

# **AMENDED AGENDA**

DECEMBER 6, 2006  
REGULAR SESSION

**Item 4e. New Ordinance 2006-A338 provided by legal counsel.** Please replace this ordinance for the one that was in your packet

## **NEW ITEMS**

- 4F: Possible approval of funding commitment letter to the Arizona Department of Housing to supplement the Town of Camp Verde 2006 State Housing Fund Application for Funding.**
- 7A: Discussion, consideration, and possible approval of SPR 2006-05, a site plan submitted by Edward Sawyer, Jr., agent for CSK Auto, Owner, for a commercial development to be located on Parcel 403-23-103X zoned C2-4 in Simonton Ranch PAD.**
- 10A: Discussion, consideration, review, and possible direction to staff regarding the Burgess & Niple appraisal of Camp Verde Water System.**

## AMENDED AGENDA



**REGULAR SESSION  
MAYOR AND COUNCIL  
TOWN OF CAMP VERDE  
COUNCIL CHAMBERS  
473 S. Main Street, Room #106  
WEDNESDAY, DECEMBER 6, 2006  
at 6:30 P.M.**

1. **Call to Order**

*As a reminder, if you are carrying a cell phone, pager, computer, two-way radio, or other sound device, we ask that you turn it off at this time to minimize disruption of tonight's meeting.*

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) **Approval of the Minutes:**

There are no minutes for approval.

b) **Set Next Meeting, Date and Time:**

- 1) Regular Session – December 13, 2006 at 6:30 p.m.
- 2) Regular Session – December 20, 2006 - **CANCELLED**
- 3) Council Hears P&Z – December 27, 2006 – **CANCELLED**
- 4) Regular Session – January 3, 2007 at 6:30 p.m.
- 5) Special Council Hears P&Z – January 10, 2007 at 6:30 p.m.
- 6) Regular Session – January 17, 2007 at 6:30 p.m.
- 7) Council Hears P&Z – January 24, 2007 at 6:30 p.m.

c) **Possible acceptance of Robert Johnson's resignation from the Board of Appeals.**

d) **Possible approval of Resolution 2006-715, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, declaring as a public record that certain document filed with the Town Clerk entitled, "The 2007 Amendments to the Tax Code of the Town of Camp Verde".**

e) **Possible approval of Ordinance 2006-A338, an ordinance of the Mayor and Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the privilege license tax; adopting "The 2007 Amendments to the Tax Code of the Town of Camp Verde" by reference; establishing an effective date; providing for severability and providing for penalties for violations.**

f) **POSSIBLE APPROVAL OF A FUNDING COMMITMENT LETTER TO THE ARIZONA DEPARTMENT OF HOUSING TO SUPPLEMENT THE TOWN OF CAMP VERDE 2006 STATE HOUSING FUND APPLICATION FOR FUNDING.**

5. **Call to the Public for Items not on the Agenda.**

6. **Chamber of Commerce presentation and discussion, consideration, and possible approval of the Chamber of Commerce quarterly drawdown for \$33,669 for the 3<sup>rd</sup> quarter period covering January, February, and March 2007.**

7. **Presentation by Buena Vista Children's Services representatives followed by discussion, consideration, approval of a \$1,800 donation for playground equipment.** This is an unbudgeted item from the General Fund Contingency.

7.A. **DISCUSSION, CONSIDERATION, AND POSSIBLE APPROVAL OF SPR 2006-05, A SITE PLAN SUBMITTED BY EDWARD SAWYER, JR., AGENT FOR CSK AUTO, OWNER, FOR A**

**COMMERCIAL DEVELOPMENT TO BE LOCATED ON PARCEL 403-23-103X ZONED C2-4 IN SIMONTON RANCH PAD.**

8. **Discussion, consideration, and possible acceptance of the Parks & Recreation Commission Quarterly Report.**

Councilor Parry requested the following changes to Item #9:

9. **Discussion, consideration, and possible approval of \$2,000 donation to the Friends of Camp Verde to be used to restore the ~~old rock building~~ HISTORIC ROCK BUILDING JAIL/LIBRARY located on Hollamon Street behind the Chamber of Commerce.** This is an unbudgeted item from the General Fund.
10. **Discussion, consideration, and possible approval of approximately \$3,700 for legal counsel to telephonically attend Council Hears Planning & Zoning meetings.** This is an under-budgeted item from the General Fund.
- 10.A **DISCUSSION, CONSIDERATION, REVIEW, AND POSSIBLE DIRECTION TO STAFF REGARDING THE BURGESS & NIPLA APPRAISAL OF CAMP VERDE WATER SYSTEM.**  
Note: Council may vote to go into executive session to discuss this item, pursuant to ARS §38-431.03 (A)(7) for discussion or consultations with designated representatives in order to consider Council's position and instruct representatives regarding the negotiations for the purchase, sale, or lease of real property and (A)(3) for discussion or consultation for legal advice with the attorney.
11. **Discussion, consideration, and possible approval of the Economist.com contract for the financial evaluation, impact analysis, rate plans, and due diligence regarding the acquisition of the Camp Verde Water System Co.** The anticipated costs of \$18,000 for Phase I & Phase II and the variable costs associated with Phase III are available in the General Fund Consultant Line Item.
12. **Call to the Public for Items not on the Agenda.**

**There will be no Public Input on the following items:**

13. **Advanced Approvals of Town Expenditures**
14. **Manager/Staff Report**
15. **Council Informational Reports** Individual members of the Council may provide brief summaries of current events and activities. These summaries are strictly for informing the public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.
16. **Adjournment**

Posted by: *V Jones*

Date/Time: 12-05-06 3:40 p.m.

*Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.*

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.



**TOWN OF CAMP VERDE, ARIZONA  
ORDINANCE NO. 2006-A338**

**AN ORDINANCE OF THE MAYOR AND COUNCIL  
OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA,  
RELATING TO THE PRIVILEGE LICENSE TAX; ADOPTING "THE 2007  
AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE"  
BY REFERENCE; ESTABLISHING AN EFFECTIVE DATE; PROVIDING  
FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.**

**NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the  
Town of Camp Verde that:**

**Section 1:** Pursuant to A.R.S. § 9-802, the Town hereby adopts that certain document known as "The 2007 Amendments to the Tax Code of the Town of Camp Verde," three copies of which are on file in the office of the Town Clerk of the Town of Camp Verde, Arizona, which document was made a public record by Resolution 2006-715 of the Town of Camp Verde, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

**Section 2:** Any person found guilty of violating any provision of these amendments to the tax code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as herein above described.

**Section 3:** If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the tax code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court or competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

**Section 4:** The provisions of section 1 of this ordinance as it relates to the definition of "transient" section 3 of this ordinance as it relates to subsections 8-410 (b) (3) through (5) and (c) of the Tax Code of the Town of Camp Verde and sections 7, 8, 12, 13 and 15 of this ordinance shall be effective from and after January 1, 2007.

**Section 5:** This ordinance is to be effective when publication and posting pursuant to A.R.S. § 9-813 is completed.

# TOWN OF CAMP VERDE

## Council Agenda Action Form

Meeting Type: Regular Meeting

Meeting Date: 12/6/06

Submitting Department: Housing

Contact Person: Debbie Barber

Consent:

Regular:

Requesting Action:

Report Only:

**Type of Document Needing Approval (Check all that apply):**

- Public Hearing
- Agreement/Contract
- Special Consideration
- Grant Submission
- Special Event Permit

- Resolution
- Emergency Clause
- Intergovernmental Agreement
- Liquor/Bingo License Application
- Special/Temp Use Permit

- Ordinance
- Acceptance/Approval
- Preliminary Plat
- Final Plat
- Other: Approval of Letter

**Agenda Text (be exact):** Discussion, consideration, and Possible approval of a Funding Commitment Letter to the Arizona Department of Housing 2006 State Housing Fund Application.

**Purpose of Item and Background Information:** Council approved the financial commitment associated with the 2006 State Housing Fund grant application through Resolution 2006-703. The Department of Housing has asked for a letter in addition to the Resolution that outlines how the Town's financial commitment will be accomplished. I have prepared the letter based on Page 9 of the application, Program Budget Uses that Council approved in August 2006.

**Staff Recommendation:** Approve      **Budgeted/Amount:** Yes    \$53,727

Finance Director Review (if item is unbudgeted, under budgeted, or exceeds budgeted amt)

Line Item/Fund: \_\_\_\_\_

**List All Attachments as Follows:** Resolution 2006-703 approved on 8-18-06, Page 9 from the State Housing Fund grant application, and the Funding Commitment Letter

**Type(s) of Presentation:** Verbal Only

**Signatures of Submitting Staff:** *D. Barber*

Name: *B. Lee*

Title: *Town Manager*

Town Manager/Designee: \_\_\_\_\_

### 3.1.2. Program Budget Uses

- Column A.** If a specific use of funds is not listed, indicate the type of use in "Other" box.
- Column B.** Indicate the amount of State Housing Funds being requested for this specific use.
- Column C.** Indicate amount financed by all other funding sources.
- Column D.** Indicate the total amount of columns B and C for the specified use.
- Column E.** Spell out the source(s) name for sources indicated in column C (e.g., bank loan, CDBG)

A	B	C	D	E
Activity	State Housing Funds	Other Sources	Total All Sources	Source(s)
<b>Site Improvements and Demolition</b>				
On-site	6,000	-0-	6,000	State Housing Funds
Landscaping	-0-	-0-	-0-	N/A
Demolition	30,000	-0-	30,000	State Housing Funds
<b>Rehabilitation Costs</b>				
Direct Construction	300,000	40,000	340,000	State Housing Funds/TOCV
Lead Paint Inspection/Clearance	-0-	-0-	-0-	N/A
Permits/Fees	-0-	\$6,027	6,027	Town of Camp Verde
Other	-0-	-0-	-0-	N/A
<b>Professional Fees</b>				
Arch. Design/Supervision	-0-	-0-	-0-	N/A
Environmental Review (if linked to a unit)	-0-	500	500	Town of Camp Verde
Legal Fees	-0-	-0-	-0-	N/A
<b>Loan Financing Fees</b>				
Title & Recording	6,000	-0-	6,000	State Housing Funds
Credit Reports	-0-	200	200	Town of Camp Verde
<b>Miscellaneous Soft Costs</b>				
	-0-	-0-	-0-	N/A
	-0-	-0-	-0-	N/A
<b>Temporary Relocation</b>				
Rent or Lodging*	6,000	-0-	6,000	State Housing Funds
Meals & Misc. *	6,000	-0-	6,000	State Housing Funds
<b>Project Specific Administration</b>				
Rehabilitation Specialist	-0-	4,500	4,500	Town of Camp Verde
Travel	-0-	500	500	Town of Camp Verde
Other: Postage, supplies, phones, office, copies, etc	-0-	2,000	2,000	Town of Camp Verde
<b>Subtotal Program Project Costs</b>	<b>\$354,000</b>	<b>\$53,727</b>	<b>\$407,727</b>	
General Admin from 2.3.	35,000	-0-	35,000	State Housing Funds
<b>Totals</b>	<b>\$389,000</b>	<b>\$53,727</b>	<b>\$442,727</b>	

**TOWN OF CAMP VERDE  
Council Agenda Action Form**

**Meeting Type: Regular**

**Meeting Date: December 6, 2006**

**Submitting Department: Planning & Zoning**

**Contact Person: Nancy Buckel**

**Consent:**  **Regular:**  **Requesting Action:**  **Report Only:**

**Type of Document Needing Approval (Check all that apply):**

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Acceptance/Approval      | <input type="checkbox"/> Agreement/Contract | <input type="checkbox"/> Emergency Clause            |
| <input type="checkbox"/> Final Plat               | <input type="checkbox"/> Grant Submission   | <input type="checkbox"/> Intergovernmental Agreement |
| <input type="checkbox"/> Liquor/Bingo Application | <input type="checkbox"/> Ordinance          | <input type="checkbox"/> Preliminary Plat            |
| <input type="checkbox"/> Public Hearing           | <input type="checkbox"/> Resolution         | <input type="checkbox"/> Special Consideration       |
| <input type="checkbox"/> Special/Temp Use Permit  | <input checked="" type="checkbox"/> Other:  |  |

**Agenda Text (Be Exact):** Discussion, consideration and possible approval of SPR 2006-04, a site plan submitted by Edward Sawyer Jr., agent for CSK Auto, owner, for a commercial development to be located on parcel 403-23-103X zoned C2-4 in Simonton Ranch PAD.

**Staff Recommendation:** Approve                      Budgeted/Amount N/A \$ \_\_\_\_\_

Finance Director Review (if item in unbudgeted, under budgeted, or exceeds budgeted amount)

Line Item/Fund: N/A

Purpose of Item and Background Information: This parcel is located at the corner of Finnie Flat Road and Simonton Ranch Road in the Simonton Ranch.

This is the first commercial development within the Simonton Ranch PAD. The site plan shows driveways both from Finnie Flat Road and Simonton Ranch. The proposed building will be 7,000 sq ft and have 3,753 sq ft of public floor space. This equates to 19 required parking spaces. The developer is showing 31 parking spaces with 2 ADA spaces. The landscaping required for the parking area based on this number of spaces is 837 sq ft. The front of the building will face Finnie Flat Road and will include the company standard wall sign that will be permitted separately along with a monument sign facing Finnie Flat Road. The applicant indicates that they will take their cue from the entrance monument for their architectural accents for the proposed building.

Town uniform standard specifications require commercial development to have a Type 'A' curb and gutter with a height of 6" and an 8' sidewalk. Any exception to this standard must be approved by Town Council. As of yet, no design for the Right of Way with curbs, gutters and sidewalks have been approved for the PAD along Finnie Flat and SR 260. This would be the time to determine a master plan for these improvements for the commercial area, if it is important to encourage pedestrian activity in this area.

The Silverado Subdivision developer will be constructing the Simonton Ranch Road along with the curb, gutter and sidewalk along this roadway. They are also constructing a primary entrance signage for Simonton Ranch on the corners of Simonton Ranch Road and Finnie Flat. The architect has been given these designs and will be

CASE NO. SPR 06-42

PROJECT NO. 2006-06-04

**TOWN OF CAMP VERDE**  
COMMUNITY DEVELOPMENT DEPARTMENT  
P.O. BOX 710 • 473 S. MAIN STREET, SUITE 108  
CAMP VERDE, ARIZONA 86322  
(928) 567-8513 • FAX (928) 567-7401  
**DEVELOPMENT REVIEW FOR PAD APPLICATION**

<b>REQUEST:</b>		APPLICATION DATE _____
SITE PLAN REVIEW <u>X</u>	_____	ASSESSOR'S PARCEL NO. <u>403-23-103X</u>
PRELIMINARY PLAT _____	_____	UNDERLYING ZONING _____
FINAL PLAT _____	_____	PAD DENSITY _____
AMENDMENT TO PAD _____	_____	TAKEN BY _____
EXTENSION OF TIME _____	_____	FEES _____
DEVELOPMENT AGREEMENT _____	_____	HEARING DATE _____

OWNER/DEVELOPER CSK AUTO PHONE 602-631-7359 FAX 602-294-7359

ADDRESS 645 E. MISSOURI, SUITE 450 CITY PHOENIX STATE AZ ZIP 85012

CONTACT PERSON MARK BERGQUIST

\*\*\*\*\*

ARCHITECT  
ENGINEER EDWARD B. SAWYER JR PHONE 480-538-5732 FAX 480-538-7911

ADDRESS 16611 N. 91ST ST, SUITE 105 CITY SCOTTSDALE STATE AZ ZIP 85260

CONTACT PERSON NED SAWYER

PROPOSED LAND USE	NET ACREAGE (SQ FT.)	NO. LOTS OR TRACTS	MINIMUM LOT SIZE	MINIMUM LOT WIDTH	OTHER
SINGLE FAMILY					
MULTIPLE FAMILY					
MANUFACTURED HOME					
COMMERCIAL	<u>41,976 S.F.</u> <u>0.96A</u>				
INDUSTRIAL					



## **Checker Auto Parts**

**Finnie Flat Road & Simonton Ranch Road    Camp Verde, Arizona**

CSK Auto, Inc. is planning to construct a 7,000SF Checker Auto Parts retail store on the North West corner of Finnie Flat and Simonton Ranch Roads. The store sells after market auto parts, auto accessories and associated products. Vehicles are not serviced at the store and tires are not sold.

This will be a new building constructed out of wood frame and stucco. The roof will be a flat membrane roof with parapets. The parapets will screen the mechanical units on the roof. The height of the building will be approximately 20'-0". The building will have a 4' deep canopy over a 30' wide storefront entrance. The elevations will have a 3 color territorial desert tan scheme consisting of a light tan main body color, a medium tan color on the canopy and raised accent band that is continuous around the store and a dark brown base. Stone pilasters enhance all four sides of the building matching the entrance walls to the Simonton Ranch Development.

The site efficiently integrates pedestrian and vehicular traffic along with the required parking and landscaping. A four foot wide sidewalk and landscaping will be constructed along Finnie Flat Road matching the walk that is to be built along Simonton Ranch Road. The property will be landscaped with low water use plants and granite ground cover and a minimum of 15% of the parking lot will be landscaped. The parking spaces immediately in front of the building will have black concrete. This feature is placed in high traffic areas to prolong the life of the asphalt in these areas and to cosmetically enhance discoloration that occurs with oil stains. A trash enclosure will be located on the back of the store. The site will be illuminated with lighting on the building and with additional pole lighting. All site lighting will be shielded and conform to Camp Verde's lighting Ordinance and Regulations.

Proposed signage shall include a monument sign on Finnie Flat Road and wall signs on the South and East facades in conformance with Camp Verde's Ordinance and Regulations. All signage will be permitted separately.

Grading and Drainage will be designed per Camp Verde's Ordinance and Regulations and in consideration of adjacent properties.

## PROJECT DATA

PROJECT ADDRESS: NWC FINNIE FLAT RD. & SIMONTON RANCH RD.  
 ZONING: C2  
 SQUARE FOOTAGE OF SITE: 41,976 SF. = 0.96 A (NET)  
 SQUARE FOOTAGE OF BUILDING: 7,000 SF. (7,160 S.F. UNDER ROOF)  
 SITE COVERAGE: 7,160 S.F./41,976 S.F. = 17%

### PARKING ANALYSIS:

TOTAL REQUIRED SPACES  
 RETAIL 3,753 / 200 = 19

PROVIDED SPACES = 29 + 2 ACCESSIBLE = 31 SIZE 9' X 18'

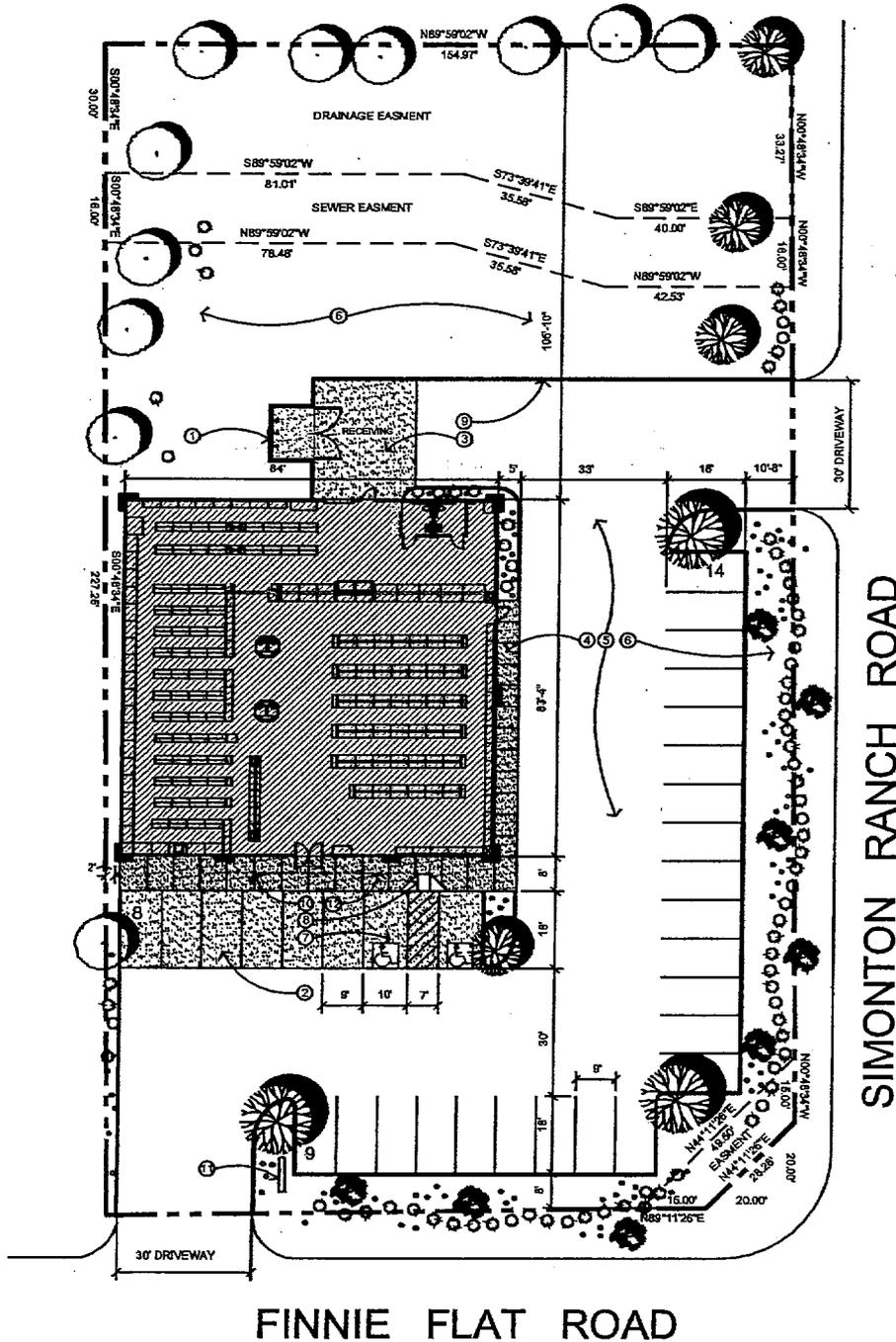
CONSTRUCTION TYPE: V-B  
 OCCUPANCY TYPE: M (RETAIL)

ALLOWABLE AREA PER U.B.C. TABLE 5-B IS 8,000 S.F.

ACTUAL HEIGHT: 20'-0"  
 PROPOSED NO. OF STORIES: 1

## KEYNOTES

- ① NEW TRASH ENCLOSURE TO CONFORM TO CITY DESIGN STANDARDS
- ② 5" CONCRETE SLAB W/ FIBER MESH REINFORCING OVER 4" A.B.C. W/ BLACK ADMIXTURE - SEE 15/7A2
- ③ 6" CONCRETE SLAB OVER 6" A.B.C.
- ④ 4" CONCRETE SIDEWALK OVER 4" A.B.C.
- ⑤ 2" ASPHALTIC CONCRETE OVER 4" A.B.C.
- ⑥ LANDSCAPE AREA
- ⑦ ACCESSIBLE PARKING STALL AND PASSENGER LOADING ZONE
- ⑧ ACCESSIBLE RAMP FROM PARKING LOT
- ⑨ 6" CONCRETE CURB
- ⑩ 6" DIA. BOLLARDS AT STOREFRONT
- ⑪ PROPOSED MONUMENT SIGN LOCATION (UNDER SEPARATE REVIEW & APPROVAL NOT PART OF THIS PERMIT)
- ⑫ 3'-10" DEEP CANOPY OVERHANG



**SITE PLAN**

Town of Camp Verde  
Post Office Box 710  
Camp Verde, AZ 86322  
(928) 567-6631

<http://www.ci.camp-verde.az.us>

*Special Power of Attorney  
Authorization for Permit Application*

Parcel Number: Part of 403-23-008U (SIMONTON RANCH) Date: August 28, 2006  
Owner: Camp Verde Homestead, LLC  
Address: 7116 E. Laguna Azul Avenue, Mesa, AZ 85209  
Phone: 480-218-7575

WHEREAS, the above-property owner is seeking to develop or improve real property within the municipal limits of the Town of Camp Verde, Yavapai County, Arizona, which will require the filing, processing, and payment of certain zoning, construction and inspection permits and reports, both from the Town and related agencies, and

WHEREAS, the Owner elects to designate an agent with authority to file and process all necessary permits and information related to property zoning and improvement, including the authority to pay fees and consent to inspections,

NOW THEREFORE, the undersigned owner(s) hereby designate CSK AUTO, Inc., an Arizona corporation as agent to file the permit applications and related documents with The Town of Camp Verde, with such authority to continue to January 31, 2007, or the application process is complete, whichever is later, or as may be earlier revoked in writing.

CAMP VERDE HOMESTEAD, LLC

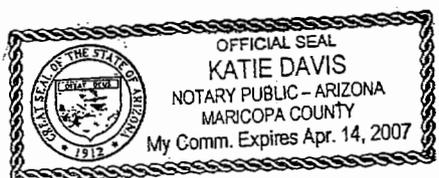
By: [Signature], Owner(s)  
G. Scott Simonton, Manager

State of Arizona  
County of Yavapai, ss.

The foregoing special power of attorney for construction and zoning permit application was acknowledged before me this \_\_\_ day of August, 2006, by G. Scott Simonton, who is/are personally known me or have produced identification.

[Signature], Notary Public

My commission expires: 4/14/07



RECEIVED 11853  
9/1/06 500.00

**TOWN OF CAMP VERDE  
COMMUNITY DEVELOPMENT DEPARTMENT**

**PERMISSION TO ENTER PROPERTY**

HEARING APPLICATION: \_\_\_\_\_ PARCEL NO.: PART OF 403-23-103R

DATE: 9-20-06 LEGAL DESCRIPTION: SEE ATTACHED (IN ALCS)

NAME: CAMP VERDE HOMESTEAD, LLC

ADDRESS: 7116 E. LAGUNA AZUL, MESA, AZ 85209

I, the undersigned, hereby give permission to the Town of Camp Verde Community Development Department or Public Official, in the discharge of duties as stated herein, and for good and probable cause, to enter the above described property to inspect same in connection with the application made under the terms of the Town of Camp Verde Planning and Zoning Ordinance. Such investigation may be made to determine whether or not any portion of such property, building or other structure is being placed, erected maintained, constructed or used in violation of the Town of Camp Verde Planning and Zoning Ordinance. Such entry shall be within 60 days of the date of my signature (below) or within 60 days of the scheduled date of a public hearing for review, transfer, or renewal of the application. Such entry shall be limited between the hours of 7AM and 6PM MST. I understand that this permission to enter property is OPTIONAL and VOLUNTARILY GIVEN and may be withdrawn or revoked (either in writing or orally) at any time.

[Signature]  
Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_

Agent for: MANAGER, CAMP VERDE HOMESTEAD, LLC

State of Arizona  
Town of Camp Verde

On this 21 day of SEPT, 2006 before me, the undersigned Notary Public, personally appeared G. SCOTT SIMONTON Who executed the foregoing instrument for the purpose therein contained.

In witness whereof, I hereby set my hand and official seal.



[Signature]  
Notary/Public \_\_\_\_\_  
9/14/07  
Date Commission Expires \_\_\_\_\_

**DIRECTIONS TO PROPERTY**

ASSESSOR'S PARCEL NUMBER: PART OF 403-23-103R

APPLICANT'S NAME: CSK AUTO, INC.  
AGENT FOR CAMP VIEUX DE HOMESTEAD, LLC

PROPERTY ADDRESS: NWC FINNIE FLAT + SIMONTON RANCH ROAD

DIRECTIONS TO PROPERTY: SEE BELOW

---



---



---



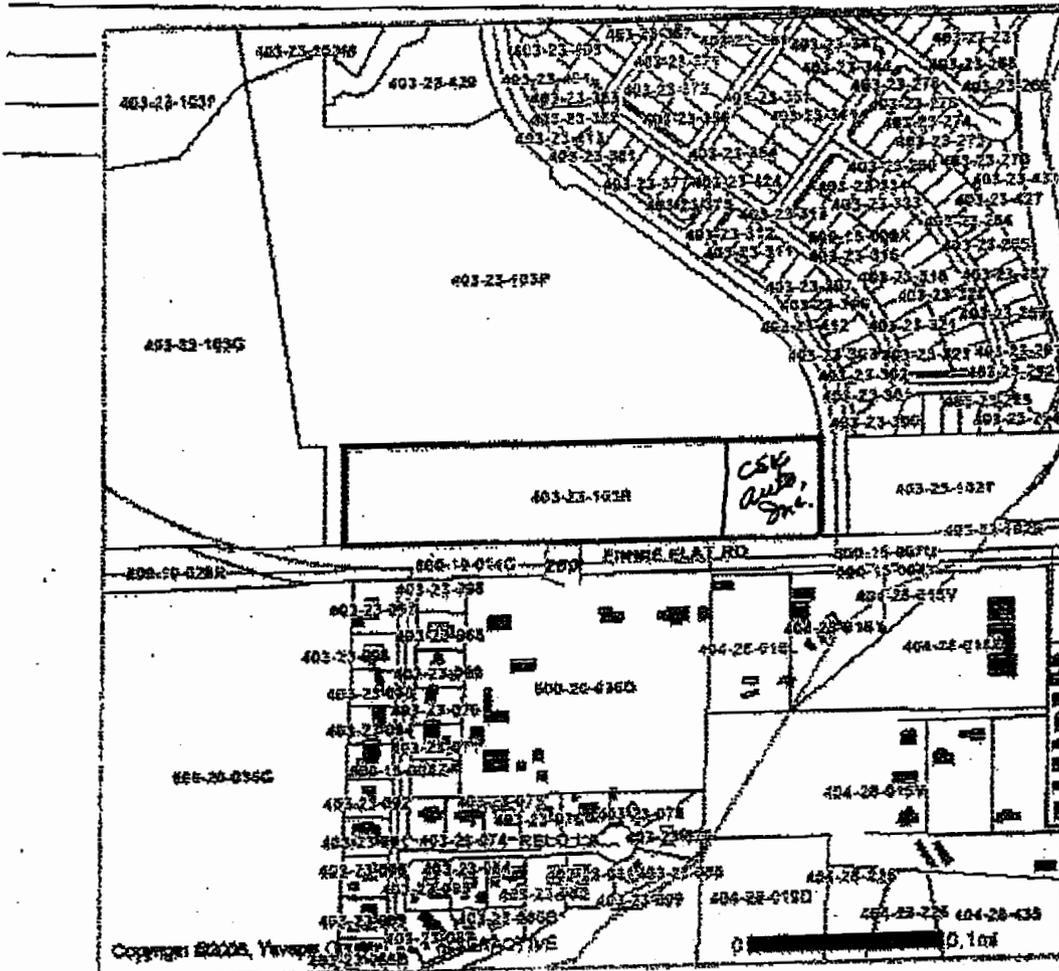
---



---



---



# YAVAPAI COUNTY GOVERNMENT

## Locate Property Information Tool

Property Search By:

- Parcel Number
- Owner Name
- Address
- Subdivision

Map Options

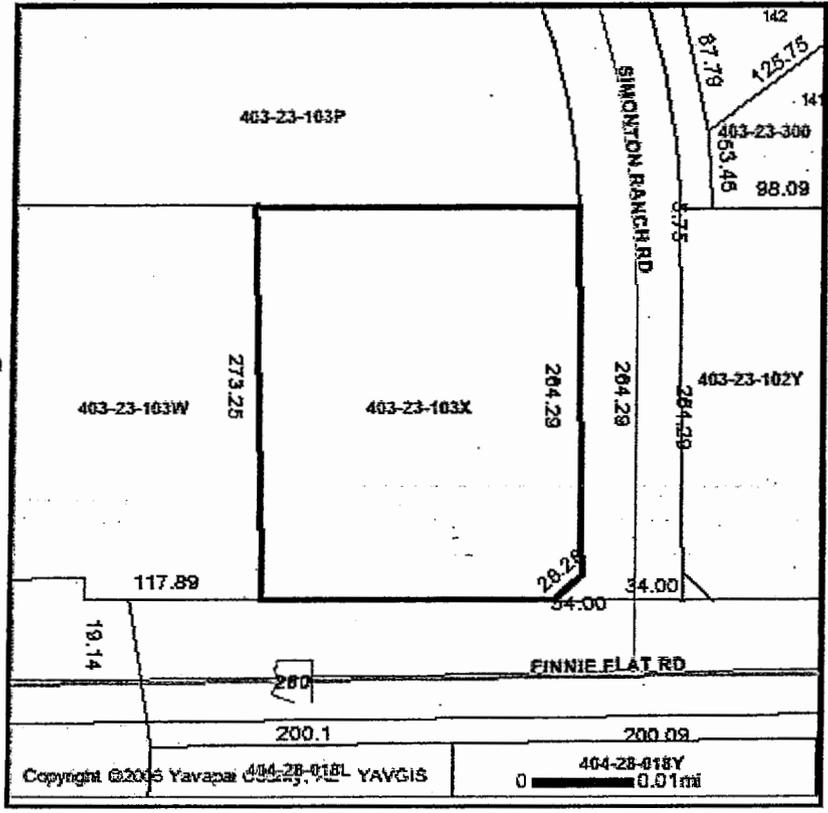
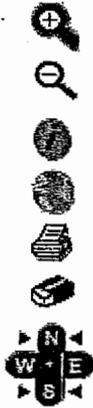
- Map
- Aerial
- Size
- Photo



Map Scale

1: 1591

**Refresh**



Active users  
88

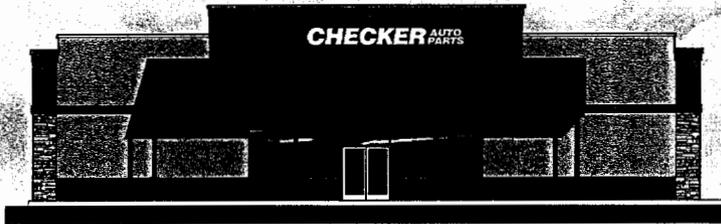
Parcel ID	Tax Parcel ID
403-23-103x	N/A

**Parcel Information**

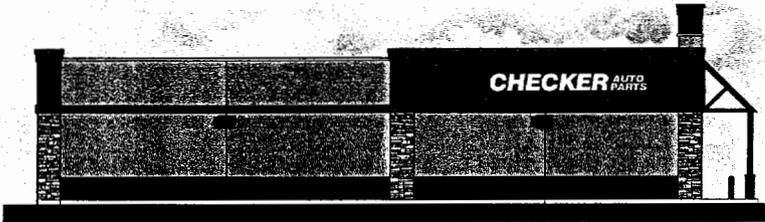
N/A

? Field Descriptions ->

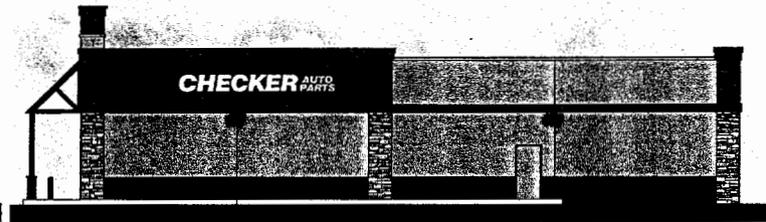
Parcel 403-23-103x has been recorded by Yavapai County and is displayed on the map. However, Arizona Department of Revenue Information is still being processed. Please check back in 1-2 weeks.



South



West



East



North

Camp Verde, AZ.  
Finnie Flat & Simonton Ranch Road

# PLANT SCHEDULE

SYMBOL	BOTANICAL/Common Name	SIZE	QTY.	REMARKS
<b>TREES (NOTE: SIZE AS SHOWN ON SCHEDULE UNLESS LABEL OTHERWISE)</b>				
	PARKINSONIA FLORIDUM BLUE PALO VERDE	24" BOX	64	STAKE AS REQUIRED
	PARKINSONIA PRAECOX PALO BREA	24" BOX	74	STAKE AS REQUIRED
	CELTIS LAEVIGATA VAR. RETICULATA HACKBERRY	15 GAL.	108	STAKE AS REQUIRED
	FRAXINUS VELUTINA "RIO GRANDE" FAN-TEX ASH	15 GAL.	98	STAKE AS REQUIRED
	POPULUS FREMONTII COTTONWOOD	15 GAL.	29	STAKE AS REQUIRED
	PROSOPIS CHILENSIS "THORNLESS" THORNLESS CHILEAN MESQUITE	24" BOX	122	STAKE AS REQUIRED
	PROSOPIS PUBESCENS SCREWBEAN MESQUITE	24" BOX	23	STAKE AS REQUIRED
	PROSOPIS JULIFLORA VELVET MESQUITE	24" BOX	64	STAKE AS REQUIRED
<b>SHRUBS</b>				
	CAESALPINIA GILLESII DESERT BIRD OF PARADISE	5 GAL.	104	1 GPH EMITTER
	ERICAMERIA LARICIFOLIA TURPENTINE BUSH	5 GAL.	633	1 GPH EMITTER
	JUSTICIA CALIFORNICA CHUPAROSA	5 GAL.	513	1 GPH EMITTER
	LARREA TRIDENTATA CREOSOTE	5 GAL.	549	1 GPH EMITTER
	LEUCOPHYLLUM FRUTESCENS "GREEN CLOUD" GREEN CLOUD SAGE	5 GAL.	679	1 GPH EMITTER
	VAUQUELINIA CALIFORNICA ARIZONA ROSEWOOD	5 GAL.	267	1 GPH EMITTER
<b>ACCENTS</b>				
	AGAVE PARRYII PARRY'S AGAVE	5 GAL.	167	1 GPH EMITTER
	HESPERALOE PARVIFLORA RED YUCCA	5 GAL.	103	1 GPH EMITTER
	MUHLENBERGIA RIGENS DEER GRASS	5 GAL.	249	1 GPH EMITTER
	NOLINA MICROCARPA BEAR GRASS	5 GAL.	44	1 GPH EMITTER
	YUCCA BACCATA DATIL YUCCA	5 GAL.	33	.5 GPH EMITTER
<b>GROUND COVER</b>				
TURF	CYNODON DACTYLON "MIDRON" MIDRON HYBRID BERMUDA	SOD	37,300 SQ. FT.	POP-UP SPRAY HEADS
	DALEA GREGGII TRAILING INDIGO BUSH	1 GAL.	1734	1 GPH EMITTER
	MELAMPIDIUM LEUCANTHUM BLACKFOOT DAISY	1 GAL.	804	1 GPH EMITTER
<b>SEED MIX</b>				
	50% GREAT BASIN GRASS MIX/ 50% GREAT BASIN WILDFLOWER MIX BY: WILD SEED, TEMPE, AZ PH: 602-276-3536	-	78,000 SQ. FT.	1 LB/ 2000 SQ FT
<b>MATERIAL</b>				
	CONCRETE HEADER	6" x 6" CURBSTYLE	-	SEE DETAIL
NO SYMBOL	DECOMPOSED GRANITE "DESERT GOLD"	1/2" MINUS	-	2" DEPTH ALL LANDSCAPE AREAS
	DECOMPOSED GRANITE "DESERT GOLD"	1/4" MINUS	-	SEE DETAIL
	DECOMPOSED GRANITE RIP-RAP "DESERT GOLD"	3"-6" SCREENED	-	HAND PLACE AS SHOWN ON PLAN

## NOTES:

- TREE HEIGHTS AND CALIPERS WILL COMPLY WITH "ARIZONA NURSERY ASSOCIATION SPECIFICATIONS" FOR THAT TYPE AND SIZE OF TREE.
- LANDSCAPE TO BE WATERED BY AN UNDERGROUND AUTOMATIC IRRIGATION SYSTEM.
- TREES SHALL MEET SPECIFIED CALIPER SIZE WITHIN ONE YEAR OF INSTALLATION DATE.

# Memo

**To:** Nancy Buckel, Community Development Director  
**From:** Ron Long, Town Engineer  
**CC:**  
**Date:** 10/25/2006  
**Re:** CSK Checker Auto Site Plan Review Comments

---

Review of the CSK Auto/ Checker Auto Site plans.

Edward B. Sawyer, Architect

## Site Plan Review Comments

1. Show the Public improvements that will be built with this development on the site plan. This development will require curb, gutter, sidewalks, and street lights along the frontages of Finnie Flat and Simonton Ranch Roads.
2. Show and label all existing and proposed utilities on the site plan.
3. Show both sides Finnie Flat and Simonton Ranch Roads as they exist or are proposed on the site plan along the property frontage. Show any driveways across from the property including the ROW, striping, and street improvements.
4. A right turn lane will be required along the frontage of Finnie Flat Road.
5. The detention basin must be designed to the Yavapai County drainage criteria manual including a SWPPP. The basin will be maintained by the property owners/business.

Ron Long P.E.

Town of Camp Verde  
395 S. Main Street  
Camp Verde, AZ 86322

## *Camp Verde Fire District*

26 W. Salt Mine Rd.

P.O. BOX 386 • CAMP VERDE, AZ 86322-0386

Phillip R. Harbeson Sr.  
Fire Chief

BUSINESS 567-9401 • EMERGENCY 567-4123 OR 911

Jack E. Blum  
Secretary-Treasurer

September 27, 2006

Ms. Nancy Buckel, Senior Planner  
Town of Camp Verde  
PO Box 710  
Camp Verde, AZ 86322

Dear Ms. Buckel:

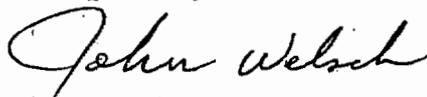
In regards to requested input and comment regarding Project Application SPR 2006-04 (Checker Auto Parts), the Camp Verde Fire District (CVFD) is requesting the addition of the below listed fire protection and life safety features not addressed in the preliminary site plan map:

1. Placement of a minimum of 2 fire hydrants in the 8-inch water main with neither of these appliances to be in a "dead-end" configuration. Hydrant placement to be at entrance driveway locations (or placed in a position where fire hose will not cross any roadway) allowing fire apparatus access while inbound to the property. Said hydrants to be consistent with standard Camp Verde Fire District specifications as previously installed by the Camp Verde Water Company, and located to effect attachment by CVFD fire apparatus and without obstruction by landscaping, architecture, or site improvement.
2. Installation of an approved and monitored automatic fire sprinkler system consistent with all of the requirements set forth in NFPA 13. This system will be accessible for fire ground operations through the placement of an approved Fire Department Connection (FDC) at the southeast corner (front) of the structure. If this location is not possible due to architectural or design issues, alternative placement of the FDC may be anywhere along the east wall of the building
3. The owner/occupant must submit plans concerning the storage and containment of all hazardous materials onsite. This plan must include containment of spills including full quantities for consumer commodity sized goods as well as possible bulk (55 gallon and larger) packaging that may be onsite.
4. The owner/occupant must submit plans for a fire detection alarm system as addressed in NFPA 72. Plans shall also be submitted for any additional life safety devices consistent with the International Fire Code, 2003 edition (emergency lighting, exit signs, etc.) as they apply to this Group M occupancy.
5. The CVFD is requesting placement of a secure locking key box (Knox Box) on the exterior of the structure with keys to open all exterior doors in case of an after hours emergency. Location of this box to be agreed upon at a later date between owner/occupant and CVFD representative.

Having shopped in other Checker Auto Parts stores, I have found them to all be designed to provide the necessary life safety requirements. I believe that if this structure is consistent with the others I have visited, it will adequately address all International Fire Code requirements.

The Camp Verde Fire District appreciates the opportunity to assist the owner of this new occupancy with meeting the requirements outlined in the International Fire Code, and looks forward to meeting the development team to welcome them to our town. We will provide whatever technical assistance is needed to bring this project to a successful completion; therefore, we would ask to be included in any upcoming planning sessions. Additionally, if there are any questions your staff may have regarding this occupancy, please do not hesitate to give me a call.

Respectfully,

A handwritten signature in cursive script that reads "John Welsch". The signature is written in dark ink and is positioned to the right of the typed name.

John Welsch  
Assistant Chief

**CAMP VERDE WATER SYSTEM, INC.**  
**499 S. SIXTH STREET**  
**P.O. BOX 340**  
**CAMP VERDE AZ 86322**  
**(928) 567-5281**

09-27-06P03:49 RCVD

September 27, 2006

Nancy Buckel, Planner  
Town of Camp Verde  
P.O. Box 710  
Camp Verde AZ 86322

RE: Checker Auto SPR 2006-04  
Parcel No.: 403-23-103R  
Owner: Mark Bergquist  
Location: On Finnie Flat Road west of the entrance to Silverado at Simonton Ranch

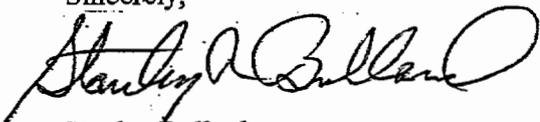
Dear Ms. Buckel:

This area is in our Certificate of Convenience and Necessity (CC&N) issued by the Arizona Corporation Commission (ACC). We are regulated by the ACC and are required to follow their Rules and Regulations. All Agreements and expansions must be approved by the ACC. We currently do have service in the area of the property and we may need to enter into an Advance in-Aid of Construction Agreement with the owner of the property in order to serve additional fire protection on this parcel. We do have a twelve-inch main line that parallels Finnie Flat Road on the north side and adjacent to the property. The Advance-In-Aid of Construction Agreement will allow us to install mains, services, fire hydrants and other infrastructure as needed for the project. As part of that agreement we will need to have a utility easements where our facilities will be placed. The Arizona Corporation Commission must approve the Advance Agreement before the agreement becomes valid. We will be able to serve this parcel and the proposed commercial area. The property will be served from this twelve-inch (12") main.

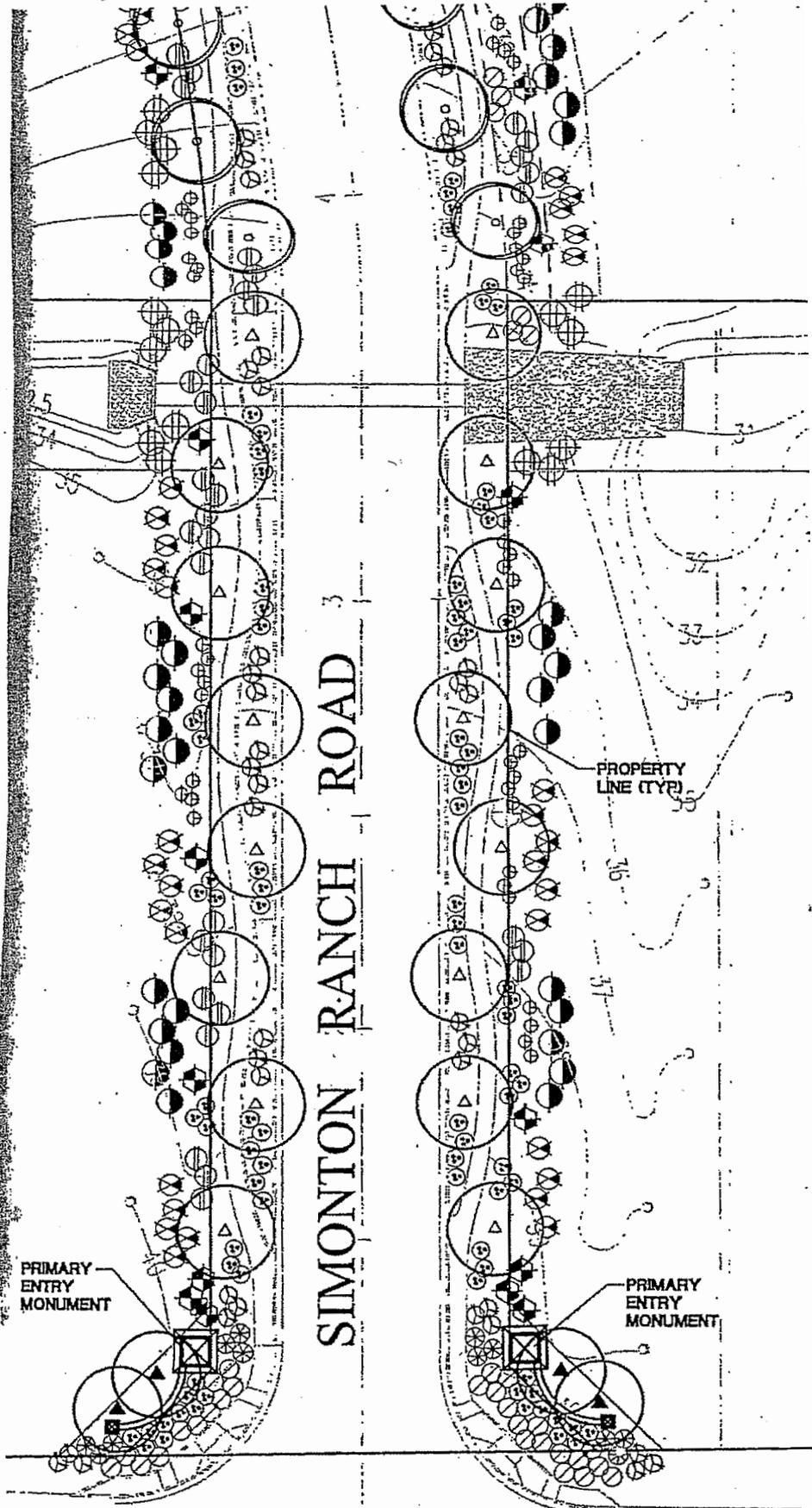
If the development requires fire protection and additional mains to serve the development, the Advance-in-Aid of construction agreement would include these facilities. Our Advance-In-Aid of Construction Agreements require us to collect the infrastructure fees up front and repay the Advance for refundable fees over a ten (10) year period, based on the revenue collected from bona fide customers. The refund is ten percent (10%) of the revenue collected (less taxes and fees) from these customers for ten years. Any balance remaining after ten years becomes a contribution to our company. Any facilities associated with fire protection are a contribution to the company and are not subject to refund. We are required by ACC to serve those developments located within our CC&N when there is a request for service.

We recommend approval of this requested SPR and look forward to providing service to this development. If you have any questions or need additional information, please call me at the above number.

Sincerely,



Stanley Bullard  
Vice-President  
Camp Verde Water System, Inc.



SIMONTON RANCH ROAD

PRIMARY ENTRY MONUMENT

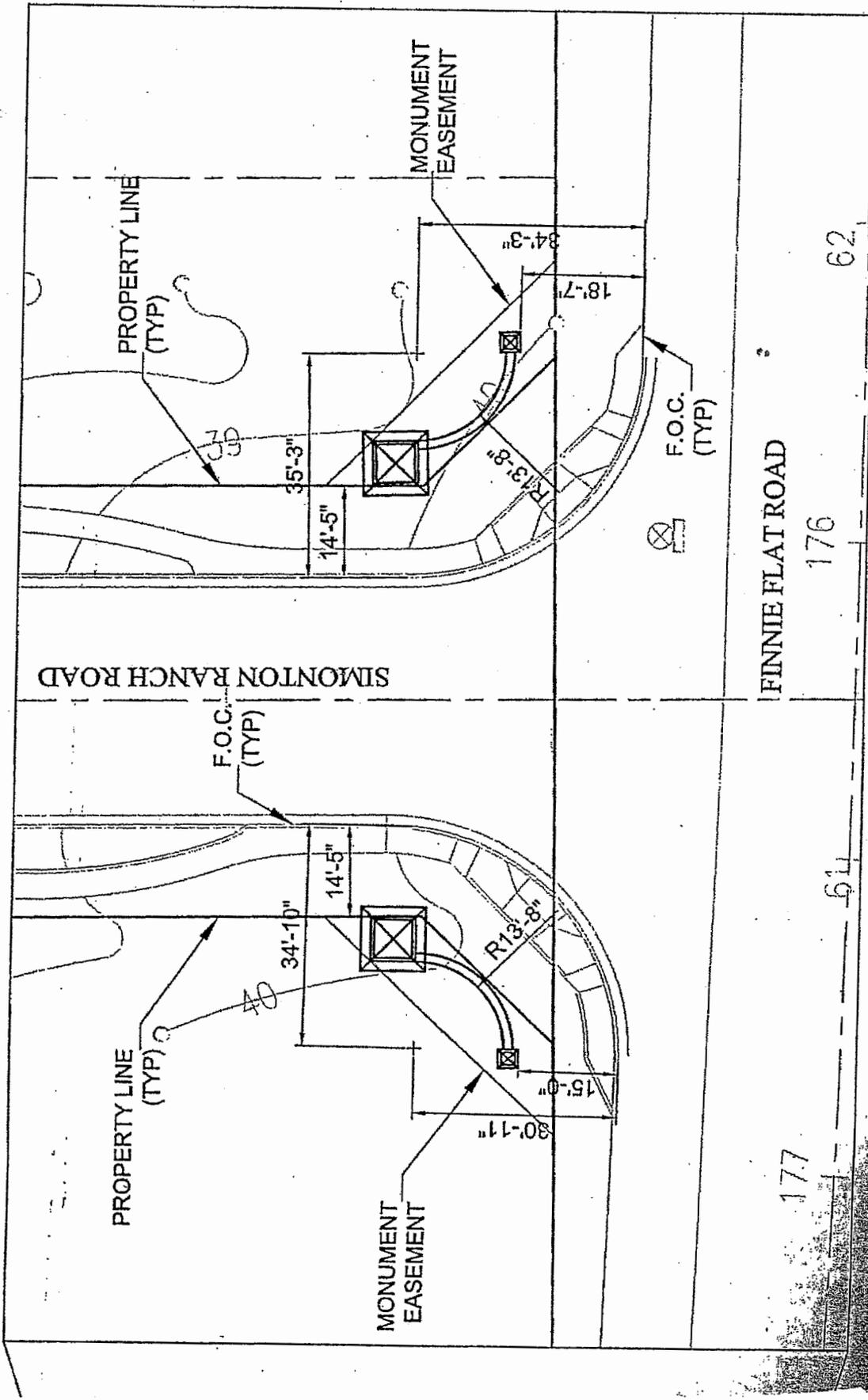
PROPERTY LINE (TYP)

PRIMARY ENTRY MONUMENT

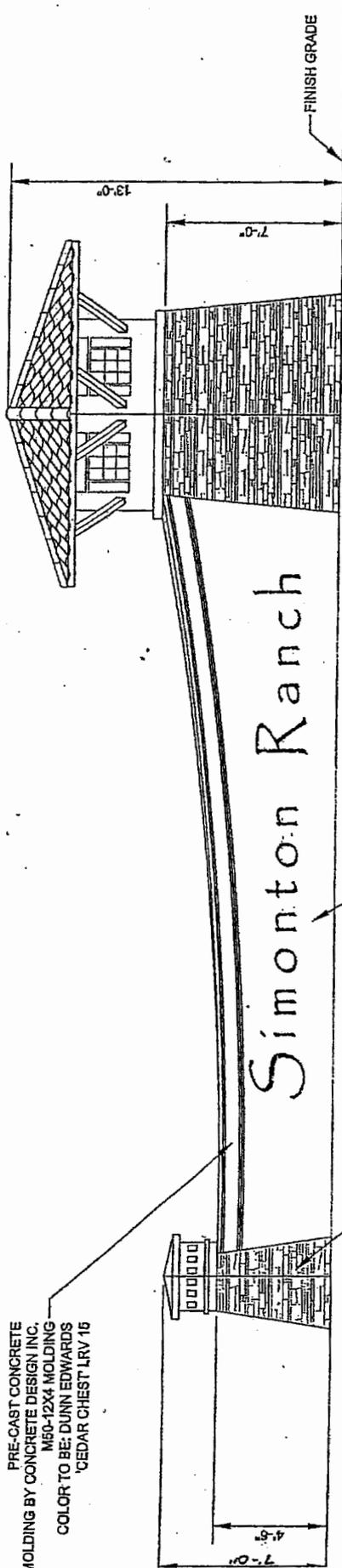
FINNIE

# PLANT SCHEDULE

SYMBOL	BOTANICAL/COMMON NAME	SIZE	QTY.	REMARKS
<b>TREES (NOTE: SIZE AS SHOWN ON SHEDULE UNLESS LABEL OTHERWISE)</b>				
	PARKINSONIA FLORIDUM BLUE PALO VERDE	24" BOX	64	STAKE AS REQUIRED
	PARKINSONIA PRAEcox PALO BREA	24" BOX	74	STAKE AS REQUIRED
	CELTIS LAEVIGATA VAR. RETICULATA HACKBERRY	15 GAL.	108	STAKE AS REQUIRED
	FRAXINUS VELUTINA "RIO GRANDE" FAN-TEX ASH	15 GAL.	98	STAKE AS REQUIRED
	POPULUS FREMONTII COTTONWOOD	15 GAL.	29	STAKE AS REQUIRED
	PROSOPIS CHILENSIS 'THORNLESS' THORNLESS CHILEAN MESQUITE	24" BOX	122	STAKE AS REQUIRED
	PROSOPIS PUBESCENS SCREWBEAN MESQUITE	24" BOX	23	STAKE AS REQUIRED
	PROSOPIS JULIFLORA VELVET MESQUITE	24" BOX	64	STAKE AS REQUIRED
<b>SHRUBS</b>				
	CAESALPINIA GILLESII DESERT BIRD OF PARADISE	5 GAL.	104	1 GPH EMITTER
	ERICAMERIA LARICIFOLIA TURPENTINE BUSH	5 GAL.	633	1 GPH EMITTER
	JUSTICIA CALIFORNICA CHUPAROSA	5 GAL.	513	1 GPH EMITTER
	LARREA TRIDENTATA CREOSOTE	5 GAL.	549	1 GPH. EMITTER
	LEUCOPHYLLUM FRUTESCENS 'GREEN CLOUD' GREEN CLOUD SAGE	5 GAL.	679	1 GPH EMITTER
	VAUQUELINIA CALIFORNICA ARIZONA ROSEWOOD	5 GAL.	267	1 GPH EMITTER
<b>ACCENTS</b>				
	AGAVE PARRYII PARRY'S AGAVE	5 GAL.	167	1 GPH EMITTER.
	HESPERALOE PARVIFLORA RED YUCCA	5 GAL.	103	1 GPH EMITTER
	MUHLENBERGIA RIGENS DEER GRASS	5 GAL.	249	1 GPH EMITTER
	NOLINA MICROCARPA BEAR GRASS	5 GAL.	44	1 GPH EMITTER
	YUCCA BACCATA DATIL YUCCA	5 GAL.	33	.5 GPH EMITTER
<b>GROUND COVER</b>				



PRE-CAST CONCRETE  
MOLDING BY CONCRETE DESIGN INC.  
M50-12X4 MOLDING  
COLOR TO BE: DUNN EDWARDS  
'CEDAR CHEST LRV 15



# Simonton Ranch

STONE VENEER,  
CHARDONAY LEDGE  
BY CENTURION STONE (TYP)

CMU WALL WITH SMOOTH  
SAND STUCCO FINISH.  
COLOR TO BE: DUNN EDWARDS  
'PRACTICAL TAN LRV 58

TOWER SHOWN FOR REFERENCE ONLY.  
TOWER TO BE BUILT FROM ARCHITECTS  
DRAWINGS, BY OTHERS.

**PRIMARY ENTRY ELEVATION**  
SCALE: 1/4" = 1'-0"

NTS

# TOWN OF CAMP VERDE

## Council Agenda Action Form

**Meeting Type:** Regular Meeting

**Meeting Date:** December 6, 2006

**Submitting Department:** Administration

**Contact Person:** Bill Lee

**Consent:**

**Regular:**

**Requesting Action:**

**Report Only:**

**Type of Document Needing Approval (Check all that apply):**

Public Hearing

Resolution

Ordinance

Agreement/Contract

Emergency Clause

Acceptance/Approval

Special Consideration

Intergovernmental Agreement

Preliminary Plat

Grant Submission

Liquor/Bingo License Application

Final Plat

Special Event Permit

Special/Temp Use Permit

Other:

**Agenda Text (be exact):** Review of Burgess & Niple's appraisal of the Camp Verde Water System followed by possible direction to staff regarding the Camp Verde Water System.

**Staff Recommendation:** N/A

**Budgeted/Amount:** N/A

Finance Director Review (if item is unbudgeted, under budgeted, or exceeds budgeted amt)

Line Item/Fund: \_\_\_\_\_

**Purpose of Item and Background Information:** Discussion of revised Burgess & Niple's appraisal documents and staff direction.

**List All Attachments as Follows:** None

**Type(s) of Presentation:** Verbal Only

**Special Equipment needed for Presentation:**

Laptop Computer\*

Overhead Projector

Remote Microphone

\* Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

**Please note:** You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

**Signatures of Submitting Staff:**

Name: Bill Lee

Title: Town Manager

## AGENDA



**REGULAR SESSION  
MAYOR AND COUNCIL  
TOWN OF CAMP VERDE  
COUNCIL CHAMBERS  
473 S. Main Street, Room #106  
WEDNESDAY, DECEMBER 6, 2006  
at 6:30 P.M.**

1. **Call to Order**

*As a reminder, if you are carrying a cell phone, pager, computer, two-way radio, or other sound device, we ask that you turn it off at this time to minimize disruption of tonight's meeting.*

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) **Approval of the Minutes:**

There are no minutes for approval.

b) **Set Next Meeting, Date and Time:**

- 1) Regular Session – December 13, 2006 at 6:30 p.m.
- 2) Regular Session – December 20, 2006 - **CANCELLED**
- 3) Council Hears P&Z – December 27, 2006 – **CANCELLED**
- 4) Regular Session – January 3, 2007 at 6:30 p.m.
- 5) Special Council Hears P&Z – January 10, 2007 at 6:30 p.m.
- 6) Regular Session – January 17, 2007 at 6:30 p.m.
- 7) Council Hears P&Z – January 24, 2007 at 6:30 p.m.

c) **Possible acceptance of Robert Johnson's resignation from the Board of Appeals.**

d) **Possible approval of Resolution 2006-715, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, declaring as a public record that certain document filed with the Town Clerk entitled, "The 2007 Amendments to the Tax Code of the Town of Camp Verde".**

e) **Possible approval of Ordinance 2006-A338, an ordinance of the Mayor and Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the privilege license tax; adopting "The 2007 Amendments to the Tax Code of the Town of Camp Verde" by reference; establishing an effective date; providing for severability and providing for penalties for violations.**

5. **Call to the Public for Items not on the Agenda.**

6. **Chamber of Commerce presentation and discussion, consideration, and possible approval of the Chamber of Commerce quarterly drawdown for \$33,669 for the 3<sup>rd</sup> quarter period covering January, February, and March 2007.**

7. **Presentation by Buena Vista Children's Services representatives followed by discussion, consideration, approval of a \$1,800 donation for playground equipment. This is an unbudgeted item from the General Fund Contingency.**

8. **Discussion, consideration, and possible acceptance of the Parks & Recreation Commission Quarterly Report.**



11-21-06

Copied Council and Staff

11-21-06

BL  
45

I AM RESIGNING MY  
POSITION ON THE BOARD OF  
APPEALS EFFECTIVE AT 4<sup>00</sup> PM  
TODAY, TUESDAY, 11-21-06. I  
JUST HAVE TOO MANY OTHER THINGS  
TO DO. IT HAS BEEN FUN AND  
I HAVE REALLY ENJOYED THE PEOPLE  
I WORK WITH.

SINCERELY YOURS

Robert D. Johnson

ROBERT D. JOHNSON

3385 E. MESQUITE TR.

CAMP VERDE, AZ. 86322

*This certificate is awarded to*

**Robert D. Johnson**

*In recognition of his valuable service to the Town for his time  
serving on the Board of Adjustments.*



TOWN OF CAMP VERDE

\_\_\_\_\_  
Mayor Tony Gioia

\_\_\_\_\_  
Date

# TOWN OF CAMP VERDE Council Agenda Action Form

Meeting Type: Regular Meeting

Meeting Date: Dec 6, 2006

Submitting Department: Finance

Contact Person: Dane Bullard

Consent:

Regular:

Requesting Action:

Report Only:

**Type of Document Needing Approval (Check all that apply):**

- Public Hearing
- Agreement/Contract
- Special Consideration
- Grant Submission
- Special Event Permit

- Resolution
- Emergency Clause
- Intergovernmental Agreement
- Liquor/Bingo License Application
- Special/Temp Use Permit

- Ordinance
- Acceptance/Approval
- Preliminary Plat
- Final Plat
- Other:

**Agenda Text (be exact):** Discussion and possible approval of Resolution #2006-715 adopting by reference the 2007 Tax Code Amendments.

**Staff Recommendation:** Approve

**Budgeted/Amount:** Yes \$N/A

Finance Director Review (if item is unbudgeted, under budgeted, or exceeds budgeted amt)

Line Item/Fund: \_\_\_\_\_

**Purpose of Item and Background Information:** The Municipal Tax Code Commission have approved the amendments which are designed to reflect recent changes to make compliance with the tax code easier for businesses.

**List All Attachments as Follows:** A summary of the amendment provisions are attached.

**Type(s) of Presentation:** Verbal Only

**Special Equipment needed for Presentation:**

- Laptop Computer\*       Overhead Projector
- Remote Microphone

\* Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

**Please note:** You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

**Signatures of Submitting Staff:**

Name: D Bullard

Title: Finance Director



**RESOLUTION 2006-715**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL  
OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA,  
DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH  
THE TOWN CLERK ENTITLED "THE 2007 AMENDMENTS TO THE TAX CODE OF  
THE TOWN OF CAMP VERDE"**

**Be it resolved by the Mayor and Council of the Town of Camp Verde, Arizona;**

**That certain documents entitled "THE 2007 AMENDMENTS TO THE TAX CODE  
OF THE TOWN OF CAMP VERDE", three copies of which are on file in the  
office of the Town Clerk, is hereby declared to be a public record, and said  
copies are ordered to remain on file with the Town Clerk.**

**PASSED AND ADOPTED by the Mayor and Council of the town of Camp Verde,  
Arizona, this 6<sup>th</sup> day of December, 2006**

\_\_\_\_\_  
Tony Gioia, Mayor

Attest:

\_\_\_\_\_  
Deborah Barber, Town Clerk

Approved as to form:

\_\_\_\_\_  
Town Attorney

# TOWN OF CAMP VERDE

## Council Agenda Action Form

Meeting Type: Regular Meeting

Meeting Date: Dec 6, 2006

Submitting Department: Finance

Contact Person: Dane Bullard

Consent:

Regular:

Requesting Action:

Report Only:

**Type of Document Needing Approval (Check all that apply):**

- Public Hearing
- Agreement/Contract
- Special Consideration
- Grant Submission
- Special Event Permit

- Resolution
- Emergency Clause
- Intergovernmental Agreement
- Liquor/Bingo License Application
- Special/Temp Use Permit

- Ordinance
- Acceptance/Approval
- Preliminary Plat
- Final Plat
- Other:

**Agenda Text (be exact):** Discussion and possible approval of Ordinance # 2006-A338 adopting the 2007 Tax Code Amendments.

**Staff Recommendation:** Approve

**Budgeted/Amount:** Yes \$N/A

Finance Director Review (if item is unbudgeted, under budgeted, or exceeds budgeted amt)

Line Item/Fund: \_\_\_\_\_

**Purpose of Item and Background Information:** Adoption of the ordinance will bring the Town's tax code into compliance with changes to the Model City Tax Code by State statute. These changes primarily relate to the Hotel Industry, conformance with 2006 Statutory Preemptions and housekeeping changes.

**List All Attachments as Follows:** A summary of the amendment provisions are attached.

**Type(s) of Presentation:** Verbal Only

**Special Equipment needed for Presentation:**

- Laptop Computer\*
- Overhead Projector
- Remote Microphone

\* Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

**Please note:** You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

**Signatures of Submitting Staff:**

Name: D Bullard

Title: Finance Director



**TOWN OF CAMP VERDE, ARIZONA  
ORDINANCE NO. 2006-A338**

**AN ORDINANCE OF THE MAYOR AND COUNCIL  
OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA,  
RELATING TO THE PRIVILEGE LICENSE TAX; ADOPTING "THE 2007  
AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE"  
BY REFERENCE; ESTABLISHING AN EFFECTIVE DATE; PROVIDING  
FOR SEVERABILITY AND PROVIDING PENALTIES FOR VIOLATIONS.**

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Common Council of the Town of Camp Verde that:

**Section 1:** That certain document known as "The 2007 Amendments to the Tax Code of the Town of Camp Verde," three copies of which are on file in the office of the Town Clerk of the Town of Camp Verde, Arizona, which document was made a public record by Resolution 2006-715 of the Town of Camp Verde, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

**Section 2:** Any person found guilty of violating any provision of these amendments to the tax code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as herein above described.

**Section 3:** If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of these amendments to the tax code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court or competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

**Section 4:** The provisions of section 1 of this ordinance as it relates to the definition of "transient" section 3 of this ordinance as it relates to subsections 8-410 (b) (3) through (5) and (c) of the Tax Code of the Town of Camp Verde and sections 7, 8, 12, 13 and 15 of this ordinance shall be effective from and after January 1, 2007.

**Section 5:** The provisions of section 3 of this ordinance as it relates to subsection 8-410 (b) (2) of the Tax Code of the Town of Camp Verde shall be effective from and after July 1, 1999.

**Section 6:** The provisions of section 4, 5 and 6 of this ordinance shall be effective from and after September 1, 2006.

**PASSED AND ADOPTED in open meeting by the Mayor and Council of the Town of  
Camp Verde, Arizona, this 6<sup>th</sup> day of December, 2006.**

**APPROVED:**

\_\_\_\_\_  
Tony Gioia, Mayor

Date: \_\_\_\_\_

**ATTESTED:**

\_\_\_\_\_  
Deborah Barber, Town Clerk

Publish \_\_\_\_\_  
Effective \_\_\_\_\_ 2

## **Proposed Model City Tax Code (MCTC) Changes Related to the Hotel Industry**

The MCTC changes related to the hotel industry reflect several exemptions introduced in recent years into state statute and to otherwise generally match the state's imposition of tax on hotels and motels. This has been done to jointly implement a tax ruling issued by the Arizona Department of Revenue for the hotel and motel industry.

The ruling is the result of a long-term project involving the state, the cities and most importantly, the hotel industry. The ruling has been needed by hotels to clarify tax treatment of all income at a hotel property so that the hotel can properly collect tax from customers by knowing in advance how the income would be taxed.

The MCTC changes will match the state tax treatment in almost all areas of hotel income. Those differences are clearly highlighted in the ruling. Under both state statute and the MCTC, when the state statutes and the MCTC are the same and the Arizona Department of Revenue has issued written guidance, the Department's interpretation is binding on cities and towns. Extensive statewide training of industry and government employees will take place in September and October 2006 prior to the January 1, 2007 effective date of the ruling.

The MCTC changes will also be adopted by Arizona cities and towns to be effective January 1, 2007.

## **Proposed Model City Tax Code (MCTC) Changes To Conform with 2006 Statutory Preemptions**

The state legislature made changes in the 2006 General Session to A.R.S. § 42-6004, which lists privilege (sales) tax preemptions for cities and towns. MCTC changes are introduced to conform to these changes. One bill, HB 2132, precludes a tax on the private operator of rides for the portion of amusement ride ticket sales at the State Fair retained by the State Fair Board, retroactive to July 1, 1999. The same bill also changed the sunset provisions for income from a contract to construct a lake facility development. SB 1068 prohibits the cities and towns from taxing development or impact fees that are included in a construction or development contract as of September 1, 2006.

## **Proposed Model City Tax Code (MCTC) Housekeeping Changes**

Several changes are proposed to correct state statutory references that have changed or to eliminate references to statutes that no longer exist. Other technical changes are proposed for any inconsistent language or structure within the MCTC sections that required statutory reference changes.

**OUTLINE OF PROPOSED CHANGES TO  
MODEL CITY TAX CODE (MCTC)  
TO CONFORM TO STATE STATUTES  
PRIMARILY RELATED TO HOTELS**

- **Section 100, definition added for “Transient”** – word for word from A.R.S. § 42-5070(F), moved from Sections 444 and 447 and Regulation 310.3 (green page) because it is used in multiple sections of the MCTC.
- **Subsection 410(b)** – moves former (b) to (b)(1).
- **Subsection 410(b)(2)** – added from A.R.S. § 42-5073(B)(4) to exempt income received from a hotel if the hotel will report the amusement income.
- **Subsection 410(b)(3)** – added from A.R.S. § 42-5073(B)(5)(a) to exempt income that is taxable under another category for another business.
- **Subsection 410(b)(4)** – added from A.R.S. § 42-5073(B)(5)(b) to exempt transportation arranged by an amusement business.
- **Subsection 410(c)** – added from A.R.S. § 42-5073(A)(10) to exempt arranging amusement by businesses not in the amusement business.
- **Subsection 444(a)** – combines former (a) and (b) into (a), with reference to Model Option #6. Change from an “option” in subsection (a) that was not a Model or Local Option, but would only be chosen by Model Option 6 cities.
- **Subsection 444(b)** – moves former (c) to (b)(1).
- **Subsection 444(b)(2)** – added from A.R.S. § 42-5070(C)(1) to exempt income that is taxable under another category for another business.
- **Subsection 444(b)(3)** – added from A.R.S. § 42-5070(D)(1) to exempt income from activities not limited to hotel guests and exempt from tax if received by a non-hotel business.
- **Subsection 444(b)(4)** – added from A.R.S. § 42-5070(D)(2) to exempt income from activities not limited to hotel guests and exempt from tax if received by an amusement or transportation business due to an exclusion, exemption or deduction.
- **Subsection 444(b)(5)** – added from A.R.S. § 42-5070(D)(3) to clarify that income from commissions is not taxable under this section. This exclusion also provides that income from commissions may be taxable under Sections 445 or 450.
- **Subsection 444(b)(6)** – added to clarify that income from telecommunications activity is taxable under Section 470.
- **Subsection 447** – deletes definition of “transient” now in Section 100.
- **Subsection 470(a)(2)(E)** – added to clarify that income received by hotels from telecommunications activity is taxable under this section.

- **Subsection 475(f)(1)** – added from A.R.S. § 42-5062(B)(2) to exempt income that is taxable under another category for another business.
- **Subsection 475(f)(2)** – added from A.R.S. § 42-5062(B)(3) to exempt income from arranging amusement or transportation from the tax on transportation to the extent paid to an amusement or transportation business.
- **Subsection 475(g)** – added from A.R.S. § 42-5062(A)(6) to exempt arranging transportation by businesses not in the transportation business.
- **Regulation 310.3 (green pages for Phoenix, Scottsdale and Chandler only)** – deletes definition of “transient” now in Section 100.
- **Regulation 447.1** – deletes Regulation no longer needed; covered in State TPR and matrix.

## **2007 AMENDMENTS TO THE TAX CODE OF THE TOWN OF CAMP VERDE**

**Section 1. Section 8-100 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-100. General definitions.**

For the purposes of this Chapter, the following definitions apply:

**"Assembler"** means a person who unites or combines products, wares, or articles of manufacture so as to produce a change in form or substance of such items without changing or altering component parts.

**"Broker"** means any person engaged or continuing in business who acts for another for a consideration in the conduct of a business activity taxable under this Chapter, and who receives for his principal all or part of the gross income from the taxable activity.

**"Business"** means all activities or acts, personal or corporate, engaged in and caused to be engaged in with the object of gain, benefit, or advantage, either direct or indirect, but not casual activities or sales.

**"Business Day"** means any day of the week when the Tax Collector's office is open for the public to conduct the Tax Collector's business.

**"Casual Activity or Sale"** means a transaction of an isolated nature made by a person who neither represents himself to be nor is engaged in a business subject to a tax imposed by this Chapter. However, no sale, rental, license for use, or lease transaction concerning real property nor any activity entered into by a business taxable by this Chapter shall be treated, or be exempt, as casual. This definition shall include sales of used capital assets, provided that the volume and frequency of such sales do not indicate that the seller regularly engages in selling such property.

**"Combined Taxes"** means the sum of all applicable Arizona Transaction Privilege and Use Taxes; all applicable transportation taxes imposed upon gross income by this County as authorized by Article III, Chapter 6, Title 42, Arizona Revised Statutes; and all applicable taxes imposed by this Chapter.

**"Commercial Property"** is any real property, or portion of such property, used for any purpose other than lodging or lodging space, including structures built for lodging but used otherwise, such as model homes, apartments used as offices, etc.

**"Communications Channel"** means any line, wire, cable, microwave, radio signal, light beam, telephone, telegraph, or any other electromagnetic means of moving a message.

**"Construction Contracting"** refers to the activity of a construction contractor.

**"Construction Contractor"** means a person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development, or improvement to real property, or to do any part thereof. "Construction contractor" includes subcontractors, specialty contractors, prime contractors, and any person receiving consideration for the general supervision and/or coordination of such a construction project except for remediation contracting. This definition shall govern without regard to whether or not the construction contractor is acting in fulfillment of a contract.

**"Delivery (of Notice) by the Tax Collector"** means "receipt (of notice) by the taxpayer".

**"Delivery, Installation, or Other Direct Customer Services"** means services or labor, excluding repair labor, provided by a taxpayer to or for his customer at the time of transfer of tangible personal property; provided further that the charge for such labor or service is separately billed to the customer and maintained separately in the taxpayer's books and records.

**"Engaging"**, when used with reference to engaging or continuing in business, includes the exercise of corporate or franchise powers.

**"Equivalent Excise Tax"** means either:

- (1) a Privilege or Use Tax levied by another Arizona municipality upon the transaction in question, and paid either to such Arizona municipality directly or to the vendor; or
- (2) an excise tax levied by a political subdivision of a state other than Arizona upon the transaction in question, and paid either to such jurisdiction directly or to the vendor; or
- (3) an excise tax levied by a Native American Government organized under the laws of the federal government upon the transaction in question, and paid either to such jurisdiction directly or to the vendor.

**"Federal Government"** means the United States Government, its departments and agencies; but not including national banks or federally chartered or insured banks, savings and loan institutions, or credit unions.

**"Food"** means any items intended for human consumption as defined by rules and regulations adopted by the Department of Revenue, State of Arizona, pursuant to A.R.S. Section 42-5106. Under no circumstances shall "food" include alcoholic beverages or tobacco, or food items purchased for use in conversion to any form of alcohol by distillation, fermentation, brewing, or other process.

**"Hotel"** means any public or private hotel, inn, hostelry, tourist home, house, motel, rooming house, apartment house, trailer, or other lodging place within the Town offering lodging, wherein the owner thereof, for compensation, furnishes lodging to any transient, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facilities.

**"Job Printing"** means the activity of copying or reproducing an article by any means, process, or method. "Job printing" includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

**"Lessee"** includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

**"Lessor"** includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

**"Licensing (for Use)"** means any agreement between the user ("licensee") and the owner or the owner's agent ("licensor") for the use of the licensor's property whereby the licensor receives consideration, where such agreement does not qualify as a "sale" or "lease" or "rental" agreement.

**"Lodging (Lodging Space)"** means any room or apartment in a hotel or any other provider of rooms, trailer spaces, or other residential dwelling spaces; or the furnishings or services and accommodations accompanying the use and possession of said dwelling space, including storage or parking space for the property of said tenant.

**"Manufactured Buildings"** means a manufactured home, mobile home or factory built building, as defined in A.R.S. Section 41-2142.

**"Manufacturer"** means a person engaged or continuing in the business of fabricating, producing, or manufacturing products, wares, or articles for use from other forms of tangible personal property, imparting to such new forms, qualities, properties, and combinations.

**"Mining and Metallurgical Supplies"** means all tangible personal property acquired by persons engaged in activities defined in Section 8-432 for such use. This definition shall not include:

- (1) janitorial equipment and supplies.
- (2) office equipment, office furniture, and office supplies.
- (3) motor vehicles licensed for use upon the highways of the State.

**"Modifier"** means a person who reworks, changes, or adds to products, wares, or articles of manufacture.

**"Nonprofit Entity"** means any entity organized and operated exclusively for charitable purposes, or operated by the Federal Government, the State, or any political subdivision of the State.

**"Occupancy (of Real Property)"** means any occupancy or use, or any right to occupy or use, real property including any improvements, rights, or interests in such property.

**"Out-of-Town Sale"** means the sale of tangible personal property and job printing if all of the following occur:

- (1) transference of title and possession occur without the Town; and
- (2) the stock from which such personal property was taken was not within the corporate limits of the Town; and
- (3) the order is received at a permanent business location of the seller located outside the Town; which location is used for the substantial and regular conduct of such business sales activity. In no event shall the place of business of the buyer be determinative of the situs of the receipt of the order.

For the purpose of this definition it does not matter that all other indicia of business occur within the Town, including, but not limited to, accounting, invoicing, payments, centralized purchasing, and supply to out-of-Town storehouses and out-of-Town retail branch outlets from a primary storehouse within the Town.

**"Out-of-State Sale"** means the sale of tangible personal property and job printing if all of the following occur:

- (1) The order is placed from without the State of Arizona; and
- (2) the order is placed by other than a resident of the State to be determined in a manner similar to "resides within the Town"; and
- (3) the property is delivered to the buyer at a location outside the State; and
- (4) the property is purchased for use outside the State.

**"Owner-Builder"** means an owner or lessor of real property who, by himself or by or through others, constructs or has constructed or reconstructs or has reconstructed any improvement to real property.

**"Person"** means an individual, firm, partnership, joint venture, association, corporation, estate, trust, receiver, syndicate, broker, the Federal Government, this State, or any political subdivision or agency of this State. For the purposes of this Chapter, a person shall be considered a distinct and separate person from any general or limited partnership or joint venture or other association with which such person is affiliated. A subsidiary corporation shall be considered a separate person from its parent corporation for purposes of taxation of transactions with its parent corporation.

**"Prosthetic"** means any of the following tangible personal property if such items are prescribed or recommended by a licensed podiatrist, chiropractor, dentist, physician or surgeon, naturopath, optometrist, osteopathic physician or surgeon, psychologist, hearing aid dispenser, physician assistant, nurse practitioner or veterinarian:

- (1) any man-made device for support or replacement of a part of the body, or to increase acuity of one of the senses. Such items include: prescription eyeglasses; contact lenses; hearing aids; artificial limbs or teeth; neck, back, arm, leg, or similar braces.
- (2) insulin, insulin syringes and glucose test strips sold with or without a prescription.
- (3) hospital beds, crutches, wheelchairs, similar home health aids, or corrective shoes.
- (4) drugs or medicine, including oxygen.

- (5) equipment used to generate, monitor, or provide health support systems, such as respiratory equipment, oxygen concentrator, dialysis machine.
- (6) durable medical equipment which has a Federal Health Care Financing Administration common procedure code, is designated reimbursable by Medicare, can withstand repeated use, is primarily and customarily used to serve a medical purpose, is generally not useful to a person in the absence of illness or injury and is appropriate for use in the home.

**"Qualifying Community Health Center"**

- (a1) means an entity that is recognized as nonprofit under Section 501(c)(3) of the United States Internal Revenue Code, that is a community-based, primary care clinic that has a community-based board of directors and that is either:
  - (1a) the sole provider of primary care in the community.
  - (2b) a nonhospital affiliated clinic that is located in a federally designated medically underserved area in this State.
- (b2) includes clinics that are being constructed as qualifying community health centers.

**"Qualifying Health Care Organization"** means an entity that is recognized as nonprofit under Section 501(c) of the United States Internal Revenue Code and that uses, saves or invests at least eighty percent (80%) of all monies that it receives from all sources each year only for health and medical related educational and charitable services, as documented by annual financial audits prepared by an independent certified public accountant, performed according to generally accepted accounting standards and filed annually with the Arizona Department of Revenue. Monies that are used, saved or invested to lease, purchase or construct a facility for health and medical related education and charitable services are included in the eighty percent (80%) requirement.

**"Qualifying Hospital"** means any of the following:

- (1) a licensed hospital which is organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
- (2) a licensed nursing care institution or a licensed residential care institution or a residential care facility operated in conjunction with a licensed nursing care institution or a licensed kidney dialysis center, which provides medical services, nursing services or health related services and is not used or held for profit.
- (3) a hospital, nursing care institution or residential care institution which is operated by the federal government, this State or a political subdivision of this State.
- (4) a facility that is under construction and that on completion will be a facility under subdivision (1), (2) or (3) of this paragraph.

**"Receipt (of Notice) by the Taxpayer"** means the earlier of actual receipt or the first attempted delivery by certified United States mail to the taxpayer's address of record with the Tax Collector.

**"Remediation"** means those actions that are reasonable, necessary, cost-effective and technically feasible in the event of the release or threat of release of hazardous substances into the environment such that the waters of the State are or may be affected, such actions as may be necessary to monitor, assess and evaluate such release or threat of release, actions of remediation, removal or disposal of hazardous substances or taking such other actions as may be necessary to prevent, minimize or mitigate damage to the public health or welfare or to the waters of the State which may otherwise result from a release or threat of release of a hazardous substance that will or may affect the waters of the State. Remediation activities include the use of biostimulation with indigenous microbes and bioaugmentation using microbes that are nonpathogenic, nonopportunistic and that are naturally occurring. Remediation activities may include community information and participation costs and providing an alternative drinking water supply.

**"Rental Equipment"** means tangible personal property sold, rented, leased, or licensed to customers to the extent that the item is actually used by the customer for rental, lease, or license to others; provided that:

- (1) — (Reserved)

- (21) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
- (32) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

**"Rental Supply"** means an expendable or nonexpendable repair or replacement part sold to become part of "rental equipment", provided that:

- (1) the documentation relating to each purchased item so claimed specifically itemizes to the vendor the actual item of "rental equipment" to which the purchased item is intended to be attached as a repair or replacement part; and
- (2) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and
- (3) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

**"Repairer"** means a person who restores or renews products, wares, or articles of manufacture.

**"Resides within the Town"** means in cases other than individuals, whose legal addresses are determinative of residence, the engaging, continuing, or conducting of regular business activity within the Town.

**"Restaurant"** means any business activity where articles of food, drink, or condiment are customarily prepared or served to patrons for consumption on or off the premises, also including bars, cocktail lounges, the dining rooms of hotels, and all caterers. For the purposes of this Chapter, a "fast food" business, which includes street vendors and mobile vendors selling in public areas or at entertainment or sports or similar events, who prepares or sells food or drink for consumption on or off the premises is considered a "restaurant", and not a "retailer".

**"Retail Sale (Sale at Retail)"** means the sale of tangible personal property, except the sale of tangible personal property to a person regularly engaged in the business of selling such property.

**"Retailer"** means any person engaged or continuing in the business of sales of tangible personal property at retail.

**"Sale"** means any transfer of title or possession, or both, exchange, barter, conditional or otherwise, in any manner or by any means whatsoever, including consignment transactions and auctions, of property for a consideration. "Sale" includes any transaction whereby the possession of such property is transferred but the seller retains the title as security for the payment of the price. "Sale" also includes the fabrication of tangible personal property for consumers who, in whole or in part, furnish either directly or indirectly the materials used in such fabrication work.

**"Speculative Builder"** means either:

- (1) an owner-builder who sells or contracts to sell, at anytime, improved real property (as provided in Section 8-416) consisting of:
  - A) custom, model, or inventory homes, regardless of the stage of completion of such homes; or
  - B) improved residential or commercial lots without a structure; or
- (2) an owner-builder who sells or contracts to sell improved real property, other than improved real property specified in subsection (1) above:
  - A) prior to completion; or
  - B) before the expiration of twenty-four (24) months after the improvements of the real property sold are substantially complete.

**"Substantially Complete"** means the construction contracting or reconstruction contracting:

- (1) has passed final inspection or its equivalent; or

- (2) certificate of occupancy or its equivalent has been issued; or
- (3) is ready for immediate occupancy or use.

**"Supplier"** means any person who rents, leases, licenses, or makes sales of tangible personal property within the Town, either directly to the consumer or customer or to wholesalers, jobbers, fabricators, manufacturers, modifiers, assemblers, repairers, or those engaged in the business of providing services which involve the use, sale, rental, lease, or license of tangible personal property.

**"Tax Collector"** means the Council or its designee or agent for all purposes under this Chapter.

**"Taxpayer"** means any person liable for any tax under this Chapter.

**"Telecommunication Service"** means any service or activity connected with the transmission or relay of sound, visual image, data, information, images, or material over a communications channel or any combination of communications channels.

**"TRANSIENT"** MEANS ANY PERSON WHO EITHER AT THE PERSON'S OWN EXPENSE OR AT THE EXPENSE OF ANOTHER OBTAINS LODGING SPACE OR THE USE OF LODGING SPACE ON A DAILY OR WEEKLY BASIS, OR ON ANY OTHER BASIS FOR LESS THAN THIRTY (30) CONSECUTIVE DAYS.

**"Utility Service"** means the producing, providing, or furnishing of electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.

**Section 2. Section 8-266 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-266. Exclusion of motor carrier revenues from gross income.**

There shall be excluded from gross income the gross proceeds of sale or gross income derived from any of the following:

- (a) a motor carrier's use on the public highways in this State if the motor carrier is subject to a fee prescribed in A.R.S. TITLE 28, CHAPTER 15, ARTICLE 4 OR A.R.S. Title 28, Chapter 16, Article 4.
- (b) Leasing, renting or licensing a motor vehicle subject to and upon which the fee has been paid under A.R.S. Title 28, Chapter 16.
- (c) The sale of a motor vehicle and any repair and replacement parts and tangible personal property becoming a part of such motor vehicle, to a motor carrier who is subject to a fee prescribed in A.R.S. Title 28, Chapter 16 and who is engaged in the business of leasing, renting or licensing such property.
- (d) for the purposes of these exclusions, "motor carrier" includes a motor vehicle weighing 26,000 pounds or more, a lightweight motor vehicle which weighs 12,001 pounds to 26,000 pounds and a light motor vehicle weighing 12,000 pounds or less, which pay the fee prescribed in A.R.S. TITLE 28, CHAPTER 15 OR A.R.S. Title 28, Chapter 16.

**Section 3. Section 8-410 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-410. Amusements, exhibitions, and similar activities.**

- (a) The tax rate shall be at an amount equal to two percent (2%) of the gross income from the business activity upon every person engaging or continuing in THE BUSINESS OF PROVIDING AMUSEMENT THAT BEGINS IN THE TOWN OR TAKES PLACE ENTIRELY WITHIN THE TOWN, WHICH INCLUDES the following type or nature of businesses:
  - (1) operating or conducting theaters, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, menageries, fairs, races, contests, games, billiard or pool parlors, bowling alleys, skating rinks, tennis courts, golf courses, video games, pinball machines, public dances, dance halls, sports events, jukeboxes, batting and driving ranges, animal rides, or any other business charging admission for exhibition, amusement, or entertainment.
  - (2) health spas, fitness centers, dance studios, or other persons who charge for the use of premises for sports, athletic, other health-related activities or instruction, whether on a per-event use, or for long-term usage, such as membership fees.
- (b) ~~(Reserved)~~ DEDUCTIONS OR EXEMPTIONS. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM THE FOLLOWING SOURCES IS EXEMPT FROM THE TAX IMPOSED BY THIS SECTION:
  - (1) (RESERVED)
  - (2) AMOUNTS RETAINED BY THE ARIZONA EXPOSITION AND STATE FAIR BOARD FROM RIDE TICKET SALES AT THE ANNUAL ARIZONA STATE FAIR.
  - (3) INCOME RECEIVED FROM A HOTEL BUSINESS SUBJECT TO TAX UNDER SECTION 8-444, IF ALL OF THE FOLLOWING APPLY:
    - (A) THE HOTEL BUSINESS RECEIVES GROSS INCOME FROM A CUSTOMER FOR THE SPECIFIC BUSINESS ACTIVITY OTHERWISE SUBJECT TO AMUSEMENT TAX.
    - (B) THE CONSIDERATION RECEIVED BY THE HOTEL BUSINESS IS EQUAL TO OR GREATER THAN THE AMOUNT TO BE DEDUCTED UNDER THIS SUBSECTION.
    - (C) THE HOTEL BUSINESS HAS PROVIDED AN EXEMPTION CERTIFICATE TO THE PERSON ENGAGING IN BUSINESS UNDER THIS SECTION.
  - (4) INCOME THAT IS SPECIFICALLY INCLUDED AS THE GROSS INCOME OF A BUSINESS ACTIVITY UPON WHICH ANOTHER SECTION OF THIS ARTICLE IMPOSES A TAX, THAT IS SEPARATELY STATED TO THE CUSTOMER AND IS TAXABLE TO THE PERSON ENGAGED IN THAT CLASSIFICATION NOT TO EXCEED

- CONSIDERATION PAID TO THE PERSON CONDUCTING THE ACTIVITY.
- (5) INCOME FROM ARRANGING TRANSPORTATION CONNECTED TO AMUSEMENT ACTIVITY THAT IS SEPARATELY STATED TO THE CUSTOMER, NOT TO EXCEED CONSIDERATION PAID TO THE TRANSPORTATION BUSINESS.
- (c) THE TAX IMPOSED BY THIS SECTION SHALL NOT INCLUDE ARRANGING AN AMUSEMENT ACTIVITY AS A SERVICE TO A PERSON'S CUSTOMERS IF THAT PERSON IS NOT OTHERWISE ENGAGED IN THE BUSINESS OF OPERATING OR CONDUCTING AN AMUSEMENT THEMSELVES OR THROUGH OTHERS. THIS EXCEPTION DOES NOT APPLY TO BUSINESSES THAT OPERATE OR CONDUCT AMUSEMENTS PURSUANT TO CUSTOMER ORDERS AND SEND THE BILLINGS AND RECEIVE THE PAYMENTS ASSOCIATED WITH THAT ACTIVITY, INCLUDING WHEN THE AMUSEMENT IS PERFORMED BY THIRD PARTY INDEPENDENT CONTRACTORS. FOR THE PURPOSES OF THIS PARAGRAPH, "ARRANGING" INCLUDES BILLING FOR OR COLLECTING AMUSEMENT CHARGES FROM A PERSON'S CUSTOMERS ON BEHALF OF THE PERSONS PROVIDING THE AMUSEMENT.

**Section 4. Section 8-415 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-415. Construction contracting: Construction contractors.**

- (a) The tax rate shall be at an amount equal to three percent (3%) of the gross income from the business upon every construction contractor engaging or continuing in the business activity of construction contracting within the Town.
- (1) However, gross income from construction contracting shall not include charges related to groundwater measuring devices required by A.R.S. Section 45-604.
- (2) (Reserved)
- (3) gross income from construction contracting shall not include gross income from the sale of manufactured buildings taxable under Section 8-427.
- (b) Deductions and exemptions.
- (1) Gross income derived from acting as a "subcontractor" shall be exempt from the tax imposed by this Section.
- (2) All construction contracting gross income subject to the tax and not deductible herein shall be allowed a deduction of thirty-five percent (35%).
- (3) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:
- (A) Section 8-465, subsections (g) and (p)
- (B) Section 8-660, subsections (g) and (p)
- shall be exempt or deductible, respectively, from the tax imposed by this Section.
- (4) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 8-110, that is deducted from the retail classification pursuant to Section 8-465(g) that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:
- (A) to be incorporated into real property.
- (B) to become so affixed to real property that it becomes part of the real property.
- (C) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.
- (5) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs

and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.

- (6) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 8-465, subsection (g) shall be exempt from the tax imposed under this Section.
  - (7) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this State for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.
  - (8) The gross proceeds of sales or gross income received from a post construction contract to perform post-construction treatment of real property for termite and general pest control, including wood destroying organisms, shall be exempt from tax imposed under this Section.
  - (9) THROUGH DECEMBER 31, 2009, THE GROSS PROCEEDS OF SALES OR GROSS INCOME RECEIVED FROM A CONTRACT FOR CONSTRUCTING ANY LAKE FACILITY DEVELOPMENT IN A COMMERCIAL ENHANCEMENT REUSE DISTRICT THAT IS DESIGNATED PURSUANT TO A.R.S. § 9-499.08 IF THE CONTRACTOR MAINTAINS THE FOLLOWING RECORDS IN A FORM SATISFACTORY TO THE ARIZONA DEPARTMENT OF REVENUE AND TO THE TOWN:
    - (A) THE CERTIFICATE OF QUALIFICATION OF THE LAKE FACILITY DEVELOPMENT ISSUED BY THE TOWN PURSUANT TO A.R.S. § 9-499.08, SUBSECTION D.
    - (B) ALL STATE AND LOCAL TRANSACTION PRIVILEGE TAX RETURNS FOR THE PERIOD OF TIME DURING WHICH THE CONTRACTOR RECEIVED GROSS PROCEEDS OF SALES OR GROSS INCOME FROM A CONTRACT TO CONSTRUCT A LAKE FACILITY DEVELOPMENT IN A DESIGNATED COMMERCIAL ENHANCEMENT REUSE DISTRICT, SHOWING THE AMOUNT EXEMPTED FROM STATE AND LOCAL TAXATION.
    - (C) ANY OTHER INFORMATION CONSIDERED TO BE NECESSARY.
  - (10) DEVELOPMENT OR IMPACT FEES INCLUDED IN A CONSTRUCTION OR DEVELOPMENT CONTRACT FOR PAYMENT TO THE STATE OR LOCAL GOVERNMENT TO OFFSET GOVERNMENTAL COSTS OF PROVIDING PUBLIC INFRASTRUCTURE, PUBLIC SAFETY AND OTHER PUBLIC SERVICES TO A DEVELOPMENT.
- (c) **Subcontractor** means a construction contractor performing work for either:
- (1) a construction contractor who has provided the subcontractor with a written declaration that he is liable for the tax for the project and has provided the subcontractor his Town Privilege License number.
  - (2) an owner-builder who has provided the subcontractor with a written declaration that:
    - (A) the owner-builder is improving the property for sale; and
    - (B) the owner-builder is liable for the tax for such construction contracting activity; and
    - (C) the owner-builder has provided the contractor his Town Privilege License number.
  - (3) a person selling new manufactured buildings who has provided the subcontractor with a written declaration that he is liable for the tax for the site preparation and set-up; and provided the subcontractor his Town Privilege License number.

Subcontractor also includes a construction contractor performing work for another subcontractor as defined above.

**Section 5. Section 8-416 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-416. Construction contracting: speculative builders.**

- (a) The tax shall be equal to three percent (3%) of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the Town.
  - (1) The gross income of a speculative builder considered taxable shall include the total selling

price from the sale of improved real property at the time of closing of escrow or transfer of title.

- (2) **"Improved Real Property"** means any real property:
    - (A) upon which a structure has been constructed; or
    - (B) where improvements have been made to land containing no structure (such as paving or landscaping); or
    - (C) which has been reconstructed as provided by Regulation; or
    - (D) where water, power, and streets have been constructed to the property line.
  - (3) **"Sale of Improved Real Property"** includes any form of transaction, whether characterized as a lease or otherwise, which in substance is a transfer of title of, or equitable ownership in, improved real property and includes any lease of the property for a term of thirty (30) years or more (with all options for renewal being included as a part of the term). In the case of multiple unit projects, "sale" refers to the sale of the entire project or to the sale of any individual parcel or unit.
  - (4) **"Partially Improved Residential Real Property,"** as used in this Section, means any improved real property, as defined in subsection (a)(2) above, being developed for sale to individual homeowners, where the construction of the residence upon such property is not substantially complete at the time of the sale.
- (b) **Exclusions.**
- (1) In cases involving reconstruction contracting, the speculative builder may exclude from gross income the prior value allowed for reconstruction contracting in determining his taxable gross income, as provided by Regulation.
  - (2) **Fair Market value of land.** Gross income from the sale of improved real property shall not include the "fair market value" of the land which is included in the real property sold, when a charge for such land is included in the total selling price of the real property sold.
    - (A) Except as provided in subsection (b)(2)(B) below, the taxpayer must document such "fair market value" to the satisfaction of the Tax Collector, and maintain and provide such documentation upon demand in addition to and in like manner to the books and records required in Article III.
    - (B) In lieu of the documented fair market value of land allowed in subsection (b)(2)(A) above, an amount equal to twenty percent (20%) of the total selling price may be used to estimate the "fair market value" of land.
  - (3) (Reserved)
  - (4) A speculative builder may exclude gross income from the sale of partially improved residential real property as defined in (a)(4) above to another speculative builder only if all of the following conditions are satisfied:
    - (A) The speculative builder purchasing the partially improved residential real property has a valid Town privilege license for construction contracting as a speculative builder; and
    - (B) At the time of the transaction, the purchaser provides the seller with a properly completed written declaration that the purchaser assumes liability for and will pay all privilege taxes which would otherwise be due the Town at the time of sale of the partially improved residential real property; and
    - (C) The seller also:
      - (i) maintains proper records of such transactions in a manner similar to the requirements provided in this chapter relating to sales for resale; and
      - (ii) retains a copy of the written declaration provided by the buyer for the transaction; and
      - (iii) is properly licensed with the Town as a speculative builder and provides the Town with the written declaration attached to the Town privilege tax return where he claims the exclusion.
- (c) Tax liability for speculative builders occurs at close of escrow or transfer of title, whichever occurs earlier, and is subject to the following provisions, relating to exemptions, deductions and tax credits:
- (1) **Exemptions.**

- (A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:
  - (i) Section 8-465, subsections (g) and (p)
  - (ii) Section 8-660, subsections (g) and (p)
 shall be exempt or deductible, respectively, from the tax imposed by this Section.
- (B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.
- (C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 8-465, subsection (g) shall be exempt from the tax imposed under this section.
- (D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking ordemolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.
- (E) DEVELOPMENT OR IMPACT FEES INCLUDED IN A CONSTRUCTION OR DEVELOPMENT CONTRACT FOR PAYMENT TO THE STATE OR LOCAL GOVERNMENT TO OFFSET GOVERNMENTAL COSTS OF PROVIDING PUBLIC INFRASTRUCTURE, PUBLIC SAFETY AND OTHER PUBLIC SERVICES TO A DEVELOPMENT.

(2) Deductions.

- (A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).
- (B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 8-110, that is deducted from the retail classification pursuant to Section 8-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:
  - (i) to be incorporated into real property.
  - (ii) to become so affixed to real property that it becomes part of the real property.
  - (iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(3) Tax credits.

The following tax credits are available to owner-builders or speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

- (A) A tax credit equal to the amount of town privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder

- or speculative builder.
- (B) A tax credit equal to the amount of privilege taxes paid to this Town, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.
  - (C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

**Section 6. Section 8-417 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-417. Construction contracting: owner-builders who are not speculative builders.**

- (a) At the expiration of twenty-four (24) months after improvement to the property is substantially complete, the tax liability for an owner-builder who is not a speculative builder shall be at an amount equal to three percent (3%) of:
  - (1) the gross income from the activity of construction contracting upon the real property in question which was realized by those construction contractors to whom the owner-builder provided written declaration that they were not responsible for the taxes as prescribed in Subsection 8-415(c)(2); and
  - (2) the purchase of tangible personal property for incorporation into any improvement to real property, computed on the sales price.
- (b) The tax liability of this Section is subject to the following provisions, relating to exemptions, deductions and tax credits:
  - (1) Exemptions.
    - (A) The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:
      - (i) Section 8-465, subsections (g) and (p)
      - (ii) Section 8-660, subsections (g) and (p)shall be exempt or deductible, respectively, from the tax imposed by this Section.
    - (B) The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this Section.
    - (C) The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of cleanrooms that are deducted from the tax base of the retail classification pursuant to Section 8-465, subsection (g) shall be exempt from the tax imposed under this Section.
    - (D) The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water or land pollution shall be exempt from the tax imposed under this Section.
    - (E) DEVELOPMENT OR IMPACT FEES INCLUDED IN A CONSTRUCTION OR DEVELOPMENT CONTRACT FOR PAYMENT TO THE STATE OR LOCAL GOVERNMENT TO OFFSET GOVERNMENTAL COSTS OF PROVIDING PUBLIC INFRASTRUCTURE, PUBLIC SAFETY AND OTHER PUBLIC SERVICES TO A DEVELOPMENT.
  - (2) Deductions.
    - (A) All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).
    - (B) The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 8-110, that is deducted from the retail classification

pursuant to Section 8-465(g), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this Section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this paragraph does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this paragraph, "permanent attachment" means at least one of the following:

- (i) to be incorporated into real property.
- (ii) to become so affixed to real property that it becomes part of the real property.
- (iii) to be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

(3) Tax credits.

The following tax credits are available to owner-builders and speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the tax collector:

- (A) A tax credit equal to the amount of town privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.
  - (B) A tax credit equal to the amount of privilege taxes paid to this Town, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.
  - (C) No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.
- (c) The limitation period for the assessment of taxes imposed by this Section is measured based upon when such liability is reportable, that is, in the reporting period that encompasses the twenty-fifth (25th) month after said unit or project was substantially complete. Interest and penalties, as provided in Section 8-540, will be based on reportable date.
- (d) (Reserved)

**Section 7. Section 8-444 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-444. Hotels.**

The tax rate shall be at an amount equal to two percent (2%) of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or lodging space furnished to any:

(a) Person.

~~(b) (Reserved)~~

(B) EXCLUSIONS. THE TAX IMPOSED BY THIS SECTION SHALL NOT INCLUDE:

- (1) INCOME DERIVED FROM INCARCERATING OR DETAINING PRISONERS WHO ARE UNDER THE JURISDICTION OF THE UNITED STATES, THIS STATE OR ANY OTHER STATE OR A POLITICAL SUBDIVISION OF THIS STATE OR OF ANY OTHER STATE IN A PRIVATELY OPERATED PRISON, JAIL OR DETENTION FACILITY.
- (2) GROSS PROCEEDS OF SALES OR GROSS INCOME THAT IS PROPERLY INCLUDED IN ANOTHER BUSINESS ACTIVITY UNDER THIS ARTICLE AND THAT IS TAXABLE TO THE PERSON ENGAGED IN THAT BUSINESS ACTIVITY, BUT THE GROSS PROCEEDS OF SALES OR GROSS INCOME TO BE DEDUCTED SHALL NOT EXCEED THE CONSIDERATION PAID TO THE PERSON CONDUCTING THE ACTIVITY.
- (3) GROSS PROCEEDS OF SALES OR GROSS INCOME FROM TRANSACTIONS OR ACTIVITIES THAT ARE NOT LIMITED TO TRANSIENTS AND THAT WOULD NOT BE TAXABLE IF ENGAGED IN BY A PERSON NOT SUBJECT TO TAX UNDER THIS ARTICLE.
- (4) GROSS PROCEEDS OF SALES OR GROSS INCOME FROM TRANSACTIONS OR ACTIVITIES THAT ARE NOT LIMITED TO TRANSIENTS AND THAT WOULD NOT BE TAXABLE IF ENGAGED IN BY A PERSON SUBJECT TO TAXATION UNDER SECTION 8-410 OR SECTION 8-475 DUE TO AN EXCLUSION, EXEMPTION OR DEDUCTION.
- (5) GROSS PROCEEDS OF SALES OR GROSS INCOME FROM COMMISSIONS RECEIVED FROM A PERSON PROVIDING SERVICES OR PROPERTY TO THE CUSTOMERS OF THE HOTEL. HOWEVER, SUCH COMMISSIONS MAY BE SUBJECT TO TAX UNDER SECTION 8-445 OR SECTION 8-450 AS RENTAL, LEASING OR LICENSING FOR USE OF REAL OR TANGIBLE PERSONAL PROPERTY.
- (6) INCOME FROM PROVIDING TELEPHONE, FAX OR INTERNET SERVICES TO CUSTOMERS AT AN ADDITIONAL CHARGE, THAT IS SEPARATELY STATED TO THE CUSTOMER AND IS SEPARATELY MAINTAINED IN THE HOTEL'S BOOKS AND RECORDS. HOWEVER, SUCH GROSS PROCEEDS OF SALES OR GROSS INCOME MAY BE SUBJECT TO TAX UNDER SECTION 8-470 AS TELECOMMUNICATION SERVICES.

~~(c) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this Section.~~

**Section 8. Section 8-447 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-447. Rental, leasing, and licensing for use of real property: additional tax upon transient lodging.**

In addition to the taxes levied as provided in Section 8-444, there is hereby levied and shall be collected an additional tax in an amount equal to three percent (3%) of the gross income from the business activity of any hotel or RV park engaging or continuing within the Town in the business of charging for lodging and/or lodging space furnished to any transient. ~~"Transient" means any person who, for any period of not more than thirty (30) consecutive days, either at his own expense or at the expense of another, obtains lodging or the use of any lodging space in any hotel for which lodging or use of lodging space a charge is made.~~

**Section 9. Section 8-450 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-450. Rental, leasing, and licensing for use of tangible personal property.**

- (a) The tax rate shall be at an amount equal to two percent (2%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing, licensing for use, or renting tangible personal property for a consideration, including that which is semi-permanently or permanently installed within the Town as provided by Regulation.
- (b) Special provisions relating to long-term motor vehicle leases. A lease transaction involving a motor vehicle for a minimum period of twenty-four (24) months shall be considered to have occurred at the location of the motor vehicle dealership, rather than the location of the place of business of the lessor, even if the lessor's interest in the lease and its proceeds are sold, transferred, or otherwise assigned to a lease financing institution; provided further that the city or town where such motor vehicle dealership is located levies a Privilege Tax or an equivalent excise tax upon the transaction.
- (c) Gross income derived from the following transactions shall be exempt from Privilege Taxes imposed by this Section:
  - (1) rental, leasing, or licensing for use of tangible personal property to persons engaged or continuing in the business of leasing, licensing for use, or rental of such property.
  - (2) rental, leasing, or licensing for use of tangible personal property that is semi-permanently or permanently installed within another city or town that levies an equivalent excise tax on the transaction.
  - (3) rental, leasing, or licensing for use of film, tape, or slides to a theater or other person taxed under Section 8-410, or to a radio station, television station, or subscription television system.
  - (4) rental, leasing, or licensing for use of the following:
    - (A) prosthetics.
    - (B) income-producing capital equipment.
    - (C) mining and metallurgical supplies.These exemptions include the rental, leasing, or licensing for use of tangible personal property which, if it had been purchased instead of leased, rented, or licensed by the lessee or licensee, would qualify as income-producing capital equipment or mining and metallurgical supplies.
  - (5) rental, leasing, or licensing for use of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property so rented, leased, or licensed is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or rental, leasing, or licensing for use of tangible personal property in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.
  - (6) separately billed charges for delivery, installation, repair, and/or maintenance as provided by Regulation.
  - (7) charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services to another person engaged in the business of providing or furnishing utility or telecommunication services.
  - (8) (Reserved)
  - (9) rental, leasing, or licensing of aircraft that would qualify as aircraft acquired for use outside the State, as prescribed by Regulation, if such rental, leasing, or licensing had been a sale.
  - (10) rental, leasing or licensing for use an alternative fuel vehicle as defined in A.R.S. § 43-1086 if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

**Section 10. Section 8-455 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-455. Restaurants and Bars.**

- (a) The tax rate shall be at an amount equal to two percent (2%) of the gross income from the

business activity upon every person engaging or continuing in the business of preparing or serving food or beverage in a bar, cocktail lounge, restaurant, or similar establishment where articles of food or drink are prepared or served for consumption on or off the premises, including also the activity of catering. Cover charges and minimum charges must be included in the gross income of this business activity.

- (b) Caterers and other taxpayers subject to the tax who deliver food and/or serve such food off premises shall also be allowed to exclude separately charged delivery, set-up, and clean-up charges, provided that the charges are also maintained separately in the books and records. When a taxpayer delivers food and/or serves such food off premises, his regular business location shall still be deemed the location of the transaction for the purposes of the tax imposed by this Section.
- (c) The tax imposed by this Section shall not apply to sales to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (d) The tax imposed by this Section shall not apply to sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § ~~42-1310-01(A)(48)~~ 5061(A)49, that serves the food and beverages to its passengers, without additional charge, for consumption in flight.
- (e) The tax imposed by this Section shall not apply to sales of prepared food, beverages, condiments or accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours.
- (f) For the purposes of this Section, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

**Section 11. Section 8-465 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-465. Retail sales: exemptions.**

Income derived from the following sources is exempt from the tax imposed by Section 14-460:

- (a) sales of tangible personal property to a person regularly engaged in the business of selling such property.
- (b) out-of-Town sales or out-of-State sales.
- (c) charges for delivery, installation, or other direct customer services as prescribed by Regulation.
- (d) charges for repair services as prescribed by Regulation, when separately charged and separately maintained in the books and records of the taxpayer.
- (e) sales of warranty, maintenance, and service contracts, when separately charged and separately maintained in the books and records of the taxpayer.
- (f) sales of prosthetics.
- (g) sales of income-producing capital equipment.
- (h) sales of rental equipment and rental supplies.

- (i) sales of mining and metallurgical supplies.
- (j) sales of motor vehicle fuel and use fuel which are subject to a tax imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes; or sales of use fuel to a holder of a valid single trip use fuel tax permit issued under A.R.S. Section 28-5739, or sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.
- (k) sales of tangible personal property to a construction contractor who holds a valid Privilege Tax License for engaging or continuing in the business of construction contracting where the tangible personal property sold is incorporated into any structure or improvement to real property as part of construction contracting activity.
- (l) sales of motor vehicles to nonresidents of this state for use outside this state if the vendor ships or delivers the motor vehicle to a destination outside this state.
- (m) sales of tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines, or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.
- (n) sales made directly to the Federal government to the extent of:
  - (1) one hundred percent (100%) of the gross income derived from retail sales made by a manufacturer, modifier, assembler, or repairer.
  - (2) fifty percent (50%) of the gross income derived from retail sales made by any other person.
- (o) sales to hotels, bars, restaurants, dining cars, lunchrooms, boarding houses, or similar establishments of articles consumed as food, drink, or condiment, whether simple, mixed, or compounded, where such articles are customarily prepared or served to patrons for consumption on or off the premises, where the purchaser is properly licensed and paying a tax under Section 8-455 or the equivalent excise tax upon such income.
- (p) sales of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or sales of tangible personal property purchased in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.
- (q) sales of food for home consumption.
- (r) (Reserved)
  - (1) (Reserved)
  - (2) (Reserved)
  - (3) (Reserved)
  - (4) (Reserved)
- (s) sales of groundwater measuring devices required by A.R.S. Section 45-604.
- (t) (Reserved)
- (u) sales of aircraft acquired for use outside the State, as prescribed by Regulation.
- (v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.
- (w) (Reserved)

- (x) (Reserved)
- (y) (Reserved)
- (z) (Reserved)
- (aa) the sale of tangible personal property used in remediation contracting as defined in Section 8-100 and Regulation 8-100.5.
- (bb) sales of materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
  - (1) printed or photographic materials.
  - (2) electronic or digital media materials.
- (cc) sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. § 42-5061(A)(5049), that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (dd) in computing the tax base in the case of the sale or transfer of wireless telecommunication equipment as an inducement to a customer to enter into or continue a contract for telecommunication services that are taxable under Section 8-470, gross proceeds of sales or gross income does not include any sales commissions or other compensation received by the retailer as a result of the customer entering into or continuing a contract for the telecommunications services.
- (ee) for the purposes of this Section, a sale of wireless telecommunication equipment to a person who holds the equipment for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 8-470 is considered to be a sale for resale in the regular course of business.
- (ff) sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or § 49-480.
- (gg) sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.
- (hh) sales of personal hygiene items to a person engaged in the business of and subject to tax under Section 8-444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.
- (ii) For the purposes of this Section, the diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.
- (jj) Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups,

drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

~~(kk)~~ (Reserved)

(#) (kk) sales of motor vehicles that use alternative fuel as defined in A.R.S. § 43-1086 if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

**Section 12. Section 8-470 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-470. Telecommunication services.**

- (a) The tax rate shall be at an amount equal to two percent (2%) of the gross income from the business activity upon every person engaging or continuing in the business of providing telecommunication services to consumers within this Town.
- (1) Telecommunication services shall include:
- (A) two-way voice, sound, and/or video communication over a communications channel.
  - (B) one-way voice, sound, and/or video transmission or relay over a communications channel.
  - (C) facsimile transmissions.
  - (D) providing relay or repeater service.
  - (E) providing computer interface services over a communications channel.
  - (F) time-sharing activities with a computer accomplished through the use of a communications channel.
- (2) Gross income from the business activity of providing telecommunication services to consumers within this Town shall include:
- (A) all fees for connection to a telecommunication system.
  - (B) toll charges, charges for transmissions, and charges for other telecommunications services; provided that such charges relate to transmissions originating in the Town and terminating in this State.
  - (C) fees charged for access to or subscription to or membership in a telecommunication system or network.
  - (D) charges for monitoring services relating to a security or burglar alarm system located within the Town where such system transmits or receives signals or data over a communications channel.
  - (E) CHARGES FOR TELEPHONE, FAX OR INTERNET ACCESS SERVICES PROVIDED AT AN ADDITIONAL CHARGE BY A HOTEL BUSINESS SUBJECT TO TAXATION UNDER SECTION 8-444.
- (b) Resale telecommunication services. Gross income from sales of telecommunication services to another provider of telecommunication services for the purpose of providing the purchaser's customers with such service shall be exempt from the tax imposed by this Section; provided, however, that such purchaser is properly licensed by the Town to engage in such business.
- (c) Interstate transmissions. Charges by a provider of telecommunication services for transmissions originating in the Town and terminating outside the State are exempt from the tax imposed by this Section.
- (d) Tax credit offset for franchise fees. There shall be allowed as an offset, up to the amount of tax due, any amounts paid to the Town for license fees or franchise fees, but such offset shall not be allowed against taxes imposed by any other Section of this Chapter. Such offset shall not be deemed in conflict with or violation of subsection 8-400(b).
- (e) (Reserved)

- (f) Prepaid calling cards. Telecommunications services purchased with a prepaid calling card that are taxable under Section 8-460 are exempt from the tax imposed under this Section.
- (g) Internet Access Services - the gross income subject to tax under this section shall not include sales of internet access services to the person's subscribers and customers. For the purposes of this subsection:
  - (1) "Internet" means the computer and telecommunications facilities that comprise the interconnected worldwide network of networks that employ the transmission control protocol or internet protocol, or any predecessor or successor protocol, to communicate information of all kinds by wire or radio.
  - (2) "Internet Access" means a service that enables users to access content, information, electronic mail or other services over the internet. Internet access does not include telecommunication services provided by a common carrier.

**Section 13. Section 8-475 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-475. Transporting for hire.**

The tax rate shall be at an amount equal to two percent (2%) of the gross income from the business activity upon every person engaging or continuing in the business of providing the following forms of transportation for hire from this Town to another point within the State:

- (a) Transporting of persons or property by railroad; provided, however, that the tax imposed by this subsection shall not apply to transporting freight or property for hire by a railroad operating exclusively in this State if the transportation comprises a portion of a single shipment of freight or property, involving more than one railroad, either from a point in this State to a point outside this State or from a point outside this State to a point in this State. For purposes of this paragraph, "a single shipment" means the transportation that begins at the point at which one of the railroads first takes possession of the freight or property and continues until the point at which one of the railroads relinquishes possession of the freight or property to a party other than one of the railroads.
- (b) transporting of oil or natural or artificial gas through pipe or conduit.
- (c) transporting of property by aircraft.
- (d) transporting of persons or property by motor vehicle, including towing and the operation of private car lines, as such are defined in Article VII, Chapter 14, Title 42, Arizona Revised Statutes; provided, however, that the tax imposed by this subsection shall not apply to:
  - (1) gross income subject to the tax imposed by Article IV, Chapter 16, Title 28, Arizona Revised Statutes.
  - (2) gross income derived from the operation of a governmentally adopted and controlled program to provide urban mass transportation.
  - (3) (Reserved)
  - (4) (Reserved)
- (E) (RESERVED)
- (F) DEDUCTIONS OR EXEMPTIONS. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM THE FOLLOWING SOURCES IS EXEMPT FROM THE TAX IMPOSED BY THIS SECTION:
  - (1) INCOME THAT IS SPECIFICALLY INCLUDED AS THE GROSS INCOME OF A BUSINESS ACTIVITY UPON WHICH ANOTHER SECTION OF ARTICLE IV IMPOSES A TAX, THAT IS SEPARATELY STATED TO THE CUSTOMER AND IS TAXABLE TO THE PERSON ENGAGED IN THAT CLASSIFICATION NOT TO EXCEED CONSIDERATION PAID TO THE PERSON CONDUCTING THE ACTIVITY.
  - (2) INCOME FROM ARRANGING AMUSEMENT OR TRANSPORTATION WHEN THE AMUSEMENT OR TRANSPORTATION IS CONDUCTED BY ANOTHER PERSON NOT TO EXCEED CONSIDERATION PAID TO THE AMUSEMENT OR TRANSPORTATION BUSINESS.

- (G) THE TAX IMPOSED BY THIS SECTION SHALL NOT INCLUDE ARRANGING TRANSPORTATION AS A CONVENIENCE TO A PERSON'S CUSTOMERS IF THAT PERSON IS NOT OTHERWISE ENGAGED IN THE BUSINESS OF TRANSPORTING PERSONS, FREIGHT OR PROPERTY FOR HIRE. THIS EXCEPTION DOES NOT APPLY TO BUSINESSES THAT DISPATCH VEHICLES PURSUANT TO CUSTOMER ORDERS AND SEND THE BILLINGS AND RECEIVE THE PAYMENTS ASSOCIATED WITH THAT ACTIVITY, INCLUDING WHEN THE TRANSPORTATION IS PERFORMED BY THIRD PARTY INDEPENDENT CONTRACTORS. FOR THE PURPOSES OF THIS PARAGRAPH, "ARRANGING" INCLUDES BILLING FOR OR COLLECTING TRANSPORTATION CHARGES FROM A PERSON'S CUSTOMERS ON BEHALF OF THE PERSONS PROVIDING THE TRANSPORTATION.

**Section 14. Section 8-660 of the Tax Code of the Town of Camp Verde is amended to read:**

**Sec. 8-660. Use tax: exemptions.**

The storage or use in this Town of the following tangible personal property is exempt from the Use Tax imposed by this Article:

- (a) tangible personal property brought into the Town by an individual who was not a resident of the Town at the time the property was acquired for his own use, if the first actual use of such property was outside the Town, unless such property is used in conducting a business in this Town.
- (b) tangible personal property, the value of which does not exceed the amount of one thousand dollars (\$1,000) per item, acquired by an individual outside the limits of the Town for his personal use and enjoyment.
- (c) charges for delivery, installation, or other customer services, as prescribed by Regulation.
- (d) charges for repair services, as prescribed by Regulation.
- (e) separately itemized charges for warranty, maintenance, and service contracts.
- (f) prosthetics.
- (g) income-producing capital equipment.
- (h) rental equipment and rental supplies.
- (i) mining and metallurgical supplies.
- (j) motor vehicle fuel and use fuel which are used upon the highways of this State and upon which a tax has been imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes.
- (k) tangible personal property purchased by a construction contractor, but not an owner-builder, when such person holds a valid Privilege License for engaging or continuing in the business of construction contracting, and where the property acquired is incorporated into any structure or improvement to real property in fulfillment of a construction contract.
- (l) sales of motor vehicles to nonresidents of this state for use outside this state if the vendor ships or delivers the motor vehicle to a destination outside this state
- (m) tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not

an ingredient nor component part of a product.

- (n) rental, leasing, or licensing for use of film, tape, or slides by a theater or other person taxed under Section 8-410, or by a radio station, television station, or subscription television system.
- (o) food served to patrons for a consideration by any person engaged in a business properly licensed and taxed under Section 8-455, but not food consumed by owners, agents, or employees of such business.
- (p) tangible personal property acquired by a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property is in fact used in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.
- (q) food for home consumption.
- (r) (Reserved)
  - (1) (Reserved)
  - (2) (Reserved)
  - (3) (Reserved)
  - (4) (Reserved)
- (s) groundwater measuring devices required by A.R.S. Section 45-604.
- (t) (Reserved)
- (u) aircraft acquired for use outside the State, as prescribed by Regulation.
- (v) sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.
- (w) (Reserved)
- (x) (Reserved)
- (y) Tangible personal property donated to an organization or entity qualifying as an exempt organization under 26 U.S.C Section 501(c)(3); if and only if:
  - (1) the donor is engaged or continuing in a business activity subject to a tax imposed by Article IV; and
  - (2) the donor originally purchased the donated property for resale in the ordinary course of the donor's business; and
  - (3) the donor obtained from the donee a letter or other evidence satisfactory to the Tax Collector of qualification under 26 U.S.C. Section 501(c)(3) from the Internal Revenue Service or other appropriate federal agency; and
  - (4) the donor maintains, and provides upon demand, such evidence to the Tax Collector, in a manner similar to other documentation required under Article III.
- (z) (Reserved)
- (aa) tangible personal property used in remediation contracting as defined in Section 8-100 and Regulation 8-100.5.
- (bb) materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or federal, state, county or municipal libraries for use by the public as follows:
  - (1) printed or photographic materials.
  - (2) electronic or digital media materials.
- (cc) food, beverages, condiments and accessories used for serving food and beverages to a



November 29, 2006

To: Bill Lee  
Subject: Request for Draw

Dear Bill,

This is a request for the Camp Verde Chamber of Commerce's third quarter draw on January 1, 2007 for \$33,669.00 for the Fiscal Year of 2006 - 2007.

Would you please put us on the consent agenda for December 6, 2006 for the Town Council approval of this draw? At this time, if the Council would like for the Chamber to present an update, I will have a presentation for them at this time.

Thank you,

A handwritten signature in cursive script that reads "Roy Gugliotta".

Roy Gugliotta  
Chief Executive Office  
Camp Verde Chamber of Commerce

# TOWN OF CAMP VERDE Council Agenda Action Form

Meeting Type: Regular Meeting

Meeting Date: December 6, 2006

Submitting Department: Administration

Contact Person: Bill Lee

Consent:

Regular:

Requesting Action:

Report Only:

**Type of Document Needing Approval (Check all that apply):**

Public Hearing

Resolution

Ordinance

Agreement/Contract

Emergency Clause

Acceptance/Approval

Special Consideration

Intergovernmental Agreement

Preliminary Plat

Grant Submission

Liquor/Bingo License Application

Final Plat

Special Event Permit

Special/Temp Use Permit

Other:

**Agenda Text (be exact):** Presentation by Leslie Owen and Joy Wadleigh of Buena Vista Children's Services with a request for an \$1,800 donation to the Camp Verde Discovery Connection Program for playground equipment. This may be followed by discussion, consideration and possible approval of the funding. This is an unbudgeted item from the General Fund.

**Staff Recommendation:** Approve      **Budgeted/Amount:** No      **\$1,800**

Unbudgeted- Contingency *AS*  
Finance Director Review (if item is unbudgeted, under budgeted, or exceeds budgeted amt)

Line Item/Fund: 01-50-55-9999

**Purpose of Item and Background Information:** The Buena Vista Children's Services is relocating the Discovery Program to the Camp Verde United Methodist Church's facility. To ensure a quality, safe and educational program playground equipment needs to be installed at the Church. The playground equipment will be used by the students as well as others.

**List All Attachments as Follows:** Camp Verde Discovery Connection Program Relocation Proposal & Playground Project expense sheet.

**Type(s) of Presentation:** Verbal Only

**Special Equipment needed for Presentation:**

Laptop Computer\*

Overhead Projector

Remote Microphone

\* Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

**Please note:** You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

**Signatures of Submitting Staff:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Town Manager/Designee: Ble \_\_\_\_\_

## Camp Verde Discovery Connection

### Relocation Proposal

The Camp Verde Discovery Connection will be locating its program to a new facility. The Camp Verde United Methodist Church is opening its doors to the Discovery Connection program. Buena Vista Children's Services and the Camp Verde Discovery Connection are very excited and appreciative of the opportunity to partner with the Camp Verde United Methodist Church.

There is one drawback to relocating. There is no playground at the church.

In order for the Discovery Connection program to relocate to the Methodist Church a playground would need to be installed.

The Camp Verde United Methodist Church is located in a low-income neighborhood. The idea, shared by both the Camp Verde United Methodist Church and Buena Vista Children's Services, is to build a playground facility that could be used by Discovery Connection, Church Youth and available to Neighborhood children providing the children living in the area a safe and fun place to play.

Item	Description	Cost
Fencing	4' chain – link – Yavapai fencing	\$2,500
Play structure	WOW school age	\$15,447
Border Timbers	Border to hold Soft Fall	\$1,000
Stakes	To hold border	\$300
Soft Fall Ground Cover	Crushed wood surfacing	\$700
Structure Installation		\$6,000
Total Cost		\$26,947

The acquisition of a playground would ensure a quality, safe and educational program for the children of Camp Verde!

Thank you for your consideration. If you should have any questions please contact Joy Wadleigh 301-3239 or Leslie Owen 646-5200.

**TOWN OF CAMP VERDE  
Council Agenda Action Form**

**Meeting Type: Regular**

**Meeting Date: December 6, 2006**

**Submitting Department: Parks & Rec. Comm  
Moore**

**Contact Person: Trapper**

**Consent:**  **Regular:**  **Requesting Action:**  **Report Only:**

**Type of Document Needing Approval (Check all that apply):**

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Acceptance/Approval | <input type="checkbox"/> Agreement/Contract | <input type="checkbox"/> Emergency Clause            |
| <input type="checkbox"/> Final Plat                     | <input type="checkbox"/> Grant Submission   | <input type="checkbox"/> Intergovernmental Agreement |
| <input type="checkbox"/> Liquor/Bingo Application       | <input type="checkbox"/> Ordinance          | <input type="checkbox"/> Preliminary Plat            |
| <input type="checkbox"/> Public Hearing                 | <input type="checkbox"/> Resolution         | <input type="checkbox"/> Special Consideration       |
| <input type="checkbox"/> Special/Temp Use Permit        | <input type="checkbox"/> Other:             |  |

**Agenda Text (Be Exact):** Discussion, consideration and possible approval or Parks & Rec. quarterly report

**Staff Recommendation:** Approve Budgeted/Amount N/A \$ \_\_\_\_\_

\_\_\_\_\_  
Finance Director Review (if item in unbudgeted, under budgeted, or exceeds budgeted amount)

Line Item/Fund: n/a

Purpose of Item and Background Information: \_\_\_\_\_

List All Attachments as Follows: July-August-September Quarterly Report

Type(s) of Presentation: Visual

Special Equipment needed for Presentation:

- |  |   |                                 |
|--|---|---------------------------------|
| <input type="checkbox"/> Laptop Computer*  | <input type="checkbox"/> Overhead Projector   | <input type="checkbox"/> TV-VCR |
| <input type="checkbox"/> Remote Microphone | <input type="checkbox"/> Conference Telephone | <input type="checkbox"/> Other  |

\*Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

**Please Note:** You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

**Signatures of Submitting Staff:**

**Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Town Manager/Designee:** \_\_\_\_\_



# Camp Verde Parks & Recreation Quarterly Report July-August-September

## **Parks & Recreation Commission**

### Chairman

Trapper Moore

### Vice-Chairman

Danny Parker

### Commissioners

Ginger Mason

Alex Wilson

Clint Teague

Lucille Clawson

Jim Ellington

## **Parks & Recreation Staff**

### Director

Lynda Moore

### Administrative Assistant:

Jessie Jones

### Recreation Supervisor

Joseph Perez

### Maintenance Supervisor

Mike Dumas

### Maintenance

Robert Chavez

Damon Yeager

Darrell Payne

Justin Coriz

## **Mission Statement**

The Town of Camp Verde Parks and Recreation Department is dedicated to providing quality recreational, educational, cultural, fitness, social and environmental opportunities. This department strives to meet the diverse needs of our community.

## **July 2006 Report**

The Camp Verde Parks & Recreation Commission cancelled its regularly scheduled monthly meeting for July in observance of Independence Day.

The department hosted the following special events:

**Annual Independence Day Celebration**—This year's event was again sponsored by Cliff Castle Casino, who provided the fireworks presentation. The event brought together Parks & Recreation staff, commissioners, town council members and more than a thousand community members at Butler Park. Activities included family oriented contests, food, entertainment, games and fireworks. The Parks & Recreation Department and Commission would like to extend a sincere thanks to staff and council members that volunteered their time to provide the community with this event.

**15th Annual Cornfest**—This year's Cornfest was downsized from a two night event to a one night event. The event included popular contests including corn shucking, hog calling, corn eating and many more as well as live entertainment by the Burnett Family Bluegrass Band, winners of the Telluride Bluegrass Festival, roasted corn, vendors and games for everyone. In addition to all of the activities, the Golden Cobra Kickboxing organization hosted its annual Cornfest Kickboxing Championships at the Community Center. Despite the many challenges of the event, it was successful and continues to be a community favorite.

The Recreation 3-on-3 Basketball League kicked-off with registration. The league continued through the end of the year. The Parks & Recreation Department and Commission thank all participants and sponsors for their continued support of community recreation program.

## **July 2006 Report Continued**

The Parks & Recreation department hosted a Family Fun Night Swim and Skate Party at the community skate park and swimming pool. The event included free swimming, food, drinks and live entertainment. This event continues to remain popular with community youth, which provides additional activity throughout the summer months, supporting the department's mission statement.

For the second year, Camp Verde Parks & Recreation hosted its Hunter Education class. The course was instructed by Camp Verde resident Bob Zimmerli. This year's program included more than fifty (50) participants and continues to grow, providing community youth with an opportunity to learn hunter education, firearm safety and basic survival skills.

## **August 2006 Report**

The Parks & Recreation Commission held its regularly scheduled monthly meeting August 1. Staff provided the Commission with updates about the community park.

The Parks & Recreation department hosted the annual Block Party, August 19 in Uptown Camp Verde along Main Street. This year's event included live entertainment for both youth and adults, as well as food, games, vendors and participation from many Main Street merchants. The event also included the 5th Annual Ping Pong Championships. The department coordinated its effort with the Camp Verde Merchant Group. The department continues to emphasize the importance of shopping locally.

The Parks & Recreation department continues to meet with the Camp Verde Merchant Group. The group was implemented in fall 2004 by Camp Verde Parks & Recreation, whose vision was to provide additional benefit and tourism opportunities for Camp Verde Merchants during special events and slow times throughout the year. Together the group has hosted many travel writers, familiarization tours with media and the Arizona Office of Tourism and led the Historic Walking Tour of Main Street with a group of journalists from Canada and Mexico. Recently the Camp Verde Merchant Group has begun organizing additional activities during special events to create even more activity for visitors when visiting our community during event season.

## September 2006 Report

The Parks & Recreation Commission held its regularly scheduled monthly meeting. The commission made recommendations to staff regarding Banner Pole Policies, was updated by staff regarding the Youth Commission and also discussed and made recommendations on updates for the Parks & Recreation Five Year Plan.

The department has been busy actively organizing Camp Verde's first Youth Commission. Staff has been in contact with interested youth and will be scheduling an initial meeting in the near future.

The Parks & Recreation staff hosted the annual Pioneer Days event. Components included the Fall Gun & Knife Show and Mule Show. The gun & knife show received more than expected turnout and all vendors did amazingly well and provided many good comments and feedback to staff. The Mule Show, which is organized by an all volunteer committee separate from the Pioneer Days committee, was relocated this year from Fort Verde State Historic Park to Arena Deloma. The location change proved to be a positive step forward in helping the mule and donkey show to continue growing.

The Montezuma Castle 10K and 2 Mile Run/Walk was recently hosted by the department. More than twenty-five (25) runner participated in the event. Parks & Recreation staff is currently working on additional components to this event to attract even more participants and event enthusiasts.

Formerly, the Parks & Recreation department coordinated the September 11 Patriot's Day Remembrance ceremony, however this year the local American Legion Post took full responsibility and executed the event independently of the Town of Camp Verde. The commission and staff are extremely excited about this transition, and are encouraging other organizations to assist with the overwhelming and successful event season produced by the Camp Verde Parks & Recreation department.

One of Camp Verde's newer event is the Highland Games, an event that has been well supported by the community for the past two (2) years, but one that has not experienced much growth or provided an enormous impact to local business owners. In 2007 the event will be managed and coordinated by Tom and Candy Watts, which will remove the event from the list of funded events by the Town of Camp Verde Parks & Recreation. The commission and staff support the Watts in their endeavor and are pleased to see the community coming forth to assist the department.



**Town of Camp Verde  
Parks & Recreation Department  
395 South Main Street  
Camp Verde, AZ 86322  
Phone: (928) 567-0535**

**Upcoming Events**

November 7

Parks & Recreation Commission Meeting  
Town Council Chambers  
5:30 p.m.

December 2

Christmas Craft Bazaar & Breakfast w/Santa  
Community Center  
8 a.m.

December 2

Christmas Parade of Lights  
Main Street  
6:30 p.m.

December 5

Parks & Recreation Commission Meeting  
Town Council Chambers  
5:30 p.m.

**Camp Verde Parks & Recreation**

**Welcomes:**

**New Parks & Rec. Commissioners**

**Jim Ellington  
Ginger Mason  
Trapper Moore**

**New Parks & Rec. Staff**

**Justin Coriz  
Jessie Jones**

**Camp Verde Parks & Recreation**

**Thanks:**

**All major event and recreation program  
sponsors, participants, volunteers, staff and  
the community for their continued support.**

**Building Community Through People, Parks and Programs**

# TOWN OF CAMP VERDE Council Agenda Action Form

Meeting Type: Regular Meeting

Meeting Date: December 6, 2006

Submitting Department: Administration

Contact Person: Bill Lee

Consent:

Regular:

Requesting Action:

Report Only:

**Type of Document Needing Approval (Check all that apply):**

Public Hearing

Resolution

Ordinance

Agreement/Contract

Emergency Clause

Acceptance/Approval

Special Consideration

Intergovernmental Agreement

Preliminary Plat

Grant Submission

Liquor/Bingo License Application

Final Plat

Special Event Permit

Special/Temp Use Permit

Other:

**Agenda Text (be exact):** Discussion, consideration and possible approval of an amount not to exceed \$2,000 for the Friends of Camp Verde to restore the old rock building behind the Chamber of Commerce. This is unbudgeted amount from the General Fund.

**Staff Recommendation:** Approve      **Budgeted/Amount:** No      \$2,000

Unbudgeted- Contingency *AS*

Finance Director Review (if item is unbudgeted, under budgeted, or exceeds budgeted amt)

Line Item/Fund: 01-50-55-9999

**Purpose of Item and Background Information:** The Friends of Camp Verde would like to restore the building known as the old jail/library to encourage tourists and visitors to our community.

**List All Attachments as Follows:** None

**Type(s) of Presentation:** Verbal Only

**Special Equipment needed for Presentation:**

Laptop Computer\*

Overhead Projector

Remote Microphone

\* Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

**Please note:** You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

**Signatures of Submitting Staff:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

*Bill Lee*

# TOWN OF CAMP VERDE Council Agenda Action Form

Meeting Type: Regular Meeting

Meeting Date: December 6, 2006

Submitting Department: Administration

Contact Person: Bill Lee

Consent:

Regular:

Requesting Action:

Report Only:

**Type of Document Needing Approval (Check all that apply):**

Public Hearing

Resolution

Ordinance

Agreement/Contract

Emergency Clause

Acceptance/Approval

Special Consideration

Intergovernmental Agreement

Preliminary Plat

Grant Submission

Liquor/Bingo License Application

Final Plat

Special Event Permit

Special/Temp Use Permit

Other:

**Agenda Text (be exact):** Discussion, consideration and possible approval of increase of approximately \$3,700 for the provision of the Town Attorney(s) to provide legal counsel telephonically at the Council Hears Planning and Zoning meetings. This is unbudgeted amount from the General Fund.

**Staff Recommendation:** Approve      **Budgeted/Amount:** No      \$3,700

Under Budgeted DS

Finance Director Review (If item is unbudgeted, under budgeted, or exceeds budgeted amt)

Line Item/Fund: 01-50-55-6602

**Purpose of Item and Background Information:** Finance Director Dane Bullard calculated the additional costs through the remainder of the fiscal year for the Town Attorneys to provide legal counsel at the Council Hears Planning and Zoning meetings.

**List All Attachments as Follows:** None

**Type(s) of Presentation:** Verbal Only

**Special Equipment needed for Presentation:**

Laptop Computer\*

Overhead Projector

Remote Microphone

\* Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

**Please note:** You are responsible for checking out, setting up, and returning all special equipment to the Clerk's Office.

**Signatures of Submitting Staff:**



# TOWN OF CAMP VERDE

## Council Agenda Action Form

**Meeting Type:** Regular Meeting

**Meeting Date:** December 6, 2006

**Submitting Department:** Administration

**Contact Person:** Bill Lee

**Consent:**

**Regular:**

**Requesting Action:**

**Report Only:**

**Type of Document Needing Approval (Check all that apply):**

Public Hearing

Resolution

Ordinance

Agreement/Contract

Emergency Clause

Acceptance/Approval

Special Consideration

Intergovernmental Agreement

Preliminary Plat

Grant Submission

Liquor/Bingo License Application

Final Plat

Special Event Permit

Special/Temp Use Permit

Other:

**Agenda Text (be exact):** Discussion, consideration and possible approval of Economist.com's contract to assist with additional financial evaluation, impact analysis, rate plans, due diligence and acquisition of the Camp Verde Water System, Co.

**Staff Recommendation:** Approve

**Budgeted/Amount:** Yes \$18,000 plus expenses

Finance Director Review (if item is unbudgeted, under budgeted, or exceeds budgeted amt)

Line Item/Fund: \_\_\_\_\_

**Purpose of Item and Background Information:** Below is the cost of the three phases fo work to be performed:

Phase I	\$9,000		
Phase II	\$9,000		
Phase III	Variable; Time and Expenses as incurred		
	\$150/hr	-	Project Mgr.
	\$100/hr	-	Assistant

**List All Attachments as Follows:** economists.com contract

**Type(s) of Presentation:** Verbal Only

**Special Equipment needed for Presentation:**

Laptop Computer\*

Overhead Projector

Remote Microphone

\* Our laptop does NOT support a floppy disk (A-drive). All PowerPoint presentations must be saved to the hard drive or burned to a CD. Please advise any outside presenters of this requirement.

**Portland**

**Dallas**

**Phoenix**

**Tampa**

**economists.com**

*Economic and Financial Consulting*



October 4 2006

Mr. Bill Lee  
Town Manager  
Town of Camp Verde  
473 S. Main St. Ste. 102  
Camp Verde AZ 86322

Dear Mr. Lee:

Thank you for allowing ***Economists.com*** the opportunity to present this proposal to provide a financial evaluation and impact analysis of the potential acquisition of Camp Verde Water Company ("CVWC") for the Town of Camp Verde, Arizona ("The Town"). We are an economic and financial consulting firm with offices in Phoenix; Dallas, Texas; Portland, Oregon; and Tampa, Florida. Our principal clients are national, state and local governments. Our firm contains professionals with decades of experience in water and wastewater utility operations and economic/financial management. Our specific water and wastewater services include:

- **Water and Wastewater Rate Studies**
- Solid Waste/Sanitation Cost of Service and Rate Studies
- Impact Fee Studies
- Economic evaluation of water resources
- Water Planning and Management
- Connection and Impact Fee Studies
- Privatization Analysis
- Expert Witness Testimony on Reasonableness of Rate Structure
- Resource Allocation Studies
- Economic Impact and Development Studies

More information is available on our firm and professionals at our web site, [www.economists.com](http://www.economists.com).

It is our understanding that the Town is evaluating the prospect of acquiring the local privately-held water company. This acquisition will have a significant impact on both the Town and its ratepayers. There are three separate and distinct phases to this engagement as follows:

5500 Democracy Drive, Suite 130, Plano, Texas 75024

Office: (972) 378-6588 • Fax: (972) 378-6988

Web Site: [www.economists.com](http://www.economists.com)

*A Limited Liability Company*

## **Phase I – Financial Valuation**

The Town's engineers have recently completed an assessment and valuation of Camp Verde Water Company based on the commonly-used Replacement Cost New Less Depreciation methodology (RCNLD). While RCNLD is useful in determining a general estimate of the value of the company, other financial valuation methodologies are also employed to determine a general overall average valuation. In Phase I of this engagement, the project team will conduct a comprehensive analysis and valuation of Camp Verde Water Company under the following valuation methodologies:

### **Book Value**

### **Single Period Capitalization (i.e. Times Earnings)**

### **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

### **Discounted Future Cash Flow**

### **Market Value per Connection**

The combination of these valuation methodologies along with RCNLD will provide the Town with the information it requires to make a just, reasonable and fair offer for acquiring CVWC.

## **Phase II – Financial and Rate Plan -- Impact Analysis on Ratepayers**

In evaluating the desirability of acquiring CVWC, in terms of both operations and acquisition price, one of the most important factors for the Town to consider is the impact of the acquisition on local ratepayers. In this phase the project team will analyze the company's current financial, debt and operating obligations, and will develop and forecast operating and capital expenses for a ten year period after acquisition by the Town. This will enable the Town to implement a financial and rate plan that will enable it to meet all forecast operating and capital obligations, as well as to understand the impact of the Town's acquisition of the system on the ratepayers' monthly charges.

The project team will also analyze and present the impact of CVWC on local ratepayers at various acquisition costs. This information will be very useful to the Town in developing an ultimate offering price to CVWC.

The operating and capital plan will be developed in close coordination with the Town's engineers. It must be emphasized that our review of the company's financial and operating information does not constitute an audit or verification of the accuracy of such data.

## **Phase III – Assistance with Due Diligence and Acquisition**

In this phase we will assist the Town in negotiations with CVWC for the acquisition of the company and the incorporation into the Town. If an initial agreement is reached as to an offering price, we will assist in all due diligence-related efforts. This includes the update of any engineering analyses and capital improvement plans, the hiring of an auditor to evaluate CVWC's finances, and the coordination with Town personnel in the development of an operations plan for the company. As new information becomes available we will update our financial and rate forecast accordingly in order to arrive at a final set of rates to implement upon closing. We will provide any additional analysis required by the Town's financial and bond advisors.

I will serve as Project Manager for this engagement and will have sole responsibility for its successful outcome. My billing rate is \$150 per hour. I will be assisted by Ms. Becky Thacker. Her billing rate is \$100 per hour. Clerical staff will provide support as necessary. The professional fees and expenses for this engagement are as follows:

Phase I -- **\$9,000**

Phase II -- **\$9,000**

Phase III – Variable; Time and Expenses as incurred

These costs include data analysis, report preparation, and presentation of findings before Town staff and the City Council.

If this proposal is acceptable to you, please execute one copy of this letter and return it to our Dallas office. Thank you for this opportunity. We look forward to working with you on this engagement.

Very Truly Yours,

Dan V. Jackson  
Managing Director and Chief Executive

ACCEPTED BY:

---

---

Date

**Portland**

**Dallas**

**Phoenix**

**Tampa**

**economists.com**

*Economic and Financial Consulting*



October 4 2006

Mr. Bill Lee  
Town Manager  
Town of Camp Verde  
473 S. Main St. Ste. 102  
Camp Verde AZ 86322

Dear Mr. Lee:

Thank you for allowing **Economists.com** the opportunity to present this proposal to provide a financial evaluation and impact analysis of the potential acquisition of Camp Verde Water Company ("CVWC") for the Town of Camp Verde, Arizona ("The Town"). We are an economic and financial consulting firm with offices in Phoenix; Dallas, Texas; Portland, Oregon; and Tampa, Florida. Our principal clients are national, state and local governments. Our firm contains professionals with decades of experience in water and wastewater utility operations and economic/financial management. Our specific water and wastewater services include:

- **Water and Wastewater Rate Studies**
- Solid Waste/Sanitation Cost of Service and Rate Studies
- Impact Fee Studies
- Economic evaluation of water resources
- Water Planning and Management
- Connection and Impact Fee Studies
- Privatization Analysis
- Expert Witness Testimony on Reasonableness of Rate Structure
- Resource Allocation Studies
- Economic Impact and Development Studies

More information is available on our firm and professionals at our web site, [www.economists.com](http://www.economists.com).

It is our understanding that the Town is evaluating the prospect of acquiring the local privately-held water company. This acquisition will have a significant impact on both the Town and its ratepayers. There are three separate and distinct phases to this engagement as follows:

5500 Democracy Drive, Suite 130, Plano, Texas 75024

Office: (972) 378-6588 • Fax: (972) 378-6988

Web Site: [www.economists.com](http://www.economists.com)

*A Limited Liability Company*

## **Phase I – Financial Valuation**

The Town's engineers have recently completed an assessment and valuation of Camp Verde Water Company based on the commonly-used Replacement Cost New Less Depreciation methodology (RCNLD). While RCNLD is useful in determining a general estimate of the value of the company, other financial valuation methodologies are also employed to determine a general overall average valuation. In Phase I of this engagement, the project team will conduct a comprehensive analysis and valuation of Camp Verde Water Company under the following valuation methodologies:

### **Book Value**

### **Single Period Capitalization (i.e. Times Earnings)**

### **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

### **Discounted Future Cash Flow**

### **Market Value per Connection**

The combination of these valuation methodologies along with RCNLD will provide the Town with the information it requires to make a just, reasonable and fair offer for acquiring CVWC.

## **Phase II – Financial and Rate Plan -- Impact Analysis on Ratepayers**

In evaluating the desirability of acquiring CVWC, in terms of both operations and acquisition price, one of the most important factors for the Town to consider is the impact of the acquisition on local ratepayers. In this phase the project team will analyze the company's current financial, debt and operating obligations, and will develop and forecast operating and capital expenses for a ten year period after acquisition by the Town. This will enable the Town to implement a financial and rate plan that will enable it to meet all forecast operating and capital obligations, as well as to understand the impact of the Town's acquisition of the system on the ratepayers' monthly charges.

The project team will also analyze and present the impact of CVWC on local ratepayers at various acquisition costs. This information will be very useful to the Town in developing an ultimate offering price to CVWC.

The operating and capital plan will be developed in close coordination with the Town's engineers. It must be emphasized that our review of the company's financial and operating information does not constitute an audit or verification of the accuracy of such data.

## **Phase III – Assistance with Due Diligence and Acquisition**

In this phase we will assist the Town in negotiations with CVWC for the acquisition of the company and the incorporation into the Town. If an initial agreement is reached as to an offering price, we will assist in all due diligence-related efforts. This includes the update of any engineering analyses and capital improvement plans, the hiring of an auditor to evaluate CVWC's finances, and the coordination with Town personnel in the development of an operations plan for the company. As new information becomes available we will update our financial and rate forecast accordingly in order to arrive at a final set of rates to implement upon closing. We will provide any additional analysis required by the Town's financial and bond advisors.

I will serve as Project Manager for this engagement and will have sole responsibility for its successful outcome. My billing rate is \$150 per hour. I will be assisted by Ms. Becky Thacker. Her billing rate is \$100 per hour. Clerical staff will provide support as necessary. The professional fees and expenses for this engagement are as follows:

Phase I -- **\$9,000**

Phase II -- **\$9,000**

Phase III – Variable; Time and Expenses as incurred

These costs include data analysis, report preparation, and presentation of findings before Town staff and the City Council.

If this proposal is acceptable to you, please execute one copy of this letter and return it to our Dallas office. Thank you for this opportunity. We look forward to working with you on this engagement.

Very Truly Yours,

Dan V. Jackson  
Managing Director and Chief Executive

ACCEPTED BY:

---

Date