,392	7,818	44,061	2,041	38,301	-	205,901	-
Total Assessments Collected (1)	$ 2,574,127	$ 2,244,445	$ 2,259,277	$ 1,969,542	$ 1,793,307	$ 2,196,033	$ 2,249,900	$ 2,171,435	$ 2,054,689	$ 1,213,646
Ratio of Current Collections to Amount Due	99.1%	99.6%	99.8%	99.8%	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%
Outstanding Assessment Principal (2)	$ 12,345,284	$ 10,845,765	$ 9,243,866	$ 12,782,394	$ 11,476,365	$ 9,871,061	$ 8,141,515	$ 6,328,423	$ 4,551,324	$ 3,520,000

(1) Does not include penalties or admin fees which are included in special assessment revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.
(2) Principal only. Assessments Receivable on Balance Sheet-Governmental Funds also includes delinquent administrative charges, interest and penalties.

Source: City financial records and reports

CITY OF PEORIA, ARIZONA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GOVERNMENTAL DEBT TO TOTAL GOVERNMENTAL EXPENDITURES AND REVENUES
LAST TEN FISCAL YEARS

Table XXVIII

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Principal Payments	$ 9,737,936	$ 15,304,972	$ 16,881,632	$ 16,178,431	$ 31,143,531	$ 25,988,554	$ 44,700,092	$ 34,309,287	$ 25,566,028	$ 20,120,163
Interest and Other Charges	6,299,626	7,046,576	6,747,072	8,099,492	10,340,704	11,917,582	13,166,242	12,658,032	13,098,263	12,534,039
Total	$ 16,037,562	$ 22,351,548	$ 23,628,704	$ 24,277,923	$ 41,484,235	$ 37,906,136	$ 57,866,334	$ 46,967,319	$ 38,664,291	$ 32,654,202
Total Governmental Expenditures	$143,220,840	$ 144,972,313	$ 153,731,533	$ 213,283,409	$ 234,929,890	$ 242,988,904	$ 237,519,557	$ 192,780,638	$ 178,812,735	$ 195,784,242
Ratio of Debt Service to Governmental Expenditures	11.20%	15.42%	15.37%	11.38%	17.66%	15.60%	24.36%	24.36%	21.62%	16.68%
Ratio of Debt Service to non-capital expenditures	17.68%	19.99%	19.89%	17.80%	25.80%	22.91%	32.65%	28.71%	25.84%	19.27%
Total Governmental Revenues	$121,179,431	$ 144,191,521	$ 178,025,080	$ 220,591,297	$ 216,437,439	$ 197,889,171	$ 172,012,184	$ 175,544,268	$ 172,992,735	$ 174,743,639
Ratio of Debt Service to Governmental Revenues	13.23%	15.50%	13.27%	11.01%	19.17%	19.16%	33.64%	26.76%	22.35%	18.69%

Source: Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds

CITY OF PEORIA, ARIZONA
BOND AUTHORIZATIONS - ISSUED AND UNISSUED
AS OF JUNE 30, 2013

Table XXIX

Authorization/Purpose	Authorization	Prior Issues	Current Year Issues	Remaining Authorization
1990 Authorization				
Police, Fire & Public Service	$ 4,145,000	$ 4,025,500	$ -	$ 119,500
Streets & Traffic Control	17,935,000	17,461,940	-	473,060
Subtotal	22,080,000	21,487,440	-	592,560
1994 Authorization				
Police, Fire & Public Service	5,975,000	1,506,590	-	4,468,410
Storm Sewer, Flood Protection & Bridges	15,375,000	15,364,256	-	10,744
Streets & Traffic Control	23,700,000	23,485,561	-	214,439
Water System	14,820,000	13,404,454	-	1,415,546
Wastewater System	4,100,000	238,181	-	3,861,819
Solid Waste	1,000,000	-	-	1,000,000
Park & Library	10,180,000	9,150,301	-	1,029,699
Subtotal	75,150,000	63,149,343	-	12,000,657
1996 Authorization				
Water System	56,500,000	56,124,930	-	375,070
Wastewater System	19,050,000	4,255,202	-	14,794,798
Subtotal	75,550,000	60,380,132	-	15,169,868
1996 WIFA Authorization				
Water/Wastewater	42,480,000	18,875,000	-	23,605,000
2000 Authorization				
Police, Fire & Public Service	18,550,000	16,020,393	-	2,529,607
Storm Sewer & Flood Protection	22,300,000	21,609,683	-	690,317
Streets, Bridges & Traffic Control	47,150,000	41,757,232	-	5,392,768
Water System	99,000,000	10,264,204	-	88,735,796
Wastewater System	65,000,000	35,241,016	-	29,758,984
Parks & Open Space	30,000,000	22,013,271	-	7,986,729
Subtotal	282,000,000	146,905,799	-	135,094,201
2005 Authorization				
Public Safety & Municipal Operations	52,000,000	19,897,587	-	32,102,413
Water Treatment, Water System, Wastewater & Drainage	160,000,000	67,825,284	-	92,174,716
Streets, Bridges & Traffic Control	109,000,000	39,930,494	-	69,069,506
Parks, Recreation & Library	35,000,000	21,042,597	-	13,957,403
Subtotal	356,000,000	148,695,962	-	207,304,038
2008 Authorization				
Transportation & Drainage	276,700,000	5,873,129	-	270,826,871
Public Safety & Municipal Operations	60,300,000	2,273,356	-	58,026,644
Parks, Recreation & Trails	41,000,000	3,541,939	-	37,458,061
Subtotal	378,000,000	11,688,424	-	366,311,576
Grand Totals:	**1,231,260,000**	**471,182,100**	-	**760,077,900**

Source: City financial records

Authorization/Purpose	Authorization	Issued	Remaining
Total authorizations by type:			
Police, Fire & Public Service	$ 140,670,000	$ 43,723,426	$ 96,946,574
Streets & traffic control	436,785,000	128,508,356	308,276,644
Parks, open space, library	116,180,000	55,748,108	60,431,892
Water system	170,320,000	79,793,588	90,526,412
Waterwater system	88,150,000	40,767,776	47,382,224
Solid waste	1,000,000	-	1,000,000
Storm Sewer, Flood Protection & Bridges	75,675,000	40,485,562	35,189,438
Water, Wastewater & Drainage	202,480,000	82,155,284	120,324,716
	$ 1,231,260,000	$471,182,100	$ 760,077,900

Table XXX

CITY OF PEORIA, ARIZONA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

	2004	2005 *	2006	2007	2008	2009	2010 *	2011	2012	2013
City Of Peoria										
Population	132,805	137,045	145,125	153,592	155,560	159,263	154,065	155,148	156,780	160,504
% growth	4.7%	3.2%	5.9%	5.8%	1.3%	2.4%	-3.3%	0.7%	1.1%	2.4%
Unemployment Rate	3.2%	2.9%	2.2%	2.3%	2.4%	5.8%	6.3%	6.4%	6.8%	6.8%
Personal income ($000's) **	4,102,612	4,442,177	4,965,452	5,377,256	5,394,043	5,459,854	5,307,847	5,592,620	5,651,449	5,911,844
Maricopa County										
Population	3,537,630	3,681,300	3,792,675	3,879,150	3,987,492	4,105,623	4,217,427	4,328,379	4,438,459	3,922,600
% growth	3.9%	4.1%	3.0%	2.3%	2.8%	3.0%	2.7%	2.6%	2.5%	-11.6%
Unemployment Rate	3.9%	4.1%	3.8%	3.2%	4.2%	8.1%	8.8%	8.8%	7.3%	7.1%
Per Capita Income	31,523	33,178	35,046	36,135	37,168	35,319	37,352	38,071	N/A	N/A
State of Arizona										
Population	5,845,250	6,077,740	6,305,210	6,432,007	6,629,455	6,812,137	6,999,810	7,186,070	7,370,993	6,553,800
% growth	3.6%	4.0%	3.7%	2.0%	3.1%	2.8%	2.8%	2.7%	2.6%	-11.1%
Unemployment Rate	5.0%	4.7%	4.4%	3.8%	5.0%	8.9%	9.6%	9.3%	8.2%	8.0%
Per Capita Income	28,564	30,019	31,936	33,029	32,953	33,244	34,999	35,062	35,979	N/A
United States of America										
Unemployment Rate	5.6%	5.3%	4.6%	4.6%	5.5%	9.5%	9.5%	9.2%	8.2%	7.6%
Phoenix MSA										
Per Capita Income	30,892	32,414	34,215	35,010	34,675	34,282	34,452	36,047	36,833	N/A

N/A = Data not available at this time.

* - Census years. Mid decade census conducted for population only.

** - In thousands of dollars. Peoria personal income calculated by multiplying Phoenix Metropolitan Statistical Area (MSA) per capita income times Peoria population.

Notes : Population estimates in non-census years are estimates from the sources listed below.
Most recent per capita income information is one-two years old. Most recent year of Peoria persona income calculated using most recent available per capital information. Per capita income information not available for the City of Peoria.

Source: City population for most current year based on City staff estimates based on building permit activity.
Other population and unemployment data - Arizona Department of Commerce (www.workforce.az.gov) and U.S. Bureau of Labor Statistics.
Unemployment statistics for June of the fiscal year.
Per Capita Income data - U.S. Dept of Commerce, Bureau of Economic Analysis

CITY OF PEORIA, ARIZONA
MAJOR EMPLOYERS WITHIN THE CITY
CURRENT YEAR AND NINE YEARS AGO

Table XXXI

	2013			2004		
Employer	**# of Employees**	**Rank**	**Percentage of Total City Employment**	**# of Employees**	**Rank**	**Percentage of Total City Employment**
Peoria Unified School District	3,008	1	4.2%	4,250	1	6.6%
City of Peoria	1,132	2	1.6%	1,532	2	2.4%
Younger Brothers	588	3	0.8%	-		
Freedom Plaza Properties	527	4	0.7%	612	3	0.9%
Immanuel Care Campus	340	5	0.5%	354	5	0.5%
Antigua	297	6	0.4%	243	9	0.4%
Northern Pipeline	284	7	0.4%	230	11	0.4%
OakCraft	255	8	0.4%	218	12	0.3%
Varsity Facility Services	203	9	0.3%	-		
Arizona Retirement Center	174	10	0.2%	-		
Forum At Desert Harbor	170	11	0.2%	208	13	0.3%
Good Shepherd Care Center	163	12	0.2%	240	10	0.4%
Albertson's (2 Locations)	-		0.0%	297	7	0.5%
Fry's Food Stores (4 Locations)	-		0.0%	469	4	0.7%
Arizona Training and Evaluation	-		0.0%	280	8	0.4%
Target (3 Locations)	-		0.0%	340	6	0.5%
Total	7,141		10.0%	8,933		13.8%

Note: Beginning in fiscal year 2012, Peoria Economic Development Department no longer tracks employment for retail locations.

Sources: City of Peoria Economic Development Department
Arizona Unemployment Statistics Program Special Employment Report www.azstats.gov

CITY OF PEORIA, ARIZONA **Table XXXII**

AUTHORIZED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Full-time Equivalent Employees as of June 30, 2013

	2004	2005	2006	2007	2008	2009	2010	2011 *	2012	2013
General Government										
Mayor & Council	4.00	5.00	5.00	6.00	6.00	6.00	6.00	-	-	
City Manager	7.50	8.50	10.50	12.00	13.00	13.00	10.00	15.00	15.00	15.00
Office of Communications	6.00	7.50	11.00	12.50	13.50	9.50	8.50	8.00	7.00	8.00
Human Resources	12.00	13.00	13.00	14.00	17.00	17.00	19.00	18.00	17.00	17.50
Attorney	19.31	20.20	22.70	23.80	26.00	26.00	26.00	26.00	26.00	26.00
City Clerk	7.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	8.00	7.00
Court	10.00	11.00	13.00	16.00	22.00	22.00	22.00	21.00	20.90	20.90
Economic Development	3.00	3.00	4.00	4.00	5.00	5.00	13.30	27.80	26.00	26.00
Budget	5.00	7.00	7.00	7.00	9.00	8.00	7.00	7.00	7.00	7.00
Finance	71.00	77.00	79.00	82.00	88.00	88.00	82.75	79.75	73.75	73.75
Culture & Recreation	103.78	111.36	109.36	124.39	131.74	142.04	125.47	115.97	113.57	112.41
Police	208.00	226.00	250.00	264.00	286.00	287.00	271.00	287.00	289.00	288.00
Fire	117.00	131.00	134.00	157.00	173.00	170.00	167.00	164.00	162.00	161.50
Community Development	46.50	49.50	50.80	51.80	53.80	49.80	51.00	15.50	12.50	12.50
Engineering	33.00	38.00	43.00	47.00	49.00	45.25	39.75	39.75	33.25	33.25
Highways & Streets	36.00	39.00	40.00	44.00	44.00	43.00	41.00	44.00	38.80	38.80
Public Works	56.50	59.50	61.50	69.00	70.50	69.50	63.75	56.75	57.95	57.95
Human Services	8.00	8.00	8.50	14.50	14.50	14.50	11.75	10.00	7.50	7.50
Water Utility	60.02	67.02	70.02	72.00	75.00	72.75	60.75	57.75	56.50	55.50
Wastewater Utility	17.50	17.50	16.50	19.00	25.00	28.25	29.25	29.25	29.50	37.70
Solid Waste Utility	40.00	40.00	40.00	44.00	47.00	45.00	45.00	43.25	45.00	36.80
Information Technology	33.00	38.00	39.00	43.00	47.00	47.00	46.00	41.60	39.00	39.00
Stadium	13.00	14.00	14.00	16.00	19.00	19.00	19.00	15.50	15.50	16.00
Total FTE	917.11	999.08	1,049.88	1,150.99	1,244.04	1,236.59	1,174.27	1,131.87	1,100.72	1,098.06

Note: Beginning with fiscal year 2003, the City no longer counts part-time seasonal staff in the FTE calculation.
Counts do include part-time non-seasonal benefitted employees.
* Interdepartmental reorganization is reflected in FY2011 numbers. This will explain some of the significant changes in departments such as Mayor and Council, City Manager, Economic Development and Community Development.

Source: City budget office (Schedule 6 in Annual Program Budget)

CITY OF PEORIA, ARIZONA
BUILDING PERMITS AND HOME SALES
LAST TEN YEARS

Table XXXIII

Building Permits

Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Commercial										
Number of Permits	190	177	181	244	153	60	82	27	60	25
Value	$ 47,808,957	$ 73,892,753	$ 64,990,575	$ 121,602,510	$ 38,162,527	$ 18,722,347	$ 35,940,280	$ 4,416,256	$ 14,130,283	$ 14,151,136
Residential										
Number of Dwelling Units	1,831	2,927	2,421	1,338	963	383	398	404	610	833
Value	241,885,416	373,716,048	320,780,556	213,028,399	154,975,128	47,217,878	42,714,995	50,318,368	79,951,361	113,425,646
Other										
Number of Permits	2,203	2,000	2,209	2,110	1,825	1,043	1,017	970	1,701	929
Value	20,138,826	21,512,846	26,532,508	34,196,112	33,948,358	18,535,296	53,152,166	9,025,305	17,128,209	99,323,042
Total Value	$ 309,833,199	$ 469,121,647	$ 412,303,639	$ 368,827,021	$ 227,086,013	$ 84,475,521	$ 131,807,441	$ 63,759,929	$ 111,209,853	$226,899,824

Source: City Community Development Department

Single Family Housing Sales

Calendar Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
New										
# of Units	1,583	1,395	1,875	2,235	1,360	925	435	355	390	598
Average Sale Amount	$ 215,825	$ 270,000	$ 323,190	$ 395,650	$ 350,000	$ 282,885	$ 253,350	$ 236,505	$ 243,780	$ 296,506
Avr price % increase	6.65%	25.10%	19.70%	22.42%	-11.54%	-19.18%	-10.44%	-6.65%	3.08%	21.63%
Resale										
# of Units	3,515	4,575	5,055	2,930	2,415	3,635	5,000	5,305	5,355	3,933
Average Sale Amount	$ 151,000	$ 175,000	$ 250,000	$ 270,000	$ 257,830	$ 210,000	$ 166,750	$ 159,000	$ 140,000	$ 180,420
Avr price % increase	-1.54%	15.89%	42.86%	8.00%	-4.51%	-18.55%	-20.60%	-4.65%	-11.95%	28.87%

New Housing Starts

Calendar Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Peoria	1,974	2,420	3,560	1,654	2,046	1,098	514	691	699	642
Maricopa County	47,808	58,882	56,139	40,294	35,465	20,605	15,825	15,676	15,353	10,029

Notes: Information for bottom two tables is for calendar years

Source: Arizona State University College of Business - AZ Real Estate Center

Table XXXIV

CITY OF PEORIA, ARIZONA
SCHEDULE OF INSURANCE IN FORCE
JULY 1, 2012 THROUGH JUNE 30, 2013

	Type of Insurance	Annual Renewal Date	Insurance Carrier	Policy Number	Limits	Deductible Amount	Annual Premium
1.	**Primary Public Liability & Automobile**						
	General & auto liability	N/A	Self-insured	N/A	$1,000,000 per incident $1,000,000 annual		N/A
	Excess liability -Primary	7/1	Travelers Indemnity Company	ZLP10T05497	$2 Million per occurrence	SIR above	$ 301,544
	Excess liability -Umbrella	7/1	Travelers Indemnity Company	ZUP10T05504	$20 Million per occurrence	SIR above	$ 170,538
	Automobile & Equipment	7/1	Travelers Indemnity Company	8109157P24A	$25,000/$100,000 (1)	N/A	117,875
	Excess liability - 1st level	7/1	RSUI Indemnity Company	NHA060300	$20 Million per occurrence	SIR above	71,000
2.	**Property (Real & Personal)**						
	City buildings and contents	N/A	Self-insured	N/A	$500,000 per incident $500,000 annual	N/A	N/A
	Excess buildings and contents (see Note)	7/1	Travelers Indemnity Company	KTKCMB297T228812	$599,691,110	SIR above	311,951
3.	**Boiler & Machinery**	7/1	Phoenix Insurance Company	BME27733A918	$50,000,000	1,000	24,092
4.	**Workers' Compensation**	N/A	Self-insured	N/A	N/A	N/A	N/A
	Excess Liability		Safety National Casualty Corp	AGC4046269			141,751
5.	**Broker Service Fee**						39,500
6.	**Cyber Liability**	7/1	Axis Surplus Insurance Co.	ECN000168721201	$2,000,000	SIR above	9,113
7.	**Identity Theft**	7/1	Travelers Indemnity Company	105639670	$10,000	N/A	4,171
8.	**Crime Coverages**	7/1	Travelers Indemnity Company	0705R496	$1 Million	10,000	5,527

Note: For breakdown of property insurance policy, see Table XXXV

(1) Vehicles with a value less than $100,000 are self-insured by the City. Vehicles with a value in excess of $100,000 have a $5,000 deductible.

Source: City Risk Management and financial records

CITY OF PEORIA, ARIZONA

PROPERTY INSURANCE SCHEDULE

JUNE 30, 2013

Table XXXV

Property

Building and contents - combined blanket limit - excluding earthquake and flooding	$	580,935,424
Valuable papers:		
City Hall		5,000,000
Contractors equipment ($50,000 deductible)		3,755,686
Electronic data processing ($50,000 deductible)		10,000,000
	$	599,691,110

Sources - Risk Management records

CITY OF PEORIA, ARIZONA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table XXXVI

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Governmental Activities:										
General Government										
Registered Voters	52,674	65,998	62,328	63,544	71,051	76,323	82,578	86,803	85,592	87,432
Voter Participation (last election)	11.0%	33.8%	25.4%	25.4%	60.6%	81.2%	29.2%	29.2%	23.7%	23.7%
Culture & Recreation										
Recreation Participants	65,928	69,206	75,145	77,602	119,620	131,372	132,391	134,661	136,200	134,045
New Recreation Accounts	4,998	5,492	5,160	4,923	6,692	6,237	5,903	5,968	6,106	5,396
Special Event Participants	*	*	*	*	*	*	46,578	60,715	65,347	73,800
Police										
Calls for Service	101,951	142,319	102,385	103,921	62,341 [(A)]	60,219	56,683	56,764	57,184	54,159
Avg Response Time (minutes)	5.32	5.73	4.80	5.20	5.98	5.47	5.65	5.87	6.01	4.52 [(C)]
Fire										
Number of Incidents	11,014	11,618	12,445	12,788	13,649	13,361	14,874	15,403	17,717	18,719
Avg Response Time (minutes)	4.30	4.30	4.30	4.40	4.40	4.43	5.02	5.19	5.08	5.14
Development Services										
Building Permits Issued	4,224	5,104	4,811	3,692	2,943	1,486	1,497	1,401	2,371	1,787
Value of Building Permits (millions $)	$ 309.8	$ 469.1	$ 412.3	$ 368.8	$ 225.5	$ 84.5	$ 131.8	$ 63.8	$ 111.2	$ 226.9
Highways & Streets										
Asphalt Used (in tons)	*	6,654	5,035	7,999	8,365	2,441	2,832	2,677	2,038	3,122
Centerline Miles Swept	*	9,807	8,697	8,496	7,604	7,526	5,935	6,159	6,202	6,143
Miles Assessed	*	277	218	275	381	423	422	85 [(B)]	163	187
Public Works										
Number of Vehicle Work Orders	4746	5,056	5,920	5,787	5,679	5,917	5,697	5,856	5,608	5,899
Human Services										
Number of Dial-a-Ride users	5,814	6,010	5,147	5,310	5,750	6,174	899	747	759	830
Number of Annual Trips	29,382	34,428	42,232	47,244	45,451	43,263	31,568	27,440	31,082	32,101
Section 8 Unit Months Available	984	984	984	984	984	984	984	984	**	**
Section 8 Unit Months Leased	819	858	773	788	916	846	793	911	**	**
Business-type Activities										
Water Utility										
Annual Consumption (000's gal)	6,828,944	6,890,083	7,889,653	8,220,760	8,626,688	8,674,450	8,212,711	8,003,947	8,448,795	8,405,929
Average Gallons/Household/Year	178,850	180,679	194,552	195,840	177,016	175,270	164,636	159,203	166,070	163,869
Wastewater Utility										
Wastewater Treated (billion gal)	3.23	3.41	3.55	3.67	3.60	3.90	3.70	3.50	3.61	3.64
Solid Waste Utility										
Residential Tonnage Processed	64,358	65,950	69,191	71,396	61,290	48,970	47,540	47,989	46,299	47,717
Commercial Tonnage Processed	19,157	18,436	22,943	25,260	20,519	22,856	21,981	20,340	19,700	20,561
Recycle Tonnage Processed	1,133	1,523	1,690	1,927	11,549	16,084	15,516	16,277	15,715	15,184
Stadium										
Spring Training Attendance	222,927	225,316	200,153	220,357	230,434	211,243	200,029	188,244	190,643	196,881
Sporting Rentals Days	*	*	*	195	234	246	208	336	350	290
Non-Sporting Rentals Days	*	*	*	54	83	66	74	108	134	143
Public Housing										
Unit Months Available	840	840	840	840	840	840	840	840	840	840
Number of Unit Months Leased	819	828	831	827	812	796	745	787	813	797

Notes: * Information is not available for these fiscal years.
** City discontinued participation in Section 8 housing programs as of 6/30/11.
[(A)] The drop in calls for service reflect a change in what is considered a "call for service". Prior to FY08, calls for service included officer initiated calls. Beginning in FY08, only calls coming into the 911 center are counted as calls for service.
[(B)] Changed from lane miles to center line miles in FY11 to be consistent with other highway measurements
[(C)] Decrease in Police Average Response time reflects calculation change. New Calculation=Dispatch to Arrival. Previous calculation=Call for Service to Arrival.

Source: Various City Departments

CITY OF PEORIA, ARIZONA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table XXXVII

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
General Government										
Annexed Area (square miles)	176.3	177.9	177.9	177.9	177.9	177.9	179.0	179.1	179.1	179.1
Culture & Recreation										
# of Neighborhood Parks	24	24	26	26	26	28	28	28	32	33
Total Park Acreage	233	240	264	264	264	314	322	322	338	367
Ramadas	74	78	87	87	87	87	90	90	96	96
Basketball Hoops	71	74	82	82	82	82	41	41	43	44
Tennis Courts	22	24	25	25	25	24	25	25	26	27
Volleyball Courts	10	10	12	12	12	12	12	10	10	10
Multi-Purpose Fields	12	37	30	31	31	31	31	31	34	34
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Urban Lakes	1	1	1	1	1	1	1	1	1	1
Skate Parks	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Marked Patrol Vehicles (units)	80	86	90	101	103	92	86	86	86	86
Fire										
Stations (full-time / part-time)	5 / 2	5 / 2	6 / 1	7 / 1	7 / 1	7 / 1	7 / 1	7 / 1	7 / 1	7/1
Number of Fire Engines	8	7	8	9	9	9	9	7	7	8
Number of Ladder Trucks	1	1	1	1	1	2	2	2	2	2
Highways & Streets										
Streets (miles maintained)	471	487	518	537	538	551	554	584	590	622
Public Works										
Street Lights	11,829	12,000	12,000	12,737	13,618	13,726	13,901	14,093	14,333	15,006
Vehicles in Fleet	543	599	621	661	720	683	670	673	687	714
Human Services										
Dial-a-Ride Buses	9	9	9	11	11	11	9	7	7	7
Business-type Activities										
Water Utility										
Number of Water Accounts	38,818	42,673	44,221	45,630	46,146	46,902	47,606	47,793	48,509	49,516
Storage Capacity (million gal)	37.3	40.0	40.0	40.0	41.8	42.0	42.0	42.0	42.0	42.0
Wastewater Utility										
Number of Wastewater Accounts	40,984	43,824	45,933	47,831	48,759	49,923	50,383	50,715	51,527	52,674
Treatment Capacity (billion gal)	13.40	14.15	14.15	14.15	25.70	16.25	16.25	16.25	16.25	16.25
Solid Waste Utility										
Number of Solid Waste Accounts	39,747	42,467	44,198	46,309	47,146	48,006	43,382	48,752	49,506	50,727
Stadium										
Number of Practice Fields	13	13	13	13	13	13	13	13	13	13
Number of Clubhouses	3	3	3	3	3	3	3	3	3	3
Total Complex Acreage	145	145	145	145	145	145	145	145	145	145
Public Housing										
Number of Public Housing Units	70	70	70	70	70	70	70	70	70	70

Notes: * Information is not available for these fiscal years.

Source: Various City Departments

Appendix
Slip Sheet

Glossary

Certain specialized terms or acronyms may be used in this publication. The following is a list of some of those acronyms:

APB	Accounting Principles Board
AICPA	American Institute of Certified Public Accountants
CAFR	Comprehensive Annual Financial Report
FAF	Financial Accounting Foundation
FASB	Financial Accounting Standards Board
FASAC	Financial Accounting Standards Advisory Board
GAAP	Generally accepted accounting principles
GAAS	Generally accepted auditing standards
GAGAS	Generally accepted governmental auditing standards
GAO	Government Accountability Office
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GASAC	Governmental Accounting Standards Advisory Council
IGAS	Interpretation of Governmental Accounting Standards
NCGA	National Council on Governmental Accounting
OMB	Office of Management and Budget (federal)
OPEB	Other postemployment benefits
Q&A	Comprehensive Implementation Guide
SAS	Statement of Auditing Standards
SEC	Securities and Exchange Commission
SGAC	Statement of Governmental Accounting Concepts
SGAS	Statement of Governmental Accounting Standards
TB	Technical Bulletin

Accountability – Term used by the GASB to describe a government's duty to justify the raising and spending of public funds. The GASB has indentified accountability as the "paramount objective" of financial reporting "from which all other objectives must flow." [SGAC 1]

Accounting Principles Board (APB) – Authoritative private-sector standards setting body that preceded the FASB. The APB issued guidance in the form of *Opinions*.

Accounting Standards Executive Committee (AcSEC) – AICPA committee authorized to issue *Practice Bulletins*.

Accrual basis of accounting – Method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the related cash flows.

Accrual – A liability resulting from an expense for which no invoice or other official document is available yet. Also called an accrued expense.

Activity – Specific and distinguishable service performed by one or more organizational components of a government to accomplish a function for which the government is responsible (e.g., *police* is an activity within the *public safety* function).

Adopted budget – Formal action by the City Council that sets the spending limits for the fiscal year.

Advanced refunding – Refunding transaction where the proceeds of the refunding bonds are placed in escrow pending the call date or maturity of the debt to be refunded.

Agency funds – One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. [SGAS 34]

Analytical review – Term used by auditors to describe the process of attempting to determine the reasonableness of financial data by comparing their behavior with other financial or nonfinancial data.

Annual required contribution (ARC) – Term used in connection with defined benefit pension and other postemployment benefit plans to describe the amount an employer must contribute in a given year. [SGAS 27 and SGAS 45]

Appropriation – An authorization made by the City Council which permits the City to incur obligations and to make expenditures of resources.

Arbitrage –The reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities. The City is subject to Federal regulations regarding arbitrage.

Assessed valuation – Valuation set upon real estate or other property by a government as a basis for levying property taxes. In Arizona, property values are established by the county Assessor.

Audit Guides – Series of AICPA publications that enjoy potential “level 2” status on the hierarchy of authoritative sources of GAAP.

Audit Scope - In the context of a financial statement audit, the coverage provided by the independent auditor’s opinion. For example, required supplemental information normally is not included within the scope of a financial statement audit (i.e., the independent auditor does not offer an opinion on its fair presentation).

Auditor’s report on internal control and compliance over financial reporting – Report issued in conjunction with a financial audit preformed in accordance with GAGAS. The independent auditor reports on internal control weaknesses and instance of noncompliance in connection with the financial audit, but does not offer an opinion on internal controls or compliance.

Availability criterion – Requirement under the modified accrual basis of accounting that revenues be recognized only when they are collected or collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. [NCGA Statement 1]

Availability period – Designated period immediately following the close of the fiscal year by the end of which cash must be collected for related revenue to be recognized in accordance with the availability criterion of modified accrual accounting.

Basic financial statements – Minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP.

Basis difference – Differences that arise when the basis of budgeting differs from the basis of accounting prescribed by GAAP for a given fund type [NCGA Interpretation 10]

Basis of accounting – Timing of recognition for financial reporting purposes (i.e., when the effects of transactions or events should be recognized in financial statements). [SGAS 11]

Basis of budgeting – Method used to determine when revenues and expenditures are recognized for budgetary purposes.

Base budget – Maintaining current service levels. Changes in demand or activity levels may create the need for additional resources or free-up resources for other purposes.

Balanced budget – A budget that contains ongoing revenues equal to the ongoing expenditures of the City. In addition, the balanced budget will not include one-time (non-recurring) sources to fund continuing (recurring) uses, postpone expenditures, or use external borrowing for operational requirements.

Blending – Presentation of the data of a component unit as though it were one or more fund(s) of the primary government. [SGAS 14]

Bond – A long-term debt or promise to pay. It is a promise to repay a specified amount (principal amount or face value), at a specified date in the future (maturity date), along with periodic interest at a specific rate. Bonds are primarily use to finance capital projects.

Budget amendment – A change of budget appropriation between expenditure accounts. Budget amendments do not change the legal spending limit adopted by City Council.

Budgetary control – The control or management of governmental unit or enterprise unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Budgetary integration – Use of recording the operating budget in the general ledger to facilitate control over revenues and expenditures during the fiscal year.

Budgetary reporting – As used by accountants, requirement to present budget-to-actual comparisons in connection with general purpose external financial reporting. Budgetary reporting is required to demonstrate compliance at a legal level of control for all governmental funds with appropriated budgets.

Business-type activities – One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds. [SGAS 34]

Capital and related financing activities – Term used in connection with cash flows reporting. Capital and related financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors or credit. [SGAS 9]

Capital assets – Land, improvements to land, easements, buildings, building improvements, vehicles machinery, equipment, works of art, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. [SGAS 34]

Capital outlay – Expenditures which result in the acquisition of or addition to capital assets.

Capital projects fund – Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds. [NCGA Statement 1]

Capitalization threshold – Dollar value at which a government elects to capitalize tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Cash basis of accounting – Basis of accounting that recognized transactions or events when related cash amounts are received or disbursed.

Cash equivalent – Short-term, highly liquid investments that are both (a) readily convertible to know amounts of cash and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities (maturity as of the date the investment was purchased by the reporting government) of three months or less meet this definition. [SGAS 9]

Certificate of Achievement for Excellence in Financial Reporting Program – Program sponsored by the Government Finance Officers Association to encourage state and local governments to prepare high-quality comprehensive annual financial reports.

Character classification – Classification of expenditures according to the periods they are presumed to benefit. The four character groupings are (a) current operating expenditures, presumed to benefit the current fiscal period; (b) debt service expenditures, presumed to benefit prior fiscal periods as well as current and future periods; (c) capital outlay expenditures, presumed to benefit the current and future fiscal periods; and (d) intergovernmental expenditures, when one government transfers resources to another. [NCGA Statement 1]

Classified presentation – Separate reporting of the current and noncurrent portions of assets and liabilities to permit the calculation of working capital. A classified presentation is required for the proprietary statement of net assets.

Collateral – In the context of deposits with financial institutions, security pledged by the financial institution to a government entity for its deposit. [SGAS 3]

Combining financial statements – Financial statements that report separate columns for individual funds or component units.

Commercial paper – Unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Committee on Accounting Procedure (CAP) – Authoritative private-sector standards setting body that preceded the Accounting Principles Board and the FASB. The CAP issued guidance in the form of *Accounting Research Bulletins*.

Community Facilities District (CFD) – A separate legal entity established by a local government agency which allows for financing of public improvements and services.

Comparability – Principle according to which differences between financial reports should be substantive differences in the underlying transactions of the governmental structure rather than the selection of different alternatives in accounting procedures or practices. [SGAC 1]

Comparative data – Information from prior fiscal periods provided to enhance the analysis of financial data of the current fiscal period.

Component unit – Legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. [SGAS 14]

Comprehensive Annual Financial Report (CAFR) – Financial report that contains, at a minimum, three sections: 1) introductory, 2) financial, and 3) statistical, and whose financial section provides information on each individual fund and component unit.

Comprehensive framework of internal control – Structure of internal control that provides for (a) a favorable control environment, (b) the continuing assessment of risk, (c) the design, implementation, and maintenance of effective control-related policies and procedures, (d) the effective communication of information, and (e) ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

Conduit debt – Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a local governmental entity for the express purpose of providing capital financing for a specific third party that is not part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued. [IGAS 2]

Connection fees – Fees charged to join or to extend an existing utility system. Often referred to as *tap fees* or *system development fees*.

Consistency – Notion that once an accounting principle or reporting method is adopted, it will be used for all similar transactions and events. [SGAC 1]

Contingency – A budgetary reserve set aside for emergency or unanticipated expenditures and/or revenue shortfalls. The City Council must approve all uses of contingency funds.

COSO – Committee of Sponsoring Organizations of the Treadway Commission on Fraudulent Financial Reporting. Published *Internal Control: An Integrated Framework*.

Current financial resources measurement focus – Measurement focus where the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balance of expendable financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

Current refunding – Refunding transactions in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded.

Custodial credit risk – Risk that a government will not be able a to recover deposits if the depository financial institution fails, or (b) to recover the value of an investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. [Q&A]

Debt service fund – Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. [NCGA Statement 1]

Defeasance – In financial reporting, the netting of outstanding liabilities and related assets on the statement of position. Defeased debt is no longer reported as a liability on the statement of position.

Deferred revenue – Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

Department – A major administrative division of the City which indicates overall management responsibility for an operation or group of related operations within a functional area.

Depreciation – An accounting transaction which spreads the purchase cost of an asset across its useful life.

Development fees – Fees charged to developers to cover, in whole or in part, the anticipated costs of improvements that will be necessary as a result of the development. Also called expansion fees.

Division – A functional unit of a department.

Discrete presentation – Method of reporting financial data of a component unit separately from financial data of the primary government. [SGAS 14]

Economic resources measurement focus - Measurement focus where the aim of a set of financial statements is to report inflows, outflows, and balances affecting or reflecting an entity's net assets. The economic resources measurement focus is used for proprietary and trust funds, as well as for government-wide financial reporting. It is also used by business enterprises and nonprofit organizations in the private sector.

Effectiveness – Term used by auditors to describe the degree to which an entity, program, or procedure is successful in achieving its goals and objectives.

Efficiency – Term used by auditors to describe the degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

Eligibility requirements – Term used in connection with government-mandated and voluntary nonexchange transactions to describe conditions established by the provider of resources. [SGAS 33]

Encumbrance – Commitments related to unperformed contracts for goods or services. For financial reporting purposes, encumbrance accounting is restricted to governmental funds.

Enterprise fund – Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services. [SGAS 34]

Exchange transactions – Transactions in which each party receives and gives up essentially equal values. [SGAS 33]

Exchange-like transactions – Transactions in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange. [SGAS 33]

Expenditure-driven grants – Government-mandated or voluntary nonexchange transactions in which expenditure is the prime factor for determining eligibility. Also known as *reimbursement grants*.

Expenditures – Under the current financial resources measurement focus, decreases in net financial resources not properly classified as *other financing uses*.

Fair value – In the context of investment valuation, the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.[SGAS 31]

Fiduciary funds – Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. [SGAS 34]

Final amended budget – Original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. [SGAS 34]

Financial accountability – Relationship warranting the inclusion of a legally separate organization in the reporting entity of another government. [SGAS 14]

Financial Accounting Foundation (FAF) – Nonprofit organization responsible for overseeing the operations of both the GASB and FASB.

Financial Accounting Standards Advisory Council (FASAC) – Advisory group that assists the FASB. The FASAC includes representatives of all of the FASB's major constituents.

Financial Accounting Standards Board (FASB) - Authoritative accounting and financial reporting standard-setting body for business enterprises and nonprofit organizations. The FASB is the direct successor to the Committee on Accounting Procedure and the Accounting Principles Board.

Financial audits – Audits designed to provide independent assurance of the presentation of financial information.

Financial reporting entity – Primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. [SGAS 14]

Financial resources – Resources that are or will become available for spending. Includes cash and resources ordinarily expected to be converted to cash (e.g., receivables, investments).

Financial section – One of the three required sections of a comprehensive annual financial report. The financial section contains the auditor's report, management's discussion and analysis, the basic financial statements (including notes to the financial statements), required supplementary information, combining statements, and supplementary information, as needed.

Fiscal accountability – Responsibility of governments to justify that their actions in the current period have complied with public decisions concerning the raising and spending of public monies in the short term. [SGAS 34]

Fiscal dependence – Situation requiring the inclusion of a legally separate entity as a component unit within the financial reporting entity because the governing board of the primary government may *arbitrarily* override the financial decisions of the legally separate entity regarding (a) its budget, (b) the levying of taxes or the setting of rates or charges, or (c) the issuance of bonded debt.

Formula grants – Government-mandated or voluntary nonexchange transactions involving the provision of resources based upon established criteria other than the incurrence of qualifying expenditures. Also referred to as "shared revenues".

Function – Group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Fund – Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. [NCGA Statement 1]

Fund balance – The difference between assets and liabilities reported in a governmental fund.

Fund classifications – One of three categories – governmental, proprietary, and fiduciary – used to classify fund types.

GAAP hierarchy – Identification and ranking of the source of *generally accepted accounting principles* (GAAP).

General Fund – One of the five governmental fund types. The general fund typically serve as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund. [NCGA Statement 1]

Generally accepted accounting principles (GAAP) – Conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

Generally accepted auditing standards (GAAS) – Rules and procedures that govern the conduct of a financial audit.

Generally accepted governmental auditing standards (GAGAS) – Standards for the conduct and reporting of both financial and performance audits in the public sector as promulgated by the GAO.

Government Accountability Office (GAO) – Investigative arm of the U.S. Congress charged with improving the performance and accountability of the federal government. The GAO issues the publication *Governmental Auditing Standards*, commonly known as the "Yellow

Book" which sets generally accepted governmental audit standards (GAGAS).

Government Finance officers Association (GFOA) – Association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments. Also sponsors the Certificate of Achievement for Excellence in Financial Reporting program.

Governmental Accounting Standards Advisory Council (GASAC) – Advisory body established to assist the GASB. The membership of the GASAC represents all major groups with an interest in accounting and financial reporting for state and local governments.

Governmental Accounting Standards Board (GASB) – Ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the NCGA.

Governmental Activities – Activities generally finance through taxes, intergovernmental revenues, and other nonexchange revenues. These activities are usually reported in governmental funds and internal service funds. [SGAS 34]

Governmental entity – For accounting and financial reporting purposes, an entity subject to the hierarchy of GAAP applicable to state and local governmental units.

Governmental financial reporting model – Minimum combination of financial statements, note disclosures, and required supplementary information prescribed for state and local governments by the GASB.

Governmental funds – Funds generally used to account for tax-supported activities. There are five types of governmental funds: the general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

Government-mandated nonexchange transactions – Situation where a higher level government requires performance of a lower level government and provides it full or partial funding to do so. [SGAS 33]

Government-wide financial statements – Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements; the statement of net assets and the statement of activities. [SGAS 34]

Impact fees – Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

Impairment – Significant, unexpected decline in the service utility of a capital asset. [SGAS 42]

Implementation guides – Guidance on the proper implementation of authoritative accounting and financial reporting standards issued by the staff of the GASB. Implementation guides are level 4 GAAP.

Imposed nonexchange revenues – Revenues that result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions. Examples of imposed nonexchange transactions are property taxes and fines. [SGAS 33]

"In-relation-to" opinion – Indication in the independent auditor's report that the auditor does *not* render an opinion on the fair presentation *per se* of certain information contained in the financial report, but does assert that the information in question is fairly presented *in relation to* the audited financial statements.

Incurred but not reported (IBNR) claims – In connection with risk financing, claims for insured events that have occurred but the claim has not yet been reported to the insuring entity as of the date of the financial statements. IBNR claims include (a) known loss events that are expected to be presented later as claims, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. [SGAS 10]

Independent auditor – Auditors who are independent, both in fact and appearance, of the entities they audit. Both GAAS and GAGAS set specific criteria that must be met for an auditor to be considered independent.

Independent auditor's report – Official written communication of the results of an audit. In a financial audit, the independent auditor's report typically will offer (or disclaim) an opinion on whether a set of financial statements is fairly presented in conformity with GAAP.

Indirect expenses – Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category. [SGAS 34]

Infrastructure – Long-lived capital assets that normally are statutory in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and wastewater systems, dams, and lighting systems. [SGAS 34]

In-substance defeasance of debt – Situation that occurs when debt is considered defeased for accounting and financial reporting purposes, even though a legal defeasance has not occurred. When debt is defeased, it is no longer reported on the face of the statement of position; only the new debt, if any, is reported as a liability. [SGAS 7]

Interest rate risk – Risk that changes in the interest rates will adversely affect the fair value of an investment. [SGAS40]

Interfund activity – Activity between funds of the primary government, including blended component units. Interfund activities are divided into two broad categories; reciprocal and nonreciprocal. Reciprocal interfund activity comprises interfund loans and interfund services provided and used. Nonreciprocal interfund activity comprises interfund transfers and interfund reimbursements.

Interfund loans – Amounts provided between funds or blended component units with a requirement for repayment. [SGAS 34]

Interfund reimbursements – Repayments by one fund or blended component unit of a primary government to another for expenditures or expenses incurred on its behalf. [SGAS 34]

Interfund services provided and used – Sales and purchases of goods and services between funds and blended component units of the primary government for a price approximating their external exchange value. [SGAS 34]

Interfund transfers – Flows of assets (such as cash or goods) between funds or blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment. [SGAS 34]

Internal control framework – Integrated set of policies and procedures designed to assist management to achieve its goals and objectives. To be truly comprehensive, a government's internal control framework must (a) provide a favorable control environment, (b) provide for the continuing assessment of risk, (c) provide for the design, implementation, and maintenance of effective control-related policies and procedures, (d) provide for the effective communication of information, and (e) provide for the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

Internal service funds – Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. [SGAS 34]

Introductory section – First of the three required components of any comprehensive annual financial report. The introductory section typically provides general information on a government's structure and personnel as well as information useful in assessing the government's economic condition. The key element of the introductory section is the letter of transmittal.

Invested in capital assets, net of related debt – One of the three components of net assets that must be reported in both government-wide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

Joint venture – Legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) and ongoing financial responsibility. [SGAS 14]

Jointly governed organization – Regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. [SGAS 14]

Legal debt margin – Excess of amount of the legally authorized debt over the amount of debt outstanding.

Legal defeasance – Situation that occurs when debt is legally satisfied based on certain provisions in the debt instrument even though the debt is not actually paid. When debt is defeased, it is no longer reported as a liability on the face of the statement of position; only the new debt, if any, is reported as a liability. [SGAS 7]

Legal level of budgetary control – Level at which a government's management may not reallocate resources without special approval from the legislative body.

Level (1-4) guidance – In the context of the hierarchy of GAAP for state and local governments, a reference to the relative authority of a given source of GAAP guidance.

Level of effort requirement – Requirement that a grant recipient not use grant resources to reduce its own participation in a given program or activity.

Lien date – For property (ad valorem) taxes, the date when an enforceable legal claim to taxable property arises.

Major fund – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

Major program – Term used in the context of Single Audits. As part of the Single Audit, the independent auditor must gain an understanding of internal control over compliance for each major federal award program and then test it. In addition, the independent auditor must render an opinion on whether the government complied with laws, regulations, and provisions of contracts or grant agreements that could have a direct and material effect on each major federal awards program tested.

Management letter – In the context of the independent audit of the financial statements, a formal communication by the auditor to management that focuses on internal control weaknesses discovered in the course of the audit of the financial statements.

Management's discussion and analysis – Component of required supplementary information used to introduce the basic financial statements and provide analytical overview of the government's financial activities. [SGAS 34]

Matching requirement – Requirement that a grant recipient contribute resources to a program that equal or exceed a predetermined percentage of amounts provided by the grantor.

Material weakness – Reportable condition (internal control weakness) of such magnitude that it could potentially result in a material misstatement of the financial statements or material non-compliance with major federal award programs.

Materiality – In the context of financial reporting, the notion that an omission or misstatement of accounting information is of such significance as to make it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Measurement focus - Types of balances (and related changes) reported in a given set of financial statements (i.e., economic resources, current financial resources, assets and liabilities resulting from cash transactions).

Modified accrual basis of accounting – Basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways 1) revenues are not recognized until they are measurable and available, and 2) expenditures are recognized in the period in which governments in general normally liquidate the related liability rather than when that liability is first incurred (if earlier).

Modified approach – Election *not* to depreciate infrastructure assets that are part of a network or subsystem of a network that meets two requirements. First, the government manages the eligible infrastructure assets using an asset management system that has certain specified characteristics; second, the government documents that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the government. [SGAS 34]

Money market investment – Short-term, highly liquid debt instrument, including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. [SGAS 31]

National Advisory Council on State and Local Budgeting (NACSLB) – Working group created by eight public-sector organizations to establish a comprehensive framework for public-sector budgeting that could be used by state and local governments as an ideal against which to measure and improve the quality of their own budget practices.

National Committee on Governmental Accounting – Committee of the Municipal Finance Officers Association that served as the authoritative accounting and financial reporting standards-setting body for local governments from 1946 until the establishment of the National Council on Governmental Accounting in the 1970s.

National Council on Governmental Accounting (NCGA) – Immediate predecessor of the GASB as the authoritative accounting and financial reporting standards-setting body for state and local governments.

Net general obligation debt – General obligation debt reduced by the amount of any accumulated resources restricted to repay the principal of such debt. [SGAS 44]

Net pension/OPEB obligation – The cumulative difference between annual pension/OPEB costs and the employer's contributions to the plan.

No-commitment special assessment debt – Special assessment debt that is secured solely by liens on assessed properties and resources provided from bond proceeds and is not backed by either the full faith and credit of the government or by any other type of general governmental commitment.

Noncapital financing activities – Term used in connection with cash flows reporting. Noncapital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest. [SGAS 9]

Nonexchange transaction – Transactions in which a government (including the federal government, as a provider) either gives or receives value (benefit) to/from another party without directly receiving/giving equal value in exchange. [SGAS 33]

Nonoperating revenue and expenses – In the context of the proprietary fund operating statement, revenue and expenses not qualifying as operating items (e.g., taxes, grants that are not equivalent to contracts for services, and most interest revenue and expense).

Nonreciprocal Interfund activity – Counterpart of nonexchange transactions within the primary government. Includes both Interfund transfers and Interfund reimbursements. [SGAS 34]

Office of Management and Budget (OMB – Agency of the federal government with regulatory oversight of Single Audits.

Operating activities – Term used in conjunction with cash flows reporting. Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities. [SGAS 9]

Operating revenues and expenses – Cost of goods sold and services provided to customers and the revenues thus generated.

Operational accountability – Government's responsibility to report the extent to which they have met their operating objectives efficiently and effectively, using all resources available for that purpose, and whether they can continue to meet their objectives for the foreseeable future.

Original budget – First complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. [SGAS 34]

Other financing source – Increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the *other financing sources* category is limited to items so classified by GAAP.

Other financing use – Decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the *other financing uses* category is limited to items so classified by GAAP.

Other postemployment benefits (OPEB) – Postemployment benefits other than pension benefits. Includes postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits. [SGAS 43]

Outcome measures – In the context of service efforts and accomplishments reporting, indicators that measure accomplishments or results that occur (at least partially) because of service provided. [SGAC 2]

Output measures – Term used in connection with service efforts and accomplishments reporting. Indicators that measure the quantity of services provided. Output measures include both measures of the *quantity of service provided* and measures of the *quantity of services provided that meets a certain quality requirement*. [SGAC 2]

Overlapping debt – In the context of the statistical section, the outstanding long-term debt instruments of governments that overlap geographically, at least in part, with the government preparing the statistical section information. [SGAS 44]

Overlapping governments – In the context of the statistical section, all local governments located wholly or in part within the geographic boundaries of the reporting government. [SGAS 44]

Overlapping rate - In the context of the statistical section, an amount or percentage applied to a unit of a specific revenue base by governments that overlap geographically, at least in part, with the government preparing the statistical section information. [SGAS 44]

Own-source revenue – In the context of the statistical section, revenues that are generated by a government itself (e.g., tax revenues, water and wastewater charges, investment income) rather than provided from some outside source (e.g., intergovernmental aid and shared revenues). [SGAS 44]

Pass-through grants – Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient. [SGAS 24]

Payment in lieu of taxes - Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that are normally financed through property taxes.

Pension (and OPEB) trust funds – Fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. [SGAS 34]

Performance measurement – Commonly used term for service efforts and accomplishments reporting.

Permanent funds – Governmental fund type used to report resources that are legally restricted to the extent that only the earnings, and not the principal, may be used for purposes that support the reporting government's programs. [SGAS 34]

Perspective differences – Difference between the basis for budgeting and GAAP that result when the structure used for budgeting differs from the fund structure used for GAAP financial reporting. [NCGA Interpretation 10]

Postemployment – Period following termination of employment, including the time between termination and retirement. [SGAS 43]

Postemployment healthcare benefits – Medical, dental, vision, and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries. [SGAS 43]

Primary government – Term used in connection with defining the financial reporting entity. A state government or general purpose local government. Also, a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The primary government is the focus of the financial reporting entity. [SGAS 14]

Private-purpose trust funds – Fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. [SGAS 34]

Program – Group activities, operations or organizational units directed to attaining specific purposes or objectives.

Program revenue – In the context of the government-wide statement of activities, revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues. [SGAS 34]

Proprietary funds – Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two types of proprietary funds: enterprise funds and internal service funds.

Public employee retirement system – State or local governmental entity entrusted with administering one or more pension plans; it also may administer other postemployment benefit plans and deferred compensation plans. [SGAS 25]

Public-entity risk pool – Cooperative group of governmental entities joining together to finance an exposure, liability or risk. A pool may be a stand-alone entity or part of a larger governmental entity that acts as the pool's sponsor. [SGAS 10]

Purpose restriction – In the context of government-mandated and voluntary nonexchange transactions, legal limitations that specify the purpose or purposes for which resources are required to be used (as distinguished from eligibility requirements). [SGAS 33]

Qualified opinion – In the context of financial audits, a modification of the independent auditor's report on the fair presentation of the financial statements indicating that there exists one or more specific exceptions to the auditor's general assertion that the financial statements are fairly presented.

Questioned costs – In the context of Single Audits, a determination by the independent auditor that an expenditure under a federal grant does not meet all of the grantor's requirements and therefore may be subject to refund to the grantor.

Realized gains and losses – Differences between the carrying value of an asset and its price at the time of sale if the asset had been reported at other than fair value.

Reappropriation – Inclusion of a balance from the prior year's budget as part of the budget of the subsequent fiscal year.

Reasonable assurance – Principle that the goal of the independent audit of the financial statements is to ensure that those statements are free from *material* misstatement (based on the assumption that it is not cost beneficial to ensure that financial statements are free of *immaterial* misstatements).

Rebatable arbitrage – Requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a higher yield.

Reciprocal Interfund activity – Interfund counterpart to exchange and exchange-like transactions. Includes both Interfund loans and Interfund services provided and used. [SGAS 34]

Refunding – Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding). [SGAS 23]

Reverse repurchase agreement – Agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a governmental entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for the same securities or for different securities. [SGAS 3]

Risk-sharing pool One of four different types of public-entity risk pools. An arrangement by which governments pool risks and funds and share in the cost of losses. [SGAS 10]

Schedule of employer contributions – In the context of defined benefit pension plans and other postemployment benefit plans, trend data on employers' annual required contribution to a plan and actual contributions.

Schedule of funding progress – In the context of defined benefit pension plans and other postemployment benefit plans, trend data on the relationship between the actuarial value of plan assets and the related actuarial accrued liability.

Segment – Identifiable activity (or grouping of activities) reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately.

Service efforts and accomplishment reporting – Term used by the GASB to describe the presentation of performance measures in connection with general purpose external financial reporting.

Single Audit – Audit designed to meet the needs of all federal grantor agencies and performed in accordance with the Single Audit Act of 1984 (as amended) and Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*.

Single Audit Act of 1984 – Federal legislation that provides for state and local government recipients of federal financial awards to have one audit preformed to meet the needs of all federal grantor agencies. The Single Audit Act was amended in 1996.

Special assessment – Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special items – Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence. [SGAS 34]

Special revenue fund – Governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specific purposes. (NCGA Statement 1]

Statistical section – Third of three required components of any comprehensive annual financial report, it 1) provides information on financial trends, 2) provides information on revenue capacity, 3) provides information on debt capacity, 4) provides demographic and economic information, and 5) provides operating information.

Summary of significant accounting policies (SAAP) – First of the notes to the financial statements. The basic content should include a discussion of 1) any selection of an accounting treatment when GAAP permit more than one approach, 2) accounting practices unique to state and local governments, and 3) unusual or innovative application of GAAP.

Supplementary information – Financial information presented together with basic financial statements that is not included within the scope of the audit of those statements. When the presentation of certain supplementary information is mandated by the GASB it is referred to as *required supplementary information*.

Susceptible to accrual – In the context of the modified accrual basis of accounting, revenues that are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. [NCGA Statement 1]

System development fees - Fees charged to join or to extend an existing utility system. Also referred to as *tap fees* or *connection fees*.

Unqualified opinion – Opinion rendered without reservation by the independent auditor that financial statements are fairly presented in all material respects.

Unrealized gains or losses – Difference between the carrying value of an asset and its fair value prior to sale.

Unrealized revenues – In the context of budgeting, the difference between estimated revenues and actual revenues.

Unrestricted net assets – That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

Voluntary nonexchange transaction – Transaction that result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement. [SGAS 33]

Weighted average maturity (WAM) – In the context of investment disclosure, a measurement that expresses investment time horizons – the time when investments become due and payable – in years or months, weighted to reflect the dollar size of individual investments within an investment type. [SGAS 40]

Yellow book – Term commonly used to describe the Government Accountability Office's publication *Governmental Auditing Standards*, the source of GAGAS.

CITY OF PEORIA, ARIZONA
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2013

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

3033 N. Central Ave., Suite 300
Phoenix, Arizona 85012
Tel (602) 277-9449
Fax (602) 277-9297

Honorable Mayor and Members of the City Council
City of Peoria, Arizona

Members of the Board:

In planning and conducting our single audit of the City of Peoria, Arizona for the year ended June 30, 2013, we performed the following as required by *Government Auditing Standards* (GAS) and Office of Management and Budget (OMB) Circular A-133:

- Considered the City's internal control over financial reporting,
- Tested internal controls over its major Federal programs, and
- Tested compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the City's financial statements and major Federal programs.

Any audit findings that are required to be reported by GAS and OMB Circular A-133 have been included in the City's Single Audit Reporting Package for the year ended June 30, 2013. Our audit disclosed opportunities for strengthening internal controls and instances of noncompliance with laws and regulations that did not meet that reporting criteria. Management should address these items to ensure that it fulfills its responsibility to establish and maintain adequate internal controls and comply with laws, regulations, contracts, and grant agreements. Those items and our related recommendations are briefly described in the accompanying summary.

This information is intended for the use of management, the Honorable Mayor and Members of the City Council and is not intended to be and should not be used by anyone other than the specified parties. However, this information is a matter of public record, and its distribution is not limited.

We have already discussed these items and suggestions with City personnel and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 31, 2013

REVENUES

1. There was approximately $4.6 million of intergovernmental revenue in the Non-Bond Capital Projects Fund misclassified as miscellaneous revenue. As a result, these revenues were also misclassified on the Statement of Activities as charges for services rather than capital grants and contributions.

   The City should ensure revenues received by the cashiering department are properly classified in the financial statements.

Management Response:

Throughout fiscal year 2013, the City requested reimbursement from the Maricopa Association of Governments (MAG) for reimbursement on the 75th Avenue/Thunderbird Road intersection project and the Arterial Life Cycle Program. In addition, payments from other parties for certain capital projects resulted in revenue recognition of $2,836,313. These revenues were initially recorded as Miscellaneous Revenue. The auditors discovered this during their audit and the City properly classified these revenues. In future years, Finance staff will analyze all Miscellaneous Revenue to insure proper classification.

EXPENDITURES

2. There were approximately $2.2 million of development services expenditures in the Non-Bond Capital Projects Fund misclassified as highways expenditures.

   The City should ensure expenditures are properly classified in the financial statements.

Management Response:

In fiscal year 2013, there were expenditures related to the BioInspire project that were recorded as highway expenditures in the Non-Bond Capital Projects Fund. The auditors discovered this during their audit and the City properly classified these expenditures. In future years, Finance staff will further analyze all expenditures recorded in the Non-Bond Capital Projects Fund.

CAPITAL ASSETS

3. There was $758,789 of contributed capital related to the storm drain system capitalized as streets.

   The City should carefully examine the contributed capital worksheet from Accela to ensure contributed capital is properly classified.

Management Response:

Finance staff was made aware of this misclassification. In future years, Finance staff will more carefully examine the contributed capital information to insure proper classification of those capital assets that were contributed by developers.

4. In fiscal year 2012, the City moved the Storm Drainage Fund from governmental to business type; however, the City did not move the capital assets associated with the storm drain system.

   It is recommended that storm drain system assets and accumulated depreciation are aligned with the current presentation of the Storm Drainage Fund.

Management Response:

Finance staff has had preliminary discussions with the auditors regarding the storm drain assets. Further conversation will be required. If it is concluded that the assets should be moved, the journal entries will be completed in fiscal year 2014.

CITY OF PEORIA, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2013

CITY OF PEORIA, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2013

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HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

3033 N. Central Ave., Suite 300
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Tel (602) 277-9449
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Peoria, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Peoria, Arizona as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Peoria, Arizona's basic financial statements, and have issued our report thereon dated October 31, 2013. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statements No. 63 and 65.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Peoria, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Peoria, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Peoria, Arizona's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Peoria, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Peoria, Arizona in a separate letter dated October 31, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 31, 2013

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

3033 N. Central Ave., Suite 300
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Peoria, Arizona

Report on Compliance for Each Major Federal Program
We have audited City of Peoria, Arizona's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Peoria, Arizona's major federal programs for the year ended June 30, 2013. City of Peoria, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of City of Peoria, Arizona's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Peoria, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Peoria, Arizona's compliance.

TUCSON • PHOENIX • FLAGSTAFF

Opinion on Each Major Federal Program

In our opinion, City of Peoria, Arizona complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of City of Peoria, Arizona is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered City of Peoria, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Peoria, Arizona's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Peoria, Arizona as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Peoria, Arizona's basic financial statements. We have issued our report thereon dated October 31, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 31, 2013

CITY OF PEORIA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures & Transfers
U.S. Department of Housing and Urban Development			
Direct Programs:			
Public and Indian Housing	14.850	N/A	$ 67,915
Public Housing Capital Fund	14.872	N/A	66,222
Community Development Block Grant Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218	N/A	495,153
Community Development Block Grants/Entitlement Grants	14.218	N/A	510,913
Total Community Development Block Grant Entitlement Grants Cluster			1,006,066
Passed through Maricopa County:			
Home Investment Partnerships Program	14.239	N/A	492,376
Total U.S. Department of Housing and Urban Development			1,632,579
U.S. Department of Justice			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	N/A	7,322
Passed through Maricopa County:			
Justice Assistance Grant Program Cluster			
ARRA-Edward Byrne Justice Assistance Grant Program	16.804	2009-SB-B9-2970	37,177
Edward Byrne Justice Assistance Grant Program	16.738	2009-G9557-AZ-DJ	12,446
Edward Byrne Justice Assistance Grant Program	16.738	2012-DJ-BX-1182	5,143
Total Justice Assistance Grant Program Cluster			54,766
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2010-VA-GX-0064	40,908
Total U.S. Department of Justice			102,996
U.S. Department of Health and Human Services			
Passed through Arizona Department of Economic Security:			
Medical Assistance Program	93.778	E2109006	251,816
Total U.S. Department of Health and Human Services			251,816
U.S. Department of Homeland Security			
Passed through Arizona Division of Emergency Management:			
2010 Homeland Security Grant Program	97.067	777816-03	10,365
2011 Homeland Security Grant Program	97.067	888818-01	23,480
2011 Homeland Security Grant Program	97.067	888819-01	458
2011 Homeland Security Grant Program	97.067	888817-01	24,552
2012 Homeland Security Grant Program	97.067	999813-01	18,211
2012 Homeland Security Grant Program	97.067	999813-02	50,569
2012 Homeland Security Grant Program	97.067	999814-01	9,615
2011 SAFER Grant Program	97.083	EMW-2011-FH-00664	253,665
Total U.S. Department of Homeland Security			390,915

(Continued)

CITY OF PEORIA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures & Transfers
U.S. Department of Transportation			
Passed through Arizona Governor's Office of Community & Highway Safety:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	2012-AI-007	25,000
State and Community Highway Safety	20.600	2013-PT-034	6,167
State and Community Highway Safety	20.600	2013-PS-008	23,575
State and Community Highway Safety	20.600	2013-OP-021	7,500
State and Community Highway Safety	20.600	2012-PT-049	6,046
State and Community Highway Safety	20.600	2012-PS-004	10,368
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2013-410-028	18,053
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2012-410-001	21,768
Total Highway Safety Cluster			118,477
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2013-164-010	11,147
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2013-164-011	30,565
Passed through City of Phoenix Transit:			
Federal Transit - Formula Grants	20.507	AZ-90-X096-00	121,600
Federal Transit - Formula Grants	20.507	AZ-90-X002-01	8,745
Federal Transit - Formula Grants	20.507	AZ-90-X103-00	12,226
Total U.S. Department of Transportation			302,760
Institute of Museum and Library Services			
Passed through Arizona State Library:			
Grants to States	45.310	212JZ077	30,854
Total Institute of Museum and Library Services			30,854
U.S. Department of Commerce			
Passed through Arizona State Library:			
Broadband Technology Opportunities Program	11.557	AZJAC-GIK-11-1-VWW-075; 076	442
Total U.S. Department of Commerce			442
U.S. Department of the Interior			
Bureau of Reclamation:			
Water Conservation Field Services Program	15.530	R10AP32071	19,344
Water Conservation Field Services Program	15.530	R11AP32067	23,282
Water Conservation Field Services Program	15.530	R12AP32020	19,627
Total U.S. Department of the Interior			62,253
U.S. Department of Energy			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program	81.128	N/A	66,491
Total U.S. Department of Energy			66,491
Total Expenditures of Federal Awards			$ 2,841,106

See accompanying notes to schedule.

CITY OF PEORIA, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Peoria, Arizona and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2013 *Catalog of Federal Domestic Assistance*.

CITY OF PEORIA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	___ yes _X_ no
• Significant deficiency(ies) identified?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	___ yes _X_ no
• Significant deficiency(ies) identified?	___ yes _X_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	___ yes _X_ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.239	Home Investment Partnerships Program
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	_X_ yes ___ no

FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None reported.

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None reported.

CITY OF PEORIA, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2013

Status of Federal Award Findings and Questioned Costs

The City had no findings or questioned costs related to federal awards noted in prior audits that require a status.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 11C

Date Prepared: November 5, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Julie Ayers, Human Resources Director**

SUBJECT: **Request for Exemption from Requirement to Post Security for Self Insured Workers Compensation Claims**

Purpose:

This is a request for City Council to review and approve certification that the City of Peoria, a chartered Arizona Municipality and duly qualified Workers' Compensation self-insurer is exempt from the Industrial Commission of Arizona (ICA) requirement to post security for pending self-insurance claims.

Background/Summary:

The Industrial Commission of Arizona (ICA) requires that public entities are exempt from posting financial security for claims liability provided the governing body provides a statement to the Commission prior to January 1 of each year certifying the availability of adequate funds to pay for worker's compensation claims. By providing a certified statement, the City of Peoria will meet the requirements imposed by the Industrial Commission of Arizona as it relates to establishing a self-insured worker's compensation plan.

Previous Actions:

Previous requests for exemption were also processed on 7/1/09, 7/1/10, 1/1/2012 and 1/1/2013.

Options: The Council may select the following options:

A: The Mayor and Council sign the attached letter certifying the City of Peoria, a chartered Arizona Municipality and duly qualified Arizona Workers Compensation self-insurer, requests the Industrial Commission of Arizona (ICA) Exemption from the Requirements to Post Security for pending self insured Workers Compensation claims.

B: If this request is not approved and signed, the City will have to purchase a bond (cost of bond is unknown).

Staff's Recommendation:

The Mayor and Council sign the attached letter certifying the City of Peoria, a chartered Arizona Municipality and duly qualified Arizona Workers Compensation self-insurer, requests the Industrial Commission of Arizona (ICA) Exemption from the Requirements to Post Security for pending self insured Workers Compensation claims.

Fiscal Analysis:

N/A

Narrative:

Once City Council approves the certification that the City of Peoria, a chartered Arizona Municipality and duly qualified Workers' Compensation self-insurer is exempt from the Industrial Commission of Arizona (ICA) requirement to post security for pending self-insurance claims, and necessary signatures are obtained, these documents will be returned to the Human Resources Department and routed through the City Clerk. The final approved documents will be submitted to the Industrial Commission of Arizona (ICA).

Exhibit(s):

Exhibit 1: Request from Exemption Communication and
Certified Statement

Contact Name and Number: Christine Nickel, Benefits and Compensation Administrator
Telephone number: 623-773-7101

CITY OF PEORIA)

ss

COUNTY OF MARICOPA)

I Rhonda Geriminsky, City Clerk of the City of Peoria, County of Maricopa, within the State of Arizona, do hereby and attest that the attached is the original Request for Exemption from Requirement to Post Statutory Deposit for the City of Peoria Self-Insured Workers' Compensation in accordance with the Arizona Administrative Code and for its Self-Insured Workers Compensation program, has been duly approved and signed by the Peoria Mayor and City Council on December 10, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the City of Peoria to be affixed hereunto this _____ day of December, 2013.

____

Rhonda Geriminsky, City Clerk

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 12C

Date Prepared: November 20, 2013

Council Meeting Date: December 10, 2013

TO: **Carl Swenson, City Manager**

FROM: **Bobbie Kimelton, Human Resources Manager**

THROUGH: **Julie Ayers, Human Resources Director**

SUBJECT: **Closing of Nationwide RHS Plan and Rollover to ICMA RHS Plan**

Purpose:

This is a request for City Council to discuss and take possible action to terminate the Nationwide Retiree Health Savings Plan # (No number assigned) and to roll over proceeds into the ICMA Retiree Health Savings Plan # 8008858

Background/Summary:

The Peoria Police Officers Association (PPOA) Memorandum of Understanding authorizes the City to provide a Retiree Health Savings Account. Currently the City maintains an account with Nationwide and also an account with ICMA-RC. The membership of the PPOA have voted to consolidate the two RHS plans by terminating the Nationwide RHS plan and rolling the distribution into the ICMA-RC RHS plan in order to simplify the deferred compensation offerings and to reduce administrative fees paid by employees. The termination of the Nationwide RHS plan includes notification to Nationwide and to ICMA-RC regarding the City's intent. The City's Employer Participation Agreement with Nationwide provides that the City may close the plan at any time upon written notification to Nationwide. ICMA-RC will work with the City to map nationwide funds to like or similar funds within the ICMA-RC RHS Plan. Notification will be provided to all impacted current and former employees.

Previous Actions:

None

Options:

A: Council may authorize the termination of the Nationwide RHS plan and the distribution of the proceeds into the ICMA-RC plan.

B: No action

Staff's Recommendation:

Request authorization by City Council to terminate Nationwide RHS plan # (No number assigned) and to distribute proceeds to ICMA-RC RHS plan # 800858.

Fiscal Analysis:

No fiscal impact to the City

Exhibit(s):

Exhibit 1: Letter from PPOA Requesting Action
Exhibit 2: City Council Resolutions # 11-

Contact Name and Number: Bobbie Kimelton 623.773.7624

Peoria Police Officers Association

A Progressive and Professional Law Enforcement Organization

9720 W. Peoria Avenue Ste. 118-B, Peoria Arizona 85345

November 25, 2013

To: Bobbie Kimelton

From: Michael Faith

RE: Nationwide transfer to ICMA

Dear Bobbie,

The PPOA Eboard conducted a vote asking members if they would switch their Nationwide RHS plan to the ICMA-RC RHS. The majority of the membership voted in favor of transferring the Nationwide plan to ICMA at no cost.

Thanks,

Michael Faith, PPOA President

RESOLUTION NO. 2013-193

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, AUTHORIZING THE TERMINATION OF AN EMPLOYER PARTICIPATION AGREEMENT WITH NATIONWIDE RETIREMENT SOULTIONS, CURRENTLY PROVIDING ADMINISTRATION OF A RETIREMENT HEALTH SAVINGS PROGRAM FOR CERTAIN CITY EMPLOYEES AND AUTHORIZING THE CITY MANAGER TO EXECUTE CERTAIN TRUST DOCUMENTS ON BEHALF OF THE CITY FOR TRANSFER OF TRUST PROCEEDS INTO AN INTEGRAL PART TRUST ADMINISTERED BY THE INTERNATIONAL. CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION (ICMA-RC)

WHEREAS, the City of Peoria has employees rendering valuable services; and

WHEREAS, the City of Peoria has long provided for post-employment health benefits for certain eligible employees (Benefits); and

WHEREAS, since October 2003, the City of Peoria has used a plan and trust offered by Nationwide Retirement Solutions (Nationwide) in connection with the Benefits;

WHEREAS, since July 2008, the City of Peoria has also used a plan and trust offered by ICMA-RC in connection with the Benefits;

WHEREAS, since June, 2013, with respect to benefits for eligible employees within the Peoria Police Officers Association (PPOA), City of Peoria determined by majority vote of their membership that it would be preferable to use an Integral Part Trust and the Services of ICMA-RC ;

WHEREAS, Nationwide has stated that the IRS will not allow them to transfer funds to an integral part trust and would only be able to transfer funds into a trust that constitutes a Voluntary Employee Benefit Association (VEBA trust);

WHEREAS, in order to transfer funds from the Nationwide VEBA trust to the integral trust offered by ICMA-RC, it is necessary to terminate the Nationwide VEBA trust for certain eligible employees;

WHEREAS, in order to effect the transfer of funds, The City of Peoria will notify Nationwide that certain employee groups wish to cease participating in the Nationwide Plan and Trust and that proceeds from the trust will be transferred to the integral trust offered by ICMA-RC.

NOW, THEREFORE, BE IT RESOLVED, the the City of Peoria, Mayor and Council approves the transfer of funds from the Nationwide trust and plan to the ICMA-RC trust and plan, to be adopted and executed at an administratively feasible time following Nationwide's acknowledgement of the termination of participation.

BE IT FURTHER RESOLVED, the the Plan Administrator for the ICMA-RC plan shall be the coordinator and contact for the Plan and has the authority to act for the Plan and the Mayor and Council with respect to the ministerial matters concerning the Plan.

PASSED AND APPROVED by the Mayor and Council of the City of Peoria, Arizona on this 10th day of December, 2013.

Bob Barrett, Mayor

Rhonda Geriminsky
City Clerk

APPROVED AS TO FORM:

Stephen M. Kemp
City Attorney

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 13C

Date Prepared: November 26, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Bobby Ruiz, Fire Chief** (A/FC FOR CHIEF RUIZ)

THROUGH: **Jeff Tyne, Deputy City Manager**

SUBJECT: **Battalion Response Vehicle and Brush Truck Replacement Budget Amendment**

Purpose:
Staff is seeking approval from Council to purchase an F-250 Crew Cab 4x4 truck at a cost of $52,000 to replace the existing backup Battalion Chief Response Vehicle #1037. Staff is also requesting approval to purchase an F-550 Crew Cab 4x4 truck at a cost of $81,000 to replace the existing brush trucks #1114. The Vehicle Standards Committee has reviewed and approved the replacement of these vehicles. Additionally, staff requests a budget amendment to support these purchases.

Background/Summary:
In FY13 Council approved adjusting the replacement of two brush trucks in order to better serve the City's needs. Council approved purchasing a larger fire engine for the Lake Pleasant station (FS199) and a chassis for the remaining truck the following year. The savings realized in this plan allow the deployment of a larger fire engine at Lake Pleasant station while reusing the still useful pump and compressed air foam system from the existing brush truck.

The new fire engine, #1796, is now in service at Lake Pleasant station (FS199). Staff is now requesting to purchase the F-550 replacement chassis and related equipment for $81,000 to replace the remaining brush truck, Vehicle #1114 and requests a budget amendment to support this purchase.

The Vehicle Standards Committee has reviewed the condition of Vehicle #1037, the backup Battalion Chief Response Vehicle, and approved its replacement. This vehicle is used as a backup vehicle when the primary battalion response vehicles are down for maintenance. Staff is requesting to purchase an F-250 Crew Cab 4x4 truck at a cost of $52,000 to serve in this role and requests a budget amendment to support this purchase.

Previous Actions:

At the August 21, 2012 Council Meeting, staff received approval from Council for purchasing a larger fire engine for the Lake Pleasant station (FS199) and a chassis for the remaining truck the following year. The savings realized in this plan allow the deployment of a larger fire engine at Lake Pleasant station while reusing the still useful pump and compressed air foam system from the existing brush truck.

Options:

A: Approve the purchase of the F-250 4x4 for the North Battalion to replace the existing backup Battalion Chief Response Vehicle #1037 and an F-550 4x4 chassis to replace the remaining brush truck, Vehicle #1114. Additionally, staff requests a budget amendment to support these purchases.

B: Do not replace the vehicle at this time allowing them to remain in service until they can be replaced at a later date.

Staff's Recommendation:
Approve the purchase of the F-250 4x4 for the North Battalion to replace the existing backup Battalion Chief Response Vehicle #1037 and an F-550 4x4 chassis to replace the remaining brush truck Vehicle #1114. Additionally, staff requests a budget amendment to support these purchases.

Fiscal Analysis:
Approve the purchase of the F-250 4x4 at a cost of $52,000 to replace the existing backup Battalion Chief Response Vehicle #1037 and an F-550 4x4 chassis at a cost of $81,000 to replace the remaining brush truck, Vehicle #1114. Additionally, staff requests a budget amendment in the amount of $133,000 from the General Fund contingency (1000-0300-570000) to the Fleet Reserve Fund Trucks and Vans account (3100-3500-542502) to support these purchases.

Exhibit(s):
None

Contact Name and Number:
Bobby Ruiz, Fire Chief
(623-773-7380)

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 14C

Date Prepared: November 13, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Scott Whyte, Economic Development Services Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Maintenance Improvement District No. 1110, The Meadows Parcel 11, 97th Ave and Deer Valley Rd.**

Purpose:

This is a request for City Council to approve a Petition for Formation, adopt the Resolution of Intention, and Resolution Ordering the Improvements for a proposed Maintenance Improvement District No. 1110, The Meadows Parcel 11, located at 97th Ave and Deer Valley Road, as well as authorize the City Clerk to record the Maintenance Improvement District with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil and landscape/irrigation plans must be approved by the City of Peoria (City) prior to recordation of the Maintenance Improvement District;

2. The final plat for the subdivision must be approved by City Council and recorded with the Maricopa County Recorder's Office prior to recordation of the Maintenance Improvement District; and

3. The developer must provide a fully executed Petition, Waiver and Consent to Formation of a Municipal Improvement District.

Background/Summary:

The purpose of the Maintenance Improvement District is for the operations, maintenance, repair and improvements to landscaping adjacent to designated public roadways and parkways within the proposed district, as well as drainage and retention within each proposed district. Until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, the additional charge to the residents will show as $0.00 on their property tax bills.

Pursuant to the provision of A.R.S. 48-574, et. seq., the Mayor and Council are empowered to adopt a Resolution ordering the formation of a Maintenance Improvement District. A Petition and Resolution of Intention are attached for formation of City of Peoria Maintenance Improvement District No. 1110, The Meadows Parcel 11, located at 97th Ave and Deer Valley Road. In this special situation, in which all of the property owners have presented a petition for formation, the ordinary publication and protest period are not required by law, and the Council may then adopt a Resolution ordering the improvements when necessary once the Resolution of Intention is first adopted. The Resolution Ordering the improvements finalizes the formation of the Maintenance Improvement District process.

Under Arizona State law, commencing in October 2014, the residents will receive an additional charge on their property tax bill for maintenance of the landscape, irrigation and drainage improvements, located adjacent to and within the public rights-of-way and tracts. However, until such time as the Homeowner's Association fails, and the Council directs City staff to assume maintenance responsibility, the additional charge to the residents will be $0.00. In accordance with State statute, an assessment diagram and map, listing each parcel of property within the district has been prepared.

Previous Actions:

The final plat for The Meadows Parcel 11 was approved by the City on July 2, 2013 and recorded with the County.

Options:

A: The Maintenance Improvement District has been approved through the Economic Development Services Department. An option would be to not accept the proposed Maintenance Improvement District; although it should be noted that not approving the Maintenance Improvement District will prevent any additional charges from being assessed on the property tax bills for those properties located within the District, and any and all fees incurred by the City of Peoria as a result of assuming the maintenance responsibility would be paid using City of Peoria funds.

B: The other option would be to formally approve the Maintenance Improvement District to allow for the taxing district to be recorded and in place in the event the Homeowner's Association fails.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Petition for Formation, Resolution of Intention to Create, and Resolution Declaring Intention to Order.

Fiscal Analysis:
There is no direct budgetary impact to the City to approve the Maintenance Improvement District. However, the City would incur the additional charges associated with the maintenance

responsibilities should the taxing district not be approved and recorded, and the Homeowner's Association fail.

Narrative:

The acceptance of this Maintenance Improvement District will allow any additional charges associated with the maintenance responsibilities should the Homeowner's Association fail, to be assessed on the property tax bill for the properties located within the District.

Exhibit(s):

Exhibit 1: Petition for Formation

Exhibit 2: Proposed Resolution of Intention to Create

Exhibit 3: Proposed Resolution Declaring Intention to Order

Contact Name and Number: Traci Varland, Associate Engineer, x7612

PETITION, WAIVER AND CONSENT TO FORMATION OF A MUNICIPAL IMPROVEMENT DISTRICT BY THE CITY OF PEORIA

[1110]
MID#

[The Meadows – Parcel 11]
Subdivision Name

To: Honorable Mayor and Council
City of Peoria, Arizona

Pursuant to Arizona Revised Statutes, Section 48-574, the undersigned property owner respectfully petitions the City Council of the City of Peoria, Arizona (City Council) to order the formation of a Municipal Parkway Improvement District under Arizona Revised Statutes, Title 48, Chapter 4, Article 2. In support of this petition, the undersigned agrees to waive certain rights under the Arizona Improvement District Law and to consent to the formation and completion of the District.

1. Area of District. The proposed district is described by a map and by a legal description on Exhibit "A" that is attached hereto and incorporated herein by reference. The proposed district consists of 59.89 acres and is entirely within the corporate boundaries of the City of Peoria.

2. Ownership. The undersigned (is)(are) the sole owner(s) of the real property within the proposed district.

3. Purpose. The district is proposed to be formed for the purpose of the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated public roadways and parkways within the proposed district and drainage and retention within each proposed district.

4. Public Convenience and Necessity. The necessity for the proposed district is for the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated streets and parkways within the proposed district by the levying of special assessments in the proposed district.

5. Waiver and Consent. The petitioners with full knowledge of their rights being waived hereunder, hereby expressly waive:

   (a) Any and all irregularities, illegalities or deficiencies which may exist in the acts or proceedings resulting in the adoption of the Resolution of Intention and the Resolution Ordering the Work;

   (b) Any necessity for publication and posting of the Resolution of Intention and the Notice of Proposed Improvements pursuant to A.R.S. §48-578;

   (c) All protest rights whatsoever under A.R.S. §48-579(A) and (B), which provide for protests against the work; and

   (d) All objections to the filing of and adoption by the City of the plans and specifications, the Engineer's estimate and the Assessment Diagram, all of which provide for the completion of the District.

Further, the improvements described above are of more than local or ordinary public benefit.

In Witness whereof the parties have executed this Petition and Waiver Agreement as of the 26th day of September 20 13.

	Date:	Property (Tax Parcel Numbers)
K. Hovnanian Homes, Inc Print Property Owner Name Mark Weber Print Name 20830 N. Tatum Blvd., Suite 250 Phoenix, AZ 85050 [redacted] Signature	9/26/13	200-09-011-D
__________ Print Property Owner Name __________ Print Name __________ Address __________ Signature	__________	__________

Accepted and approved by:

CITY OF PEORIA, ARIZONA, an
ARIZONA MUNICIPAL CORPORATION

ATTEST:

By____________________________
Mayor

____
City Clerk

APPROVED AS TO FORM:

____
Stephen M. Kemp, City Attorney

RESOLUTION NO. 2013-188

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA, DECLARING ITS INTENTION TO CREATE AN IMPROVEMENT DISTRICT TO MAINTAIN LANDSCAPING INCLUDED WITHIN, NEAR AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, FOR MAINTENANCE WITHIN AN AREA IN THE CITY OF PEORIA AS DESCRIBED HEREIN; ADOPTING PLANS FOR CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1110, THE MEADOWS PARCEL 11, AS MORE PARTICULARLY DESCRIBED HEREIN, AND DECLARING THE WORK OR IMPROVEMENT TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT, AND THAT THE COST OF SAID WORK OR IMPROVEMENT SHALL BE ASSESSED UPON A CERTAIN DISTRICT, AND PROVIDING THAT THE PROPOSED WORK OR IMPROVEMENT SHALL BE PERFORMED UNDER ARIZONA REVISED STATUTES TITLE 48, CHAPTER 4, ARTICLE 2, AND AMENDMENTS THERETO AND DECLARING AN EMERGENCY.

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the Maintenance of the landscaping included within, near and adjacent to a parkway and related facilities in the District to be of more than local or ordinary public benefit, and further that the cost of said maintenance shall be assessed on a certain District; and

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, declare that the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities in the District is incidental to the maintenance and preservation of the parkway and related facilities, has aesthetic value, and maintains and increases the value of property within the District; and

WHEREAS, the City Council declares that the maintenance of landscaping included within and adjacent to a parkway and related facilities preserves and promotes the health, safety, and welfare of those citizens of the City of Peoria living within the District as well as preservation of the streets and parkways which may be adversely impacted by drainage and other water formations; and

WHEREAS, the City of Peoria declares that the maintenance of a landscaped buffer between a parkway and the adjacent developments reduces the visual and other impact of light, air and noise pollution and tends to increase personal and vehicular safety on the parkway and decreases the likelihood vehicular accidents will harm adjacent developments in furtherance of the health, safety and welfare of those citizens of the City living within the District; and

WHEREAS, the City Council declares that maintenance of landscaped drainage and other water control facilities and features within, near or adjacent to a parkway and related facilities tends to preserve the structural integrity of the parkway and mitigates flooding of adjacent areas and the structural integrity of the parkway and mitigates flooding of adjacent areas and the parkway by draining water to and from the parkway in furtherance of the health, safety and welfare of those citizens of the City of Peoria living within the District:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA AS FOLLOWS:

Section 1. Definitions.

In this Resolution, the following terms shall have the following meanings:

"Assessment Diagrams" shall mean those duplicate diagrams of the property contained in the Assessment District is to be filed with the Clerk and approved by the Mayor and Council.

"Assessment District" shall mean the lots, pieces or parcels of land lying within the boundaries described on Exhibit B attached hereto and as shown on the map on file with the City Engineer.

"City" shall mean the City of Peoria, Arizona.

"City Council" or "Council" shall mean the Mayor and Council of the City.

"Clerk" shall mean the City Clerk.

"Engineer" shall mean City Engineer.

"Lots" shall mean all lots, pieces or parcels of land lying within the Assessment District.

"Parkways" shall mean those streets and rights-of-way which are designated in Exhibit B as "Parkways," and specifically those portions of Pedestrian Facilities, Parks, Retention, Detention and Storm Water Management Facilities included within or adjacent to the Assessment District.

"Plans and Specifications" shall mean the engineer's estimate for the Maintenance Improvement District No. 1110 filed with the Clerk prior to the adoption of this Resolution.

"Superintendent of Streets" shall mean the City Engineer.

Section 2. <u>Declaration of Intention to Order an Improvement</u>.

The public interest or convenience requires, and it is the intention of the Mayor and Council of the City of Peoria, Arizona, to order the following work, hereinafter "Work," to be performed, to wit:

> The maintenance of all landscaping, including replacement of landscape materials, in the area generally described as follows:
>
> SEE EXHIBIT "A", LEGAL DESCRIPTION OF CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1110

The Mayor and Council of the City of Peoria, Arizona designate as parkways, those areas set forth on Exhibit "B" Assessment Diagram in accordance with Title 48, Chapter 4, Article 2, Arizona Revised Statutes. The public interest and convenience require, and it is the intention of the City Council to order the Work adjacent to the designated parkways to be performed as stated herein. All items of the Work shall be performed as prescribed by the Plans and Specifications hereby approved and adopted by the Council and on file in the Office of the City Engineer and no assessment for any lot shall exceed its proportion of the Estimate. The estimate of the cost and expenses of the work or improvements on file in the offices of the Superintendent of Streets and the Clerk of the City are hereby approved and adopted by the Mayor and Council of the City. In addition to the requirements of law, the procedures set forth in the City Code will be followed regarding acceptance of bids and setting tax levies. For purposes of this Resolution and of all resolutions, ordinances and notices pertaining to this Resolution, the improvement as herein

described is hereby designated City of Peoria Maintenance Improvement District No. 1110.

Section 3. Determination of Need.

In the opinion of the City Council, the Work is of more than local or ordinary public benefit. The City Council hereby orders that all amounts due or to become due with respect to the Work shall be chargeable upon the respective lots, pieces and parcels of land within the Assessment District.

Section 4. Preparation of Assessment Diagrams.

The City Engineer is hereby authorized and directed to prepare duplicate diagrams (Assessment Diagrams) of the property contained within the Assessment District. The diagrams shall show each separate lot, numbered consecutively, the approximate area in square feet of each lot, and the location of the lot in relation to the work proposed to be done.

Section 5. Exclusion of Certain Property.

Any public street or alley within the boundaries of the Assessment District is hereby omitted from the assessment hereafter to be made. Any lot belonging to the United States, the State, a county, city, school district or any political subdivision or institution of the State or county, which is included within the Assessment District shall be omitted from the assessment hereafter made.

Section 6. Officers Not Liable.

In no event will the City of Peoria or any officer thereof be liable for any portion of the cost of said Improvement District nor for any delinquency of persons or property assessed.

Section 7. Annual Statement.

The City Council shall make annual statements and estimates of the expenses of the District which shall be provided for by the levy and collection of ad valorem taxes upon the assessed value of all real and personal property in the District as provided in A.R.S. § 48-574 and amendments thereto.

Section 8. **<u>Statutory Authority</u>**.

The Work and all proceedings pertaining thereto shall be performed under the provisions of Title 48, Article 2, specifically Section 48-574, and all amendments thereto and pursuant to Article I, Section 3, (8) of the Peoria City Charter.

Section 9. **<u>Delegation of Authority</u>**.

The City Engineer is hereby authorized to fill in any blanks and to make any minor corrections necessary to complete the Plans and Specifications and the Contract Documents.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 10th day of December, 2013.

Bob Barrett, Mayor

ATTEST:

Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

Stephen M. Kemp, City Attorney

CERTIFICATION OF CITY ENGINEER

I hereby certify that I have read the description set out under the definition "Assessment District" and approve the same. I further certify that I have read the description set out under the definition "Work" and approve the same.

____
Andrew Granger, Engineering Director

CERTIFICATION OF CITY CLERK

I hereby certify that the above and foregoing Resolution No. 2013-188 duly passed by the Mayor and Council of the City of Peoria, Arizona at a regular meeting held on __________________, 2013 and that a quorum was present there and that the vote thereon was _______ ayes and _______ nays. ______ were no vote or absent.

____
City Clerk, City of Peoria

Legal Description Parcel 11– MID #1110

THOSE PORTIONS OF "PARCEL 11A", "PARCEL 11B", "TRACT J", AND "TRACT B" OF THAT CERTAIN "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS", RECORDED IN BOOK 1053 OF PLATS, PAGE 39, MARICOPA COUNTY, ARIZONA, SITUATED IN THE SOUTHWEST QUARTER (SW ¼) OF SECTION 16, AND THE SOUTHEAST QUARTER (SE ¼) OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE ¼) OF SAID SECTION 17;

THENCE ALONG THE SOUTH LINE THEREOF, SOUTH 89°38'08" EAST, 1679.89 FEET TO THE EAST LINE OF "TRACT A" OF STATE PLAT NO. 43 "CAMINO A LAGO", RECORDED IN BOOK 456, PAGE 06, OFFICIAL RECORDS, MARICOPA, COUNTY, ARIZONA, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID "TRACT A", NORTH 14°55'26" EAST, 776.48 FEET TO THE CENTERLINE OF "SPECKLED GECKO ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE THE FOLLOWING THREE (3) COURSES:

1) SOUTH 89°38'24" EAST, 0.64 FEET TO THE BEGINNING OF A 1112.74 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST;

2) NORTHEASTERLY ALONG SAID 1112.74 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 47°42'50" FOR AN ARC LENGTH OF 926.65 FEET TO THE BEGINNING OF A 1659.64 FOOT RADIUS REVERSE CURVE, CONCAVE TO THE SOUTHEAST, TO WHICH A RADIAL LINE BEARS NORTH 47°21'14" WEST;

3) NORTHEASTERLY ALONG SAID 1659.64 FOOT RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°41'47" FOR AN ARC LENGTH OF 1381.58 FEET TO THE CENTERLINE OF "97TH AVENUE" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 00°01'54" EAST, 1650.00 FEET TO THE CENTERLINE OF "DEER VALLEY ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 89°58'25" WEST, 1285.51 FEET;

THENCE CONTINUING ALONG SAID CENTERLINE, NORTH 89°38'08" WEST, 972.17 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PARCEL AS DESCRIBED IN DOCUMENT NO. 2007-0435499, OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA.

Legal Description Parcel 11– MID #1110

CONTAINING 2,608,986 SQUARE FEET OR 59.894 ACRES MORE OR LESS.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23385
MICHAEL J.
SEXTON
Date Signed 10-14-2013
ARIZONA U.S.A.

Expires 6-30-2016

Resolution No. 2013-188

EXHIBIT "B"

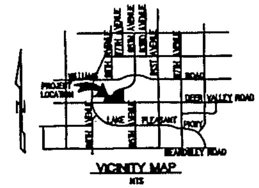
IS ON FILE IN THE

CITY OF PEORIA
CITY CLERK'S OFFICE
8401 W. Monroe Street
Peoria, AZ 85345

ASSESSMENT DIAGRAM
MAINTENANCE IMPROVEMENT DISTRICT # 1110

THE MEADOWS PARCEL 11

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 16 AND THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA.



CERTIFICATION

I, ANDREW GRANGER, ENGINEERING DEPARTMENT DIRECTOR OF THE CITY OF PEORIA, ARIZONA HEREBY CERTIFY THAT THIS IS THE ASSESSMENT DIAGRAM OF THE CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NUMBER 1110 FOR THE MEADOWS PARCEL 11 SUBDIVISION WAS APPROVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, AND THAT A QUORUM WAS PRESENT.

ASSESSMENT DIAGRAM SUBMITTED THIS ________ DAY OF ____________, 2012.

BY: ______________________________
DISTRICT ENGINEER

AREA TABLE

TRACT	USES	AREA (S.F.)
A	OPEN SPACE, DRAINAGE, TRAIL, UTILITIES	41,830
B	OPEN SPACE, DRAINAGE, TRAIL, UTILITIES	83,056
C	OPEN SPACE, DRAINAGE, HOA PARK	39,756
D	OPEN SPACE	12,253
E	OPEN SPACE, DRAINAGE, TRAIL	53,823
F	OPEN SPACE, DRAINAGE, TRAIL	26,847
G	OPEN SPACE, DRAINAGE, TRAIL	67,789
H	OPEN SPACE, DRAINAGE, TRAIL, UTILITIES	37,753
I	OPEN SPACE, DRAINAGE, HOA PARK	40,758
J	OPEN SPACE	1,800
K	OPEN SPACE, DRAINAGE, TRAIL, UTILITIES	114,218
L	OPEN SPACE	818
M	OPEN SPACE	1,567
N	OPEN SPACE	1,647
O	OPEN SPACE	2,313
P	OPEN SPACE	908
Q	OPEN SPACE	2,488
R	OPEN SPACE	1,584
S	OPEN SPACE	1,820
T	OPEN SPACE	1,852
W	CITY OF PEORIA – FUTURE WELL SITE	5,000
X	OPEN SPACE	997
	RIGHT OF WAY	787,127
	TOTAL TRACT AREA:	1,347,294
		±30.93 ACRES

NOTES

THIS IMPROVEMENT DISTRICT IS FOR THE EXPRESS PURPOSE OF PROVIDING THE MAINTENANCE AND OPERATION OF THE LANDSCAPING ADJACENT TO AND ALONG THE PUBLIC ROADWAYS AND PARKWAYS WITHIN THE DISTRICT AND DRAINAGE AND RETENTION FACILITY WITHIN SUCH PROPOSED DISTRICT. SPECIFIC AUTHORIZATION IS INCLUDED IN THE ARIZONA STATE STATUTES, TITLE 48, CHAPTER 4, ARTICLE 2, SECTION 574, AS AMENDED.

LEGAL DESCRIPTION

THOSE PORTIONS OF "PARCEL 11A", "PARCEL 11B", "TRACT J", AND "TRACT B" OF THAT CERTAIN "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS", RECORDED IN BOOK 1063 OF PLATS, PAGE 38, MARICOPA COUNTY, ARIZONA, SITUATED IN THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 16, AND THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE 1/4) OF SAID SECTION 17;

THENCE ALONG THE SOUTH LINE THEREOF, SOUTH 89°38'08" EAST, 1679.89 FEET TO THE EAST LINE OF "TRACT A" OF STATE PLAT NO. 43 "CAMINO A LAGO", RECORDED IN BOOK 486, PAGE 08, OFFICIAL RECORDS, MARICOPA, COUNTY, ARIZONA, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID "TRACT A", NORTH 14°08'28" EAST, 774.48 FEET TO THE CENTERLINE OF "SPECKLED GECKO ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE THE FOLLOWING THREE (3) COURSES:

1) SOUTH 89°38'34" EAST, 8.84 FEET TO THE BEGINNING OF A 1112.74 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST;

2) NORTHEASTERLY ALONG SAID 1112.74 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 47°42'30" FOR AN ARC LENGTH OF 926.60 FEET TO THE BEGINNING OF A 1608.84 FOOT RADIUS REVERSE CURVE, CONCAVE TO THE SOUTHEAST, TO WHICH A RADIAL LINE BEARS NORTH 47°23'14" WEST;

3) NORTHEASTERLY ALONG SAID 1608.84 FOOT RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°46'47" FOR AN ARC LENGTH OF 1341.55 FEET TO THE CENTERLINE OF "97TH AVENUE" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

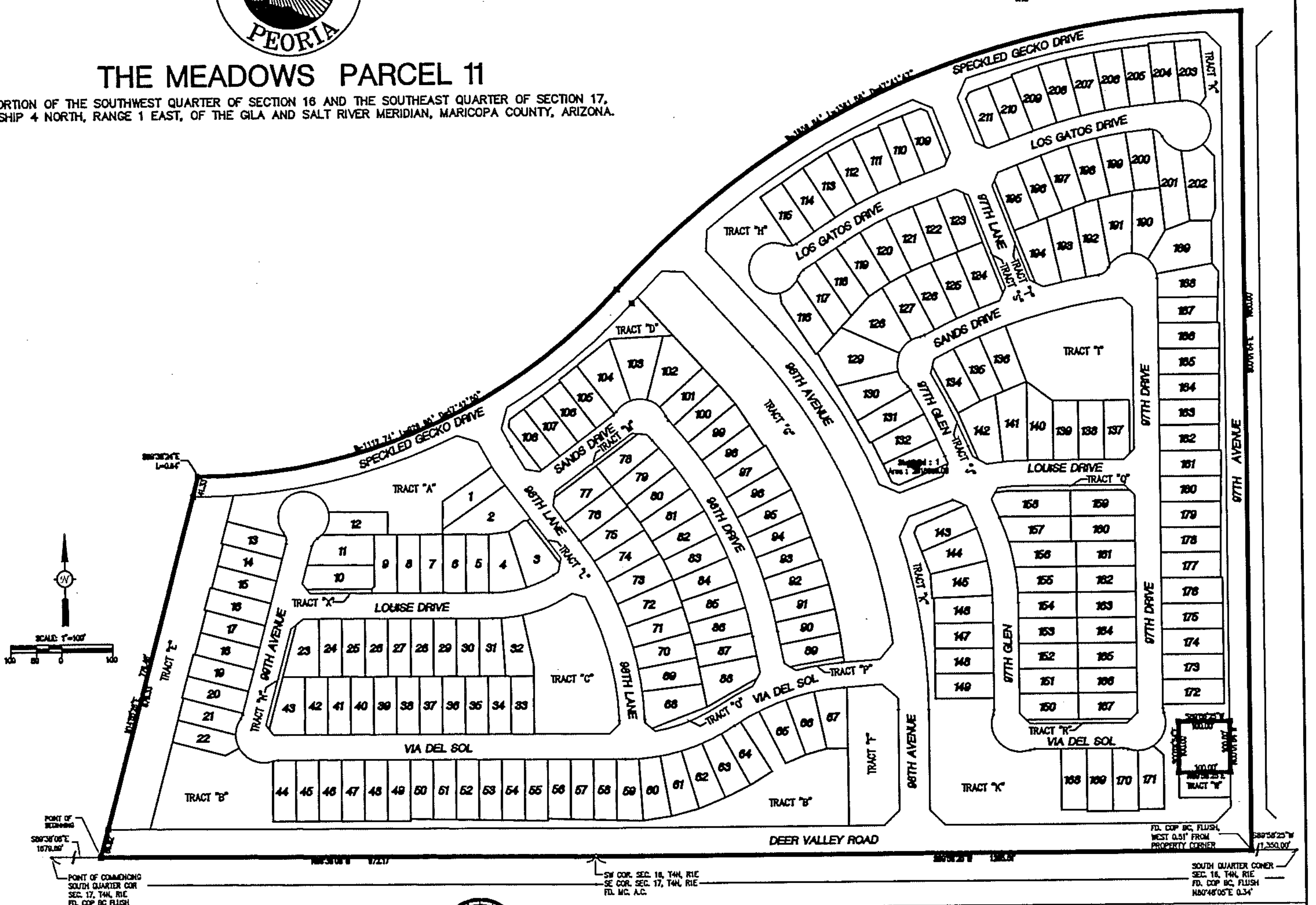
THENCE ALONG SAID CENTERLINE, SOUTH 00°00'34" EAST, 1008.03 FEET TO THE CENTERLINE OF "DEER VALLEY ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 89°38'25" WEST, 1360.59 FEET;

THENCE CONTINUING ALONG SAID CENTERLINE, NORTH 89°38'08" WEST, 872.17 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PARCEL AS DESCRIBED IN DOCUMENT NO. 2007-0430400, OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA.

CONTAINING 2,[illegible] SQUARE FEET OR [illegible] ACRES MORE OR LESS.



LEGEND

DISTRICT BOUNDARY

43 LOT NUMBERS

EXPIRES 9-30-16

MAINTENANCE IMPROVEMENT DISTRICT # 1110			
CITY OF PEORIA ENGINEERING DEPT. 9875 N. 85th AVE. PEORIA, AZ 85345			
DRAWN: JLB	DATE: 10/09/2013	SCALE: 1:100	SHT 1 OF 1

CITY OF PEORIA, ARIZONA

NOTICE

OF THE PASSAGE OF A RESOLUTION ORDERING THE IMPROVEMENT CONSISTING OF AUTHORIZING THE MAINTENANCE OF LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITHIN APPURTENANT STRUCTURES AS SHOWN ON THE PLANS FOR THE IMPROVEMENT DISTRICT KNOWN AS CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1110, THE MEADOWS PARCEL 11.

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 10th day of December, 2013 the Mayor and Council of the City of Peoria adopted Resolution No. 2013-188; ordering the improvements of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures shown on the plans, within the corporate limits of the City and creating an Improvement District known as the City of Peoria Maintenance Improvement District No. 1110, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together within appurtenant structures, which includes a charge for the maintenance of landscaping and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Maintenance Improvement District No. 1110 may be obtained by contacting Mr. Andrew Granger, Engineering Director, City of Peoria, Arizona, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7367.

DATED AND SIGNED this _____ day of _______________, 2013.

____
Andrew Granger
Acting Superintendent of Streets
City of Peoria, Arizona

RESOLUTION NO. 2013-189

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA DECLARING ITS INTENTION TO ORDER THE IMPROVEMENTS OF A CERTAIN AREA WITHIN THE CORPORATE LIMITS OF THE CITY AND CREATING AN IMPROVEMENT DISTRICT KNOWN AS THE CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NO. 1110, THE MEADOWS PARCEL 11; PROVIDING THAT THE COST OF THE MAINTENANCE OF THE LANDSCAPING INCLUDED WITHIN, NEAR, AND ADJACENT TO A PARKWAY AND RELATED FACILITIES TOGETHER WITH APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, SHALL BE ASSESSED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS AMENDED; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, THAT:

SECTION 1. The public interest or convenience require and it is the intention of the Mayor and Council of the City of Peoria, Arizona to order the maintenance of landscaping within the proposed district and that the cost of maintaining landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be assessed upon a certain improvement district to be known as Peoria Maintenance Improvement District No. 1110.

The estimate of the cost and expenses for the maintenance of the landscaping on file with the Superintendent of Streets and the City Clerk is approved and adopted by the Mayor and Council of the City.

SECTION 2. The maintenance of the landscaping, therefore, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit, and are of special benefit to the respective lots, pieces and parcels of land within the real property described herein. The Mayor and Council of the City make and order that the cost and expense for the maintenance of the landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures be chargeable upon a district to be known and designated as the City of

Peoria Maintenance Improvement District No. 1110 and as described and bounded as set forth on Exhibits A and B attached, and declare that the district in the City benefited by the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures to be assessed, to pay the costs and expenses thereof in proportion to the benefits derived therefrom.

The City shall not assess the costs and expenses for the maintenance of landscaping included within, near, and adjacent to a parkway and related facilities together with appurtenant structures, which are for the general public benefit against the respective lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1110 and if a portion of the costs and expenses for the maintenance of landscaping is for the general public benefit, the City shall assess the boundaries of the City of Peoria Maintenance Improvement District No. 1110 only that portion of such costs and expenses which benefits the lots, pieces and parcels of land located within the boundaries of the City of Peoria Maintenance Improvement District No. 1110.

SECTION 3. The costs and expense for the maintenance of landscaping shall be made and all proceedings therein taken; that the Superintendent of Streets of the City shall post or cause to be posted notices thereof; that the City Clerk shall certify to the passage of this Resolution of Intention; that the Engineer shall prepare duplicate diagrams of the City of Peoria Maintenance Improvement District No. 1110 described in Section 2 of this Resolution to be assessed to pay the costs and expenses thereof, under and in accordance with the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended.

SECTION 4. The majority of owners of all of the real property within the proposed district have executed a Petition for formation of a Maintenance Improvement District and the City Council has verified the ownership of the property. Publication and posting of the notice of the passage of the Resolution of Intention will be completed as prescribed by the State Statues.

SECTION 5. Any Resolutions or parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed.

SECTION 6. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety and an emergency is declared to exist, and this Resolution will be in full force and effect from and after its passage and approval by the Mayor and Council of the City of Peoria, Arizona as required by law and is exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Peoria, Arizona, this 10th day of December, 2013.

____
Bob Barrett, Mayor

Date Signed: ____________________

ATTEST:

____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Kemp, City Attorney

Legal Description Parcel 11– MID #1110

THOSE PORTIONS OF "PARCEL 11A", "PARCEL 11B", "TRACT J", AND "TRACT B" OF THAT CERTAIN "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS", RECORDED IN BOOK 1053 OF PLATS, PAGE 39, MARICOPA COUNTY, ARIZONA, SITUATED IN THE SOUTHWEST QUARTER (SW ¼) OF SECTION 16, AND THE SOUTHEAST QUARTER (SE ¼) OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE ¼) OF SAID SECTION 17;

THENCE ALONG THE SOUTH LINE THEREOF, SOUTH 89°38'08" EAST, 1679.89 FEET TO THE EAST LINE OF "TRACT A" OF STATE PLAT NO. 43 "CAMINO A LAGO", RECORDED IN BOOK 456, PAGE 06, OFFICIAL RECORDS, MARICOPA, COUNTY, ARIZONA, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID "TRACT A", NORTH 14°55'26" EAST, 776.48 FEET TO THE CENTERLINE OF "SPECKLED GECKO ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE THE FOLLOWING THREE (3) COURSES:

1) SOUTH 89°38'24" EAST, 0.64 FEET TO THE BEGINNING OF A 1112.74 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST;

2) NORTHEASTERLY ALONG SAID 1112.74 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 47°42'50" FOR AN ARC LENGTH OF 926.65 FEET TO THE BEGINNING OF A 1659.64 FOOT RADIUS REVERSE CURVE, CONCAVE TO THE SOUTHEAST, TO WHICH A RADIAL LINE BEARS NORTH 47°21'14" WEST;

3) NORTHEASTERLY ALONG SAID 1659.64 FOOT RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°41'47" FOR AN ARC LENGTH OF 1381.58 FEET TO THE CENTERLINE OF "97TH AVENUE" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 00°01'54" EAST, 1650.00 FEET TO THE CENTERLINE OF "DEER VALLEY ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 89°58'25" WEST, 1285.51 FEET;

THENCE CONTINUING ALONG SAID CENTERLINE, NORTH 89°38'08" WEST, 972.17 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PARCEL AS DESCRIBED IN DOCUMENT NO. 2007-0435499, OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA.

CONTAINING 2,608,986 SQUARE FEET OR 59.894 ACRES MORE OR LESS.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23385
MICHAEL J.
SEXTON
Date Signed 10-14-2013
ARIZONA U.S.A.

Expires 6-30-2016

Resolution No. 2013-189

EXHIBIT "B"

IS ON FILE IN THE

CITY OF PEORIA
CITY CLERK'S OFFICE
8401 W. Monroe Street
Peoria, AZ 85345

ASSESSMENT DIAGRAM
MAINTENANCE IMPROVEMENT DISTRICT # 1110

THE MEADOWS PARCEL 11

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 16 AND THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA.

CERTIFICATION

I, ANDREW GRANGER, ENGINEERING DEPARTMENT DIRECTOR OF THE CITY OF PEORIA, ARIZONA HEREBY CERTIFY THAT THIS IS THE ASSESSMENT DIAGRAM OF THE CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NUMBER 1110 FOR THE MEADOWS PARCEL 11 SUBDIVISION WAS APPROVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, AND THAT A QUORUM WAS PRESENT.

ASSESSMENT DIAGRAM SUBMITTED THIS ________ DAY OF ____________, 2012.

BY: ______________________________
DISTRICT ENGINEER

AREA TABLE

TRACT	USES	AREA (S.F.)
A	OPEN SPACE, DRAINAGE, TRAIL, UTILITIES	41,830
B	OPEN SPACE, DRAINAGE, TRAIL, UTILITIES	83,058
C	OPEN SPACE, DRAINAGE, HOA PARK	39,758
D	OPEN SPACE	12,253
E	OPEN SPACE, DRAINAGE, TRAIL	53,823
F	OPEN SPACE, DRAINAGE, TRAIL	28,847
G	OPEN SPACE, DRAINAGE, TRAIL	87,789
H	OPEN SPACE, DRAINAGE, TRAIL, UTILITIES	37,753
I	OPEN SPACE, DRAINAGE, HOA PARK	40,758
J	OPEN SPACE	1,890
K	OPEN SPACE, DRAINAGE, TRAIL, UTILITIES	114,218
L	OPEN SPACE	618
M	OPEN SPACE	1,567
N	OPEN SPACE	1,647
O	OPEN SPACE	2,313
P	OPEN SPACE	908
Q	OPEN SPACE	2,468
R	OPEN SPACE	1,584
S	OPEN SPACE	1,620
T	OPEN SPACE	1,852
W	CITY OF PEORIA – FUTURE WELL SITE	8,000
X	OPEN SPACE	997
	RIGHT OF WAY	787,127
	TOTAL TRACT AREA:	1,347,294
		≈30.93 ACRES

NOTES

THIS IMPROVEMENT DISTRICT IS FOR THE EXPRESS PURPOSE OF PROVIDING THE MAINTENANCE AND OPERATION OF THE LANDSCAPING ADJACENT TO AND ALONG THE PUBLIC ROADWAYS AND PARKWAYS WITHIN THE DISTRICT AND DRAINAGE AND RETENTION FACILITY WITHIN SUCH PROPOSED DISTRICT. SPECIFIC AUTHORIZATION IS INCLUDED IN THE ARIZONA STATE STATUTES, TITLE 48, CHAPTER 4, ARTICLE 2, SECTION 574, AS AMENDED.

LEGAL DESCRIPTION

THOSE PORTIONS OF "PARCEL 11A", "PARCEL 11B", "TRACT J", AND "TRACT B" OF THAT CERTAIN "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS", RECORDED IN BOOK [illegible] OF PLATS, PAGE [illegible], MARICOPA COUNTY, ARIZONA, SITUATED IN THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 16, AND THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE 1/4) OF SAID SECTION 17;

THENCE ALONG THE SOUTH LINE THEREOF, SOUTH [illegible] EAST, 1679.88 FEET TO THE EAST LINE OF "TRACT A" OF STATE PLAT NO. 43 "CAMINO A LAGO", RECORDED IN BOOK 406, PAGE 08, OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID "TRACT A", NORTH 14°[illegible]" EAST, 779.46 FEET TO THE CENTERLINE OF "SPECKLED GECKO ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE THE FOLLOWING THREE (3) COURSES:

1) SOUTH [illegible]" EAST, 8.84 FEET TO THE BEGINNING OF A 1112.74 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST;

2) NORTHEASTERLY ALONG SAID 1112.74 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 47°[illegible]" FOR AN ARC LENGTH OF [illegible] FEET TO THE BEGINNING OF A [illegible] FOOT RADIUS REVERSE CURVE, CONCAVE TO THE SOUTHEAST, TO WHICH A RADIAL LINE BEARS NORTH 47°21'14" WEST;

3) NORTHEASTERLY ALONG SAID [illegible] FOOT RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°[illegible]" FOR AN ARC LENGTH OF [illegible] FEET TO THE CENTERLINE OF "87TH AVENUE" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

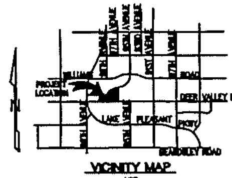
THENCE ALONG SAID CENTERLINE, SOUTH [illegible]" EAST, [illegible] FEET TO THE CENTERLINE OF "DEER VALLEY ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

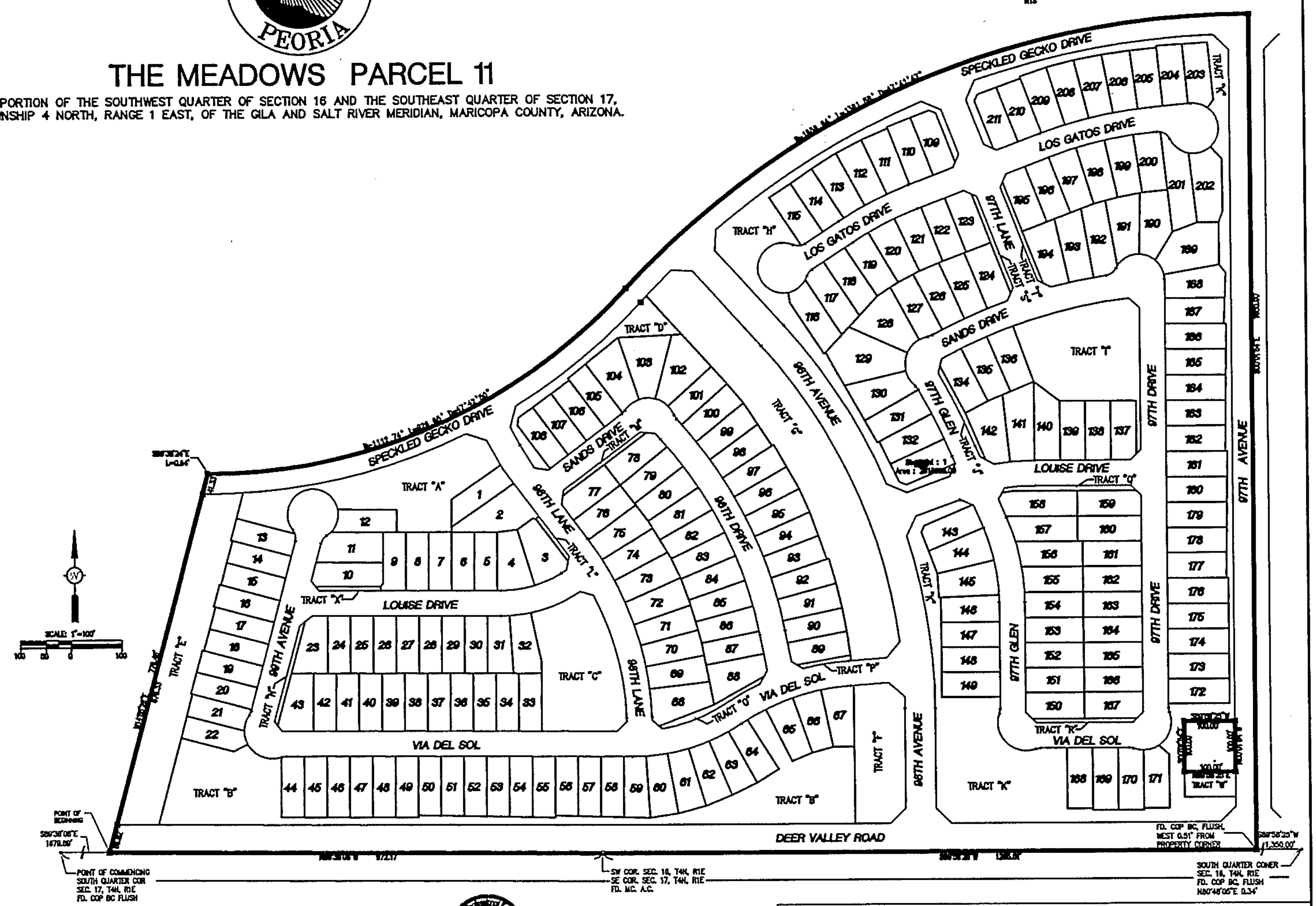
THENCE ALONG SAID CENTERLINE, SOUTH [illegible]" WEST, [illegible] FEET;

THENCE CONTINUING ALONG SAID CENTERLINE, NORTH [illegible]" WEST, 872.17 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PARCEL AS DESCRIBED IN DOCUMENT NO. 2007-[illegible], OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA.

CONTAINING [illegible] SQUARE FEET OR [illegible] ACRES MORE OR LESS.





LEGEND

DISTRICT BOUNDARY
43 LOT NUMBERS

EXPIRES 6-30-16

MAINTENANCE IMPROVEMENT DISTRICT # 1110			
CITY OF PEORIA ENGINEERING DEPT. 9875 N. 85th AVE. PEORIA, AZ 85345			
DRAWN: JLB	DATE: 10/09/2013	SCALE: 1:100	SHT 1 OF 1

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 15C

Date Prepared: November 13, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Scott Whyte, Economic Development Services Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Street Light Improvement District No. 1053, The Meadows Parcel 11, 97th Ave and Deer Valley Road**

Purpose:

This is a request for City Council to approve the Petition for Formation and adopt the Resolution of Intention and Resolution Ordering the Improvements for the proposed Street Light Improvement District No. 1053, The Meadows Parcel 11, located at 97th Avenue and Deer Valley Road, and authorize the City Clerk to record the Street Light Improvement District with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil and street light plans must be approved by the City of Peoria (City) prior to recordation of the Street Light Improvement District.

2. The final plat for the subdivision must be approved by City Council and recorded with the Maricopa County Recorder's Office prior to recordation of the Street Light Improvement District.

3. The developer must provide a fully executed Petition, Waiver and Consent to Formation of a Municipal Improvement District.

Background/Summary:

The purpose of the Streetlight Improvement District is for the purchase of electricity for lighting the streets and public parks within the proposed district.

Pursuant to the provisions of A.R.S. §48-616, et seq., Mayor and Council are empowered to adopt a resolution ordering the formation of a Street Light Improvement District. A Petition, Resolution of Intention and Resolution Ordering the Improvements are attached for formation of City of Peoria Street Light Improvement District No. 1053, The Meadows Parcel 11, located at 97th Avenue and Deer Valley Road. In this special situation, in which all of the property owners have presented a petition for formation, the ordinary publication and protest period are not required by law, and the Council may then immediately adopt a Resolution Ordering the improvements once the Resolution of Intention is first adopted. The Resolution ordering the improvements finalizes the formation of the Street Light Improvement District process.

Under Arizona State law, commencing in October 2014, the residents will receive, on their property tax bill, an additional charge for operation of the street light system. In accordance with state statute, an assessment diagram and map listing each parcel of property within the district has been prepared.

Previous Actions:

The final replat for The Meadows Parcel 11 was approved by the Council on July 2, 2013.

Options:

A: The Street Light Improvement District has been approved through the Economic Development Services Department. An option would be to not accept the proposed Street Light Improvement District; although it should be noted that not approving the Street Light Improvement District will prevent the purchase of electricity for lighting the streets and public parks within the proposed district from being assessed on the property tax bill.

B: The other option would be to formally approve the Street Light Improvement District to allow for the taxing district to be recorded and fees assessed to the property tax bills.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Petition for Formation, Resolution of Intention, and Resolution Ordering the Improvements.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Street Light Improvement District. However, the City would incur the cost associated with the purchase of electricity for lighting the streets and public parks within the proposed district should the taxing district not be approved and recorded.

Narrative:

The acceptance of this Street Light Improvement District will allow the purchase of electricity for lighting the streets and public parks within the proposed district to be assessed on the property tax bill for the properties located within the District.

Exhibit(s):

Exhibit 1: Petition for Formation

Exhibit 2: Proposed Resolution of Intention

Exhibit 3: Proposed Resolution Ordering the Improvements

Contact Name and Number: Traci Varland, Associate Engineer x7612

PETITION, WAIVER AND CONSENT TO FORMATION OF A MUNICIPAL IMPROVEMENT DISTRICT BY THE CITY OF PEORIA

[1053]
SLID#

[The Meadows – Parcel 11]
Subdivision Name

To: Honorable Mayor and Council
City of Peoria, Arizona

Pursuant to Arizona Revised Statutes, Section 48-574, the undersigned property owner respectfully petitions the City Council of the City of Peoria, Arizona (City Council) to order the formation of a Municipal Parkway Improvement District under Arizona Revised Statutes, Title 48, Chapter 4, Article 2. In support of this petition, the undersigned agrees to waive certain rights under the Arizona Improvement District Law and to consent to the formation and completion of the District.

1. Area of District. The proposed district is described by a map and by a legal description on Exhibit "A" that is attached hereto and incorporated herein by reference. The proposed district consists of 59.89 acres and is entirely within the corporate boundaries of the City of Peoria.

2. Ownership. The undersigned (is)(are) the sole owner(s) of the real property within the proposed district.

3. Purpose. The district is proposed to be formed for the purpose of the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated public roadways and parkways within the proposed district and drainage and retention within each proposed district.

4. Public Convenience and Necessity. The necessity for the proposed district is for the operation, maintenance, repair and improvements for landscape maintenance adjacent to designated streets and parkways within the proposed district by the levying of special assessments in the proposed district.

5. Waiver and Consent. The petitioners with full knowledge of their rights being waived hereunder, hereby expressly waive:

   (a) Any and all irregularities, illegalities or deficiencies which may exist in the acts or proceedings resulting in the adoption of the Resolution of Intention and the Resolution Ordering the Work;

   (b) Any necessity for publication and posting of the Resolution of Intention and the Notice of Proposed Improvements pursuant to A.R.S. §48-578;

   (c) All protest rights whatsoever under A.R.S. §48-579(A) and (B), which provide for protests against the work; and

   (d) All objections to the filing of and adoption by the City of the plans and specifications, the Engineer's estimate and the Assessment Diagram, all of which provide for the completion of the District.

Further, the improvements described above are of more than local or ordinary public benefit.

In Witness whereof the parties have executed this Petition and Waiver Agreement as of the _____ day of _________________ 20____.

	Date:	Property (Tax Parcel Numbers)
K. Hovnanian Homes, Inc. Print Property Owner Name Mark Weber Print Name 20830 N. Tatum Blvd., Suite 250 Phoenix, AZ 85050 [redacted] Signature	9/26/13	200-09-011-D
Print Property Owner Name Print Name Address Signature	Date:	Property (Tax Parcel Numbers)

Accepted and approved by:

CITY OF PEORIA, ARIZONA, an
ARIZONA MUNICIPAL CORPORATION

ATTEST:

By______________________________
Mayor

City Clerk

APPROVED AS TO FORM:

Stephen M. Kemp, City Attorney

RESOLUTION NO. 2013-190

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA DECLARING ITS INTENTION TO ORDER THE PURCHASE OF ELECTRICITY FOR LIGHTING THE STREETS AND PUBLIC PARKS WITHIN THE PROPOSED DISTRICT AND THAT THE COST OF THE PURCHASE OF ELECTRICITY FOR LIGHTING THE STREETS AND PUBLIC PARKS, BE ASSESSED UPON A CERTAIN IMPROVEMENT DISTRICT TO BE KNOWN AS CITY OF PEORIA STREETLIGHT IMPROVEMENT DISTRICT NO. 1053, THE MEADOWS PARCEL 11; PROVIDING THAT THE COST OF THE ELECTRICITY REQUIRED TO OPERATE THE SYSTEM BE ASSESSED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS AMENDED; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, THAT:

SECTION 1. The public interest or convenience require and it is the intention of the Mayor and Council of the City of Peoria, Arizona to order the purchase of electricity for lighting the streets and public parks within the proposed district.

The estimate of the cost and expenses for the purchase of electricity for the operation of the streetlights on file with the Superintendent of Streets and the City Clerk is approved and adopted by the Mayor and Council of the City.

SECTION 2. The streetlights and the electricity, therefore, in the opinion of the Mayor and Council of the City, are of more than local or ordinary public benefit, and are of special benefit to the respective lots, pieces and parcels of land within the real property described herein. The Mayor and Council of the City make and order that the cost and expense for the purchase of electricity be chargeable upon a district to be known and designated as the City of Peoria Streetlight Improvement District No. 1053 and as described and bounded as set forth on Exhibits A and B attached, and declare that the district in the City benefited by the purchase of electricity for streetlights to be assessed, to pay the costs and expenses thereof in proportion to the benefits derived therefrom.

The City shall not assess the costs and expenses for the purchase of electricity for streetlights which are for the general public benefit against the respective lots, pieces and parcels of land located within the boundaries of the City of Peoria Streetlight Improvement District No. 1053 and if a portion of the costs and expenses for the purchase of electricity for streetlights is for the general public benefit, the City shall assess the boundaries of the City of Peoria Streetlight Improvement District No. 1053 only that portion of such costs and expenses which benefits the lots, pieces and parcels of land located within the boundaries of the City of Peoria Streetlight Improvement District No. 1053.

SECTION 3. The costs and expense for the purchase of electricity for streetlights shall be made and all proceedings therein taken; that the Superintendent of Streets of the City shall post or cause to be posted notices thereof; that the City Clerk shall certify to the passage of this Resolution of Intention; that the Engineer shall prepare duplicate diagrams of the City of Peoria Streetlight Improvement District No. 1053 described in Section 2 of this Resolution to be assessed to pay the costs and expenses thereof, under and in accordance with the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended.

SECTION 4. The majority of owners of all of the real property within the proposed district have executed a Petition for formation of a Streetlight Improvement District and the City Council has verified the ownership of the property. Publication and posting of the notice of the passage of the Resolution of Intention will be completed as prescribed by the State Statutes.

SECTION 5. Any Resolutions or parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed.

SECTION 6. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety and an emergency is declared to exist, and this Resolution will be in full force and effect from and after its passage and approval by the Mayor and Council of the City of Peoria, Arizona as required by law and is exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Peoria, Arizona, this 10th day of December, 2013.

____
Bob Barrett, Mayor

Date Signed : ____________________

ATTEST:

____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Kemp, City Attorney

Legal Description Parcel 11 – SLID #1053

THOSE PORTIONS OF "PARCEL 11A", "PARCEL 11B", "TRACT J", AND "TRACT B" OF THAT CERTAIN "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS", RECORDED IN BOOK 1053 OF PLATS, PAGE 39, MARICOPA COUNTY, ARIZONA, SITUATED IN THE SOUTHWEST QUARTER (SW ¼) OF SECTION 16, AND THE SOUTHEAST QUARTER (SE ¼) OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE ¼) OF SAID SECTION 17;

THENCE ALONG THE SOUTH LINE THEREOF, SOUTH 89°38'08" EAST, 1679.89 FEET TO THE EAST LINE OF "TRACT A" OF STATE PLAT NO. 43 "CAMINO A LAGO", RECORDED IN BOOK 456, PAGE 06, OFFICIAL RECORDS, MARICOPA, COUNTY, ARIZONA, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID "TRACT A", NORTH 14°55'26" EAST, 776.48 FEET TO THE CENTERLINE OF "SPECKLED GECKO ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE THE FOLLOWING THREE (3) COURSES:

1) SOUTH 89°38'24" EAST, 0.64 FEET TO THE BEGINNING OF A 1112.74 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST;

2) NORTHEASTERLY ALONG SAID 1112.74 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 47°42'50" FOR AN ARC LENGTH OF 926.65 FEET TO THE BEGINNING OF A 1659.64 FOOT RADIUS REVERSE CURVE, CONCAVE TO THE SOUTHEAST, TO WHICH A RADIAL LINE BEARS NORTH 47°21'14" WEST;

3) NORTHEASTERLY ALONG SAID 1659.64 FOOT RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°41'47" FOR AN ARC LENGTH OF 1381.58 FEET TO THE CENTERLINE OF "97TH AVENUE" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 00°01'54" EAST, 1650.00 FEET TO THE CENTERLINE OF "DEER VALLEY ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 89°58'25" WEST, 1285.51 FEET;

THENCE CONTINUING ALONG SAID CENTERLINE, NORTH 89°38'08" WEST, 972.17 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PARCEL AS DESCRIBED IN DOCUMENT NO. 2007-0435499, OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA.

Legal Description Parcel 11 – SLID #1053

CONTAINING 2,608,986 SQUARE FEET OR 59.894 ACRES MORE OR LESS.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23385
MICHAEL J.
SEXTON
Date Signed 10-14-2013
ARIZONA U.S.A.
Expires 6-30-2016

Resolution No. 2013-190

EXHIBIT "B"

IS ON FILE IN THE

CITY OF PEORIA
CITY CLERK'S OFFICE
8401 W. Monroe Street
Peoria, AZ 85345

CERTIFICATION

I, ANDREW GRANGER, ENGINEERING DEPARTMENT DIRECTOR OF THE CITY OF PEORIA, ARIZONA HEREBY CERTIFY THAT THIS IS THE ASSESSMENT DIAGRAM OF THE CITY OF PEORIA STREET LIGHT IMPROVEMENT DISTRICT NUMBER 1053 FOR THE MEADOWS PARCEL 11 SUBDIVISION WAS APPROVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, AND THAT A QUORUM WAS PRESENT.

ASSESSMENT DIAGRAM SUBMITTED THIS ________ DAY OF ____________, 2012.

BY: ______________________________
DISTRICT ENGINEER

NOTES

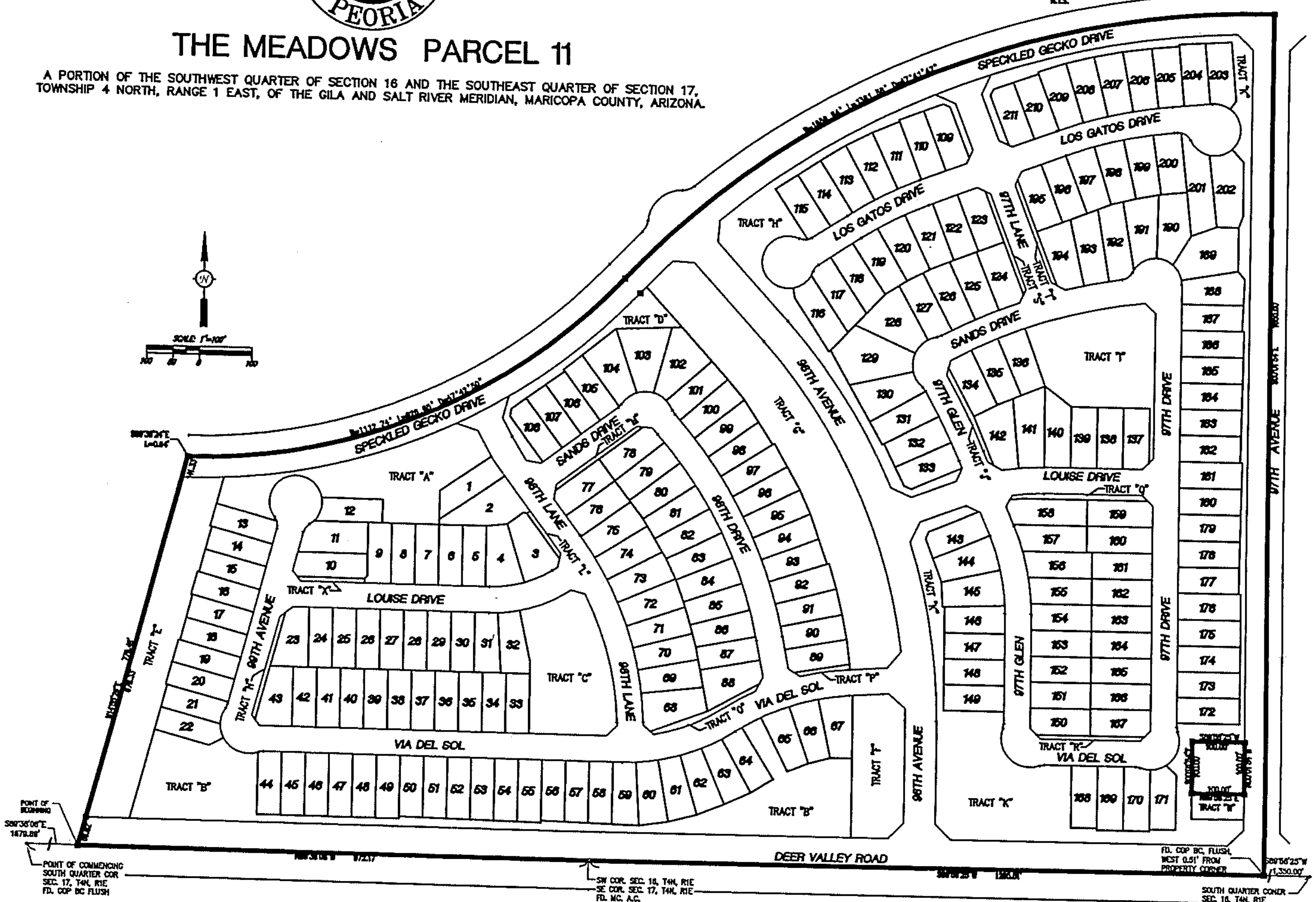
THIS IMPROVEMENT DISTRICT IS FOR THE EXPRESS PURPOSE OF PURCHASING ELECTRICAL POWER AND ENERGY, AND FOR THE USE OF LIGHTING FACILITIES. SPECIFIC AUTHORIZATION IS INCLUDED IN THE ARIZONA REVISED STATUTES, TITLE 48, CHAPTER 4, ARTICLE 2, SECTION 48-571 TO 48-619, AS AMENDED.

ASSESSMENT DIAGRAM
STREET LIGHT IMPROVEMENT DISTRICT # 1053

CITY OF PEORIA

THE MEADOWS PARCEL 11

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 16 AND THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA.



LEGAL DESCRIPTION

THOSE PORTIONS OF "PARCEL 11A", "PARCEL 11B", "TRACT A", AND "TRACT B" OF THAT CERTAIN "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS", RECORDED IN BOOK 1083 OF PLATS, PAGE 38, MARICOPA COUNTY, ARIZONA, SITUATED IN THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 16, AND THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER (SE 1/4) OF SAID SECTION 17;

THENCE ALONG THE SOUTH LINE THEREOF, SOUTH 89°38'06" EAST, 1479.89 FEET TO THE EAST LINE OF "TRACT A" OF STATE PLAT NO. 43 "CAMINO A LAGO", RECORDED IN BOOK 495, PAGE 08, OFFICIAL RECORDS, MARICOPA, COUNTY, ARIZONA, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID "TRACT A", NORTH 14°08'28" EAST, 778.46 FEET TO THE CENTERLINE OF "SPECKLED GECKO ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE THE FOLLOWING THREE (3) COURSES:

1) SOUTH 89°28'24" EAST, 8.44 FEET TO THE BEGINNING OF A 1112.74 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST;

2) NORTHEASTERLY ALONG SAID 1112.74 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 47°[illegible]" FOR AN ARC LENGTH OF [illegible] FEET TO THE BEGINNING OF A 1488.84 FOOT RADIUS REVERSE CURVE, CONCAVE TO THE SOUTHEAST, TO WHICH A RADIAL LINE BEARS NORTH 47°21'14" WEST;

3) NORTHEASTERLY ALONG SAID 1488.84 FOOT RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°41'47" FOR AN ARC LENGTH OF [illegible] FEET TO THE CENTERLINE OF "97TH AVENUE" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 00°01'54" EAST, [illegible] FEET TO THE CENTERLINE OF "DEER VALLEY ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

THENCE ALONG SAID CENTERLINE, SOUTH 89°58'25" WEST, [illegible] FEET;

THENCE CONTINUING ALONG SAID CENTERLINE, NORTH 89°38'06" WEST, 972.17 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PARCEL AS DESCRIBED IN DOCUMENT NO. 2007-[illegible], OFFICIAL RECORDS, MARICOPA COUNTY, ARIZONA.

CONTAINING [illegible] SQUARE FEET OR [illegible] ACRES MORE OR LESS.

LEGEND

DISTRICT BOUNDARY
43 LOT NUMBERS

EXPIRES 9-30-16

STREET LIGHT IMPROVEMENT DISTRICT # 1053			
CITY OF PEORIA ENGINEERING DEPT. 9875 N. 85th AVE. PEORIA, AZ 85345			
DRAWN: JLB	DATE: 10/09/2013	SCALE: 1:100	SHT 1 OF 1

RESOLUTION NO. 2013-191

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA ORDERING THE IMPROVEMENTS OF CERTAIN STREETS AND RIGHTS-OF-WAY WITHIN THE CORPORATE LIMITS OF THE TOWN AND CREATING AN IMPROVEMENT DISTRICT KNOWN AS THE CITY OF PEORIA STREETLIGHT IMPROVEMENT DISTRICT NO. 1053, THE MEADOWS PARCEL 11 PURSUANT TO TITLE 48, CHAPTER 4, ARIZONA REVISED STATUTES AND AMENDMENTS THERETO FOR THE PURPOSE OF PURCHASING ELECTRICITY, WHICH INCLUDES A CHARGE FOR THE USE OF LIGHTING FACILITIES AND OTHER RELATED ITEMS TOGETHER WITH ALL APPURTENANT STRUCTURES AS SHOWN ON THE PLANS, AND DECLARING AN EMERGENCY.

WHEREAS on the 10th day of December 2013, the Mayor and Council of the City of Peoria, Arizona, passed and adopted Resolution No. 2013-190, declaring its intention to order the purchase of electricity for lighting the streets and public parks within the proposed district and that the cost of the purchase of electricity for lighting the streets and public parks be assessed upon a certain improvement district, to be known as City of Peoria Streetlight Improvement District No. 1053; providing that the cost of the electricity required to operate the system be assessed under the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended; and declaring an emergency; and

WHEREAS, a copy of Resolution No. 2013-190 has been published in the Peoria Times, a newspaper published and generally circulated in the City, as required by law or alternatively a petition has been filed with the City Clerk having been signed by all the owners of the real property; and

WHEREAS, the Superintendent of Streets of the City caused to be posted along the streets of the District, no more than three hundred (300) feet apart, notices of the passage of Resolution No. 2013-190, said notices being headed "Notice of Proposed Improvement", each heading in letters at least one (1) inch in height. Said notices stated the fact of the passage of said Resolution of Intention No. 2013-190 or alternatively a petition has been filed with the City Clerk having been signed by all the owners of the real property; and

WHEREAS, more than fifteen (15) days have elapsed since the date of the last publication of said Resolution of Intention No. 2013-190 and since the completion of the posting of said notices or alternatively a petition has been filed with the City Clerk having been signed by all the owners of the real property; and

WHEREAS, no protests against the proposed improvement and no objections to the extent of the District were filed with the Clerk of the City during the time prescribed by law; and

WHEREAS, the Mayor and Council of the City having acquired jurisdiction to order the improvements as described in Resolution No. 2013-190; and

WHEREAS, the City Engineer acting as District Engineer has prepared and presented to the Mayor and Council of the City duplicate diagrams of the property contained within the District ("the Diagram") and legal description copies of which are attached and incorporated as Exhibits A and B.

NOW THEREFORE IT IS RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, as follows:

Section 1. By virtue of the authority vested in the Mayor and Council of the City by Title 48, Chapter 4, Article 2, Arizona Revised Statutes and all amendments thereto, the Mayor and Council of the City orders the work or improvement done as described in Resolution No. 2013-190 and in accordance with the Plans and Specifications approved and adopted by the Mayor and Council of the City of Peoria, Arizona.

Section 2. The Superintendent of Streets of the City is authorized and directed to prepare and execute the notice of the passage of this Resolution, which is attached as Exhibit B. Such notice shall be posted and published as provided by law.

Section 3. That the Diagram, as prepared and presented to the Mayor and Council of the City is approved by the Mayor and Council of the City.

Section 4. That the Clerk of the City is authorized and directed to certify that the Diagram was approved by the Mayor and Council of the City on the 10th day of December 2013, and after such certification, the Clerk of the City is authorized and directed to deliver the Diagram to the Superintendent of Streets of the City.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Peoria, Arizona on the 10th day of December, 2013.

____
Bob Barrett, Mayor

Date Signed: ____________________

ATTEST:

____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Kemp, City Attorney

Resolution No. 2013-191

EXHIBIT "B"

IS ON FILE IN THE

CITY OF PEORIA
CITY CLERK'S OFFICE
8401 W. Monroe Street
Peoria, AZ 85345

ASSESSMENT DIAGRAM
STREET LIGHT IMPROVEMENT DISTRICT # 1053

THE MEADOWS PARCEL 11

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 16 AND THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA.

CERTIFICATION

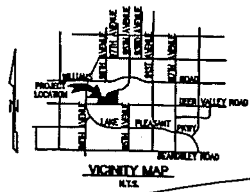
I, ANDREW GRANGER, ENGINEERING DEPARTMENT DIRECTOR OF THE CITY OF PEORIA, ARIZONA HEREBY CERTIFY THAT THIS IS THE ASSESSMENT DIAGRAM OF THE CITY OF PEORIA STREET LIGHT IMPROVEMENT DISTRICT NUMBER 1053 FOR THE MEADOWS PARCEL 11 SUBDIVISION WAS APPROVED BY THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, AND THAT A QUORUM WAS PRESENT.

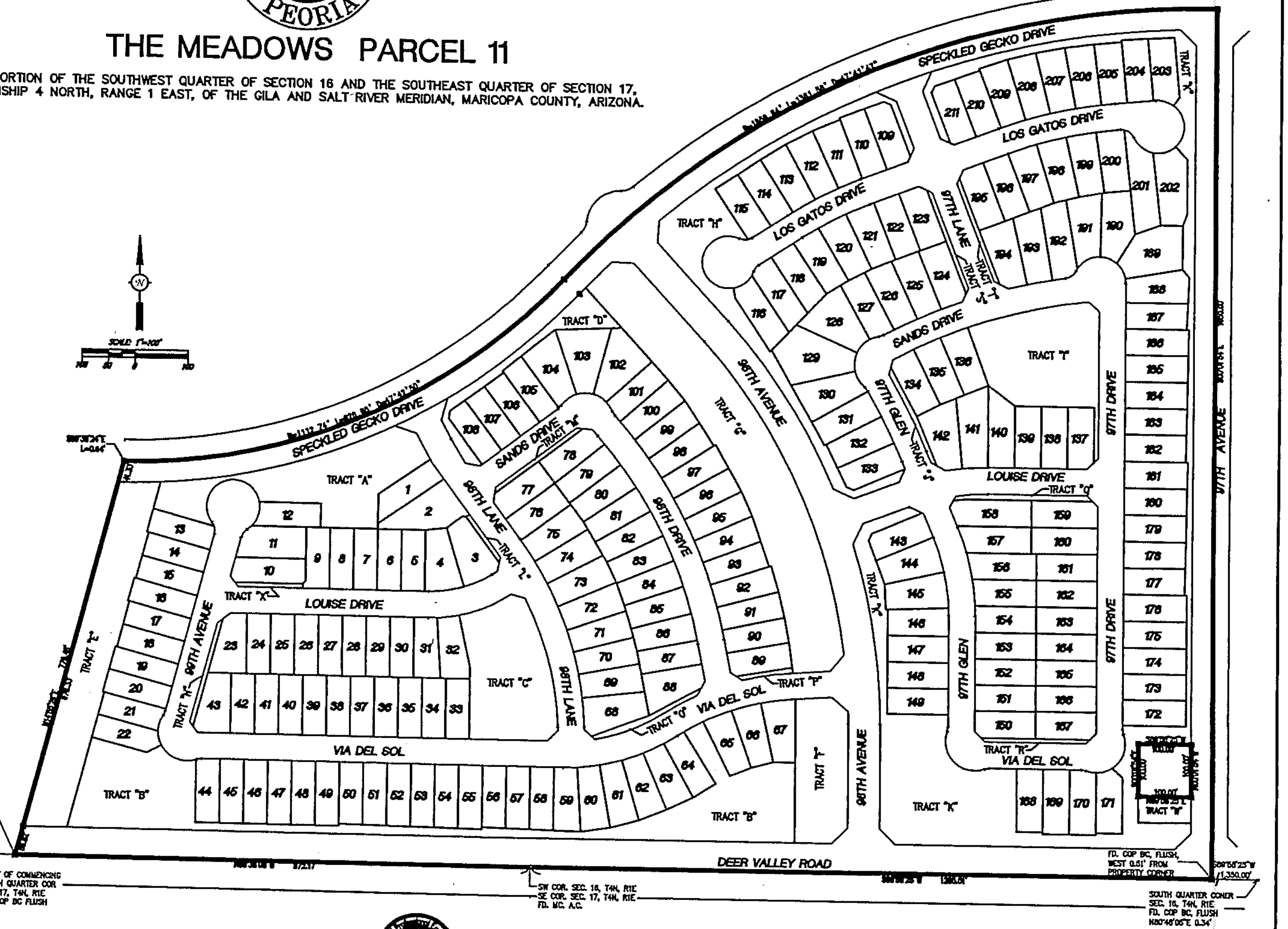
ASSESSMENT DIAGRAM SUBMITTED THIS ________ DAY OF ____________ 2012.

BY: ______________________________
DISTRICT ENGINEER

NOTES

THIS IMPROVEMENT DISTRICT IS FOR THE EXPRESS PURPOSE OF PURCHASING ELECTRICAL POWER AND ENERGY, AND FOR THE USE OF LIGHTING FACILITIES. SPECIFIC AUTHORIZATION IS INCLUDED IN THE ARIZONA REVISED STATUTES, TITLE 48, CHAPTER 4, ARTICLE 2, SECTION 48-571 TO 48-619, AS AMENDED.





LEGAL DESCRIPTION

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CONTAINING [illegible] SQUARE FEET OR [illegible] ACRES MORE OR LESS.

LEGEND

DISTRICT BOUNDARY

43 LOT NUMBERS

STREET LIGHT IMPROVEMENT DISTRICT # 1053

CITY OF PEORIA ENGINEERING DEPT. 9875 N. 85th AVE. PEORIA, AZ 85345

DRAWN: JLB	DATE: 10/09/2013	SCALE: 1:100	SHT 1 OF 1

Legal Description Parcel 11 – SLID #1053

THOSE PORTIONS OF "PARCEL 11A", "PARCEL 11B", "TRACT J", AND "TRACT B" OF THAT CERTAIN "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS", RECORDED IN BOOK 1053 OF PLATS, PAGE 39, MARICOPA COUNTY, ARIZONA, SITUATED IN THE SOUTHWEST QUARTER (SW ¼) OF SECTION 16, AND THE SOUTHEAST QUARTER (SE ¼) OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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THENCE LEAVING SAID SOUTH LINE, ALONG THE EAST LINE OF SAID "TRACT A", NORTH 14°55'26" EAST, 776.48 FEET TO THE CENTERLINE OF "SPECKLED GECKO ROAD" AS SHOWN ON SAID "TAKEDOWN MAP OF DEVELOPMENT MASTER PLAN FOR THE MEADOWS";

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2) NORTHEASTERLY ALONG SAID 1112.74 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 47°42'50" FOR AN ARC LENGTH OF 926.65 FEET TO THE BEGINNING OF A 1659.64 FOOT RADIUS REVERSE CURVE, CONCAVE TO THE SOUTHEAST, TO WHICH A RADIAL LINE BEARS NORTH 47°21'14" WEST;

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THENCE ALONG SAID CENTERLINE, SOUTH 89°58'25" WEST, 1285.51 FEET;

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CONTAINING 2,608,986 SQUARE FEET OR 59.894 ACRES MORE OR LESS.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23385
MICHAEL J.
SEXTON
Date Signed 10-14-2013
ARIZONA U.S.A.

Expires 6-30-2016

CITY OF PEORIA, ARIZONA

NOTICE

OF THE PASSAGE OF A RESOLUTION ORDERING THE IMPROVEMENT CONSISTING OF AUTHORIZING THE PURCHASE OF ELECTRICITY FOR LIGHTING THE STREETS AND PUBLIC PARKS FOR THE IMPROVEMENT DISTRICT KNOWN AS CITY OF PEORIA STREETLIGHT IMPROVEMENT DISTRICT NO. 1053, THE MEADOWS PARCEL 11

This notice is given pursuant to the provisions of Title 48, Chapter 4, Article 2, Sections 48-571 to 48-619, both inclusive, Arizona Revised Statutes, as amended.

On the 10th day of December 2013, the Mayor and Council of the City of Peoria adopted Resolution No. 2013-191; ordering the improvements of certain streets and rights-of-way within the corporate limits of the town and creating an Improvement District known as the City of Peoria Streetlight Improvement District No. 1053, pursuant to Title 48, Chapter 4, Arizona Revised Statutes; and amendments thereto for the purpose of purchasing electricity, which includes a charge for the use of lighting facilities and other related items, together with all appurtenant structures as shown on the plans; and directing that this notice been given.

Any owner, or any other person having an interest in any lot, piece or parcel of land situated within the above-described assessment district, who claims that any of the provisions, acts or proceedings relative to the above described improvements are irregular, defective, illegal, erroneous or faulty, may file with the City Clerk, Room 150, 8401 West Monroe Street, Peoria, Arizona 85345, within 15 days from the date of the first publication of this notice, a written notice specifying in what way said acts or proceedings are irregular, defective, illegal, erroneous or faulty.

Further information concerning City of Peoria Streetlight Improvement District No. 1053 may be obtained by contacting Mr. Andrew Granger, Engineering Director, City of Peoria, Arizona, 8401 West Monroe, Peoria, Arizona 85345, (623) 773-7367.

DATED AND SIGNED this _____ day of _______________, 2013.

____
Andrew Granger, P.E.
Superintendent of Streets
City of Peoria, Arizona

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 16C

Date Prepared: November 18, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Scott Whyte, Economic Development Services Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Final Plat, Habitat for Humanity on 86th Avenue, 86th Avenue and Monroe Street (Project No. R130031)**

Purpose:

This is a request for City Council to approve a Final Plat of Habitat for Humanity on 86th Avenue, located on 86th Avenue and Monroe Street, and authorize the Mayor and City Clerk to sign and record the Final Plat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Final Plat.

2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Final Plat.

3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Final Plat.

4. In the event that the Final Plat is not recorded within 60 days of Council approval, the Final Plat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

Background/Summary:

The purpose of the Final Plat is to plat a subdivision for residential use. This development is within the City's water\sewer service area. This final plat creates a total of 4 new lots. All necessary right of way has already been dedicated.

Previous Actions:

There have been no previous actions.

Options:

A: The Final Plat has been approved through the Economic Development Services Department. An option would be to not accept the proposed Final Plat; although it should be noted that not approving the Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Final Plat and allow this parcel to be developed.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Final Plat.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Final Plat.

Narrative:

The acceptance of this Final Plat by City Council will allow the developer to move forward in developing this property.

Exhibit(s):

Exhibit 1: Final Plat

Exhibit 2: Vicinity Map

Contact Name and Number:

Jodi Breyfogle, PE, CFM: 623-773-7577

FINAL PLAT
FOR
"HABITAT FOR HUMANITY ON 86TH AVENUE"

A RE-PLAT OF A PORTION OF LOTS 82 & 83 OF ALTALOMA ACCORDING TO BOOK 5 OF MAPS, PAGE 19, M.C.R. AND SITUATED IN A PORTION OF THE NORTHEAST QUARTER, SECTION 27, T. 3 N., R. 1 E. OF THE GILA & SALT RIVER BASE & MERIDIAN, MARICOPA COUNTY, ARIZONA

DEDICATION

STATE OF ARIZONA } S.S.
COUNTY OF MARICOPA

KNOW ALL MEN BY THESE PRESENTS:
THAT HABITAT FOR HUMANITY CENTRAL ARIZONA, AN ARIZONA NON-PROFIT CORPORATION, AS OWNER, DOES HEREBY PUBLISH THIS PLAT UNDER THE NAME OF "HABITAT FOR HUMANITY ON 86TH AVENUE", A RE-SUBDIVISION OF A PORTION OF LOTS 82 & 83 OF ALTALOMA, A SUBDIVISION OF RECORD AS RECORDED IN BOOK 5 OF MAPS, PAGE 19, M.C.R. AND SITUATED IN A PORTION OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 3 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN AND PLATTED HEREON, AND HEREBY PUBLISHES THIS PLAT AS AND FOR THE PLAT OF SAID "HABITAT FOR HUMANITY ON 86TH AVENUE" AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS AND EASEMENT CONSTITUTING SAME, AND THAT EACH LOT AND EASEMENT SHALL BE KNOWN BY THE NUMBER GIVEN TO EACH RESPECTIVELY ON SAID PLAT. PUBLIC UTILITY EASEMENTS(PUE) ARE DEDICATED TO THE CITY OF PEORIA FOR USE AS SUCH. THE MAINTENANCE OF LANDSCAPING WITHIN THE RIGHT OF WAY SHALL BE THE RESPONSIBILITY OF THE FRONTING PROPERTY OWNER. ALL NOTATIONS AND DEDICATIONS STATED ON OR WITHIN THE RECORDED PLAT OF "ALTALOMA" (MCR BOOK 5, PAGE 19) SHALL REMAIN IN FULL FORCE AND EFFECT WITH THE RECORDATION OF THIS RE-PLAT.

IN WITNESS THEREOF: HABITAT FOR HUMANITY CENTRAL ARIZONA, AN ARIZONA NON-PROFIT CORPORATION, AS OWNER, HAS CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF ROGER SCHWIERJOHN, ITS PRESIDENT, THEREUNTO DULY AUTHORIZED TO DO SO.

DATED THIS ______ DAY OF ________________, 2013.

BY: ________________________
PRESIDENT

ACKNOWLEDGEMENT

STATE OF ARIZONA } S.S.
COUNTY OF MARICOPA

ON THIS, THE _____ DAY OF __________, 2013, BEFORE ME, THE UNDERSIGNED OFFICER, PERSONALLY APPEARED ROGER SCHWIERJOHN, WHO ACKNOWLEDGED HIMSELF TO BE PRESIDENT OF HABITAT FOR HUMANITY CENTRAL ARIZONA, AN ARIZONA NON-PROFIT CORPORATION, AS OWNER, AND ACKNOWLEDGED THAT HE, AS SUCH OFFICER, BEING AUTHORIZED TO DO SO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF: I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

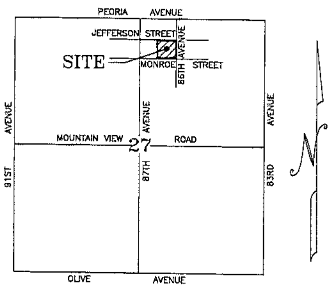
BY: __________________ MY COMMISSION EXPIRES: __________________
NOTARY PUBLIC

BASIS OF BEARING

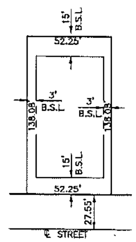
THE BASIS OF BEARING IS THE MONUMENT LINE OF 87TH AVENUE BETWEEN MOUNTAIN VIEW ROAD AND PEORIA AVENUE USING A BEARING OF N 00° 11' 33" E.

FLOOD HAZARD DESIGNATION(FEMA)

ACCORDING TO FIRM FLOOD INSURANCE RATE MAP NO. 04013C1630H DATED SEPTEMBER 30, 2005, THE SUBJECT PROPERTY IS LOCATED IN ZONE X. ZONE X IS DESCRIBED AS: "AREAS OF 500-YEAR FLOOD; AREAS OF 100-YEAR FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 100-YEAR FLOOD."



SEC 27, T 3 N, R 1 E
VICINITY MAP
N.T.S.



TYPICAL LOT AND SETBACKS
ZONING RM-1

DEVELOPER

HABITAT FOR HUMANITY CENTRAL ARIZONA
c/o TANA NICHOLS
9133 NW GRAND AVENUE, SUITE 1
PEORIA, ARIZONA 85345
PHONE: (602) 617-9894

NOTES

1. NO CONSTRUCTION OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN THE UTILITY EASEMENT, EXCEPT UTILITIES, WOOD, WIRE OR REMOVABLE SECTION TYPE FENCING, AND/OR PAVING, NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PEORIA SHALL NOT BE REQUIRED TO REPLACE ANY OBSTRUCTION OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION, OR RECONSTRUCTION.
2. ALL NEW AND EXISTING UTILITIES, ELECTRICAL FACILITIES LESS THAN 69 KVA, CABLE T.V., TELECOMMUNICATIONS, FIBER OPTICS, CELLULAR, GAS, ETC. SHALL BE INSTALLED UNDERGROUND AS PART OF THE STREET IMPROVEMENTS.
3. MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN ALL TRACTS, EASEMENTS AND RIGHTS OF WAY SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION.
4. ALL LOT CORNERS SHALL BE MONUMENTED WITH 1/2" REBAR AND CAPPED OR TAGGED BEARING THE REGISTRATION NUMBER 36070 OF THE SURVEYOR RESPONSIBLE FOR THEIR PLACEMENT.
5. SIGNS, FENCES, WALLS, UTILITY BOXES, STRUCTURES, SHRUBS, HEDGES OR OTHER PLANTS, BUT EXCLUDING TREES OVER 30 INCHES IN HEIGHT SHALL NOT BE PERMITTED WITHIN VIEW EASEMENTS OR SIGHT VISIBILITY TRIANGLES. NO LIMBS, LEAVES, NEEDLES OR OTHER FOLIAGE ABOVE 30 INCHES IN HEIGHT OR BELOW 84 INCHES ARE PERMITTED. TREES ARE TO BE PLANTED SO AS NOT TO OBSTRUCT 20% OF THE VISIBILITY WHEN COMBINED WITH OTHER OBSTRUCTIONS.
6. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100 YEAR ASSURED WATER SUPPLY.
7. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA SEWER SERVICE AREA.
8. THIS SUBDIVISION IS LOCATED WITHIN THE VICINITY OF A MILITARY AIRPORT.

APPROVALS

APPROVED BY MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA THIS ______ DAY OF ____________, 2013.

BY: ________________________ DATE: ______________
MAYOR

BY: ________________________ DATE: ______________
CITY ENGINEER

ATTEST: ________________________ DATE: ______________
CITY CLERK

CERTIFICATION

"I, ROBERT J. BLAKE, HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA; THAT THIS PLAT CONSISTING OF 2 SHEETS REPRESENTS A SURVEY PERFORMED UNDER MY SUPERVISION DURING THE MONTH OF APRIL 2013, THAT THE SURVEY IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF; THAT THE BOUNDARY MONUMENTS, CONTROL POINTS AND LOT CORNERS SHALL BE LOCATED AS SHOWN AND WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

ROBERT J. BLAKE
REGISTERED LAND SURVEYOR #36070
ROBERT J. BLAKE
1642 E. Orangewood Ave.
Phoenix, Arizona 85020

REGISTERED LAND SURVEYOR CERTIFICATE NO. 36070 ROBERT J. BLAKE ARIZONA, U.S.A. EXPIRES: 03-31-2016

NET AREA: 0.6633 AC. LOTS: 4

Clouse Engineering, Inc.
ENGINEERS • SURVEYORS
1642 E. Orangewood Ave. Phoenix, Arizona 85020
Tel 602-395-9300 Fax 602-395-9310

R130031

Date: 07/02/13
Rev: 10/01/13
Job No. 130405
SH. 1 OF 2

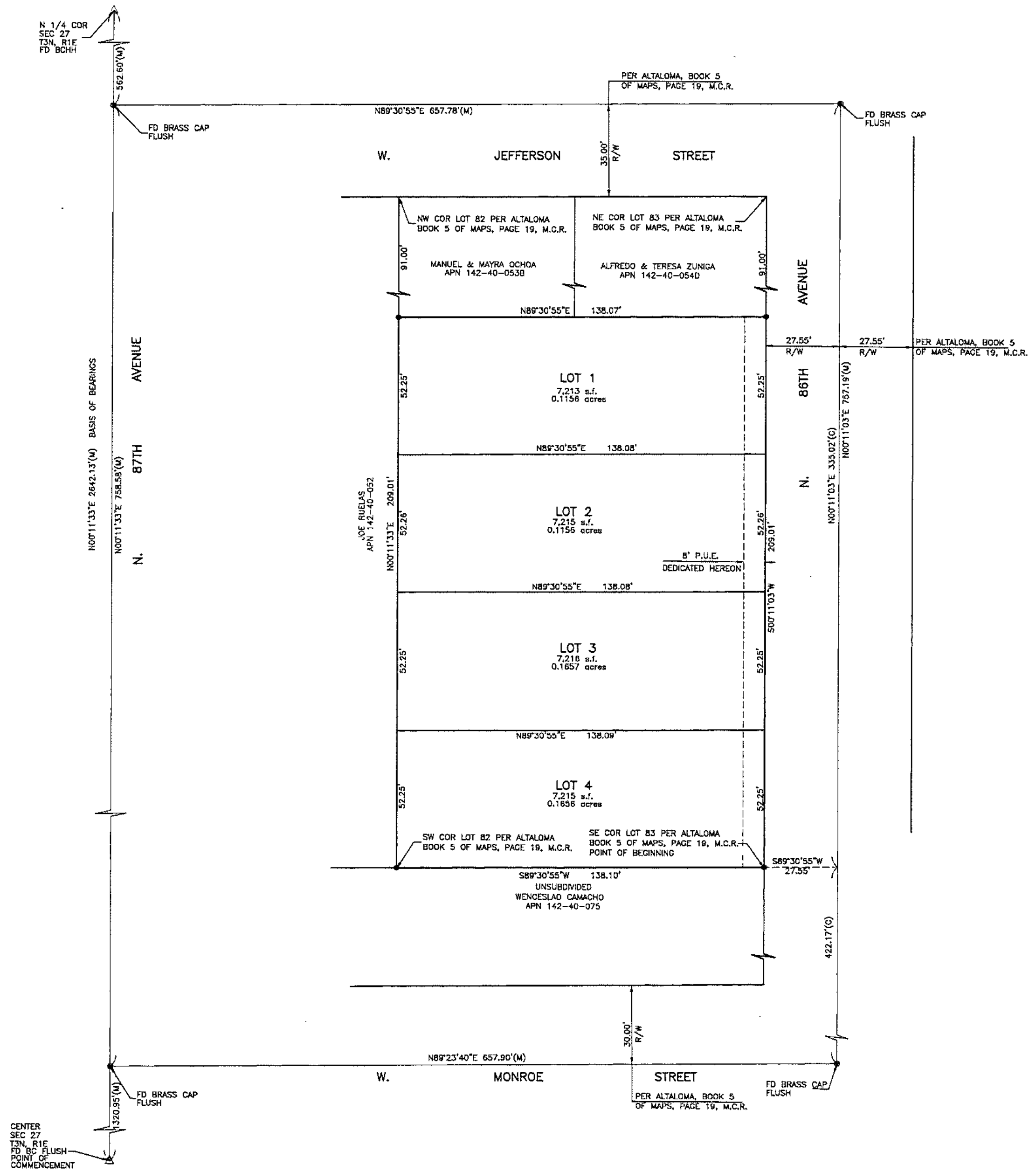
FPCOV.DWG

FINAL PLAT

"HABITAT FOR HUMANITY ON 86TH AVENUE"

PEORIA ARIZONA

Clouse Engineering, Inc.
ENGINEERS • SURVEYORS
1642 E. Orangewood Ave. Phoenix, Arizona 85020
Tel 602-395-9300 Fax 602-395-9310



LEGAL DESCRIPTION

PARENT PARCEL

A PORTION OF LOTS 82 AND 83 OF "ALTALOMA", AS RECORDED IN BOOK 5 OF MAPS, PAGE 19, RECORDS OF MARICOPA COUNTY RECORDER AND SITUATED IN A PORTION OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 3 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BRASS CAP FLUSH MARKING THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF SECTION 27 (CENTER OF SECTION), FROM WHENCE A BRASS CAP IN HANDHOLE MARKING THE NORTH QUARTER CORNER OF SECTION 27 BEARS NORTH 00 DEGREES 11 MINUTES 33 SECONDS EAST A DISTANCE OF 2642.15 FEET; THENCE ALONG THE EAST LINE OF SAID NORTHEAST QUARTER OF SECTION 27, NORTH 00 DEGREES 11 MINUTES 33 SECONDS EAST A DISTANCE OF 1320.95 FEET TO A BRASS CAP FLUSH MARKING THE CENTER LINE OF W. MONROE STREET; THENCE ALONG SAID CENTER LINE, NORTH 89 DEGREES 23 MINUTES 40 SECONDS EAST A DISTANCE OF 657.90 FEET TO A BRASS CAP FLUSH MARKING THE CENTER LINE OF N. 86TH AVENUE; THENCE ALONG SAID CENTER LINE, NORTH 00 DEGREES 11 MINUTES 03 SECONDS EAST A DISTANCE OF 422.17 FEET; THENCE SOUTH 89 DEGREES 30 MINUTES 55 SECONDS WEST A DISTANCE OF 27.55 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF N. 86TH AVENUE AND THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89 DEGREES 30 MINUTES 55 SECONDS WEST A DISTANCE OF 138.10 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 33 SECONDS EAST A DISTANCE OF 209.01 FEET; THENCE NORTH 89 DEGREES 30 MINUTES 55 SECONDS EAST A DISTANCE OF 138.07 FEET TO A POINT ON SAID WEST RIGHT OF WAY LINE OF N. 86TH AVENUE; THENCE ALONG SAID RIGHT OF WAY LINE, SOUTH 00 DEGREES 11 MINUTES 03 SECONDS WEST A DISTANCE OF 209.01 FEET TO THE POINT OF BEGINNING.

LEGEND

(corner symbol)	INDICATES A CORNER OF THIS SUBDIVISION. SET 1/2" REBAR RLS#36070, UNLESS NOTED OTHERWISE.
(section corner symbol)	INDICATES A SECTION CORNER. FOUND BCHH UNLESS NOTED OTHERWISE.
P.U.E.	INDICATES PUBLIC UTILITIES EASEMENT UNLESS NOTED OTHERWISE.
BCHH	INDICATES BRASS CAP IN HANDHOLE
(M)	MEASURED
(C)	CALCULATED
APN	ASSESSORS PARCEL NUMBER
M.C.R.	MARICOPA COUNTY RECORDER
R/W	RIGHT OF WAY

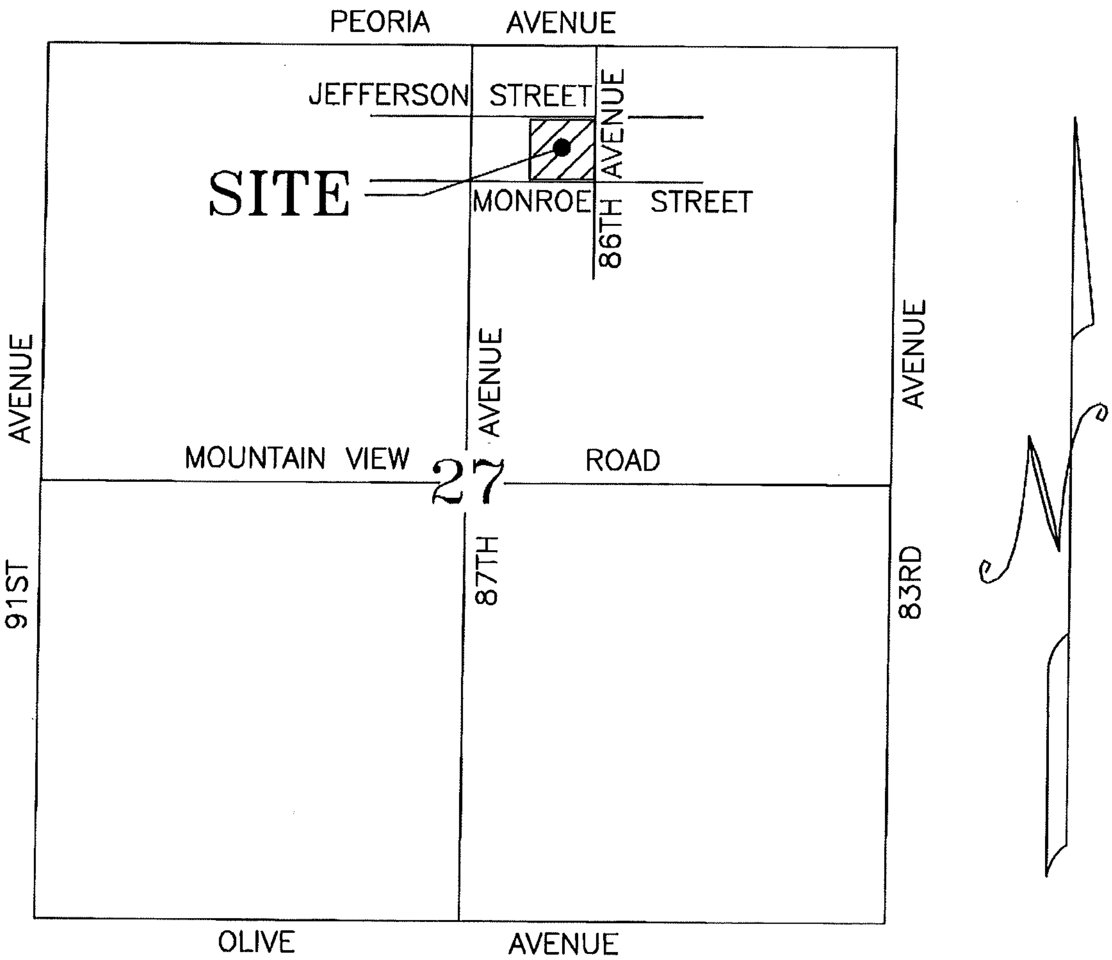
REGISTERED LAND SURVEYOR CERTIFICATE NO. 36070 ROBERT J. BLAKE ARIZONA, U.S.A. EXPIRES: 03-31-2016

Revised
08/13/13
09/09/13
10/01/13

R130031

Date 07-02-13
As-Built
Job No. 130405

FP2.DWG



SEC 27, T 3 N, R 1 E

VICINITY MAP

N.T.S.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 17C

Date Prepared: October 30, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Scott Whyte, Economic Development Services Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Final Plat, Vistancia Parcel A18, Ridgeline Road and El Mirage Road (Project No. R130051)**

Purpose:

This is a request for City Council to approve a Final Plat of Vistancia Parcel A18, located on Ridgeline Road and El Mirage Road, and authorize the Mayor and City Clerk to sign and record the Final Plat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Final Plat.

2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Final Plat.

3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Final Plat.

4. In the event that the Final Plat is not recorded within 60 days of Council approval, the Final Plat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

Background/Summary:

The purpose of the Final Plat is to plat a subdivision for residential use. This development is within the City's water\sewer service area. This final plat creates a total of 34 new lots within the Vistancia Community. All internal roadways are public and will be maintained by the City.

Previous Actions:

The preliminary plat was reviewed by the City and completed in July 2013 and no changes were made to the proposed Final Plat.

Options:

A: The Final Plat has been approved through the Economic Development Services Department. An option would be to not accept the proposed Final Plat; although it should be noted that not approving the Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Final Plat and allow this parcel to be developed.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Final Plat.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Final Plat.

Narrative:

The acceptance of this Final Plat by City Council will allow the developer to move forward in developing this property.

Exhibit(s):

Exhibit 1: Final Plat

Exhibit 2: Vicinity Map

Contact Name and Number:

Jodi Breyfogle, PE, CFM: 623-773-7577

DEDICATION

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

KNOW ALL MEN BY THESE PRESENTS:

VISTANCIA 60 RESIDENTIAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS OWNER, DOES HEREBY PUBLISH THIS PLAT OF "VISTANCIA PARCEL A18" OVER A PORTION OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN AND PLATTED HEREON AND HEREBY PUBLISHES THIS PLAT AS, AND FOR, THE PLAT OF SAID "VISTANCIA PARCEL A18" AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, TRACTS, EASEMENTS AND STREETS CONSTITUTING SAME, AND THAT EACH LOT, TRACT AND STREET SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN TO EACH RESPECTIVELY ON SAID PLAT AND HEREBY DEDICATES TO THE CITY OF PEORIA FOR USE, AS SUCH, THE STREETS AS SHOWN ON SAID PLAT AND INCLUDED IN THE ABOVE DESCRIBED PREMISES. EASEMENTS ARE DEDICATED FOR THE PURPOSES SHOWN.

VISTANCIA 60 RESIDENTIAL, LLC, AS OWNER, HEREBY DEDICATES TO THE CITY THE STREET RIGHTS-OF-WAY AS SHOWN HEREON, FOR THE USE AS (A) PUBLIC STREETS, AND (B) ANY AND ALL PUBLIC SEWER, WATER, GAS, ELECTRIC AND ANY OTHER UTILITY SERVICES. LANDSCAPING WITHIN THE STREET RIGHTS-OF-WAY SHALL BE MAINTAINED BY THE HOME OWNERS ASSOCIATION. VISTANCIA 60 RESIDENTIAL, LLC, HEREBY WARRANTS TO THE CITY THE TITLE TO SAID RIGHT OF WAY AS SHOWN HEREON, AGAINST THE CLAIMS OF ALL PERSONS WHOMSOEVER.

PUBLIC UTILITY EASEMENTS (PUE) ARE DEDICATED TO THE CITY OF PEORIA FOR USE AS SUCH. THE MAINTENANCE OF LANDSCAPING WITHIN THE RIGHT OF WAY SHALL BE THE RESPONSIBILITY OF THE FRONTING PROPERTY OWNER.

VISTANCIA 60 RESIDENTIAL, LLC, AS OWNER DOES HEREBY GRANT TO THE CITY OF PEORIA, AN EASEMENT FOR MAINTENANCE OF ON-SITE RETENTION BASIN(S), PIPE STORAGE SYSTEM(S), OR ANY DRAINAGE FACILITY(IES) WITHIN THIS DEVELOPMENT AS REFLECTED ON THE APPROVED GRADING AND DRAINAGE PLAN. THIS EASEMENT MAY BE EXERCISED BY THE CITY OF PEORIA ONLY AT SUCH TIME THAT THE PROPERTY/CENTER OWNER OR ASSOCIATION RESPONSIBLE FOR THE MAINTENANCE OF SUCH FACILITIES FAILS TO PROVIDE THE REQUIRED MAINTENANCE AND OPERATION AND THE CITY HAS DETERMINED THAT LACK OF SUCH MAINTENANCE AND OPERATION CONSTITUTES A NUISANCE OR IMPACTS PUBLIC HEALTH AND SAFETY. AS LONG AS THE PROPERTY OWNER OR ASSOCIATION IS IN EXISTENCE, IT WILL BE RESPONSIBLE FOR PROVIDING ALL REQUIRED MAINTENANCE OF SUCH FACILITIES REGARDLESS OF THE DEDICATION OF THE EASEMENT.

VISTANCIA 60 RESIDENTIAL, LLC, DOES HEREBY GRANT TO THE CITY OF PEORIA, AN ARIZONA MUNICIPAL CORPORATION, IN MARICOPA COUNTY, ARIZONA, ITS SUCCESSORS, AND ASSIGNS, A PERMANENT AND PERPETUAL EASEMENT FOR THE FOLLOWING PURPOSES, NAMELY: THE RIGHT TO ENTER UPON FOR CONSTRUCTION, MAINTENANCE, OPERATION AND REPLACEMENT OF A WATER AND/OR SEWER LINE OVER, UNDER, AND ACROSS TRACTS B, C AND D SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA. TO HAVE AND TO HOLD THE SAID EASEMENT UNTO CITY OF PEORIA, A MUNICIPAL CORPORATION OF MARICOPA COUNTY, ARIZONA AND UNTO ITS SUCCESSORS AND ASSIGNS FOREVER, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS TO PERMIT THE CONSTRUCTION, OPERATION, MAINTENANCE, AND REPLACEMENT OF PUBLIC WATER /SEWER LINE. SUBJECT TO NOTES 1, 2, 3 AND 4. AND THE GRANTOR HEREBY COVENANTS THAT IT IS LAWFULLY SEIZED AND POSSESSED ON THIS AFOREMENTIONED TRACT OR PARCEL OF LAND; THAT IT HAS A GOOD AND LAWFUL RIGHT TO SELL AND CONVEY IT; AND THAT THEY WILL WARRANT THE TITLE AND QUIET POSSESSION THERETO AGAINST THE LAWFUL CLAIM OF ALL PERSONS.

NOTES:

1. THE SAID EASEMENT TO INCLUDE THE RIGHT TO CUT BACK AND TRIM SUCH PORTION OF THE BRANCHES AND TOPS OF THE TREES NOW GROWING OR THAT MAY HEREAFTER GROW UPON THE ABOVE DESCRIBED PREMISES, AS MAY EXTEND OVER SAID EASEMENT, SO AS TO PREVENT THE SAME FROM INTERFERING WITH THE EFFICIENT MAINTENANCE AND OPERATION OF SAID WATER LINES.
2. THE CITY OF PEORIA SHALL NOT BE RESPONSIBLE FOR REPLACING ANY LANDSCAPING OR ANY IMPROVEMENT PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS, EXCEPT AS NOTED HEREIN.
3. THE CITY OF PEORIA WILL MAKE REASONABLE EFFORTS TO PROMPTLY RESTORE ASPHALT CONCRETE PAVEMENT SURFACES.
4. GRANTOR, ITS SUCCESSORS OR ASSIGNS AT ITS SOLE COST, SHALL BE RESPONSIBLE FOR PROMPTLY REPLACING ANY LANDSCAPING OR IMPROVEMENT(S) PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS.

IN THE EVENT THE RIGHT, PRIVILEGE AND EASEMENT HEREIN GRANTED SHALL BE ABANDONED AND PERMANENTLY CEASE TO BE USED FOR THE PURPOSES HEREIN GRANTED ALL RIGHTS HEREIN GRANTED SHALL CEASE AND REVERT TO THE GRANTORS, THEIR HEIRS OR ASSIGNS.

IN WITNESS WHEREOF:

VISTANCIA 60 RESIDENTIAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS OWNER, HAS HERETO CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF THE UNDERSIGNED OFFICER(S).

THIS ____ DAY OF ______________ 2013.

VISTANCIA 60 RESIDENTIAL, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

BY: SLF III-VPMM, LLC,
A TEXAS LIMITED LIABILITY COMPANY,
ITS MANAGING MEMBER

BY: SLF III-VISTANCIA, LLC,
A TEXAS LIMITED LIABILITY COMPANY,
ITS SOLE AND MANAGING MEMBER

BY: STRATFORD LAND FUND III, L.P.,
A DELAWARE LIMITED PARTNERSHIP,
ITS SOLE AND MANAGING MEMBER

BY: STRATFORD FUND III GP, LLC,
A TEXAS LIMITED LIABILTIY COMPANY,
ITS GENERAL PARTNER

BY: ______________________

BY: ______________________

ITS: ______________________

APPROVAL

APPROVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA ON THE

________ DAY OF ______________, 2013.

BY: ______________________ DATE: ________
MAYOR

ATTEST: ______________________ DATE: ________
CLERK

APPROVED BY: ______________________ DATE: ________
CITY ENGINEER

FINAL PLAT
FOR
"VISTANCIA PARCEL A18"

LOCATED WITHIN SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DEVELOPER

VISTANCIA 60 RESIDENTIAL, LLC
6720 NORTH SCOTTSDALE ROAD,
SUITE 160
SCOTTSDALE, AZ. 85253
PH.: (480) 609-2344
CONTACT: KAREN HOWARD

CIVIL ENGINEER

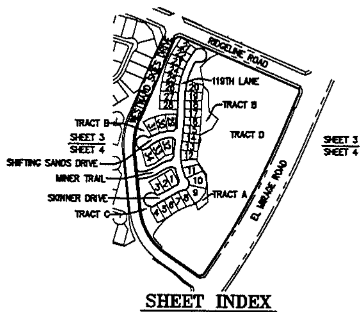
WOOD, PATEL & ASSOCIATES INC
2051 W. NORTHERN AVENUE, #100
PHOENIX, AZ. 85021
PH.: (602) 335-8500
FAX: (602) 335-8580
CONTACT: R. STUART BARNEY, P.E.

PARCEL DESCRIPTION

SEE SHEET 2

AREA TABLE

SEE SHEET 2



SHEET INDEX

N.T.S.

VISTANCIA PLANNED COMMUNITY DISTRICT

CITY OF PEORIA ZONING CASE #Z01-10A.11
CHAPTER IV., TABLE D.1 RESIDENTIAL DEVELOPMENT STANDARDS

DISTRICT	MIN LOT SIZE		BUILDING HEIGHT	MINIMUM YARD SETBACKS					MAXIMUM COVERAGE (4)
	AREA	WIDTH	STORIES / FEET	FRONT (1)	SIDE YARD	TOTAL	STREET SIDE	REAR	
VRD-7									
STANDARDS	7,000	45	2 / 30	20	5	10	10	15	50%

(1) TO ALLOW FOR A DIVERSE STREETSCAPE, THE FRONT YARD SETBACK MAY BE SET AT 10' FROM THE FRONT PROPERTY LINE FOR A MAXIMUM TOTAL OF 50% OF THE TOTAL BUILDING FRONTAGE IN ANY RESIDENTIAL ZONING DISTRICT ACCOMMODATING SUCH FEATURES AS SIDE ENTRY GARAGES, BONUS ROOMS, OR CORRIDORS, ETC. IN NO CASE SHALL A FRONT-FACING GARAGE SET BACK MEASURE LESS THAN 18' FROM CURB.

(4) IF A LOT EXCEEDS THE MINIMUM LOT SIZE OF A ZONING DISTRICT TWO OR MORE DESIGNATIONS LESS DENSE THAN ITS APPROVED ZONING, THEN THAT LOT SHALL ADHERE TO THE MAXIMUM LOT COVERAGE OF SUCH LESS DENSE DISTRICT.

TRACT AREA & USAGE TABLE

TRACT NO.	TRACT AREA SQUARE FEET	TRACT AREA ACRES	TRACT USE	TRACT OWNERSHIP
TRACT A	13,049	0.2996	OPEN SPACE & DRAINAGE	HOA
TRACT B	111,515	2.5600	OPEN SPACE, DRAINAGE, P.U.E., WATER EASEMENT & SEWER EASEMENT	HOA
TRACT C	42,112	0.9668	OPEN SPACE, DRAINAGE, P.U.E. & WATER AND SEWER EASEMENT	HOA
TRACT D	737,786	16.9372	FUTURE PARCEL A-17, DRAINAGE & SEWER EASEMENT	HOA
NOTE:	NOT ALL OF THE EASEMENTS LISTED IN THE TRACT SUMMARY TABLE ENCOMPASS THE ENTIRE TRACT			

ABANDONMENT OF STORMWATER/CROSS DRAINAGE EASEMENT

THE CITY OF PEORIA, AN ARIZONA MUNICIPAL CORPORATION, IN MARICOPA COUNTY, ARIZONA, ITS SUCCESSORS AND ASSIGNS HEREBY ABANDONS ALL RIGHTS ASSOCIATED WITH THE PUBLIC, NONEXCLUSIVE, PERPETUAL EASEMENT, DESCRIBED IN DOCUMENT 2007-1062760, MARICOPA COUNTY RECORDS, LYING WITHIN THE BOUNDARIES OF VISTANCIA PARCEL A18 PLATTED HEREON.

ACKNOWLEDGMENT

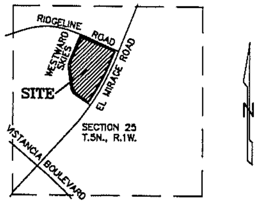
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

ON THIS, THE ______ DAY OF ______________, 2013, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, PERSONALLY APPEARED ______________________, WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE THE ______________________ OF VISTANCIA 60 RESIDENTIAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, BEING DULY AUTHORIZED TO DO SO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED BY SIGNING THEIR NAME AS OFFICER.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC______________________

MY COMMISSION EXPIRES______________________



VICINITY MAP

N.T.S.

FLOODPLAIN

ACCORDING TO FEMA FLOOD INSURANCE RATE MAP NO. 04013C0740 H DATED SEPTEMBER 30, 2005 AND MAP NO. 04013C1155 H DATED SEPTEMBER 30, 2005, THE SUBJECT PROPERTY IS LOCATED IN OTHER FLOOD AREAS ZONE X. OTHER FLOOD AREAS ZONE X IS DESCRIBED AS: "AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD."

BASIS OF BEARING

THE BASIS OF BEARING IS THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, USING A BEARING OF SOUTH 89 DEGREES 40 MINUTES 20 SECONDS EAST.

NOTES

1. THE SUBDIVISION IS SUBJECT TO MAINTENANCE IMPROVEMENT DISTRICT (MID) # _____ AND STREET LIGHT IMPROVEMENT DISTRICT (SLID) # _____.
2. NO CONSTRUCTION OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN THE UTILITY EASEMENTS, EXCEPT UTILITIES, WOOD, WIRE, OR REMOVABLE SECTION TYPE FENCING, AND/OR PAVING, NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PEORIA SHALL NOT BE REQUIRED TO, REPLACE ANY OBSTRUCTION OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION OR RECONSTRUCTION.
3. ALL NEW AND EXISTING UTILITY, ELECTRICAL FACILITIES LESS THAN 69 KVA, CABLE T.V., TELECOMMUNICATIONS FIBER OPTICS, CELLULAR, GAS, ETC SHALL BE INSTALLED UNDERGROUND AS PART OF THE STREET IMPROVEMENTS.
4. MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN ALL TRACTS, EASEMENTS AND RIGHTS-OF-WAY SHALL BE THE RESPONSIBILITY OF THE OWNER.
5. ALL LOT CORNERS SHALL BE MONUMENTED WITH ½"REBAR AND CAPPED OR TAGGED BEARING THE REGISTRATION NUMBER OF THE SURVEYOR RESPONSIBLE FOR THEIR PLACEMENT.
6. SIGNS, FENCES, WALLS, UTILITY BOXES, STRUCTURES, SHRUBS, HEDGES OR OTHER PLANTS, BUT EXCLUDING TREES OVER 30 INCHES IN HEIGHT SHALL NOT BE PERMITTED WITHIN VIEW EASEMENTS OR THE SIGHT DISTANCE TRIANGLES. NO LIMBS, LEAVES, NEEDLES OR OTHER FOLIAGE ABOVE 30 INCHES IN HEIGHT OR BELOW 84 INCHES ARE PERMITTED. TREES ARE TO BE PLANTED SO AS NOT TO OBSTRUCT 20% OF THE VISIBILITY WHEN COMBINED WITH OTHER OBSTRUCTIONS.
7. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100 YEAR ASSURED WATER SUPPLY.
8. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA SEWER SERVICE AREA.
9. NO STRUCTURE OF ANY KIND BE CONSTRUCTED OR ANY VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITHIN THE DRAINAGE EASEMENT OR TRACT WHICH WOULD IMPEDE THE FLOW OF WATER OVER, UNDER, OR THROUGH THE EASEMENT OR TRACT.
10. AN ASSOCIATION, INCLUDING ALL PROPERTY OWNERS IN THE DEVELOPMENT, WILL BE FORMED AND HAVE THE RESPONSIBILITY FOR MAINTAINING ALL COMMON AREAS TO BE NOTED AS "TRACTS" OR EASEMENTS (INCLUDING LANDSCAPED AREAS AND DRAINAGE FACILITIES) IN ACCORDANCE WITH APPROVED PLANS.
11. IN LIEU OF ACCESS ROADS REQUIRED BY 2006 INTERNATIONAL FIRE CODE, ALL DWELLING UNITS SHALL BE EQUIPPED THROUGHOUT WITH AN APPROVED AUTOMATIC SPRINKLER SYSTEM IN ACCORDANCE WITH 2006 INTERNATIONAL FIRE CODE SECTION 903.3.1.1, 903.3.1.2 OR 903.3.1.3.
12. ALL STREETS SHOWN WITHIN THIS PROPERTY BOUNDARY SHALL BE CONSIDERED PUBLIC.
13. THE PROPERTY OWNER(S) AND/OR HOA SHALL MAINTAIN THE LANDSCAPING WITHIN THE ADJACENT TRACT; AND IN ALL RETENTION AND OPEN SPACE AREAS AND/OR TRACT. THE DEVELOPER SHALL FORM A MAINTENANCE IMPROVEMENT DISTRICT (MID) AS A BACK-UP IN CASE THE PROPERTY OWNER'S ASSOCIATION SHOULD FAIL.

CERTIFICATION

I, KATHY M. SVECHOVSKY, OF WOOD, PATEL & ASSOCIATES, INC. HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA; THAT THIS FINAL PLAT CONSISTING OF FOUR (4) SHEETS REPRESENTS A SURVEY PERFORMED BY WOOD, PATEL & ASSOCIATES, INC., DURING THE MONTH OF JULY OF 2013; THAT THE SURVEY IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF; THAT THE BOUNDARY MONUMENTS SHOWN ACTUALLY EXIST AS SHOWN AND ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED; THAT THE CONTROL POINTS AND LOT CORNERS SHALL BE LOCATED AS SHOWN AT TIME OF CONSTRUCTION.

KATHY M. SVECHOVSKY ______ DATE
REGISTERED LAND SURVEYOR #46118
WOOD, PATEL & ASSOCIATES, INC.
2051 WEST NORTHERN AVENUE
PHOENIX, ARIZONA 85021

R130051

VISTANCIA PARCEL A18
FINAL PLAT

EXPIRES 03-31-16

WOOD/PATEL
CIVIL ENGINEERS
HYDROLOGISTS
LAND SURVEYORS
CONSTRUCTION MANAGERS
2051 W. Northern Ave.
Phoenix, AZ 85021
(602) 335-8500

CHECKED BY	KMS
CAD TECHNICIAN	KMS
SCALE	N.T.S.
DATE	10/18/2013
JOB NUMBER	133959
SHEET	1 OF 4

VISTANCIA PARCEL A18

FINAL PLAT

PARCEL DESCRIPTION

PARCEL NO. 1: (VISTANCIA VILLAGE A, PARCEL A-17)

A PARCEL OF LAND LYING WITHIN SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE CENTERLINE INTERSECTION OF RIDGELINE ROAD AND WESTWARD SKIES DRIVE, AS SHOWN ON THE MAP OF DEDICATION FOR EL MIRAGE ROAD, RIDGELINE ROAD & WESTWARD SKIES DRIVE, RECORDED IN BOOK 719, PAGE 34 OF MARICOPA COUNTY RECORDS, FROM WHICH THE POINT OF TERMINUS FOR THE CENTERLINE OF SAID RIDGELINE ROAD, AS SHOWN ON SAID MAP OF DEDICATION BEARS NORTH 66° 55'06" WEST (BASIS OF BEARINGS) 198.55 FEET;

THENCE SOUTH 57° 12'32" EAST A DISTANCE OF 385.38 FEET TO A POINT ON THE SOUTH LINE OF TRACT C, AS SHOWN ON SAID MAP OF DEDICATION FOR EL MIRAGE ROAD, RIDGELINE ROAD & WESTWARD SKIES DRIVE, THE POINT OF BEGINNING;

THENCE THE FOLLOWING COURSES ALONG THE SOUTHERLY LINES OF SAID TRACT C:

THENCE SOUTH 66° 55'06" EAST A DISTANCE OF 632.93 FEET;

THENCE SOUTH 21° 55'06" EAST A DISTANCE OF 23.66 FEET;

THENCE SOUTH 23° 04'54" WEST A DISTANCE OF 384.30 FEET;

THENCE 1157.51 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 5901.00 FEET, THROUGH A CENTRAL ANGLE OF 11° 14'20", A CHORD BEARING SOUTH 28° 42'04" WEST AND A CHORD DISTANCE OF 1155.66 FEET;

THENCE SOUTH 79° 33'29" WEST A DISTANCE OF 36.53 FEET;

THENCE NORTH 55° 25'36" WEST A DISTANCE OF 282.35 FEET;

THENCE 56.64 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 445.00 FEET, THROUGH A CENTRAL ANGLE OF 07° 17'33", A CHORD BEARING NORTH 51° 46'48" WEST AND A CHORD DISTANCE OF 56.60 FEET;

THENCE LEAVING SAID TRACT C, NORTH 41° 51'58" EAST A DISTANCE OF 19.88 FEET;

THENCE 103.84 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 425.12 FEET, THROUGH A CENTRAL ANGLE OF 13° 59'40", A CHORD BEARING NORTH 41° 08'11" WEST AND A CHORD DISTANCE OF 103.58 FEET, FROM WHICH POINT THE RADIUS POINT BEARS NORTH 41° 51'58" EAST;

THENCE 406.89 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 476.11 FEET, THROUGH A CENTRAL ANGLE OF 48° 57'54", A CHORD BEARING NORTH 53° 07'25" EAST AND A CHORD DISTANCE OF 394.62 FEET, FROM WHICH POINT THE RADIUS POINT BEARS SOUTH 61° 21'32" EAST;

THENCE SOUTH 12° 23'38" EAST A DISTANCE OF 44.04 FEET;

THENCE NORTH 52° 17'42" EAST A DISTANCE OF 93.27 FEET;

THENCE NORTH 03° 09'23" WEST A DISTANCE OF 203.22 FEET;

THENCE NORTH 34° 14'14" WEST A DISTANCE OF 121.89 FEET;

THENCE NORTH 05° 31'28" EAST A DISTANCE OF 82.81 FEET;

THENCE NORTH 15° 04'21" EAST A DISTANCE OF 74.76 FEET;

THENCE NORTH 16° 02'04" WEST A DISTANCE OF 33.75 FEET;

THENCE NORTH 63° 12'28" EAST A DISTANCE OF 100.75 FEET;

THENCE NORTH 30° 32'50" EAST A DISTANCE OF 85.56 FEET;

THENCE NORTH 49° 36'00" WEST A DISTANCE OF 83.40 FEET;

THENCE NORTH 07° 02'06" WEST A DISTANCE OF 68.82 FEET;

THENCE NORTH 04° 54'27" EAST A DISTANCE OF 58.41 FEET;

THENCE NORTH 18° 51'15" WEST A DISTANCE OF 22.44 FEET;

THENCE NORTH 38° 29'57" WEST A DISTANCE OF 49.26 FEET;

THENCE NORTH 10° 35'31" WEST A DISTANCE OF 136.17 FEET;

THENCE NORTH 44° 19'17" EAST A DISTANCE OF 101.45 FEET;

THENCE NORTH 64° 18'23" EAST A DISTANCE OF 69.65 FEET TO THE POINT OF BEGINNING;

EXCEPT ALL MINERALS AS RESERVED IN PATENT FROM THE UNITED STATES OF AMERICA.

PARCEL NO. 2: (VISTANCIA PARCEL A-18)

A PARCEL OF LAND SITUATED IN THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 25 FROM WHICH THE NORTHEAST CORNER OF SAID SECTION BEARS SOUTH 89° 40'38" EAST A DISTANCE OF 2566.25 FEET;

THENCE SOUTH 45° 16'23" WEST A DISTANCE OF 1117.90 FEET TO THE CENTERLINE INTERSECTION OF RIDGELINE ROAD AND WESTWARD SKIES DRIVE, AS SHOWN ON THE MAP OF DEDICATION FOR EL MIRAGE ROAD, RIDGELINE ROAD AND WESTWARD SKIES DRIVE, RECORDED IN BOOK 719, PAGE 34 OF MARICOPA COUNTY RECORDS, FROM WHICH THE POINT OF TERMINUS FOR THE CENTERLINE OF SAID RIDGELINE ROAD, AS SHOWN ON SAID MAP OF DEDICATION BEARS NORTH 66° 55'06" WEST (BASIS OF BEARINGS) 198.55;

THENCE SOUTH 03° 03'27" EAST A DISTANCE OF 102.15 FEET TO A POINT ON A SOUTHERLY LINE OF TRACT C, AS SHOWN ON SAID MAP OF DEDICATION, THE POINT OF BEGINNING;

THENCE ALONG SAID SOUTHERLY LINE NORTH 68° 04'54" EAST A DISTANCE OF 37.76 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 66° 55'06" EAST A DISTANCE OF 308.16 FEET;

THENCE SOUTH 64° 18'23" WEST A DISTANCE OF 69.65 FEET;

THENCE SOUTH 44° 19'17" WEST A DISTANCE OF 101.44 FEET;

THENCE SOUTH 10° 35'31" EAST A DISTANCE OF 136.17 FEET;

THENCE SOUTH 38° 29'57" EAST A DISTANCE OF 49.26 FEET;

PARCEL DESCRIPTION CONTINUED

THENCE SOUTH 18° 51'15" EAST A DISTANCE OF 22.44 FEET;

THENCE SOUTH 04° 54'27" WEST A DISTANCE OF 58.41 FEET;

THENCE SOUTH 07° 02'06" EAST A DISTANCE OF 68.82 FEET;

THENCE SOUTH 49° 36'00" EAST A DISTANCE OF 83.40 FEET;

THENCE SOUTH 30° 32'50" WEST A DISTANCE OF 85.56 FEET;

THENCE SOUTH 63° 12'28" WEST A DISTANCE OF 100.75 FEET;

THENCE SOUTH 16° 02'04" EAST A DISTANCE OF 33.75 FEET;

THENCE SOUTH 15° 04'21" WEST A DISTANCE OF 74.76 FEET;

THENCE SOUTH 05° 31'28" WEST A DISTANCE OF 82.81 FEET;

THENCE SOUTH 34° 14'14" EAST A DISTANCE OF 121.89 FEET;

THENCE SOUTH 03° 09'23" EAST A DISTANCE OF 203.22 FEET;

THENCE SOUTH 52° 17'42" WEST A DISTANCE OF 93.27 FEET;

THENCE NORTH 12° 23'38" WEST A DISTANCE OF 44.04 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY WITH A RADIUS OF 476.11 FEET;

THENCE 406.89 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF
48° 57'54", HAVING A CHORD BEARING OF SOUTH 53° 07'25" WEST AND CHORD DISTANCE OF 394.62 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 425.12 FEET;

THENCE 103.84 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF
13° 59'40", HAVING A CHORD BEARING OF SOUTH 41° 08'11" EAST AND CHORD DISTANCE OF 103.58
FEET;

THENCE SOUTH 41° 51'58" WEST A DISTANCE OF 19.88 FEET TO A POINT ON A NORTHEASTERLY LINE OF SAID TRACT C, THE BEGINNING OF A NON TANGENT CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 445.00 FEET;

THENCE 329.59 FEET ALONG SAID NORTHEASTERLY LINE, AND ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 42° 26'11", HAVING A CHORD BEARING OF NORTH 26° 54'56" WEST AND CHORD DISTANCE OF 322.11 FEET;

THENCE ALONG SAID NORTHEASTERLY LINE NORTH 05° 41'43" WEST A DISTANCE OF 430.31 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY WITH A RADIUS OF 452.00 FEET;

THENCE ALONG AN EASTERLY LINE OF SAID TRACT C, 227.02 FEET ALONG THE ARC OF SAID CURVE
TO THE RIGHT THROUGH A CENTRAL ANGLE OF 28° 46'37", HAVING A CHORD BEARING OF NORTH 08° 41'35" EAST AND CHORD DISTANCE OF 224.64 FEET;

THENCE ALONG SAID EASTERLY LINE NORTH 23° 04'54" EAST A DISTANCE OF 651.89 FEET TO THE POINT OF BEGINNING;

EXCEPT ALL MINERALS AS RESERVED IN PATENT FROM THE UNITED STATES OF AMERICA.

TOTAL AREA IS 1,296,375 SQUARE FEET OR 29.7607 ACRES, MORE OR LESS.

LOT TABLE

LOT	ACERAGE	Sq. Ft.
1	0.1638	7136.90
2	0.1653	7200.00
3	0.1783	7766.95
4	0.1649	7184.21
5	0.1749	7618.93
6	0.1671	7280.37
7	0.1686	7342.56
8	0.1785	7775.88
9	0.2610	11367.11
10	0.2772	12076.93
11	0.1964	8555.47
12	0.1886	8216.30
13	0.1789	7792.04
14	0.1703	7419.73
15	0.1694	7380.60
16	0.1709	7443.16
17	0.1716	7474.51
18	0.1716	7474.61
19	0.1846	8042.52
20	0.1840	8015.95

LOT TABLE

LOT	ACERAGE	Sq. Ft.
21	0.1944	8467.83
22	0.1923	8376.36
23	0.1923	8375.56
24	0.1923	8376.45
25	0.1923	8377.23
26	0.1924	8379.70
27	0.1951	8496.98
28	0.1850	8056.46
29	0.1933	8421.98
30	0.1883	8203.43
31	0.2110	9190.39
32	0.2231	9719.15
33	0.1930	8405.65
34	0.2313	10074.70

LINE TABLE

LINE	BEARING	DISTANCE
L1	S82°56'03"W	13.15'
L2	N83°47'47"W	17.30'
L3	S84°18'17"W	77.19'
L4	N11°40'45"E	28.36'
L5	S50°41'43"E	25.46'
L6	S39°18'17"W	25.46'
L7	S84°18'17"W	14.19'
L8	N84°18'17"E	14.19'
L9	N56°41'29"W	28.12'
L10	N37°59'49"E	30.27'
L11	N40°24'31"W	27.04'
L12	N49°04'18"E	28.91'
L13	N17°43'19"E	29.43'
L14	S16°02'04"E	33.75'
L15	N60°20'54"E	118.51'
L16	N05°31'28"E	82.81'

LINE TABLE

LINE	BEARING	DISTANCE
L17	S18°51'15"E	22.44'
L18	S38°29'57"E	49.26'
L19	N12°23'38"W	44.03'
L20	N60°20'54"E	76.18'
L21	N11°29'04"E	71.31'
L22	N21°32'04"E	70.64'
L23	N10°31'46"E	69.68'
L24	N04°59'20"E	71.51'
L25	N71°19'39"E	73.56'
L26	N82°02'21"E	78.84'
L27	N51°56'59"E	93.24'
L28	S41°51'58"W	19.88'
L29	S68°04'54"W	37.76'
L30	N79°33'29"E	36.53'
L31	N21°55'06"W	23.66'

CURVE TABLE

CURVE	DELTA	RADIUS	ARC	CHORD BEARING	CHORD
C1	29°50'22"	260.00'	135.41'	N69°23'05.82"E	133.88
C2	28°28'08"	270.00'	134.18'	S68°41'58.75"W	132.78
C3	36°22'18"	113.31'	71.93'	N78°32'02.90"E	70.73
C4	85°14'19"	36.00'	53.56'	N17°43'44.08"E	48.75
C5	11°14'20"	5901.00'	1157.51'	N28°42'04.14"E	1155.66
C6	8°13'55"	2355.00'	338.35'	N4°07'34.55"E	338.06
C7	31°38'37"	125.70'	69.42'	N72°57'03.27"E	68.54
C8	39°04'28"	275.00'	187.54'	S76°39'58.69"W	183.93
C9	28°57'30"	575.00'	290.62'	S14°29'22.28"W	287.53
C10	47°16'46"	94.58'	78.05'	S52°36'30.54"W	75.85
C11	13°59'48"	425.05'	103.84'	S41°08'03.68"E	103.58
C13	29°50'22"	235.00'	122.39'	N69°23'05.82"E	121.01
C14	22°24'34"	295.00'	115.38'	S65°40'12.02"W	114.65
C15	48°57'56"	476.11'	406.89'	N53°07'28.21"E	394.62
C16	42°26'23"	444.97'	329.59'	S26°54'48.70"E	322.11
C17	28°46'37"	452.00'	227.02'	S8°41'35.43"W	224.64
C18	9°50'48"	470.00'	80.77'	S3°19'07.86"W	80.67
C20	0°55'45"	2330.00'	37.78'	N7°46'39.56"E	37.78
C21	24°36'18"	250.00'	107.36'	S77°31'15.09"W	106.54
C22	202°45'48"	51.00'	180.48'	S23°59'41.73"W	99.99
C23	68°14'51"	20.00'	23.82'	S88°44'49.89"E	22.44
C24	10°42'42"	300.00'	56.09'	S76°41'00.40"W	56.00
C26	3°21'39"	2330.00'	136.67'	N3°25'08.52"E	136.65
C27	5°32'28"	600.00'	58.02'	S18°50'24.20"W	58.00
C28	226°54'52"	51.00'	201.98'	N6°20'33.64"W	93.57
C29	78°08'45"	20.00'	27.28'	S68°02'29.82"W	25.21
C30	14°18'44"	550.00'	137.39'	S21°48'45.33"W	137.03
C31	1°25'58"	2380.00'	59.50'	N3°42'07.73"E	59.50
C32	10°42'42"	420.00'	78.52'	S0°38'57.93"E	78.41
C33	34°56'43"	20.00'	12.20'	S39°41'39.52"E	12.01
C34	45°48'42"	51.00'	40.78'	N34°23'24.91"E	39.70
C35	32°19'14"	20.00'	11.28'	S76°30'30.70"W	11.13
C36	19°08'26"	20.00'	6.68'	S50°46'40.71"W	6.65
C37	222°23'24"	51.00'	197.95'	S20°18'56.24"W	95.10
C38	49°46'54"	20.00'	17.38'	N85°14'20.89"E	16.84
C39	11°06'02"	470.00'	91.06'	S18°06'05.06"E	90.92
C40	21°10'41"	245.00'	90.56'	S65°03'15.42"W	90.04
C41	29°50'22"	285.00'	148.43'	N69°23'05.82"E	146.78
C42	2°44'55"	2320.00'	111.29'	S3°58'54.44"W	111.28

PRELIMINARY NOT FOR CONSTRUCTION OR RECORDING

EXPIRES 03-31-16

WOOD/PATEL
CIVIL ENGINEERS
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PHOENIX • MESA • TUCSON

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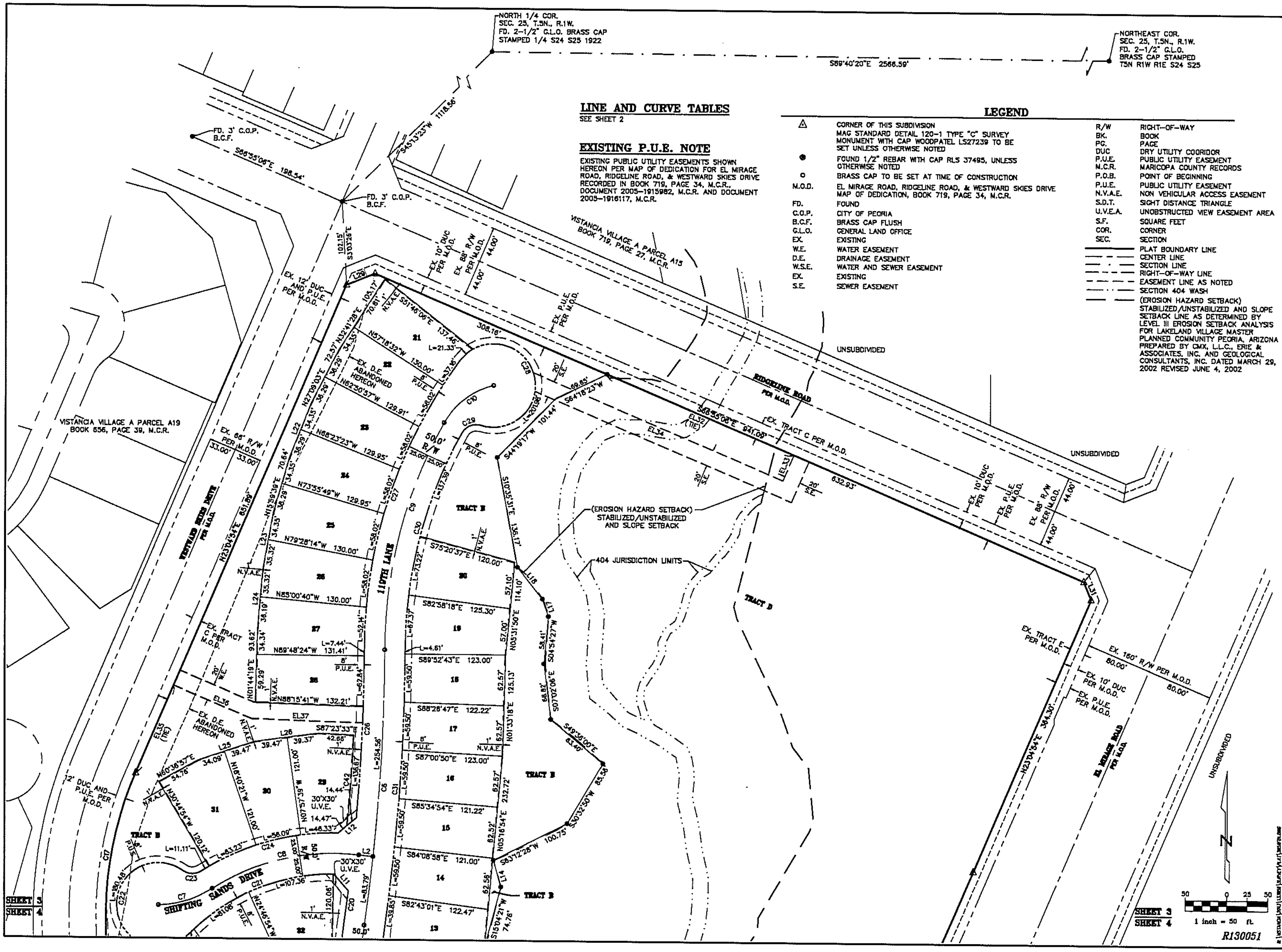
SCALE N.T.S.
DATE 10/18/2013
JOB NUMBER 133959
SHEET 2 OF 4

R130051

VISTANCIA PARCEL A18

FINAL PLAT



LINE AND CURVE TABLES

SEE SHEET 2

EXISTING P.U.E. NOTE

EXISTING PUBLIC UTILITY EASEMENTS SHOWN HEREON PER MAP OF DEDICATION FOR EL MIRAGE ROAD, RIDGELINE ROAD, & WESTWARD SKIES DRIVE RECORDED IN BOOK 719, PAGE 34, M.C.R., DOCUMENT 2005-1915982, M.C.R. AND DOCUMENT 2005-1916117, M.C.R.

LEGEND

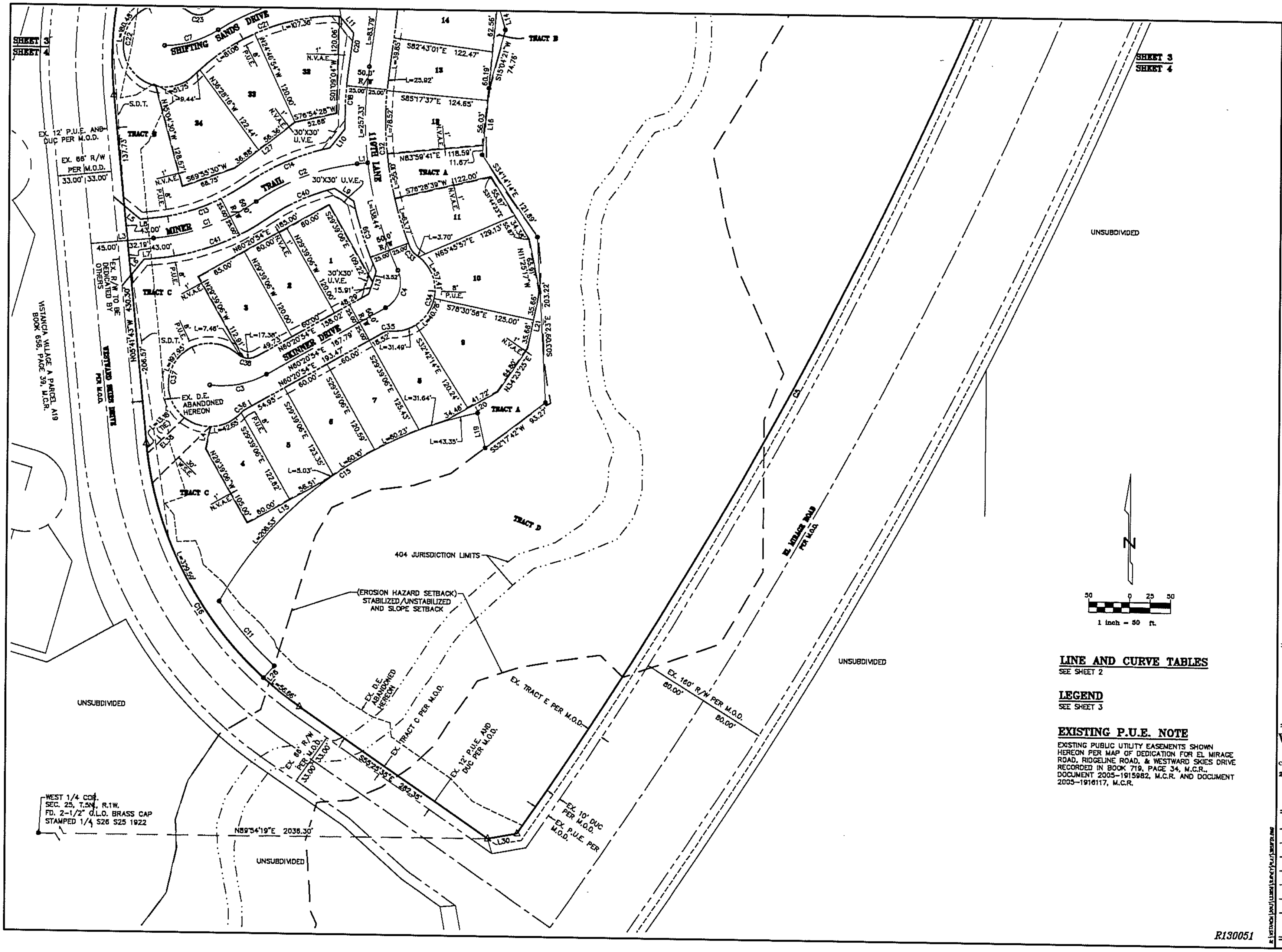
△	CORNER OF THIS SUBDIVISION MAG STANDARD DETAIL 120-1 TYPE "C" SURVEY MONUMENT WITH CAP WOODPATEL LS27239 TO BE SET UNLESS OTHERWISE NOTED
●	FOUND 1/2" REBAR WITH CAP RLS 37495, UNLESS OTHERWISE NOTED
○	BRASS CAP TO BE SET AT TIME OF CONSTRUCTION
M.O.D.	EL MIRAGE ROAD, RIDGELINE ROAD, & WESTWARD SKIES DRIVE MAP OF DEDICATION, BOOK 719, PAGE 34, M.C.R.
FD.	FOUND
C.O.P.	CITY OF PEORIA
B.C.F.	BRASS CAP FLUSH
G.L.O.	GENERAL LAND OFFICE
EX.	EXISTING
W.E.	WATER EASEMENT
D.E.	DRAINAGE EASEMENT
W.S.E.	WATER AND SEWER EASEMENT
EX.	EXISTING
S.E.	SEWER EASEMENT
R/W	RIGHT-OF-WAY
BK.	BOOK
PG.	PAGE
DUC	DRY UTILITY COORIDOR
P.U.E.	PUBLIC UTILITY EASEMENT
M.C.R.	MARICOPA COUNTY RECORDS
P.O.B.	POINT OF BEGINNING
P.U.E.	PUBLIC UTILITY EASEMENT
N.V.A.E.	NON VEHICULAR ACCESS EASEMENT
S.D.T.	SIGHT DISTANCE TRIANGLE
U.V.E.A.	UNOBSTRUCTED VIEW EASEMENT AREA
S.F.	SQUARE FEET
COR.	CORNER
SEC.	SECTION
———	PLAT BOUNDARY LINE
— - —	CENTER LINE
— · —	SECTION LINE
— - - —	RIGHT-OF-WAY LINE
- — - —	EASEMENT LINE AS NOTED
— · · —	SECTION 404 WASH
— —	(EROSION HAZARD SETBACK) STABILIZED/UNSTABILIZED AND SLOPE SETBACK LINE AS DETERMINED BY LEVEL III EROSION SETBACK ANALYSIS FOR LAKELAND VILLAGE MASTER PLANNED COMMUNITY PEORIA, ARIZONA PREPARED BY CMX, L.L.C., ERIE & ASSOCIATES, INC. AND GEOLOGICAL CONSULTANTS, INC. DATED MARCH 29, 2002 REVISED JUNE 4, 2002

PRELIMINARY NOT FOR CONSTRUCTION OR RECORDING

EXPIRES 03-31-16

WOOD/PATEL
CIVIL ENGINEERS
HYDROLOGISTS
LAND SURVEYORS
CONSTRUCTION MANAGERS
2051 W. Northern Ave.
Phoenix, AZ 85021
(602) 335-8500
PHOENIX • MESA • TUCSON

CHECKED BY	KMS
CAD TECHNICIAN	KMS
SCALE	1"=50'
DATE	10/18/2013
JOB NUMBER	133959
SHEET	3 OF 4



LINE AND CURVE TABLES
SEE SHEET 2

LEGEND
SEE SHEET 3

EXISTING P.U.E. NOTE
EXISTING PUBLIC UTILITY EASEMENTS SHOWN HEREON PER MAP OF DEDICATION FOR EL MIRAGE ROAD, RIDGELINE ROAD, & WESTWARD SKIES DRIVE RECORDED IN BOOK 719, PAGE 34, M.C.R., DOCUMENT 2005-1915982, M.C.R. AND DOCUMENT 2005-1916117, M.C.R.

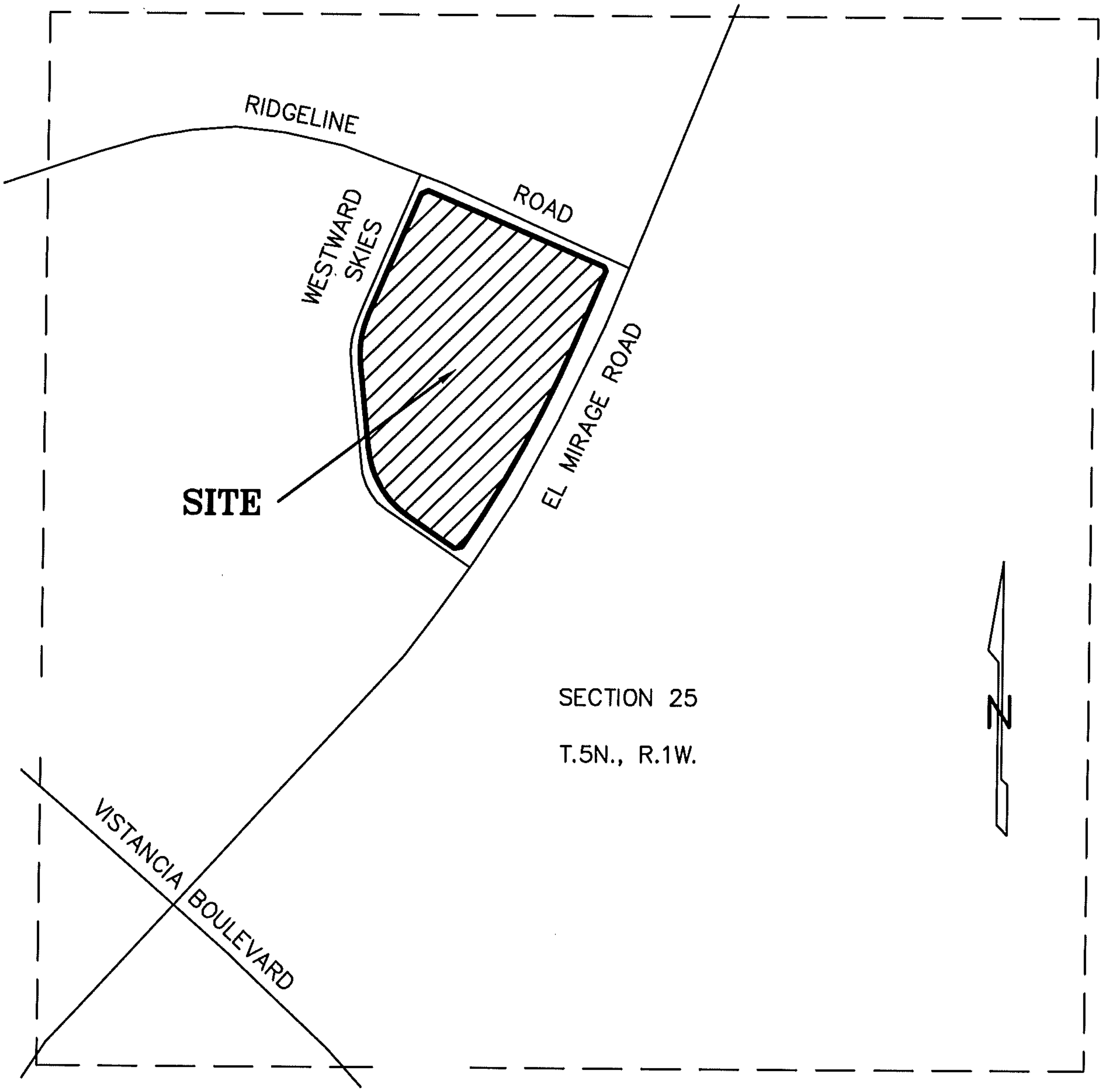
VISTANCIA PARCEL A18
FINAL PLAT

EXPIRES 03-31-16

WOOD/PATEL
CIVIL ENGINEERS
HYDROLOGISTS
LAND SURVEYORS
CONSTRUCTION MANAGERS
2051 W. Northern Ave.
Phoenix, AZ 85021
(602) 335-8500

CHECKED BY	KMS
CAD TECHNICIAN	KMS
SCALE	1"=50'
DATE	10/18/2013
JOB NUMBER	133959
SHEET	4 OF 4

R130051



VISTANCIA PARCEL A18

VICINITY MAP

N.T.S.

WOOD/PATEL
MISSION: CLIENT SERVICE™

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 18C

Date Prepared: October 30, 2013 **Council Meeting Date: December 10, 2013**

TO: **Carl Swenson, City Manager**

FROM: **Scott Whyte, Economic Development Services Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Final Plat, Vistancia Parcel A21 & A22, Westward Skies Drive and El Mirage Road (Project No. R130058)**

Purpose:

This is a request for City Council to approve a Final Plat of Vistancia Parcel A21 & A22, located on Westward Skies Drive west of El Mirage Road, and authorize the Mayor and City Clerk to sign and record the Final Plat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Final Plat.

2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Final Plat.

3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Final Plat.

4. In the event that the Final Plat is not recorded within 60 days of Council approval, the Final Plat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

Background/Summary:

The purpose of the Final Plat is to plat a subdivision for residential use. This development is within the City's water\sewer service area. This final plat creates a total of 80 new lots within the Vistancia Community. All internal roadways are public and will be maintained by the City.

Previous Actions:

The preliminary plat was reviewed by the City and completed in July 2013 and no changes were made to the proposed Final Plat.

Options:

A: The Final Plat has been approved through the Economic Development Services Department. An option would be to not accept the proposed Final Plat; although it should be noted that not approving the Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Final Plat and allow this parcel to be developed.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Final Plat.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Final Plat.

Narrative:

The acceptance of this Final Plat by City Council will allow the developer to move forward in developing this property.

Exhibit(s):

Exhibit 1: Final Plat

Exhibit 2: Vicinity Map

Contact Name and Number:

Jodi Breyfogle, PE, CFM: 623-773-7577

FINAL PLAT
FOR
"VISTANCIA PARCEL A21 & A22"

LOCATED WITHIN THE WEST HALF OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DEDICATION

STATE OF ARIZONA)

COUNTY OF MARICOPA) ss.

KNOW ALL MEN BY THESE PRESENTS:

VISTANCIA 60 RESIDENTIAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS OWNER, DOES HEREBY PUBLISH THIS PLAT OF "VISTANCIA PARCEL A21 & A22" OVER A PORTION OF THE WEST HALF OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN AND PLATTED HEREON AND HEREBY PUBLISHES THIS PLAT AS, AND FOR, THE PLAT OF SAID "VISTANCIA PARCEL A21 & A22" AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, TRACTS, EASEMENTS AND STREETS CONSTITUTING SAME, AND THAT EACH LOT, TRACT AND STREET SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN TO EACH RESPECTIVELY ON SAID PLAT AND HEREBY DEDICATES TO THE CITY OF PEORIA FOR USE, AS SUCH, THE STREETS AS SHOWN ON SAID PLAT AND INCLUDED IN THE ABOVE DESCRIBED PREMISES. EASEMENTS ARE DEDICATED FOR THE PURPOSES SHOWN.

VISTANCIA 60 RESIDENTIAL, LLC, AS OWNER, HEREBY DEDICATES TO THE CITY THE STREET RIGHTS-OF-WAY AS SHOWN HEREON, FOR THE USE AS (A) PUBLIC STREETS, AND (B) ANY AND ALL PUBLIC SEWER, WATER, GAS, ELECTRIC AND ANY OTHER UTILITY SERVICES. LANDSCAPING WITHIN THE STREET RIGHTS-OF-WAY SHALL BE MAINTAINED BY THE HOME OWNERS ASSOCIATION. DELAWARE 150 COMMERCIAL, LLC, HEREBY WARRANTS TO THE CITY THE TITLE TO SAID RIGHT OF WAY AS SHOWN HEREON, AGAINST THE CLAIMS OF ALL PERSONS WHOMSOEVER.

PUBLIC UTILITY EASEMENTS (PUE) ARE DEDICATED TO THE CITY OF PEORIA FOR USE AS SUCH. THE MAINTENANCE OF LANDSCAPING WITHIN THE RIGHT OF WAY SHALL BE THE RESPONSIBILITY OF THE FRONTING PROPERTY OWNER.

VISTANCIA 60 RESIDENTIAL, LLC, AS OWNER DOES HEREBY GRANT TO THE CITY OF PEORIA, AN EASEMENT FOR MAINTENANCE OF ON-SITE RETENTION BASIN(S), PIPE STORAGE SYSTEM(S), OR ANY DRAINAGE FACILITY(IES) WITHIN THIS DEVELOPMENT AS REFLECTED ON THE APPROVED GRADING AND DRAINAGE PLAN. THIS EASEMENT MAY BE EXERCISED BY THE CITY OF PEORIA ONLY AT SUCH TIME THAT THE PROPERTY/CENTER OWNER OR ASSOCIATION RESPONSIBLE FOR THE MAINTENANCE OF SUCH FACILITIES FAILS TO PROVIDE THE REQUIRED MAINTENANCE AND OPERATION AND THE CITY HAS DETERMINED THAT LACK OF SUCH MAINTENANCE AND OPERATION CONSTITUTES A NUISANCE OR IMPACTS PUBLIC HEALTH AND SAFETY. AS LONG AS THE PROPERTY/CENTER OWNER OR ASSOCIATION IS IN EXISTENCE, IT WILL BE RESPONSIBLE FOR PROVIDING ALL REQUIRED MAINTENANCE OF SUCH FACILITIES REGARDLESS OF THE DEDICATION OF THE EASEMENT.

VISTANCIA 60 RESIDENTIAL, LLC, DOES HEREBY GRANT TO THE CITY OF PEORIA, AN ARIZONA MUNICIPAL CORPORATION, IN MARICOPA COUNTY, ARIZONA, ITS SUCCESSORS, AND ASSIGNS, A PERMANENT AND PERPETUAL EASEMENT FOR THE FOLLOWING PURPOSES, NAMELY: THE RIGHT TO ENTER UPON FOR CONSTRUCTION, MAINTENANCE, OPERATION AND REPLACEMENT OF A WATER AND/OR SEWER LINE OVER, UNDER, AND ACROSS TRACT B SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, TO HAVE AND TO HOLD THE SAID EASEMENT UNTO CITY OF PEORIA, A MUNICIPAL CORPORATION OF MARICOPA COUNTY, ARIZONA AND UNTO ITS SUCCESSORS AND ASSIGNS FOREVER, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS TO PERMIT THE CONSTRUCTION, OPERATION, MAINTENANCE, AND REPLACEMENT OF PUBLIC WATER /SEWER LINE. SUBJECT TO NOTES 1, 2, 3 AND 4. AND THE GRANTOR HEREBY COVENANTS THAT IT IS LAWFULLY SEIZED AND POSSESSED ON THIS AFOREMENTIONED TRACT OR PARCEL OF LAND; THAT IT HAS A GOOD AND LAWFUL RIGHT TO SELL AND CONVEY IT; AND THAT THEY WILL WARRANT THE TITLE AND QUIET POSSESSION THERETO AGAINST THE LAWFUL CLAIM OF ALL PERSONS.

NOTES:

1. THE SAID EASEMENT TO INCLUDE THE RIGHT TO CUT BACK AND TRIM SUCH PORTION OF THE BRANCHES AND TOPS OF THE TREES NOW GROWING OR THAT MAY HEREAFTER GROW UPON THE ABOVE DESCRIBED PREMISES, AS MAY EXTEND OVER SAID EASEMENT, SO AS TO PREVENT THE SAME FROM INTERFERING WITH THE EFFICIENT MAINTENANCE AND OPERATION OF SAID WATER LINES.
2. THE CITY OF PEORIA SHALL NOT BE RESPONSIBLE FOR REPLACING ANY LANDSCAPING OR ANY IMPROVEMENT PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS, EXCEPT AS NOTED HEREIN.
3. THE CITY OF PEORIA WILL MAKE REASONABLE EFFORTS TO PROMPTLY RESTORE ASPHALT CONCRETE PAVEMENT SURFACES.
4. GRANTOR, ITS SUCCESSORS OR ASSIGNS AT ITS SOLE COST, SHALL BE RESPONSIBLE FOR PROMPTLY REPLACING ANY LANDSCAPING OR IMPROVEMENT(S) PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS.

IN THE EVENT THE RIGHT, PRIVILEGE AND EASEMENT HEREIN GRANTED SHALL BE ABANDONED AND PERMANENTLY CEASE TO BE USED FOR THE PURPOSES HEREIN GRANTED ALL RIGHTS HEREIN GRANTED SHALL CEASE AND REVERT TO THE GRANTORS, THEIR HEIRS OR ASSIGNS.

IN WITNESS WHEREOF:

VISTANCIA 60 RESIDENTIAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS OWNER, HAS HERETO CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF THE UNDERSIGNED OFFICER(S).

THIS ____ DAY OF ______________, 2013.

VISTANCIA 60 RESIDENTIAL, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

BY: SLF III–VPMM, LLC,
A TEXAS LIMITED LIABILITY COMPANY,
ITS MANAGING MEMBER

BY: SLF III–VISTANCIA, LLC,
A TEXAS LIMITED LIABILITY COMPANY,
ITS SOLE AND MANAGING MEMBER

BY: STRATFORD LAND FUND III, L.P.,
A DELAWARE LIMITED PARTNERSHIP,
ITS SOLE AND MANAGING MEMBER

BY: STRATFORD FUND III GP, LLC,
A TEXAS LIMITED LIABILITY COMPANY,
ITS GENERAL PARTNER

BY: ______________________

BY: ______________________

ITS: ______________________

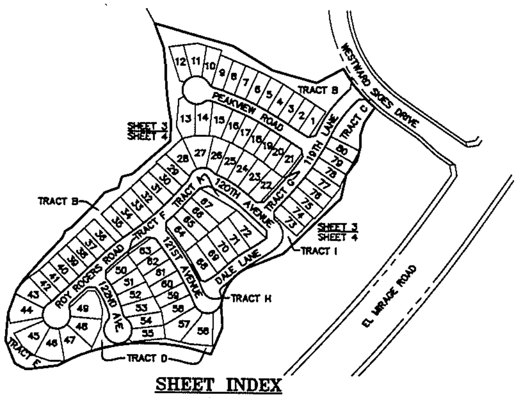
APPROVAL

APPROVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA ON THE ______ DAY OF ______________, 2013.

BY: ______________________ DATE: __________
MAYOR

ATTEST: ______________________ DATE: __________
CLERK

APPROVED BY: ______________________ DATE: __________
CITY ENGINEER



SHEET INDEX
N.T.S.

DEVELOPER
VISTANCIA 60 RESIDENTIAL, LLC
6720 NORTH SCOTTSDALE ROAD,
SUITE 160
SCOTTSDALE, AZ. 85253
PH.: (480) 609-2344
CONTACT: KAREN HOWARD

CIVIL ENGINEER
WOOD, PATEL & ASSOCIATES INC
2051 W. NORTHERN AVENUE, #100
PHOENIX, AZ. 85021
PH.: (602) 335-8500
FAX: (602) 335-8580
CONTACT: R. STUART BARNEY, P.E.

PARCEL DESCRIPTION
SEE SHEET 2

AREA TABLES
SEE SHEET 2

VISTANCIA PLANNED COMMUNITY DISTRICT
CITY OF PEORIA ZONING CASE #Z01-10A.11
CHAPTER IV., TABLE D.1 RESIDENTIAL DEVELOPMENT STANDARDS

DISTRICT	MIN LOT SIZE		BUILDING HEIGHT	MINIMUM YARD SETBACKS					MAXIMUM COVERAGE (4)
	AREA	WIDTH	STORIES / FEET	FRONT (1)	SIDE YARD	TOTAL	STREET SIDE	REAR	
VRD-5									
STANDARDS	5,000	40	2 / 30	15	5	10	10	10	55%

(1) TO ALLOW FOR A DIVERSE STREETSCAPE, THE FRONT YARD SETBACK MAY BE SET AT 10' FROM THE FRONT PROPERTY LINE FOR A MAXIMUM TOTAL OF 50% OF THE TOTAL BUILDING FRONTAGE IN ANY RESIDENTIAL ZONING DISTRICT ACCOMMODATING SUCH FEATURES AS SIDE ENTRY GARAGES, BONUS ROOMS, OR CORRIDORS, ETC. IN NO CASE SHALL A FRONT-FACING GARAGE SET BACK MEASURE LESS THAN 18' FROM CURB.

(4) IF A LOT EXCEEDS THE MINIMUM LOT SIZE OF A ZONING DISTRICT TWO OR MORE DESIGNATIONS LESS DENSE THAN ITS APPROVED ZONING, THEN THAT LOT SHALL ADHERE TO THE MAXIMUM LOT COVERAGE OF SUCH LESS DENSE DISTRICT.

ACKNOWLEDGMENT

STATE OF ARIZONA)

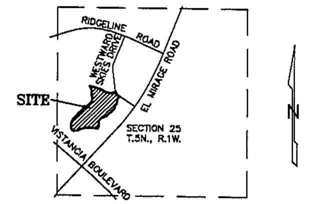
COUNTY OF MARICOPA) ss.

ON THIS, THE ______ DAY OF ______________, 2013, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, PERSONALLY APPEARED ______________________ WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE THE ______________________ OF VISTANCIA 60 RESIDENTIAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, BEING DULY AUTHORIZED TO DO SO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED BY SIGNING THEIR NAME AS OFFICER.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC ______________________

MY COMMISSION EXPIRES ______________________



VICINITY MAP
N.T.S.

FLOODPLAIN
ACCORDING TO FEMA FLOOD INSURANCE RATE MAP NO. 04013C1180 G DATED SEPTEMBER 30, 2005, THE SUBJECT PROPERTY IS LOCATED IN OTHER FLOOD AREAS ZONE X. OTHER FLOOD AREAS ZONE X IS DESCRIBED AS: "AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD."

BASIS OF BEARING
THE BASIS OF BEARING IS THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, USING A BEARING OF SOUTH 89 DEGREES 40 MINUTES 20 SECONDS EAST.

NOTES

1. THE SUBDIVISION IS SUBJECT TO MAINTENANCE IMPROVEMENT DISTRICT (MID) # ______, STREET LIGHT IMPROVEMENT DISTRICT (SLID) # ______ AND A FIRE IMPROVEMENT DISTRICT (FID) # ______
2. NO CONSTRUCTION OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN THE UTILITY EASEMENTS, EXCEPT UTILITIES, WOOD, WIRE, OR REMOVABLE SECTION TYPE FENCING, AND/OR PAVING, NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PEORIA SHALL NOT BE REQUIRED TO, REPLACE ANY OBSTRUCTION OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION OR RECONSTRUCTION.
3. ALL NEW AND EXISTING UTILITY, ELECTRICAL FACILITIES LESS THAN 69 KVA, CABLE T.V., TELECOMMUNICATIONS FIBER OPTICS, CELLULAR, GAS, ETC SHALL BE INSTALLED UNDERGROUND AS PART OF THE STREET IMPROVEMENTS.
4. MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN ALL TRACTS, EASEMENTS AND RIGHTS-OF-WAY SHALL BE THE RESPONSIBILITY OF THE OWNER.
5. ALL LOT CORNERS SHALL BE MONUMENTED WITH ½" REBAR AND CAPPED OR TAGGED BEARING THE REGISTRATION NUMBER OF THE SURVEYOR RESPONSIBLE FOR THEIR PLACEMENT.
6. SIGNS, FENCES, WALLS, UTILITY BOXES, STRUCTURES, SHRUBS, HEDGES OR OTHER PLANTS, BUT EXCLUDING TREES OVER 30 INCHES IN HEIGHT SHALL NOT BE PERMITTED WITHIN VIEW EASEMENTS OR THE SIGHT DISTANCE TRIANGLES. NO LIMBS, LEAVES, NEEDLES OR OTHER FOLIAGE ABOVE 30 INCHES IN HEIGHT OR BELOW 84 INCHES ARE PERMITTED. TREES ARE TO BE PLANTED SO AS NOT TO OBSTRUCT 20% OF THE VISIBILITY WHEN COMBINED WITH OTHER OBSTRUCTIONS.
7. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100 YEAR ASSURED WATER SUPPLY.
8. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA SEWER SERVICE AREA.
9. NO STRUCTURE OF ANY KIND BE CONSTRUCTED OR ANY VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITHIN THE DRAINAGE EASEMENT OR TRACT WHICH WOULD IMPEDE THE FLOW OF WATER OVER, UNDER, OR THROUGH THE EASEMENT OR TRACT.
10. AN ASSOCIATION, INCLUDING ALL PROPERTY OWNERS IN THE DEVELOPMENT, WILL BE FORMED AND HAVE THE RESPONSIBILITY FOR MAINTAINING ALL COMMON AREAS TO BE NOTED AS "TRACTS" OR EASEMENTS (INCLUDING LANDSCAPED AREAS AND DRAINAGE FACILITIES) IN ACCORDANCE WITH APPROVED PLANS.
11. ALL STREETS SHOWN WITHIN THIS PROPERTY BOUNDARY SHALL BE CONSIDERED PUBLIC.
12. THE PROPERTY OWNER(S) AND/OR HOA SHALL MAINTAIN THE LANDSCAPING WITHIN THE ADJACENT TRACT; AND IN ALL RETENTION AND OPEN SPACE AREAS AND/OR TRACTS. THE DEVELOPER SHALL FORM A MAINTENANCE IMPROVEMENT DISTRICT (MID) AS A BACK-UP IN CASE THE PROPERTY OWNER'S ASSOCIATION SHOULD FAIL.
13. IN LIEU OF ACCESS ROADS REQUIRED BY 2006 INTERNATIONAL FIRE CODE, ALL DWELLING UNITS SHALL BE EQUIPPED THROUGHOUT WITH AN APPROVED AUTOMATIC SPRINKLER SYSTEM IN ACCORDANCE WITH 2006 INTERNATIONAL FIRE CODE SECTION 903.3.1.1, 903.3.1.2 OR 903.3.1.3.

CERTIFICATION
I, KATHY M. SVECHOVSKY, OF WOOD, PATEL & ASSOCIATES, INC. HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA; THAT THIS FINAL PLAT CONSISTING OF FOUR (4) SHEETS REPRESENTS A SURVEY PERFORMED BY WOOD, PATEL & ASSOCIATES, INC., DURING THE MONTH OF JULY OF 2013; THAT THE SURVEY IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF; THAT THE BOUNDARY MONUMENTS SHOWN ACTUALLY EXIST AS SHOWN AND ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED; THAT THE CONTROL POINTS AND LOT CORNERS SHALL BE LOCATED AS SHOWN AT TIME OF CONSTRUCTION.

KATHY M. SVECHOVSKY
REGISTERED LAND SURVEYOR #46118
WOOD, PATEL & ASSOCIATES, INC.
2051 WEST NORTHERN AVENUE
PHOENIX, ARIZONA 85021

______________ DATE

VISTANCIA PARCEL A21 & A22
FINAL PLAT

PRELIMINARY NOT FOR CONSTRUCTION OR RECORDING
EXPIRES 03-31-16

WOOD/PATEL
CIVIL ENGINEERS
HYDROLOGISTS
LAND SURVEYORS
CONSTRUCTION MANAGERS
2051 W. Northern Ave.
Phoenix, AZ 85021
(602) 335-8500
www.woodpatel.com
PHOENIX • MESA • TUCSON

CHECKED BY	???
CAD TECHNICIAN	KMS
SCALE	N.T.S.
DATE	10/18/13
JOB NUMBER	133960
SHEET	1 OF 4

DESCRIPTION

A PARCEL OF LAND SITUATED IN THE WEST HALF OF SECTION 25, TOWNSHIP 5 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 25 FROM WHICH THE NORTHEAST CORNER OF SAID SECTION BEARS S 89°40' 20" E A DISTANCE OF 2566.59 FEET;
THENCE S 45°13'23" W A DISTANCE OF 1118.56 FEET TO THE CENTERLINE INTERSECTION OF RIDGELINE ROAD AND WESTWARD SKIES DRIVE, AS SHOWN ON THE MAP OF DEDICATION FOR EL MIRAGE ROAD, RIDGELINE ROAD & WESTWARD SKIES DRIVE, RECORDED IN BOOK 719, PAGE 34 OF MARICOPA COUNTY RECORDS, FROM WHICH THE POINT OF TERMINUS FOR THE CENTERLINE OF SAID RIDGELINE ROAD, AS SHOWN ON SAID MAP OF DEDICATION BEARS N 66°55' 06" W 196.54 FEET;
THENCE S 33°56'24" W A DISTANCE OF 1703.37 FEET TO A POINT ON A SOUTHERLY LINE OF TRACT F, AS SHOWN ON THE FINAL PLAT OF "VISTANCIA VILLAGE A PARCEL A19", AS SHOWN IN BOOK 656, PAGE 39 OF MARICOPA COUNTY RECORDS, THE POINT OF BEGINNING;
THENCE ALONG THE SOUTHERLY LINE OF SAID TRACT F THE FOLLOWING FIVE (5) COURSES:
THENCE S 74°38'55" E A DISTANCE OF 217.07 FEET;
THENCE S 74°22'54" E A DISTANCE OF 78.62 FEET;
THENCE S 58°32'38" E A DISTANCE OF 169.16 FEET;
THENCE S 74°22'54" E A DISTANCE OF 165.76 FEET;
THENCE N 60°49'32" E A DISTANCE OF 110.64 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF TRACT F, AS SHOWN ON SAID MAP OF DEDICATION;
THENCE ALONG SAID TRACT F, 182.96 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 535.00 FEET, THROUGH A CENTRAL ANGLE OF 19°35'39", A CHORD BEARING S 39°08'12" E AND A CHORD DISTANCE OF 182.07 FEET, FROM WHICH POINT THE RADIUS POINT BEARS N 60°39'38" E;
THENCE DEPARTING SAID TRACT F, S 33°50'31" W A DISTANCE OF 66.90 FEET;
THENCE S 17°20'54" W A DISTANCE OF 51.60 FEET;
THENCE S 02°42'46" E A DISTANCE OF 34.57 FEET;
THENCE S 12°13'04" W A DISTANCE OF 56.96 FEET;
THENCE S 36°35'04" W A DISTANCE OF 66.71 FEET;
THENCE S 12°24'45" W A DISTANCE OF 88.47 FEET;
THENCE S 45°43'48" W A DISTANCE OF 291.68 FEET;
THENCE S 67°45'11" W A DISTANCE OF 140.64 FEET;
THENCE 175.36 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 169.20 FEET, THROUGH A CENTRAL ANGLE OF 59°22'48", A CHORD BEARING S 34°13'13" W AND A CHORD DISTANCE OF 167.61 FEET, FROM WHICH POINT THE RADIUS POINT BEARS S 26°05'23" E;
THENCE S 03°34'56" E A DISTANCE OF 60.31 FEET;
THENCE S 23°03'46" W A DISTANCE OF 107.87 FEET;
THENCE N 74°14'07" W A DISTANCE OF 74.53 FEET;
THENCE 501.30 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 667.09 FEET, THROUGH A CENTRAL ANGLE OF 43°03'24", A CHORD BEARING S 82°05'38" W AND A CHORD DISTANCE OF 489.59 FEET, FROM WHICH POINT THE RADIUS POINT BEARS S 13°37'20" W;
THENCE S 82°09'17" W A DISTANCE OF 114.69 FEET;
THENCE N 62°21'46" W A DISTANCE OF 46.36 FEET;
THENCE N 22°17'20" W A DISTANCE OF 90.03 FEET;
THENCE N 04°39'30" E A DISTANCE OF 103.71 FEET;
THENCE N 20°17'08" E A DISTANCE OF 87.90 FEET;
THENCE N 33°31'47" E A DISTANCE OF 47.22 FEET;
THENCE N 41°14'00" E A DISTANCE OF 103.96 FEET;
THENCE N 43°05'48" E A DISTANCE OF 101.28 FEET;
THENCE N 24°26'33" E A DISTANCE OF 27.88 FEET;
THENCE N 58°19'57" E A DISTANCE OF 29.21 FEET;
THENCE N 44°14'11" E A DISTANCE OF 112.86 FEET;
THENCE N 40°28'25" E A DISTANCE OF 59.97 FEET;
THENCE N 68°37'24" E A DISTANCE OF 53.69 FEET;
THENCE N 16°14'49" E A DISTANCE OF 41.36 FEET;
THENCE N 74°14'45" E A DISTANCE OF 39.28 FEET;
THENCE N 46°21'19" E A DISTANCE OF 183.85 FEET;
THENCE N 01°38'25" E A DISTANCE OF 73.49 FEET;
THENCE 200.90 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 995.23 FEET, THROUGH A CENTRAL ANGLE OF 11°33'58", A CHORD BEARING N 05°42'01" W AND A CHORD DISTANCE OF 200.56 FEET, FROM WHICH POINT THE RADIUS POINT BEARS N 78°31'00" E;
THENCE N 07°09'13" W A DISTANCE OF 70.17 FEET;
THENCE N 20°35'24" W A DISTANCE OF 93.08 FEET, TO THE POINT OF BEGINNING.

TOTAL AREA IS 834,413 SQUARE FEET OR 19.1555 ACRES, MORE OR LESS.

CURVE TABLE

CURVE	DELTA	RADIUS	ARC	CHORD BEARING	CHORD
C1	59°22'48"	169.20'	175.36'	S34°13'13"W	167.61'
C2	43°03'24"	667.09'	501.30'	S82°05'38"W	489.59'
C3	11°33'58"	995.23'	200.90'	N5°42'01"W	200.56'
C4	19°35'39"	535.00'	182.96'	S39°08'12"E	182.07'
C5	24°43'54"	400.00'	172.66'	S37°43'12"W	171.32'
C6	17°09'11"	860.00'	257.46'	N33°55'50"E	256.50'
C7	20°16'37"	850.00'	300.81'	N67°22'33"W	299.25'
C8	22°39'22"	400.00'	158.17'	N58°49'16"W	157.14'
C9	67°19'55"	36.00'	42.31'	S76°11'06"W	39.91'
C10	12°57'11"	900.00'	203.47'	N48°59'44"E	203.03'
C11	97°09'07"	36.00'	61.04'	N1°04'59"E	53.99'
C12	11°55'17"	397.00'	82.60'	N55°37'11"E	82.45'
C13	16°10'31"	375.00'	105.87'	S53°29'35"W	105.52'
C14	21°06'20"	395.00'	145.50'	N55°57'29"E	144.68'
C15	16°36'22"	1000.00'	289.83'	N30°54'48"W	288.82'
C16	8°59'01"	900.00'	141.11'	S50°58'49"W	140.97'
C17	36°18'10"	113.55'	71.88'	S28°21'14"W	70.68'
C18	42°04'45"	280.00'	205.64'	N22°28'19"W	201.05'
C19	24°43'54"	375.00'	161.87'	S37°43'12"W	160.61'
C20	2°31'51"	885.00'	44.24'	N33°14'47"E	44.24'

CURVE TABLE

CURVE	DELTA	RADIUS	ARC	CHORD BEARING	CHORD
C21	97°09'07"	61.00'	103.43'	N1°04'59"E	91.48'
C22	11°55'17"	422.00'	87.80'	N55°37'11"E	87.65'
C23	16°10'31"	350.00'	98.81'	S53°29'35"W	98.48'
C24	8°21'38"	420.00'	61.28'	N49°35'13"E	61.23'
C25	78°25'14"	20.00'	27.37'	S14°33'24"W	25.29'
C26	44°43'49"	51.00'	39.82'	N88°26'48"E	38.81'
C27	2°57'46"	975.00'	50.42'	N29°23'07"W	50.41'
C28	8°59'01"	875.00'	137.19'	S50°58'49"W	137.05'
C29	8°02'38"	305.00'	42.82'	N29°45'20"W	42.78'
C30	37°01'44"	20.00'	12.93'	S30°23'32"E	12.70'
C31	181°30'06"	51.00'	161.56'	S47°23'25"E	101.99'
C32	57°04'59"	20.00'	19.93'	N14°49'08"E	19.11'
C33	25°24'55"	255.00'	113.11'	N26°25'49"W	112.19'
C34	60°00'00"	20.00'	20.94'	S16°29'19"W	20.00'
C35	37°38'58"	51.00'	33.51'	S43°20'40"E	32.91'
C36	12°56'33"	20.00'	4.52'	N59°20'29"E	4.51'
C37	3°05'21"	925.00'	49.87'	S49°32'35"W	49.87'
C38	3°20'51"	875.00'	51.12'	N47°21'00"E	51.11'
C39	29°09'46"	20.00'	10.18'	N27°56'16"E	10.07'
C40	38°11'13"	51.00'	33.99'	S83°41'20"W	33.37'

CURVE TABLE

CURVE	DELTA	RADIUS	ARC	CHORD BEARING	CHORD
C41	26°51'04"	20.00'	9.37'	S53°49'38"E	9.29'
C42	6°06'53"	425.00'	45.36'	N57°30'35"W	45.34'
C43	8°42'56"	835.00'	127.02'	N38°08'57"E	126.90'
C44	3°35'41"	825.00'	51.76'	N85°38'51"W	51.75'
C45	52°35'49"	20.00'	18.36'	S79°59'31"W	17.72'
C46	62°55'34"	51.00'	56.01'	S3°16'13"W	53.24'
C47	30°07'22"	20.00'	10.51'	S40°04'46"E	10.39'
C48	2°53'47"	875.00'	44.23'	N84°11'23"W	44.23'
C49	24°43'54"	425.00'	183.45'	S37°43'12"W	182.03'
C50	20°43'27"	375.00'	135.64'	N57°51'18"W	134.90'
C51	10°45'26"	372.00'	69.84'	N56°12'07"E	69.74'
C52	7°10'47"	400.00'	50.12'	S50°43'23"W	50.09'
C53	5°55'32"	370.00'	38.27'	N48°22'05"E	38.25'
C54	11°58'51"	1025.00'	214.33'	N33°09'02"W	213.94'
C55	2°44'32"	925.00'	44.27'	N44°24'55"E	44.27'
C56	2°15'32"	835.00'	32.92'	N26°29'01"E	32.92'
C57	6°35'53"	1035.00'	119.19'	N29°35'06"W	119.12'
C58	2°01'29"	925.00'	32.69'	N54°27'35"E	32.69'
C59	4°53'31"	865.00'	73.86'	S48°56'04"W	73.83'
C60	8°01'18"	825.00'	115.51'	N37°07'28"E	115.41'

LINE TABLE

LINE	BEARING	DISTANCE
L1	N50°05'09"E	63.73'
L2	S87°23'23"W	26.00'
L3	S39°12'59"E	43.26'
L4	S43°30'41"E	25.54'
L5	N08°25'43"E	27.41'
L6	N88°15'26"W	27.41'
L7	N83°11'34"W	14.30'
L8	S02°29'34"E	28.28'
L9	S47°29'34"E	15.67'
L10	N02°22'38"E	14.37'
L11	S87°26'54"E	27.75'
L12	S87°30'26"W	14.14'
L13	N12°03'58"W	14.02'
L14	N75°31'51"E	25.25'
L15	N76°23'13"E	33.21'

LINE TABLE

LINE	BEARING	DISTANCE
L16	S00°53'42"W	26.56'
L17	S72°41'35"E	13.95'
L18	S04°24'04"W	14.44'
L19	N78°54'34"W	19.01'
L20	S61°48'26"W	21.46'
L21	S19°59'05"W	17.66'
L22	S46°29'19"W	33.63'
L23	S46°29'19"W	23.32'
L24	N32°46'00"W	32.27'
L25	S86°53'10"E	24.26'
L26	S48°08'26"E	15.00'
L27	S11°02'55"E	40.53'
L28	N89°35'38"E	55.93'
L29	S27°32'15"E	13.93'

EASEMENT LINE TABLE

LINE	BEARING	DISTANCE
EL30	S31°39'51"E	51.96'
EL31	S48°24'22"E	35.67'
EL32	S55°55'13"E	44.79'
EL33	S58°28'07"E	28.46'
EL34	S62°08'35"E	66.95'
EL35	N22°59'05"E	127.66'

EASEMENT CURVE TABLE

CURVE	DELTA	RADIUS	ARC	CHORD BEARING	CHORD
CE61	1°22'18"	825.00'	19.75'	N41°49'16"E	19.75'

TRACT AREA & USAGE TABLE

TRACT NO.	TRACT AREA SQUARE FEET	TRACT AREA ACRES	TRACT USE	TRACT OWNERSHIP
TRACT A	6,437	0.1478	OPEN SPACE, P.U.E. & DRAINAGE	HOA
TRACT B	80,133	1.8396	OPEN SPACE, P.U.E., SEWER EASEMENT, WATER AND SEWER EASEMENT & DRAINAGE	HOA
TRACT C	15,010	0.3446	OPEN SPACE, P.U.E. & DRAINAGE	HOA
TRACT D	16,961	0.3894	OPEN SPACE, P.U.E. & DRAINAGE	HOA
TRACT E	14,171	0.3253	OPEN SPACE, P.U.E., DRAINAGE & TRAIL EASEMENT	HOA
TRACT F	2,030	0.0466	OPEN SPACE, P.U.E. & DRAINAGE	HOA
TRACT G	2,281	0.0524	OPEN SPACE, P.U.E. & DRAINAGE	HOA
TRACT H	2,255	0.0518	OPEN SPACE, P.U.E. & DRAINAGE	HOA
TRACT I	11,887	0.2729	OPEN SPACE, P.U.E. & DRAINAGE	HOA
NOTE:	NOT ALL OF THE EASEMENTS LISTED IN THE TRACT SUMMARY TABLE ENCOMPASS THE ENTIRE TRACT			

AREA TABLES

LOT TABLE

LOT	ACERAGE	Sq. Ft.
1	0.12	5174
2	0.12	5175
3	0.12	5175
4	0.12	5395
5	0.12	5426
6	0.12	5426
7	0.12	5426
8	0.13	5490
9	0.13	5679
10	0.14	6159
11	0.16	7142
12	0.14	6270
13	0.19	8158
14	0.16	7141
15	0.17	7255
16	0.13	5617
17	0.13	5570
18	0.13	5507
19	0.12	5219
20	0.12	5341
21	0.14	6058
22	0.15	6578
23	0.16	6908
24	0.15	6566
25	0.15	6631
26	0.15	6532
27	0.20	8803

LOT TABLE

LOT	ACERAGE	Sq. Ft.
28	0.17	7193
29	0.13	5718
30	0.13	5681
31	0.14	6106
32	0.14	6167
33	0.14	6252
34	0.13	5833
35	0.12	5413
36	0.13	5798
37	0.12	5178
38	0.12	5175
39	0.12	5175
40	0.12	5175
41	0.12	5175
42	0.12	5310
43	0.16	7100
44	0.20	8752
45	0.20	8581
46	0.20	8581
47	0.20	8883
48	0.19	8362
49	0.20	8824
50	0.14	5930
51	0.14	5951
52	0.14	6154
53	0.16	6798
54	0.13	5828

LOT TABLE

LOT	ACERAGE	Sq. Ft.
55	0.13	5801
56	0.21	9125
57	0.21	9201
58	0.16	6884
59	0.13	5764
60	0.13	5763
61	0.13	5661
62	0.13	5561
63	0.13	5799
64	0.15	6462
65	0.15	6336
66	0.15	6605
67	0.21	9120
68	0.17	7289
69	0.15	6696
70	0.15	6619
71	0.16	6892
72	0.18	7892
73	0.12	5350
74	0.12	5400
75	0.13	5651
76	0.14	5927
77	0.14	5957
78	0.13	5626
79	0.13	5501
80	0.13	5501

VISTANCIA PARCEL A21 & A22

FINAL PLAT

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

EXPIRES 03-31-16

WOOD/PATEL
CIVIL ENGINEERS
HYDROLOGISTS
LAND SURVEYORS
CONSTRUCTION MANAGERS
2051 W. Northern Ave.
Phoenix, AZ 85021
(602) 335-8500
www.woodpatel.com
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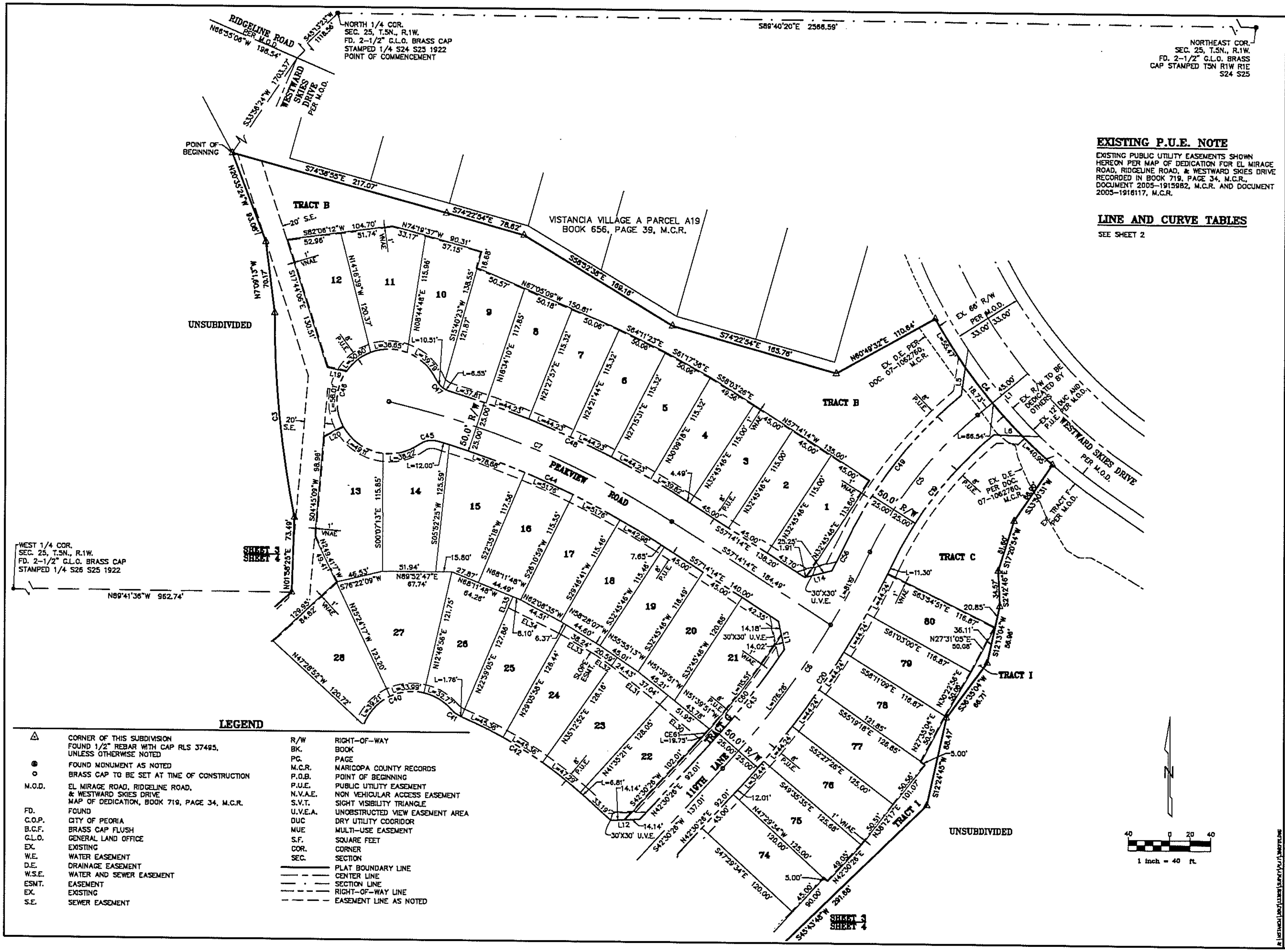
CHECKED BY	???
CAD TECHNICIAN	KMS
SCALE	N.T.S.
DATE	10/18/13
JOB NUMBER	133960
SHEET	2 OF 4

VISTANCIA PARCEL A21 & A22

FINAL PLAT



EXISTING P.U.E. NOTE

EXISTING PUBLIC UTILITY EASEMENTS SHOWN HEREON PER MAP OF DEDICATION FOR EL MIRAGE ROAD, RIDGELINE ROAD, & WESTWARD SKIES DRIVE RECORDED IN BOOK 719, PAGE 34, M.C.R., DOCUMENT 2005-1915982, M.C.R. AND DOCUMENT 2005-1916117, M.C.R.

LINE AND CURVE TABLES

SEE SHEET 2

LEGEND

△	CORNER OF THIS SUBDIVISION FOUND 1/2" REBAR WITH CAP RLS 37495, UNLESS OTHERWISE NOTED
●	FOUND MONUMENT AS NOTED
○	BRASS CAP TO BE SET AT TIME OF CONSTRUCTION
M.O.D.	EL MIRAGE ROAD, RIDGELINE ROAD, & WESTWARD SKIES DRIVE MAP OF DEDICATION, BOOK 719, PAGE 34, M.C.R.
FD.	FOUND
C.O.P.	CITY OF PEORIA
B.C.F.	BRASS CAP FLUSH
G.L.O.	GENERAL LAND OFFICE
EX.	EXISTING
W.E.	WATER EASEMENT
D.E.	DRAINAGE EASEMENT
W.S.E.	WATER AND SEWER EASEMENT
ESMT.	EASEMENT
EX.	EXISTING
S.E.	SEWER EASEMENT
R/W	RIGHT-OF-WAY
BK.	BOOK
PG.	PAGE
M.C.R.	MARICOPA COUNTY RECORDS
P.O.B.	POINT OF BEGINNING
P.U.E.	PUBLIC UTILITY EASEMENT
N.V.A.E.	NON VEHICULAR ACCESS EASEMENT
S.V.T.	SIGHT VISIBILITY TRIANGLE
U.V.E.A.	UNOBSTRUCTED VIEW EASEMENT AREA
DUC	DRY UTILITY COORIDOR
MUE	MULTI-USE EASEMENT
S.F.	SQUARE FEET
COR.	CORNER
SEC.	SECTION
———	PLAT BOUNDARY LINE
— —	CENTER LINE
— · —	SECTION LINE
———	RIGHT-OF-WAY LINE
- - -	EASEMENT LINE AS NOTED

WOOD/PATEL
CIVIL ENGINEERS
HYDROLOGISTS
LAND SURVEYORS
CONSTRUCTION MANAGERS
2051 W. Northern Ave. Phoenix, AZ 85021
(602) 335-8500

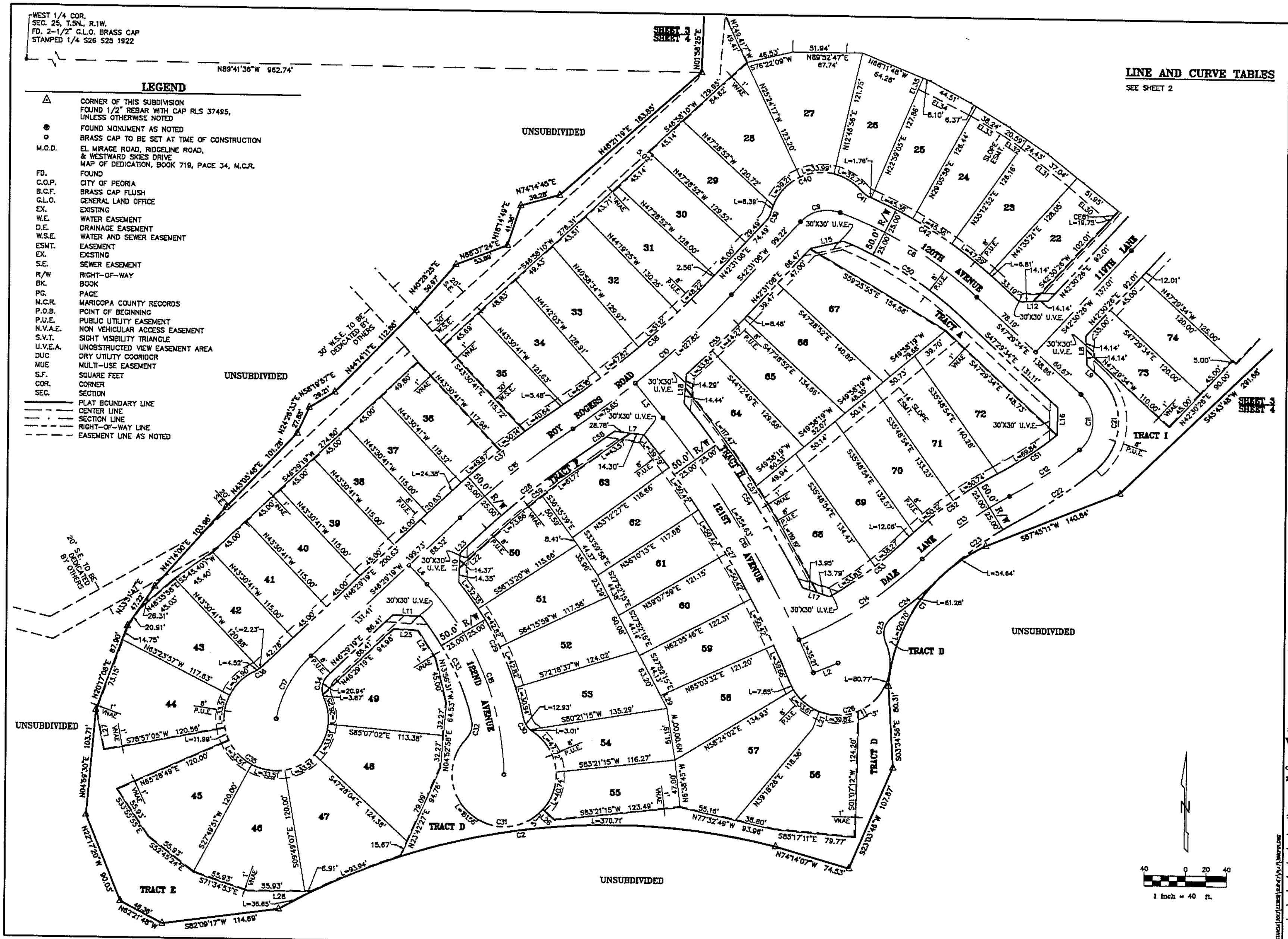
PRELIMINARY NOT FOR CONSTRUCTION OR RECORDING

EXPIRES 03-31-16

CHECKED BY	???
CAD TECHNICIAN	KWS
SCALE	1"=40'
DATE	10/18/13
JOB NUMBER	133960
SHEET	3 OF 4

VISTANCIA PARCEL A21 & A22

FINAL PLAT



LINE AND CURVE TABLES
SEE SHEET 2

LEGEND

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◉	FOUND MONUMENT AS NOTED
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FD.	FOUND
C.O.P.	CITY OF PEORIA
B.C.F.	BRASS CAP FLUSH
G.L.O.	GENERAL LAND OFFICE
EX.	EXISTING
W.E.	WATER EASEMENT
D.E.	DRAINAGE EASEMENT
W.S.E.	WATER AND SEWER EASEMENT
ESMT.	EASEMENT
EX.	EXISTING
S.E.	SEWER EASEMENT
R/W	RIGHT-OF-WAY
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S.V.T.	SIGHT VISIBILITY TRIANGLE
U.V.E.A.	UNOBSTRUCTED VIEW EASEMENT AREA
DUC	DRY UTILITY COORIDOR
MUE	MULTI-USE EASEMENT
S.F.	SQUARE FEET
COR.	CORNER
SEC.	SECTION
	PLAT BOUNDARY LINE
	CENTER LINE
	SECTION LINE
	RIGHT-OF-WAY LINE
	EASEMENT LINE AS NOTED

EXPIRES 03-31-16

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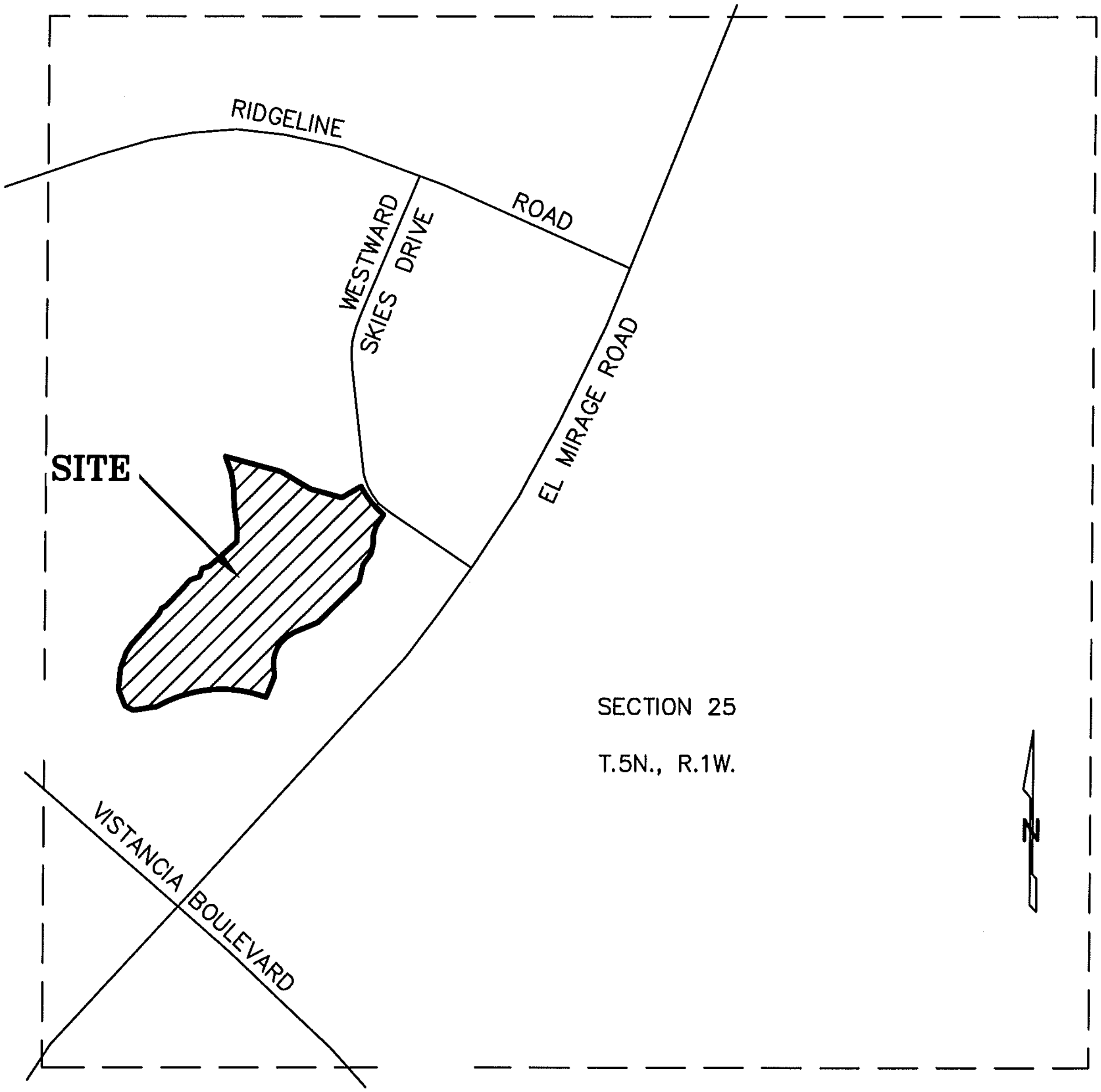
CAD TECHNICIAN	KMS
SCALE	1"=40'
DATE	10/18/13
JOB NUMBER	133960
SHEET	4 OF 4



VISTANCIA PARCEL A21/22

VICINITY MAP

N.T.S.

WOOD/PATEL
MISSION: CLIENT SERVICE™

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 19R

Date Prepared: November 19, 2013 **Council Meeting Date: December 10, 2013**

TO:	Carl Swenson, City Manager
FROM:	Brent Mattingly, Finance Director
THROUGH:	Jeff Tyne, Deputy City Manager
SUBJECT:	Public Hearing: Proposed Recommendations by the City to the Arizona State Liquor Board for Various Liquor Licenses.

Purpose:

Pursuant to Arizona Law the City must recommend to the State Liquor Board for approval, applications to sell alcoholic beverages in the City. The Standard for the recommendation is whether the best interest of the community will be served by the issuance of these licenses and whether the public convenience is served.

Background/Summary:

Eunjung Kim, Agent for Sushi Doraku, has applied for a New Restaurant Liquor License (Series 12) located at 9940 W. Happy Valley Road #1060.

Pleasant Harbor Marina/Waterfront Grill and Pleasant Harbor are the same entity applying for two license types at two locations at the same property (at Lake Pleasant).

Andrea Lewkowitz, Agent for Pleasant Harbor Marina/ Waterfront Grill, has applied for a Person to Person Transfer for an On-Sale All Liquor License (Series 06) located at 40202 N. 87th Avenue.

Andrea Lewkowitz, Agent for Pleasant Harbor, has applied for a New Wine and Beer Liquor License (Series 10) located at 8708 W. Harbor Blvd.

Raymond A. Shelley, Agent for Funugyz Sports Grill, has applied for a Person to Person Transfer for an On-Sale All Liquor License (Series 06) located at 8378 W. Thunderbird Road #B101-B104.

The public hearing notices were posted for at least 20 days, and no comments were received during the posting period. The license applications were reviewed according to State law and all Departments gave approvals.

Previous Actions:

In February 2011, the Mayor and Council recommended approval to Arizona State Liquor Board for Sushi & Roll, Inc. for a New Restaurant Liquor License (Series 12). The restaurant was sold and the new owners of Sushi Doraku are now applying for this New Restaurant Liquor License. Series 12 Restaurant Liquor Licenses are not transferable between restaurant owners.

In May 2006, the Mayor and Council recommended approval to the Arizona State Liquor Board for Pleasant Harbor for an All Liquor License (Series 06) and Off-Sale Beer and Wine (Series 10). The Series 06 license is located on the water at the Marina and the Series 10 is located at the convenience store just after the gates. Pleasant Harbor was sold and the new owners are applying to transfer the Series 06 liquor license into their name and for a New Series 10 liquor license.

In March 2011, the Mayor and Council recommended approval to Arizona State Liquor Board for Funugyz Sports Grill for an All Liquor License (Series 06). The Restaurant/Bar was sold and the new owners are applying to transfer the Series 06 liquor license into their name.

Options:

A: Recommend approval to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for Sushi Doraku, located at 9940 W. Happy Valley Road #1060, Eunjung Kim, Applicant, LL#20008355.

Recommend approval to the Arizona State Liquor Board for a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Pleasant Harbor Marina/ Waterfront Grill, located at 40202 N. 87th Avenue, Andrea Lewkowitz, Applicant, LL#20009425.

Recommend approval to the Arizona State Liquor Board for a New Wine and Beer Liquor License (Series 10) for Pleasant Harbor, located at 8708 W. Harbor Blvd, Andrea Lewkowitz, Applicant, LL#20009425.

Recommend approval to the Arizona State Liquor Board for a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Funugyz Sports Grill, located at 8378 W. Thunderbird Road #B101-B104, Raymond A. Shelley, Applicant, LL#20009425.

B: Recommend denial to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for Sushi Doraku, located at 9940 W. Happy Valley Road #1060, Eunjung Kim, Applicant, LL#20008355.

Recommend denial to the Arizona State Liquor Board for a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Pleasant Harbor Marina/ Waterfront Grill, located at 40202 N. 87th Avenue, Andrea Lewkowitz, Applicant, LL#20009425.

Recommend denial to the Arizona State Liquor Board for a New Wine and Beer Liquor License (Series 10) for Pleasant Harbor, located at 8708 W. Harbor Blvd, Andrea Lewkowitz, Applicant, LL#20009425.

Recommend denial to the Arizona State Liquor Board for a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Funugyz Sports Grill, located at 8378 W. Thunderbird Road #B101-B104, Raymond A. Shelley, Applicant, LL#20009425.

Staff's Recommendation:

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a New Restaurant Liquor License (Series 12) for Sushi Doraku, located at 9940 W. Happy Valley Road #1060, Eunjung Kim, Applicant, LL#20008355.

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Pleasant Harbor Marina/ Waterfront Grill, located at 40202 N. 87th Avenue, Andrea Lewkowitz, Applicant, LL#20009425.

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a New Wine and Beer Liquor License (Series 10) for Pleasant Harbor located at 8708 W. Harbor Blvd, Andrea Lewkowitz, Applicant, LL#20009425.

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a Person to Person Transfer for an On-Sale All Liquor License (Series 06) for Funugyz Sports Grill, located at 8378 W. Thunderbird Road #B101-B104, Raymond A. Shelley, Applicant, LL#20009425.

Fiscal Analysis:

The item has no financial implications.

Narrative:

The appropriate fees have been paid and the applicants have been advised that a representative needs to be present at the meeting to answer any questions that the Council or public may have.

Exhibit 1: New Liquor License Application.

'13 SEP 3 Liq. Lic. AM11:22

Arizona Department of Liquor Licenses and Control

800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- ☐ MORE THAN ONE LICENSE
- ☒ INTERIM PERMIT *Complete Section 5*
- ☒ NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- ☐ PERSON TRANSFER (Bars & Liquor Stores ONLY) *Complete Sections 2, 3, 4, 11, 13, 15, 16*
- ☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) *Complete Sections 2, 3, 4, 12, 13, 15, 16*
- ☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE *Complete Sections 2, 3, 4, 9, 13, 16* (fee not required)
- ☐ GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

- ☐ J.T.W.R.O.S. *Complete Section 6*
- ☐ INDIVIDUAL *Complete Section 6*
- ☐ PARTNERSHIP *Complete Section 6*
- ☒ CORPORATION *Complete Section 7*
- ☐ LIMITED LIABILITY CO. *Complete Section 7*
- ☐ CLUB *Complete Section 8*
- ☐ GOVERNMENT *Complete Section 10*
- ☐ TRUST *Complete Section 6*
- ☐ OTHER (Explain) ______________

SECTION 3 Type of license and fees LICENSE #(s): 12079648

1. Type of License(s): SERIES 12 RESTAURANT

2. Total fees attached: Department Use Only $ 320

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

P1070007

1. Owner/Agent's Name: ☐ Mr. ☒ Ms. KIM (Last) EUNJUNG (First) ______ (Middle)
(Insert one name ONLY to appear on license)

2. Corp./Partnership/L.L.C.: ON & AROMI ENTERPRISE, INC B10508663
(Exactly as it appears on Articles of Inc. or Articles of Org.)

3. Business Name: SUSHI DORAKU B1045137
(Exactly as it appears on the exterior of premises)

4. Principal Street Location 9940 W. HAPPY VALLEY RD #1060 (Do not use PO Box Number) PEORIA (City) MARICOPA (County) 85383 (Zip)

5. Business Phone: 623-561-0023 Daytime Phone: 623-561-0023 Email: ______________

6. Is the business located within the incorporated limits of the above city or town? ☒ YES ☐ NO

7. Mailing Address: 9940 W. HAPPY VALLEY RD #1060, PEORIA (City) ARIZONA (State) 85383 (Zip)

8. Price paid for license only bar, beer and wine, or liquor store: Type ______ $______ Type ______ $______

DEPARTMENT USE ONLY

Fees: 100 (Application) 100 (Interim Permit) 50 (Site Inspection) 44 +26 (Finger Prints) $ 320 **TOTAL OF ALL FEES**

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒ YES ☐ NO

Accepted by: SG Date: 9-3-13 Lic. # 12079648

1/7/2013

***Disabled individuals requiring special accommodation, please call (602) 542-9027.**

SECTION 5 Interim Permit:

'13 SEP 3 Liq. Lic. AM11:22

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.

2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. 12078595
4. Is the license currently in use? ☒ YES ☐ NO If no, how long has it been out of use?__________

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, TINA ROBERTS (Print full name), declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

X [redacted]

State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this 28 day of August, 2013
Day Month Year

[redacted]

My commission expires on: Jun 11 2016

CONRAD PENA
NOTARY PUBLIC - ARIZONA
Maricopa County
My Commission Expires
January 11, 2016

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last First Middle	% Owned	Mailing Address City State Zip

Partnership Name: (Only the first partner listed will appear on license)__________

General-Limited	Last First Middle	% Owned	Mailing Address City State Zip
☐ ☐			
☐ ☐			
☐ ☐			
☐ ☐			

) Y R A S S E C E N F I T

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last First Middle	Mailing Address City, State, Zip	Telephone#

'13 SEP 3 Liq. Lic. AM11:22

STATE OF ARIZONA

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

ALCOHOLIC BEVERAGE LICENSE

License 12078595

Issue Date: 3/7/2011

Expiration Date: 3/31/2014

Restaurant

Issued To:
TINA ROBERTS, Agent
SUSHI & ROLL INC, Owner

Location:
SUSHI & ROLL
9940 W HAPPY VALLEY RD #1060
PEORIA, AZ 85383

Mailing Address:
TINA ROBERTS
SUSHI & ROLL INC
SUSHI & ROLL
9940 W HAPPY VALLEY RD #1060
PEORIA, AZ 85383

REST

EXP 3/31/2014

POST THIS LICENSE IN A CONSPICUOUS PLACE

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

☒ CORPORATION *Complete questions 1, 2, 3, 5, 6, 7, and 8.*

☐ L.L.C. *Complete 1, 2, 4, 5, 6, 7, and 8.*

1. Name of Corporation/L.L.C.: ON & AROMI ENTERPRISE, INC
(Exactly as it appears on Articles of Incorporation or Articles of Organization)

2. Date Incorporated/Organized: 03/18/2013 State where Incorporated/Organized: ARIZONA

3. AZ Corporation Commission File No.: 18332656 Date authorized to do business in AZ: ~~07/01/2013~~ 3/27/13

4. AZ L.L.C. File No: ______ Date authorized to do business in AZ: ______

5. Is Corp./L.L.C. Non-profit? ☐ YES ☒ NO

6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address	City State Zip
KIM	EUN JUNG		Director ~~PRESIDENT~~	[redacted]	

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address	City State Zip
KIM	EUN JUNG		100	[redacted]	

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: ______ Date Chartered: ______
(Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)

2. Is club non-profit? ☐ YES ☐ NO

3. List officer and directors:

Last	First	Middle	Title	Mailing Address	City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

SECTION 9 **Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:**

1. Current Licensee's Name: '13 SEP 3 Liq. Lic. AM11:22 ______________________
(Exactly as it appears on license) Last First Middle

2. Assignee's Name: ______________________
Last First Middle

3. License Type: __________ License Number: __________ Date of Last Renewal: __________

4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 **Government: (for cities, towns, or counties only)**

1. Governmental Entity: ______________________

2. Person/designee: ______________________ ______________________
Last First Middle Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 **Person to Person Transfer:**

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: ______________________ Entity: __________
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)

2. Corporation/L.L.C. Name: ______________________
(Exactly as it appears on license)

3. Current Business Name: ______________________
(Exactly as it appears on license)

4. Physical Street Location of Business: Street ______________________

City, State, Zip ______________________

5. License Type: __________ License Number: __________

6. If more than one license to be transfered: License Type: __________ License Number: __________

7. Current Mailing Address: Street ______________________
(Other than business)
City, State, Zip ______________________

8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☐ YES ☐ NO

9. Does the applicant intend to operate the business while this application is pending? ☐ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, ______________________, hereby authorize the department to process this application to transfer the
(print full name)
privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, ______________________, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER
(print full name)
STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

____
(Signature of CURRENT LICENSEE)

State of __________ County of __________
The foregoing instrument was acknowledged before me this

__________ __________
Day Month Year

My commission expires on: ______________________

____
(Signature of NOTARY PUBLIC)

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY) '13 SEP 3 Liqr. Lic. AM11:22
APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: Name ______
(Exactly as it appears on license) Address ______

2. New Business: Name ______
(Physical Street Location) Address ______

3. License Type: ______ License Number: ______

4. If more than one license to be transferred: License Type: ______ License Number: ______

5. What date do you plan to move? ______ What date do you plan to open? ______

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: ______ ft. Name of school ______
Address ______
City, State, Zip

2. Distance to nearest church: ______ ft. Name of church ______
Address ______
City, State, Zip

3. I am the: ☑ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)

4. If the premises is leased give lessors: Name VESTAR
Address 2425 E. Camelback Rd. Suite 250
City, State, Zip

4a. Monthly rental/lease rate $ 4,377 What is the remaining length of the lease 2 yrs. 6 mos. (close)

4b. What is the penalty if the lease is not fulfilled? $______ or other if do not pay 2 months, shut down
(give details - attach additional sheet if necessary)

5. What is the total **business** indebtedness for this license/location excluding the lease? $ 0
Please list lenders you owe money to.

Last First Middle	Amount Owed	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Restaurant

SECTION 13 - continued

'13 SEP 3 Liq. Lic. AM11:23

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?

   ☐ YES ☐ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☐ NO

9. Is the premises currently licensed with a liquor license? ☐ YES ☐ NO If yes, give license number and licensee's name:

License #____________________(exactly as it appears on license) Name ____________________________

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
   If yes, give the name of licensee, Agent or a company name:

   Roberts (Last) Tina (First) (Middle) and license #: ____________________

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☐ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

____
applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

____
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check ALL boxes that apply to your business:

   ☐ Entrances/Exits ☐ Liquor storage areas Patio: ☐ Contiguous
   ☐ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☐ NO
   If yes, what is your estimated opening date? ____________________
   month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

____
applicants initials

SECTION 13 - continued

'13 SEP 3 Liq. Lic. AM11:23

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
☐ YES ☒ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO

9. Is the premises currently licensed with a liquor license? ☒ YES ☐ NO If yes, give license number and licensee's name:

License # 12078595 (exactly as it appears on license) Name Tina Roberts

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☒ YES ☐ NO
If yes, give the name of licensee, Agent or a company name:

SUSHI & ROLL, INC and license #: 12078595
Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☒ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

✓ [redacted]
applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

✓ [redacted]
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

☒ Entrances/Exits ☒ Liquor storage areas Patio: ☐ Contiguous
☐ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
If yes, what is your estimated opening date? ________
month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

[redacted]
applicants initials

SECTION 15 Diagram of Premises

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

SEE THE ATTACHED PAGE

'13 SEP 3 LIQ. LIC.

SECTION 16 Signature Block

I, EUN JUNG KIM, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)

application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, [redacted]

X [redacted]
(signature of applicant listed in Section 4, Question 1)

State of Arizona County of Maricopa

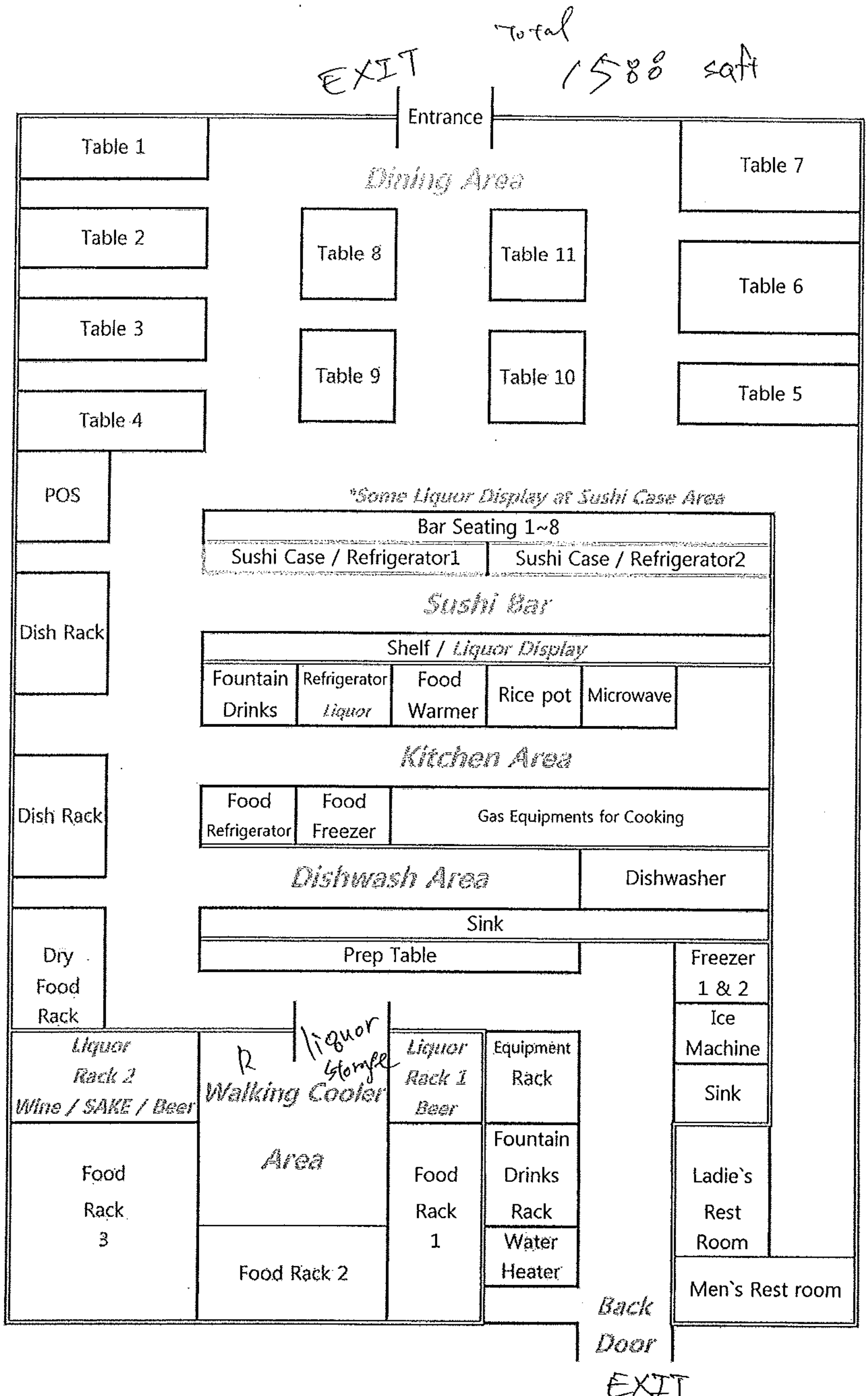
The foregoing instrument was acknowledged before me this

21st of August, 2013
Day Month Year

My commission expires on : January 11 2016
Day Month Year

[redacted]

CONRAD PENA
NOTARY PUBLIC - ARIZONA
Maricopa County
My Commission Expires
January 11, 2016



'13 SEP 3 Liq. Lic.

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

☐ MORE THAN ONE LICENSE
☒ INTERIM PERMIT *Complete Section 5*
☐ NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
☒ PERSON TRANSFER (Bars & Liquor Stores ONLY) *Complete Sections 2, 3, 4, 11, 13, 15, 16*
☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) *Complete Sections 2, 3, 4, 12, 13, 15, 16*
☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE *Complete Sections 2, 3, 4, 9, 13, 16* (fee not required)
☐ GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

☐ J.T.W.R.O.S. *Complete Section 6*
☐ INDIVIDUAL *Complete Section 6*
☐ PARTNERSHIP *Complete Section 6*
☐ CORPORATION *Complete Section 7*
☐ LIMITED LIABILITY CO. *Complete Section 7*
☐ CLUB *Complete Section 8*
☒ GOVERNMENT *Complete Section 10*
☐ TRUST *Complete Section 6*
☐ OTHER (Explain) ________

SECTION 3 Type of license and fees LICENSE #(s): 06070063

1. Type of License(s): Series #6

2. Total fees attached: $ 266.00 (Department Use Only)

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

1. Owner/Agent's Name: ☐ Mr. ☒ Ms. Lewkowitz (Last) Andrea (First) Dahlman (Middle)
(Insert one name ONLY to appear on license)

2. Corp./Partnership/L.L.C.: Maricopa County Municipal Water Conservation District Number One
(Exactly as it appears on Articles of Inc. or Articles of Org.)

3. Business Name: Pleasant Harbor Marina / Waterfront Grill
(Exactly as it appears on the exterior of premises)

4. Principal Street Location 40202 N. 87th Avenue (Do not use PO Box Number) Peoria (City) Maricopa (County) 85383 (Zip)

5. Business Phone: (928) 501-5266 Daytime Phone: [redacted] Email: andrea@lewkowitzlaw.com

6. Is the business located within the incorporated limits of the above city or town? ☐ YES ☒ NO Maricopa County

7. Mailing Address: 2600 N. Central Avenue, Suite 1775, Phoenix, AZ 85004
City State Zip

8. Price paid for license only bar, beer and wine, or liquor store: Type ____ $____ Type ____ $____

DEPARTMENT USE ONLY

Fees:	Application	Interim Permit	Site Inspection	Finger Prints	TOTAL OF ALL FEES
	100.00	100.00		66.00	$ 266.00

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒ YES ☐ NO

Accepted by: [redacted] Date: 10-31-13 Lic. # 06070063

1/7/2013

***Disabled individuals requiring special accommodation, please call (602) 542-9027.**

SECTION 5 Interim Permit:

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. 060 700 63
4. Is the license currently in use? ☑ YES ☐ NO If no, how long has it been out of use? ____________

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, DONALD Rudolph LEO (Print full name), declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

X [redacted] (Signature)

State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this 17 (Day) day of April (Month), 2013 (Year)

My commission expires on: 4/15/1

KAREN L. ANDERSON
Notary Public - Arizona
Maricopa County
My Comm. Expires Apr 15, 2016

[redacted] (Signature of NOTARY PUBLIC)

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $24 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) ____________

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
☐ ☐						
☐ ☐						
☐ ☐						
☐ ☐						

(ATTACH ADDITIONAL SHEET IF NECESSARY)

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

☐ CORPORATION *Complete questions 1, 2, 3, 5, 6, 7, and 8.*

☐ L.L.C. *Complete 1, 2, 4, 5, 6, 7, and 8.*

1. Name of Corporation/L.L.C.: ______________________________
(Exactly as it appears on Articles of Incorporation or Articles of Organization)

2. Date Incorporated/Organized: ______________ State where Incorporated/Organized: ______________

3. AZ Corporation Commission File No.: ______________ Date authorized to do business in AZ: __________

4. AZ L.L.C. File No: ______________ Date authorized to do business in AZ: __________

5. Is Corp./L.L.C. Non-profit? ☐ YES ☐NO

6. List all directors, officers and members in Corporation/L.L.C.:

Last First Middle	Title	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last First Middle	% Owned	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: ______________________________ Date Chartered: ______________
(Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)

2. Is club non-profit? ☐ YES ☐ NO

3. List officer and directors:

Last First Middle	Title	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

SECTION 9 Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:

1. Current Licensee's Name: ______ Last ______ First ______ Middle
   (Exactly as it appears on license)
2. Assignee's Name: ______ Last ______ First ______ Middle
3. License Type: ______ License Number: ______ Date of Last Renewal: ______
4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 Government: (for cities, towns, or counties only)

1. Governmental Entity: Maricopa County Municipal Water Conservation District Number One ~~Political Subdivision of the State of Arizona~~
2. Person/designee: See attached ~~Vertherms~~ ~~Glen~~ ~~Lee~~ 602-200-7222 [redacted]
   Last First Middle Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 Person to Person Transfer:

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: Lewkowitz (Last) Andrea (First) Dahlman (Middle) Entity: Agent (Indiv., Agent, etc.)
   (Exactly as it appears on license)
2. Corporation/L.L.C. Name: Pleasant Harbor Marina, LLC
   (Exactly as it appears on license)
3. Current Business Name: Pleasant Harbor Marina
   (Exactly as it appears on license)
4. Physical Street Location of Business: Street 40202 N. 87th Avenue
   City, State, Zip Peoria, AZ 85383
5. License Type: Series #6 License Number: 06070063
6. If more than one license to be transfered: License Type: N/A License Number: N/A
7. Current Mailing Address: (Other than business) Street 2600 N. Central Avenue, Suite 1775
   City, State, Zip Phoenix, AZ 85004
8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☒ YES ☐ NO
9. Does the applicant intend to operate the business while this application is pending? ☒ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.
10. I, Andrea Dahlman Lewkowitz (print full name), hereby authorize the department to process this application to transfer the privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

    I, Andrea Dahlman Lewkowitz (print full name), declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct and complete.

[redacted]
(Signature of CURRENT LICENSEE)

State of Arizona County of Maricopa
The foregoing instrument was acknowledged before me this 21 (Day) October (Month) 2013 (Year)

AMY L SCHROFF
Notary Public - Arizona
Maricopa County
My Commission Expires
February 12, 2017

My commission expires on: 02/12/2017

[redacted]
(Signature of NOTARY PUBLIC)

Attachment to
Section 10, #2

1. Henry Clay Conklin - Director
2. Stanley Howard Ashby - Director
3. Michael James Moore - Director

'13 OCT 31 [illegible]

BILL OF SALE
FOR
LIQUOR LICENSE

For value received, **PLEASANT HARBOR MARINA, LLC** hereby sells, grants, and assigns to **MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE** all right, title and interest in and to Arizona Liquor License No. 06070063 ("the License").

PLEASANT HARBOR MARINA, LLC, an Arizona limited liability company,
By: PENSUS MARINA LIMITED COMPANY, its Manager
By: PLEASANT HARBOR INC., its Manager
By: DONALD R. LEO, SR., Trustee of the DMF Revocable Trust, its shareholder

[redacted]

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED and sworn to before me this 19th day of April, 2013, by ____________________, Donald R. Leo, Sr.

Notary Seal:

KAREN L. ANDERSON
Notary Public - Arizona
Maricopa County
My Comm. Expires Apr 15, 2016

[redacted]
Notary Public

RESOLUTION NO. 11-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE PROVIDING FOR THE ELECTION OF DIRECTOR FOR DIVISION NO. 3 AND ONE DIRECTOR AT LARGE

WHEREAS, the annual election of qualified voters of Maricopa County Municipal Water Conservation District Number One (MWD) was held to elect the Division No. 3 Director and one Director At Large to serve for a term of three years beginning on the first day of January, 2012; (Notice of Election attached as Exhibit A) and,

WHEREAS, after the closing of the polls of the election, the Judges ascertained the results and thereafter certified the same in writing within two days to the Board of Directors and delivered to it all ballots used in the election and all records made;

NOW, THEREFORE BE IT RESOLVED that the MWD Board does hereby find the following and declare the result of the election shown by the records submitted and by the canvass to be: (a) the Officials were Debra Trasancos and Stephanie Tate and the Clerk was Roxana Ricci, (b) the total number of votes cast for Division No. 3 Director was 295.50 (c) the candidate voted for was Stan Ashby, 295.50 votes, (d) the person voted to fill the office of Division No. 3 Director is Stan Ashby, (e) the total number of votes cast for Director At Large was 465.50 (f) the candidate voted for was Henry Conklin, 465.50 votes, (g) the person voted to fill the office of Director At Large is Henry Conklin.

BE IT FURTHER RESOLVED that this Board finds and declares that Stan Ashby was duly elected as Director of Division No. 3 to hold office for a term of three years beginning the first day of January, 2012, and then until a successor shall be duly qualified and elected;

BE IT FURTHER RESOLVED that this Board finds and declares that Henry Conklin was duly elected as Director At Large to hold office for a term of three years beginning the first day of January, 2012, and then until a successor shall be duly qualified and elected;

BE IT FURTHER RESOLVED that the Secretary of MWD after entering this order upon the minutes of the Board be directed to mail a certified copy to the Board of Supervisors of Maricopa County.

PASSED, ADOPTED, AND APPROVED by the Board of Directors this 21st day of November, 2011.

By: [redacted]
Maricopa County Municipal Water
Conservation District Number One

[redacted]
David J. Schofield, Secretary
Maricopa County Municipal Water
Conservation District Number One

RESOLUTION NO. 11-07

The undersigned, David J. Schofield, the duly qualified and acting Secretary of Maricopa County Municipal Water Conservation District Number One, an irrigation and water conservation district, hereby certifies that the above and foregoing resolution is a true, accurate and correct copy of a resolution duly and regularly adopted by the Board of Directors of the District at a special meeting hereof duly called and held at Surprise, Arizona, on the 21st day of November, 2011, and that the resolution has not been amended or rescinded.

Dated this 21st day of November, 2011.

[SEAL]

[redacted]

David J. Schofield, Secretary
Maricopa County Municipal Water
Conservation District Number One

RESOLUTION NO. 10-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE PROVIDING FOR THE ELECTION OF DIRECTOR FOR DIVISION NO. 2

WHEREAS, the annual election of qualified voters of Maricopa County Municipal Water Conservation District Number One (MWD) was held to elect the Division No. 2 to serve for a term of three years beginning on the first day of January, 2011; (Notice of Election attached as Exhibit A) and,

WHEREAS, after the closing of the polls of the election, the Judges ascertained the results and thereafter certified the same in writing within two days to the Board of Directors and delivered to it all ballots used in the election and all records made;

NOW, THEREFORE BE IT RESOLVED that the MWD Board does hereby find the following and declare the result of the election shown by the records submitted and by the canvass to be: (a) the Officials were Debra Trasancos and Stephanie Tate and the Clerk was Roxana Ricci, (b) the total number of votes cast for Division No. 2 Director was 308 (c) the candidate voted for was Michael Moore, 308 votes, (d) the person voted to fill the office of Division No. 2 Director is Michael Moore.

BE IT FURTHER RESOLVED that this Board finds and declares that Michael Moore was duly elected as Director of Division No. 2 to hold office for a term of three years beginning the first day of January, 2011, and then until a successor shall be duly qualified and elected.

BE IT FURTHER RESOLVED that the Secretary of MWD after entering this order upon the minutes of the Board be directed to mail a certified copy to the Board of Supervisors of Maricopa County.

PASSED, ADOPTED, AND APPROVED by the Board of Directors this 15th day of November, 2010.

By: [redacted]
Leyton Woolf, President
Maricopa County Municipal Water
Conservation District Number One

ATTEST:
[redacted]
David J. Schofield, Secretary
Maricopa County Municipal Water
Conservation District Number One

RESOLUTION NO. 10-05

The undersigned, David J. Schofield, the duly qualified and acting Secretary of Maricopa County Municipal Water Conservation District Number One, an irrigation and water conservation district, hereby certifies that the above and foregoing resolution is a true, accurate and correct copy of a resolution duly and regularly adopted by the Board of Directors of the District at a special meeting hereof duly called and held at Surprise, Arizona, on the 15th day of November, 2010, and that the resolution has not been amended or rescinded.

Dated this 15th day of November, 2010.

[redacted]

David J. Schofield, Secretary
Maricopa County Municipal Water
Conservation District Number One

STATE OF ARIZONA

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

ALCOHOLIC BEVERAGE LICENSE

License 06070063

Issue Date: 6/16/2006

Expiration Date: 1/31/2014

Bar

Issued To:
ANDREA DAHLMAN LEWKOWITZ, Agent
PLEASANT HARBOR MARINA LLC, Owner

Location:
PLEASANT HARBOR MARINA
40202 N 87TH AVE
PEORIA, AZ 85383

Mailing Address:
ANDREA DAHLMAN LEWKOWITZ
PLEASANT HARBOR MARINA LLC
PLEASANT HARBOR MARINA
2600 N CENTRAL AVE STE 1775
PHOENIX, AZ 85004

EXP 1/31/2014

POST THIS LICENSE IN A CONSPICUOUS PLACE

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: (Exactly as it appears on license) Name ______ Address ______
2. New Business: (Physical Street Location) Name ______ Address ______
3. License Type: ______ License Number: ______
4. If more than one license to be transferred: License Type: ______ License Number: ______
5. What date do you plan to move? ______ What date do you plan to open? ______

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: 32,208 ft. Name of school Canyon Springs School
   Address 42901 N. 45th Avenue, Phoenix, AZ 85087
   City, State, Zip
2. Distance to nearest church: 33,264 ft. Name of church Grace North Foursquare Church
   Address 4135 W. Opportunity Way, Phoenix, AZ 85086
   City, State, Zip
3. I am the: ☐ Lessee ☐ Sublessee ☒ Owner* ☐ Purchaser (of premises)
   *Perpetual lease from US Bureau of Reclamation
4. If the premises is leased give lessors: Name ______
   Address ______
   City, State, Zip

4a. Monthly rental/lease rate $______ What is the remaining length of the lease __ yrs. ___mos.

4b. What is the penalty if the lease is not fulfilled? $______ or other ______ (give details - attach additional sheet if necessary)

5. What is the total business indebtedness for this license/location excluding the lease? $ 0.00
   Please list lenders you owe money to.

Last First Middle	Amount Owed	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Restaurant/Bar/Marina

SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
☐ YES ☒ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO

9. Is the premises currently licensed with a liquor license? ☒ YES ☐ NO If yes, give license number and licensee's name:

License # 06070063 (exactly as it appears on license) Name Andrea Dahlman Lewkowitz

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
If yes, give the name of licensee, Agent or a company name:

_______________ and license #: _______________
Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☐ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

____
applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

____
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

☒ Entrances/Exits ☒ Liquor storage areas Patio: ☒ Contiguous
☐ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
If yes, what is your estimated opening date? _______________
month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawin [redacted]

applicants initials

SECTION 15 **Diagram of Premises**

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

Diagram attached

SECTION 16 **Signature Block**

I, Andrea Dahlman Lewkowitz, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)

application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X [redacted] 4, Question 1)

State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this

24 of October, 2013
[redacted] Year

[redacted]

AMY L SCHROFF
Notary Public - Arizona
Maricopa County
My Commission Expires
February 12, 2017

My commission expires on ______ 2017
Day Month Year

Pleasant
Harbor
28,800 sq ft

See
attached
(Exhibit A)

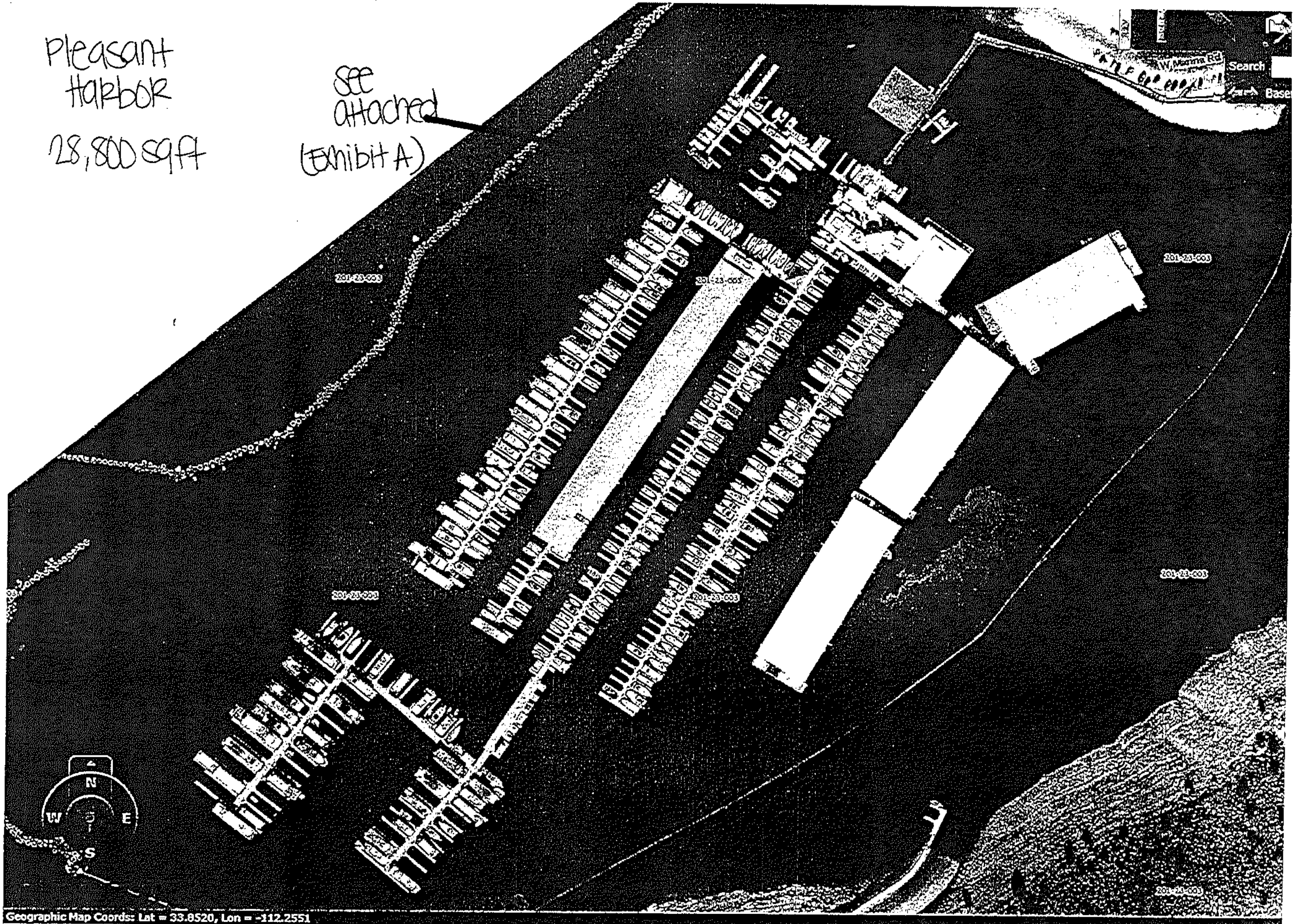
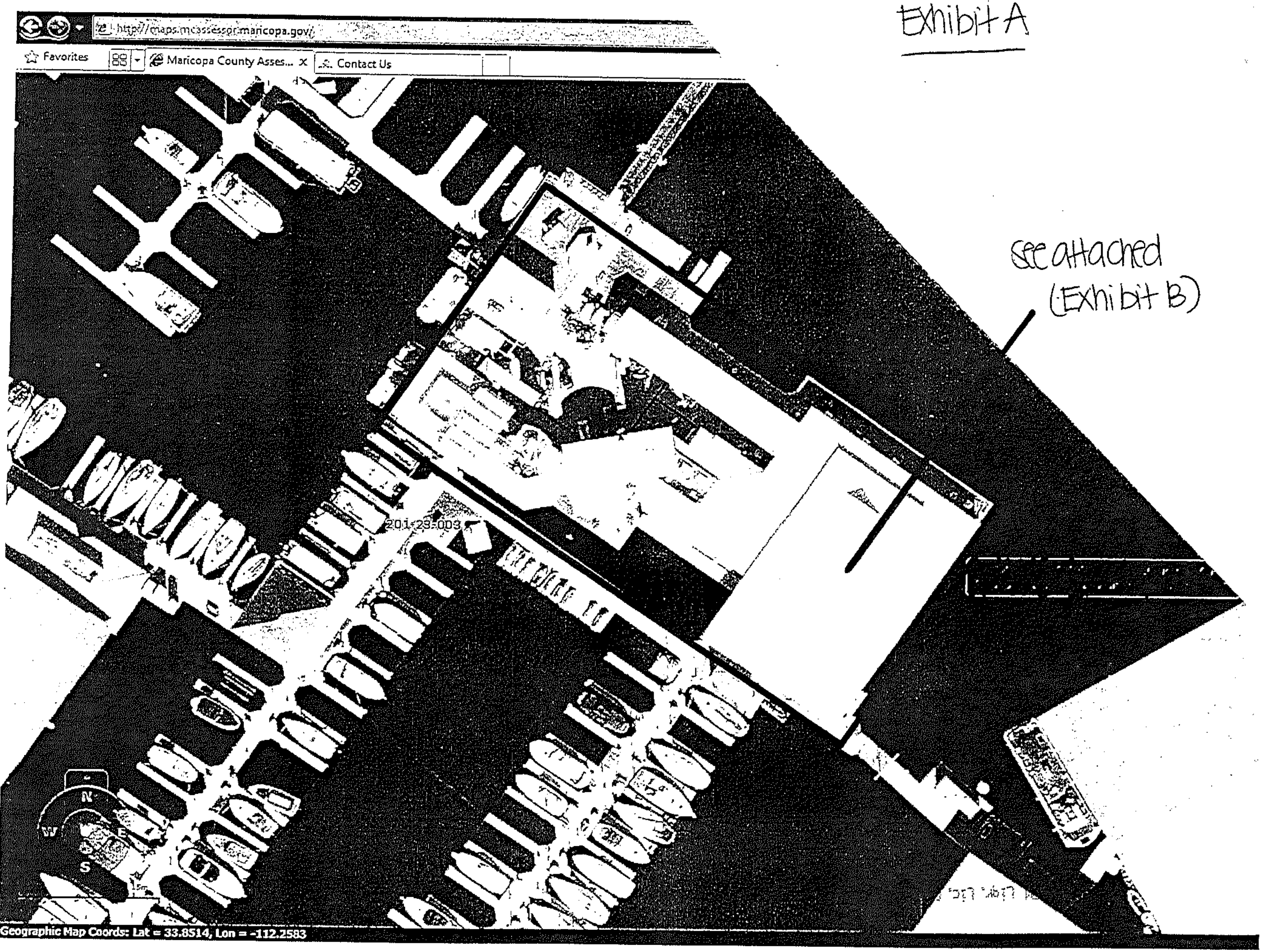
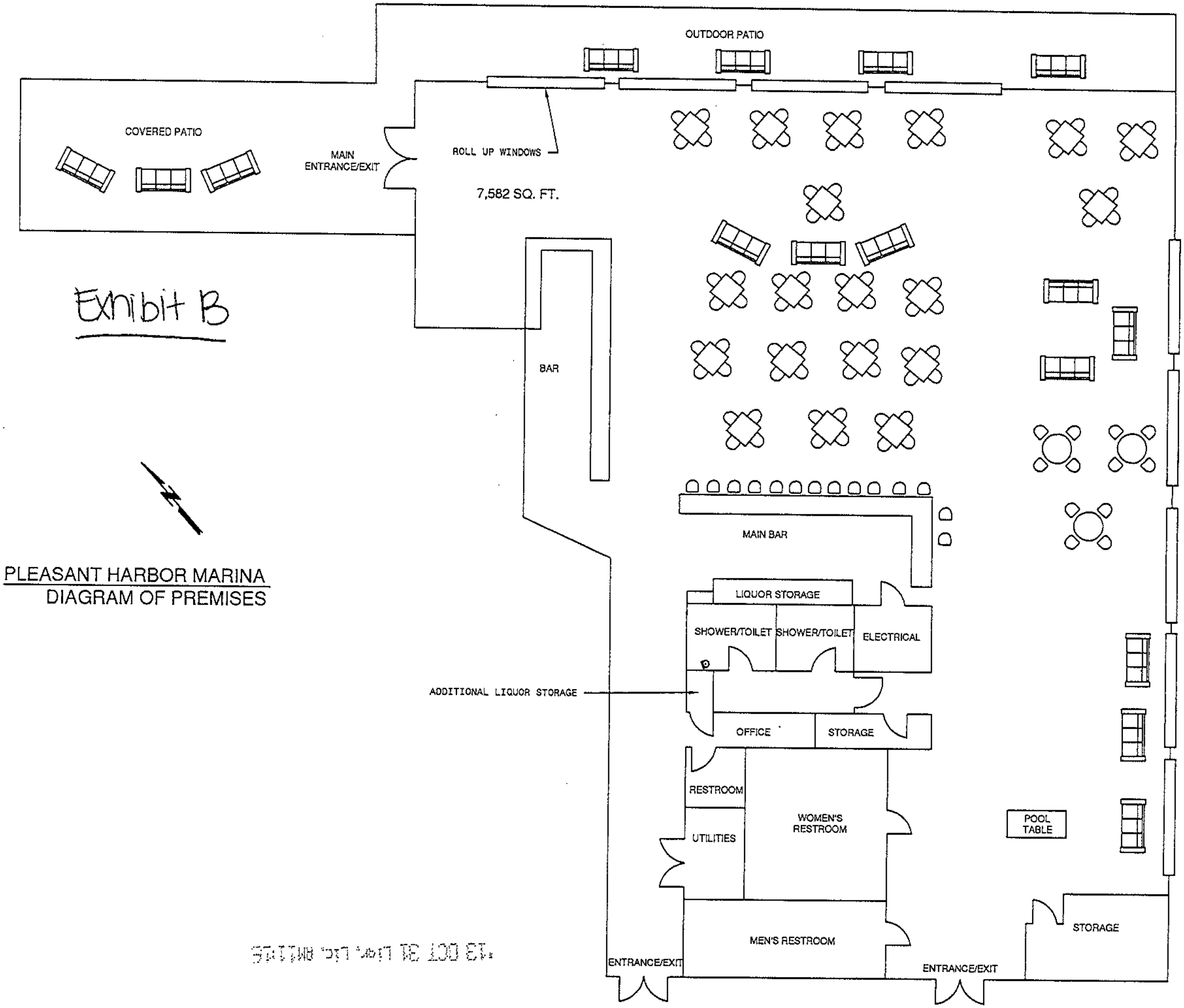


Exhibit A



See attached (Exhibit B)

Exhibit B



PLEASANT HARBOR MARINA
DIAGRAM OF PREMISES

13 OCT 31 PM 4:40

Arizona Department of Liquor Licenses and Control

800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 **This application is for a:**

- ☐ MORE THAN ONE LICENSE
- ☐ INTERIM PERMIT *Complete Section 5*
- ☒ NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- ☐ PERSON TRANSFER (Bars & Liquor Stores ONLY) *Complete Sections 2, 3, 4, 11, 13, 15, 16*
- ☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) *Complete Sections 2, 3, 4, 12, 13, 15, 16*
- ☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE *Complete Sections 2, 3, 4, 9, 13, 16* (fee not required)
- ☐ GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 **Type of ownership:**

- ☐ J.T.W.R.O.S. *Complete Section 6*
- ☐ INDIVIDUAL *Complete Section 6*
- ☐ PARTNERSHIP *Complete Section 6*
- ☐ CORPORATION *Complete Section 7*
- ☐ LIMITED LIABILITY CO. *Complete Section 7*
- ☐ CLUB *Complete Section 8*
- ☒ GOVERNMENT *Complete Section 10*
- ☐ TRUST *Complete Section 6*
- ☐ OTHER (Explain) ____________

SECTION 3 **Type of license and fees** **LICENSE #(s):** 10076450

1. Type of License(s): Series #10
2. Total fees attached: $ 100.00 (Department Use Only)

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 **Applicant**

1. Owner/Agent's Name: ☐ Mr. ☒ Ms. Lewkowitz (Last) Andrea (First) Dahlman (Middle) P1056227
   (Insert one name ONLY to appear on license)
2. Corp./Partnership/L.L.C.: Maricopa County Municipal Water Conservation District Number One B1016646
   (Exactly as it appears on Articles of Inc. or Articles of Org.)
3. Business Name: Pleasant Harbor
   (Exactly as it appears on the exterior of premises)
4. Principal Street Location 8708 W. Harbor Blvd (Do not use PO Box Number) Peoria (City) Maricopa (County) 85383 (Zip) B1016645
5. Business Phone: (928) 501-5253 Daytime Phone: [redacted] Email: andrea@lewkowitzlaw.com
6. Is the business located within the incorporated limits of the above city or town? ☐ YES ☒ NO
7. Mailing Address: 2600 N. Central Avenue, Suite 1775, Phoenix, AZ 85004 (City, State, Zip)
8. Price paid for license only bar, beer and wine, or liquor store: Type ____ $ ____ Type ____ $ ____

DEPARTMENT USE ONLY

Fees: $100.00 (Application) — (Interim Permit) — (Site Inspection) — (Finger Prints) $ 100.00 **TOTAL OF ALL FEES**

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒ YES ☐ NO

Accepted by: [redacted] Date: 10/31/13 Lic. # 10076450

***Disabled individuals requiring special accommodation, please call (602) 542-9027.**

SECTION 5 Interim Permit:

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location.____________________
4. Is the license currently in use? ☐ YES ☐ NO   If no, how long has it been out of use?____________________

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, ____________________ (Print full name), declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

X____________________
(Signature)

State of ____________ County of ____________
The foregoing instrument was acknowledged before me this

My commission expires on: ____________________

______day of ____________, ____________
Day   Month   Year

____
(Signature of NOTARY PUBLIC)

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) ____________________

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
☐ ☐						
☐ ☐						
☐ ☐						
☐ ☐						

) Y R A S S E C E N F I T

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
   If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

☐ CORPORATION *Complete questions 1, 2, 3, 5, 6, 7, and 8.*

☐ L.L.C. *Complete 1, 2, 4, 5, 6, 7, and 8.*

1. Name of Corporation/L.L.C.: ______________________________
   (Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: ______________ State where Incorporated/Organized: ______________
3. AZ Corporation Commission File No.: ______________ Date authorized to do business in AZ: ______________
4. AZ L.L.C. File No: ______________ Date authorized to do business in AZ: ______________
5. Is Corp./L.L.C. Non-profit? ☐ YES ☐ NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last First Middle	Title	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last First Middle	% Owned	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: ______________________________ Date Chartered: ______________
   (Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit? ☐ YES ☐ NO
3. List officer and directors:

Last First Middle	Title	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

SECTION 9 **Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:**

1. Current Licensee's Name: ______________________ (Exactly as it appears on license) Last First Middle
2. Assignee's Name: ______________________ Last First Middle
3. License Type: __________ License Number: __________ Date of Last Renewal: __________
4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 **Government: (for cities, towns, or counties only)**

1. Governmental Entity: ~~Political Subdivision of the State of Arizona~~ Maricopa County Municipal Water Conservation District Number One
2. Person/designee: ~~Vortherms~~ ~~Glen~~ ~~Lee~~ See attached ~~(623) 546-8266~~ 602-200-7222
   Last First Middle Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 **Person to Person Transfer:**

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: ______________________ Entity: __________
   (Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)
2. Corporation/L.L.C. Name: ______________________
   (Exactly as it appears on license)
3. Current Business Name: ______________________
   (Exactly as it appears on license)
4. Physical Street Location of Business: Street ______________________
   City, State, Zip ______________________
5. License Type: __________ License Number: __________
6. If more than one license to be transfered: License Type: __________ License Number: __________
7. Current Mailing Address: Street ______________________
   (Other than business)
   City, State, Zip ______________________
8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☐ YES ☐ NO
9. Does the applicant intend to operate the business while this application is pending? ☐ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.
10. I, ______________________ (print full name), hereby authorize the department to process this application to transfer the privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

    I, ______________________ (print full name), declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

______________________ (Signature of CURRENT LICENSEE)

State of __________ County of __________
The foregoing instrument was acknowledged before me this
______ Day ______ Month ______ Year

My commission expires on: ______________________

______________________ (Signature of NOTARY PUBLIC)

Attachment to
Section 10, #2

(1) Henry Clay Conklin – Director
(2) Stanley Howard Ashby – Director
(3) Michael James Moore – Director

'13 OCT 31 Liqr. Lic. AM11:04

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: Name ____________________
   (Exactly as it appears on license)
   Address ____________________

2. New Business: Name ____________________
   (Physical Street Location)
   Address ____________________

3. License Type: __________ License Number: __________

4. If more than one license to be transferred: License Type: __________ License Number: __________

5. What date do you plan to move? __________ What date do you plan to open? __________

SECTION 13 **Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):**

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: 32,208 ft. Name of school Canyon Springs School
   Address 42901 N. 45th Avenue, Phoenix, AZ 85087
   City, State, Zip

2. Distance to nearest church: 33,264 ft. Name of church Grace North Foursquare Church
   Address 4135 W. Opportunity Way, Phoenix, AZ 85086
   City, State, Zip

3. I am the: ☐ Lessee ☐ Sublessee ☒ Owner ☐ Purchaser (of premises)

4. If the premises is leased give lessors: Name ____________________
   Address ____________________
   City, State, Zip

4a. Monthly rental/lease rate $__________ What is the remaining length of the lease __ yrs. ____ mos.

4b. What is the penalty if the lease is not fulfilled? $__________ or other __________
(give details - attach additional sheet if necessary)

5. What is the total **business** indebtedness for this license/location excluding the lease? $ 0
   Please list lenders you owe money to.

Last First Middle	Amount Owed	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Recreational Resort

2013 OCT 31 PM 12:38

SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
☐ YES ☒ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO

9. Is the premises currently licensed with a liquor license? ☒ YES ☐ NO If yes, give license number and licensee's name:

License # 07070423 (exactly as it appears on license) Name James Reid Sweeney

---

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
If yes, give the name of licensee, Agent or a company name:

_______________________________________ and license #: ____________
Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☐ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

____
applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

____
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

☒ Entrances/Exits ☒ Liquor storage areas Patio: ☐ Contiguous
☐ Service windows ☐ Drive-in windows ☒ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
If yes, what is your estimated opening date? _______________
month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

[redacted]
applicants initials

SECTION 15 **Diagram of Premises**

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

Diagram attached

SECTION 16 **Signature Block**

I, Andrea Dahlman Lewkowitz, hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.
(print full name of applicant)

X [redacted]
(s[redacted]uestion 1)

State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this

24 of October, 2013
Day Month Year

[redacted]

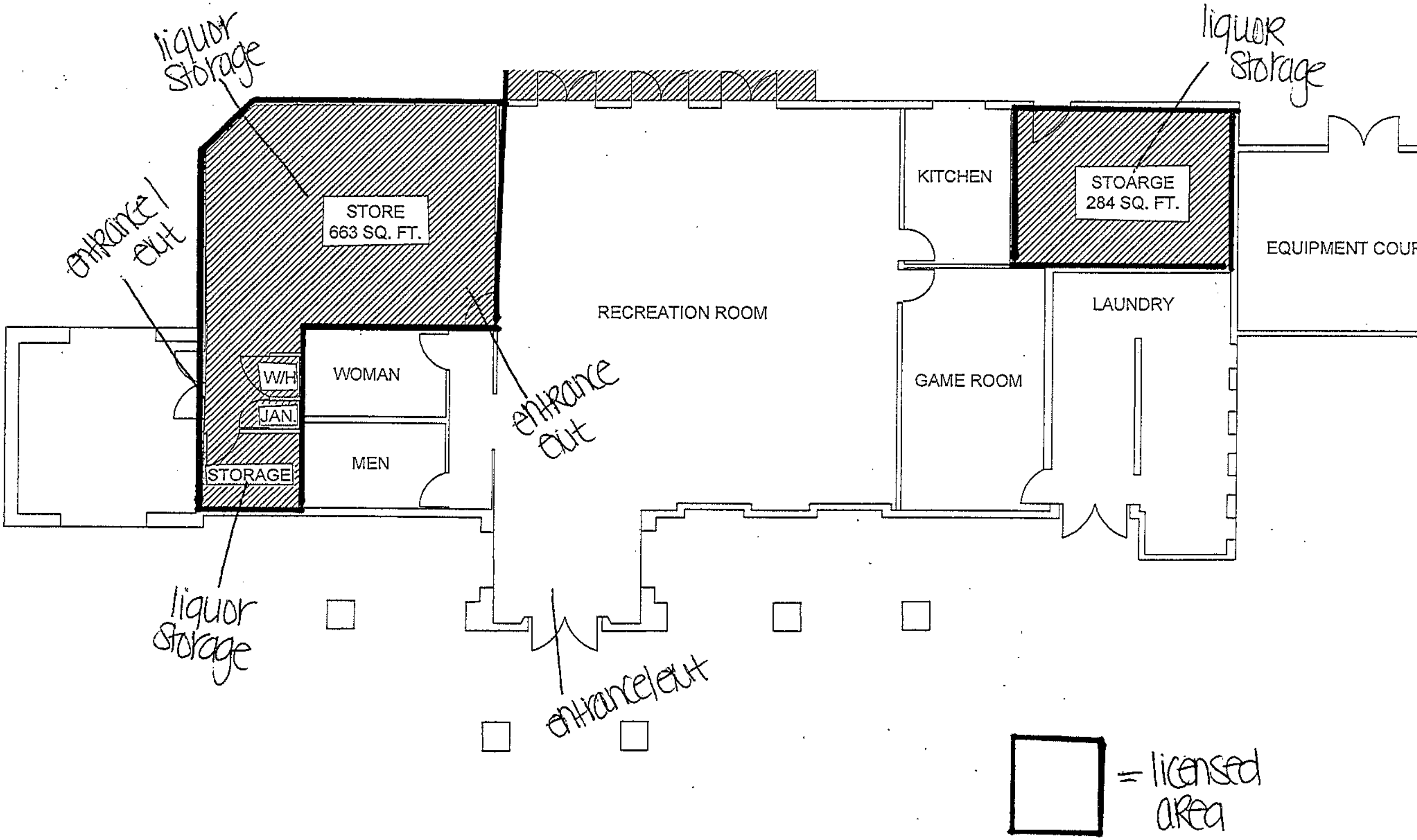
NOTARY [redacted]

AMY L SCHROFF
Notary Public - Arizona
Maricopa County
My Commission Expires
February 12, 2017

My commission expires on 12 02 2017
Day Month Year

Pleasant Harbor 13 OCT 31 Liqr. Lic. AM11:04

947 sq ft (total)



'13 OCT 1 Liq. Lic. PM 2 30

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- ☐ MORE THAN ONE LICENSE
- ☒ INTERIM PERMIT *Complete Section 5*
- ☐ NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- ☒ PERSON TRANSFER (Bars & Liquor Stores ONLY) *Complete Sections 2, 3, 4, 11, 13, 15, 16*
- ☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) *Complete Sections 2, 3, 4, 12, 13, 15, 16*
- ☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE *Complete Sections 2, 3, 4, 9, 13, 16* (fee not required)
- ☐ GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

- ☐ J.T.W.R.O.S. *Complete Section 6*
- ☐ INDIVIDUAL *Complete Section 6*
- ☐ PARTNERSHIP *Complete Section 6*
- ☐ CORPORATION *Complete Section 7*
- ☒ LIMITED LIABILITY CO. *Complete Section 7*
- ☐ CLUB *Complete Section 8*
- ☐ GOVERNMENT *Complete Section 10*
- ☐ TRUST *Complete Section 6*
- ☐ OTHER (Explain) ______

SECTION 3 Type of license and fees LICENSE #(s): 06070669

1. Type of License(s): ~~Series~~ SERIES 6

2. Total fees attached: Department Use Only $ 222.00

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

P1070160

1. Owner/Agent's Name: Mr. Ms. SHELLEY (Last) RAYMOND (First) ARTHUR (Middle)
(insert one name ONLY to appear on license)
2. Corp./Partnership/L.L.C.: ITSA, LLC B1050978
(Exactly as it appears on Articles of Inc. or Articles of Org.)
3. Business Name: FUNUGYZ SPORTS GRILL
(Exactly as it appears on the exterior of premises) #B101-B104 B1035080
4. Principal Street Location 8378 W THUNDERBIRD ROAD, PEORIA (City) MARICOPA (County) 85381 (Zip)
(Do not use PO Box Number)
5. Business Phone: Pending Daytime Phone: [redacted] Email: [redacted]
6. Is the business located within the incorporated limits of the above city or town? ☒ YES ☐ NO
7. Mailing Address: 14718 W PAULA PL, ~~PEORIA~~ SURPRISE (City) AZ (State) ~~85383~~ 85374 (Zip)
8. Price paid for license only bar, beer and wine, or liquor store: Type 6 $ 75000 Type ____ $ ____

DEPARTMENT USE ONLY

Fees:					
	$100.00	$100.00	——	$22.00	$ 222.00
	Application	Interim Permit	Site Inspection	Finger Prints	TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒ YES ☐ NO

Accepted by: [redacted] Date: 10/1/13 Lic. # 06070669

***Disabled individuals requiring special accommodation, please call (602) 542-9027.**

SECTION 5 **Interim Permit:**

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.

2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.

3. Enter the license number currently at the location. 06070669

4. Is the license currently in use? ☒ YES ☐ NO If no, how long has it been out of use? ____________

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, JOHN DAVID BAKLE, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.
(Print full name)

[redacted]
(Signature)

State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this 30 day of Sept, 2013
Day

My commission expires on: HELEN WESTBROOK NOTARY PUBLIC - ARIZONA MARICOPA COUNTY My Comm. Exp.: July 12, 2014

[redacted]
(Signature of NOTARY PUBLIC)

SECTION 6 **Individual or Partnership Owners:**

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) ____________

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
☐ ☐						
☐ ☐						
☐ ☐						
☐ ☐						

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

STATE OF ARIZONA

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

ALCOHOLIC BEVERAGE LICENSE

License 06070669

Issue Date: 4/19/2011

Expiration Date: 1/31/2014

'11 OCT 1 Liq. Lic. PM 2 30

Bar

Issued To:
JOHN DAVID BAKKE, Agent
J D BAKKE LLC, Owner

Location:
FUNUGYZ GRILL
8378 W THUNDERBIRD RD #B101-B104
PEORIA, AZ 85381

Mailing Address:
JOHN DAVID BAKKE
J D BAKKE LLC
FUNUGYZ GRILL
7333 W CRABAPPLE DR
PEORIA, AZ 85383

LIQUOR LICENSES AND CONTROL ARIZONA

EXP

POST THIS LICENSE IN A CONSPICUOUS PLACE

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

☐ CORPORATION *Complete questions 1, 2, 3, 5, 6, 7, and 8.*

☒ L.L.C. *Complete 1, 2, 4, 5, 6, 7, and 8.*

1. Name of Corporation/L.L.C.: ITSA, LLC
(Exactly as it appears on Articles of Incorporation or Articles of Organization)

2. Date Incorporated/Organized: 09/~~20~~ 16/2013 State where Incorporated/Organized: ARIZONA

3. AZ Corporation Commission File No.: ______ Date authorized to do business in AZ: ______

4. AZ L.L.C. File No: L-1874168-8 Date authorized to do business in AZ: 09/20/2013

5. Is Corp./L.L.C. Non-profit? ☐ YES ☒ NO

6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address	City State Zip
SHELLEY	RAYMOND	AURTHUR	MANAGER	[redacted]	

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address	City State Zip
SHELLEY	RAYMOND	ARTHUR	100	[redacted]	

(ATTACH ADDITIONAL SHEET IF NECESSARY)

'13 OCT 1

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: ______ Date Chartered: ______
(Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)

2. Is club non-profit? ☐ YES ☐ NO

3. List officer and directors:

Last	First	Middle	Title	Mailing Address	City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

SECTION 9 Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:

1. Current Licensee's Name: ______________________ (Exactly as it appears on license) Last First Middle
2. Assignee's Name: ______________________ Last First Middle
3. License Type: __________ License Number: __________ Date of Last Renewal: __________
4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 Government: (for cities, towns, or counties only)

1. Governmental Entity: ______________________
2. Person/designee: ______________________ Last First Middle ______________ Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 Person to Person Transfer:

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: BAKKE JOHN DAVID Entity: AGENT
   (Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)
2. Corporation/L.L.C. Name: J.D. BAKKE, LLC
   (Exactly as it appears on license)
3. Current Business Name: FUNUGYZ GRILL
   (Exactly as it appears on license)
4. Physical Street Location of Business: Street 8378 W THUNDERBIRD SUITE B101-B104
   City, State, Zip PEORIA, AZ 85381
5. License Type: SERIES 6 License Number: 06070669
6. If more than one license to be transfered: License Type: __________ License Number: __________
7. Current Mailing Address: (Other than business) Street [redacted]
   City, State, Zip [redacted]
8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☒ YES ☐ NO
9. Does the applicant intend to operate the business while this application is pending? ☒ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.
10. I, JOHN DAVID BAKKE (print full name), hereby authorize the department to process this application to transfer the privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, JOHN DAVID BAKKE (print full name), declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct and complete.

[redacted]

State of Arizona County of Maricopa
The foregoing instrument was acknowledged before me this 30 / September / 2013
Day Month Year

HELEN WESTBROOK
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Comm. Exp.: July 12, 2014

My commission expires on: __________

[redacted]

'13 OCT 1 LIQ. LIC. PM 2 30

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)
APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: (Exactly as it appears on license) Name ______________________
   Address ______________________

2. New Business: (Physical Street Location) Name ______________________
   Address ______________________

3. License Type: ____________ License Number: ____________

4. If more than one license to be transferred: License Type: ____________ License Number: ____________

5. What date do you plan to move? ____________ What date do you plan to open? ____________

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: .61 MILES ft. Name of school ARROWHEAD MONTESSORI
   Address 14801 N 83RD AVE. PEORIA AZ 85381
   City, State, Zip

2. Distance to nearest church: .2 MILES ft. Name of church NEW LIFE COMMUNITY CHURCH
   Address 8155 W THUNDERBIRD ROAD, PEORIA AZ 85381
   City, State, Zip

3. I am the: ☒ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)

4. If the premises is leased give lessors: Name CP6TB, LLC et al, c/o WEST VALLEY PROPERTIES ARIZONA
   Address 1840 E WARNER ROAD, SUITE 137, TEMPE, AZ 85284
   City, State, Zip

4a. Monthly rental/lease rate $ 10900,00 What is the remaining length of the lease 4 yrs. 9 mos.

4b. What is the penalty if the lease is not fulfilled? $ ________ or other REMAINDER OF LEASE
(give details - attach additional sheet if necessary)

5. What is the total business indebtedness for this license/location excluding the lease? $ 300,000 —
Please list lenders you owe money to.

Last First Middle	Amount Owed	Mailing Address City State Zip
JD BAKKE, LLC	300,000	[redacted]

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? BAR & GRILL

SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
   ☐ YES ☒ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO

9. Is the premises currently licensed with a liquor license? ☒ YES ☐ NO If yes, give license number and licensee's name:

License # 06070669 (exactly as it appears on license) Name ~~FUNUGUYZ GRILL~~ JOHN DAVID BAKKE

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
   If yes, give the name of licensee, Agent or a company name:

   ______________________________ and license #: ____________
   Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☐ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

____
applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

____
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

   ☒ Entrances/Exits ☒ Liquor storage areas Patio: ☒ Contiguous
   ☐ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
   If yes, what is your estimated opening date? ______________
   month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

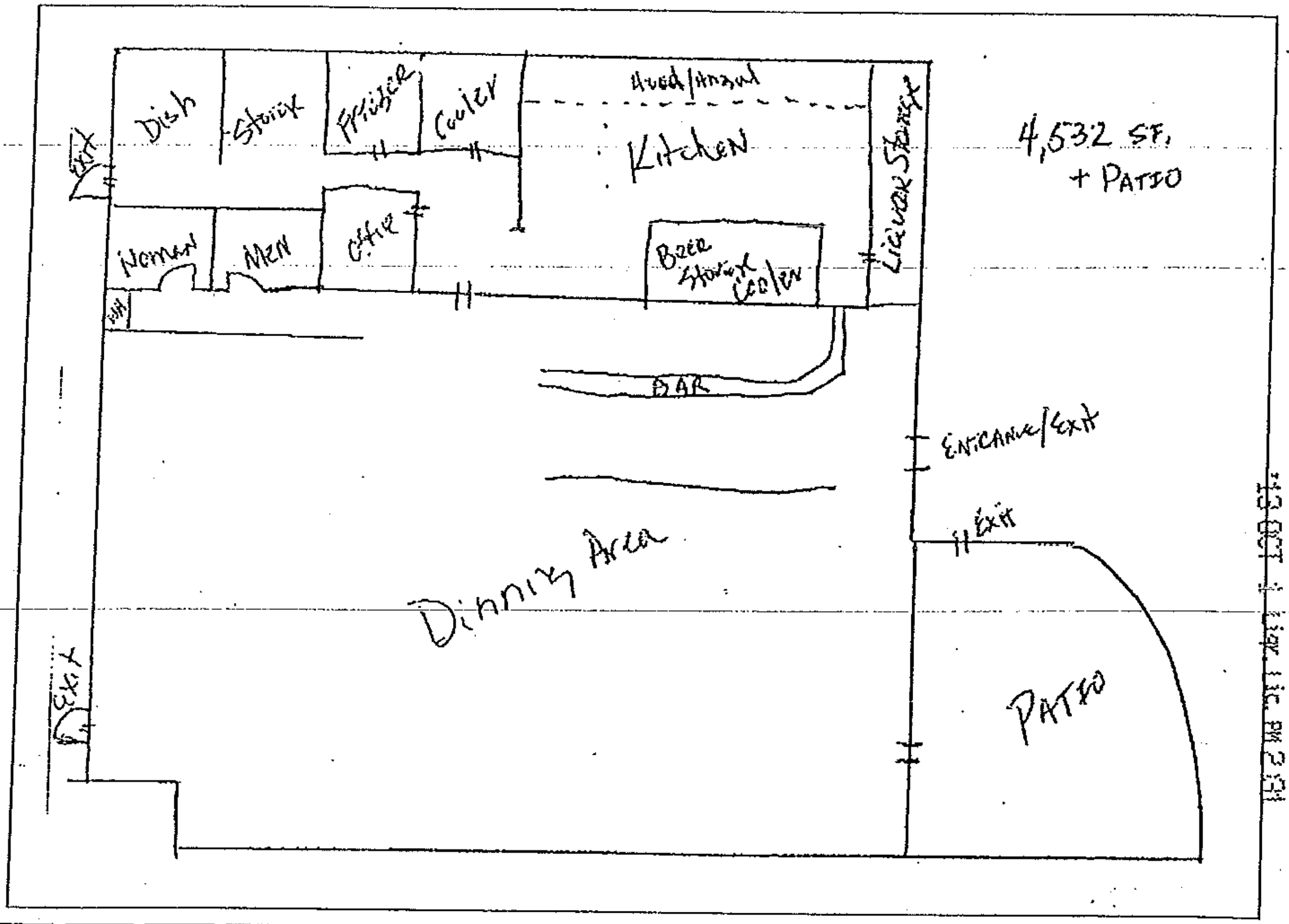
5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

[redacted]
applicants initials

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.



SECTION 16 Signature Block

I, RAYMOND ARTHUR SHELLEY, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)

application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

[redacted] Section 4, Question 1)

State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this

30 of September 2013
Day Month Year

HELEN WESTBROOK
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Comm. Exp.: July 12, 2014

My commission expires on : ____________
Day Month Year

[redacted]
signature of NOTARY PUBLIC

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 20R

Date Prepared: November 7, 2013 **Council Meeting Date: December 10, 2013**

TO: Carl Swenson, City Manager

FROM: Chris Jacques, AICP, Planning & Community Development Director

THROUGH: Susan J. Daluddung, AICP, Deputy City Manager

SUBJECT: ANX 13-0004 – City of Peoria Retention Basin Annexation

---

Purpose:

This is a request for City Council to hold a Public Hearing to hear any testimony deemed appropriate on the proposed annexation. No Council action can be taken at this time.

Background/Summary:

This is a request to initate annexation of four (4) parcels of City of Peoria owned property totaling approximately 7.22 acres, located at the northwest corner of 83rd Avenue and Pinnacle Peak Road. In 2008, the four (4) parcels were constructed to contain a retention basin to meet the regional flood control needs for the area. The subject properties are more specifically depicted in the legal descriptions and map attached to this report (Exhibit 1). The property is contiguous to the City's jurisdictional boundaries, lies within the City's Planning Area (General Plan) and is in conformance with the adopted annexation policy.

The annexation process pursuant to A.R.S. §9-471 is briefly described below:

(a) Filing of blank petition with County Recorder by the City opens up a thirty (30) day waiting period to discuss the proposal – **COMPLETED**
(b) The City must then hold a public hearing (no action) to discuss the proposal within the waiting period – **CITY COUNCIL (12/10/13)**
(c) At the conclusion of the 30-day waiting period, the municipality has up to 1-year to collect signatures satisfying the annexation "test." – **NOT COMPLETED**
(d) The City holds a final public hearing to consider and take action on the annexation request – **TBD**
(e) The annexation is effective 30 days upon adoption of the ordinance.

Under State Statute, a successful annexation requires the completion of a petition with (a) signatures of owners of one-half or more in value of the real and personal property; and (b) more than one-half of the persons owning real and personal property that would be subject to taxation by the City in the event of annexation.

Previous Actions:

No previous actions have been taken on this item.

Options:

A: Hold the first of two public hearings (no action) as required for annexation under A.R.S. §9-471.

B: Do not open the public hearing for the annexation request; proceedings to annex the subject property into the City would be abandoned at this time.

Staff's Recommendation:

Hold the first of two public hearings required under A.R.S. §9-471 to begin proceedings to annex the subject property into the City.

Fiscal Analysis:

This request for annexation will not generate any additional direct budgetary impacts beyond what has already been incurred through the participation in the construction of the rentention basin and the on-going maintenance.

Narrative:

The subject property was developed in 2008 as a regional retention basin through an Intergovernmental Agreement between the City and Maricopa County Flood Control District. It is currently zoned Rural-43 in the County. The Peoria General Plan Land Use designation is Residential Estate (0-2 du/ac, target of 1 du/ac). It is anticipated that should the property be annexed into the City, the comparable City zoning designation of SR-43 (Suburban Ranch) would be applied to the property at the time of initial zoning. No other development of this property is proposed at this time.

Exhibit(s):

Exhibit 1: Aerial/Location Map
Exhibit 2: Legal Description (Written & Map)

Contact Name and Number: Robert Gubser, Principal Planner, x 7405

Location Map

ANX13-0004 City of Peoria Retention Basin

Proposed Annexation:
201-15-186 201-15-191B
201-15-187A 201-15-299

Total: 7.22 acres

N

Not to Scale

Exhibit 1

City of Peoria Retention Basin Legal Descriptions
ANX13-0004

201-15-186
The West 145.647 feet of the East 346.328 feet of the North half of the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 10, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the North 20 feet.

201-15-187A
The East 200.681 feet of the North half of the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 10, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the North 20 feet; and

EXCEPT the East 55 feet thereof.

201-15-299
A portion of the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 10, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, as recorded in that certain corrected Quitclaim Deed in instrument number 2002-0325168 in the office of the Maricopa County Recorders Office, Maricopa County, Arizona, being more particularly described as follows:

The South half of the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 10, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian.

201-15-191B
The East half of the South half of the East half of the Southwest quarter of the Southeast quarter of the Southeast quarter of Section 10, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the South 40 feet, said parcel being more particularly described as follows:

Commencing at the Southeast corner of said Section 10:

Thence North 89 degrees 37 minutes 41 seconds West, along the South line of said Section 10, a distance of 662.82 feet to a point which lies 1988.47 feet easterly of the South quarter corner of said Section 10;

Thence North 00 degrees 33 minutes 52 seconds East, a distance of 40.00 feet to the POINT OF BEGINNING;

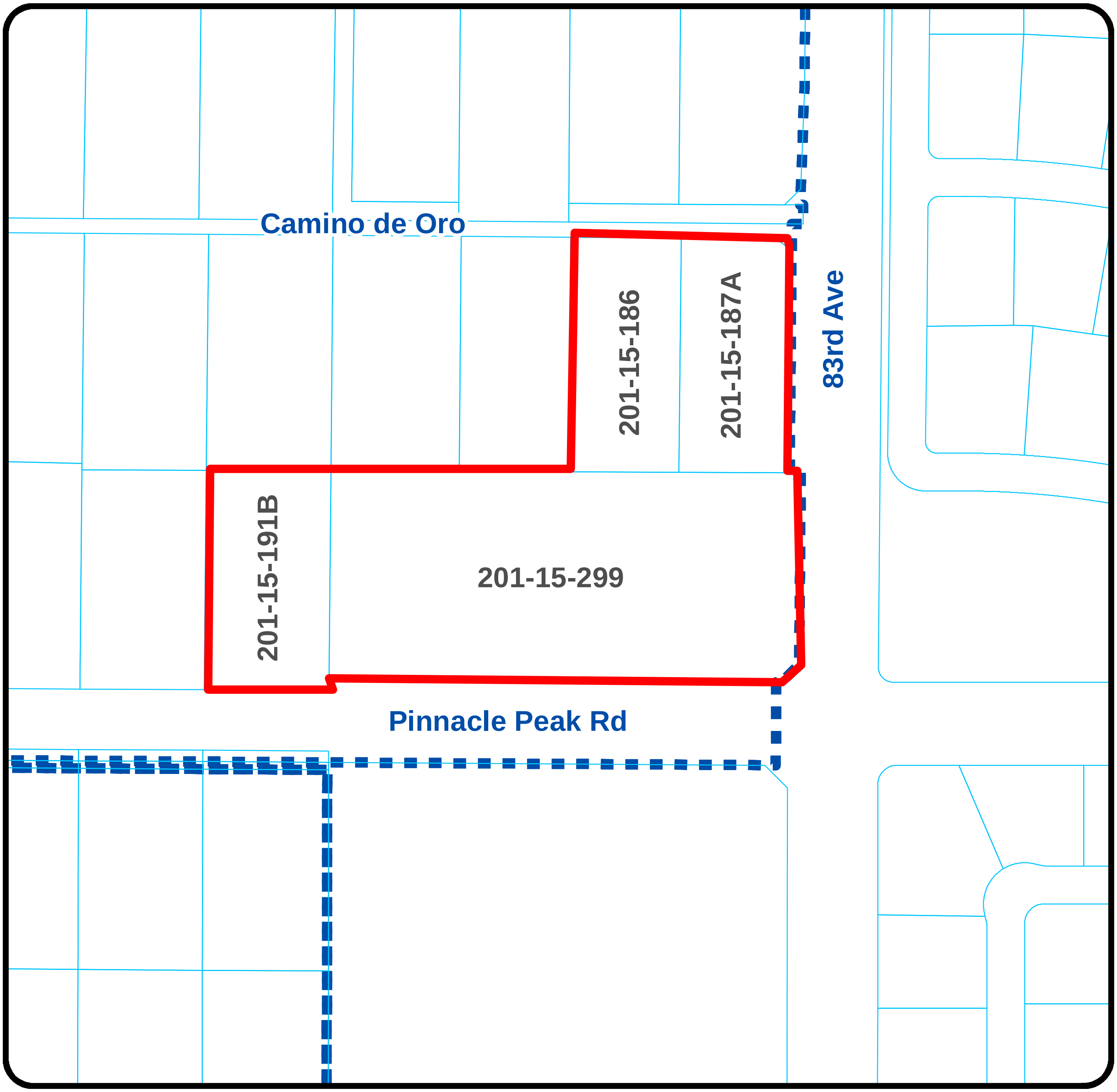
Thence North 89 degrees 37 minutes 41 seconds West, a distance of 165.70 feet to the West line of the East half of the South half of the East half of the Southwest quarter of the Southeast quarter of the Southeast quarter of said Section 10;

Thence North 00 degrees 34 minutes 28 seconds East, a distance of 291.48 feet to the North line of the East half of the South half of the East half of the Southwest quarter of the Southeast quarter of the Southeast quarter of said Section 10;

Thence South 89 degrees 35 minutes 57 seconds East, a distance of 165.65 feet to the East line of the East half of the Southwest quarter of the Southeast quarter of the Southeast quarter of said Section 10;

Thence South 00 degrees 33 minutes 52 second West, a distance of 291.40 feet to the POINT OF BEGINNING.

Exhibit Map


Camino de Oro
83rd Ave
201-15-186
201-15-187A
201-15-191B
201-15-299
Pinnacle Peak Rd

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 21R

Date Prepared: November 25, 2013 **Council Meeting Date: December 10, 2013**

TO: Carl Swenson, City Manager

FROM: Chris Jacques, AICP, Planning and Community Development Director

THROUGH: Susan J. Daluddung, AICP, Deputy City Manager

SUBJECT: Z13-0007 – Trilogy West Rezone

Purpose:

This is a request for City Council to hold a Public Hearing to consider a request for the Rezoning of an approximately 360-acre site from Single-Family Planned Area Developments (PADs) [Z02-26, Z04-23, Z04-10] and Suburban Ranch (SR-43), to the Trilogy West PAD in order to allow the development of a single-family residential community of up to 1,016 homes.

Background/Summary:

The subject site is a 360-acre undeveloped property located west of the northwest corner of Vistancia Boulevard and Dixileta Parkway. The property is located immediately adjacent to and west of Trilogy at Vistancia, an age-restricted, active-adult community that is part of the larger Vistancia master-planned community. The site is currently vacant and is bounded on the north and the west by Arizona State Trust Land (Arizona State Land Department), on the east by Vistancia Boulevard and Trilogy at Vistancia, and on the south by the Dixileta Parkway alignment. The portion of the site that is currently zoned SR-43 is located directly to the south of the gated Entrada neighborhood within the Vistancia master-planned community.

The property was annexed into the City in 2001 as part of a larger annexation case (Ord 01-158), and later provided with an initial zoning designation of Suburban Ranch, SR-43 (Ord. 01-159). Portions of the overall site were subsequently rezoned as single-family residential Planned Area Developments (PADs) through separate entitlements as shown in the table below.

Existing Zoning Entitlements	Acreage	Maximum Dwelling Units	Gross Density
Enclave at White Peak PAD (Case Z04-10), 2005	100 acres	262	2.62 du/ac
Vistas at White Peak PAD (Case Z04-23), 2005	60 acres	189	3.2 du/ac
Boulders at White Peak PAD (Case Z02-26), 2004	160 acres	537	3.34 du/ac
Suburban Ranch (SR-43)	40 acres	40	1.0 du/ac
Totals	**360 acres**	**1,028 DU's**	**2.85 du/ac**

The current request is to rezone the property from the three separate single family PADs and SR-43 to the Trilogy West PAD to allow a detached single-family residential development of up to 1,016 units. The proposed development proposes a variety of lot sizes ranging from 4,000 square feet to 8,050 square feet that may be flexibly implemented across the project area. While the minimum lot size is prescribed at 5,000 square feet, up to 40% of the overall units can be platted with a lot size less than 5,000 square feet with a corresponding minimum lot size of no less than 4,000 square feet. This flexible structure is consistent with the structure utilized and applied in the Vistancia master-planned community.

As with all Rezones, a citizen participation component is required. Prior to this application for rezoning, the applicant held a total of 22 meetings attended by 1,800 residents of the Trilogy at Vistancia community. An additional 16 follow-up meetings were held in late May and early June. In addition to the formal preliminary meetings, the applicant held over 30 informal discussions in residents' homes. The preliminary meetings shaped the design of the initial project proposal, so that many neighbors' concerns were addressed prior to application submittal and review. After the Rezoning request was submitted, the applicant held 2 neighborhood meetings on June 17, 2013, with a total of over 380 members of the public in attendance. Questions and concerns included impacts to the views of the hillside for existing residents of the Entrada neighborhood, proximity of lots in Trilogy West to existing homes, privacy issues created by two-story homes, proposed lot sizes/density, and increased traffic through the area. As previously discussed, the plan was designed and modified to accommodate these concerns. The final PAD provides a development plan with the following features:

- Number of lots (1,016) consistent with the existing entitlements
- Single-family active adult uses consistent with existing surrounding development
- Lots have been moved away from existing residences
- Lots removed between the two ridgelines on the northeast parcel (zoned SR-43).
- One-story limit on the first row of homes within 50 feet of the eastern property line
- Greater areas of Natural and Useable Open space than required
- Recreational amenities that far surpass City requirements
- Integrated trail network with connections to the larger Vistancia trails system

There were approximately 220 individuals in attendance at the November 21, 2013 Planning and Zoning Commission public hearing. That evening staff received an additional 46 letters/emails of support. Additionally, 129 individuals (55 in support and 74 opposed) filled out speakers request forms to state their opinion on the case without speaking.

A member of the public, Dr. William Jennings provided the Planning and Zoning Commission with copies of his previous inquiry to staff. A copy of his inquiry, along with the responses that were provided by staff, is attached (Exhibit 3).

Seven (7) members of the public spoke in opposition to the case, and stated concerns including the following:

- Project does not meet R1-6 standards
- Inquiry regarding percentage of the Jomax Water facility available for this project
- The Developer controls everything in the existing Trilogy development, the HOA is not a democracy
- The smaller lot sizes of Trilogy West will diminish property values in Trilogy.
- Will drainage and traffic from Trilogy West negatively impact Trilogy at Vistancia?
- Individual likes Trilogy, but does not like how it is run (concerns with the HOA).
- Individual stated that they oppose rezoning and doesn't understand why it needs to be rezoned now after it was rezoned in the early-mid 2000's.
- Proposed development will increase traffic and create quality of life issues.

Seven (7) members of the public spoke in favor of the case. They stated support for the case for reasons including the following:

- Trust the developer because of their willingness to work with the neighbors and the fact that the developer had made a number of changes to the proposed plan as a result of feedback from the neighborhood.
- Happy with Shea Homes (the developer of Trilogy and applicant in this case) and like the proposed active-adult development and concept of having like-minded individuals next to Trilogy in Trilogy West.
- Agree with the HOA restrictions imposed by Shea.

The applicant provided a brief statement and response after the public comments, describing the high level of neighborhood engagement and the additional conditions that the applicant has agreed to in order to accommodate neighbors' concerns.

It is staff's assessment that the proposed PAD provides a development character and density that is compatible with adjacent development and will continue a cohesive development pattern with Vistancia and that the development proposal is an improvement in quality and design over the existing entitlements.

Previous Actions:

This amendment has been subject to the City's rezoning process. A public hearing was held for this item at the November 21, 2013 Planning & Zoning Commission meeting. The Planning & Zoning Commission unanimously recommended approval of this request. Chairwoman Nancy Golden abstained from voting; and in accordance with Section 20-19.b of the City Code, her vote was recorded as an “aye” vote, as she was not exempt from voting by reason of a declared conflict of interest.

Options:

A: Approve as recommended by Staff and the Planning & Zoning Commission; or
B: Approve with modifications; or
C: Deny; or
D: Continue action to a date certain or indefinitely; or
E: Remand to the Planning & Zoning Commission for further consideration.

Staff’s Recommendation:

Staff recommends the City Council concur with the Planning & Zoning Commission’s November 21, 2013 recommendation (5-0) to approve Case Z13-0007.

Fiscal Analysis:

This request is not expected to have immediate budgetary impacts to the City.

Narrative:

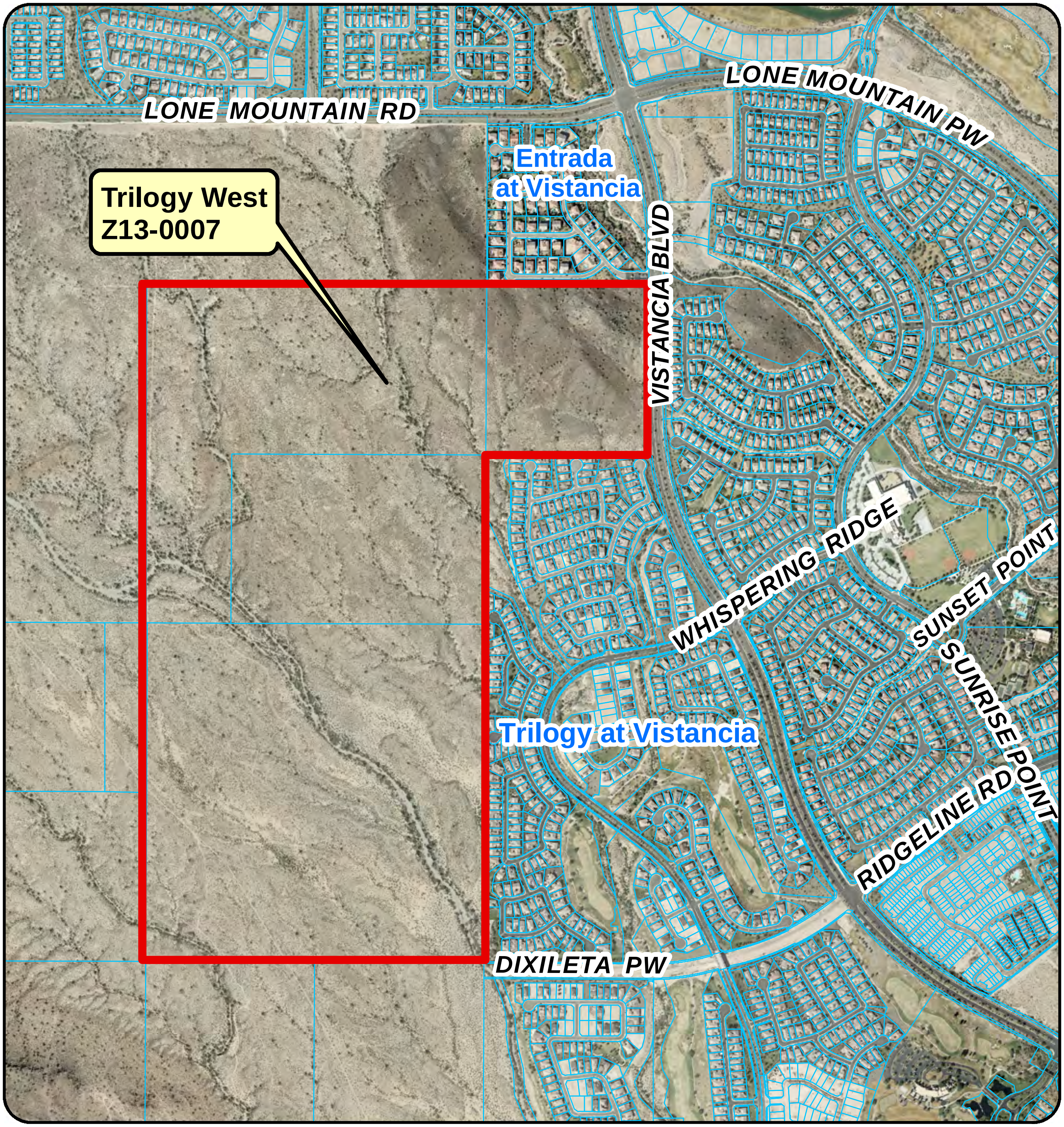
If the City Council takes action to approve this case, the applicant may move forward with the development process through Preliminary Plat review and approval.

Exhibit(s):

Exhibit 1: Vicinity Map
Exhibit 2: November 21, 2013 Planning and Zoning Commission Staff Report with Exhibits
Exhibit 3: Staff responses to Dr. William Jenning’s inquiry
Exhibit 4: Public comment received after November 21, 2013 Planning & Zoning Commission Hearing
Exhibit 5: Draft Ordinance
Exhibit 6: Trilogy West PAD Standards & Guidelines Report

Contact Name and Number: Melissa Sigmund, AICP, Senior Planner, x7603

Z13-0007 Vicinity Map



Z13-0007 Trilogy West

Applicant: Coe & Van Loo Consultants Inc. on behalf of Shea Homes

Request: Rezone approximately 360 acres from Single Family PADs [Z02-26, Z04-23, Z04-10) and Suburban Ranch SR-43, to the Trilogy West PAD to allow development of up to 1,016 single family residences

Location: The property is located west of the northwest corner of Vistancia Blvd. and Dixileta Pkwy.

N

Not to Scale

CITY OF PEORIA

EXHIBIT 1

Exhibit 2

Planning and Zoning Commission Staff Report with Exhibits

November 21, 2013

REZONING

REPORT TO THE PLANNING AND ZONING COMMISSION

CASE NUMBER:	Z 13-0007
DATE:	November 21, 2013
AGENDA ITEM:	6R

Applicant:	Shea Homes Active Lifestyle Communities
Request:	Rezone approximately 360 acres comprising three (3) separate single-family residential Planned Area Developments (PADs) and a Suburban Ranch (SR-43) zoned parcel, to a single PAD for Trilogy West.
Proposed Development:	*Trilogy West*: An age-restricted detached single-family residential development consisting of up to 1,016 homes on approximately 360 acres.
Location:	The site is located west of the northwest corner of Vistancia Boulevard and Dixileta Parkway.
Site Acreage:	360 gross acres
Support / Opposition:	Staff has received numerous phone calls and emails in support of, and opposition to this proposal.
Recommendation:	Recommend **approval** of Case Z13-0007, with stipulations, to the City Council.

AREA CONTEXT

Table 1: *Existing Land Use, Future Land Use, Current Zoning. (Exhibits A, B & C)*

	LAND USE	GENERAL PLAN	ZONING
Subject Site	**Vacant/undeveloped**	**Residential-Estate (0-2 du/ac, target 1 du/ac) and Residential-Low (2-5 du/ac, target 3 du/ac)**	**Suburban Ranch (SR-43) and Single Family Planned Area Developments (PADs)**
North	Vacant/undeveloped, and single-family residential (Vistancia)	Residential-Estate (0-2 du/ac, target 1 du/ac) and Residential-Low (2-5 du/ac, target 3 du/ac),	Suburban Ranch SR-43 and Vistancia Planned Community District (PCD)
South	Vacant/undeveloped	Residential-Low (2-5 du/ac, target 3 du/ac)	Suburban Ranch (SR-43)
East	Single-family residential (Trilogy at Vistancia)	Residential-Low (2-5 du/ac, target 3 du/ac)	Vistancia Planned Community District (PCD)
West	Vacant/undeveloped	Residential-Estate (0-2 du/ac, target 1 du/ac) and Residential-Low (2-5 du/ac, target 3 du/ac)	Suburban Ranch (SR-43)

LAND USE BACKGROUND

Annexation

1. In 2001, the Mayor and City Council adopted *Ordinance 01-158*, annexing this site and the larger surrounding area to the east and south into the City of Peoria. Through *Ordinance 01-159*, the site was provided with initial zoning of Suburban Ranch (SR-43).

Existing Zoning

2. Subsequently, through separate entitlements, portions of the overall 360-acre site were rezoned as single-family residential Planned Area Developments (PADs). The 40-acre parcel adjoining Vistancia Boulevard (NEC of site) retained its Suburban Ranch (SR-43) zoning. Table 2 identifies the existing zoning for the four (4) parcels comprising the site and the corresponding maximum density. The existing entitlements on the property, including the 40-acre Suburban Ranch (SR-43) parcel, would permit a combined unit count of 1,028 dwelling units on the overall site for an overall gross density of 2.85 units per acre.

Table 2: *Existing Zoning* (Exhibit C)

Zoning	Acreage	Maximum Dwelling Units	Gross Density
Enclave at White Peak PAD (Case Z04-10) – 2005	100 acres	262	2.62 du/ac
Vistas at White Peak PAD (Case Z04-23) – 2005	60 acres	189	3.2 du/ac
Boulders at White Peak PAD (Case Z02-26) – 2004	160 acres	537	3.34 du/ac
Suburban Ranch (SR-43)	40 acres	40	1.0 du/ac
Totals	**360 acres**	**1,028 DU's**	**2.85 du/ac**

PROJECT DESCRIPTION

Project Details

3. The 360-acre Trilogy West project site is located immediately adjacent to and west of Trilogy at Vistancia, an age-restricted, active-adult community. The Trilogy at Vistancia community is also managed by Shea Homes. The site is currently vacant and is bounded on the north and the west by Arizona State Trust Land (Arizona State Land Department), on the east by Vistancia Boulevard and Trilogy at Vistancia, and on the south by the Dixileta Parkway alignment. The portion of the site that is currently zoned SR-43 is located directly to the south of the gated Entrada neighborhood within the Vistancia master-planned community.

4. The applicant is proposing to rezone the 360-acre site from its current zoning entitlements to a newly established Planned Area Development district that is responsive to the proposed Trilogy West development. The Trilogy West development is proposed as a gated, age-restricted community consisting of up to a maximum of 1,016 single-family residential units (2.82 du/ac) to be built over four (4) phases. The final phase is projected to begin site improvements in 2017; however, that timeframe is dependent upon unit absorption and other market factors.

5. The development proposes to integrate a variety of single-family housing products and variable lot sizes for added flexibility and interest. Examples of proposed housing styles have been included in the PAD (PAD Exhibit I) for reference. Home designs will include one-story homes and possibly homes with lofts and/or two stories, with the intent of maintaining a similar character to Trilogy at Vistancia, while also providing a variety of housing choices for prospective residents.

6. While the minimum lot size is prescribed at 5,000 square feet, up to 40% of the overall units can be platted with a lot size less than 5,000 square feet with a corresponding minimum lot size of no less than 4,000 square feet. This flexible structure is consistent with the structure utilized and applied in the Vistancia master-planned community. Accordingly, a flexible range of lot sizes has been proposed ranging from 4,000 SF to 8,050 SF (see Table 4, Lot Size Variation). Each lot size type will be subject to a range to promote variation.

7. The development will also include a private club facility on a 5-acre site which is planned to be constructed during Phase 1 of the project. The applicant has conducted focus groups to determine the optimal menu of amenities within the facility, which is identified in the PAD to potentially include a pool, artisan studio, workout facility, culinary studio and other programming. The club facility is intended to be available for use by all residents of Trilogy West and the existing Trilogy at Vistancia community. While the applicant has indicated plans to annex this development into the Trilogy HOA, this aspect is outside of the purview of this zoning case or city approval as the City is not a party to the HOA and its CC&R's.

8. The City has received an accompanying Preliminary Plat application (Case P13-0014) for Phase 1 consisting of approximately 256 lots on 116 acres. The projected Phasing Plan is illustrated on Exhibit D of the PAD document. That application is under review and is dependent upon the outcome of this rezoning request.

Access

9. The primary entry into the gated development will be from Vistancia Boulevard at the eastern edge of the site during the initial phase of the development and then

include Dixileta Parkway as a second main entry as additional phases develop. The private road through the project connecting to Vistancia Boulevard and Dixileta Parkway will be improved with a landscaped median and enhanced themed landscaping.

Open Space

10. The City's Design Review Manual prescribes, among other elements, the minimum required open space for residential developments. For projects with minimum lot sizes less than 10,000 square feet in size, at least 9% of the project area shall be 'usable' (active) open space. The required open space for this project is approximately 32.4 acres. This proposal identifies at least 35 acres or 9.7% of the site area as usable open space. Additionally, the Desert Lands Conservation Overlay (DLCO) requires a minimum of 15% of the site to be reserved as Natural Open Space. The project identifies over 55 acres of Natural Open Space areas (15.3% of the site) contained within preserved hillside areas (NE corner of the site adjacent to Entrada) and primary wash/riparian corridors. Some of these areas will be enhanced with decomposed granite multi-use trails to provide access to these scenic spaces and provide connectivity to the larger Vistancia trails network and the Kiva Club in Trilogy at Vistancia. In total, over 90 acres or 25% of the site will be held as open space.

DISCUSSION AND ANALYSIS

Conformance with the Peoria General Plan

11. Approximately 322 acres of the 360-acre site is designated on the voter-approved General Plan as 'Residential/Low' with a corresponding density range of 2-5 du/ac and an overall target of 3.0 du/ac. In addition, an approximately 38-acre portion of the site is designated as 'Residential/Estate' on the General Plan with a corresponding density range of 0-2 du/ac and an overall target of 1 du/ac.

12. Since there are two land use categories for the project site as a whole, the gross density for the project will be the sum of each target density multiplied by the area it covers [(322 ac * 3 du/ac) + (38 ac * 1 du/ac) / 360 ac = 2.78 du/ac)]. Based on that calculation, the General Plan land use target density for the site is 2.78 du/ac. With the proposed density for Trilogy West at 2.82 du/ac, the request is in conformance with the General Plan. As previously discussed, the number of proposed dwelling units is consistent with the existing entitlements and this project will see a slight decrease in the proposed density of the site. Additionally, the level and scope of amenities is well beyond that typically provided and therefore easily justifies a slight increase over the target density.

Boulders at White Peaks Development Option

13. At this time, Shea Homes has not acquired the entire Trilogy West project site, but does control each parcel through Option Agreements with the three other

property owners. With that said, Shea Homes has been working very closely with the remaining landowner to reach a consensus on the future planning of the site. As a result, the Trilogy West PAD includes the option for the southern 160 acre parcel previously approved as the Boulders at White Peak to retain its existing zoning (see PAD Appendix - Boulders at White Peak Option). This protects the existing property owner's entitlement if Shea Homes were not to purchase the property. The Boulders at White Peak Option shall continue to be the vested zoning for the 160-acre property subject to the Z02-26 Boulders at White Peak PAD until the Trilogy West Option is vested, either through recordation of the Final Plat for that property or upon written request of the current property owner. The intended option will be identified at the time of Preliminary Plat for the purpose of review and approval.

Trilogy West PAD Development Standards (Exhibit E)

14. The PAD development standards as proposed have been crafted to create a continuation of the character of the existing Trilogy at Vistancia development, while considering the natural features and topography of this site. The proposed standards allow for considerable open space and amenities including trail corridors, preserved open spaces, and a major recreation facility proposed with this development. Several lot sizes will be provided throughout the development to accommodate a range of home plans, adding variety and interest along the streets. As reflected in the tables below, the proposed development standards establish a 5,000 sf minimum lot size coupled with a lot size mix that permits lot dimensions to vary between 40' (wide) x 100' (deep) up to 70' x 115'. Similar to Trilogy at Vistancia and Vistancia as a whole, a certain percentage of lots may actually be less than the minimum lot area as proposed. For this project, up to 40% of the lots may utilize a lot size between 4,000 and 5,000 sf.

Table 3: *Proposed Development Standards*

Development Standards	Detached Single Family
Min. Lot Area	5,000 s.f.[1]
Min. Lot Width	40 ft
Min. Lot Depth	90 ft
Max. Lot Coverage	55%[2]
Max. Bldg. Height	30 ft
Front Setback –side-entry garage[5]	10 ft [3,4]
Front Setback – Front-entry garage	20 ft [5]
Interior Side Setback (min/total)	5/10 ft
Min. Rear Setback	15 ft
Min. Corner Setback	10 ft
Maximum # of units/lots	1,016

1 Up to 40% of the proposed lots within the overall project may utilize 4,000 square foot .minimum lot sizes
2 Calculated on an individual lot basis.

3 Side-entry garages shall be permitted on all lots with access from the front of the lot. Corner lots may take access from the side street where product requires.

4 To allow for a diverse streetscape, not more than 60% of the total front-facing elevation shall occur at the 10-foot setback for residential products with side entry garages, bonus rooms, or corridors, etc. For any residential product without a garage, a 10-foot setback shall apply to 100% of the front-facing elevation.

5 Where front-entry garages occur, a 10-foot front setback shall apply to the livable portion of the home provided that not more than 60% of the total front-facing elevation occurs at the 10-foot setback.

Table 4: *Lot Size Variation*

<table>
<tr><th>Lot Size</th><th colspan="2">Mix %</th></tr>
<tr><td>40’ x 100’</td><td>10%-30%</td><td rowspan="2">Max. Combination Total: 40% below 5,000 s.f.</td></tr>
<tr><td>45’ x 105’/115’</td><td>10%-30%</td></tr>
<tr><td>50’ x 105’/115’</td><td colspan="2">10%-40%</td></tr>
<tr><td>64’ x 90’</td><td colspan="2">10%-30%</td></tr>
<tr><td>60’ x 105’/115’</td><td colspan="2">20%-50%</td></tr>
<tr><td>60’ x 105’/115’/120’</td><td colspan="2">20%-50%</td></tr>
<tr><td>70’ x 105’115’</td><td colspan="2">20%-30%</td></tr>
<tr><td>Total Max # of Lots</td><td colspan="2">1,016</td></tr>
</table>

Land Use Transition and Compatibility

15. This property is located adjacent to existing Trilogy at Vistancia single-family development on the east, which has the same active-adult character as is proposed for this property. The PAD standards have been crafted to harmonize with Trilogy in aspects such as landscaping, recreational amenities, and architectural character.

City Review

16. The PAD and associated master plans and reports were reviewed extensively by multiple departments including EDS Site Development, Engineering/Traffic, Public Works/Utilities, Community Services, Fire/Police, City Attorney’s Office, Finance/Budget and Planning & Community Development. The reviewing departments find the project to be in conformance with all relevant plans, codes and ordinances subject to Conditions of Approval. Additional department review comments are included below.

<u>Engineering - Traffic</u>

17. The proposed development will have access from Vistancia Boulevard and Dixileta Parkway. The access to Dixileta will be constructed with the second phase of development per the Conditions of Approval.

18. Additional Conditions of Approval stipulate the timing of roadway construction in relation to development phasing and indicate the parties responsible for such construction.

19. As part of the rezoning request, City staff have reviewed and accepted the preliminary Traffic Impact Assessment (TIA) submitted with this application. Additional review and approval of the final TIA will be required prior to the approval of the Phase 1 preliminary plat for this project in order to ensure continued compliance with City traffic requirements at a micro-level. Some elements of traffic control may adapt over time, to accommodate changes in traffic patterns. City requirements dictate the placement of traffic signals and other traffic control devices dependent on the number of vehicle trips and turning movements on roads and through intersections.

Utilities/Public Works - Water/Wastewater

20. Trilogy West will use existing capacity available in the City of Peoria water system to supply City water to Trilogy West. Trilogy West has been working with the City to fund the expansion of the City's water storage system and City's water delivery system for the area. The water storage capacity will be expanded through the construction of the Westland storage facility and additional water delivery will be obtained via the construction of the Lone Mountain Water Transmission line. Trilogy West and other benefitting developers will be participating in the pro-rata funding of the the design and construction of the City's Westland water storage facility and the City's Lone Mountain Water Transmission line.

21. Stipulations in the Conditions of Approval will ensure that adequate storage and transmission facilities are available when needed for the associated phases of development. Trilogy West will utilize existing City sewer lines that are located in Vistancia to convey a portion of the site's wastewater. New sewer infrastructure will also be constructed by the developer to carry a portion of the site's wastewater south of the project area. Wastewater will be treated at the City's existing Jomax Water Reclamation Facility. Staff has determined that there is sufficient capacity at the facility to treat the Trilogy West wastewater flows.

Citizen Participation / Neighborhood Engagement

22. The applicant has undertaken extensive neighborhood outreach and information gathering. Prior to this application for rezoning, the applicant held a total of 22 meetings attended by 1,800 residents of the Trilogy at Vistancia neighborhood. The first 10 meetings were small focus groups, followed by 12 larger meetings where the proposed development concepts were presented. Both sets of meetings gathered feedback from the attendees using electronic keypads, as well as question and answer sessions. 16 additional follow up meetings were held in late May and early June. In addition to the formal meetings, the applicant held over 30 informal discussions in residents' homes. The applicant has modified their proposal based on these conversations in order to minimize impacts to the existing residents, particularly those located nearest to the proposed development along the projects northern and eastern boundaries.

23. The applicant has also utilized the existing website for Trilogy at Vistancia, known as My Trilogy Life, to provide information regarding the proposed project.

24. Subsequent to the submittal of this application for rezoning, the applicant held two additional neighborhood meetings, in conformance with Section 14-39-8.E of the Peoria Zoning Ordinance, which requires the applicant of a rezoning request to hold at least one neighborhood meeting. The applicant notified property owners within 1,320 feet (1/4 mile) of the site for the required neighborhood meetings, which were held on June 17, 2013 at the Lake Pleasant Elementary School gymnasium at 1:00 p.m. and at Sunrise Mountain High School auditorium at 7:00 p.m. At least 380 individuals attended these two meetings.

25. Additional meetings were held on July 18, 2013 and August 20, 2013 focusing on concerns of residents of the Entrada gated neighborhood located north of the project site. In response to the neighbors concerns, the applicant has revised the proposed plan to reduce the number of lots in the portion of the site currently zoned SR-43 (Exhibit C).

26. Staff has received a number of emails with inquiries regarding this case and/or in support of or opposition to this case. Emails received by staff, as well as a table indicating support or opposition received by Councilmember Carlat's office have been included as Exhibit F. It should be noted that this citizen feedback has been received over the course of the application review process, and individuals may have altered the opinions of the proposal as it has been revised. As a result, these statements do not necessarily represent current sentiment, but rather are included in this report to illustrate the concerns and support that have been raised throughout the course of the rezoning review process.

27. Several key concerns have been identified from the neighborhood meetings and other citizen involvement. Primary questions and concerns from neighboring residents are summarized below. The manner in which each concern has been addressed or mitigated follows in italics.

- Homes in the SR-43 portion of the site will be located in a way that would change hillside vistas for residents of the Entrada neighborhood to the north of the project site.
    i. *The developer has worked with Entrada residents to redesign the northeast portion of the site that is currently zoned SR-43. Lots have been moved away from the existing residences to the north and removed from between the two protected ridges creating greater separation and open space between the Entrada neighborhood and the proposed home lots and maintaining natural vistas.*
- Views from new two-story homes creating privacy issues for existing residents, particularly those along the eastern project boundary.

   i. *The developer has agreed to limit the first row of homes along the eastern boundary of the site to single story.*
- Proposed lot sizes are smaller than existing lots in Trilogy.
   i. *The proposed range of lot sizes is similar to neighboring Trilogy development standards. All of the parcels within Trilogy (part of Vistancia Village C) have a minimum lot size of 6,000 square feet. However, this designation permits up to 40% of the lots within a subdivision to develop to a minimum lot size of 5,000 square feet. The proposed Trilogy West standards will have a minimum lot size of 5,000 square feet, and up to 40% of the lots may develop with lot sizes between 4,000-5,000 square feet. In general, the lot boundaries and therefore lot sizes of both Trilogy and Trilogy West are less distinct than in typical single-family residential developments that have block walls surrounding the rear yards. Trilogy West is designed as a community without walls between each property, creating a more open and expansive appearance for the lots.*
- Sufficiency of infrastructure to support the proposed development (water, wastewater, drainage, road network, etc.)
   i. *As with all rezoning applications City staff have reviewed this request for consistency with the City's development codes and regulations and approve of the development as proposed. Technical reviews are undertaken to ensure that there will be adequate infrastructure to support the proposed development both within the project site, as well as within larger shared networks such as public roadways and sewer systems.*

Concerns outside the purview of this zoning request

28. A number of Vistancia residents have raised concerns regarding issues that are outside of the scope of this rezoning case. Issues related to the possible expansion of the existing Vistancia HOA to include Trilogy West, or those related to the sharing of amenities between Trilogy and Trilogy West are regulated by private deed restrictions (i.e. CC&Rs) on these properties and are not issues for evaluation within the scope of review for this zoning case. However, the applicant has undertaken discussions with residents to understand and address these matters separate from the zoning process.

Community Facilities District (CFD)

29. Another matter that extends outside of the rezoning purview is the potential formation of a Community Facilities District (CFD) to function as a financing mechanism for project infrastructure. A CFD is one method a developer could use to pay for required infrastructure. More commonly, the developer may pay for and construct the required infrastructure and incorporate those costs in the price of the lots they sell to homebuilders, or the commercial homebuilders may

pay impact fees to the City, which reimburse the developer for a portion of their infrastructure costs.

30. A number of Trilogy at Vistancia residents have voiced interest in Trilogy West having a CFD in order to create parity in property taxation levels between Trilogy at Vistancia and Trilogy West. The applicant has shown a willingness to pursue the CFD funding mechanism. Accordingly, on November 4, 2013, the applicant submitted an application to the City requesting the formation of an assessment-based CFD for Trilogy West. While the CFD is undergoing staff review outside of this zoning case, ultimately the authority to approve the formation of a CFD resides with the City Council. Regardless of the funding mechanism that is utilized, the Developer will be responsible for the same infrastructure requirements for the site.

Public Notification

31. Public notice was provided in the manner prescribed under Section 14-39-6. Additionally, the site was posted with a sign meeting the size and content requirements prescribed by the Planning Division.

Proposition 207

32. The applicant has furnished a signed and notarized Proposition 207 Waiver for recordation pending the outcome of the City Council action.

FINDINGS AND RECOMMENDATION

33. Based on the following findings:

- The proposed zoning district is in conformance with the goals and objectives set forth in the Peoria General Plan; and
- The proposal conforms to the underlying target density of 2.82 du/ac and is consistent with the General Plan Residential/Low (2-5 du/ac) and Residential/Estate land use designations; and
- The development character and density is compatible with adjacent development and will continue a cohesive development pattern with Vistancia; and
- The development program is an improvement in quality and design to the underlying existing entitlements; and
- The development will integrate a thematic palette and amenity program that greatly exceeds City standards and is comparable to adjacent neighborhoods; and
- The development will preserve sensitive areas while providing opportunities to access open spaces and other system trail and recreational networks;

- The development is otherwise consistent with all relevant codes, ordinances and infrastructure requirements.

It is recommended that the Planning and Zoning Commission take the following action:

Recommend to the City Council **approval** of Case Z13-0007 subject to the following conditions:

1. The development shall conform in all material respects to the "Trilogy West" Planned Area Development Standards and Guidelines Report, (Case Z13-0007) dated November 6, 2013**.**
2. The Recreation Center facility shall be constructed within the first phase of the development.
3. The development shall not exceed 1,016 dwelling units.
4. The total number of units in each lot width category shall be tracked on the Plats.
5. The first row of homes on the eastern boundary of the site shall be limited to one-story in height. For implementation, this provision shall apply to lots located within 50 feet of the eastern boundary of the site.
6. No lots shall be developed between the protected ridges as identified on the Preservation Master Plan identified in Exhibit H.
7. Zoning is expressly conditioned on the Applicant executing a petition requesting formation of a CFD and providing all required waivers.
8. All dwellings must comply with the currently adopted City of Peoria Fire Ordinance.
9. The Developer shall provide an ALTA Survey reflecting existing boundary and recorded easements on the site with the Civil Improvement Plans.
10. A Final Drainage Report shall be submitted with the Civil Improvement Plans.
    - Note that the City of Peoria has adopted the Maricopa County Uniform Drainage Design Standards, Policies and Procedures and Drainage Design Manual for Maricopa County for drainage criteria. Retention must be provided for the 100-year, 2-hour storm.
    - Provide a drainage report addressing onsite & offsite flows. The drainage report shall take into effect the adjacent drainage ways.
    - If utilized, all Drywells must be registered with the Arizona Department of Environmental Quality and drilling logs shall be provided to the City. The percolation rate shall be tested and the results provided to the City before the drywell is accepted.
    - On-site basins shall be provided to retain/detain 100% of the 100-year, 2-hour storm event for the sub-basin it serves. The volume shall be calculated based on the gross square footage of the site (including half-street areas). A drainage easement shall be recorded over each retention/detention area within the project for both "public" and "private" basins.
11. A Final Traffic Impact Analysis (TIA) shall be required prior to the approval of the Phase 1 Preliminary Plat.

12. This project is dependent on roadway improvements that other parties are responsible for completing. Per a separate letter agreement between the City of Peoria and the Developer of Vistancia, the incomplete Dixileta Parkway Roadway will be completed by the Developer of Vistancia upon request from the City of Peoria and will be constructed and accepted when Trilogy West needs the roadway improvements complete for connectivity to the Trilogy West project.
13. The Developer shall dedicate the necessary ROW for Dixileta Parkway at the time the adjacent phase is platted. Adjacent to Phase 2, this will be 55 foot half- street ROW. Within Phase 3, based on the alignment of Dixileta Parkway, this will be the entire 110 foot cross section.
14. The Developer shall dedicate 55 foot half-street ROW for 135th Ave (minor arterial) at the time the adjacent phase is platted. For the southern portion of 135th Avenue approaching the intersection of Dixileta Parkway, there may be additional ROW required on this project site to allow for the complete intersection on this development.
15. The Developer shall dedicate an 8' PUE outside of the required ROW or private roadway tract. No walls or retention shall be allowed within the PUE.
16. The Developer shall construct the northern half-street for Dixileta Parkway along the frontage of the project, from the eastern boundary to the Trilogy West entrance, at the time the adjacent phase is constructed.
17. The geometry at the intersection of Dixileta Parkway and 135th Avenue shall be constructed as a curve (see Exhibit G) until such time that State Trust Lands are developed and the intersection can be modified. Any modifications to the subject intersection after the intersection is initially completed and accepted by the City will be the responsibility of whomever develops the affected State Trust Lands in the future.
18. It is the Developer's responsibility to construct the half street for 135th Avenue. It is also the Developer's responsibility to construct Dixileta Parkway from the Trilogy West entrance west to the intersection of 135th Avenue. The timing shall be as follows:
    - A permit for the roadway and the associated performance bond, plus the rough grading of the roadway corridor will be completed prior to issuance of the 750th C of O (approximately 75% of build out) and construction of the roadway will be required to be completed prior to the issuance of the 900th C of O (approximately 90% of build out), or at a date 6 years from the first plat recordation, whichever comes first. If satisfactory progress is not made (at the discretion of the City Engineer), the City will have the right to deny issuance of new permits and C of Os for the development.
19. Final Water and Sewer Master Plans shall be approved prior to the approval of the Phase 1 Preliminary Plat.
20. The primary water supply for the development will be from the proposed Lone Mountain waterline, crossing the Agua Fria River. Trilogy West will be required to participate in the cost of the Lone Mountain Water Line and the appurtenant booster facilities from Lake Pleasant Parkway to the connection at the intersection of Lone Mountain Parkway and El Mirage Road. The cost

participation will be based on the City of Peoria Standards for the primary water supply needs of Trilogy West (maximum daily demand).

21. The initial potable water supply for the Trilogy West development can come from the existing City of Peoria well field that is providing water to the Vistancia Development. However, these wells were originally constructed to only meet the water supply needs of the Vistancia Development. Accordingly, the City is committed to serving the water supply needs for the Vistancia development in recognition of this fact. Therefore, if prior to the completion of the Lone Mountain waterline, the water demand for the Trilogy West development exceeds the available reserve capacity in the existing City well field, restrictions may be placed on the recording of new final plats or homebuilding permits for Phases 2 through 4 of the development.
22. If a water supply limitation occurs for the property, the Developer can request that the City permit the Developer to meet the gap with a temporary connection from the EPCOR water system. In this event, the Developer is responsible to construct all infrastructure and appurtenances, along with purchasing any easements that are necessary to deliver the EPCOR water supply to a single meter connection for the remaining Trilogy West parcels. In the event of such temporary water connection, the City would enter into a wholesale water agreement with EPCOR. The Developer would be responsible to fund any and all differences between the increased cost(s) of supplying the EPCOR water to the site and the income generated by the City's single water meter connection revenue.
23. The development is required to construct the necessary reservoir and booster capacity needed to meet the water distribution needs of the property. This capacity will be provided at the Westland Reservoir/Booster site, to be jointly designed and constructed by a group of area developers. As long as substantial progress is being made on the completion of the Reservoir/Booster site, the development can rely on the excess reservoir and booster capacity in the existing water distribution facilities. These water facilities were originally constructed to only meet the water supply needs of the Vistancia Development. Accordingly, if prior to the completion of the Westland Reservoir/Booster site, the water demand for the Trilogy West development exceeds the available reserve reservoir or booster capacity, restrictions may be placed on the recording of new final plats or homebuilding permits for Phases 2 through 4 of this development.
24. This Development falls within Peoria's water pressure Zone 5W, which has a Hydraulic Grade Line (HGL) of 1,588. The waterline to provide the proposed back-up water supply must extend up to the water distribution system for the property to make the single meter connection point and provide water at the required pressure.
25. The off-site wastewater collection design of the property is not fully in conformance with the City's master plans for this area, which show the need for the 24/21-inch trunk sewer line. The design will be revised to show:

- A 24-inch sewer in the Jomax Road alignment from the west end of the Vistancia property to the Dysart Road alignment.
- A 21-inch sewer in the Dysart-135th Ave alignment for the intersection of Jomax/Dysart Road to the intersection of 135th Ave/Dixileta Parkway
- The City will be responsible to fund the difference between the 10-inches of wastewater capacity needed by Trilogy West development and the 24/21-inches of capacity needed for the regional system.

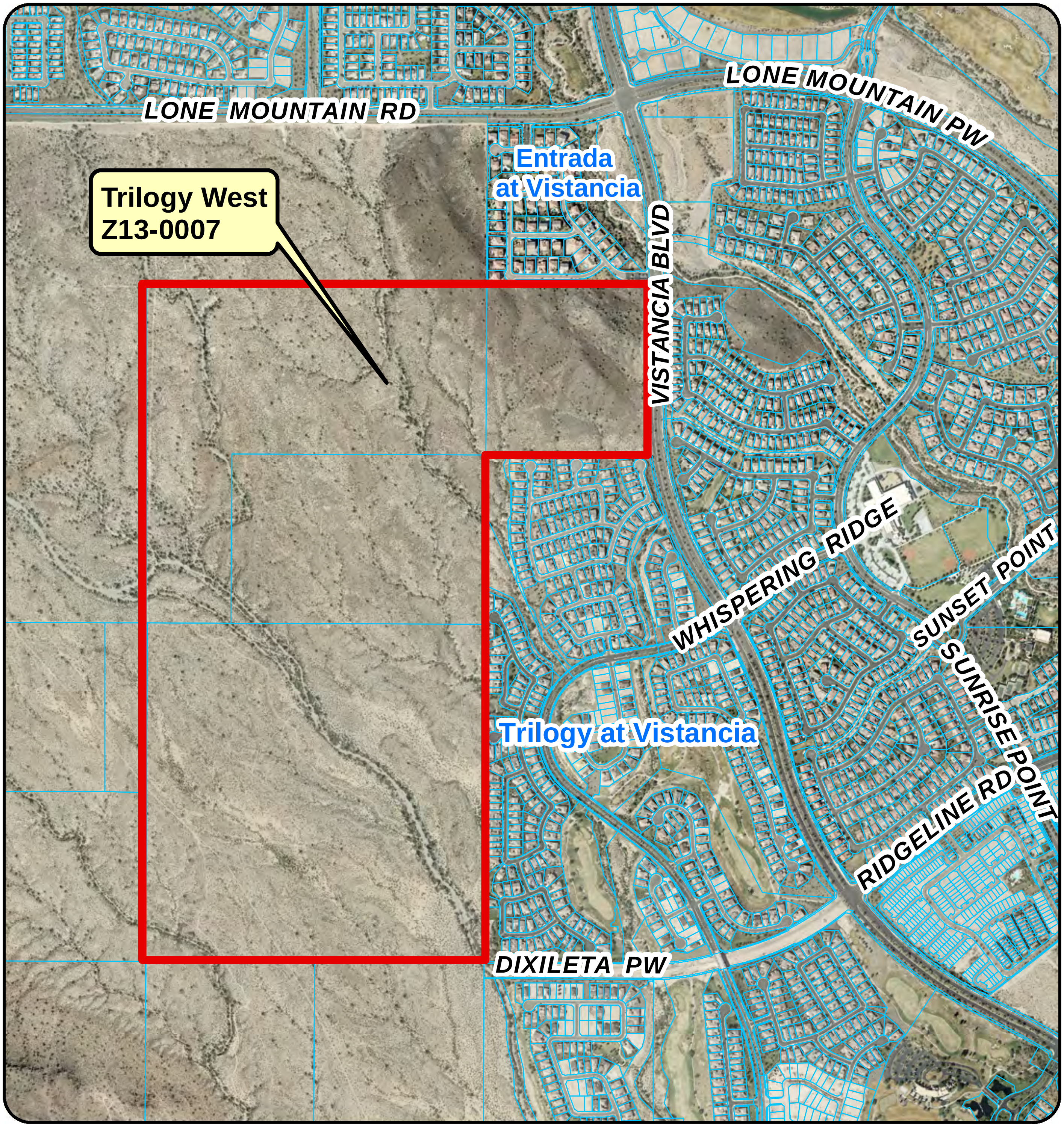
26. Trilogy West will be provided Fire / Life Safety services from Station 196. Per the Vistancia Development Agreement, Vistancia Land Holdings is currently funding 33% of the operations and maintenance cost for the facility. The Vistancia DA allows the City to use its best efforts to compel other developments west of the Agua Fria River and south of the Central Arizona Project Canal to participate in this funding. To this end, Trilogy West will be obligated to participate on an acreage pro rata share (360 – Trilogy West acreage / 3,450- acreage of Vistancia South) or 10.4% of the ongoing obligation. Trilogy West's participation will decrease over time based on the scale included in Exhibit D in the Vistancia Development Agreement. This fee is the developer's obligation and is outside of the impact fee structure. Police and Fire Impact Fees are not affected by this stipulation.

Attachments:

Exhibit A	Vicinity Map
Exhibit B	General Plan Land Use Map
Exhibit C	Existing Zoning Map
Exhibit D	Conceptual Development Plan
Exhibit E:	Trilogy West Planned Area Development (PAD)
Exhibit F:	Support/Opposition Correspondence
Exhibit G	135th Avenue and Dixileta Parkway intersection geometry
Exhibit H	Preservation Master Plan

Prepared by: Melissa Sigmund, AICP, LEED Green Associate
Senior Planner

Z13-0007 Vicinity Map



Z13-0007 Trilogy West

Applicant: Coe & Van Loo Consultants Inc. on behalf of Shea Homes

Request: Rezone approximately 360 acres from Single Family PADs [Z02-26, Z04-23, Z04-10) and Suburban Ranch SR-43, to the Trilogy West PAD to allow development of up to 1,016 single family residences

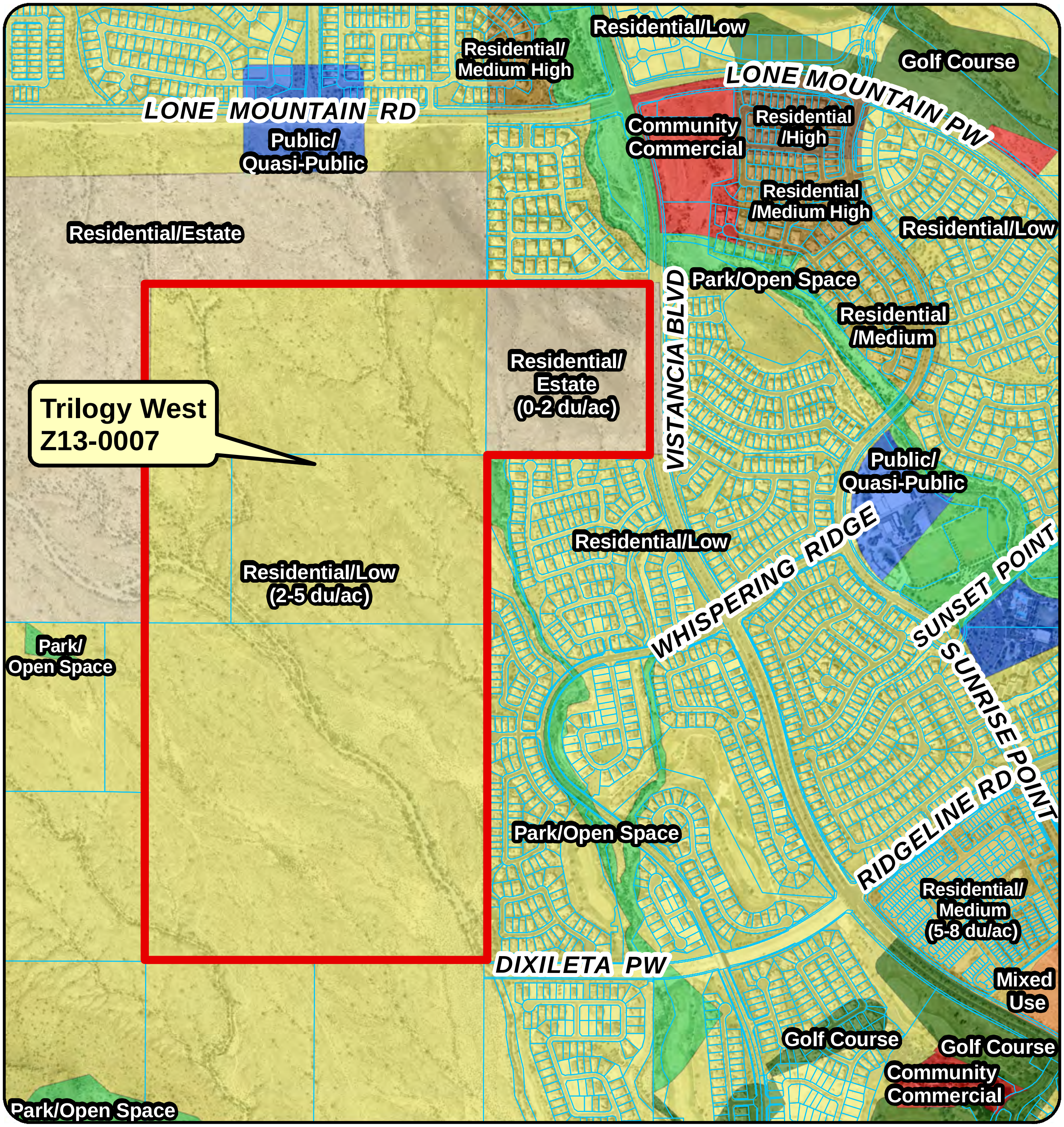
Location: The property is located west of the northwest corner of Vistancia Blvd. and Dixileta Pkwy.

N

Not to Scale

EXHIBIT A

Z13-0007 General Plan Land Use Map



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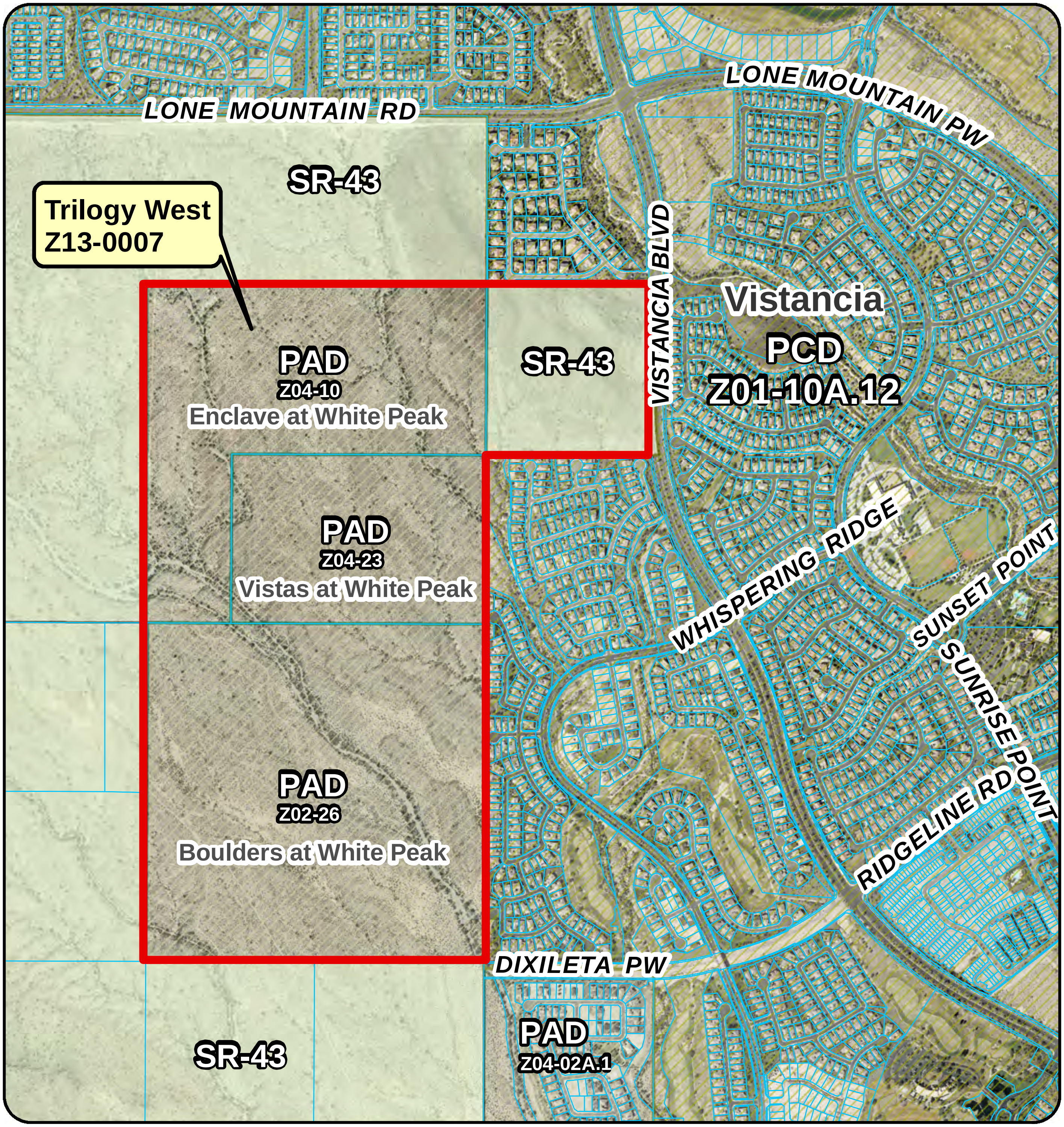
N

Not to Scale

CITY OF PEORIA

EXHIBIT B

Z13-0007 Zoning Map



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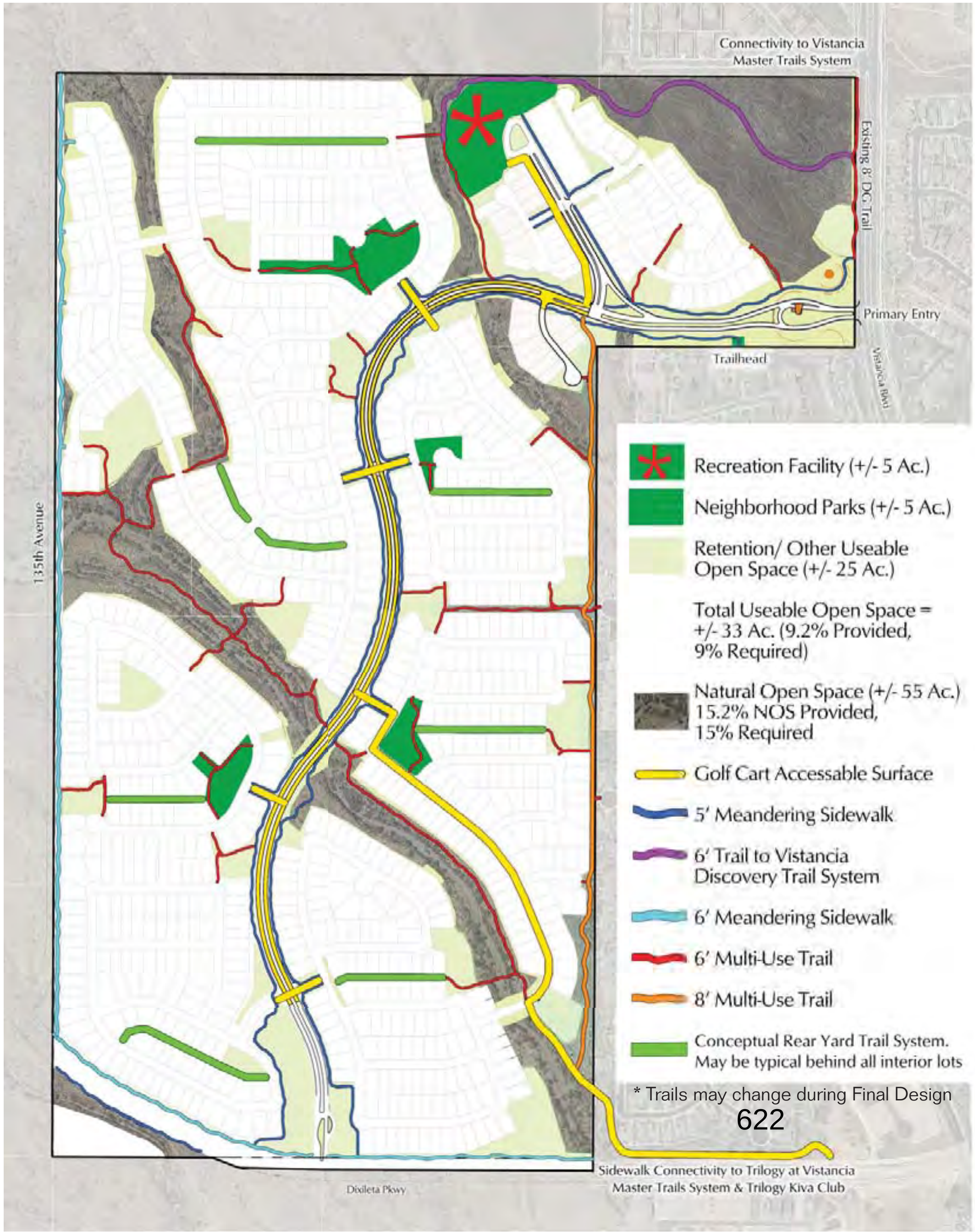
N

Not to Scale

CITY OF PEORIA

EXHIBIT C

Conceptual Development Plan



Trilogy® West

Proposed Amenities & Recreational Facilities

Exhibit H

Landscape Design & Rendering by:

GREEY|PICKETT

1 November 2013

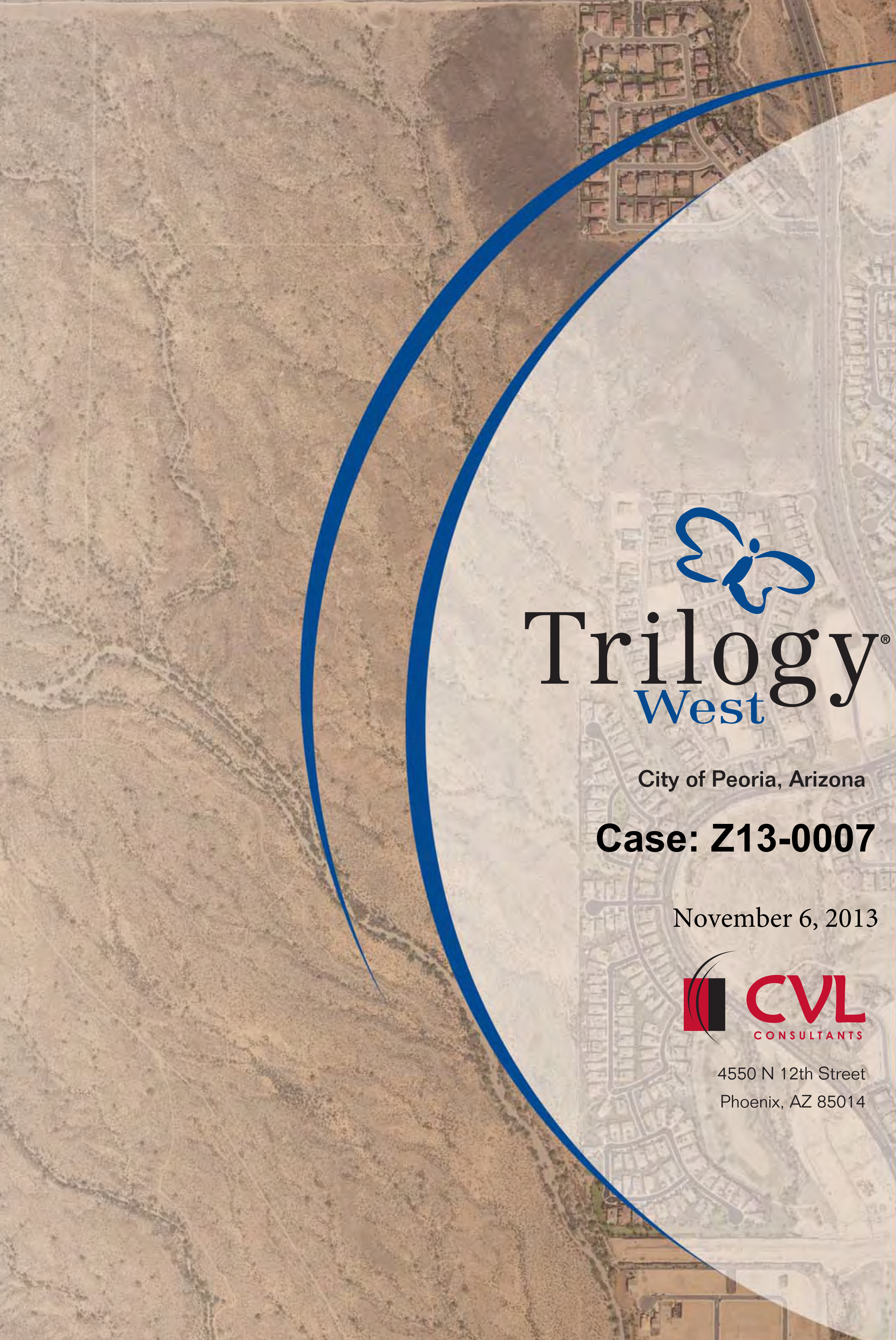
N:\07\0218101\graphics\exhibit\TrilogyWest- PAD Exhibits.indd

CVL CONSULTANTS

EXHIBIT D

Exhibit E

Trilogy West PAD Standards and Guidelines Report



Planned Area Development (PAD)

Development Standards and Guidlines Report

Trilogy® West

City of Peoria, Arizona

Case: Z13-0007

November 6, 2013

CVL CONSULTANTS

4550 N 12th Street
Phoenix, AZ 85014

TRILOGY WEST
Planned Area Development (PAD)

CITY OF PEORIA, ARIZONA

First Submittal: May 30, 2013

Second Submittal: August 22, 2013

Third Submittal: October 30, 2013

Case Z07-13

Owners

Shea Homes
8800 N. Gainey Center Drive, Suite 370
Scottsdale, AZ 85258

TNT Boys, LLC
3131 E. Camelback Road #310
Phoenix, AZ 85016

Arizona Land Advisors Profit Sharing Plan
4900 N. Scottsdale Road #3000
Scottsdale, AZ 85251

FRI EMPIRE/TW100, LLC
1015 E. Caroline Lane
Tempe, AZ 85284-3202

Applicant

Shea Homes
Shea Homes Active Lifestyle Communities
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Attn: Chris Nevins
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Counsel

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Greey-Pickett
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wpickett@greeypickett.com

Trilogy® West

Contents

Exhibits

Exhibits cont.

Appendix

See separate documents for:

1. Purpose of Request

The development of Trilogy West is proposed as a multi-lot size, multi-product, single family residential neighborhood. The resulting preliminary development plan has addressed issues and challenges associated with the physical site. This proposal and related exhibits seek to address the various rezoning requirements to accomplish the objectives of the proposed development plan.

Rezoning

The existing zoning for Trilogy West is primarily composed of three Planned Area Developments (PADs) except for a small portion of the site at its northeast corner which is currently zoned as SR-43. There are three separate PADs that include Z02-26, Z04-23, and Z04-10. The applicant requests a rezoning of the three existing PADs and the SR-43 to a new single PAD district to cover the entire Trilogy West site. The proposed request is intended to provide a PAD district containing flexible development standards appropriate to accommodate the variety of proposed housing products, lot sizes, lot/product mixes, and even street and subdivision design and configuration. A flexible range of lot sizes and products are also proposed that include a 40' x 100' lot (4,000 Sq. Ft.), a 50' x 105'/115' lot (5,250 - 5,750 Sq. Ft.), a 60' x 105'/115'/120' lot (6,300 – 7,200 Sq. Ft.), a 70' x 105'/115' lot (7,350 - 8,050 Sq. Ft.), and a 64' x 90' (5,760 Sq. Ft.).

The proposed multi-product residential development will be limited to a maximum of 1,016 dwelling units, equal to the overall yield from the previous three approved PADs and SR43 parcel zoning. At approximately 360 gross acres the yield of 1,016 lots results in a gross density of 2.82 du/ac and at approximately 357.2 net acres the same yield results in a net density of 2.84 du/ac.

Although no one lot size or product will be designated for the subdivisions within Phases 1, 2, 3, and 4, a mixture of lots and possibly PODs of lots may be provided. All lot sizes or housing products are proposed to be used and mixed within all phases of the development. The development concept may be altered to utilize other lot sizes and/or to transfer dwelling unit density from one phase to another. The density of individual phases of the development will be finalized at the time of final plat.

This proposed rezoning and development complies with the City's existing General Plan designation and meets the density range requirements of the existing Residential Low designation and maintains the existing development pattern in the area. Development within that portion of the site with the General Plan designation of Residential/Estate will comply with that designation's density range requirements.

Shea Homes does not own the entire parcel of property but does control each through Option Agreements with the three other property owners. Several of the existing parcels have previous approvals from the City of Peoria for individual PADs. For this reason Shea will be requesting a PAD development option for the 160 acre parcel previously approved as the Boulders at White Peak.

The Boulders at White Peaks Option (Option 1) shall continue to be the vested zoning for the real property subject to the PAD approval request until such time as the Trilogy West Option (Option 2) is deemed vested for said real property, as set forth hereinafter. The Trilogy West Option (Option 2) shall be deemed vested upon the earlier of the recordation of the final Plat (adhering to said Trilogy West Option (Option 2) as provided in the approved PAD), or upon written request of the owner of record. The Developer shall identify the intended option to be exercised at the time of Preliminary Plat for the purpose of review and approval. *See Appendix for the Boulders at White Peak PAD* and concepts on how Option 1 will work with the Trilogy West Project.

2. Background and Existing Conditions

The 358-acre Trilogy West project is located immediately adjacent to and west of the existing Trilogy community at Vistancia. The site is currently vacant and undeveloped and is bounded on the north and on the west by State Land, on the east by Vistancia Blvd., and on the south by the Dixileta Parkway alignment. The site includes a portion of the Southwest Quarter of Section 23, the Southeast Quarter of Section 22, and the Northwest Quarter of Section 27, within Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona. Assessor's Parcel Numbers for the site include 510-03-728, 503-52-033A, 503-52-033B, and 503-52-035.

The existing General Plan designation for most of the property is Residential Low, which allows a density range between 2 – 5 dwelling units per gross acre (du/ac), with a small portion at the northeast corner of the site designated as Residential Estate which allows a density range between 0 – 2 du/ac. The existing zoning for the property is mostly PAD except for the small portion of the site at the northeast corner which is currently zoned as SR-43. The PAD zoning is actually three separate PADs that include Z02-26, Z04-23, and Z04-10.

Surrounding adjacent properties to the east, within Vistancia, are zoned as PCD (Z01-10A.12) and to the north, west, and south are zoned as SR-43 *(see City of Peoria Zoning Map – Exhibit A and Existing Conditions Map – Exhibit B)*

3. Preliminary Development Plan

The Residential Development Standards as outlined below are the proposed standards for the residential lot and product development within this project. These standards are intended to utilize the requested PAD element of design flexibility to address the potential transfer of density from community open space areas, such as natural drainage ways, steep sloped areas, and other open space areas. Within the single family residential zoning districts, the residential standards will serve to permit design flexibility for lot sizes in order to accommodate market and consumer trends during the multi-year build out of the project, while maintaining minimum lot areas within each development parcel. As previously stated the total number of residential units within the overall project will have a cap of 1,016 units, however units may be transferred between the project's phases. It is the applicant's intent within lot sizes presented and proposed product to have the ability to transfer units from one phase to another to facilitate development of all the permitted units without exceeding the total unit cap or gross density.

4. Permitted, Conditional, and Accessory Uses

All permitted, conditional, and accessory uses shall be maintained as described and without deviation within Article 14-5 "single Family Residential Districts" of the City's zoning ordinance for the proposed PAD district.

5. Project Phasing and Development Schedule

Trilogy West is planned to be developed in four phases. The phased project is planned to begin Development of Phase 1 in the 1st quarter of the year 2014 with build-out of the houses projected for the 4th quarter of the year 2016. Phase 2 is projected to begin site improvements in 2015, Phase 3 in 2016 and Phase 4 in 2017. These are best estimate projections which can be affected by many market and other factors and are therefore subject to revision. Changes in the order of phasing or sizes of phases will require review and approval by the City but will be considered an administrative amendment. *(See Project Phasing Map – Exhibit D)*

It is likely that the individual parcels within Phase 1 and all future phases will be Preliminary and Final Platted individually. This will allow for separate construction phases within each overall stage of project development.

6. Project Development Standards

The following property and product development standards shall apply:

Property Development Standards	Detached Single Family
Min. Lot Area	5,000 s.f. [1]
Min. Lot Width	40 ft
Min. Lot Depth	90 ft
Max. Lot Coverage	55% [2]
Max. Bldg. Height	30 ft
Front. Setback -side-entry garage [5]	10 ft [3, 4]
Front. Setback -front-entry garage	20 ft [5]
Interior Side Setback (min/total)	5/10 ft
Min. Rear Setback	15 ft
Min. Corner Setback	10 ft
Maximum # of units/lots	1,016

1 Up to 40% of the proposed lots within the overall subdivision may utilize 4,000 square foot minimum lot sizes

2 Calculated on an individual lot basis.

[3] Side-entry garages shall be permitted on all lots with access from the front of the lot. Corner lots may take access from the side street where product requires.

[4] To allow for a diverse streetscape, not more than 60% of the total front-facing elevation shall occur at the 10-foot setback for residential products with side entry garages, bonus rooms, or corridors, etc. For any residential product without a garage, a 10-foot setback shall apply to 100% of the front-facing elevation.

[5] Where front-entry garages occur, a 10-foot front setback shall apply to the livable portion of the home provided that not more than 60% of the total front-facing elevation occurs at the 10-foot setback.

Additional Provisions:

1. A structure which is a primary front entryway or porch may extend into a required front yard setback a maximum of ten (10) feet provided that a minimum of ten (10) feet remain in the front yard setback dimension and that such structures are not fully enclosed and are not more than 60% of the front-facing elevation.
2. Bay windows may project up to four (4) feet into a required yard setback provided that a minimum of ten (10) feet remains between buildings in the side yard dimension; the bay windows shall have a maximum width of twelve (12) feet, paralleling the nearest lot line.
3. Balconies may extend six (6) feet into the rear or front yard setback but must stay within the side yard building envelope; covered balconies must remain within all sides of the building envelope.

Lot Size Variation by Percentage

<table>
<tr><th>Size</th><th colspan="2">Mix %</th></tr>
<tr><td>40’ x 100’</td><td>10% - 30%</td><td rowspan="2">Max Combination Total: 40% below 5000 S.F.</td></tr>
<tr><td>45’ x 105’/115’</td><td>10% - 30%</td></tr>
<tr><td>50’ x 105’/115’</td><td colspan="2">15% - 40%</td></tr>
<tr><td>64’ x 90’</td><td colspan="2">10% - 30%</td></tr>
<tr><td>60’ x 105’/115’</td><td colspan="2">20% - 50%</td></tr>
<tr><td>60’ x 105’/115’/120’</td><td colspan="2">20% - 50%</td></tr>
<tr><td>70’ x 105’/115’</td><td colspan="2">20% - 30%</td></tr>
<tr><td>Total Max # of Lots</td><td colspan="2">1016</td></tr>
</table>

Enhanced Design Standards

The proposed residential plans will be largely consistent in style and theme with other previously approved Trilogy at Vistancia elevations which enhance the street scene by utilizing unique architectural themes such as: Spanish, Santa Barbara, Italian, Tuscan, Desert Classic, and Andalusian; a diverse arrangement of garage configurations, and varied roof forms and orientations along with front loaded 2-car, tandem 3-car, and single-bay, side loaded garages are all present and vary by plan. Many homes have livable masses or side loaded garage masses that project beyond the face of the forward facing garage. Some plans also utilize court yard type entrances with towers, portals, or optional courtyard walls leading to the front entry. Additionally, some plans may have two story elements incorporated in their design as a standard design or an optional, buyer selected feature. The fact that our Trilogy at Vistancia community design is such that home sites vary in width, and homes from all product widths will be visible along the same street, brings an additional level of diversity and aesthetic appeal. There may be other interesting residential products introduced from time to time, based on customer demand, that may include some shared side yard uses which still fit on a traditional single family lot.

Please see Exhibit I for Trilogy West home product examples.

Single story and two story homes are planned within this project. The applicant is willing to restrict the first row of homes in the north boundary and east boundary to all single story.

Other Development Standards

The following development standards and requirements are to be complied with and maintained without deviation from existing City of Peoria codes, regulations, provisions, and/or requirements, within the requested PAD for Trilogy West.

- Accessory Use Standards
- Lighting Standards
- Parking Requirements
- Signage Standards
- Desert Lands Conservation Overlay - Wall Standards

7. Project Signage Standards

Signage shall conform to the standards in Article 14-34 of the Peoria Zoning Ordinance. A permanent Master Planned Development Identification Sign will be located at the community entry at Vistancia Boulevard, and Dixileta Parkway. The entry monumentation signage shall conform to Article 14-34-27 of the Peoria Zoning Ordinance.

8. Project Landscape Standards

Parks and Open Space

Trilogy West will contain approximately 35 acres (9.2% of the gross area, 9% required) of usable open space, including a 5 acre recreation facility, 5 acres of neighborhood parks and over 25 acres of usable retention/passive open spaces. 55 acres (15.2%, 15% required) of preserved natural open space (NOS) within drainage/riparian corridors will provide numerous opportunities for walking, jogging, hiking and wildlife viewing.   Trilogy West will include a mix of private parks and open space facilities to serve the specific recreational needs of its outdoor lifestyle community. Other facilities include a recreation center building (potential multi-phase), swimming pool, open turf areas, social gathering spaces, neighborhood parks and other passive open spaces. They are graphically illustrated in Exhibit H / Amenities & Recreational Facilities. Each neighborhood in the community will provide adequate usable open spaces and trail connectivity for all residents. An off leash dog park will also be incorporated into one of the community open space areas. It is anticipated that all of the open space and parks will be used by the Project and the Trilogy at Vistancia residents.

Trails and Community Recreation

Exhibit H / Amenities & Recreational Facilities illustrates the proposed network of community trails to enhance recreational opportunities and promote mobility options other than the automobile throughout Trilogy West. The proposed trails will be designed to accommodate pedestrian and multi-use access among residential neighborhoods' open space corridors and park uses. Where possible, trail crossings are planned to incorporate safe at-grade crossing locations. Trilogy West's trail system is planned to provide connectivity to Vistancia's Master Trails System and access to the existing Trilogy Kiva Club.

Streetscape

Streetscape Concepts and Landscape Palette

The Trilogy West Community will be designed and developed with the utilization of a consistent streetscape theme. This theme will set the standard for the treatment of the street environment both within the public as well as private right-of-way. The landscape planting design within Trilogy West will reflect an enhanced desert transitional planting scheme. Planting should be designed with emphasis on species variety for a blending of texture, color and flower mix. Plant massing, with drifts of accents, creates continuity throughout the community as initiated by the main entry, neighborhood entries, roadways, open space and park zones. Within the private right-of-way, turf, palm trees and other enhanced landscape features may be utilized in key focal environments. These are graphically illustrated in Exhibit F & F-2 / Collector Road Landscape, and Neighborhood Park & Entry Prototypes.

End of Block Landscape Palette

Matching this projects theme and construction techniques to those of Trilogy at Vistancia is important to Shea Homes. The end of block landscape will be implemented as shown on Exhibit F. Corner lots are 10' wider than interior lots. This allows for ample side yard landscape. For this project, as within Trilogy at Vistancia, the corner lot property owner is responsible for all on lot landscape which includes front, rear, and side yard landscape. The side yard landscape installation and maintenance is the property owners responsibility up to the back of sidewalk (See Exhibit F). The side yard for each of the end of block lots is 10' wider to also accommodate the 8' PUE. No walls will be permitted to be constructed within the PUE or within 10' of the property line. This design criteria will be spelled out in the Trilogy West CC&R's and HOA Design Guidelines. Wall construction will also only be permitted after prior approval by the City of Peoria Engineering Department. In addition, each homeowner is to provide and maintain 1 tree per 30 linear feet, and 5 shrubs per 30 linear feet on average within the side yard area. All Plants shall be watered with an automatic drip irrigation system from the private property owners irrigation system. All landscape areas excluding turf to be covered with crushed rock.

Palm Trees

The following palm trees have been added to the plant list and will be maintained by the HOA.

- Chamaedorea sp.
- Trachycarpus fortunei
- Chamaerops humulis
- Cycas revoluta
- Phoenix dactylifera
- Phoenix robselenii
- Syagrus romanzoffianum

- Various low growing Palms
- Windmill Palm
- Mediterranean Fan Palm
- King Sago Palm
- Date Palm
- Pigmy Date Palm
- Queen Palm

Entry Feature & Wall Elevations

The Primary Entry Feature and Monumentation will be located from Vistancia Boulevard, approximately a quarter mile North of Trilogy Boulevard. Exhibit G reflects the entry monumentation concept and will complement the existing Trilogy at Vistancia Primary Entry. Similar architectural forms and landscape features will be utilized in Trilogy West to complement adjacent residential development. Refer to Exhibit G & G-2, Entry Feature & Wall Elevations.

1. Landscape Requirements (Article 14-35)

The landscape standards for the Trilogy West PAD shall be as established in Article 14-35 – Landscape Requirements of the Peoria Zoning Ordinance, except as modified below.

Section 14-35-4 A.1 – On-Site Improvements

c. Table: All non-residential developments shall contain a minimum of one (1) tree and five (5) shrubs for every four hundred (400) square feet of required on-site landscaping, except that large turf facilities (baseball fields, soccer fields, open play areas) shall contain a minimum of one (1) tree and five (5) shrubs per fifteen-hundred (1500) square feet of required on site landscaping. For up to 25% of the required trees, a 36" box tree may count as 1.5 trees and a 48" box tree may count as 2.0 trees.

Section 14-35-4 A.2 – Street Frontages and Rights-of-Way

a. The installation of street trees, shrubs, and vegetative ground cover shall be required for projects in an amount equal to or greater than one(1) tree and three (3) shrubs for every thirty (30) lineal feet of street frontage, and vegetative ground cover. The shrubs and ground cover shall occupy a minimum of sixty percent (60%) of the total street frontage landscaped area at maturity.

Section 14-35-4 A.4 – Parking Area Landscape Requirements

a. One (1) parking lot island with raised concrete or decorative curbing shall be provided for every eight (8) parking spaces. In addition, landscape islands shall be provided at the end of each parking row. A deviations from this standard may be considered by the Planning Manager or designee provided the intent of the requirement is met.

Section 14-35-4 B.5 – Irrigation Standards

Modify second paragraph as follows: A separate water meter shall be installed for landscaping that is installed within the right-of-way and maintained by the City. For developments in which the property owner and/or HOA is to maintain the right-of-way landscaping, the right-of-way irrigation system may be part of the on-site irrigation system.

Open Space and Wash Preservation (Unique to Trilogy West)

The Trilogy West Open Space and Wash Preservation standards are intended to implement Exhibit H / Amenities & Recreational Facilities. The standards below will provide the regulatory standards affiliated with drainage corridor preservation throughout the Trilogy West planned community. Exhibit H documents the drainage corridors that will be preserved in a natural condition through the implementation of the Planned Area Development (PAD) overlay plan. Drainage corridors (washes) not represented on this plan will be subject to diversion of storm water flows. To preserve and protect the significant washes within the Trilogy West Project, it shall be the express intent of the provisions of this Section to formulate a wash preservation program through the development standards provided below. Therefore, development proposals (subdivision plats and site plans) within the Trilogy West shall not be required to conduct slope analysis studies affiliated with slope conditions within the drainage corridors.

All development within the Trilogy West shall adhere to a Wash Corridor Protection Plan documenting the location of all significant washes on the site in accordance with the standards noted below. The plan shall show the relationship between the existing primary wash corridors and the proposed development activity. The plan shall document and show all wash protection measures, road crossings and pedestrian and recreational amenities planned along the wash corridors.

A. All Primary (FEMA mapped) washes will be preserved pursuant to the terms of the United States Army Corps of Engineers 404 Permit.

B. A minimum of 15% of the total acreage of the PAD will be preserved as Natural Open Space. This area may be evenly distributed among the development parcels, or concentrated in one or more areas to achieve preservation of specific features. This natural open space may include hillside areas or other sensitive lands, such as wash corridors, concentrations of native, protected vegetation and wetlands. The precise location of the natural open space areas will be determined through the master planning process and implemented by the plat and site development processes. Private, public-access or public multi-use trails shall be allowed within designated areas of Natural Open Space to encourage recreational use of these areas, while minimizing disturbance to the natural environment.

C. All protected plants within the defined development area of a Preliminary Subdivision Plat or Preliminary Site Plan shall be protected and maintained where possible within Trilogy West. To this effect, the master developer and subordinate developers shall implement a salvage and revegetation operation to preserve and conserve natural plant resources found within Trilogy West. An onsite nursery will provide care for protected and valuable plant resources for re-use within the community.

For undeveloped and unsalvaged areas of Trilogy West, a Native Plant Inventory shall be prepared and submitted with Preliminary Plat or Site Plan submittals to the City of Peoria Planning Department to identify protected plant material as listed within Table D.7 Protected Native Plan List below. Map(s) shall be created showing the location of protected plants with an indication as to whether the vegetation will be preserved in place or relocated to another area. The site development Landscape Construction Document(s) shall indicate relocated salvaged or preserved in place plant material. Plants to be inventoried and preserved include cacti that are four (4) feet or greater in height and trees that are four (4) inches or greater in caliper. In addition, the Native Plant Inventory shall include the following regarding each protected plant:

- Plant Type – botanical and common name
- Plant Size - caliper in inches for trees; height for cacti
- Plant Status – Indication whether plant will be preserved in place, relocated, or destroyed (must include explanation if plant is not salvageable)
- Nursery Management Plan – Includes methods for salvaging and establishment of temporary nursery on site

D. Native vegetation shall not be pruned or removed from areas of designated Natural Open Space, unless a health, safety, or welfare issue exists. Table D.7 represents a list of the protected native plants which shall be preserved within areas designated or deed restricted as natural open space.

Table D.7 Protected Native Plant List

Botanical Name	Common Name
TREES	
Cercidium floridum	Blue Palo Verde
Cercidium microphyllum	Foothills Palo Verde
Chilopsis linearis	Desert Willow
Juniperus mono sperma	One-Seeded Juniper
Olneya tesota	Ironwood

Populus fremontii	Fremont Cottonwood
Prosopis velutina	Velvet Mesquite
CACTI/SUCCULENTS/ACCENTS	
Carnegiea gigantean	Saguaro
Ferocactus species	Barrel Cactus
Fouquieria splendens	Ocotillo
Peniocereus greggii	Desert Night-Blooming Cereus
Yucca baccata	Banana Yucca/Blue Yucca/Datil Yucca
Yucca elata	Soaptree Yucca

9. Hillside Development Overlay District, Slope Analysis

Considerable topography exists in the northeast corner of the project. A slope analysis has been performed, see Exhibit J. This portion of the property has been determined to fall into the City of Peoria Hillside Development Overlay District, Article 14-22A. Development of this property will be in conformance with the Preservation Master Plan as presented in the Desert Lands Conservation Report for Trilogy West. This project proposes to not build homes between the two ridge lines. A trail is proposed in this area. This design will create a large area of open space preserving much of the hillside area. This open space will provide a buffer between the homes and also create a more aesthetic visual when viewed by the surrounding properties.

This project will be in conformance to City of Peoria Article 14-22A Hillside Development Overlay District with exception of the following:

Section 14-22A-4 Density Table – 2

B. For all land slope categories the maximum number of lots per gross acre will be conformance with the underlying zoning.

Section 14-22A-5 General Provisions for Hillside Lots Table – 3

A. For all land slope categories the minimum lot size will be conformance with the underlying zoning.

B. Front lot width shall be a minimum of 45' wide within the hillside area.

D. Maximum lot coverage shall be per the underlying zoning.

Section 14-22A-6 Heights and Appearances

A. Maximum building heights will be the height of which complies with the underlying zoning and will be measured from the proposed finished floor elevation.

Section 14-22A-7 Disturbed Area Calculations for Individual Hillside Lots

D. The maximum height of any cut or fill used to establish a building site or driveway shall not exceed twenty (20) feet.

Section 14-22A-10 Perimeter Walls, Privacy Walls, Retaining Walls, Spill Slopes, and Edge Treatments

Where determined stable by a geotechnical engineer, rock cut slopes will be permitted within the hillside parcel rear yards.

Section 14-22A-13 Submittal Requirements for Construction on a Hillside Lot

Hillside permit submittal will consist of appropriate grading and landscape plans similar to those processed as a part of the traditional City grading and landscape permit process and will be approved for the hillside area concurrent to the non-hillside area grading and landscape permits.

10. Recreation Center

A private club facility will be built for this project and is planned to be constructed during the first phase of sales of the proposed development. The proposed 5-acre site for the private club is shown conceptually on Exhibit H. The club facility will be available for the use of all residents in the current Trilogy and within Trilogy West. Onsite parking will be provided and lighting will be in compliance with the City's night sky standards. There will be a trail system in the project starting at the club facility as well as a proposed trail connection to the Vistancia Discovery Trail system. The proposed club facility may include amenities such as:

- Pool
- Artisan Studio
- Workout Facility
- Culinary Studio
- Passive and/or Active Outdoor Programming

The building and club site are in schematic design with our architect and land planner so details are still forthcoming. Shea has committed to the current existing Trilogy homeowners, however, that the Recreation Center in Trilogy West will have a new fitness equipment room equal in size to the existing fitness equipment room at the Kiva Club and a new locker room double in size to the existing Locker rooms at the Kiva Club. Shea also announced that there will be an artisan studio and culinary studio at the new club. Also, there will be an additional outdoor pool with a pool deck area the same size as at the pool deck area at the Kiva Club, doubling the pool deck offering. Exterior uses will also include passive and / or active programming.

Shea has satisfied the commitment to present the conceptual amenity offering, both indoor and outdoor, along with their sizes, to the Trilogy at Vistancia members no later than 30 days prior to our P&Z hearing with the City, as we know that the annexing of new amenities is important to current Trilogy members.

11. Infrastructure/Utilities

The main entry and point of access to the property will be from the existing improvements along Vistancia Boulevard at the eastern boundary of the site. A second point of main entry will be from Dixileta Parkway along the southern boundary of the project. Dixileta Parkway will be a public roadway and will be improved to the City of Peoria half street arterial roadway improvement standards. Shea Homes will only be responsible for the north half street improvements. Dixileta Parkway is not complete to the western boundary of Vistancia. The City of Peoria has a letter agreement in place with Vistancia which states that Dixileta Roadway improvements east of Trilogy West will be completed by others and available for Trilogy West when needed for connection. Please refer to the Trilogy West Traffic Impact Study for more information.

Because Dixileta Road is adjacent to the southern boundary of the project, Shea will make the necessary half street roadway improvements along that same boundary. The Trilogy West project is only adjacent to the north half of the roadway, and Shea will only be responsible for the north half street. Similarly, 135th Avenue to the west borders the project. This roadway half street will be constructed to City Minor Arterial Standards. Shea will be responsible for the east half street improvements and right-of-way dedications.

To meet the internal traffic circulation needs of the project, a private collector roadway will be improved north of Dixileta Parkway and west of Vistancia Boulevard. Entry gates will be installed where the private collector roadways intersect Dixileta Parkway and Vistancia Boulevard. The collector roadway is proposed to match the existing collector street section within Trilogy at Vistancia. Private local streets will be installed within each of the proposed parcels. The typical local street section will match the street section as it exists within the Trilogy at Vistancia project.

For this project Shea may desire to provide a sidewalk or trail between rear yards in select locations. In this location a trail easement will be provided. Should this design alternative be implemented, Shea may elect to remove the sidewalks from the one side of the affected local street. Alternative designs will be approved during preliminary plat review. (See Exhibit F-3)

Water service to the property will be provided by the City of Peoria. Water service will be provided from existing excess capacity within the existing City of Peoria water system. In the long term, water supply and/or redundant water supply for Trilogy West will come from the proposed Lone Mountain water line. The timing of the Lone Mountain water line is estimated to be 24 to 36 months from completion. Water service to Trilogy West will be needed prior to the Lone Mountain water line being in place. To assure the City of Peoria adequate water supply and / or redundant water supply to the Trilogy West project an agreement is also currently being drafted between Shea Homes and EPCOR Water. The agreement will allow emergency interconnect between the City of Peoria water system and the EPCOR Water system in the vicinity of Dysart Road and Jomax Road. The emergency interconnect proposed would provide the City of Peoria water supply from EPCOR should the same be needed prior to and only until the LMWC is completed and in service

Water storage for this project will be accommodated at the proposed Westland Water Campus. The Westland campus is a proposed campus that will meet the needs of Vistancia and Trilogy West water storage and may be upsized to accommodate other participating parties. Trilogy

West under guidance from the City of Peoria is currently partnering with other property owners to fund the initial water campus study and design report. Following the design report Shea, Vistancia, and potentially other property owners will fund construction plan preparation. Upon approval of the construction plans Shea, Vistancia, and potentially other property owners will fund the construction of the Westland Water Campus.

Connection to the existing water mains within Vistancia Boulevard and Dixileta Parkway will be made at the Trilogy West collector roadway intersections. An internal 12-inch water line is proposed along the Trilogy West collector and 8-inch water lines are proposed along all local streets. Please refer to the Trilogy West Water Master Plan for additional detailed information.

Fire sprinklers will be provided within each dwelling.

Sewer service to the project will be provided by the City of Peoria. Waste water treatment will take place at the existing City of Peoria Jomax Treatment Plant. A portion of the sewer for the Trilogy West project will flow east and southeast, following the existing topography, and make connection to existing City of Peoria sewer mains. Several connections will be made to existing sewer mains that have excess capacity, per design, even when accounting for ultimate build out of the Vistancia project. Although the first two phases of the Trilogy West project will connect to existing sewer mains, Shea Homes is willing to play a role in funding that allocatable to Trilogy West dwelling units the future construction of the offsite 15-inch and 18-inch regional sewer main that travels south of Dixileta Parkway along the Dysart Road alignment. Additional detailed information is provided within the Trilogy West Sewer Master Plan.

Electrical service will be provided by the Arizona Public Service Company. Cox Communications and Century Link will provide communications and cable service. Southwest Gas will provide gas service.

The City of Peoria will provide police, fire, and refuse services.

12. Onsite and Offsite Drainage

The Federal Emergency Management Agency (FEMA) and National Flood Insurance Program (NFIP) issued the Flood Insurance Rate Map (FIRM) for Maricopa County, Arizona and Incorporated Areas, Map Numbers: 04013C0740H, Map Revised: September 30, 2005. The site property is located within the Zone X, Zone A, and Zone AE. Existing natural washes cross the site from the northwest flowing southeast. The existing washes are where the existing flood plains are mapped. Storm water from the northwest will continue to be conveyed through the existing significant natural washes flowing to the southeast. Where necessary, flood walls, bank protection, or erosion setbacks will be provided along the wash corridors to ensure the storm water is managed in a safe manner.

Several of these washes have been delineated as Section 404 of the US Clean Water Act. These washes will require a Section 404 Permit from the United States Army Corps of Engineers. Shea Homes will be preparing and requesting this permit as a part of this project. A majority of the

Section 404 washes will remain in place. Open space areas adjacent to the natural washes will also be preserved with exception of modifications for pedestrian trails and roadway or utility crossings.

In some locations, new homes are proposed in areas currently shown within the existing FEMA defined flood plain. In these locations a final grading and drainage design will be implemented so as to remove the future home from the existing flood plain. To formally remove the home from the flood plain a Conditional Map of Letter Revision (CLOMR) and Letter of Map Revision (LOMR) will be prepared and submitted to the City of Peoria, Flood Control District of Maricopa County, and FEMA for review and approval.

Onsite run off will be managed to flow in the local streets to onsite retention basin open space areas. The rainfall used to calculate the basin volume will be based on the NOAA Atlas 14, Volume 1, Version 5, Point Precipitation Frequency Estimates (PPFE) with 90% confidence interval. The proposed retention basins will be designed to retain the on-site runoff for the 100-year, 2-hour storm event for those basins that are not located adjacent to natural washes. Basins located adjacent to natural washes will be designed as first flush retention basins. The designed side slope is 6:1 adjacent to public rights-of-way or pedestrian access, and 4:1 adjacent to the lot walls and fences. The retention basins will have a maximum ponding depth of 3-feet with minimum bottom slope of 0.1% for positive drainage toward discharge points. The retention basins will be designed to drain within 36 hours. However, certain variations in the geological characteristics make-up of the property may result in a slower drain time. If this occurs, dry wells will be installed as necessary to ensure the retention basins drain properly and within the allocated 36 hour period. Retention basins adjacent to existing natural washes will have bleed off pipes installed to allow storm water to drain at a metered rate.

13. Legal Description

See Exhibit K.

14. Community Facilities District

A Community Facilities District (CFD) is desired by Shea Homes and the City of Peoria for this project. The City has indicated a desire to have a similar level of CFD tax in both Trilogy at Vistancia project and Trilogy West. In keeping with this desire Shea Homes intends to request City authorization for formation of a new CFD for Trilogy West.

Shea and the City have agreed to analyze the use of CFD Special Assessment and/or General Obligation Bonds. Amortization schedule for the bonds would be 20 years – equal to the VCFD amortization schedule for the 2002, 2005 and 2006 series bonds. The City recognizes that standby contribution agreements, credit enhancements or corporate guarantees are not available related to CFD Bond financing for TW and that this is different form the corporate guarantee that exists with VCFD.

Applicant, Shea or the Developer recognizes the City will prioritize and consider homeowner risk associated with a new CFD. As such, the new CFD will be structured as either Special Assessment and/or General Obligation Bonds to accomplish this goal. The formation of the CFD and its financing structure is within the purview of the City of Peoria.

Trilogy West

City of Peoria
Zoning Map

Exhibit A

N

0' 400' 800'

1 November 2013

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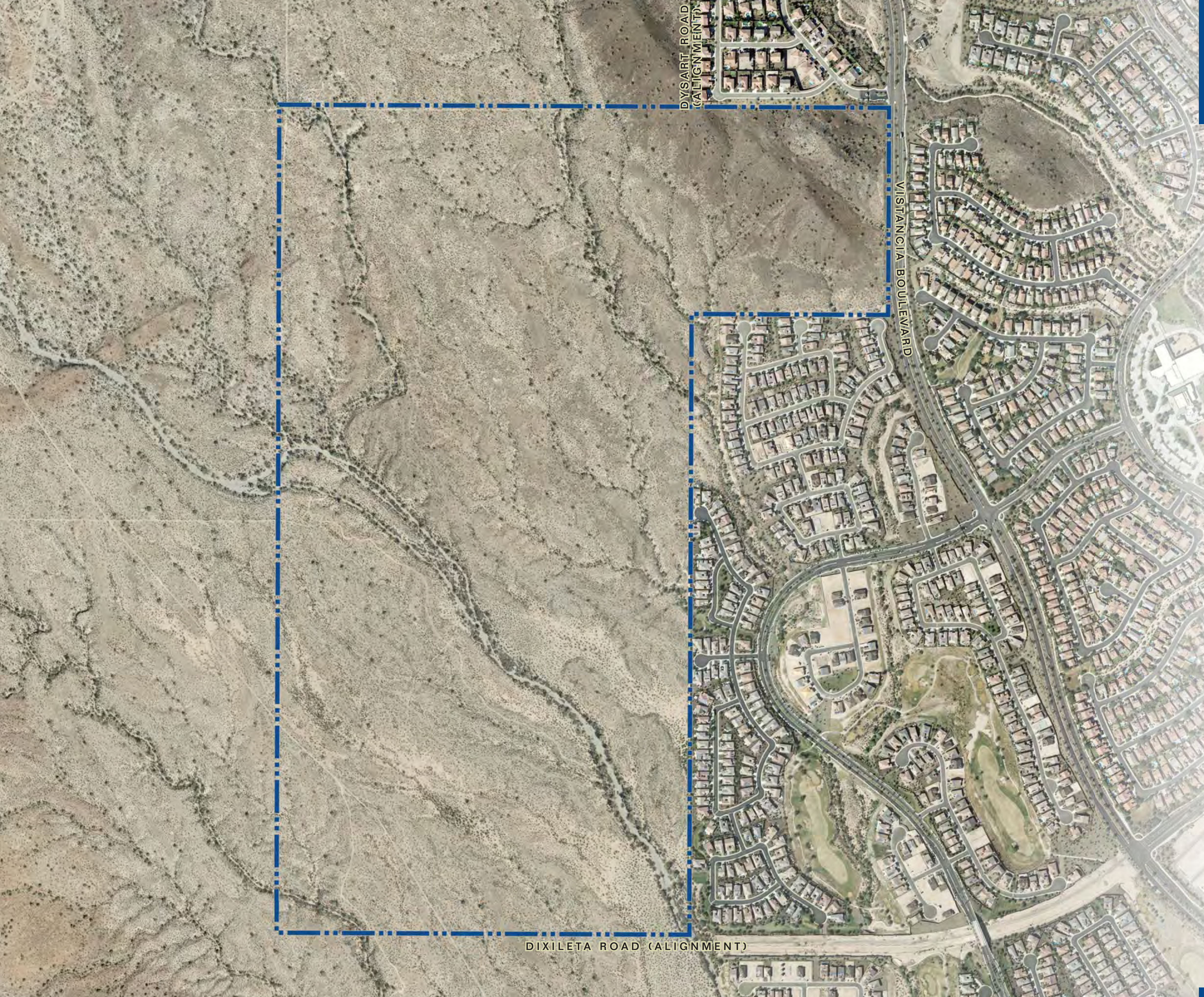

Trilogy® West

Existing Conditions Map

Exhibit B

1 November 2013

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Trilogy West

Bubble Plan

Exhibit C

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0' 300' 600'

1 November 2013

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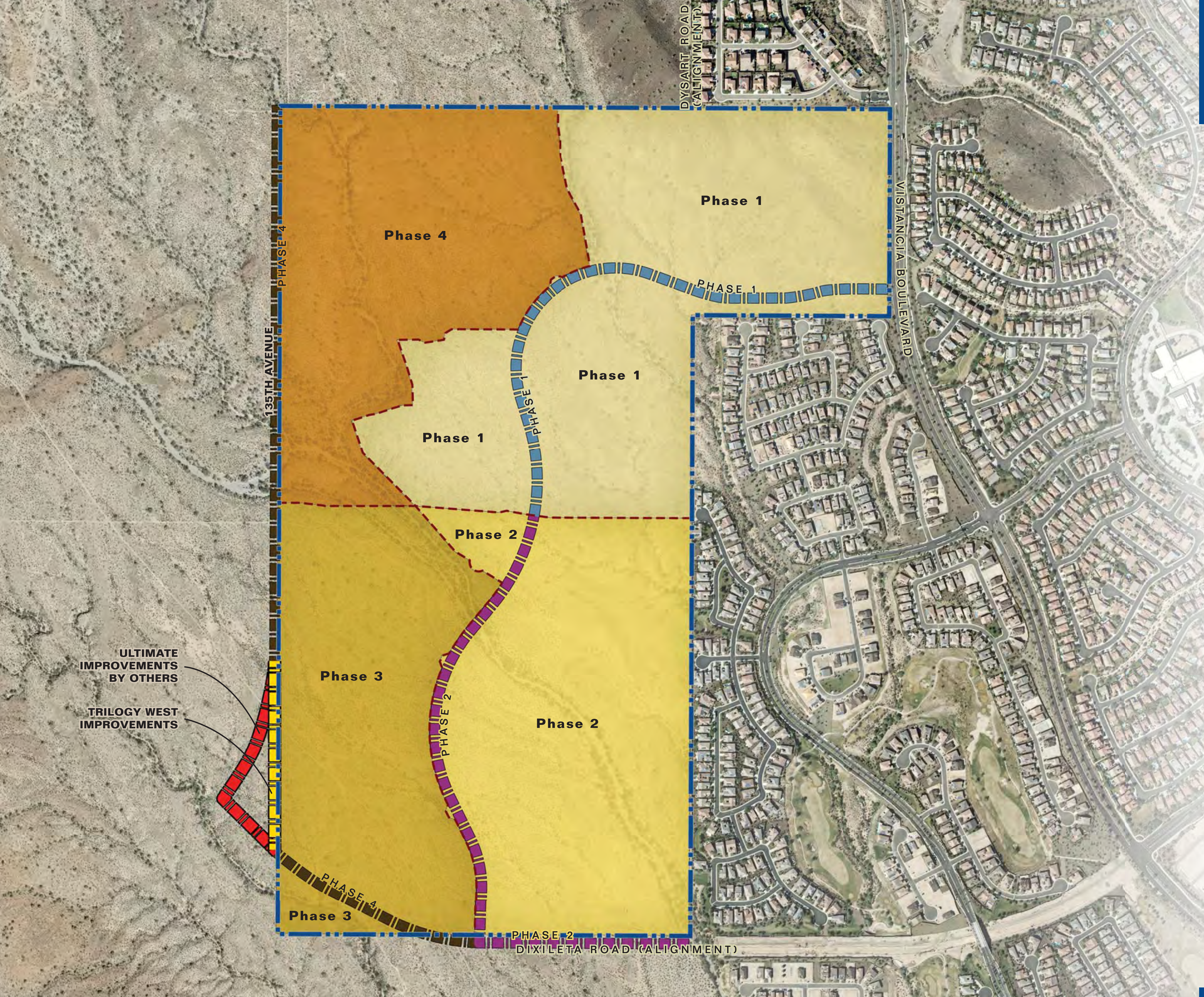

Trilogy® West

Proposed Project Phasing Map

Exhibit D

N

0' 300' 600'

1 November 2013

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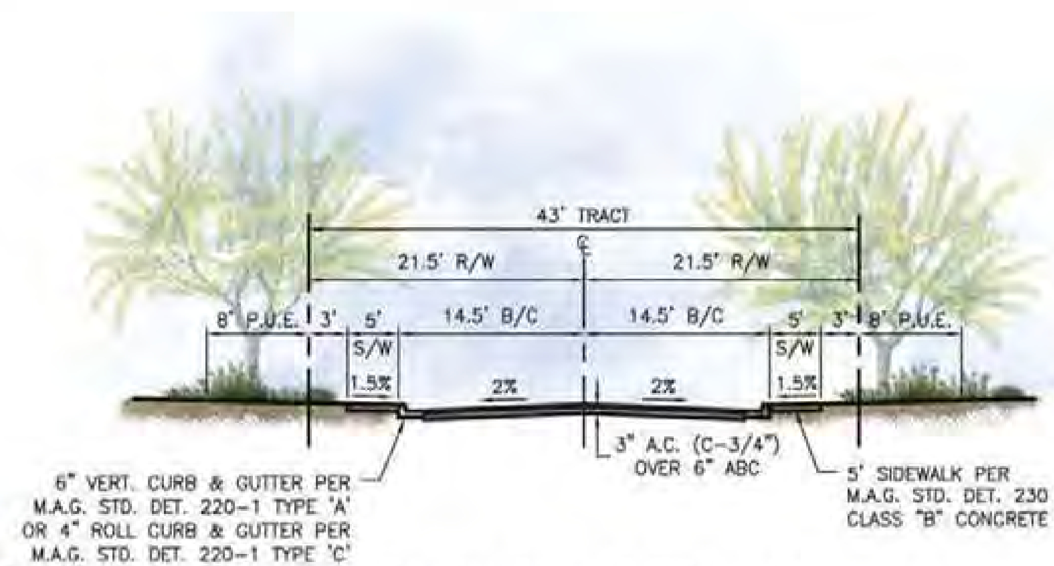
Trilogy West

Proposed Street Sections

Exhibit E

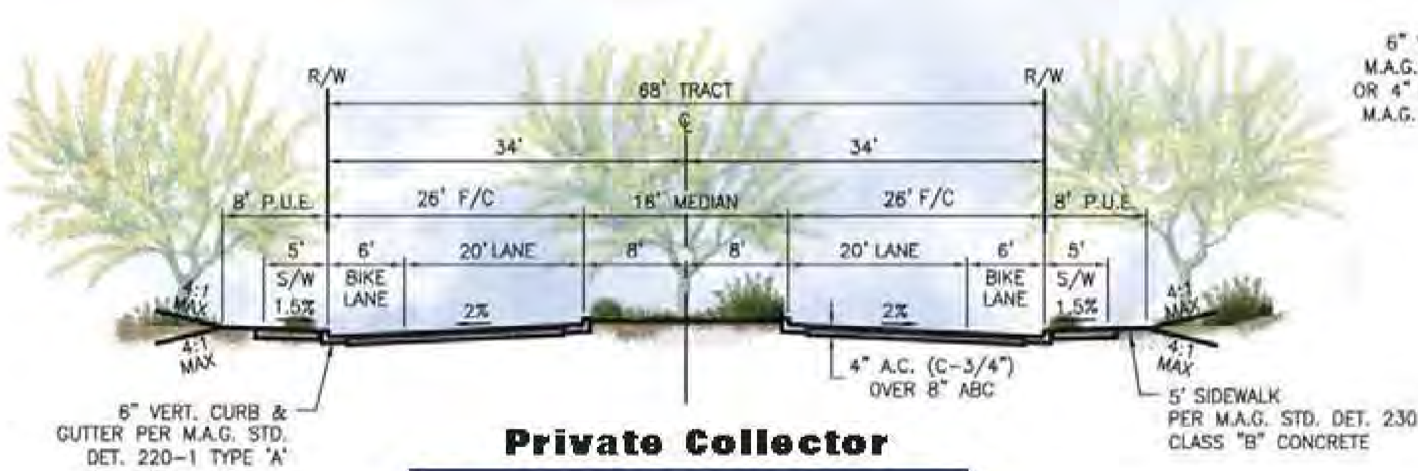
Neighborhood Collector

Recreation Center Entrance Road
Modified City STD



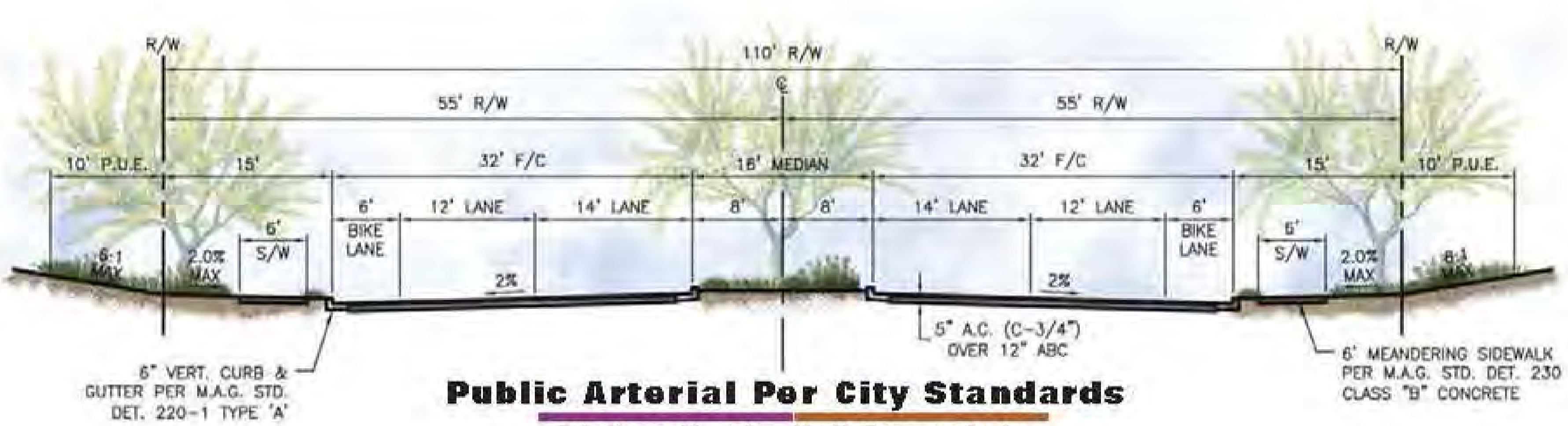
Private Local Street

Modified City STD



Private Collector

Modified City STD



Public Arterial Per City Standards

Dixileta North - Half Street Only
135th Avenue East - Half Street Only

LEGEND

- PROPERTY BOUNDARY
- PRIVATE LOCAL STREET
- NEIGHBORHOOD COLLECTOR
- PRIVATE COLLECTOR
- 1/2 STREET PUBLIC ARTERIAL (PHASE 2)
- 1/2 STREET PUBLIC ARTERIAL (PHASE 4)

1 November 2013
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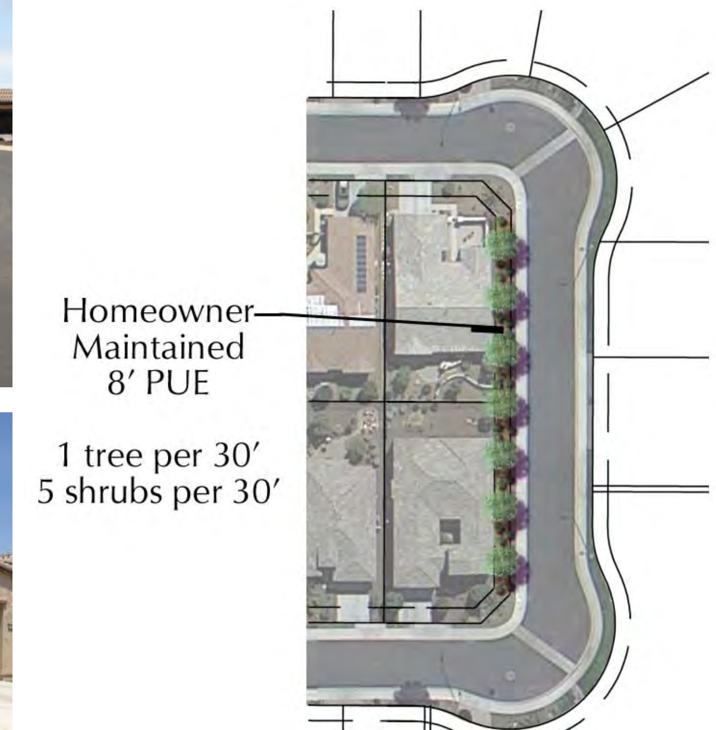
Collector Road Landscape

Trilogy West

Proposed Collector Road and End of Block Landscape

Exhibit F



End of Block Landscape Landscape

Landscape Design & Rendering by:

GREEY|PICKETT

Trilogy® West

Proposed Neighborhood Park & Entry

Exhibit F-2

Landscape Design & Rendering by:

GREEY | PICKETT

1 November 2013

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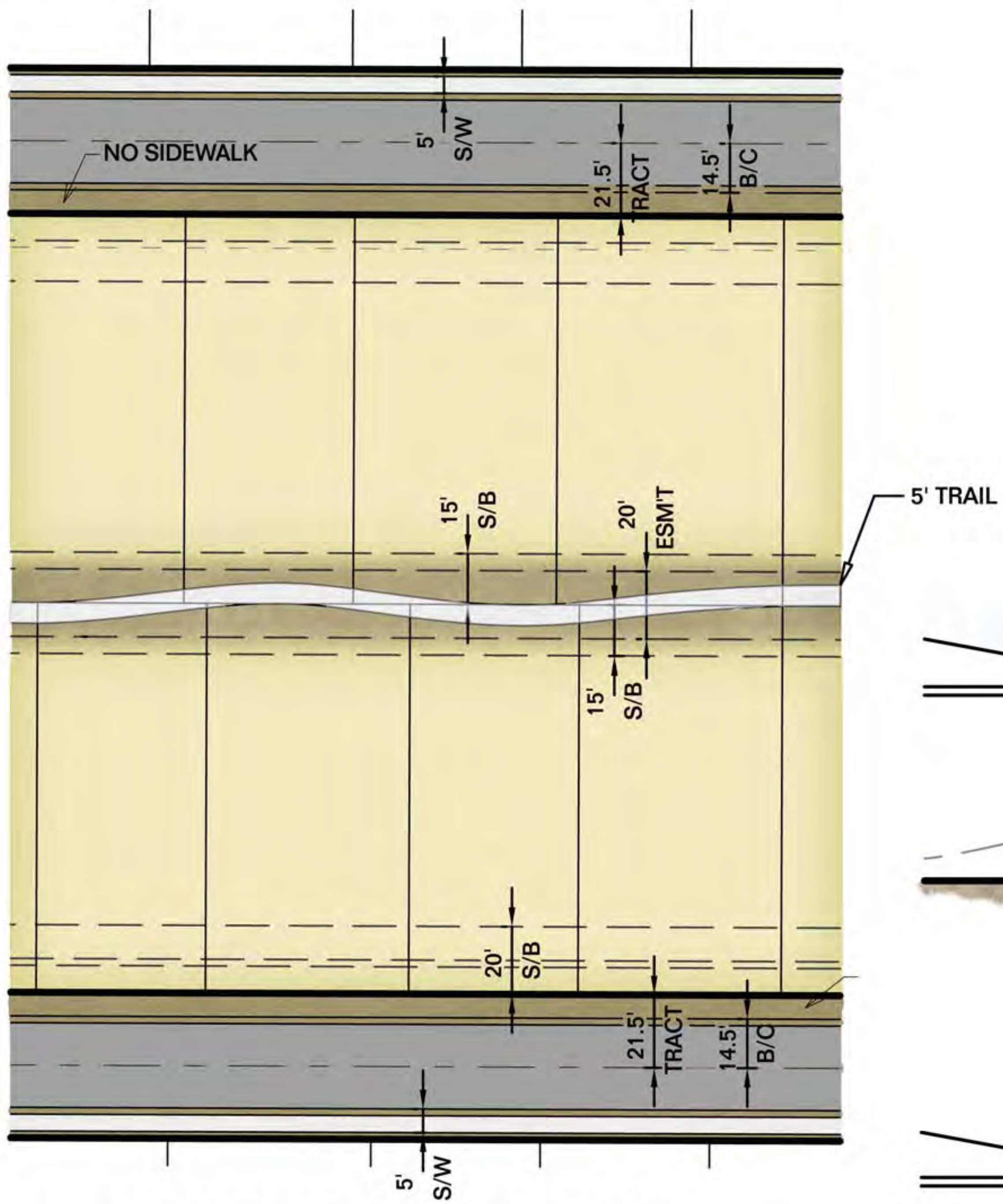
Trilogy West

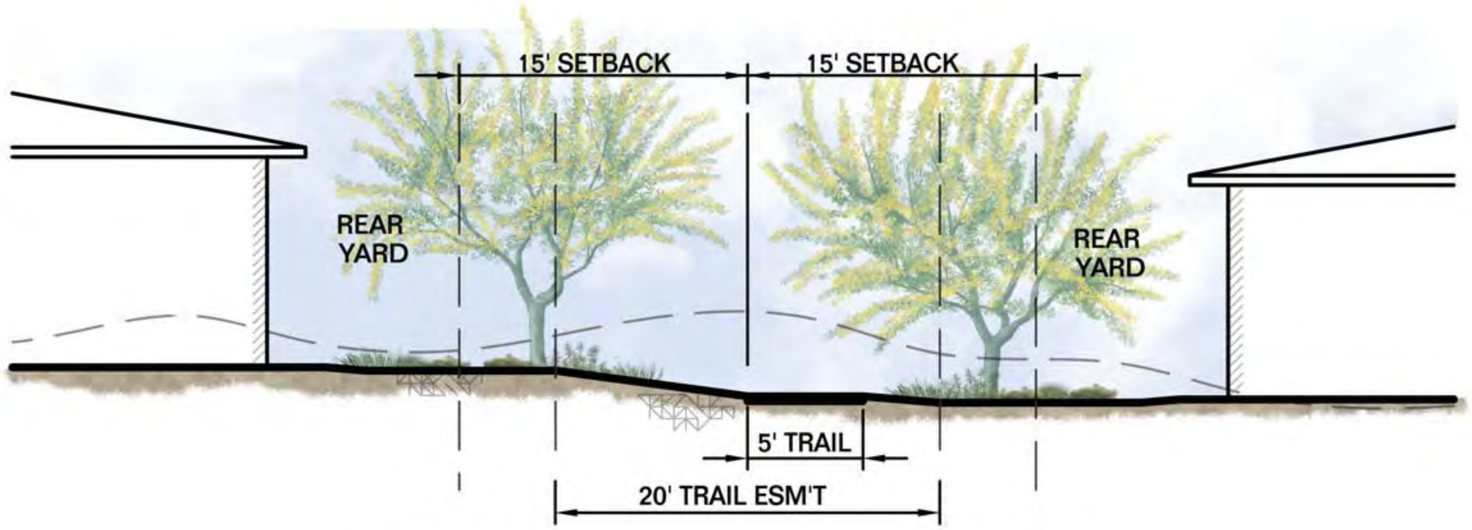
Proposed Rear Yard Trail

Exhibit F-3



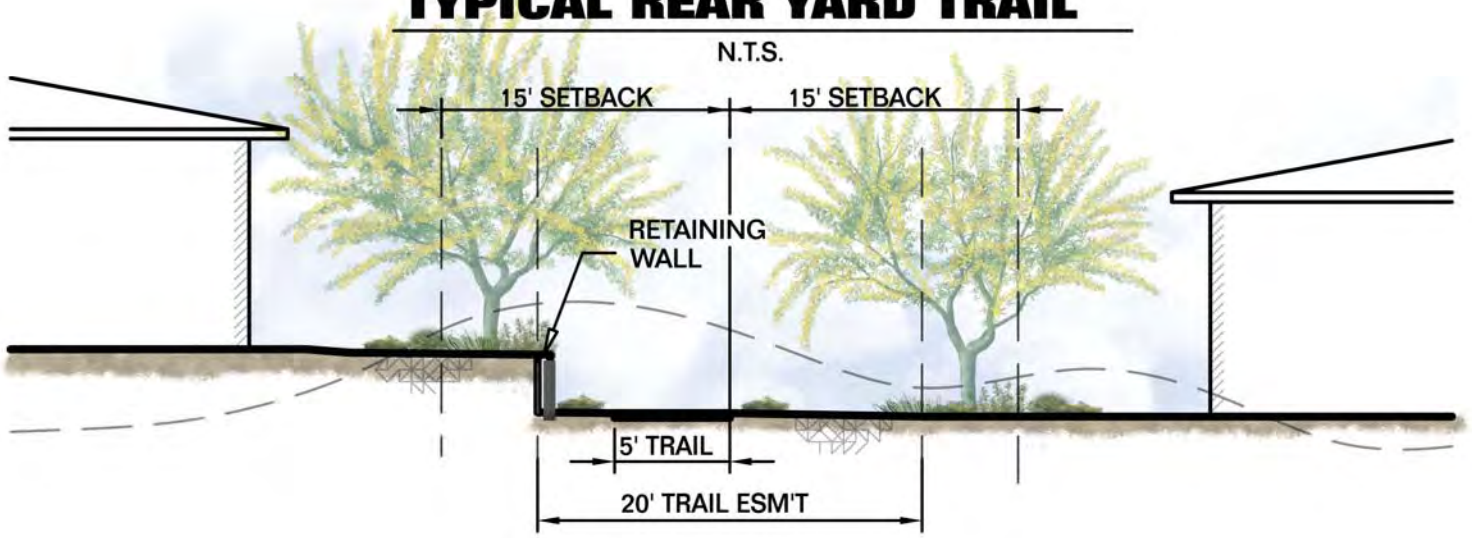
REAR YARD TRAIL DETAIL

N.T.S. **WHERE SHOWN**



TYPICAL REAR YARD TRAIL

N.T.S.



REAR YARD TRAIL

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1 November 2013

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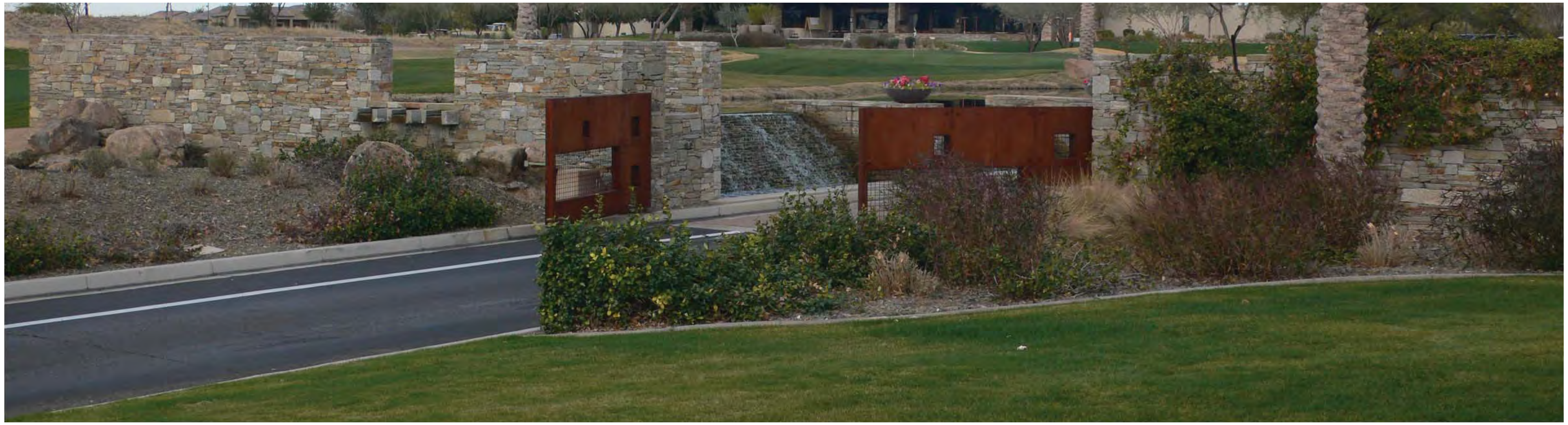
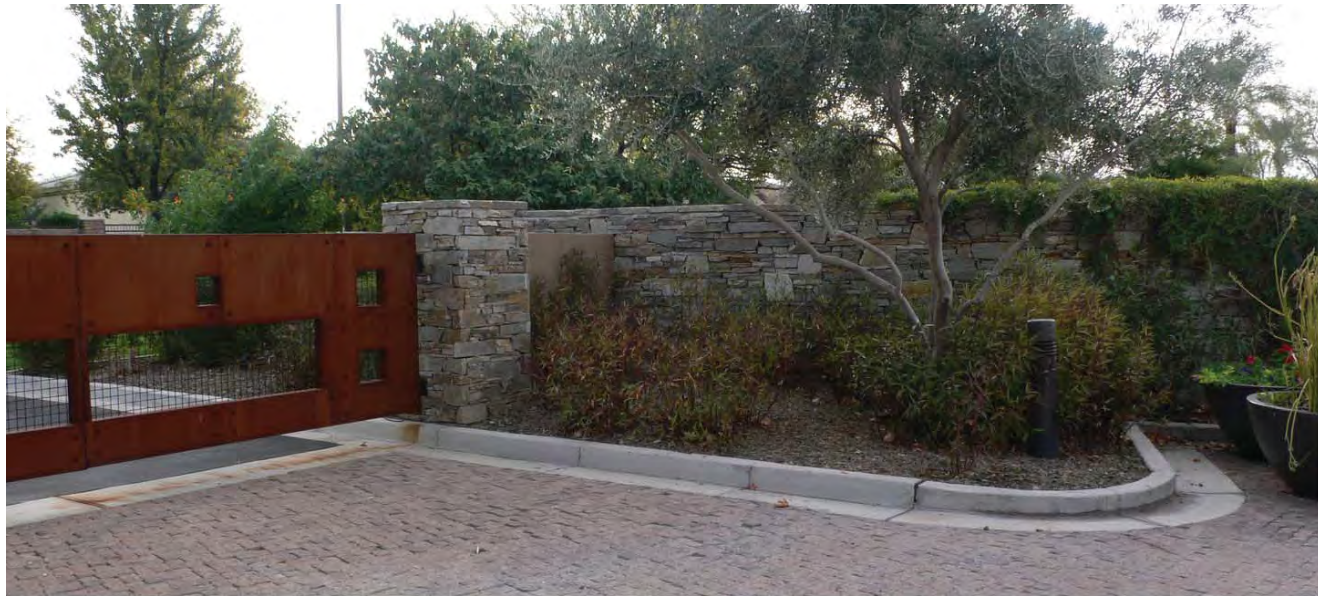
CVL CONSULTANTS



Trilogy® West

Proposed Entry Feature

Exhibit G



Landscape Design &
Rendering by:

GREEY | PICKETT

1 November 2013

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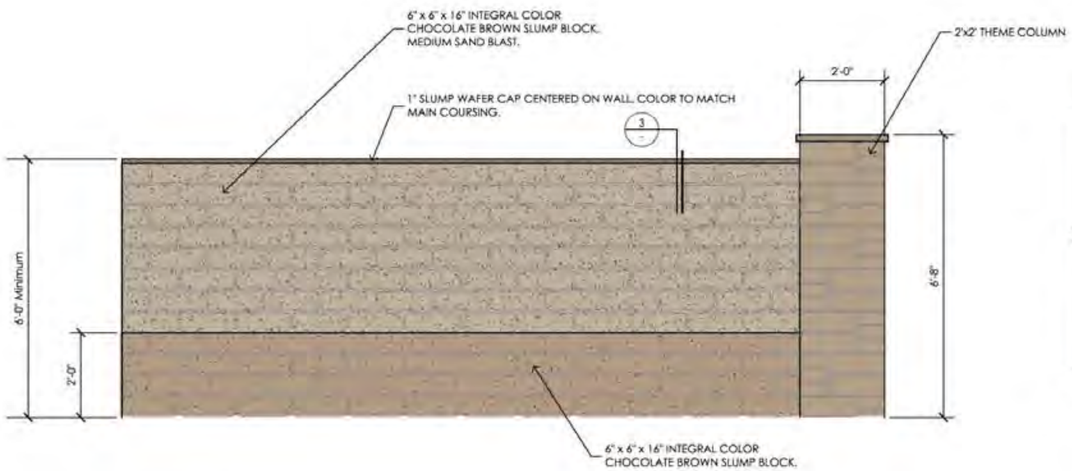
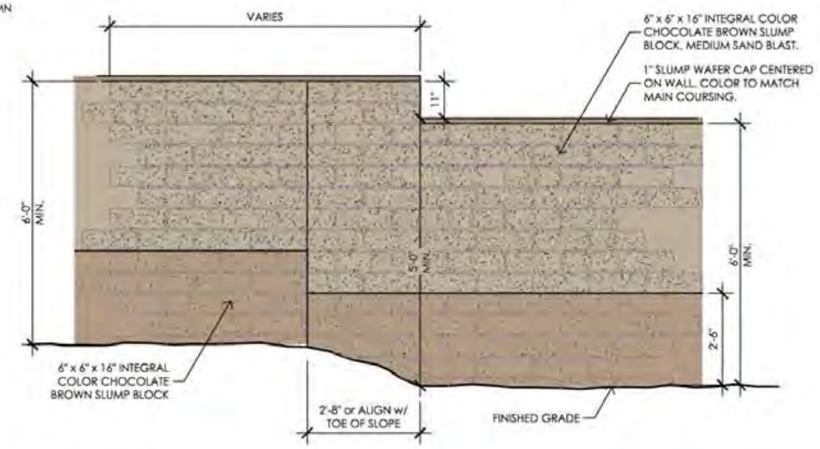
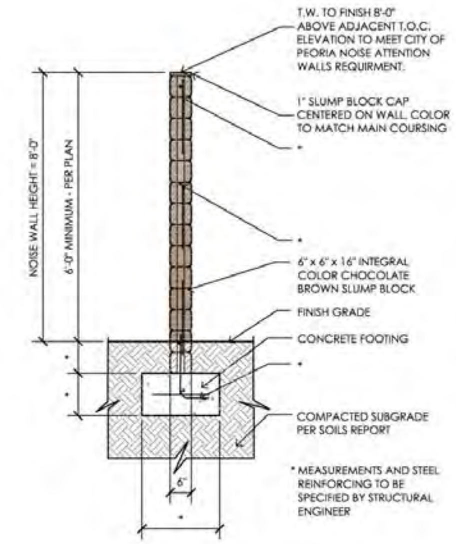


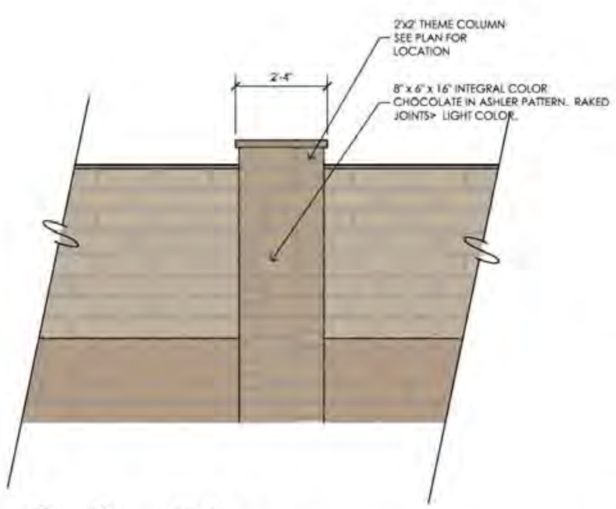
1 *Theme Wall*
Scale: 1/2" = 1'-0"



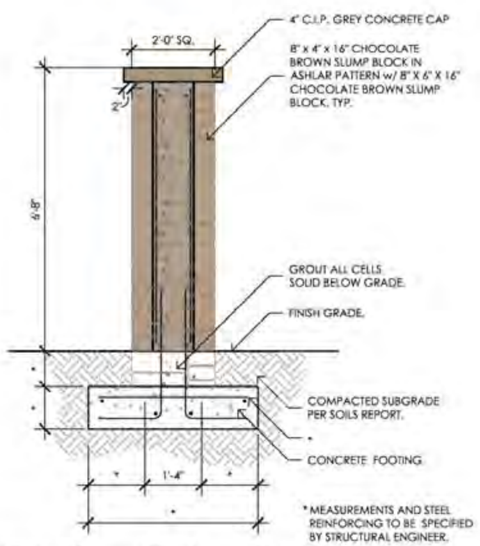
2 *Wall Offset with Grade Change*
Scale: 1/2" = 1'-0"



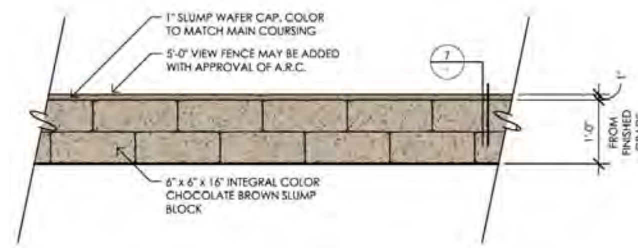
3 *Theme Wall Section*
Scale: 1/2" = 1'-0"



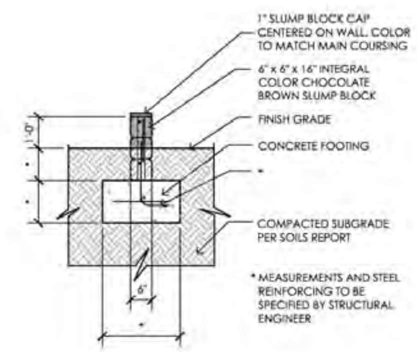
4 *Theme Column*
Scale: 1/2" = 1'-0"



5 *Theme Column Section*
Scale: 1/2" = 1'-0"

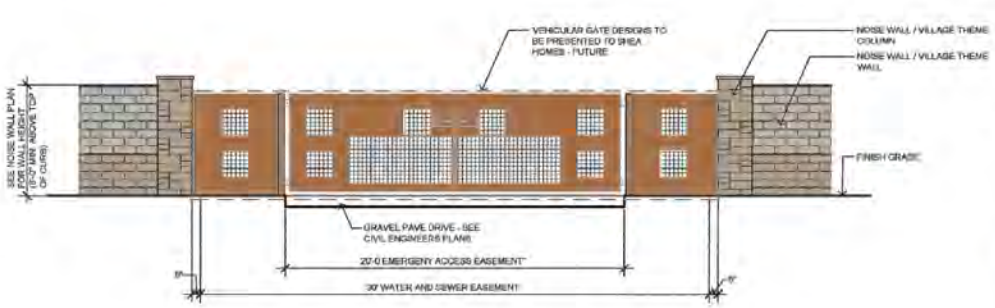


6 *Lot Boundary Wall*
Scale: 3/4" = 1'-0"

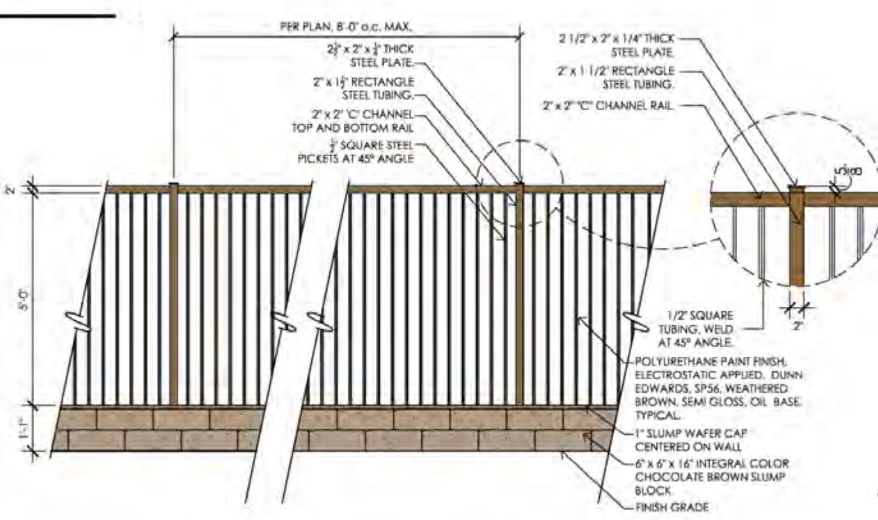


7 *Lot Boundary Wall Section*
Scale: 1/2" = 1'-0"

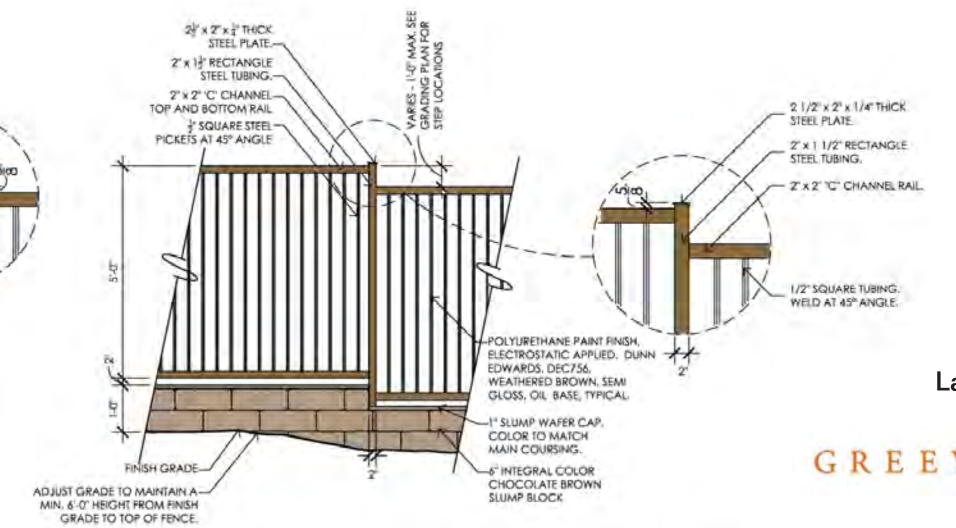
8 *Not Used*
Scale: 1/2" = 1'-0"



9 *Emergency Access Gate*
Scale: 1" = 5'-0"



10 *Optional View Fence @ Lot Boundary Elevation*
Scale: 1/2" = 1'-0"



11 *Optional View Fence Elevation with Grade Change*
Scale: 1/2" = 1'-0"

Trilogy® West

Proposed Wall Elevations

Exhibit G-2

Landscape Design & Rendering by:
GREEY | PICKETT

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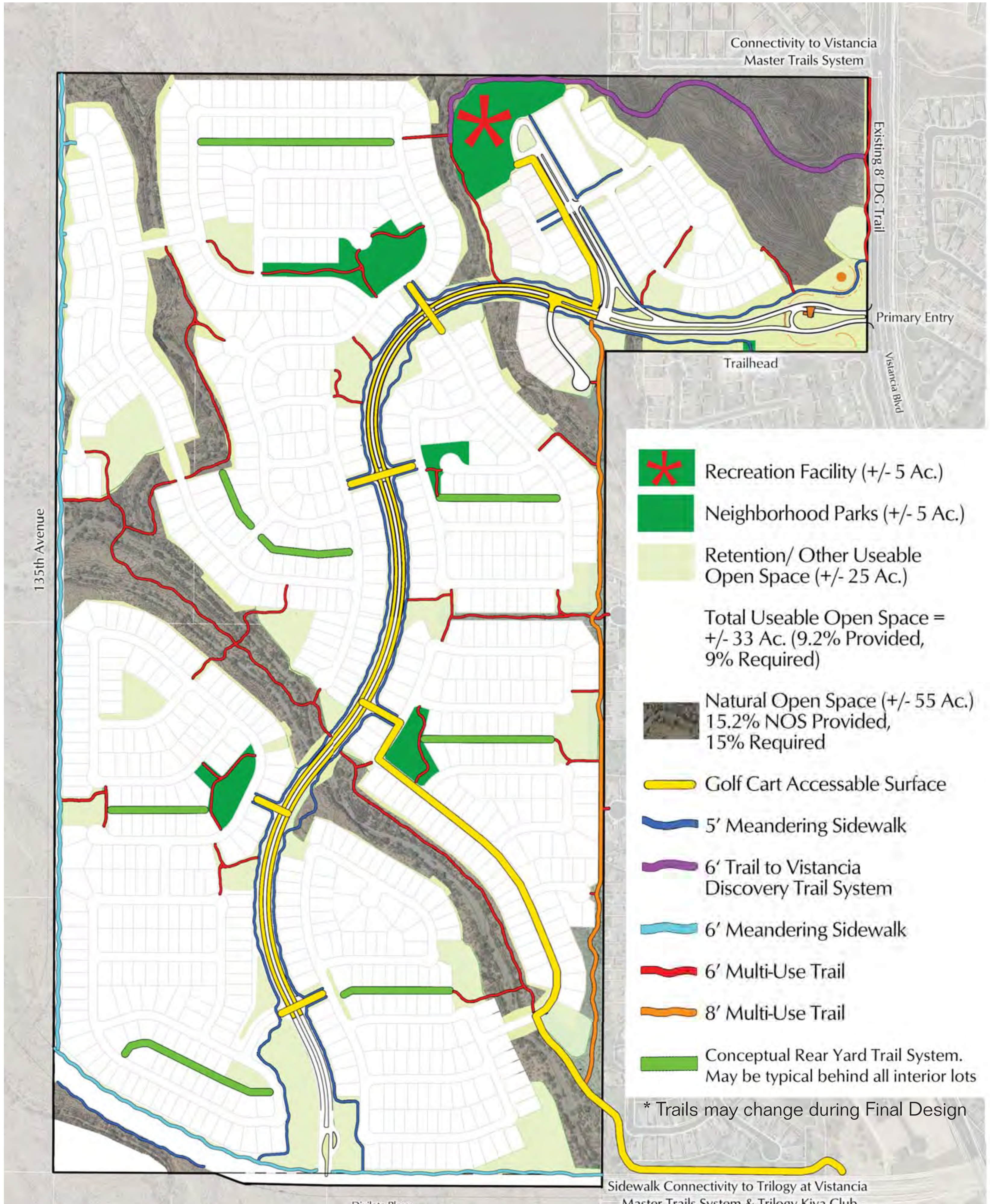

Trilogy® West

Proposed Amenities & Recreational Facilities

Exhibit H

Landscape Design & Rendering by:

GREEY | PICKETT

1 November 2013

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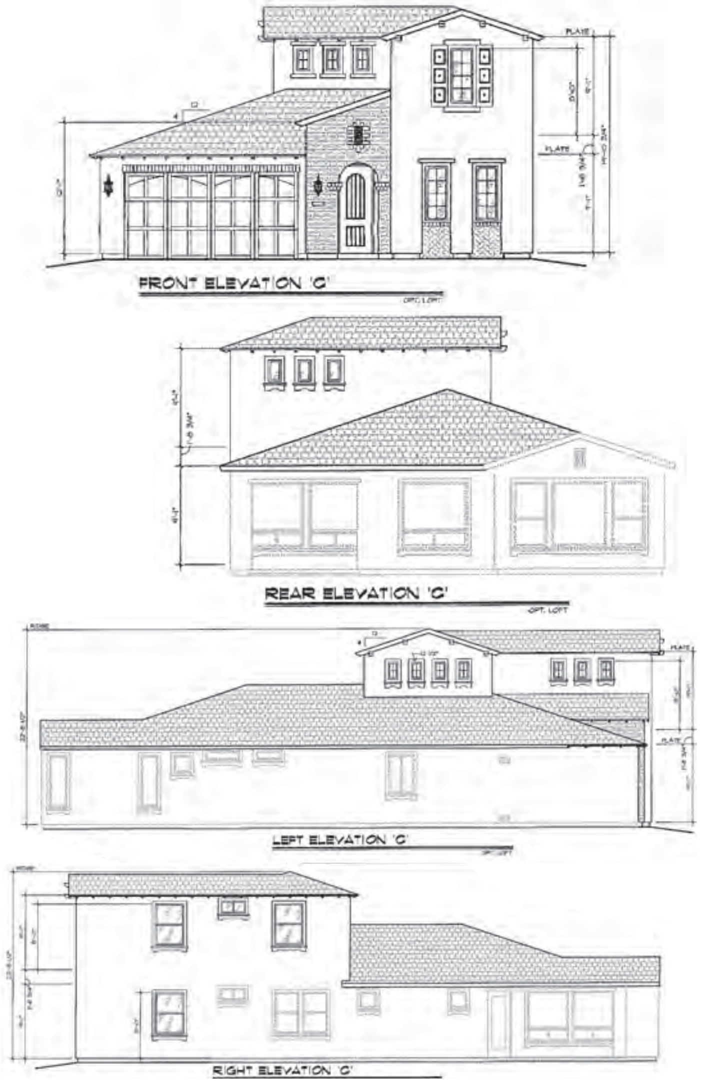
Trilogy® West

Proposed Trilogy West Home Product Examples

Exhibit I



1 November 2013

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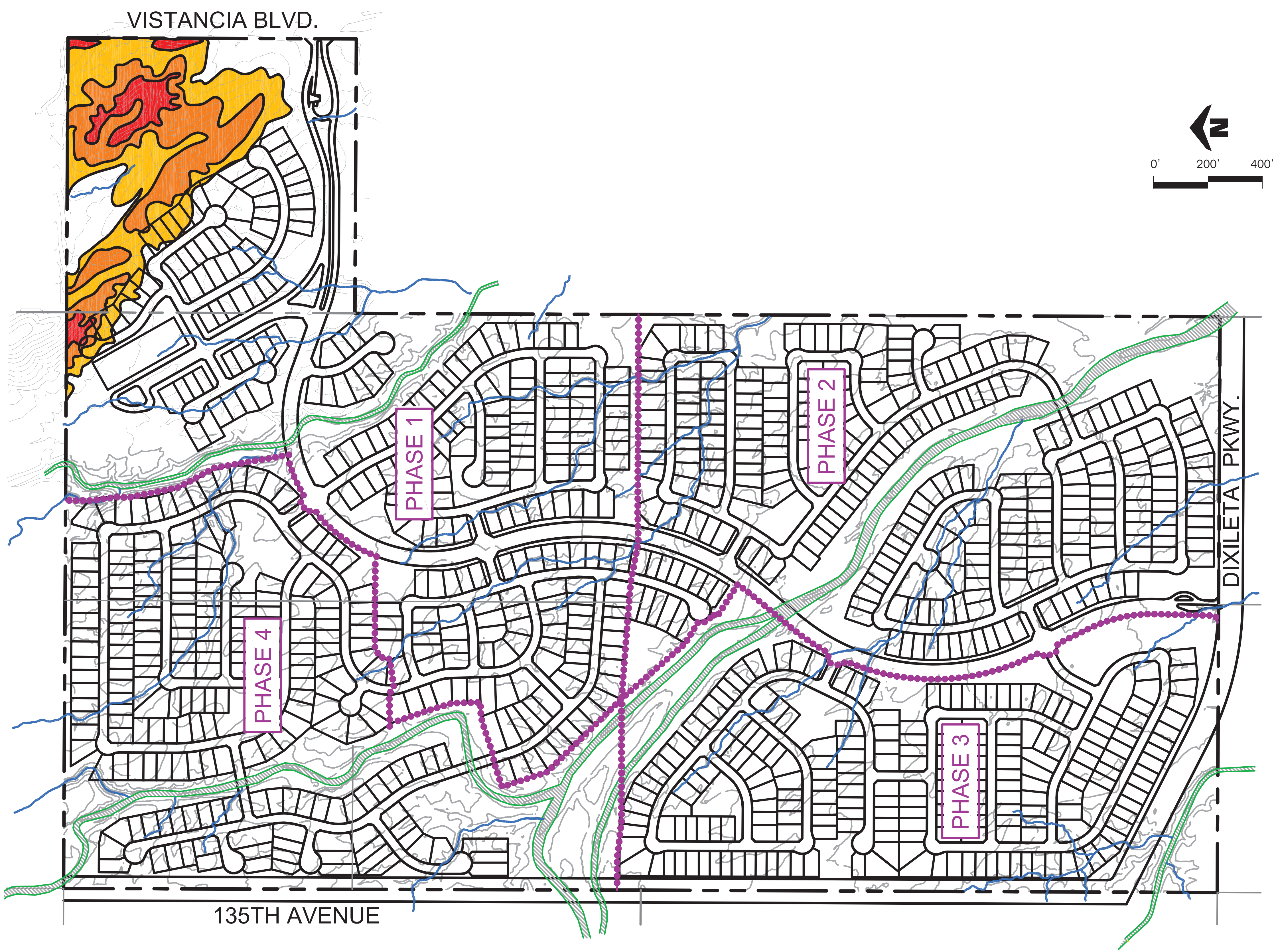

Trilogy West

Hillside Slope Analysis

Exhibit J

10% - 15% = 9.07 AC = 2.54%
15% - 25% = 6.65 AC = 1.86%
> 25% = 1.93 AC = 0.54%

LEGEND

404 WASH

MINOR WASH

PHASE LINE

NOTES

PERCENTAGES WERE CALCULATED BY DIVIDING THE SLOPE AREA BY THE GROSS AREA. GROSS AREA OF THE SITE IS 357.365 ACRES.

PHASES 1, 2 & 3 DO NOT HAVE HILLSIDE CONDITIONS AND THEREFORE ARE NOT INCLUDED IN THE SLOPE ANALYSIS.

SLOPE ANALYSIS WAS GENERATED WITH 1' CONTOURS. 5' CONTOURS ARE SHOWN FOR CLARITY.

1 November 2013

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CVL CONSULTANTS

May 24, 2013

LEGAL DESCRIPTION FOR TRILOGY WEST

That part of Sections 22, 23 and 27, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the G.L.O. Brass Cap marking the East Quarter Corner of said Section 22, from which the Aluminum Cap marked LS#36113 marking the Center of said Section 22 bears North 89°42’34” West, a distance of 2,636.21 feet;

Thence South 89°41’28” East, along the North line of the Southwest Quarter of said Section 23, a distance of 1,255.89 feet to a point on a line which is parallel with and 65.00 feet Westerly, as measured at right angles, from the East line of the Northwest Quarter of the Southwest Quarter of said Section 23;

Thence South 00°14’08” West, along said parallel line, a distance of 1,319.76 feet to a point on the South line of the Northwest Quarter of the Southwest Quarter of said Section 23;

Thence North 89°41’33” West, along said South line, a distance of 1,255.62 feet to the 1” Iron Pipe marking the Southwest Corner of the Northwest Quarter of the Southwest Quarter of said Section 23;

Thence South 00°13’26” West, along the East line of the Southeast Quarter of said Section 22, a distance of 1,319.98 feet to the Northeast Corner of said Section 27;

Thence South 00°13’07” West, along the East line of the Northeast Quarter of said Section 27, a distance of 2,639.82 feet to the Maricopa County Aluminum Cap marking the East Quarter Corner of said Section 27;

Thence North 89°43’03” West, along the South line of the Northeast Quarter of said Section 27, a distance of 2,634.31 feet to the 1/2” Rebar with cap marked LS#22782 marking the Center of said Section 27;

Thence North 00°13’52” East, along the West line of the Northeast Quarter of said Section 27, a distance of 2,638.20 feet to the G.L.O. Brass Cap marking the South Quarter Corner of said Section 22;

Thence North 00°10’13” East, along the West line of the Southeast Quarter of said Section 22, a distance of 2,641.74 feet to the Aluminum Cap marked LS#36113 marking the Center of said Section 22;

Thence South 89°42’34” East, along the North line of the Southeast Quarter of said Section 22, a distance of 2,636.21 feet to the Point of Beginning.

Containing 357.365 Acres, more or less.

Appendix - Plant List

Botanical Name	Common Name	Park	Entry	Streetscape/ Open Space
TREES				
Acacia aneura	Mulga	X	X	X
Acacia salicina	Willow Acacia	X		
Acacia smallii	Sweet Acacia	X	X	X
Acacia stenophylla	Shoestring Acacia	X		
Bauhinia congesta	Orchid Tree	X		X
Bauhinia congesta 'Lunariodes'	Pink Orchid Tree	X		X
Caesalpinia cacalaco	Cascalote	X		X
Cercidium 'Desert Museum'	Hybrid Palo Verde	X	X	X
Cercidium praecox	Palo Brea	X	X	X
Cercidium floridum	Blue Palo Verde	X	X	X
Cercidium microphyllum	Foothills Palo Verde	X	X	X
Chilopsis linearis	Desert Willow	X		X
Chitalpa tashkentensis hybrid	Chitalpa	X		
Jacaranda mimosifolia	Jacaranda	X		
Lysiloma microphylla v. thornberi	Desert Fern	X		X
Olneya tesota	Ironwood	X	X	X
Pithecellobium flexicaule	Texas Ebony	X	X	X
Pithecellobium mexicanum	Mexican Ebony	X		X
Pithecellobium pallens	Tenaza	X		X
Prosopis alba	Argentine Mesquite			X
Prosopis glandulosa	Texas Honey Mesquite	X		X
Prosopis pubescens	Screwbean Mesquite	X		X
Prosopis velutina	Velvet Mesquite	X	X	X
Sophora secundiflora 'Silver Peso'	Texas Mountain Laurel	X		
Tipuana tipu	Tipu Tree	X		
Vitex angus-castus	Chaste Tree	X		X
TWO STORY SCREEN TREES				
Cercidium 'Desert Museum'	Hybrid Palo Verde			
Cercidium praecox	Palo Brea			
Cercidium floridum	Blue Palo Verde			
Chilopsis linearis	Desert Willow			

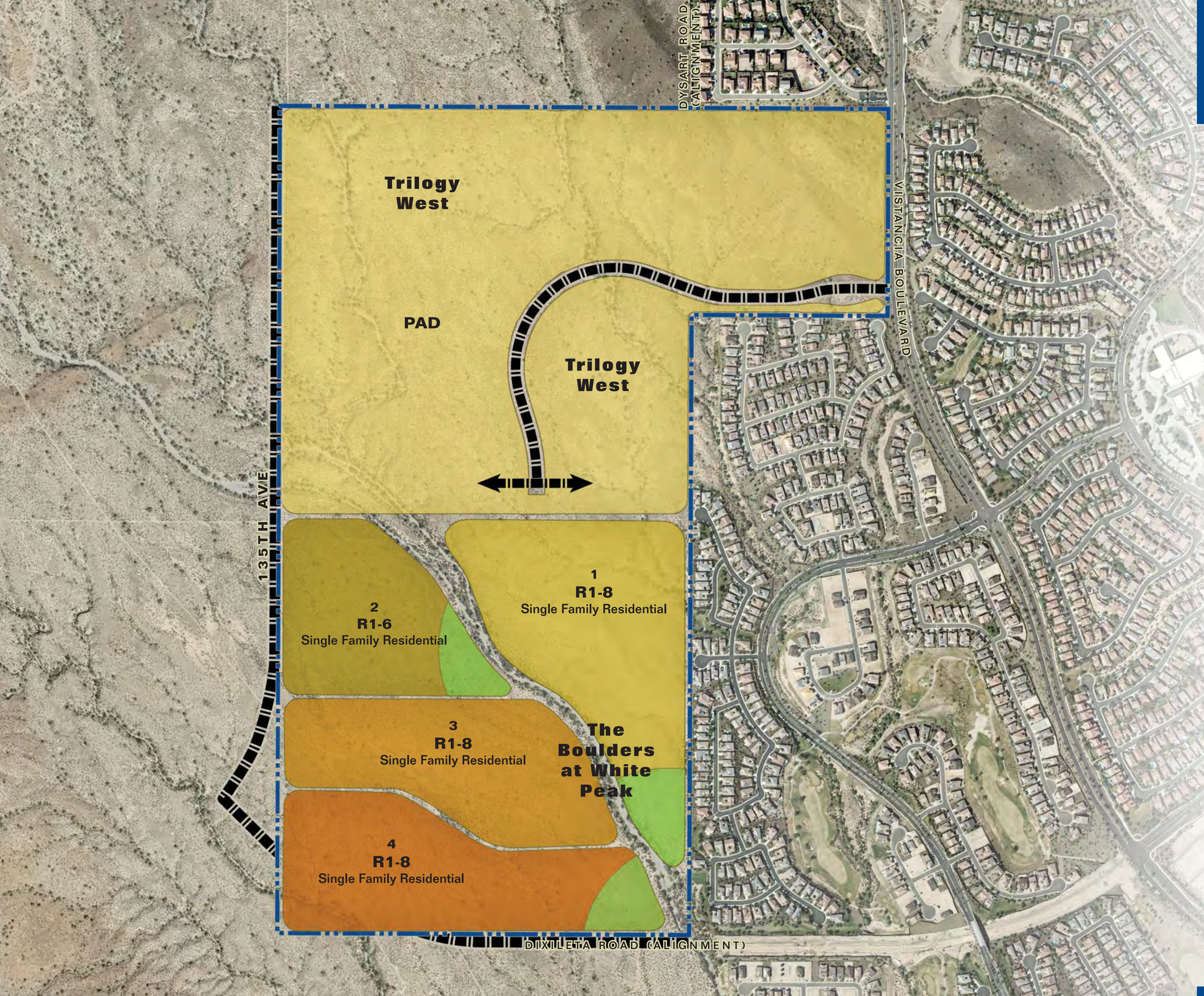
Botanical Name	Common Name	Park	Entry	Streetscape/ Open Space
Jacaranda mimosifolia	Jacaranda			
Olneya tesota	Ironwood			
Pithecellobium flexicaule	Texas Ebony			
Prosopis glandulosa	Texas Honey Mesquite			
*** Acceptable only in park turf areas:**				
**Fraxinus velutina*	Arizona Ash	X	X	X
**Platanus wrightii*	Sycamore	X	X	X
**Quercus virginiana*	Southern Live Oak	X	X	X
CACTI / ACCENTS				
Agave deserti	Desert Agave	X		X
Agave geminiflora	Twin-flowered Agave	X		X
Agave murpheyi	Hohokam Agave			X
Agave parryi v. huachuensis	Parry's Agave	X		X
Agave species	Agave	X		X
Agave toumeyana	Toumey's Agave			X
Asclepias subulata	Desert Milkweed	X		X
Carnegiea gigantea	Saguaro	X		X
Dasylirion acrotriche	Green Desert Spoon	X		X
Dasylirion longissimum	Mexican Grass Tree	X		X
Dasylirion wheeleri	Desert Spoon	X		X
Euphorbia myrsinites	Euphorbia	X		X
Euphorbia rigida	Gopher Plant	X		X
Fouquieria splendens	Ocotillo	X		X
Hesperaloe funifera	Coahuilan Hesperaloe	X		X
Hesperaloe parviflora	Red Hesperaloe	X		X
Hesperaloe parviflora (yellow)	Yellow Hesperaloe	X	X	X
Nolina bigelovii	Beargrass	X		X
Nolina microcarpa	Beargrass	X		X
Pedilanthus macrocarpus	Lady's Slipper	X		
Yucca baccata	Banana Yucca			X
Yucca recurvifolia	Curveleaf Yucca	X		X
SHRUBS				
Abutilon palmeri	Indian Mallow	X		X
Acacia craspedocarpa	Leather Leaf Acacia	X		X

Botanical Name	Common Name	Park	Entry	Streetscape/ Open Space
Alyogyne huegelii	Blue Hibiscus	X		X
Ambrosia deltoidea	Bursage	X		X
Anisacanthus quadrifidus v. brevilobus	Mountain Flame	X	X	X
Anisacanthus quadrifidus v. wrightii 'Mexican Flame'	Flame Honeysuckle	X	X	X
Anisacanthus therberi	Desert Honeysuckle	X	X	X
Bougainvillea 'Barbara Karst'	Bougainvillea	X	X	X
Bougainvillea 'La Jolla'	Bush Bougainvillea	X	X	X
Bougainvillea 'San Diego Red'	Bougainvillea	X	X	X
Bougainvillea spectabilis	Bougainvillea	X	X	X
Buddleia marrubifolia	Wooly Butterfly Bush	X	X	X
Caesalpinia gilliesii	Desert Bird of Paradise	X		X
Caesalpinia mexicana	Mexican Bird of Paradise	X		X
Caesalpinia pulcherrima	Red Bird of Paradise	X		X
Calliandra californica	Baja Red Fairy Duster	X	X	X
Calliandra eriophylla	Fairy Duster	X	X	X
Cassia artemisioides	Feathery Cassia	X		X
Cassia nemophila	Desert Cassia	X		X
Cassia oligophylla	Outback Cassia	X		X
Cassia phyllodenia	Silver-leaf Cassia	X		X
Celtis pallida	Desert Hackberry	X		X
Convolvulus cneorum	Bush Morning Glory	X	X	X
Cordia boissieri	Anacahuite	X		X
Cordia parvifolia	Small Leaf Cordia	X	X	X
Dalea frutescens 'Sierra Negra'	Sierra Negra Dalea	X	X	X
Dalea pulchra	Indigo Bush	X		X
Dicliptera suberecta	Velvet Honeysuckle	X	X	X
Dodonea viscosa	Hopbush	X	X	X
Dodonea viscosa 'Purpurea'	Purple Hopbush	X	X	X
Encelia farinosa	Brittlebush	X		X
Ericameria laricifolia	Turpentine Bush	X	X	X
Guara lindheimeri	Guara	X		X
Hymenoxis acaulis	Angelita Daisy	X	X	X
Justicia californica	Chuparosa	X		X

Botanical Name	Common Name	Park	Entry	Streetscape/ Open Space
Justicia ovata	Red Justicia	X		X
Justicia spicigera	Mexican Honeysuckle	X	X	X
Lantana camara	Bush Lantana	X	X	X
Larrea tridentata	Creosote Bush	X		X
Leucophyllum candidum 'Thunder Cloud'	Thunder Cloud Sage	X	X	X
Leucophyllum frutescens	Texas Sage	X	X	X
Leucophyllum frutescens 'Compacta'	Compact Texas Sage	X	X	X
Leucophyllum frutescens 'Green Cloud'	Green Cloud Sage	X	X	X
Leucophyllum frutescens 'White Cloud'	White Cloud Sage	X	X	X
Leucophyllum hybrid 'Rain Cloud'	Rain Cloud Sage	X	X	X
Leucophyllum laevigatum	Chihuahuan Sage	X	X	X
Leucophyllum langmaniae 'Lynn's Legacy'	Lynn's Legacy Sage	X	X	X
Leucophyllum langmaniae 'Rio Bravo'	Rio Bravo Sage	X	X	X
Leucophyllum pruinosum 'Sierra Bouquet'	Sierra Bouquet Sage	X	X	X
Leucophyllum revolutum 'Sierra Magic'	Sierra Magic Sage	X	X	X
Leucophyllum zygophyllum	Blue Ranger	X	X	X
Lotus rigidus	Desert Rock Pea	X		X
Mimosa dysocarpa	Mimosa	X		
Plumbago scandens 'Summer Snow'	Summer Snow Plumbago	X	X	X
Rosa banksiae 'Alba Plena'	White Lady Bank's Rose	X	X	X
Ruellia brittoniana	Ruellia	X	X	X
Ruellia peninsularis	Shrub Ruellia	X	X	X
Salvia chamaedryoides	Mexican Blue Sage	X		X
Salvia clevelandii	Chaparral Sage	X		X
Salvia leucantha	Mexican Bush Sage	X		X
Senna wislizenii	Shrubby Senna	X		X
Simmondsia chinensis	Jojoba	X		X
Sophora secundiflora	Texas Mountain Laurel	X		X
Sphaeralcea ambigua	Desert Globemallow	X	X	X
Tagetes lemmoni	Mt. Lemmon Marigold	X		X
Tecoma stans	Yellow Bells	X		X
Vaquelinia californica	Arizona Rosewood	X		
Viguiera deltoidea	Goldeneye	X	X	X
Zauschneria californica	California Fuchsia	X		X

Botanical Name	Common Name	Park	Entry	Streetscape/ Open Space
GROUNDCOVERS				
Acacia redolens	Prostrate Acacia	X	X	X
Antigonon leptopus	Queen's Wreath	X		X
Aizoaceae species	Ice Plant	X	X	X
Baccharis 'Centennial'	Centennial Baccharis	X	X	X
Baileya multiradiata	Desert Marigolde	X	X	X
Calylophus hartwegii 'Sierra Sundrop'	Calylophus	X	X	X
Convolvulus mauritanicus	Ground Morning Glory	X	X	X
Dalea capitata 'Sierra Gold'	Sierra Gold Dalea	X	X	X
Dalea greggii	Trailing Indigo Bush	X		X
Drosanthemum speciosum 'Rosa'	Ice Plant	X	X	X
Dyssodia pentachaeta	Dyssodia	X	X	X
Erigeron divergens	Spreading Fleabane	X		X
Erigeron 'Profusion'	Profusion Fleabane Daisy	X		X
Gazania rigens 'Sun Gold'	Gazania	X	X	X
Hardenbergia comptoniana	Lilac Vine	X	X	X
Lantana montevidensis	Trailing Purple/Yellow Lantana	X	X	X
Melampodium leucanthum	Blackfoot Daisy	X	X	X
Muhlenbergia capillaris 'Regal Mist'	Regal Mist Muhley	X	X	X
Muhlenbergia emersleyi 'El Toro'	Bull Grass	X	X	X
Muhlenbergia lindheimeri 'Autumn Glow'	Autumn Glow Muhley	X	X	X
Muhlenbergia rigens	Deer Grass	X	X	X
Muhlenbergia rigida 'Nashville'	Nashville Grass	X	X	X
Oenothera barlandieri	Mexican Evening Primrose	X		X
Oenothera caespitosa	Evening Primrose	X		X
Oenothera stubbii	Saltillo Primrose	X		X
Osteospermum fruticosum	Trailing Aftican Daisy	X	X	X
Penstemon baccharifolius	Rock Penstemon	X	X	X
Penstemon eatonii	Firecracker Penstemon	X	X	X
Penstemon grandiflorus	Penstemon	X	X	X
Penstemon palmeri	Palmer's Penstemon	X	X	X
Penstemon pseudospecitabilis	Parry's Penstemon	X	X	X
Penstemon superbus	Superb Penstemon	X	X	X
Penstemon wrightii	Penstemon	X	X	X

Botanical Name	Common Name	Park	Entry	Streetscape/ Open Space
Plumbago auriculata	Cape Plumbago	X	X	X
Podranea ricasoliana	Pink Trumpet Vine	X	X	X
Psilostrophe cooperi	Paperflower	X	X	X
Salvia sp. 'Quicksilver'	Quicksilver Salvia	X	X	X
Santolina chamaecyparissus	Lavender Cotton	X	X	X
Santolina virens	Green Santolina	X	X	X
Verbena gooddingii	Goodding's Verbena	X	X	X
Verbena pulchella	Moss Verbena	X	X	X
Verbena rigida	Sandpaper Verbena	X	X	X
Verbena tenera	Moss Verbena	X	X	X
Verbena tenuisecta 'Edith'	Edith Verbena	X	X	X
Zephyranthes candida	Rain Lily		X	
Zinnia acerosa	Desert Zinnia	X	X	X
Zinnia grandiflora	Little Golden Zinnia	X	X	X
VINES				
Antigonon leptopus	Queen's Wreath	X		X
Bougainvillea 'Barbara Karst'	Bougainvillea	X	X	X
Bougainvillea 'California Gold'	Orange Bougainvillea	X	X	X
Bougainvillea 'Jamaica White'	White Bougainvillea	X	X	X
Bougainvillea 'San Diego Red'	Bougainvillea	X	X	X
Bougainvillea spectabilis	Bougainvillea	X	X	X
Clytostoma callistegioides	Violet Trumpet Vine	X		X
Gelsemium sempervirens	Yellow Flowering Jessamine	X	X	X
Hardenbergia comptoniana	Lilac Vine	X	X	X
Mascagnia lilacina	Lilac Orchid Vine	X		X
Mascagnia macroptera	Yellow Orchid Vine	X		X
Maurandya antirrhiniflora	Snapdragon Vine	X		X
Rosa banksiae	Lady Bank's Rose	X	X	X
Solanum jasminodoides	Potato Vine	X		X
Vigna caracalla	Snail Vine	X		X



Trilogy® West

THE BOULDERS AT WHITE PEAK (OPTION 1)

Bubble Plan

Appendix Exhibit if Option 1 development is exercised

N

0' 300' 600'

29 October 2013

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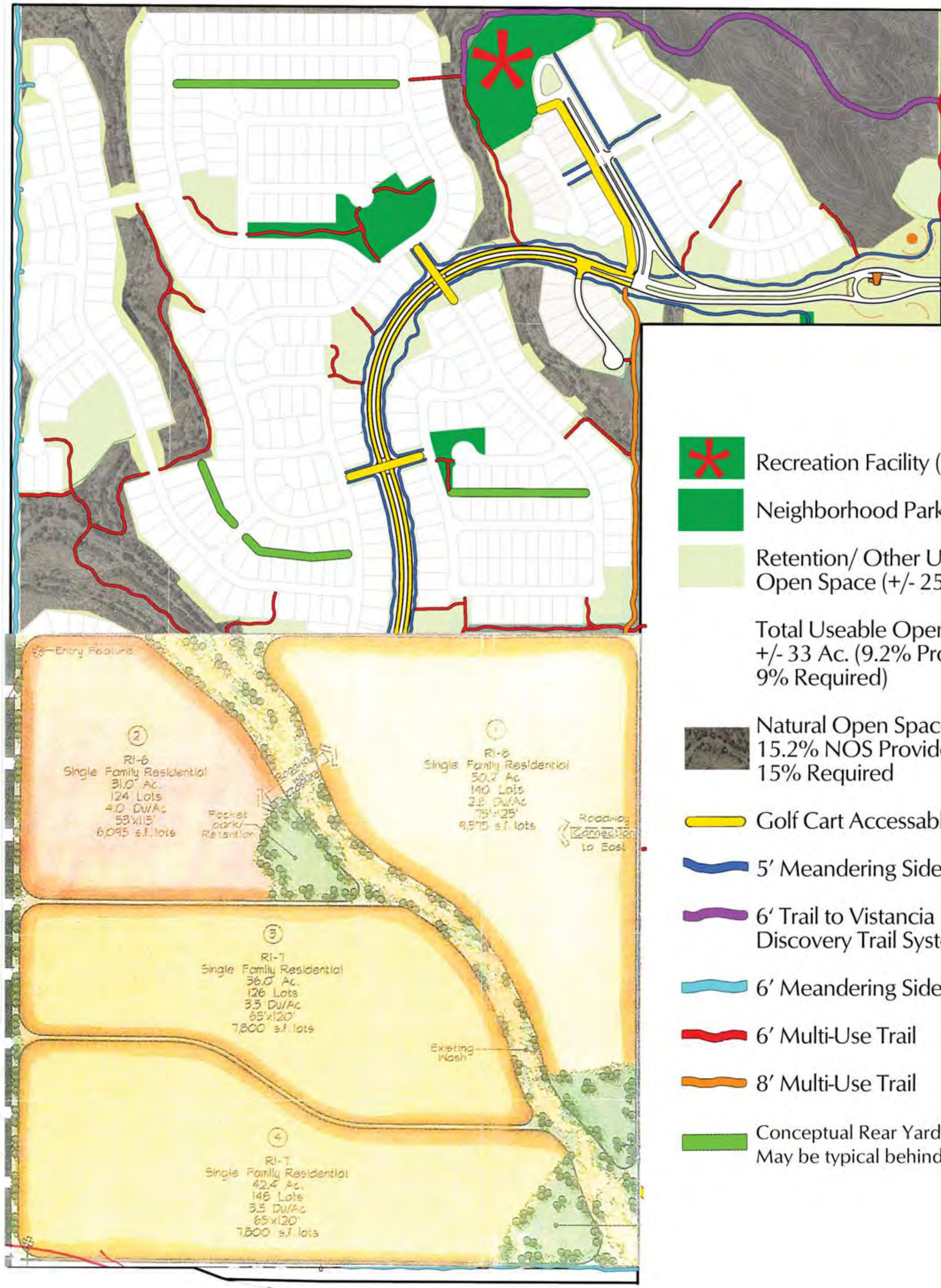

Recreation Facility (+/- 5 Ac.)

Neighborhood Parks (+/- 5 Ac.)

Retention/ Other Useable Open Space (+/- 25 Ac.)

Total Useable Open Space = +/- 33 Ac. (9.2% Provided, 9% Required)

Natural Open Space (+/- 55 Ac.) 15.2% NOS Provided, 15% Required

Golf Cart Accessable Surface

5' Meandering Sidewalk

6' Trail to Vistancia Discovery Trail System

6' Meandering Sidewalk

6' Multi-Use Trail

8' Multi-Use Trail

Conceptual Rear Yard Trail System. May be typical behind all interior lots

Trilogy West

THE BOULDERS AT WHITE PEAK (OPTION 1)

Open Space & Concept

Appendix Exhibit if Option 1 development is exercised

Landscape Design & Rendering by:

GREEY | PICKETT

29 October 2013

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CVL CONSULTANTS

02868F06

Boulders at White Peak

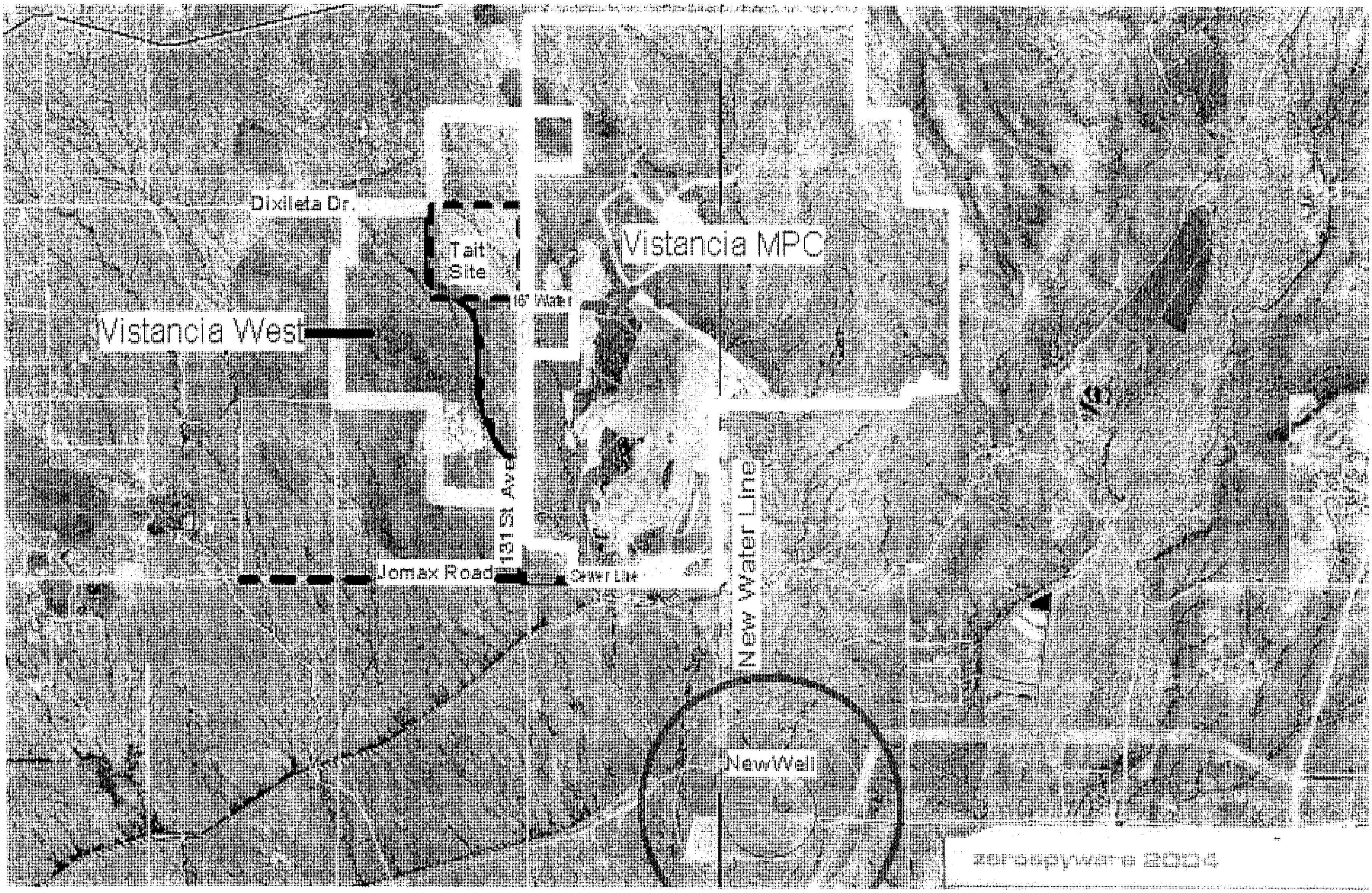
Planned Area Development

159.6 Acre Parcel

Southwest Corner of Dysart Road and Dixileta Drive

May 27, 2003

Vistancia West Regional Infrastructure Exhibit



Development Team

Developer/Applicant:

TNT Associates Partnership

c/o Tait Development, Inc.
777 E Thomas Road, Suite 210
Phoenix, AZ 85014 (602) 279-3999

Planner/Landscape Architect:

Arizona Land Design

5202 E. Oakhurst Way
Scottsdale, AZ 85254 (480) 951-6410

Attorney:

Earl, Curley & Lagarde

3101 N. Central Ave.
Phoenix, AZ 85012 (602) 265-0094

TABLE OF CONTENTS

LIST OF EXHIBITS

Boulders at White Peak
PAD Narrative

Introduction

The PAD is a 159.6-acre residential community that includes: a mixture of single-family residential densities, private open space and natural open spaces within the context of a common design theme. The Planned Area Development (PAD) zoning includes the R1-6, R1-7 and R1-8 underlying base zoning districts.

The property encompasses one-quarter square mile located within the alignments of Dixileta Drive to the north, Dysart Road to the east, Peak View Road to the south, and 135th Avenue to the west (see Exhibit A). The site is undeveloped desert that is relatively flat with a slight slope from northeast to southwest. The site includes a wash that runs diagonally through the property.

Adjacent properties to the north, east, south and west are undeveloped desert. The adjacent property to the east is part of the Vistancia (Lakeland Village) master plan that is planned and zoned for commercial retail, employment, multi-family residential, single-family residential, schools, parks and golf course. The property to the north is part of the White Peak Ranch Master Plan that is planned and zoned for commercial retail, employment, multi-family residential, single-family residential, school, park and golf course. The adjacent property to the west and south is being planned as a residential community under the name Pleasant Valley Hills that includes a combination of single and multi-family residential densities (see Exhibit B). All of the surrounding master plans include the extension of major roads and utilities into the area.

General Plan

A general plan application was filed on this site to allow 2-5 dwelling units per acre with a target density of 3.0 units per acre. The amendment to the General Plan was approved on June 4, 2002 through General Plan Amendment 02-01 to allow residential density designations on the site consistent with the planned densities in the master plans to the north, east, south and west. The proposed PAD at 3.34 units per acre is consistent with the 2-5 units per acre General Plan residential land use designation (see Exhibit C).

The PAD is also consistent with the General Plan criteria to exceed the 3.0 target density. The General Plan allows development to exceed the target density to 5.0 units per acre if six criteria are met in the project. The target density can be exceeded in increments above 3.0 if some but not all of the six criteria are met. The Boulders at White Peak meets four of the six criteria to exceed the target density. The criteria and how they are met are as follows:

- *Efficient and appropriate utilization of the development site.* The Boulders at White Peak includes 159.6-acres, all of which is planned for single-family detached residences. The land uses are appropriate for the area due to the location of planned single-family lots on adjacent the Vistancia master planned community to the east. This plan coordinates open spaces, trais, and local street connection with Vistancia. The plan retains a natural wash and designs an active open space adjacent to the wash to take advantage of this natural vista.

- *Variation in product type, location and lot sizes.* The Boulders at White Peak proposes a combination of one and two-story house products with at least four elevations for each of the four subdivisions with the PAD. There are three different lot sizes planned ranging from a minimum of 6,095 to 7,800 to 9,375 square feet. Each lot size will have a different house product. The smallest lots are located in the smallest subdivision along 135th Avenue frontage. The medium size lots are located between the open space wash and 135th Avenue. The largest lots are located between the wash an adjacent to residential lots in Vistancia away from major streets.

- *Incorporation of developed recreational amenities.* The PAD proposes a pocket park adjacent to the open space wash in the southeast corner of the smallest lot subdivision (parcel 2). The recreation improvements include: soccer field, children's playground, Ramada, picnic table, barbeque grill, and turf area for passive recreation.

- *Integration of plans to retain, replace or salvage native desert vegetation.* The PAD retains significant areas of native vegetation by leaving the wash that runs diagonally through the site adjacent to all four subdivisions in its natural condition.

PAD Development Plan

The PAD is currently under the holding zone of SR–43. The proposed PAD zoning provides a master planned residential community that encompasses 159.6-acres on a quarter square mile parcel of land (see Legal Description, Exhibit J).

Residential Land Uses

The PAD proposes a mix of three different single-family lot sizes, private retention/park/recreation area, landscaped open space/retention areas, and the conservation of a natural open space wash corridor (see Exhibit D). The residential component includes 537 single-family residential lots. The single-family lots vary from approximately 6,000 to 10,000 square-feet in size. The overall residential density is 3.4 units per gross acre. To exceed the target density of 3.0 the PAD introduces the preservation of a large wash as natural open space that runs diagonally through the property along with three-internal landscaped open spaces outside the wash, a trail that crosses the entire site, and recreation amenities in the most central open space area. The plan creates four residential neighborhoods that are internally or externally linked with a collector street, local streets, and a linear natural open space corridor. The linear natural open space corridor is adjacent to all four neighborhoods. These natural open spaces provide common design elements that link the neighborhoods together.

The distribution of lot widths (53′ to 75′), depths (115′ to 125′), and minimum lot sizes (6,095 to 9,375 square-feet) vary throughout the PAD. The slightly smaller lots and a pocket park are planned in the neighborhood on parcel 2 along 135th Avenue and the Dixileta Drive alignment near the northwest corner of the PAD. Medium size lots are planned in two neighborhoods on parcels 3 and 4 near the center and southern portion of the PAD along 135rd Avenue and the Desert View Road alignment. The largest lots are planned in the neighborhood east of the natural open space corridor in parcel 1 along Dysart Road alignment on the northeast portion of the PAD.

The distribution of the 538 lots includes: 140 lots that are a minimum 9,375 square feet in size on parcel 1; 124 lots that are a minimum 6,095 square feet in size on parcel 2; 126 lots that are a minimum 7,800 square feet in size on parcel 3; and 148 lots that are a minimum 7,800 square feet in size on parcel 4.

Open Space

The PAD comprises approximately 17.6-acres or 11 percent useable open space as required by the City Design Guidelines. A large natural wash provides an open space corridor that runs diagonally through the middle of the site. The wash includes a pedestrian trail that is the extension of a planned trail from the Vistancia project located on the adjacent property to the southeast. The trail is designed to connect to future subdivisions in Vistancia to the southeast and to future subdivisions in the White Peaks master plan to the north (see Exhibit F). The trail will provide pedestrian access to the pocket park and recreational amenities located on the southeast portion of parcel 2 in the PAD. The remaining open spaces and retention areas are planned on parcels 1, 2 and 4 adjacent to the large natural open space corridor. A 20-foot wide landscape open space tract in addition to the right-of-way with a detached pedestrian sidewalk improvement planned along the length of 135th Avenue (see Exhibit H).

A pocket park is designed to be contiguous to the large natural open space near the center of the PAD on parcel 2. The park includes a soccer field, children's playground, shade Ramada, picnic table, barbeque grill, and turf area for passive recreation activities (see Exhibit E). The natural open spaces, retention areas, landscape tracts, and pocket park will be owned and maintained by a homeowners' association.

Single-Family Development Standards

The PAD allows the: permitted uses defined under Section 14-5-2 with the addition of private recreation facilities associated with common open spaces constructed for the use and enjoyment of residents within the PAD; permitted conditional uses under Section 14-5-3 with the exception of day care group homes, group care facilities, and community residential setting facilities which are not permitted; and permitted accessory uses under Section 14-5-4 of the Zoning Ordinance. The property development standards are in accordance with the following Development Standards Table:

Boulders at White Peak Development Standards

Parcel #	R1-8 District	Parcel #1 PAD	R1-6 District	Parcel #2 PAD	R1-7 District	Parcels # 3,4 PAD
Description	Ordinance Requirements w/o PAD	**Residential Lots ****	Ordinance Requirements w/o PAD	**Residential Lots ****	Ordinance Requirements w/o PAD	**Residential Lots ****
Min Area	8,000 square-feet	**9,375 square-feet**	6,000 square-feet	**6,095 square-feet**	7,000 square-feet	**7,800 square-feet**
Min Width	70-feet	**75-feet**	50-feet	**53-feet**	70-feet	**65-feet**
Min Depth	100-feet	**125-feet**	100-feet	**115-feet**	100-feet	**120-feet**
Front	20-feet	**15' for Living Area or Side Load Garage 18' for Front Load Garage *****	20-feet	**15' for Living Area or Side Load Garage 18' for Front Load Garage *****	20-feet	**15' for Living Area or Side Load Garage 18' for Front Load Garage *****
Side	5-feet one side with 15-feet combined total	**5-feet one side with 15-feet combined total***	5-feet/8-feet	**5-feet/8-feet***	5-feet/10-feet	**5-feet/8-feet***
Street Side	10-feet	**10-feet**	10-feet	**10-feet**	10-feet	**10-feet**
Rear	15-feet	**15-feet**	15-feet	**15-feet**	15-feet	**15-feet**
Lot Coverage	40 percent	**45 percent**	45 percent	**45 percent**	40 percent	**45 percent**
Bldg Height	25-feet	**25-feet**	25-feet	**25-feet**	25-feet	**25-feet**

* Fireplaces, bay windows, pop-outs for entertainment centers may encroach 2-feet into side yard.

** Note: Upon engineering of the subdivisions in the PAD, some lots in the PAD may be less than the minimum areas, widths and depths identified in the Development Standards Table, however in no case will the lots be less than the minimum requirements identified in the corresponding base zoning district.

*** Side loaded garages shall include a faux window or other architectural treatment on the street side of the garage that architecturally gives the appearance of a living area rather than a garage.

There are a few design standards that are changed from the equivalent base-zoning district:

- The R1-7 base district requires minimum 70-foot lot width and 100-foot lot depth with minimum 7,000 square feet in area. The PAD proposes 65-foot width, 120-foot depth and 7,800 square feet in area. The lot width is reduced to lower the per linear foot cost of infrastructure improvements that run along the front of the lot (street paving, curb & gutter, sidewalk, water line, sewer line, underground electric, telephone, and cable TV). The lot is then made deeper to allow for increased rear yard area because that is where people spend most of their outdoor free time (swing sets, pools, BBQ, table, patio, volley ball, horseshoes, etc.) Lot depth has more value to the homebuyer than lot width in terms of actual cost per square foot and practical use.

- The R1-7 requires 5'/10' side yards where the PAD proposes 5'/8'. The additional two feet allows a larger house footprint, which gives more flexibility in floor plan layouts. The average homebuyer can see the different in the internal floor plan but does not see the different between 15-feet and 13-feet between houses. The shift in the two feet is valued added to the homebuyer, but does not impact safety or useable open space.

Single-Family Design Guidelines

The following design guidelines apply to all single-family homes including principal and accessory structures. All subdivisions and house products shall be subject to approval in accordance with the following design guidelines. The guidelines are separated into three categories: Architectural Design, Plat/Lot Design and Landscape/Perimeter Wall Design.

Architectural Design

The proposed homes may include one and two-story plans that exhibit high quality materials and architectural features.

Each home shall include the following:

1. Stucco or block exterior with optional stone, brick or wood accents.
2. Optional covered rear patio designed to match the home.
3. Ground mounted Air Conditioning and Heating unit.

4. Concrete tile roof.

5. Accents and window treatments.

6. Two-car garage with three-car garage option.

7. Painted stucco or block decorative return walls to match the houses.

8. Dual pane windows. Window frames and mullions finished with either baked enamel paint or anodized.

9. Roof vents, flashing, pipes shall be painted to match roof tile color.

10. Exterior light fixture at front entrance door. Enhanced exterior light fixtures on garage doors as an option.

11. Metal flashing, vents, pipes, electrical panels and other exposed metal on elevations shall be painted to match the color of the house.

12. Boxed fireplace chimneys to avoid exposed metal flurnes if buyers include a fireplace as an option, or if the owner adds a fireplace at a later date.

13. The garages will be a minimum of 20′ x 20′, free of obstructions.

14. Two parking spaces in driveways outside of the garage.

15. Second story balconies shall be a minimum of fifteen (15) feet from any property line.

16. The use of reflective surfaces, except windows, shall be prohibited.

17. Roof mounted equipment, except solar panels and related equipment, shall be prohibited.

18. All utilities and ground mounted mechanical equipment shall be fully screened from view and shall meet the PAD setbacks.

19. Accessory structures 6-feet or more in height and/or 120 square-feet or more in area shall utilize like colors, materials and architectural style as the principal structure.

20. Additions to principal and accessory structures shall utilize like colors, materials and architectural style as the principal structure and shall conform to existing rooflines.

21. Each subdivision shall provide choices of roof colors and roof material types.

22. Each subdivision shall provide choices of exterior accent materials such as, brick, stone or masonry.

23. Each subdivision shall provide a minimum of 4 different architectural elevations.

24. Roof lines may vary from homes on adjacent lots and directly across the street

25. House products may include side-entry garages, or L-shaped floor plans.

Plat/Lot Design

26. All public local residential streets in excess of 900-feet in length shall be curvilinear in design with a minimum radius of 150-feet and a minimum curve length equal to one-half of the radius. Private streets may be developed within the PAD, at the developer's discretion, with standards as approved by engineering department.

27. When a cul-de-sac abuts a useable open space area, a landscaped access easement shall be provided. Said easement shall be 10-feet wide that may be dedicated as a pedestrian path.

28. Plats should be designed to integrate and/or continue existing or approved open space areas adjacent to developed areas.

29. At the developer's discretion, subdivisions may utilize alternative local street cross-section. Use of ribbon curbs, modified street lighting and reduction of pavement width for public and private rights-of-way shall be considered by the City Engineer. Private streets may be used, at the developer's discretion.

30. Useable Open Space shall be clearly designated on each preliminary and final development plan. Areas that may be included in the calculation of open space shall include: landscaped retention area; private park and recreation area; landscape tracts, washes, and natural area open spaces.

31. Useable Open Space shall not include any of the following:

    Dedicated streets, alleys, vehicular drives, parking, loading and storage areas; required setback areas except where tracts are delineated; reservation of public park and school sites for which the City or school district shall be required to purchase; areas reserved for the exclusive use or benefit of an individual owner or tenant; or concrete areas designed primarily for the conveyance of water.

32. Dedication Statement on final plat shall include provision dedicating all open space and retention areas as tracts, providing for the maintenance of such areas and adjacent right-of-way by an established home owners association, and precluding such areas from future development.

33. Rights-of-way and retention areas shall be improved with landscaping as required by the City of Peoria Zoning Ordinance.

34. Entry features including decorative entry signage and landscaping with stamped concrete or specialty pavers shall be required for the main entrance off of 135th Avenue (See Exhibit G).

Landscape and Design

There is an integrated landscaping and wall theme for the PAD. The Conceptual Landscape Exhibit establishes the landscape theme (see Exhibit F). Plant materials shall be selected from the final plant palette approved by the City. Accent materials shall be low water use plants known for form, color and visual texture. Trees will be clustered where appropriate. The placement of trees and shrubs will be staggered to provide depth along the 135th Avenue landscape tract. The landscape plan has been designed in conjunction with the Master Drainage Exhibit for the site.

The PAD plan will provide: 8-foot high decorative theme wall along 135th Avenue if 135th Avenue is declared an arterial street by the City; otherwise the decorative theme wall will be 6-feet high along 135th Avenue as a collector street. The decorative walls at the entrances off 135th Avenue into the neighborhoods will be a minimum 6-feet high; 6-foot high decorative view walls along internal open spaces next to residential lots. The design of the 6-foot high theme wall incorporate single-scored smooth face block with integrated split face block accent (see Exhibit G). The 6' high view walls include a single-scored smooth block base with a wrought iron top. The entry signage will incorporate split face block in granite tile with etched letters on a smooth background. Landscaping at the entrance will be desert trees and vegetation with small boulders (see Exhibit G).

Circulation

The White Peak Ranch to the north identifies the development of Lone Mountain Road to the north of the PAD. The Lakeland Village to the east plans the development of Dynamite Road to the south of the PAD. Accordingly, the Boulders at White Peak will be providing complete half street improvements for the east half of 135th Avenue adjacent to the development. 135th Avenue has a collector designation and will provide a north-south connection between Lone Mountain Road and Dynamite Road. This alignment will provide at least two or three local street access points off of 135th Avenue, directly into the planned neighborhoods of Parcels 2, 3, and 4. Parcel 1 will have two points of access. The first will be provided by a local street connection through the Lakeland Village development as shown on Exhibit D, and by a wet crossing through the wash common to both Parcel 1 and Parcel 2. Interior circulation will occur by local street connections common to Parcels 2, 3 and 4.

The planned street cross sections include 70-feet of right-of-way with one travel lane in each direction on 36-feet of paving for 135th Avenue. Local streets include 50-feet right-of-way with 32-feet of paving, back-of-curb to back-of-curb, roll curb and attached 4-foot sidewalk (see Exhibit H). Narrower street cross sections and rights of way may be used for public or private streets within the PAD at the developer's discretion, as may be approved by the Engineering Department. The local street will be a wet crossing.

Grading and Drainage

The PAD site naturally slopes from the northwest to southeast. An existing wash traverses the site diagonally in a northwest/southeasterly manner. The proposed grading concept will include a minimum of 4 separate open space/retention areas located adjacent to the wash area at the low end of each parcel. These areas will provide the required storage volume generated by the 100 year, 2 hour storm event. The wash will also be utilized for the ultimate outfall for each one of the basins. Each parcel will be responsible for retaining its' storm water, which will allow greater flexibility in phasing the development (see Exhibit I). The following represent the PADs' FEMA designation:

The Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map (FIRM), Map No. 04013C1590G, revised July 19, 2001 indicates that the site lies within Zone "X". Zone "X" is defined by FEMA as:

> *Zone "X" (shaded): Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood.*

Public Utilities and Services

<u>Sewer</u> service to the site will be provided by the City of Peoria. Ultimate discharge will occur at the Twin Buttes Treatment Plant located in Section 35 along Jomax Road and the Beardsley Canal, which is currently under construction. The Lakeland Village Development will provide the sewer connection for the PAD. The connection will be located near the southeast corner on the site. The exact location and depth will be determined as the plans for the Lakeland Village Development are finalized.

<u>Water</u> service to the site will also be provided by the City of Peoria, through two points of connection. Each connection point is being provided by the development to the north (White Peak Ranch), and to the east (Lakeland Village). A water line will be constructed in 135th Ave, which will connect the water line in Lone Mountain Road to the water line in Dynamite Boulevard, as shown on Exhibit B.

Natural gas to the site will be provided by Southwest Gas. Extension of service will be fed from the Lakeland Village development located east of the site and/or from White Peak Ranch development located north of the site, as shown on Exhibit B.

Electricity will be provided to the site by Arizona Public Service. The nearest facilities will be within the Lakeland Village development.

Telephone service will be provided to the site by Qwest Communications.

Cable television will be provided to the site by Cox Communications.

Refuse collection will be provide by the City of Peoria.

The City of Peoria will provide Law enforcement services, emergency and fire protection services. The closest police substation and fire station will be within the Lakeland Village development.

District No. 11 of the Peoria Unified School District will provide educational facilities and services for the site.

Phasing

The PAD will be developed in phases as determined by market demand. The necessary road, water, sewer, on-site and off-site storm water retention will be constructed as needed for each phase of development. It is anticipated that each of the four parcels may be a phase of development. The order of development phasing will depend on the timing of adjacent master plan community infrastructure improvements.

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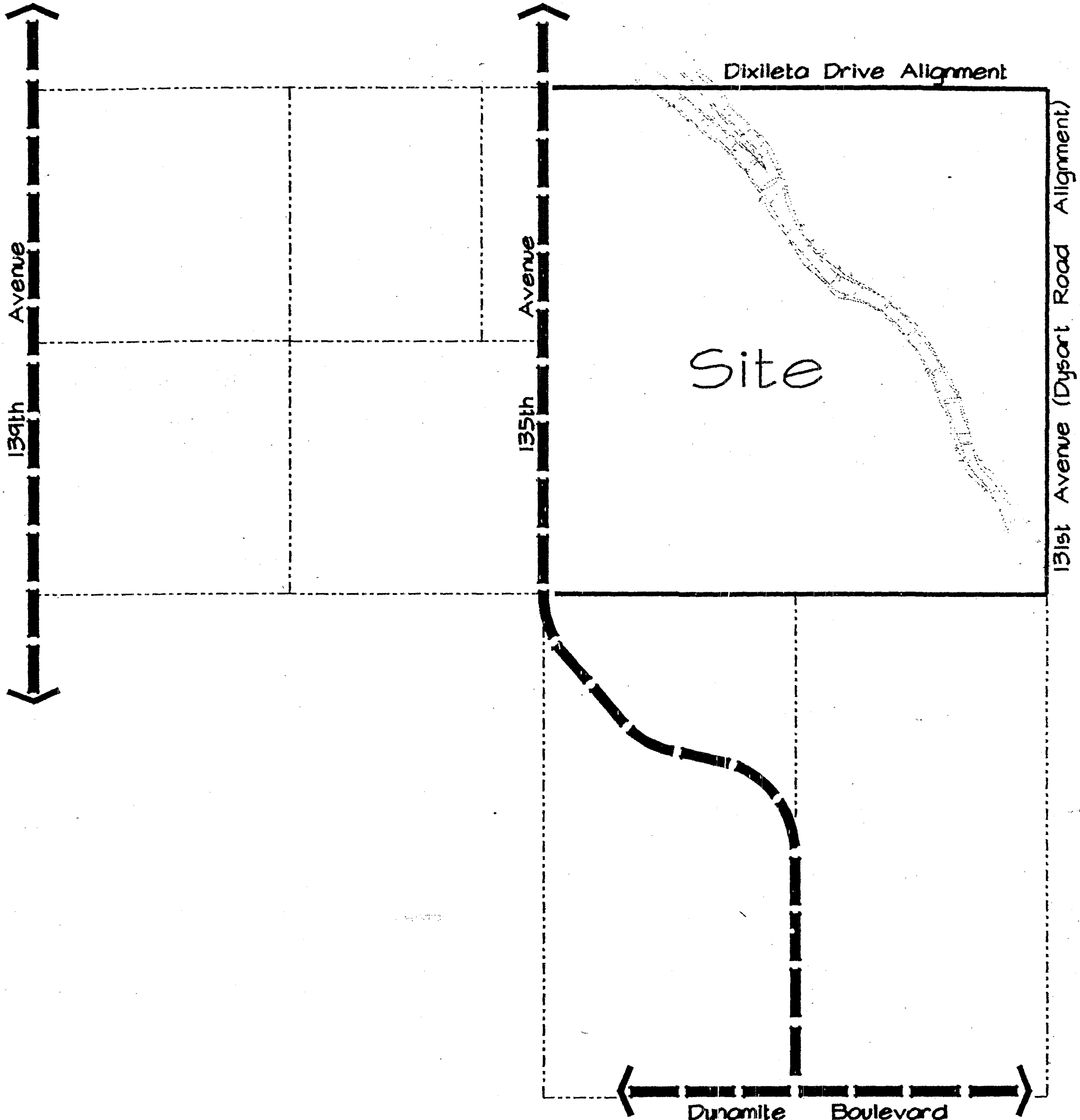
A



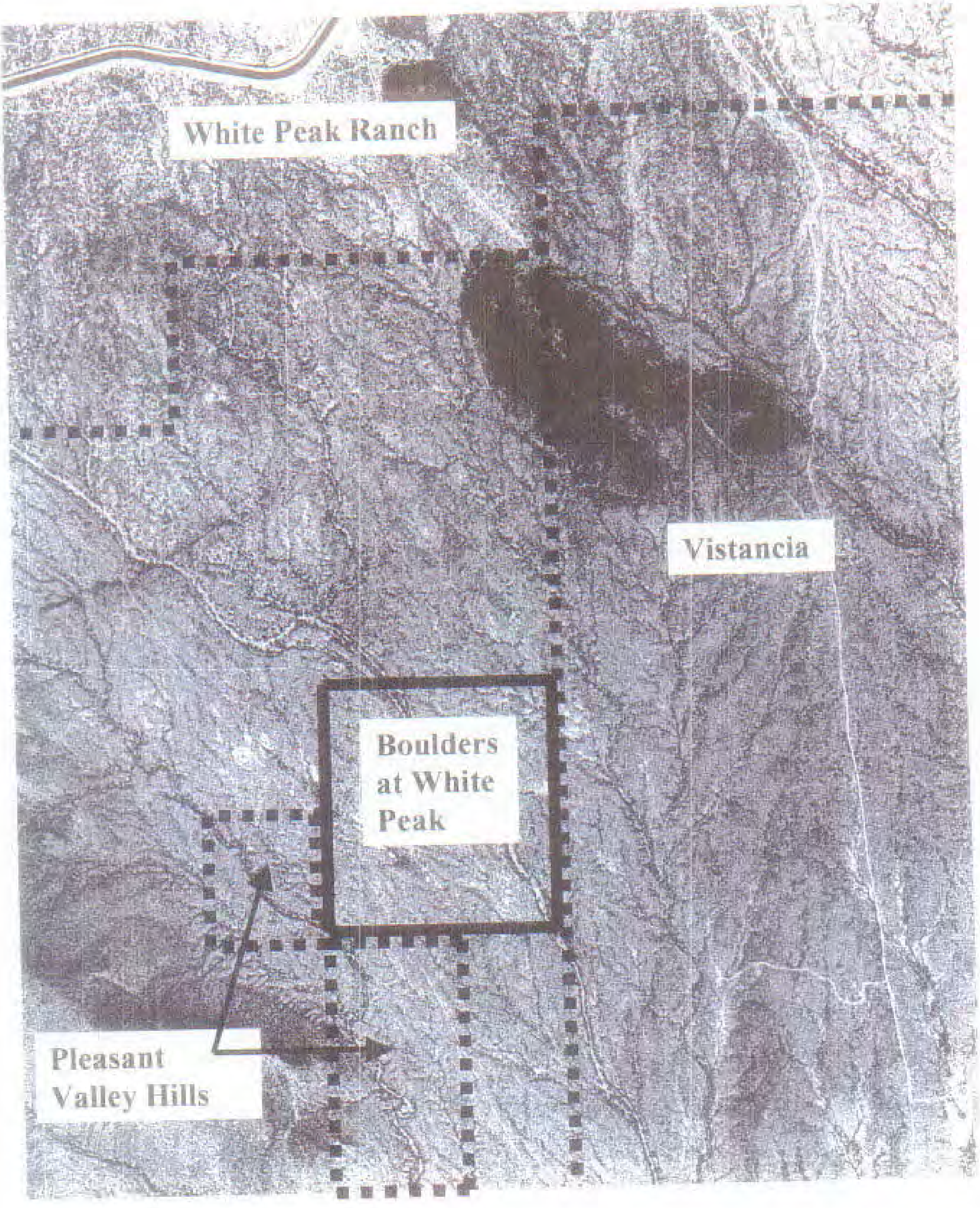
The Boulders at White Peak

Vicinity Map

ALD Arizona Land Design

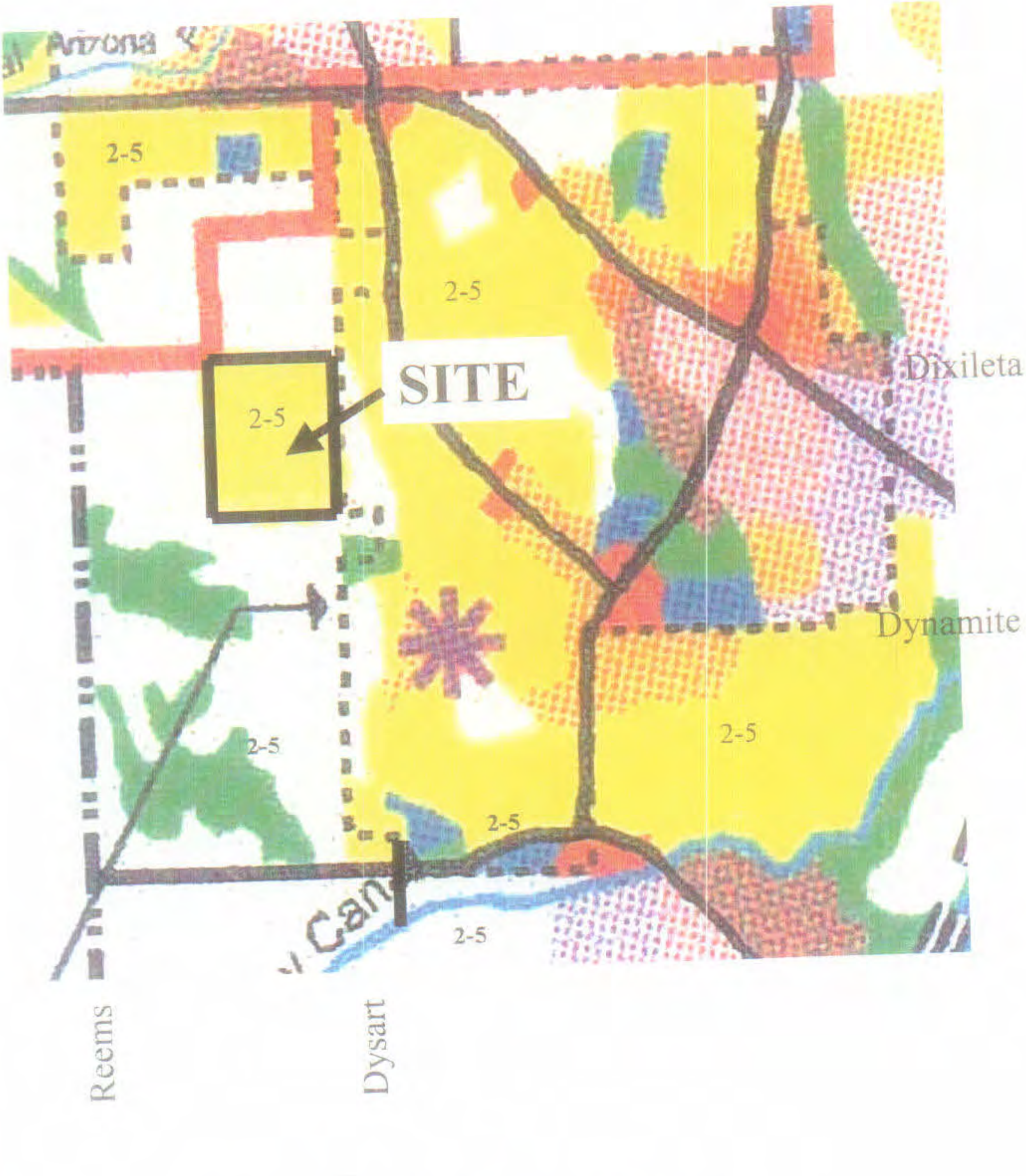
JOB# 01.33 DATE: 07/26/02

B



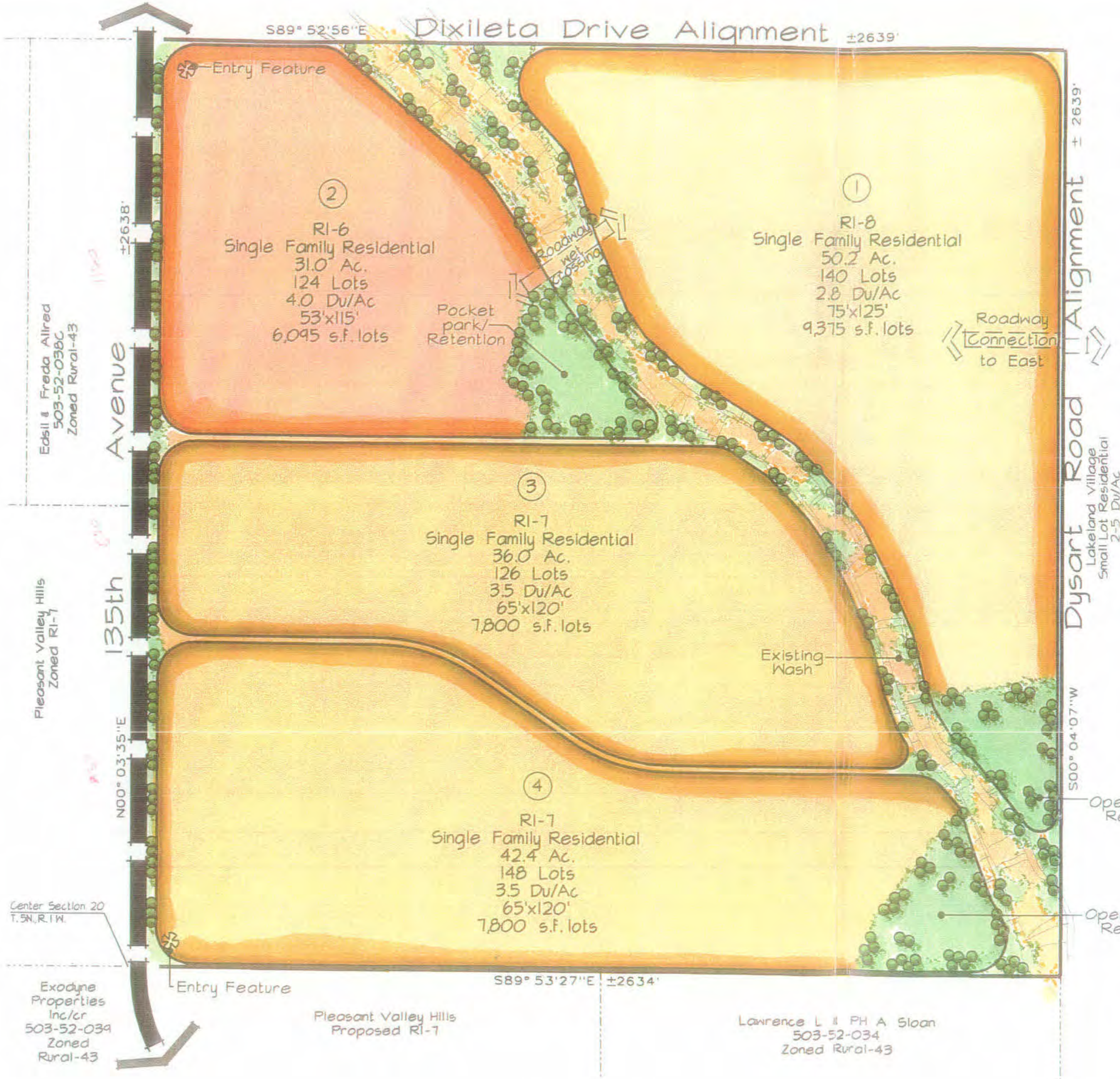
SURROUNDING DEVELOPMENT

C



General Plan Map

D



The Boulders at White Peak

PAD Development Plan

Prepared For:
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Fax: 480.315.8698
Contact:
Christine Taratsas, R.L.A.

Development Standards Chart

Parcel	Proposed Zoning	Proposed Lot Size	Proposed Lot S.F.	Area (Acres)	Proposed Density (du/acre)	Estimated Yield (lots)
1	R1-8	75 X 125	9,375	50.2	2.8	140
2	R1-6	53 X 115	6,095	31.0	4.0	124
3	R1-7	65 X 120	7,800	36.0	3.5	126
4	R1-7	65 X 120	7,800	42.4	3.5	148
Residential Subtotal				159.6	3.4	538

Lot Size		Total Yield		Percentage of Yield Proposed
53 X 115	R1-6	124	6,095	23.0%
65 X 120	R1-7	274	7,800	51.0%
75 X 125	R1-8	140	9,375	26.0%
Total		538		100.0%

*11% of gross project area to be reserved for useable open space.

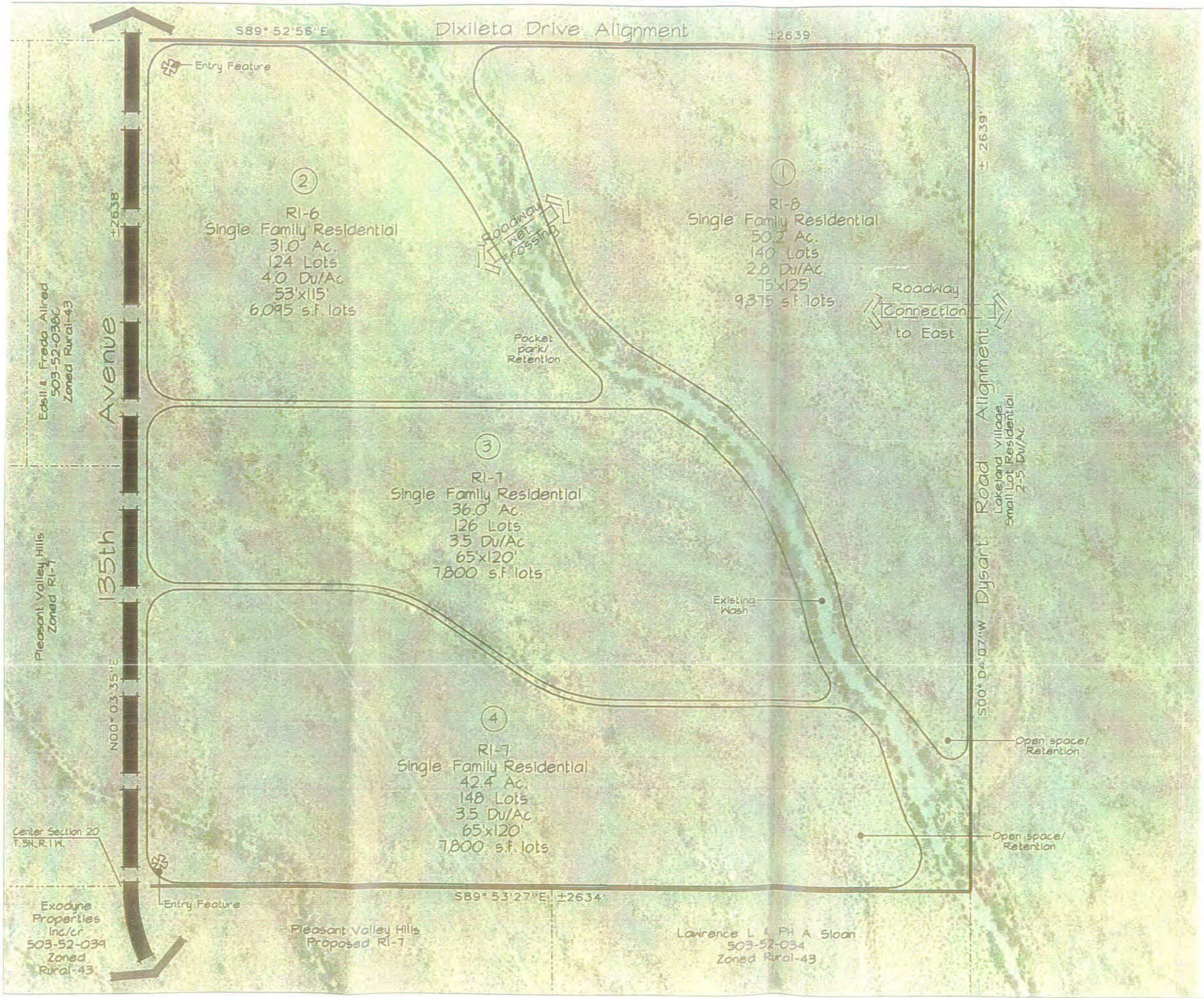
ALD Arizona Land Design

north 1"=300'

0' 150' 300'

JOB# 01.33

DATE: 07/26/02
REV.: 12/04/02



The Boulders at White Peak

Aerial Exhibit

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ALD Arizona Land Design

north 1"=300'

JOB# 0133

DATE: 07/26/02

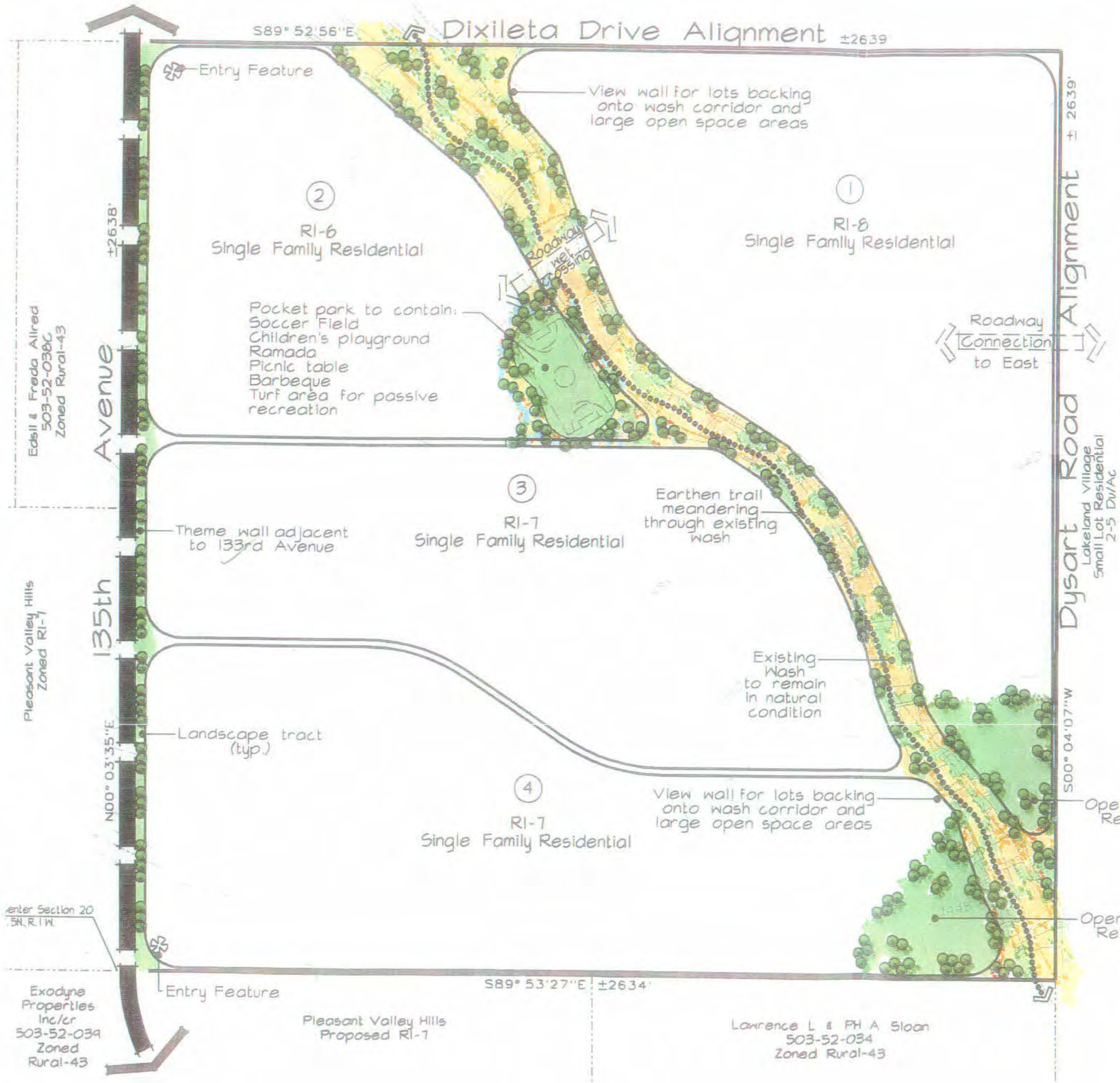
E

The Boulders at White Peak

Pocket Park Exhibit

JOB# 01.33
DATE: 05/29/02

F



The Boulders at White Peak

Master Landscape Exhibit

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Contact:
Christine Taratsos, R.L.A.

Legend:

TREES

CERICIDIUM SP.	CERICIDIUM SP.
PROSOPIS SP.	MESQUITE
OLNEYA SP.	IRONWOOD
ACACIA SP.	ACACIA

SHRUBS

LEUCOPHYLLUM SP.	TEXAS RANGER
CAESALPINIA SP.	BIRD OF PARADISE
SALVIA SP.	SALVIA
RUELLIA SP.	RUELLIA
DALEA SP.	DALEA
TECOMA SP.	YELLOW BELLS
CALLIANDRA SP.	FAIRY DUSTER.
CASSIA SP.	CASSIA

GROUNDCOVERS/ACCENTS

LANTANA SP.	LANTANA
VERBENA SP.	VERBENA
GAZANIA SP.	GAZANIA
YUCCA SP.	YUCCA
BOUGAINVILLEA SP.	BOUGAINVILLEA
AGAVE SP.	AGAVE

ALD Arizona Land Design

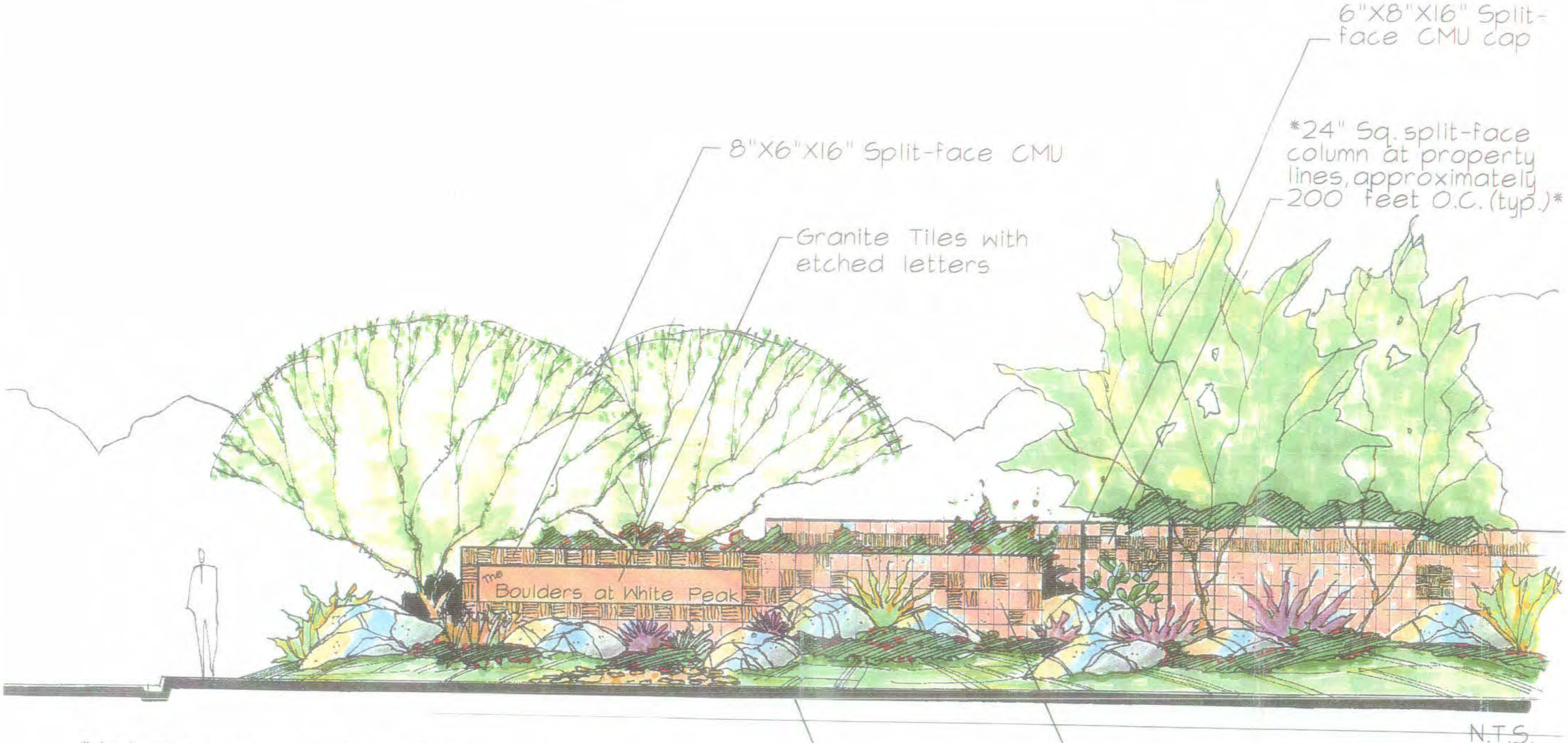
north 1"=300

0 150 300

JOB# 0133

DATE: 07/26/02

G



Actual spacing to be adjusted to locate the column at a property line corner

Walls adjacent to arterial streets to be 8' high and 6" width.

The Boulders at White Peak

Conceptual Subdivision Entry and Wall Elevation

ALD Arizona Land Design MACDONALD

JOB# 01.33
DATE: 05/29/02
REV.: 12/04/02

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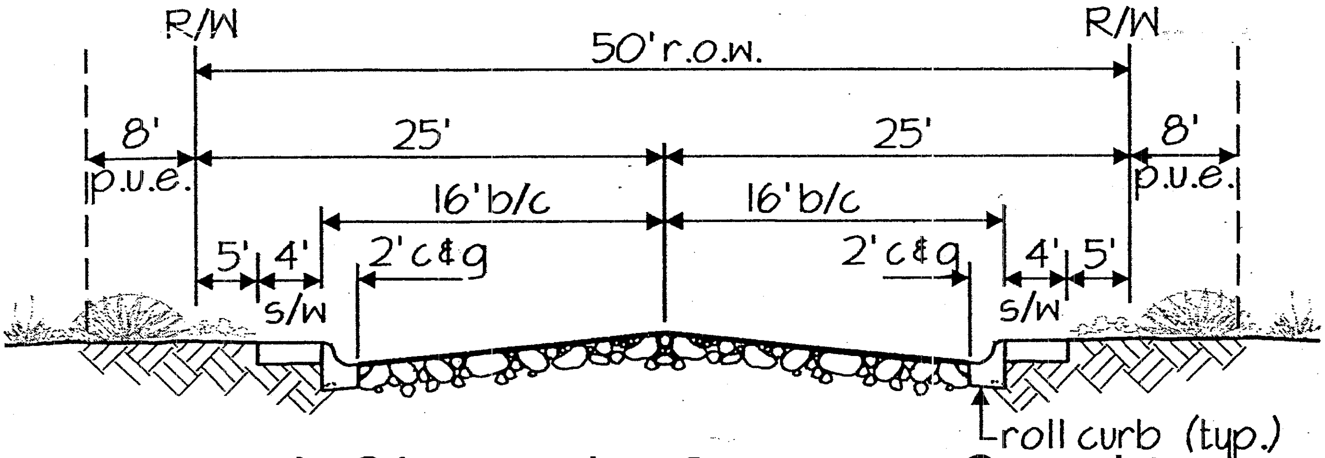
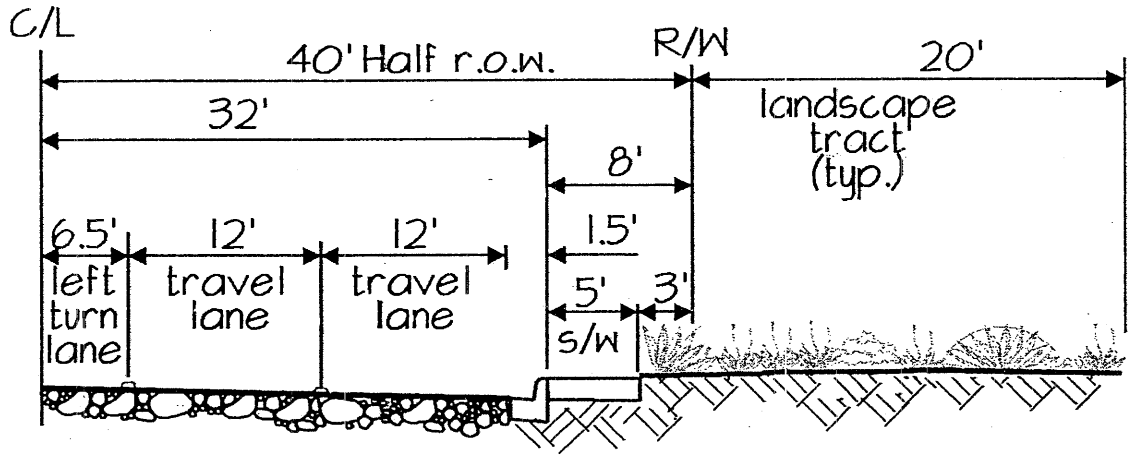


Local Street Cross Section



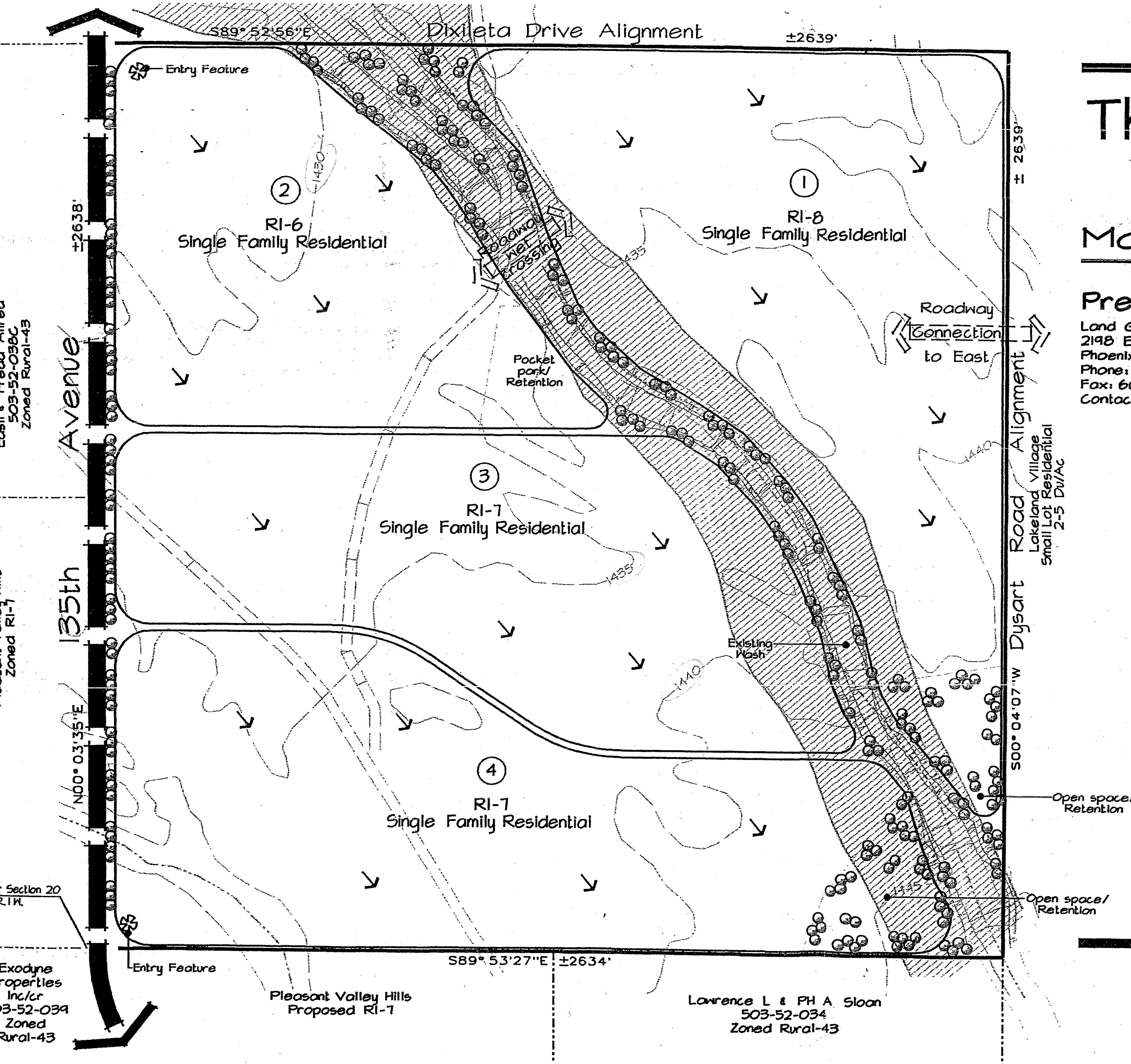
135th Avenue Cross Section

The Boulders at White Peak

ALD Arizona Land Design

JOB# 01.33 DATE: 07/26/02

Typical Street Cross Sections



The Boulders at White Peak

Master Drainage Exhibit

Prepared For:

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Scottsdale, AZ 85254
Phone: 480.951.6410
Fax: 480.315.8698
Contact:
Christine Taratsas, R.L.A.

Legend:

- Flood Zone Area
- Drainage Flow Arrow
- 1430 Existing Contour

ALD Arizona Land Design

north 1"=300'

0' 150' 300'

JOB# 01.33

DATE: 07/26/02

LEGAL DESCRIPTION

THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 1 WEST OF THE GILA & SALT RIVER BASE & MERIDIAN, MARICOPA COUNTY, ARIZONA

Exhibit F

Citizen Support/Opposition Correspondence

Received as of November 13, 2013

Summary of Support/Opposition Received

Name	Comments
Elaine Unsworth	Support, mentions concern for amenities
Paul Janzer	Support, mentions concern for amenities
Edmund & Betty Nightingale	Support, doesn't want a third expansion
Tom Scott	Support over 55 community
Greg Pratt	Support contingent on improvement of amenities/HOA management
Bruce Strand	Support contingent on improvement of amenities/HOA management
Charles Ramer & Elizabeth Biggins-Ram	Support
Denise & Scott Carty	Support
William & Jane Carman	Support
Diana Brager	Support
Jim Thompson	Support
Bill & Pam Malloy	Support
Alan Castello	Support
Nancy Nettleton	Support
Jim Brager	Support
Muriel Alford	Support
Donna Allbritton	Support
Terri & Rosco Sligh	Support
Adam Wolf	Support
Jerry McLeod	Support
Bob & Diana Delivuk	Support
Richard Tevich	Support
Russell Brown	Support
Bill Par	Support
Bill Lobban & Risa Mallory	Support
Roland & Judi Hahn	Support
Angelo Bassillo & Anita Setaro	Support
Sharon Fletcher	Support
Denise & Mike Vega	Support
Garth Lewis	Support
Anne Krejci	Support
Rhoda Brown-Schuh	Support
George & Linda Vinz	Support
Kent & Trisha Campbell	Support
Deborah Richitelli	Support
Carol Lohmann	Support
Claudine Lippert	Support
Linda & James Benedict	Support
John & Fran Voreis	Support
Brian Hinton	Support
Gloria Johnson	Support
Cherris & Paul Grady	Support
Robert & Linda Lindgren	Support
Denver & Jo Ann Schmadeke	Support
John Cacciato	Support
Corinne Haynes	Support
Mitch	Support
Don	Support
Lynn Clenin	Support
Eric & Bozena Buchfink	Support
Dave Baumgartner	Support
Tom & Mariette Malone	Support
Nancy Whetstone	Support
Cliff Migal	Support
Jeannette Parr	Support

Summary of Support/Opposition Received

Name	Comments
Karen Baumgartner	Support
Warren Goldberg	Support
Roger & Carol Schuler	Support
Pam & Jerry Clements	Support
Gary Smith	Support
Dale Dodson	Support
James & Maria T. Giblin	Support
Maryanne Kendall	Support
Ray Olson	Support
Denny Hallberg	Support
Mick & Laurel McLean	Support
Ted & Roselyn Guenther	Support
Christine & Charles Orebaugh	Support
Bob & Danna Schotsch	Support
Jim & Mary Sauvageau	Support
Sue & Gordon Rule	Support
Ralph Langstadt	Support
Phil & Nancy Marshall	Support
Yvonne & Leo Gatlin	Support
Frank & Carol Hillenbrand	Support
Dan & Wendy Jones	Support
Janet Nail	Support
Glenn Erdell	Support
Don & Karen Roemer	Support
Rod & Linda Heining	Support
Craig and Vicki Ullery	Support
John & Jean Sheva	Support
Gloria Migal	Support
John & Mary Ellen Feltovich	Support
Nancy Golden	Support
Jerry	Support
Beth	Support
Dennis and Cynthia Neff	Support
Lois Wolf	Support
Bob and Rita Burnham	Support
Charles & Sandra Goulette	Support
Nancy Carlson	Support
Scott & Denise Carty	Support
Denver & Jo Ann Schmadeke	Support
Gary & Marianne Yakubinis	Support -originally opposed
Jean Williams	support
Mike Lindbeck	support
Amy Mayhew	support
Karen & Robert Reinecke	support
Dennis & Sue Barn	support
Scott A. Shelton	support
James & Joanne Copperthite	Opposed, Concerned about density and recreation facility near premium lots
Jeff Kelly	Opposed, concerned about amenities and expenses that existing Trilogy already funded
Jim & Victoria Reed	Opposed, concerned about amenities and expenses that existing Trilogy already funded
Frances & Thomas Gilbert	Opposed to new community annexing into existing HOA
Steve & Jane Volckmann	Opposed to new community annexing into existing HOA
Elizabeth Kelly	Opposed to any HOA annexation due to amenities

Summary of Support/Opposition Received

Name	Comments
Dave Lederer	Opposed to HOA annexation; control of HOA, facilities, new community lots should be equitable size
Christine Rosales	Opposed to annexation into existing
Greg Zahner	Opposed to annexation into existing HOA
Mike Brands	Opposed to annexation into existing HOA
Tom Christopoulos	Opposed to annexation into existing HOA
Frank & Carol Riebli	Opposed to HOA Annexation, okay with community separate of Trilogy
Jacqueline Vogle	Opposed to HOA Annexation, generally okay with community separate of Trilogy
Sondra Fox	Opposed to HOA Annexation, generally okay with community separate of Trilogy
Elaine Hertz	Opposed to HOA Annexation, generally okay with community separate of Trilogy
Jack Perveiler	Opposed to HOA Annexation due to amenities, Okay with separate community
Fred Schrock	Opposed to any Shea expansion
Dave Reinert	Opposed due to HOA/Amenities
Adrienne Kirschner	Opposed due to HOA/Amenities
Rex McDowell	Opposed due to HOA/Amenities
Dan Cassey	Opposed due to HOA/Amenities
Bonnie Davis	Opposed due to Entrada view lots
Conrad Novak	Opposed
Sharon Taylor	Opposed
Rick & Sheila Sparr	Opposed
Debby Brands	Opposed
Gary Nottingham	Opposed
Jenny Long	Opposed
Dottie & Tom Kalfa	Opposed
Mark & Kathy Johnson	Opposed
Howard Radminsky	Opposed
Tom & Charlotte Wright	Opposed
Linda Julson	Opposed
Shirley Keaster	Opposed
Dave Stone	Opposed
Glenn Turner	Opposed-wants community vote
Melvin Bazerman	Opposed-wants community vote
Brian Bailey	Opposed-wants community vote
Mike O'beirne	Opposed
Sherry Sample	Opposed-wants community vote
Don & Karin Graw	Opposed-wants community vote
Paul Sheiner	Opposed-wants community vote
Keith Jones	Opposed-wants community vote
William Kirby	Opposed-wants community vote
Brian Adair	Opposed due to annexation
Cheryl Lyons	Opposed-wants community vote
Steve Hart	Opposed-wants community vote
Linda & Bill Tafs	Opposed-wants community vote
Fred & Patti James	Opposed-wants community vote
Joel & Susan Brosse	Opposed-wants community vote
Linda Parker	Opposed-wants community vote
Michael Lavin	Opposed to annexation, wants community vote
Linda Long	Opposed-wants community vote
Kay Waite	Opposed-wants community vote
Patricia R Mourtada	Opposed-wants community vote
Bob & Trish Jean	Opposed
John & Carol Vekich	Opposed-wants community vote
Vasant & Nancy Acharya	Opposed-wants community vote
Keith Homes	Opposed-wants community vote

Summary of Support/Opposition Received

Name	Comments
Darnell Allen	Opposed
Wade Wittke	Opposed-wants community vote
Eric S & Connie Rosenstein	Opposed-wants community vote, concern with amenities
Tom Donaldson	Opposed-wants community vote
Meredith & Glenn von dem Bussche	Opposed-wants community vote
Grace Pridal-Peters	Opposed-wants community vote
Robert Terrio	Opposed-wants community vote
Donna Donaldson	Opposed-wants community vote
Bob & Darleen Taylor	Opposed
Bill Seibel	Opposed-wants community vote
Tom Groat	Opposed-wants community vote

City of Peoria
Planning and Zoning Department
8401 West Monroe Street
Peoria, AZ 85345

Dear Mr. Kreuzweiser and Mr. Pruett,

We are residents of Trilogy in Vistancia. I am writing to you as one of many deeply satisfied homeowners in this lovely neighborhood. There are many of us - the silent happily content majority!

Personally, we have found Shea to be a reliable and reputable builder and developer. Both our home and the Trilogy community have met all of the expectations that were established at the onset of our relationship with Shea. Additionally, we were well aware that other planned area developments were already approved by the city and slated for the acreage directly behind the wall in our backyard.

We were elated to hear that Shea wanted to purchase the acreage behind our home and expand the Trilogy community for a variety of reasons. For totally selfish reasons, we would prefer to have more of the serene and beautiful Trilogy neighborhood directly behind (west) our home. We also believe this expansion to be a prudent fiscal endeavor on behalf of the city. We understand that Trilogy homes garner a higher per square foot value than area multi-generational homes, thus creating homes of greater initial value and which will better hold their value during an economic downturn. Due to our maturity, most Trilogy homeowners have greater disposable income to inject into the local economy for goods and services. The taxes on these goods and services have a direct impact on the city's general fund and its associated programs and services. These general fund programs and services benefit all ages of Peoria residents. Additionally, this tax benefit is amplified by the fact that Trilogy residents are not excessive consumers of many if these programs and services, such as the Police Department (Trilogy being a low crime area).

We encourage you to consider all of the benefits and favorable impacts that an expansion of Trilogy will bring to the greater Peoria community. We urge you to consider the "silent voice" of those Trilogy homeowners that are in support of this project with as much weight as those residents who have "voiced" their opposition.

We would be honored to share with you in person why we support the furtherance of the Trilogy expansion. We can be reached via cell phone at [redacted]r by e-mail at [redacted]. We appreciate your time pertaining to this matter.

Sincerely,

Charles Ramer and Elizabeth Biggins-Ramer
[redacted]
Peoria, AZ 85383

Letter of Background

This letter and the requests contained herein are intended to compromise disputed positions by and between Shea and the Homeowners who have signed this instrument. It is the intent of the subject Homeowners to settle all claims and disputes with Shea without the necessity of litigation.

Shea has done extensive planning and preparation for expanding Trilogy at Vistancia into parcels of land on our northern and western borders. Included in their pre work were a number of Focus Group sessions in which Trilogy homeowners favored the expansion plan by a margin of three to one.

However, participants for the Focus Group sessions were selected at random. People with little or no stake in the matter therefore, by nature of the selection process, were in the majority. Courted by promises of a new community center with upgraded facilities, enticed by speculation of reduced HOA fees and swayed by the benefits of having a benevolent Shea develop the parcels rather than risk the land being developed by companies building inferior single-family homes, it's understandable why people who would not be impacted by the expansion might see it in a favorable light.

On the other hand, homeowners bordering the areas targeted for expansion would be directly and adversely impacted by the project. To this group Shea's actions are not benevolent, but disingenuous as they charged and collected premiums for "view lots" while knowingly harboring plans for developing the areas and compromising the advantages promised by the premium lots.

The consequences of the proposed expansion fall unjustly and inequitably on the small group of homeowners directly bordering the parcels in question. This group has genuine issues and concerns that need to be heard and addressed, including loss of value, loss of view and loss of privacy.

While Shea places value on their surveys, we contend that the research methodology skewed the results and showed a more favorable level of community support for the project than actually exists.

The homeowners who are directly impacted are bearing the consequences for the whole community and deserve more than to be lumped in with others who couldn't care less.

We are a small group, but we are fortunate to live in a country that famously protects the rights of the minority against the power of the majority. In that spirit we ask that greater weight be granted to the issues and concerns voiced by the Trilogy homeowners who are at the greatest risk of being victimized by Shea's expansion plans.

Letter of Offer and Compromise

This letter and the requests contained herein are intended to compromise disputed positions by and between Shea and the Homeowners who have signed this instrument. It is the intent of the subject Homeowners to settle all claims and disputes with Shea without the necessity of litigation.

We—the owners of homes on lots immediately adjacent to the parcels being considered by Shea for annexation and development—oppose the plan to expand Trilogy at Vistancia.

We accepted the Trilogy version of the American dream of home ownership. We were challenged to not settle for buying a home. Rather, we were inspired to buy "a community…a way of life...a resort-like atmosphere."

We bought into the concept both spiritually and fiscally.

We carefully staked out and selected lot locations on what are currently the northern and western peripheries of Trilogy at Vistancia.

We paid premiums to have and enjoy desert views.

We looked forward to a retirement lifestyle that we had dreamed of through a lifetime of labor.

While we are not so naive to believe we would retain those views in perpetuity, we were led to believe by comments of Shea's agents, that any changes would occur later rather than sooner, e.g. "Oh the land will be developed eventually, but not for many years...probably not in your lifetime...we're talking 20 or 30 years down line."

We paid substantial premiums for these lots in the belief that we were buying a desert view, not merely renting one for a few years. And while we would mourn the loss of our views based on the actions of another developer, we believe that Shea—at the very least— was disingenuous in collecting premiums from us for view lots and then subsequently initiating a project that would deny us those views and jeopardize our privacy, our property values and our lifestyles.

It is only in response to Shea's repeated threats of the "inevitability" of the development of the parcels of land targeted for expansion that we agreed to meet with Shea representatives.

Our primary motivation is to preserve the environmental ambience of our community and protect our desert views.

Should the project continue despite our objection, we raise the following issues and concerns of homeowners immediately adjacent to the annexation parcels. Our intent is to negotiate compromises to alleviate the impact on the homeowners who bear an inequitable and disproportionate share of the consequences of the planned expansion project.

Petition of Issues & Concerns of C2 & Adjacent Homeowners

1. We request a full refund of the monies paid for "Lot Premiums" or, as described by the salespersons, "View Lots." In addition we request an additional sum for the years of lost use and enjoyment of the premium lot which we believed we were purchasing and for which Shea knew at the time such lots were purchased would be converted to lots of much lesser value;

2. Trilogy is a *community* and, as such, deserves a unifying community *center*. Having two disjointed facilities, each of which would be inadequate to meet all our needs, would not provide a single, central gathering point and social center that would define our community. Rather than dilute our resources by dividing them into two locations, expand and remodel the existing center by utilizing the sales office and design center as well as surrounding greenbelt areas to create the cohesive and harmonious community center it should have been from the start;

3. *All existing areas established for natural habitat preservation and sensitive lands management will be brought up to date and into compliance with the City of Peoria's general plan. Arroyos and washes will be preserved and protected to maintain wash integrity and prevent erosion. The area will be cleared of dead growth while every effort will be made to salvage thriving native plants and cacti;

4. Expansion will proceed with sensitivity to perspective of owners of adjacent view lots and compromises made to minimize the adverse impact of the expansion on property values;

5. Extend the western boundary 75 yards beyond the existing fence to provide adequate space for a natural desert buffer between existing and new homes;

6. On the northern boundary, locate the planned roadway farther north to maintain the integrity of the desert wash. Lower the roadway and landscape the buffer area in a manner that maintains the natural look and feel of the native environment while providing a light and noise buffer between existing and new homes;

7. During construction, Shea and its sub-contractors shall maintain clean worksites, minimize dust with continual watering and provide support for homeowners who are excessively impacted by the construction dust and debris;

8. To maintain consistency with existing Trilogy homes, do NOT offer two (2) story homes or loft elevations;

9. All lighting in the new areas will be focused and directed with minimal spread in order to maintain "dark skies;"

Petition of Issues & Concerns of C2 & Adjacent Homeowners

10. All buffers and privacy barriers between existing and new homes shall be accomplished with space, landscaping and/or vegetation, rather than with the use of walls;

11. Implement a uniform, cohesive and cost-effective landscaping plan for Trilogy that incorporates xeriscaping and the use of native, desert and drought-tolerant plants;

12. Since it is our understanding that the City of Peoria will not provide water and sewer needs for the parcels in question, any costs associated with supplying such needs should be born entirely by Shea, with no financial involvement by, or impact on the homeowners;

13. Current Trilogy homeowners shall be protected from incurring any costs directly associated with planning, development and construction of expansion project, including costs for installation of infrastructure. Such protection shall be in writing and signed by an authorized representative of Shea.

14. Shea shall post a completion bond to provide for environmental protection in the event expansion project is abandoned before completion; and,

15. We request that the homeowners subject to this letter be provided with all information in writing at least two weeks in advance of any modification not in the master plan, as it relates to this development.

<u>* Note Please see Attached Environment Impact:</u>

Environment Impact

All developments must be sensitive to the fragile nature of the desert and incorporate measures to preserve and protect the environment.

Shea's previous construction in the area demonstrated a lack of attention to the need to maintain the integrity of the desert wash system, resulting in serious erosion and damage to the native water management eco-structure. A wall constructed eight years ago encroached too closely on the wash and created unnaturally high banks, which resulted in drainage situations that destroy native vegetation root structures. Several mature saguaros in this area are currently in peril of being toppled due to their roots being undermined by erosion.

Now, in their preliminary development maps, Shea is once again encroaching too closely on the wash areas to the West. The plans risk further damage to the desert environment, particularly considering the potential for greater volume of water run-off in these deeper and wider wash features.

Threats to the fragile desert environment are not speculation. The attached photos offer clear evidence of the severe adverse impact of continuing developer encroachment on the complexity of the drainage system in this braided wash area.

Based on evidence of existing erosion in the immediate area, greater setbacks are mandated.

Extend the boundary beyond the existing west fence by 150 yards. This will help to protect the washes, maintain natural water run-off management, minimize erosion and preserve natural migratory paths of native wildlife.

Environment Impact

- Extend the boundary beyond the existing west fence by 150 yards (this is strictly an approximation until the revised map is presented) in order to protect the secondary wash **(Position 1)**. This will minimize erosion and damage to the primary and secondary washes. Please note that current drainage pipes and water sheds have been ineffective in preventing erosion to some areas of the wash, **as seen in the attached photos.**
- Protecting the wash will provide a buffer between the natural wildlife of the area and the community. The javalinas, coyotes, donkeys and many others desert animals have a natural path through the washes and this should be protected.
- The attached photos **001, 003, and 010 (Positions 6 and 7)** demonstrate the erosion and lack of attention given to maintain the wash integrity even though the wall was constructed over eight years ago. Encroaching too close to the wash, thus creating too high of banks and destroying the native vegetation root structure, has created a situation that has become almost impossible to reclaim in the extreme desert environment. Several very large and mature saguaros in this area are currently in peril of having their roots undermined and toppled due to this erosion. The preliminary development maps proposed by Shea have demonstrated much too close an encroachment on the wash areas to the west, particularly considering the greater potential volumes of water run-off to be expected in these deeper and wider features.
- **Photo 011** was taken from the bottom of the east-west wash **(Position 8)** looking up a draw from the bottom of the wash. **Photo 012** was taken from the top of the same draw looking down toward the wash.
  This draw is part of the overall wash system yet will effectively be filled in and slump walled off according to the proposed diagrams. **Photo 015** shows another draw looking east from the proposed development toward the north-south wash **(Position 9.)** This draw originates on the proposed cul-de-sac and will apparently also be completely filled in and contained by a slump wall. These draws are only two examples of the complexity of the drainage system in this braided wash area. Based on the evidence of the existing erosion in the immediate area, greater set backs are required.
- Identify all saguaros that will be affected by the construction to the west of the current property boundary

15

12

11

10

3

1

TRILOGY WEST PHASE 1
240'
184'
253'
R=50'
TRILOGY AT VISTANCIA PARCEL C
202'
87'
75'
PROPERTY BOUNDARY
233'
193'
TRILOGY WEST
PHASE 1
80' 40' 0 80'
SCALE: 1" = 80'

We the undersigned agree to the (15 items) listed

Print Name, address, email address, sign & date

CONRAD M. NOVAK

[redacted]

Mark + Kathy Johnson

[redacted]

Thomas & Charlotte Wright

[redacted]

DOTTIE & TOM KALFA

[redacted]

CHARLOTTE WRIGHT

[redacted]

JENNY LONG

[redacted]

SHARRON LO TAYLOR

[redacted]

GARY NOTTINGHAM

[redacted]

Rick & SHEILA SOBARN

[redacted]

DEBBY BRANDS

[redacted]

We the undersigned agree to the (15 items) listed

Print Name, address, email address, sign & date

MIKE BRANDS

[redacted]

Fred Gallacinao

[redacted]

Ian McCarron

[redacted]

W RICHARD SAVARESE

[redacted]

Marie Hodgins

[redacted]

DONNA M. DEC / GLORIA DEC

[redacted]

TED MANOS

[redacted]

Claudia Colman [redacted]

[redacted]

June 17, 2012

Conrad Novak
Via Email Attachment

Re: Letter and Petition to Shea

Conrad,

I am outraged that you attempted to read the letter and present the petition to Shea regarding the construction to the west of our home sites. It was in breach of our agreement and completely out of place.

To put the matter in its proper perspective:

1. The subject letter and petition ("petition")were drafted at the beginning of Shea's proposal to develop the property to the west and north of our home sites;
2. I participated in the drafting of the subject petition at a time right after Hal Looney had represented to Charlotte and I while at our home that "it (the road from Vistancia Blvd.)could be as bad as about 25 feet from your property";
3. Even after I helped draft part of the verbiage in the petition and prior to signing the petition, we (Charlotte and I) began meeting with Chris Nevins in two separate groups; the group with homes that have backyards facing the proposed western annex headed by you and Tom Kalfa and with another group of homeowners that have homes contiguous to the northern proposed annex. That group is headed by Frank Shiller;
4. At this point the petition had been drafted but Charlotte and I had not signed it. In fact, I told you that I did not want to sign the petition because Charlotte and I were very impressed with the substantive concessions Shea had made and that I would reconsider signing the petition if Shea did not follow through on the concessions that Chris Nevins suggested to Shea Leadership.
5. Specifically, Chris Nevins told the West Group that he had proposed to Shea Leadership that the new homes be moved back forty feet. Chris also stated that he had recommended that the road in the annex to the north would be moved back 70-120, depending on where the present homes in Trilogy are located;
6. **To keep peace in the neighborhood, basically, Charlotte and I agreed to sign the petition with the understanding that before you did anything with the petition (taking it to Shea or the City of Peoria) that you would first give us a chance to strike our signatures from the petition;**
7. You breached this agreement. First, you gave the petition to the City of Peoria and today you attempted to read the petition to the Shea Leadership and to the homeowners present at the zoning hearing. Shea's zoning attorney also stated that "Shea is familiar with the petition".

In light of the foregoing, please strike Charlotte's name and my name from the Petition, delete my name and Charlotte's name from any correspondence, email or any other written material regarding this subject and do not include either Charlotte or I in any further actions on your part or your groups part in subsequent actions regarding this matter. To be clear , "this matter" means anything whatsoever you might have on your mind regarding the property Shea proposes to annex to the west of our block and any matter Shea is proposing to do with the north of Trilogy.

I want to be very clear that after what I witnessed from you today, it is both my intention and the intention of Charlotte to divorce ourselves from your inappropriate and egregious conduct.

Instead, Charlotte and I want Chris Nevins to know how much we appreciate all of his fruitful efforts on our part and we want Shea to know that we appreciate Shea listening to us and making concessions prior to commencing the project.

While I do not want the foregoing two paragraphs to supplant the fact that Charlotte and I are still opposed to the construction, I would rather work with Chris and Shea in a constructive and professional manner in an attempt to reach a positive resolution.

Tom Wright

Melissa Sigmund

From: Scott Carty [redacted]
Sent: Tuesday, June 25, 2013 4:21 PM
To: Melissa Sigmund
Subject: Trilogy West

We live in Trilogy at Vistancia and are in favor of Shea building Trilogy West. Our belief is that it would enhance our community, increase our property values and provide quality homes for others. Shea has been very accommodating and has kept the community apprised of their intent. We have had to listen to home owners who feel betrayed by Shea and I don't want them as the sole voice for our community. As we know, the squeaky wheel gets the grease.
If there is a possibility that that parcel will never be built on, then I'm in favor of leaving it raw land. I doubt that is a possible!
Thank you for your time and for your service to our community.
Sincerely,
Denise and Scott Carty

Melissa Sigmund

From: BONNIE DAVIS [redacted]]
Sent: Wednesday, June 26, 2013 7:40 AM
To: Melissa Sigmund
Subject: RE: Trilogy West Expansion/ Case Z13-0007

Follow Up Flag: Follow up
Flag Status: Flagged

Ms. Sigmund,

Thank you for responding to my email. Your attention and review along with that of the City Council and the Planning and Zoning Commission is gratefully appreciated. We are not asking for a reversal of the total zoning application, we are asking for denial of the SR-43 / Northeast portion of the zoning request. The negative impact this would have on this entire neighborhood would be unprecedented. I understand how busy all of you are, but if you would like any pictures of the area in question I would be happy and willing to send you a couple to show you a visual. Like they say, a picture is worth a thousand words.

B. Davis
Vistancia / Entrada
Concerned Homeowner

From: Melissa.Sigmund@peoriaaz.gov
To: [redacted]
Date: Tue, 25 Jun 2013 16:36:28 -0700
Subject: RE: Trilogy West Expansion/ Case Z13-0007

Ms. Davis:

Thank you for your email regarding the proposed Trilogy West rezoning case. A copy of your letter will be provided to the Planning and Zoning Commission and City Council for use in their determination on this project. Please feel free to contact me if you have any questions or further comments regarding this case.

Thanks,

Melissa Sigmund, AICP, LEED Green Associate
Planner
Planning & Community Development Dept.
City of Peoria
9875 N. 85th Ave.
Peoria, AZ 85345
623-773-7603 Office
623-773-7245 Fax
melissa.sigmund@peoriaaz.gov
Hours: Monday-Thursday, 7am-6pm

From: BONNIE DAVIS [mailto:jacade52@msn.com]
Sent: Sunday, June 23, 2013 12:59 PM

To: Cathy Carlat
Cc: Melissa Sigmund
Subject: Trilogy West Expansion/ Case Z13-0007

Hello Ms. Carlat,
I am writing to you regarding the new Trilogy West expansion. I strongly urge you to withdraw your support of this project as it is currently presented and written. I live in the gated community on the northern border of this proposed annexation. We were never invited to any focus groups, asked for our feedback nor told about Shea Homes / Development plans until I received a letter at the end of May 2013. We were told by Shea Homes, when we purchased our homes and paid a large dollar premium for "View Lots", that the desert in front of our homes would not be developed. Now Shea has plans to build literally within 25 yards of my front door and my street. How would you like that done to you? (in all honesty). In the meeting of June 17th, Shea, personnel specifically said that they would not tear down or touch the mountain directly bordering this annexation. Look at their proposed development map. It not only builds "hillside" homes on the mountain (hence tearing it apart) it proposes a road right through the middle and over the top of the mountain. I would say that kind of construction would cause irreprehensible damage to the mountain they just said they would not touch. This is not just about Trilogy! and how much tax revenue can / will be generated. This greedy land grab will greatly impact my quality of life, my homes' value will decrease even further, along with the rest of my neighbors along Montgomery Road. The arrogance of the so called "Trilogy Focus Groups" and Shea Development, is almost beyond comprehension.
They complain about the overcrowding at their current recreation life center but they also do not want THEIR new facility in THEIR own back yards. They have the gull to put this 3-4 story monster within 500' of Our Front Yards....   I am passionately against this expansion along with my neighbors. We wish to file a formal complaint against this proposed rezoning request, with you, with the Zoning Commission, With the City Council and with all other agencies involved with this expansion.

B Davis
Vistancia Village
Entrada Homeowner

Melissa Sigmund

From: [redacted]
Sent: Tuesday, July 02, 2013 10:52 AM
To: Cathy Carlat
Cc: Melissa Sigmund; Chris.Nevins@sheahomes.com
Subject: Trilogy West Expansion Case Z13-0007

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Ms. Carlat:

The purpose of this note is to request you vote ***against*** the proposed expansion of the Trilogy development by Shea Homes as it has been currently presented by Shea. We would like to take just a few moments of your time to explain why we are making this request.

My husband and I are homeowners in the Entrada development in the Vistancia community. We purchased the property in 2009 and paid a premium for our lot. At the time of purchase, Shea's sales personnel advised us it was "highly unlikely" the land across the street from us would be developed as it would take "millions and millions of dollars" to do so. However, Shea further stated they did not have control over any re-zoning the City of Peoria might initiate and presented documentation to us to that effect. Ironic that Shea Homes is actually the instigator of this re-zoning proposal.

When we made the decision to search for a home in the Phoenix area, we explored cities to the east, south and northwest of the airport. We thought we had found the ideal location to experience the best Arizona has to offer when we selected the Entrada development in Peoria. Vistancia offered the best choice of residential communities and a most breathtaking view of the beautiful Arizona desert, not to mention the ample shopping and restaurants that can be found throughout Peoria. The proposal by Shea as it is currently stated will definitely have a detrimental impact on the aesthetics of Vistancia.

Entrada is an upscale community which was also built by Shea Homes. Many of the homeowners purchased their property prior to the housing market collapse and are still upside down in terms of their homes' value. Placement of an access road directly in front of the development, along with the construction of a multi-story club house/association facility, will very likely cause the situation to deteriorate further.

Residents of the current Trilogy development will also be negatively impacted in that a flood of new construction will certainly not help their efforts in the resale market. This proposed expansion represents approximately a 50% increase in the number of homes that will be available for sale in Trilogy.

To our recollection, Vistancia was planned for approximately 10,000 residents. The expansion of Trilogy will create a 10% increase in the population creating additional congestion and traffic in the area. Based on the information known at this time, it would appear the only beneficiary of this proposal is Shea Homes.

We were officially notified of Shea's intentions in mid-June and invited to participate in informational sessions. My husband did attend the meetings and has been in communication with the project director from Shea for this proposed expansion. We agreed to make contact again after the 4th of July holiday to determine a date and time for concerned Entrada residents to meet with Shea Homes.

We hope this message conveys our concerns relative to Case #Z13-0007 and would appreciate your support in denying this expansion as it is currently proposed. Please feel free to contact me if you would like any further information or have questions of us. Thank you for your consideration.

Sincerely,

Gary and Marianne Yakubinis
[redacted]

Melissa Sigmund

From: Shirley Keaster [redacted]
Sent: Tuesday, July 09, 2013 2:04 PM
To: InetPlanning
Subject: Trilogy annexation

As a resident of Trilogy I am writing to let you know our feeling about this annexation. We have chosen this senior community for its beauty and tranquility and the ease of having facilities available to us. Now we are learning that Shea is planning to add over 2000 residents to our community and impact out lifestyles and access to
these facilities.
Shea has told us they have allotted
$4,000,000 for the clubhouse which
an inadequate amount for the size of that community. This will certainly mean that these new residents will be using ours.
Shea has not shown us any reason to believe that this will benefit us in any way, in fact what I read leads me to believe that opposite.
I feel that what they are planning is not in our best as a community and only benefits Shea.
We worked hard to be here and see no need to have our lives impacted.
Sincerely
Shirley and Bob Keaster
Sent from my iPhone

Melissa Sigmund

From: R CORY LEVETAN [[redacted]]
Sent: Thursday, July 11, 2013 8:23 AM
To: InetPlanning
Subject: Trilogy Annexation

To whom it may concern:

I wanted to express my opinion that I vehemently oppose the annexation of Trilogy at Vistancia. I believe this expansion is not in the best interest of the residents and is more about Shea and their profit motives. The expansion will cause overcrowding among facilities at Trilogy and will dampen the lifestyle that we expected when the property was originally purchased.
Thank you for your consideration.

Cory Levetan

Melissa Sigmund

From: Briana Decker
Sent: Monday, July 15, 2013 9:42 AM
To: Melissa Sigmund; Chris Jacques; Shawn Kreuzwiesner
Subject: Trilogy West

Good Morning,

Just a heads up that Councilmember Carlat has received about 75 emails since last Thursday regarding the project. Nearly all have been in full support, while a few have showed support contingent on HOA amenities/management changes.

Thank you,

Briana Decker
Council Assistant
Intergovernmental and Council Affairs
City of Peoria, 8401 W. Monroe St. Peoria, AZ. 85345
Phone: 623.773.5133 / Fax: 623.773.7384
Briana.Decker@peoriaaz.gov
Work hours: 7:00 a.m. - 6:00 p.m. (Monday-Thursday)
Please consider the environment before printing this email.

Click here to register for the Mesquite District updates!

Click here to register for the Ironwood District updates!

Melissa Sigmund

From: Joanne Copperthite [redacted]
Sent: Tuesday, July 23, 2013 6:02 PM
To: Cathy Carlat; Melissa Sigmund
Subject: Trilogy West
Attachments: IMG_1107.jpeg; ATT00001.htm; IMG_1111.jpeg; ATT00002.htm; IMG_1109.jpeg; ATT00003.htm

Follow Up Flag: Follow up
Flag Status: Flagged

Hi - I am writing to express my strong opposition to Shea's current PAD rezoning application for Trilogy West. I have several concerns which include property and esthetic value in my neighborhood as well as desert/open space preservation.

I am not against growth and development, however, I have a problem with a small portion of the current PAD application.

1) I would strongly urge you to **require Shea to reduce home density in the small section of the PAD noted as SR-43 ZO1-10.** This is the section that is directly adjacent to our existing neighborhood and the homes where large lot premiums were paid to Shea for desert views. Building homes directly adjacent to our neighborhood will greatly destroy the esthetics, quality and value of our neighborhood. Ideally, I would ask that NO homes be built in this section or only on the side of the road opposite our neighborhood or at the very least a much larger buffer or natural zone be created between our neighborhoods.

2) I would strongly urge you to **require Shea to move the site of their Recreation Facility to another location within Trilogy West that is not in the sight line of our neighborhood**.

I am very disappointed that we will be losing more of Peoria's beautiful untouched desert and the natural area that makes Vistancia so special. I have attached a couple pictures of the area which don't really do it justice. This is more than just "raw desert" or a dirt patch. Shea has already profited greatly by selling views of this space via large Lot Premiums paid by the homeowners in our neighborhood facing this desert space. I am certain there is a way to build Trilogy West without compromising existing homeowners' investments. **I respectfully request that you deny the current application and ask Shea to reconsider the development in the small plot of land labeled SR-43 ZO1-10 and relocate their recreation facility.**

Thank You,

James & Joanne Copperthite

Melissa Sigmund

From: linda julson [redacted]
Sent: Tuesday, July 23, 2013 11:11 AM
To: InetPlanning
Subject: 1,000 new homes planned for Trilogy at Vistancia

I am a resident of Trilogy and am concerned with the addition of 1000 new homes when we thought we were just about to take over the HOA . Shea is telling us one thing and then doing another. I am concerned about the added strain on our already inadequate facilities such as the exercise room, gym, pool etc. I attended a meeting Shea had with "clickers" to judge the approval rating of the residents. If Shea did indeed do what they alluded to in that meeting, things would be great. But as plans emerge, they are not what we were lead to believe.
The new area will only have a satellite facility woefully undersized for the 1000 people. They instead will be using our facilities.
Along with that issue, we have several residents who have gotten Valley Fever in the last few years and all this additional digging is worrisome to me for health reasons.

Just my 2 cents worth,

Linda Julson
[redacted]
Peoria,az

Melissa Sigmund

From: [redacted]
Sent: Sunday, August 11, 2013 12:39 PM
To: Cathy Carlat
Cc: Melissa Sigmund
Subject: Re: Trilogy West

Resend

Sent from my iPhone

On Aug 6, 2013, at 3:31 PM, howardr675@aol.com wrote:

Dear Ms. Carlat,

I am a resident of Trilogy at Vistancia. I have reviewed Shea Homes plans to develop a new community that they are calling Trilogy West. As they have presented their plan to the city for a new development, I have no objection.

However, they have told the homeowners (and the city) that they plan to not proceed with Trilogy West as proposed, but as a single entity combined with Trilogy at Vistancia. I believe that their preliminary zoning request as filed is false, misleading and should be denied for a variety of reasons -

1) Trilogy at Vistancia amenities are already overcrowded. Allowing access to another 2,000 residents will lessen our quality of life for many reasons. Our pool deck is at capacity and currently has 125 seats for 4,000 residents, adding 2,000 residents will make it probable that our pool will be unusable for a substantial amount of residents on any given day.

2) We pay to maintain our roads, adding 2,000 residents will put added costs to our road maintenance with no contribution from the new community.

3) 2,000 additional residents entering and exiting our gates will create traffic that our community was not designed to accommodate.

4) We are a private community. Allowing unfettered access by a separate community threatens our security.

5) The homeowners at Trilogy at Vistancia have many functions at our Kiva Club. Most are sold out well in advance. Adding 2,000 additional homeowners will further stifle our ability to enjoy and utilize the community where we purchased our homes. Some of these activities are but not limited to - weekly happy hours (the food is sold out because the kitchen is too small), the Trilogy Players (4 shows were sold out this spring including a matinee that forced senior citizens to perform 2 shows in 1 day in order to accommodate all those that wanted tickets). The wine club cannot accommodate all those that want to attend events.

6) Our tennis courts already have waiting lists.

7) Pickle ball courts are being planned for the future but the amount of courts being planned are only enough for the current Trilogy at Vistancia residents. There are not enough courts being planned for an additional 2,000 residents.

8) Trilogy at Vistancia is part of the Vistancia Master Plan and Trilogy West is not. By the developer combining these 2 communities, the maintenance that TAV pays towards the Vistancia Master Plan will be enjoyed by 1,000 families that make no payments to maintain Vistancia.

9) The deterioration of our amenities, lifestyle, roadways will lead to a reduction in the value of our real property as the lifestyle we now share will be diminished by allowing a separate (?) community to access our community without making any investment in it.

In my opinion, you must reject the plan as proposed as long as the developer continues their plan to merge the 2 communities.

I think Shea Homes needs to either attempt to rezone as 1 community (which is their real plan) or proceed with Trilogy West as proposed on the preliminary plan and agree to not move forward with their annexation plan.

It appears to me that it is a false narrative that has been presented to the city for zoning approval.

I would welcome your comments on this matter.

Sincerely,

Howard Radziminsky
Trilogy at Vistancia Resident

Melissa Sigmund

From: [redacted]
Sent: Thursday, October 10, 2013 8:44 AM
To: Cathy Carlat
Cc: Steve Kemp; Melissa Sigmund; Chris.Jaques@peoriaaz.gov; Bill Mattingly; Brent Mattingly; Andy Granger
Subject: Fwd: Trilogy West

-----Original Message-----
From: [redacted]
To: ""\"Cathy Carlat <Cathy.Carlat\"" <"Cathy Carlat <Cathy.Carlat""@peoriaaz.gov
Cc: ""\"Steve Kemp <steve.kemp\"" <"Steve Kemp <steve.kemp""@peoriaaz.gov; ""\"Melissa Sigmund <melissa.sigmund\"" <"Melissa Sigmund <melissa.sigmund""@peoriaaz.gov; ""\"Chris Jacques <Chris.Jacques\"" <"Chris Jacques <Chris.Jacques""@peoriaaz.gov; ""\"Bill Mattingly <bill.mattingly\"" <"Bill Mattingly <bill.mattingly""@peoriaaz.gov; ""\"Brent Mattingly <brent.mattingly\"" <"Brent Mattingly <brent.mattingly""@peoriaaz.gov
Sent: Thu, Oct 10, 2013 11:13 am
Subject: Trilogy West

I am a homeowner who lives in Trilogy at Vistancia. I believe that the narrative from Shea Homes is misleading at best. Please note my comments on their C.P.P. and include it in the public record.

HOMEOWNERS REACTION TO C.P.P.

The applicant is stating many assumptions in their plan that the homeowners do not agree with.

Z-13007 is a rezoning matter that will do harm to the home values and lifestyles of the neighboring communities and should not be approved. While many homeowners are angry about the HOA, CC&R and annexation matters that they feel are abuses by the applicant, they recognize that the zoning approval process is a separate matter and should be denied for many reasons.

1) The applicant has stated in the CPP that if the majority of homeowners do not want the applicant to move forward, they won’t.
2) In a recent survey open to all homeowners, 70% of those responding (over 20% of all homeowners) do not want the zoning to be approved. This survey was taken in September after the applicant filed their proposal.
3) The level of support claimed by the applicant was received before any plans were unveiled. Their claim of support is from February and March prior to any plans being filed.
4) The homeowners objection is to the actual zoning plan put forth, not the hypothetical plan the applicant is using as their basis for support.

5) Each phase of outreach by the applicant has further eroded their support. That is why their support went from 70% in March to 20% in September.
6) As the applicant has stated that they will not move forward if the majority are not in favor, we believe that all work on Z-13007 should cease as the applicant has failed to meet their own requirements.
7) In their zoning proposal, the applicant asks for administrative amendments to change their plan without any prior approvals during the build out process~~.~~ The homeowners feel that the disregard of our values will be exploited given the applicants ability to make changes without the necessary approval process.
8) The homeowners feel that the clauses asking for administrative amendments be denied as we cannot allow the applicant to file a plan and then be free to make any changes they deem necessary that could do further damage to the homeowners that reside nearby.
Below is the link to the survey that was open to all Trilogy homeowners in mid-September for a 10 day period. Please keep in mind that Shea Homes has proposed a new development called Trilogy West to the City. Shea Homes has only discussed the annexation of Trilogy West with the homeowners. Homeowners that are against annexation are opposed to the zoning approval.

http://www.trilogyannexation.com/

Based on what I currently know about the Trilogy West development and annexation of these 1016 homesites into Trilogy, I do not support annexation.
1) Strongly Agree, 2) Somewhat Agree, 3) Undecided, 4) Somewhat Disagree, 5) Strongly Disagree

1	339	61%
2	54	10%
3	47	8%
4	41	7%
5	77	14%

Below is a link to homeowner comments that accompanied the survey. Over 180 survey respondents felt strongly enough to voice their comments

http://www.trilogyannexation.com/index.php/tag/have-your-say/

Some of these comments are highlighted below –

WE DO NOT WANT THE ANNEXATION TO GO THRU BECAUSE OF ALL THE OVERCROWDING IT WILL CAUSE. I WILL PICKET OUTSIDE TRILOGY IF WE NEED TO….ANYTHING TO STOP SHEA.

In the macro sense Shea Homes has done a massive “bait and switch” maneuver on all existing residents. We were told of a fixed size community utilizing existing amenities. This is a gigantic dilution of our lifestyle and property value perhaps only matched by Ben Bernanke debasing the dollar. Both are devaluing our worth and future prospects. Shea has lied to every person buying a property from them, changing the rules. So what is next for rule changes?

Totally Not what I bought when moving here!!!! Shame on Shea

Preserving our real estate values is of utmost importance to all of us and they are sure to go down with over crowded conditions, less expensive homes and smaller homesites. No, no, no to Trilogy West!

Overcrowding and property devaluation. No way

If Shea would create amenities proportional to the new population similar to what now exists for the Kive Club and other facilities, and increase average lot size then we would be more supportive and less in opposition.

The Kiva Club facilities are already too busy in peak months of February to April, how can Shea possibly think that it can handle more residents without building another full service similar facility.

I feel that if the new community is to be part of this existing community the lots should be as big and the amenities should be increased to benefit all of the homeowners. Under the current plan, residents of Trilogy West will be looked down on.

The current facilities are crowded and that many more residents will not work.

We are asking that this become part of the official record.

Melissa Sigmund

From: Chris Jacques
Sent: Monday, October 21, 2013 4:53 PM
To: Melissa Sigmund
Subject: Fwd: Trilogy West Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Sent from my iPhone

Begin forwarded message:

> **From:** Briana Decker <Briana.Decker@peoriaaz.gov>
> **Date:** October 21, 2013, 4:28:26 PM PDT
> **To:** Chris Jacques <Chris.Jacques@peoriaaz.gov>
> **Subject: Trilogy West Comment**
>
> Hi Chris,
>
> I just received a phone call from Ms. Elizabeth Kelly who is opposed to the Trilogy West Development Project. She is primarily concerned about the HOA annexation, parking, shared amenities, and also concerned about the small lot sizes (those around 5,000 SF) within her community and the new one. She would prefer this property develop as a separate single family community and she noted that she would like her comments added to the case file.
>
> Thank you,
>
> **Briana Decker-Cortinas**
> Council Assistant
> Intergovernmental and Council Affairs
> City of Peoria, 8401 W. Monroe St. Peoria, AZ. 85345

Melissa Sigmund

From: Trilogy Annexation [redacted]
Sent: Thursday, October 10, 2013 3:09 PM
To: Cathy Carlat; Bill Mattingly; Brent Mattingly; Chris.Jaques@peoriaaz.gov; Steve Kemp; Melissa Sigmund
Subject: Trilogy West Rezoning

Follow Up Flag: Follow up
Flag Status: Flagged

To all City of Peoria officials considering Re-zoning Case Z07-13 (Z-13007)

The Shea rezoning plan approval process must take into consideration that Shea plans to annex the current Trilogy neighborhood into a larger community that will share existing amenities along with the planned amenities outlined in the new area called Trilogy West. The annexation of the current Trilogy community and Trilogy West can only occur if the City of Peoria approves the Trilogy West zoning plan.

When Trilogy residents talk about how much they love their community, much of that admiration is focused on the amenities that were built at the very beginning of the Trilogy development. The Kiva Club is the center of the amenities package and includes a spacious clubhouse, indoor and outdoor pools, tennis courts, a Sales Center, that in the future will be transformed into a multi-use space, and ample parking for all residents. In addition to numerous green spaces, the Trilogy residents have a 3 acre park with restroom facilities, a children's water sprinkler, playground equipment and a full basketball court. A resort style entrance with gatehouse, waterfalls and meandering creek flowing into a large lake, sets Trilogy apart from all other area retirement communities. Most important, all of these amenities, landscape features and buildings are owned by the residents.

The Trilogy amenities package was very expensive to build and Shea, as the developer, recovered the expense by passing on the cost of the amenities package in the overall price of the homes purchased by Trilogy residents. No one can argue that: 1) the current Trilogy residents did not pay for all the amenities and 2) this cost was to be shared by the original 2,375 planned residents.

Some in the city's planning and zoning process will argue that Trilogy enjoys an amenities package that far exceeds what one finds in other area retirement communities. In addition, the city's zoning decision should not consider what amenities will be included in the planned Trilogy West community or any rezoning submittal. Many in the Trilogy community disagree and point out that we enjoy the great amenities package because we paid for it and the price was reflected in our home prices. Other area retirement communities could have equally desirable amenities by paying for them. If the Shea rezoning proposal was submitted as a new, "stand alone community", no one in Trilogy would be concerned about what funds were allocated by Shea to build the Trilogy West amenities package. However, as everyone knows, this zoning approval will allow Shea to “recreate” the Trilogy community with significantly more homeowners with rights to share existing Trilogy amenities.

Initially, after Shea proposed the new Trilogy West development and annexation, much of the Trilogy resident’s concerns centered on the size of both the new shared amenities and the increase of 43% more residents that would share the existing amenities. When Shea announced their $4M budget for new Trilogy West amenities and the statement that no additional funds would be added regardless of our concerns, many Trilogy residents were convinced that the annexation of Trilogy West will overburden existing facilities and severely impact the Trilogy lifestyle we now enjoy.

Two scenarios best illustrate our contention that: 1) the approval of the re-zoning proposal will adversely affect the current lifestyle enjoyed by Trilogy residents and thereby impact home values. 2) as well as reduce our financial interests and ownership of what we now enjoy as Trilogy homeowners.

Simple metrics illustrate the overall impact of the annexation of Trilogy West into the Trilogy community:

- The cost of Trilogy amenities in 2003 approached $14M and would approximate $19M of value in 2015 dollars.
- The existing Kiva Club complex and Reunion Park complex encompasses 23 acres.
- Shea’s planned $4M amenities expenditure in 2015 represent 21% of the value of our current amenities on a planned 5 acre footprint (also 21% of current complex acreage).
- Shea’s proposed addition of 43% in residents with only a 21% increase in overall amenities, as measured by their investment in both 2003 and 2015, certainly indicate that current amenities will be overwhelmed in the future.

Shea’s response to these metrics is to simply contend that many areas within the Kiva Club are underutilized and thereby only the areas designated to be duplicated in Trilogy West are essential. Many in Trilogy disagree.

Many Trilogy residents believe that the above metrics are certainly a very good indicator that our current facilities will be overwhelmed and that this overcrowding will reduce the overall quality of life in Trilogy and have the effect of reducing the value of our homes. Another example better illustrates an irrefutable financial loss that all Trilogy residents will endure after the planned annexation.

Trilogy at Vistancia was planned to include 2375 homes where homeowner own a percentage or share of the total value of the current amenities package. As outlined previously, the Kiva Club compound, park and gatehouse are valued at a conservative, $19M (2015 dollars). That equates to about $8,000 of value to each of the 2375 homeowners that make up Trilogy at Vistancia.

If the City of Peoria approves the planned zoning change package, Shea will add 1,016 new homeowners to the new Trilogy community. Shea has published that they will invest $4M into the additional Trilogy West amenities package; in addition, they have said to homeowners that the $4M budget will not be increased at all as the project moves forward.

The new amenities are scheduled for completion in 2015 making the new and existing amenities package worth approximately $23M in 2015 dollars. That equates to $6,782 of value for each of the planned 3,391 home owners (2375 homes in Trilogy and 1,016 homes in Trilogy West). For the current Trilogy homeowners, that equates to a loss of $1,218 or 15% in the value of all the amenities per homeowner. In simplest terms, the approval of Shea's rezoning proposal, followed by an annexation, will certainly financially dilute the amenities share value of each homeowner in Trilogy.

From all the conversations between Shea and current homeowners, one of the most revealing questions and answers focused on why Shea doesn''t build Trilogy West as a standalone community. Shea's initial response was that a retirement community can only be viable if associated with a golf course. When residents pointed out that the existing Trilogy Golf Course was public and not financially aligned with Trilogy and that Trilogy West could never be geographically connected to the course, Shea changed future responses to that question. Now, Shea responds with the statement that by combining the two Trilogies there is an opportunity to relieve pressure points on existing amenities. However, by not duplicating a main meeting room, indoor pool, computer room, pool room and snack bar, these already overcrowded amenities will certainly not see any "pressure relief". Also, Shea adds that annexation may possibly spread costs more efficiently and possible lower future HOA assessments, however in other parts of their community presentations, they have stated repeatedly, that they have no hard data to support any predictions of future assessments.

For many Trilogy residents, the annexation will result in a lower quality of life for all residents, negatively impact home values, result in a diluted financial interest in existing amenities and overcrowd existing amenities. When asked why is Shea insisting on annexation, these same residents argue that Shea is using Trilogy as "an opportunity" to use our existing infrastructure (Sales Center and amenities), all of which are located in a beautiful 1,060 acre community of 2,375 homes (2.24 homes per acre) to sell homes in a more crowed community with fewer amenities. Certainly, the annexation "leverage" employed by Shea will be financially rewarding to them, but many here in Trilogy argue, at the financial expense of current Trilogy homeowners.

From a group of concerned Trilogy homeowners

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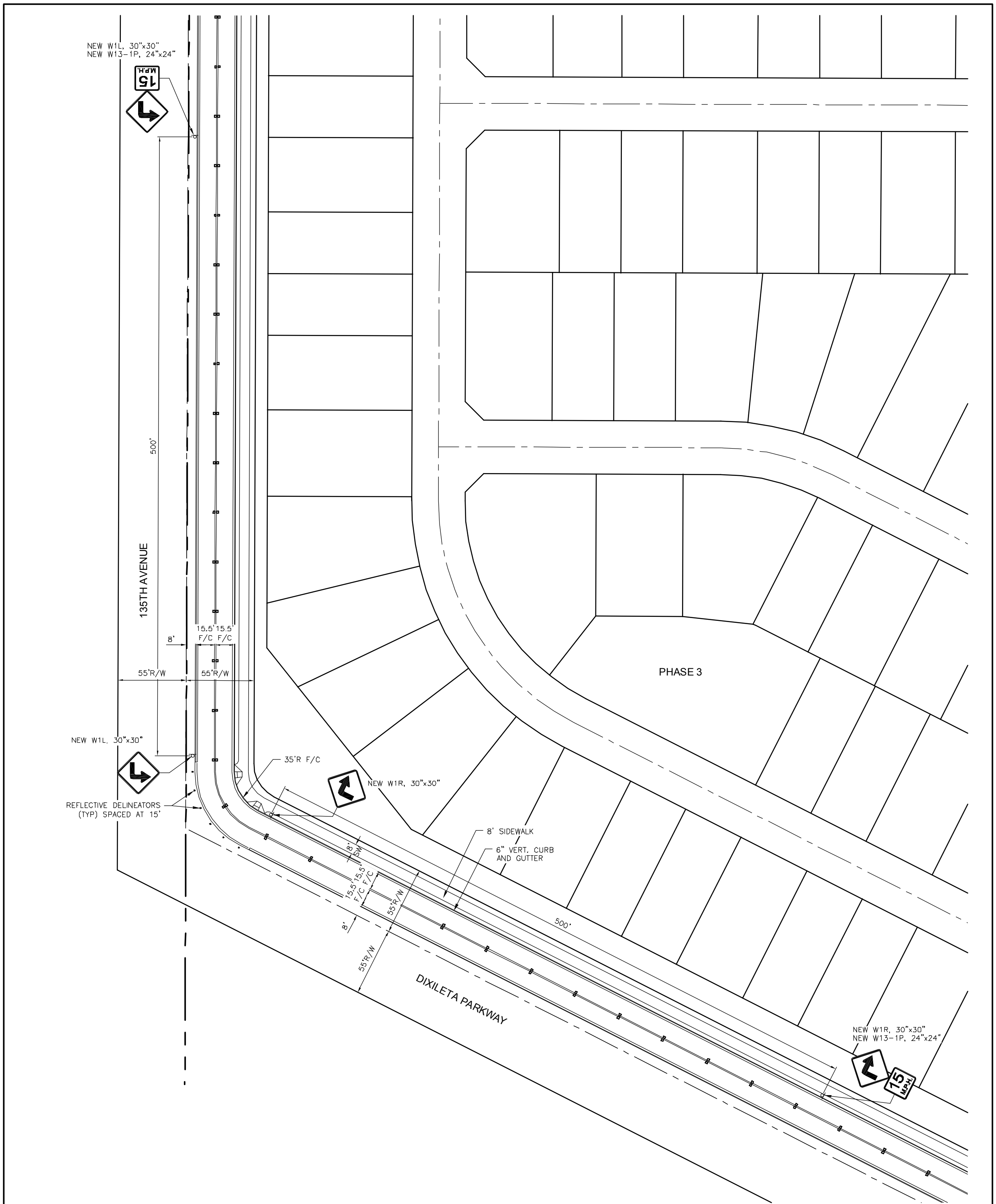
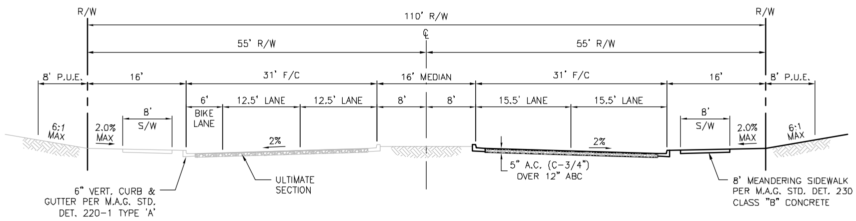
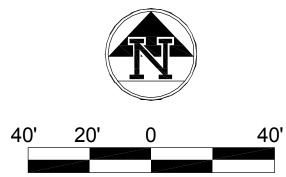




MINOR ARTERIAL STREET

CITY OF PEORIA STD DET PE-010-3



SCALE: 1" = 40'

CVL CONSULTANTS

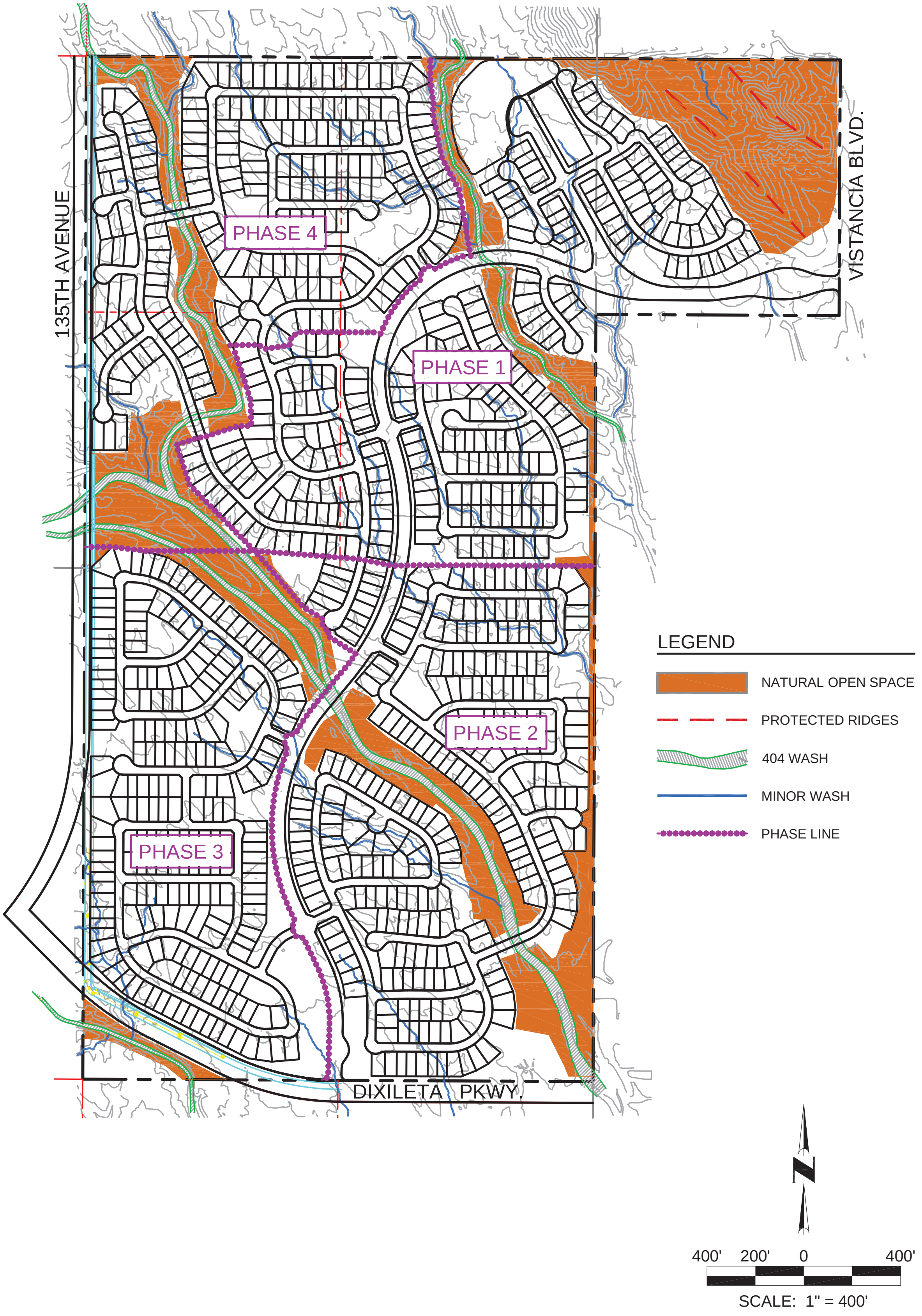
Trilogy

135th AVE AND DIXILETA PKWY

TRILOGY WEST

4550 North 12th Street
Phoenix, Arizona 85014
Telephone 602-264-6831
http://www.cvlci.com

Printed By: Michael Williamson Print Date: November 7, 2013 Filename: N:\07\0218101\CADD\XS.PreservationMasterPlan.dwg



PRESERVATION MASTER PLAN

TRILOGY WEST EXHIBIT H

CVL CONSULTANTS
4550 North 12th Street
Phoenix, Arizona 85014
Telephone 602-264-6831
http://www.cvlci.com

PAD Amendment

1. Should the City's review of the Trilogy West (TW) be handled as (a) a separate stand-alone project or (b) a Major Amendment to either the Vistancia PCD or to the existing PAD approvals?

   The applicant is seeking to amend the underlying entitlements for the 360 acres proposed as Trilogy West. While Shea is seeking functional integration with the Trilogy at Vistancia component, this project is not intended to be part of the larger Vistancia master-planned community – which includes acreage, amenities and areas well beyond the Trilogy at Vistancia component, which at 929 acres, is about 13% of the Vistancia Master Plan. Vistancia PCD is 7,100 acres (11 square miles) overall. Regardless, the process that is underway to rezone the property to the Trilogy West PAD is the *same process* that would occur if the applicant were to request an amendment to the Vistancia PCD (e.g. staff review, Planning & Zoning Commission hearing, and City Council determination). Systems analyses for open space, water, wastewater, traffic, etc. are undertaken in *both cases* to consider potential impacts from the proposed development. Additionally, the Vistancia PCD encompasses multiple land owners, not just Shea Homes, and the other property owners may not be interested in the expansion of the Vistancia PCD. In addition, a PAD specific to the Trilogy West site provides the opportunity to focus on those specific features of the Trilogy West property while still ensuring that the development fits within the context of the larger area.

Traffic Impact Analysis (TIA)

2. According to the submissions by Shea, it plans to build only the east side of 135th Ave. and the north side of Dixileta Blvd. and only the portions of those two streets which directly abut the western and southern boundaries of TW. In other words, it does not propose to connect 135th Ave. to anything (other than Dixileta Blvd.) and does not propose to connect Dixileta Blvd. to anything (other than 135th Ave.). Hence, there will be only one entrance and exit for TW, viz., a single un-named street planned to traverse the entirety of TW from Vistancia Blvd. to Dixileta Blvd. (which, again, apparently is planned to have no exit). Yet, the TIA purports to analyze the intersection of Dixileta Blvd. and Vistancia Blvd.

   a. Will there be an intersection between Dixileta Blvd. and Vistancia Blvd.?

      Yes. There is already an intersection at Vistancia Blvd and Dixileta/Ridgeline Rd. Dixileta Road west of Vistancia Blvd has already been partially built and will be completed around the time Trilogy West builds the north half of Dixileta Road adjacent to Trilogy West Phase 2 frontage. Trilogy West will have two entrances, one that connects directly to Vistancia Blvd and the other will be along Dixileta Road.

b. If there will be no such intersection, how will that affect access to TW for police and fire service? And, if the presence of only one ingress/egress increases response times, how will that affect the police/fire resources needed by other Vistancia residents?

Trilogy West Blvd will connect in Phase 1 to Vistancia Boulevard. In Phase 2, Trilogy West Blvd will be extended south connecting to Dixileta Road providing two points of access to the project.

c. Who will pay to build the portion of Dixileta Blvd. that cuts through TAV (with no connection at all to TAV) from TW to Vistancia Blvd.?

The developer of Vistancia has an agreement and obligation with the City of Peoria to complete these roadway improvements at a point in time when the roadway improvements need to extend to the west.

d. If Dixileta Blvd. will be built from TW to Vistancia Blvd., will Dixileta be a public street or a private street? If a private street, who will pay to repair the street and maintain the streetscape? Who currently maintains the landscaping along the Dixileta right-of-way?

Dixileta Parkway is a dedicated as a public right-of-way between Vistancia Blvd to approximately the west side of Trilogy. The HOA will maintain the landscape outside the Dixileta right of way.

3. One of the plans for TW contained in Shea's Narrative PAD shows a proposed golf-cart path from the new clubhouse in the north-east corner of TW to the south-east corner of TW, where it proceeds eastward along the northern right-of-way for Dixileta and ends at the existing Trilogy Blvd. bridge over Dixileta. Will the City permit the portion of the golf-cart path that extends past the border of TW?

   The proposed golf-cart path will have to be built within HOA property in both Trilogy West and Trilogy at Vistancia.

4. A major type of circulation has not been addressed in the existing TIAs, viz.,
   a. Traffic exiting TAV via a left turn onto Vistancia Blvd., followed by a quick left turn onto the new through-street in TW to go to the amenities located at the new clubhouse in TW, and
   b. Traffic exiting TW via a right turn onto Vistancia Blvd., followed by a quick right turn onto Trilogy Blvd. in TAV to go to the amenities located at the existing clubhouse in TAV.

   The distance between the proposed roadway into Trilogy West is approximately 1400 feet from the Trilogy Blvd intersection. This is sufficient distance to allow for the cross traffic flow expected between the two recreational areas.

The existing TIAs solely analyze intersection traffic, and assume that peak-hour traffic will be around rush hours. The TIAs should instead analyze the local street traffic on Trilogy Blvd. and the through-street in TW, as well as the intersections, during both rush hours and inter-development traffic throughout the day (perhaps peaking around rush-hour times, or maybe even at other times of day).

The TIA meets the City of Peoria's requirements. By analyzing the worst case time period, the other time periods represent a lower flow and better operating conditions.

5. Objective 1.C of the City's Circulation Element in the General Plan dedicates the City to "develop[ing] neighborhood street (local) patterns and circulation systems which preserve neighborhood integrity and serve local traffic and discourage non-local or through traffic." The proposed circulation of traffic from TW to TAV, and from TAV to TW, due to the differences in common amenities between the two halves of Trilogy will damage – not preserve – neighborhood integrity, and will burden Trilogy Blvd. (and Vistancia Blvd.) with additional, non-local and through traffic generated outside of TAV, all in violation of Objective 1.C.

   A connection internal to Trilogy Blvd was purposely not included so as to not encourage vehicular traffic to cut through the existing neighborhoods of Trilogy which is the intent of the City criteria. Vehicular traffic will be directed to Vistancia Blvd, an arterial roadway. Arterial roadways are designed to primarily serve through traffic. Cross traffic between TAV and TW would be based on a direct desire to utilize those services and therefore that traffic represents the correct usage of the roadways and does not encourage vehicular traffic passing through the TAV neighborhoods.

Drainage

6. Trilogy at Vistancia (TAV) where I live is immediately east and southeast from Trilogy West (TW). All of the washes passing into TAV (and much of the rest of Vistancia) enter TW from the northwest and pass diagonally through TW prior to encountering TAV (and Vistancia). Accordingly, alterations to the natural terrain of TW have the potential to disastrously affect downstream properties.

   All offsite stormwater flows currently entering TAV will continue to enter TAV at the same location. However due to retention of storm water flows by TW the flow quantity and velocity will be same or less than in the existing condition.

7. The entirety of TW slopes downward from the northwest (upper left on a map) to the southeast (lower right). In addition to explaining the general NW ☐ SE flow of the washes, this change in altitude also serves to increase the velocity – and hence kinetic energy and prospective destructive power – of the drainage discharged from TW.

Onsite retention being provided within the TW community will maintain or reduce the amount of stormwater entering TAV which ensures a reduction in volume of water and velocity.

8. Furthermore, the natural desert terrain of TW is highly eroded and far from flat. In order to prepare pads for housing units in TW, it will of course be necessary to level large portions of the irregular terrain of TW, a landscape which would normally carry runoff into the washes. It should also be noted that the natural desert terrain of TW has very little plant cover, as a consequence of which current rainwater sinks into the ground as well as running off into the washes. Absorption of runoff by percolation into the soil will be greatly reduced by the TW hardscape of streets, roofs and buildings. In other words, there is a very high probability that the development of TW will substantially impact properties downstream, including all of TAV.
Onsite retention being provided within the TW community will maintain or reduce the amount of stormwater entering TAV, which may provide a reduction in volume of water and velocity. When required retention volumes are calculated, the amount of rainfall that will be absorbed into the ground is taken into account. Therefore, with more pavement and rooftop area in TW, there will be less rainfall that goes into the ground, however this is accounted for in the calculations, and retention basins are designed accordingly.

9. When I bought my home in TAV (near 130th Drive and Claret Cup, only a block from one of the larger washes), the property was located within the 100-year floodplain. At that time, Shea represented that it was seeking exemption from the floodplain for all of the units in my neighborhood and about two years ago I in fact received a letter confirming the granting of such exemption. I and my neighbors do not want to see changes to the drainage which would have the effect of placing us back into the floodplain, since that would trigger a requirement from our lenders that we purchase flood insurance and adversely affect our resale values.
The City and FEMA will review the Shea project related to changes to the Flood Plain. TAV will not be placed back into a FEMA flood zone.

10. My concerns do not relate to whether new residents of TW would be protected from flooding and other adverse water impacts. (Those residents can protect themselves at the time of purchase.) Rather, I am solely concerned with how TW's drainage might affect the properties of myself and others in TAV. My specific concerns relating to the TW Drainage Reports are these:

    a. Since the TW washes traverse the entire TW property, drainage issues should not be assessed on a phase-by-phase basis, as occurs in the Phase 1 Drainage Report

A Master Drainage Report and study was prepared for TW in accordance with City and current professional design criteria. The Master Drainage study will be followed as each Phase is designed. Not only will the City review approve the design for compliance, but in addition FEMA will also review and approve the Drainage Design as it relates to any changes in the floodplains.

b. Figures 1 and 2 in the Phase 1 Drainage Report are inconsistent and seem to show TAV at different stages in its development. These figures have the potential to mislead as to exactly where and how runoff will exit TW into TAV, and what homeowners will be affected.
This difference is only as a result of the date of aerial photography available and has no bearing on the design outlined within the report. In addition to looking at the TW (or any project) as a whole, each phase must also be reviewed separately, in case all phases are not constructed at the same time. This allows the City to ensure that each phase can be a standalone project, and meet all City requirements.

c. The Phase 1 Drainage Report and the Preliminary Drainage Report both state "The 100-year off-site flows are safely (sic) conveyed through and around (sic) the site".

1. What does "safely" mean in this context?
That the design and calculations meet all applicable City codes and ordinances and the Maricopa County Drainage Design manual.

2. Are some of the flows entering TW being conveyed "around" TW is such a manner as to impact TAV?
Flows will be conveyed through TW in accordance with City and professional design standards.

11. The quoted language seems to deal with the safety of TW properties, not the safety of TAV properties. The Drainage Reports should clearly state that the flows into TW will emerge from TW into TAV is exactly the same way as without the development of TW. Is TW unable to say that because it would not be true?
In order for a Drainage Design to be approved by the City per City ordinances, the drainage design is required to take into consideration existing downstream developments and ensure that the drainage for the new upstream development does not change the historical flows. The City does not allow one development to adversely impact any downstream developments.

<u>Water / Wastewater</u>

12. Just exactly WHAT is the proposed water supply for TW? The documents are very confusing about this point. Sometimes, Shea states that it intends to use the wells drilled by the Vistancia Community Facilities District (VCFD); at other

times, Shea refers to drilling its own wells (but does not state where); and Shea also claims to be getting water from the Lone Mountain water line, the Westland Storage Facility and the EPCOR Water District. So, WHERE does Shea propose to get its water for TW?

The primary water supply for TW will be the Lone Mountain Water line. Until that pipeline is complete, the development will use the existing well system. If the Lone Mountain Water line is not complete at the end of the first Phase of TW, the developer has proposed to provide an additional temporary supply from EPCOR which would be used until the Lone Mountain Line is completed. All of the above are outlined in the report as a part of the water solution for the project.

Trilogy West will use City of Peoria existing available water system capacity to supply City water to TW. TW has been working with the City to fund the expansion of the City's water storage system and City's water delivery system for the area. The City's water storage capacity will be expanded through the construction of the Westland storage facility and additional water delivery will be via the construction of the Lone Mountain Water Transmission line. TW and other Developers are funding the design and construction of the City's Westland water storage facility and the City's Lone Mountain Water Transmission line.

13. Assuming that Shea proposes to drill new wells, it has said that those should not be drilled in TW itself. So, where is it planning to drill wells and who will pay for them? Does Shea have a legal right to drill wells there?
    TW will not be drilling any new wells. At the City's request, TW will participate in the construction of an additional storage facility and water delivery system.

14. Assuming that Shea proposes to get the water for TW from either the Lone Mountain water line or the Westland Storage Facility,
    a. How far along are those projects?
       Both projects have the started design process.
    b. When are their projected completion dates?
       Westland is scheduled to be completed in Spring 2015, The Lone Mountain Water Line is scheduled to be completed in Fall of 2015.
    c. What is the earliest that water can be generated from each of those facilities?
       Westland campus when it is complete, The Lone Mountain Water Line when it is complete.
    d. What is the total cost for constructing those facilities and who is paying that cost?

The most recent cost estimates are:
Lone Mountain Phase 1 Water Line Extension is approximately $13.6M
Westland Phase 1 Water Campus is approximately $7.1M. A group of Developers are paying for the design and construction of the Westland Water Campus. The City may fund some oversize costs associated with providing capacity for State Land in the service area. In regards to the Lone Mountain Water Line the Developers within the service area will fund their portions of the water lines and the City will fund oversizing associated with State Land water demand.

15. Assuming that Shea proposes to get the water for TW from EPCOR, the "agreement" attached as Appendix C to the TW Master Water Plan has several glaring problems:
    a. It is unsigned and undated.
    TW cannot proceed beyond Phase One until the additional Water supply is in place. It is anticipated that the Lone Mountain Water Line will be that supply. If the Lone Mountain Water line is not complete at the end of the first Phase of TW, the developer has proposed to provide an additional temporary supply from EPCOR which would be used until the Lone Mountain Line is completed. All agreements and all connections must be in place in order to proceed beyond the first Phase.
    b. It states that TW is not within the area encompassed by EPCOR's Certificate of Convenience and Necessity (Recital F) and has not received regulatory approvals (Recital K).
    Correct. EPCOR has the ability to enter "Intergovernmental Agreements" to provide emergency interconnect as a backup water sources to municipalities.
    c. It states that the "agreement" may be terminated by EPCOR (Paragraph 1.4).
    This is standard language in EPCOR agreements.
    d. The "agreement" states that EPCOR "does not guarantee a continuous supply of service" (Paragraph 9.2) and "does not warrant, guarantee or represent that [its water service] will comply with any fire-protection requirements of any governmental entity [including Peoria]" (Paragraph 9.3).
    In the event the developer decides to construct the connection to EPCOR, the City will require that it satisfies all of the City's requirements for pressure and flow including fire flow.

For the foregoing reasons, Appendix C hardly constitutes the "certificate of assured water supply" required by A.R.S. 9-463.01.

This area is part of the City's designated service area and the City has an Assured Water Supply Designation from the Arizona Department of Water Resources.

16. Questions relating to Shea's Revised Water Master Plan filed on September 3, 2013:
    a. Since the TW clubhouse is being built as part of Phase 1, why is the water demand for that clubhouse no longer included in Table 3?
    The City demand calculations on a per single family residence account for a per person water demand on a daily basis. The City's residential water design factors include a component for commercial uses. Therefore, the Clubhouse commercial use does not require a water demand to be applied as that would be accounting for the demand twice.
    b. Why does Section 5.1 no longer reference tying into existing water lines in Vistancia?
    The development will be connecting to City infrastructure, not Vistancia infrastructure. This is a clarification to the Master Plan text.
    c. Why does Table 4 (page 11) discuss water demands in a different manner than Tables 5 & 6 (page 12) in Shea's original Water Master Plan filed May 29, 2013? The latter deals with "potable" water, whereas the former deals with water generally.
    Each Table addresses different components of a potable water system design. Table 4 summarized the storage needed to meet fire, emergency and normal systems demands. Tables 5 &6 summarize the results of water system modeling to verify the network pipe sizes are adequate. Table 5 specifically looked at the Phase 1 water system network by itself.

17. Questions relating to Shea's first (8/13) and second (9/3) Wastewater Master Plans:
    a. Why does Section 2.1 assume that only 500 residents will use the TW clubhouse at any one time? After all, it is a MULTI-use facility.
    The residents attending the club on a daily basis is an estimate. A number of members attending may not use the facilities that would generate wastewater. The facility being a mixed use facility makes exact wastewater flow a challenge. For this reason the gallons per person per day is estimated at 1,000 GPD. The total flow of 50,000 GPD is an estimated flow.

b. Were the wastewater flows from TW analyzed in the Wastewater Master Plan for the overall Vistancia PCD? Since TW is uphill from Vistancia, its wastewater will flow downhill into and through Vistancia on the way to the Jomax Wastewater Treatment Plant.
The existing City sewer lines in Vistancia that TW will be using to convey only a portion of TW wastewater flows. The existing wastewater lines were oversized during the original design to ensure that flows from outside the Vistancia PCD area could be accommodated.

c. refer to potential development west and north of TW, and disclose that the City has requested oversizing of wastewater lines to accommodate those potential developments. (Shea has disclosed its optioning of property SOUTH of Dixileta, but nothing west or north of TW.) What development proposals is the City aware of to the west and north of TW?
The City has required TW to oversize sewer mains to serve the State land to the west and north of Trilogy West. Development timing of the State land is unknown.

d. Why are Tables A-5 and A-6 different in the original TW Wastewater Master Plan (filed May 29, 2013) compared with the same tables in the two revised plans?
The tables were updated per the City's request since the overall units planned for the State land were decreased.

e. Why are Tables B-4 and B-5 different in the original TW Wastewater Master Plan compared with the same tables in the Phase 1 Wastewater Master Plan?
Fewer overall units.

f. Will wastewater from TW Phase 1 flow ONLY from Phase 1 directly to wastewater lines in Vistancia? If Phase 1 wastewater will flow through other phases before entering Vistancia, should not wastewater be addressed for the entirety of TW rather than on a phase-by-phase basis.
Wastewater from Phases 1 and 4 will flow into existing City sewer lines in Vistancia. The City requires that a Master Wastewater Plan/Design be prepared for an entire project, and then as a project is developed in Phases the design for the various Phases is evaluated to ensure it follows the Master Design requirements.

18. Tables A-4, A-5 and A-6 in the original Wastewater Master Plan show that several of the pipe runs will be at or over maximum capacity during peak dry weather and peak wet weather conditions. Since the overflows will occur in Vistancia (and specifically in TAV), what has been done to address those problems?
That wastewater flow design has been updated since the original Master Plan and a portion of the flow will be re-routed south in the updated master plan.

This was done to ensure that existing sewer lines would not exceed their capacity.

Exhibit 4

Public Comments received since printing of staff report for the November 21, 2013 Planning and Zoning Commission Meeting

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Judi Hahn
Print

[redacted] 11/21/13
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Roland Hahn

[redacted] 9/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Betty Q. Blick

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Chuck Blick
Print

[redacted] 11/21/13
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Philip Brown

Print

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

LUELLA BROWN

Print

[redacted]

Sign / Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Craig A. Olson
Print

[redacted] 11-21-2013
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

RUSSELL BROWN

Print

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Denise Carty
Print

[redacted] 11-21-13
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Scott Carty

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Donna Rivers

Print

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Edward River

Print

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

W. ORNER

Print

[redacted] 11-21-13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

GLORIA ORNER

Print

[redacted] 11-21-13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Dennis Barn
Print

[redacted] 11-21-13
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

SUSAN BARW

Print

[redacted] 11-21-2013

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

JEAN Williams

Print

[redacted] 21 NOV 2013

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Tom McGee
Print

[redacted]
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Mary Ann McGee

Print

[redacted] 11/24/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Bob King

Print

[redacted]

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Bob Richitelli

[redacted] 11-21-13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Constance McGuigan
Print

[redacted] 11/21/13
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

DON MCGUIGAN
Print

[redacted] 11/21/13
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Carolyn Stang

[redacted]

11/21/2013

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Robert Johnson

Print

[redacted] 11/21/2013

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Maria E. Setticase

Print

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Joe Setticase

[redacted]

11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Beecher Smith

Print

[redacted] 11/21/2013

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Linda Smith

Print

[redacted] 11/21/2013

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Paul Mark

Print

[redacted] 11-21-2013

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

DAVID PARKER

Print

[redacted] 1/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

RONALD N. SCHAUB

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

JOAN SCHAUB

[redacted] 11-21-13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Sue Mark
Print

[redacted] 11-21-13
Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Ken Johnson

[redacted]

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Carolyn J. Parker

[redacted] 11-21-13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

George Vinz

[redacted] 11/21/13

Sign Date

I believe that the Trilogy West project will protect property values, ensure the future of my investment, and bring new investment in the Trilogy lifestyle. I urge you to support this proposal.

Thank you,

Linda Vinz

[redacted] 11-21-13

Sign Date

Curtis Briggs

From: Hal Looney
Sent: Tuesday, November 12, 2013 3:58 PM
To: Joan Scarbrough; Robert Johnson ([redacted] RJarvis@jsslaw.com; Curtis Briggs
Subject: FW: Planning & Zoning Meeting

FYI, another supporter, maybe they can go on bus?

From: Jeff Dixon [mailto:[redacted]]
Sent: Tuesday, November 12, 2013 3:51 PM
To: Joan Scarbrough; Hal Looney
Subject: FW: Planning & Zoning Meeting

Jeff Dixon, CAAM®
Director of Community Association
Trilogy at Vistancia
AAM, LLC
(623) 215-6258 (direct line)
(623) 215-6224 (direct fax)
(602) 957-9191 (main line)
www.AAMAZ.com
"Setting the Standard of Excellence for over 20 Years"

From: Colleen Golomski [redacted]
Sent: Tuesday, November 12, 2013 3:18 PM
To: Jeff Dixon
Subject: Fwd: Planning & Zoning Meeting

I hope it is true that Shea is organizing supporters to go to this meeting, if not I will go on my own, I hate to see expansion plans defeated with what i think is the vocal minority. Colleen Golomski

---------- Forwarded message ----------
From: **Trilogy Annexation** <trilogyannexation@gmail.com>
Date: Tue, Nov 12, 2013 at 9:00 AM
Subject: Planning & Zoning Meeting
To:

To: Our Friends and Neighbors

Subject: Trilogy West - Planning and Zoning Meetings

Last week, we received notification that the first stage of the City of Peoria's public outreach (Planning and Zoning meetings) will be held on Thursday, November 21st. The meeting will be held at 6:30 PM at Council Chambers - 8401 W. Monroe in Peoria.

Hal Looney
Area President Arizona Division, Shea Homes Active Lifestyle Communities
Shea Homes, Inc.
8800 N. Gainey Center Drive, Suite 370
Scottsdale AZ 85258
(O) 480-367-3781
(M) 602-694-2718
(F) 602-357-4948
(E) hal.looney@sheahomes.com

Find us on Facebook: Encanterra | Vistancia | The Good Life Festival

Follow us on Twitter: Encanterra | Vistancia

From: Karen Reinecke [mailto[redacted]
Sent: Tuesday, November 12, 2013 11:25 AM
To: Cathy.Carlat@peoriaaz.gov
Cc: Hal Looney
Subject: Trilogy Annexation Support

Dear Ms. Carlat,

My husband and I have lived in Trilogy at Vistancia for six years and love it! We totally support Shea as they have done a phenomenal job in managing and developing our community. We support the annexation of Trilogy which for us means more potential friends, more opportunities for the community and more, high quality housing for the greater Vistancia area. We want Shea here managing our community as long as we can have them.

We will be unable to attend the meeting on the 21st…but don't consider our lack of attendance a sign of apathy. We know you must listen to both sides which is only fair. We've also listened to their points but honestly, this opposition group does not speak for many…they are just very loud.

Sincerely,

Karen and Robert Reinecke
[redacted]

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or if you have received this message in error, you are hereby notified that any dissemination, distribution or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or telephone if the sender's phone number is listed above, then promptly and permanently delete this message. Thank you for your cooperation and consideration.

Curtis Briggs

From: Hal Looney
Sent: Thursday, November 14, 2013 1:13 PM
To: Curtis Briggs; Joan Scarbrough; Robert Johnson ([redacted]
RJarvis@jsslaw.com
Subject: FW: Trilogy Expansion Hearing

Curtis, can you please reach out to him to coordinate on my behalf?

Thanks

From: Franklin Schiller [redacted]
Sent: Thursday, November 14, 2013 1:04 PM
To: Lisa Biittner; Neeta & Roger Steinbrook/Forsyth; Charlie & Connie Hankins; Lynn Denzin; Donna Dec; ted manos; Tom Wright
Cc: Beth & Dave Klatt; Dottie and Tom Kalfa; Jerry and Joyce Parker; Dave Haase; Harvey Friedman; Carol Linington; Kathy and Gary Spaeth
Subject: Trilogy Expansion Hearing

Hi Everyone,
You probably are aware of the upcoming public hearing on the expansion of Trilogy at Vistancia, known as "Trilogy West." This hearing will be held at:

Peoria Council Chambers

8401 W. Monroe St.

Nov. 21st at 6:30 p.m.

Shea is planning to provide bus transportation for those of us who wish to attend the hearing. I will forward additional information on transportation as I receive it from Shea.
The Trilogy Annexation group is planning to be at the hearing in force to voice its opposition to the project. Therefore, it is my belief that we need to make every effort to counter the negativity by stating our opinions on the project. If we stand with the silent majority that is in favor of the expansion, we risk the defeat, and the land will be opened to developers of possibly inferior homes, two-story homes and young families that will impact the lifestyles of those of us who border or are near this property.
I urge you to attend!
Frank Schiller

Curtis Briggs

From: Hal Looney
Sent: Thursday, November 14, 2013 3:53 PM
To: Robert Johnson [redacted]; RJarvis@jsslaw.com; Joan Scarbrough; Curtis Briggs
Subject: FW: Support of Z13-0007

From: Debbie Schmoekel [redacted]
Sent: Thursday, November 14, 2013 3:51 PM
To: Cathy.Carlat@peoriaaz.gov
Cc: Hal Looney
Subject: Support of Z13-0007

Dear Ms. Carlat,

We are residents of Trilogy at Vistancia. We want to let you know that we SUPPORT the rezoning of the property that Shea has before the City council for review on Thursday, November 21st. We are not able to attend the hearing that is upcoming and want you take note of our position in FAVOR of the zoning change so that Shea may move forward in building Trilogy West.

We are in support of Shea developing and building on the 358 acres west of Trilogy.

Thank you,

Debbie and Dick Schmoekel
[redacted]e

Curtis Briggs

From:	Hal Looney
Sent:	Monday, November 18, 2013 6:46 AM
To:	Robert Johnson ([redacted] RJarvis@jsslaw.com; Curtis Briggs; Joan Scarbrough
Subject:	FW: Trilogy Annexation

A positive one!

From: Bruce/Pam [redacted]
Sent: Friday, November 15, 2013 4:18 PM
To: Cathy.Carlat@peoriaaz.gov
Cc: Hal Looney
Subject: Trilogy Annexation

Cathy,

While I may not be able to attend the upcoming meeting regarding Trilogy Annexation, I do want add my voice to those that support annexation and the job Shea is doing with the current Trilogy and what is yet to come.

It is my perspective that there is a vocal minority that opposes annexation and I expect you have heard from them. I do receive e-mails from this group, but it is disappointing that the information being circulated is often incomplete or misleading. The group did conduct a survey several months ago, but it was constructed in a way to bring about a pre-determined result. I expect you have quite a bit of experience "getting to the bottom of things" and you'll use those skills when dealing with both opponents and supporters.

Overall, I am hard pressed to find any negatives associated with annexation and see many positives:
* A larger community allows a broader base for HOA fees and more efficient use of amenities. This should result in the best possible fees.
* A larger community will lead to more community activities because we will be able to amass sufficient numbers to justify events, trips, etc.
* We will have additional amenities with the second community facility that will releive some of the pressure on the current Kiva Club and/or add capabilities we do not have today.
* The 55+ community will expand, which may influence local business offerings that cater to this demographic

I don't see any negatives related to the existing Trilogy and/or property values. We don't live in a vacuum. Our properties compete with other 55+ communities and in all likelihood we benefit from the expansion of a non-competing or complimentary annexation as opposed to an independent competitor.

It often appears that the motivation of the opponents is mostly related to their desire for a Homeowner run HOA which results in regular criticism of Shea. I am not associated with Shea in any way and at times, Shea probably does make some mistakes, but I have been impressed with the quality of Trilogy and Shea's handling of a variety of issues. As I participate in different group activities I regularly encounter positive comments about our development, so it appears there are many others that are quite happy with Shea.

In the end, Shea is in the business of selling homes and I expect their decisions will be aligned with their core business of selling homes. This means that decisions related to amenities, expenses (including HOA fees), and overall experience will be made in a way that enhances the likelihood of someone buying a home here. This type of decision making should benefit me and will certainly benefit the City of Peoria by expanding the tax base with more homeowners.

So please add me to the group of supporters, many of whom you may not hear from as is often the case with a silent/quiet satisfied majority.

Bruce Maynard
[redacted]

Curtis Briggs

From:	Hal Looney
Sent:	Tuesday, November 19, 2013 9:44 AM
To:	Robert Johnson [redacted] RJarvis@jsslaw.com; Curtis Briggs; Joan Scarbrough
Subject:	FW: The truth behind Shea vs Kirschner

FYI

From: [redacted] **On Behalf Of** Cliff Bergeron
Sent: Tuesday, November 19, 2013 9:41 AM
To: Hal Looney
Subject: Re: The truth behind Shea vs Kirschner

Hal just so you know 90% of the people in Trilogy agree with everything you have done.. These are very difficult people to deal with... We even have those in Canada... Toronto mostly.

On Tue, Nov 19, 2013 at 6:34 AM, Hal Looney <hal.looney@sheahomes.com> wrote:

Thank you for forwarding.

Hal

From: [redacted] **On Behalf Of** Cliff Bergeron
Sent: Monday, November 18, 2013 5:34 PM
To: Hal Looney

Subject: Fwd: The truth behind Shea vs Kirschner

---------- Forwarded message ----------
From: **Adrienne Kirschner** <[redacted]
Date: Mon, Nov 18, 2013 at 2:39 PM
Subject: Fwd: The truth behind Shea vs Kirschner
To: Adrienne Kirschner <[redacted]

Curtis Briggs

From: Hal Looney
Sent: Tuesday, November 19, 2013 1:13 PM
To: Curtis Briggs; Joan Scarbrough; Robert Johnson ([redacted] RJarvis@jsslaw.com
Subject: FW: Trilogy Annexation

-----Original Message-----
From: Sandra Mones [mailto:[redacted]
Sent: Tuesday, November 19, 2013 1:12 PM
To: Hal Looney; Cathy.Carlat@peoriaaz.gov
Subject: Trilogy Annexation

My name is James Mones and I own the home at [redacted] My family is fully in favour of Shea's annexation plans for Trilogy West.
James G Mones
[redacted]

Curtis Briggs

From:	Gregg Snyder - BSG - TVI Kiva Club
Sent:	Tuesday, November 19, 2013 1:25 PM
To:	Michael Santonino - BSG - TVI Kiva Club; Hal Looney; Diane Dreon; Joan Scarbrough; Curtis Briggs; Robert Johnson; Chris Farley - BSG - TVI Kiva Club; Say Patel - BSG - TVI Kiva Club
Subject:	FW: Trilogy Expansion

Folks

This is one of the many members who goes on my trips and is leaving for Thanksgiving tomorrow and asked him to send this out today.
I'll pulling teeth trying to get members on the coach or to show up early if driving on Thursday

Gregg

-----Original Message-----
From: [redacted]
Sent: Tuesday, November 19, 2013 1:17 PM
To: Cathy.Carlat@peoriaaz.gov
Cc: Hal.Looney@sheahome.com; Gregg Snyder
Subject: Trilogy Expansion

Cathy,

This is a follow-up to my earlier letter supporting the expansion of Trilogy at Vistancia. As mentioned in my earlier letter, my wife and I were one of the original 100 home buyers in Trilogy back in 2004 and we just purchased our second larger home in Trilogy in November of 2012. As you are aware from your visits to our community, Trilogy is without a doubt one of the most beautiful communities in the Phoenix metro area if not the nation. Having this community built and managed by Shea Homes within the city limits of Peoria has been an exceptional boost to the beauty and to the tax base of the City of Peoria.

Our experience of owning a home for the past ten years in the Shea Trilogy community has exceeded our expectations in every way and we are looking forward to the prompt approval of the Shea Homes expansion of Trilogy and the continuation of living in a community managed for several years to come by the Shea management team that provides professional management of our community.

We regret that we will not be able to attend the upcoming meeting concerning your council voting on the Trilogy expansion as we are like many adult community residents who are returning to our home states to be with our families during the holidays. I can assure you that although there is a small group of Trilogy residents that have been vocal opposing the Trilogy expansion due to self serving interests that the vast majority of Trilogy residents are very excited and supportive of the Trilogy expansion, second club house, and Shea's continued professional management of this community.

Having had careers in both City and State government I have an understanding of how important local government and corporate partnerships are to growing the local tax base and allowing cities to prosper. I would strongly encourage a positive vote by yourself and the other City of Peoria council members to allow the Trilogy expansion to move forward without any delays that would cause harm to this expansion or add costs to the expansion due to unnecessary delays in construction. Shea has proven to be a long term positive corporate partner for the growth of the City of Peoria and is deserving of the City of Peoria's support for this expansion!

Respectfully,
Denver Schmadeke
[redacted]

Curtis Briggs

From:	Paula Lober
Sent:	Wednesday, November 20, 2013 3:41 PM
To:	Curtis Briggs
Subject:	FW: Shea Expansion In Vistancia

Another good email.
paula

From: john [redacted]
Sent: Wednesday, November 20, 2013 3:36 PM
To: cathy.carlat@peoriaaz.gov
Cc: Paula Lober
Subject: Shea Expansion In Vistancia

Dear Councilwoman Carlat:

Due to an unplanned commitment, I find I am unable to attend tomorrow evening's meeting to discuss Shea's expansion in Vistancia. Please accept this email as a means of conveying my strong support for this project and request that every effort be made for the project to proceed. Your support in making this happen would be greatly appreciated.

John J. Theiss
[redacted]

From: Mike and Judi Callagy [mailto[redacted]
Sent: Saturday, November 16, 2013 10:00 AM
To: Hal.Looney@sheahomes.com
Cc: Cathy Carlat
Subject: Trilogy Annexation

Dear Mr.Looney,

We are opposed to the annexation of Trilogy for many reasons. The overcrowding of our facilities, the negative affect on our home values are just a couple. We are in favor of a vote by Trilogy members to show their approval or disapproval.

You have publicly stated to the homeowners of Trilogy at Vistancia that if the majority of homeowners are against the annexation plans of Trilogy West that you will not go forward with the annexation.

You have also publicly stated that you will not take a vote of the homeowners to allow them to actually let you know whether you have their support.

If you will only move forward with the support of the majority of Trilogy at Vistancia homeowners, your refusal to take a vote of the homeowners leads us to believe that you do not really know if you have our support.

Why won't you allow the homeowners to vote if you intend to honor your promise of only moving forward with our support?

It is only fair that your claim of support be based in accuracy so you can show that the commitment you have made to your customers who have placed their trust in you be an honest one.

Sincerely,

Mike & Judi Callagy

-----Original Message-----
From: Randy Dodds [redacted]
Sent: Tuesday, November 19, 2013 3:32 PM
To: Hal.Looney@sheahomes.com
Cc: Cathy Carlat

Subject: Trilogy West

Dear Sir
You have publicly stated to the homeowners of Trilogy @ Vistancia that if the manjority of homeowners are against annexation plans for Trilogy West, that the project would not go forward.

Although Shea maintains they have support of the residents, you are using completely biased info from your focus groups and have never provided full disclosure of your plans. How can residents decide if the project is good or bad and why are we not allowed to vote on or be heard with respect to our community requirements. The surveys done by Shea have been extremely biased and do not reflect the feelings of the community.

Shea has been providing both the City and the residents of Trilogy with misleading, contradictory and misinformation with respect the rezoning and expansion. Facilities are overcrowded now and to handpick one or two items for improvement and state you have community support is false.

The Trilogy West project is a large project with little or no actual amenities for the residents or the community.
Until finalized plans are provided, and an actual survey or vote is conducted, this project should not be approved.

We will be attending the zoning meeting to voice our disapproval.

Randy and Janette Dodds
[redacted]
Peoria, Az 85383

The more than 70% approval rating for the project was based on extensive focus groups involving hundreds of Trilogy residents. I participated in the focus groups. Having owned my own market research company for years after completing an MBA in market research I had more than a passing interest in both the expansion proposal and the research methodology. I found the research methodology to be highly flawed with the results questionable at best. The research was called "focus group" research but was actually a hybrid of qualitative and quantitative methods. After discussions of qualitative issues participants were asked to electronically select responses mostly regarding preferences in order to generate a quantitative measure of the qualitative discussion. The problem is the qualitative portion of the discussion dramatically affected the quantitative results.

For example, the focus group started with a description of the land area proposed for the expansion. The researcher presented two visions of how development of the area could occur. One vision was presented in a hypothetical black and white map showing a hodgepodge of homes from multiple developers that were of all types, tightly spaced, with little or no green space. The researcher explained this was the likely scenario unless a single developer were to purchase the entire site. Homes would be multi-generational, have widely ranging prices and quality, and have an obviously reduced "quality of life" factor. Next participants were shown the full color Shea preliminary plan for a carefully thought out community with spacious lots, consistent home styles, generous amenities, and plenty of parks and green spaces. This false dichotomy, as there are countless development possibilities other than the one horror story presented, was followed by the question, "Which of these development plans do you prefer?" It was much like asking participants if they would prefer a glass of champagne or a glass of bilge water. Not surprisingly, slightly more than 70% preferred the beautiful Shea plan. What was surprising was that nearly 30% preferred the "bilge water" to the "champagne."

While on camera during the focus group I asked the researcher pointedly if he was employed to provide unbiased research to his client (Shea)? And I identified the bias the researcher had injected into the discussion. There was little response. I only wish the video of that session were available to you and the city planners so that you would have a better feel for the meaning of "approval ratings" for the project. In my opinion the methodology was flawed throughout. At best the focus groups could have provided some very broad general sense of direction for a very preliminary idea, but in no way could they provide any quantitative measure of acceptance of the project.

While the level of community acceptance may not have a critical role in Council's approval of the project, please do not accept the claim that the Trilogy community overwhelmingly wants the expansion based solely on the "independent" research offered by Shea.

My neighbors and I will be watching the decision of Council very carefully. Do your best.

Don Paisley
[redacted]
Peoria, AZ 85383
[redacted]

-----Original Message-----
From: [redacted]
Sent: Tuesday, November 19, 2013 6:19 PM
To: Cathy Carlat
Subject: Trilogy Expansion

Dear Cathy,

We have been in Trilogy at Vistancia for 5 years, and have just moved into our 2nd house...giving us a little more room.

We can't say enough good about our community...its beauty, its maintenance, its employees, its amenities, etc. Every guest that visits is in awe, and feels we are very fortunate...so do we!

We strongly approve of the expansion plans, and feel all will be an added asset to an already great community.

We hope everything goes through...STRONGLY support Shea in its new endeavor. They have been great...build a quality home, fix anything that is wrong in a timely manner, and offer "a little bit of paradise" to those who live in Trilogy at Vistancia.

Thank you for your work and service to the City of Peoria.

Pat & Richard Hahn

Melissa Sigmund

From:	Chris Jacques
Sent:	Monday, November 25, 2013 11:28 AM
To:	Melissa Sigmund
Subject:	FW: Message for Councilor Cathy Carlat
Follow Up Flag:	Follow up
Flag Status:	Flagged

FYI

From: Rhonda Geriminsky
Sent: Monday, November 25, 2013 11:09 AM
To: Cathy Carlat; Chris Jacques
Cc: Briana Decker; City Clerk; Carl Swenson; Brenda Urias; Corina Russo; Susan Daluddung
Subject: FW: Message for Councilor Cathy Carlat

Good Morning!

We received the following email in the City Clerk's Office.

Thank you.

Rhonda

Rhonda Geriminsky
City Clerk
City of Peoria
623-773-7340
Rhonda.geriminsky@peoriaaz.gov

Almost all Peoria residents – 93% to be exact – rated their neighborhood as an "excellent" or "good" place to live in a 2013 survey. Read it all at www.peoriaaz.gov/citizensurvey.

From: Margie & Brian [redacted]
Sent: Monday, November 25, 2013 9:03 AM
To: InetCityClerk
Subject: Message for Councilor Cathy Carlat

Please forward this message to Cathy Carlat.

Dear Councilor Carlat,

As a resident of Trilogy at Vistancia ("Trilogy"), I am writing to you to express my opposition to the proposed rezoning of the parcels commonly referred to as "Trilogy West" to accommodate 1016 new houses, in preparation for annexation into Trilogy. **I recommend instead that the density allowed in Trilogy West not exceed the density of Trilogy, currently 2.3 homes per acre at full build-out.***

I will not repeat at length the arguments against development/annexation; you are familiar with all of them: (1) decreased quality of life due to overcrowding; (2) decreased property values community-wide due to the smaller homes and lots, and inferior amenities in Trilogy West; (3) financial risks to HOA dues arising from a major new-build that could go "wrong" if market conditions change; (4) extending the period of developer control over all aspects of Trilogy life.

By limiting the number of new homes to equal the current density of Trilogy, everyone gets part of what they want, and no one gets all of what they want:

• Shea can develop Trilogy West to the same density standards of Trilogy, which has been very successful for Shea, for Trilogy residents, and for the City

• The City gets additional property tax revenue from high-end, age-restricted housing in a self-contained community that requires very little additional operating cost to the City

• Abutters of Trilogy West (who generally support the Shea proposal as the "least of all evils") will get a Shea-developed, age-restricted community as their neighbor.

• Lot and home sizes in Trilogy West will be consistent with the level of Trilogy, protecting the aesthetic and financial integrity of our community

• Residents of Trilogy who want Shea to govern our community for the foreseeable future get a long extension in Shea control. Residents of Trilogy who want expansion to keep Trilogy "youthful" will get younger neighbors in Trilogy West.

• Residents who oppose the annexation and extension of Shea control will have to accept an increase in the size, congestion, and complexity of Trilogy, but Trilogy West will more closely resemble current Trilogy.

If Shea insists that Trilogy West would not be "economically viable" or "unmarketable" at 828 homes, this would be clear evidence that their proposed development plan is simply the densification of Trilogy, to the detriment of most residents of Trilogy.

When we decided three years to buy a home in Arizona, we were attracted to Trilogy by its moderate size and its promise of reaching full build-out in a few short years. We now find that both key features of Trilogy are at great risk.

We hope you will now act to limit the harm that expansion of Trilogy will do to our "quiet enjoyment" of our retirement home. While we would prefer that no expansion take place, we realize that other people have different ideas and needs. Compromise is called for.

If we fail to get reasonable limits on the development of Trilogy West, we will live here a few more years and then move on in search of the community we thought we bought into three years ago. We know from long experience that the negative impacts on home prices and quality of life from overdevelopment will not materialize overnight. But they will inexorably come.

Respectfully yours,

[redacted]

*The proposed density of 1016 homes in 360 acres is 2.8 homes per acre. The density of Trilogy at full buildout will be 2369 homes on 1045 acres, a density of 2.3 homes per acre. Trilogy acreage includes the Trilogy Golf Course, which while privately owned, is the defining open space element around which the entire Trilogy community was designed.

Melissa Sigmund

From: Briana Decker
Sent: Monday, November 25, 2013 8:31 AM
To: Melissa Sigmund
Subject: FW: Suggestion from website user regarding Councilmember Cathy Carlat - Mesquite District

Follow Up Flag: Follow up
Flag Status: Flagged

Thank you,

Briana Decker-Cortinas
Council Assistant
Intergovernmental and Council Affairs
City of Peoria, 8401 W. Monroe St. Peoria, AZ. 85345
Phone: 623.773.5133 / Fax: 623.773.7384
Briana.Decker@peoriaaz.gov
Work hours: 7:00 a.m. - 6:00 p.m. (Monday-Thursday)
? Please consider the environment before printing this email.

Click here to register for the Mesquite District updates!

Click here to register for the Ironwood District updates!

-----Original Message-----
From: Cathy Carlat
Sent: Saturday, November 23, 2013 12:56 PM
To: [redacted]
Cc: Briana Decker
Subject: RE: Suggestion from website user regarding Councilmember Cathy Carlat - Mesquite District

Deborah,
Thank you for taking the time to write. I will make sure your comments become part of the official record on this case.
Cathy

Cathy Carlat
Peoria City Council
Mesquite District
623-773-7300
cathy.carlat@peoriaaz.gov

From: Web Master
Sent: Friday, November 22, 2013 4:34 PM
To: InetMesquite
Cc: Bill Mims
Subject: Suggestion from website user regarding Councilmember Cathy Carlat - Mesquite District

Request Submitted: Friday, November 22, 2013

Submitter's Name: Deborah Richitelli

Submitter's Email: [redacted]

Submitter's Address: [redacted]

Apt #:

City: Peoria

State: Az

Zip: 85383

Submitter's Phone: [redacted]

Suggestion Regarding: Councilmember Cathy Carlat - Mesquite District

Suggestion: I would just like to let you know that my husband and I are in favor of annexation at Trilogy West. I was unable to go to the meeting last night to support the "yes" side. I think this would be a good fit for our community. Deborah Richitelli

Contact Submitter VIA: Email

Melissa Sigmund

From: Cathy Carlat
Sent: Monday, November 25, 2013 5:01 PM
To: 'Chris'
Cc: Briana Decker
Subject: RE: Shea Trilogy Annexation

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Mr. and Mrs. Kintner,

Citizen involvement in development proposals is extremely important to me, so I appreciate you taking the time to share this email with me.

As you know, Shea Homes has submitted an application to the City of Peoria to rezone approximately 360 acres from its current zoning district to a Planned Area Development (PAD). A PAD is a type of zoning district whereby development standards (e.g. setbacks, building height, open spaces) can be tailored to respond to the proposed development and maximize compatibility with surrounding areas.

City Staff will review the rezone request against the Peoria General Plan and other codes and ordinances. The Rezone analysis generally includes "physical" factors such as density, land use type and compatibility, development standards, provision of natural and active open space areas, traffic, water/wastewater infrastructure, drainage, protection of cultural resources, native vegetation and wash corridors, hillside development, landscaping and so forth.

The City has heard input pertaining to HOA annexation, structure, and management issues. Please note HOA issues are private matters (as the City is not a party), and therefore is outside of the purview of a Rezone. Shea is using the term Trilogy Annexation to describe annexation into the existing Trilogy HOA. This is not a City annexation. The land they are discussing is already inside the City of Peoria borders.

It is extremely important to me that future development does not negatively impact existing communities. Please know that I am watching the zoning application closely and I remain committed to support and represent your entire community. I will pass your comments along to the City of Peoria Planning and Zoning Director, so they may be filed with the official record. It is critical that the property values and quality of life of current Trilogy residents be a consideration of primary importance.

Regards,

Cathy

Cathy Carlat
Peoria City Council
Mesquite District
623-773-7300
cathy.carlat@peoriaaz.gov

From: Chris [redacted]
Sent: Saturday, November 23, 2013 12:33 PM
To: Cathy Carlat
Subject: Shea Trilogy Annexation

Dear Ms. Carlat,

We own property in Trilogy at Vistancia and were also part of the focus groups held back in March by Shea to gauge interest and favorability regarding their proposed Trilogy West annexation.

From that presentation on it became manifestly clear that Shea was using their own push-polling to gin up favorability numbers they would take to the approval hearings and us in their behalf.

Suffice to say that while they polled us for our feeling as to what was wrong with TAV and how it could be fixed, and too what we'd like to see at the new TW, their use of said data has been corrupt at best.

There is no question that despite their promises to "holistically reprogram" activities between our already past capacity Kiva Club and the new "satellite clubhouse" they've proposed for TW that the facilities there are lacking, so much so that our own club will be overwhelmed.

Trilogy West then will have an immediate negative impact upon all our lives, and too will insure we may not gain control of our own HOA until the year 2019!

Shea's representations of this being the one and only Trilogy during the sales process were at best deceptive, and at worst lies.

Now we see a higher density development on our horizon, one with two story homes to boot, and one with inadequate pool, club, and missing food service facilities.

All of these factors, along with the impacts on our lifestyle here, will only diminish our property values and so we ask that you please rule against an annexed community and tell Shea to build a free-standing community and allow us to have control of our own HOA as we were all promised.

This is a terrible project and a blatant leverage of our assets here in TAV so that Shea can expand on the cheap.

Please don't let them do this to us.

Sincerely,

[redacted]
Peoria, AZ 85383

ORDINANCE NO 2013-26

AN ORDINANCE OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA REZONING CERTAIN PROPERTY FROM THREE SEPARATE SINGLE FAMILY PLANNED AREA DEVELOPMENTS (PADS) [ENCLAVE AT WHITE PEAK, VISTAS AT WHITE PEAK, AND BOULDERS AT WHITE PEAK] AND SUBURBAN RANCH SR-43 TO THE TRILOGY WEST PLANNED AREA DEVELOPMENT (PAD) ZONING DISTRICT; AMENDING THE ZONING MAP AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Peoria Planning and Zoning Commission held a public hearing on November 21, 2013 in zoning case Z13-0007 in the manner prescribed by law for the purpose of considering an amendment to the district boundaries of property within the City of Peoria, Arizona to provide for rezoning of the subject parcel as described below from the Enclave at White Peak (Z04-10), Vistas at White Peak (Z04-23), and Boulders at White Peak (Z02-26) Planned Area Developments and Suburban Ranch SR-43 zoning districts to the Trilogy West Planned Area Development (PAD) zoning district as provided in Section 14-39 of Chapter 14 of the Peoria City Code (1977 edition);

WHEREAS, due and proper notice of such Public Hearing was given in the time, form, substance and manner provided by law including publication of such notice in the Peoria Times Newspaper on November 1, 2013; and

WHEREAS, the City of Peoria Planning and Zoning Commission has recommended to the Mayor and the Council of the City of Peoria, Arizona, the zoning of property as aforesaid and the Mayor and the Council of the City of Peoria, Arizona desires to accept such recommendation and rezone the property as described below as aforesaid.

NOW, THEREFORE BE IT ORDAINED by the Mayor and Council of the City of Peoria, Arizona that:

SECTION 1. A parcel of land in Peoria, Maricopa County, Arizona, which is more accurately described in Exhibits A and B to this Ordinance, is hereby rezoned from the Enclave at White Peak (Z04-10), Vistas at White Peak (Z04-23), and Boulders at White Peak (Z02-26) Planned Area Developments and Suburban Ranch SR-43 zoning districts to the Trilogy West Planned Area Development (PAD) zoning district.

SECTION 2. The amendment to the zoning herein provided be conditioned and subject to the following stipulations:

1. The development shall conform in all material respects to the “Trilogy West” Planned Area Development Standards and Guidelines Report, (Case Z13-0007) dated November 6, 2013**.**
2. The Recreation Center facility shall be constructed within the first phase of the development.
3. The development shall not exceed 1,016 dwelling units.
4. The total number of units in each lot width category shall be tracked on the Plats.
5. The first row of homes on the eastern boundary of the site shall be limited to one-story in height. For implementation, this provision shall apply to lots located within 50 feet of the eastern boundary of the site.
6. No lots shall be developed between the protected ridges as identified on the Preservation Master Plan identified in Exhibit C.
7. Zoning is expressly conditioned on the Applicant executing a petition requesting formation of a CFD and providing all required waivers.
8. All dwellings must comply with the currently adopted City of Peoria Fire Ordinance.
9. The Developer shall provide an ALTA Survey reflecting existing boundary and recorded easements on the site with the Civil Improvement Plans.
10. A Final Drainage Report shall be submitted with the Civil Improvement Plans.
    - Note that the City of Peoria has adopted the Maricopa County Uniform Drainage Design Standards, Policies and Procedures and Drainage Design Manual for Maricopa County for drainage criteria. Retention must be provided for the 100-year, 2-hour storm.
    - Provide a drainage report addressing onsite & offsite flows. The drainage report shall take into effect the adjacent drainage ways.
    - If utilized, all Drywells must be registered with the Arizona Department of Environmental Quality and drilling logs shall be provided to the City. The percolation rate shall be tested and the results provided to the City before the drywell is accepted.
    - On-site basins shall be provided to retain/detain 100% of the 100-year, 2-hour storm event for the sub-basin it serves. The volume shall be calculated based on the gross square footage of the site (including half-street areas). A drainage easement shall be recorded over each retention/detention area within the project for both “public” and “private” basins.
11. A Final Traffic Impact Analysis (TIA) shall be required prior to the approval of the Phase 1 Preliminary Plat.
12. This project is dependent on roadway improvements that other parties are responsible for completing. Per a separate letter agreement between the City of Peoria and the Developer of Vistancia, the incomplete Dixileta Parkway Roadway will be completed by the Developer of Vistancia upon request from the City of Peoria and will be constructed and accepted when Trilogy West needs the roadway improvements complete for connectivity to the Trilogy West project.
13. The Developer shall dedicate the necessary ROW for Dixileta Parkway at the time the adjacent phase is platted. Adjacent to Phase 2, this will be 55 foot

half- street ROW. Within Phase 3, based on the alignment of Dixileta Parkway, this will be the entire 110 foot cross section.

14. The Developer shall dedicate 55 foot half-street ROW for 135th Ave (minor arterial) at the time the adjacent phase is platted. For the southern portion of 135th Avenue approaching the intersection of Dixileta Parkway, there may be additional ROW required on this project site to allow for the complete intersection on this development.
15. The Developer shall dedicate an 8' PUE outside of the required ROW or private roadway tract. No walls or retention shall be allowed within the PUE.
16. The Developer shall construct the northern half-street for Dixileta Parkway along the frontage of the project, from the eastern boundary to the Trilogy West entrance, at the time the adjacent phase is constructed.
17. The geometry at the intersection of Dixileta Parkway and 135th Avenue shall be constructed as a curve (see Exhibit D) until such time that State Trust Lands are developed and the intersection can be modified. Any modifications to the subject intersection after the intersection is initially completed and accepted by the City will be the responsibility of whomever develops the affected State Trust Lands in the future.
18. It is the Developer's responsibility to construct the half street for 135th Avenue. It is also the Developer's responsibility to construct Dixileta Parkway from the Trilogy West entrance west to the intersection of 135th Avenue. The timing shall be as follows:
    - A permit for the roadway and the associated performance bond, plus the rough grading of the roadway corridor will be completed prior to issuance of the 750th C of O (approximately 75% of build out) and construction of the roadway will be required to be completed prior to the issuance of the 900th C of O (approximately 90% of build out), or at a date 6 years from the first plat recordation, whichever comes first. If satisfactory progress is not made (at the discretion of the City Engineer), the City will have the right to deny issuance of new permits and C of Os for the development.
19. Final Water and Sewer Master Plans shall be approved prior to the approval of the Phase 1 Preliminary Plat.
20. The primary water supply for the development will be from the proposed Lone Mountain waterline, crossing the Agua Fria River. Trilogy West will be required to participate in the cost of the Lone Mountain Water Line and the appurtenant booster facilities from Lake Pleasant Parkway to the connection at the intersection of Lone Mountain Parkway and El Mirage Road. The cost participation will be based on the City of Peoria Standards for the primary water supply needs of Trilogy West (maximum daily demand).
21. The initial potable water supply for the Trilogy West development can come from the existing City of Peoria well field that is providing water to the Vistancia Development. However, these wells were originally constructed to only meet the water supply needs of the Vistancia Development. Accordingly, the City is committed to serving the water supply needs for the Vistancia development in recognition of this fact. Therefore, if prior to the completion of the Lone Mountain waterline, the water demand for the Trilogy West development

exceeds the available reserve capacity in the existing City well field, restrictions may be placed on the recording of new final plats or homebuilding permits for Phases 2 through 4 of the development.

22. If a water supply limitation occurs for the property, the Developer can request that the City permit the Developer to meet the gap with a temporary connection from the EPCOR water system. In this event, the Developer is responsible to construct all infrastructure and appurtenances, along with purchasing any easements that are necessary to deliver the EPCOR water supply to a single meter connection for the remaining Trilogy West parcels. In the event of such temporary water connection, the City would enter into a wholesale water agreement with EPCOR. The Developer would be responsible to fund any and all differences between the increased cost(s) of supplying the EPCOR water to the site and the income generated by the City's single water meter connection revenue.
23. The development is required to construct the necessary reservoir and booster capacity needed to meet the water distribution needs of the property. This capacity will be provided at the Westland Reservoir/Booster site, to be jointly designed and constructed by a group of area developers. As long as substantial progress is being made on the completion of the Reservoir/Booster site, the development can rely on the excess reservoir and booster capacity in the existing water distribution facilities. These water facilities were originally constructed to only meet the water supply needs of the Vistancia Development. Accordingly, if prior to the completion of the Westland Reservoir/Booster site, the water demand for the Trilogy West development exceeds the available reserve reservoir or booster capacity, restrictions may be placed on the recording of new final plats or homebuilding permits for Phases 2 through 4 of this development.
24. This Development falls within Peoria's water pressure Zone 5W, which has a Hydraulic Grade Line (HGL) of 1,588. The waterline to provide the proposed back-up water supply must extend up to the water distribution system for the property to make the single meter connection point and provide water at the required pressure.
25. The off-site wastewater collection design of the property is not fully in conformance with the City's master plans for this area, which show the need for the 24/21-inch trunk sewer line. The design will be revised to show:
    - A 24-inch sewer in the Jomax Road alignment from the west end of the Vistancia property to the Dysart Road alignment.
    - A 21-inch sewer in the Dysart-135th Ave alignment for the intersection of Jomax/Dysart Road to the intersection of 135th Ave/Dixileta Parkway
    - The City will be responsible to fund the difference between the 10-inches of wastewater capacity needed by Trilogy West development and the 24/21-inches of capacity needed for the regional system.

26. Trilogy West will be provided Fire / Life Safety services from Station 196. Per the Vistancia Development Agreement, Vistancia Land Holdings is currently funding 33% of the operations and maintenance cost for the facility. The

Vistancia DA allows the City to use its best efforts to compel other developments west of the Agua Fria River and south of the Central Arizona Project Canal to participate in this funding. To this end, Trilogy West will be obligated to participate on an acreage pro rata share (360 – Trilogy West acreage / 3,450- acreage of Vistancia South) or 10.4% of the ongoing obligation. Trilogy West's participation will decrease over time based on the scale included in Exhibit D in the Vistancia Development Agreement. This fee is the developer's obligation and is outside of the impact fee structure. Police and Fire Impact Fees are not affected by this stipulation.

SECTION 3. Amendment of Zoning Map. The City of Peoria zoning map is herewith amended to reflect the change in districts referred to in Section 1 above and as defined by the Legal Description as represented in Exhibit A and the corresponding parcel map as shown as Exhibit B.

SECTION 4: Effective Date. This Ordinance shall become effective at the time and in the manner prescribed by law.

PASSED AND ADOPTED by the Mayor and Council for the City of Peoria, Arizona this 10th day of December, 2013.

Bob Barrett, Mayor

Date Signed

ATTEST:

Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Kemp, City Attorney

Published in: Peoria Times
Pub. Dates: December 20 & 27, 2013

Effective Date:

EXHIBIT A

LEGAL DESCRIPTION

That part of Sections 22, 23 and 27, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the G.L.O. Brass Cap marking the East Quarter Corner of said Section 22, from which the Aluminum Cap marked LS#36113 marking the Center of said Section 22 bears North 89°42'34" West, a distance of 2,636.21 feet;

Thence South 89°41'28" East, along the North line of the Southwest Quarter of said Section 23, a distance of 1,255.89 feet to a point on a line which is parallel with and 65.00 feet Westerly, as measured at right angles, from the East line of the Northwest Quarter of the Southwest Quarter of said Section 23;

Thence South 00°14'08" West, along said parallel line, a distance of 1,319.76 feet to a point on the South line of the Northwest Quarter of the Southwest Quarter of said Section 23;

Thence North 89°41'33" West, along said South line, a distance of 1,255.62 feet to the 1" Iron Pipe marking the Southwest Corner of the Northwest Quarter of the Southwest Quarter of said Section 23;

Thence South 00°13'26" West, along the East line of the Southeast Quarter of said Section 22, a distance of 1,319.98 feet to the Northeast Corner of said Section 27;

Thence South 00°13'07" West, along the East line of the Northeast Quarter of said Section 27, a distance of 2,639.82 feet to the Maricopa County Aluminum Cap marking the East Quarter Corner of said Section 27;

Thence North 89°43'03" West, along the South line of the Northeast Quarter of said Section 27, a distance of 2,634.31 feet to the 1/2" Rebar with cap marked LS#22782 marking the Center of said Section 27;

Thence North 00°13'52" East, along the West line of the Northeast Quarter of said Section 27, a distance of 2,638.20 feet to the G.L.O. Brass Cap marking the South Quarter Corner of said Section 22;

Thence North 00°10'13" East, along the West line of the Southeast Quarter of said Section 22, a distance of 2,641.74 feet to the Aluminum Cap marked LS#36113 marking the Center of said Section 22;

Thence South 89°42'34" East, along the North line of the Southeast Quarter of said Section 22, a distance of 2,636.21 feet to the Point of Beginning.

Containing 357.365 Acres, more or less.

EXHIBIT B
Map

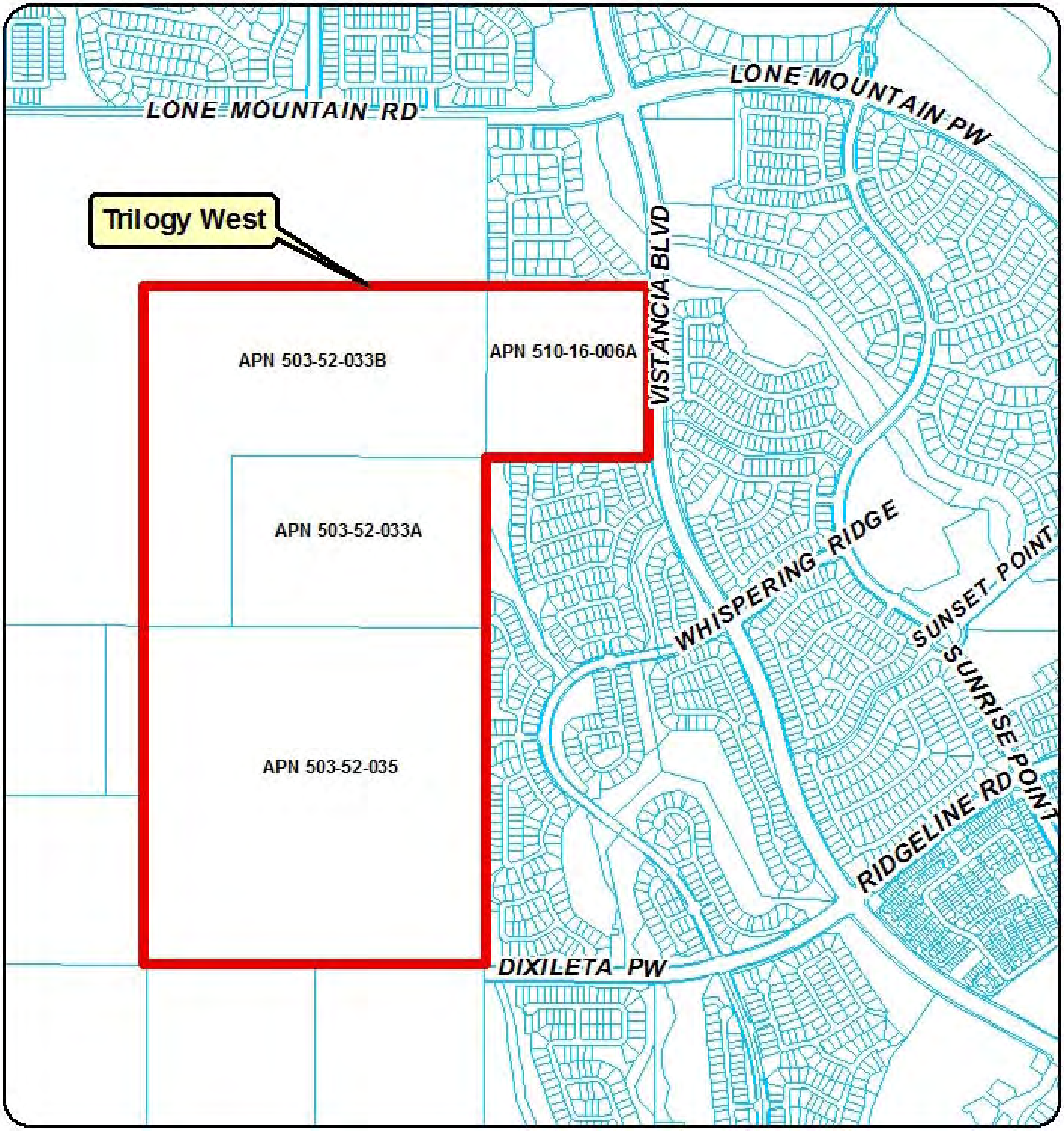


EXHIBIT C - Preservation Master Plan

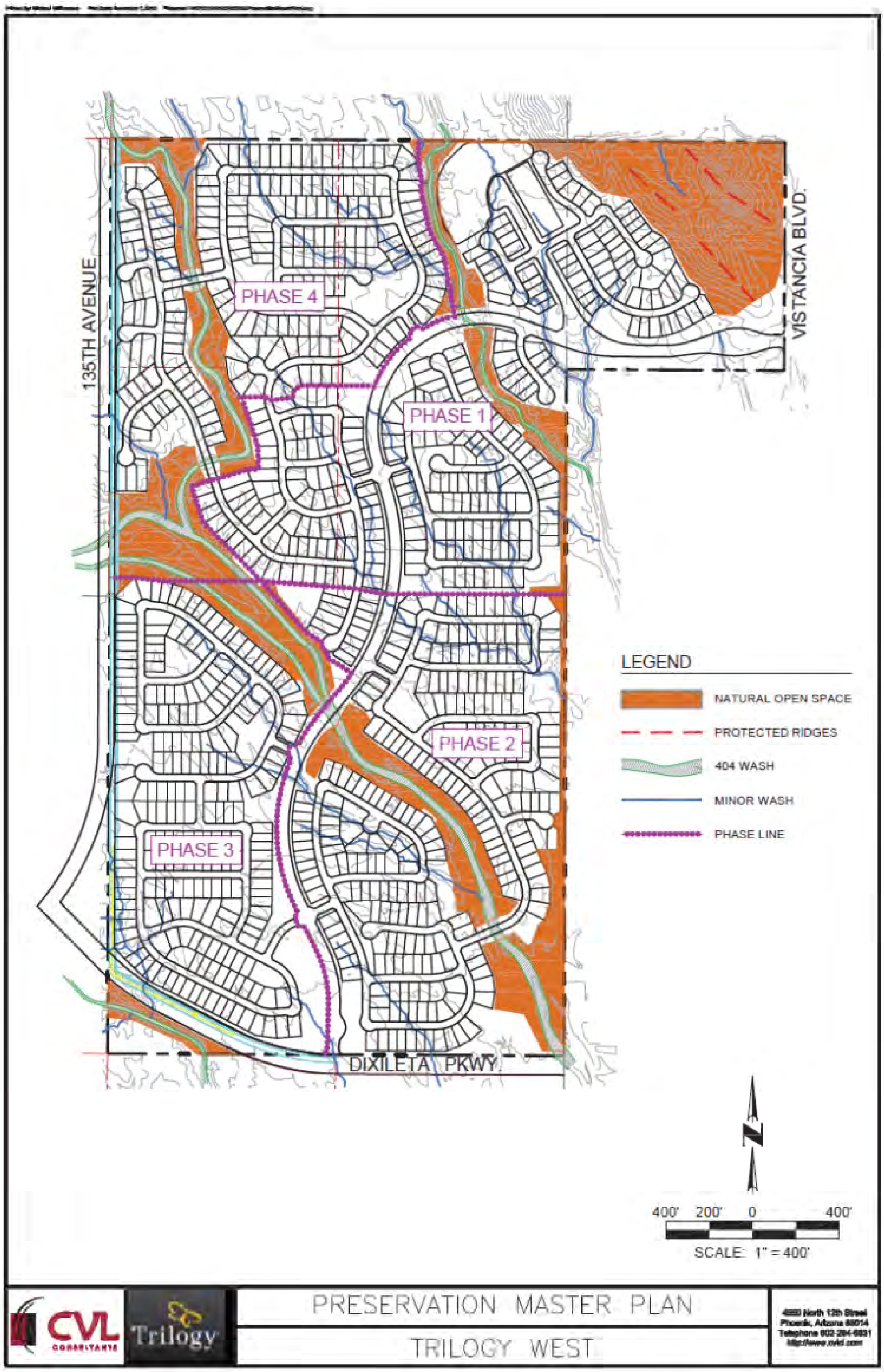
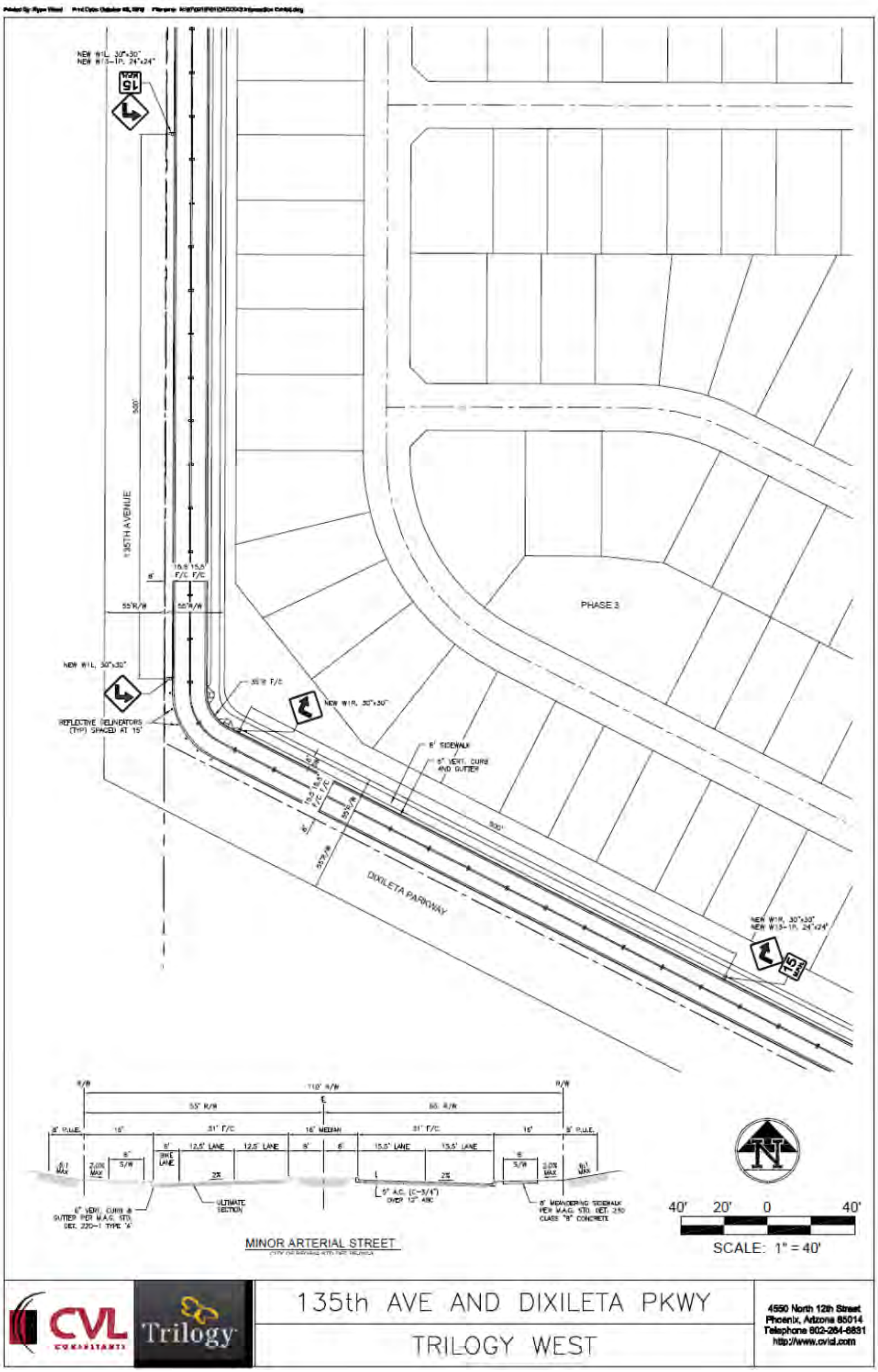

135TH AVENUE
VISTANCIA BLVD.
DIXILETA PKWY.
PHASE 1
PHASE 2
PHASE 3
PHASE 4
LEGEND
NATURAL OPEN SPACE
PROTECTED RIDGES
404 WASH
MINOR WASH
PHASE LINE
400' 200' 0 400'
SCALE: 1" = 400'
CVL CONSULTANTS
Trilogy
PRESERVATION MASTER PLAN
TRILOGY WEST

EXHIBIT D -


135TH AVENUE
DIXILETA PARKWAY
PHASE 3
NEW W1R, 30"x30"
8' SIDEWALK
6" VERT. CURB AND GUTTER
REFLECTIVE DELINEATORS (TYP) SPACED AT 15'
MINOR ARTERIAL STREET
40' 20' 0 40'
SCALE: 1" = 40'
135th AVE AND DIXILETA PKWY
TRILOGY WEST
CVL CONSULTANTS
Trilogy
4550 North 12th Street
Phoenix, Arizona 85014
Telephone 602-264-6831
http://www.cvlci.com

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 22R

Date Prepared: November 21, 2013 **Council Meeting Date: December 10, 2013**

TO: Carl Swenson, City Manager

FROM: Chris Jacques AICP, Planning & Community Development Director
Scott Whyte, Economic Development Services Director
Rebecca Zook, EDS Deputy Development Director

THROUGH: Susan J. Daluddung, AICP, Deputy City Manager

SUBJECT: Development Services Staff/Funding Resources

Purpose:

1. Authorize and appropriate the use of one-time general fund reserves not to exceed **$111,670** to provide: **(a)** Extension of funds for temporary part-time Administrative Assistant for a term of six (6) months through end of FY14 [$11,232]; and **(b)** Contract Associate Planner services (w/ PC/monitor/software) for a fixed-term of eighteen (18) months [$100,438] for the *Planning & Community Development Department*.

2. Authorize and appropriate the use of one-time general fund reserves not to exceed **$165,700** to provide: **(a)** Extend Contract Building Inspector I services for a term of six (6) months; through end of FY14 [$83,200]; and **(b)** Extension of funds for temporary full-time Administrative Assistant I for a term of six (6) months through end of FY14 [$22,500]; and **(c)** Contract assistance for completion of Accela reports through the end of FY14 [$60,000] for the *Economic Development Services Department*.

3. Authorize and appropriate the use of one-time general fund reserves not to exceed **$50,000** to cover credit card fees associated with development activity during FY14.

   ∢ **Total Development Services request $327,370**

Background/Summary:

In the past eighteen (18) months, the City of Peoria has experienced a steady increase in overall development activity. This translates into new zoning and land use entitlements, site plan and preliminary/final plat submissions, civil plan review and ultimately building and civil permits resulting in a downstream impact on building and engineering field inspections. The City of Peoria sees the development process as a continuum of services that must work together seamlessly to ensure success for the citizens of Peoria.

Initial phases of the development process include pre-development due diligence services such as zoning verification, property background research and pre-application meetings. These initial development inquiries and meetings with the City, often result in new zoning and land use entitlement proposals. Also, included in Phase 1 are preliminary plats, site plans, architectural and site design reviews, and corresponding preliminary civil plan reviews (grading, drainage, water, sewer & paving). The second stage of development (or Phase 2) involves finalized civil plan review, final plat review and recordation, construction document review, as well as, landscaping and signage review. Phase 2 is where the designs come together and yield final construction documents for a subdivision or commercial property, as an example. Phase 3 of the development process is the construction of the approved plans (civil, building, landscaping and signage). Each of these phases has seen a significant increase, and over time the services delivered by the affected development divisions have become strained.

FY13 / FY14 Staffing Adjustments

It is our desire and the customer's expectation that we continue to provide top quality services. As a result, we reached out to both City Management and the Finance and Budget Departments and requested assistance in the late part of the 2012 calendar year. As a result of those discussions and during the Fiscal Year 14 Budget conversations, requests were submitted and authorized to seek personnel additions and systems enhancements.

Since the beginning of FY14, we have been able to move forward with implementing the budget requests with the help of the IT and HR Departments. Within the last few months we have made offers to the top candidates for each of the approved positions (3 FTE and 1 contract position). Three of which have started working with EDS in the last 4-8 weeks; the fourth of which is starting at the end of November. In the Planning & Community Development Department, a fixed-term Contract Planner (18 months) was added in March/2013 to provide additional capacity. See Table 1 for new staff and associated duties.

Table 1 – New Hires & Primary Duties (FY13 / FY14 Budget)

Position	Primary Duties	Hire Date
Contract Planner (Planning Dept.)	Development case review and strategic planning	March 18, 2013 (Mid-year FY13)
Development Technician I (EDS Building Div.)	Building customer service, plan intake, routing and permit issuance	Sept. 9, 2013 (FY14)
Engineering Technician II (EDS Site Development Div.)	Over the counter plan review for Site/Engineering; currently training on plan intake, routing and permit issuance for Site Development	Oct. 14, 2013 (FY14)
Contract Development Technician I (EDS Site Development Div.)	Site/Engineering customer service, plan intake, routing and permit issuance	Oct. 21, 2013 (FY14)
Development Technician II (EDS Building Div.)	Over the counter plan review for Building	Nov. 25, 2013 (FY14)

In addition to the new staff, we have also made progress with each of our new customer service enhancements that were approved by Council as part of FY14 including Self-Certification, Over-the-Counter plan review, Electronic Plan Review and On-line permitting (see Exhibit 1 - attachment).

Continued Increases in Development Activity

Despite the recent additions in staffing, the development services departments have continued to experience rising development activity. Within the past 5 to 6 months, compounded workloads have resulted in delayed responses to our customers. To alleviate administrative duties, EDS has hired a temporary Administrative Assistant to answer phone calls, process documents, and other associated administrative duties. Staff has been unable to respond immediately to daily phone inquiries, due to the fact they were helping customers either at the counter, attending development meetings, or on another phone line. The addition of our contracted administrative assistant has helped to alleviate incoming calls from new and existing customers. Moreover, in the Planning Department, development cases have strained and absorbed existing staffing resources exacerbating the ability to progress on strategic planning projects in its work plan.

Exhibits 2–4 (attachments) in this report detail the development activity experienced in the City for the 3 phases of the development process over the last 6 years. The following information is being presented to highlight the growth seen over the past 6 years and what we expect to continue through the end of FY14. Note that on Exhibits 3 and 4 the numbers presented in the FY14 column are based on a straightline projection of Q1 actuals.

The overall increase in development activity can also be seen in the revenues that have been realized by those departments providing case/plan review, permit and inspection services. It should be noted that revenues are not a metric that the develoment services departments utilize as a measurement of success; it is simply another tool that is used to illustrate development trends.

Table 2: Total Revenues for Development Services

Fiscal Year	Fees/Revenue
FY09	$2,586,454
FY10	$1,696,587
FY11	$1,810,398
FY12	$2,130,787
FY13	$4,247,753
FY14 (Q1)	$1,286,118
FY14 Projection	$5,144,472

In addition to looking at what has happened in the past 6 years and comparing it to what is happening in our community today, we have also reached out to our development partners and asked what is in their workplan for Peoria over the next 24 - 36 months. We began these conversations approximately 12 months ago and have compiled a spreadsheet of future projects with a anticipated time to building permit issuance. We have continued to update the spreadsheet to ensure the information presented is moving through the process as planned. With that said, between the next 12 to 36 months, we anticipated another 6,000 lots to be moving toward construction completion and ulitimate building permit issuance. As a result of this information, we believe that we can expect positive growth through FY15 and into FY16.

FY14 Mid-Year Budget Requests:

In order to meet the current demands on services, both the Planning & Community Development Department and Economic Development Services Departments are requesting the following mid-year adjustments to provide the capacity necessary to respond to the rising development workload while continuing to provide excellent customer services to our development partners.

Planning & Community Development Department **(<u>$111,670</u>)**

Development activity represents a component of the total work plan for the P&Z Division of the Planning Department. This division also advances Council goals through strategic planning including:

- Completion of Open Space Master Plan
- Completion of Integrated Utility Master Plan
- Strategic Annexations (e.g. State Land, County Islands)
- Plan implementation (e.g. Sports Complex, Old Town, Loop 303)
- Zoning Code amendments (e.g. Landscaping, Donation boxes, restaurant/bar delineation)
- Historic Preservation
- Special projects (e.g. Cowtown, billboards)
- Transportation Planning

To this point, current development review activity has absorbed existing resources affecting the ability to progressively advance the Division Work Plan.

a. **<u>Temporary Administrative Assistant (1/2-time through end of FY14):</u> $11,232**

   As recently as FY11, the Department had three (3) administrative support positions; the Department currently has one (1) Executive Assistant. The EA supports both divisions, six boards/commissions and all activities associated with development case routing/tracking. The EA is also set to assume new activities associated with the NSP3 Grant, CDBG Section 108 Loan (Maxwell Technologies) and support to the newly-established Human Services Coordinator.

   Until recently, the department had utilized salary savings to fund a part-time administrative support position through Apple One to back up our Executive Assistant. The funding has been exhausted and the Department is requesting funding to continue this support through the end of FY14. The Department is assessing the appropriate level of administrative support beyond this term as part of the FY15 budget process.

b. **<u>Contract Associate Planner (full-time, 18-month term):</u> $100,438**
The Planning Technician was an entry level position that resided in Planning prior to the city-wide reorganization a few years ago. The position moved to Economic Development Services to supplement front counter activities with respect to the Zoning Ordinance. This position was eliminated in FY12 as part of EDS budget reductions. The Planning Department absorbed many of the former Planning Tech functions such as business licenses, temporary use permits, group homes and the like (see Exhibit 5). With development activity spiking, these functions significantly affect the capacity of the existing Planning staff.

The request to a fixed-term Contract Associate Planner (next level up from Planning Tech) provides for a journey-level position to assume these functions while providing the flexibility to absorb other duties. Recognizing that it is difficult to recruit a strong pool of qualified candidates for a six-month term (to finish out FY14), the Department is requesting funding for eighteen (18) months. Ultimately, this creates capacity for the department to progress in its strategic work plan. An amount of $1,915 for a PC/monitor/software is included within the requested $100,438 amount. Thereafter, the department will continue to monitor development trends and make an assessment as part of the FY16 budget process on the status of this contract position.

Economic Development Services Department (<u>$165,700</u>)

a. **<u>Contract Building Inspector I (FT, extend through FY14):</u> $83,200**
Extension of contract funds for the Building Inspector I to extend the position through FY14. The current funds will no longer be available after January 3, 2014. The Contract Building Inspector has been in place for approximately 12 months. (Contract administered through Wildan Engineering Co.)

b. **<u>Temporary Administration Assistant (FT, extend through FY14):</u> $22,500**
Currently temporary staff is being funded from cost savings associated with vacant Administrative Assistant II position. Existing cost savings will cover temporary position through the end of January. Requesting funding for the remaining 6 months of FY14.

c. <u>Contract assistance for I.T. Coordination/Accela – Business Analyst:</u> $60,000
A number of reports (30 - 35 reports) for internal and external customers (e.g. MAG, AdHoc, City Manager, ICMA, Peoria Stats, etc.) have not been created and/or updated since the conversion to Accela. Funding is requested for contract assistance to complete reports (20 hours per week for remaining 6 months of FY14).

General Development (<u>$50,000</u>)

Credit Card fees associated with development activity have historically been paid out of the Finance Department budget. During the first part of FY14, development service related departments (including divisions within EDS, Planning, Fire & Engineering), were informed that it was necessary for us to address credit card service fees associated with development activity through a budget request. As such, based on an average service fee of 3%, and planning for continued usage based on fees paid for the during the first 4 months of this fiscal year, we are requesting **$50,000** to cover the service fees for development activity during FY14.

Previous Actions: None

Options:

A: Take action supporting the staff recommendation requesting mid-year funding to address needs associated with rising development activity; or

B: Take action against supporting requested funding for development services as described herein at this time.

Staff's Recommendation:

1. Authorize and appropriate the use of one-time general fund reserves not to exceed **<u>$111,670</u>** to provide: **(a)** Extension of funds for temporary part-time Administrative Assistant for a term of six (6) months through end of FY14 [$11,232]; and **(b)** Contract Associate Planner services (w/PC/monitor) for a fixed-term of eighteen (18) months [$100,438] for the *Planning & Community Development Department*.

2. Authorize and appropriate the use of one-time general fund reserves not to exceed **<u>$165,700</u>** to provide: **(a)** Extend Contract Building Inspector I services for a term of six (6) months; through end of FY14 [$83,200]; and **(b)** Extension of funds for temporary full-time Administrative Assistant I for a term of six (6) months through end of FY14 [$22,500]; and **(c)** Contract assistance for completion of Accela reports through the end of FY14 [$60,000] for the *Economic Development Services Department*.

3. Authorize and appropriate the use of one-time general fund reserves not to exceed **<u>$50,000</u>** to cover credit card fees associated with development activity through the end of FY14.

Fiscal Analysis:

Collectively, the requests amount to a total of $327,370 in one-time general fund reserves to provide additional support to departments affected by a rise in development activity.

1. Staff recommends that the City Council approve the use of reserves and a budget transfer in the total amount of **$111,670** to be transferred as outlined below:

- A budget transfer in the amount of $11,232, from the General Fund Contingency account (1000-0300-570000) to the Planning and Community Development Services Contract Labor account (1000-0610-520012).
- A budget transfer in the amount of $100,438, from the General Fund Contingency account (1000-0300-570000) to the Planning and Community Development Services

Other Professional Services account (1000-0610-520099).

- ➢ A budget transfer in the amount of $1,285, from the General Fund Contingency account (1000-0300-570000) to the Planning and Community Development Services Computer Hardware account (1000-0610-530003) and an amount of $630 to the Planning and Community Development Services Computer Software account (1000-0610-530021).

2. Staff recommends that the City Council approve the use of reserves and a budget transfer in the total amount of **$165,700** to be transferred in the following:

- ➢ A budget transfer in the amount of $83,200, from the General Fund Contingency account (1000-0300-570000) to the Economic Development Services Building Development Division Other Professional Services account (1000-0650-520099).
- ➢ A budget transfer in the amount of $22,500, from the General Fund Contingency account (1000-0300-570000) to the Economic Development Services Contract Labor account (1000-0650-520012).
- ➢ A budget transfer in the amount of $60,000, from the General Fund Contingency account (1000-0300-570000) to the Economic Development Services Administrative Division Other Professional Services account (1000-0351-520099).

3. Staff recommends that the City Council approve the use of reserves and a budget transfer in the amount of **$50,000** from the General Fund Contingency account (1000-0300-570000) to the Economic Development Services Building Development Division Bank Services Charges account, (1000-0650-520010).

Exhibit(s):

Exhibit 1: Status of Customer Service Enhancement Programs (EDS)
Exhibit 2: Development Case & Revenue Trends - Phase 1 (Planning Department)
Exhibit 3: Plan Review Submittal Trends – Phase 2 (EDS)
Exhibit 4: Permit & Inspection Trends – Phase 3 (EDS)
Exhibit 5: Proposed Associate Planner (Planning Department)

Contact Name(s) and Number:

Chris Jacques, Planning & Community Development Director (623) 773-7609
Rebecca Zook, Deputy Director, Economic Development Services (623) 773-7589

Exhibit 1: Status of Customer Service Enhancement Programs (FY14)

(Economic Development Services Department)

Enhancement	Status	Notification Method
Self Certification (Pilot program) *Registered professionals are able to obtain a building permit in the absence of a building plan review. Indemnification documents are submitted to hold the City harmless.	• Plan review Supervisor and Building Official attended Phoenix Training program; • AZBO Training for Building Inspectors (week of Oct. 21st); • IT Dept.'s update of Accela system for Self-Cert. workflow (completed week of Oct. 28); • Creation of indemnification forms and other related documents for application process; • 100% completion of process documents for applicants in lieu of specific Peoria training. *To be completed:* • Remaining testing of Accela system (20%) - week of Nov. 18; • CAO 2nd review of Self-Certification documents (indemnification and process) - week of Nov. 25	• Development Forum update Dec. 3, 2013 • E-blast to Development community Dec. 9th
Over the Counter plan review *Plan review services will be provided at the counter for minor reviews	Two dedicated staff (level II's) were approved with the FY14 budget; • Site Devel/Eng staff person came on board Oct. 14th ; • Building Development staff person will begin with the City on Nov. 25th; Technician Level II's will need to be trained by existing City staff to ensure compliancy with our requirements; IT to create an appointment system for our customers to schedule times that best suit their needs.	• Development Forum update Dec. 3rd; • Eblast to Development community closer to program launch. (approx. Feb, '14)
Electronic Document Review (EDR) *Electronic plan submittals and reviews are exchanged between the City and the customer.	• With the FY14 budget, the City was approved to move forward with an Electronic Document Review system. • The IT Department will begin working on updating the Accela system in the 3rd quarter of FY14. • Contract monies approved in the budget for system updates (by a consultant – managed by IT) and for hardware and software to facilitate the electronic review of plans. • It is anticipated that an EDR pilot program with be available to our customers at the beginning of FY15.	• Development Forum update Dec. 3rd; • Eblast to Development community closer to program launch.
On-line Permitting *Application, reviews, payments and permit issuance all processed electronically.	Many of the process improvements associated with on-line permitting are the same as EDR. The implementation schedule for this program will run with the implementation of EDR with the exception of the on-line payments. The roll-out of that piece of the program will likely take an additional 6 months to implement through both IT and Finance.	• Development Forum update Dec. 3rd; • Eblast to Development community closer to program launch.

Exhibit 2: Development Case & Revenue Trends – Phase I
(Planning & Community Development)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14* (Nov/2013)
Case Types							
GPA's	17	5	0	5	5	6	4
Rezones	18	17	10	6	13	22	11
Site Plans	49	36	20	16	15	16	12
Pre-Plats	6	11	9	0	4	28	18
CUP's	31	21	20	26	17	9	5
TOTAL	**121**	**90**	**59**	**53**	**54**	**81**	**50**
Pre-Apps	105	73	75	110	75	90	43
Revenue (Fees)							
GPA's	$16,500	$4,500	$0	$24,740	$15,170	$10,500	$6,000
Rezones	$40,942	$28,650	$21,680	$48,219	$44,385	$265,900	$34,101
Site Plans	$160,150	$96,627	$55,626	$36,557	$38,429	$25,405	$24,239
Pre-Plats	$14,210	$25,415	$22,575	$0	$8,020	$54,205	$32,870
CUP's	$15,500	$10,500	$9,550	$12,740	$8,500	$7,000	$2,790
Pre-Apps	$0	$0	$0	$0	$0	$0	$0
TOTAL	**$247,302**	**$165,692**	**$109,431**	**$122,256**	**$114,504**	**$363,010**	**$100,000**
Development FTE's^	**8.0**	**7.0**	**7.0**	**5.0**	**5.0**	**5.0**	**5.0**
Contract Staff	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.0** (March/2013	**1.0**

* Through November, 2013
^ Staff directly tied to Development Case Review (does not include Managers, Admin support)

Preliminary Plat Activity (Last 16 months)

Total lots proposed: **4,106 lots**

- N/O Bell Rd 3,792 (92%)
- S/O Bell Rd 314 (8%)
- Vistancia Total 948 (23% of total lots proposed)
- Aloravita Total 1,109 (27% of total lots proposed)

Summary Data

- 46 Preliminary Plats (Subdivisions) have been submitted in the last 16 months accounting for approximately 4,100 new lots
- 33 Rezone cases have been submitted in the last 16 months which is double that of FY12
- Most of these cases have been proposed in the area between Deer Valley and Jomax
- Revenue from fees tripled from what was taken in FY12
- Through 1Q/FY14, revenue already 55% of what was taken in FY12;

Exhibit 3: Plan Review Submittal Trends – Phase 2
(Economic Development Services)

Submittal Type	FY09	FY10	FY11	FY12	FY13	FY14*
Civil Reviews	2,611	1,738	2,223	1,740	3,417	3,786
Building Reviews	1,469	1,120	1,755	2,036	2,900	3,624
Design Reviews (Single Family Tract Homes 6-15 per submittal	7	15	21	18	27	36
Avg. Review time in days	12	11	11	9	13	15

*Projected through FY14 based upon FY14/1Q actual

Summary Data from Phase 2 Plan Review Submittals

- Average review time has been set at 12 working days for the past 6 years; over the past 5-6 months the average has been between 14-16 working days
- Currently and through the next 6 months, homebuilder/developers will have the ability to obtain more than 5600 building permits.
- Revenues during Phase 2 of the Development Continuum nearly doubled from FY12 to FY13 ($2M to $3.9M)

Exhibit 4: Permits & Inspection Trends – Phase 3
(Economic Development Services)

Permit Type	FY09	FY10	FY11	FY12	FY13	FY14*
Civil	1,179	839	930	857	1,120	1,300
Building	2,619	2,385	2,388	2,653	3,653	3,516
Total # of Building Inspections annually	34,047	31,005	31,044	34,489	45,213	48,712
Average # of inspections per inspector annually	2,432	3,101	4,435	4,927	5,652	6,089
# of Rollover Inspections	0	0	0	0	1,228	1,268

*Projected through FY14 based upon FY14/1Q actual

Summary Data

- According to the Building Code Enforcement Agency (report dated 5/8/2012) the City of Peoria averages approximately 4,558 inspections per inspector per year (2.7 inspections per work hour). This average is more than two times (2228 inspections per inspector per year or 1.3 inspections per work hour) the national average in jurisdictions of similar population, square miles and overall number of issued permits. For the report, the agency evaluated over 7,000 building code enforcement agencies across the United States.

- Throughout the valley, customers (homebuilders, homeowners, contractors) expect to receive next day inspections from the Building department. Historically, we have met this demand. However, in the past 16 months, we have been unable to consistently complete all requested building inspections the following day.

Exhibit 5: Proposed Associate Planner
(Planning & Community Development)

	FY13 Units	Time per Unit (Average)	Annual Unit Time (Total)
Planning Tech Duties[1]			
Business Licenses	1,040	0.5 hours	520 hours
Group Homes	10	3.0 hours	30 hours
Design Review	9	3.0 hours	27 hours
Temporary Use Permits	44	2.0 hours	88 hours
Site Posting[2]	6	1.0 hours	6 hours
General email inquiries[3]	416	0.5 hours	208 hours
General phone inquiries[3]	1,300	0.25 hours	325 hours
Subtotal			**1,204 hours**
Minor Cases			
Variances/Admin. Relief	10	10.0 hours	100 hours
CUP's	9	15.0 hours	135 hours
Subtotal			**235 hours**
TOTAL			**1,439 hours**
FTE's			**1.0**

1 Planning Technician position was eliminated as part of Economic Development Services FY12 Budget; Planning absorbed several functions to assist partner department in loss of position.
2 Planning staff posts meeting and/or project signage for some TUP's and city-initiated GPA's;
3 General phone calls, emails and other requests for information not related to specific cases. General emails average 8/week at 30 minutes per unit; General phone inquiries average 25/week at 15 minutes per unit.
4 1.0 FTE = 1,500 hours;.

Summary Data

- With the elimination of the Planning Technician position in EDS for FY12, Planning agreed to share in the absorption of several outstanding functions. These functions, coupled with the uptick in development has absorbed a significant amount of staff capacity.
- The Associate Planner (rather than the Planning Tech) provides the flexibility to pick up the former Planning Tech functions and assume other minor development cases. This frees up planner staff capacity for development review and more significantly – strategic planning work plan items.
- The Associate Planner entry level would be around $45,000 per year. With benefits we are looking at approximately $4,458/month. Assuming an 18-month term (through FY15) approximately 78 weeks @ $4,458/month) with PC/monitor would amount to **$81,394**.
- Filling of this position creates capacity for Planners to continue to assume Development Cases (Rezones, Site Plans, Preliminary Plats) while creating new capacity for advancing strategic planning and other activities such as zoning code amendments, annexations and historic preservation.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 23R

Date Prepared: November 15, 2013 **Council Meeting Date: December 10, 2013**

TO: Honorable Mayor and City Council

FROM: Stephen M. Kemp, City Attorney Stephen M Kemp

SUBJECT: Proposed changes to City Council Policy 1-3; Procedure for Consideration of Candidates when Vacancies occur on the City Council

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Purpose:

This is a request for City Council to review City Council Policy 1-3; Procedure for Consideration of Candidates when Vacancies occur on the City Council and if, it meets with Council's approval, adopt proposed amendments to the policy.

Background/Summary:

This policy was adopted in 2007 after the last council vacancy. The City Clerk and City Attorney have reviewed the policy to suggest practices used in other cities that have had vacancies since that time, and which appear to have worked in those cities.

Previous Actions:

The Council considered this item at its October 29, 2013, Study Session. Subsequently, the City Attorney's Office sent out a final version for city council members to review. Two minor syntax suggestions were received from Councilmember Aames and they were incorporated into this final draft which is now before the Council for action.

Prior to this matter coming to the Council, it was reviewed by the Policy and Appointments Subcommittee and sent forth to the Council for study session review.

Options:

A: Adopt the proposed amendments to the City Council Policy 1-3; Procedure for Consideration of Candidates when Vacancies occur on the City Council.

B: Reject the proposed amendments to the City Council Policy 1-3; Procedure for Consideration of Candidates when Vacancies occur on the City Council.

Staff's Recommendation:

As this matter is solely within the Council's jurisdiction, no recommendation is made on adoption. Staff does note that the policy fully incorporates best practices from other jurisdictions and provides Council flexibility in addressing this matter.

Fiscal Analysis:

Not Applicable

Exhibit #1:

Proposed changes to City Council Policy 1-3; Procedure for Consideration of Candidates when Vacancies occur on the City Council

Contact Name and Number:

Stephen M. Kemp, City Attorney
(623) 773-7321

CITY COUNCIL POLICY	CP 1-3 Category: General
	Department: CITY ATTORNEY
TITLE: Procedure for Consideration of Candidates for Vacancies on the City Council	Approved: ~~September 18, 2007~~

A. Purpose

This policy establishes the procedures which the City Council will use in considering candidates to fill a vacancy on the City Council should a vacancy occur.

B. Procedure

1. Charter Provisions.

a. The Peoria City Charter provides that should a Council seat become vacant, the seat will be filled by appointment if the vacancy occurs less than seven hundred and forty (740) days prior to the next regular election for a council member from the district in which the vacancy occurred. The appointment will be on an interim basis if there is more than ~~two years~~ seven hundred and forty (740) days remaining in the term of the vacated Council seat or for the remainder of the term if there is ~~two years~~ seven hundred and forty (740) days or less remaining. Should the position of Mayor become vacant, the Vice Mayor will automatically succeed to the position of Mayor and upon succession to the Mayor position, the Council seat held by the Vice Mayor will automatically become vacant.

b. A vacancy occurs upon filing of ~~the~~ a Letter of Resignation by a Council member or by operation of law in other cases such as death, succession to another office, conviction and sentence for a felony, etc.

c. If a vacancy occurs seven hundred and forty (740) days or more prior to the next regular election for the vacant position, ~~T~~the City Charter requires that within 10 calendar days following the ~~a~~ vacancy, prospective candidates ~~for appointment~~ must file a letter with the City Clerk indicating their intent to run for the seat in the subsequent election.

2. Application: Within ~~10 calendar days following a vacancy~~10 days following their filing of a Letter of Intent pursuant to section 1.c., a candidate for consideration ~~to~~ for appointment to a vacancy on the City Council shall file an application with the City Clerk. The application shall

be a public record subject to disclosure, with the exception of personal identifying information. ~~such as date of birth.~~

a. Upon the close of the ~~10 calendar day~~ application period, the City Clerk shall provide to the Mayor and each Council member copies of the applications filed by prospective candidates.

b. The City Clerk shall also provide to the City Manager a copy of the applications filed by prospective candidates. ~~and maintain a copy available for public inspection and copying.~~

3. Questions.

a. Within 10 calendar days following receipt of the applications by the Mayor and Council members, each Council member may submit to the Mayor ~~those~~ any questions that they desire be asked of all applicants. The Mayor ~~also~~ may also include ~~those~~ questions that ~~they desire~~ he/she desires be asked of all applicants.

b. The Mayor shall compile a list of ~~seven~~ questions from those submitted that will be asked of all applicants. The list of questions shall not be a public record subject to disclosure until the date and time of the interview of candidates. Prior to the special Council meeting where candidates will be interviewed, the Mayor shall randomly assign the questions to be asked by Council members ~~on a random basis~~.

4. Interviews.

The Mayor shall set a special Council meeting to interview all candidates desiring consideration for appointment to a vacancy on the City Council. The interviews shall be held in open session. The following process shall be used for the interviews.

a. The Mayor shall ~~select~~ randomly select the order in which the candidates will be interviewed. ~~The Mayor shall be responsible for timekeeping as provided by this policy.~~

b. Each candidate shall be given three minutes to introduce themselves to the City Council and the public that may be present.

c. The Mayor ~~then~~ will recognize one Council member at a time to ask the assigned question(s) ~~assigned to the Council member~~ of each candidate.

d. Following the Mayor and Council interview questions, each applicant will be given the opportunity to ask one question of the Council.

e. Following completion of the interview process, the Mayor shall declare the interview process closed.

5. Consideration.

After close of the interview process, the Mayor shall declare the discussion open among the Council for consideration of the applicants. The Council shall consider the applicants in an open and public session. ~~Such discussion shall be held in open session.~~ Upon completion of discussion, the Mayor shall declare the floor to be open for nominations.

a. Any Council member may nominate one candidate. No second is required.

b. If there are no further nominations to be made, the Mayor shall declare nominations to be closed.

6. Voting.

If there is only one nomination, then a motion to select that individual by acclamation should be entertained by the Presiding Officer. If there is more than one nomination for the vacant seat, the Presiding Officer should announce that the seat will be filled by a secret ballot of the Council.

a. The City Clerk will distribute blank ballots. Each Councilmember should write in the name of the candidate that they desire to vote for and fold the ballot. The City Clerk will collect the ballots and the City Attorney and City Clerk will count the ballots in the Executive Session Conference Room, and provide the Mayor with a tally sheet indicating the votes for each candidate. Once voting is completed, if a candidate receives a majority of the votes, the Mayor shall declare the candidate appointed. For purposes of this policy, in accordance with the Peoria City Charter, the term "majority of the votes" means those council members present and voting. The candidate with the most votes is appointed to fill the vacant seat.

b. If no candidate receives a majority of the votes, the two candidates receiving the most votes shall move on to a second ballot.

c. The second ballot shall be held in the same manner provided for the first ballot. In the event of a tie on the second ballot, the Mayor may elect to schedule a third ballot or address the matter at a future regular council meeting or a special meeting in accordance with City policies and procedures.

d. Once voting is completed, the Mayor shall announce the individual who has obtained the most votes.

~~The Mayor shall call for voting on the candidates in the order in which they were nominated. Those Council members desiring to vote for a candidate shall cast a "yes" vote. Those Council members opposing the candidate shall cast a "no" vote. Once voting is completed, if a candidate is elected with a majority of the votes, the Mayor shall declare the candidate elected. If no candidate receives a majority of the votes, the following process shall be used. For purposes of this policy, in accordance with the Peoria City Charter, the term "majority of the votes" means those council members present and voting.~~

~~a. A second ballot shall be held by the Council. All candidates shall be eliminated except the two candidates receiving the most votes from Council members on the first ballot.~~

~~b. The second ballot shall be held in the same manner provided for the first ballot. In the event of a tie on the second ballot, the Mayor may elect to schedule a third ballot or address the matter at a future regular council meeting or a special meeting in accordance with City policies and procedures.~~

~~c. Once voting is completed, the Mayor shall adjourn the meeting.~~

APPROVED:
~~/S/~~
Bob Barrett, Mayor

APPROVED AS TO FORM:
~~/S/~~
Stephen M. Kemp, City Attorney

Adopted: 4/6/06, CC #6C [Prior Numbering: CP-06-02]
Amended 9/18/07, CC #6C
Amended 12/??/??, CC #

City Council Calendar

Color Key:
City Council

< November	December 2013					January >
Sunday	**Monday**	**Tuesday**	**Wednesday**	**Thursday**	**Friday**	**Saturday**
1	2	3 Special Study Session	4	5	6 City Council Workshop	7
8	9 Council Subcommittee on Policy and Appointments	10 Regular City Council Meeting Special Meeting & Study Session	11	12	13	14
15	16	17	18	19	20	21
22	23 City Council Subcommittee on Community Culture & Public Safety	24	25	26	27	28
29	30	31				

City Council Calendar

Color Key:
City Council

< December	January 2014					February >
Sunday	**Monday**	**Tuesday**	**Wednesday**	**Thursday**	**Friday**	**Saturday**
			1	2	3	4
5	6	7 Regular City Council Meeting Special Meeting & Study Session	8	9	10	11
12	13	14	15	16	17	18
19	20	21 Regular City Council Meeting Special Meeting and Study Session	22	23	24	25
26	27 City Council Subcommittee on Community Culture & Public Safety	28	29	30	31	

CITY OF PEORIA, ARIZONA
CITY MANAGER REPORT

Agenda Item: RCM 26A

Date Prepared: 18 November 2013 **Council Meeting Date: 10 December 2013**

TO: **Carl Swenson, City Manager**

FROM: **Tamara Shreeve, Council Office and Grant Program Manager**

THROUGH: **John Schell, Director, Governmental Affairs and Council Office**

SUBJECT: **Council Subcommittee Update**

Summary:

The purpose of this report is to update the Mayor and Council on the Council Subcommittee activities. The attached spreadsheet lists the Council Subcommittees and the agenda item topics that have been assigned to each Council Subcommittee. If the item has been reviewed at a subcommittee meeting, the outcome of that discussion is also listed.

Exhibit 1: Council Subcommittee assigned agenda items

Contact Name and Number: Tamara Shreeve, x5143

City of Peoria
Council Subcommittees

Community Culture and Public Safety Subcommittee

Submitter	Subject	Sub-committee agenda date	Action	Study Session
Jeff Tyne / Susan D	Trail System Lighting	1/30/2012	Forward item to study session. Completed	7/3/2012
Jeff Tyne / Susan D	Field Rental Policy	1/30/2012	Forward item to study session. Completed	7/3/2012
Jeff Tyne / Susan D	Recreation Fees Policy	11/14/2011	Forward item to study session. Completed	3/20/2012
Jeff Tyne / Susan D	Veterans Discount Program	2/27/2012	Discussed item. Taken directly to Regular Council meeting. Completed	Regular Council Meeting 5/15/12
Jeff Tyne / Susan D	Establish "Peoria Friends of the Arts"	2/27/2012	Forward item to study session. Completed	12/4/2012
Jeff Tyne / Susan D	Youth Master Plan	4/9/2012	Forward item to study session. Completed	9/4/2012
Jeff Tyne / Susan D	Veterans Memorial Board Sponsorship	1/30/2012	Discussed item. Taken directly to Regular Council meeting. Completed	Regular Council Meeting 5/15/12
Claudia Lujan	Structure of the Sister Cities Board	6/25/2012	Item was discussed. Forward item to Council Study Session (6/25/12). Completed	
Roy Minter	False Alarm Ordinance	11/7/2011	Forward to study session (11/7/2011). Completed	4/17/2012
Dave Pearson	Recreational Vehicle Ordinance	1/11/2012	Forward to study session with full recommendation (1/11/12). Completed	6/5/2012
Tony Rivero	Recreational Vehicles City Code Section 14-110	1/11/2012	Forward to study session with full recommendation (1/11/12). Completed	6/5/2012

City of Peoria
Council Subcommittees

Carlo Leone	Traffic calming agenda item	4/11/2012	Forward to study session. Completed	Regular Council Meeting 6/19/12
Carlo Leone	Traffic management agenda item	4/11/2012	Item discussed. Informational only.	NA
Roy Minter	Park Ranger Staffing Study	12/14/2011	Informational item.	NA
Carlo Leone	Feral Cat Control	9/10/2012	Discussion only. Completed	NA
Carlo Leone	Residential Parking	11/15/2012	Item discussed. Forward to Council Study Session.	
Carlo Leone	Dirt Ordinance	11/15/2012	Discussion only. Completed	NA
Jamal Rahimi/Andy Grainger	Neighborhood Traffic Management Program (NTMP) Policy Change	4/11/2012	Item discussed. Informational only. Completed	NA
Tamara Shreeve/Susan Thorpe	Community/Outside Agency Funding & Assistance Policy	6/25/2012	Item was discussed. Forward item to Council Study Session (6/25/12). Completed	11/13/2012
Ron Aames	Roadside Memorials	11/15/2012	Discussion only. Completed	NA
Carlo Leone	Feeding Nuisance Animals	9/10/2012	Item was discussed. Staff will bring draft ordinance back to Subcommittee. (9/10/12)	
Ron Aames	Permissible Number of Animals per Residence	9/10/2012	Discussion only. Completed	NA

City of Peoria
Council Subcommittees

General Government Subcommittee

Submitter	Subject	Sub-committee agenda date	Action	Study Session
Brent Mattingly	Utility bill format	11/14/2011	Forward the item for full Council Study Session discussion of solid waste service options and rates. Completed	2/7/2012
Tony Rivero	Residential Development Impact Fees	11/14/2011	Consensus of the subcommittee members was to wait for the full Impact Fee Study to address policy issues identified by Council.	7/3/2012 10/23/2012
Dave Pearson	Itemizing Utility Bill	12/19/2011	Forward the item for full Council Study Session discussion of solid waste service options and rates. Completed	2/7/2012
Steve Kemp	Adoption of Resolution supporting designating certain areas of the City with Peoria addresses and zip codes	2/13/2012	Will be placed as a regular agenda item.	Regular Agenda 7/3/12
Katie Gregory	Development Service User Fees	2/13/2012	Forward to Council Study Session. Completed	7/3/2012
Ron Aames	Taxes	9/18/2013	Item was discussed. Forward to Council Study Session. Completed	
Ron Aames	City Financing Program	9/18/2013	Item was discsused. Forward to Council Study Session. Completed	

City of Peoria
Council Subcommittees

Policy and Appointments Subcommittee

Submitter	Subject	Sub-committee agenda date	Action	Study Session
Dave Pearson	Volunteer Appreciation	11/7/2011 1/10/2012	No further Action. Completed (11/7/11). Revisited item on 1/10/12. No further action. Completed	NA
Dave Pearson	B&C Appointment Process	11/7/2011 12/13/2011 1/10/2012	Bring back to Subcommittee for further discussion (11/7/11). Administrative action - Use the new application form. Interviews and Resumes will be at the discretion of the SC. (12/13/11). Completed. Revisited item on 1/10/12. Completed	NA
Rhonda Geriminsky	Board and Commission Appointments & Reappointments	Ongoing	Appointments and reappointments reviewed and recommended by subcommittee. Ongoing topic.	NA
Dave Pearson	Charter Amendments	12/13/2011 1/10/12 1/24/2012	Bring back to Subcommittee for further discussion (12/13/11). Discussed seven proposed charter amendments. Forward 6 of those to Study Session. One proposed amendment was withdrawn (1/10/12). Reviewed remainder charter amendments. Forward charter amendments to study session. (1/24/2012) Completed	2/21/2012

Dave Pearson	Council Ethics Committee	11/7/2011 12/13/2011 1/10/2012	Bring back to Subcommittee for further discussion (11/7/11). Bring back to Subcommittee. Include a process flow chart (12/13/11). Forward to study session with consensus recommendation (1/10/12). Completed	2/7/2012
Dave Pearson	CP1-5 Appointments to Boards and Commission	11/7/2011 12/13/11	Bring back to Subcommittee for further discussion (11/7/11). Consensus recommendation to forward to study session (12/13/11). Completed	5/15/2012
Dave Pearson	CP 1-2 review. Edit Council Meeting Procedures to reflect Subcommittee Structure	12/13/2011	Bring back to subcommittee for further discussion (12/13/11). Subcommittee procedures are addressed in CP 1-6. Completed	NA
Dave Pearson	Council Role in review and approval of director appointments	12/13/2011	Consensus to move forward to regular council agenda/through a City Manager's report. Completed	Regular Council Meeting 1/3/2012

City of Peoria
Council Subcommittees

Susan Thorpe	Council Code of Ethics	2/14/2012 3/15/2012 4/10/12 5/8/12 9/11/12	Discussed item - continue discussion at the next meeting (2/14/2012). Discussed Item - continue discussion at the next meeting (3/15/2012). Discussed item - will continue discussion at the next meeting (4/10/12). Discussed item- continue discussion at the next meeting (5/8/12). Consensus to forward draft policy to Study Session (9/11/2012). Completed.	
Dave Pearson	Code of Ethics for Elected Officials and Citizen Advisory Committees	2/14/2012 3/15/2012 4/10/12 5/8/12 9/11/12	Discussed item - continue discussion at the next meeting (2/14/2012). Discussed Item - continue discussion at the next meeting (3/15/2012). Discussed item - will continue discussion at the next meeting (4/10/12). Discussed item- continue discussion at the next meeting (5/8/12). Consensus to forward draft policy to Study Session (9/11/2012). Completed	
Rhonda Geriminsky	Youth Master Plan Initiative	3/20/2013 6/11/2013	Item was discussed. City Attorney will draft some ideas on how youth can be involved in committees (3/20/2013). Item was discsused and forward to study session (6/11/2013). Completed	
Rhonda Geriminsky	2013 Board and Commission Recognition Event	3/20/2013	Item was discussed. Staff will identify potential dates for the event (3/20/2013). Completed	NA

Rhonda Geriminsky	2013 and 2014 Board and Commission Recognition Events	8/13/2013	Item was discussed. Staff will continue to gather options for holding the next recognition event. (8/13/2013)	NA
John Sefton	Youth Advisory Board Council Liaison Interviews	9/10/2013	Interviews were conducted. Recommendations will be forwarded to the Council for the Countil Youth Liaision and the Council Youth Liaison Alternate.	10/1/2013

Sustainable Development and Public Services Subcommittee

Submitter	Subject	Sub-committee agenda date	Action	Study Session
Chris Jacques	Political Signs Zoning Ordinance	11/2/2011	Forward item to Council Study Session. Completed	11/15/2011
Chris Jacques/ Susan D.	Open Space Preservation Program and Decision Support Model	2/1/2012	Start community outreach activities and forward item to Council Study Session. Completed	8/21/2012
Chris/Scott and Susan D.	Digital Billboards - Civic Engagement	11/7/2011	Forward Item to Study Session. Completed	11/15/2011
Dave Pearson	Council Not-For-Profit and Housing Subcommittee	11/8/2011 6/6/12	Bring back to subcommittee for further discussion upon completion of research and alternative identification (11/8/11). Item was discussed. Forward item to study session (6/6/12). Completed	

City of Peoria
Council Subcommittees

Cathy Carlat	Not for Profit Committee	11/8/2011 6/6/12	Bring back to subcommittee for further discussion upon completion of research and alternative identification (11/8/11). Item was discussed. Forward Item to study session (6/6/12). Completed	
Scott Whyte/ Chris Jacques/ Susan D.	Old Town Entertainment District Designation	12/7/2011 1/4/2012	Bring back to subcommittee for further discussion (12/7/11). Forward to Regular Council Meeting (1/14/2012). Completed	Regular Council Meeting 1/17/2012
Bill Mattingly	Dial-a-Ride rates	11/17/2011	Forward item to Council Study Session. Completed	4/17/2012
Ron Aames	Transit Jurisdictional Equity Position	11/17/2011	Informational item. Forward information, through a City Manager's report, to the Council on a Regular Council Agenda. Completed	Regular Council mtg. 1/3/2012
Susan Thorpe	Solid Waste Services	12/1/2011	Forward Item to Council Study Session. Completed	2/7/2012
Bill Mattingly/ Susan Thorpe	Commercial Solid Waste Services	12/15/2011	Forward Item to Council Study Session. Completed	2/7/2012
Dave Pearson	Change in City Ordinance regarding multi-family solid waste service	1/5/2012	Item was discussed, then withdrawn by Councilman Pearson. Completed	NA
Scott Whyte	Old Town Indicators	6/6/2012	Item was discussed. Forward item to Study Session (6/6/2012). Completed	8/21/2012
Chris Jacques	Senate Bill 1598-Aggregate Mining	6/6/2012	Item was discussed. Forward item to Study Session (6/6/2012). Completed	8/21/2012
Carlo Leone	Street Maintenance	11/7/2012	Item was discussed. No further action needed. Completed	NA
Ron Aames	Maintaining Traffic During Construction of Street Projects	5/8/2013	Item was discussed. No further action needed. Completed	NA

Updated: November 13, 2013

Carlo Leone	Code Amendment - Placement of Trash Receptacles	11/6/2013	Item was discussed. Forward item to Study Session. Completed	

CITY OF PEORIA, ARIZONA
CITY MANAGER REPORT

Agenda Item: RCM 26B

Date Prepared: November 14, 2013 **Council Meeting Date: December 10, 2013**

TO: Carl Swenson, City Manager

FROM: John R. Sefton, Jr., Community Services Director

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: 2014 Winter Water Safety Day and Polar Plunge

Summary:
The 6th Annual Winter Water Safety Day and Polar Plunge will be held on Saturday, January 4, 2014 starting at 8:00am at Sunrise Pool (21321 N. 86th Dr.). The event emphasizes the importance of water safety, no matter what season it is. The pool has not been heated since October and the water temperature is estimated to be in the low 40's. Those daring enough to swim across the pool will receive a free shirt marking their accomplishment. The Peoria Firefighters Charities will be cooking a hot breakfast for everyone to enjoy.

All swimmers are encouraged to contribute $20 pledged from friends and family who want to see them take the "plunge". Donations will be used to scholarship the cost of a 2-week swim lesson for a child-in-need. **Play Peoria, Inc.,** the 501c3 organization that benefits parks, recreation and library programming in the City of Peoria coordinates this important scholarship program.

Exhibit(s): 2014 Flyer

Contact Name and Number: Stacy Beadle, 623-773-5247

WINTER WATER SAFETY & POLAR PLUNGE

Saturday, January 4, 2014
8:00 am-9:00 am

Sunrise Pool at 21321 North 86th Drive

Come join us for a brisk morning swim and help promote water safety. The pool isn't heated after November so the water temperature is estimated to be in the low 40's. Those daring enough to swim across will receive a **FREE** shirt marking their accomplishment.

- **ALL AGES**
- **FREE TO ENTER**
- **FREE BREAKFAST**
- **$20 Donation pays for a 2-week swim lesson for a child**

Registration code is **77333** for "plungers" and **77330** for donations.*

*All donations are tax deductible.
Receipts will be mailed following the event.

For more information visit

CITY OF PEORIA, ARIZONA
CITY MANAGER REPORT

Agenda Item: RCM 26C

Date Prepared: November 8, 2013 **Council Meeting Date: December 10, 2013**

TO: Carl Swenson, City Manager

FROM: Susan J. Daluddung, AICP, Deputy City Manager

SUBJECT: **Sustainability Update**

Summary:
This report is intended to inform the Council on the city's sustainability accomplishments and progress to date since the adoption of the Sustainability Action Plan.

Background/Summary:

The City launched sustainability initiative in May 2009, in direct response to the fiscal crisis and the budget shortfall that affected the City's ability to fund programs. The City's Sustainability Action Plan was created to serve as a guiding document for staff to deliver projects and advance sustainability initiatives outlined in the plan resulting in cost savings, operational efficiencies and a better quality of life.

Previous Actions:

The City Council has had numerous discussions over the previous years over the topic of sustainability including the adoption of the sustainability action plan.

The City Council was last updated on Sustainability related items on the following dates:

- September 7, 2010: Study Session
- September 20, 2011: Reports from City Manager
- July 3, 2012: Study Session
- September 18, 2012 Peoria City Council adopted the Sustainability Action Plan

Exhibit:

Exhibit 1: Sustainability Year in Review Report

Contact Name and Number: Lisa Estrada (623) 773-7684

MINUTES OF THE VISTANCIA COMMUNITY FACILITIES DISTRICT BOARD
CITY OF PEORIA, ARIZONA
COUNCIL CHAMBER
November 19, 2013

A **Special Meeting** of the Vistancia Community Facilities District Board was convened at 8401 West Monroe Street in open and public session at 8:52 p.m.

Members Present: Board Chairperson Bob Barrett; Vice Chairperson Tony Rivero; Board Members Ron Aames, Cathy Carlat, Jon Edwards, Carlo Leone and Bill Patena.

Members Absent: None

Other Municipal Officials Present: Carl Swenson, District Manager; Susan Daluddung, Deputy District Manager; Steve Kemp, District Counsel; Rhonda Geriminsky, District Clerk; Andy Granger, Engineering Director; John Imig, Information Technology Director; Chris Jacques, Planning and Community Development Director; Bo Larsen, Public Information Director; Bill Mattingly, Public Works Director; Brent Mattingly, Chief Financial Officer; Roy Minter, Police Chief; Bobby Ruiz, Fire Chief; John Sefton, Community Services Director; and Linda Blas, Deputy District Clerk.

Board Youth Liaisons: Jacob Jelinek and Thomas Prior.

Audience: Approximately 15 members of the public were present.

Note: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the District Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests; in which event the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Chairperson Barrett asked if any Board Member wished to have an item removed from the Consent Agenda. Having no requests from the Board, motion was made by Board Chairperson Carlat, seconded by Board Member Aames, to approve the Consent Agenda.

Upon vote, the motion carried unanimously 7 to 0.

CONSENT – New Business:

Clerk's Note: The agenda item numbers shown below reflect the items as they were numbered on the agenda.

29C. **Minutes**

Approved the September 3, 2013 Special Meeting minutes.

30C. **Investment Report, Quarter Ending September 30, 2013**

Approved the Investment Report for the Quarter Ending September 30, 2013.

CALL TO THE PUBLIC: (NON-AGENDA ITEMS)

None.

ADJOURNMENT:

Being no further business to come before the District Board, the meeting was duly adjourned at 8:53 p.m.

____
Bob Barrett, Board Chairperson

ATTEST:

____
Rhonda Geriminsky, District Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Special Meeting of the Vistancia Community Facilities District held on the 19th day of November, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 10th day of December, 2013.

(Seal)

____
Rhonda Geriminsky, District Clerk

CITY OF PEORIA, ARIZONA
VISTANCIA COMMUNITY FACILITIES DISTRICT
DISTRICT COMMUNICATION

Agenda Item: 28C

Date Prepared: November 25, 2013 **District Meeting Date:** December 10, 2013

TO: Carl Swenson, District Manager

FROM: Brent Mattingly, District Chief Financial Officer

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Fiscal Year 2013 Annual Financial Report

Purpose:

This is a request for the District Board to receive and file the District Annual Financial Report for the fiscal year ended June 30, 2013.

Background/Summary:

We are pleased to submit to you the Annual Financial Report of the Vistancia Community Facilities District for the fiscal year ended June 30, 2013. The report was prepared by the Finance Department of the City of Peoria. The financial statements and related footnotes have been examined by an independent firm of Certified Public Accountants, Heinfeld, Meech & Co., P.C., whose report is included herein.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operation of the District.

The annual financial report includes the District-wide financial statements, fund financial statements and related footnotes as well as Management's Discussion and Analysis and budgetary comparison schedules. These financial statements have been prepared in accordance with accounting principals generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Previous Actions:

There are no previous actions for this item.

Options:

A: Receive and file the District Annual Financial Report

B: Do not receive and file the District Annual Financial Report

Staff's Recommendation:

Staff recommends that the Board accept and file the Vistancia Community Facilities District Annual Financial Report for the fiscal year ended June 30, 2013.

Fiscal Analysis:

This item has no financial implications.

Narrative:

Although the Vistancia Community Facilities District is included in the financial reports of the City of Peoria, the City also prepares annual financial reports for the District, separate from the City's annual financial reports. The District's financial reports are audited by an external firm of Certified Public Accountants whose report is included herein. These financial statements show the financial position and results of operation of the District as of and for the fiscal year ended June 30, 2013.

Exhibit 1: Vistancia Community Facilities District Annual Financial Report

Contact Name and Number: Brent Mattingly, X7134

Vistancia Community Facilities District

Peoria, Arizona

Annual Financial Report

For Fiscal Year Ended June 30, 2013

District Board:
Bob Barrett, Chairman
Ron Aames
Cathy Carlat
Jon Edwards
Carlo Leone
Bill Patena
Tony Rivero

District Administrative Staff:
Carl Swenson, District Manager
Brent D. Mattingly, District Treasurer & Chief Financial Officer
Stephen M. Kemp, District Counsel
Rhonda Geriminsky, District Clerk

Prepared by City of Peoria Finance Department

VISTANCIA COMMUNITY FACILITIES DISTRICT
Peoria, Arizona
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2013

TABLE OF CONTENTS

Vistancia Community Facilities District
Peoria, Arizona

October 31, 2013

Honorable Board of Directors:

The accompanying basic financial statements of the Vistancia Community Facilities District (the District) for the year ended June 30, 2013, have been prepared for the use of the District Board, staff and other interested parties. This report includes Management's Discussion and Analysis, the basic financial statements for the District including government-wide financial statements, fund financial statements and footnotes, and supplemental budget comparison schedules for the District's funds.

This report was prepared by the Financial Services Division of the Finance Department of the City of Peoria, Arizona (the City) as finance staff for the District. It is intended as District management's report to the District Board and other interested parties.

The District is a component unit of the City of Peoria, Arizona for financial reporting. As a component unit of the City, the accompanying financial statements were included in the annual audit of the City's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. A copy of the City's CAFR may be obtained by contacting the City's Finance Department at 8401 West Monroe Street, Peoria, Arizona 85345. Additionally, the auditors, Heinfeld, Meech & Co., P.C., have also expressed an opinion on the separate financial statements of the District included herein. That opinion may be found on page 1 of this financial report.

Questions about the financial statements included herein should be addressed to the City of Peoria, Finance Department at the above address.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

3033 N. Central Ave., Suite 300
Phoenix, Arizona 85012
Tel (602) 277-9449
Fax (602) 277-9297

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vistancia Community Facilities District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Vistancia Community Facilities District (District), a component unit of the City of Peoria, Arizona, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Vistancia Community Facilities District, as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Vistancia Community Facilities District are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and each major fund that are attributable to the District, a component unit of the City of Peoria, Arizona. They do not purport to, and do not, present fairly the financial position of the City of Peoria, Arizona, as of June 30, 2013, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended June 30, 2013, which represent a change in accounting principle. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The transmittal letter and supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole. The transmittal letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the letter.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Vistancia Community Facilities District (the District), we offer this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2013. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, and (4) identify individual fund issues or concerns.

On October 15, 2002, the District was formed by petition to the City Council of the City of Peoria, Arizona (City) pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes. The District is a special purpose taxing district and separate political subdivision under Arizona statues. As such, the District can levy taxes and issue bonds, independent of the City. Property owners within the District boundaries pay for District infrastructure and functions through secondary property tax assessments. The District's purpose is to acquire or construct public infrastructure in a specified area of the City. City staff administers the District. The Peoria City Council also serves as the District Board of Directors. The District is one of the City of Peoria's component units for the fiscal year ended June 30, 2013.

Financial Highlights

- The fiscal year 2013 tax levy was $2.10 per $100 valuation.
- District tax collections plus developer contributions were sufficient to pay District debt service during fiscal year 2013.
- The fund balance of the District's governmental funds at June 30, 2013, was $19.4 million, a decrease of $2.3 million (10.6%) from the previous year. Of the total ending governmental fund balance, $9.0 million is restricted for debt service, and $10.4 million is restricted for capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduces the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide Financial Statements

The *statement of net position* is designed to provide a broad overview of the District's finances in a manner similar to those used by private businesses. The statement of net position presents information on all of the District's assets and liabilities, both current and long-term, with the difference between assets and liabilities reported as net position. The focus on net position is designed to be similar to the emphasis for businesses. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, other indicators, including non-financial indicators should also be considered.

The *statement of activities* presents information showing how the District's net position changed over the most recent fiscal year. Since full accrual accounting is used for the government-wide financial statements, all changes to net position are reported at the time that the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses related to accrued interest. This statement also focuses on both the gross and net costs of the various functions of the District, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions depend on general taxes and revenues for support.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds and all are restricted, either by bond covenants or state law, as to use.

The District maintains two governmental funds, a general fund and a debt service fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each fund.

The District adopts annual budgets for both the general fund and the debt service fund. Budgetary comparison statements and schedules are provided to demonstrate compliance with the adopted budgets.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read in conjunction with the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2013, the liabilities of the District exceed its assets by $32.1 million (net position). The deficit in net position is due to the nature of the District's operations. The purpose of the District is to acquire or construct certain capital infrastructure, primarily water and wastewater systems, within the boundaries of the District. Once the capital infrastructure is acquired or constructed, it is turned over to the City to operate. As a special purpose district and a separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners within the District are assessed property taxes to pay the debt service over the life of the bonds. The City has no liability for debt of the District. Because the capital assets are generally reported in the City's financial statements, the Statement of Net Position for the District reflects a large liability (bonds payable) without an offsetting asset. Capital assets are only shown on the District's financial statements if they are classified as work-in-process at year end.

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the District as a whole as of and for the year ended June 30, 2013, with comparative information for the previous year.

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the District for June 30, 2013, compared to the prior year.

Statement of Net Position
As of June 30
(In millions of dollars)

	Governmental Activities		
	2013	2012	% Change
Current and other assets	$ 19.6	$ 21.8	(10.1)%
Capital assets	3.7	2.6	42.3
Total assets	23.3	24.4	(4.5)
Other liabilities	1.6	1.6	(0.0)
Long-term liabilities outstanding	53.8	56.3	(4.4)
Total liabilities	55.4	57.9	(4.3)
Net position:			
Unrestricted*	$ (32.1)	$ (33.5)	4.2

*June 30, 2012 net position has been restated. See Notes to the Financials Statements (footnote 1., M. and N.) for explanation.

Net position of the District increased $1.4 million, 4.2% primarily due to the reduction (payment) of outstanding debt. Current assets decreased $2.2 million in fiscal year 2013 as cash was spent to construct capital assets. Work-in-progress capital assets of $3.7 million were retained by the District at June 30, 2013 pending asset completion. Completed capital assets of $1.3 million were transferred to the City during fiscal year 2013. Since the net assets of the District are negative at June 30, 2013, they are classified as unrestricted.

Changes in Net Position

The following table compares the revenue and expenses for the current and previous fiscal year.

Changes in Net Position
For the year ended June 30
(In millions of dollars)

	Governmental Activities		
	2013	2012	% Change
REVENUES:			
Program revenues:			
Developer contributions	$ 3.4	$ 3.5	2.9%
General revenues:			
Property taxes	2.2	2.2	-
Investment earnings	0.1	0.1	-
Total revenues	5.7	5.8	(1.7)
EXPENSES:			
Program activities:			
General government	-	-	-
Interest expense on debt	3.0	3.2	(6.3)
Total expenses	3.0	3.2	(6.3)
Excess (shortage) before transfers	2.7	2.6	3.8
Transfers in (out)	(1.3)	(3.3)	(60.6)
Increase (decrease) in net position	$ 1.4	$ (0.7)	300.0

The net position of the District increased $1.4 million in fiscal year 2013. Property tax collections stayed steady. The developer contributions decreased by $0.1 million. Under an agreement between the District and the developer, the developer is required to cover any deficits between tax collections and debt service requirements. In fiscal year 2013 the developer contributed $3.4 million for payments on district debt. The property tax rate remained unchanged at $2.10 per $100 of valuation. Interest expense on debt reduced $0.2 million. Transfers of completed capital assets decreased by $2.0 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District maintains fund accounting to demonstrate compliance with budgetary and legal requirements related to special purpose districts and general obligation bonds.

The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's ability to pay the debt service on the general obligation bonds it issues to fund construction or acquisition of public infrastructure.

The fund balance of the District's combined governmental funds is $19.4 million, a decrease of $2.3 million from the previous year. The decrease is due to the expenditure of bond proceeds on capital outlay. Of the total ending fund balance $9.0 million is restricted for debt service and $10.4 million is restricted for capital projects.

Governmental Fund revenues totaled $5.7 million (down $0.1 million or (1.7%) from 2012) in fiscal year ending June 30, 2013, of which $3.4 million is from developer contributions under the Standby Contribution Agreement between the District and the developer.

Property tax revenues stayed steady in fiscal year 2013. There was a slight increase in the assessed valuation from $102.6 million to $104.4 million. The property tax rate of the District remained unchanged.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District was formed to finance the acquisition or construction of public infrastructure that is subsequently donated to the City for operation. The District does not own or operate infrastructure once completed. Since formation, District bonds have been issued and the proceeds used to construct public infrastructure such as a water reclamation plant, wells and booster stations. During fiscal year 2013, $2.5 million was expended for capital. During fiscal year 2013, $1.3 million of completed capital assets were transferred to the City, and accepted by the City as a donation of capital assets. Construction in progress of $3.7 million was held by the District at the end of fiscal year 2013.

The District is authorized, by an election held November 12, 2002, to issue $100 million in District general obligation or revenue bonds. As of June 30, 2013, the District has issued $67.6 million of general obligation bonds against the authorization. These bonds are to be repaid through property taxes levied on the property within the District. Under a Standby Contribution Agreement, Vistancia LLC, the developer of the community, is obligated to fund any difference between debt service costs and property tax revenues. The City has no obligation for the District's debt, other than the administration of the collection of property taxes and the payment of debt service on behalf of the District.

At the time of issue, District general obligation bonds have a 20-year term. In the event the District Board decides at a future time to dissolve the District, State statute provides that all taxable property in the District will remain subject to the lien for the payment of the bonds until all bonds have been defeased.

Outstanding Long-Term Debt at June 30

	Governmental Activities	
	2013	2012
General obligation bonds	$ 53,725,000	$ 56,230,000

The District issued $21,250,000 in bonds in fiscal year 2003, $23,550,000 during fiscal year 2005, and an additional $22,760,000 during fiscal year 2007. As of June 30, 2013, $13,835,000 has been paid against principal on the outstanding debt.

ECONOMIC FACTORS

The unemployment rate in the metropolitan Phoenix region for June 2013 was 7.2%, which remains below both the state (8.0%) and national average (7.6%). The regional economy continues to recover at a slow pace with population growth in the 1% range and modest increases in construction activity. Overall employment growth was positive with a year-over-year increase in jobs of 7.3%. Moderate growth in the education, healthcare, construction, retail, transportation and utilities, and leisure and hospitality services sectors helped to create over-the-year job gains. Within Peoria, the local economy has experienced a slight increase in residential construction with activity continuing in the planned communities that have developed over the past few years. Commercial construction remains at less than historical levels.

The adopted fiscal year 2014 budget for the District is $28.6 million, a 7.4% decrease from 2013. The tax rate for the District for fiscal year 2014 is $2.10, unchanged from the fiscal year 2013 tax rate.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the District's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the City's Finance Department at the following address: City of Peoria, 8401 W. Monroe Street, Peoria, Arizona 85345.

BASIC FINANCIAL STATEMENTS

VISTANCIA COMMUNITY FACILITIES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government Governmental Activities
ASSETS	
Accounts receivable, net	$ 116,281
Interest receivable	32,029
Property taxes receivable	28,805
Deferred bond issuance costs, net	
Restricted cash and cash equivalents	7,193,072
Restricted investments	12,192,890
Capital assets:	
Non-depreciable	3,747,821
Depreciable (net)	-
Total assets	23,310,898
LIABILITIES	
Accounts payable	64,960
Interest payable	1,461,218
Other liabilities	95,859
Non-current liabilities:	
Due within one year:	
Current portion of bonds payable	2,630,000
Due in more than one year:	
Noncurrent portion of bonds payable	51,095,000
Plus: Unamortized bond premium	57,967
Total liabilities	55,405,004
NET POSITION	
Unrestricted	(32,094,106)
Total net position	$ (32,094,106)

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Expenses	Capital Contributions	Net (Expenses) Revenues and Changes in Net Assets Governmental Activities
Functions/Programs			
Primary government:			
Governmental activites:			
Public Works	$ -	$ 3,424,335	$ 3,424,335
Interest expense on debt	2,921,623	-	(2,921,623)
Totals	2,921,623	3,424,335	502,712
General revenues			
Taxes:			
Property taxes, levied for debt service			$ 2,197,691
Investment earnings			50,979
Transfers out			(1,342,130)
Total general revenues and transfers			906,540
Change in net position			1,409,252
Net position - beginning			(32,185,655)
Cummulative effect of change in accounting principle (note 1)			(1,317,703)
Net position - beginning - restated			(33,503,358)
Net position - ending			$ (32,094,106)

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Debt Service Fund	Totals
ASSETS			
Accounts receivable, net	$ -	$ 116,281	$ 116,281
Interest receivable	22,524	9,505	32,029
Property taxes receivable	-	28,805	28,805
Restricted cash and cash equivalents	2,748,658	4,444,414	7,193,072
Restricted investments	7,810,936	4,381,954	12,192,890
Total assets	$ 10,582,118	$ 8,980,959	$ 19,563,077
LIABILITIES DEFERRED INFLOWS & FUND BALANCES			
Liabilities:			
Accounts payable	$ 64,684	$ 276	$ 64,960
Retainage payable	95,859	-	95,859
Total liabilities	$ 160,543	$ 276	$ 160,819
Deferred inflow of resources:			
Unavailable revenue-property tax	$ -	$ 14,287	$ 14,287
Total deferred inflow of resources	$ -	$ 14,287	$ 14,287
Fund balances:			
Restricted for:			
Debt service	$ -	$ 8,966,396	$ 8,966,396
Capital projects	10,421,575	-	10,421,575
Total fund balance	10,421,575	8,966,396	19,387,971
Total liabilities, deferred inflows & fund balance	$ 10,582,118	$ 8,980,959	$ 19,563,077

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

Fund balances - total governmental funds balance sheet	$ 19,387,971
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental capital assets	3,747,821
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.	
Governmental bonds payable	(53,725,000)
Bond premiums are recognized at the time of issuance in the governmental funds, but are deferred and recognized over the life of the bonds for government-wide reporting	(57,967)
Property tax revenue earned but not received within 60 days of year-end is deferred for the governmental statements, but is recognized as revenue for the government-wide statements	14,287
Interest payable on long-term debt is not reported in the governmental funds.	(1,461,218)
Net position of governmental activities - statement of net position	$ (32,094,106)

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Debt Service Fund	Totals
REVENUES:			
Taxes:			
Property taxes	$ -	$ 2,183,404	$ 2,183,404
Investment earnings	31,148	19,831	50,979
Developer contributions	-	3,424,335	3,424,335
Total revenues	31,148	5,627,570	5,658,718
EXPENDITURES:			
Debt service:			
Principal payments	-	2,505,000	2,505,000
Interest and other charges	-	2,985,974	2,985,974
Capital outlay	2,455,422	-	2,455,422
Total expenditures	2,455,422	5,490,974	7,946,396
Net change in fund balances	(2,424,274)	136,596	(2,287,678)
Fund balances - beginning	12,845,849	8,829,800	21,675,649
Fund balances - ending	$ 10,421,575	$ 8,966,396	$ 19,387,971

VISTANCIA COMMUNITY FACILITIES DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds	$	(2,287,678)
Amounts reported for governmental activities in the statement of activities are different because:		
Certain revenues are deferred in the governmental funds because they do not provide current financial resources, but are considered revenue on the statement of activities.		14,287
Interest expense in the statement of activities differs from the amount reported in governmental funds because accrued interest was calculated for bonds and notes payable for the statement of activities, but is expensed when due for the governmental fund statements.		63,537
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($2,455,422) exceeded depreciation ($0) in the current period.		2,455,422
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. No effect on net position.		2,505,000
Loss on refunding and bond premiums are expensed in the year of issuance for budgetary purposes but are amortized to interest expense over the life of the bonds for GAAP purposes.		814
The donation of governmental capital assets to the City's Proprietary Funds is not shown in the governmental fund statements but is a transfer out in the statement of activities		(1,342,130)
Change in net position of governmental activities- statement of activities	$	1,409,252

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 12,905,376	$ 12,905,376	$ 12,905,376	$ -
RESOURCES (INFLOWS):				
Investment earnings	38,500	38,500	11,055	(27,445)
Total inflows	38,500	38,500	11,055	(27,445)
Amounts available for appropriation	12,943,876	12,943,876	12,916,431	(27,445)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public works	-	-	-	-
Capital outlay	12,816,516	12,891,516	2,356,037	(10,535,479)
Contingencies	75,000	-	-	-
Total charges to appropriations	12,891,516	12,891,516	2,356,037	(10,535,479)
Budgetary fund balance, June 30, 2012	$ 52,360	$ 52,360	$ 10,560,394	$ 10,508,034

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 12,916,431
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(12,905,376)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	20,093
Capital-related debt issued is a budgetary resource, but is not a revenue for financial reporting purposes	-
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	-
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 31,148
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 2,356,037
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	99,385
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	-
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 2,455,422

The accompanying notes are an integral part of the financial statements

VISTANCIA COMMUNITY FACILITIES DISTRICT
Peoria, Arizona

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Vistancia Community Facilities District, a component unit of the City of Peoria, Arizona (City), conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of other significant accounting policies:

A. Financial Reporting Entity

The Vistancia Community Facilities District (the District) was formed by petition to the City Council in 2002. The District's purpose is to acquire or construct public infrastructure in a specified area of the City. As a special purpose district and separate political subdivision under the Arizona Constitution, the District can levy taxes and issue bonds independently of the City. Property owners in the designated areas are assessed for the District's property taxes, and thus for the costs of operating the District. The City Council serves as the Board of Directors of the District. The City has no liability for the District's debt. For financial reporting purposes, the transactions of the District are included as governmental type funds in the City's financial statements as if they were part of the City's operations.

B. Basic Financial Statements

The basic financial statements of the District include both government-wide and fund financial statements. The government-wide financial statements (statement of net position and statement of activities) report on all of the non-fiduciary activities of the District as a whole. All of the activities of the District are governmental activities. All activities are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statement focus more on sustainability of the District as an entity and the change in aggregate financial position resulting from activities of the period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the government (excluding fiduciary funds). It is displayed in a format of assets less liabilities equal net position, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components, if applicable: 1) net investment in capital assets 2) restricted and 3) unrestricted. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the District would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. At June 30, 2013, the net position of the District is negative and therefore is shown as unrestricted.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of the functions and segments of the District are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is shown separately, not allocated to functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income and other revenues not identifiable with particular functions or segments are included as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Also part of the basic financial statements are fund financial statements. The focus of the fund financial statements is on major funds. Both of the funds of the District, the general fund and the debt service fund are governmental funds. The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. Since the governmental fund financial statements are presented on a different basis than the governmental activities of the government-wide financial statements, reconciliations are provided following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities of the government-wide financial statements.

C. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which includes assets, liabilities, deferred inflow of resources, fund equity, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following fund categories (further divided by fund type) are used by the District:

Governmental Funds

Governmental funds are used to account for the District's general government activities. The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position rather than upon net income. The following are the Governmental Funds of the District:

General Fund accounts for the proceeds from the sales of Community Facilities District bonds and the acquisition of capital assets or construction of major capital projects within the District.

Debt Service Fund accounts for the resources accumulated for, and the servicing of the general long-term debt of the District, including principal, interest and other related costs.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types are presented using the flow of current financial resources measurement focus. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the District's actual revenues and expenditures conform to the annual budget. With this measurement focus, operating statements present increases and decreases in net current assets, and unassigned fund balance is a measure of available spendable resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. The District considers revenues available under modified accrual, if they are earned by June 30 (all eligibility requirements have been met) and the revenue is expected to be collected within six months after year-end, except for property taxes. For property taxes, the District uses a 60 day collection period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

When applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement #33 – *Recipient Reporting for Certain Shared Non-exchange Transactions* (Statement #33), receivables and revenues are recognized when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as unearned revenue.

Under GASB Statement #33, property taxes are susceptible to accrual when an enforceable legal claim has arisen. As noted above, the District recognizes property taxes received within 60 days of fiscal year-end to be revenues under modified accrual. The remaining taxes levied, if any, are considered a deferred inflow of resources on the financial statements. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Interest and dividend income is recognized on the modified accrual basis. Changes in fair value of investments are recognized in investment income at the end of the year.

E. Budgets and Budgetary Accounting

The District uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- According to the laws of the State of Arizona, all operating budgets must be approved by their governing board on or before the second Monday in August to allow sufficient time for legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August.

- In June, the proposed budget for the following fiscal year is presented by the Treasurer to the District Board. The budget includes proposed expenditures and the means of financing them. Public meetings are held to obtain taxpayer comment.

- Prior to June 30, the District Board legally enacts the budget, through the passage of a resolution. The resolution sets the limit for expenditures for the year. There were no supplemental appropriations made during fiscal year 2013.

- The initial budget for the fiscal year may be amended during the year in a legally permissible manner.

- All unencumbered expenditure appropriations expire at the end of the fiscal year.

- Encumbered amounts are re-budgeted in the following year as deemed appropriate and necessary. Budgetary carry forwards are approved by the District Board.

- All funds of the District have legally adopted budgets. Formal integration of these budgets into the District’s financial systems is employed as a management control device during the year for all funds.

The District prepares its annual budget on a modified cash basis, which differs from GAAP. The District prepares budgetary comparison statements for both of its funds for presentation in the annual financial statements of the District. These statements and schedules display original budget, amended budget and actual results (on a budgetary basis). The budgetary comparison statement for the General Fund is presented as part of the basic financial statements and the budgetary comparison schedule for the Debt Service Fund is presented as supplemental information after the notes to the financial statements.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed by the District. Since they do not constitute expenditures or liabilities, encumbrances are not reported in either the fund financial statements or the government-wide financial statements.

G. Deposits and Investments

Arizona Revised Statutes authorizes the District to invest public monies in the State or County treasurer's investment pools, interest bearing savings accounts, certificates of deposit and repurchase agreements in eligible depositories: bonds or other obligations of the United States government that are guaranteed as to principal and interest by the United States government; or bonds of the State of Arizona counties, cities, towns, school districts or special districts as specified by statute. As required by statute, collateral is required for demand deposits, certificates of deposit and repurchase agreements at 102% of all deposits not covered by Federal depository insurance.

Cash and cash equivalents held at June 30, 2013, by the trustee, plus accrued interest are restricted as to usage.

The District's deposits at June 30, 2013, were collateralized with securities held by the pledging financial institution's trust department in the District's name.

Investments, if any, are stated at fair value in accordance to GASB Statement #31. Interest income from investments is recorded as earned under the modified accrual basis of accounting.

H. Capital Assets

Governmental Fund types do not display capital assets on the face of the fund financial statements. The costs of purchasing, or constructing, capital assets are shown as capital outlay expenditures in the Governmental Statement of Revenues, Expenditures and Changes in Fund Balance, unless the capital assets have already been transferred to the City. The capital assets of the District, once completed and acceptable to the City, are transferred to the City. All subsequent costs of operating and maintaining those assets will be the responsibility of the City.

Since the capital assets acquired or constructed by the District are turned over to the City once they are operational, the District generally does not own capital assets. Capital assets still under construction at fiscal year-end are shown as work-in-progress on the District's government-wide financial statements.

I. Restricted Assets

Certain proceeds of the District's bonds, as well as certain resources set aside for their repayments, are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental fund types do not display long-term obligations on the face of the financial statements. Bond premiums and discounts, as well as bond issuance costs, are recognized in the period in which the bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The long-term debt of the District is serviced by the District's Debt Service Fund.

K. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District's insurance coverage is provided by the City under the City's umbrella insurance policies. The City maintains a Self-Insurance Fund (accounted for in the Internal Service Funds) to account for and finance its uninsured risks of loss. As with any risk retention program, the City is contingently liable with respect to claims beyond those actuarially projected.

Governmental Accounting Standards Board Statement #10 requires that claims liabilities be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2013, no claims liability is reported in the District's financial statements, or by the City on behalf of the District. The District, through the City, is self-insured for property and public liability up to $1,000,000. Excess coverage insurance policies purchased through commercial insurance carriers cover individual claims in excess of this amount, up to a maximum of $40,000,000 per occurrence. Additionally, through a development agreement between the District and the developer, the developer is responsible for $250,000, per incident, of any insurance deductibles that might be paid by the City on behalf of the District. During the fiscal year ended June 30, 2013, there was no significant reduction in excess insurance coverage. Additionally, settlements for each of the last three fiscal years have not exceeded the City's, and therefore the District's, insurance coverage.

L. Cash Equivalents

The District considers short-term investments, including restricted investments, in mutual fund money market and U.S. Treasury bills and notes with maturities of less than three months at acquisition date to be cash equivalents.

M. New Accounting Standards

During fiscal year 2013, the City implemented the following new accounting standards issued by the Governmental Accounting Standards Board:

Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
Statement No. 65 – Items Previously Reported as Assets and Liabilities

N. Change in Accounting Principle

The implementation of GASB Statements #63 and 65 are a change in accounting principle, which cause certain prior period net position/fund balances to be restated. Under previous accounting principles, bond issuance costs which were expensed in the year incurred in the governmental funds, were deferred and amortized over the life of the bonds in the government-wide and proprietary fund statements. GASB Statement No. 65 requires that bond issuance costs no longer be deferred, causing an adjustment to beginning net position to reflect the removal of unamortized bond issuance costs.

The following re-statement of net position is included in the district-wide financial statement:

District-wide Statement of Activities: $ 1,317,703

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.

2. BUDGET BASIS OF ACCOUNTING

The District does adopt an annual operating budget for both of its funds. The District prepares the annual budget on a modified cash basis, which differs from GAAP, as discussed in Note 1. Budgetary control over expenditures is exercised at the fund level. The budgetary comparison schedule for the general fund is presented as part of the basic financial statements. The budgetary schedule for the debt service fund is presented as supplemental information after these notes to the financial statements. The budgetary statements/schedules include a reconciliation of the adjustments required to convert the budgetary revenues and expenditures or changes in net assets on a budgetary basis, to revenues and expenditures or changes in net assets on a GAAP basis.

3. CASH AND INVESTMENTS

Arizona Revised Statutes authorize the District to invest public monies in the State or County Treasurers' investment pools, interest bearing savings accounts, certificates of deposit and repurchase agreements in eligible depositories; bonds or other obligations of the United States government that are guaranteed as to principal and interest by the United States government; or bonds of the State of Arizona counties, cities, towns, school districts or special districts as specified by statute. As required by statute, collateral is required for demands deposits, certificates of deposit and repurchase agreements at 102% of all deposits not covered by Federal depository insurance.

The District participates in the pooled cash and investments of the City for daily transactions. The City then periodically requested reimbursement from the District's restricted funds held by the trustee. At June 30, 2013, the District had a credit position of ($968,145) in the City's pooled cash and investments.

Governmental Accounting Standards Board Statement No. 40 – Deposit and Investment Risk Disclosures (Statement 40) requires the District to disclose its deposit and investment policies regarding certain types of investment risks. The District follows the City's adopted investment policy and is in compliance with Statement 40.

Interest rate risk: In order to limit interest and market rate risk, State law and the City's investment policy sets a maximum maturity on any investment of five years with a minimum of 35% invested for a period of one year or less and no more than 20% of the City's portfolio be invested for a period greater than three years. At June 30, 2013, 83.4% of the District's investments have a maturity of less than one year and none have maturities greater than four years. The City's investment policy also sets a maximum weighted average maturity (WAM) not to exceed one year. The District's WAM at June 30, 2013, was 212 days.

Credit risk: State law and the City's investment policy limits the purchase of Commercial Paper to those securities rated A-1/P-1 or the equivalent by two nationally recognized statistical rating agencies. The City's investment policy also limits the purchase of Banker's Acceptances to those securities rated Aa or better by two nationally recognized rating agencies and with a maximum maturity of 180 days. At June 30, 2013, the District's investments include $3.0 million in Commercial Paper and no Banker's Acceptance securities. State law and the City's investment policy also restricts investments in certificates of deposit (CD) to fully collateralized or insured from eligible Arizona depositories limited on a statewide basis by their capital structure on a quarterly basis. Such CDs are further collateralized to 110% with pledged securities held by an independent custodian approved by the City. City policy requires that securities underlying repurchase agreements must have a market value of at least 102% of the cost of the repurchase agreement. The market values of securities underlying repurchase agreements were at or above the required level during the fiscal year.

Investment Type	Moody's Rating	S&P Rating	% of Investments
Federal Farm Credit Bank - Agency Note	Aaa	AA+	4.9
Federal Home Loan Mortgage Corp - Agency Note	Aaa	AA+	10.0
Federal National Mortgage Assoc. – Agency Note	Aaa	AA+	21.7
Federal National Mortgage Assoc. – Callable Agency Note	Aaa	AA+	4.9

Concentration of credit risk: The City's investment policy sets diversification limits on both security types and length of maturity. As of June 30, 2013, the District's investments include 49.0% invested in U.S. Agency Coupon securities, 14.7% in commercial paper, and 36.3% in money market funds.

Custodial credit risk: To control custodial credit risk, State law and the City's investment policy requires all securities and collateral to be held by an independent third party custodian in the City's name. The custodian provides the City with monthly market values along with original safekeeping receipts.

At June 30, 2013, the District's investments included the following:

	Investment Maturities in Years				
	Less than 1	**1-2**	**2-3**	**Over 3**	**Fair Value**
Restricted Investments:					
Agency coupon securities	$ 6,580,890	$ 1,392,462	$ 1,995,900	-	$ 9,969,252
Commercial paper	2,997,160	-	-	-	2,997,160
					12,966,412
Mutual fund-money market	7,387,695	-	-	-	7,387,695
Total restricted investments	$16,965,745	$ 1,392,462	$ 1,995,900	-	$20,354,107
Less: amount included in restricted cash and cash equivalents					$(7,193,072)
Less: amount used to offset credit position in the City's pooled cash					(968,145)
Restricted investments, net					$ 12,192,890

Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. District management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the District from having to sell investments below original cost.

Investment income comprises the following for the year ended June 30, 2013:

Net interest and dividends	$ 51,678
Net decrease in the fair value of investments	(699)
Total net investment income per statement of activities	$ 50,979

The net decrease in the fair value of investments during fiscal year 2013 was approximately $699. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at June 30, 2013, was approximately $423.

4. PROPERTY TAXES

Arizona law provides for a two tiered tax system: (1) a primary system for taxes levied to pay for current operation and maintenance expenses, and (2) a secondary system for taxes levied to pay principal and interest on bonded indebtedness as well as for the determination of maximum permissible bonded indebtedness.

Specific provisions are made under each system for determining full cash values of property, the basis of assessment, and the maximum annual tax levies on certain types of property and by certain taxing authorities. Under the primary system, the full cash value of locally assessed real property (consisting of residential, commercial, industrial, agricultural and unimproved property) may increase by more than 10% annually only under certain circumstances. Under the secondary system, there is no limitation on annual increases in full cash value of any property. Primary levies on residential property are limited to one percent of the primary full cash value of such property. Additionally, primary taxes on all types of property are limited to a maximum increase of two percent over the prior year's levy, adjusted for new construction and annexations. Secondary property taxes levied to pay principal and interest on bonded indebtedness are not limited. The District's assessed valuation for 2013 is $104,432,592.

The Arizona tax year has been defined as a calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year. The definition of the tax year is a function of the fact that the tax lien for the year attaches to the real property as of January 1 of the year in question.

The District Board adopts the annual tax levy each year on or before the third Monday in August. The basis of this levy is the full cash value as determined by the Maricopa County Assessor. For locally assessed property, the value is determined as of January 1 of the preceding year, known as the valuation year. For utilities and other centrally valued properties, the full cash value is determined as of January 1 of the tax year. The District has an enforceable claim on the property when the property tax is levied. Levies are due and payable in two installments, on October 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16 percent. A lien is placed on the property at the time the tax bill is sold. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions for sale of delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent. The purchaser is given a Certificate of Purchase issued by the County Treasurer. Five years from the date of sale, the holder of a Certificate of Purchase that has not been redeemed may demand a County Treasurer's Deed from the County Treasurer.

Property taxes are recognized as revenue in the government-wide financial statements when an enforceable legal claim has arisen. Therefore, the District recognizes revenue and a receivable, less any allowance for doubtful accounts deemed appropriate, for the entire tax levy in the year it is levied. For the governmental fund statements, property tax revenues not collected within 60 days of year end are deferred.

Property taxes receivable consist of uncollected taxes as determined from the records of the County Treasurer’s Office and at June 30, 2013, were $28,805 in the Debt Service Fund. There were $14,287 in deferred property taxes at June 30, 2013.

5. TRANSFERS

Net transfers in between the District and the City, if any, are primarily the result of transfer of completed capital assets to the City’s Proprietary Funds during the year. Additionally, in the Fund Financial Statements there may be transfers between the District’s General Fund and the Debt Service Fund. There were no significant transfers during fiscal year 2013 there were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

6. DEFICITS IN FUND EQUITY/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As described in Note 1, the District was formed to finance and acquire or construct capital infrastructure assets that are subsequently dedicated to the City for operation. The District does not own or operate capital assets. Therefore the Statement of Net Position reflects a large liability (bonds payable) without an offsetting asset and, therefore, negative net position at June 30, 2013.

For the year ended June 30, 2013, expenditures, including capital outlay and transfers, did not exceed budget for either of the funds of the District.

7. FUND BALANCE/NET POSITION RESTRICTIONS, COMMITMENTS AND ASSIGNMENTS

Only restrictions imposed by external sources are shown as Restricted Net Assets on the government-wide financial statements. Additionally, restrictions for inventories, prepaid items, and long-term interfund loans, if any, are shown as nonspendable fund balance on the governmental fund financial statements. Restrictions imposed by external sources or State of Arizona enabling legislation, if any, are shown as restricted fund balance on the governmental fund financial statements. Commitments or assignments of fund balances imposed by the reporting district, whether by administrative policy or legislative action, if any, are shown on the governmental fund financial statements. As previously noted in Note 1.B, generally, the District would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The order in which the District would apply resources when multiple categories of unrestricted fund balance are available is as follows: committed, assigned and unassigned. There were no committed, assigned, or unassigned fund balances of the governmental funds at June 30, 2013.

8. CAPITAL ASSETS

The following table discloses the capital asset activity of the District, for the government-wide financial statements, for the fiscal year ended June 30, 2013.

	Balances June 30, 2012	Additions/ Transfers in	Disposals/ Transfers out	Balances June 30, 2013
Non-depreciable assets:				
Work in Progress–Water system	$ 2,594,485	$ 2,455,422	$ (1,342,130)	$ 3,707,777
Work in Progress-Wastewater system	40,044	-	-	40,044
Total capital assets	$ 2,634,529	$ 2,455,422	$ (1,324,130)	$ 3,747,821

As discussed in Note 1, governmental fund types do not display capital assets on the face of the financial statements. The District does, however, purchase or construct capital assets with the intent of conveying the assets to the City upon completion and acceptance by the City.

9. LONG-TERM DEBT

Community Facilities Districts (CFD's), are special purpose districts created specifically to acquire or construct public infrastructure within specified areas of the City, are authorized under state law to issue general obligation (GO) or revenue bonds to be repaid by property (ad valorem) taxes levied on property within the district (for GO debt), or by specified revenues generated within the districts (revenue bonds). CFD's are created by petition to the City Council by property owners within the area to be covered by the district, and debt may be issued only after approval of the voters within the district.

On October 15, 2002 the City Council formed the Vistancia Community Facilities District (the District) pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes. The District was subsequently authorized, by the voters of the district on November 12, 2002, to issue up to $100,000,000 in general obligation bonds to construct public infrastructure within the District. The district issued $21,250,000 in fiscal year 2003, $23,550,000 in fiscal year 2005, and $22,760,000 in fiscal year 2007 of general obligation bonds against this authorization. These bonds will be repaid by the property owners within the District. The bonds are obligations of the District only. The City has no obligation for the District debt other than the administration of the collection of the property taxes and payment of the debt service on behalf of the District.

Legal Debt Limit – General Obligation bonded indebtedness for the District cannot exceed 60 percent of the market value of the property in the District after the infrastructure is completed plus the value of the infrastructure improvements made.

As discussed in Note 1, governmental type funds do not display long-term obligations on the face of the financial statements. The following tables disclose the long-term debt obligations of the District as of June 30, 2013, for the government-wide financial statements.

Delivery Date	Description	Purpose	Maturity Dates	Net Interest Rate	Ave. Life (Yrs)	Original Principal Balance	Principal Balance Outstanding
Community Facility District Bonds (collateralized by ad valorem property taxes levied on the property benefiting from the improvements)							
12/17/02	Series 2002	Vistancia Community Facilities District infrastructure	7/15/05-22	6.69	12.7	21,250,000	$14,450,000
04/27/05	Series 2005	Vistancia Community Facilities District infrastructure	7/15/07-24	5.47	13.2	23,550,000	18,900,000
12/28/06	Series 2006	Vistancia Community Facilities District Infrastructure	7/15/09-26	4.26	20	22,760,000	20,375,000
Total bonds payable							53,725,000
Less current portion							2,630,000
Long-term portion of bonds payable							**$51,095,000**

The following is a summary of the long-term debt activity of the District for the fiscal year ended June 30, 2013.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 56,230,000	-	$ 2,505,000	$ 53,725,000	$ 2,630,000

The following table discloses the debt service requirements as of June 30, 2013, segregating principal and interest, for the next five years and in five-year increments thereafter.

Fiscal year	Principal	Interest	Total
2014	$ 2,630,000	$ 2,854,633	$ 5,484,633
2015	2,765,000	2,711,311	5,476,311
2016	2,920,000	2,555,713	5,475,713
2017	3,080,000	2,388,074	5,468,074
2018	3,255,000	2,207,674	5,462,674
2019-2023	19,305,000	7,898,061	27,203,061
2024-2027	19,770,000	1,945,345	21,715,345
Totals	$ 53,725,000	$ 22,560,811	$ 76,285,811

10. COMMITMENTS

The District has the following commitments and encumbrances at June 30, 2013:

Fund Description	Project description	Remaining Commitment
General Fund	Recharge wells	$222,361

SUPPLEMENTAL INFORMATION

VISTANCIA COMMUNITY FACILITIES DISTRICT
BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES DISTRICT (CFD) BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over
	Original	Final	(budgetary basis)	(Under)
Budgetary fund balance, July 1, 2012	$ 8,720,506	$ 8,720,506	$ 8,720,506	$ -
RESOURCES (INFLOWS):				
Property Taxes	2,193,084	2,193,084	2,150,438	(42,646)
Investment earnings	23,900	23,900	20,711	(3,189)
Miscellaneous	3,281,047	3,281,047	3,424,335	143,288
Total inflows	5,498,031	5,498,031	5,595,484	97,453
Amounts available for appropriation	14,218,537	14,218,537	14,315,990	97,453
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Contractual services	5,056	5,056	-	(5,056)
Debt service:				
Principal payments	2,505,000	2,505,000	2,505,000	-
Interest and other charges	2,987,975	2,987,975	2,985,974	(2,001)
Total charges to appropriations	5,498,031	5,498,031	5,490,974	(7,057)
Budgetary fund balance, June 30, 2013	$ 8,720,506	$ 8,720,506	$ 8,825,016	$ 104,510

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$ 14,315,990
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a a current year revenue for financial reporting purposes	(8,720,506)
The City budgets certain revenues on the cash basis, rather than on the modified accrual basis	32,086
Transfers from other funds are a budgetary resource but are not revenues for financial reporting purposes	-
Total revenues as reported on the combining statement of revenue, expenditures, and changes in fund balances - non-major governmental funds	$ 5,627,570
Uses/outflows or resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 5,490,974
Differences - budget to GAAP:	
The City budgets for certain other expenditures on the cash basis, rather than on the modified accrual basis	-
Capital outlay recognized as expenditures for budgetary purposes, but assets capitalized in proprietary funds for financial reporting purposes	-
Total expenditures as reported in the combining statement of revenues, expenditures, and changes in fund balances - non-major governmental funds	$ 5,490,974