



**PUBLIC NOTICE
THE ELOY CITY COUNCIL
Meets
MONDAY, FEBRUARY 11, 2019
6:00 PM
ELOY CITY COUNCIL CHAMBERS
628 NORTH MAIN STREET
ELOY, ARIZONA 85131
For a
REGULAR MEETING**

AGENDA

- I. Call to Order**
- II. Invocation**
- III. Pledge of Allegiance**
- IV. Roll Call**
- V. Communications**

VI. Appearances from the Floor

Those wishing to **ADDRESS THE CITY COUNCIL** may do so by signing in on a form provided by the City Clerk, identifying the topic(s) or agenda item(s). **ACTION** taken as a result of public comment regarding non agenda items will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date. **SPEAKERS SHALL BE LIMITED TO THREE (3) MINUTES.**

VII. Executive Session

Possible executive session for discussion/consultation for legal advice with the city attorney and/or city staff concerning any of the agenda items, pursuant to A.R.S. §38-431.03 (A) (3) and (4).

VIII. Consent Agenda

ALL ITEMS LISTED WITH AN ASTERISK(*) ARE CONSIDERED TO BE ROUTINE MATTERS AND WILL BE ENACTED BY ONE MOTION AND ONE ROLL CALL VOTE OF THE COUNCIL. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER SO REQUESTS, IN WHICH EVENT THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED IN ITS NORMAL SEQUENCE ON THE AGENDA.

*A. Approval of Minutes -1/28/19 (regular)

IX. Business: Possible Discussion and/or Action on the Following:

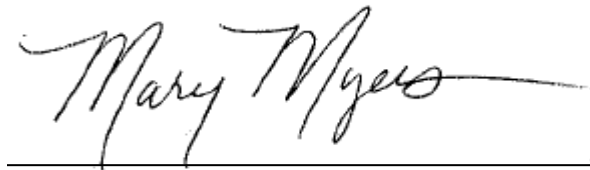
- A. Adoption of Ordinance No.: 19-884, approving a Development Agreement by, and between, Xpress Fuels (dba Krupalu Arizona, LLC) and the City of Eloy, Arizona, regarding reimbursement of public infrastructure required for the commercial development on a parcel of land in the City (APN:404-09-011D) on approximately 12 acres and generally located at the northeast corner of Toltec Road and Houser Road.

X. Informational Items

- A. January Financial Report
- B. January Check Register

XI. Adjournment

POSTED BY THURSDAY, FEBRUARY 7, 2019, BY 5:00 P.M. AT ELOY CITY HALL, ELOY POST OFFICE, TROY THOMAS COMMUNITY CENTER, TOLTEC COMMUNITY/SENIOR CENTER AND CITY WEBSITE: www.elayaz.gov

A handwritten signature in black ink, appearing to read "Mary Myers", is written over a horizontal line.

Mary Myers, CMC
City Clerk

INDIVIDUALS WITH SPECIAL ACCESSIBILITY NEEDS MAY CONTACT LORENA LaSALDE-RIOS, ADA COORDINATOR FOR THE CITY OF ELOY AT 520-466-9201 OR 520-466-7455 (TDD). IF POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE. ONE OR MORE MEMBERS OF THE COUNCIL AND/OR STAFF MAY PARTICIPATE BY TELEPHONIC OR VIDEO MEANS.

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
628 NORTH MAIN STREET
JANUARY 28, 2019
6:00 P.M.**

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Paul Anchondo-Community Services Director; Keith Brown-Public Works Director/City Engineer; Christopher Vasquez-Police Chief; Rus Ketcham-Library Director; Brian Wright-Finance Director; Sylvia Payne-HR Director; Roger Valdez-City Magistrate; Michelle Tarango-Police Lieutenant

I. CALL TO ORDER

Mayor Joel Belloc called the meeting to order at approximately 6:00 p.m.

II. INVOCATION

Invocation was given by Ms. Ashley Espinoza.

III. PLEDGE OF ALLEGIANCE

City Clerk, Mary Myers led Council and the public in the Pledge of Allegiance.

IV. ROLL CALL

Council Members Present: Mayor Joel Belloc; Vice Mayor Micah Powell; Councilmember George Reuter; Councilmember Andrew Rodriguez; Councilmember Dan Snyder; Councilmember Jose Garcia; Councilmember J.W. Tidwell

Council Members Absent: None

V. COMMUNICATIONS

1. Mayor Belloc recognized Justice of the Peace, Judge Brett Eisele, and City Magistrate, Judge Roger Valdez who were in the audience.

2. Councilmember Snyder gave a brief report on the following meetings he recently attended:
 - Pinal Partnership Breakfast Meeting - January 24th in Florence
 - Urban Land Institute Trends Day – January 25th in Phoenix
3. Mayor Belloc announced that several members of the Council will be attending the annual Legislative Day, February 4th in Phoenix. He asked Mrs. Myers to post a public notice about the upcoming event. Mrs. Myers informed Mayor Belloc that the notice has been posted and a city vehicle reserved for Council.
4. Vice Mayor Powell conveyed that Congressman Tom O'Halloran was an invited guest speaker at the annual Martin Luther King Day celebration last Monday. He said Congressman O'Halloran is the only politician that he is aware of who has come to this event and stayed to participate in the march. Vice Mayor Powell said he really appreciated Congressman O'Halloran doing this.

Vice Mayor Powell said he is getting complaints from residents about the weed growth in the city.

5. Councilmember Rodriguez said he's also received complaints about the weeds. He conveyed that he's notice some kind of white substance on the bricks of three of the new entrance signs. He asked staff to please look into this matter.
6. Councilmember Reuter thanked Mr. Krauss and Mr. Brown for working quickly to put in a four-way stop at Shedd and Tumbleweed Roads. He said there has been a number of accidents and excessive speeding in the area.

Vice Mayor Powell wanted to know when the stop signs were put in.

Councilmember Reuter said the signs will be installed in a couple of weeks.

7. Mr. Krauss announced the following communication to Council:
 - Council retreat, February 2nd at Robson Ranch, from 8 a.m. to 1:30 p.m.;
 - Airport Advisory Board met January 24th to discuss additional taxiways for t-hangars. The board directed him to explore the possibility of the city advancing the construction of the t-hangars rather than through private investment. There was also discussion about the proposal for an airport business plan that the board recommended pursuing.

VI. APPEARANCES FROM THE FLOOR

Ms. Cassandra Montijo – 213 E. 10th Street - Ms. Montijo, who represents the Eloy Santa Cruz Little League, asked Council if they would consider doing some repair work inside the concession stand (patching of holes and painting) at the park.

Mayor Belloc told Ms. Montijo that he will direct Mr. Krauss to look into the matter and report back to Council.

VII. EXECUTIVE SESSION

No executive session requested by Council or staff.

VIII. CONSENT AGENDA

- A. Approval of Minutes: 1/7/19 (special) & 1/14/19 (regular)
- B. Council authorize the Eloy Police Department to accept and expend the FFY 2018 Operation Stone Garden grant as specified by the Notice of Funding Award from the Arizona Department of Homeland Security.

Motion by Vice Mayor Powell, seconded by Councilmember Garcia to approve Consent Agenda items as presented, passed unanimously by roll call vote.

IX. BUSINESS

A. ACCEPTANCE THE FISCAL YEAR 2017-2018 COMPREHENSIVE ANNUAL FINANCIAL AUDIT AS COMPLETED BY HEINFELD, MEECH & CO. P.C.

Staff Cover Sheet Report: Council accept the Fiscal Year 2017-2018 Comprehensive Annual Financial Audit as completed by Heinfeld, Meech & Co. P.C.

The City's audit firm, Heinfeld, Meech & Co. P.C., has completed its annual audit of the City of Eloy financial statements for fiscal year ending June 30, 2018. Brittney Williams, with Heinfeld, Meech & Co., will present the annual audit and highlight any significant findings to the City Council.

This is the fifth year in which Heinfeld, Meech & Co. has audited the financial statements for the City of Eloy. The auditing staff was very professional and met all of the required timelines, which allowed the City to submit successfully the City's Comprehensive Annual Financial Report ending June 30, 2018 to the Government Finance Officers Association for consideration for the Award of Financial Reporting Achievement. If the City receives this award, it would be the sixth year in a row for this award.

In the management letter for the period ending June 30, 2018, our auditors noted two findings that if improved, would further strengthen the City's accounting system, control over its assets and compliance with laws or contracts. Those areas dealt with

reporting of federal awards and capital assets. A response letter, from staff, is provided in the packet on ways to improve the findings. City staff strives to resolve all recommendations made by the City's auditors with the goal of improving the City's internal controls over financial reporting and compliance matters.

FISCAL IMPACT: *No fiscal impact.*

Mr. Wright introduced Ms. Brittany Williams from Heinfeld, Meech & Co., P.C., who gave a PowerPoint presentation on the city's audit for fiscal year 2017-2018.

Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez to accept the fiscal year 2017-2018 Comprehensive Annual Financial Audit as completed by Heinfeld, Meech & Co., P.C., passed unanimously.

B. APPROVAL TO SPEND \$194,339.90 TO MIGRATE THE OLD CISCO COMPUTER AIDED DISPATCH/RECORDS MANAGEMENT SYSTEM SUPPORTED BY GLOBAL PUBLIC SAFETY TO THE NEXT GENERATION COMPUTER AIDED DISPATCH RECORDS/EVIDENCE MANAGEMENT SYSTEM, TAC-10, SUPPORTED BY GLOBAL PUBLIC SAFETY.

Staff Cover Sheet Report: *Council authorizes the Police Department to spend \$194,339.90 to migrate from the City's 22-year old CISCO computer aided dispatch/records management system supported by Global Public Safety to the next generation Computer Aided Dispatch Records/Evidence Management System, TAC-10, supported by Global Public Safety.*

The Police Department's current Cisco Computer Aided Dispatch and Records/Evidence Management system was put into service in 1996. In 2011, the Cisco product was purchased by Harris Computer Corporation and added a "Software for Life" provision to its business model under the Global Public Safety business unit. In staff's review and consideration of other options for this purchase, we were made aware of the "Software for Life" benefit and the cost savings we would receive by simply migrating to the latest iteration of the Global Public Safety (GPS) flagship product, TAC-10.

During discussions with GPS, we also learned that the twenty-two (22) years of data gathered in the Cisco product would be migrated to the TAC-10 product as part of the project. In discussion with other vendors, the topic of data conversion was short-lived due to the high cost of conversion between disparate systems.

As part of the "Software for Life" provision, the Department will receive credit (\$67,640) towards the purchase of the costs for the necessary licensing for use of the product. Along with the implementation of the TAC-10 system, the integration

includes Next Generation 911, NCIC/ACIC systems, GPS location services, integration with ADOT Tracs, automation of departmental forms, integration with RAIDS Online, and is fully NIBRS compliant. The purchase includes onsite and online training, system installation, data conversion, and onsite "Go Live" support.

The Department staff believes this migration is the most cost effective way to update the twenty-two (22) year old CAD system.

FISCAL IMPACT: *Funding for the Cisco to TAC-10 migration amount of \$194,339.90 was included within the FY2018-2019 budget for Capital Improvement Projects.*

Chief Vasquez gave a technical presentation on his department's request to upgrade its old CAD system. Chief Vasquez and Lieutenant Tarango fielded questions from Council about the system during the presentation.

Motion by Vice Mayor Powell, seconded by Councilmember Garcia to approve spending \$194,339.90 to migrate the old CISCO computer aided dispatch/records management system supported by Global Public Safety to the next generation Computer Aided Dispatch Records/Evidence Management System, TAC-10, supported by Global Public Safety, passed unanimously by roll call vote.

C. APPOINTMENT OF A SUBCOMMITTEE TO REVIEW AND EXPLORE POSSIBLE CITY SUPPORT FOR THE WORLD CUP SKYDIVING CHAMPIONSHIP AT THE ELOY MUNICIPAL AIRPORT.

Staff Cover Sheet Report: *Council consider appointment of a subcommittee to review and explore possible City support for the World Cup Skydiving Championship at the Eloy Municipal Airport.*

Skydive Arizona will be hosting skydive championship events at the Eloy Municipal Airport in the fall 2019. These events attract visitors from around the country and world to Eloy. In order to capitalize on the public exposure the City receives these events, a subcommittee of the Council wishes to explore how the City can interface and partner with Skydive Arizona for marketing the community.

FISCAL IMPACT: *No fiscal impact at this time.*

Vice Mayor Powell conveyed that he asked that this item be placed on tonight's agenda for discussion. He gave a brief overview on his and Councilmember Reuter's ideas for the committee.

Council discussed the following issues concerning creation of the committee:

- Purpose of the committee
- Who would serve on the committee (Council/citizens/businesses)
- Contributions provided by the city (in-kind services/money)
- Legal advice on adherence to open meeting laws and appointment of members
- Forming a local committee vs. a Council appointed committee
- Improving image of the city
- Inviting surrounding communities to be part of the event.

Vice Mayor Powell pointed out that he and Councilmember Reuter would co-chair the committee.

Mayor Belloc wanted to know who has promoted this event in the past.

Councilmember Reuter said Skydive Arizona has been the sole promoter of the event in the past because of their relationship with the city. He pointed out that it was he and Vice Mayor Powell who approached Skydive Arizona about the city being part of the world cup event. Councilmember Reuter said the relationship between Skydive and the Council has gotten better and sees this as an opportunity to rebrand the city.

Vice Mayor Powell said other communities have yearly events; he thought it would be good for the city to have an annual event instead of just the Fiestas to generate interest in the city.

Mayor Belloc was a little concerned that Skydive could possibly not want the city to be involved with the event.

Councilmember Reuter said there will be representatives from Skydive serving on the committee. He told Council that Skydive is totally receptive to anything the city can assist them with.

Councilmember Snyder asked Mr. Cooper should the city be concerned about promoting an event where the proceeds will go to a private business.

Mr. Cooper said it would depend on the level of support Council will give towards the event. He said the city is looking at the amount of tourism, lodging and sales tax that will be generated from this event.

Councilmember Snyder wanted to know whose event would this be; the city or Skydive.

Mr. Cooper said it is essentially Skydive Arizona's event. The city would be a partial sponsor just like the city's sponsorship of the Fiestas. The Council will have to decide what level of support the city wants to provide.

Councilmember Reuter stated Skydive does not host this event for financial reasons. This is literally a sports event that they host. He said the idea to be a part of this is to refresh the city's image, create more revenue and support a partnership with Skydive Arizona.

Vice Mayor Powell said the event would be Skydive's and the city would have activities outside the event such as an international parade, mayor's dinner, carnival, etc.

Mayor Belloc asked Mr. Cooper how Council should proceed setting up the committee.

Mr. Cooper gave the following suggestions:

- Council appoint people tonight to serve on the committee;
- Direct staff to plan an item on a future agenda to form a committee; advertise for applicants; and determine the size of committee.

Mr. Cooper reminded Council that the city has an airport advisory committee that they may want to consider to serve on the committee as well.

Vice Mayor Powell stressed the importance of creating the committee now, due to the event occurring in October.

Councilmember Garcia asked is the committee strictly for skydiving or will it be more of a sports and tourism committee.

Councilmember Reuter said for now, the committee will be used for the world cup event. The committee will not be large; it will consist of several councilmembers, few members from Skydive Arizona and the Chamber. He asked Mr. Cooper can the committee grow over time.

Mr. Cooper told Council they can appoint a subcommittee tonight if they want. Since time is of the essence, he said Council can consider two motions tonight; to consider the creation of a subcommittee for possible city support for the world skydiving championship in Eloy and that the committee consist of not less 7 nor more than 15 members. The second motion would be to appoint members from the Council and possibly the Chamber to serve on the committee. Mr. Cooper said Council would have the opportunity to appoint additional member at a future meeting, but in the meantime this will get the committee up and running.

Vice Mayor Powell said his thought was to have the first meeting February 4th.

Mayor Belloc recommended appointing a subcommittee and appointing two or three Councilmembers tonight. He said the committee can meet with Mr. Krauss and Mr. Cooper to discuss how many and who will be sitting on the committee, then bring back to Council for consideration. In the meantime the subcommittee can be meeting.

Councilmember Rodriguez stated the subcommittee will need to come up with a name.

Council discussed possible names for the subcommittee.

Councilmember Reuter said since the committee will be focusing on one event, he recommended the subcommittee be named "2019 World Cup Committee."

Mayor Belloc asked Mr. Cooper for his legal opinion.

Mr. Cooper said his understanding is that a motion would be entertained to create a subcommittee for the world cup skydiving championship and appoint Vice Mayor Powell and Councilmember Reuter to the committee. There would be another motion to direct staff to post a notice inviting people to apply to serve on the committee that would be brought back to Council for consideration.

At this time, Mayor Belloc called for a motion to create a subcommittee.

Motion by Councilmember Snyder, seconded by Councilmember Tidwell to appoint a subcommittee entitled, "World Cup Skydiving Championship" to evaluate the needs for a future committee to look into enhancing the city's visibility at the world cup event, passed unanimously.

Mayor Belloc called for a motion to appoint two members of Council to the subcommittee.

Motion by Councilmember Tidwell, seconded by Councilmember Snyder to appoint Vice Mayor Powell and Councilmember Reuter to the subcommittee, passed unanimously.

Mayor Belloc directed staff to post a notice on the city's website inviting people to apply to serve on the committee.

D. APPROVAL OF AN INTERGOVERNMENTAL AGREEMENT WITH PINAL COUNTY PROVIDING FOR THE CONSOLIDATED ADMINISTRATION AND OPERATION OF THE ELOY MUNICIPAL COURT AND THE ELOY JUSTICE COURT, AND ACCEPTING CITY OWNERSHIP OF THE JUSTICE COURT SITE AT 801 NORTH MAIN STREET IN ELOY,

ARIZONA PURSUANT TO A QUIT CLAIM DEED APPROVED BY PINAL COUNTY AS PART OF THIS IGA.

Staff Cover Sheet Report: *Council approve an Intergovernmental Agreement (IGA) with Pinal County providing for the consolidated administration and operation of the Eloy Municipal Court and the Eloy Justice Court, and accepting City ownership of the Justice Court site at 801 North Main Street in Eloy, Arizona pursuant to a quit claim deed approved by Pinal County as part of this IGA.*

As part of the redistricting of the Justice Court system, Pinal County is in the process of renovating the Central Pinal Justice Court within the City of Coolidge, and limiting its operations at the Eloy Justice Court. This redistricting, as well as the need for the City to renovate the existing Council Chambers to meet court standards generated the concept of consolidating the Eloy Municipal Court with the Eloy Justice Court.

Over the past few months staff has been in discussions with the County Manager and representatives of the Pinal County Justice Court regarding the consolidation of the Municipal Court with the Eloy Justice Court. The purpose of the consolidation is to reduce the future capital and operating costs for both courts. Based upon these discussions, City and County staffs have agreed upon the terms and conditions for the court consolidation.

Generally, the IGA provides for Pinal County to transfer its ownership interest in the real property at 801 N. Main Street to the City of Eloy pursuant to a quit claim deed approved by Pinal County as part of this IGA. City employees employed by the Eloy Municipal Court, except the Magistrate Judge, will be hired by the County at rates of pay equal to or greater than their current compensation, and the employees will be transferred to "non-competitive" positions with the transfer of continued years of service, with no new probationary period.

The initial term of the IGA will commence on March 24, 2019 through June 30, 2022, and will be automatically renewed for terms of two years, unless terminated by either party. During the initial term of the IGA, the operational costs of the consolidated court, i.e. utility costs, personnel costs, insurance, supplies, and phones, will be funded 65% by the County and 35% by the City. After the initial two-year term, the operational costs will be divided by the County and City based upon the total case filings within the consolidated court.

Each court will retain its separate, legal identity, and revenues generated by each Court will be separately accounted for. The Presiding Judge of the consolidated court will be responsible for the hiring, promotion, demotion, discipline and discharge of the non-judicial personnel in accordance with the Pinal County Merit System Rules and Policies.

The IGA also provides that the City will make space available for the County Attorney including victim's services, the Public Defender and Probation staff.

FISCAL IMPACT: *Based upon last fiscal year, Pinal County estimated that the total operational costs of the Eloy Justice Facility was \$26,669.07 (as provided below). Per the IGA, the City's annual operational costs, excluding personnel costs, would be approximately \$9,334.*

Annual Utility Cost
Electricity \$ 3,957.65
Water 774.30
Sewer 1,645.13
Refuse 776.99
TOTAL \$ 7,154.07

Annual Cost of Custodial Services and Supplies Cost:
Total = \$8,128.00

Annual Cost of maintenance Services and Materials:
Total = 11,387.00

Grand Total of Maintenance/Custodial and Utility Costs = \$26,669.07 (City Share - \$9,334.15)

<i>Employee</i>	<i>Salary</i>	<i>Benefits</i>	<i>Total</i>
<i>County Court Clerk #1</i>	<i>\$39,024.96</i>	<i>\$13,503</i>	<i>\$52,528</i>
<i>County Court Clerk #2</i>	<i>\$38,608.96</i>	<i>\$17,162</i>	<i>\$55,771</i>
<i>County Court Clerk #3</i>	<i>\$37,150.88</i>	<i>\$19,805</i>	<i>\$56,956</i>
<i>City Court Clerk #1</i>	<i>\$33,176</i>	<i>\$15,811</i>	<i>\$48,987*</i>
<i>City Court Clerk #2</i>	<i>\$34,877</i>	<i>\$28,789</i>	<i>\$62,816*</i>
<i>City Court Clerk #3</i>	<i>\$44,639</i>	<i>\$24,289</i>	<i>\$68,928*</i>

**Totals in salary for the City Court employees includes a 2.5% merit increase (budgeted for FY 2018/2019).*

Currently the City of Eloy pays 100% of the three court clerks salaries and benefits = \$180,731.

Adding the 3 County employees (\$165,255) plus the City's three employee (\$180,731) at 35% of the salaries and benefits will cost = \$121,095
This is a projected annual personnel savings of \$59,636

PTO payout savings:

If City employees were to continue employment with the City and reach their maximum accruals of 600 PTO hours & without any future increases in pay, they could be paid the following:

<i>City Court Clerk #1</i>	<i>\$9,010</i>
<i>City Court Clerk #2</i>	<i>\$10,061</i>
<i>City Court Clerk #3</i>	<i>\$12,877</i>

Currently the City Court staff utilize the time clock in Administration, which is being moved to the new City Hall and shared with Community Development. Once City Court staff moves into the new facility and if they remain City employees, the City must provide a time clock for City employees to clock in and out. This is an additional cost of over \$4,000 plus the annual fees.

Mr. Krauss gave an overview to Council of the proposed IGA with Pinal County that would merge the administrative staff from the city court and justice court together at the justice court building located at 801 N. Main Street in Eloy. Mr. Krauss said consolidation of the courts would reduce the city's cost in personnel and eliminate the costly need to remodel the existing court room at city hall to meet Arizona Supreme Court standards. Mr. Krauss said he considers this a win-win for Eloy and Pinal County.

Mr. Krauss fielded questions from Council about the IGA.

Mayor Belloc asked Judge Eisele if he would like to offer any comments.

Judge Eisele came forward and discussed the benefits to the city and Pinal County to consolidate the courts. He also explained how both courts would work in conjunction with each other. Judge Eisele applauded everyone who was involved in putting the IGA together. He said he see no downside to the agreement.

Judge Eisele and Judge Valdez answered questions from Council concerning:

- How both courts will keep cases and monies separate;
- Hiring/firing of administrative staff;
- Monitoring of court case loads;
- Cross training of staff;
- Serving as pro tem for each other in emergency situations; and
- Change in benefits and/or salary for existing city court staff.

Councilmember Tidwell wanted to know what staff plans to do with the city court room and office area once they move to the justice court building.

Mr. Krauss said a specific use has not been determined yet. Staff is in the process of negotiating with CORE Construction. He said staff will be bringing a contract and

concept plan for the entire building to Council at a future meeting for discussion and consideration.

Motion by Councilmember Snyder, seconded by Councilmember Rodriguez to approve an Intergovernmental Agreement with Pinal County providing for the consolidated administration and operation of the Eloy Municipal Court and the Eloy Justice Court, and accepting city ownership of the justice court site at 801 N. Main Street in Eloy, Arizona pursuant to a quit claim deed approved by Pinal County as part of the this IGA, passed unanimously by roll call vote.

X. INFORMATIONAL ITEMS

No items submitted.

XI. ADJOURNMENT

There being no further business, Mayor Belloc adjourned the meeting at approximately 8:02 p.m.

Joel G. Belloc, Mayor

ATTEST:

Mary Myers, City Clerk

CITY OF ELOY

REQUEST FOR COUNCIL ACTION

Agenda Item: **IX.A.**

Date: **02/11/2019**

Date submitted:
01/23/2019

Action: Ordinance

Subject: Adoption of Ordinance No.: 19-884, approving a Development Agreement by, and between, Xpress Fuels (dba Krupalu Arizona, LLC) and the City of Eloy, Arizona, regarding reimbursement of public infrastructure required for the commercial development on a parcel of land in the City (APN:404-09-011D) on approximately 12 acres and generally located at the northeast corner of Toltec Road and Houser Road.

Date requested:
02/11/2019

TO: Mayor and City Council

FROM: Jon Vlaming, Community Development Director

RECOMMENDATION:

Council adopt Ordinance No.: 19-884, approving a Development Agreement by and between Xpress Fuels (dba Krupalu Arizona, LLC) and the City of Eloy, Arizona, regarding reimbursement of public infrastructure required for the commercial development on a parcel of land in the City (APN:404-09-011D) on approximately 12 acres and generally located at the northeast corner of Toltec Road and Houser Road.

DISCUSSION:

Xpress intends to open a truck stop at the northeast corner of Toltec Road and Houser Road to serve its travelling customers on Interstate 10. The proposed project would include approximately 11,500 square feet of restaurant and convenience store space, an 11,200 square foot tire and lube facility, 24 gas and diesel fuel pumps, and a truck wash. The construction costs are estimated to be \$2.5 million dollars. The facility is expected to be operational in 2020.

Xpress will be constructing off-site improvements adjacent to the property, including public improvements and infrastructure that will benefit the City as well as Xpress Fuels. Xpress will dedicate a portion of the property as right-of-way for the public improvements that will be constructed and dedicated to the City. The City has agreed to

reimburse Xpress for a portion of the expenses incurred for public improvements that benefit the City, which are consistent with the City's general plan, zoning and other development regulations and standards. The City will benefit from these improvements and acknowledges that this business is an economic development activity that will assist in the creation of employment opportunities for City residents.

In addition, it will also generate tax revenues which benefit the City. The City has determined that providing reimbursements, over a period of ten (10) years is in the best interests of the City. As such, the City is authorized pursuant to A.R.S. §§ 9-500.05, 9-500.11 and the City Code to enter into such an agreement.

FISCAL IMPACT:

Staff contracted with Applied Economics to provide an economic analysis of the proposed development agreement to assess whether the tax incentives meet the intent and spirit of the State Statutes economic development requirements. Even though the analysis isn't required for direct reimbursement of public infrastructure, it is good public policy to complete this analysis.

The analysis concluded that the development of this property will generate approximately \$91,000 in annual sales tax revenue for the City, and over a ten year period this would generate \$571,000 in sales tax revenues after reimbursements, including \$73,000 of construction sales tax revenue which would not be subject to reimbursement. The exclusive source of reimbursement to the Owner will be one-half (50%) of the transaction privilege (sales) taxes generated from the Xpress Fuel sales for a period of ten (10) years or whenever the cost of the public improvements have been repaid in full, whichever event comes first. The cost of the public infrastructure identified for reimbursement is estimated at approximately \$778,000.

Approved as to Form:



Stephen R. Cooper, City Attorney

**ORDINANCE NO. 19-884
DEVELOPMENT AGREEMENT BETWEEN KRUPALU, LLC
(dba Express Fuels) AND THE CITY OF ELOY**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELOY, ARIZONA, ADOPTING ORDINANCE NUMBER 19-884 AND APPROVING THE DEVELOPMENT AGREEMENT BY AND BETWEEN KRUPALU, LLC (dba Express Fuels, LLC) AND THE CITY OF ELOY, ARIZONA ON APPROXIMATELY 12 ACRES LOCATED GENERALLY AT THE NORTHEAST CORNER OF HOUSER ROAD AND TOLTEC ROAD IN THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE 7 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

WHEREAS, Xpress Fuels, LLC is in the business of selling fast food snacks, candies, chips, drinks and sundries and gas, diesel fuel, diesel exhaust fluid, lube and tire services and truck wash services; and

WHEREAS, Xpress Fuels, LLC intends to open a truck stop on the northeast corner of Toltec Road and Houser Road in the City of Eloy, Arizona; and

WHEREAS, Xpress Fuels, LLC will be constructing improvements at the Property, including public improvements and infrastructure that will benefit the City and the state of Arizona; and

WHEREAS, in connection with the improvements, Xpress Fuels, LLC will dedicate a portion of the Property to the City; and

WHEREAS, the City has agreed to reimburse Xpress Fuels, LLC for a portion of the expenses incurred for public improvements that benefit the City; and

WHEREAS, the public improvements and the public improvement expenses are consistent with the City's general plan and zoning; and

WHEREAS, the City will benefit from the business and the public improvements; and

WHEREAS, the City believes that the business is an economic development activity that will assist in the creation of employment opportunities for City residents, will otherwise improve or enhance the economic welfare of the City and its residents and will generate tax revenues that will benefit the City; and

WHEREAS, the City has determined that providing reimbursements, as set forth

in a Development Agreement, is in the best interests of the City; and

WHEREAS, this Agreement is authorized pursuant to A.R.S. §§ 9–500.05, 9–500.11 and the City Code.

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

SECTION I: APPROVAL OF DEVELOPMENT AGREEMENT

That the Mayor and City Council of the City of Eloy, Arizona hereby approves a Development Agreement by and between the City of Eloy, Arizona, a municipal corporation of the State of Arizona and Krupalu, LLC (dba Xpress Fuels, LLC), an Arizona limited liability company.

SECTION II. SEVERABILITY

If any section, subdivision, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining provisions of the ordinance or parts thereof.

SECTION III. EFFECTIVE DATE

This Ordinance shall become effective as provided by law.

PASSED and ADOPTED by the City Council of the City of Eloy, Arizona, this 11th day of February, 2019.

JOEL G. BELLOC, Mayor

ATTEST:

APPROVED AS TO FORM:

MARY MYERS, City Clerk

STEPHEN R. COOPER, City Attorney

When recorded mail to:
Paul M. Levine, P.C.
8502 E. Via de Ventura, Suite 200
Scottsdale, Arizona 85258

Reimbursement and Development Agreement

This Reimbursement and Development Agreement (“Agreement”) is made and entered into this 11th day of February, 2019, by and between the City of Eloy, Arizona (the “City”), an Arizona municipality, and Krupalu Arizona, LLC, an Arizona limited liability company, dba Xpress Fuel (“Xpress”).

Recitals:

WHEREAS, Xpress is in the business of selling fast food snacks, candies, chips, drinks and sundries (“Inside Sales Products”), and gas, diesel fuel, diesel exhaust fluid (“DEF”), lube and tire services and truck wash services (“Outside Sales”); and

WHEREAS, Xpress intends to open an Xpress Truck Stop (the “Business”) on the northeast corner of Toltec Road and Houser Road in the City of Eloy, Arizona (the “Property”), as more specifically set forth on **Exhibit “A”**, attached hereto and incorporated herein by this reference; and

WHEREAS, Xpress will be constructing improvements at the Property, including public improvements and infrastructure (the “Public Improvements”) that will benefit the City and the state of Arizona; and

WHEREAS, in connection with the improvements, Xpress will dedicate a portion of the Property to the City; and

WHEREAS, the City has agreed to reimburse Xpress for a portion of the expenses incurred for public improvements (the “Public Improvement Expenses”) that benefit the City; and

WHEREAS, the Public Improvements and the Public Improvement Expenses are consistent with the City’s general plan and zoning; and

WHEREAS, the City will benefit from the Business and the Public Improvements; and

WHEREAS, the City believes that the Business is an economic development activity that will assist in the creation of employment opportunities for City residents, will otherwise improve or enhance the economic welfare of the City and its residents and will generate tax revenues that will benefit the City; and

WHEREAS, the City has determined that providing reimbursements, as set forth in this Agreement, is in the best interests of the City; and

WHEREAS, this Agreement is authorized pursuant to A.R.S. §§ 9–500.05, 9–500.11 and the City Code.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Xpress hereby agree as follows:

1. Recitals. The Recitals set forth above and the Exhibits referred to herein are incorporated herein by this reference.

2. Definitions.

A. Taxable Items. Taxable Items are defined as all Inside Sales Products, and Outside Sales of DEF and lube and tire and truck washing services which are sold by Xpress.

B. Public Improvements. Public Improvements are all those public improvements set forth on **Exhibit “B”**, attached hereto and incorporated herein by this reference.

C. Public Improvement Expenses. Public Improvement Expenses is defined as actual expenses for the public improvements as set forth on **Exhibit “B”**.

D. Reimbursement Expenses. Reimbursement Expenses are defined as actual Public Improvement Expenses set forth on **Exhibit “B” and for which documentation of the expense is provided to the City**.

E. Reimbursement Fund. Reimbursement Fund is defined as 50% of the retail sales tax paid to the City by Xpress from the sale of the Taxable Items.

F. Dedicated Real Property. Dedicated Real Property is set forth on **Exhibit “C”**, representing the real property and Public Improvements constructed and paid for by Xpress.

3. Payment of Reimbursement Expenses to Xpress. The City shall pay to Xpress from the Reimbursement Fund, as defined herein all of the Reimbursement Expenses, on a quarterly basis within thirty (30) calendar days after receipt of the sales taxes from the Arizona Department of Revenue, beginning after issuance of the certificate of occupancy for each building permit issued on the property and completion of the on-site and off-site improvements required for this project, and continuing until all of the Reimbursement Expenses are paid in full, each payment constituting a Reimbursement Payment. Notwithstanding the foregoing, the City’s obligation to pay Reimbursement Expenses shall terminate either when such applicable improvement expenses are repaid in full or on the ten (10)-year anniversary

of the first Reimbursement Payment to Xpress, whichever event shall occur first. Further, there is no obligation or requirement of the City to reimburse Xpress from the City's General Fund or other revenue sources during the term of this Agreement or after completion of the ten (10)-year anniversary of the first Reimbursement Payment.

4. Grant Deed to the City. In consideration of the City's payment of the Reimbursement Expenses to Xpress, as set forth above, Xpress shall fully execute and deliver to the City a Special Warranty Deed conveying the Dedicated Real Property to the City.

5. Rights Run With the Land. The rights established pursuant to this Agreement are not personal rights but attach to' and run with' the Property. Upon the Effective Date of this Agreement, Xpress and its successors are entitled to exercise the rights granted pursuant to this Agreement. Upon receipt by the City of a written assignment (or copy of a recorded Deed), Xpress shall be released from the obligations of this Agreement as to the Property held by a successor and shall be liable only for performance of the Xpress's obligations pursuant to this Agreement during the period of time, and for the portion of, the Property owned by Xpress.

6. Infrastructure Construction. Construction of the Public Improvements shall be performed in a workmanlike manner and in compliance with applicable federal, state and local laws and design standards. To the maximum extent practical, the prior dedication of any easements or rights-of-way shall not affect or proscribe the rights of Xpress to construct or cause the construction of the Public Improvements. The City acknowledges and agrees that the City, as necessary to implement construction of the Public Improvements, shall cooperate reasonably to accomplish the construction of the Business and the Public Improvements.

7. Dedication of Infrastructure. Upon completion of the installation and construction of the Public Improvements, and satisfactory inspection by the City or its representative(s), Xpress shall convey the completed Public Improvements to the City, lien and debt free and deliver "as built" plans to the City for such Public Improvements. The City shall own, operate, and maintain all dedicated Public Improvements following the City's acceptance thereof.

8. Default. Failure or unreasonable delay by either party to perform or otherwise act in accordance with any term or provision of this Agreement for ninety (90) calendar days after written notice thereof from the other party, shall constitute a default pursuant to this Agreement. Any notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured, if possible. In the event such default is not cured within ninety (90) calendar days, the non-defaulting party shall have all rights and remedies that are set forth in Section 9, "Dispute Resolution Remedies".

9. Dispute Resolution Remedies.

A. **Representatives.** To further the cooperation of the parties in implementing this Agreement, the City and Xpress shall designate and appoint a representative to act as a liaison between the City and its various departments and Xpress. The initial representative for the City (“City Representative”) shall be the City Manager and the initial representative for Xpress shall be Kishor Koladia. The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement and the development of the Property.

B. **Mediation.** If a dispute arises out of, or relates to, this Agreement, or the breach thereof, and if the dispute cannot be settled through the process set forth in Subsection A above, unless the parties otherwise agree, the parties mutually agree to endeavor to settle the dispute through mediation before resorting to arbitration provisions set forth in this Agreement. In the event the parties cannot agree upon the selection of a Mediator within seven (7) calendar days after a party makes a written request for mediation to the other party, either party may request the presiding Judge of the Superior Court of Pinal County to assign a Mediator from a list of Mediators maintained by the Arizona Municipal Risk Retention Pool. The labor and reimbursable costs of the Mediator shall be shared equally between the parties. The Mediator’s findings shall be non-binding unless otherwise stipulated by the parties.

C. **Arbitration.** In the event that there is a dispute which the parties cannot resolve between themselves, the parties agree that they shall submit the dispute for resolution through the American Arbitration Association. The parties shall be limited to the remedies and dispute resolution process set forth in this Section. Any dispute, controversy, claim, or cause of action arising out of or relating to this Agreement, shall be governed by Arizona law. The parties to this Agreement agree that any decision rendered by the Arbitrator shall be binding on such parties, and if any party does not abide by the decision rendered by the Arbitrator, the other party may institute an action for monetary damages on the issues that were the subject of the Arbitrator’s decision and/or other relief as may be permitted by law.

10. Notices. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be in writing and delivered personally or sent by United States mail in a postage prepaid envelope to the address provided herein or as may be changed in writing:

To the City:

City Manager
628 North Main Street
Eloy, Arizona 85321
520.466.9201
hkrauss@eloyaz.gov

With a Copy to: City of Eloy Community Development Department
Attn: Community Development Director
628 North Main Street
Eloy, Arizona 85321
520.466.9201
jvlaming@eloyaz.gov

To Xpress: Krupalu Arizona, LLC
Attn: Kishor Koladia
412 Emerald Trail Way
El Paso, Texas 79928
xpress.fuel@yahoo.com
915.526.2797

With a Copy to: Paul M. Levine, P.C.
Attn: Paul M. Levine, Esq.
8502 E. Via de Ventura, Suite 200
Scottsdale, Arizona 85258
plevine@mhlevine.com
www.mhlevine.com
Direct: (480) 302-4102

11. Waiver. No delay in exercising any right or remedy by any party to this Agreement shall constitute a waiver thereof. Waiver of any of the terms of this Agreement shall not be valid unless in writing and signed by the party alleged to have made a waiver. The failure of any party to enforce the provisions of this Agreement or require performance of any of the provisions shall not be construed as a waiver of such provisions or affect the right of the party to enforce all of the provisions of this Agreement. Waiver of any breach of this Agreement shall not be held to be a waiver of any other or subsequent breach thereof.

12. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

13. Choice of Forum/Venue. Any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal, Arizona, but only after exhausting all possible administrative remedies. Such a suit or action may be removed therefrom only upon the mutual agreement of the City and Xpress. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to another county.

14. Choice of Law. The laws of the State of Arizona shall be applied to the validity, performance and enforcement of all provisions of this Agreement.

15. Recordation. This Agreement shall be recorded with the Pinal County Recorder not later than ten (10) calendar days after execution of this Agreement.

16. Severability of Provisions. Each part, term and provision of this Agreement shall be considered severable and if, for any reason, any provision or provisions hereof are determined by a Court to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation or affect those portions of this Agreement which are valid. Said illegal or invalid part, term or provision shall not be deemed a part of this Agreement, notwithstanding any other provision of this Agreement to the contrary.

17. Conflict of Interest. This Agreement is subject to the provisions of A.R.S. § 38-511, but the parties do not believe that any reasons for cancellation of this Agreement pursuant to said statute now exist.

18. Additional Acts and Documents. Each party hereto agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of this Agreement. If any action or approval is required of any party in furtherance of the rights under this Agreement, such approval shall not be unreasonably withheld.

19. Amendments. No amendments are to be made to this Agreement except by written document executed by the City and Xpress. Within ten (10) calendar days after the execution of the amendment by both parties, the amendment shall be recorded with the Pinal County Recorder.

20. Attorney's Fees. In the event it becomes necessary for a party to this Agreement to employ legal counsel or to bring an action at law or other proceedings to enforce any of the terms, covenants or conditions of this Agreement, the successful party in any such action or proceeding may apply for attorney's fees pursuant to A.R.S. § 12-341.01. and expenses, including attorneys' fees and disbursements, incurred in connection with the prosecution or defense of such action.

21. Headings. The headings for the Sections of this Agreement are for convenience and reference purposes only and in no way define, limit or describe the scope or intent of said Section nor in any way affect this Agreement.

22. Entire Agreement. This Agreement, including all Exhibits incorporated herein by reference, supersedes any and all other prior or contemporaneous agreements, understandings, inducements, and conditions, express or implied, either oral or written, except as herein contained and no statement, promise or inducement made by either party or the agent of either party that is not contained in this written Agreement, with respect to the subject matter hereof, shall be valid or binding.

CITY OF ELOY, ARIZONA,
an Arizona municipality

By: _____

Its: _____

KRUPALU ARIZONA, LLC,
an Arizona limited liability company,

By: _____

Its: _____

Exhibit "A"
Location Map

**RIGHT-OF-WAY
LEGAL
DESCRIPTION**

A parcel of land as shown on the A.L.T.A. Survey filed as Fee No. 2009-105528 also being that certain parcel as described in a document entitled "Special Warranty Deed" filed as Fee No. 2009-031427 records of Pinal County, Arizona situated within a portion of the Southwest Quarter of Section 27, Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona, being more particularly described as follows:

COMMENCING at a calculated position known as the West Quarter corner of said Section 27 from which a calculated position known as the Southwest corner of said Section 27 thereof bear North $00^{\circ}43'45''$ West, 2678.85 feet;

Thence North $00^{\circ}43'45''$ West, 1136.95 feet along the west line of the Southwest Quarter of said Section 27;

Thence leaving said west line, North $89^{\circ}16'15''$ West, 40.00 feet to a line being 40.00 feet east of and parallel with the west line of the Southwest Quarter of said Section 27 being the **POINT OF BEGINNING**

Thence leaving said parallel line, South $89^{\circ}50'51''$ East, 15.00 feet to a line being 55.00 feet east of and parallel with the west line of the Southwest Quarter of said Section 27;

Thence South $00^{\circ}43'45''$ East, 237.24 feet along said parallel line to the south line of that parcel as shown on said A.L.T.A. survey;

Thence leaving said parallel line, North $89^{\circ}59'10''$ West, 15.00 feet along said south line to a line being 40.00 feet east of and parallel with the west line of the Southwest Quarter of said Section 27;

Thence North $00^{\circ}43'45''$ West, 237.28 feet along said parallel line to the **POINT OF BEGINNING**.

The above described parcel contains a computed area of 3559 sq. ft. (0.082 acres) more or less and being subject to any easements, restrictions, rights-of-way of record or otherwise.



The description shown hereon is not to be used to violate any subdivision regulation of the state, county and/or municipality or any land division restrictions.

Prepared by: HILGARTWILSON, LLC
2141 E. Highland Avenue, Suite 250
Phoenix, AZ 85016
Project No. 1820
Date: January 2019

January 24, 2019

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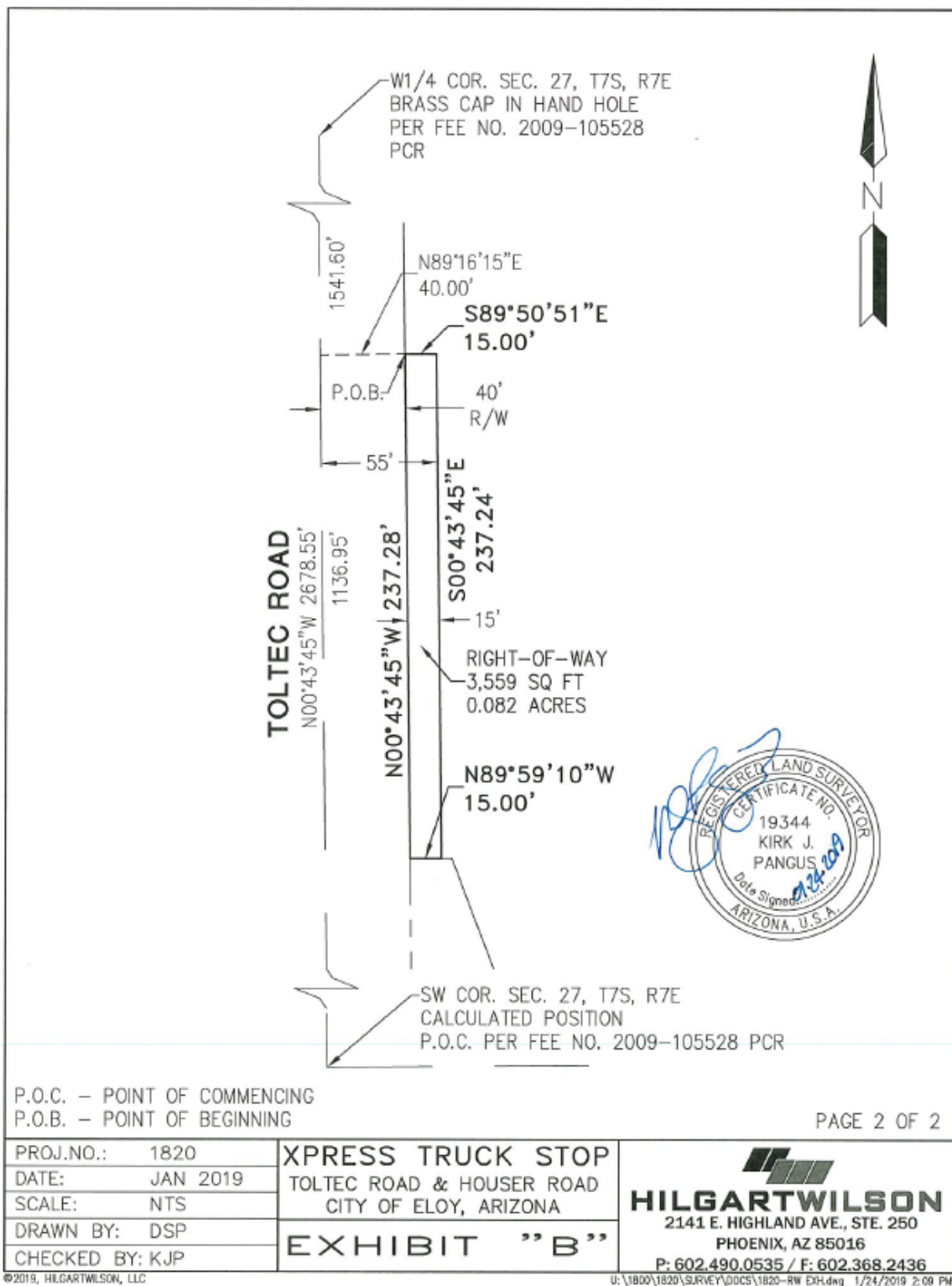
Exhibit "B"

Public Improvement Expenses

Project: 1820 - Xpress Truck Stop
 NEC of Toltec and Houser, Eloy, AZ
 Date: 1/24/19

Item #	Improvement Description	Quantity	Unit	Unit Price	Total Cost
	Dry Utilities				
1	Relocate Existing Light Pole	1	EA	\$1,500.00	\$1,500.00
2	Relocate Existing Utility Pole	1	EA	\$400,000.00	\$400,000.00
3	Relocate Existing Telephone Riser	1	EA		
4	Relocate Existing Fiber Optic Cabinet	3	EA		
5	Relocate Existing Electrical Panel	1	EA		
	Pavement				
6	Sawcut 2' Min - Remove Existing AC Pavement	60	SY	\$7.50	\$450.00
7	Install AC Pavement 5 on 12	687	SY	\$23.00	\$15,801.00
8	Install AC Pavement 2.5 on 8	132	SY	\$23.00	\$3,036.00
	Concrete				
9	Sawcut 2' Min - Remove Existing Concrete Pavement	586	SY	\$7.50	\$4,395.83
10	Pavement Striping	480	LF	\$10.00	\$4,800.00
11	Traffic Control	1	LS	\$15,000.00	\$15,000.00
	Curb and Gutter				
12	Remove Existing Curb & Gutter	262	LF	\$10.00	\$2,620.00
13	Construct Valley Gutter	85	LF	\$18.00	\$1,360.00
14	Construct 6" Single Curb	71	LF	\$18.00	\$1,136.00
15	Construct 6" Vertical Curb & Gutter	80	LF	\$18.00	\$1,280.00
	Utilities - Sewer				
16	8" Sewer Line	327	LF	\$45.00	\$14,715.00
18	Connect to Existing	1	EA	\$1,200.00	\$1,200.00
19	4' Diameter Sewer Manhole	1	EA	\$4,000.00	\$4,000.00
	Utilities - Water				
20	8" Water Line	38	LF	\$45.00	\$1,710.00
21	Relocate ARV	1	EA	\$2,500.00	\$2,500.00
22	Connect to Existing	2	EA	\$2,500.00	\$5,000.00
23	Relocate Existing Hydrant	1	EA	\$2,500.00	\$2,500.00
	Utilities - Storm				
22	Remove Existing Headwall	1	EA	\$5,000.00	\$5,000.00
23	Remove Existing Storm Drain Pipes	100	LF	\$25.00	\$2,500.00
23	Catch Basin MAG 530	1	EA	\$5,000.00	\$5,000.00
23	15" Storm Drain	14	LF	\$35.00	\$490.00
24	24" Storm Drain	368	LF	\$55.00	\$20,240.00
25	Install Headwall	4	EA	\$10,000.00	\$40,000.00
	Miscellaneous				
26	Relocate Existing Sign	3	EA	\$150.00	\$450.00
27	Pavement Striping	480	LF	\$10.00	\$4,800.00
28	Traffic Control	1	LS	\$15,000.00	\$15,000.00
SUBTOTAL					\$576,083.83
	Contractor Overhead and Profit (% of Subtotal)	1	LS	10.00%	\$57,608.38
	Soft Costs (% of Subtotal)	1	LS	15.00%	\$86,412.58
	Incidentals and Contingency (% of Subtotal)	1	LS	10.00%	\$57,608.38
TOTAL					\$777,713.18

Exhibit "C"
Dedicated Real Property





APPLIED ECONOMICS

February 3, 2019

Mr. Jeff Fairman
Economic Development Director
City of Eloy
1137 W. Houser
Eloy, AZ 85131

Dear Jeff,

Applied Economics has been contracted by the City of Eloy to perform an independent third party review of the proposed development agreement between the City and Krupalu Arizona, LLC (dba Xpress Fuel). The company is planning to construct a new truck stop in Eloy. The development agreement includes provisions for a sales tax incentive equal to 50 percent of taxes generated by sales of inside food and merchandise as well as lube, tire and truck washing services at the truck stop, up a maximum equal to the cost of public infrastructure or a term of ten years, whichever occurs first. The cost of public infrastructure improvements to be completed by the developer is estimated at \$778,000.

The proposed project would be located at the northeast corner of Toltec Road and Houser Road adjacent to Interstate 10. It would include approximately 11,500 square feet of restaurant and convenience store space, an 11,200 square foot tire and lube facility, 24 gas and diesel fuel pumps, and a truck wash. Hard construction costs are estimated at \$2.5 million. The facility is expected to be operational in 2020.

Per A.R.S. 9-500.11, it is required that any proposed tax incentive is anticipated to raise more revenues than the amount of the incentive within the duration of the agreement. We have reviewed all relevant assumptions regarding projected taxable activities by this new truck stop and prepared an analysis of the future revenue stream to the city over the next ten years. Based on our review, we believe that the project would generate a greater flow of sales tax revenues than the total amount of the reimbursement over ten years, although it is not likely that the maximum reimbursement amount will be reached within the allotted time period.

Beginning in 2020, the project could generate an estimated \$91,000 in annual sales tax revenues to the city during the incentive period, of which half would be reimbursed to the developer. This estimate assumes fast food sales would be taxed at the restaurant and bar rate, and food sales at the convenience store would be taxed as food for home consumption. All other sales would be taxed at the regular 3 percent rate. Over the ten year period, the city is projected to receive \$572,000 in sales tax revenues after reimbursements, including construction sales tax of approximately \$73,000 that would not be subject to reimbursement. The value of the reimbursement to the developer is estimated at \$499,000 over ten years. These estimates assume annual taxable sales starting at \$2.47 million in the first full year of operations and increasing at 2 percent per year.



APPLIED ECONOMICS

Mr. Jeff Fairman

Page 2 of 2

The second component of A.R.S. 9-500.11 requires that this development would not have occurred in the same time, place or manner in the absence of a tax incentive. Based on information provided by the developer, we believe that this project would not have occurred in the same place or manner without the incentive. This site is well-positioned for a truck stop in terms of visibility and the truck volume on I-10. However, the site will require an additional traffic lane, storm drain relocation and utility extensions that will benefit not only the truck stop, but also future development in the immediate area.

Additionally, A.R.S. 42-6010 requires that sales tax incentives offered to retail businesses be provided as reimbursement for public infrastructure dedicated to, and accepted and controlled upon completion of the project, by the city. The maximum reimbursement is stipulated as being equal to the cost of specific infrastructure improvements to be completed by the developer and dedicated to the City as part of the development agreement. All public improvements described above would meet the requirements of A.R.S. 42-6010, and the cost of such improvements form the basis for the reimbursement amount.

Based on our review, we believe that the agreement between the City of Eloy and Xpress Fuel meets the requirements of both A.R.S. 9-500.11 and A.R.S. 42-6010. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Sarah E. Murley
Principal

**City of Eloy
January 2019
Financial Report**

The General Fund has collected \$7,234,217 while expending \$6,208,054 through January 31, 2019. This is a positive variance in the General Fund of \$1,026,163 or 14.18%. This positive variance is primarily due from employee vacancies, conservative spending and above average collections in several revenue categories.

Year-to-date, the City has received \$3,163,974 in City Sales Tax which is above the forecast by \$207,273.67. In January, the City received \$467,380 in local taxes. This collection is below than the monthly forecast of \$484,705. Staff will monitor the collection of local taxes and report any deficiencies to the City Manager.

All departmental budgets in the General Fund are below the 58.33% target, except for the City Council budget. Departments are spending within the confines of the adopted budget. ***Please note that the figures below are preliminary. Figures below are subject to change during the month end closing.***

**AS OF JANUARY 31, 2019
58.33% OF BUDGET**

Revenue	YTD Actual	Budget	% Received
Taxes	\$ 3,443,290	\$ 6,522,270	52.8%
Franchise Fee's	\$ 116,364	\$ 146,900	79.2%
License and Permits	\$ 183,673	\$ 322,750	56.9%
Charges for Services	\$ 40,101	\$ 50,000	80.2%
Intergov. Revenue	\$ 2,956,885	\$ 4,947,395	59.8%
CCA Pass Thru	\$ -	\$ 567,000	0.0%
Miscellaneous Revenue	\$ 493,906	\$ 559,600	88.3%
Fund Balance	\$ -	\$ 7,689,990	0.0%
Total Revenues	\$ 7,234,217	\$20,805,905	34.8%

Expenditures	YTD Actual	Budget	% Expended
City Council	\$ 124,171	\$ 183,630	67.6%
Human Resources	\$ 116,407	\$ 235,055	49.5%
G.I.S.	\$ 66,573	\$ 137,765	48.3%
Animal Control	\$ 94,455	\$ 178,640	52.9%
City Clerk	\$ 179,081	\$ 370,730	48.3%
Magistrate	\$ 240,534	\$ 435,025	55.3%
City Manager	\$ 95,027	\$ 283,550	33.5%
Finance	\$ 449,913	\$ 822,395	54.7%
Legal	\$ 60,058	\$ 154,845	38.8%
Comm. Develop	\$ 231,675	\$ 737,750	31.4%
Park Maint	\$ 211,786	\$ 465,880	45.5%
Recreation Programs	\$ 285,185	\$ 638,490	44.7%
Library	\$ 178,684	\$ 325,995	54.8%
Comm. Service Admin	\$ 233,037	\$ 412,065	56.6%
Police Admin.	\$ 655,406	\$ 1,194,460	54.9%
Field Operations	\$ 1,653,093	\$ 3,298,415	50.1%
Vehicle Maint	\$ 133,726	\$ 247,145	54.1%
Facility Maint	\$ 149,238	\$ 368,125	40.5%
P. W. Admin	\$ 126,343	\$ 245,615	51.4%
Transfers	\$ 486,486	\$ 6,739,990	7.2%
Debt	\$ -	\$ 386,600	0.0%
Contingency/Robson	\$ 437,178	\$ 1,178,740	37.1%
Total Expenditures	\$ 6,208,054	\$19,040,905	32.6%

In the Special Revenue Funds, all funds are reporting a positive variance through January 2019.

**SPECIAL REVENUE FUNDS
AS OF JANUARY 31, 2019
58.33% OF BUDGET**

	HURF	Streets One-Time	Capital Project	Economic/ Community Dev	Cemetery	Airport
Year to Date Revenues	\$ 1,144,641	\$ 239,612	\$ 486,486	\$ 122,582	\$ 59,949	\$ 80,968
Budget 2018-2019	\$ 3,300,725	\$ 286,500	\$1,377,000	\$ 620,750	\$ 86,000	\$ 166,725
Unearned	\$ 2,156,084	\$ 46,888	\$ 890,514	\$ 498,168	\$ 26,051	\$ 85,757
Percent received to date	34.7%	83.6%	35.3%	19.7%	69.7%	48.6%
Year to Date Expenditures	\$ 717,098	\$ -	\$ 62,492	\$ -	\$ 30,435	\$ 45,227
Budget 2018-2019	\$ 3,300,725	\$ 286,500	\$1,377,000	\$ 620,750	\$ 86,000	\$ 166,725
Unexpended	\$ 2,583,627	\$ 286,500	\$1,314,508	\$ 620,750	\$ 55,565	\$ 121,498
Percent expended to date	21.7%	0.0%	4.5%	0.0%	35.4%	27.1%
Variance	\$ 427,543	\$ 239,612	\$ 423,993	\$ 122,582	\$ 29,514	\$ 35,741

The Enterprise Funds are comprised of the Water, Sewer and Sanitation Funds. As of the end of January 2019, all enterprise funds are reporting a positive variance. In the Water Fund, water sales for December were \$194,021 compared to \$168,871 in the year prior. In the Sewer Fund, sewer sales for December were \$111,478 compared to \$116,187 in the year prior. ***Please note that the figures below are preliminary. Figures below are subject to change during the month end closing.***

**ENTERPRISE FUNDS FINANCIAL OUTLOOK
AS OF JANUARY 31, 2019
58.33% OF BUDGET**

	Water	Sewer	Sanitation
Year to Date Revenues	\$ 1,515,175	\$ 794,438	\$ 880,210
Budget 2018-2019	\$ 2,487,290	\$ 1,382,445	\$1,471,560
Unearned	\$ 972,115	\$ 588,007	\$ 591,350
Percent received to date	60.9%	57.5%	59.8%
Year to Date Expenditures	\$ 1,141,553	\$ 283,301	\$ 789,521
Budget 2018-2019	\$ 2,487,290	\$ 1,382,445	\$1,471,560
Unexpended	\$ 1,345,737	\$ 1,099,144	\$ 682,039
Percent expended to date	45.9%	20.5%	53.7%
Variance	\$ 373,622	\$ 511,138	\$ 90,689

Report Criteria:
Report type: Summary
Check.Voided = {<>} Yes

Payee	Secondary Name	Check Number	Amount
RUIZ FRANCISCO JR		553493	7.76
THOMPSON SAFE, LOCK & KEY, INC		553634	8.74
BURNSIDE THOMAS		553557	10.13
WONSEY DONALD R & SALLY		553522	21.20
VASQUEZ CHRISTAPHER		553641	23.25
J & G CAVU LLC DBA BATTERIES + BULBS	BATTERIES + BULBS CASA GRANDE	553604	23.98
FREDERICK, MICHAEL		553589	24.00
FEDEX		553447	25.62
ARIZONA GLOVE & SAFETY, INC.		553542	30.53
LANGUAGE LINE SERVICES, INC.		553608	32.70
FLORES GILBERT T		553588	34.80
CHAGOYA LESLIE		553571	37.66
BENJAMIN D QUALLS DBA ABIDING IMPRESSION	ABIDING IMPRESSION T SHIRTS & MORE	553548	38.75
A.C. SANITATION SERVICE, LLC		553406	40.00
ELECTRONIC FUNDS SOURCE LLC	TCH LLC, T-CHEK, EFS LLC	553585	40.50
UPS		553638	40.63
VERMEIRE GERARD & CAROL		553516	41.34
MONTIJO JUANITA		553612	41.66
HOUSEHOLDER SARAH		553464	41.95
HRDIRECT	HRDIRECT	553598	43.95
A.C. SANITATION SERVICE, LLC		553530	45.00
BILL HARRISON DBA	DJ & B TOOLS (MAC TOOLS)	553549	48.47
BLUE BEACON INTERNATIONAL, INC.		553420	51.00
COOPER JR GARY M		553576	51.76
RODRIGUEZ YVETTE		553492	52.00
WILCOX TRICIA		553528	52.00
Arizona Department of Corrections-ITA	ASPC-FLORENCE INMATE LABOR	553413	54.00

Payee	Secondary Name	Check Number	Amount
IBARRA, JOSUE	DBA R.I.P. PEST CONTROL	553466	60.00
MYERS TIRE SUPPLY DIST. INC.		553613	63.61
WRIGHT, BARBARA J		553523	65.00
CHRIS ALLEN DBA LNC AUTO ALIGNMENT	LNC AUTO ALIGNMENT	553573	65.00
PAYNE, SYLVIA		553525	67.50
OFFICE DEPOT, INC.		553483	69.93
GONZALEZ BRANDON		553458	70.00
K & S SPORTS PROMOTIONS, INC.		553469	70.98
WATCH SYSTEMS, LLC	OFFENDER WATCH	553519	71.00
PINAL COUNTY TREASURER		553485	72.36
CHARLES ANTHONY DBA	CHARLIE'S AUTO ELECTRIC	553572	75.00
GALAVIZ & RODRIGUEZ FAMILY LLC	WESTERN AUTO	553452	75.41
HOMOL KELLY		553463	75.86
O'REILLY AUTOMOTIVE STORE, INC.		553617	75.88
GALE/CENGAGE LEARNING		553591	76.14
MERLE'S AUTOMOTIVE SUPPLY		553610	78.25
SOUTHWEST MOBILE STORAGE INC.		553500	81.45
N & D DESIGNS, LLC		553614	81.90
DIRECTV		553437	84.99
DOMINGUEZ LOZADA JOSE FERNANDO		553583	85.48
DIRECTV		553581	89.24
DAVIS ROGER DBA AZ DEPENDABLE	AZ DEPENDABLE AUTO SALES	553436	90.00
ARIZONA DEPT OF ENVIRONMENTAL QUALITY		553414	92.79
CASA GRANDE PUMPING SERVICE, INC.		553561	95.00
JANET'S FLOWER SHOP		553605	98.67
NALEO	ATTN: MEMBERSHIP	553478	100.00
ADT SECURITY SERVICES		553533	103.98
CENTURYLINK		553428	113.27
SHRED-IT USA		553497	114.90
HRMC MANAGEMENT LLC	YIWEN KRUS	553599	118.96
Arizona Department of Corrections-ITA	ASPC-FLORENCE INMATE LABOR	553540	126.00

Payee	Secondary Name	Check Number	Amount
VIDOUDEZ DANIEL		553643	127.70
SPARKLETTS, INC.		553631	128.53
C-A-L STORES COMPANIES INC. DBA	C-A-L RANCH STORES	553558	132.07
ARIZONA WATER COMPANY		553417	135.11
MOBILE MINI, INC.		553474	136.65
VULCAN MATERIALS COMPANY, INC.	WESTERN DIVISION	553644	142.01
LOPEZ JOHNNY DBA	ON THE SPOT PRODUCTIONS	553470	150.00
U.S. BANK	CM-9703	553508	152.84
ZAMORANO ALBA	VELASCO GABRIELA	553648	153.89
COAST TO COAST COMPUTER PRODUCTS INC.		553574	154.19
CASA GRANDE RENT A CAN		553424	163.80
CONTRERAS MARIA G		553575	164.87
INDUSTRIAL HOSE REPAIR, LLC		553602	166.55
CASA GRANDE VALLEY NEWSPAPERS, INC.		553563	174.00
N & D DESIGNS, LLC		553477	181.27
ADECCO EMPLOYMENT SERVICES, INC.		553649	200.04
JOHNNY'S TOWING & AUTO REPAIR		553467	204.00
C-A-L STORES COMPANIES INC. DBA	C-A-L RANCH STORES	553422	208.43
RCCM FOODTOWN		553489	209.38
SKAGGS COMPANIES, INC.		553628	215.02
ADT SECURITY SERVICES		553534	215.50
CERTIFIED LABORATORIES, INC.		553570	219.30
ACE HARDWARE INC.		553531	223.57
USA BLUEBOOK		553639	230.04
HIMMELFARB, DYLAN	DBA MATCO TOOLS	553595	242.39
CASA GRANDE RENT A CAN		553562	245.70
ARIZONA CITY SANITARY DISTRICT		553539	250.00
HASA INC.		553594	252.58
SOUTHWEST TIRE SUPPLY INC.		553501	264.48
GRAINGER, INC.		553459	279.08
O'REILLY AUTOMOTIVE STORE, INC.		553484	279.28

Payee	Secondary Name	Check Number	Amount
IIMC		553601	280.00
JOHNSON CONTROLS SECURITY SOLUTIONS LLC		553607	283.91
AZ. DEPT. OF ECONOMIC SECURITY	UNEMPLOYMENT TAX	553546	283.95
CENTRAL ARIZONA SUPPLY, INC.		553567	289.66
BROWN KEITH		553554	300.00
MOTOR AUTOMOTIVE INFORMATION	MIKE CALLAHAN	553475	315.94
MID-AMERICAN RESEARCH CHEMICAL CORP.		553472	319.60
FREIGHTLINER OF ARIZONA LLC	DEPT #880097	553590	322.59
CORPORATE BILLINGS, LLC	EARNHARDT DODGE	553650	328.79
NEWT FOGAL SALES CO. INC.		553615	330.14
THIRD N SIX LLC DBA	NORRIS POOL & SPA	553633	336.34
RWC INTERNATIONAL LTD INC.		553626	340.59
MOBILE MINI, INC.		553611	355.07
UNITED RENTALS		553512	372.38
UNIFIRST CORPORATION		553636	373.62
PUBLIC SAFETY GROUP		553527	375.00
RUIZ, RAMON		553624	375.00
POLICE RECORDS & INFO. MGMT. GROUP DBA	PRI MANAGEMENT GROUP	553487	385.00
CASA GRANDE ANIMAL HOSP. INC.		553560	385.00
APS		553537	412.34
ULINE, INC.	ATTN: ACCTS RECEIVABLE	553510	423.09
HANK P. LOHR DBA	HANKS LANDSCAPING	553460	450.00
CONSOLIDATED ELECTRICAL DISTRIBUTORS		553432	450.19
THOMSON REUTERS- WEST	PAYMENT CENTER	553635	468.36
RUSH AIR CONDITIONING &REFRIGERATION LLC		553625	473.00
CAPITAL PUMP & EQUIPMENT LLC		553559	478.54
RUSH AIR CONDITIONING &REFRIGERATION LLC		553495	496.00
APD POWER CENTER, INC.		553535	499.38
IBARRA, JOSUE	DBA R.I.P. PEST CONTROL	553600	500.00
WATSON CHEVROLET, INC.	GM PARTS CENTER	553520	509.32
GONZALES RAMON		553457	525.00

Payee	Secondary Name	Check Number	Amount
WAXIE'S ENTERPRISES, INC.		553521	529.72
AUTO SAFETY HOUSE LLC		553545	529.89
ADECCO EMPLOYMENT SERVICES, INC.		553407	541.36
WAXIE'S ENTERPRISES, INC.		553646	544.70
GLENN JONES FORD LINCOLN MERCU, LLLP	JONES AUTO CENTERS LLC	553592	555.08
GALLS, LLC		553453	579.64
GLENN JONES FORD LINCOLN MERCU, LLLP	JONES AUTO CENTERS LLC	553456	586.66
SOUTHWEST GAS CORPORATION		553630	589.81
HASA INC.		553461	610.40
ARIZONA WATERWORKS SUPPLY INC		553418	612.35
ARIZONA OFFICE TECHNOLOGIES		553543	619.53
APS		553411	646.06
NORTH, BEN W		553482	669.50
STAPLES CREDIT PLAN	DEPT. 11-0004101168	553632	669.50
NORRIS MANAGEMENT		553480	700.00
BROWN & ASSOCIATES CERTIFIED	INSPECTION SERVICES, INC.	553553	720.00
UNITED SOUTHWEST PROPERTIES, LLC		553513	725.00
AZTEC TIRES, INC.		553419	745.00
AREDONDO MYRNA		553412	750.00
BRETT ALAN CARLSON DBA GRINS2GO	CARLSON PRODUCTIONS LLC DBA GRINS2GO	553552	750.00
SENERGY PETROLEUM INC.		553496	750.66
BROWN'S AUTO BODY		553555	767.30
SYMBOLARTS, LLC		553504	785.00
VASQUEZ CHRIS		553515	800.00
ARIZONA BLUE STAKE, INC.		553538	811.64
PITNEY BOWES PURCHASE POWER		553486	823.11
NORRIS MANAGEMENT		553481	825.00
HOME DEPOT CREDIT SERVICES		553597	829.05
UNIFIRST CORPORATION		553511	880.17
FX TACTICAL LLC		553451	889.07
QUILL CORPORATION		553488	907.86

Payee	Secondary Name	Check Number	Amount
ANIMAL CARE EQUIPMENT & SERVICES LLC		553409	910.56
FERGUSON ENTERPRISES INC.		553587	955.54
BLUE 360 MEDIA LLC		553551	972.90
CASA GRANDE ANIMAL HOSP. INC.		553423	984.34
OFFICE DEPOT, INC.		553616	990.41
HOHP		553596	1,000.00
AZTEC EMBROIDERY, SCREENPRINTING	& PROMOTIONAL PRODUCTS	553547	1,031.43
JOHNNY'S TOWING & AUTO REPAIR		553606	1,070.72
LAWSON PRODUCTS, INC.		553609	1,119.29
PFM ASSET MANAGEMENT LLC		553526	1,181.09
SENERGY PETROLEUM INC.		553627	1,185.40
MOTOROLA SOLUTIONS, INC.		553476	1,194.24
RICK,COLLAR & WAGONER ENGINEERING INC.	RICK ENGINEERING COMPANY - ARIZONA	553490	1,217.50
FERGUSON ENTERPRISES INC.		553448	1,230.20
ARIZONA DEPT OF ENVIRONMENTAL QUALITY		553541	1,250.00
TESTAMERICA LABORATORIES INC.		553506	1,274.70
ARIZONA STATE UNIVERSITY	BOB RAMSEY EXECUTIVE EDUCATION	553544	1,300.00
SPARKLETTS, INC.		553502	1,315.73
HR FOUNDATIONS AZ, LLC	HEIDI J KOLTON DBA HR FOUNDATI, LL	553465	1,331.25
CIMACO FLOOR SERVICE INC		553429	1,375.00
MILLER HARDWARE COMPANY		553473	1,377.40
CENTURYLINK	BUSINESS SERVICES	553569	1,446.24
WALMART COMMUNITY/GEGRB		553645	1,451.54
CASA GRANDE VALLEY NEWSPAPERS, INC.		553425	1,464.25
VERIZON WIRELESS		553642	1,477.62
GOODYEAR DBA	WINGFOOT COMMERCIAL TIRE SYSTEMS	553593	1,485.88
NATIONAL LEAGUE OF CITIES		553479	1,489.00
ARIZONA PUBLIC SERVICE COMPANY		553415	1,509.80
ENVIRONMENTAL CONSULTING SERVICES INC		553445	1,530.00
ADECCO EMPLOYMENT SERVICES, INC.		553532	1,533.64
K & C Automation, LLC	Christopher H Opsahl	553468	1,600.00

Payee	Secondary Name	Check Number	Amount
WALMART COMMUNITY/GEGRB		553518	1,654.76
SHUMS CODA ASSOCIATES, INC.		553498	1,668.75
BRUCE BRANDON ALTON DBA BBAR ENTERPRISE	BBAR ENTERPRISES LLC	553421	1,750.00
SYSTEM GRAPHICS, INC.	ADVANCED INFO SYSTEMS	553505	1,789.39
CENTURYLINK		553568	1,820.51
HELENA CHEMICAL COMPANY, INC.		553462	1,905.93
PITNEY BOWES PURCHASE POWER		553622	2,147.01
ELECTRICAL DISTRICT NO. 4		553440	2,252.85
SKAGGS COMPANIES, INC.		553499	2,275.12
BLANK STUDIO ARCHITECTURE LLC	BLANK STUDIO DESIGN + ARCHITECTURE	553550	2,574.69
UNITED RENTALS		553637	2,683.37
COE & VAN LOO CONSULTANTS, INC.		553431	2,696.00
CUSTOM AIR SOLUTIONS	DMG CAS DBA CUSTOM AIR SOLUTIONS	553578	2,698.00
TETRA TECH BAS, INC.		553507	2,764.93
DLT SOLUTIONS LLC		553582	2,820.31
PBF MANUFACTURING CO., INC.		553618	2,904.00
E.D.S.C.I.		553438	3,000.00
FIBAIRE COMMUNICATIONS, LLC DBA AIREBEAM	AIREBEAM	553524	3,000.00
VULCAN MATERIALS COMPANY, INC.	WESTERN DIVISION	553517	3,025.98
GCR TIRE CENTER LLC		553455	3,066.24
VALENTINE ENVIRONMENTAL ENGINEERS		553640	3,362.00
EDUCATIONAL SERVICES INC. C/O ACCT DEPT		553439	3,524.90
CDW GOVERNMENT, INC.		553565	3,564.29
CENTERLINE SUPPLY WEST, INC.		553427	3,600.09
CENTERLINE SUPPLY WEST, INC.		553566	3,804.36
EMPIRE SOUTHWEST, LLC		553444	3,934.00
DANA KEPNER COMPANY, INC.		553580	4,090.45
IWORQ SYSTEMS, INC.		553603	4,200.00
ROBSON RANCH BANQUET		553623	4,495.50
DANA KEPNER COMPANY, INC.		553435	4,589.71
RURAL WATER ASSOC. OF AZ	ATT:MICHELE LOCKE	553494	4,850.00

Payee	Secondary Name	Check Number	Amount
ELECTRONIC FUNDS SOURCE LLC	TCH LLC, T-CHEK, EFS LLC	553442	4,945.21
CASELLE INC.	ATTN: TAKE THE PLEDGE CONFERENCE	553426	4,962.00
U.S. POSTMASTER	ATTN: POSTAL ACCOUNTS	553509	5,000.00
APS		553410	5,103.47
VALLEY AUTO PARTS		553514	5,792.72
WELLS FARGO BANK	WELLS FARGO REMITTANCE CENTER	553647	5,817.89
ELOY CHAMBER OF COMMERCE		553443	6,060.00
GARRY L. JOHNSON & ASSOCIATES, INC.		553454	6,125.00
MALLORY SAFETY AND SUPPLY LLC		553471	6,754.50
CASAS CUSTOM FLOOR CARE LLC		553564	6,845.00
EDUCATIONAL SERVICES INC. C/O ACCT DEPT		553584	7,324.17
ESI CORPORATION		553446	7,432.00
CYBARWORKS, INC.		553405	8,100.00
CYBARWORKS, INC.		553579	8,100.00
EMPIRE SOUTHWEST, LLC		553586	8,556.96
CITY OF ELOY UTILITY BILLING		553430	8,897.58
ELECTRONIC FUNDS SOURCE LLC	TCH LLC, T-CHEK, EFS LLC	553441	8,947.19
BST CONSTRUCTION SOUTHWEST LLC		553556	12,500.00
COOPER & RUETER, L.L.P.		553433	12,880.03
AHSIGMA, LLC		553408	15,000.00
PINAL COUNTY SHERIFF'S OFFICE		553621	18,340.90
SMITHGROUPJJR, INC.		553629	19,820.54
ARIZONA STATE TREASURER		553416	20,695.72
TOLTEC AIRPARK LLC		553529	21,700.55
FIELDS CONSTRUCTION		553450	22,880.00
FIELDS CONSTRUCTION		553449	23,500.00
APS		553536	31,727.31
PEORIA FORD INC.		553620	35,887.29
RIGHT AWAY DISPOSAL, INC.		553491	125,496.05
CORE CONSTRUCTION INC.		553434	307,791.00
PCL CONSTRUCTION, INC.		553619	337,983.53

Payee	Secondary Name	Check Number	Amount
SUN LAKES-CASA GRANDE DEV, LLC		553503	409,546.73
CORE CONSTRUCTION INC.		553577	922,469.92
Grand Totals:			2,628,107.13

Report Criteria:
Report type: Summary
Check.Voided = {<>} Yes