

A G E N D A

REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, TO BE HELD MAY 17 2011, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

- I. CALL TO ORDER
- II. ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. PRESENTATION OF A PLAQUE OF APPRECIATION TO FORMER AIRPORT COMMISSION MEMBER AL GRADIJAN.
- V. PRESENTATION OF THE PROFESSIONAL BUSINESSWOMEN'S GROUP "YOU MAKE A DIFFERENCE" AWARD TO MAYOR DIANE JOENS.
- VI. BRIEF SUMMARY OF CURRENT EVENTS BY MAYOR, CITY COUNCIL AND/OR CITY MANAGER--THE PUBLIC BODY DOES NOT PROPOSE, DISCUSS, DELIBERATE OR TAKE LEGAL ACTION ON ANY MATTER BROUGHT UP DURING THIS SUMMARY UNLESS THE SPECIFIC MATTER IS PROPERLY NOTICED FOR LEGAL ACTION.
- VII. CALL TO THE PUBLIC--This portion of the agenda is set aside for the public to address the Council regarding an item that is not listed on the agenda for discussion. However, the Council cannot engage in discussion regarding any item that is not officially listed on the agenda for discussion and/or action (A.R.S. §38-431.02.A.(H).) Comments are limited to a 5 minute time period.

Comments regarding items listed on the agenda are limited to a 5 minute time period per speaker.
- VIII. UNFINISHED BUSINESS--None.
- IX. CONSENT AGENDA--The following items are considered to be routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Council Member or a citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.
 1. SUBMITTAL OF GRANT APPLICATION FOR A YAVAPAI COUNTY COMMUNITY FOUNDATION CANINE ENFORCEMENT GRANT TO BE USED FOR NARCOTIC CANINE TRAINING AND VETERINARY EXPENSES FOR TWO (2) K-9 UNITS.
- X. NEW BUSINESS--The following items are for Council discussion, consideration, and possible legal action.

A G E N D A
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1. AWARD OF BID FOR RECYCLING SERVICES FOR THE CITY'S RECYCLING OPERATION LOCATED ON SIXTH STREET.
2. CONSENT OF ASSIGNMENT OF LEASEHOLD RIGHTS OF HIGH FIVE HANGARS CONDOMINIUMS UNIT NUMBER 1 FROM BACKUS FAMILY INVESTMENTS, LLC, TO TOM REMMLER.
3. CONSENT OF ASSIGNMENT OF LEASEHOLD RIGHTS OF HIGH FIVE HANGARS CONDOMINIUMS UNIT NUMBER 2 FROM BACKUS FAMILY INVESTMENTS, LLC, TO RICHARD MARBURGER.
4. RESOLUTION NUMBER 2588--SUPPORTING THE GOALS OF THE ARIZONA SOLAR CHALLENGE.
5. CHANGE OF THE SALARY RANGE FOR THE NATURAL RESOURCES DIRECTOR'S OPEN POSITION FROM A RANGE 58 TO 72.

XI. CLAIMS & ADJUSTMENTS

XII. ADJOURNMENT

Pursuant to A.R.S. § 38-431.03.(A) the Council may vote to go into executive session on any agenda item pursuant to A.R.S. § 38-431.03.(A)(3) Discussion or consultation for legal advice with the attorney or attorneys of the public body.

The Cottonwood Council Chambers is accessible to the disabled in accordance with Federal "504" and "ADA" laws. Those with needs for special typeface print or hearing devices may request these from the City Clerk (TDD 634-5526.) All requests must be made 24 hours prior to the meeting.

Members of the City Council will attend either in person or by telephone conference call.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9 , subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: May 17, 2011

Subject: Yavapai County Community Foundation 2011 Canine Enforcement Grant Proposal

Department: Police

From: Chief Jody Fanning

REQUESTED ACTION

Staff requests the approval from the Mayor and City Council for the submittal of the Yavapai County Community Foundation (YCCF) Canine Enforcement Grant. This grant requests \$4,600 for fuel and per diem for narcotic canine training and veterinary expenses for two (2) K-9 Units.

If the Council desires to approve this item the suggested motion is: I move to approve the submittal of the Canine Grant to the Yavapai County Community Foundation in the amount of \$4,600, requesting funds for fuel and per diem for narcotic canine training and veterinary expenses for two (2) K-9 Units

BACKGROUND

The Police Department will be replacing K-9 Dakota with a new canine and handler will need training to become certified. The training that the Police Department is considering will be held in Tucson. There is no charge for the training or lodging. The only expense will be the fuel to drive to Tucson and back and the meals. Both K-9 Units will be attending the training, since Officer Shilling and Rio need to be re-certified. The grant request is for funds to help cover the cost of fuel and per diem for both K-9 Units and to assist with the expenses for veterinary care. The YCCF has been instrumental in keeping the Department's K-9 Unit successful. Throughout the last few years they have helped purchase canines, pay for training, training equipment, a light weight bite suit and veterinary costs.

JUSTIFICATION/BENEFITS/ISSUES

This grant will help with the cost of training for both K-9 Units and to help pay for veterinary expenses.

COST/FUNDING SOURCE

Yavapai County Community Foundation

REVIEWED BY:

City Manager: _____

City Attorney: _____

ATTACHMENTS

The Yavapai County Foundation Committee 2011 Grant Proposal

Project Name

2011-2012 K-9 Support Program

Please enter the specific purpose for requested grant funds

At this time the Cottonwood Police Department has one (1) K-9 Unit, Officer Cory Shilling and canine Rio. Newly appointed Officer Nathan Dorfman is looking for a canine, which will replace Dakota who died last fall. The new canine will be purchased through insurance funds, but training will be needed for both the handler and the canine. The Department is asking for assistance in helping to pay for the fuel and per diem for both K-9 Units to attend training in Tucson, AZ.

The Department is also asking for funding for the veterinary expenses to pay for Rio's monthly medication for Valley Fever and regular exams for both canines.

Requested Amount

\$4,600.00

Organization Name: Cottonwood Police Department

Project Name: 2011-2012 K-9 Support Program

4. Give the name of a contact person for this grant. (This person should be available for all grant correspondence and be able to answer questions on the proposal regarding the proposed project.)

Christine C. Christensen

5. Give the best phone number for the contact person named above.

928-634-4246 ex. 215

6. Give email address for the contact person named above.

cchristensen@cottonwoodaz.gov

7. If your organization does not have a 501(c)(3) status, list the name, address and EIN number of the fiscal agent for this proposal.

Rudy Rodriguez

Financial Director

City of Cottonwood

816 North Main Street

Cottonwood, AZ 86326

86-6007877

Organization Name: Cottonwood Police Department

Project Name: 2011-2012 K-9 Support Program

8. Please provide a one-sentence description of the project.

To assist in per diem and fuel expenses for training in narcotic search for both K-9

Units and for veterinary care for both canines

9. Please describe how this project supports the mission of the organization.

The City of Cottonwood along with the Cottonwood Police Department believes in being proactive in stopping illegal drug activity. The K-9 Units play a big part in illegal drug enforcement. The past several years, due to two (2) retiring canines and the loss of Dakota, the Department has been able to utilize only one (1) K-9 Unit. The Department has appointed a new K-9 Officer and he will be purchasing a new canine. The newly formed K-9 Unit will be attending training in October, along with the existing K-9 Unit. The funds requested will assist in paying some of the expenses incurred during the mandatory training that will be needed when the second canine is purchased. This second K-9 Unit is needed in order to better serve the citizens of Cottonwood in the Department's proactive curtailment of illegal drugs.

10. Describe the community need or opportunity this funding request will address. Please include demographic information such as the age group, the total number of people served, race/ethnicity, gender, socio-economic status and geographic location of the target population you intend to serve. When applicable, please present data/evidence that documents the significance of the issue.

The Cottonwood Police Department K-9 Units serve the City of Cottonwood along with the surrounding cities and towns located in the Verde Valley. Unfortunately, there is no shortage of drug activity in the Verde Valley, but there is a shortage of K-9 Units. Currently, there are only three (3) K-9 Units that serves this 200 square mile area of incorporated and unincorporated land, with a population of approximately 56,000. The K-9 Units have the possibilities to slow down drug activity, but with only three (3) available canines for searches, the addition of one more K-9 Unit will be a great benefit to the City of Cottonwood and the surrounding cities and towns in the Verde Valley.

11. Please indicate if this is a new project, a project expansion or a continuing project. If this is not a one-time project, please describe any sustainability plans or efforts to continue the project past the funding year.

Maintaining the K-9 Unit has been an ongoing project since the K-9 Unit was started approximately 20 years ago. Throughout the years, YCCF has helped with the purchase, training and veterinary care of the Department's canines. This request is for expenses that will be incurred while attending training, which will be a one-time project. In addition, this project is to help with the continuous training and care for the ongoing K-9 Units.

12. How is this project unique from similar projects? How does it eliminate service overlap?

The previously requested funding has always been for maintaining the K-9 Units. The requests change from year to year, but it is always for the care of the canine or to replace and train a new canine. There is nothing unique about this project. Maintaining the Department's canines is a continuous project and all requested funds have always been completely used before requesting new funding. There is

no overlap of services.

13. Describe partnerships or collaborations with other community organizations and/or agencies. Indicate the role of each partner and how the collaboration is eliminating service overlap and/or leveraging resources.

The Cottonwood Police Department's K-9 Units are always available for other agencies in the Verde Valley. With only three (3) K-9s in the area being able to assist these agencies there is a necessity in trying to stop illegal drug activity.

The Department's K-9 Units also do drug education through the local schools and special events and many times these demonstrations are a collaboration with M.A.D.D, S.A.D.D. or MATTForce

14. Please provide each of the intended outcomes you plan to accomplish with this proposed project. Each outcome must be no more than one (1) succinct sentence with a corresponding number or figure to indicate the measurable result you intend to achieve. For example: Customer satisfaction will increase by 10% over 6 months. Note: For final reporting purposes, you will be asked to provide Actual Outcomes (the results) that reflect the degree to which the outcomes you established have been realized.

This funding request is for ongoing training for the current K-9 Unit and to train both handler and the canine of the newly created K-9 Unit. In six (6) months the Department will double the size of its K-9 Units by the purchase and training a new K-9 Unit and recertifying the existing Unit.

15. Please describe the evaluation process or method(s) you will use to measure your progress in order to determine the degree to which you met the intended outcomes.

The K-9 veterinary expenses are tracked by invoices sent for payment by the Veterinary office.

The K-9 activities are tracked by the Department's incident reports that are maintained in Spillman, the software the Department uses for keeping all police records. When the K-9 Unit responds to a call or makes a traffic stop where the canine is used, an incident number is generated and the Officer must write a report, including the activity the K-9 Unit did on the call or stop.

This project, although requesting funds different from last year, is still to help maintain the K-9 Units, as all previous funding requests have been.

16. In the event that only partial funding is awarded, what part(s) of the proposed project is/are a priority? Please indicate what adjustments would need to be made, if any, and how partial funding would affect your ability to carry out the proposed project successfully.

Any funding that the Yavapai County Community Foundation can award to the Cottonwood Police Department's K-9 Units will help assist the K-9 budget. The Department will always maintain and care for the canines whether funding is received or not.

17. Is the requested amount the total project cost? Please indicate if matching funds will be sought, if they have been secured and the amount.

This is the total amount, there are no matching funds. The Department does budget

for the K-9 Units, but it usually just covers the care of the canine, not the training.

Organization Name: Cottonwood Police Department

Project Name: 2011-2012 K-9 Support Program

18. The project budget on the following page should show financial data for the proposed project during the grant period, not the organization's overall operating budget. Please only include revenue and expenses related to the proposed project, such as salaries, fees for services, etc. Please list all other funding sources you have applied to, both pending and secured, for this project. In the space below, please describe the use of requested funds by providing a timeline, steps and costs associated with successful projection completion.

The Department, due to the loss of Dakota and the promotion of Sergeant Campbell, has appointed Officer Nathan Dorfman as the new K-9 Officer. Officer Dorfman is in the process of selecting a drug canine. When the selection process is complete, both handler and canine will need to attend training for certification. The training that the Department will be attending is in Tucson, AZ and is an eight (8) week course. There is no charge for the training or the lodging, but the officers will be responsible for meals and transportation to the training. The funding request is for the costs of the meals and for the cost of the fuel for two (2) officers to attend.

Officer Cory Shilling is the other K-9 Officer and he became Rio's handler. Rio was purchased with YCCF funds. Officer Shilling and Rio took a week crash course in October of last year to get certified, so Officer Shilling and Rio will also be attending this training to further their skills as a K-9 Unit and to get re-certified.

K-9 Training/Care **Date range:** 10/01/2011 to 09/30/2012

Income

Government Grants and Contracts

	Amount	Amount Pending
List each government grant and contract	\$0.00	\$0.00

Foundations

	Amount	Amount Pending
List each foundation grant	\$0.00	\$0.00

Corporations

	Amount	Amount Pending
List each corporate grant	\$0.00	\$0.00

United Way or other federated campaigns

	Amount	Amount Pending
List each campaign funding	\$0.00	\$0.00

Individual contributions

	Amount	Amount Pending
All contributions	\$0.00	\$0.00

Fundraising events and products

	Amount	Amount Pending
List all major fundraising	\$0.00	\$0.00

Membership Income

	Amount	Amount Pending
Membership Income	\$0.00	\$0.00

In-kind support

	Amount	Amount Pending
List each major in-kind donations	\$0.00	\$0.00

Investment Income

	Amount	Amount Pending
List major sources of investment income	\$0.00	\$0.00

Endowment income

	Amount	Amount Pending
List endowment income	\$0.00	\$0.00

Earned income

	Amount	Amount Pending
List earned income	\$0.00	\$0.00

Other

	Amount	Amount Pending
Other	\$0.00	\$0.00
Totals	0.00	\$0.00

Expense**Salaries and wages**

	Amount	
List each salary as separate line items	\$0.00	\$0.00

Insurance and Benefits

	Amount	
List as separate line items	\$0.00	\$0.00

Consultants and professional fees

	Amount	
List each as separate line items	\$0.00	\$0.00

Travel

	Amount	
Fuel	\$800.00	\$0.00
Per Diem	\$2,300.00	\$0.00
List all travel	\$0.00	\$0.00

Equipment

	Amount	
List major equipment as separate lines	\$0.00	\$0.00

Supplies

	Amount	
List major supplies as separate lines	\$0.00	\$0.00

Printing/Copying/Postage/Delivery

	Amount	
List each as separate line items	\$0.00	\$0.00

Rent/Utilities/Telephone/Fax

	Amount	
List each as separate line items	\$0.00	\$0.00

Other

	Amount	
Veterinary Expenses	\$1,500.00	\$0.00
Other	\$0.00	\$0.00

Totals	4,600.00	\$0.00
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City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: May 17, 2011
Subject: Award of Bid for Recycling Service
Department: Public Works
From: Tim Costello, Public Works Director

REQUESTED ACTION

It is requested that the low bidder, Verde Earthworks LLC, be awarded the contract for the annual recycling services.

If the Council desires to approve this item, the suggested motion is: I move to award the one-year contract for recycling services to Verde Earthworks LLC in the amount of \$20,890 with the term beginning July 1, 2011.

BACKGROUND

Since 2000, Cottonwood has been part of an informal, regional, drop-off, recycling program in which the neighboring cities, towns and the county operate a total of 16 drop-off recycling locations in the Verde Valley. Through the entire period, Sedona Recycles has been the vendor.

The Cottonwood recycling operation is located at the city-owned yard, 535 S. 6th Street. Sedona Recycles also has bins on Camino Real, opposite the high school, that are considered the county's and in the Wal-Mart parking lot. These other sites are outside of the contract.

On March 31, 2011, staff received quotes for recycling service. The term of the service is one-year with an option for a one-year extension at the sole discretion of the council. The results of the solicitation are as follows:

Vendor	Quote for Annual Service
Verde Earthworks, LLC	\$20,890
Sedona Recycles	\$24,000

JUSTIFICATION/BENEFITS/ISSUES

The drop-off recycling program has steadily increased the tons recycled each year. Below is a chart of the recent history of the Cottonwood site:

ANNUAL QUANTITIES (TOTALS ARE TONS)

	2006	2007	2008	2009	2010
MIXED	31.7	24.3	32.4	62.3	51.7
CARDBOARD (OCC)	100.6	136.2	144.5	134.7	128.7
PAPER (ONP)	256	220.3	222.9	236.7	178.3
CLEAR GLASS	36.2	38.9	45.6	58.7	102.4*
COLORED GLASS	46.9	60.8	71	104.3	*
TOTAL TONS	471.4	480.5	516.4	596.7	461
					*glass together

Verde Earthworks is just completing the construction of a recycling center in McGuireville. They have been accepting curbside accounts throughout the Verde Valley. If awarded to Verde Earthworks, the start date would be July 1, 2011 to give them the time needed to get their facility fully functional.

COST/FUNDING SOURCE

The funding for this program is an annual expenditure out of the general fund.

REVIEWED BY:

City Manager: _____

City Attorney: _____

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: May 17, 2011

Subject: Consent of Assignment of Leasehold Rights to High Five Hangars Condominiums Unit No. 1 from Backus Family Investments, LLC, to Tom Remmler.

Department: Legal

From: Steve Horton, City Attorney

REQUESTED ACTION

Council consideration of a proposed Consent of Assignment of High Five Hangars Condominiums Unit No. 1 from Backus Family Investments, LLC, to Tom Remmler.

If the Council desires to approve this item the suggested motion is:

"I move to approve the proposed Consent of Assignment of High Five Hangars Condominiums Unit No. 1 from Backus Family Investments, LLC, to Tom Remmler.

BACKGROUND

By prior action, both the Council and the Planning and Zoning Commission have approved the conversion of a 5-unit hangar development located on Lot 135 of Cottonwood Airpark Tract One, Parts B and C into a condominium-style development. The project was constructed by Backus Family Investments ("BFI"). Under this arrangement, BFI was allowed to transfer its leasehold rights to the common areas of the project (which is everything but the interior space of the individual condominium units) to an entity known as the High Five Hangars Condominium Association, which has a Board of Directors that manages the development in a manner similar to a residential condominium. BFI is now in the process of selling individual condominium units (including the leasehold rights associated with those units) to subsequent purchasers, who become members of the Association, and Lessees of the City under the Ground Lease.

In accordance with the Council's previous direction, the documents have been drafted so as to require Council approval of all transfers of individual condominium units, both from BFI to

the initial purchasers, and from initial purchasers to subsequent purchasers throughout the Term of the Lease. This is the second of those proposed transfers.

JUSTIFICATION/BENEFIT/ISSUES

Both the Council and the Planning and Zoning Commission have approved the conversion of the High Five Hangars project to a condominium-style project. The proposal/request presently before the Council is for the developer to sell the second of the five condominium units created pursuant to that conversion, subject to the City's continuing rights as Owner and Lessor of the real property on which the project sits.

COST/FUNDING SOURCE

N/A

REVIEWED BY

City Manager: _____

City Attorney: _____

ATTACHMENTS

Assignment of Tenant Rights from BFI to Tom Remmler
Proposed Consent of Assignment

“CONSENT”

**CONSENT OF CITY OF COTTONWOOD TO
ASSIGNMENT OF TENANT RIGHTS IN
Unit # 1, OF THE HIGH FIVE HANGARS CONDOMINIUMS
PARCEL NUMBER 406-08-068A**

When recorded return to:
City Clerk
City of Cottonwood
827 North Main Street
Cottonwood, AZ 86362

CONSENT OF CITY OF COTTONWOOD TO
ASSIGNMENT OF TENANT RIGHTS IN
UNIT #1 OF THE HIGH FIVE HANGARS CONDOMINIUMS
PARCEL NUMBER 406-08-068A

Once fully executed, this Consent is legally binding as of _____
_____ 2011 (the "Effective Date").

BACKGROUND

The Ground Lease

- A. The City of Cottonwood, formerly known as the Town of Cottonwood, an Arizona municipality, is the "Landlord" under a Ground Lease Agreement dated May 5, 1983, which seeks to serve the public interest by providing opportunities for industrial development, and by promoting economic development and the creation of new employment opportunities.
- B. Cottonwood Airpark L.C. ("CALC") is the successor in interest to Cottonwood Airpark I, L.C. as successor in interest to Cottonwood Airpark, Inc., which was originally named as "Tenant" under the Ground Lease Agreement.
- C. A memorandum of the Ground Lease dated May 23, 1983, was recorded January 4, 1984 in Book 1597, pages 576-581 and thereafter corrected by an instrument recorded July 1, 1985 in Book 1734, pages 11-15 of the records of the Yavapai County Recorder (the "Memorandum of Ground Lease").
- D. The Ground Lease Agreement recorded in Book 4797, Page 649; which was amended by the First Amendment dated November 30, 1983; the Second Amendment dated March 12, 1985; the Third Amendment dated August 21, 1985; the Fourth Amendment dated February 7, 1989; and the Fifth Amendment dated January 1, 1993; the Sixth Amendment dated July 5, 1994; the Seventh Amendment dated September 16, 1997; the Eighth Amendment recorded December 22, 1998, in Book 3626, Page 140; the Ninth Amendment recorded October 1, 2001, in Book 3867, Page 214; the Tenth Amendment recorded March 17, 2003, in Book 4011, Page 367; the Eleventh Amendment recorded July 20, 2005, in Book 4288, Page 640; the

- Twelfth Amendment recorded July 20, 2005, in Book 4288, Page 644; the Thirteenth Amendment recorded July 20, 2005, in Book 4288, Page 649; the Fourteenth Amendment recorded January 20, 2006, in Book 4356, Page 475; the Fifteenth Amendment recorded August 21, 2006, in Book 4427, Page 538; the Sixteenth Amendment which was recorded September 3, 2008, in Book 4619, Page 633; and the Seventeenth Amendment which was recorded on February 27, 2009, in Book B-4651, Page 879. The Ground Lease Agreement and all Amendments are collectively referred to as the "Ground Lease".
- E. Thereafter by Assignment, recorded January 20, 2006, in Book 4356, Page 473 of Official Records, CALC assigned an interest as tenant under the Ground Lease of approximately 8.91 acres located south of Lot #122 of the Replat of Cottonwood Airpark Tract One Parts A & B described on the Results of Survey performed by SEC dated June 16, 2005, together with all rights, privileges, easements, appurtenances and improvements thereon to Backus Family Investments, L.L.C. an Arizona Limited Liability Company.
- F. The City of Cottonwood and Backus Family Investments thereafter subdivided the above mentioned parcel of land which is now legally described as Cottonwood Airpark Tract One-Parts B & C, recorded in the office of the Yavapai County Recorder in Book 59, Page 57, dated March 13, 2007.
- G. Backus Family Investments, L.L.C., ("BFI") and with the Consent of the City of Cottonwood, as Recorded in the Official Records of Yavapai County, Book 4758 Page 624, has submitted the Lease of Lot # 135 of the Cottonwood Airpark Track One-Parts B&C to the condominium form of ownership, as a Leasehold Condominium, pursuant to A.R.S. § 33-1216, *et seq.*, and has submitted the Lease to the terms and conditions of the Declaration of Leasehold Condominium, as Recorded in the Official Records of Yavapai County, Book 4807 Page 941. Specifically, the Lease of the Common Areas designated in the Plat attached to the Declaration of Leasehold Condominium has been assigned to High Five Hangars Owners Association, Inc. It is contemplated that in the future, Units 1 through 5, designated in said Plat, shall be transferred to purchasers of said Units from BFI; however, it is specifically understood and agreed that the City of Cottonwood must consent to each of said transfers, and all subsequent transfers.
- H. The Ground Lease requires the written consent of the City of Cottonwood to the assignment by BFI of its rights as Tenant under the Ground Lease to ASSIGNEE. The City of Cottonwood has indicated that it will grant its consent to this transaction by execution and delivery of this Consent, in

consideration for and subject to the covenants and conditions recited below.

I. Landlord, BFI and ASSIGNEE hereby specifically reaffirm the following language from the First Amended Ground Lease dated May 5, 1983:

a. The City of Cottonwood ("Landlord") is an Arizona municipality which seeks to serve the public interest by providing opportunities for industrial development, and by promoting economic development and the creation of new employment opportunities.

b. Landlord and Tenant jointly will serve the public interest by providing residents of Cottonwood with access to improved job opportunities on the property.

AGREEMENT

Now, therefore, for valuable consideration received, The City of Cottonwood agrees that:

1. Consent. The City of Cottonwood hereby consents to the Assignment by BFI to ASSIGNEE of its rights under the Ground Lease to Unit # 1 of The High Five Hangars Condominiums as designated in the Condominium Plat and Declaration of Leasehold Condominium and further described as 668 S. Airpark Road, Unit #1, Cottonwood, AZ 86326, and parcel number 406-08-068A. Such consent to be effective upon execution of this instrument by ASSIGNEE, provided, however, that during the entire Term of the Lease and any extensions thereof, any and all transfers of individual condominium units shall be subject to review and approval by the Cottonwood City Council.
2. Acceptance of Assignment and Promise to Perform. By its signature below, ASSIGNEE hereby accepts, reaffirms and agrees to faithfully perform all of BFI's duties, obligations and undertakings with respect to the Unit.
3. Release. In exchange for ASSIGNEE's faithful performance hereunder, and as of Effective Date of this Agreement, the City as Landlord under the Ground Lease, hereby:
 - 3.1 Certifies that formal approval of the Assignment to ASSIGNEE is hereby granted by the City;
 - 3.2 Acknowledges and agrees that BFI has assigned its rights, duties and obligations to the Unit as designated in the Condominium Plat and Declaration of Leasehold Condominium to ASSIGNEE.

Landlord agrees to look solely to ASSIGNEE and the High Five Hangars Owners Association for collection of all rents and other amounts arising from the Ground Lease for the Unit after the Effective Date of this Consent and releases BFI (and its predecessors) as Tenant from all obligations or duties arising under the Ground Lease relative to the Unit;

- 3.3 Acknowledges receipt of all rent and other amounts owed by Tenant to Landlord under the Ground Lease with respect to the Unit as of the Effective Date;
 - 3.4 Ratifies, affirms and confirms the validity of all other terms and conditions of the Ground Lease;
 - 3.5 Confirms that, to Landlord's knowledge, there are no uncured defaults or breaches by Tenant under the Ground Lease;
 - 3.6 Agrees that the property taxes for the Unit shall be separately assessed and paid by ASSIGNEE;
 - 3.7 Acknowledges that ASSIGNEE may encumber its leasehold interest in the Unit to Purchase or construct certain improvements which may be subject to an encumbrance in favor of a Lender. Landlord agrees to provide notice to the Lender and in the event of a default by ASSIGNEE under the Ground Lease pertaining to the Unit if requested by such Lender, and will execute a separate instrument to that effect if asked to do so.
 - 3.8 Acknowledges that pursuant to Section 20 of the Ground Lease the address for the Tenant under the Unit is;
2145 Edgewood Drive, Sedona, AZ 86336
 - 3.9 NAME OF ASSIGNEE:
Tom Remmler
 - 3.10 Affirms that the Term of the Lease to the Lot runs until December 31, 2033.
4. Ratification of Ground Lease with Respect to the Unit. Except as modified herein, the terms and conditions contained in the Ground Lease with respect to the Unit are hereby ratified, confirmed and continue in full force and effect. The Term Commencement date of December 1983 began a 25-year term as to certain portions of the Lease and a 50- year Term as to certain other portions. The Lease also granted options for renewal. The parties intend to ratify and affirm the length of the Term and of all other rights and obligations under the Ground Lease with respect to the Unit. The parties represent that to the best of their knowledge and belief, there

are no other amendments, modifications, supplements or other agreements or understandings with respect to the subject matter of this Consent (i.e., the Unit) except for those identified herein. The City as Landlord further acknowledges (i) that BFI as Tenant has paid all rent due with respect to the Unit, and (ii) that, to the City's knowledge, BFI has fully performed all of its obligations and is in good standing under the Ground Lease with respect to the Unit.

5. Further Documentation. The City agrees in good faith to execute such further or additional documents as become necessary or appropriate to carry out the intent and purpose of this Consent.
6. Counterparts and Facsimiles. This Consent may be executed by facsimile or in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

This Consent is legally binding as of the Effective Date regardless of the actual date of signing, provided that it shall not take effect until it is fully executed by both the City and ASSIGNEE.

The undersigned Representatives of the City of Cottonwood hereby personally affirm and certify that there has been full compliance with all requirements for approval of the Assignment by the City and do further affirm and certify that this Consent is hereby approved, ratified and accepted by the City of Cottonwood.

THE CITY OF COTTONWOOD:

Diane Joens, Mayor

Approved as to Form:

Attest:

Steve Horton, Esq.
City Attorney

Marianne Jiménez, City Clerk

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: May 17, 2011

Subject: Consent of Assignment of Leasehold Rights to High Five Hangars Condominiums Unit No. 2 from Backus Family Investments, LLC, to Richard Marburger.

Department: Legal

From: Steve Horton, City Attorney

REQUESTED ACTION

Council consideration of a proposed Consent of Assignment of High Five Hangars Condominiums Unit No. 2 from Backus Family Investments, LLC, to Richard Marburger.

If the Council desires to approve this item the suggested motion is:

"I move to approve the proposed Consent of Assignment of High Five Hangars Condominiums Unit No. 2 from Backus Family Investments, LLC, to Richard Marburger.

BACKGROUND

By prior action, both the Council and the Planning and Zoning Commission have approved the conversion of a 5-unit hangar development located on Lot 135 of Cottonwood Airpark Tract One, Parts B and C into a condominium-style development. The project was constructed by Backus Family Investments ("BFI"). Under this arrangement, BFI was allowed to transfer its leasehold rights to the common areas of the project (which is everything but the interior space of the individual condominium units) to an entity known as the High Five Hangars Condominium Association, which has a Board of Directors that manages the development in a manner similar to a residential condominium. BFI is now in the process of selling individual condominium units (including the leasehold rights associated with those units) to subsequent purchasers, who become members of the Association, and Lessees of the City under the Ground Lease.

In accordance with the Council's previous direction, the documents have been drafted so as to require Council approval of all transfers of individual condominium units, both from BFI to

the initial purchasers, and from initial purchasers to subsequent purchasers throughout the Term of the Lease. This is the third of those proposed initial transfers.

JUSTIFICATION/BENEFIT/ISSUES

Both the Council and the Planning and Zoning Commission have approved the conversion of the High Five Hangars project to a condominium-style project. The proposal/request presently before the Council is for the developer to sell the third of the five condominium units created pursuant to that conversion, subject to the City's continuing rights as Owner and Lessor of the real property on which the project sits.

COST/FUNDING SOURCE

N/A

REVIEWED BY

City Manager: _____

City Attorney: _____

ATTACHMENTS

*Assignment of Tenant Rights from BFI to Richard Marburger
Proposed Consent of Assignment*

“CONSENT”

**CONSENT OF CITY OF COTTONWOOD TO
ASSIGNMENT OF TENANT RIGHTS IN
Unit # 2, OF THE HIGH FIVE HANGARS CONDOMINIUMS
PARCEL NUMBER 406-08-068B**

When recorded return to:
City Clerk
City of Cottonwood
827 North Main Street
Cottonwood, AZ 86362

CONSENT OF CITY OF COTTONWOOD TO
ASSIGNMENT OF TENANT RIGHTS IN
UNIT #2 OF THE HIGH FIVE HANGARS CONDOMINIUMS
PARCEL NUMBER 406-08-068B

Once fully executed, this Consent is legally binding as of _____
_____ 2011 (the "Effective Date").

BACKGROUND

The Ground Lease

- A. The City of Cottonwood, formerly known as the Town of Cottonwood, an Arizona municipality, is the "Landlord" under a Ground Lease Agreement dated May 5, 1983, which seeks to serve the public interest by providing opportunities for industrial development, and by promoting economic development and the creation of new employment opportunities.
- B. Cottonwood Airpark L.C. ("CALC") is the successor in interest to Cottonwood Airpark I, L.C. as successor in interest to Cottonwood Airpark, Inc., which was originally named as "Tenant" under the Ground Lease Agreement.
- C. A memorandum of the Ground Lease dated May 23, 1983, was recorded January 4, 1984 in Book 1597, pages 576-581 and thereafter corrected by an instrument recorded July 1, 1985 in Book 1734, pages 11-15 of the records of the Yavapai County Recorder (the "Memorandum of Ground Lease").
- D. The Ground Lease Agreement recorded in Book 4797, Page 649; which was amended by the First Amendment dated November 30, 1983; the Second Amendment dated March 12, 1985; the Third Amendment dated August 21, 1985; the Fourth Amendment dated February 7, 1989; and the Fifth Amendment dated January 1, 1993; the Sixth Amendment dated July 5, 1994; the Seventh Amendment dated September 16, 1997; the Eighth Amendment recorded December 22, 1998, in Book 3626, Page 140; the Ninth Amendment recorded October 1, 2001, in Book 3867, Page 214; the Tenth Amendment recorded March 17, 2003, in Book 4011, Page 367; the Eleventh Amendment recorded July 20, 2005, in Book 4288, Page 640; the

- Twelfth Amendment recorded July 20, 2005, in Book 4288, Page 644; the Thirteenth Amendment recorded July 20, 2005, in Book 4288, Page 649; the Fourteenth Amendment recorded January 20, 2006, in Book 4356, Page 475; the Fifteenth Amendment recorded August 21, 2006, in Book 4427, Page 538; the Sixteenth Amendment which was recorded September 3, 2008, in Book 4619, Page 633; and the Seventeenth Amendment which was recorded on February 27, 2009, in Book B-4651, Page 879. The Ground Lease Agreement and all Amendments are collectively referred to as the "Ground Lease".
- E. Thereafter by Assignment, recorded January 20, 2006, in Book 4356, Page 473 of Official Records, CALC assigned an interest as tenant under the Ground Lease of approximately 8.91 acres located south of Lot #122 of the Replat of Cottonwood Airpark Tract One Parts A & B described on the Results of Survey performed by SEC dated June 16, 2005, together with all rights, privileges, easements, appurtenances and improvements thereon to Backus Family Investments, L.L.C. an Arizona Limited Liability Company.
- F. The City of Cottonwood and Backus Family Investments thereafter subdivided the above mentioned parcel of land which is now legally described as Cottonwood Airpark Tract One-Parts B & C, recorded in the office of the Yavapai County Recorder in Book 59, Page 57, dated March 13, 2007.
- G. Backus Family Investments, L.L.C., ("BFI") and with the Consent of the City of Cottonwood, as Recorded in the Official Records of Yavapai County, Book 4758 Page 624, has submitted the Lease of Lot # 135 of the Cottonwood Airpark Track One-Parts B&C to the condominium form of ownership, as a Leasehold Condominium, pursuant to A.R.S. § 33-1216, *et seq.*, and has submitted the Lease to the terms and conditions of the Declaration of Leasehold Condominium, as Recorded in the Official Records of Yavapai County, Book 4807 Page 941. Specifically, the Lease of the Common Areas designated in the Plat attached to the Declaration of Leasehold Condominium has been assigned to High Five Hangars Owners Association, Inc. It is contemplated that in the future, Units 1 through 5, designated in said Plat, shall be transferred to purchasers of said Units from BFI; however, it is specifically understood and agreed that the City of Cottonwood must consent to each of said transfers, and all subsequent transfers.
- H. The Ground Lease requires the written consent of the City of Cottonwood to the assignment by BFI of its rights as Tenant under the Ground Lease to ASSIGNEE. The City of Cottonwood has indicated that it will grant its consent to this transaction by execution and delivery of this Consent, in

consideration for and subject to the covenants and conditions recited below.

I. Landlord, BFI and ASSIGNEE hereby specifically reaffirm the following language from the First Amended Ground Lease dated May 5, 1983:

a. The City of Cottonwood ("Landlord") is an Arizona municipality which seeks to serve the public interest by providing opportunities for industrial development, and by promoting economic development and the creation of new employment opportunities.

b. Landlord and Tenant jointly will serve the public interest by providing residents of Cottonwood with access to improved job opportunities on the property.

AGREEMENT

Now, therefore, for valuable consideration received, The City of Cottonwood agrees that:

1. Consent. The City of Cottonwood hereby consents to the Assignment by BFI to ASSIGNEE of its rights under the Ground Lease to Unit # 2 of The High Five Hangars Condominiums as designated in the Condominium Plat and Declaration of Leasehold Condominium and further described as 668 S. Airpark Road, Unit #2, Cottonwood, AZ 86326, and parcel number 406-08-068B. Such consent to be effective upon execution of this instrument by ASSIGNEE, provided, however, that during the entire Term of the Lease and any extensions thereof, any and all transfers of individual condominium units shall be subject to review and approval by the Cottonwood City Council.
2. Acceptance of Assignment and Promise to Perform. By its signature below, ASSIGNEE hereby accepts, reaffirms and agrees to faithfully perform all of BFI's duties, obligations and undertakings with respect to the Unit.
3. Release. In exchange for ASSIGNEE's faithful performance hereunder, and as of Effective Date of this Agreement, the City as Landlord under the Ground Lease, hereby:
 - 3.1 Certifies that formal approval of the Assignment to ASSIGNEE is hereby granted by the City;
 - 3.2 Acknowledges and agrees that BFI has assigned its rights, duties and obligations to the Unit as designated in the Condominium Plat and Declaration of Leasehold Condominium to ASSIGNEE.

Landlord agrees to look solely to ASSIGNEE and the High Five Hangars Owners Association for collection of all rents and other amounts arising from the Ground Lease for the Unit after the Effective Date of this Consent and releases BFI (and its predecessors) as Tenant from all obligations or duties arising under the Ground Lease relative to the Unit;

- 3.3 Acknowledges receipt of all rent and other amounts owed by Tenant to Landlord under the Ground Lease with respect to the Unit as of the Effective Date;
 - 3.4 Ratifies, affirms and confirms the validity of all other terms and conditions of the Ground Lease;
 - 3.5 Confirms that, to Landlord's knowledge, there are no uncured defaults or breaches by Tenant under the Ground Lease;
 - 3.6 Agrees that the property taxes for the Unit shall be separately assessed and paid by ASSIGNEE;
 - 3.7 Acknowledges that ASSIGNEE may encumber its leasehold interest in the Unit to Purchase or construct certain improvements which may be subject to an encumbrance in favor of a Lender. Landlord agrees to provide notice to the Lender and in the event of a default by ASSIGNEE under the Ground Lease pertaining to the Unit if requested by such Lender, and will execute a separate instrument to that effect if asked to do so.
 - 3.8 Acknowledges that pursuant to Section 20 of the Ground Lease the address for the Tenant under the Unit is;
1475 S. Logan Lane, Cottonwood, AZ 86326
 - 3.9 NAME OF ASSIGNEE:
Richard Marburger
 - 3.10 Affirms that the Term of the Lease to the Lot runs until December 31, 2033.
4. Ratification of Ground Lease with Respect to the Unit. Except as modified herein, the terms and conditions contained in the Ground Lease with respect to the Unit are hereby ratified, confirmed and continue in full force and effect. The Term Commencement date of December 1983 began a 25-year term as to certain portions of the Lease and a 50- year Term as to certain other portions. The Lease also granted options for renewal. The parties intend to ratify and affirm the length of the Term and of all other rights and obligations under the Ground Lease with respect to the Unit.

The parties represent that to the best of their knowledge and belief, there are no other amendments, modifications, supplements or other agreements or understandings with respect to the subject matter of this Consent (i.e., the Unit) except for those identified herein. The City as Landlord further acknowledges (i) that BFI as Tenant has paid all rent due with respect to the Unit, and (ii) that, to the City's knowledge, BFI has fully performed all of its obligations and is in good standing under the Ground Lease with respect to the Unit.

5. Further Documentation. The City agrees in good faith to execute such further or additional documents as become necessary or appropriate to carry out the intent and purpose of this Consent.
6. Counterparts and Facsimiles. This Consent may be executed by facsimile or in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

This Consent is legally binding as of the Effective Date regardless of the actual date of signing, provided that it shall not take effect until it is fully executed by both the City and ASSIGNEE.

The undersigned Representatives of the City of Cottonwood hereby personally affirm and certify that there has been full compliance with all requirements for approval of the Assignment by the City and do further affirm and certify that this Consent is hereby approved, ratified and accepted by the City of Cottonwood.

THE CITY OF COTTONWOOD:

Diane Joens, Mayor

Approved as to Form:

Attest:

Steve Horton, Esq.
City Attorney

Marianne Jiménez, City Clerk

The undersigned ASSIGNEE hereby personally affirms and accepts the duties of ASSIGNEE as outlined above.

NAME OF ASSIGNEE:

By: _____
Richard Marburger

Date: _____

State of Arizona)
) ss.
County of Yavapai)

On this the _____ of _____, 2011, before me, the undersigned Notary Public, personally appeared Richard Marburger, who is personally known to me or satisfactorily proved himself to be the person who executed the foregoing Consent, acknowledging that he executed the same for the purposes therein contained, being authorized so to do.

Notary Public

My Commission Expires:

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: May 17th

Subject: Arizona Solar Challenge

Department: Economic Development

From: Casey Rooney

REQUESTED ACTION

The Cottonwood City Council is asked to approve the Arizona SmartPower Council Resolution in support of the Arizona Solar Challenge.

BACKGROUND

City Council was presented with a draft resolution on April 12, 2011 in support of this project. Council gave the go-ahead to proceed and finalize the resolution. The resolution states among other things that the City of Cottonwood endorses the goals of the Arizona Solar Challenge. It also states that the City desires to earn the designation of an Arizona Solar Community by having 5% of its owner-occupied homes install solar electric or solar hot water by 2015.

Matt Meierbachtol from Arizona Public Service (APS) is working with Toni Blanchard from AZ SmartPower on the project entitled Arizona Solar Challenge. The challenge will help lower monthly electric bills and build a green economy, all while earning the City of Cottonwood recognition as an Arizona Solar Community.

Arizona SmartPower does not install, they don't sell equipment, and they don't take fees or commissions from installers. They are a non-profit organization that exists solely to take the guesswork out of going solar.

AZ SmartPower will promote the City for its participation in media stories, on its website, through social media and at presentations. They will also provide signage to recognize the City as an Arizona Solar Community.

JUSTIFICATION/BENEFIT/ISSUES

This is a "win-win" recognition project for Cottonwood.

COST/FUNDING SOURCE

N/A

REVIEWED BY

City Manager: _____

City Attorney: _____

ATTACHMENTS

RESOLUTION NUMBER 2588

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, SUPPORTING THE GOALS OF THE ARIZONA SOLAR CHALLENGE.

WHEREAS, Arizona receives over 300 days of sun each year and has world class natural solar resources for heating water and generating electricity with photovoltaic cells; and

WHEREAS, the Arizona Corporation Commission has adopted Renewable Energy Standards requiring regulated electric utilities to produce 15% of their power from renewable energy by 2025 with 30% of the renewable energy coming from distributed energy, such as rooftop solar electric or solar hot water on homes and businesses; and

WHEREAS, generating electricity and hot water from solar energy can save Arizona communities, businesses and homeowners money on their utility bills and can help control future energy costs; and

WHEREAS, solar energy creates opportunities for economic development and job creation; and

WHEREAS, solar energy promotes energy independence and is good for the environment; and

WHEREAS, Arizona SmartPower, a not-for-profit entity, is launching the Arizona Solar Challenge to encourage more residential solar electric and solar hot water installations; to reduce energy use; to improve the environment; and to create jobs by increasing the use of solar technologies; and

WHEREAS, the City of Cottonwood desires to earn the designation of an *Arizona Solar Community* by having 5% of its owner-occupied homes install solar electric or solar hot water by 2015; and

WHEREAS, Arizona SmartPower will promote the City of Cottonwood for its participation in the Arizona Solar Challenge and its designation as an *Arizona Solar Community* in media stories, on its website, through social marketing and at presentations; and

RESOLUTION NUMBER 2588

Page 2

WHEREAS, Arizona SmartPower will provide signage to recognize the City of Cottonwood as an *Arizona Solar Community*; and

WHEREAS, the City of Cottonwood will promote the Arizona Solar Challenge, including participating in joint outreach opportunities, such as generating press releases, posting information on the community website, providing cable access information, ensuring City of Cottonwood officials' attendance at promotional events, assisting with signage placement and other joint outreach efforts; and

WHEREAS, the City of Cottonwood will designate a person to coordinate communications activities with Arizona SmartPower and the Arizona Solar Challenge.

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

THAT, the City of Cottonwood supports and endorses the solar installation goals of the Arizona Solar Challenge, being 5% of owner-occupied households installing solar electric or solar hot water by 2015, in order to earn the designation as an *Arizona Solar Community*; and

THAT, the City of Cottonwood shall encourage all businesses, institutions and households within the City of Cottonwood to adopt the goals and purpose of promoting solar energy in our community by supporting the Arizona Solar Challenge.

PASSED AND ADOPTED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, THIS 17TH DAY OF MAY 2011.

Diane Joens, Mayor

APPROVED AS TO FORM:

ATTEST:

Steven B. Horton, Esq.
City Attorney

Marianne Jiménez, City Clerk

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: May 17, 2011
Subject: Change of Range and Salary on Natural Resources Director Position
Department: City Manager
From: Doug Bartosh, City Manager

REQUESTED ACTION

Change the Natural Resources Director position from a range 58 (\$62,110 - \$76,085 - \$90,059) to a range 72 (\$87,760 - \$107,506 - \$127,252).

If the Council desires to approve this item, the suggested motion is: I move to approve the recommended range and salary change on the Natural Resources Director position.

BACKGROUND

This position was formerly held by Bob Hardy who is recognized as one of the most knowledgeable people in the state regarding water resources in the State of Arizona. Mr. Hardy's salary was slightly above the maximum of the pay range 58. We need someone with Bob's skills, knowledge and water credibility to ensure for the water future of Cottonwood. We are also aware that the knowledge, skills and market for this type of position require a salary range higher than where the City currently has it listed.

JUSTIFICATION/BENEFIT/ISSUES

By increasing the salary range of this position, we will be able to attract the best qualified applicants available throughout Arizona. By attracting and hiring someone who is highly skilled and knowledgeable in water resources we will add significantly to assure the future of water for the City of Cottonwood.

COST/FUNDING SOURCE

This position will be funded by the General Fund and the Water Fund. This new position will be integrated into the FY 2012 Natural Resources budget.

REVIEWED BY

City Manager: _____

City Attorney: _____

ATTACHMENTS

None

