



NOTICE OF REGULAR MEETING OF THE GUADALUPE TOWN COUNCIL

THURSDAY, NOVEMBER 9, 2023
6:00 P.M.

GUADALUPE TOWN HALL
9241 SOUTH AVENIDA DEL YAQUI, COUNCIL CHAMBERS
GUADALUPE, ARIZONA

Valerie Molina
Mayor

Ricardo Vital
Vice Mayor

Mary Bravo
Councilmember

Esteban F. V. Fuerte
Councilmember

Elvira Osuna
Councilmember

Joe Sánchez
Councilmember

Anita Cota Soto
Councilmember

Agendas/Minutes:
www.guadalupeaz.org

Town Council Chambers
9241 S. Avenida del Yaqui
Guadalupe, AZ 85283
Phone: (480) 730-3080
Fax: (480)-505-5368

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Guadalupe Town Council and to the public that the Guadalupe Town Council will hold a meeting, open to the public, on Thursday, November 9, 2023, at 6:00 P.M., at Guadalupe Town Hall, 9241 South Avenida del Yaqui, Council Chambers, Guadalupe, Arizona. Meetings are streamed live on Town of Guadalupe Facebook page at <https://www.facebook.com/guadalupeaz.org>.

AGENDA

- A. CALL TO ORDER
- B. ROLL CALL
- C. INVOCATION/PLEDGE OF ALLEGIANCE
- D. APPROVAL OF MINUTES: None.
- E. CALL TO THE PUBLIC: An opportunity is provided to the public to address the Council on items that are not on the agenda or included on the consent agenda. A total of 3 minutes will be provided for the Call to the Audience agenda item unless the Council requests an exception to this limit. Please note that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.
- F. MAYOR and COUNCIL PRESENTATION: None.
- G. DISCUSSION AND POSSIBLE ACTION ITEMS:
 1. PUBLIC HEARING – MARICOPA COUNTY COMMUNITY BLOCK GRANT PROGRAM – TOWN OF GUADALUPE ROADWAY AND NEIGHBORHOOD STREETLIGHTING REHABILITATION PROJECT, PHASE 3 (RESOLUTION NO. R2023.17): Hold a public hearing to obtain public input regarding adopting resolution R2023.17, authorizing Town staff to submit an application to the Maricopa County Housing and Community Development Division for funding under the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) Program for a Roadway & Neighborhood Streetlight Rehabilitation (project). The project includes removing and replacing 16 streetlights and installing 18 new streetlights in the Cuarenta Area Neighborhood; and, engineering design/construction document preparation, construction bid process oversight, construction management, quality control and inspection services. The Project would be funded by the Maricopa County CDBG Program for fiscal year 2024-25. The requested grant funding amount totals \$498,000. If adopted and approved, the Project would begin November 10, 2023, and conclude on November 30, 2025. Council may provide direction to the Town Manager / Clerk. (related to G2).



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Mayor

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2. **MARICOPA COUNTY COMMUNITY BLOCK GRANT PROGRAM – TOWN OF GUADALUPE ROADWAY AND NEIGHBORHOOD STREETLIGHTING REHABILITATION PROJECT, PHASE 3 (RESOLUTION NO. R2023.17):** Council will consider and may take action to adopt Resolution No. R2023.17 authorizing Town staff to submit an application to the Maricopa County Housing and Community Development Division for funding under the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) Program for a Roadway & Neighborhood Streetlight Rehabilitation (project). The project includes removing and replacing 16 streetlights and installing 18 new streetlights in the Cuarenta Area Neighborhood; and, engineering design/construction document preparation, construction bid process oversight, construction management, quality control and inspection services. The Project would be funded by the Maricopa County CDBG Program for fiscal year 2024-25. The requested grant funding amount totals \$498,000. If adopted and approved, the Project would begin November 10, 2023, and conclude on November 30, 2025. Council may provide direction to the Town Manager / Clerk. (related to G1).
3. **SOLARES NEIGHBORHOOD STREET LIGHTING IMPROVEMENT PROGRAM PHASE 2 ENGINEERING, DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES CONTRACT:** Council will consider and may take action to award contract (C2023-28), in the amount of \$176,739, to the Town Engineer, Dibble Engineering, for engineering, design and construction document preparation, construction bid process oversight, construction management, quality control and inspection services for Roadway and Neighborhood Lighting Project, Phase 2, consisting of removing 41 street lights in the Solares neighborhood and replacing with 48 new street lights. This contract is funded through Community Development Block Grant funding of \$493,600 as approved by the Town Council at the October 27, 2022, Regular Council Meeting and awarded by Maricopa County on February 8, 2023. Council may provide direction to the Town Manager / Clerk.
4. **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AWARD STATUS REPORT:** Town Council will receive a brief report regarding awarded Community Development Block Grant (CDBG) from Maricopa County Housing and Community Development Division under the U.S. Department of Housing and Urban Development's (HUD) to the Town. Since 2009, \$5.9M of CDBG grants were awarded providing for 16 infrastructure improvement projects.
5. **ARIZONA DEPARTMENT OF REVENUE INTERGOVERNMENTAL AGREEMENT - UNIFORM ADMINISTRATION OF THE TOWN'S TRANSACTION PRIVILEGE TAX (RESOLUTION NO. R2023.18):** Council will consider and may adopt resolution (R2023.18) authorizing the Mayor, or designee, to sign an intergovernmental agreement (C2023-29) (Agreement) with the Arizona Department of Revenue (AZDOR) related to uniform administration of the Town of Guadalupe Transaction Privilege Tax. This Agreement will initially be in force through December 31, 2024, and will automatically renew each year thereafter on January 1 for a term of one-year, without any action required by the Town Council or by AZDOR through December 31, 2028. The Agreement is related to the AZDOR administration of Transaction Privilege Tax on behalf of the Town of Guadalupe and is required under A.R.S. § 42-6001 and 6002. Council may provide direction to the Town Manager / Clerk.
6. **VERIZON LICENSE AGREEMENT RENEWAL:** Council will consider and may approve authorizing the Mayor to sign renewal of a Wired Telecommunications License and Right-of-Way Use Agreement (C2018-29A) (Agreement) with MCImetro Access Transmission Services Corporation (d/b/a Verizon Access Transmission Services), effective upon Council approval. Approval of this Agreement will allow Verizon to continue to construct, operate, maintain, and repair telecommunication equipment in Town right-of-way. In exchange for use of Town right-of-way, Verizon agrees to pay the Town of Guadalupe a \$2,500 application fee, and associated maintenance and usage fees. Council may provide direction to the Town Manager / Clerk.



7. **TOWN MANAGER / CLERK EMPLOYMENT CONTRACT:** Town Council will consider and may take action to approve a contract (C2023-30) between the Town of Guadalupe and the appointed Town Manager / Clerk, Jeff Kulaga. The term of this contract is three years, commencing on November 10, 2023, and terminating on November 9, 2026, with an initial annual salary of \$165,000. This is the third employment contract with Mr. Kulaga, with the first approved by Council on October 17, 2017, and a second on October 28, 2021. Council may provide direction to the Town Manager / Clerk.

H. TOWN MANAGER/CLERK'S COMMENTS

I. COUNCILMEMBERS' COMMENTS

J. ADJOURNMENT

Valerie Molina
Mayor

Ricardo Vital
Vice Mayor

Mary Bravo
Councilmember

Esteban F. V. Fuerte
Councilmember

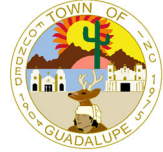
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November 3, 2023

To: The Honorable Mayor and Town Council

From: Jeff Kulaga, Town Manager / Clerk

RE: **November 9, 2023, Town Council Regular Meeting Information Report**

The purpose of this report is to provide brief information regarding each agenda item.

Agenda Items:

G1. & G2. PUBLIC HEARING & MARICOPA COUNTY COMMUNITY BLOCK GRANT PROGRAM – TOWN OF GUADALUPE ROADWAY AND NEIGHBORHOOD STREETLIGHTING REHABILITATION PROJECT, PHASE 3 (RESOLUTION NO. R2023.17) (PAGES 9 – 27): A public hearing is required for specific Housing and Urban Development Community Block Grant Projects. Adoption of this resolution (R2023.17) would authorize the submittal of a fiscal year 2024-25 Community Block Grant Program application to Maricopa County for the Town of Guadalupe Roadway and Neighborhood Streetlighting Rehabilitation Project, Phase 3 (Project) that includes removing and replacing 16 streetlights and installing 18 new streetlights in the Cuarenta Area Neighborhood; and, engineering design/construction document preparation, construction bid process oversight, construction management, quality control and inspection services. The requested grant funding amount totals \$498,000. Should the CDBG grant be awarded, streetlight installation would occur in 2024.

<i>Project Expenditure</i>	<i>CDBG Fund Request</i>
<i>Construction (trenching, conduit, wiring, bases, poles, mast arms, luminaires, and pull boxes)</i>	<i>\$469,200</i>
<i>Construction Management Services</i>	<i>\$ 28,800</i>
<i>Project Total</i>	<i>\$498,000</i>

Locations of streetlight rehabilitation, as illustrated in the application, are as follows:

- *Calle Bella Vista, between Calle Sonora and Calle Magdalena*
- *Calle Maravilla, between Calle Magdalena and Calle Iglesia*
- *Calle Sahuaro, between Calle Sonora and Calle San Angelo*
- *Calle Moctezuma, between Calle Magdalena and Calle San Angelo*
- *Avenida del Yaqui, between Calle Sonora and Calle Iglesia*
- *Calle Iglesia, between Calle Maravilla and Avenida del Yaqui*
- *Calle San Angelo, between Calle Maravilla and Avenida del Yaqui*
- *Calle Magdalena, between Calle Bella Vista and Avenida del Yaqui*



The Town, presently, has a total of 175 roadway lights on residential streets and 79 on Avenida del Yaqui and Guadalupe Road, totaling 254 streetlights on approximately 13.4 miles of roadways. In March 2022, Town Engineer, Dibble Engineering, completed an assessment of all 254 streetlights and recommended six rehabilitation projects over a six-year period, totaling an estimated \$2.1M. This proposed grant is the third of the six-year program.

In February 2023, the Town was awarded a \$493,600 County CDBG grant to fund phase 2 (Solares Neighborhood) and through the Town Capital Improvement fund \$69,190 for the installation of 14 new streetlights as phase 1 (Neighborhood 14).

G3. SOLARES NEIGHBORHOOD STREET LIGHTING IMPROVEMENT PROGRAM PHASE 2 ENGINEERING, DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES CONTRACT (PAGES 28 – 34): The proposed contract (C2023-28), in the amount of \$176,739, with Dibble Engineering is for engineering design/construction document preparation, construction bid process oversight, construction management, quality control and inspection services for Roadway and Neighborhood Lighting Project, Phase 2, consisting of removing 41 street lights in the Solares neighborhood, bounded by Calle Cerritos, Calle Sonora, Calle Bella Vista, and Avenida del Yaqui, and replacing with 48 new street lights. This contract is funded through Community Development Block Grant funding of \$493,600 as approved by the Town Council at the October 27, 2022, Regular Council Meeting and awarded by Maricopa County on February 8, 2023.



Like agenda items G1 and G2, in March 2022, Dibble Engineering completed a Roadway Lighting Assessment Report of the Towns' streetlights where \$2.1 million of streetlight renovations were recommended over a phased six-year

period to improve lighting conditions, bring streetlights up to current standards, and retrofit lighting with more energy efficient equipment.

G4. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AWARD STATUS REPORT (PAGES 35 – 36):

Town Council will receive a brief report regarding awarded Community Development Block Grant (CDBG) from Maricopa County Housing and Community Development Division under the U.S. Department of Housing and Urban Development's (HUD) to the Town. Since 2009, \$5.9M of CDBG grants were awarded which provided funds for sidewalks, street repaving, sewer line rehabilitation and streetlight replacement. The projects are as follows:

	Award of Funds		Project	Contract Amount
1	10/22/2009	DG0903	Sidewalks	\$258,209.00
2	11/16/2010	DG1004	Solarez Sidewalks I	\$258,852.00
3	2/8/2012	DG1105	Solarez Sidewalks II	\$393,945.00
4	3/15/2011	SCTAP	Calle Vauo Nawi Repave	\$290,840.00
5	10/11/2012	DG1203	La Cuarenta Repave I	\$358,550.00
6	12/12/2012	DG1204	Solarez Sidewalks III	\$186,110.00
7	12/6/2012	DG1209	Demolition	\$60,000.00
8	12/6/2012	DG1210	La Curenta Repave II	\$349,606.00
9	9/18/2013	DG1303	Gastello Repave I	\$471,653.00
10	10/29/2014	DG1405	Gastello Repave II	\$304,913.00
11	1/10/2017	DG1604	Mexico/Tomi Repave	\$388,800.00
12	9/12/2018	DG1804	Sende Vista Repave	\$568,780.00
13	11/18/2019	CDBG19GD	Barrio Nuevo/Jiminez Cir	\$448,873.00
14	10/21/2020	CDBG20GD	Wastewater system Rehab	\$517,828.00
15	10/17/2022	CDBG22	Wastewater system Rehab	\$550,275.00
16	2/8/2023	CDBG23	Solarez Streetlighting	\$493,600.00
			Total	\$5,900,834.00

Presently, three CDBG projects are underway, totaling \$1.5M, with the Wastewater project under construction, Solares Neighborhood Streetlighting to begin design, with approval of Council and Cuarenta Area Neighborhood Streetlighting's grant application to be submitted also with approval of Council. Current CDBG projects:

Date	Project #	Description	Cost	Resolution	Award	Eng/Design	Bid	Construction	Completion
10/17/2022	CDBG22	Wastewater system Rehab	\$550,275	X	X	X	X	October 2023	November 2023
2/8/2023	CDBG23	Solarez Streetlighting: Phase 2	\$493,600	X	X	November 2023	April 2024	May 2024	July 2024
11/9/2023	CDBG24	Cuarenta Area Streetlighting: Phase 3	\$498,000	November 2023	February 2024	November 2024	April 2025	May 2025	July 2025
Total			\$1,541,875						

G5. ARIZONA DEPARTMENT OF REVENUE INTERGOVERNMENTAL AGREEMENT - UNIFORM ADMINISTRATION OF THE TOWN'S TRANSACTION PRIVILEGE TAX (PAGES 37 – 78):

Adoption of Resolution No. R2023.18 approves an intergovernmental agreement (C2023-29) with the Arizona Department of Revenue (AZDOR) related to uniform administration of the Town of Guadalupe Transaction Privilege Tax. This agreement will initially be in force through December 31, 2024, followed by automatic one-year renewals through the end of 2028. In 2028 the AZDOR is due for its sunset review. At that time, it is expected that municipal Councils approve a new IGA, which would begin on January 1, 2029, and extend for until December 31, 2037, the estimated date the next ADOR sunset review.

Town Council approved the original IGA with AZDOR on June 13, 2019, through Resolution R2019.10. This IGA is an updated and revised agreement, like the original, is pursuant to A.R.S. §§ 42-6001 and 6002, where an executed IGA is required for ADOR to administer and collect local excise taxes due to mandatory safeguards such as establishment of uniform methods for administration, collection, audit, and licensing.

Failure to adopt this new IGA may impact many aspects of current operations between ADOR and your jurisdiction, including access to AZDOR data and ADOR's ability to allow your jurisdiction to participate in audits of any taxpayers that engage in business in more than one city or town.

This intergovernmental agreement (IGA) was negotiated with the Department of Revenue (AZDOR) by a consortium of city/town representatives and the League of Arizona Cities and Towns. Additionally, several attorneys and tax experts from many cities and towns reviewed and commented on the language during the process, resulting in a document that provides the maximum level of information and assurances for the cities possible.

AZDOR IGA Facts from the League of Arizona Cities and Towns

- Local Transaction Privilege Tax (TPT) administration is governed by A.R.S. § 42-6001. This statute requires the Arizona Department of Revenue (AZDOR) to administer the transaction privilege and use taxes imposed by all cities and towns and to enter into an inter-governmental agreement (IGA) with each city and town to clearly define the working relationship between AZDOR and Arizona cities and towns.
- The IGA covers all aspects of local tax administration. First and foremost, the IGA addresses confidentiality, including the authorized handling of confidential taxpayer information, expectations for the discreet use of taxpayer data to prevent unauthorized disclosure, and the process to follow in the event of a disclosure. There is also guidance on the use of aggregated taxpayer data for public reporting and analysis.
- The IGA includes clear direction regarding the sharing of general taxpayer license information, legal interpretations and written guidance, rate and fee tables, and any other pertinent tax information that needs to be shared between the cities and towns and AZDOR.
- The IGA formalizes the process for audit request assignment and performance. Key factors include a commitment to audit for all jurisdictions whenever any audit is being done; a process for cities/towns without auditors to request an audit be performed by the AZDOR, the continued authority for any city or town to perform an audit of a taxpayer that is engaged in business only in their town; the general guidance that AZDOR will lead all multi-jurisdictional audits coupled with the option for AZDOR to delegate actual audit performance to a city or town when circumstances indicate it would be the most efficient means of completing the audit.
- The IGA also provides guidance for handling voluntary disclosure by taxpayers, closing agreements in lieu of litigation, and sets up the responsibilities and authorities of both parties in terms of code or statute interpretations and legal support for protests.
- The IGA provides for a formal review process to resolve disputes or handle complex issues that arise through the "State & Municipal Audit Resolution Team" or SMART, made up of four city and four AZDOR tax experts who will work together to iron out any problems or conflicts between the cities/towns and the State.
- The term of this IGA runs on a calendar year basis with a provision for automatic annual renewal, with reauthorization by the Council and the AZDOR only being required following the year the DOR is subject to sunset review. Finally, either party has the right each year to reopen and renegotiate the terms according to provisions within the agreement.

AZDOR IGA Financial Implications: This agreement results in a General Fund budgetary impact of an estimated annual fee of \$5,500 assessed by AZDOR for the administrative services.

G6. MCI/metro/VERIZON LICENSE AGREEMENT RENEWAL (PAGES 79 – 103): MCI/metro, dba Verizon, is applying for renewal of a license first approved by Council on Nov. 8, 2018, (C2018-29) to operate in the right-of-way in the Town. Approval of this license renewal (C2018-29A) would allow Verizon to install, operate, and maintain telecommunication materials and activities in Town right-of-way. In exchange, Verizon will pay a \$2,500 application fee; construction permit fees, and costs associated with right-of-way use, construction, and right-of-way improvements due to construction, to the Town.

MCI/metro/Verizon submitted the \$2,500 application fee, a Performance Bond, and a Certificate of Liability Insurance. Council is authorized under A.R.S. § 9-581 – 9-583, and the Town Code to approve or deny the Agreement.

MCImetro/Verizon is requesting this License renewal in order to continue to use certain streets and public ways for the placement of a wired telecommunications services and related equipment under, in, along, over and across certain streets and public ways in the Town. The agreement is limited to the locations identified in the system route map (included in agreement renewal as Exhibit A) If MCImetro/Verizon wants to expand its system, it will provide the Town information on the additional routes as part of the permitting process, provide applicable fees, etc.

In addition to the \$2,500 application fee, MCImetro/Verizon agrees to pay the Town an Annual License Fee of \$2.48 per linear foot based on its use of facilities to provide interstate Telecommunications services. The linear foot fee is escalated annually on July 1, based on the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index (CPI). The term of the license is five years.

Approval of C2023-29 would authorize the design and engineering of the Solarez Neighborhood phase 2 improvements. Should this be approved, streetlights removal, replacement and installation would begin in May 2024. Staff is proposing to submit a Community Development Block Grant (CDBG) funding application for a Roadway and Neighborhood Lighting Project which includes removing 41 streetlights in the Solares neighborhood and replacing them with 48 new streetlights, and associated project engineering design/construction document preparation, construction bid process oversight, construction management, quality control, and inspection services. This is one of six renovation projects.

G7. TOWN MANAGER / CLERK EMPLOYMENT CONTRACT AMENDMENT (PAGES 104 – 105): Town Council will review and may approve, as the result of the Town Manager / Clerk's annual review, an employment contract (C2023-30) between the Town of Guadalupe and the appointed Town Manager / Clerk, Jeff Kulaga. The term of this contract is three years, commencing on November 10, 2023, and terminating on November 9, 2026, with an initial annual salary of \$165,000. This is the third employment contract with Mr. Kulaga, with the first approved by Council on October 17, 2017, and a second on October 28, 2021. Council may provide direction to the Town Manager / Clerk.

RESOLUTION NO. R2023.17

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GUADALUPE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE MARICOPA COUNTY HOUSING AND COMMUNITY DEVELOPMENT DIVISIONS FOR FUNDING UNDER THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S (HUD) COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM TO BE UTILIZED FOR THE TOWN OF GUADALUPE ROADWAY AND NEIGHBORHOOD STREETLIGHTING REHABILITATION PROJECT, PHASE 3, CONSISTING OF REMOVING AND REPLACING 16 STREETLIGHTS AND INSTALLING 18 NEW STREETLIGHTS IN THE CUARENTA AREA NEIGHBORHOOD. THE REQUESTED GRANT FUNDING AMOUNT TOTALS \$498,000 FOR FISCAL YEAR 2024-2025; AND AUTHORIZES THE MAYOR, OR DESIGNEE AND TOWN MANAGER / CLERK TO EXECUTE ANY DOCUMENTS IN FURTHERANCE OF THIS APPLICATION.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF GUADALUPE, MARICOPA COUNTY, ARIZONA, the Town is hereby authorized to submit applications for fiscal year 2024-2025 Maricopa County CDBG funds for:

Town of Guadalupe Roadway and Neighborhood Streetlighting Rehabilitation Project, Phase 3, totaling \$498,000 for removal and replacement of 16 existing streetlights and installing new 18 streetlights in the Guadalupe's West Central Neighborhood including:

- Mounting new LED fixtures (energy cost savings of roughly 50%) on higher poles and decreasing the distance between each pole will provide enhanced lighting for the neighborhood and streets.

Operations and maintenance commitment

- Town staff shall undertake regular nighty inspections bi-monthly and note any of the following:
 - Lamp outages, any damages to the fixture or pole, any light blockages, light flickering, and any other concerns detrimental to proper operation,
 - All items of concern will either be handled by Town Maintenance staff or referred for repair,
- The Town's website provides a place for the community to report street lighting malfunctions.

Exhibit A illustrates the locations of the 34 streetlight installations.

Name of person(s) authorized to sign application(s), execute a Subrecipient agreement, and other required documents:

NAME: Jeff Kulaga
TITLE: Town Manager/Clerk

NAME: Valerie Molina
TITLE: Mayor

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Guadalupe, Arizona, this 9th day of November 2023.

Valerie Molina, Mayor

ATTEST:

Jeff Kulaga, Town Manager / Clerk

APPROVED AS TO FORM:

David E. Ledyard, Esq.
FAITH, LEDYARD & FAITH, PLC
Town Attorneys



APPLICATION

Human Services Department

Housing and Community Development Division
 Community Development Block Grant
 Program Year 2024-2025

Name of Applicant			
Name of Project			
National Objective			
Eligible Activity (See 24 CFR 570.200 for eligibility details)			
Amount Requested			
Priority	of	Phase	of
Target Population			
Project Location			
2010 Census Tract(s) and Block Group(s)			
County Supervisor District		US Congress District	

CERTIFICATION: We hereby submit this application for Community Development Block Grant funding. We certify that, to the best of our knowledge and belief, the information included in this application has been carefully examined and is complete. Applicant understands and agrees to comply with the policies, rules and regulations applicable to the submittal of this application and any resulting activity if grant funding is awarded. The applicant acknowledges and commits to expending the awarded funding within eighteen (18) months of the award. It is further understood that written commitments presented in this application must be honored and will become a part of any subsequent funding contract.

Contact Person		Mayor/ Director	
Title		Title	
Email		Email	
Address			
Phone		Phone	
UEI		Tax ID	
Authorized Signature			Date

PROPOSAL ACTIVITY/PROJECT DESCRIPTION, NEED, AND OUTCOME(S)

Description of the proposed activity and the underlying need for the project. The applicant's rationale for the purpose of the project. The applicant provides a clear description of the scope of the project, the need for the project, and the outcomes of the project. Points Possible = 15

ACTIVITY/PROJECT DESCRIPTION
NEED
OUTCOME(S)

BENEFICIARIES

Description of the direct and indirect beneficiaries. Ability to meet CDBG income requirements. The applicant provides a full description of the project’s direct and indirect beneficiaries, including demographic information. Applicant's target population meets CDBG guidelines and must be at least less than 80% Area Median Income (AMI) Note: This factor applies to low/moderate income activities. Slum/blight activities will not be scored on this question. Points Possible = 15

DIRECT
INDIRECT

	Residents assisted based on percent of AMI				Total
	0-30%	31-50%	51-80%	> 80%	
Urban County residents to be assisted					

PROPOSAL BUDGET AND NARRATIVE

***To complete CDBG Budget section: enter \$ amounts into Expenditures, CDBG Funds column**

Budget for the program, including CDBG and leveraged funds; use of funds to obtain measurable outputs and outcomes. The applicant provides a budget overview, with leveraged funds, a clear budget narrative, and a complete budget estimate with a breakdown of direct and indirect cost. The estimate is understandable and reasonable. The amount of CDBG funding requested, along with other leveraged funds, would provide adequate funding for the applicant to complete the project. Points Possible = 15.

BUDGET OVERVIEW		
INCOME BUDGET		FUNDS
Maricopa County CDBG		
Applicant's Funds		
Federal or State Funds		
Other		
TOTAL INCOME		
EXPENDITURES	CDBG FUNDS	NON-CDBG FUNDS
SUBTOTAL		
TOTAL EXPENSES		
BUDGET NARRATIVE		

A complete cost estimate must be attached to the application.

MINIMUM REQUEST

Grant funds are limited. Applications requesting grant funds commonly exceed the amount of grant funds available. It is not anticipated that all applications will be funded at the amounts requested. If grant funds cannot be provided in the amount requested, indicate the acceptable minimum amount of funding that applicant would be willing to accept. Describe the impact to the project, include the changes to the scope, beneficiaries, and funding.

MINIMUM REQUEST	
Minimum Amount of Funding	
DESCRIPTION OF MINIMUM PROJECT	

PHASED OR MULTI-YEAR FUNDED PROJECTS

Provide information in this section for project proposals that are a part/phase of larger project that, due to the size and scope of the project, would otherwise be considered one large project.

Have other phases of the project received CDBG funding before?	
If yes, what year?	
How much funding?	
If not, has a proposal been previously submitted for funding?	
If yes, which funding cycle?	

For proposal relating to the purchase of equipment (fire apparatus) please indicate the equipment's expected lifespan:

EXPERIENCE

Experience with CDBG or federally funded projects and federal regulations. The applicant should provide the most recent experience(s) working with CDBG or federal funds to complete a project. Use the table below to provide the project details. Points Possible = 10.

EXPERIENCE
Project Name
Was the project funded by Maricopa County Urban County CDBG?
Project Description
Funding Sources
Did the project include Davis Bacon requirements?
Did the project include Section 3 reporting requirements?

EXPERIENCE
Project Name
Was the project funded by Maricopa County Urban County CDBG?
Project Description
Funding Sources
Did the project include Davis Bacon requirements?
Did the project include Section 3 reporting requirements?

ATTACHMENTS

Based on the applicant's organization, review the checklists below and provide the required attachments.

<u>Municipalities / Other Governments</u>	
	Complete Budget Estimate
	Proof of Public Hearing, summary of comments
	Authorizing Resolution
	Build America Buy America
<u>Non-Municipalities/ Non Profits</u>	
	Complete Budget Estimate
	Organizational Chart
	Most Recent Audit and Management Letter
	List of Board of Directors and Officers
	Articles of Incorporation and Bylaws
	Documentation of Tax-exempt Status (501(c)(3))
	Build America Buy America

ATTACHMENTS (CONTINUED)

Based on the applicant's project, review the checklists below and provide the required attachments.

Infrastructure Improvements and Public Facilities / Public Improvements	
	Scale map of the activity site
	Photographs of the activity site
	Operations and Maintenance Commitment (as part of Authorizing Resolution)
Housing	
	Housing Program Design
	Scale map of activity area, including boundaries
	Fair Housing Plan
	Photographs of the activity site
	Rental Activities Pro Forma (if applicable)
Economic Development	
	Economic Development Supplemental Application
	Scale map of the activity site (if applicable)
	Photographs of the activity site (if applicable)



CERTIFICATION OF CONSISTENCY – URBAN COUNTY CDBG APPLICATION

Name of Applicant:

Name of Project:

Project Location:

For Staff Eligibility Use only - Official of the Urban County CDBG Program:

Is the above activity consistent with the following requirement(s) (Check associated box if yes):

- Is this an eligible activity?
- Complete Application?
- Is project in an eligible census tract?
- Partner compliant with 90 Day Rule?
- Is the target area an LMA?
- Partner compliant with 1.5 Rule?
- Is the activity benefitting an individual who qualifies as LMI?

The activity above is consistent with the Maricopa HOME Consortium and Maricopa Urban County 2020-2025 2020 Consolidated Plan under Goal Summary:

Name: _____ Title: _____
 Signature: _____ Date: _____

The certification above is for consistency with the Consolidated Plan only.

This certification does not guarantee the activity is eligible under the CDBG regulations, or that it is in compliance with any other HUD, CDBG, or County requirements for the Urban County CDBG program or the Urban County application process.



Conflict of Interest Certification – CDBG Application

Conflict of Interest [24 CFR 92.356, 24 CFR 570.611, 2 CFR 112 and 2 CFR 318 (C)(1)]

Applicant acknowledges and understands that, under HUD conflict of interest rules under 24 CFR 92.356, 2 CFR 112 and 2 CFR 318 (C)(1), 24 CFR 570.611, an employee, agent, consultant, officer, or elected or appointed official of the applicant or of Maricopa County who exercises or has exercised any functions or responsibilities with respect to activities assisted with CDBG or HOME funds or who is in a position to participate in a decision making process or gain inside information with regard to these activities (each "Covered Person"), may not obtain a financial interest or benefit from a CDBG or HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(Select only the certification that applies to this application. Do not sign both.)

Applicant hereby certifies that no "covered person" in its agency or corporation is currently a Covered Person and has not been a Covered Person for a period of at least one (1) calendar year prior to the date of this application.

Name Signature Date

Or

Applicant hereby certifies that applicant/subrecipient organization includes a Covered Person as defined above, or because applicant has a family or business relationship with a Covered Person.

Name Signature Date

Please provide a separate certification for each "covered person" and select the type of covered person.

- Employee Agent Consultant Officer Elected Official Appointed Official

The Covered Person is:

- Applicant "covered person"
- Family member-name: _____ (please print clearly)
- Business associate-name: _____ (please print clearly)

A Covered Person does not automatically disqualify an entity from participating in a HUD assisted program. If a covered person is identified, the Project Coordinator will assist you with the additional steps that must be taken before the organization's application can be funded.

A person may become a "covered person" at any time during the implementation process and this will include beneficiaries receiving assistance provided through this application who are or have a relationship with a covered person of the applicant or of Maricopa County. A new certification is required each time a covered person is identified.



APPLICATION

Human Services Department

Housing and Community Development Division

Community Development Block Grant

Program Year 2024-2025

Build America Buy America (BABA) Act CDBG Application Supplement

The United States Department of Housing and Urban Development (HUD) released guidance that the Build America Buy America Act (BABA) applies to CDBG funded receiving more than \$250,000 in federal funds and include certain specified materials in the construction of the project.

The following questions will help applicants and the County determine if their project will need to comply with BABA requirements.

Applicant:	
Project:	

Project threshold?

A. If funded, does the construction phase of this project include more than \$250,000 in federal funds?	Yes <input type="checkbox"/> No <input type="checkbox"/>
---	--

If the answer to question A is yes, please proceed. If the answer to question A is No, you have completed this form.

Specified Materials

Does the project include the following:

B. Construction materials consisting of ANY of the following: <ul style="list-style-type: none"> - Iron and/or steel materials - Metals other than Iron/Steel (Non-ferrous metals) - Plastic/polymer-based pipe and tube materials (ex: PVC Pipe) - Lumber - Composite Building Materials 	Yes <input type="checkbox"/> No <input type="checkbox"/>
C. Does the estimated cost of construction materials exceed more than 5% of the total project cost?	Yes <input type="checkbox"/> No <input type="checkbox"/>

If the answers to questions B. and C. above are yes, BABA applies. Please continue to the questions below.

Cost Estimate

Any of the above specified construction materials used in the project construction must be manufactured or produced in the United States.

D. Does the BABA requirement impact the total cost estimate of the overall project?	Yes <input type="checkbox"/> No <input type="checkbox"/>
E. Does the BABA requirement increase the total cost estimate of the overall project by <u>more than 25%</u> ?	Yes <input type="checkbox"/> No <input type="checkbox"/>
F. What is the total project cost estimate using construction materials manufactured or produced in the U.S.?	
G. What is the total project cost estimate using construction materials NOT manufactured or produced in the U.S.?	



APPLICATION

Human Services Department

Housing and Community Development Division

Community Development Block Grant - CARES Act (CDBG-CV)

Special Funding Request Supplement

Program Year 2024-2025

The CDBG-CV response grants, provided as supplemental funding to CDBG grantees under the CARES act, can fund a range of community development activities to help communities prevent, prepare for, and respond to the effects of the COVID-19 pandemic and to mitigate future risks. These funds can be used by grantees to create, expand, or enhance public facilities that may provide medical care, social services, and emergency housing in response to the pandemic while increasing their long-term resiliency and ability to mitigate future coronavirus outbreaks. Other eligible activities include Public Service Activities, Housing-Related Activities, Public Improvements and Facilities, Activities to Acquire Real Property, Economic Development Activities, and General Administrative and Planning Activities.

Applicant:	
Project:	

The following questions will help applicants and the County determine if their project will be eligible for CARES Act funding.

Eligible Activity?

A. If funded, does this project meet one of the established national objectives?	Yes <input type="checkbox"/> No <input type="checkbox"/>
B. Please indicate the national objective.	
C. If funded, does this project qualify as an eligible activity?	Yes <input type="checkbox"/> No <input type="checkbox"/>
D. Please indicate the eligible activity.	
E. If funded, does this project prepare, prevent, and respond to the COVID-19 pandemic or other like pandemics?	Yes <input type="checkbox"/> No <input type="checkbox"/>

If the answers to all of the questions labelled A, C, and E are yes, please continue to the questions below. If the answers to any of the questions labelled A, C, or E are no, you have completed this form.

The proposed project must be designed to prevent, prepare for, and respond to the coronavirus. Grantees must document a logical relationship between the benefits of the assisted activity and the effects of the coronavirus. This tieback may relate to the current pandemic and may also relate to mitigating potential future coronavirus pandemic impacts. For Tieback examples, please refer to: "[Quick Guide to CDBG Eligible Activities to Support Coronavirus and Other Infectious Disease Response](#)"

CARES Act Tieback

In what way does this project help the applicant to prepare for a COVID-19 like pandemic?
In what way does this project help the applicant to prevent a COVID-19 like pandemic?
In what way does this project help the applicant to respond to a COVID-19 like pandemic?

Duplication of benefits?

Is this project receiving or expecting to receive any additional or similar funding assistance?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Please list the sources and amount of any additional or expected funding sources.	
Funding Source	Estimated Amount

**ENGINEERS OPINION OF PROBABLE CONSTRUCTION COST
COMPLETE BUDGET ESTIMATE
TOWN OF GUADALUPE**

10/31/2023

Project: Roadway and Neighborhood Streetlighting Rehabilitation Program - Phase 3
Location: Cuarenta Area Neighborhood
Owner: Town of Guadalupe
Prepared by: Vince Gibbons, PE

ROADWAY LIGHTING SYSTEM:

<u>Item Description</u>	<u>Unit (EA)</u>	<u>Unit Price (\$/EA)</u>	<u>Total</u>
1. Trenching, Conduit, Electrical Wiring, Base, Poles, Mast Arms, Luminaires & Pull Boxes	34	\$13,800	<u>\$469,200</u>
<i>SUB-TOTAL</i>			<u>\$469,200</u>

The work herein includes, but is not limited to: Mobilization/Demobilization, removal of existing lights, electrical connections, and traffic control.

CONSTRUCTION MANAGEMENT:

<u>Item Description</u>		
2. Construction Management		<u>\$ 28,800</u>
<i>SUB-TOTAL</i>		<u>\$ 28,800</u>

TOTAL PROJECT COST (BUDGET) **\$498,000**

In providing an engineer's opinion of probable construction cost, the Client is aware that Dibble has utilized dollar amounts based on recent bid tabulations, but the company has no control over the actual costs or the price changes of labor, equipment, or materials. Dibble makes no warranty, expressed or implied, in relation to pricing accuracy when an opinion is compared to actual construction cost.



TOWN OF GUADALUPE
 MARICOPA COUNTY
 ARIZONA

SCALE MAP OF ACTIVITY SITE

EXHIBIT 1

SCALE: 1"=200'

10/30/2023



Alley off of Calle Sahuaro
Cuarenta Area Neighborhood
Town Streetlight on SRP Pole



Calle Maravilla
Cuarenta Area Neighborhood
Town streetlight on SRP Pole

19



8206 Calle Sahuaro in Cuarenta Area Neighborhood
Streetlight pole located within private property.



4



SRP Style Vandal Shield on Town Streetlight
Protects the fixture, but if not cleaned
Periodically will interfere with light delivery
Cuarenta Area Neighborhood

3



Calle San Angelo
Cuarenta Area Neighborhood
Town Streetlight with SRP and other overhead utilities



Calle San Angelo
Cuarenta Area Neighborhood
Town Streetlight with SRP secondary distribution⁷

October 31, 2023

Town of Guadalupe
9241 S. Avenida Del Yaqui
Guadalupe, AZ 85283

C2023-28

Attn: Jeff Kulaga, Town Manager / Clerk

RE: Neighborhood Street Lighting Improvement Program – Phase 2, 3 & 4
Scope of Work and Fee Proposal

Dear Mr. Kulaga:

Thank you for the opportunity to work with the Town on the Neighborhood Street Lighting Improvement Program Phase 2, 3 and 4. Please find enclosed herewith the scope of work and fee proposal based on our understanding from scoping discussions with the Town and what we have learned from the recently completed neighborhood street lighting project in the East Guadalupe 14 subdivision.

This scope of work involves designing new street lighting systems for three neighborhoods. Additionally, it involves assisting the Town in advertising, bidding, awarding and the construction management of one of these new lighting systems in the Solares neighborhood (Phase 2). This includes coordinating with SRP on their work to provide underground electrical feeds to all these new streetlights. The components and tasks of this program are described in detail within the attached Scope of Work. Dibble will complete the services described herein for a lump sum fee of \$176,739.

Dibble is prepared to start work immediately on this project upon receipt of a Notice to Proceed. We are excited to continue our working relationship with the Town on this program! Please contact us at your convenience with any questions regarding the enclosed documents.

Regards,



Seth W. Chalmers, PE

Sr. Project Manager

Dibble



Timothy M. Wolfe, P.E.

Vice President

Dibble

Enclosures

Town of Guadalupe

Neighborhood Street Lighting Improvement Program

Phase 2 Design and Construction & Phases 3 & 4 Design Only

SCOPE OF WORK

October 31, 2023

Project Description

In late 2021, the Town of Guadalupe commissioned Dibble to perform a Town-wide assessment of its existing neighborhood street lighting systems. To facilitate this assessment, the Town was divided into 11 neighborhood areas. Each neighborhood was given a name (based on the Maricopa County Assessors map subdivision title), its location within the Town, a letter designation (A-K) and a phase number (See **Exhibit A** which is attached). The findings of this assessment were presented to the Town Council on February 14, 2022, and the final report submitted on March 31, 2023. The assessment revealed that almost all the existing street lighting did not meet current 2023 standards for lighting performance. This is because the poles are spaced too far apart, and the mounting heights are too low. The luminaires on all the poles were found to be high pressure sodium (HPS). This type of lighting is obsolete and needs to be upgraded to light emitting diodes (LED). Additionally, the SRP electrical power supplies were found to be overhead and need to be placed underground when possible and as applicable. Per the graphic below, the existing lighting on the picture to the right is not uniform, with a very pronounced dark to light cycle. The picture on the left has a very good uniformity which makes it very easy to see universally.



This better uniformity was achieved with the street lighting improvement project that was accomplished for Phase 1 Project for the East Guadalupe 14 Neighborhood (Neighborhood A) that was constructed and became operational in the summer of this year. An update on this project was presented to the Council on September 14, 2023. The feedback from both the public and the Council has been very positive. Thus, the decision has been made to use this lighting model for upgrading the neighborhood street lighting for the remainder of the Town. In anticipation of this the Town submitted a Community Development Block Grant (CDBG) application early this year. The submittal was successful and provides funding to achieve this scope of work. This scope of work includes the development of street lighting improvement plans for the following phases and neighborhoods:

- B. Phase 2 - Solares Area Neighborhood**
- C. Phase 3 – Cuarenta Area Neighborhood**
- D. Phase 4 - Gastello-Sonorita Area Neighborhood**

Dibble will provide professional engineering services to analyze, design, specify, and prepare a cost estimate for the neighborhoods noted. In addition to these services, Dibble will also assist the Town in advertising, bidding, and awarding construction projects for the Phase 2 Solares Neighborhood. This includes both construction management and inspection services. Dibble will also coordinate with SRP to provide underground electrical services to the new street light locations. It is anticipated that the Town will utilize the designs and cost estimates developed for Phase 3 and 4 to apply for CDBG construction funding.

Billing and Compensation

This project will be billed on a lump sum basis. Dibble will send monthly invoices to the Town showing the following information:

1. Summary of previous billings, current fee due and the total amount of the invoice.
2. Summary of work tasks completed during current period.

SCOPE OF SERVICES

TASK 1 – BASE MAPPING: Dibble will develop base mapping for all 3 neighborhoods. The primary data and topography for the base mapping will be obtained from the Maricopa County Recorder parcel map.

TASK 2- DESIGN CONCEPT AND PRELIMINARY LAYOUT: Dibble will prepare a design concept report for the 3 neighborhoods, which will include initial photometric analysis. Based on this report and the mapping achieved in Task 1, an overall preliminary layout of proposed pole locations will be created. Dibble will white stake the proposed pole locations in the field and then the project team and SRP will review those locations in the field. From this field review, the needed adjustments will be made, preliminary details developed, and the preliminary layout, along with the design concept report (DCR), will be updated and submitted to the Town and SRP for final review and approval.

TASK 3 – STREET LIGHTING PLANS: Dibble will finalize the design of the lighting system based on the design concept and the preliminary layout. Separate plan packages will be prepared for each of the 3 neighborhoods. Two plan submissions are anticipated, with the first submission to the Town, SRP and any involved utility companies. The second submission will be to participating luminaire manufacturers to refine and finalize the illuminance performance and to make sure all four approved fixtures will meet the stated design criteria as specified in the design concept and achieved per the proposed pole locations.

Shielding recommendations will be requested from each manufacturer along with any suggestions regarding the final specifications for their luminaire. This will include consideration of infield dimming and remote monitoring and dimming. Once comments have been received and resolved, Dibble will finalize the plans.

TASK 4 – SPECIFICATIONS & ESTIMATE: Dibble will prepare the specifications, bid sheets, and cost estimate for each of the three projects. The cost estimate and specifications for the Solares neighborhood project will be developed to the PS&E level so the project can be advertised, bid and awarded for construction. The other two projects will be taken to a 95% completion level so they can be shelved until such time construction funding is gained. Submittals of the specifications and cost estimate will coincide with plan submittal packages per Task 3.

TASK 5 – SRP & UTILITY COORDINATION: Dibble will coordinate and meet with SRP to refine and determine final pole locations and how new underground electrical services will be achieved for each of the new street light installations. This will also include how removals will be handled on the construction plans. Dibble will submit plans to each involved utility company in each of the 3 neighborhoods for review and input.

TASK 6 – PROCUREMENT ASSISTANCE (Phase 2 Solares Neighborhood Only): Dibble will coordinate with the Town to help advertise, bid and award a construction project for the Solares Neighborhood. This will include answering potential bidders’ questions and issuing amendments if necessary. Dibble will also review submitted bids and make a recommendation to the Town regarding the award of the construction contract.

TASK 7 - PROJECT MANAGEMENT & COORDINATION: Dibble’s Project Manager will be knowledgeable of the project and have responsible charge of the project. The Project Manager will be the point of contact for the Town and will keep them informed of all coordination with outside agencies and other affected parties. The Project Manager will be responsible for administrative issues, technical direction of the work, scheduling, and budgetary oversight for the project as well as coordination and reporting with the Town Engineer and/or Town Manager. It is anticipated that project progress meetings will be held every 3 to 4 weeks.

Prior to commencing any design work, Dibble’s Project Manager and Town Manager and/or Town Engineer will meet to determine the project schedule. The following preliminary schedule has been developed based on experience and is indexed to the notice to proceed (NTP) date:

ANTICIPATED SCHEDULE:

Task 1 & Task 2	NTP + 8 Weeks
Task 3 & 4 First Submittal	NTP + 10 Weeks
Task 3 & 4 Second Submittal	NTP + 12 Weeks
Task 5	NTP + 16 Weeks
Task 6	NTP + 16 Weeks
Task 7	Once Bid Awarded + 14 Weeks.

TASK 8 – QUALITY ASSURANCE (QA): Dibble’s Project Manager will be responsible for ensuring that Dibble’s internal Quality Control Program is followed for this project, including review and oversight by the QA/QC Reviewer. In addition, senior engineering staff, not part of the regular design effort, will independently review the design for conformance to design standards, constructability, and quality at each design progress level prior to submittal to the Town. The bid package for the Soleras neighborhood project will be subjected to at least two additional reviews prior to advertisement.

TASK 9 – CONSTRUCTION MANAGEMENT & POST DESIGN SERVICES (Solares Neighborhood Only): Dibble will assist the Town during the construction phase of the project. This will include responding to requests for information (RFI) and reviewing material submittals. Also included will be field review of installations from the electrical service connection from SRP, pole and luminaire installation and the start-up operations of the lighting system as specific on the project plans and specifications. Dibble will review invoices as requested by the Town. The actual construction of the street lighting portion of the project is expected to take 4 weeks. However, procuring all the equipment is expected to take 10 weeks and the SRP portion of the project, undergrounding electrical services, will take about 8 to 12 weeks.

Exclusions

The work specifically excluded is as listed as follows:


- Survey / Sectional Control / Utility locations
- Civil / Traffic Control / Landscaping / Irrigation Design
- Utility Design / Relocation, or Potholing
- Storm Water Pollution Prevention Plan (SWPPP)
- Taking the Lead for Public Outreach / Public Involvement – Dibble will assist.
- Right-of-Way, Easement, or Construction Staking
- As-Built Survey

Dibble will complete the services described herein for a **lump sum fee of \$176,739**.

IN WITNESS WHEREOF, the parties have caused this Scope of Work to be signed by their duly authorized representatives as of the date provided below.

CONSULTANT:

Dibble & Associates Consulting Engineers, Inc.
An Arizona corporation

By: 
Timothy M. Wolfe, P.E.
Vice President

TOWN OF GUADALUPE
An Arizona municipal corporation

By: _____

Date: _____

Exhibit A – Neighborhood Street Lighting Improvement Program Neighborhood Designations (1 of 2)

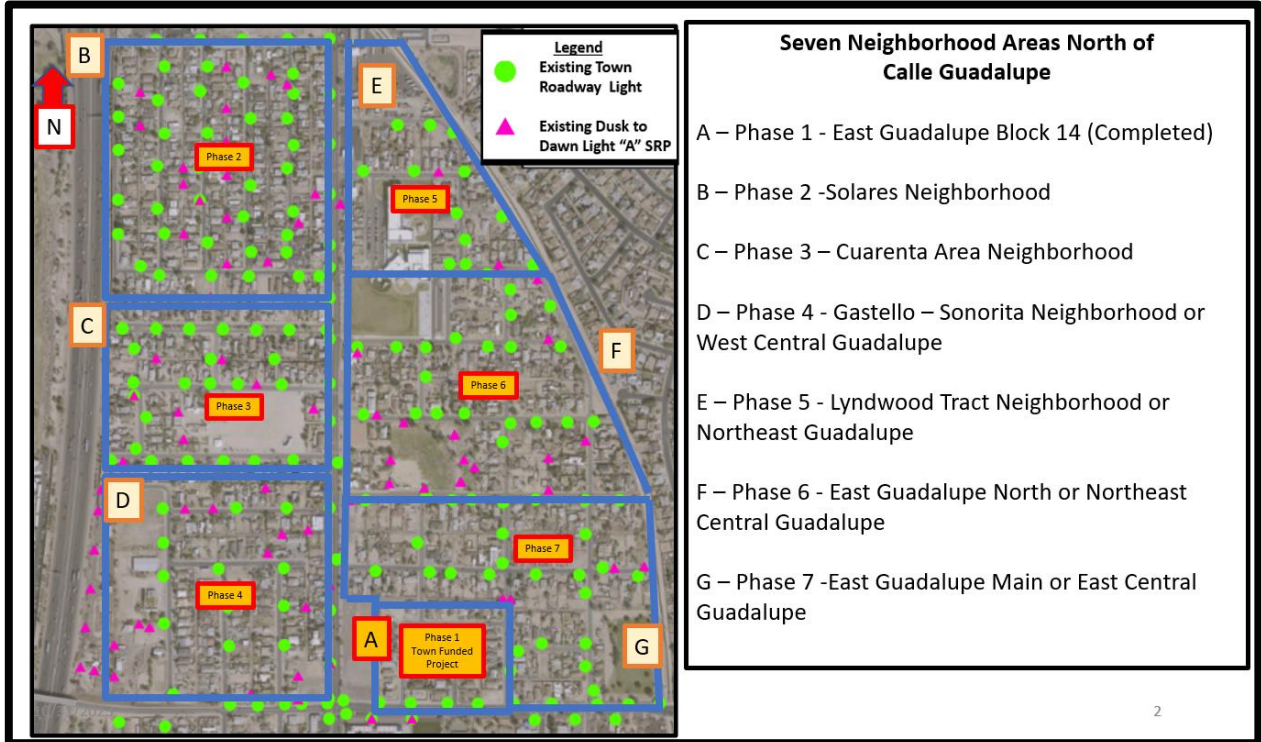
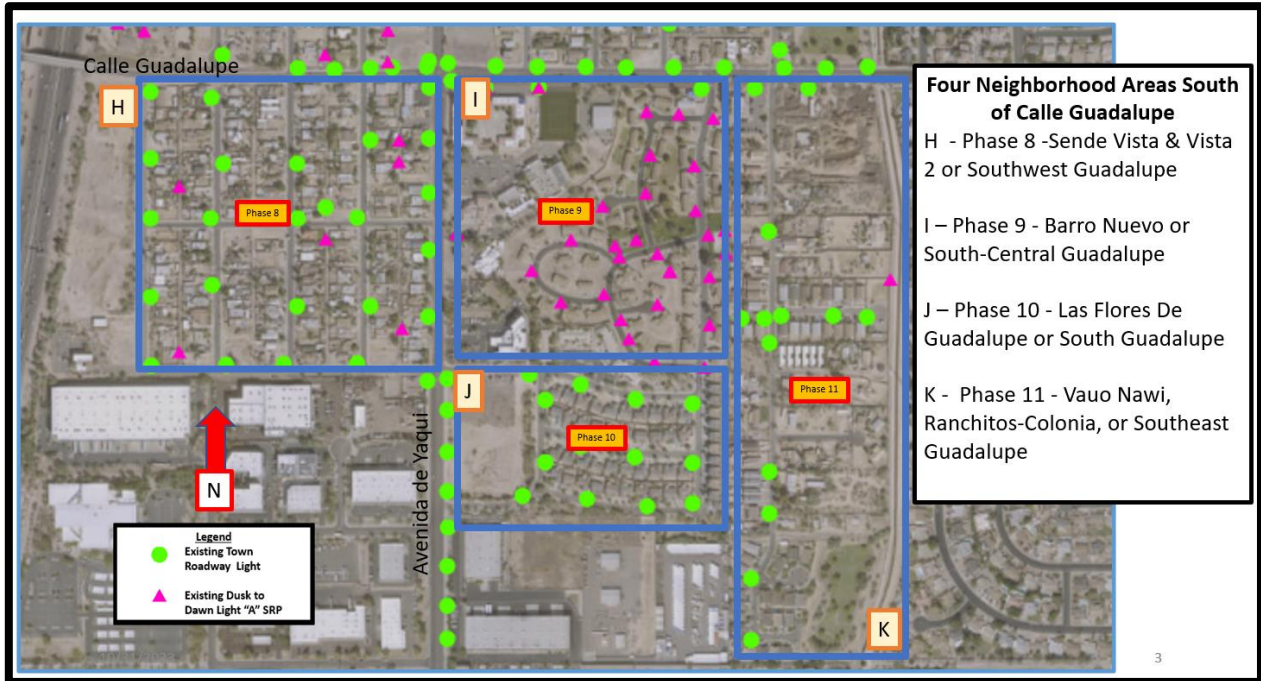


Exhibit A – Neighborhood Street Lighting Improvement Program Neighborhood Designations (2 of 2)



Client: Town of Guadalupe

Staff Hours and Fee Proposal

Contact: Vince Gibbons

Project: Neighborhood Street Lighting Improvement Program - Phase 2, 3 4

Solares Design/CM; Cuarenta and Gastello-Sonorita Design Only

Attachment - Dibble Staff Hours and Fee By Task							
	Billing Rate	\$ 225.00	\$ 172.00	\$ 147.00			
	Task	Senior Project Manager	Project Engineer (PE)	Senior Technician		Total Task Hours	Total Task Fee
1	Base Mapping (3 Neighborhoods)	12	24	40		76	\$ 12,708.00
2	Design Concept and Preliminary Layout (3 Neighborhoods)	40	60	44		144	\$ 25,788.00
3	Street Lighting Plans (Final for Solares and 95% for 2)	30	80	98		208	\$ 34,916.00
4	Specifications and Estimate(Final for Solares, 95% for 2)	30	40	16		86	\$ 15,982.00
5	SRP & Utility Coordination	22	40	20		82	\$ 14,770.00
6	Procurement Assistance (Solares Only)	12	40	16		68	\$ 11,932.00
7	Project Management & Coordination	38	38	12		88	\$ 16,850.00
8	Quality Assurance (QA)	24	24	38		86	\$ 15,114.00
9	Construction Management (CM) & Post Design Services	21	35	122		178	\$ 28,679.00
	Total Hours	229	381	406		1,016	
	Total Base Contract Fee (Lump Sum)	\$ 51,525.00	\$ 65,532.00	\$ 59,682.00			\$ 176,739.00



G4. Awarded Community Development Block Grants (CDBG)

from Maricopa County Housing and Community Development Division
under the U.S. Department of Housing and Urban Development's (HUD)

	Award of Funds		Project	Contract Amount
1	10/22/2009	DG0903	Sidewalks	\$258,209.00
2	11/16/2010	DG1004	Solarez Sidewalks I	\$258,852.00
3	2/8/2012	DG1105	Solarez Sidewalks II	\$393,945.00
4	3/15/2011	SCTAP	Calle Vaou Nawi Repave	\$290,840.00
5	10/11/2012	DG1203	La Cuarenta Repave I	\$358,550.00
6	12/12/2012	DG1204	Solarez Sidewalks III	\$186,110.00
7	12/6/2012	DG1209	Demolition	\$60,000.00
8	12/6/2012	DG1210	La Curenta Repave II	\$349,606.00
9	9/18/2013	DG1303	Gastello Repave I	\$471,653.00
10	10/29/2014	DG1405	Gastello Repave II	\$304,913.00
11	1/10/2017	DG1604	Mexico/Tomi Repave	\$388,800.00
12	9/12/2018	DG1804	Sende Vista Repave	\$568,780.00
13	11/18/2019	CDBG19GD	Barrio Nuevo/Jiminez Cir	\$448,873.00
14	10/21/2020	CDBG20GD	Wastewater system Rehab	\$517,828.00
15	10/17/2022	CDBG22	Wastewater system Rehab	\$550,275.00
16	2/8/2023	CDBG23	Solarez Streetlighting	\$493,600.00
			Total	\$5,900,834.00



Current Community Development Block Grant (CDBG) Activity:

Date	Project #	Description	Cost	Resolution	Award	Eng/Design	Bid	Construction	Completion
10/17/2022	CDBG22	Wastewater system Rehab	\$550,275	X	X	X	X	October 2023	November 2023
2/8/2023	CDBG23	Solarez Streetlighting: Phase 2	\$493,600	X	X	November 2023	April 2024	May 2024	July 2024
11/9/2023	CDBG24	Cuarenta Area Streetlighting: Phase 3	\$498,000	November 2023	February 2024	November 2024	April 2025	May 2025	July 2025
Total			\$1,541,875						

Team effort =

- Construction
- Engineering & Design
- Application preparation

RESOLUTION NO. R2023.18

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GUADALUPE, ARIZONA APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT (IGA) BETWEEN THE TOWN OF GUADALUPE, ARIZONA AND THE STATE OF ARIZONA DEPARTMENT OF REVENUE FOR THE ADMINISTRATION, COLLECTION, AUDIT, AND LICENSING OF TRANSACTION PRIVILEGE TAXES, USE TAXES, SEVERANCE TAXES, JET FUEL EXCISE AND USE TAXES AND RENTAL OCCUPANCY TAXES IMPOSED BY THE STATE, CITIES OR TOWNS.

WHEREAS, Title 11, Chapter 7, Article 3 (A.R.S. § 11-952) authorizes two or more public agencies to enter into intergovernmental agreements to contract for services if authorized by their legislative or governing bodies; and

WHEREAS, A.R.S. § 42-6001 et seq. was amended effective January 1, 2015 to provide that the Arizona Department of Revenue, hereinafter referred to as ADOR, shall enter into an intergovernmental contract or agreement pursuant to A.R.S. § 11-952 to provide a uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State, cities or towns; and

WHEREAS, representatives of ADOR and representatives of Arizona cities and towns, with support from the League of Arizona Cities and Towns, have negotiated the terms of a new IGA to take effect as described within that document, which can be adopted individually by each Arizona city and town, and is the subject of this Resolution.

NOW THEREFORE BE IT RESOLVED, THAT THE TOWN COUNCIL OF THE TOWN OF GUADALUPE, ARIZONA hereby approves the Intergovernmental Agreement between the Town of Guadalupe and the Arizona Department of Revenue for the administration, collection, audit and licensing of transaction privilege taxes, use taxes, severance taxes, jet fuel excise and use taxes and rental occupancy taxes imposed by the State, cities or towns, and authorizes the following:

1. The Mayor, or their duly authorized agent, shall notify ADOR of the City's desire to enter into an IGA as required by ARS §42-6001, with an effective date as described within that document, together with the encapsulated provisions for annual renewals.

2. The Mayor may enter into the proposed IGA on behalf of the Town of Guadalupe, and execute all such other documents, contracts, amendments and agreements with ADOR as may be necessary to effectuate this agreement.

PASSED AND ADOPTED by the Town Council of the Town of Guadalupe, Arizona this 9th day of November 2023.

Valerie Molina, Mayor

ATTEST:

Jeff Kulaga, Town Manager / Clerk

APPROVED AS TO FORM:

David E. Ledyard, Esq.
FAITH, LEDYARD & FAITH, PLC
Town Attorneys

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE ARIZONA DEPARTMENT OF REVENUE AND
THE CITY/TOWN OF _____**

THIS INTERGOVERNMENTAL AGREEMENT (“Agreement”) is entered into this _____ day of _____, 2023, by and between the Arizona Department of Revenue (“Department”) and the City/Town of _____, an Arizona municipal corporation (“City/Town”). This Agreement shall supersede and replace all previous intergovernmental agreements, including amendments thereto, entered into by the Department and City/Town regarding the administration, collection, audit, and/or licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use taxes, and rental occupancy taxes (collectively referred to as “Taxes”) imposed by the State, City/Town, and other Arizona municipalities.

RECITALS

WHEREAS, A.R.S. Title 11, Chapter 7, Article 3 (A.R.S. § 11-952 *et seq.*) authorizes two (2) or more public agencies to enter into intergovernmental agreements to contract for services, if authorized by their legislative or governing bodies.

WHEREAS, A.R.S. § 42-6001 *et seq.* was amended effective January 1, 2015 to provide that the Department shall collect and administer any transaction privilege and affiliated excise taxes imposed by any Arizona municipality and that the Department and each municipality shall enter into an intergovernmental contract or agreement pursuant to A.R.S. § 11-952 to provide a uniform method of administration, collection, audit, and licensing of transaction privilege and affiliated excise taxes imposed by the State and Arizona municipalities.

WHEREAS, City/Town has taken appropriate action by ordinance, resolution, or otherwise, pursuant to the laws applicable to the governing body of City/Town, to approve and authorize City/Town to enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the Department and City/Town enter into this Agreement as follows:

1. Definitions

1.1 A.R.S. means the Arizona Revised Statutes.

1.2 Adoption of an Ordinance means final approval by majority vote of the City/Town council.

- 1.3 Ambassador Program** means the Department’s provided structure and support of curriculum related to tax administration and compliance education.
- 1.4 Arizona Management System** means the State’s professional, results-driven management system that focuses on customer value and vital mission outcomes for citizens. The system is based on principles of Lean, a proven people-centered approach that has delivered effective results in both public and private sectors. Lean focuses on customer value, continuous improvement and engaged employees to improve productivity, quality, and service.
- 1.5 Audit** means an examination and verification of accounts and records to determine taxpayer compliance with A.R.S. Title 42 and the Model City Tax Code, or any other assessment issued pursuant to A.R.S. § 42-1108.
- 1.6 City Services** means the Department’s team or successor unit thereof that assists Arizona municipalities with administrative functions and all other activities related to transaction privilege tax licensing, collection, and compliance of any kind. In this Agreement, all references to electronic communications with City Services shall be directed to the team’s address at citiesunit@azdor.gov.
- 1.7 Closing Agreement** means an agreement to settle a tax liability pursuant to A.R.S. § 42-1113.
- 1.8 Collection** means activities to collect established liabilities for transaction privilege taxes, fees, and related penalties and interest that are due and owing.
- 1.9 Confidentiality Standards** means the standards set forth in A.R.S. § 42-2001 *et seq.*, Model City Tax Code § 510, Appendix A of this Agreement, and such other written standards mutually agreed to by the Department and City/Town, and which will be incorporated into Appendix A of this Agreement.
- 1.10 Development Fees** has the same meaning prescribed in A.R.S. § 42-5075(B).
- 1.11 Desk Review** means any assessment issued pursuant to A.R.S. § 42-1109(B).
- 1.12 Federal Tax Information (“FTI”)** means Federal income tax returns or return information the Department receives from the Internal Revenue Service, including any information created by the Department derived from that information. Documents obtained from a taxpayer or State income tax returns are not considered Federal Tax Information. The scope of this Agreement does not permit the Department to share FTI with any Arizona municipality.
- 1.13 Independent Contractor** means any individual or entity with which City/Town may enter into an agreement to perform transaction privilege tax administration, collection, audit, licensing, and any other related duties described in this Agreement or A.R.S. § 42-6001 *et seq.*
- 1.14 Model City Tax Code** means the document defined in A.R.S. § 42-6051.

- 1.15 Municipal Tax or Municipal Taxes** means collectively the transaction privilege and affiliated excise taxes, including use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax imposed by City/Town in accordance with the Model City Tax Code and similar taxes imposed by City/Town pursuant to a City/Town code section outside the Model City Tax Code that are collected via the standard transaction privilege tax return. Unless the context provides otherwise, this definition includes municipal privilege tax, municipal privilege tax license fees, and all related penalties, interest and other similar charges collected by the Department on behalf of an Arizona municipality.
- 1.16 Options Chart** means any chart contained in a section of the Model City Tax Code which identifies the various approved standard Options adopted by an Arizona municipality.
- 1.17 Primary Point of Contact (“PPOC”)** means a designated City/Town representative with the primary responsibility for communicating with the Department and their respective staff on any matters described within this Agreement. The PPOC must be an individual qualified to receive Tax Information under Section 2.1 of this Agreement and be included on the Master Authorization List referenced in Section 2.3 of this Agreement.
- 1.18 Profile** means a dedicated section of the Model City Tax Code that provides specific information for each Arizona municipality, including contact information, applicable tax rates, and amendments and provisions unique to City/Town.
- 1.19 Standard Audit Life Cycle Process Map** means a document containing the decisions and procedures adopted by the Department and Arizona municipalities from the assignment of audits through final resolution consistent with this Agreement and the Arizona Management System principle of continuous improvement. This document shall be reviewed by the Department and Arizona municipalities as needed, not less than annually, with any changes memorialized in a revised map. In the event of a disagreement regarding proposed changes, the Standard Audit Life Cycle Process Map shall be referred to SMART for resolution.
- 1.20 Standard Authorization List Update Process Map** means a document containing the decisions and procedures adopted by the Department and Arizona municipalities to keep an updated list of current employees and contractors who are authorized to receive Tax Information consistent with this Agreement and with the Arizona Management System principle of continuous improvement. This document shall be reviewed by the Department and Arizona municipalities as needed, not less than annually, with any changes memorialized in a revised map. In the event of a disagreement regarding proposed changes, the Standard Authorization List Update Process Map shall be referred to SMART for resolution.
- 1.21 Standard Inter-Jurisdictional Transfer Process Map** means a document containing the decisions and procedures adopted by the Department and Arizona municipalities to document and authorize the transfer of erroneously reported or

allocated tax from one (1) municipality to another based upon a municipality's request or during the audit process consistent with this Agreement and with the Arizona Management System principle of continuous improvement. This document shall be reviewed by the Department and Arizona municipalities as needed, not less than annually, with any changes memorialized in a revised map. In the event of a disagreement regarding proposed changes, the Standard Inter-Jurisdictional Transfer Process Map shall be referred to SMART for resolution.

- 1.22 State** means the State of Arizona.
- 1.23 State & Municipal Audit Resolution Team (“SMART”)** means an advisory committee responsible for resolving issues as set forth in Section 15 of this Agreement.
- 1.24 State Tax or State Taxes** means transaction privilege tax and affiliated excise taxes, including use tax, severance tax, and jet fuel excise and use taxes imposed by the State of Arizona or its counties.
- 1.25 Tax Information** means information deemed confidential taxpayer information protected from disclosure pursuant to A.R.S. § 42-2001 *et seq.* or Model City Tax Code § 510 concerning the business financial affairs or operations of a taxpayer as it relates to Municipal Taxes or State Taxes. Tax Information includes all financial information related to transaction privilege taxes obtained from any source related to an individual taxpayer and all such aggregate financial information related to any group of identified or identifiable taxpayers.
- (a) Examples of Tax Information include without limitation:
- (1) Any information provided by the Department to City/Town derived from any source including tax returns, reports, tax license applications, and the New License Report or License Update Report; and
 - (2) Any information received by, recorded by, prepared by, furnished to, or collected by the Department or City/Town with respect to a transaction privilege tax return or the termination or possible existence of liability of any person for any transaction privilege tax and related penalty or interest, such as the taxpayer's identity; the nature, source, or amount of the taxpayer's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, taxes withheld, deficiencies, over-assessments, or tax payments; or whether the taxpayer's account was, is being, or will be examined or subject to audit, desk review, investigation, collection, or processing.
- (b) Taxpayer identifying information obtained by City/Town from any source not identified in Section 1.25(a) of this Agreement is not Tax Information for purposes of this Agreement.

1.26 Voluntary Disclosure Agreement means a document used in a voluntary disclosure program designed for eligible taxpayers with exposure for tax liability and/or civil penalties arising from a failure to report and/or pay all Taxes due which allows the taxpayer to come into voluntary compliance.

2. Authorized Access Lists

2.1 Statutory Authority: The disclosure of information relating to State Taxes and Municipal Taxes is governed by A.R.S. § 42-2001 *et seq.*, and, for reporting periods prior to January 1, 2015, by Model City Tax Code § 510.

2.2 Qualified Recipients of Information: The Department and City/Town shall only disclose Tax Information related to State Tax and Municipal Tax pursuant to this Agreement to individuals authorized by law as described in Section 2.1 of this Agreement, including those authorized persons listed on the Authorized Access Lists provided by the Department and Arizona municipalities. Questions related to a listed Department recipient may be directed to City Services at citiesunit@azdor.gov. Questions related to a listed Arizona municipal recipient may be directed to the PPOC of the pertinent Arizona municipality.

2.3 Department's Authorized Access List: Pursuant to Section 2.4(c) of this Agreement, the Department shall maintain, update, and provide a current statewide Master Authorization List of names, job titles, and contact information of the Department staff and Arizona municipal representatives who are authorized by law as described in Section 2.1 of this Agreement to receive State Tax and Municipal Tax information from the Department or Arizona municipalities, as defined in the Standard Authorization List Update Process Map. Updates shall be provided on not less than a monthly basis. The Department shall promptly notify Arizona municipalities of any individual whose authorization to receive State Tax and Municipal Tax information has been revoked for any reason.

2.4 City/Town's Authorized Access List: City/Town shall maintain, update, and provide a current Authorized Access List of names, job titles, and contact information for all persons acting on behalf of City/Town authorized by law as described in Section 2.1 of this Agreement to receive State Tax and Municipal Tax information as defined in the Standard Authorization List Update Process Map.

(a) City/Town shall indicate one PPOC on the Authorized Access List to resolve any administrative issues with the Authorized Access List. At its discretion, City/Town may also indicate an additional individual as a back-up or alternate PPOC.

(b) City/Town shall ensure all personnel on the Authorized Access List meet the requirements indicated in the Confidentiality Standards (Appendix A) including completing all required confidentiality training certification and recertification as required from time to time, within the time required by the Department.

- (c) Upon execution of this Agreement and on the first day of each calendar quarter thereafter, City/Town shall email to City Services at citiesunit@azdor.gov a current Authorized Access List of its staff and representatives authorized to receive State Tax and Municipal Tax information from the Department and Arizona municipalities, including additions and deletions, changes in job titles, and contact information. City/Town's PPOC shall promptly notify the Department of any person whose authorization to receive State Tax and Municipal Tax information is revoked for any reason.
- (d) The Department shall review City/Town's Authorized Access List. If the Department finds that any person on the list has not completed the required confidentiality training in a timely manner or does not meet the Confidentiality Standards in Appendix A of this Agreement, the Department shall notify the City/Town PPOC to resolve the issue. The Department shall not include that person on the Master Authorization List until the issues have been resolved to the satisfaction of the Department.

2.5 Independent Contractors:

- (a) City/Town may at times choose to enter into a contract with an Independent Contractor to perform the transaction privilege tax administration, collection, audit, desk review, licensing, and other duties described in this Agreement or A.R.S. § 42-6001 *et seq.*
- (b) In accordance with A.R.S. §§ 42-1004 and 42-6002, no contract with an Independent Contractor may be entered into on a contingency fee basis for the performance of any transaction privilege tax related functions, including but not limited to license inspections, audits, desk reviews, or collections.
- (c) Within ten (10) business days of ratification of this Agreement, or subsequent execution of such a contract between City/Town and an Independent Contractor, City/Town shall provide a copy of each such contract to the City Services electronically at citiesunit@azdor.gov.
- (d) City/Town shall notify the Department of the expiration, termination, or amendment of any agreement with such Independent Contractors within ten (10) business days of such event.
- (e) In this Agreement it is presumed that any reference to a municipal employee such as a license inspector, auditor, desk reviewer, collector, supervisor, etc., also refers to an Independent Contractor performing that function on behalf of the Department or City/Town.
- (f) An Independent Contractor is subject to all training requirements, authorization limitations, and other privileges and restrictions incorporated into this Agreement or provided in statute in the same form and manner as

such conditions apply to an employee performing the same function on behalf of the Department or City/Town.

- (g) When an Independent Contractor issues any correspondence to a taxpayer on behalf of the Department or City/Town, the Independent Contractor shall expressly identify all of the following on such correspondence: the Independent Contractor's name; the name of the Independent Contractor's firm, if applicable; the Independent Contractor's status as a license inspector, auditor, desk reviewer, or collector acting on behalf of the Department or City/Town; the Independent Contractor's mailing address, telephone number, and e-mail address; and the telephone number and e-mail address of a specific person who is an employee of the Department or City/Town capable of responding to the issues raised in the correspondence for the Department or City/Town.
- (h) The Department and/or City/Town may pursue any remedy authorized by this Agreement or by statute for a violation of this Section by an Independent Contractor.

2.6 Sharing of Authorized Access Lists: The Department shall share the Department's Authorized Access List and the Authorized Access Lists for all Arizona municipalities provided to the Department on the Core SFTP site. The Department shall update the lists on a monthly basis with information provided by each Arizona municipality, or as needed to immediately remove any person whose authorized access has been revoked by the Department or an Arizona municipality.

3. Disclosure of Information by City/Town to the Department or Another Arizona Municipality

3.1 Disclosure and Use of Municipal Tax Information: Any Tax Information released by City/Town to the Department or another Arizona municipality may only be used by persons authorized to receive such Tax Information for tax administration and collection purposes and may not be disclosed to the public in any manner that does not comply with A.R.S. § 42-2003, and/or Model City Tax Code § 510 for reporting periods prior to January 1, 2015. All Tax Information shall be stored and destroyed in accordance with the Confidentiality Standards (Appendix A).

3.2 Municipal Ordinances: City/Town shall provide the Department with a copy of its Municipal Tax Code or any City/Town ordinances imposing the taxes to be collected hereunder within ten (10) calendar days of a request for such information from the Department. This information shall be sent to City Services electronically at citiesunit@azdor.gov.

- (a) **Tax Code Changes:** City/Town shall provide notice to the Department of any tax code change with a copy of any ordinance adopted by City/Town that imposes or modifies the Municipal Taxes or municipal privilege tax

license fees to be collected hereunder within ten (10) calendar days of adoption of the ordinance. This information shall be sent to City Services electronically at citiesunit@azdor.gov.

- (1) City/Town agrees that any ordinance that changes a tax rate, Option selection, or includes the addition or removal of a unique Model City Tax Code exception shall take effect on the first day of the month that is at least sixty (60) calendar days after the City/Town council adopts the change. City/Town and the Department recognize there may be occasions when the City/Town council establishes an effective date less than sixty (60) calendar days after adoption. If City/Town chooses to propose an ordinance with an effective date that is less than sixty (60) calendar days after adoption, City/Town shall notify the Department as soon as possible after that choice is made.
 - (2) The Department shall incorporate all ordinance changes into the official copy of the Model City Tax Code within ten (10) calendar days of receipt of notice from City/Town. The copy provided to the Department may be an electronic copy but shall reflect the identical language contained in the version adopted by the City/Town and shall contain the required signatures indicating council approval.
 - (3) The Department shall notify City/Town when the tax code change has been incorporated and City/Town is responsible for confirming the change has been correctly entered in the official copy of the Model City Tax Code.
 - (4) Pursuant to A.R.S. § 42-6052, if City/Town fails to notify the Department of a tax code change within ten (10) calendar days after City/Town council approval, the ordinance shall be considered null and void. All tax code changes described in this Section shall have no effect until reflected in the official copy of the Model City Tax Code.
- (b) Annexation Ordinances: Within fifteen (15) calendar days following the adoption of an annexation ordinance, one (1) copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at GIS@azdor.gov and City Services at citiesunit@azdor.gov. City/Town may provide the Department with a list of businesses subject to Municipal Taxes known to be located in the annexed area.
- (c) Review of the Model City Tax Code: City/Town shall be responsible for reviewing the information contained on its Profile, the Options Charts, tax rates for City/Town, and other information specific to City/Town contained in the official copy of the Model City Tax Code and ensuring it is correct.

City/Town affirms that it has an ongoing obligation to notify City Services of any changes needed to such information at citiesunit@azdor.gov.

- 3.3 **Development Fees:** Upon request by the Department to City/Town's PPOC, City/Town shall provide to the Department any information regarding Development Fees imposed by City/Town under A.R.S. § 9-463.05 to assist the Department with the auditing of taxpayers and the ordinary billing and collection of taxes.
- 3.4 **Prior Audits:** Upon request by the Department, City/Town shall allow inspections and copies of any City/Town tax audits conducted prior to January 1, 2015.
- 3.5 **Other Information:** City/Town shall provide other relevant information necessary for tax administration and collection purposes as requested by the Department.

4. **Disclosure of Information by Department to City/Town**

- 4.1 **Statutory Authority:** The Department may disclose information relating to State Taxes and Municipal Taxes to City/Town pursuant to A.R.S. § 42-2003 if the information relates to a taxpayer who is or may be taxable by a county, city, or town or who may be subject to audit by the Department pursuant to A.R.S. § 42-6002.
- 4.2 **Restrictions on Use and Disclosure to Unauthorized Parties:** Any Tax Information disclosed by the Department to City/Town is subject to all restrictions provided for in A.R.S. § 42-2003. Tax Information shall only be used by persons authorized to receive such Tax Information for internal tax administration purposes, including audit, desk review, collection, and licensing activity, and may not be disclosed to the public or any unauthorized party in any manner that does not comply with the Confidentiality Standards (Appendix A).
- 4.3 **Liability for Improper Disclosure:** The disclosure of confidential information concerning Arizona taxes is governed by A.R.S. § 42-2001 *et seq.*, which strictly controls the accessibility and use of this information. Individuals who receive confidential information relating to State Taxes and Municipal Taxes from the Department are subject to the penalties provided in A.R.S. § 42-2004 and other applicable statutes if they misuse or improperly disclose this information to unauthorized individuals.
- 4.4 **Reporting Potential Disclosure Violations/Incidents:** The Department shall not withhold Tax Information from City/Town provided that City/Town complies with A.R.S. § 42-2001 *et seq.*, and the Confidentiality Standards (Appendix A).
 - (a) If City/Town or the Department has information to suggest City/Town or any of its duly authorized representatives has violated A.R.S. § 42-2001 *et seq.* or the Confidentiality Standards (Appendix A), City/Town or the Department shall immediately notify City Services at citiesunit@azdor.gov, the Department's Disclosure Officer at DisclosureOfficer@azdor.gov, and the Department's Information Security Team at InfoSec@azdor.gov.

- (b) City/Town and the Department shall fully cooperate with the Department's Disclosure Officer and Information Security Team in investigating the alleged violation and shall promptly address any identified issues.
- (c) The Department's Disclosure Officer and Information Security Team:
 - (1) Shall send written notice to City/Town's PPOC detailing the alleged breach as understood by the Department and request a response to the allegation within twenty (20) calendar days of the date of the letter, and
 - (2) May inspect City/Town's records, facilities, and equipment to determine whether there has been a violation, and
 - (3) Shall review the written response from City/Town and consider the information contained therein and all relevant circumstances surrounding the alleged violation prior to issuing any determination, and
 - (4) Shall issue a written determination delivered by certified mail to City/Town regarding the alleged violation within sixty (60) calendar days of the date of City/Town's response letter. If the Department determines that a violation has occurred, the Department shall indicate whether a suspension of information is warranted and the length of the suspension. During the period of suspension, City/Town shall not access information maintained or created by the Department related to City/Town.
- (d) If the Department makes a written determination to suspend sharing of information, City/Town may, within ten (10) calendar days of receiving the written determination, submit a written request to SMART requesting the group review the determination as provided in Section 15 of this Agreement.
- (e) If there is a suspension of Tax Information sharing with City/Town, the Department shall maintain all information collected or created during the suspension period related to City/Town that would otherwise have been shared with City/Town and shall assist City/Town with accessing the accumulated information for City/Town immediately upon termination of the suspension.
- (f) Under no circumstances shall the suspension of any right to receive Tax Information adversely impact the Department's delivery or transfer of any City/Town revenues in any manner.

4.5 Information to be Provided: The Department shall provide information pursuant to A.R.S. § 42-6001(B). The Department shall provide such information as outlined

in Appendix B and elsewhere in this Agreement, which shall only be modified in accordance with Section 4.7 of this Agreement.

- (a) The Department shall not provide Federal Tax Information to City/Town.
- (b) In addition to the information detailed in Appendix B of this Agreement, the Department shall disclose, upon request, the following information to City/Town:
 - (1) Department tax audits, including all information related to all Arizona municipalities included in the tax audit; and
 - (2) Other relevant information necessary for City/Town's tax administration and collection purposes, including all information necessary to verify that City/Town received all revenues collected by the Department on behalf of City/Town.

4.6 Storage and Destruction of Tax Information: All Tax Information provided by the Department to City/Town shall be managed, stored, protected, and destroyed in accordance with the Confidentiality Requirements (Appendix A).

4.7 Specificity of Data: Pursuant to A.R.S. § 42-6001, the Department and City/Town agree that the data fields identified in Appendix B of this Agreement and the JT-1, TPT-2, and TPT-EZ forms in Appendix C of this Agreement (also provided online at www.azdor.gov) meet the specificity requirements of City/Town. The data fields identified in Appendix B and the forms in Appendix C may be revised or replaced only by mutual agreement of the Department and Arizona municipalities, with any unresolved issues being referred to SMART for final determination.

4.8. Notwithstanding any provision to the contrary, nothing in this Section shall prevent the Department from complying with state information security requirements in the situation of a data breach or similar event.

5. Audit

The Department shall administer audit functions with City/Town in accordance with the Standard Audit Life Cycle Process Map and with the following provisions.

- 5.1 Training:** All auditors, desk reviewers, and supervisors shall be trained in accordance with the policies of the Department. Auditors and desk reviewers who have not completed the training may only work in conjunction with a trained auditor or supervisor and cannot be the only auditor or desk reviewer assigned to the audit or desk review. The Department shall do all the following:
- (a) Provide semi-annual audit and desk review training in accordance with A.R.S. § 42-6002(C) and be responsible for the costs of the training, limited to any cost for procuring the site and training materials;

- (b) Notify City/Town of any training sessions at least thirty (30) calendar days before the date of the training session;
- (c) Permit City/Town auditors, desk reviewers, and supervisors to attend any scheduled training as space permits at any designated training location;
- (d) Provide additional training, as needed, to inform auditors, desk reviewers, and supervisors regarding changes in State law, the Model City Tax Code, audit and desk review procedures, or Department policy.

5.2 Conflicts of Interest:

- (a) An auditor, desk reviewer, supervisor, or Independent Contractor trained and authorized to conduct an audit or desk review, in addition to the restrictions provided under A.R.S. Title 38, Chapter 3, Article 8, § 38-501 *et seq.*, shall not conduct any of the following prohibited acts:
 - (1) Represent a taxpayer in any tax matter against the Department or City/Town while employed by or in an Independent Contractor relationship with the Department or City/Town.
 - (2) Attempt to use his/her official position to secure any valuable thing or valuable benefit for himself/herself or his/her family members.
 - (3) Represent a taxpayer before the Department or City/Town concerning any matter in which he/she personally participated for a period of one year after he/she ends employment or the Independent Contractor relationship with the Department or City/Town.
 - (4) Use information he/she acquires in the course of the official duties as an auditor, desk reviewer, supervisor, or Independent Contractor in a manner inconsistent with his/her official duties without prior written approval from the Department.
 - (5) For a period of one (1) calendar year after he/she ends employment by or an Independent Contractor relationship with the Department or City/Town, work in the same firm as a person who represents a taxpayer against the Department or City/Town unless the firm institutes a formal screen or ethical wall to prevent any sharing of information between the person and the remainder of the firm. Documentation of such formal screen or ethical wall shall be provided by the firm to the Department or City/Town upon request.
 - (6) Receive compensation from a source other than City/Town or pursuant to an agreement with City/Town for the performance of any work or transaction performed expressly on behalf of City/Town.

- (7) Make any representation of being an employee or contractor of City/Town or the Department in marketing and promotional materials soliciting work or transactions to be performed on behalf of a taxpayer or potential taxpayer.
- (b) In addition to any other remedies available to the Department and City/Town by statute and under the terms of this Agreement, the Department may revoke an individual's authority to audit or perform desk reviews on behalf of the Department or City/Town and prohibit the use of any auditor, desk reviewer, supervisor, or Independent Contractor who violates this provision.

5.3 Audits and Desk Reviews:

- (a) City/Town may request the Department conduct an audit or desk review of any taxpayer engaged in business in City/Town, including a taxpayer whose business activity is subject to tax by City/Town but is not subject to tax by the State. The Department and Arizona municipalities shall collaboratively establish and maintain minimum justification standards and procedures. City/Town shall adhere to when submitting an audit or desk review request.
- (b) City/Town may conduct an audit or desk review of a taxpayer engaged in business only in City/Town. Before commencing such audit, City/Town shall submit a Field Audit Request Form. Before commencing such desk review, City/Town shall submit the request using the Desk Review Approval Excel Sheet. The Department shall provide City/Town with a determination of approval or denial of the request within ten (10) calendar days of the notice from City/Town.
- (c) Except as permitted below, the Department shall conduct all audits and desk reviews of taxpayers having locations in two (2) or more Arizona municipalities. A City/Town auditor may participate in any audit or desk review City/Town requested the Department to perform.
- (d) City/Town shall notify the Department if it wants to conduct an audit or desk review of a taxpayer having locations in two (2) or more Arizona municipalities and whose business activity is subject to tax by City/Town but is not subject to tax by the State. The Department shall authorize such audits or desk reviews, to be overseen by the Department, unless there is already an audit or desk review of the taxpayer in process, scheduled, or planned, or the Department determines the audit or desk review selection is discriminatory, an abuse of process, or poses other similar defects. The Department shall notify City/Town of its determination within ten (10) calendar days. No initial audit or desk review contact may occur between City/Town and a taxpayer until the Department approves the audit or desk review notice.

- (e) In the case of taxpayers doing business in more than one (1) Arizona municipality:
 - (1) City/Town may request the Department conduct an audit or desk review of a taxpayer having locations in two (2) or more Arizona municipalities and whose primary business is subject to both Municipal Taxes and State Taxes.
 - (2) City/Town may request authorization from the Department for City/Town to conduct an audit or desk review of a taxpayer having locations in two (2) or more Arizona municipalities and whose primary business is subject to both Municipal Taxes and State Taxes.
 - (3) Requests pursuant to (e)(1) or (e)(2) shall be made using the Department's Field Audit Request Form or the Desk Review Approval Excel Sheet, as appropriate. The Department shall notify City/Town of its decision regarding the request within ten (10) calendar days of receipt of the request.
- (f) The Department may deny, in writing, City/Town's request for the Department to conduct an audit or desk review within ten (10) calendar days of receiving the request for any of the following reasons:
 - (1) An audit or desk review is already in process or is scheduled or planned for the taxpayer within six (6) months of the request;
 - (2) The requested audit or desk review would interfere with strategic tax administration planning;
 - (3) The audit or desk review selection is discriminatory, an abuse of process, or poses other similar defects;
 - (4) The request lacks sufficient information for the Department to determine whether it is appropriate;
 - (5) The Taxpayer was audited within the previous two (2) years;
 - (6) The Department lacks sufficient resources to conduct the audit or desk review;
 - (7) The scope or subject of the audit or desk review does not justify the use of Department resources.
- (g) If the Department denies a request to conduct an audit or desk review for the reasons provided in (f)(6) or (f)(7), and the audit or desk review is not for a taxpayer that only has a business location in City/Town, then City/Town may request to conduct the audit or desk review itself under the

supervision of the Department. No initial audit or desk review contact may occur between City/Town and a taxpayer until City/Town receives written Department approval.

- (h) Any decision by the Department denying City/Town's request to conduct any audit or desk review may be referred to SMART in accordance with Section 15 of this Agreement.
- (i) All audits or desk reviews conducted by City/Town shall be in accordance with standard audit procedures defined in the Department audit manual and the Standard Audit Life Cycle Process Map. All auditors and desk reviewers shall be trained in accordance with Section 5.1 of this Agreement.
- (j) The Department may appoint a Department manager to supervise any audit or desk review conducted by City/Town.
- (k) All audits shall include all taxing jurisdictions in the State regardless of which jurisdiction's auditors participate in the audit. All desk reviews must include all taxing jurisdictions for which there is information provided by the taxpayer.
- (l) The Department shall issue all audit or desk review assessments on behalf of all affected taxing jurisdictions in a single notice to the taxpayer.
- (m) The Department shall issue amendments to audit or desk review assessments on behalf of all affected taxing jurisdictions in a single notice to the taxpayer.

5.4 Claims for Refund:

- (a) When a taxpayer files a request for refund, including refunds requested by filing amended returns, the Department shall process the request and review it for mathematical errors or for the failure of the taxpayer to properly compute the tax based on the taxable income reported on the return or refund request.
- (b) The Department shall notify City/Town of all refund requests that are reviewed and approved involving City/Town's Municipal Taxes within thirty (30) calendar days of processing the refund. City/Town may request an audit of the taxpayer as set forth in Section 5.3 of this Agreement.
- (c) The Department may assign a Department auditor to review requests for refunds. The Department shall notify City/Town of all refunds under review by an auditor pertaining to a taxpayer who engages in business within City/Town within thirty (30) calendar days of initiating the review and may request that City/Town assist with such reviews, with acceptance of such request at the discretion of City/Town. The Department may assign a refund request to a City/Town for review, with acceptance of such assignment at

the discretion of City/Town. The Department may only assign refund requests to City/Town if taxes paid to City/Town are included in the refund request.

- (d) City/Town is responsible for payment of all amounts to be refunded to taxpayers for Municipal Tax incorrectly paid to City/Town. The Department may offset a remittance to City/Town under this Agreement to cover the amounts of allowed Municipal Tax refunds paid by the Department.
- (e) The Department shall issue refund approvals/denials on behalf of all taxing jurisdictions in a single notice to the taxpayer. City/Town may request copies of such determinations.

5.5 Protests: Taxpayer protests of audit assessments, desk review assessments, and refund denials shall be directed to the Department. Protests of audit assessments, desk review assessments, and refund denials shall be administered pursuant to A.R.S. Title 42, Chapter 1, Article 6. The Department shall notify City/Town of any protests within thirty (30) calendar days of receipt of the protest.

5.6 Status Reports: The Department shall keep all Arizona municipalities apprised of the status of each protested matter involving the imposition of Municipal Taxes. City/Town may request to be on a distribution list for monthly status reports by contacting City Services at citiesunit@azdor.gov.

6. Voluntary Disclosure Agreements

The Department may enter into a Voluntary Disclosure Agreement with a taxpayer. A Voluntary Disclosure Agreement may limit the years subject to audit and waive penalties. If the taxpayer discloses to the Department that it owes Municipal Taxes to City/Town, the Department shall notify City/Town of the Department's intent to enter into a Voluntary Disclosure Agreement and the Department shall provide the taxpayer's identity within thirty (30) calendar days of the identity being disclosed to Department. City/Town may subsequently request an audit of a taxpayer subject to a Voluntary Disclosure Agreement pursuant to Section 5.3 of this Agreement.

7. License Compliance

7.1 License Issuance and Renewal: The Department shall issue new municipal privilege tax licenses and shall annually renew such licenses for City/Town Municipal Tax. The Department shall provide City/Town with information about all persons obtaining and renewing municipal privilege tax licenses as set forth in Appendix B of this Agreement.

7.2 License Checks: The Department and City/Town shall coordinate efforts to conduct mutual tax license compliance checks through canvassing and other compliance methods.

- 7.3 Confidentiality:** Any tax license information City/Town obtains from the Department is confidential and may only be disclosed as authorized by A.R.S. § 42-2003. Any tax license information City/Town obtains through its own efforts may be disclosed as allowed by City/Town ordinance or policy.
- 7.4 Changes to License Fees:** Within ten (10) business days following the adoption of an ordinance (or official acknowledgment of an ordinance approved by voters in an election) creating or modifying a municipal privilege tax license fee, one (1) copy of the ordinance and notification of the effective date of such ordinance shall be sent to City Services at citiesunit@azdor.gov. The Department shall not be obligated to begin collection of the new or modified tax license fee any sooner than sixty (60) calendar days after the date the Department received the ordinance from City/Town.

8. Closing Agreements

The Department shall notify City/Town before entering into a Closing Agreement and shall seek a range of settlement authority from City/Town related to the tax levied and imposed by City/Town in accordance with the Standard Audit Life Cycle Process.

9. Responsibility for Representation in Litigation

- 9.1 Administrative Proceedings:** Pursuant to A.R.S. § 42-6002, the Department shall coordinate the litigation and defense of assessments and refund denials in any administrative appeals before the Office of Administrative Hearings or the Director of the Department regardless of the jurisdiction that conducted the audit, desk review, or refund review in accordance with the Standard Audit Life Cycle Process Map. The Department shall diligently defend the interests of City/Town and City/Town shall assist the Department in such representation as requested by either party.
- 9.2 Further Appeals:** The Arizona Attorney General is responsible for defending the assessment or refund denial at the Board of Tax Appeals, the Arizona Tax Court, and all higher courts. City/Town shall assist the Attorney General in such representation and litigation as requested by the Attorney General's Office in accordance with the Standard Audit Life Cycle Process Map.
- 9.3 Mutual Cooperation:** The Department and City/Town agree they shall cooperate in the appeal and litigation processes and shall ensure their auditors, desk reviewers, supervisors, and other necessary employees are available to assist the Department and the Attorney General through informal interviews, providing documents and records, preparing for depositions, attending depositions and trial as witnesses, and assisting in trial/hearing preparation, as needed.
- 9.4 Administrative Decisions:** The Department shall provide a copy of all administrative hearing level decisions regarding State Taxes and Municipal Taxes, including Director's decisions issued by the Department, to City/Town within ten (10) business days after issuance of the decision if City/Town requests to be

included on a distribution list created by the Department for the purposes of disseminating such decisions. City/Town may request to be on the distribution list by contacting City Services at citiesunit@azdor.gov. Administrative decisions contain Tax Information and must be stored and destroyed in accordance with the Confidentiality Standards (Appendix A).

10. Collection of Municipal Taxes

- 10.1 Tax Returns:** Taxpayers who are subject to City/Town Municipal Taxes are required to pay such taxes to the Department utilizing a form prescribed by the Department.
- 10.2 Delinquent Tax Collections:** Pursuant to A.R.S. § 42-6001, the Department shall collect any delinquent Municipal Tax imposed by City/Town recorded on the Department's tax accounting system. In the event this Agreement is terminated, the Department shall continue to collect delinquent Municipal Taxes recorded on the Department's accounting system on behalf of City/Town and distribute any such amounts collected to City/Town.
- 10.3 City/Town Assistance in Delinquent Tax Collections:** To expand the Department's State Tax and Municipal Tax collection efforts by leveraging City/Town resources, City/Town may choose to provide collection efforts by deploying City/Town collectors to work in conjunction with the Department on the following terms:
- (a) **Training:** All City/Town collectors authorized to collect obligations in cooperation with the Department shall be trained in accordance with the policies of the Department. Training shall be provided in the same manner as set forth in Section 5.1 of this Agreement.
 - (b) **Conflict of Interest:** A collector trained and authorized under this provision to perform collections activity shall not conduct any of the following prohibited acts:
 - (1) Represent a taxpayer in any tax matter against the Department or City/Town while employed by City/Town.
 - (2) Attempt to use his/her official position to secure any valuable thing or valuable benefit for himself/herself or his/her family members.
 - (3) Represent a taxpayer before the Department or City/Town concerning any matter in which he/she personally participated for a period of one (1) calendar year after he/she ends employment with City/Town.
 - (4) Use information he/she acquires in the course of the official duties as a collector in a manner inconsistent with his/her official duties without prior written approval from the Department.

- (5) For a period of one (1) calendar year after he/she ends employment with City/Town, work in the same firm as a person who represents a taxpayer against the Department or City/Town unless the firm institutes formal barriers to prevent any sharing of information between the trained collector and the remainder of the firm.
- (c) **Revocation:** The Department may revoke the authorization of City/Town or of any individual City/Town employee to collect obligations under this Section. A revocation determination may be subject to review by SMART upon request by the individual or City/Town.
- 10.4 State of Arizona Liquor License Affidavit:** City/Town may request that the Department issue a liquor license affidavit. The Department shall respond to the request via secured e-mail to indicate the status of completion of the request with a note stating complete, in-process, or unable to complete.
- 10.5 Uncollectible/Discretionary Write-offs:** The Department shall share the annual list of uncollectible/discretionary write-offs of City/Town's Municipal Taxes prior to the write-off event at the end of the fiscal year. City/Town shall have forty-five (45) calendar days to submit feedback.
- 10.6 Remittance:** All amounts collected by the Department for City/Town's Municipal Taxes under this Agreement shall be remitted to City/Town weekly on the basis of actual collections. To the extent possible, the Department shall initiate the electronic payment by Noon on the Monday after the end of the week in which the collections were received by the Department. If the Monday falls on a holiday, payment will be initiated by Noon on the Tuesday after the end of the week in which the collections were received by the Department. Remittance shall be made in the form of immediately available funds transferred electronically to the bank account designated by City/Town.
- 10.7 Abatement:** Pursuant to A.R.S. § 42-1004, the Department, with the approval of the Attorney General, may abate tax under certain circumstances including Municipal Taxes. During the ordinary course of business, the Department may determine that certain taxpayer accounts shall be closed or cancelled. The Department shall seek input from City/Town or SMART before abating Municipal Taxes or closing accounts with Municipal Taxes due. The Department may request a telephonic meeting of SMART if time or circumstances require immediate action.
- 10.8 Funds Owed to City/Town:** At all times and under all circumstances, payments remitted by a taxpayer to the Department for City/Town Municipal Taxes shall be considered property of City/Town. The Department may not retain or fail to remit such funds to City/Town for any reason not specifically set forth in this Agreement including, but not limited to, during the course of a dispute between City/Town and the Department.

10.9 Adjustments to Reported Taxes: If the Department determines that a payment remitted by a taxpayer incorrectly identifies the city or town to which the payment should be made, the Department may temporarily hold the payment until the distribution of the payment is corrected to ensure the appropriate city or town receives the payment. If a payment by the Department has been made to an incorrect City/Town, the Department and affected Arizona municipalities shall follow the Standard Inter-Jurisdictional Transfer Process Map.

10.10 Collection Reports: The Department shall keep all Arizona municipalities apprised of the status of every open case in a collection status involving the imposition of Municipal Taxes. City/Town may request to be on a distribution list for monthly status reports by contacting Cities Collections at citiescollection@azdor.gov.

11. Taxpayer Rulings and Uniformity

The Department shall be responsible for issuing the official responses to taxpayer ruling requests and requests for interpretation of the Model City Tax Code. City/Town acknowledges that pursuant to A.R.S. § 42-6005(B), when the state statutes and Model City Tax Code are the same and where the Department has issued written guidance, the Department's interpretation is binding on Arizona municipalities and interpretation of Model City Tax Code. The Department acknowledges that in all other situations, interpretation of the Model City Tax Code is the sole purview of Municipal Tax Code Commission or its designee. This Section is not intended to affect procedures for appeals and litigation as outlined in Section 5.5 and Section 9 of this Agreement.

12. Financing Collection of Taxes

The costs incurred by the Department in administering this Agreement shall be financed through the State general fund appropriation to the Department. This provision does not relieve City/Town of any financial obligation imposed by statute.

13. Inter-Jurisdictional Transfers (“IJTs”)

The Department shall administer Inter-Jurisdictional Transfers of Municipal Tax monies in accordance with the Standard Inter-Jurisdictional Transfer Process Map. The affected Arizona municipalities shall agree on any amounts to be transferred before notifying the Department of such amounts to be transferred under this Section.

14. Education and Outreach Efforts

To further its focus on serving taxpayers and its commitment to funding Arizona's future through enhanced customer service, continuous improvement, and innovation, the Department is expanding its outreach and education program to connect with all citizens of Arizona by strategically working with taxpayer and industry groups, tax practitioners, and Arizona's municipalities to ensure consistent tax education is widely available.

Any City/Town may further this mission, at its own expense, in providing education and outreach to taxpayers. Education and outreach programs and content shall be consistent with applicable law and the Department's written guidance.

Increased education and outreach efforts undertaken by the Department and Arizona municipalities will ensure collaborative partnerships beneficial to both parties, emphasize an ongoing two-way exchange of information, enhance communication on issues of common interest, and promote cooperation in areas of overlapping special projects. Therefore, upon request, City/Town shall provide information to the Department concerning such education and outreach efforts.

The Department shall implement an Ambassador Program, whereby the Department provides curriculum, structure, and support for education related to tax administration and compliance. City/Town shall be provided a standard work process when participating in Department-led educational events.

15. State & Municipal Audit Resolution Team ("SMART")

15.1 Members: The SMART committee shall consist of four (4) primary (voting) members representing municipal taxing jurisdictions and four (4) primary (voting) members representing the Department. There shall also be two (2) alternate members representing each party, who are non-voting representatives unless required to vote due to the absence, recusal, or disqualification of a primary (voting) member. All primary and alternate members are required to attend all meetings unless excused.

15.2 Selection: The Director of the Department shall appoint Department employees to serve as primary and alternate members representing the Department. Arizona municipalities shall collectively appoint municipal employees to serve as primary and alternate members representing the Arizona municipalities. The members representing either party may be changed at any time following the standard work process agreed upon by both parties.

15.3 Meetings: SMART shall meet monthly unless there is no business to be conducted. Additional meetings can be scheduled as necessary to timely discuss issues presented.

15.4 Issues: The Department or City/Town may refer issues to SMART for resolution including but not limited to:

- (a) Decisions by the Department to not audit a taxpayer;
- (b) Amendments to Department audit procedures or manuals;
- (c) Closing Agreements or a range of settlement authority;
- (d) Abatement or account closure in collections;

- (e) Suspension of disclosure of Tax Information to City/Town;
- (f) Disagreements regarding proposed changes to the process maps defined in Sections 1.19, 1.20, and 1.21 of this Agreement;
- (g) Revocation of collection authority; and
- (h) Other issues as authorized by the Director of the Department or agreed upon by the parties, subject to the limitations described in Section 29 of this Agreement.

15.5 Recommendations: SMART shall make recommendations to the Director of the Department or Director's designee. If the recommendation is approved by at least five (5) members of SMART, the Director shall accept the recommendation of SMART. If SMART cannot reach a recommendation agreeable to at least five (5) members of the group, the Director or Director's designee may act as they deem to be in the best interests of all parties. Notwithstanding the above, upon request by City/Town, the Director shall submit their decision to the Attorney General's Office for review.

15.6 Voting: Any voting member of the committee may request the vote be held by secret ballot.

15.7 Procedures: SMART shall develop procedures concerning the operation of the committee consistent with this Agreement.

16. Funding of Additional Auditors by City/Town

16.1 Funding: At the sole discretion of City/Town, City/Town may contribute funding to the Department to pay for additional auditors to assist the Department in the performance of audits of Municipal Tax owed to City/Town. Such additional auditors funded by City/Town shall at all times be deemed to be employees of the Department and under no circumstances shall be deemed to be employees or agents of City/Town. It is the Parties' intention that any City/Town funding provided pursuant to this Section shall be used to increase the resources and capabilities of the Department to perform Municipal Tax audits and not to subsidize or replace State funding required for audit and collection of taxes.

16.2 Use of Funds: City/Town funding for additional auditors under this Section shall be used to fund the auditors' salaries and related expenses and shall not be used to pay for Department office space, utilities, equipment, supplies, or similar kinds of overhead.

16.3 Pool of Funds: The Department may pool any City/Town funding with any other similar funding provided by other Arizona municipalities to pay for additional auditors dedicated to serving those jurisdictions. The Department shall separately account for such funds in its annual budget.

16.4 Accounting: The Department shall provide an annual accounting to City/Town, by August 31 each year describing how City/Town funding was used during the prior fiscal year.

17. Satellite Offices for Department Auditors

17.1 Funding: City/Town, at its own expense and at its sole discretion, may provide one (1) or more satellite offices and associated amenities for use by Department employees to provide audit and/or customer service to taxpayers. Use of such facilities by Department employees shall be at the sole discretion of the Department. Nothing in this Section shall require the Department to make use of such facilities provided by City/Town.

17.2 Requirements: Any Department employee using a City/Town satellite office must meet reasonable requirements of City/Town related to the use of the facility. City/Town shall be responsible for notifying the Department of any concerns and the Department shall be responsible for taking appropriate actions to resolve those concerns.

17.3 Termination: Once a satellite office is established, City/Town shall provide at least one hundred eighty (180) calendar days' written notice to the Department prior to the termination or relocation of a satellite office. The Department may discontinue the use of a satellite office at any time upon notice to City/Town and shall promptly remove all Department property.

17.4 License: All requirements of City/Town and the Department related to the satellite office shall be outlined in a mutually acceptable form of license and subject to separate approval.

17.5 Workers' Compensation for Satellite Offices and Certain Site Visits: If employees of City/Town or Department are working at the facility of the other public agency pursuant to this Agreement, it is agreed that:

- (a) Each employee will be deemed an employee of both public agencies for the purposes of A.R.S. § 23-1022(D) and Arizona workers' compensation laws.
- (b) Each employee's primary employer (*i.e.*, the State of Arizona for a Department employee, and City/Town for a City/Town employee or Independent Contractor) shall be solely liable for the payment of workers' compensation benefits.
- (c) Each public agency for which employees of City/Town or Department are working at the facility of the other public agency under this Agreement shall post a notice complying with A.R.S. § 23-1022(E).
- (d) In all circumstances other than as provided in the foregoing, nothing in this Agreement shall be construed to result in any person being the officer,

agent, employee, or servant of either party when such person, absent this Agreement and the performance thereof, would not in law have such status.

18. Non-availability of Funds

Every payment obligation of the Department and City/Town pursuant to this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation, except for the rendering of funds to City/Town paid by a taxpayer for Municipal Taxes or municipal privilege tax license fees of City/Town. If funds are not appropriated, allocated, and available, or if the appropriation is changed resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated at the end of the period for which funds are available. No liability shall accrue to the State or City/Town, as applicable, in the event this provision is exercised and the State or City/Town, as applicable, shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section. The termination of this Agreement shall not entitle the Department to retain any Municipal Tax collected on behalf of City/Town pursuant to this Agreement.

19. Waiver

Nothing in this Agreement should be interpreted as City/Town relinquishing its legal rights under the Arizona Constitution or other applicable law, nor that City/Town is conceding the administration and collection of its Municipal Tax is not of a local interest or should not be under local control.

20. Cancellation

The requirements of A.R.S. § 38-511 apply to this Agreement. The Department or City/Town may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the Department or City/Town is, at any time while this Agreement or any extension is in effect, an employee, agent, or consultant of the other party with respect to the subject matter of this Agreement. The obligation of the Department to remit City/Town taxes shall survive cancellation.

21. Notice

(a) When any Notice to City/Town is required under the terms of this Agreement, such Notice shall be sent by electronic correspondence to:

(b) When any Notice to the Department is required under the terms of this Agreement, such Notice shall be sent by electronic correspondence to City Services at citiesunit@azdor.gov.

22. Non-discrimination

ADOR and City/Town shall comply with Executive Order 2023-01, which prohibits discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status, by persons performing state contracts or subcontracts. ADOR and City/Town also agree to comply with Executive Orders 2003-22 and 2009-09 as amended by Executive Order 2023-01, all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act of 1990. ADOR and the City/Town shall also comply with Executive Order 2023-09 prohibiting race-based hair discrimination.

23. Compliance with Immigration Laws and A.R.S. § 41-4401

23.1 The Department and City/Town shall comply with all Federal immigration laws and regulations relating to employees and warrants compliance with A.R.S. § 23-214 which reads in part: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.”

23.2 A breach of compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and may be grounds for the immediate termination of this Agreement.

23.3 The Department and City/Town retain the legal right to confirm the authorized presence and work authorization of any employee who works under this Agreement to ensure the Department and City/Town are complying with the applicable Federal immigration laws and regulations, and State statutes as set forth above.

24. Audit of Records

City/Town and the Department shall retain all data, books, and other records (“Records”) relating to this Agreement for at least six (6) years

(a) after termination of this Agreement, and

(b) following each annual renewal thereof.

All Records shall be subject to inspection by the Department at reasonable times. Upon request, the Department and City/Town shall produce any or all such records. This Agreement is subject to A.R.S. § 35-214 and A.R.S. § 35-215.

25. Amendments

Any amendments to the enumerated provisions or Appendices A, B, and C of this Agreement must be executed in writing in accordance with the provisions of this

Agreement. The Standard Process Maps described within certain enumerated provisions are not themselves part of this Agreement.

26. Mutual Cooperation

In the event of a disagreement between the parties regarding the terms, provisions, and requirements of this Agreement, or in the event of the occurrence of any circumstances bearing upon or affecting this Agreement, parties hereby agree to mutually cooperate to resolve the said disagreement or deal with the said circumstance.

27. Arbitration

To the extent required by A.R.S. § 12-1518 and as provided for in A.R.S. § 12-133, the parties agree to resolve any dispute arising out of this Agreement by arbitration. The parties agree that any lawsuit filed by City/Town relating to the issues outlined in Section 19 of this Agreement is not considered to be a dispute arising out of this Agreement.

28. Implementation

The implementation and execution of the provisions of this Agreement shall be the responsibility of the Director of the Department or his/her designee and the Mayor of City/Town, his/her designee, or another party with designated authority pursuant to applicable law or City/Town charter to act on behalf of City/Town.

29. Limitations

Nothing in this Agreement shall be construed as limiting or expanding the statutory responsibilities of the parties in performing functions beyond those granted to them by law, or as requiring the parties to expend any sum in excess of their appropriations.

30. Duration

30.1 The term of this Agreement shall commence from the latest date as indicated in Section 33 of this Agreement and continue in force through December 31st of the following calendar year unless canceled or terminated as provided herein. The term of this Agreement shall automatically be extended for successive one (1) year terms commencing on January 1st and ending on December 31st of each year thereafter unless canceled or terminated as provided herein.

30.2 Amendments to this Agreement that are negotiated and agreed to by a simple majority of the review committee referenced in Section 30.9 of this Agreement shall thereafter be executed by the parties hereto by a separate signed amendment and incorporated herein to be effective during the term of this Agreement and any extensions.

30.3 This Agreement may be canceled or terminated effective on December 31st of any year by either party by providing written notice no later than sixty (60) calendar days prior to the expiration of the term then in effect.

- 30.4** This Agreement shall expire on December 31st of any year the Department is subject to sunset review by the legislature. Upon expiration, cancellation, or termination, any subsequent Agreement must be ratified through signature by both parties.
- 30.5** If State legislation enacted subsequent to the date of this Agreement substantially affects the performance of this Agreement by either party or substantially diminishes the benefits either party would receive under this Agreement, either party may then terminate this Agreement by giving at least thirty (30) calendar days' notice to the other party. The termination shall become effective immediately upon the expiration of the notice period unless otherwise agreed to by the parties.
- 30.6** Notwithstanding any provision to the contrary herein, both parties may by mutual agreement provide for the termination of this Agreement upon such terms and at such time as is mutually agreeable to them.
- 30.7** Any notice of termination shall be mailed and served on the other party in accordance with Section 21 of this Agreement.
- 30.8** In the event of a partial or complete termination of this Agreement, if the parties have shared or exchanged property the parties will return the property to its original owner or dispose of it in a manner required by the original owner as described in this Agreement.
- 30.9** During the term of this Agreement, the terms and conditions of this Agreement shall undergo an annual review to be initiated no later than June 1st of each year. The review shall be performed by a committee made up of equal parts representatives of the Department and representatives of the municipal taxing jurisdictions entering into an IGA with the Department for the administration and collection of Municipal Taxes.

31. Choice of Law

The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Agreement, and any disputes arising from this Agreement.

32. Entire Agreement

This document, including the specific appendices attached hereto, and any approved subcontracts, amendments, and modifications made thereto, shall constitute the entire Agreement between the parties and shall supersede all other understandings, oral or written.

33. Signature Authority

33.1 By signing below, the signer certifies he or she has the authority to enter into this Agreement on behalf of his or her respective party, and he or she has read the foregoing and agrees to accept the provisions herein on said party's behalf.

33.2 This Agreement may be executed in counterpart.

For the Department:

For City/Town:

Signature			Date			Signature			Date		
Robert Woods, Director											
Typed Name and Title						Typed Name and Title					
Arizona Department of Revenue											
Entity Name						Entity Name					
1600 W. Monroe St.											
Address						Address					
Phoenix		Arizona		85007							
City		State		Zip		City		State		Zip	
RESERVED FOR THE ATTORNEY GENERAL:						RESERVED FOR CITY/TOWN ATTORNEY:					
<p>This agreement between public agencies has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General.</p> <p style="text-align: center;">KRIS MAYES The Attorney General</p> <p>BY: _____ Signature Assistant Attorney General</p> <p>Date: _____</p>						<p>This agreement between public agencies has been reviewed pursuant to A.R.S. § 11-952 by the undersigned City/Town Attorney who has determined, on behalf of the City/Town only, that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the City/Town.</p> <p>APPROVED AS TO FORM AND AUTHORITY:</p> <p>BY: _____ CITY/TOWN ATTORNEY</p> <p>Date: _____</p>					

APPENDIX A

ARIZONA DEPARTMENT OF REVENUE CONFIDENTIALITY REQUIREMENTS

1. Confidential Information

- 1.1 “Confidential Information” is defined in A.R.S. § 42-2001. Confidential Information may not be disclosed except as provided by statute. A.R.S. §§ 42-2001 through 42-2004.
- 1.2 “Tax Information” as defined in this Agreement is Confidential Information.
- 1.3 **Disclosure of aggregated financial information.** Under no circumstance shall aggregated financial information related to transaction privilege taxes allow any person who is not authorized to receive Tax Information to identify or discover the financial information of an individual taxpayer.
 - (a) Except as provided in Section 1.3(b) of this Appendix, City/Town will disclose aggregated financial information in accordance with the Department’s standard:
 - (1) City/Town shall only disclose aggregated financial information from not less than ten (10) taxpayers within the political boundaries of City/Town.
 - (2) No individual taxpayer’s financial information should be discernible due to its relative size compared to other members of the aggregated group. For example, if one of the taxpayers in the data set represents 90% or more of the data point, then that data point must not be disclosed, regardless of the number of taxpayers.
 - (b) City/Town may disclose its aggregated financial information from less than ten (10) taxpayers provided City/Town first determines the aggregated data could not potentially reveal the financial information of an individual taxpayer. Such a determination shall take all the following into consideration:
 - (1) *Ownership.* All taxpayers with common ownership entities shall be considered a single taxpayer for aggregation purposes; and
 - (2) *Proportionality.* No individual taxpayer’s financial information should be discernible due to its relative size compared to other members of the aggregated group; and

- (3) Any other factor that might allow any person who is not authorized to receive Tax Information to identify or discover the financial information of an individual taxpayer.

2. **Protecting Information**

- 2.1 City/Town must identify all places, both physical and logical, where City/Town receives, processes, and stores Tax Information and create a plan to adequately secure those areas.
- 2.2 Tax Information must be protected during transmission, storage, use, and destruction. City/Town must have written policies, standards, and procedures to document how it protects its information systems, including Tax Information so that it conforms to the State of Arizona statutes A.R.S. §§ 42-2001 through 42-2004 and policies, standards, and procedures found on the Arizona Strategic Enterprise Technology (“ASET”) website at aset.az.gov/resources/policies-standards-and-procedures or ASET’s successor agency or website and Arizona Department of Homeland Security’s website at <https://azdohs.gov/information-security-policies-standards-and-procedures>.
- 2.3 Department staff and authorized City/Town staff are prohibited from inspecting Tax Information unless they have a business reason. Browsing through Tax Information concerning friends, neighbors, family members, or people in the news is strictly prohibited.
- 2.4 All removable media, including paper and CDs, containing Tax Information must be secured when not in use and after normal business hours by placing all materials in a locked drawer or cabinet. During use, Tax Information must be protected so that it is not visible to members of the public or anyone without a business need for the information.
- 2.5 All individuals accessing or storing Tax Information from an alternative work site must enter into a signed agreement that specifies how the Tax Information will be protected while at that site. Only trusted employees shall be permitted to access Tax Information from alternative sites. Tax Information may not be accessed while in public places such as restaurants, lounges, or pools.
- 2.6 Tax Information may not be discussed in elevators, restrooms, the cafeteria, or other public areas. Terminals should be placed in such a manner that prohibits public viewing of Tax Information.
- 2.7 When transporting confidential materials, the materials should be covered so that others cannot see the Tax Information. When sending Tax Information by fax, a cover sheet should always be used.
- 2.8 Any person with unsupervised access to Tax Information shall receive training on the confidentiality laws and requirements to protect such information before being given access to such information and annually thereafter. They must sign

certificates after the training acknowledging that they understand their responsibilities. City/Town must keep records to document this training and certification and submit a copy of the certification to the Department.

3. Disclosure of Information

- 3.1 Tax Information may only be disclosed as permitted by A.R.S. § 42-2003.
- 3.2 Tax Information is protected by statute and, therefore, shall not be disclosed in response to a public records request except as authorized by law. A state agency, including political subdivisions (City/Town), may deny inspection of public records if the records are deemed confidential by statute. *Berry v. State*, 145 Ariz. 12, 13 699 P.2d 387, 388 (App. 1985).
- 3.3 A taxpayer may designate a person to whom Tax Information may be disclosed by completing an [Arizona Department of Revenue Form 285](#) or [Form 285B](#), or such other form that contains the authorizing information included in those forms. City/Town may contact the Department's Disclosure Officer at DisclosureOfficer@azdor.gov if there are any questions concerning this requirement.

4. Retention and Disposal of Information

- 4.1 All records received from the Department must be kept for the duration of the records retention period as listed in the official records retention schedules approved by the Secretary of State Library Archives and Public Records Division ("LAPR") published on the LAPR website.
 - (a) The Department's custom records retention schedule is published on the LAPR website at apps.azlibrary.gov/records/schedules.aspx.
 - (b) In the event of a legal hold (such as a litigation hold or investigative hold), Department and/or City/Town may be required to retain records beyond the retention period.
- 4.2 The Department and City/Town shall follow the legal requirements for reporting the disposition and destruction of records to the Arizona State Library Archives, & Public Records Division under A.R.S. § 41-151.19. Certificate of Records Destruction Forms are found at: azlibrary.gov/arm/forms.
- 4.3 All removable media containing Tax Information must be returned to the Department or sanitized before disposal or release from the control of City/Town.
- 4.4 Tax Information must be destroyed by shredding or burning the materials when the retention period has been met and no legal holds are in place. Tax Information may not be disposed of by placing the materials in the garbage or recycle bins. Destruction of Tax Information may be performed by a third-party vendor.

City/Town must take appropriate actions to protect the Tax Information in transit and storage before it is destroyed, such as periodic inspections of the vendor.

- 4.5 Computer system components and devices, such as copiers and scanners, which have been used to store or process Tax Information may not be repurposed for non-tax administration uses unless the memory or hard drive of the device is sanitized to ensure under no circumstances Tax Information can be restored or recovered.

5. **Information Security**

- 5.1 Systems containing Tax Information must be protected in accordance with the State of Arizona Policies, Standards, and Procedures that govern State data found at <https://azdohs.gov/information-security-policies-standards-and-procedures>, particularly Policies and Standards 8000-8410 and the Arizona NIST Security Baseline Controls.
- 5.2 City/Town is responsible for creating architectural diagrams of any systems connecting to the Department's systems and depicting the flow of State Tax Information. Architectural diagrams for systems connecting to the ADOR shall be shared with the ADOR and updated after any architectural changes.
- 5.3 Incident Reporting. City/Town is required to notify the Department in the event of a suspected or actual unauthorized disclosure of Tax Information, data loss, breach, or other security concern regarding Tax Information by reporting the incident to the Department's: 1) City Services Manager by email at citiesunit@azdor.gov, 2) Disclosure Officer by email at DisclosureOfficer@azdor.gov, and 3) Chief Information Security Officer's Information Security Team by email at InfoSec@azdor.gov.
- 5.4 The Department may send employees or auditors to inspect any of City/Town information systems and/or facilities used to process, store, or transmit any Department data at any time to ensure that Department information is adequately protected. City/Town shall provide audit records and evidence of system and application hardening to the department's information security team upon request. Hardening evidence can include, but is not limited to: RiskSense, CIS benchmarks, SCSEMs, STIGs, or other security best practices. If City/Town hires a third-party for any system or information support, all security provisions apply.

6. **Wireless Access (if accessing State Confidential Information from a wireless network)**

City/Town must:

- 6.1 Establish restrictions, configuration/connection requirements, and implementation guidance for wireless access.
- 6.2 Authorize wireless access to the information system prior to allowing such connections.

- 6.3 Employ a wireless intrusion detection system to identify rogue wireless devices and to detect attack attempts and potential compromises/breaches to the information system.

APPENDIX B

REQUIRED REPORTS AND DATA FIELDS

At a minimum, the Department of Revenue shall provide the following reports which display all of fields identified below, per report:

NEW LICENSE REPORT and LICENSE UPDATE REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- Update Date
- ID Type
- ID
- Account ID
- Entity Name
- Ownership Type
- License ID
- OTO/Applied For indicator
- Bankruptcy Indicator
- Filing Frequency
- Issue Date
- Account Start Date
- Business Start Date
- Arizona Start Date
- Doc Loc Nbr
- Accounting Method
- Close Date
- Close Code
- Business Description
- NAICS1
- NAICS2
- NAICS3
- NAICS4
- Mailing Street1
- Mailing Street2
- Mailing Street3
- Mailing City
- Mailing State
- Mailing ZIP
- Mailing Country
- Mailing Phone Number
- Mailing Address Add date
- Mailing Address End Date

- Audit Street1
- Audit Street 2
- Audit Street 3
- Audit City
- Audit State
- Audit Zip
- Audit Country
- Audit Phone Number
- Audit Address Add Date
- Audit Address End Date
- Location Code
- Business Codes
- Location Name (DBA)
- Number of Units
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- Location Phone Number
- Location Start Date
- Location End Date
- Primary Location Street 1
- Primary Location Street 2
- Primary Location Street 3
- Primary Location City
- Primary Location State
- Primary Location Zip Code
- Primary Location Country
- Primary Location Phone Number
- Primary Location Start Date
- Primary Location End Date
- Owner Name
- Owner Title
- Owner Name 2
- Owner Title 2
- Owner Name 3
- Owner Title 3

CITY PAYMENT JOURNAL

- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period

- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype
- Rev Type

CITY PAYMENT JOURNAL SUMMARY

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Business Code
- Number of Accounts
- Collections

NO MONEY REPORT

- Region Code
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date

- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype

DEDUCTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Deduction Code
- Deduction Amount
- Tran Type
- Tran Subtype
- Rev Type

FUND DISTRIBUTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment Received Date
- Return Received Date
- Payment Processed Date
- Return Processed Date
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Fund Allocation Code
- Amount Distributed

FUND DISTRIBUTION SUMMARY REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Fund Allocation Code
- Amount Distributed

APPENDIX C

REQUIRED FORMS

1. **JT-1 Joint Tax Application for a TPT License**

[ADOR Form 10196](#)

2. **TPT-2 Transaction Privilege, Use and Severance Tax Return (filing periods beginning on or AFTER June 1, 2016)**

[ADOR Form 11249](#)

3. **TPT-EZ Transaction Privilege, Use and Severance Tax Return**

[ADOR Form 11263](#)



Primary Point of Contact for Information Security Concerns

-REQUIRED-

City/Town

Name

Title

E-mail address

Phone number

-OPTIONAL-

City/Town

Name

Title

E-mail address

Phone number

C2018-29A

WIRED TELECOMMUNICATIONS LICENSE AND RIGHT-OF-WAY USE AGREEMENT BETWEEN THE TOWN OF GUADALUPE AND MCIMETRO ACCESS TRANSMISSION SERVICES CORP. D/B/A VERIZON ACCESS TRANSMISSION SERVICES

This WIRED TELECOMMUNICATIONS LICENSE AND RIGHT-OF-WAY USE AGREEMENT (“License”), dated this 9th day of November, 2023, is issued by the **Town of Guadalupe** (hereinafter called “Licensor” or “Town”), an Arizona municipal corporation, to **MCImetro Access Transmission Services Corp. D/B/A Verizon Access Transmission Services** (hereinafter called “Licensee”), a corporation. Licensor and Licensee may hereinafter be referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Licensee has applied to the Town to extend permission to continue to use certain streets and public ways for the placement of a wired telecommunications services and related equipment under, in, along, over and across certain streets and public ways in the Town; and

WHEREAS, on or about November 8, 2018, the Town issued a license to Licensee to construct, install, operate, maintain, and upgrade the system then in place, a wired telecommunications system in, along, under, over and across certain streets and public ways within the Town, License No. C2018-29 (the “2018 License”); and,

WHEREAS, pursuant to Section 8 of the 2018 License, Licensee desires to renew the 2018 License in accordance with the currently existing state and Town laws, and the Town has adopted this current form of license agreement; and,

WHEREAS, by such authority as provided in Article 2-1, Section 2-1-2 of the Town Code of Guadalupe and Sections § 9-581 through § 9-583 of the Arizona Revised Statutes and statutes amendatory thereto, the Town is issuing this License.

NOW, THEREFORE, in consideration of the foregoing, the amounts hereunder paid by Licensee and the covenants and agreements contained herein, and for other good and valuable consideration, the Town hereby grants to Licensee the License and permission to use the public right-of-way on the following terms and conditions:

AGREEMENT

SECTION 1. Definitions.

For the purpose of this License, unless the context otherwise requires, the following terms, phrases, words, and their derivatives have these meanings. When not inconsistent with the context, words in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural. The word “shall” is always mandatory and not merely directory. If

there is a conflict between these definitions and those listed in the Town Code, the definitions in the Town Code prevail and control.

“*ACC*” means the Arizona Corporation Commission.

“*Affiliate*” means an entity which now or in the future, owns or controls, is owned or controlled by, or is under common control or ownership with Zayo Group, LLC.

“*A.R.S.*” means Arizona Revised Statutes, as amended from time to time.

“*Town Council*” means the Council of the Town of Guadalupe, Arizona.

“*Commercial Mobile Radio Services*” means two-way voice commercial mobile radio services as defined by the Federal Communications Commission in 47 United States Code Section 157.

“*Dark Fiber*” means fiber optic strands that Licensee has laid or installed, but is not currently being used in fiber-optic communications.

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

“*Facilities*” means Licensee’s plant, equipment, and property used in the provision of telecommunications services and not owned by the Town, including but not limited to poles, wires, pipe, conduits, pedestals, antennas, and other appurtenances placed in, on, or under highways and not owned by the Town and used in the provision of telecommunication services. The term does not include wireless facilities as that term is defined in Article 18A-3.

“*FCC*” means the Federal Communications Commission.

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

“*Interstate Telecommunications Services*” means Telecommunications Services provided between users in Arizona and users outside of Arizona.

“*License*” means this non-exclusive authorization granted by the Town to construct, operate, maintain, reconstruct, repair and remove the Facilities.

“*Pre-existing Environmental Condition*” means the presence, emission, disposal, discharge or release of any Hazardous Substance at, in, on, under or about the Facilities, however caused, existing prior to the placement of Facilities within the Public Highway, whether the nature and extent

of such contamination is known or unknown at the time.

“Proprietary Information” shall have the meaning prescribed in Section 5.6.

“Provider” means a Telecommunications Corporation that constructs, installs, operates or maintains telecommunications facilities or interstate telecommunications services in the Highway.

“Public Highway” or *“Highway”* means all roads, streets and alleys and all other dedicated public rights-of-way and public utility easements of the Town.

“Rights-of-way” and *“ROW”* shall have the same meaning as Public Highway or Highway.

“Telecommunications” means the transmission or the exchange of information by electronic and electrical means over a significant distance, between or among points specified by the provider or user. The term does not include commercial mobile radio services, pay phone services, wireless services as that term is defined in Article 18A-3 or cable services.

“Telecommunications Corporation” means any public service corporation to the extent that it provides Telecommunications Services in the State of Arizona.

“Telecommunications Services” for this License means a fiber optics communication system with an interstate and intrastate network of fiber optic cables and all related property including conduit, carrier pipe, cable fibers, repeaters, power sources and other attachments and appurtenances necessary for transmitting high speed voice, video and data in connection with a local and long distance telecommunications system or systems.

“Wireless Services” means services provided to the public that use licensed or unlicensed spectrum, whether at a fixed location or mobile, using wireless facilities.

SECTION 2. Permission Granted.

2.1 Subject to the terms of this License, the Guadalupe Town Code, Arizona Revised Statutes and the Constitution of the State of Arizona, the Town grants to Licensee the non-exclusive revocable license, right and privilege to construct, install, operate, maintain and use Facilities in, under, along, over and across Public Highways to provide Telecommunications Services, within the current and future corporate Town limits of the Town. This authorization extends to the provision of ancillary communications services such as private carriage arrangements and facilities leasing.

2.2 The permission granted by this License is limited to the locations identified in the system route map attached to this License as Exhibit A, attached hereto and incorporated herein. If Licensee desires to expand its system, it will provide information on the additional routes as part of the permitting process and the system route map will be deemed updated to incorporate the additional routes being permitted, and pay all applicable fees as provided for herein. Further, if portions of the route are abandoned Licensee will submit a revised system route map to the Town.

2.3 Any and all rights granted to Licensee shall be subject to the prior and continuing right of Town to use the ROW. Any and all rights granted to Licensee shall also be subject to all deeds, easements, dedications, conditions, covenants, restrictions, encumbrances, and claims to title which may affect the Public Highway. Nothing in this License shall be construed to grant, convey, create or vest a perpetual real property interest in land to Licensee.

2.4 Licensee shall cause to comply with this License all persons using the ROW through or under Licensee or this License. Licensee is responsible for any violations of this License by persons using the ROW through or under Licensee.

2.5 If it is necessary for the Licensee to comply with any law or regulation of the FCC or the ACC to engage in business activities associated with use of the Public Highways to provide Telecommunications Services, the Licensee shall comply with such laws or regulations as a condition precedent to exercising any rights granted by this License.

2.6 To the extent that Licensee occupies the ROW solely with empty conduit and/or Dark Fiber and/or uses the Town's ROW to provide services other than (a) the telecommunication services as defined by A.R.S. § 9-581 or (b) internet access, such use and/or occupation of the ROW is subject to the terms and conditions of this License and any applicable permits and laws. If the Town enacts a lawful ordinance that requires fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis, for uses of public rights-of-way described in this Section 2.6, Licensee shall comply with such ordinance, provided that nothing in this Section shall preclude Licensee and Town from agreeing on in-kind consideration in lieu of any compensation set forth in said ordinance to the extent not otherwise prohibited by applicable law.

2.7 At the time of the execution of this License, Licensee plans to lease Dark Fiber to its affiliate Verizon Wireless. Licensee warrants and represents that at the time of the execution of this License, it is not leasing Dark Fiber to third-party users within the public rights-of-way. In the future, should Licensee lease any of its Dark Fiber to a non-Affiliate user, Licensee shall notify the Town within forty-five (45) days of the location and footage of such leased Dark Fiber route(s). If the Town, pursuant to Section 2.6, has enacted a lawful ordinance or resolution that requires fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis, for such lease of Dark Fiber, Licensee shall pay such compensation, unless a different calculation for fair and reasonable compensation is agreed to by the Town or unless Licensee is providing in-kind services to the Town pursuant to Section 3.10.

SECTION 3. Reservation of Powers, Indemnification, Insurance.

3.1 The Parties agree if a regulatory body or a court of competent jurisdiction determines by a final, non-appealable order that the Town did not have the authority to issue this License under A.R.S. §§9-581 to 9-583, then this License will be considered a revocable permit with a mutual right in either Party to terminate without cause upon giving ninety (90) days written notice to the other Party. The requirements and conditions of such revocable permit will be the same requirements and conditions as set forth in this License except for conditions relating to the term of the License and the right of termination. If this License should be considered a revocable

permit, the Licensee acknowledges the authority of the Town to issue and terminate revocable permits.

3.2 The Town reserves every right and power which is required to be reserved or is provided by any ordinance or the laws of the State of Arizona, and the Licensee, by its acceptance of this License, agrees to be bound thereby and to comply with any action or requirements of the Town in its exercise of such rights or power, whenever enacted or established, except those actions or requirements which have been found to be unlawful under state or federal law. Neither the granting of this License, nor any of its provisions, constitute a waiver or bar to the exercise of any governmental right, privilege, immunity or power of the Town.

3.3 Any and all rights granted to Licensee shall be subject to the prior and continuing right of Town to use the ROW exclusively or concurrently, with any other person or persons, and to manage Town's own facilities.

3.4 Any right or privilege claimed pursuant to this License by Licensee for any use of any public ROW shall be subordinate to: any prior or subsequent lawful occupancy or use thereof by the Town or any other governmental entity; any prior lawful occupancy or use thereof by any other person; and to any prior easements therein, provided however, that nothing herein shall extinguish or otherwise interfere with property rights established independently of this License.

3.5 Nothing in this License shall be construed to prevent the Town from abandoning, altering, improving, repairing, or maintaining its facilities and/or the ROW, and for that purpose to require Licensee, at no expense to the Town, to remove, relocate or abandon in place Licensee's Facilities in order to accommodate the activities of the Town. The Town shall not be liable for lost revenues sustained by Licensee, however caused, because of damage, modification, alteration, or destruction of Licensee's Facilities in the ROW, when such costs or lost revenues result from the construction, operation, and/or maintenance of Town facilities and/or the ROW, provided that the activities resulting in such costs or lost revenues are conducted in accordance with applicable laws and regulations.

3.6 Licensee acknowledges that it has liability for any and all of its Facilities installed in the ROW and for its use of the ROW and for its exercise of its rights under this License directly or through its contractor(s), except to the extent of intentional acts or gross negligence on the part of the Town. To the fullest extent permitted by law, Licensee, shall defend, indemnify and hold harmless the Town, or its officials, boards, commissions, agents or employees, individually and collectively, from and against any and all claims arising out of or alleged to have resulted from or materially related to the acts, errors, mistakes, omissions of Licensee, its employees, agents, or any tier of contractors or any other person for whose acts, errors, mistakes, or omissions Licensee may be legally liable and from any claims or amounts arising or recovered under workers compensation laws or any other law, bylaw, or ordinance, order or decree related to any failure on the part of Licensee, its agent, employees or representatives to fulfill Licensee's obligations under this License, whether resolution of the above claim(s) proceeds to judgment or not. The provisions of this Section 3.6 shall survive cancellation, revocation, or termination of this License. This indemnification applies even if the Party seeking damages makes a claim against the Town or brings a claim against the Town based on vicarious liability or non-delegable duty.

3.7 Licensee shall comply with the performance bond and insurance requirements attached to this License as Exhibit B attached hereto and incorporated herein by this reference.

3.8 The Town shall not levy any tax, rent, fee or charge on Licensee's activities conducted under this License except for such taxes, rents, fees, or other charges as are applied by the Town on a nondiscriminatory basis to the use of the ROW for provision of Telecommunications Services under any lawful Town Code or Ordinance. Licensee shall promptly notify the Town if any of Licensee's Facilities become utilized solely for the provision of Interstate Telecommunications Services to the exclusion of intrastate Telecommunications Services, and pay any fee applicable thereto under any lawful Town Code or Ordinance, applied on a nondiscriminatory basis to the use of the ROW for the provision of exclusively Interstate Telecommunications Services.

3.9 By entering into this License, neither Party waives any current or future rights reserved under the Telecommunications Act of 1996, including, but not limited to, those rights set forth in Section 253(c) of the Act, reserving the Town's right to manage the public right-of-way and to require fair, non-discriminatory and reasonable compensation from Licensee for the use of the Town's right-of-way. Licensee shall pay the following to the extent such charges are applied by the Town on a non-discriminatory basis to use of ROW for provision of Telecommunications Services by Telephone Corporations under any lawful Town Code or Ordinance:

3.9.1 Pay a transaction privilege tax authorized by law on the business of providing intrastate telecommunications services.

3.9.2 Pay a telecommunications license application fee for the issuance of a telecommunications license in compliance with A.R.S. §§ 9-582. The application fee is \$2,500.00 and is payable to the Town within thirty (30) days of the Town's execution of this License.

3.9.3 Pay Public Highway construction permit fees established by the Town. The permit fees shall apply each time Licensee enters the ROW to perform installation, maintenance, repair, or removal of the Facilities.

3.9.4 Pay all reasonable costs associated with the construction, maintenance and operation of Licensee Facilities in the Public Highways, including reasonable costs associated with damage caused to the Public Highways.

3.9.5 Pay a fee, if provided by the Town Code or agreed to by the Parties, for the portion of the ROW used by Licensee solely for leasing of Dark Fiber to non-affiliates or solely for empty conduit pursuant to Section 2.7 above.

3.10 This License does not currently provide for any future in-kind payments by Licensee, however, should fees be owed under Section 2.7 above, Licensee and Town may amend this License whereby Licensee may provide in-kind services or facilities in lieu of any payment of such fee.

3.11 Licensee shall pay an amount (the “Annual License Fee”) based on Licensee’s use of the Facilities to provide interstate telecommunications services as such services are defined by A.R.S § 9-583 (C)(2), as provided for in Section 7.

SECTION 4. Plans Approval, Permits and Construction.

4.1 The Telecommunications System herein provided for, to be constructed, installed, operated and maintained hereunder, shall be as located or relocated as to interfere as little as possible with traffic or other authorized uses over, under or through said streets and public ways. Those phases of construction relating to traffic control, backfilling, compaction and paving, as well as the location or relocation of said Telecommunications System herein provided for, shall be subject to reasonable regulation by the Town. The Licensee shall keep accurate installation records (“as built”) of the location of all Facilities in the streets and public ways and furnish them to the Town upon request. Licensee may cooperate with the Town to furnish such information in DWG AutoCAD format. Upon completion of new or relocation construction of underground Facilities in the streets and public ways, the Licensee shall provide the Town with installation records (“as built”) in DWG AutoCAD format showing the location of the underground and above ground Facilities.

4.2 If, during the design process for public improvements the Town discovers a potential conflict with proposed construction by Licensee’s Facilities, the Licensee shall either: (1) locate and, if necessary, expose its Facilities in conflict, or (2) use a location service under contract with the Town to locate or expose its Facilities. Licensee shall reimburse the Town for the reasonable cost resulting from number (2) above. The Town shall make every reasonable effort to design and construct projects pursuant to this Section so as to avoid relocation expense to the Licensee. Licensee agrees to furnish the location information in a timely manner, but in no case longer than twenty (20) days.

4.3 The Town reserves the prior and superior right to lay, construct, erect, install, use, operate, repair, replace, remove, relocate, regrade, widen, realign, or maintain any street and public ways, aerial, surface, or subsurface improvement, including but not limited to water mains, traffic control conduits, cable and devices, sanitary or storm sewers, subways, tunnels, bridges, viaducts, or any other public construction within the rights-of-way of the Town limits.

4.4 When the Town reasonably exercises its prior superior right to the streets and public ways for a public use, the Licensee shall move its property that is located in the streets and public ways, at its own cost, to such a location as the Town directs. Notwithstanding the foregoing, in the event the public purpose project is paid for totally or in part by non-public funds, then the Licensee’s costs of moving its property shall be borne by the source of the non-public funds in the same ratio as the non-public funds bear to the total project costs.

4.5 If, during the course of a Project where infrastructure will be dedicated to the Town and the Town determines Licensee’s Facilities are in conflict with the public infrastructure project, the following shall apply:

4.5.1 Prior to Notice to Proceed to Contractor (Routine): The Licensee shall, within a reasonable time, but in no event exceeding six (6) months, remove or

relocate the conflicting facility. This time period shall begin running upon receipt by the Licensee of written notice from the Town, or its authorized representative. However, if both the Town and the Licensee agree, the time frame may be extended based on the requirements of the project.

- 4.5.2 Subsequent to Town Notice to Proceed to Contractor: The Town, or its authorized representative, and Licensee will immediately begin the coordination necessary to remove and relocate the Facilities. Actual construction to remove or relocate such Facilities will begin within a commercially reasonable time after the notice period from the Town, or its authorized representative, and following Licensee's obtaining a permit for such construction.

4.6 The Licensee agrees to obtain a permit as required by this License prior to removing, abandoning, relocating or reconstructing, if necessary, any portion of its Telecommunications System. Notwithstanding the foregoing, the Town understands and acknowledges there may be instances when the Licensee is required to make repairs, in compliance with federal and/or state laws, that are of an emergency nature. The Licensee will notify the Town prior to such repairs, if practicable, and will obtain the necessary permits within five (5) workdays after notification.

4.7 If, in the installation, use or maintenance of its Telecommunications System, the Licensee damages or disturbs the surface or subsurface of any streets or public ways or adjoining public property or the public improvement located thereon, therein, or thereunder, the Licensee shall promptly, at its own expense, and in a manner acceptable to the Town restore the surface or subsurface of the streets or public ways or public property, or repair or replace the public improvement thereon, therein, or thereunder, in as good a condition as before such damage or disturbance. If such restoration, repair or replacement of the surface, subsurface or any structure located thereon, therein, or thereunder is not completed within a reasonable time, or such repair or replacement does not meet the Town's duly adopted standards, the Town shall promptly notify the Licensee. Licensee shall have thirty (30) days or such longer period of time as necessary as agreed to by the Town to make such repairs. If such work cannot be accomplished in a timely manner, or if the Licensee does not timely accomplish such restoration, repair or replacement, the Town shall have the right to perform the necessary restoration, repair, or replacement, either through its own forces or through a hired contractor, and the Licensee agrees to reimburse the Town for its reasonable expenses in so doing within thirty (30) days after its receipt of the Town's invoice therefore.

4.8 The Town shall not bear any cost of relocation of existing Facilities, irrespective of the function served, where the Town facilities or other facilities occupying the streets or public ways under authority of a Town permit or License which must be relocated for a public use, are already located in the streets or public ways and the conflict between the Licensee's potential Facilities and existing Facilities can only be resolved expeditiously as determined by the Town by the movement of the existing Town or permittee facilities.

4.9 If Licensee's relocation effort so delays construction of a public project causing the Town, or its authorized representative, to be liable for delay damages, the Licensee shall reimburse the Town for those actual damages attributable to the delay created by the Licensee unless the Town

is responsible for the delay. In the event the Licensee should dispute the amount of damages attributable to the Licensee, the matter shall be referred to the Dispute Resolution Board. The Dispute Resolution Board shall consist of one member selected by the Town, one member selected by the Licensee, and a third person agreed upon by both Parties. The person agreed upon by both parties shall be chairperson of the Dispute Resolution Board. Expenses for the Dispute Resolution Board shall be shared equally by the Town and the Licensee. The Board will hear the dispute promptly, and render an opinion as soon as possible, but in no case later than sixty (60) days after notification by the Town of Licensee's allocated share of damages suffered by the Town. All decisions of the Dispute Resolution Board are non-binding on either the Town or the Licensee; however, the findings of the Dispute Resolution Board shall be admissible in any legal action. The Town and the Licensee shall accept or reject findings of the Dispute Resolution Board within thirty (30) days after receipt of the findings. If damages are assessed by the Dispute Resolution Board the Licensee shall pay the Town within thirty (30) days. Late charges of 5% and interest charges of 1-1/2 % per month shall be added for late payment. Nothing herein shall prohibit a mutual agreement between the Town and the Licensee to use alternative dispute resolution for other disputes related to different License provisions.

4.10 In the event the Town becomes aware of a potential delay involving the Licensee's Facilities, the Town shall promptly notify the Licensee of this potential delay.

4.11 Whenever the Licensee shall cause any opening or alteration whatever to be made for any purpose in any streets or public ways, the work shall be completed within a reasonable time, and the Licensee shall, without expense to the Town and upon the completion of such work, restore the property disturbed in as good as condition as before, or as required by Licensee's permit which may incorporate special standards when required for Town purposes.

4.12 The installation, use and maintenance of the Licensee's Telecommunications System within the streets and public ways authorized herein shall be in such a manner as not to interfere with the Town's placement, construction, use and maintenance of its streets and public ways, street lighting, water pipes, drains, sewers, traffic signal systems or other Town systems that have been, installed, maintained, used or authorized by said Town.

4.13 The Licensee agrees not to install, maintain or use any of its Facilities in such a manner as to damage or interfere with any existing facilities of another utility located within the streets and public ways of the Town and agrees to relocate its Facilities, if necessary, to accommodate another facility relocation that has a prior rights interest in the streets and public ways, which facility relocation was necessitated by a public use.

4.14 The Licensee shall obtain all required permits, including Traffic Control Permits, and pay all applicable permit fees to the Town for all construction, installation, erection, enlargement, replacement, extension and relocation in the streets and public ways, and the Town may issue permits with such conditions as are reasonable and necessary to ensure compliance with the terms and conditions of this License. Further, the Licensee shall reimburse the Town for its documented costs for the location of the Licensee's Facilities for design and construction purposes and reimburse the Town for pavement damage. Reimbursement for plan review, inspection, location services, design costs, and pavement damage is separate, and in addition to, any other License or permit fees included

in this License.

4.15 All installation of Facilities shall be installed per construction plans approved by the Town, and the Town shall review and process such plans within those timeframes that are customary and uniformly applied to similar applications. Licensee may install Facilities on existing utility poles or in existing conduit where permission is granted by owner of the utility pole or conduit, except where those same poles are scheduled to be replaced with buried Facilities. No new poles, or longer poles, will be permitted in the streets or public ways for any cable runs of this License without the permission of the Licensor, which permission will not unreasonably be withheld. If Licensee installs Facilities on existing poles as provided herein, the Licensee shall bury its Facilities if such poles are removed and not replaced in kind for any reason. If the Licensee makes use of existing conduit of a telephone or telecommunication company not currently regulated by the Town, by license or franchise, the Licensee shall be subject to the provisions of this License in the use of such conduit in the streets and public ways.

4.16 The entire cost of relocation shall be borne by the Town if the Licensee is required by the Town to relocate Facilities which are located in private easements or rights-of-way obtained by the Licensee prior to the dedication of the public street or easement from which the Facilities must be relocated. These prior rights of the Licensee would also be unaffected by any subsequent relocation. "Prior rights" as used in this paragraph means rights obtained by the Licensee prior to the dedication of the streets or public ways from which the Facilities are requested by the Town to be relocated.

4.17 Any trimming of trees by the Licensee in the streets and public ways shall be subject to such regulation as the Guadalupe Town Council or other authorized official may establish to protect the public health, safety and convenience.

4.18 The Town may issue reasonable policy guidelines to all Telecommunications System licensees to establish procedures for determining how to control issuance of engineering permits to multiple licensees for the same one-mile segments of their Telecommunications Systems. The Licensee agrees to cooperate with the Town in establishing such policy and comply with the procedures established by the Guadalupe Town Council or their designee to coordinate the issuance of multiple engineering permits in the same one-mile segments.

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

SECTION 5. Installation and Operation of Facilities.

5.1 All installations shall meet the standard industry specifications, and any applicable Town standards and specifications.

5.2 Licensee shall maintain "as-built" drawings of its Facilities located within the ROW

and furnish a copy electronically in a mapping format compatible with the current Town electronic mapping format as specified by the Town and in hard copy form. Upon completion of new or relocation construction of underground Facilities in the ROW, Licensee shall create and maintain precise, up-to-date maps of any of its Facilities and any above ground equipment located in the ROW and precise and verifiable horizontal and vertical location information and will make this information available to the Town upon the installation of any new Facilities. Licensee will also provide surface-location marking of Licensee's Facilities that are located underground within any public ROW within thirty (30) business days of installation.

5.2.1 If complete updates are not provided in a compatible format, Licensee shall pay the actual, reasonable costs the Town incurs to update the Town's electronic mapping format due to the location or relocation of Licensee's Facilities.

5.2.2 In the event Licensee fails to supply records in the Town specified format and there is a cost to the Town in converting Licensee-provided files, Licensee will be responsible for the conversion costs and will pay such costs within thirty (30) days of the date of the bill from the Town invoicing the amount due.

5.3 The authority granted by this License to use the ROWs does not authorize Licensee use of the ROWs for operating a Cable Television System, a Cable System or authorize Licensee to operate as a cable provider as those terms are defined in the Communications Act of 1934, State law, or Town Code. The authority granted by this License does not authorize the use of the ROWs for an open video system as defined in the Communications Act of 1934 or as defined or authorized by the FCC. The authority granted by this License is not in lieu of any other license or franchise the Town may require to occupy the ROWs to provide service other than as authorized under Section 2.

5.4 Licensee shall comply with the rules and regulations of the FCC and ACC that apply to the services that Licensee provides over the Facilities in the ROWs that Licensee is authorized to use by this License.

5.5 In order for the Town to determine the Licensee's compliance with the terms of this License, within 30 days of a request for disclosure by the Town, the Licensee shall provide the documentation requested by the Town. For purposes of confirming that Licensee is providing solely services authorized under this License, upon reasonable request and notice by the Town, the Licensee shall make available for joint inspection and testing as requested by the Town, the current services being provided by Licensee through the Facilities authorized by this License. If the Licensee determines that in order to respond to the Town's request for documentation and inspection that it must reasonably provide proprietary information, the Licensee shall so designate such claim to proprietary treatment on documents provided to the Town.

5.6 Proprietary information disclosed by Licensee for the purposes of this License shall mean any document or material clearly identified as proprietary ("Proprietary Information"). Such Proprietary Information shall include, but not be limited to, any customer lists, financial information, technical information, or other information clearly identified as confidential pertaining to services provided to its customers. Proprietary Information does not include this License with the exception of the system route map attached to this License as Exhibit A.

5.7 Proprietary Information disclosed by Licensee to the Town or its constituent departments shall be regarded as proprietary as to third-parties. If the Town receives a request to disclose such Proprietary Information, the Town shall notify Licensee of such request and allow the Licensee a reasonable opportunity to defend its Proprietary Information from disclosure. The foregoing does not apply to any information which is already in the public domain. However, if public domain information is included with Proprietary Information on the same document, the Town shall only disclose those portions within the public domain.

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

SECTION 6. Abandonment of Facilities or Termination or Revocation of License.

6.1 If the Licensee permanently abandons use of its Facilities under or pursuant to the License for more than six (6) consecutive months, then the Facilities are required to be removed from the streets and public ways to the satisfaction of the Town at Licensee's cost. In lieu of removal the Town may permit the improvements to be abandoned in place in such a manner as the Town may prescribe. Upon permanent abandonment, the Licensee shall submit to the Town a proposal and instruments for transferring ownership to the Town.

6.2 Upon revocation or termination of the privilege herein granted, Licensee shall to the reasonable satisfaction of the Town and, without cost or expense to the Town, promptly remove its Facilities unless permitted by the Town to be left in place in such manner as the Town may prescribe. If Licensee determines to remove such Fiber Optics Communication System, or any portion thereof, then Licensee, at its sole expense, shall restore the public rights-of-way where disturbed by such removal in as good condition as before. Any such Facilities which are not removed within one hundred twenty (120) days of either such date of termination or revocation or of the date the Town issued a permit authorizing removal, whichever is later, automatically shall become the property of the Town. The Arizona Blue Stake Center must be notified to record facilities abandoned.

SECTION 7. License Fees

7.1 The Licensee agrees to pay to the Town as consideration for the granting of this License \$2.48 per linear foot annually for a non-exclusive right to place and maintain Facilities with appurtenances in the ROW occupied by Licensee in the same alignment identified in Exhibit A within the Town of Guadalupe streets and public ways. This annual fee is earned each year on the anniversary date of the first annual footage fee, as set forth in Section 7.2 below, and payable to the Town.

7.2 The Town shall calculate the first annual footage fee based on number of lineal feet as specifically identified and approved for installation on Exhibit A. The first annual footage fee shall be due and payable sixty (60) days after issuance of the License. Subsequent payments shall be made within sixty (60) days of each anniversary date of the original effective date and such payment shall be based upon the fees provided in Subsection 7.1 above and 7.3 below.

7.3 The linear foot fee shall be escalated annually on July 1, based on the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index-All Urban Consumers, West Region for All Items (CPI). If there is no increase in the CPI, the fee shall remain what it was for the prior year.

7.4 Payment by the Licensee to the Town shall be made in United States legal tender. Payments shall be considered timely if postmarked on or before the due date. If License fees are not paid within fifteen (15) days after notice from Town that the fees are past due, interest of 1-1/2% per month shall accrue on the entire amount due. Any payment received shall first be applied to any interest charges owed, and then to any Licensee fee owed.

SECTION 8. Term of License.

8.1 The right, privilege and term of License granted herein shall continue and exist for a period of five (5) years from the effective date, unless sooner revoked or cancelled.

8.2 At any time prior to the cancellation, revocation or termination of this License, Licensee may apply to the Town for a renewal of the License in accordance with and subject to the then-existing Town and State laws and license forms. In the event the Parties are actively negotiating in good faith for a new license or an amendment to this License upon the termination date of this License, the Parties by written mutual agreement may extend the termination date of this License to allow for further negotiations. Such extension period shall be deemed a continuation of this License and not as a new license or amendment.

SECTION 9. License Non-transferable.

9.1 This License and the related rights and privileges may not be assigned or otherwise transferred without the express written consent of the Town, which consent shall not be unreasonably withheld or delayed. The new licensee shall be equally subject to all the obligations and privileges of this License including any amendments, which will remain in effect, as if the new licensee was the original Licensee.

9.2 The approval of any change in ownership interest shall include an assignment agreement signed by the assignee, Licensee, and the Town. The Licensee shall provide Town a copy of the deed, agreement, mortgage, lease, or other written instrument evidencing such sale, transfer or lease, certified and sworn to as correct by the Licensee. The Licensee shall notify the Town within sixty (60) days of any change in mailing address.

9.3 After assignment, the License, including any amendments, shall be binding on the assignee to the full extent that it was binding upon the Licensee.

9.4 Nothing in this Section 9 prohibits a pledge, hypothecation or mortgage or similar instrument transferring conditional ownership of all or part of the Licensee's assets to a lender or creditor in the ordinary course of business. In the event a lender assumes control of the assets and operation of the Licensee through a default of the Licensee in loan obligations, the lender may

assume the rights and obligations of Licensee. The Lender may not transfer or change control of the License without submitting the change to the Town for approval. If the lender continues operation on a basis at any time, the lender shall be subject to all provisions of the License. No later than three years after assumption of control by the lender, the lender shall apply to the Town for the right to continue assumption of control or transfer the License. Application for approval of the assumption of control or transfer shall be subject to consent by the Town and shall not be unreasonably denied or upheld. A “Lender” for the purposes of this License does not include a company, person, or corporation or other entities that operate cable television systems or telecommunications systems as a principal or important business. This paragraph is intended to prohibit the intentional use of lending and/or foreclosure as a method for effecting change of control or transfer of the License without Town review and approval.

9.5 Notwithstanding the foregoing, prior consent shall not be required for transfer to any company which is owned or controlled or under common control and with the same direct parent as Licensee, and which is intended after such transfer to remain under the ownership or control of that parent or an entity under common control or with the same direct parent, provided that, no such transfer shall be valid unless Licensee and the proposed transferee submit a binding agreement and warranty to the Town stating that:

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

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

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

9.6 Prior to completing a transfer described in this Section, Licensee and the proposed transferee shall submit to the Town a description of the nature of the transfer, and submit complete information regarding the effect of the transfer on the direct and indirect ownership and control of the License.

SECTION 10. Nonexclusive License.

This License is not exclusive, and nothing in this License may be construed to prevent the Town from granting other similar Licenses to any others, or to reduce the powers and privileges granted the Town under the Constitution and laws of the State of Arizona.

SECTION 11. Revocation of License; Penalties.

11.1 This License may be revoked prior to expiration if the Licensee fails to comply with any material term or condition of the License or applicable law.

11.1.1 Before revoking the License, the Town Manager shall give written notice to Licensee of the basis for revocation and give Licensee 60 days within which to cure.

11.1.2 The Town need not provide a 60 day cure period prior to revocation if the Town finds that the defect in performance is due to intentional misconduct, a violation of criminal law or is a part of a series of violations where the Licensee has already had notice and opportunity to cure.

11.1.3 If the Licensee requests a hearing before revocation, the Licensor shall provide a hearing prior to final action on the notice of intent to revoke.

11.2 Town may pursue any remedy at law, including but not limited to injunctive relief, civil trespass, and withholding other Town permits and authorizations upon Town's termination of this License or cancellation of any and all permits associated therewith.

11.3 Such remedies are cumulative and may be pursued in the alternative.

SECTION 12. Acceptance of License Terms and Conditions.

12.1 This License shall not become effective until it has been approved by the Town Council and filed with the Town Clerk. By accepting this License, the Licensee covenants and agrees to perform and be bound by all of the terms and conditions imposed by the Town Code and this License.

12.2 The Licensee acknowledges and accepts the right of the Town to issue a License.

12.3 The Licensee has reviewed the Licensor's ability to grant a License and accepts a License as the Town may now be legally able to grant.

12.4 In the event of conflict between the terms and conditions of the License and the terms and conditions on which the Town may grant a license or permission to use the ROWs as set forth in applicable federal law or Arizona law, then the applicable federal law, Arizona law and Town Code shall control.

12.5 Nothing in this License waives any of the requirements of the various codes, ordinances and regulations of the Town regarding permits, fees to be paid or manner of construction.

SECTION 13. General Conditions.

13.1 Any trimming of trees by the Licensee in the Public Highways shall be subject to regulation by the Town to protect the public health, safety and convenience. Prior approval of the

Town is required prior to trimming of trees.

13.2 In all matters of License administration, the Town has authority to determine Licensee's compliance with the terms and provisions of the License, and in the event of non-compliance to exercise any or all of the remedies included in this License and as provided by Arizona law.

13.3 The Town has the right to inspect all construction or installation work subject to the provisions of this License and to make any tests it finds necessary to ensure compliance with the terms of this License and other pertinent provisions of law.

13.4 The Town shall have the right of intervention in any suit or proceeding involving the License to which Licensee is party, and Licensee shall not oppose that intervention.

13.5 Upon request from Town, but no more than annually, Licensee shall provide License information relating to its compliance with this License and/or to Town's or Licensee's rights or obligations under this License. Licensee shall make available to Town the requested reports or records in the formats in which they are customarily prepared by Licensee so long as such reports contain the information necessary to verify compliance. Licensee reserves the right to object to any request made under this Section 13.5 as unnecessary, unreasonable or inappropriate under the circumstances and to seek appropriate confidentiality protections for any information to be produced to Town. The Town shall have the right to inspect all books, records, maps, plans, and other like material which relate to the License at any time during normal business hours. Such records shall be available to Town at Licensee's offices in Maricopa County, Arizona or delivered electronically as may be appropriate. Licensee shall also require its employees, agents, and accountants to give their cooperation and assistance in connection with Town's access to such records.

13.6 Licensee shall relocate at no expense to the Town any Facilities or other encroachment installed or maintained in, on or under any public place or ROW, as may be necessary to facilitate any public purpose whenever directed to do so by Town. Such relocations shall be accomplished in accordance with the directions from Town and shall be pursuant to the same terms and conditions as the initial installation allowed pursuant to this License and any applicable issued permits. Within ninety (90) days after service of notice by the Town, Licensee shall remove the designated portions of the Facilities, or in the event that, by the nature of the removal such removal cannot be performed within the ninety-day period, Licensee shall take reasonable steps to remove the Facilities and diligently prosecute the removal to completion, and, if requested, restore the sidewalks and other ROW to a condition comparable to the condition before the construction of the public improvement at no cost and expense to the Town. Town agrees to cooperate with Licensee to identify alternate locations where available within the ROW.

13.7 This License does not convey the right to install any of Licensee's Facilities on private property.

13.8 Licensee shall comply with all applicable Federal and State of Arizona laws, as well as all Town ordinances, resolutions, rules, and regulations whenever adopted or established as they pertain to the exercise of the rights and duties under this License.

13.9 Licensee shall have no recourse against the Town or its officials, boards, commissions, agents or employees for any loss, costs, expense or damage arising out of any provision, requirement or enforcement of the License, or because of defects in issuing the License.

13.10 Licensee shall not be relieved of its obligation to comply with any of the provisions of this License by reason of any failure of the Town upon one or more occasions to insist upon or to seek compliance with any License terms and conditions.

13.11 The Town reserves every right and power which is required to be reserved or provided by any ordinance, and Licensee, by its acceptance of this License, agrees to be bound thereby and to comply with any action or requirements of the Town in its exercise of those rights or powers, whenever enacted or established. Neither the granting of this License nor any provision of it constitutes a waiver or bar to the exercise of any governmental right or power of the Town. No privilege or exemption is granted under this License except those specifically described.

13.12 The Parties understand and agree that the Town's administration of its Public Highways and the use of them by providers of telecommunications services must be administered on a competitively neutral and nondiscriminatory basis. Accordingly, the terms of any agreement with other similarly situated providers shall, taken as a whole, be competitively neutral and nondiscriminatory when compared to this License.

13.13 Licensee's representations and warranties made under this License or any permit issued hereunder shall survive termination or revocation.

13.14 Licensee's and its Contractor(s)' activities upon or about the ROW shall be subject to the following regarding any hazardous or toxic substances, waste or materials, or any substance now or hereafter subject to regulation under the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §§ 9601, *et. seq.* the Arizona Hazardous Waste Management Act, A.R.S. §§ 49-901, *et. seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901, *et. seq.* or the Toxic Substances Control Act, 15 U.S.C. § 2601, *et. seq.* or any other applicable federal, state, county or local law pertaining to hazardous substances, waste or toxic substances and their reporting requirements (collectively "Toxic Substances");

13.14.1 Licensee and/or its Contractor(s) shall not produce, dispose, transport, treat, use or store any Toxic Substances upon or about the ROW. The prohibitions of the preceding sentence only shall not apply to: (i) ordinary gasoline, diesel fuel or other fuels or lubricants necessary for ordinary use in motor vehicles and ordinary construction machinery permitted upon the ROW and any such materials shall be properly and lawfully contained in ordinary quantities in ordinary tanks and receptacles that are permanently installed in such vehicles and machinery, or small portable tanks that are being used for fueling permitted construction machinery, and (ii) electric backup batteries and other materials that may contain Toxic Substances that are commonly used in the provision of Telecommunications Services.

13.14.2 Licensee and/or its Contractor(s) shall dispose of any Toxic

Substances away from the ROW as required by law and as reasonably required by Town.

13.14.3 Licensee and/or its Contractor(s) shall not use the ROW in a manner inconsistent with regulations issued by the Arizona Department of Environmental Quality, or in a manner that would require a permit or approval from the Arizona Department of Environment Quality or any other governmental agency. The preceding sentence does not prohibit ordinary permits for control of dust during construction permitted by this License.

13.14.4 In addition to and without limitation of any other indemnities or obligations, Licensee shall pay, indemnify, defend and hold Town harmless against any loss or liability to the extent incurred by reason of any Toxic Substance on or affecting the portion of the ROW used that is attributable to or caused by Licensee, its Contractor(s) or anyone using the ROW under this License.

13.14.5 Licensee and/or its Contractor(s) shall promptly notify Town of any Toxic Substance at any time discovered or existing upon the ROW. Licensee is not responsible for Toxic Substances that may exist at the ROW if Licensee's Contractors and/or any other persons using the ROW under this License did not do any of the following: (i) participate in the Toxic Substance coming to the ROW, (ii) fail to promptly report any Toxic Substance to Town, or (iii) participate in spreading or otherwise disturbing the Toxic Material. Notwithstanding the above, Licensee shall not be responsible for any Toxic Substance previously existing in the ROW unless Licensee, Licensee's Contractors or any other persons using the ROW under this License were aware of the presence of the Toxic Material or should have been aware of it through the exercise of reasonable diligence, and then only to the extent Licensee's Contractors and/or any other persons using the ROW under this License exacerbate the effects of the Toxic Material or the difficulty or cost of dealing with the Toxic Material and (b).

13.14.6 Licensee understands the hazards presented to persons, property and the environment by dealing with Toxic Substances. Licensee acknowledges the possibility that the ROW may contain actual or presumed asbestos and other Toxic substances containing materials.

13.14.7 Within twenty-four (24) hours after any violation by Licensee and/or by its Contractor(s) of this License pertaining to Toxic Substances, Licensee shall give Town notice reporting such violation.

13.15 Town shall have the right, because of a public emergency, to sever, disrupt, remove, tear out, dig-up or otherwise damage and/or destroy Facilities of Licensee without any prior notice to Licensee, if the action is deemed necessary by the Town Manager. In such event, neither the Town nor any agent, Contractor or employee of Town shall be liable to Licensee, its Contractors or its customers or their parties for any harm so caused to them or the Facilities except due to gross negligence or willful misconduct of Town, its agent, Contractor or employee. When practical and if

possible, Town will consult with Licensee in advance to assess the necessity of such actions and to minimize to the extent practical under the circumstances damage to and disruption of operation of the Facilities. Town shall inform Licensee of any actions taken. Licensee shall be responsible for repair at its sole expense of any of its Facilities damaged pursuant to any such action taken by Town. As used in this Section, “public emergency” means any condition which, in the opinion of Town officials, poses an immediate threat to the lives or property of the citizens of Litchfield Park or others caused by any natural or man-made disaster, including but not limited to, storms, floods, fire, accidents, explosions, major water main breaks, hazardous material spills, etc.

13.16 Licensee shall pay any legally imposed and applicable Town, county and state transaction privilege and use tax. Such taxes are in addition to any non-tax amounts owed by Licensee pursuant to Paragraph 3.9.1. Licensee consents to the disclosure of any and all information reported on Licensee’s transaction privilege tax returns by authorizing and allowing the Town’s tax collector to release such information to the Town Manager. Nothing in this Section is intended to alter, modify, expand, or diminish in any way nor grant permission or acquiescence to otherwise increase or allow any special taxes or assessments to be imposed upon Licensee, unless the same are statutorily imposed on all similarly situated parties pursuant to applicable law.

13.17 It is mutually understood and agreed that this License shall be governed by the laws of the State of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this License or any provision thereof shall be instituted only in the courts located within Maricopa County, Arizona.

13.18 The issuance of a license, permit or other authorization by the Town is not a representation or warranty that such license, permit, or authorization is a legally sufficient substitute for a franchise, and is not a representation of warranty that a franchise is not required.

13.19 Licensee certifies that it is not currently engaged in, and agrees for the duration of this License that it will not engage in, a boycott of Israel, as that term is defined in A.R.S. § 35-393.

13.20 LICENSEE ACKNOWLEDGES AND AGREES THAT TOWN DOES NOT WARRANT THE CONDITION OR SAFETY OF ITS ROW OR THE PREMISES SURROUNDING THE SAME, AND LICENSEE HEREBY ASSUMES ALL RISKS OF ANY DAMAGE, INJURY OR LOSS OF ANY NATURE WHATSOEVER CAUSED BY OR IN CONNECTION WITH THE USE OF ANY TOWN ROW.

13.21 The indemnities of Licensee hereunder shall survive termination of this License.

13.22 Licensee acknowledges that this License is subject to cancellation by the Town pursuant to the provisions of A.R.S. § 38-511, provided that prior to taking any such action to cancel this License, the Town shall first provide Verizon with notice of the facts and circumstances giving rise to such a right of cancellation, and provide Verizon with an opportunity to implement a reasonable cure to address those facts and circumstances.

13.23 Licensee warrants that no person has been employed or retained to solicit or secure this License upon an agreement or understanding for a commission, percentage, brokerage, or

contingent fee; and that no member of the Town Council, or any employee of the Town has any interest, financially or otherwise, in this License. For breach or violation of this warranty, the Town shall have the right to revoke this License without liability.

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

13.25 This License will be governed by the laws of the State of Arizona. Any action at law, suit in equity or judicial proceeding for the enforcement of this License shall be instituted only in the courts located within Maricopa County, Arizona.

13.26 All notices, consent or other communications under this License shall be in writing and will be deemed given when either delivered in person, deposited in the United States mail postage prepaid, or deposited with any commercial air courier or express service and addressed as follows:

TO LICENSEE:

MCImetro Access Transmission Services Corp.
600 Hidden Ridge Dr.
HQE02E102
Irving, Texas 75038

With a copy to:

MCImetro Access Transmission Services Corp.
1320 N. Courthouse Rd., 9th Floor
Arlington, Virginia 22201
Attn: Network Counsel
Email: timothy.vogel@verizon.com

TO TOWN:

Town Manager
Town of Guadalupe
9241 S. Avenida Del Yaqui
Guadalupe, Arizona 85283

With a copy to:

Gust Rosenfeld, P.L.C.
Attn: Town of Guadalupe Attorney
One E. Washington St., Suite 1600
Phoenix, Arizona 85004

Notice shall be deemed received at the time it is personally served or, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) calendar days after the notice is deposited in the United States mail as above provided. Any time period stated in a notice shall be computed from the time the notice is deemed received unless noted otherwise. Any Party may change its mailing address or the person to receive notice by notifying the other party as provided in this Section.

13.27 This License is not intended to constitute, create, give rise to, or otherwise recognize a joint venture, agreement, or relationship, partnership, or formal business organization of any kind, and the rights and obligations of the Parties shall be only those expressly set forth. Licensee agrees that no persons engaged by Licensee are Town employees and that no rights of Civil Service, Retirement or Personnel rules accrue to such persons. Licensee shall have total responsibility for all salaries, wages, bonuses, retirement, withholdings, workmen's compensation, unemployment compensation, other benefits, and all related taxes and premiums concerning such persons, and shall save and hold the Town harmless with respect thereto.

13.28 This License, and the exhibits listed below that are either attached and/or on file at the Town and available for inspection, are incorporated by this reference, and constitute the entire agreement between the Town and the Licensee with respect to this License and supersede all prior negotiations, communications, discussions and correspondence, whether written or oral, concerning this License. No supplement, modification, waiver or amendment of any term of this License shall be binding or effective unless executed in writing by the Parties. No waiver of any provision of this License shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

13.29 Nothing in this License, whether express or implied, is intended to confer any right or remedies on any persons other than the Parties to this License and their respective successors and permitted assigns. Nothing in this License is intended to relieve or discharge any obligation or liability of any person who is not a Party to this License. No person who is not a party to this License has a right of subrogation or action over or against any Party to this License.

13.30 Unless otherwise provided, the terms and provisions of this License shall be construed in accordance with their usual and customary meanings. The Parties waive the application of any rule of law that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) drafted the License. The words "hereof", "herein," "hereunder" and similar terms in this License refer to this License as a whole and not to any particular provision of this License. All references to "Sections" refer to the sections and paragraphs of this License unless specifically stated otherwise. The section and other headings contained in this License are inserted for convenience of reference only, and they neither form a part of this License nor are they to be used in the construction or interpretation of this License.

13.32 Except as set forth in Section 3.1, if any covenant, condition, term or provision of this License is held to be illegal, invalid or unenforceable, the remainder of this License or the application of such covenant, condition, term or provision to persons or in circumstances other than those to which it is held invalid or unenforceable, shall not be affected.

13.32 Each of the Parties agrees to provide the other Party with any additional documents reasonably requested to fulfill the intent of this License.

13.33 The Parties agree that the Recitals are accurate and correct and are incorporated by this reference.

TOWN OF GUADALUPE

Valerie Molina, Mayor

ATTEST:

APPROVED AS TO FORM:

Jeff Kulaga
Town Manager/Clerk

David E. Ledyard, Esq.
FAITH, LEDYARD & FAITH, PLC
Town Attorneys

**MCIMETRO ACCESS TRANSMISSION SERVICES CORP.
D/B/A VERIZON ACCESS TRANSMISSION SERVICES**

[Name]
[Title]

Verizon Legal Approval

[Name]
[Title]

EXHIBIT A**INITIAL SYSTEM ROUTE MAP**

The System Route Map is confidential and proprietary and copy is on file with the Town Clerk.

EXHIBIT B

INSURANCE/BOND REQUIREMENTS

A. The Licensee shall procure and maintain for the duration of this License, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Licensee, or its employees in the amounts and types set forth below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles with a combined single limit for bodily injury and property damage of \$1,000,000.00 per accident. Coverage shall be written on Insurance Services Office (ISO) form or a substitute form providing equivalent liability coverage.

2. Commercial General Liability insurance with limits of \$1,000,000.00 each occurrence for bodily injury and property damage and, \$2,000,000.00 general aggregate including \$2,000,000.00 products-completed operations aggregate limit. Coverage shall be written on ISO occurrence form or a substitute form providing equivalent coverage and shall cover liability arising from premises-operations, independent contractors, products-completed operations, personal injury and advertising injury and contractual liability assumed under an insured contract. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse, or underground property damage. The Town shall be included as an additional insured as their interest may appear under this License under the Licensee's Commercial General Liability insurance policy with respect to the work performed under this License using ISO Additional Insured Endorsements or substitute endorsements providing equivalent coverage.

3. Professional Liability insurance with limits \$1,000,000.00 per claim and aggregate covering the negligent actions of the Licensee in the performance of professional services under this License.

4. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Arizona and Employer's Liability with a limit of \$1,000,000.00 each accident/disease/policy limit.

B. The insurance policies shall be primary insurance as respects the Town. Any insurance, self-insurance, or insurance pool coverage maintained by the Town shall be in excess of the Licensee's insurance and shall not contribute with it.

C. Upon receipt of notice from its insurer(s) The Licensee's shall use commercially reasonable efforts to provide the Town with thirty (30) days' prior written notice of Cancellation.

D. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A-/VII.

E. Verification of Coverage. Licensee shall furnish the Town with certificate of insurance and blanket additional insured endorsements evidencing the insurance requirements of

Licensee before commencement of the work.

F. Licensee shall have the right to self-insure any or all of the above-required insurance.

G. Licensee's maintenance of insurance as required by this License shall not be construed to limit the liability of Licensee to the coverage provided by such insurance, or otherwise limit the Town's recourse to any remedy to which the Town is otherwise entitled at law or in equity.

H. Performance Bond. Licensee shall file and maintain until completion of the initial Facilities, or for the installation of additional Facilities with a construction cost in excess of \$100,000.00, a performance bond in the favor of the Town in the sum of \$100,000.00 to guarantee Licensee's performance under this License. In case of a breach of any condition of this License, part or all of the performance bond may be forfeited to compensate the Town for any actual damages it may suffer by reason of such breach. The performance bond shall be acknowledged by Licensee as principal and shall be issued by a surety authorized to conduct business in the State of Arizona with an AM Best rating of A-/VII or better.

C2023-30
TOWN OF GUADALUPE
EMPLOYMENT AGREEMENT
TOWNMANAGER/CLERK

THIS AGREEMENT (this "Agreement") is executed by and between the Town of Guadalupe, an Arizona municipal corporation, (the "Town") and Mr. Jeff Kulaga ("Kulaga") as of November 9, 2023.

1. The Town wishes to reappoint Kulaga as Town Manager/Town Clerk and Kulaga is willing to accept continued employment in this combined position and perform such duties as are required.
2. Kulaga agrees to faithfully perform the functions and duties of the Town Manager/Town Clerk.
3. The Town shall extend the employment opportunity to Kulaga and offer the following salary, and other terms as follows:
 - (a) The annual salary of \$165,000 shall be paid in biweekly increments in accordance with the Towns normal payroll practices.
 - (b) This position is an exempt management position and Kulaga will use his best efforts to fulfill the duties of the Town Manager and Clerk.
 - (c) The Council recognizes Kulaga as the Chief Financial Officer, Zoning Administrator, Business License Administrator and Cemetery Administrator.
 - (d) Kulaga will receive all the normal benefits and opportunities afforded to a Guadalupe management level exempt employee.
 - (e) The Council is aware that Kulaga does attend twice annually the Arizona City Managers Association conferences and annually the Arizona Municipal Clerks' Association conference for professional development and training purposes at his own costs.
 - (f) The Council is aware that Kulaga occasionally is a guest lecturer, student mentor and/or speaker and may need to leave early or extend a lunch hour. Such activities are permitted so as not unnecessarily interfere with his duties at the Town.
 - (g) The Council is aware that Kulaga occasionally does engage in permitted outside employment so as not to interfere with his duties at the Town.
 - (h) In the event the Council should terminate this contract without cause, Kulaga shall be entitled to a lump sum, one-time payment of severance pay equal to his base pay for twelve months, accrued PTO time, deferred compensation, and paid holidays accrued during the twelve-month severance period, and the Town shall pay the cash equivalent of the twelve-month severance period for health insurance for Kulaga and all dependents, including life insurance.
 - (i) Council may terminate this contract at any time for cause including willful misconduct, fraud, corruption, moral turpitude, or refusal or failure to perform in breach of this agreement. In the event this agreement is terminated involuntarily for cause or Kulaga resigns, the Town will not have to pay a severance package.

- (j) The term of this agreement shall commence November 10, 2023, terminating on November 9, 2026. The term of this agreement may be extended upon mutual agreement of the parties.
- (k) In the event Kulaga wishes to resign, he will give the Town not less than thirty (30) days' notice.

This agreement serves as the formal employment agreement between the Town and Kulaga and is the full and complete agreement of the parties and will be treated as such.

- 1. A.R.S. §38-511 concerning conflict of interest applies to this agreement.
- 2. The parties agree to work together in good faith in the performance of this agreement.
- 3. In the event of a breach of this agreement, the nonbreaching party is entitled to their reasonable attorney fees and costs resulting from the breach.

DATED this 9th day of November 2023.

TOWN OF GUADALUPE

Valerie Molina, Mayor

Attest:

Jeff Kulaga
Town Manager / Clerk

Approved as to form:

Dave Ledyard
FAITH, LEDYARD & FAITH, PLC
Town Attorneys