

CITY COUNCIL REPORT



Meeting Date: March 15, 2016
 General Plan Element: *Public Services & Facilities*
 General Plan Goal: *Provide city service facilities to meet the needs of the community*

ACTION

Grant Award for contribution toward thermal pool covers for Chaparral Pool.

Adopt Resolution No. 10375 authorizing the City of Scottsdale to accept a reimbursement grant in the amount of 47% of the cost of thermal pool covers for Chaparral Pool, approximately \$27,000, awarded by the Arizona Sports and Tourism Authority (AZSTA) to the Scottsdale Aquatics Club as part of the AZSTA FY 2016 Biennial Grant Funding for youth and amateur sports.

BACKGROUND

Thermal pool covers insulate water in the pools enabling the water to retain heat. Use of pool covers retains 40% of the heat in the pool. Thermal pool covers are used at three year round aquatic centers in Scottsdale, at Eldorado, Cactus and McDowell Mountain Ranch, during cooler times of year. Chaparral, which is a seasonal pool, currently does not have pool covers. The cost of custom covers for Chaparral Pool is estimated at \$57,000, due to the unique, free-form nature of the pool.

Scottsdale Aquatic Club, the City of Scottsdale sponsored swim team, would like to utilize Chaparral Pool during the fall months, to provide a southern location for practices for members of their swim team. Scottsdale Aquatic Club applied for a grant from the Arizona Sports and Tourism Authority to partner with the City of Scottsdale in purchasing covers for Chaparral Pool. Scottsdale Aquatic Club was initially provided notice of the 47% partial funding or approximately \$27,000, reimbursable grant from AZSTA. It is the desire of the Arizona Sports and Tourism Authority to award the grant directly to the City of Scottsdale for this purpose.

ANALYSIS & ASSESSMENT

Recent Staff Action

Chaparral Pool has been a seasonal pool since it opened in 1973. Pool use after summer season ends has been minimal due to the cost of heating the water. Thermal pool covers will reduce the heat loss by 40%, thereby reducing the cost to heat the pool. Scottsdale Aquatic Club has been a sponsored swim team with the City of Scottsdale for over 50 years. The club provides competitive swimming for over 250 Scottsdale youth and has a desire to offer a southern location for team

practices. Acceptance of this partial funding grant reimbursement will help fund the covers for the pool, and allow for a longer period of time during the year for pool use. This will benefit the sponsored team, and will extend the time that Chaparral Pool will be utilized. This pool would also have the potential to be used for other commercial uses in the future.

Policy Implications

None

Significant Issues to be Addressed

None

Community Involvement

On February 17, 2016, the Scottsdale Parks and Recreation Commission moved to approve a recommendation that City Council accept the partial funding grant for 47%, approximately \$27,000, from the Arizona Sports and Tourism Authority for the Scottsdale Parks & Recreation Department Aquatics Program to purchase thermal tarps for Chaparral Pool. The motion carried 7-0.

RESOURCE IMPACTS

Available funding

Budget appropriation for the full cost of the pool covers (\$57,000) is available in the Adopted FY 2015/16 budget within Community Services operating budget. Funding for 53% of the project will be from the Special Programs Fund, Pool Allocation - Sponsored Teams, and funding for the remaining 47% of the project will be from the General Fund, Maintenance – Fountains & Aquatics.

Revenue deposited into Special Programs Fund, Pool Allocation – Sponsored Teams is restricted to the fee the aquatic sponsored teams pay to use the pool lanes. The General Fund monies will be offset by the Arizona Sports and Tourism Authority partial funding grant reimbursement to the City of Scottsdale of 47%, or approximately \$27,000, of the cost of the pool covers once they are made and delivered to Chaparral Pool. Project completion is expected to be by June 1, 2016.

Future Budget Implications

The lifecycle of thermal pool covers is between 6 and 8 years. Chaparral Pool thermal covers will be included in the Parks & Recreation Department’s lifecycle budget for future replacement when the life of the covers is exhausted. Heating costs for Chaparral Pool are expected to reduce by 40% with thermal covers. Cost per month to heat Chaparral Pool without covers is approximately \$8000, and cost per month with covers is expected to be approximately \$4800.

OPTIONS & STAFF RECOMMENDATION

Option 1 – Staff Recommendation

Adopt Resolution No. 10375 authorizing the City of Scottsdale to accept the grant reimbursement from Arizona Sports and Tourism Authority of 47%, or approximately \$27,000, to

City Council Report | ACCEPTANCE OF AZSTA GRANT FOR POOL COVER AT CHAPARRAL POOL

assist with the cost of thermal pool covers for Chaparral Pool. The 47% reimbursement will be deposited to the General Fund 100-25410 Aquatics to offset the expenditure.

Option 2

Do not adopt Resolution No. 10375 authorizing the Parks and Recreation Department to accept the grant reimbursement from Arizona Sports and Tourism Authority of 47% of the \$57,000 cost, approximately \$27,000, to assist with the cost of thermal pool covers for Chaparral Pool.

Proposed Next Steps

The Arizona Sports and Tourism Authority grant will reimburse the City of Scottsdale 47% of the cost of the pool covers, or approximately \$27,000 once the tarps are made and delivered to Chaparral Pool. Project completion is expected by June 1, 2016.

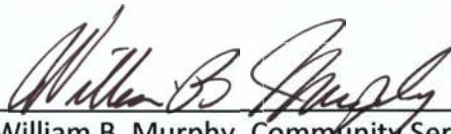
RESPONSIBLE DEPARTMENT(S)

Community Services, Financial Services

STAFF CONTACTS (S)

Reed Pryor, Parks and Recreation Director rpryor@scottsdaleaz.gov

APPROVED BY



William B. Murphy, Community Services Director
480-312-7954, bmurphy@scottsdaleaz.gov

2/25/16


Date



Judy Doyle, Budget Director
480-312-2603, jdoyle@scottsdaleaz.gov

2/29/16

Date



Jeff Nichols, City Treasurer
480-312-2364, jenichols@scottsdaleaz.gov

2/29/16

Date

ATTACHMENTS

1. Resolution 10375

- 2. FY 2016 Biennial Grant Funding Agreement: Arizona Sports and Tourism Authority and City of Scottsdale pertaining to Chaparral Pool Covers

RESOLUTION NO. 10375

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, APPROVING YOUTH AND AMATEUR SPORTS FY 2016 BIENNIAL GRANT FUNDING AGREEMENT NO. 2016-035-COS WITH TOURISM AND SPORTS AUTHORITY d/b/a THE ARIZONA SPORTS AND TOURISM AUTHORITY CONCERNING A GRANT FOR PARTIAL FUNDING OF SOLAR POOL COVERS FOR THE CITY OF SCOTTSDALE CHAPARRAL POOL; AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE SAID AGREEMENT AND AUTHORIZING THE COMMUNITY SERVICES DIRECTOR OR DESIGNEE TO EXECUTE ANY OTHER DOCUMENTS IN CONNECTION WITH THE GRANT.

WHEREAS, the City of Scottsdale ("City") is the owner of the City of Scottsdale Chaparral Pool, which is used by Scottsdale Aquatic Club, Inc. for youth and amateur sports and by other community guests; and

WHEREAS, with permission of City staff, Scottsdale Aquatic Club, Inc. applied for a youth and amateur sports grant from the Tourism and Sports Authority d/b/a the Arizona Sports and Tourism Authority ("Authority") for partial funding of solar pool covers to be purchased by the City and used at Chaparral Pool ("Project"); and

WHEREAS, the Authority has approved the grant award in the amount of up to \$27,000 for partial funding of the Project, and the City desires to accept the award; and

WHEREAS, the City and Authority desire to enter into Youth and Amateur Sports FY 2016 Biennial Grant Funding Agreement No. 2016-035-COS.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The City Council hereby (i) authorizes the acceptance of the grant from the Authority in an amount not to exceed \$27,000 for partial funding of the Project and (ii) authorizes and directs the Mayor to execute on behalf of the City the Youth and Amateur Sports FY 2016 Biennial Grant Funding Agreement No. 2016-035-COS, between the City and the Authority for the purpose of accepting the grant.

Section 2. The City Council hereby authorizes the Community Services Director or designee (i) to execute on behalf of the City any award documents, agreements, amendments, certifications, reimbursement requests or any other necessary or desirable documents in connection with the grant and (ii) to take such actions as are necessary for the acceptance and administration of the grant.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this 15th day of March, 2016.

CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Carolyn Jagger, City Clerk

W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:

Kim McIntier

Bruce Washburn, City Attorney

By: Kimberly McIntier

Assistant City Attorney

YOUTH AND AMATEUR SPORTS

FY 2016 BIENNIAL GRANT FUNDING AGREEMENT

By and Between

**TOURISM AND SPORTS AUTHORITY d/b/a
THE ARIZONA SPORTS AND TOURISM AUTHORITY,**

and

CITY OF SCOTTSDALE

Pertaining To

CHAPARRAL POOL COVERS

March 15, 2016

ATTACHMENT 2

THIS AGREEMENT (the "Agreement") is made to be effective as of the 1st day of March, 2016 by and between City of Scottsdale, an Arizona municipal corporation (hereinafter called the "Recipient" or a "Party"), and the TOURISM AND SPORTS AUTHORITY d/b/a THE ARIZONA SPORTS AND TOURISM AUTHORITY, existing pursuant to the provisions of Arizona Revised Statutes ("A.R.S.") §§ 5-801 et seq., as the same may be modified or amended (collectively, the "Act"), as a corporate and political body of the State of Arizona and, except as otherwise limited, modified or provided by the Act, as a tax levying public improvement district (hereinafter called the "Authority" or a "Party"). The Recipient and the Authority are sometimes hereinafter collectively called the "Parties".

RECITALS

A. Pursuant to A.R.S. § 5-804, the Authority is authorized to enter into contracts and agreements as necessary to carry out the purposes and requirements of the Authority.

B. Pursuant to A.R.S § 5-809(A), the Authority is authorized to: (i) provide funds to acquire land or construct, finance, furnish, improve, market or promote the use of community youth and amateur sports facilities, recreational facilities and other community facilities or programs in Maricopa County; and (ii) do all things necessary or convenient to accomplish those purposes.

C. Scottsdale Aquatic Club, Inc., an Arizona nonprofit corporation and 501(c)(3) youth sports community organization, applied for a grant from the Authority for partial funding of new solar pool covers to be purchased and owned by the Recipient and to be used at the City of Scottsdale Chaparral Pool, one of the facilities Scottsdale Aquatic Club, Inc. uses for youth and amateur sports.

D. The Recipient has agreed to purchase solar pool covers for the City of Scottsdale Chaparral Pool (hereinafter more particularly defined below as the "Project") to be used for community youth and amateur sports and recreation activities.

E. The Authority Board approved the grant award for the Project, and the Authority desires to enter into this Agreement with the Recipient to establish the terms and conditions regarding the grant funds for the Project.

F. Pursuant to A.R.S. § 5-809(B), the Board of Directors of the Authority (the "Authority Board") must require that the Recipient contribute to the development of the Project that amount that is equal to a minimum of one-half of the funds to be contributed, spent or distributed by the Authority with respect to the Project.

G. The Authority Board has determined that the Authority will, pursuant to this Agreement, provide partial funding for the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual obligations of the Parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties acknowledge and agree as set forth in this Agreement:

ARTICLE I DEFINITIONS

Section 1.1 The following terms shall have the meanings set forth below whenever used in this Agreement, except where the context clearly indicates otherwise:

- (a) "Act" means A.R.S. Title 5, Chapter 8, as amended.
- (b) "Authority Contribution" means a maximum of \$27,000 based on the Project Costs. This represents approximately 47% of the total project costs of \$57,000 with the remaining balance to be provided by the Recipient (see Recipient Contribution); provided, however, that the total Authority Contribution shall not exceed the dollar amount equal to two thirds of the Project Costs (as defined in subsection (i) below). A reduction in the Project Costs will reduce the Authority Contribution on a pro-rata basis. An increase in the Project Costs will not increase the Authority Contribution but will be an obligation of the Recipient. _____ (Grantee Initials)
- (c) "Authority Representative" means the person or persons designated by the Authority to act on its behalf.
- (d) "Contractor" means any person or entity entering into a Project Contract or other agreement associated with development of the Project.
- (e) "Event of Default" means any one of the events described in Sections 9.1 and 9.2.
- (f) "Project Scope" means the plans and specifications or other descriptions for the Project, as set forth on Exhibit A attached hereto and made a part hereof, together with such other plans and specifications or other descriptions which are hereafter prepared by and for the Recipient and approved by the Authority pursuant to Section 4.2(a) of this Agreement.
- (g) "Project" means the project undertaken by the Recipient for or in connection with a youth and amateur sports and recreational facility consisting generally of identifying and acquiring solar pool covers for the City of Scottsdale Chaparral Pool located at 5401 N. Hayden Road, in Scottsdale, Arizona, for the purpose of lengthening the time the pool can be open for Scottsdale Aquatic Club and other community guests of the pool, all as more particularly set forth and described in the Project Scope.
- (h) "Project Contract" means any agreement or agreements for the design, development, acquisition, installation, implementation and construction of all or a substantial part of the Project by and between a Contractor and the Recipient.

(i) "Project Costs" means the total costs for development, design, survey, land acquisition, installation, construction, engineering, construction administration and expenses directly related to the Project, all as set forth on Exhibit B attached hereto and made a part hereof together with such costs as may result from a change of plans pursuant to Section 4.2 of this Agreement.

(j) "Project Start and Completion Dates" means the anticipated or, if known, actual start and completion dates for the Project.

(k) "Recipient Contribution" means the Project Costs less the Authority Contribution.

(l) "Recipient Representative" means the person or persons designated by the Recipient to act on its behalf.

(m) "YAS Account" means the youth and amateur sports facilities account created pursuant to A.R.S. § 5-838 and maintained by the Authority.

ARTICLE II PURPOSE; EFFECTIVE DATE; TERM

Section 2.1 Purpose. The purpose of this Agreement is to provide for the following:

(a) The design, development, acquisition, installation, implementation and construction of the Project; and

(b) The respective rights and obligations of the Parties with respect to the Project.

Section 2.2 Effective Date; Term; Automatic Termination. This Agreement shall be in full force and effect upon the date hereof and shall continue in full force and effect and shall be binding on the Parties until completion of the Project. Provided further that, notwithstanding anything contained in this Agreement to the contrary, the Parties agree that the rights and obligations of the Parties contained in Article 6 hereof shall survive termination of this Agreement.

Section 2.3 Notice of Award. The Recipient shall promptly notify the Authority in writing and provide written evidence of the award of the first Project Contract.

ARTICLE III OBLIGATIONS OF THE PARTIES

Section 3.1 Recipient Contribution. The Recipient shall fully fund or cause to be funded the Recipient Contribution prior to the execution of this Agreement and prior to the actual expenditure of any funds or use of any in-kind contributions toward the Project and the Project Costs. The Recipient shall document and provide evidence as part of Exhibit C from all sources totaling the Recipient Contribution.

Section 3.2 Recipient Representative. The Recipient shall designate Terry Erickson, Parks & Recreation Manager, City of Scottsdale Parks and Recreation, 7447 East Indian School Road, Suite #300, Scottsdale, Arizona, 85251; Phone: 480-312-2771; terickson@scottsdaleaz.gov as the Recipient Representative.

Section 3.3 Authority Contribution; Payments.

(a) From funds lawfully deposited or to be deposited in the YAS Account the Authority shall deliver the Authority Contribution to the Recipient on a pro-rata, reimbursement basis as expenditures for Project Costs are incurred. The Recipient, prior to delivery of funds by the Authority, shall present to the Authority's satisfaction sufficient documentary evidence of all expenditures requiring reimbursement. The Recipient shall use the form "Project Cost Reimbursement Request Form" (Exhibit E) to create the reimbursement request. This form may also be available for download at www.az-sta.com.

(b) The Authority Contribution is restricted and shall not be used for expenditures related to fixed overhead/administrative expenses (e.g. salaries, rent, utilities, etc.), loans or endowments, conferences, individuals, golf tournaments or benefit tables, travel expenses outside of Maricopa County, capital campaigns, funding to maintain the sustainability of an organization or program, or anything else deemed by the Authority, in its sole and absolute discretion, as not serving the youth and amateur sports community within Maricopa County.

(c) Except as otherwise provided herein, no obligation of the Authority under or arising out of this Agreement or any document executed by the Authority in connection with the Project shall impose, give rise to or be construed to authorize or permit a debt or pecuniary liability, or a charge against the general credit of the Authority. After the Authority has delivered to the Recipient the Authority Contribution as required by Section 3.3(a) above, the Authority shall have no further obligation to contribute to payment of the Project Costs. The Authority makes no representation or warranty express or implied that sufficient funds will be deposited into the YAS Account to fund the Authority Contribution or that the Authority Contribution, together with the Recipient Contribution, will be sufficient to pay the Project Costs.

(d) A reduction in the Project Costs shall proportionately reduce the Authority Contribution. An increase in the Project Costs shall not increase the Authority Contribution but will be an obligation of the Recipient who must provide evidence to the Authority that these funds have been secured prior to the work related to the increase being undertaken. _____(Grantee Initials).

Section 3.4 Authority Representative. The Authority shall designate Robin Lea-Amos, Grants Program Coordinator, as the Authority Representative. Her contact information is One Cardinals Drive, Glendale, AZ 85305 or robin@az-sta.com.

Section 3.5 Obligation of the Recipient to Complete the Project. The Recipient shall complete the Project in accordance with the Project Scope (as such Project Scope may be modified or amended pursuant to Section 4.2 hereof).

**ARTICLE IV
PROJECT COSTS AND PROJECT SCOPE**

Section 4.1 Changes in Project Costs. Any increase in the Project Costs because of a change in Project Scope provided by Section 4.2 shall not increase the Authority's financial obligation beyond the Authority Contribution in any manner.

Section 4.2 Project Scope.

(a) Changes to Project Scope. Any Project Scope not finalized or completed as of the effective date hereof and, thereafter, any change in the Project Scope, shall be submitted, upon their completion, to the Authority for review and written approval of the Authority Representative. Notwithstanding the foregoing, minor changes to the Project Scope shall not be subject to approval of the Authority. Minor changes are defined as ten percent of the Project Costs or \$10,000, whichever is smaller.

(b) Changes to Project Start and Completion Dates. The project must be completed within 12 months of the funding agreement's execution unless otherwise agreed to by the Authority and documented in the funding agreement. Any change to the Project which will delay the Completion Date by more than thirty (30) days shall be submitted to the Authority for review and written approval by the Authority Representative. Included in the extension request should be the revised projected completion date and explanation of delay. _____ (Grantee Initials).

ARTICLE V DEVELOPMENT OF THE PROJECT

Section 5.1 Development of the Project. The Recipient shall promptly commence and diligently pursue the Project to completion in accordance with the development schedule described to the Authority. The Recipient shall perform such duties as may be necessary to complete development of the Project pursuant to the Project Scope and in a good and workmanlike manner and all in full compliance with all applicable laws, zoning ordinances, municipal ordinances, regulation and orders of Federal, State, County, municipal and other local and regulatory authorities of every kind and with all covenants, conditions and restrictions affecting the Project.

Section 5.2 Acknowledgement of Authority Contribution. The Recipient will indicate or will cause to be indicated, on a plaque that will be placed in the Chaparral Pool entry lobby, that the Authority has provided partial funding for acquisition of the Project.

ARTICLE VI MANAGEMENT, OPERATION AND MAINTENANCE

Section 6.1 Management, Operation and Maintenance by the Recipient. The Recipient, at its own cost and expense, shall manage, operate, maintain and insure the Project in a manner in compliance with law and good operating practices over the course of the useful life of the Project. This project is determined to have a minimum useful life of six (6) years.

Section 6.2 Reimbursement of the Authority Contribution. If the Authority reasonably determines that the Recipient has not or is not able to maintain and preserve the Project so that the minimum useful life is achieved, and to the extent permitted by law including the budget law, the Authority has the right to be reimbursed, on a straight-line, pro-rata basis, for its Authority Contribution. The Authority must notify the Recipient in writing of its determination and its request for reimbursement. The Recipient will be granted up to sixty (60) days to remedy the situation after which the Authority will reasonably determine whether or not a remedy has been implemented or to require reimbursement. If reimbursement is required, the reimbursement amount will be calculated

by the Authority as the Authority Contribution less the Authority Contribution divided by the minimum useful life in years times the number of actual years of useful life achieved (based on the Completion date of the Project). The Recipient shall deliver the reimbursement to the Authority within thirty (30) days of the Authority's final written decision to the Recipient.

Section 6.3 Maintenance of Required Insurance. The Recipient shall maintain insurance in an amount and with the terms and conditions sufficient to fully cover all losses related to the Project.

Section 6.4 Books and Records Maintained by the Recipient. Subject to applicable law, during development of the Project and for a period of five (5) years after completion of the Project, Recipient shall at all times keep accurate and complete books, records and accounts with respect to all of Recipient's activities related to the Project, such books, records and accounts to be maintained at Recipient's principal place of business. Subject to applicable laws, during development of the Project and for a period of five (5) years after completion of the Project, Authority, or any persons designated by it, shall have the right, without hindrance or delay, but only upon three (3) days prior written notice and during normal business hours, to inspect, audit, check and make extracts from the Recipient's books, records and accounts, including, without limitation, all journals, orders, receipts and any correspondence and other data relating to the books, records and accounts related to the Project as may be maintained, generated or stored; provided, however, that at any time after such five (5) year period the Authority requests reasonable access to the Recipient's books, records and accounts, the Recipient shall not deny the Authority reasonable access. Recipient hereby irrevocably authorizes any person, including, without limitation, any of Recipient's employees or agents, having possession or control of any such books, records and accounts to make them available for the Authority's inspection upon Authority's request or, at the option of the Authority, make any computer programs or mechanical devices or program related thereto and related to the Project available to the Authority.

Section 6.5 No Assignments or Changes in Use. The Recipient shall not sell, convey, transfer, assign, dispose of or further encumber the Project or any part thereof or any interest therein or enter into any lease covering all or any portion thereof or an undivided interest therein, either voluntarily, involuntarily or otherwise, or enter into an agreement or contract to do so that would materially affect the Recipient's ability to fulfill its obligations under or carry out the transactions contemplated by this Agreement or operate and maintain the Project as a youth and amateur sports and recreational facility or that would materially affect the Authority's ability to exercise any of its rights set forth in this Agreement, without the prior consent of the Authority which consent shall be at the Authority's sole and absolute discretion. The Recipient shall give the Authority at least thirty (30) days prior written notice of any transaction that would require the consent of the Authority pursuant to this Section 6.4.

Section 6.6 No Liens on the Project. With the exception of liens which the Recipient is actively contesting or which allow periodic payments leading to their complete satisfaction so long as such payments are not in default, if any, the Recipient shall not create or place, permit to be created or placed or, through any act or failure to act, acquiesce in the creation or placing of, or allow to remain, any mortgage, lien (statutory, constitutional or contractual), pledge, security interest, encumbrance or charge or conditional sale or other title retention agreement on the property, either

real or personal, comprising the Project other than liens, encumbrances or conveyances consented to by the Authority which consent shall be at the sole and absolute discretion of the Authority.

Section 6.7 Monitoring and Reporting Requirements. The Authority Representative, or a duly appointed agent of the Authority, shall monitor and inspect the progress of the Project during the course of development and construction as well as during the expected useful life of the Project.

(a) Monthly Report. The Recipient shall, during the course of development and construction and/or acquisition of the Project, provide the Authority with a monthly progress report. The report shall be provided to the Authority by no later than the fifteenth of the following month. The Recipient shall use the Project Progress Reporting Form as defined in Exhibit D and may be made available through the Authority's website (www.az-sta.com) in order to provide the Authority with Project progress information as defined in the template in addition to digital photographs. The Authority may withhold payment of reimbursement requests if complete and accurate Monthly Reports are not filed with the Authority as required. _____(Grantee Initials).

(b) Wrap-Up Report. The Recipient shall provide a final report using the Project Progress Reporting Form (Exhibit D) at the completion of the project. This report shall be provided to the Authority within thirty (30) days of the completion of the project and coincide with the final reimbursement request to the Authority.

(c) Sending the Monthly and Wrap-Up Reports. The monthly and wrap-up reports shall be transmitted electronically to the Authority along with applicable digital photographs to the following email address: robin@az-sta.com, or to such other address as is proscribed by the Authority.

ARTICLE VII WARRANTIES, REPRESENTATIONS AND COVENANTS

Section 7.1 Representations, Warranties and Covenants by the Recipient. The undersigned, on behalf of the Recipient, but not individually, represents and warrants to, and covenants with, the Authority that:

(a) The Recipient is a municipal corporation duly organized and existing under the laws of the State of Arizona, and has full legal right, power and authority to: (i) enter into this Agreement and (ii) carry out and consummate the transactions contemplated by this Agreement;

(b) The Recipient's City Council (i) has duly authorized and approved the execution and delivery of, and the performance of its obligations under this Agreement and (ii) has duly authorized and approved the consummation of all other transactions contemplated by this Agreement;

(c) This Agreement has been duly executed and delivered by the Recipient and is a legal, valid and binding agreement of the Recipient enforceable in accordance with its terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and subject to the availability of equitable relief;

(d) To the knowledge of the Recipient, the consummation of the transactions contemplated in this Agreement does not conflict with or constitute a material breach of or material default under any provision of applicable law or administrative regulation of the State of Arizona or the United States of America or any department, division, agency or instrumentality thereof or any applicable judgment or decree or any loan agreement, bond, note, resolution, ordinance, indenture, agreement or other instrument to which the Recipient is a party or may be otherwise subject, to the extent that such conflict, breach or default would materially adversely affect or impact the terms or performance of this Agreement;

(e) To the knowledge of the Recipient, the Recipient is not in material breach of or material default under any loan agreement, bond, note, resolution, ordinance, indenture, agreement or other instrument to which the Recipient is a party or may be otherwise subject and no event has occurred and is continuing that constitutes, or that with the passage of time or the giving of notice or both would constitute, a material breach of or a material default under any such agreement, to the extent that such conflict, breach or default would materially adversely affect or impact the terms or performance of this Agreement or any of the transactions contemplated by this Agreement;

(f) To the knowledge of the Recipient, there are no events or conditions, either in any single case or in the aggregate, that materially adversely affect or in the future might materially affect the Recipient's condition, financial or otherwise, or materially affect the Recipient's ability to fulfill its obligations under or carry out the transactions contemplated by this Agreement;

(g) The Recipient has made or will make all required filings with and has obtained all material approvals, consents and orders of any government authority, board, agency or commission having jurisdiction that would constitute a condition precedent to performance by the Recipient of its obligations under this Agreement.

Section 7.2 Representations, Warranties and Covenants by the Authority. The undersigned, on behalf of the Authority but not individually, represents and warrants to, and covenants with, the Recipient as follows:

(a) Except as otherwise modified by the Act, the Authority is organized and existing under the laws of the State of Arizona as a corporate and political body having all the rights, powers and immunities of a municipal corporation, and has full legal right, power and authority to (i) enter into this Agreement and (ii) carry out and consummate the transactions contemplated by this Agreement;

(b) Any and all hearings, ordinances and approvals prerequisite to the execution and delivery of this Agreement have been held, enacted or granted and in the processing thereof all notice and hearing requirements under applicable law have been fully complied with, including, but not limited to, open meeting laws of the State of Arizona;

(c) The Authority Board (i) has duly authorized and approved the execution and delivery of, and the performance of its obligations under this Agreement and (ii) has duly authorized and approved the consummation of all other transactions contemplated by this Agreement;

(d) This Agreement has been duly executed and delivered by the Authority and is a legal, valid and binding agreement of the Authority enforceable in accordance with its terms, subject as to

enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and subject to the availability of equitable relief;

(e) To the knowledge of the Authority, the consummation of the transactions contemplated in this Agreement will not conflict with or constitute a breach of or default under any provision of applicable law or administrative regulation of the State of Arizona or the United States of America or any department, division, agency or instrumentality thereof or any applicable judgment or decree or any loan agreement, bond, note, resolution, ordinance, indenture, agreement or other instrument to which the Authority is a party or may be otherwise subject, to the extent that such conflict, breach or default adversely affects or impacts the terms or performance of this Agreement, any of the transactions contemplated by this Agreement;

(f) To the knowledge of the Authority, the Authority is not in material breach of or default under any such provision, and no event has occurred and is continuing that constitutes, or that with the passage of time or the giving of notice or both would constitute, a breach of or a default under any such provisions, to the extent that such conflict, breach or default adversely affects or impacts the terms or performance of this Agreement or any of the transactions contemplated by this Agreement;

(g) To the knowledge of the Authority, there are no events or conditions that, either in any single case or in the aggregate, materially adversely affect or in the future might (so far as can reasonably be foreseen) materially affect the Authority's condition, financial or otherwise, or materially affect the Authority's ability to fulfill its obligations under or carry out the transactions contemplated by this Agreement;

(h) The Authority has made or will make all required filings with and has obtained all material approvals, consents and orders of any government authority, board, agency or commission having jurisdiction that would constitute a condition precedent to performance by the Authority of its obligations under this Agreement.

ARTICLE VIII ASSIGNMENT

Section 8.1 This Agreement may not be assigned by the Authority or the Recipient without the prior written consent of the other Party.

ARTICLE IX EVENTS OF DEFAULT

Section 9.1 Recipient Events of Default. The following shall be "Events of Default" by the Recipient under this Agreement:

(a) If any warranty or representation of the Recipient herein contained shall prove to be false, misleading, untrue or incorrect in any material respect.

(b) If the Recipient breaches or defaults in the performance or observance of any material covenant, promise, undertaking or agreement contained in this Agreement and fails to cure the same or fails to diligently and continuously pursue or perform the actions necessary to cure the same within thirty (30) days after written notice to the Recipient by the Authority of such breach or default; provided, however, if the failure stated in the written notice cannot be corrected within the applicable period, the Authority may consent to an extension of such time if corrective action is instituted by the Recipient as appropriate, within the applicable period and diligently pursued until the default is corrected. In no event shall the cure period set forth in this Section 9.1(b) be longer than one hundred eighty (180) days from the Recipient's receipt of notice from the Authority.

(c) If the Recipient (i) files a voluntary petition in bankruptcy, (ii) fails to promptly lift any execution, garnishment or attachment, (iii) is adjudicated as a bankrupt, (iv) fails or is unable to pay its debts generally as they become due, (v) admits in writing its inability to pay its debts, (vi) makes a general assignment for the benefit of creditors, (vii) enters into an agreement of composition with creditors, or files a petition applicable to the Recipient in any proceedings instituted under the provisions of the Federal Bankruptcy statute, as amended, or under any similar acts that may hereafter be enacted, and such petition is not dismissed within sixty (60) days after service on the Recipient; or if a receiver or trustee or custodian has been appointed in any proceeding for all or substantially all of the Recipient's property or assets; or if the Recipient has requested the appointment of such receiver, trustee or custodian; or if the Recipient is adjudged insolvent under any state insolvency law.

(d) If any suit or legal action materially affecting the Project, the construction of the Project or the operation and use of the Project is filed and the Recipient fails to take steps that the Authority, in its sole and absolute discretion, determines is satisfactory to defend or resolve such action within ninety (90) days after written notice to the Recipient by the Authority.

(e) If the Project shall be damaged or destroyed by fire or other casualty. However, this shall not be an Event of Default if the Recipient receives insurance proceeds or uses other funds sufficient to repair or restore the Project to its original condition and quality and the Recipient promptly repairs or restores the Project. In no event shall such repair or restoration commence later than sixty (60) days after receipt of said funds.

Section 9.2 Authority Events of Default. The following shall be "Events of Default" by the Authority under this Agreement:

(a) If any warranty or representation of the Authority herein contained shall prove to be false, misleading, untrue or incorrect in any material respect.

(b) If the Authority breaches or defaults in the performance or observance of any of its covenants, promises, undertakings or agreements contained in this Agreement or fails to perform any requirements under the Act necessary to the satisfaction of its requirements hereunder and shall fail to cure the same or fails to diligently and continuously pursue or perform the actions necessary to cure the same within thirty (30) days after written notice to the Authority by the Recipient of such breach or default; provided, however, if the failure stated in the written notice cannot be corrected within the applicable period, the Recipient shall not unreasonably withhold its consent to an

extension of such time if corrective action is instituted by the Authority, as appropriate, within the applicable period and diligently pursued until the default is corrected. In no event shall the cure period set forth in this Section 9.4(b) be longer than one hundred eighty (180) days from the Authority's receipt of notice from the Recipient.

(c) If the Authority (i) files a voluntary petition in bankruptcy, (ii) fails promptly to lift any execution, garnishment or attachment, (iii) is adjudicated as a bankrupt, (iv) fails or is unable to pay its debts generally as they become due, (v) admits in writing its inability to pay its debts, (vi) makes a general assignment for the benefit of creditors, (vii) enters into an agreement of composition with creditors, or files of a petition applicable to the Authority in any proceedings instituted under the provisions of the Federal Bankruptcy statutes, as amended, or under any similar acts that may hereafter be enacted, and such petition is not dismissed within sixty (60) days after service on the Authority; or if a receiver or trustee or custodian has been appointed in any proceeding for all or substantially all of the Authority's property or assets; or if the Authority has requested the appointment of such receiver, trustee or custodian; or if the Authority is adjudged insolvent under any state insolvency law.

Section 9.3 Termination Related to Severed Provision. If any action, rule, law or decision of any legislative or administrative body or of any court should materially impair or materially and adversely affect the enforceability of any term or provision of this Agreement, the Authority and the Recipient shall take all steps necessary to contest the same and, if not successful in such contest, to extent permissible under applicable law, shall amend this Agreement to further the purpose and intent hereof.

ARTICLE X MISCELLANEOUS

Section 10.1 Waiver. In the event any agreement contained in this Agreement should be breached by any Party and thereafter waived by the other Party, such waiver shall be in writing and signed by an authorized representative of the Party granting the waiver and shall not be deemed to waive any other breach hereunder.

Section 10.2 Accuracy of Representations and Warranties. The Parties acknowledge that each and every representation and warranty in this Agreement shall be true and accurate as of the date of execution of this Agreement, shall constitute a material part of the consideration hereunder and shall survive the execution of this Agreement.

Section 10.3 Amendments. This Agreement may not be changed, modified or rescinded, except in writing, signed by the Parties hereto, and any attempt at oral modification of this Agreement shall be void.

Section 10.4 Notices.

(a) The Authority and the Recipient shall notify each other in writing:

(i) Promptly of any claim, demand, action, or dispute that involves the rights, interests, properties or obligations of the Parties, particularly those which involves the interpretation

of any of the provision of, or the rights of the Parties under, this Agreement or any other claim, demand, action or dispute that may, directly or indirectly, materially affect the Project.

(ii) Immediately of the attachment or seizure, by process of law or otherwise, the Project or any monies held by either Party for the purpose of funding the Project.

(b) Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (iii) given to a recognized and reputable overnight delivery service, to the address set forth below or (iv) delivered by facsimile transmission to the number set forth below:

As to the Authority: President, Chief Executive Officer
Tourism and Sports Authority
1 Cardinals Drive
Glendale, Arizona 85305
Attention: Thomas R. Sadler
Facsimile: (623) 433.7510

With a copy to: General Counsel
Tourism and Sports Authority
c/o Fennemore Craig, P.C.
3003 N. Central Avenue, Suite 2600
Phoenix, Arizona 85012
Attention: Sarah A. Strunk, Esq.
Facsimile: (602) 916-5527

As to the Recipient: City of Scottsdale
7447 East Indian School Road, Suite 300
Scottsdale, Arizona 85251
Attention: Community Services Office Manager
Facsimile: (480) 312-2337

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (i) when delivered to the party, (ii) three (3) business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (iv) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

Section 10.5 Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to its subject matter, and all agreements, oral or written, entered into prior to this Agreement are revoked and superseded by this Agreement.

Section 10.6 Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect.

Section 10.7 Time is of the Essence. Time is of the essence of this Agreement in each and all of its provisions.

Section 10.8 Governing Law. This Agreement shall be construed in accordance with the law of the State of Arizona.

Section 10.9 Disadvantaged Business Entities. The Authority has a strong desire and interest in encouraging disadvantaged business enterprises in the same manner and respect as for the multipurpose facility as contemplated by A.R.S. §5-813. Therefore, the Authority strongly encourages the Recipient to consider implementing disadvantaged business enterprise participation goals for the design, engineering, construction and operation of the Project.

Section 10.10 Conflicts of Interest. The provisions of A.R.S. § 38-511 (cancellation of contracts with State or political subdivisions for conflict of interest) are applicable to this Agreement and the terms thereof are incorporated herein by this reference.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of this 15th day of March, 2016.

"Recipient"

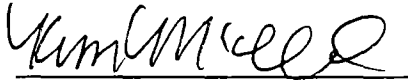
**CITY OF SCOTTSDALE, an Arizona
municipal corporation**

ATTEST:

By: _____
W.J. "Jim" Lane, Mayor

Carolyn Jagger, City Clerk

**APPROVED AS TO FORM AND IN
ACCORDANCE WITH A.R.S. §11-952(D)**



Bruce Washburn, City Attorney
By: Kimberly McIntier, Assistant City Attorney

"Authority"

**TOURISM AND SPORTS AUTHORITY
d/b/a THE ARIZONA SPORTS AND
TOURISM AUTHORITY**

Name: Thomas R. Sadler
Title: President, Chief Executive Officer

**APPROVED AS TO FORM AND IN
ACCORDANCE WITH A.R.S. §11-952(D)**

General Counsel

EXHIBIT A

PROJECT SCOPE

Estimated Project start date: March 2016

Estimated completion date: June 2016

Description (scope) of Project: The City of Scottsdale will identify, purchase and install solar pool covers for the City's Chaparral Pool. The purchase of these pool covers will benefit the community as the Chaparral Pool is used for Scottsdale Aquatic Club and other community-sponsored swim programs including youth swim instruction, youth swim guarding, youth diving team, adult open swim and family (community) swim. Using solar pool covers at Chaparral Pool will lengthen the time the pool can be open for community use, potentially from May through November.

EXHIBIT B
PROJECT COSTS

Arizona Sports and Tourism Authority Final Budget for Project Funding Agreement – Facility Construction/Renovation and/or Equipment					
#	Project Item Description	Cost	Source of Funding - Applicant		
			Cash	In-Kind	Total
	<u>Equipment</u>				
1	Solar Pool Covers	\$57,000	\$30,000		\$30,000
	Subtotal: Equipment	\$57,000	\$30,000	-	\$30,000

EXHIBIT C

RECIPIENT CONTRIBUTION SOURCES

City of Scottsdale: Aquatic Sponsored Teams Fund (280-25498-53770): \$30,000

EXHIBIT D

SAMPLE PROGRESS REPORTING FORM

(can be downloaded at: <http://www.az-sta.com/>)



**ARIZONA SPORTS AND TOURISM AUTHORITY
YOUTH AND AMATEUR SPORTS
Project Progress Reporting Form**

NOTE: This report is to be submitted to the Arizona Sports and Tourism Authority by the fifteenth of each month during the project's implementation phase (please keep your report to a maximum of two pages). This report and related digital photographs are to be transmitted electronically to the following email address: robin@az-sta.com


If you have questions about the use of this form, please email Robin Lee-Amos at robin@az-sta.com. A current Project Progress Report must be submitted to the Authority prior to a Project Cost Reimbursement being fulfilled by AZSTA.

Organization Name:	
Person Submitting the Report:	
Program Name and Brief Description:	
Period being Reported on:	
Program Start Date:	
Program Completion Date:	
Total Program \$ Value:	
Program \$ Value Completed:	
% of Program Value Completed:	
Describe the work that was completed/implemented during the reporting period:	
At project completion please describe how successful the project was in meeting the goals and objectives stated in the original grant application:	
Other comments:	
# of Photographs Submitted:	
Subject Matter of Photographs:	

EXHIBIT E

Project Cost Reimbursement Request Form

(can be downloaded at: <http://www.az-sta.com>)



**Arizona Sports and Tourism Authority
Youth and Amateur Sports
2014 Biennial Grant - Project Cost Reimbursement Request Form**

(Reimbursements will not be processed without a current Project Progress Report and copies of receipts or invoices)

Organization Name: _____
 Organization Mailing Address: _____
 Project Name: _____
 Date of Request: _____

Instructions: Complete the information requested and highlighted in yellow. Under the % column for Organization, enter your pro-rata percentage of the project per the funding agreement. This document must be emailed to rsen@az-sta.com for processing of payment.

Vendor Name	Description	Invoice No.	Amount	Organization		AZSTA	
				%	\$	%	\$
					\$		\$

Returned by: _____
Name and Title

Received: _____
Date

AZSTA Approved by/Date: _____
Name and Date

AZSTA Approved by CEO / Date: _____
Name and Date

Return this form along with copies of the invoices and checks or other evidence of payment to the vendor(s) to the Authority at:
 Arizona Sports and Tourism Authority
 One Cardinals Drive
 Glendale, AZ 85305
 Send your documentation to: Robin Lee-Amos
rolin@az-sta.com

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