CITY OF PRESCOTT
Everybody's Hometown

AGENDA

PRESCOTT CITY COUNCIL
STUDY SESSION
Tuesday, June 21, 2016
1:00 PM

Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100

The following Agenda will be considered by the Prescott City Council at its **Study Session Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending this meeting through the use of a technological device.

- **CALL TO ORDER**
- **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Oberg	
Mayor Pro Tem Lamerson	Councilwoman Orr
Councilman Blair	Councilman Sischka
Councilman Lazzell	Councilwoman Wilcox

I. DISCUSSION ITEMS

A. Recap of 2016 Legislative Session, report from Barry Aarons

B. Greater Prescott Regional Economic Partnership (GPREP) update of FY 16 activities and plans for FY 17

C. Presentation and discussion of draft Lease Agreement with Prescott Frontier Days, Inc., for the Prescott Rodeo Grounds

D. Requests for information re June 21, 2016, Voting Meeting agenda items

II. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- **(i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));**
- **(ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));**
- **(iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));**
- **(iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));**
- **(v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));**
- **(vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6);**
- **(vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).**

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed $500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____at _____m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

_____

Dana R. DeLong, CMC, City Clerk

CITY OF PRESCOTT
Everybody's Hometown

COUNCIL AGENDA MEMO

MEETING DATE/TYPES: STUDY SESSION 6-21-16

DEPARTMENT: City Manager

AGENDA ITEM: Recap of 2016 Legislative Session, report from Barry Aarons

Approved By:		**Date:**
Deputy City Manager:	Zelms, Alison	06/13/2016
City Manager:	McConnell, Craig	06/14/2016

Item Summary

This item is to provide a recap of legislative outcomes and lobbying activities undertaken by Barry Aarons, the City's contract lobbyist, during the 2016 State of Arizona Legislative Session.

After 117 days of the Second Regular Session of the 52nd Legislature, both houses adjourned in the early morning of Saturday, May 7, 2016. During the session, 1247 bills were introduced, 388 bills passed, 374 signed by the Governor, and 14 vetoed.

Bills become law 90 days after the Legislature adjourns, unless vetoed by the Governor, the bill has an Emergency Clause with an immediate effective date (requires a two-thirds vote of the Legislature to pass), or a delayed effective date.

Recommended Action: Presentation for Council information, discussion, and direction.

THE AARONS COMPANY LLC

4315 N. 12th Street Suite 200 Phoenix Arizona 85014
Barry M. Aarons - email aarons1231@aol.com - mobile 602 315 0155
Christen Monti - email cmontiaz@gmail.com - mobile 602 432 3161

PRESCOTT FINAL LEGISLATIVE REPORT 2016 REGULAR SESSION

- Prescott voted to take a position on 32 bills.
- Prescott voted to support 6 bills.
  - Of the bills we supported, 4 passed.
- Prescott voted to oppose 18 bills.
  - Of the bills we opposed, 5 passed
- Prescott voted to be neutral on 8 bills.
  - Of the bills we were neutral, 6 passed, 2 of these were vetoed

Bill #	Short Title	Position	Date	Last Action
H2015:	PUBLICITY PAMPHLETS; COUNTIES; MUNICIPALITIES	Neut.	*3/24*	signed by governor. Chap. 60, Laws 2016.
H2024:	IMMIGRATION ENFORCEMENT; ATTORNEY FEES	Opp.	*3/23*	retained of Senate COW calendar.
H2026:	MUNICIPAL TAX EXEMPTION; RESIDENTIAL LEASE	Opp.	*2/18*	House COW FAILED to approve after adopting amend #4135 and a Mitchell floor amendment. Roll call: 22-36.
H2107:	STRUCTURED SOBER LIVING HOMES	Sup.	*5/17*	signed by governor. Chap. 287, Laws 2016.
H2157:	ASRS; POLITICAL SUBDIVISION ENTITIES	Opp.	*2/11*	House COW approved.
H2267:	PRIME CONTRACTING CLASSIFICATION; REPEAL	Opp.	*2/15*	House ways-means held.
H2300:	FIREARMS; PROHIBITED GOVERNMENTAL ACTIVITIES	Opp.	*4/11*	retained on Senate COW calendar.
H2391:	MUNICIPALITIES; WATER RATES; REQUIREMENTS	Opp.	*5/11*	signed by governor. Chap. 195, Laws 2016.
H2398:	FIREWORKS; DEFINITION	Opp.	*5/5*	FAILED to pass Senate 14-15.
H2402:	BONDS; DISCLOSURE; NOTICE	Neut.	*4/7*	Senate adopted conference report #5115. Awaits House adoption and final vote in both houses.
H2512:	PENSION CONTRIBUTIONS; EXPENDITURE LIMIT EXEMPTION	Sup.	*3/15*	from Senate rules okay.
H2517:	BUSINESS PROFESSIONALS; REGULATION RESTRICTIONS	Opp.	*4/28*	Senate COW approved with floor amend #5224.
H2549:	PUBLIC CONSTRUCTION PIPING MATERIALS; PROHIBITION	Opp.	*2/1*	referred to House gov-higher ed.
H2583:	OPEN MEETINGS; AUDIOVISUAL RECORDINGS	Opp.	*2/29*	House voted to reconsider in COW to further amend the bill and third read. House COW approved with amend #4383 and floor amend #4651. FAILED to pass House on reconsideration 28-31.
H2598:	TPT; MUNICIPALITIES; CUSTOMER REFUND CLAIMS	Opp.	*2/15*	House ways-means held.
H2647:	TECH CORRECTION; STATE FACILITIES	Opp.	*3/15*	Senate fed-man-fiscal held.
H2666:	GOVERNOR'S ECONOMIC OPPORTUNITY OFFICE; CONSOLIDATION	Neut.	*5/19*	signed by governor. Chap. 372, Laws 2016.
S1042:	PRESCOTT HISTORICAL SOCIETY; CONTINUATION	Sup.	*3/14*	signed by governor. Chap. 13, Laws 2016.
S1057:	CRIMES; CULPABLE MENTAL STATE; REQUIREMENT	Neut.	*3/2*	referred to House jud.
S1159:	JUVENILE COMMITMENT; DEPENDENT; INCORRIGIBLE CHILDREN	Opp.	*3/15*	from House ways-means with amend #4885.
S1257:	MISCONDUCT INVOLVING WEAPONS; PUBLIC PLACES	Opp.	*5/4*	Senate concurred in House amendments and FAILED to pass on final reading 14-14.
S1266:	FIREARMS; STATE PREEMPTION; PENALTIES	Opp.	*5/10*	signed by governor. Chap. 132, Laws 2016. message
S1268:	ADEQUATE WATER SUPPLY REQUIREMENTS; MUNICIPALITIES	Neut.	*5/9*	VETOED message.
S1350:	ONLINE LODGING MARKETPLACES; TAXATION	Neut.	*5/12*	signed by governor. Chap. 208, Laws 2016.
S1400:	ADEQUATE WATER SUPPLY REQ; RENEWAL	Neut.	*5/9*	VETOED message.
S1428:	PSPRS MODIFICATIONS	Sup.	*2/16*	signed by governor. Chap. 2, Laws 2016.
S1429:	PUBLIC RETIREMENT SYSTEMS; SPECIAL ELECTION	Sup.	*2/16*	signed by governor. Chap. 3, Laws 2016.
S1487:	STATE LAW; LOCAL VIOLATIONS; PENALTIES	Opp.	*3/17*	signed by governor. Chap. 35, Laws 2016.
S1516:	CAMPAIGN FINANCE AMENDMENTS	Neut.	*3/30*	signed by governor. Chap. 79, Laws 2016.
S1523:	TRUTH IN TAXATION; LEVY INCREASES	Opp.	*5/11*	signed by governor. Chap. 173, Laws 2016.
S1524:	REGULATORY ACTIONS; LIMITATION	Opp.	*5/12*	signed by governor. Chap. 209, Laws 2016.
SCR1019:	PUBLIC RETIREMENT SYSTEM BENEFITS	Sup.	*2/15*	Senate concurred on House amendments and passed on final reading 28-0; to secretary of state.

CITY OF PRESCOTT
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COUNCIL AGENDA MEMO

MEETING DATE/TYPES: STUDY SESSION 6-21-16

DEPARTMENT: Economic Initiatives

AGENDA ITEM: Greater Prescott Regional Economic Partnership (GPREP) update of FY 16 activities and plans for FY 17

Approved By:		**Date:**
Economic Initiatives Director:	Jeff Burt	06/14/2016
City Manager:	Craig McConnell	06/15/2016

Item Summary

The Greater Prescott Regional Economic Partnership (GPREP) was created to promote the economic health of the Prescott region. GPREP does this through marketing, the attraction of quality businesses, and bringing new capital investment and quality jobs to the region. The organization's first full-time Executive Director, Richard Heath, began his duties with GPREP in June 2015. Dane Beck serves as the organization's President. The GPREP Board of Directors adopted a $260,000.00 FY 16 budget which includes approximately $80,000.00 for marketing activities. This presentation is to provide Council with an update of current GPREP efforts and highlight future activities that may benefit the City of Prescott.

Background

Most U.S. metro and micropolitan areas have established organizations to promote and enhance regional economic competitiveness. In Greater Prescott, that organization is GPREP. Regional economic development organizations came into being because businesses looking to relocate evaluate regional factors before considering individual communities. To promote the region's economic health, GPREP undertakes activities related to marketing (Southern and Northern California and select U.S. markets), business attraction, and prospect management. To facilitate these efforts, GPREP builds working relationships with its member communities, private sector partners, and the Arizona Commerce Authority.

Financial Impact

To date, the City of Prescott has provided $90,000.00 ($10,000.00 in FY 14, $40,000.00 in FY 15, and $40,000.00 in FY 16) of budget support to GPREP. The requested FY 17 membership amount is $40,000.00, which will be presented to Council upon receipt of an

invoice. Funding support is included in the proposed Department of Economic Initiatives FY 17 budget (General Fund).

Attachment

1. GPREP Marketing and Business Development Report (May 2016)

Recommended Action: Presentation to update Council; no formal action is required.

GPREP Marketing and Business Development Report (May 2016)

Distribution of GPREP Marketing Materials

- October 2015: Distributed 20 marketing brochures at CoreNet in Los Angeles
- October 2015: Left 15 marketing brochures and 10 USB drives with Peter Ruiz, ACA Southern California office
- November 2015: Left 20 marketing brochures at Legend Aviation at the Prescott Municipal Airport.
- February/March 2016: Distributed approx. 300 marketing brochures and 50 USB Drives at the RE/MAX Real Estate Conference in Las Vegas.
- April 2016: Provided 25 marketing brochures and 25 USB drives to SLP staff for distribution at the MRO Americas Trade Show in Dallas.
- April 2016: Gave out 10 marketing brochures and 10 USB drives to two site selectors located in Dallas. (Mailing more materials to other 4 site selectors by the end of April).
- April 2016: Gave Danny Sullivan 10 marketing brochures and 10 USB drives for distribution to customers.
- April 2016: mailed 5 marketing brochures and 10 USB drives to site selectors in Dallas working at Mohr Partners and Aliquantus.
- May 2016: gave 5 marketing brochures and 5 USB drives to Mike Paredes at PVEDF.
- May 2016: Gave 8 USB drives to the Town of Prescott Valley Council, Mayor, and Manager as part of the GPREP presentation.
- May 2016: Gave 8 USB drives to the Town of Dewey-Humboldt Council, Mayor, and Manager as part of the GPREP presentation.

Arizona Commerce Authority (ACA) Requests for Information

- July 2015: 16,800 sq. ft. building w/42' door height. (large aircraft MRO)
- July 2015: 30,000 sq. ft. building w/12' ceiling height. (firearms testing facility)
    - Company located in Peoria, AZ
- August 2015: Rail access; 270 acres for 4 large buildings; 600,000 to 1 million gals. water per day. (egg farm)
    - Company is locating in the Snowflake
- October 2015: 250,000 sq. ft. minimum. (advanced technology manufacturing)
- February 2016: 25,000 to 35,000 sq. ft. distribution facility already in place. (weapons distribution)
- October 2015: 35,000 to 60,000 sq. ft. rentable space. (customer service center)
- April 2016: 100,000 SF to 125,000 sq. ft. manufacturing facility. (manufacture of garage doors)
- April 2016: 125,000 to 175,000 sq. ft. warehouse/industrial facility with plastic resin storage silos. (bulk plastics compounding facility)

GPREP Marketing and Business Development Report (May 2016)

Current Business Development Activities

- September 2015: Made contact with a company in California that makes airplane mock-ups and cutouts for the advertising uses. Referral made by a local realtor.
    - Local economic development practioners is also working with representatives from the same company.
- October 2015: Ongoing assisting with the siting of a biomass facility in the Greater Paulden Area.
    - Project is on hold.
    - Currently conducting a biomass feedstock analysis.
    - Applied for funding through ACA to complete a labor market analysis.
- February 2016: Assisting the Arizona Forestry Department in the siting of a sawmill in a suitable industrially zoned parcel within the county.
    - The initial inquirer is locating his company in Snowflake, AZ
    - Second inquirer is currently seeking a location in or near Yavapai County to produce wood chips.
- March 2016: Finding a suitable building for a headquarters for manufacturing company seeking relocation from California. May move manufacturing here as well. ACA referral.
    - Company is currently completing the ACA intake form.
- April 2016: Met with an owner of a company that manufacturers guns and is moving from Southern California. Lead is a local realtor.
    - Considering the Prescott Airpark Area, along with other locations within a defined geographic area of Southern California.
    - Met with City of Prescott ED staff.
    - Not considering the Phoenix Metro Area.
- May 2016: Facilitating a tour of the region for a company that is seeking to relocate from Southern California. ACA referral.
    - Company officials are not disclosing much information about their operations, real estate needs, or employment.
    - Visiting several locations before making a decision on which communities to contact for official tours and information.

Site Location Partnership (SLP) Activities to Support GPREP

- GPREP will have a presence at six select trade shows: MRO Americas (Dallas, TX in April 2016); MD & M East (Manufacturing Expo in New York, NY in June 2016); IFT Food Expo (Chicago, IL in July 2016); IMTS (Technology Expo in Chicago, IL in September 2016); FabTech (Las Vegas, NV in November 2016); and (Plastec West (Anaheim, CA in February 2017).
- Eblasts to the five targeted industry sectors and geographical locations went out the week of May 16th with follow-ups as necessary. One request for information has been received to date and providing information to that individual through SLP staff.
- Scheduling meetings with site selectors and business development consultants as requested.
- Attendance at site selector networking sessions in conjunction with the trade shows.
- Web promotion and exposure (hot spot listing, microsite, and video on SLP's website)

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COUNCIL AGENDA MEMO

MEETING DATE/TYPES: STUDY SESSION 6-21-16

DEPARTMENT: City Manager

AGENDA ITEM: Presentation and discussion of draft Lease Agreement with Prescott Frontier Days, Inc., for the Prescott Rodeo Grounds

Approved By:		**Date:**
City Attorney:	Jon Paladini	06/16/2016
City Manager:	Craig McConnell	06/16/2016

Item Summary

This item is for presentation and discussion of a draft Lease Agreement with Prescott Frontiers Days, Inc. (PFD), for the Prescott Rodeo Grounds, prospectively City Contract No. 2016-282. An overview of the attached draft document is as follows:

- The new agreement will cancel and supersede all prior contracts and amendments pertaining to the Rodeo Grounds to which the City and PFD are both parties. The current lease expires December 31, 2017.
- The term of the lease is for twenty-five years, to be reviewed for an extension of five additional years in the twenty-second year.
- PFD will be leasing the "Premises" as depicted by Attachment A to the Agreement, and be authorized use of certain other areas ("Adjacent Property" and "Common Areas") of the Rodeo Grounds at particular times, as set forth in the Lease.
- In acknowledgment of the economic benefit generated by the World's Oldest Rodeo and other events on the Property, and continuing the present arrangement, the Lease does not specify a rental payment for use of the Premises.
- PFD will act as the Property Manager for the Premises. Income derived from PFD events will be the property of PFD. Rental proceeds from other events collected by PFD will be deposited into a maintenance fund after reimbursement of reasonable expenses.
- Section 5.c addresses the serving of alcohol on the Premises for various event scenarios.
- The Lease provides for master planning of the Rodeo Grounds during the initial five (5) years, to explore and realize economic development of the highest and best uses of the property. During said period, the City has the right to amend the Lease to reflect the Master Plan, and any public-private partnership or other City

development, as long as it does not impede PFD from operating the Rodeo as the lessee of the Premises.

- The City is responsible for structural code compliance for buildings and other facilities, and the utility systems serving the Premises. PFD is responsible for utility use charges, ordinary repairs and maintenance, and establishing a maintenance fund of $10,000, to be increased annually.
- PFD is responsible for compliance with environmental and public health regulations applicable to the Premises and its use thereof; and will pay the City $500 yearly for maintenance of the (recently completed) stormwater treatment bio-swale, subject to annual CPI adjustment.
- In the event of an animal quarantine declared by the State Veterinarian, certain uses of the Rodeo Grounds may be suspended for the quarantine period.
- PFD will provide insurance and indemnify the City for its use of the Premises.
- The Lease may not be assigned by PFD in whole or part without prior consent by the City.
- The Lease is subject to termination if PFD fails to conduct the Rodeo on the Premises, or conducts the Rodeo at a location other than the Premises.

Final Agreement

Following discussions by the Council and Rodeo Board, and any consequent refinements, the Lease Agreement will be presented for approvals by the Parties. The tentative date for City Council consideration of approval is the Voting Session of July 12, 2016.

Attachment

1. Draft Lease Agreement

Recommended Action: Presentation for Council discussion and direction; no formal action to be taken.

Draft (6/16/16)

LEASE AGREEMENT
Prescott Rodeo Grounds
City Contract No. 2016-282

THIS AGREEMENT is made and entered into this ____ day of _____, 2016, by and between the City of Prescott ("City"), a political subdivision of the State of Arizona, and Prescott Frontier Days®, Inc. ("PFD"), an Arizona non-profit corporation, herein jointly referred to as the "Parties."

RECITALS

WHEREAS, City owns and controls certain real property located in Prescott, Arizona, known as the Prescott Rodeo Grounds (the "Rodeo Grounds") where the World's Oldest Rodeo® (the "Rodeo") has taken place for over one hundred years; and

WHEREAS, City has experienced and wishes to continue to experience significant economic benefit as a result of tourism, business and tax revenues generated by the Rodeo taking place on the Rodeo Grounds; and

WHEREAS, PFD operates the Rodeo and other livestock, agricultural and equestrian events on the Rodeo Grounds and wishes to enter into a new Lease Agreement for certain portions of the Rodeo Grounds (the "Premises"), together with the buildings and other improvements thereupon, to enable PFD to continue to operate its events at the current location; and

WHEREAS, City wishes for PFD to continue to operate the Rodeo and other livestock, agricultural and equestrian events on the Rodeo Grounds, and wishes to enter into a new Lease Agreement for certain portions of the Rodeo Grounds (the "Premises"), together with the buildings and other improvements thereupon, to enable PFD to continue to operate its events at the current location; and

WHEREAS, City and PFD are prepared to commit funds and other resources for maintenance and improvement of the Premises in order to enable continued operation of the Rodeo at the current location; and

WHEREAS, City is willing to enter into a Lease Agreement (the "Lease") with PFD conditioned on the continued operation of the Rodeo by PFD at its current location; and

WHEREAS, City may lease lands and buildings pursuant to its City Charter, Article VIII, Section 11; and

WHEREAS, PFD is an Arizona non-profit corporation authorized to enter into agreements for lease of City lands and buildings pursuant to its corporate by-laws and Title 10 of the Arizona Revised Statutes, governing non-profit corporations, and has provided documentation therefor; and

WHEREAS, the Parties have fully complied with the requirements pursuant to its corporate by-laws and Title 10 of the Arizona Revised statutes governing non-profit corporations prior to execution of this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN THE PARTIES AGREE AS FOLLOWS:

1. Cancellation of Previous Agreements. This Lease Agreement, City Contract No. 2016-282, cancels and supersedes the Second Supplement to Lease and Management Agreement, City Contract No. 2011-323A2, and all prior contracts and amendments thereto pertaining to the Rodeo Grounds, to which the City of Prescott and PFD are both parties.

2. Lease of Premises.

a. City, pursuant to the terms and conditions set forth herein, hereby leases to PFD the Premises consisting of Parcels 1 through 9 as identified and depicted by Attachment A, which is incorporated herein by reference.

b. The Parties may amend this Lease from time to time to modify the boundaries, buildings, other facilities, terms, or conditions.

c. The Premises shall not be reduced or otherwise modified by the City without the concurrence of PFD, or expanded or otherwise modified, altered, or improved by PFD without the concurrence of the City; any such modification shall be formalized by amending the Lease.

d. The Parties acknowledge and agree that PFD shall have the right to install additional permanent grandstands, subject to issuance of a building permit by the City, at mutually acceptable locations within the Premises.

3. Lease Term and Extension. The Lease shall commence on the date when the Lease is fully executed by the Parties, and be for a term of twenty-five (25) years, unless earlier terminated as provided herein. Recognizing that certain arrangements with stock contractors, specialty acts, and other attractions must be made by PFD three (3) years in advance, the Parties agree to meet in the twenty-second year of this Lease (2038) for the purpose of considering an extension beyond the twenty-five year term. In the event that the Parties are amenable to an extension, the Lease shall automatically renew at the end of the twenty-fifth year for an additional five (5) years. If not so extended, the Lease shall terminate at the end of the twenty-five year term. Nothing herein shall preclude the Parties from otherwise renewing or replacing the Lease, and/or modifying the terms and conditions upon mutual agreement, at any time.

4. Use of the Premises. During the term of this Agreement, or any renewal term thereof, PFD shall use the Premises exclusively for the World's Oldest Rodeo®, other rodeo events, agricultural, livestock, and equestrian events, and such other events or activities as may be authorized by the City subject to the limitations set forth in this Agreement and attachments hereto. It is understood and agreed that the use of the Premises by PFD, and policies governing such use, shall conform to all applicable federal, state, and local laws, rules, ordinances, and regulations. PFD's use or management of the leased Premises in violation of this section shall be deemed a material breach of this Agreement.

5. Management of the Premises.

a. PFD shall act as the exclusive Property Manager for the Premises during the entire year, within which time uses and events produced by others, such as a rodeo or of an agricultural, livestock, or equestrian nature, are anticipated to occur. Prior to authorizing such events, PFD shall consult with the City to determine those which will require City approval through its Special Events process, e.g., major events that will generate significant off-site traffic or noise impacts, or require substantial police and/or EMS support. PFD shall have exclusive control of the entire Premises and parking lots, and incidental use of Adjacent Property as defined herein (except that Adjacent Property already used by other parties as provided by separate leases or authorizations) during the months of June and July of every year. Uses of the Premises for other than rodeo, agricultural, livestock, or equestrian purposes shall be subject to prior review by the City, and approval through its Special Events process if deemed

necessary by the City, upon a determination by the City that the use or event is consistent and compatible with the public ownership, nature, and capacity of the Rodeo Grounds.

b. Income derived from the Premises by PFD.

(1) PFD Events. Income derived from operation of the World's Oldest Rodeo® and other events produced by PFD shall be the property of PFD.

(2) Other Events. All rental proceeds from events not produced by PFD but otherwise collected by PFD shall be deposited into a separate revenue account maintained by PFD. Monies in said revenue account shall be for the exclusive uses of reimbursing PFD for its direct, reasonable expenses associated with such rentals, and transfers into the maintenance fund established by Section 8.c. The City agrees to indemnify and hold PFD harmless from any and all damages or losses that occur at those events approved by the City through its Special Events process.

(3) PFD shall not enter into an exclusive sponsorship agreement with a party that precludes sponsorship of non-PFD events by another party, with the exception of the exclusive sponsorship agreements presently existing and associated with the World's Oldest Rodeo® and the Rodeo Parade.

c. Serving of alcohol on the Premises.

(1) PFD may serve alcohol to the public on the Premises in the area authorized by its liquor license during events it produces, and other events it attracts and for which it enters into a contract with the event organizers for production, if properly licensed and in full compliance with state law.

(2) For other approved uses or events not produced by PFD, specifically a rodeo or other use or event of an agricultural, livestock, or equestrian nature, PFD shall have the option to either serve alcohol or suspend its license to serve alcohol in order to allow alcohol service to the public on the Premises by the producers of such other uses subject to special event licensure and full compliance with state law.

(3) For other approved uses or events (i) not produced by PFD or for which it has not entered into a contract with the event organizers for production, and (ii) not a use or event of an agricultural, livestock, or equestrian nature, the event organizers may either request that PFD serve alcohol to the public, or apply to the City for a special

event liquor license for the serving of alcohol to the public by a separate special event liquor licensee. Upon receipt of such a request, PFD shall solely determine whether to provide such service.

(4) In the event that a special event liquor license application is made to the City pursuant to Paragraph 5.c.(3), and the City approves the application, the serving of liquor shall occur at a location or locations not within the Premises (i.e., within the Adjacent Property, other Common Areas, or parking lots), by the separate special event liquor licensee, which service shall be in full compliance with state law.

6. Master Plan. During the initial five (5) years of the Lease Term, the City contemplates soliciting proposals for preparation of a master plan for the Rodeo Grounds (the "Master Plan"), to explore and realize economic development of the highest and best uses of the Rodeo Grounds complementary to use of the Premises by PFD under this Lease. The City shall invite PFD to participate in the Master Plan process. The Parties hereby agree that during said five (5) year period, the City shall have the right to amend the Lease, except the Lease term, to reflect the Master Plan and any public-private partnership or other City development; provided, however, that such amendment shall not impede PFD from operating the Rodeo as the lessee of the Premises. Nothing herein shall preclude the Parties from amending the Lease to provide for changes to the facilities leased by PFD, as long as operation of the Rodeo or other events produced or otherwise authorized by PFD is not adversely affected.

7. Utilities. PFD shall be responsible for payment of all costs for installation and/or maintenance of equipment required for utility services, and for payment of all periodic utility use charges as may be required to serve the Premises. Upon request of the City, PFD shall, at the City's expense, make such modifications to current utility connections and/or metering equipment as may be required for separate billing of PFD for utility use charges for the Premises.

8. Repair and Maintenance of the Premises.

a. The Parties acknowledge that PFD has inspected the Premises prior to execution of this Agreement, accepts the Premises in their present "as is" condition, and understands that the City has no present or future duty or responsibility for repair or maintenance of the Premises, except as otherwise expressly provided in this Agreement or written amendments hereto.

b. PFD agrees to perform ordinary repairs and maintenance necessary to keep the Premises in a safe and usable condition. If, at any time upon inspection of the

Premises, the City identifies conditions in need of correction to keep the Premises in a safe and usable condition, or to prevent future damage to or deterioration of the Premises, it shall provide a written list of such conditions to PFD. The Parties then agree to meet within 30 days of receipt of said list by PFD or within such other time period as may be mutually agreed upon by the Parties, in order to identify which items are ordinary repairs and maintenance, and others extraordinary, for which the Parties shall determine the percentage of financial responsibility each Party bears for correction, as well as which Party will have primary responsibility over the associated work.

c. PFD shall establish a maintenance fund and deposit into it the sum of $10,000.00 by January 1, 2017, to assure and effect performance of the maintenance responsibilities of PFD as set forth herein. Said fund shall be replenished annually and increased in the amount of $200.00 for each year of the lease, such that the entire amount for maintenance is available on the first day of each calendar year.

d. PFD shall be responsible for compliance with environmental and public health regulations applicable to the Premises, and its use thereof, and to the extent that such use by PFD or other parties allowed by PFD cause or contribute to compliance issues outside the Property including stormwater runoff, quality, and pollution abatement. PFD shall control, manage, and promptly remove animal waste generated by use of the Premises, to safeguard the public health and in order to facilitate maintenance of the stormwater treatment bio-swale at the drainage outfall of the Rodeo Grounds, to prevent degradation of surface water quality. Not later than the first day of September of each year during the Lease term, PFD shall pay the sum of five hundred dollars ($500.00) for annual maintenance of the bio-swale to the City, which shall maintain the facility. Said payment shall be adjusted annually according to the CPI (Consumer Price Index – All Urban Consumers U.S. All items 1982-84=100).

e. The City shall be responsible for structural code compliance for buildings and other facilities as they existed upon assumption of City ownership of the Premises.

9. Notwithstanding the provisions of Section 8 of this Agreement, the City shall be responsible for repair and maintenance of the Utility Service Systems serving the Premises, including sewer, water, gas, and electric lines located on portions of the Rodeo Grounds other than the Premises, and underground sewer, water, gas, or electric lines located upon the Premises. The City's obligations pursuant to this Section shall not include repair or maintenance of pipes, lines, wiring, or other facilities for delivery of utility services contained within buildings or other structures located on the Premises. It is understood and agreed that PFD shall be responsible for costs incurred

by the City for repairs and maintenance of Utility Service Systems resulting from the negligent acts or omissions of PFD.

10. Alterations and Improvements. It is understood and agreed that the City has no present or future duty or responsibility to make alterations or improvements to the Premises. PFD shall at its sole expense make all alterations and improvements as it may deem necessary or desirable except as otherwise expressly provided in the Agreement or written amendments hereto. Prior to undertaking any alterations or improvements within the Premises, PFD shall submit plans and specifications in a form acceptable to City for review and written approval, and shall also comply with all other applicable statutes, rules, ordinance, and regulations governing such alterations or improvements. No work shall be commenced by PFD unless required written approvals have been obtained.

11. Ownership of Real and Personal Property. Title to all real and personal property owned by the City as of the effective date of this Agreement shall remain in the City. Title to all buildings, additions, or other improvements to the Premises or the Adjacent Property that may be constructed or installed during the Lease Term shall vest in City upon completion or installation, and shall remain the property of the City unless expressly provided otherwise in this Agreement or amendments thereto. Title to personal property or fixtures acquired by PFD that can be removed without damage to the real property to which it is attached, shall remain in PFD, and such property may be removed by PFD at any time prior to the date of expiration of this Agreement or of any renewals hereof. A current list of Personal Property of PFD, which Property may change from time to time, is provided as Attachment B hereto.

12. City Access to the Rodeo Grounds. The City shall be permitted access to the Premises at all times for the purpose of examining and inspecting for health and safety hazards or otherwise monitoring compliance with this Agreement, or for the purpose of gaining access to the Adjacent Property or other property controlled by the City, or for such other purposes as City may deem necessary for the conduct of its business and/or administration of this Agreement.

13. Adjacent City Property.

a. Incidental Use. City hereby grants to PFD the right to use other unimproved areas of the Rodeo Grounds (the "Adjacent Property"), to the extent that such use does not interfere with use by the City or other parties authorized by the City. It is contemplated by the Parties that such use by PFD shall include an Indian and/or Native American Village and associated arts and crafts and demonstrations created by Native

American peoples from Yavapai County. It is understood and agreed that PFD shall be responsible for any and all cleanup, repair, or restoration necessitated by such use; and that during such periods of PFD use of the Adjacent Property, the indemnification and insurance provisions set forth herein shall apply to activities conducted on the Adjacent Property, and that applicable policies of insurance shall expressly cover all such uses. PFD shall make no alterations of or improvements to the Adjacent Property without the express prior written consent of the City. Ownership of any property or improvements on the Adjacent Property shall be governed by the provisions of Section 11 of this Agreement. Except as expressly provided in this Agreement or written amendments hereto, PFD use of the Adjacent Property shall not impede, restrict, or otherwise interfere with use of the Adjacent Property by the City or other City-authorized parties.

b. Maintenance. The City shall not be obligated to maintain the Adjacent Property, and facilities thereupon, to standards higher than those set forth in the Prescott City Code applicable to all properties, buildings, and structures within the City.

14. Use of Streets, Accessways, and Other Outdoor Common Areas.

a. The Parties acknowledge that the Premises are located adjacent to public rights-of-way, City-owned rights-of-way, and other Outdoor Common Areas (the "Common Areas"). Except as may be restricted herein, City will allow PFD to use rights-of-way and other Common Areas owned and controlled by City and located adjacent to the Premises for ingress and egress from the Premises as required in order to allow PFD to conduct the activities authorized by this Agreement. PFD agrees to abide by any security provisions and access control policies established by City with respect to the Common Areas.

b. It is understood and agreed that PFD shall be responsible for the cost of any cleaning, maintenance, or repair that may be required due to its use of the Common Areas for activities and events conducted pursuant to this Agreement. It is further understood and agreed that the indemnification and insurance provisions set forth herein shall apply to any claims, damages, losses, or expenses arising from PFD use of the Common Areas pursuant to this Agreement, and that applicable policies of insurance shall expressly cover all such uses.

c. PFD shall erect no structures nor make other alterations or improvement to the Common Areas without the express prior written consent of the City or such other entities having jurisdiction over any portion of such Common Areas. Ownership of any property or improvements on the Common Areas owned by the City shall be governed by the provisions of Section 11 of this Agreement. Except as expressly provided in this

Agreement or written amendments hereto, PFD use of the Common Areas shall not impede, restrict, or otherwise interfere with the City's use of its Common Areas.

15. Parking Areas. Notwithstanding the provisions of Section 14 of this Agreement, the City shall retain control of vehicle parking in areas located outside the Premises with the exception that PFD shall have exclusive control of all Parking Areas during the months of June and July of every year and also during the Yavapai Fair, 4H exhibitions, Western-themed shows and competitions, and agricultural, livestock, equestrian, or other approved events; provided, however, that no such control or use shall impede, restrict, or otherwise interfere with use of the parking areas by the City or other City-authorized parties. During all other times, PFD shall be allocated parking spaces for routine daily business in front of each of the Mackin Building and Freeman Building, and east of the Doc Pardee Building as needed, with overflow parking in the large parking area south of Barn B. Requests for additional parking spaces for events and activities conducted pursuant to this Agreement may be made to the City on an as-necessary basis.

16. Animal Quarantine; Interruption of Uses and Events. The Parties acknowledge that in the event of an animal quarantine declared by the State Veterinarian applying to the Rodeo Grounds, certain uses of the Rodeo Grounds, including those within the Premises and Adjacent Property, may be suspended during such quarantine. The Parties agree that all agreements for use of the Rodeo Grounds in whole or part shall contain a provision providing notice to the parties thereto, and pursuant to Paragraphs 17 and 18 herein, indemnify and hold harmless the City and PFD, its employees, agents, officers, representatives, and volunteers, for any and all claims, damages, losses, and expenses arising from such quarantine.

17. Indemnification by PFD. To the fullest extent permitted by law, PFD shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials, employees and volunteers from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the activities, acts, errors, mistakes, omissions, work or services of PFD, its employees, agents, officers, representatives, and volunteers in the performance of this Agreement. PFD's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials, employees and/or volunteers that arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any activities, acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee of the PFD or any of PFD sub-lessees, PFD vendors, PFD facility users, PFD contractors or

subcontractors or any other person for whose acts, errors, mistakes, omissions, work or services PFD may be legally liable.

18. Indemnification by City. To the fullest extent permitted by law, City shall defend, indemnify and hold harmless PFD, its agents, officers, officials, and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, and/or arising out of, the City's use and/or occupancy of the Premises.

19. Insurance. PFD shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the obligations hereunder by PFD, its agents, representatives, officers, employees, volunteers, contractors or subcontractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.

The City in no way warrants that the minimum limits contained herein are sufficient to protect PFD from liabilities that might arise out of the performance of its obligations under this Agreement and PFD is free to purchase such additional insurance as may be determined necessary.

Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the City of Prescott is named as an additional insured, the City of Prescott shall be an additional insured to the full limits of liability purchased by PFD even if those limits of liability are in excess of those required by this Agreement.

2. PFD's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

Notice of Cancellation: With the exception of a ten (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this Agreement in the insurance policies above shall require a thirty (30) day written notice.

Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the City of Prescott Risk Management Division.

Verification of Coverage: PFD shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the City. Each insurance policy required by this Agreement must be in effect at or prior to the execution of this Agreement and remain in effect for the duration of the Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal is a material breach of this Agreement.

All certificates required by this Agreement shall be sent directly to the City of Prescott Risk Management Division, 221 South Cortez Street, Prescott, AZ 86303. The City contract number and an indication of this Lease Agreement shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time.

Insurance Requirements - PFD shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a following form basis.

Commercial General Liability – Occurrence Form:

Policy shall include bodily injury, property damage, personal injury, broad form contractual liability coverage.

- General Aggregate $ 2,000,000
- Products – Completed Operations Aggregate $ 1,000,000
- Personal and Advertising Injury $ 1,000,000
- Each Occurrence $ 1,000,000
- Fire Legal Liability (Damage to Rented Premises) $ 100,000

The policy shall be endorsed to include the following additional insured language:

> "The City of Prescott shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of, Lessee- Prescott Frontier Days, Inc. "

Business Automobile Liability: Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Agreement.

Combined Single Limit (CSL) $1,000,000

The policy shall be endorsed to include the following additional insured language:

"The City of Prescott shall be named as an additional insured with respect to

liability arising out of the activities performed by, or on behalf of, Lessee- Prescott Frontier Days®, Inc. "

Worker's Compensation and Employer's Liability:

Workers' Compensation	Statutory
Employer's Liability	
Each Accident -	$1,000,000
Disease – each employee -	$1,000,000
Disease – policy limit -	$1,000,000

Policy shall contain a waiver of subrogation against the City of Prescott for losses arising from activities performed by, or on behalf of, Lessee- Prescott Frontier Days.

All insurance required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in ARS Section 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

Prior to commencing work under this Agreement, PFD shall provide City with evidence that it is either a "self-insured employer" or a "carrier insured employer" for Workers' Compensation as required by ARS 23-901 et seq., or that it employs no persons subject to the requirement for such coverage.

20. Assignment and Sublease. This Lease shall be freely assignable by the City, but shall not be assigned or subleased, or otherwise transferred, in whole or in part, by PFD without prior express written consent by the City. This restriction shall not apply to temporary uses or concession agreements for intermittent uses of portions of the Premises as long as such agreements do not purport to convey any interest in the Premises or to create a landlord-tenant relationship between PFD and any other party. Any act by PFD which purports to assign, sublease, or otherwise transfer any interest in this Lease or in the Premises without the express approval of City shall be deemed void and shall further, at the sole option of City, be grounds for immediate termination of this Agreement.

21. Termination.

a. Termination for Breach. Except as otherwise expressly provided herein, in the event of a breach of any term or condition of this Agreement by PFD, the City shall provide written notice to PFD, with said notice setting forth the factual basis for the determination that a breach has occurred. If the breach is not remedied within fifteen

(15) calendar days of receipt of such notice by PFD, City may at its sole option terminate this Lease without further notice and re-enter and take possession of the Premises and all improvements thereto. The rights of the City in such event may be enforced by an action in unlawful detainer or any other available legal remedy.

b. Termination Upon Cessation of Rodeo Activities. This Agreement shall be subject to termination by the City, acting in its sole discretion, as of December 31 of any calendar year during which any of the following occurs:

(1) PFD fails to conduct the Rodeo on the Premises.

(2) PFD conducts the Rodeo at a location other than on the Premises.

c. Termination Upon Change in Lessee Status. This Agreement shall automatically terminate in the event that PFD ceases to operate as an Arizona non-profit corporation or otherwise ceases to be an entity authorized to enter into a lease for City property pursuant to Title 10 of the Arizona Revised Statutes governing non-profit corporation. This Agreement shall automatically terminate upon any action by PFD that purports to transfer any right, title, or interest in the Premises to an entity that is not either a non-profit corporation or other entity authorized to enter into a lease for City lands or buildings pursuant to Title 10 of the Arizona Revised Statutes.

22. Notices. Notices to be sent pursuant to the Agreement shall be sent certified mail, postage prepaid. To the following addresses:

To PFD:	To the City:
Prescott Frontier Days®	City Manager
P.O. Box 2037	City of Prescott
Prescott, AZ 86302-2037	201 S. Cortez St.
	Prescott, AZ 86303

23. Entire Agreement. This Agreement contains the entire agreement between the Parties and no modifications to the terms and conditions of the Lease shall be binding upon the Parties unless evidenced by an agreement in writing signed by the City and PFD.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the date first above written.

Lessee:

PRESCOTT FRONTIER DAYS®, INC.

By: _____

Printed Name _____

Title _____

Lessor:

CITY OF PRESCOTT, an Arizona municipality

By: _____
HARRY B. OBERG, Mayor

ATTEST:

_____
DANA R. DeLONG
City Clerk

APPROVED AS TO FORM:

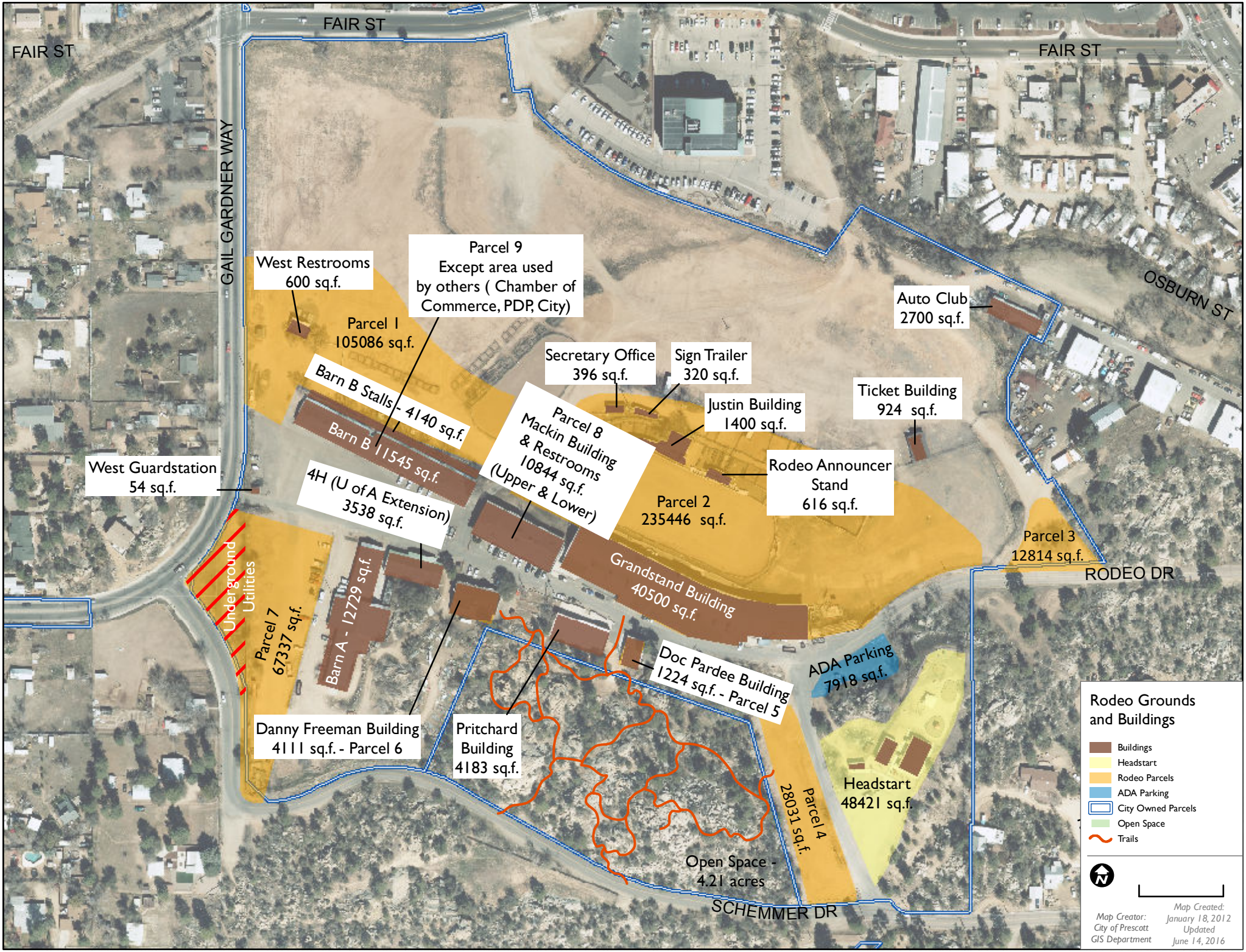
_____
JON M. PALADINI
City Attorney

ATTACHMENT A

MAP OF THE PREMISES

ATTACHMENT B

SCHEDULE OF PRESCOTT FRONTIER DAYS® PERSONAL PROPERTY
(to be provided for fully executed lease document)


FAIR ST
FAIR ST
FAIR ST
GAIL GARDNER WAY
OSBURN ST
RODEO DR
SCHEMMER DR
West Restrooms
600 sq.f.
Parcel 9
Except area used
by others (Chamber of
Commerce, PDP, City)
Parcel 1
105086 sq.f.
Barn B Stalls - 4140 sq.f.
Barn B 11545 sq.f.
Secretary Office
396 sq.f.
Sign Trailer
320 sq.f.
Auto Club
2700 sq.f.
Ticket Building
924 sq.f.
Justin Building
1400 sq.f.
Parcel 8
Mackin Building
& Restrooms
10844 sq.f.
(Upper & Lower)
Rodeo Announcer
Stand
616 sq.f.
West Guardstation
54 sq.f.
4H (U of A Extension)
3538 sq.f.
Parcel 2
235446 sq.f.
Parcel 3
12814 sq.f.
Underground
Utilities
Parcel 7
67337 sq.f.
Barn A - 12729 sq.f.
Grandstand Building
40500 sq.f.
Doc Pardee Building
1224 sq.f. - Parcel 5
ADA Parking
7918 sq.f.
Danny Freeman Building
4111 sq.f. - Parcel 6
Pritchard
Building
4183 sq.f.
Parcel 4
28031 sq.f.
Headstart
48421 sq.f.
Open Space -
4.21 acres
Rodeo Grounds
and Buildings
Buildings
Headstart
Rodeo Parcels
ADA Parking
City Owned Parcels
Open Space
Trails
Map Creator:
City of Prescott
GIS Department
Map Created:
January 18, 2012
Updated
June 14, 2016