AG Contract No. KR99 0055TRN
ADOT ECS File: JPA 99-09
Project: G1050 81C
Section: Swanson Street ESP Improvements

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE STATE OF ARIZONA
AND
THE CITY OF CASA GRANDE

THIS AGREEMENT is entered into 19 March, 1999, pursuant to Arizona Revised Statutes, Sections 11-951 through 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State") and the CITY OF CASA GRANDE, acting by and through its MAYOR and CITY COUNCIL (the "City").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-401 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the State.

2. The City is empowered by Arizona Revised Statutes Section 41-1513 and 28-7281 et seq to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has authorized the undersigned to execute this agreement on behalf of the City.

3. The City has requested Economic Strength Project (ESP) funds in the amount of $74,917.00; the Arizona Department of Commerce and the Economic Development Commission have recommended the approval of such funds for the City, and the Transportation Board has approved the funding, for the construction of improvements to Swanson Street, to provide improved access to S Swanson Street, and aid in the retention and development of local business, hereinafter referred to as the Project.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

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NO. 23049
Filed with the Secretary of State
Date Filed: 03/19/99
Betsey Bayless
Secretary of State
By Vicky V. Graenewald

II. SCOPE

1. The City will:

a. Insure the additional commitment of 25% of the total estimated Project cost, or $24,973.00, whichever is more, from the City or other sources (not including ESP funds) to the Project. Accomplish construction of the Project by public bidding, in strict compliance with State procurement laws, rules and regulations. Upon completion, approve and accept the Project on behalf of the City and provide maintenance.

b. No more often than monthly, invoice the State for ESP funds (Arizona Department of Commerce, ATTN: Strategic Finance Division, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012), in an amount not to exceed $74,917.00.

c. Provide the State a copy of the executed Project contract(s), and draw down and expend the State ESP funds no later than six (6) months after the effective date of this agreement. Provide the State detailed written reports of all ESP fund expenditures, supported by invoices, receipts or other suitable and appropriate documentation, and a final accounting report no later than thirty (30) days after ESP funds are fully expended.

d. Reimburse the State any funds received from the State under this agreement which are not specifically and directly expended in compliance with the ESP grant application, which is attached hereto and made a part hereof, and are subsequently disallowed by the State.

e. Provide the State (Arizona Department of Commerce, ATTN: Strategic Finance Division, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012) with quarterly Project status reports, and one year after completion of the Project, a written Economic Impact Report detailing the direct and indirect impact of the Project, to include jobs created, jobs retained and related data.

2. The State will:

Within thirty (30) days after receipt and approval of the ESP contract(s) and subsequent monthly progress payment invoices, reimburse the City for work completed on the Project funds in an amount not to exceed $74,917.00.

III. MISCELLANEOUS PROVISIONS

1. The only interest of the Department of Transportation in the Project is to convey economic strength pass through funds for the use and benefit of the City by reason of state law under which funds for the Project are authorized to be expended.

2. The City agrees to indemnify and save harmless the State, or any of it's departments, agencies, officers or employees, from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by the State of any of the provisions of this agreement.

3. The total amount of ESP funds expended under this agreement shall not exceed 75% of the total Project cost. Should the Project not be completed, be partially completed, or be completed at a lower cost than the advanced amount, or for any other reason should any of these ESP funds not be expended, a proportionate amount of the funds provided under this agreement shall be reimbursed to the State.

4. This agreement shall remain in force and effect until completion of said Project, reimbursement and subsequent reports; provided, however, that this agreement, except any provisions herein for maintenance, which shall be perpetual, may be cancelled at any time prior to the award of a construction contract, upon thirty (30) days written notice to the other party. Further, this agreement may be terminated and the ESP grant cancelled by the State if the City, in the opinion of and by action of the Transportation Board, fails to pursue due diligence on the Project or in the performance of any of the terms of this agreement.

5. This agreement shall become effective upon filing with the Secretary of State.

6. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511 as regards conflicts of interest on behalf of State employees

7. The provisions of Arizona Revised Statutes Section 35-214 pertaining to 5 year records retention by the City and audit by the State are applicable to this contract.

8. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth in Arizona Revised Statutes Section 12-1518.

9. All notices or demands upon any party to this agreement, except as otherwise specified herein, shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 South 17 Avenue, Mail Drop 616E
Phoenix, AZ 85007

City of Casa Grande City Manager 300 E. 4th Street Casa Grande, AZ 85222	(and)	Executive Director GCGVEDF 201 E. 3rd Street Casa Grande, AZ 85222

10. Attached hereto and incorporated herein is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

CITY OF CASA GRANDE

By _____
ROBERT MITCHELL
Mayor

STATE OF ARIZONA
Department of Transportation

By _____
DALE BUSKIRK, Director
Transportation Planning

ATTEST:

By _____
GLORIA HARO
City Clerk

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JPA 99-09

RESOLUTION

BE IT RESOLVED on this 12th day of January 1999, that I, the undersigned MARY E. PETERS, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Intermodal Transportation Division, to enter into an agreement with the City of Casa Grande for the purpose of defining responsibilities for conveying ESP funds in the amount of $74,917.00 to the City.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Director of Transportation Planning for approval and execution.

DAVID R. ALLOCCO, P.E.
Assistant State Engineer
Engineering Technical Group
for Mary E. Peters, Director

RESOLUTION NO. 2679

A RESOLUTION OF THE COUNCIL OF THE CITY OF CASA GRANDE, ARIZONA, AUTHORIZING THE CITY TO ACCEPT GRANT FUNDS FROM THE ECONOMIC STRENGTH PROJECT (ESP) FOR THE CITY OF CASA GRANDE AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE STATE OF ARIZONA ON BEHALF OF THE ECONOMIC STRENGTH PROJECT (ESP); AND AUTHORIZING THE CITY FINANCE DIRECTOR TO ACCEPT AND DISBURSE FUNDS AS NECESSARY

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CASA GRANDE, ARIZONA, as follows:

Section 1. Authorization to Accept Grant Funds

The Mayor and Council of the City of Casa Grande hereby authorize the City to accept Economic Strength Project (ESP) grant funds in the amount of $74,917.00 for the City of Casa Grande for reimbursement of the construction of improvements to Swanson Street, to provide improved access to South Swanson Street, and aid in the retention and development of local businesses.

Section 2. Authorization to Execute Contract

The Mayor and Council of the City of Casa Grande hereby authorize the Mayor to execute an intergovernmental agreement between the City of Casa Grande and the State of Arizona with the terms and conditions as specified in Casa Grande Contract number 299-2 for the above stated grant amount.

Section 3. Authorization to Accept and Disburse Funds

The Mayor and Council of the City of Casa Grande hereby authorize the City Finance Director to accept and disburse the necessary funds for the accomplishment of the purpose for the grant award.

PASSED AND ADOPTED by the Mayor and Council of the City of Casa Grande, Arizona, this 16th day of February, 1999.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

JPA 99-09

APPROVAL OF THE CASA GRANDE CITY ATTORNEY

I have reviewed the above referenced proposed intergovernmental agreement, between the DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION, and the CITY OF CASA GRANDE and declare this agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

DATED this 17th day of February, 1999.

Kay Bigelow

City Attorney

Casa Grande (1)

ECONOMIC STRENGTH PROJECTS
REQUEST FOR PROPOSAL
FY 1999 - ROUND 1
July 31, 1998

APPLICATION FORM

NOTE: Additional information may be provided in attachments. Be sure to clearly reference and mark such additions and attachments.

1. NAME, ADDRESS, AND COUNTY OF APPLICANT(S):

City of Casa Grande	Greater Casa Grande Valley EDF
300 E 4th Street	201 E 3rd Street
Casa Grande AZ 85222	Casa Grande AZ 85222
Pinal County	Pinal County

2. TYPE OF ORGANIZATION OF APPLICANT: (Check one)
   a) _____ Local Government only
   b) __X__ Private Non Profit / Local Government Joint Application:

   Name of Non Profit Agency Involved:
   Greater Casa Grande Valley Economic Development Foundation

   Name of Local Government Involved:
   City of Casa Grande

3. Describe the function or purpose of applicant organization.

   City of Casa Grande - Municipal Government
   Greater Casa Grande Valley EDF - private non-profit economic development organization.

4. Name, address, and phone number of contact person(s):

Ken Buchanan, City Manager	Lori M. Gary, Executive Director
City of Casa Grande	GCGVEDF
300 E 4th St	201 E 3rd St
Casa Grande AZ 85222	Casa Grande AZ 85222
520-421-8600	520-836-6868

5. Describe the private sector project or activity for which the related ESP funding is requested.

   Purchase and renovation of existing 35,163 SF facility located at 602 S. Swanson Street in Casa Grande, Arizona for an aluminum die-cast facility which produces automotive fixtures, home electronic components and a variety of other products.

6. Describe the Economic Strength Project for which funding is requested. Describe how the ESP project supports/relates to the private sector project described in #5 above.

   The funding is requested to assist with design and construction of an industrial access road to the above mentioned property.

7. Describe how the private sector project fits into the community's overall economic development efforts.

The community's efforts have been focused on attracting industries to diversify the local economy, provide quality jobs and add to the tax base. The private sector company purchased a building which had been vacant for four years. Nestle Beverage Company closed the gourmet coffee manufacturing facility in 1992 displacing 47 hourly workers as well as administrative/support and management people. With the purchase and renovation, the private sector company established an aluminum die-cast facility which is adding additional tax revenues through enhancement of this property and new machinery and equipment and bringing new jobs. Additionally, the die-cast facility diversifies the local economy as Casa Grande's only manufacturing facility of this type.

8. Describe how the supporting ESP project fits into the Community's overall economic development efforts.

Supporting the ESP project fits into the overall economic development efforts by assisting in attracting private sector development which diversifies the local economy, provides quality jobs and adds to the local and state tax base.

9. How will ongoing maintenance and repair be provided for the ESP project after construction/improvement?

The city of Casa Grande will maintain the roadway.

10. Description of ESP project. (Check one)

a) _X_ This is an existing roadway.
b) _____ This is a new roadway.
c) _____ This is a bridge.
d) _____ This is an underpass.
e) _____ Other_____

11. Where is the private sector project located that is supported by this ESP project?

The private sector project is located at 602 S Swanson Street adjacent and contiguous to the ESP project.

12. Where is the ESP project located? (Note: Attach site map(s) to the application.)
*** See attached site maps.**

a. In the community: **The ESP project is located in Casa Grande's industrial sector on the west side of the community along Gila Bend Highway (Hwy 84).**

b. In relation to the related private sector project: **The ESP project is located adjacent and contiguous to the private sector project.**

c. In what legislative district: **This project is located in legislative district 7.**

13. What is the length (in feet/miles) of the ESP project? Roadway : 541 feet

14. What is the width (in feet) of the ESP project? Roadway: 41 feet

In the jobs section below (Q15 - Q17), applicants must provide employment- and wage-related information for the private sector employers (existing or new) which the ESP fund is supporting. If these projects do not generate certain categories of jobs (job creation, job retention or seasonal jobs), those sections should be left blank.

15. JOB CREATION

a. Construction Phase

Does your project create any public or private construction jobs?

Yes X

No _____

If yes, complete the following; otherwise go to Q15.b.

(1) Number of construction jobs directly created by private sector	50
Number of days or months the construction jobs would last	5 months
Average hourly wages	$ 15.00
(2) Number of construction jobs directly created by ESP project	15
Average number of days or months the construction jobs would last	23 days
Average hourly wages	$ 14.00

Note: List and provide the above information for each employer included in or supported by your ESP application.

b. Operation Phase

(1) Number of full-time permanent direct jobs created (Year 1)	23
Average hourly wages	$ 12.06
(2) Number of part-time permanent direct jobs created (Year 1)	None
Average number of hours per week	_____
Average hourly wages	$_____

Note: List and provide the above information for each employer included in or supported by your ESP application.

16. JOB RETENTION — Not applicable

a. Number of permanent full-time direct jobs retained	_____
Average hourly wages	$_____
b. Number of permanent part-time direct jobs retained	_____
Average number of hours per week	_____
Average hourly wages	$_____

c. How would the lack of the ESP project cause, or contribute to, the loss of these directly effected jobs?

Note: List and provide the above information for each employer included in or supported by your ESP application.

17 SEASONAL JOBS

If seasonal jobs are a significant part of the operation of private businesses for which you have applied for ESP, complete the following. Otherwise, go to question 18

a. Number of seasonal jobs created	None
Average number of days per year	_____
Average hourly wages	$_____
b. Number of seasonal jobs retained	Not applicable
Average number of days per year	_____
Average hourly wages	$_____

c. Further Clarifications

(1). Are the seasonal jobs created or retained for one year, or would they be occurring on an ongoing basis year after year?

Note: List and provide the above information for each employer included in or supported by your ESP application.

18. Capital Investment.

a) What kind of new, additional capital investment will be made by the private sector business or industry assisted by this ESP project? (Building, equipment, etc. at this site).

Purchase of land and building, building renovation items, machinery and equipment and office equipment (e.g. ceiling crane, melting furnace, launder, feeder, machine tools, die cast machine, water treatment system, pumps, etc.).

b) What is the purpose and dollar value of the new, additional capital investment that will be made by the private sector business or industry assisted by this ESP project?

$ 1,108,903	for	land and buildings
$ 3,517,133	for	machinery and equipment
$ 79,997	for	office equipment
$ 1,031,395	for	renovation costs/building improvements
$ 153,113	for	sewer line extension
$ 5,890,541		Total

19 Cost/Benefit Calculation
What is the likelihood that benefit resulting from the project will exceed the costs of the project? Show detail of cost/benefit analysis used to determine the net benefits of this project. Note: Included in this analysis should be the projected annual taxes (real and property) to be generated by the planned retail stores and other businesses being assisted and the taxes (state and local) to be paid by the workers who will be employed by these businesses.

The cost to develop South Swanson Street is $99,890. The ESP portion requested is $74,917. The anticipated return on investment is approximately $6,816,388 with about $323,924 each year from reoccurring taxes and $576,950 minimum each year in payroll.

CAPITAL IMPROVEMENTS
The cost to purchase and renovate the facility is approximately $2,140,298. Purchase of machinery and equipment is estimated at $3,597,130. The street improvement and sewer line extension costs are approximately $253,003. Construction materials and services are anticipated to be purchased within Arizona when possible.

PERSONAL AND REAL PROPERTY TAXES
Personal and real property tax receipts are estimated to be $186,925 in year one. The company will continue to pay real and personal property taxes each year.

STATE INCOME TAX
State income tax receipts are estimated to be $24,494 in year one and expected to increase as more employees are added. Twenty-three jobs have resulted from this new location paying an average hourly rate of $12.06. The company is anticipating

adding an additional 67 employees within the next three years.

SALES TAX
Approximately $576,950 in annual payroll is expected to be generated by this new facility. This is expected to generate an additional $112,505 in sales tax revenue per year.

20. What community(ies) will benefit from this project? How will each listed community benefit?

The cities of Casa Grande, Eloy and Coolidge benefit from this project. The project will provide 23 jobs in the first year and an anticipated 67 additional jobs in the next three years. A reasonable commuting distance in the area is considered to be 35 miles according to the Arizona Department of Economic Security. Both Eloy and Coolidge are approximately 17 miles from Casa Grande. Therefore, these employment opportunities are available to citizens in all three communities as well as county residents. The real and personal property taxes generated as well as the additional sales taxes will help to provide a variety of general governmental and educational services to residents of the area. With the purchase and renovation of a vacant facility, it is anticipated that the value will increase therefore increasing the property taxes generated.

21. List the names of local economic development organizations, and a contact person for each, which are involved with this private sector project. Attach documentation (letters of support, etc.) showing the involvement and level of support of each organization.

* See attached letters of support.

Greater Casa Grande Valley EDF - Bill Osteen, President
City of Casa Grande, Mayor Robert Mitchell
Pinal County, Supervisor Jimmie Kerr
APS, Daniel Froetscher, Southeast Division Manager
Greater Casa Grande Chamber of Commerce, Helen Neuharth, Executive Director
Southwest Gas, Bennett Burke, District Manager, Southern Arizona Division
Arizona Water Company, James R. Livingston, President

22. What is the total cost of the entire project? $ 8,348,512

23. What is the total cost of the ESP portion of the project? $ 99,890

24. Complete and attach the Budget Detail Schedule (Attachment A).

25. Complete and attach the Sources and Uses Schedule (Attachment B)

26. Of the total ESP project cost listed in #23 above, how much financial assistance are you requesting from the Economic Strength Projects Fund? $ 74,917

27. List the sources and amounts of matching funds (both private and public) that will be a part of the total direct ESP project cost

a) Public Funds:

(1) Name of public entity contributing the match — Amount

City of Casa Grande — $5,000

Total — $5,000

(2) Cash match contributed to the project

- Source (general fund, grants, HURF, etc.) — Amount

_____ $_____

_____ $_____

Total $_____

(3) In-kind match contributed to the project

- Type of match (force account labor, construction management, materials, etc.) — Amount

_____ $_____

_____ $_____

Total $_____

b) Private Sector funds:

Name of private sector company(ies) contributing matching funds to the ESP project, (if any) — Amount

Mitsui Components (U.S.A.), Inc. — $19,973

_____ $_____

Total $19,973

28 Local utility or other infrastructure expenditures:

a) What indirect local public utility or other infrastructure expenditures will need to be made in connection with (1) the private sector project, and (2) the ESP project? For example, expansion of water or waste water treatment facilities due to demands of the new business which the ESP project is assisting; extension of utility lines, major drainage improvements, etc.)

IMPROVEMENT	COST
Sewer line extension	$153,113
	$
	$
Total	$ 153,113

29. How will the infrastructure expenditures listed in #28 above be funded?

The infrastructure expenditures will be funded by the private sector company.

30 How soon after receiving approval of your ESP proposal could you begin construction on:

(a) The private sector project?(e.g., days, months) recently completed

(b) The ESP project?(e.g., days, months) recently completed